

Accommodating co-creation in a hotel experience

Tracy Harkison

Tracy is a Senior Lecturer in Hospitality at Auckland University of Technology, New Zealand. Her research passions are hospitality education and the co-creation of luxury accommodation experiences. This has resulted in the completion of her PhD thesis on how the luxury accommodation experience is created.



The co-creation process within the New Zealand luxury accommodation sector has, until recently, been under researched. However, in 2016, a doctoral thesis was completed [1] with the key question, 'how is the luxury accommodation experience created?' Following an interpretivist paradigm, data were collected that included 81 interviews (of 27 guests, 27 employees and 27 managers) within six luxury properties (three luxury hotels and three luxury lodges) which were selected via purposive sampling.

Drawing from the findings of the thesis, this article aims to show that co-creation is a valuable tool for hoteliers. Co-creation is about customers creating value for themselves through an interactive relationship with a company. The hospitality industry is a complete veteran at this; for example, the use of à-la-carte menus, whereby a customer has the ability to compose a meal that has value specifically for them. The possible scope of the co-creation process, beyond à-la-carte menus, is now being recognised by the luxury accommodation sector.

Co-creation can be described as a joint process that involves a customer and an organisation resulting in an output of value [2]. Co-creation permits and indeed encourages a more active involvement from the customer [1], and is important to organisations as it can ensure that any personal interaction that their customers have adds value to their experience [3]. If co-creation is used to its full potential, it can give an organisation a competitive advantage due to increased customer satisfaction resulting in a positive impact on customer loyalty [4]. Co-creation can also provide continual feedback for improving existing services, presenting a business with constant opportunities to increase their revenue and success [5].

In summary, the main finding of the doctoral research was the consensus among guests, employees and managers that the luxury accommodation experience is materialised through a process of co-creation, involving the many different forms of interaction happening between guests, employees and managers, as well as with external contributors outside of the properties [1].

The practical implications of co-creation cannot be determined without luxury properties first identifying what makes their accommodation a luxury experience. When this has been defined, more interaction between guests, employees and managers should be encouraged to ensure that this particular brand of luxury accommodation experience is created. This could include having staff members dedicated to interacting with guests, and having certain 'touch points' throughout the guests' stay that ensure the type and the amount of engagement that is required happens. External co-creation should also be encouraged; for example,

staff visiting the local producers of food and wine, which in turn would enable them to talk more informatively to guests about these products when they are interacting with them during their stay. Another example would be to build relationships with external agents who offer activities to the guests, to enable the continuation of the experience when guests are away from the property.

Luxury properties also need to apply co-creation strategies that would enable guests to innovate new products and services. One such strategy is in the form of a digital customer relationship management tool; an example of this being HGRM – Happy Guest Relationship Management, although this technology is still quite innovative. Hotels and lodges need to make sure that they are using Web 2.0 applications such as videos, blogs, fora, wiki, podcasts, chat rooms, YouTube, Twitter and Facebook to encourage communication and social interaction, which is the customer engagement that enables co-creation.

For any business that is involved in customer experience, especially hospitality, there is every good reason to go down the route of co-creation, especially when it can give that business a competitive advantage.

If you would like to read the PhD thesis this research is based on you can access it here:

<http://aut.researchgateway.ac.nz/bitstream/handle/10292/9925/HarkisonT.pdf?sequence=3>

Corresponding author

Tracy Harkison can be contacted at: tracy.harkison@aut.ac.nz

References

- (1) Harkison, T. How is the Luxury Accommodation Experience Created? Case Studies from New Zealand; Ph.D. Thesis, Auckland University of Technology, 2016.
- (2) Prahalad, C. K.; Ramaswamy, V. Co-creation Experiences: The Next Practice in Value Creation. *Journal of Interactive Marketing* **2004**, 18(3), 5–14. <https://doi.org/10.1002/dir.20015>
- (3) Chathoth, P. K.; Ungson, G. R.; Harrington, R. J.; Chan, E. S. Co-creation and Higher Order Customer Engagement in Hospitality and Tourism Services: A Critical Review. *International Journal of Contemporary Hospitality Management* **2016**, 28(2), 222–245.
- (4) Oyner, O.; Korelina, A. The Influence of Customer Engagement in Value Co-creation on Customer Satisfaction: Searching for New Forms of Co-creation in the Russian Hotel Industry. *Worldwide Hospitality and Tourism Themes* **2016**, 8(3), 327–345.
- (5) Thomas, A. K.; James, P. S.; Vivek, N. Co-creating Luxury Hotel Services: A Framework Development. *Life Sciences Journal* **2013**, 10(7s), 1005–1012. <http://www.lifesciencesite.com> 162