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Exploring consumer experiences in guest houses in South Africa: an experience economy approach

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Exploring consumer experiences in guest houses in South Africa: an experience economy approach

by

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Supervisors: Dr GE du Rand and Dr AT Viljoen

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to Deon and Seugnèt

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Declaration

I, Zelmari Coetzee (neé du Rand) declare that the dissertation, which I hereby submit for the degree M Consumer Science (Food Management) at the University of Pretoria, is my own work and has not previously been submitted by me for a degree at this or any other tertiary institution.

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Zelmari Coetzee (neé du Rand)

Signed December 2015

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In the last few years, the South African tourism industry grew steadily, and future growth is expected until 2020. Therefore, the sector anticipates an increased number of travellers that will use accommodation services in the next few years. However, very few South African guest houses operate at full occupancy due to the wide range of accommodation choices available, and therefore lose potential revenue. In light of the millions of potential guests, guest houses should offer a distinctive, meaningful guest house service to the modern-day guest who not only wants to feel, experience and be excited, but is also willing to pay for a memorable time. It is suggested that guest house operators take note of this era characterised by the principles of the experience economy, advocating that they apply them to their businesses by staging entertaining, educational, escapist and aesthetical opportunities to lead to satisfaction and quality.

This study used a quantitative, explorative and descriptive research design to identify, describe and evaluate guests' lodging experiences in guest houses in South Africa; and to determine the current application of the experience economy concepts. Fieldworkers employed purposive and snowball sampling to collect cross-sectional data from 340 guests and 39 guest house managers who completed different Likert scale questionnaires. Descriptive and inferential statistics were used to analyse data. Guest profiles were well spread over the demographic categories; age, gender, income, repeat or first-time guests and reason for travel (business/pleasure). The aesthetics dimension of the guest house proved most prevalent, followed by escapism, entertainment and education. The dimensions, escapism, entertainment and education should become the focus and must be intentionally created to improve guests' experiences. The consequences dimensions of the experience all measured high. Satisfaction was most prevalent followed by value, arousal and memory constructs. Overall, guest houses are not creating specialised experiences for guests and much room for improvement exists, except for the aesthetic dimension that should be maintained. Unfortunately, guest house managers and guests were loath to participate in providing information and this affected the potential of the study. Hence it is suggested that alternative ways be found to collect data from guest houses for research purposes that would ensure insight that would assist in enhancing offerings in the guest house industry.

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WORD, PHRASE OR ACRONYM	EXPLANATION
α	Cronbach Alpha
AA	Automobile Association
ACSI	American Customer Satisfaction Index
AGFI	Adjusted Goodness of Fit Index
AMOS	IBM Analysis of Moment Structures Software
ANOVA	Analysis of Variance
Ave	Average
BABASA	Bed and Breakfast Association of South Africa
B&B	Bed-and-breakfast establishment
CAA	Centurion Accommodation Association
CEI	Customer Experience Index
CFA	Confirmatory Factor Analysis
DF	Degrees of Freedom
EFA	Exploratory Factor Analysis
F	Observed F Value
GDP	Gross Domestic Product
GFI	Goodness of Fit Index
Guest	Tourist or visitor using guest house overnight facilities
Guest house	Guest houses, guest lodges, guest farm and bed-and-breakfast establishments that provide a place to stay and breakfast for the guest

Guest house employees	Includes all the employees of guest house
Guest house management	Guest house owners who manage their own business and managers of the guest house who independently from the owner make decisions regarding the business
GHASA	Guest House Association of South Africa
IPA	Importance -Performance Analysis
MESE	Meetings, Exhibitions and Special Events
N	Sample size
NAA	National Accommodation Association
NFI	Normed Fit Index
Sig	Significance
SPSS	Statistical Package of the Social Sciences
SRMR	Standard Root Mean Square Residual
TGCSA	Tourism Grading Council of South Africa
USA	United States of America

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CHAPTER 1

THE STUDY IN PERSPECTIVE

This chapter provides the background and justification for the study. It introduces the research problem, the related theories and approach, the concepts that form part of the subject body and outlines the methodology. The last part of the chapter outlines and gives a summary of the chapter contents.

1.1   INTRODUCTION

In 1998, Pine and Gilmore (1998, 2011) and Gilmore and Pine (2002a, 2002b) presented a model of the *Experience Economy* to the world and predicted that consumers would start seeking and paying more for fun, exciting and memorable experiences than they would for products and services. Their theories have proven to be valid as seen by the number of "experience" labelled events or engagements people undertake, the vast amounts of money spent on these experiences and the attention the media gives experiences (Wallman, 2015). This attention can be ascribed to the fact that experiences seem to produce more enduring satisfaction (Van Boven & Gilovich, 2003) and create longer lasting happiness when comparing the purchase and consumption of an experience to that of a material good (Kumar, Killingsworth & Gilovich, 2014).

Consumer studies have shown that today's consumers demand aesthetic, unique, engaging, exciting, stimulating and memorable experiences, over and above the value-added by services and high quality products already available to them (Pikkemaat, Peters, Boksberger & Secco, 2009; Carú & Cova, 2007; Wakefield & Blodgett, 1994). Carú and Cova (2007:38) defined these experiences as any episode that "customers live through when they interact with a firm's product or service offering". Gilmore and Pine (2002) wrote that it is what happens within a person rather than to a person. Another tourism-related definition explains experience as "anything

tourists go through at a destination, be it behavioural or perceptual, cognitive or emotional, expressed or implied." (Oh, Fiore & Jeoung, 2007:120).

To satisfy the consumer, Gilmore and Pine (2002a) suggested that managers redesign their services so that they become experiences that will be satisfying, enjoyable and memorable. The tourism industry is already in the business of selling enjoyment and memories (Kim, 2010) and is therefore a good testing ground for experience economy models where staging and selling experiences is the focus.

Globally the tourism industry is one of the fastest growing economic sectors and has the ability to increase local wealth and contribute significantly to a country's overall economy (National Department of Tourism, 2015). The South African government has recognised that local tourism has the potential to create jobs and provide business opportunities, as such the South African Department of Tourism introduced a national strategy to capitalise on tourism up until 2020 (Van Schalkwyk, 2013). This strategy which, in 2012 and 2013, resulted in faster annual growth (10.2%) than the global average of 3.9%, (Statistics South Africa, 2015a) contributed R103.8 billion to the gross domestic product (GDP) in 2014 (Statistics South Africa, 2015b) from 9.5 million tourist arrivals in 2014 (South Africa.net, 2015).This also led to growth in the services and products associated with tourism such as its accommodation sector on which this study focuses.

The accommodation sector (hotels, lodges, guest houses, bed-and-breakfast establishments and self-catering accommodation) is an essential part of the tourism package since it provides necessary overnight facilities to tourists and can cater for almost any other need away from home that the tourist might request. Additionally, the accommodation sector adds significantly to the GDP, job creation and growth in the tourism sector (National Department of Tourism, 2015). In 2013, the South African accommodation sector provided 113.1 million paid bed nights to both local and international tourists (South Africa.net, 2015). In 2012, (according to the most recent available data), hotels catered for 55% of the accommodation market while guest houses and guest farms catered for 10.2%, (South Africa.net, 2013) excluding travellers who stayed over at friends or relatives. This means that the formal and informal accommodation industry provided services to millions of tourists and in the

future, the number of tourists that will require formal accommodation are likely to increase.

According to Jordaan (2001:171), the guest house industry has grown steadily from 1995, and the upward trend seems to continue. Guest houses and bed-and-breakfast establishments (B&B), while only serving a small percentage of the total market, have significant advantages as they operate from within the home, have only a few employees and low fixed costs. Typical guest houses can survive financially from only a few paying guests, and therefore can easily be profitable in both remote and central locations. Due to the size and entrepreneurial nature of home-based accommodation providers such as guest houses, guest farms and B&Bs, this part of the accommodation sector is able to react rapidly to the changing tourism environment by easily introducing new streams of revenue, should the owner or manager decide to do so. This is a move that other accommodation providers like hotels cannot make as easily. Such advantages allow guest houses to expand their offerings at any time. In this way they can adapt their service to their guests' needs thus making them the ideal setting in which to experiment with new ideas such as staging fresh experiences and opportunities.

When travelling, international tourists and local travellers both require overnight accommodation before resuming planned activities the next day. Due to the nature of the accommodation product, tourists and travellers who make use of accommodation services come into contact with employees of the guest house and therefore, it can be argued that local accommodation providers have many opportunities or moments of contact with each guest to satisfy or disappoint the guest. It is this reality that would create and add either a positive or negative experience, and leave a good or bad memory of a particular trip. To this end Pine and Gilmore (1998, 1999, Gilmore & Pine, 2002a, 2002b) suggest using the principles and model of the Experience Economy to create positive experiences, both as a marketing strategy and as a measuring instrument respectively.

Within the experience economy consumers are willing to pay a relatively large amount of money for the accommodation experience; but they expect more than just a place to sleep, eat, and standardised excellence in quality (Pine & Gilmore, 2011; Carú &

Cova, 2007). They expect to be entertained, aroused, enlightened, educated and want to feel that they have escaped their everyday monotonous life (Pikkemaat et al., 2009; Pine & Gilmore, 2011). Therefore, being part of the holistic travel experience, guest house management must focus on creating high quality accommodation products and services. These ought to be fully customised for each guest but, more importantly, they must focus on creating experiences that will appeal to the guest on an emotional, physical and mental level. This would come about by emphasising the principles of the *Experience Economy*; entertainment, education, escapism and aesthetics.

In guest house contexts, this would mean creating experiences for guests by involving them physically, mentally, emotionally and spiritually to send them into a fantasy world (Carú & Cova, 2007:42). More specifically, the guest house manager should create a dreamworld that the guests can enter into to escape from everyday reality in beautiful surroundings. Moreover they would be subtly educated through the entertainment events on offer. Such experiences are known to have positive outcomes for both the guest and guest house operator. When experiences are positive, guests are likely to return, likely to recommend the service provider to others and to leave with a myriad of happy memories, while the service provider, in turn, would have gained free word of mouth marketing, guests who are likely to return and spend more money at the establishment. This all relates to much-wanted business success within small enterprises in the tourism industry. Therefore, the experience becomes a part of the marketing (Pine & Gilmore, 1998) and the operation should be actively managed.

1.2   RESEARCH PROBLEM

The tourism, hospitality and accommodation sectors are industries that thrive on consumers who pay for, and engage in experiences before having knowledge of what the experience will entail or what its emotional benefits (happiness/satisfaction/arousal) could bring. The experience economy is based on the concept that consumers demand experiences and attach more value to memorable experiences than to tangible goods. In this way, a demand is created for businesses, such as guest houses, to provide new experience opportunities for guests. This results in a need to identify and measure whether guest houses are truly satisfying their

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guests through their experiences. The problem is that, currently in South Africa, information does not exist on whether guest houses are creating the desired experiences for guests or not, neither is an instrument available to measure whether they are indeed successful in their efforts or not. Hence the focus of this study is to investigate whether guest house management is aware of the experience economy by introducing it and applying it as a model and as a measuring instrument to gauge guest experiences. In this way, feedback can be provided to guest house managers that will enable them to create better and planned experiences.

1.3   JUSTIFYING THE RESEARCH

From an in-depth literature search on tourism, accommodation and guest houses in South Africa, it was found that published literature is limited both in scope and quantity. Only a few studies have been published with topics ranging from the emergence of the guest house as a new type of accommodation provider to factors affecting satisfaction in guest houses, noting the key success factors of developing and managing a guest house, to perceived service quality in both B&Bs and guest houses (Zhang, 2009; van der Westhuizen & Saayman, 2007; Popova, 2006; Rogerson, 2004; Nuntsu, Tassiopoulos & Haydam, 2004; Visser & Van Huysteen, 1999). Neither the experience of guests nor the experience economy concept has been researched or applied to types of South African accommodation. Within the experience perspective (Gilmore & Pine, 2002a) research on consumer experiences, and on how to create experiences as specifically essential for businesses in the accommodation and hospitality sector, is lacking. Hence this study aimed to partially fill this research gap.

The gap in literature is significant as it is likely that the results of this research study would be meaningful and valuable to all stakeholders in the accommodation industry, since it relates directly to their business offerings by showing how to measure whether guests are receiving what they expect – specifically, their experiences. Size-wise the accommodation sector in South Africa is significant as it currently directly employs approximately 130 000 persons. Moreover, it is valuable and notable part of tourism's contribution of R35.3 billion to the GDP, from January – June 2013, which is more than national gold exports for the same time period (National Department of Tourism,

2015). The sector focuses on growth as the Department of Tourism aims to increase the number of domestic trips to 32.1 million by 2018 and to make South Africa one of the top 20 destinations of choice by 2020. According to the Minister of Tourism (National Department of Tourism, 2015) their strategy should create 225 000 additional jobs by 2020 and increase tourism's contribution to the GDP almost 400% to R499 billion. The current study could be valuable in reaching these goals by providing a methodology and potential tool whereby tourism and hospitality services and accommodation providers can assess the experiences of tourists and travellers, add value and meet their own outcomes.

The measurement tool that was used in this study was developed in 2007 by Oh, Fiore and Jeoung (2007) who compiled the first research model for the experience economy in B&B establishments in Iowa State, USA. Although their results were significant, they concluded that more research is required to validate the measuring instrument, specifically applying it to other contexts. To currently engage in research that introduces a contextually adapted version of this measuring instrument, would not only measure the experiences of guests but would also validate the instrument.

Guest houses were selected as the research environment in which to test the Oh, Fiore and Jeoung (2007) model. It was selected as an appropriate setting to retest the model as the study aims to expand on the knowledge created by the previous researchers who based their work on guest houses and B&Bs in Iowa, USA. Additionally, the guest house, as a form of accommodation, plays a large part in treating a trip holistically yet it is often neglected as part of the travel experience. In the current initiative the researcher included both B&Bs and guest houses because, within the South African definitions as provided by the Tourism Grading Council (TGCSA, 2013a), they provide similar products and services. An additional reason for selecting the guest house industry for this study is that most South African guest house owners are involved in the management of their business that allows the guest house to react rapidly to changes in guests' needs and to changes in the broader market. Guest houses are far more flexible and adaptable than other accommodation types, such as hotels, where the products and services, together with employee training, are already standardised. Not only can guest houses easily adapt but, since the market is

highly competitive, they are also required to constantly innovate to create better value in the form of add-on services and products for the guest.

Furthermore, the research also provides the opportunity to compare the current method of grading guest houses with the experience model. This is justified as it will address the questionable validity of the current star grading system to measure guest satisfaction, as implemented by the Tourism Grading Council (TGCSA, 2013b) of South Africa. Common practice dictates interpreting the star grade of a *guest house* as an indicator of *satisfaction*, *level of quality*, *value* and *price.* However*,* according to Du Plessis and Saayman (2011), individuals define these concepts differently, which makes the validity of such an indicator questionable. Not to mention the fact that the current system measures the attributes of the venue or business based on a set of objective criteria (TGCSA, 2013a), but it fails to consider the guests' expectations and perspectives of *quality* and *value.* Therefore the potential levels of relaxation, enjoyment, convenience and satisfaction, which are all expected outcomes of a stay at a guest house, cannot be measured using the star grade system.

The current star grading system is thus limited in validity to identify potential satisfaction as its focus is only on the tangible elements according to the pre-set criteria (TGCSA, 2013a), and it does not measure the experience of the guest. Within the perspective of the experience economy, the present grading system has arguably become outdated and inadequate for forecasting or measuring the experience itself, and the possible outcomes of the guests' experiences. This study could provide a tool to enhance the current grading system to more accurately forecast the experience dimensions of the experience, and place more emphasis on the intangible elements of a stay at a guest house.

1.4   RESEARCH AIM AND OBJECTIVES

The research aim is formally stated as:

The aim of the study is to identify, describe and evaluate a guest's lodging experiences in guest houses in terms of the experience economy, and to determine the current application of the experience economy concepts within guest houses in South Africa.

OBJECTIVE 1

To identify and describe the overall experience of guests regarding the four experience dimensions of the experience economy:

- *Escapism*   - *Entertainment*
- *Education*   - *Aesthetics*

OBJECTIVE 2

To identify, measure and describe the consequential outcomes of the lodging experience of guests:

- *Arousal*   - *Memory*
- *Overall quality* - *Satisfaction*

OBJECTIVE 3

To explore and describe the current application of experience economy concepts within guest houses.

OBJECTIVE 4

To identify and compare the relationship of the star grade of the guest houses with the level of guest experience.

OBJECTIVE 5

To determine, measure and validate the relationships between the experience economy concepts.

1.5   RESEARCH DESIGN AND METHODOLOGY

For the enquiry into the experiences of guests in guest houses, the researcher followed a deductive approach together with an in-depth literature study on key concepts: the experience economy, consumer experiences, creating satisfaction,

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staging experiences, dimensions of experience, consequences of satisfying customers, guest houses and tourism experiences. A wide variety of resources were used to find the relevant literature which is dealt with in Chapter 2, titled *Literature Review and Theoretical Framework*.

In the next section the research methodology is discussed starting with research design.

1.5.1 Research design

This cross-sectional research was explorative and descriptive in nature and followed a quantitative approach. It aimed to identify, explore and describe the guest experience in guest houses. Data was collected from guest house managers and guests who had used the overnight accommodation facilities of a guest house or B&B in South Africa, during the previous six months. Adapted versions of the two pre-developed questionnaires by Oh, Fiore and Jeoung (2007) were administered.

The first questionnaire, aimed at the guest house managers, focused on a demographic profile, application of the experience economy concepts and served as a needs assessment. The data collection process followed a manual drop-off-and-collect-later procedure and was also available online. In total 59 questionnaires were collected.

The second questionnaire involved guests. It consisted of questions to create a demographic profile of guests and to record their experiences. Guests' perceptions and attitudes were measured using a 7-point Likert scale (strongly agree to strongly disagree). A paper and web-based questionnaire was available, together with electronic mail and fax return options. In total 413 guest questionnaires had been collected by May 2014.

1.5.2 Data analysis

Data was captured electronically using Survey Monkey and processed with SPSS v22 and IBM SPSS *AMOS software.* Descriptive statistics described the demographic

profiles of both the samples while inferential statistics (Exploratory Factor Analysis (EFA) and a correlation analysis) were applied to determine the underlying factors and dimensions in the set of opinion-based questions.

1.6   STUDY AREA

The research was carried out in the geographical area of South Africa, a map of the country displaying the nine provinces is shown in Figure 1.1. The study focussed more on guest houses located in the Gauteng province for two reasons. Firstly, although it is the smallest province (as seen on the map), at the time of data collection, the province boasted having the most, 912, registered guest houses at the time of data collection (Tourism Grading Council, 2013c). Secondly, for convenience, as the researcher resides in the province. Following the research design, data was collected from two structured samples, guest house owners and guests. It should be noted that, due to privacy and non-disclosure issues that tend to crop up when both approaching guests and accessing a sample from historical guest house records, the researcher opted to sample guests independently from guest houses. Therefore, the data in this study depicts information on guest houses located in Gauteng but guest responses are based on guest houses in all of the nine South African provinces. Convenience sampling was used to gather data from 413 individuals who had stayed over in a guest house.
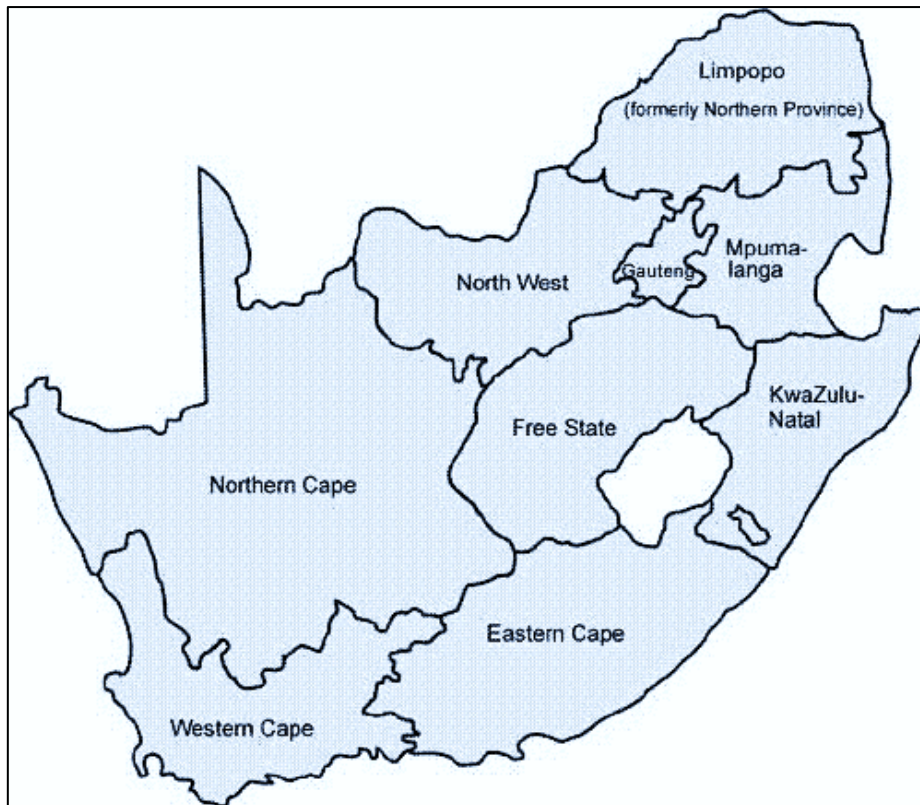
FIGURE 1.1:   PROVINCIAL MAP OF SOUTH AFRICA (Source: www.army.mil.za)

1.7   THE EXPERIENCE ECONOMY MODEL

The Experience Economy Model by Pine and Gilmore (1998) was used to guide the research. It dictated the conceptual framework and led the researcher to formulate the literature review and objectives. The Experience Economy Model is mentioned briefly as a detailed discussion on it and its assumptions follow in Chapter 2.

According to Pine and Gilmore (1998, 1999, 2011; Gilmore & Pine, 2002a, 2002b) and Carú and Cova (2007), we are moving towards a world in which consumers value, desire and seek experiences more than services or products. Pine and Gilmore (1998) and Gilmore and Pine (2002) identified and labelled this shift the *Experience Economy*. Since experiences are distinctly different from services and goods, it represents the fourth economic offering following commodities, goods and services (Pine & Gilmore, 1998; Gilmore & Pine, 2002)

In the experience economy, experiences must be created and staged for the guest and must be physically, intellectually, emotionally and spiritually engaging. Experiences should be inherently memorable and personal. Therefore they cannot be

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repeated or reproduced (Pine & Gilmore, 1998), but should rather be individualised thereby engaging each guest in some sort of "paid for" experience. Pine and Gilmore (2002a) classified all experiences as having four dimensions: entertainment, education, escapism and aesthetics, based on the involvement and participation of the guest, as illustrated in their model (Figure 1.2).
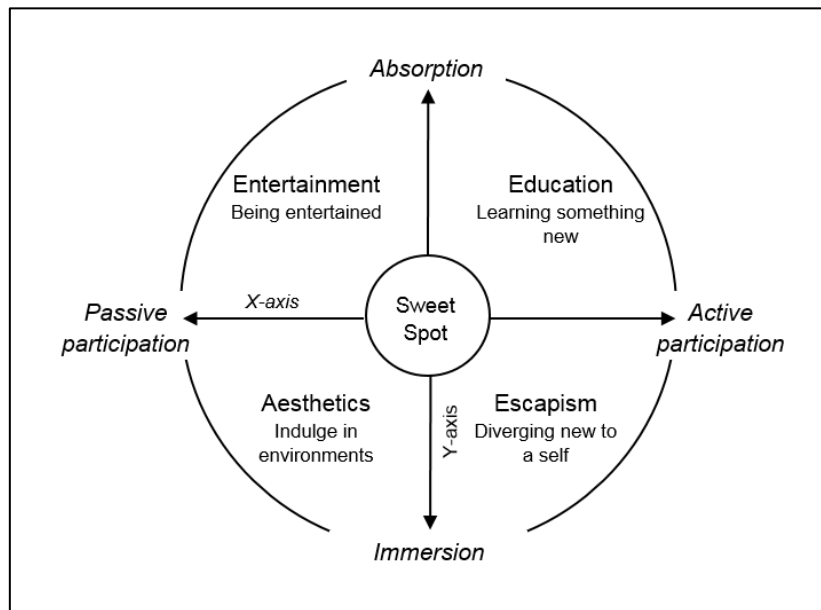
FIGURE 1.2: THE EXPERIENCE ECONOMY MODEL BY PINE AND GILMORE (1998)

1.8 PRESENTATION AND STRUCTURE OF THE DISSERTATION

To guide the reader in the structure of the dissertation the chapters in this document follows the order as below:

TABLE 1.1:   ORDER OF CHAPTERS

Chapter 1: Introduction	This chapter provides the background and justification for the study. It introduces the research problem, the related theories and approach, the concepts that form part of the subject body and outlines the methodology. The last part of the chapter outlines and gives a summary of the chapter contents.
Chapter 2: Literature Review and Theoretical Framework	This chapter provides a review of existing literature and the theoretical framework for the study. The areas of interest identified in the literature that were used to formulate this study's aim, were consumer studies, the experience economy and accommodation experiences, especially as related to guest houses in South Africa.
Chapter 3:Research Design and Methodology	This chapter builds on the preceding literature review and conceptual framework in Chapter 2. It presents the research design, the aim of the study, the objectives and the operationalisation process. A discussion follows on the research methods, sampling and data collection techniques, the measuring instrument, the survey preparation and data analysis. It concludes with comments on the quality of the data and ethical considerations.
Chapter 4: Results and Discussion	This chapter presents the results regarding the execution of the objectives where various statistical methods were applied. The results of the applied statistical methods are summarised in an interpretable format.
Chapter 5: Conclusion of the Study	This chapter presents the conclusions of the study as well as referring to associated implications and recommending avenues for further research.
References, Addenda	List of References, Addenda to the study and copies of the questionnaires.

1.9 DEFINITIONS, ASSUMPTIONS AND LIMITATIONS

In this study the term guest house included guest houses, guest farms, guest lodges and B&Bs. The study does not measure, try to describe or explain the expectations or perceptions of guests, or the factors influencing guest choice. These aspects are therefore excluded from the conceptual framework designed to meet the stated purposes given for carrying out this research. Other researchers could find it beneficial to include the expectations and perceptions of guests or clients in their framework when working with the Experience Economy Model for a more comprehensive understanding of the holistic role of the experience economy in consumers' decision making.

This study does not distinguish between leisure and business guests, although the researcher will report on the findings of both groups. It is, however, acknowledged that these two groups may differ considerably regarding travel motivation, expectations, perceived value for money, quality and needs to name a few relevant aspects of the topic this study addresses.

Throughout this study it is assumed that a reasonable consumer would choose experiences that they expect to be enjoyable and pleasant, and they would definitely try to avoid experiences that they perceive to be negative or bad. It also assumed that consumers would choose to repeat enjoyable experiences and talk positively about the establishment when it has satisfied their needs or exceeded their expectations. Another assumption the researcher adopted was that managers and managing owners would at all times act in the best interests of the business, and would continually try to improve customer satisfaction, service levels, quality and attempt to increase guest numbers.

1.10 CHAPTER SUMMARY

In this chapter the reader has been given a brief overview of the contents of the dissertation and an introduction to the objectives of the study. In the subsequent chapters each facet of the research done will be described in more detail. The next

chapter deals extensively with the related concepts, articles published on the research topic and reviews the extant literature.

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This chapter provides a review of existing literature and the theoretical framework for the study. The areas of interest identified in the literature that were used to formulate this study's aim, were consumer studies, the experience economy and accommodation experiences, especially as related to guest houses in South Africa.

2.1   INTRODUCTION

Consumers' motivations to consume are complex and varied (Solomon, 2015:53). It is important for both producers and marketers to know about the way people make decisions about their consumption behaviour as their aim is to sell their products and services to them. In an effort to understand, and predict, consumers' behaviour, many academics and marketers have studied some specific consumption patterns and proposed practical solutions and models that are relevant to various product and service industries.

2.2   CONSUMER RESEARCH: SHIFT TO ACKNOWLEDGING EXPERIENCES

In earlier years, consumer research in services focused on product and service quality, then later on satisfaction, followed by the service value construct, as proposed by Cronin, Brady and Hult (2000). They found service quality, service value and satisfaction are all related to behavioural intentions. Literature on marketing services reflects the many paradigm shifts that this facet of consumer research has undergone since the eighties. Martilla and James (1977) developed the widely-known Importance-Performance Analysis (IPA) technique that tested the relative importance of various attributes of service quality, which is still being used today (Murdy & Pike, 2012). Zeithaml (1988) developed the SERVQUAL model to test customer expectations of

service quality that is still being applied in various contexts (Bose, Sarker & Hossain, 2013; Ladhari, 2009). One of the more recent models is that of Pine and Gilmore (2011, 1998) and Gilmore and Pine (2002b) who argue that the focus should shift to selling experiences. This model is selected for the current study and will be discussed in a later section.

In 2009, Pikkemaat et al. (2009), forecasted that value-added services and the delivery of an experience would become more important to future consumers, and this prediction has certainly come true. As evidence of a shift to acknowledging experiences the American Consumer Experience Index (CEI), a supplementary instrument to the American Customer Satisfaction Index (ACSI), was originally developed in 2009 (Kim, Cha, Knutson & Beck, 2011), to identify the underlying dimensions of a consumer's experience, and has since become a rudimentary element in American experience measurement studies (Walls, Okumus, Wang & Kwun, 2011). Since 2013, these indices have been found in South African experience studies, applied as contextually adapted versions.

The shift to experience research is found in recent marketing, tourism and hospitality literature that has begun to focus more on the creation of emotional connections between the consumer and the tangible and intangible aspects of a service offering established through associative attributes and methods (Pullman & Gross, 2003; LaSalle & Britton, 2003:97). Following this trend of emotionally connecting with the client, many other researchers present their arguments that the service economy has evolved into an attention economy (Davenport & Beck, 2002), an entertainment economy (Wolf, 1999), a dream society (Jensen, 1999), an emotion economy (Gobé, Gob & Zyman, 2001) or an experience economy (Pine & Gilmore,1998,1999; Schmitt, 1999) where consumers should pay for an opportunity to be emotionally connected during the consumption activity or experience.

For the purpose of meeting the stated aim of this study, the Experience Economy Model will be applied to a tourism setting, namely, guest houses. Hence the literature sources referred to in the section that follows mainly come from tourism scholars.

2.3   THE TOURIST EXPERIENCE APPROACH

As recognised by Quan and Wang (2004:228), the tourist experience is an experience that is different from normal life. They conceptualised it as being "...in sharp contrast or opposing to the (normal routine) daily experiences". Tourist experiences are often paid for in the sense that the person involved has to purchase entrance and pay for the use of services or consumption of products at the destination. But, the tourist experience is more than just consuming goods and services at a destination, it includes all the activities and actions which influence consumer's decisions and future behaviour (Carú & Cova, 2007:1105). It should therefore rather be referred to as a consumption experience.

The consumption experience is spread over time, and includes the pre-consumption experience of planning and anticipating; the purchase experience, which is the actual time spent at the destination, the venue or with the experience provider; and the post-experience when the experience is over and only the memory of the experience remains (Carú & Cova, 2003:1106). Such experiences have been defined in both tourism and other literature, and will be discussed in the next section.

2.3.1   The experience defined

Scott, Laws and Boksberger (2009) researched the *experience* extensively and found that many different definitions, classification systems and perspectives exist in social science, tourism, hospitality and marketing literature.

In 2003, in a psychology journal, Van Boven and Gilovich (2003:1194) explained experience as "experiential purchases [that] are those made with the primary intention of acquiring a life experience: an event or a series of events that one lives through". Similarly, within tourism Oh, Fiore & Jeoung (2007:120) defined an experience as "anything tourists go through at a destination be it behavioural or perceptual, cognitive or emotional, or expressed or implied". In marketing, Schmitt (1999:25) suggested that "experiences provide sensory, emotional, cognitive, behavioural, and relational values that replace functional values". Holt (1995:15) stated that "consuming is never just an experience…they are lived experiences that enlighten, bore, entertain or raise our

ire…". Andersson (2007:46) described the experience as the place where "tourism consumption and tourism production meet" - the moment where value is created and memories are formed in the mind of the consumer.

From a consumers' perspective an experience is "an enjoyable, engaging, and memorable encounter" for those consuming the events (Oh, Fiore & Jeoung, 2007:120). Carú and Cova (2007:38) see experience as a "subjective episode that consumers live through when they interact with a firm's product or service offer."

2.3.2 Experience classifications

Experiences are placed in different categories based on their type, function and motivation. Scott et al. (2009:101) classified experiences as spontaneous "wild, natural or unplanned experiences" and staged experiences that have been specifically designed, while Johns (1999) did so according to their emotional or hedonic content. Dube and Le Bel (2003) categorised experiences as sensory pleasure, social pleasure, emotional pleasure and intellectual pleasure. More specifically appropriate for this current study is the way Pine and Gilmore (1998, 1999, 2011; Gilmore & Pine, 2002a) sorted experiences into four realms or dimensions: entertainment, education, escapism and aesthetics, and argued that experiences have become inseparable from the consumption activity of consumers as we are moving into an experience economy era (Pine & Gilmore, 2011; Erdly & Kesterson-Townes, 2003).

From the presented discussion on experiences and their array of characteristics, we can gather that no single definition or classification can completely capture the total meaning of experience. For the purpose of this study, the definition by Oh, Fiore and Jeoung (2007) and the classification of Pine and Gilmore (Pine & Gilmore, 1998, 1999, 2011; Gilmore & Pine, 2002a, 2002b) will be used and discussed further in the context of this research.

2.3.3 Tourism research

The tourist experience can be studied from two academic perspectives, the peak touristic experience and the marketing and management approach. The social science

focus would fall mostly on the peak touristic experience, while the marketing and management approach would be based on the consumer-centric experience that would integrate the support services such as accommodation, food consumption, transportation and other auxiliary services, to create the experience (Volo, 2009:112).

The tourist experience has also been studied extensively through different paradigms, like the two-dimensional model of tourist values (Crick-Furman & Prentice, 2000) and the romantic and mass tourism paradigms (Prentice, 2004). Other researchers have focused on the nature of experience, the analysis of benefit determinants and how the tourist experience is formed (Stamboulis & Skayannis, 2003; Uriely, Yonay & Simchai, 2002; Richards, 2001; Prentice, Witt & Hamer, 1998). In earlier years, the benefit chain of causality view (Driver, Brown, Stankey & Gregoire, 1987; Manning, 1986; Haas, Driver & Brown, 1980) and the hierarchical means-end model (Klenosky, Gengler & Mulvey, 1993) were used to study tourists and their experiences, but did not fully capture all the possible aspects of the tourist experience. In 1998, Pine and Gilmore suggested the Experience Economy Model as a broad solution to the current experience age in which consumers seek hedonic experiences, place a high value on their experiences per se, make sense of them and use their consumption experiences to achieve their personal satisfaction. Oh, Fiore and Jeoung (2007) applied their model to the tourism experience, especially accommodation sector which this current study also aims to do in a different context.

2.4 CONSUMERS IN THE EXPERIENCE AGE

Experiences have become fundamental to the present-day consumer who is more aware of their own limited free time and is not only looking for value for money but also for value for time (Wahab & Cooper, 2001). These consumers demand unique, engaging and memorable experiences (Azevedo, 2009) over and above the value-added services and high quality end products and services already available to them (Pikkemaat et al., 2009). Today's consumers want to be entertained, aroused, enlightened, educated and want to feel that they have escaped their everyday monotonous life (Pikkemaat et al., 2009; Pine & Gilmore, 1998). They insist on new, exciting experiences that fulfil their idea of the good life, their fantasies and ideals of

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fun and feelings (Pikkemaat et al., 2009; Scott et al., 2009; Andersson, 2007; Carú & Cova, 2007; Erdly & Kesterson-Townes, 2003; LaSalle & Britton, 2003; Van Boven & Gilovich, 2003:1193; Pine and Gilmore, 2011, 1999; Schmitt, 1999; Wakefield & Blodgett, 1994). They seek experiential and enjoyment-related experiences (Hightower, Brady & Baker, 2002), especially in the tourism industry that is already in the business of selling experiences (Kim, 2010). These individuals are complex and behave differently in that they have different motivations and reasons to consume and therefore a different marketing approach than was the case in previous decades is required. To explore the reasons why consumers would choose one consumption activity above another, it is imperative to be aware of consumers' motivation to purchase and/or consume.

2.4.1 Consumer motivation

In tourism literature, *motivation* to travel or to buy is mostly discussed by using push and pull factors to define consumers' motivation for their thinking and behaviour (Yoon & Uysal, 2005). As widely accepted in relevant literature, a consumer's evaluation of experiencing a product or a service is affected by all the preconceived ideas that the person has; their former knowledge including memories, expectations and perceptions (Blythe, 2008). It is understood that all the previous knowledge will affect future behaviour too and may even predict how consumers will make decisions based on their needs and desires.

In consumer behaviour the *disconfirmation paradigm* is used to understand how consumers react when their expectations are not met (Hoyer, MacInnis, Pieters, 2013). Larsen (2007) and Wirtz, Kruger, Scollon and Diener (2003), using reinforcement theory, reported that consumers tend to repeat enjoyable experiences and limit unwanted experiences. According to Reynolds and Olson (2001), the means-end principle in consumer decision-making theory states that consumers decide which products and services to buy is based on the anticipated outcome that combines experience outcomes, needs satisfaction and goal or value achievement. It is accepted that consumers make voluntary and conscious decisions in order to satisfy their needs and desires to produce the wanted outcomes, while avoiding unwanted outcomes.

2.4.2 Tourist motivation

In tourism destination settings, different tourists have different expectations and may even be "expected to gain multiple types of experiences in one destination" (Ye & Tussyadiah, 2011:141). These consumers, labelled as tourists and travellers, travel to places outside of their normal area for at least 24 hours (South Africa.net,, 2015) being motivated to travel by a range of factors.

An individual's purpose for travelling might comprise one or a combination of reasons. More specifically tourists travel for different reasons which are categorised (South Africa.net, 2015). Various reasons are categorised as personal reasons like leisure, recreation and holidays or visiting friends or relatives; related to education and training; for health and medical care purposes; due to their religion or pilgrimage desires; shopping; being in transit; and professional reasons such as business commitments.

According to Ye and Tussyadiah (2011), because satisfaction is determined by the tourist's expectation versus the actual experience, destination marketing organisations must design experiences while keeping the needs, expectations and choice behaviour of potential tourists in mind. It should be noted that some research found that tourists predict and expect higher levels of positive and negative effects before a trip rather than during the trip itself. Wirtz et al. (2003) explains this by using the theory that people tend to overestimate effects in both directions, the positive and the negative. This observation concurs with other literature (Buehler & McFarland, 2001; Thomas & Diener, 1990).

Within the perspective of the Experience Economy Model, tourists seek specific experiences to satisfy their needs, of which increasing their experience repertoire could be important. These tourists are likely to try a new experience instead of repeating an already known experience, something all consumers do with all their purchasing decisions. For example, a terrifying, awkward, uncomfortable experience, such as eating spiders or skydiving, is selected in favour of comfort and relaxation, for reasons such as doing something out of the ordinary that stimulates feelings of fear and arousal all in the name of a *new experience*. Zuckerman's hierarchy of stimulation confirms this, in that consumers seek to balance arousal between being bored and

having too much stress (Zuckerman, 2000). This arousal can also be a motivating factor for some experiences (Blythe, 2008).

It is noted that different experiences can bring the same feeling of accomplishment and satisfaction to different individuals who might rather choose a new experience instead of repeating an already known experience. More research is needed to identify whether tourists would repeat experiences in favour of new experiences, and to which segment of tourists and type of experiences it can be applied.

2.4.3 Co-creating the experience

Consumers want to be involved in the process of creating the experience, including the product and/or service (Gilmore & Pine, 2002a), and are willing to pay for that chance. Consumers tend to take the lead over their consumption activities and have started to co-create their experiences to suit their own needs and preferences and to create value for themselves (Mossberg, 2008). Carú and Cova (2003) and Volo (2009) found that consumers want to take part in the consumption activity and be involved in creating the experiences they desire. In the experience economy theory consumers are said to be the 'actors' in their own story (Gilmore & Pine, 2002a) and use elements of the venue as props to create their own 'story' or experience. Prahalad and Ramaswamy (2004:5) concur by writing "…informed, networked, empowered, and active consumers are increasingly co-creating value with the firm".

Andersson (2007) reports that consumers use the elements of the consumption set that comprises time, skills, goods and services, to create favourable outcomes and fun experiences. Carú and Cova (2007:11) state that consumers not only want to be immersed in the experience but also want to actively take part in designing and producing it. The consumer takes some responsibility for creating value for themselves and thus become part-creators of their own experience. When co-creating experience, the consumer takes part in the performance, and affects it, which in turn means that that experience is customised for that individual. Co-creation can also happen if the customer negotiates with the employee of a business to change or customise the experience to their liking. This will affect how others perceive the experience as it will differ from the original product or service. This idea of co-creation is supported by the

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experience economy concept as its authors (Gilmore & Pine, 2002a) advise that consumers should take part and immerse themselves in the destination's story and aesthetics for them to take on a new identity, like characters in a play. Prahalad and Ramaswamy (2004) state that the competitive advantage of the future lies in the ability to co-create experiences with customers.

2.4.4 Experiences create self-identity

Present-day consumers use their presence or involvement in the experience to create a new, yet temporary, self-identity (Lorentzen, 2009). According to Carú and Cova (2007:37) consumers create and develop their identity or self-image based on their experiences. They found that, in the past, consumers related to themselves based on their role or position in society, for example, as 'teacher' or 'doctor', but today individuals find their identity in consumption activities. This means that the concept of self is highly influenced by consumption experiences (Carú & Cova, 2007:5). For example, for the skydiver, the adventure traveller or the opera enthusiast, self-identity is based on past, and recurring, experiences. These experiences not only create lasting esteem and identity for the individual, but also lasting memories (Carú & Cova, 2007). It seems that the creation of identity might be the reason why consumers are willing to pay or even pay more for the experiences that they think will promote their social status and self-esteem by delighting them and adding to their repertoire of experiences (Carú & Cova, 2007). Having a range of experiences might be of more value to younger generation people, therefore businesses should adapt their offerings to include experiences that shape identities of consumers of all ages. The shaping of identity, even if only temporary, links with the concept of escapism whereby individual's breakaway from their normal lives and allow themselves to take on a new personality or identity when on vacation. This escapism concept will be discussed later in this chapter. The ability to be part of and co-create one's own experiences, together with the fact that experiences shape identity, are two motivators that influence consumers' decisions to take part in experiences.

2.5 THE THEORETICAL FRAMEWORK AND THE LITERATURE

In this section, the theoretical framework (Pine & Gilmore, 1998) and conceptual framework (Oh, Fiore & Jeoung, 2007) together with relevant literature are presented in order to organise and indicate the relationships among factors influencing the experiences of consumers in guest house accommodation. An adapted model of the Experience Economy Model by Oh, Fiore and Jeoung (2007) is used to structure the concepts as it encapsulates all the factors affecting the experience, the outcomes and the post-experience behavioural intentions. Oh, Fiore and Jeoung (2007) were the first to empirically model the experience economy theory. In their research, they applied the theory to bed-and-breakfast establishments (B&Bs), developed a scale for experience and introduced the consequence dimensions and behavioural intentions which they empirically tested within guest houses in Iowa State, USA. This study aims to use the same scale to explore how guests visiting South African guest houses rate their experiences, it is therefore an appropriate model that suits this investigation well. The next section explains the theoretical framework of the Experience Economy Model.

2.5.1 The experience economy theory

The Experience Economy Model is based on the idea that experiences are a "new genre of economic output", after commodities, products and services (Pine & Gilmore, 1999: ix), where the focus is on creating experiences that will emotionally engage the consumer. Pine and Gilmore (1998, 1999:30) defined, or rather classified, all experiences based on their dimensions using a continuum scale. They categorised every type of experience as how educational, entertaining, aesthetically pleasing and escaping it is from one's everyday self or everyday life. They explained that in the past goods were produced and services were delivered, whereas we are moving to the experience age where experiences in which consumers can engage in must be staged (Pine & Gilmore, 1999:30). Therefore the goal of business in the experience economy is to facilitate the experience and assist the consumer to be involved in it. Consumers' concentration must be turned away from everyday worries and thoughts and brought to focus on the environment or activity on hand. Physically, mentally, emotionally and spiritually they must enter into a "dreamworld" or fantasy situation (Carú & Cova,

2007:42). Companies can achieve this step by using the principles of the Experience Economy Model to assist them in creating a stage or environment, using products and services as props and engaging consumers.

In the Experience Economy Model the emphasis is on what happens within a person rather than to a person who is consuming goods or services (Pine & Gilmore, 1999; Gilmore & Pine, 2002a), because experiences take place in the mind of the consumer (Sundbo, 2009). The experience is part of the consumption process and is an emotional, memorable, personal and unique engagement. Gilmore and Pine (2002b) propose that the experience should be used as a marketing tool and that product and service providers should create memorable experiences to draw consumers, instead of focusing only on service, quality and price which is already generally of a high. Gilmore and Pine (2002a) argue that all businesses should enter into the experience age and use the principles of the experience economy theory to create or stage a customised experience for each individual consumer. Their Experience Economy Model suggests that businesses use services as a stage, and products as the props to engage consumers or rather *guests* in a memorable way (Gilmore & Pine, 2002a). Simply put, they suggest that creating memorable events that will be in demand to advertise the experience.

2.5.2 Principles of the experience economy

Not a single author has clearly defined the principles of the Experience Economy Model in any literature record. The principles that appear mainly in the work of Pine and Gilmore (1998, 1999, 2011, Gilmore & Pine, 2002a, 2002b), Carú and Cova (2007) and Sundbo, (2009) are combined and used throughout this study.

According to the experience economy perspective, the movement into the experience age is inevitable (Pine & Gilmore, 1998) and therefore all business owners must enter the experience age at some point in time. This is true, especially for businesses in the tourism industry that are already in the business of selling experiences and entertaining more demanding guests. In experience economy thinking, businesses must personally respond to every guest's needs and not merely put a standard experience out there and expect it to cater for everyone's

needs (Pine & Gilmore, 1999:76-77). Every customer or guest is unique and demands an individualised product because mass customisation cannot possibly accommodate every guest's needs, wants and preferences.

True experiences are highly memorable. Memories are by-products of experiences (Sundbo, 2009), especially when they are arousing or exciting. Companies that cater for their experience economy clientele sell these experiences and memories of experience, instead of goods and services. The creation of memories is enhanced by the products and services on offer, such as memorabilia items that later serve as the stimulus to relive or recall the memory of the experience (Pine & Gilmore, 1998). These memories of an experience linger in the mind of the individual who was engaged in the event, forever to be remembered, which is unlike perishable, tangible products or services (Pine & Gilmore, 1999:12).

Well-staged experiences carry enough worth to justify paying a high price to have a chance to engage in the experience or just to "be" there. Therefore experience stagers can and should put a monetary price on the opportunity to engage in the experience, usually in the form of an admission fee (Pine & Gilmore, 1999:62).

The experience is created within the consumer. Experiences are inherently personal and therefore cannot be repeated, and cannot be the same for any two individuals or for the same person at different times (Volo, 2009; Scott, Laws & Boksberger, 2009; Sundbo, 2009; Pine & Gilmore, 1999:12). These experiences are known to be physically, intellectually, emotionally and spiritually engaging and are consequently highly memorable (Pine & Gilmore, 1998).

Experience creators, or stagers as Pine and Gilmore (2011) label them, must constantly refresh or renew their experience offerings, to prevent boredom (Sundbo, 2009), of which events, themes, characters are examples. This will ensure that repeat customers find a new, exciting experience every time that is worth the payment required (Pine & Gilmore, 1999:95). Themed experiences that include clear indicators of the theme, can guide guests more accurately to make sense of the newly introduced reality. Therefore in the experience economy experiences

must ideally be themed to assist the guests in making sense of the events (Pine & Gilmore, 1999:46).

The next section will discuss the theory of the Experience Economy Model and present the conceptual framework for this study.

2.5.3 Conceptual framework of the experience economy

Figure 3.1 illustrates the Experience Economy Model by Pine and Gilmore (1998). Each quadrant represents a specific dimension of the Experience Economy Model: Entertainment, Education, Escapism and Aesthetics. Every experience can be plotted on the model in one of the four quadrants and on the two axes, which are the participation level on the x-axis and absorption-immersion on the y-axis. The concepts will each be discussed independently in subsequent sections.

2.5.4 The experience dimensions

All experiences can be classified according to the four dimensions: entertainment, escapism, aesthetics and education (Pine & Gilmore, 1999:30). The dimensions are differentiated by the level and type of customer involvement designated as guest participation, either active or passive, and absorption-immersion to identify the type of connection or relationship. On the horizontal axis, passive participation occurs when guests do not alter or change the performance of the guest house facility. Active participation takes place when the guest influences and personally affects the performance of themselves and others as an experience. On the vertical axis the type of relationship is shown on an absorption-immersion scale. Absorption refers to "occupying a person's attention by bringing into the mind" (Pine & Gilmore, 1999:31), while at the other end of the scale lies immersion referring to "becoming physically (or virtually) a part of the experience itself" (Pine & Gilmore, 1999:31).
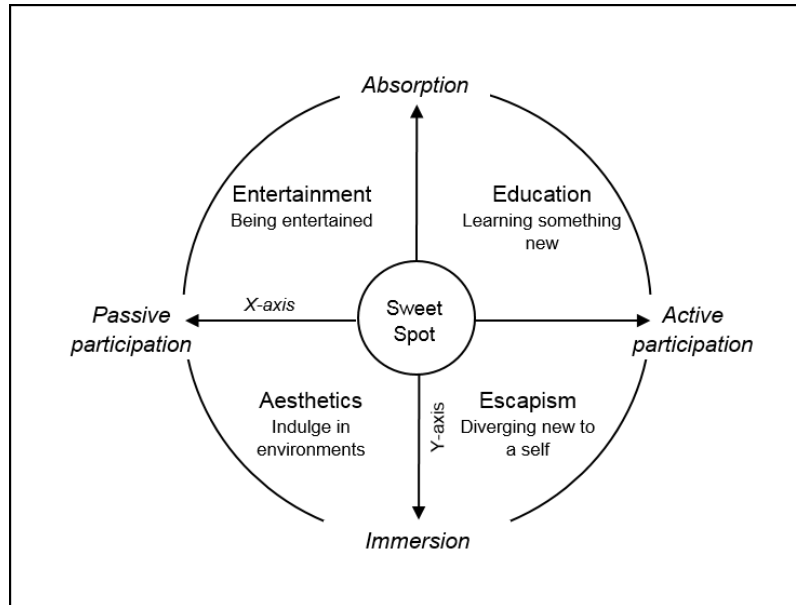
FIGURE 2.1:   THE EXPERIENCE ECONOMY MODEL BY PINE AND GILMORE (1998)

Each experience dimension is uniquely distinct from the others but it does have amorphous boundaries, as many experiences are designed to commingle to include more than one dimension. Often entertaining experiences are also educational, and happen within aesthetic surroundings. Together the four dimensions combine to form unique personal experience encounters for guests that becomes an overall indication of how a guest experienced the happening or time spent at the venue, destination or event. This combined experience yields a rich or optimal guest experience that Pine and Gilmore (1998) labelled the 'sweet spot'. This is seen in Figure 2.1. The so-called sweet spot is reached when the guest experiences elements of all four experience dimensions simultaneously and the total experience is enjoyable. Such a balanced and positive experience typically generates feelings of joy, enlightenment and pleasure. It is known as the *optimal experience* as illustrated by the inner centre of the smaller circle in the diagram (ibid.). The outcome of any experience can be either positive or negative, and is translated cognitively, emotionally and behaviourally into return visits, positive memories, positive word of mouth recommendations, strong perceptions and a change of attitude towards the guest house (ibid.). Many studies have supported this idea that experience influences emotion, effects and behaviour (Manthiou & Lee, 2001).

Alternatively, a negative experience at the guest house can still be gauged against the four experience dimensions as these should still be present. Service failures and unpleasant occurrences linked to goods and services at the guest house are often the causes of unwanted cognitive and behavioural change, leaving the guest with a vivid memory and instilling a negative attitude (Oh, Fiore & Jeoung, 2007). Therefore it should be the goal of a business to eliminate service and product failures and to create or stage a positive optimal experience for each one to fully satisfy, arouse and create memories and a sense of quality in each one.

In the following sections, each of the four quadrants are discussed.

2.5.4.1 Entertainment

The entertainment dimension, one of the oldest forms of experience, has been a main focus of many destination offerings and tourism destinations for a long time. Bryant, Zillmann and Oliver (2002:550) define entertainment as "any activity designed to delight and, to a smaller degree, enlighten through the exhibition of fortunes and misfortunes of others, but also through the display of special skills by others and/or self)". Vorderer (2001) posits that entertaining experiences are not always meant to enlighten or cause pleasure but include unpleasant emotions, such as fear or anguish. For example, where an audience sits in a movie theatre and can anticipate in anguish how the female character is going to slip and fall to her death. Listening to music, theatre and live shows are examples of entertainment and how a person can be absorbed, although mentally, by the actions of others. Most experiences will include entertainment in the experience mix (Pine & Gilmore, 1999).
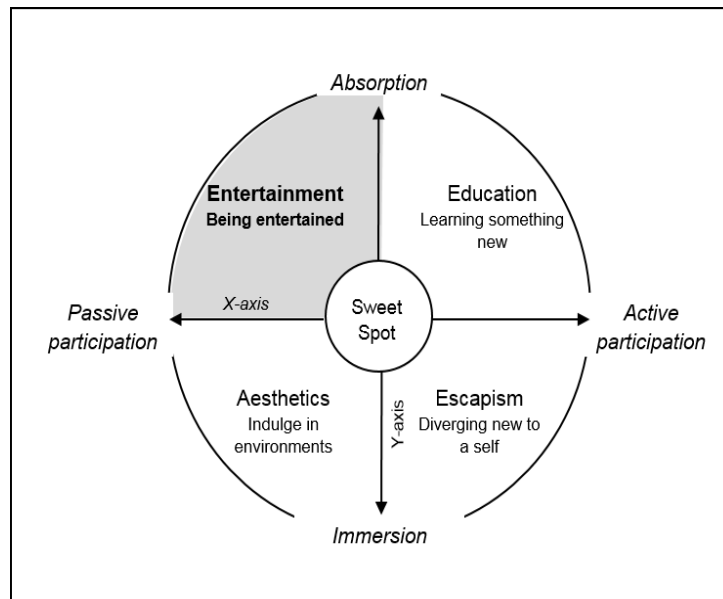
FIGURE 2.2: **THE EXPERIENCE ECONOMY MODEL: ENTERTAINMENT**

Entertainment, in Figure 2.2, is placed mainly on the passive end of the customer participation axis, but it can involve guests' active participation to some extent. The guest normally does not participate in the offerings and does not affect, alter or influence the performance at all, but rather only witnesses it. Examples of experiences that require passive participation are experiences where the consumer observes the event as a watcher or listener, and are amused by it, such as symphony concert goers, where the performance is unchanged by the consumer. In the guest house context, the guest's passive participation is typical of the entertainment and aesthetic dimensions, as guests can sit back and be entertained without participating in the event, or merely be in the surroundings and experience the aesthetics like the décor, the gardens, the atmosphere and the general ambience. On the vertical axis entertainment is associated with absorption. The guest absorbs the entertainment from a distance, bringing it to the mind and enjoying and finding pleasure in it.

2.5.4.2 Education

The education dimension includes all the experiences that would increase the guest's knowledge or skills. As part of the tourist motivation, many tourists would search for experiences from which they could learn and experience something new (Prebensen,

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Skallerud & Chen, 2010). This requires of the guest to actively participate in the experience or event and to mentally absorb the experience. Educational experiences can be general or specific and add to either physical or mental skills as knowledge for the guest (Oh, Fiore & Jeoung, 2007). With educational experiences, guests can participate actively or passively such as listening to an interesting lecture as passive participation or active participation as taking part in a pottery class.
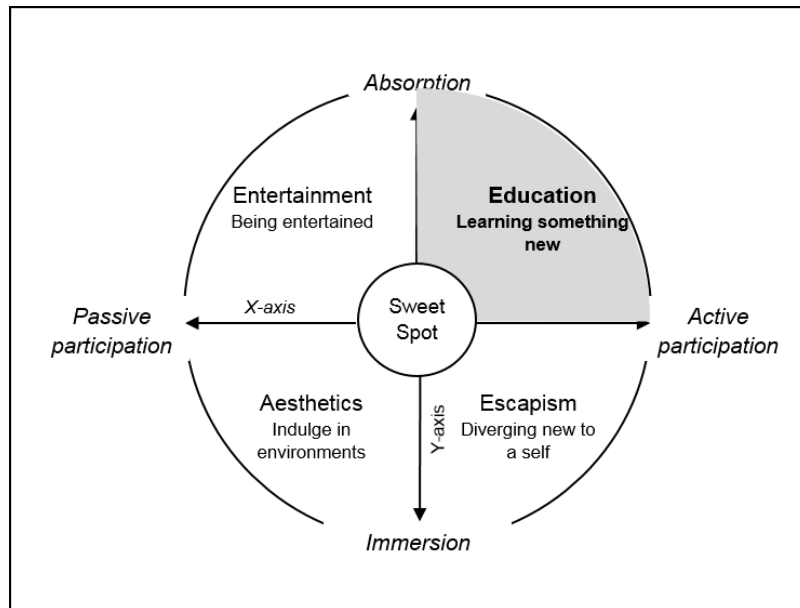
FIGURE 2.3: THE EXPERIENCE ECONOMY MODEL: EDUCATION

To provide a true educational experience (Figure 2.3), a guest house must offer guests the opportunity to actively take part, physically or mentally, in events that will increase their knowledge or skills. Museums, wine routes, drumming and cooking demonstrations can all be classified as educational experiences (Pikkemaat et al., 2009; Chan, 2009). However, they may also be entertaining and cover the entertainment dimension; or resort to escapism by indulging in an activity that gives a feeling of being another self; or creating a sense of well-being through the environment, the aesthetics dimension. The boundaries of the experience dimensions often merge. For example, education and entertainment often combine to form an entertaining, educational experience, called edutainment (Oh, Fiore & Jeoung, 2007). This is becoming common in tourism experiences. Museum-based activities would be an example of edutainment as something new is learned while being entertained.

2.5.4.3   *Escapism*

The escapism dimension is the most difficult to define as scholars have not set its limitations adequately. Escapist experiences are mostly immersive as they allow the guest to loose themselves in an activity mentally or physically. The need for peace and quiet, wellness and taking time away from everyday life and its responsibilities are all part of the escapist conceptual domain (Prebensen, Skallerud & Chen, 2010). Escapist experiences causes a person to feel timeless, often leading the person to lose touch will reality and routine. This part of experience can lead to persons pretending or imagining to be someone else, taking on a different character or personality.
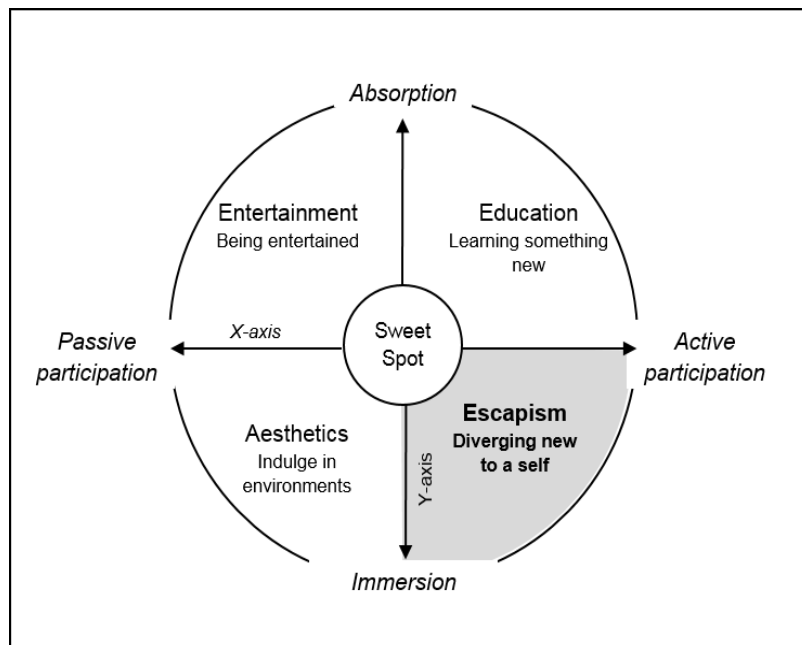
FIGURE 2.4:   THE EXPERIENCE ECONOMY MODEL: ESCAPISM

Escapist experiences (Figure 2.4) allow the guest to alter the performance or happenings, whether real or virtual, to affect the outcome of the activity (Oh, Fiore & Jeoung, 2007). According to information in the literature, the escapist dimension exists for three reasons. The first, getting-away from everything, which refers to a temporary escape from daily routines to relax and return revitalised. The second dimension, immersing-into-the-destination, describes the situation in which guests are attracted by a pull factor to a specific desired destination (Oh, Fiore & Jeoung, 2007). This

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component is therefore destination-driven, thus the choice is important (ibid). The third dimension, central to the escapism concept gives a person the ability to be who they want to be (ibid.). Sundbo (2009), and Carú and Cova's (2007) suggestion is that consumers find identity in their own experiences and associate and differentiate themselves from others based on the experiences they share. Guests have the freedom to improvise a new identity or character through actively taking part and immersing themselves in the activities (Oh, Fiore & Jeoung, 2007). The escape from, and the journey to, a specific place or activity is part of the escapism concept (Pine & Gilmore, 2011).

In the guest house setting guests can easily take on a new persona, a new name or identity. They can pretend to be who they want to be outside of their normal daily surroundings. They can achieve freedom away from normal routine and responsibilities and immerse themselves in the guest house's aesthetics.

2.5.4.4   Aesthetics

Within the aesthetic dimension the guest delights in the visual sensory appeal of the destination's environment whether indoors or outdoors, finds pleasure in it and enjoys being there (Oh, Fiore & Jeoung, 2007).
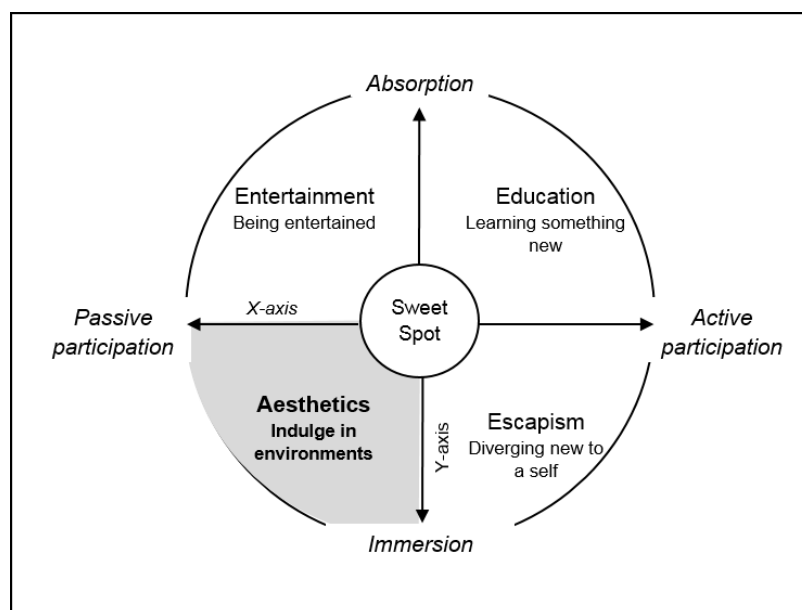
FIGURE 2.5:   THE EXPERIENCE ECONOMY MODEL: AESTHETICS

Beautiful gardens, 360° views of the landscape, and well-planned interior décor are examples of how the surroundings can influence the total experience. Guests immerse themselves in the surroundings regardless of the level of authenticity, and enjoy the physical characteristics of the environment through all their senses (Oh, Fiore & Jeoung, 2007).

To fully apply the aesthetics dimension (Figure 2.5), the guest house must overstimulate the guest's senses through the aesthetics, the décor, and atmospherics by focusing on a central theme. Schmitt (1999) refers to this as poly-sensorial layering, whereby sight, smell, taste, hearing and touch are aroused, and can be associated specifically with the aesthetic dimension used in Pine and Gilmore's 1998 model. Sightseeing experiences like sitting in a beautifully decorated reception room, whale watching and the view of the landscape at God's Window[1] in Mpumalanga where guests enjoy the sounds, smells and the feeling of being there are examples of aesthetic experiences. Guest houses can achieve the same effects by introducing sensory elements like visuals, touch and smell, and purposefully construct the décor of reception and communal areas as well as private rooms to stimulate and enhance relaxation and calmness, or excitement and joy.

According to Lovelock and Wirtz (2004), the environmental characteristics of the physical setting and servicescape of the business is important for guest patronage and overall quality. Quadri-Felitti and Fiore (2012), found that in wine tourism the aesthetic dimension had the most influence on memories, followed by education.

2.5.5 Adapted conceptual framework for the current study

For the current study an adapted version of the Experience Economy Model was used. The conceptual framework is adapted from the model by Oh, Fiore & Jeoung, (2007), who based their model on the theories of Pine and Gilmore (1998, 1999). The framework is provided to facilitate the reader's understanding of the concepts and the interrelationships between the concepts of the experience economy as theorised by

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[1] A popular South African tourist attraction

Pine and Gilmore (1998, 1999) and Oh, Fiore & Jeoung (2007). The conceptual framework depicts the dimensions of the experience, consequences dimensions and the behavioural outcomes that are commonly associated with experiences as used throughout this study.

The four experience dimensions, entertainment, education, escapism and aesthetics were discussed earlier in this chapter in Section 3.2 and will not be repeated here, but are shown in Figure 2.6. The consequence dimensions, arousal, overall quality memory and satisfaction, and then the behavioural outcomes, willingness to recommend and intention to return, as suggested by Oh, Fiore & Jeoung, (2007), are dealt with in this section.

2.5.5.1 Consequence dimensions

Consequences of service and experience encounters are often associated with perceptions, opinions, feelings and emotions, in particular, the sense of satisfaction, arousal, quality and memories. These are the precursors of behavioural consequences (outcomes) such as repeat visits, word of mouth through recommendations to others, and loyalty (Yoon & Uysal, 2005). As a consequence of a staged experience, a guest is likely to feel or perceive internal satisfaction or dissatisfaction, a sense of the quality or lack thereof, based on the whole experience. The experience also leads to memories being formed, whether good or bad. It creates a sense of arousal or excitement in the guest (Oh, Fiore & Jeoung, 2007). These consequence dimensions would differ slightly between different contexts but are likely to be the same for all tourism-related experiences. (Oh, Fiore & Jeoung, 2007). Each dimension is discussed below as it is relevant to this current work.
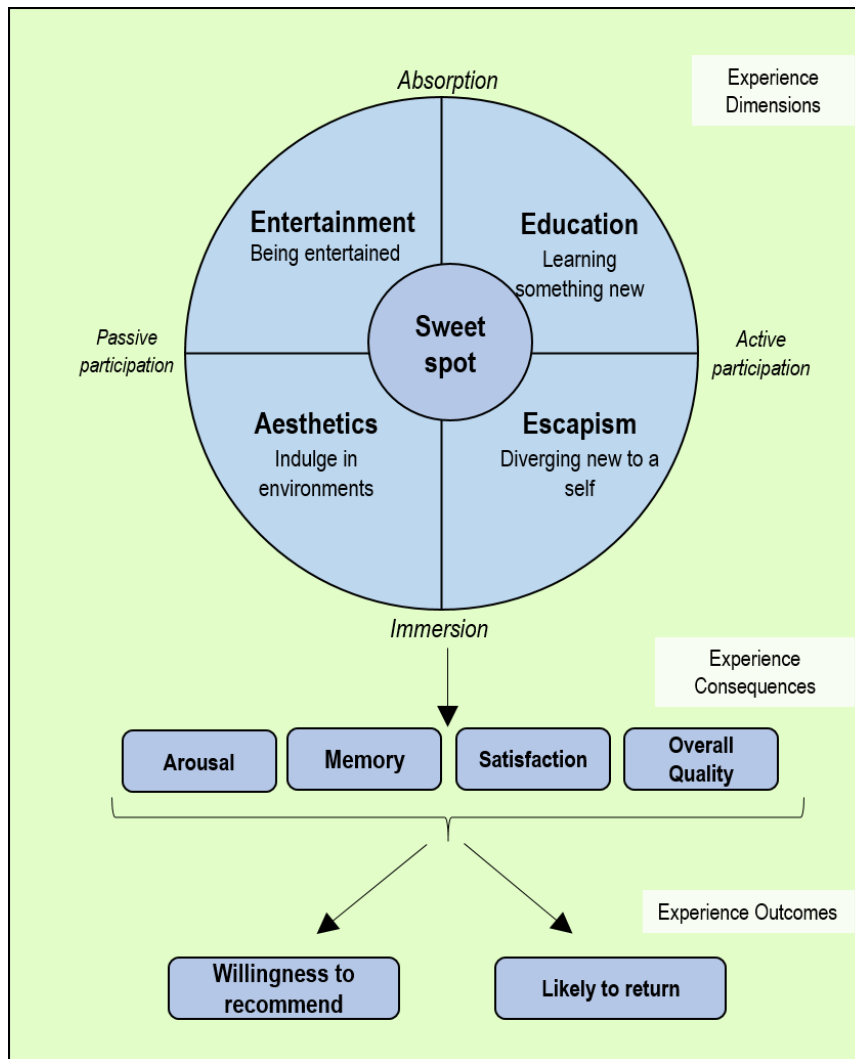
FIGURE 2.6:   CONCEPTUAL FRAMEWORK (Source: Adapted from Pine and Gilmore, 1998 and Oh, Fiore and Jeoung, 2007

2.5.5.2   Arousal

Arousal describes the "state of feeling along a single dimension ranging from sleep to frantic excitement and linked to adjectives such as stimulated-relaxed, excited-calm and wide awake-sleepy" (Bakker, van der Voordt, Vink, de Boon, 2014:407-408). It refers to the emotional reaction a consumer feels during, before and after the experience. It is the degree to which the consumer feels stimulated or active (Andreu, Gnoth & Bigne, 2005; Bitner, 1992).

The emotional response linked to arousal has two aspects relevant to the hospitality sector, namely, the degree of arousal and that of pleasure or displeasure. Consumers

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would want to spend more time and money in an environment that allows them to be aroused and feel pleasure, without feeling displeasure (Ford & Heaton, 2000). Other studies have also shown that arousal leads to a desire to spend more time in the setting, connect with others in the setting, and increased willingness to spend money (Wirtz, Matilla & Tan, 2000). Wakefield and Blodgett (1994) imply that when consumers see more hedonic benefits, the level of excitement and arousal has a direct effect on their satisfaction with the servicescape. Different consumers are likely to have differing consumptions goals concerning arousal. Some consumers might prefer low arousal experiences like fine-dining, while others might prefer exciting high arousal experiences like amusement parks. Ford and Heaton (2000) used the example of 4th of July Celebrations in the USA, and explained that sudden load music and fireworks can cause overstimulation leading to arousal but not pleasure. However, a scary rollercoaster ride might create arousal and pleasure and not fear, if based on the knowledge that the ride is safe and meant to be scary.

2.5.5.3 *Memory*

Rich, full experiences are suggested to lead to good, vivid memories, physiological arousal, overall quality and satisfaction for the guest and can be translated into behavioural outcomes and business success (Pine & Gilmore, 1999, Oh, Fiore & Jeoung, 2007).

During the experience, perceptions and memories are formed and imprinted (Robinson, Watkins & Harmon-Jones, 2013), and later they can create the link between past experiences and the future decisions. These memory-creation processes are said to be both cognitive and affective, and will affect the future intent of the guest and possibly future behaviour. Findings from a 1973 study (Lavach, 1973) point out that the low arousal experiences remain short-term memory occurrences, while high arousal experiences produces better long-term memory retention. Therefore all guest house employees should aim to create experiences that will imprint lasting memories for the guests. A recent study on destination marketing by Kim and Ritchie (2013) found that hedonic experiences had the strongest influence on memory recall and suggested that managers develop their programmes to be perceived as exciting (thrilling, fun, and interesting) environmentally pleasing and provide opportunities for participation in order to provide visitors with strong vivid memories.

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However, it must also be noted that memories tend to be vivid too when the experience was disappointing (Mather, 2007).

2.5.5.4   *Satisfaction*

In tourism research, satisfaction has been studied extensively using the expectation/ disconfirmation theory (Oliver, 1980) and Yoon and Uysal's (2005) stance that equity, norm and perceived overall performance are valuable indicators. In this study satisfaction is interpreted as the summary psychological state arising immediately from consumption experience (Oliver, 1997), and conceptualised as a function of whether guests expectations and needs are met or not (Manthiou & Lee, 2001). Customer satisfaction is considered a prerequisite for loyalty and customer retention and relates to business success, evidences in, inter alia, a higher turnover, profitability, increased market share and return on investment (Sureshchandar, Rajendran & Anantharaman, 2002; Bitner, 1990).

According to literature sources, both service quality and satisfaction are part of the outcome of a service encounter as they influence emotion directly (Han & Back, 2007) as well as behavioural intentions (Yoon & Uysal, 2005; Cronin, Brady & Hult, 2000). The two concepts satisfaction and quality are often used in post-consumption evaluations (Oh, Fiore & Jeoung, 2007) and some authors use the terms interchangeably. Among others, Sureshchandar, Rajendran and Anantharaman (2002) have aimed to distinguish between quality and satisfaction and found that quality and satisfaction, although related, are, in fact, independent concepts. They found that quality is operationalised using the same underlying factors as satisfaction, although customers in their study could clearly differentiate between the two. Therefore, a clear distinction is required. Based on prior studies in this area, Oh, Fiore & Jeoung (2007:124) defined perceived quality as "overall excellence of the target destination or experience" and satisfaction as the "summary psychological state arising immediately from consumption experience".

2.5.5.5   *Overall quality*

In the services literature, quality is defined as the difference between performance and expectations (Sorooshian, Salimi, Salehi, Nia, & Asfaranjan, 2013) as assessed by the guest. If the guest is content with the quality and approves of the quality then the

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experience provider has achieved success (Ford & Heaton, 2000). However, this subjective evaluation of quality will differ from individual to individual, making measuring quality a difficult task. Other scholars also identify the elusiveness and abstraction of quality as problematic when defining the service quality construct (Plăiaş, Radomir, Plaias & Nistor, 2012).

Quality can also be conceptualised according to the quality of product, the quality of environment, the quality of service offered by service employee as in the indices described as service quality (SERVQUAL) and performance quality (SERVPERF) (Cronin & Taylor, 1992; Zeithaml, 1988). Prior empirical research found that guests make use of design cues, ambient cues and employees' social cues for information about service quality, time and effort costs, merchandise quality and patronage intentions (Baker, Parasuraman, Grewal & Voss, 2002; Grewal, Baker, Levy & Voss, 2003). Quality assessments are often based on guest expectations which influences the value assessment. Therefore an objective level of quality cannot be easily determined. Ford and Heaton (2000:20) used an example of a "quality promise", whereby guests could compare their experience to the promise, and by that judge the quality.

2.5.5.6   *Behavioural outcomes*

The experience dimensions are believed to also influence future behavioural intentions or post-consumption behaviours; such as willingness to recommend, likelihood to return, positive word of mouth marketing from guests, and loyalty. Oliver (1997:28) defines behavioural intention as "a stated likelihood to engage in a behaviour". These behavioural intentions often give a good indication of what the consumer is likely to do in the future and is useful for evaluating future behaviour (Žabkar, Brenčič & Dmitrović, 2010). These behavioural outcomes have been well researched and defined in the literature. They are mostly the same for all types of consumption transactions and contexts. González, Comesaña and Brea (2007) and Getty and Thompson (1994) suggested that customer behaviour such as intention to recommend, and intention to return, are positively influenced by the customer's sense of satisfaction and service quality.

The tourism destination loyalty theory states that a causal relationship exists between satisfaction and loyalty (Yoon & Uysal, 2005; Loureiro, 2010). Žabkar, Brenčič and Dmitrović. (2010:537) showed that satisfaction "fully mediates the impact of attribute-level service quality on behavioural intentions" but in contrast Cronin, Brady and Hult (2000) posited that behavioural responses cannot be accurately predicted by satisfaction only. Loureiro (2010) found that satisfaction and delight (arousal) have a positive correlation with loyalty. She conceptualised loyalty as the intention to recommend and intention to return by using the four scale items: *I will speak about this lodging service to other people: I will recommend the lodging if someone asks for my advice: I will encourage my friends and relatives to visit this (rural) lodging and in next vacations; and I intend to return to this lodging.*

Similarly, Chi and Qu (2008) found that overall satisfaction has an influence on destination loyalty, but Pokum Zakaria and Soali (2013) wrote "customer satisfaction in itself does not guarantee loyalty" while Jones and Sasser (1995) confirmed that not all satisfied customers remain loyal. Yoon and Uysal (2005) wrote that tourists' loyalty is influenced by satisfaction and reflected in their intention to revisit and recommendations. The behavioural intention measurement choice for this study is twofold: first, willingness to recommend; and second, the intention to revisit.

2.6   STAGING EXPERIENCES

In this section, the creation of staged experiences is discussed. In the experience economy the aim of businesses is to build an entire business or parts of a business around a story or narrative to which the consumer or guest can relate, and create an opportunity for their involvement in the process. Walt Disney uses a term, guestology, which in essence means to "treat customers like guests and manage the organisation form the guests point of view" (Ford & Heaton, 2000:5). This strategy is to meet, or exceed, guests' expectations of the service product, service setting and service delivery. The guest experience is defined as the "sum total of all the experience that the guest has with the service provider on a given occasion or set of occasions" (Ford & Heaton, 2000:9). The business must manage and control all these occasions or moments of contact, and produce an opportunity for guest experiences.

Wakefield and Blodgett (1994) reported on servicescapes and found that involvement had a strong influence on excitement and re-patronage intentions in leisure settings. Based on their results, they recommend that to enhance entertainment planning for guests to be involved guests and designing the servicescape appropriately is necessary. This is exactly what staging demands. The staging of a story is mostly described in the literature as using tourism-related settings, such as hotels, restaurants, attractions, events or destinations (Pikkemaat et al., 2009; Mossberg, 2007; Edensor, 2001). Mossberg (2008) labelled this global trend in the experience industry as storytelling, which is similar to Pine and Gilmore's (1998, 2011; Gilmore & Pine, 2002a, 2002b) expression stated as staging a performance.

Quadri-Felitti and Fiore (2012:6) indicate that staging "entails execution of the 4E's (entertainment, education, escapism and aesthetics) in a comprehensive, thematic design that strengthens the customer's experience". Mossberg (2008:196) argues that "the story not only communicates the cues of the organisation but by working with storytelling and dramaturgy, an organisation can create a holistic image of the concept, shape the brand and generate an experience in the servicescape for consumers". According to Mossberg (2008), servicescapes can tell stories, and therefore managers should plan and control them. Pine and Gilmore (2002a) argue that staged experiences have extreme benefits when fully capturing the consumer's attention. This concept of staging and letting the guest become an actor in the guest house story, links with the concept of co-creating which is valuable for creating consumer satisfaction.

More specific to the current study the aim of the guest house manager should be to create a dreamworld for the guests to enter and escape from everyday reality in beautiful surroundings, while being subtly educated through the entertaining aspects on offer. In the guest house several changes from the traditional views should be implemented. Guests should be seen as the lead actors that direct the course of the interaction between themselves and the guest house employees. Employees should see themselves as actors playing a role with the goal of entertaining the guest, taking their cues from the guest but also guiding the guest into the guest house story. The contact between the parties should never just be procedural, making the reservation,

being welcomed and served by employees and then the payment arrangements, but should enhance the experience mutually. Baum (2006) extends the responsibility of staging to employees who should use their emotional intelligence and personalities to engage guests. Thus employees must be trained to engage with guests and to successfully co-create the experience. This means that the experience design requires integration of the two main sets of factors that determine a customer's actual experiences; the technical resources used to create the service, as well as the way the service is delivered to the guest. Notably, the interactions between the employees and the guests occurs during the various events of service processes. (Scott, Laws & Boksberger, 2009).

By creating accommodation-based experiences that potential tourists would want to engage in, accommodation providers can market themselves, as well as local tourism, by using the experience as a pull factor for potential guests. Thus the experience becomes a part of the marketing strategy (Pine & Gilmore, 1998; Volo, 2009). Guest house management (managers and employees) must create experiences for guests that will engage them physically, mentally, emotionally and spiritually (Pine & Gilmore, 1998), thereby aiming to send the guest into a fantasy world (Carú & Cova, 2007; 42).

Chhetri, Arrowsmith and Jackson (2004) acknowledge that well-designed experiences can improve satisfaction. Patterson and Pegg (2009) also note that leisure experiences can benefit people significantly if they are closely linked to the person's state of mind and emotions. Therefore well-staged experiences should have positive outcomes for both the guest and guest house management employee. When experiences are well- staged, guests are likely to return, likely to suggest the service provider to others and likely to leave with a myriad of happy memories. In turn, the service provider will have gained a free word of mouth marketing benefit. Guests would be likely to return and spend more money at the establishment - all related to the much-wanted business success.

2.7   EXPERIENCE ECONOMY IN ACCOMMODATION

In a tourism context, the attraction, represented by the destination or the guest house, can be thought of as the stage on which the guest experience will unfold into a satisfying and memorable performance. Even though the overnight facilities offered at a guest house might not be the main attraction, or a pull factor or motivation for travel, guest house employees have numerous opportunities to satisfy or disappoint the guest. These significant moments of contact with each guest can either add a positive or negative connotation to the experience and/or memory of the person's trip. As such, the time the tourist spends in the guest house is considered a potential experience. In the current study the consumer is the guest in the guest house who uses the cues from employees and the décor of the guest house to create an experience from the time spent in the guest house. It is important for guest house employees to be aware of their roles as a partner in the co-creation of an experience for the guest.

Because tourists' reasons for travel differ, it is likely that each traveller will have different requirements as far as accommodation is concerned. For example, a business traveller would be more likely to want a place to stay that is conveniently located close to the workplace to be visited, has options for internet connectivity, provides satisfaction for the basic needs, a good night's' rest and breakfast. On the other hand, leisure travellers would place more importance on a good tourist location, personal contact with the local community and interaction with friendly employees.

2.7.1 Accommodation services in South Africa

Travel and tourism is a rapidly expanding sector globally and nationally. In particular it has the ability to increase local wealth and contribute significantly to a country's economy. The South African government, like many others, has acknowledged that local tourism has the potential to bring about much needed economic growth and widespread employment creation (Van Schalkwyk, 2013). The tourism accommodation sector has been in a growing phase since the nineteen-eighties (Visser & Van Huyssteen, 1999), and seems to still be growing rapidly (Rogerson & Visser, 2007). It is reported that the South African tourism industry grew faster (10.2%) than the global average (3.9%) in 2012 and 2013 (South Africa.net, 2013), and future

growth is expected until 2020 (Hanekom, 2015). Locally, year on year foreign tourist arrivals have increased to 9.5 million in 2014 (South Africa.net, 2015). Foreign tourists spent an average of 8.6 nights inside South African borders and a total of 78.8 million bed nights in South Africa; while South Africans also travelled locally, making 28 million overnight trips during 2014, accumulating to 113.1 million resident tourist bed nights for the 12 month period (South Africa.net, 2015). As such, the tourism sector anticipates an increased number of travellers that will use accommodation services year to year, and marketing initiatives to attract potential visitors should start in anticipation. To this end, the South African Department of Tourism introduced a national strategy to capitalise on tourism growth up to 2020. Its strategy has already led to rapid growth in the sector the last few years and, according to the plan, this trend will increase and sustain growth in the tourism sector (Hanekom, 2015; Van Schalkwyk, 2013).

As an essential part of tourism the accommodation sector cannot be overlooked; first, because it provides an infrastructure to tourism, and second, for the economic benefits it brings. In 2013, the accommodation sector added more than 16 billion Rand to the national gross domestic product, contributing significantly to job creation and growth in the tourism sector (South Africa.net, 2013). Therefore accommodation services are indispensable to tourism; they are an essential part of the tourism package. Guest houses provide much needed overnight facilities for tourists and travellers. However, due to the wide range of accommodation choice available, between hotels, lodges, boutique hotels, private games reserves, guest houses and B&Bs, very few South African guest houses operate at full occupancy, and therefore lose out on potential revenue (Statistics South Africa, 2013).

Guest houses accommodate only a small proportion, 10.2%, of the total accommodation industry in comparison to their biggest competitor, the hotels, which serve 55% of the market. Together, the accommodation industry caters for overnight needs of more than 9 million annual tourists on their travels (South Africa.net, 2015). Even though the industry reports growth, the occupancy rates of guest houses (including guest farms and B&B establishments) have constantly been below 50% (Statistics South Africa, 2013). This is alarming, as guest houses are commonly small,

owner-managed, entrepreneurial businesses that are known to be leaders in job creation and community upliftment.

2.7.2 Guest houses

Guest houses are accepted as being a home business as many start out as a business that begins at home. Guest houses are usually run in a residential area, are cheaper, smaller and more private than hotels and rely on only a few guests for sufficient income. They are uniquely different from hotels in that they provide personal service, unfussiness, relative quiet and opportunities to meet and interact with the local community (Henning, 2007:17; Zane, 1997). According to the Tourism Grading Council of South Africa (TGCSA, 2013a), the definition of a guest house stipulates that they are mostly managed by the owner who lives on or close to the property and provides additional services to the basic room.

These owners often do not have training or experience in operating a guest house and rely on their own business sense, managerial skills and expertise to grow their business to success (Henning & Willemse, 1999:174).

Most guest houses are run by females (63%), as Darkey and Horn (2009) report in their article on B&Bs in Gauteng, South Africa's economically strongest province. They credit the gender inequality to the idea that women tend to be better homemakers, and therefore are better equipped to manage B&Bs than men. Moreover, they found that only 10% of the 238 B&Bs in their study were owned by non-whites. The guest house industry is very competitive when it comes to services and quality offered rendered (Sureshchandar, Rajendran & Anantharaman, 2002:364; Henning & Willemse, 1999:v), and therefore guest houses will have to adapt to the changing consumer needs to enter the experience economy and serve it.

Van der Westhuizen and Saayman (2007) noticed that many guest houses failed to succeed within the first two years of establishment, attributable to a myriad of obstacles, even though, in many cases, the owner was actively involved in the business as it was their main or only source of income. It is therefore evident that guest houses need support from the industry to achieve success. Guest house managers

have realised the potential they have and no longer focus only on providing good quality accommodation. They are now broadening their streams of revenue to include many other complementary services. An enquiry into the services and facilities of South African guest houses by using information given on individual guest house websites, showed that many offer several additional services in addition to accommodation. Today it is not uncommon for guest house establishments to offer conferencing facilities, facilities for book clubs gatherings, tea gardens, public restaurants, art galleries, tours of the area's attractions, wedding packages, team building opportunities, venue hire, catering for birthdays, christenings, kitchen teas, stork teas and special family occasions. It is also fairly common in South Africa to find themed guest houses whose aesthetics and décor emphasise a specific interest like wild animals especially. The so-called Big Five, African cultures or the bushveld, amongst others. Many guest houses have elaborate gardens, water features, skyline views of built or natural surroundings, or other aesthetically appealing advantages.

2.7.2.1 *Advantages for guest house management*

The advantage of accommodation establishments, such as guest houses, is that the management and employees are in constant interaction with their customers. This allows for meaningful conversations in which employees and managers can receive instant feedback or cues as proposed in the Experience Economy Model. This knowledge can be used to improve the experience, service and product (Popova, 2006). Guest house employees assume responsibility to care for their guests' needs upon request and provide them with information about entertainment or attractions in the area, safety precautions, travel options and other historical or interesting facts. As such, guest house establishments are already starting to move into the experience economy, but their full role in accommodation arena has not yet been fully explored.

The sector has many organisations that provide platforms for support, training and interaction with other guest owners. Most of them provide cheaper collective marketing opportunities for the guest house establishments, often in the form of listings on websites. Although many guest houses are members of one or more organisations, some guest houses operate fully independently. This makes it difficult to estimate the size of the industry as no complete list of operational guest houses exists in one place. The organisations that are involved in supporting the industry are few but the active

ones are the Tourism Grading Council of South Africa (TGCSA), the National Accommodation Association (NAA), Centurion Accommodation Association (CAA), the Guest House Association of South Africa (GHASA) and the Bed and Breakfast Association of South Africa (BABASA).

2.7.2.2 *Obstacles and challenges in guest house management*

Guest houses owners and/or managers often face challenges in the business relating to the guests, personnel, business decisions, and the environment; some of which can be detrimental to the business' success if not managed and controlled. Kokt (2013), Van der Westhuizen and Saayman (2007) and Henning (2007) all wrote on the challenges guest house owners and managers face. In summary, guests can be demanding, impose on privacy or family time; personnel often lack the necessary skills, experience and work ethics and while on the business side recruiting, training and managing of personnel, laws and regulations, marketing and accounting/bookkeeping together with controlling cash flow could hinder success. Guest house owners often make high capital investments and operate their business's despite high fixed costs, which need to be strictly controlled. The economic and seasonal changes should also be considered as these could, when not taken into account, be to the detriment of the business. Another obstacle related to the industry is the location of the guest house; whether the guest house is situated in a business district or close to a tourism destination - as this will affect both the reason for visiting the guest house and occupancy rate. Lack of experience and skills in managing a guest house as well as lack of knowledge about tourism trends, planning, strategic alliances, networking and opportunities that exist within the guest house and tourism sector are also considered obstacles to success if not intentionally used for the benefit it holds.

Radder and Wang (2006) found that guest house managers often had distorted perceptions of what their guests expect and failed to satisfy guests because their expectations were not aligned to the guests' needs. Another obstacle is that most employees have never themselves experienced excellent service or been served themselves, especially at the level that was expected of them at the workplace, and thus struggle to achieve the expected service levels (National Department of Tourism, 2013).

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In Darkey and Horn's (2009) study on guest houses and B&Bs in Gauteng, a large part (60%) of the owners were mature in years (older than 50), and almost 80% had a tertiary education, although only 23% had had formal training in the hospitality or tourism industries This could imply that the industry needs assistance in the form of specialised training programmes for both owners and employees. According to Darkey and Horn (2009) South African guest house owners reported that the degree and severity of crime and political uncertainty were their greatest concerns for their business hence their priority need was for finance to market their business and upgrade their premises. Guest houses, however, have to equip themselves and surmount these challenges in order to create customer satisfaction, and memorable experiences. They also found that the internet (34%) and word of mouth (33%) played significant roles in their marketing efforts. Regular customers or returning guests were reported at about 60%, a feature of the industry commonly referred to as second or third generation guests. On average, B&Bs in their study (ibid.) employed three persons to service, on average, six bedrooms. Occupancy rates were reported to be 70%, except for one low demand area, namely Soweto, which reported a 40% occupancy rate (ibid.). Of all the owners in the study 67% reported that their B&B was their main source of income (ibid.).

2.7.2.3 Accommodation classification criteria

B&Bs are much like guest houses in that little to no distinction can be made between them based on their operations (Rogerson, 2004). Owners use a variety of terms for their guest houses and B&Bs as they find appropriate. In naming their establishments these are used interchangeably and include guest house, lodge, cottage, boarding house, villa, manor, hideaway and inn (Darkey & Horn, 2009). The Tourism Grading Council categorises accommodation types as *Game/Nature Lodges*, *Formal Service Accommodation* (hotel/lodge); *Guest Accommodation* (B&B, country house, guest house); *Self-Catering Accommodation*; *Backpackers and Hostelling Accommodation*; *Caravan and Camping Accommodation*; and *Meetings, Exhibitions and Special Events* (MESE) venues. According to the TGCSA (TGCSA, 2013a), a guest house is defined as: "a formal accommodation facility providing full or limited services, located in natural surroundings beyond that of an immediate garden area. It can be an existing home, a renovated home or a building that has been specifically designed as a

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residential dwelling to provide overnight accommodation. This establishment must have more than three rooms and public areas for the exclusive use of its guests".

Their criteria for classification as a guest houses are:

- "If the host/manager and guests are accommodated in the same building, there must be separate living areas.
- The host/representative must be contactable 24 hours a day, 7 days a week.
- The host must be available on site to check guests in/out or within a 10 minute drive from the property.
- Daily servicing of the rooms must be included in the tariff.
- Shared facilities must be a minimum of a guest dining room and guest lounge area and must be for the exclusive use of guests.
- Bathroom facilities must be en-suite. If not, exclusive use of bathroom facilities per room is mandatory.
- Meals and beverages must be provided, which may/may not be prepared on the property.
- Servicing of rooms must take place 7 days a week, which includes linen/towel change, removal of rubbish and cleaning" (TGCSA, 2013a).

Very similar to the guest house is the bed-and-breakfast establishment (B&B). A [2]B&B is defined as: "more informal accommodation with limited service that is provided in a family (private) home with the owner/manager living in the house or on the property. Breakfast must be served and bathroom facilities must be en-suite. If they are not, exclusive use of bathroom facilities per room must be ensured. In general, the guest shares the public areas with the host family." The criteria for classification as a B&B as per the TGCSA are:

- The host/representative must live in the house or on the property.
- Breakfast must be included in the tariff.
- Daily servicing of the rooms must be included in the tariff.
- Bathroom facilities must be en-suite. If not, exclusive use of bathroom facilities per room is mandatory.

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[2] Hence this study use the general term '*guest house establishment*' (Section 1.9)

- Servicing of rooms 7 days a week, which includes linen/towel change, removal of rubbish and cleaning." (TGCSA, 2013a).

In both instances the contact with the employee, surroundings, the host or host family can be described as personal contact. Guest houses have another advantage in that they are mostly small businesses; they can quickly adapt to a changing environment that allows them to change often and implement new ideas rapidly.

2.7.2.4   *The grading system*

The national Department of Tourism (TGCSA, 2013b) declared the star grading approved by the TGCSA to be the main and independent quality rating for the industry. It is used to rate all accommodation types. The AA also provides an *AA Quality Assured endorsement* for accommodation types and restaurants that rates the establishment from the guests' perspective. (Automobile Association, 2015)

According to Du Plessis and Saayman (2011), the star grade acts as a quality indicator that both the establishment and potential guests who often use it to evaluate quality and make decisions on where to stay. Studies indicated that customers rely on the grading system to know what price and level of quality to expect (Danziger, Israeli & Bekerman, 2006; Israeli, 2002).

According to Du Plessis and Saayman (2011), the South African star grading system is effective for evaluating price and quality as they found that the TGCSA's star grade correlates closely to both price and also to quality. Their study was based on input from managers of guest houses who reported that they used the star grade system as a broad guideline to establish the level of service, and appropriate pricing structure, they should offer their customers. Foster (2000:11) refers to research on "the customer's perception of grading and concludes that tourists are expected to pay more at accredited establishments because of the 'better quality of service and facilities' they expect to receive in return". This "strong relationship between grading and price demonstrates that the aim of grading is to ensure quality, to provide value for money and to obtain a competitive advantage" (Du Plessis & Saayman, 2011:142). Such a grading system thus creates a benchmark for the whole industry, making it more transparent and comparable. It is, without doubt, a useful tool.

Although common practice dictates interpreting the star grade as an indicator of satisfaction, level of quality, value and price, Du Plessis and Saayman (2011) also posited that different individuals define the concepts *quality* and *value* differently. Erto and Vanacore (2002) found that measuring satisfaction and quality can be problematic because consumers' idea of quality is often based on their previous perceptions and expectations. The current star grading system measures the attributes of the venue or business based on a set of service and facilities criteria (TGCSA, 2013a). However, it fails to consider the guests' expectations and perspective of quality and value nor does it indicate potential levels of relaxation, enjoyment, convenience and satisfaction, which are all expected outcomes of a stay at a guest house.

Here it must be noted that the modern consumer's changing lifestyle and needs implies that they assess their consumption experiences according to different criteria from those that applied in the past, and from what the star grade dictates. They are "experience-hungry" consumers (Richards, 2001) and want to satisfy their needs for "fun" and the "good life" (Pikkemaat et al., 2009; Scott, Laws & Boksberger, 2009; Van Boven & Gilovich, 2003:1193;1999; Schmitt, 1999). Therefore guest house owners must find other ways to assess whether they are providing their guests with exactly what each individual guest wants. Therefore this study compares the star grade system and the level of experience to assess whether the level of experience is correlated to the star grade.

2.8   CHAPTER SUMMARY

As predicted, consumers enter an experience economy environment where they can escape and seek aesthetic experiences in which to be entertained and educated. Consumers have become active in co-creating their identities through experiences and want to be involved in the process of creating or staging experiences. Irrespective of the reason for travel or their motivation to travel, consumers, in general, have these needs of which marketers need to be aware. The background to the experience economy was explained in this chapter, and the definition of experience comprehensively presented. With the focus on guest house accommodation providers, a background and the scope of this aspect of the hospitality industry was

described. Discussion on the problems and obstacles the industry faces and the role and characteristics of the grading system followed. Throughout, three issues where evident: the need for guest houses to enter the experience economy and to intentionally design and market the experience as a staged experience in which the guest house employees have a role to play.

The next chapter explains the research methodology: research design, the aim of the study, the objectives and the operationalisation process.

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CHAPTER 3

RESEARCH METHODOLOGY

This chapter builds on the preceding literature review and conceptual framework in Chapter 2. It presents the research design, the aim of the study, the objectives and the operationalisation process. A discussion follows on the research methods, sampling and data collection techniques, the measuring instrument, the survey preparation and data analysis. It concludes with comments on the quality of the data and ethical considerations.

3.1   INTRODUCTION

Guest house establishments provide accommodation to thousands of tourists but, as identified in the consulted literature. This gap, and the lack of empirical evidence about the experiences of guest house patrons locally, prompted the researcher to apply the Experience Economy Model in the South African context. Guest house owners and managers seldom have an opportunity to evaluate whether or not they create the type of experiences their guests desire. The Experience Economy Model by Oh, Fiore and Jeoung (2007) provides a measuring instrument to gauge the manner in which guests experience their service together with their behavioural outcomes. In the current study this instrument is applied to guests and guest house managers or owners in order to evaluate the guest house experience from both perspectives. This chapter explains the research design and procedures that were used to measure the experience of guests and the outcomes of the guests' experiences and behavioural intentions and to test the validity of the model.

3.2   RESEARCH DESIGN

This quantitative, cross-sectional study can be described as explorative and descriptive. The research is exploratory because it gives insight into the experiences of guests in guest houses (De Vos, Delport, Fouché & Strydom, 2011:134). It is also

descriptive as it describes the guest experience as seen from both the guest's point of view as well as from a business perspective. The research is therefore descriptive in nature (Leedy & Ormrod, 2013:184). The study was done in the form of a once-off survey based on using a questionnaire as a measuring instrument for data collection. The study is cross-sectional as the required data was collected from respondents at one point in time. Initial data collection commenced in October 2011 for three weeks but more time was needed and data was collected again up until end May 2014. A quantitative, cross-sectional approach was used for this study, as is was proven to be successful in similar studies using the Experience Economy Model (Quadri-Felitti & Fiore, 2012; Oh, Fiore & Jeoung, 2007). Two other reasons for selecting a quantitative approach are that it is highly formalised and has an explicitly controlled research design (Mouton & Marais, 1990:155-156; De Vos et al., 2011: 73); and it is fitting for conceptually and theoretically well-developed studies in the social sciences as concepts can be operationalised and quantified into empirically measureable statements (De Vos et al., 2011:75; Goertz & Mahoney, 2012:3). The quantitative approach uses scales for measurement, in numerical figures that are required for statistical manipulation and interpretation.

The next section will present the research statement and objectives, followed by the conceptual framework and operationalisation. Thereafter the methods that were employed to conduct this study will be described in detail.

3.3 THE RESEARCH STATEMENT

The research statement for this study reads:

The aim of the study is to identify, describe and evaluate guests' lodging experiences in guest houses in terms of the Experience Economy Model to determine the current application of its concepts in guest houses in South Africa.

3.3.1 Research objectives

From the research statement, the following objectives were formulated:

OBJECTIVE 1

To identify and describe the overall experience of guests regarding the four experience dimensions of the experience economy

● *Escapism* ● *Entertainment*

● *Education* ● *Aesthetics*

OBJECTIVE 2

To identify, measure and describe the consequential outcomes of the lodging experience of guests

● *Arousal* ● *Memory*

● *Overall quality* ● *Satisfaction*

OBJECTIVE 3

To explore and describe the current application of experience economy concepts within guest houses.

OBJECTIVE 4

To identify and compare the relationship of the star grade of the guest houses with the level of guest experience.

OBJECTIVE 5

To determine, measure and validate the relationships between the experience economy concepts.

The research objectives fit into the conceptual framework of the study as shown in Figure 3.1.
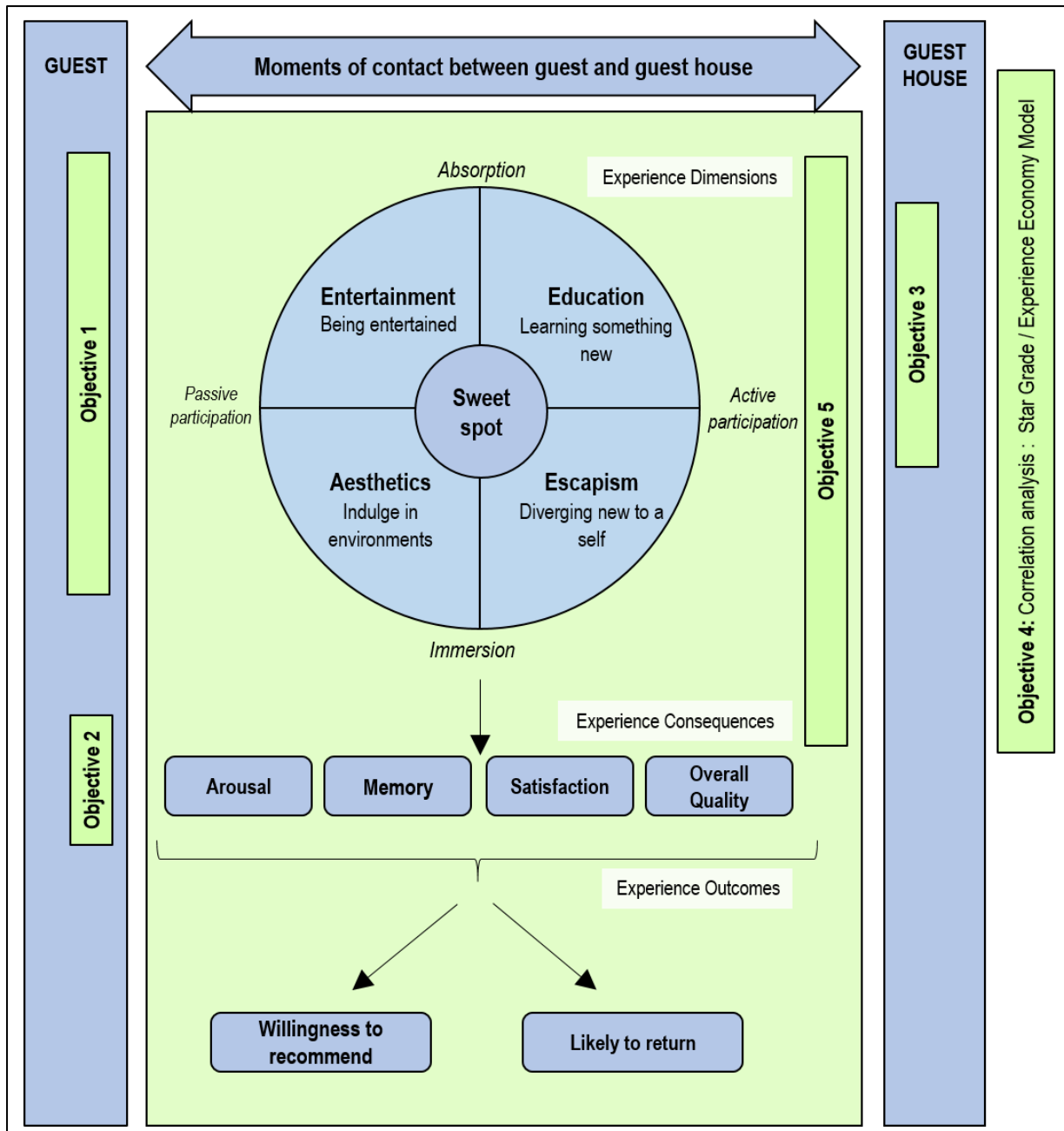
FIGURE 3.1: CONCEPTUAL FRAMEWORK INDICATING OBJECTIVES

The next section will discuss how the objectives were operationalised and how the results of each were achieved.

3.4   CONCEPTUALISATION AND OPERATIONALISATION

This section describes the conceptualisation and operationalisation of the study. Conceptualisation refers to the process of developing definitions. Operationalisation is the process derived from a construct's conceptual definition to operations or measures that will allow the researcher to measure a variable empirically (Babbie, 2010:46). Table 3.1 illustrates the operationalisation of the constructs in this study. First the research objectives are listed, then they are linked to the questions in the questionnaires and the constructs they measure through the indicators. The descriptive and inferential statistical methods required for data analysis are also given.

3.5   RESEARCH STYLE AND METHODOLOGY

The research design is further described by discussing the chosen research style and methodology. The setting for the research is related to the South African accommodation industry, although it was based in Gauteng province. Questions asked were about guest houses in South Africa and the respondents were any adult (>18years) who had used an overnight accommodation service of a South African guest house. Two questionnaires were adapted and employed in this study. The first targeted guests, and the second was for guest house management representatives. Thus there were two samples: one from the operator of the guest house establishment and the other from a guest. Self-administered, pre-developed questionnaires were used to collect data on several occasions; starting in October 2011 and ending May 2014, when a sufficient number of completed questionnaires had been collected. The data collection stage was purposefully prolonged to allow for enough responses to be collected. Observations for analysis were made based on these two data sets. The initial selection of the sample guests visiting guesthouses, only included guests from the guest houses in the sample. However as the number of guest responses was very low an alternative selecting process was applied. The data collection process was therefore completed in five stages, as discussed in the next sections. The methodology procedures followed are discussed in detail in the next section, and visually depicted in Figure 3.2.

TABLE 3.1: **OPERATIONALISATION OF OBJECTIVES, QUESTIONS AND STATISTICAL METHODS**

OBJECTIVES	CONCEPT	DIMENSION	INDICATORS	SCALE ITEMS	NUMBER IN QUESTIONNAIRE	MEASURES
1. To identify and describe the overall experience of guests regarding the four experience, namely: • entertainment • education • escapism • aesthetics	Experience Economy	Entertainment			Guest Questionnaire:	Exploratory Factor Analysis, Descriptive Statistics
			Enlighten	Watching others was very captivating.	15.1	
			Pleasure	What others did was interesting to watch.	15.4	
			Delight	Activities of others were fun to watch.	16.4	
			Enjoyment	I really enjoyed watching what others were doing.	17.1	
			Entertainment	Watching activities of others was very entertaining.	17.7	
			Amusement	Activities of others were amusing to watch.	18.3	
		Education	Stimulates curiosity	The experience stimulated my curiosity to learn new things.	15.3	
			Skill enhancing	The experience really enhanced my skills.	17.5	
			Provide learning	It was a real learning experience.	17.6	
			Increase knowledge	The experience has made me more knowledgeable.	18.1	
			Leam new things	I learned a lot.	18.5	
			Educational	The experience was highly educational to me.	18.6	
		Escapism	Feeling lost in time	I felt like I was living in a different time or place.	15.2	
			Escape from reality	I completely escaped from reality.	15.5	
			Allow new self - identity	The experience here let me imagine I was someone else.	16.2	
			Forget about routine	I totally forgot about my daily routine.	16.5	
			Take on a role,	I felt I played a different character here.	17.3	
			Altered sense of world	I felt I was in a different world.	18.7	
		Aesthetics		The setting was pretty bland (Reverse coded)	16.1	
				Just being here was very pleasant.	16.3	
			Pleasure in seeing, smelling, touching	The setting was very attractive.	17.2	
			Environment's design harmonises	The setting really showed attention to design detail.	17.4	
			Design causes pleasure, relaxation, calmness, excitement	I really felt a sense of harmony.	18.2	
				The setting provided pleasure to my senses.	18.4	

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OBJECTIVES	CONCEPT	DIMENSION	INDICATORS	SCALE ITEMS	NUMBER IN QUESTIONNAIRE	MEASURES
2. To identify, measure and describe the experience consequences as outcomes of the lodging experience of guests.	Experience consequences	Arousal	physiological responses: Stimulation Enjoyment Interesting Excitement	How stimulating was your stay at the guest house? How enjoyable was your stay at the guest house? How interesting was your stay at the guest house? How exciting was your stay at the guest house?	Guest Questionnaire: 14.1 14.2 14.3 14.4	Exploratory Factor Analysis, Descriptive Statistics
		Value	Worth=value/price Personal value	A stay at this guest house was worth the rate charged. The guest house is of good value.	12.1 12.2	Exploratory Factor Analysis, Descriptive Statistics
		Memory	Collection of memories Positive memories Collection of stories Remembrance Anticipation of memories	I will have wonderful memories of this guest house. I will remember many positive things about this guest house. I will have many stories to tell about this guest house experience. I won't forget my experience at this guest house. My stay at this guest house will be very memorable	12.3 12.4 12.5 12.6 12.7	
		Satisfaction	Positive Attitude Opinion of Goodness Like-dislike Overall evaluation	My attitude towards the guest house is positive. This guest house is good. Overall I really like this guest house. My overall evaluation of this guest house is favourable.	6.1 6.2 6.3 6.4	
3. To explore and describe the current application of experience economy concepts within guest houses.	Experience Economy	Entertainment	Relaxation and Entertainment Fun Entertainment Repeat visits through entertainment Special events	Your guest house experience is designed to allow your guests to sit back and be entertained. You designed the activities of the guest house to be fun for your guests to watch. You try to create an entertaining experience for your guests' stay. Because of entertainment opportunities at your guest house, many of your guests choose to stay at your guest house. You try to provide special events to entertain your guests.	Guest House Questionnaire: 16-18	Pearson's Correlation Coefficient Test (r)
		Education	Stimulates curiosity			

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OBJECTIVES	CONCEPT	DIMENSION	INDICATORS	SCALE ITEMS	NUMBER IN QUESTIONNAIRE	MEASURES
			Skill enhancing Provide learning Increase knowledge Leam new things Educational	You designed the guest house to include a learning experience for the guest. Your guest house experience is designed to help the guest learn something new. You try to create an educational experience for your guests You emphasise learning "opportunities" for your guests as a theme of your guest house. Many of your guests come back to your property because they can learn something new. You believe your guests enhance their skills from what you have offered.		
		Escapism	Escape from reality Participation Forget daily routine Complete escape	Your guest house experience allows your guests to really feel as if they are in a different time and place. Your guest house allows your guests to participate in exciting activities. You want your guests to completely forget about their daily routine while staying on your property. You strive to make your guest house experience a complete escape for your guests.		
		Aesthetics	Special attention to design details Designed for pleasure	You have paid special attention on the design details of your guest house setting. You designed your guest house setting to provide a great deal of pleasure to the guests' senses.		
			Made to be beautiful	You focus on making your guest house really beautiful for your guests.		
			Attractive surroundings	Making your property attractive to your guests is a main theme of the property		
4. To identify and compare the relationship of the	Experience Economy and star grade	Star gradation	1-5 star grade Correlation coefficient >.6	What is the star grade of the guest house? Correlation with experience dimensions	Guest Questionnaire: 4	Pearson's Correlation Coefficient

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OBJECTIVES	CONCEPT	DIMENSION	INDICATORS	SCALE ITEMS	NUMBER IN QUESTIONNAIRE	MEASURES
star grading of guest houses with the level of guest experience						
5. To measure and validate the relationships between the experience economy concepts	Standardised quality grade	Grading		Combined scores per factor	Inferred statistics	Correlation matrix, CFA procedures

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3.5.1 Population, sample and sampling

Phase one of the sampling procedure, in Figure 3.2, started with identifying the population, selecting the method for sampling and locating the sample as advised by De Vos et al. (2011:193). A pilot study was done in April 2010 to test the sampling plan, and will be discussed in section 3.5.4. Two populations were used for the study: the first comprised the guests of guest houses, and the second, managers or owners of guest houses. To determine the province's population of guest houses, a list of all 912 graded guest houses in Gauteng was compiled using industry websites and published accommodation guides (as on April 2010). To ensure all guest houses in the sampling area of Tshwane were included, a database was compiled using an official industry list taken from the website of the Tourism Grading Council of SA (2013c). Guest houses were then grouped according to their physical addresses and star grading

For the final guest sampling method all adult persons that used the accommodation services of any guest house in South Africa during the previous six months (as on the date of completing the questionnaire), were included in the population. Although the original method sampled guests from guest houses which were included in the guest house sample.

As shown in phase three, in Figure 3.2, data collection started in October 2011 by identifying the samples. The first data collection method required the researcher to identify 50 guest houses to partake in the study. This was done by compiling the guest houses database (phase 1) and sending email invitations, together with a letter describing the study's goals and incentives for participation, to all 168 guest houses in the specific geographical area of Tshwane. After one week a follow-up email invitation was sent, and again after week two. Several guest houses responded favourably, upon which the researcher supplied each guest house with 10 hard-copies of the guest questionnaire to distribute to guests. The management of the guest house was asked to hand a questionnaire to each guest, on the morning of check out. The manager of the guest house would have informed the researcher when all ten questionnaires had been completed and were ready for collection. This method yielded a response rate of below 3% for guest responses. Using the above mentioned data collection method

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13 guest houses partook in the research and 52 completed guest questionnaires were returned, of which some were not statistically useful. The data collection stage was continued until enough data had been collected.

In phase four, the researcher introduced remedying methods, in the form of incentives to complete the questionnaire, to improve to response rate but this was not successful. After several personal interviews with guest house management, the causes for the low response rate were identified, and are listed in section 5.2.3.

SAMPLING

Compiled Guest house database of Gauteng guest houses.
City of Tshwane selected as area of study.

Convenience Sampling

PILOT STUDY IN TSHWANE

28 guest house responses

Guest house
- Guest
- Guest
- Guest
- Guest
- Guest

145 guest responses

Average 5.17 guest responses from each guest house.

April 2010, using fieldworkers, paper based questionnaire

Convenience sampling

SAMPLING FOR THIS STUDY IN TSHWANE

13 guest house responses

Recommended Guest house(n=168)

Recommended Guest (n>350)

52 guest responses

Less than 4 guest responses from each guest house. Response rate below 3%.

October 2011, email communication, web based questionnaire

Convenience Sampling

ALTERNATIVE STRATEGIES IMPLEMENTED:
- Consulted experts in industry and research to assist in distributing questionnaires, finding alternative data collection methods.
- Study was endorsed by industry leader, BABASA Chairperson.
- Contact and invite University affiliated guest houses to participate.
- Enlarge sample area to Gauteng, then to whole of South Africa.
- Adapted sampling plan
- Adapted research problem
- Adapted data collection method.

August 2012-Feb 2014, online and paper questionnaires used, all form of communication used

Snowball sampling combined with quota sampling

FINAL SAMPLING FOR THIS STUDY

59 guest responses

Guest house

Not related, *Cannot make Comparisons*

Guest

413 independent guest responses

Guests and guest house are unrelated, response rate 92%

May 2014, adapt methodology and employ fieldworkers using paper based questionnaires. 338 guest responses

FIGURE 3.2:   SAMPLING PROCESS

Personal visits to selected guest houses were made to meet the guest house managers/owners for a face-to-face introduction on the project. Key persons in the

guest house industry provided their endorsement of the project and forwarded the electronic invitation to members within their organisations. The response rate for guest houses remained low, with a sample size of 50, of which only 39 (n=39) responses were statistically useful. After the initial sampling proved inadequate the sampling area was increased to include all nine South African provinces, instead on only the Tshwane metropolitan area. The alternative strategies as listed in Figure 3.2., phase four, were implemented one by one, each after consultation with both study leaders and experts in the Department of Tourism at the University of Pretoria.

The final most efficient method of data collection comprised the use of field workers and is further discussed in the following sections. The final sampling for this study is shown as phase 5 in Figure 3.2.

3.5.2 Unit of analysis

The first unit of analysis comprised guest house managers and/or owners and the second unit of analysis, was users, or rather guests of guest houses. Data about the guest house was collected from either the owner or manager of the guest house and separately from the guest. Only guest house establishments in Gauteng were sampled. Responses from guests were collected in Gauteng but included responses based on guest houses located in any of the South African Provinces.

The criteria for inclusion in the guest house sample are stated and justified as:
- Must be classified as a guest house, guest farm or B&B to ensure similar offerings to guests. Hotels, motels, self-catering facilities were excluded.
- Must have more than three rooms as per the definition for classification as a guest houses by the Tourism Grading Council of SA.

The second unit of analysis were guest house users (referred to as guests) older than 18 years, who had made use of star graded guest house accommodation facilities in any South African province during the previous six months. Respondents had to meet certain criteria to be included in the study. Respondents had to:

- be able to communicate in written English as it was the only language of the questionnaire
- be older than 18 years, for legal purposes
- Have stayed over at least one night in a guest house or B&B in South Africa
- Have stayed over at a guest house during the previous 6 months at the time of completing the questionnaire.

3.5.2.1 *Guest house and guest sampling*

Based on the recommendation of the consulting statistician, the required sample size for guest house managers were ≥ 50 and n ≥ 350 for guests as reported in Figure 3.2. After several attempts to increase the sample size but without success, the data collection method, together with the objectives, were adapted to suit the newly proposed data collection design, completed in phase four, during August 2012 to May 2014.

Initially, in October 2011, all 168 guest houses in Tshwane, Gauteng, as identified using the previously mentioned database, were sent 3 email invitations to participate in the study by completing the web-based questionnaire, the contents of the email will be discussed later. The technique included the assistance of the guest house staff to distribute and collect questionnaires from guests. After not achieving the required number of responses, the sample size was adapted to include all graded guest houses in the metropolitan area of Tshwane, then to include all graded guest houses in the province, Gauteng, and finally enlarging the sampling to include all guest houses in South Africa.

Furthermore, the technique was also adapted to exclude assistance from the guest house staff -resulting in a complete different data collection method. The new method sourced guests independently from guest houses, which affected which statistical analyses could be performed, and leading to necessary changes in the objectives of the study.

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For the final and also most successful data collection method (phase four in Figure 3.2), field workers were employed to distribute and collect guest questionnaires. They were employed to recruit respondents using a combination of convenience and purposive sampling. Each fieldworker was instructed to find 10 respondents, who met the criteria in section 3.5.2. The *Fieldworkers* are discussed in the next section. The final sample size for guests was n=413, of which 340 questionnaires were statistically useful and for guest houses n=59 of which 39 were statistically useful.

3.5.2.2   *Fieldworkers*

Thirty fieldworkers were sourced from undergraduate students in the Department of Consumer Science at the University of Pretoria. With permission from the department head they attended a single training session in which they were informed about the nature of the study and how to sample and approach potential respondents, the purpose of the study and how to capture the data on the Survey Monkey website. At this training session each fieldworker was supplied with 10 hard copies of the web based questionnaire, each with a cover letter. They were given specific instructions not to give too much information or have long discussions or even talk to respondents while they were completing the questionnaire. Respondents had to rather read the covering letter and contact the researcher if they had any questions. These fieldworkers used purposive sampling to find individual respondents from among their acquaintances, friends and family who complied with the stipulated criteria (Section 3.5.2) to collect data.

The fieldworkers were given two weeks during May 2014 to collect data from 10 individuals. The fieldworkers had to approach the potential respondent and invite them to take part in the study. They were asked to hand the respondent a pen and questionnaire, and were expected to wait until the respondent had completed the questionnaire, take it back immediately and check that all questions were completed. After collecting 10 questionnaires each fieldworker was responsible to capture the data using the online Survey Monkey website, using the URL link that was provided during training. The fieldworkers had to return the completed hard copies of the questionnaires to the researcher for cross-checking and safekeeping. In total, this

method together with the previously collected 52 responses yielded 413 guests questionnaires (Figure 3.2) of which 340 were found to be valid according to their completeness.

3.5.3 Sample bias

The guest house sample was taken only from one geographical area, the Tshwane metropolitan in the Gauteng province, thus limiting the generalisability of the results, while the guest sample was opened to a stay over at any guest house in South Africa. Due to the seasonality of tourism, accommodation services have occupancy rates that differ from month to month as different types of guests make use of guest houses at different times over the year and week. Leisure travellers are more likely to use guest house accommodation over weekends and during the holiday season whereas business people require accommodation on weekdays. Samples of the same population taken at different times may yield different results.

3.5.4 Measuring instrument and pilot study

The questionnaire for guests comprised five pages and the questionnaire for owners was three pages long. Oh, Fiore & Jeoung (2007) used qualitative methods to develop two questionnaires following Churchill's procedures for developing a multivariate measuring scale for marketing constructs (Churchill,1979 cited in Oh, Fiore & Jeoung, 2007), and Gerbing and Anderson's (1988) guidelines for reliability. Both questionnaires were developed for use in the tourism accommodation sector. A pilot study was completed in 2010 as a part of a preliminary feasibility investigation. It tested the environment in which the study would be done and the measuring instrument. The purpose of this step was to eliminate errors arising in the final questionnaire and to improve the quality of the data (Zikmund & Babin, 2010:54).

The measuring instruments, based on those Oh, Fiore and Jeoung (2007) structured were adapted to suit the South African context after the pilot study revealed the need for some adaptions. The findings of the pilot study indicated that respondents misinterpreted some of the questions and scales used. Two items that were initially expressed negatively caused confusion with many respondents, and were reverted

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back and stated in the same style as all the other items. The wording was adapted to a simpler language style and the instructions were reformulated which corrected all the problems.

Both paper-based instruments were converted to an electronic format using free online questionnaire software, namely Survey Monkey. Initially five individuals completed the questionnaire for test purposes and were asked to comment on accuracy of the content, language use and the complexity of the scales. Using Survey Monkey has two particular advantages. Firstly, the web application allows a researcher to create and distribute a questionnaire online at no or limited cost; and secondly, respondents can self-capture the data online while completing the questionnaire on the computer.

The guest questionnaire contained important information as Given (2008: 847) suggests: a cover letter explaining the title, purpose and terms of the research, the name of the organisation conducting the research, the privacy aspect and confidentiality of the research, a request for cooperation, together with a form to indicate their consent and e-mail address for the researcher to verify the consent.

The questionnaire itself consisted of:

- Section A: demographic information
- Section B which focused on the experience and consequence dimensions that were observed as clear tendencies in a guest's responses
- Section C, the guest's perceptions and attitude were measured using 7-point Likert scales ("strongly agree" to "strongly disagree", "delighted" to "terrible" and a likelihood scale – "very likely" to "not at all likely") to gauge their behavioural intentions. Because the study focused on guests' personal opinions, rating scales were used to quantify the responses. The last section had more demographic questions that were not restricted to specific sections but were placed randomly in the questionnaire to improve its flow and to counteract respondent fatigue.

See Addendum C for the questionnaire.

The guest house questionnaire was for guest house managers and/or owners. It consisted of a cover letter stating the purpose of the research, privacy and confidentiality of the research consistent with advice from Given (2008: 847).

The questionnaire consisted of:

- Section A: demographic information

- Section B that focused on the relative importance of each of the four dimensions of experience using a 7-point Likert scale ("very strongly agree" to "very strongly disagree")

- Section C, where guest house management respondents were asked to indicate whether they needed operational or other assistance from the guest house industry.

See Addendum D for the questionnaire.

3.5.5 Data collection, coding and capturing

Data collection commenced after the internal research board and the Ethics Committee of the University of Pretoria approved the study, a process which was completed in May 2014. Fieldworkers collected the completed paper based questionnaires from respondents, after which they captured the data online using Survey Monkey, an online web questionnaire application, as discussed in the previous section 3.5.2.2. The online application was used because it eliminates manual coding of the questionnaire responses, among other benefits. A major advantage of this software is that minimal time is required to code and capture the data. No manual coding was needed as the online Survey Monkey software provided the data in a useful format and limited user errors.

To ensure accuracy of the captured data the researcher completed a random spot check. For both samples, ten per cent of the electronically captured data was compared to the paper-based questionnaire for accuracy and completeness. If a mistake was found, it was corrected and another questionnaire was checked.

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3.5.6 Data analysis

The research problem led the data analysis as planned in the operationalisation based on the stated objectives as appropriate research practice (De Vos et al., 2011:249). Statisticians at the Department of Statistics of the University of Pretoria provided the necessary advice on statistical calculations and tests required to analyse the data. Three software programs were used to complete the data analysis which provided results. Results have to be interpreted to answer the research questions set (De Vos et al., 2011:249). The first was Survey Monkey, which was used to eliminate missing data, and provide the data in a useable format for the other software programs, SPSS (v22) for descriptive and inferential statistics and AMOS for confirmatory factor analysis and model testing.

The first step of data analysis was cleaning the data set and creating labels for the variables using the SPSS software that provides a built-in function for both actions. Limited clean-up and manipulation of data was necessary. In SPSS, it was decided to include cases *list-wise,* with this method the software uses only complete cases for each analysis, allowing more cases to be used. It should be noted that when using this function it is necessary to report the sample size for every analysis which was done throughout this study. During the cleaning up process the word/text labels of the Likert scales were given a numerical value of 1-7, which allowed for statistical manipulation. The SPSS and AMOS programs yield an analysis of the data that was easy to handle.

Several groups of analyses were completed:
- Demographic (frequency distribution and percentages)
- Descriptive statistics on the four experience dimensions and consequences dimensions (frequencies, percentages, mean and medians, exploratory factor analysis)
- Identified relationships between concepts and the strength of their associations
- Relationship associations between experience and demographics
- Model fit test using confirmatory factor analysis

The statistical analysis for each objective is briefly discussed below.

To describe the guest profile and guest house characteristics, the measures of central tendency (means, modes and medians), frequencies distribution and percentages are calculated and visually presented.

For the statistical analysis of objective one and two, separate exploratory factor analyses (EFA) were conducted. EFA is a set of statistical techniques that condenses the information from a large set of variables into a smaller set of composite variables or factors (Hair, Black, Babin, Anderson & Tatham, 2006:104; Cooper & Schindler, 2006:753). Exploratory factor analysis summarises which factors belong together or which factors (scale items) measures the same construct which is helpful in theory development. In this study an EFA was conducted, using SPSS version 21, to identify the constructs of the scale items. The SPSS output file shows scale items grouped into a number of factors (constructs) based on their correlations (loadings) with the other items on the same factor. In both instances the Cronbach alpha test of the scale is calculated to test for internal scale reliability (Du Plessis & Rosseau, 2005:293; Hair et al., 2006) and should show values >.70 (Hair et al., 2006).

The aim of objective three was to investigate whether guest houses are applying the principles of the Experience Economy in their offerings. Guest house managers/owners were presented with 19 items, related to the experience dimensions, and had to indicate on a 7 point scale *(Very Untrue, Untrue, Somewhat untrue, Neutral, Somewhat true, True, Very true)* whether they included elements of each dimension in the design of the guest house or the design of the guest house offerings. The scale items were subjected to a Cronbach alpha test for reliability, before descriptive statistics are used to describe the guest house.

Objective four aims to identify the direction and strength of the relationship between the total experience and star grade. For this analysis, a relationship analysis was conducted between the two variables. First the two variables were described in their own right in section 4.4.2 and section 4.7.1, which would lend for better interpretation. A scatter plot is drawn for star grade and total experience, and used to identify whether the relationship was linear, to detect outliers and present the relationship visually. For the analysis the normality and sample size of the guest experience was considered and lead to a parametric test; the bi-variate correlation using Pearson's correlation

coefficient r being selected as the appropriate analysis, where 1.0 represents a perfect positive linear correlation. (Cooper & Schindler, 2006:536)

Objective five aimed to confirm the EFA using confirmatory factor analysis (CFA), and is a measurement that indicates how well the data fits the theorised model. In this case the scales are subjected to CFA by using path diagrams in the AMOS software and goodness of fit indices are reported.

The next section will discuss quality of data using validity measures and reliability measures.

3.6 QUALITY OF THE DATA

This section will discuss the measures taken to ensure the validity and reliability of the data and information presented in this study.

3.6.1 Validity

Validity refers to the extent to which an empirical measure accurately reflects the concept it was intended to measure (Cooper & Schindler, 2006:318, De Vos et al., 2011:160). In order to ensure overall validity within the study, the researcher aimed to collect appropriate data by means of suitable procedures and measuring instruments, so that the data would be as accurate as possible. According to Oh, Fiore and Jeoung (2007) the measuring instrument has strong internal validity as it was quantitatively and qualitatively refined. The sub-categories of validity, along with its application to this study, are presented in the sections to follow.

3.6.1.1 Construct validity

Hair et al. (2006:771) define construct validity as the "extent to which a set of measured variables actually represents the theoretical latent construct they are designed to measure". To enhance construct validity it is helpful to have a good definition and explanation of the meanings of each construct. To ensure construct validity, all the constructs were defined and confirmed by literature. The questionnaire made use of

layman's language to facilitate understanding, and constructs were measured using four or more statements and/or more than one indicator to ensure construct validity and to prevent mono-operation bias. Other previous studies had validated the experience scale of Oh, Fiore & Jeoung (2007) that was used for this work (Quadri-Felitti & Fiore, 2012; Jeong, Fiore, Niehm, & Lorenz, 2009; Hosany & Witham, 2009).

3.6.1.2 *Content validity*

Content validity refers to the extent to which the content of the items is consistent with the construct definition, and covers all the topics in the subject area with assessment based solely on the researchers' judgement (De Vos et al., 2011:161; Hair et al., 2006: 771; Cooper & Schindler, 2006:319). In this study all the items in the questionnaires fully capture the full meaning of the construct as related to the objectives of the study.

3.6.1.3 *Convergent validity*

Convergent validity refers to the extent to which indicators of a specific construct converge or share a high proportion of variance in common (Hair et al., 2006:771). In layman's terms it assesses how well the current scale is correlated with other scales intending to measure the same concepts. In this study a familiar scale is tested in a new context, therefore the scale items from the same constructs are expected to converge. Convergence is also tested and reported on.

3.6.1.4 *Inferential validity*

Inferential validity is related to the analysis and interpretation of the data. In refers to whether the "deductive inferences" which are made are valid (Wansing, 2015:65). In this study, appropriate statistical techniques were used for specific levels of measurement as prescribed by several sources as referenced throughout the study. The assistance of a professional statistician ensured the data was collected and analysed appropriately to the objectives of the study and inferences made were accurate (Moshman & Franks, 1986).

3.6.2 Reliability

Reliability refers to the extent to which different researchers would get the same results when repeating the study under similar circumstances. "Reliability is primarily concerned not with what is being measured but with how well it is being measured" (De Vos, 2011:163). Three potential sources that could result in producing unreliable results are: subject error, subject bias and observer errors. The researcher used techniques suggested by Leedy and Ormrod (2013:91-93) to combat unreliability. A pilot study was conducted prior to the main study to test the measuring instrument and provided evidence of accuracy and validity.

The first is the possibility of subject error that can be explained due to the fact that people do change their ideas and may give different answers at different times or on different days or dates. The researcher could not completely eliminate such errors but tried to limit deviations in answers by using a standardised measuring instrument as Babbie and Mouton (2001:123) suggest. Only respondents who had stayed over in a guest house during the previous 6 months was a stipulated criterion as it specified a delimited time frame.

The second source of potential unreliability is subject bias. This phenomenon occurs when the researcher influences the respondents' answers or when respondents answer differently because of outside influences. Subject bias was combatted by introducing the study via a cover letter to inform the respondent that they will stay anonymous, and that they should answer truthfully. Fieldworkers were also trained to eliminate subject bias (Babbie & Mouton, 2001:123).

The third source of unreliability could be observer error. This was largely eliminated by using self-report data. To ensure reliability, all responses were collected after the respondent's visit to the guest house. Only clear responses were considered as to not to mislead the research. Thus whenever a respondent made an error, or was unable to finish the questionnaire, the question was removed from the sample. Error was minimised as the questionnaire used was based on one that had been used and tested before (Cooper & Schindler, 2006:321) and it did provide consistent results as needed for reliability.

3.7 ETHICAL CONSIDERATIONS

Ethical issues are of utmost importance when conducting research that involves people. A strict work ethic policy was followed as prescribed by the University of Pretoria's policy for researchers. Respondents completed the questionnaire voluntarily, anonymously and with informed consent. Potential respondents also had access to the researcher, and could request the results if interested. Respondents should always stay anonymous (Leedy & Ormrod, 2013:108) and this requirement was upheld in this research as was the information they gave. Although it was not of a sensitive nature, the names of the participants and their responses were handled confidentially and only the final results were published.

The study was conducted in a transparent way and any information either given or withheld by respondents and/or guest houses was treated with respect. The Ethics Committee in the Faculty of Natural and Agricultural Science at the University of Pretoria granted ethical clearance for the researcher to conduct the research. The approval letter, (reference numbered EC011629-046) was received before data collection commenced. It is attached as addendum A. Recognition is given to all contributors who made it possible, assisted and cooperated with the researcher in completing the research. The study leaders and statisticians are acknowledged for their inputs. The National Research Foundation is acknowledged for the financial support towards the current research.

3.8 CHAPTER SUMMARY

Chapter 3 presented the process followed in completing the research. It dealt with the research design, the study aim and objectives, and the operationalisation of the study. The research methods, the sampling procedure, the data collection technique, and data analysis were explained in this chapter. The quality of data and ethical considerations of the study were dealt with and the next chapter presents the results of the research objectives.

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CHAPTER 4

RESULTS AND DISCUSSION

This chapter presents the results regarding the execution of the objectives where various statistical methods were applied. The results of the applied statistical methods are summarised in an interpretable format.

4.1   INTRODUCTION

This chapter consists of the statistical findings for both samples used in the study and descriptions of how the analyses were conducted. The information is presented for ease of interpretation. The results are arranged in the same order as the objectives are stated in earlier chapters (Sections 1.4 and 3.3.1). Data is presented as tables, graphs and diagrams depicting frequencies and percentages, followed by an interpretation of the results within the experience economy paradigm. The implications of the results are given in the next chapter.

The first part of this chapter reports on the demographics of the sampled guests and characteristics of the guest house, while the second part of this chapter focuses on the descriptive and inferential statistics of the samples. The interpretation of the results follows their analysis.

4.2   INFORMATION OF THE SAMPLED GUESTS

For the first sample, the guest sample, 340 questionnaires were used for analysis. Although 413 guest questionnaires were collected only 340 were statistically useful (with 85% or more of the questions completed) and of these 323 were 100% completed, therefore n=340. In total 73 questionnaires were discarded as incomplete or partially complete. Some objectives required complete data. In such instances the

incomplete cases were deleted from the list only for that specific analysis, using the SPSS function, *delete cases list wise*.

A summary of the composition of the demographic profile and information of the guests is given in Table 4.1.1 and 4.1.2, respectively, and is described in the sections that follow.

TABLE 4.1.1: INFORMATION PROFILE OF THE GUESTS

DEMOGRAPHIC CHARACTERISTICS		FREQUENCY	PERCENTAGE*
Gender *(n=329)*	Male	137	41.6
	Female	192	58.4
Age *(n=329)*	18-20 years	24	7.3
	21-30 years	99	29.1
	31-40 years	64	18.8
	40-50 years	70	20.6
	51+ years	72	21.2
Marital Status *(n=329)*	Single	128	38.9
	Married	157	47.7
	Divorced	27	8.2
	Other	17	5.2
Household income *(n=329)*	Less than R10 000	50	15.2
	R10 001 - R15 000	39	11.9
	R15 001 - R20 000	34	10.3
	R20 001 - R25 000	39	11.9
	More than R25 000	88	26.7
	I do not wish to say	79	24.0
Education level *(n=328)*	Grade 11 or lower	9	2.7
	Grade 12	81	24.7
	Diploma/ Certificate	94	28.7
	Bachelor Degree	112	34.1
	Master's Degree	27	8.2
	Doctoral Degree	5	1.5
Respondent Home Province *(n=340)*	Not known	23	6.7
	Eastern Cape	7	2.1
	Free State	9	2.6
	Gauteng	226	66.5
	KwaZulu-Natal	10	2.9
	Limpopo	6	1.8
	Mpumalanga	3	0.9
	North West	16	4.7
	Northern Cape	2	0.6
	Western Cape	23	6.8
	International	15	4.4
Nature of Visit *(n=324)*	Business	104	32.1
	Leisure	168	51.9
	Both	52	16.0

*Percentages does not necessarily equal 100 due to rounding.

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4.2.1 Age, gender, marital status, education, household income

From the 340 questionnaires only 329 respondents provided complete data for the age category, and these were relatively equally spread over the age groups. The largest age group, almost a third of the sample (n=30.1%), comprised those who were between the ages of 21-30 years olds between the ages of which made up. Females (58.4%, n=192) were in the majority. Of the entire sample, 47.7% were married (n=157) and 34.1% and 28.7% respectively had a Bachelor's degree (n=112) and certificate or diploma (n=94).

4.2.2 Returning guest, referrals, travelling party size, person selecting the guest house

When asked whether they had stayed at the specific guest house before, 45.4% (n=149) reported that they had. In general, this indicates that guests do return to guest houses for another stay, which implies satisfaction with the previous service. It is assumed that returning guests already know what to expect and therefore have more accurately defined expectations on which they base their expectations for future experiences. Because they know what to expect, the gap between their expectations and the experience in reality is smaller, which concludes that more effort should be made to impress these guests. A significant difference is predicted, between how first time and returning guests experience a guest houses.

The internet (37.7%), and secondly friends and family (32.6%), were indicated as the two methods most guests use to find information about the guest house where they are seeking accommodation. It is documented (Mintel, 2004) in a UK-based report that 40 of holidaymakers use the internet to search for accommodation options before taking a holiday. Both the internet and family/friends have a significant influence on the respondents' decision of which guest house to select. The high number of respondents using the internet reflects the importance of a well-designed, well-placed and searchable website or social media presence.

As an additional investigation, the website of each guest house in the study was perused. The investigation revealed many poorly designed, outdated websites and

some guest houses without websites. This inability of guest houses to create an online presence is another issue as many consumers rely on the internet and social media for information prior to making travel and accommodation purchases. Fotis, Buhalis and Rossides (2012) found that consumers are highly influenced by online social media when making travel decisions.

Respondents mostly travelled in pairs, with 35.96%, (n=325) reporting that they visited the guest houses in pairs and 51.7% reported that it were themselves that selected the guest house.

TABLE 4.1.2: INFORMATION PROFILE OF THE GUESTS

INFORMATION ABOUT THE GUEST		FREQUENCY	PERCENTAGE
Nature of Visit *(n=324)*	Business	104	32.1
	Leisure	168	51.9
	Both	52	16.0
Person selecting the guest house (n=327)	Myself	169	51.7
	Colleague	41	12.5
	Friend	44	13.5
	Travel Agent	29	8.9
	Other	44	13.5
Returning guest *(n=328)*	Yes Returning guest	149	45.5
	No, First time guest	179	54.6
Previous Accommodation Experience *(n=324)*	Guest houses stays during previous 12 months		
	None	23	7.1
	Once	91	28.1
	Twice	62	19.1
	Three time	43	13.3
	Four times	34	10.5
	Five time	14	4.3
	Six times	12	3.7
	Seven times	2	0.6
	Eight times	2	0.6
	Nine times	1	0.3
	Ten times	7	2.2
	Eleven times	33	10.2
Travelling party size (n=325)	I am travelling alone	69	21.2
	Two persons	116	35.7
	Three persons	48	14.8
	Four persons	41	12.6
	Five person	26	8.0
	More than five persons	25	7.7
Referral (n=414)	Internet	155	37.7
	Family or Friends	135	32.6
	Other	50	12.1
	Guest houses Brochure	32	7.5
	Travel Agent	23	5.6
	Guidebook/	11	2.7
	Magazine Article	8	1.9
Previous Accommodation Experience *(n=325)*	How many different guest houses stayed at		
	One	122	37.5
	Two	68	20.9
	Three	52	16.0
	Four	33	10.2
	Five	20	6.2
	>Five	30	9.2
Length of stay *(n=325)*	Nights per current stay		
	one	62	19.1
	two	95	29.2
	three	60	18.5
	four	35	10.8
	five	31	9.5
	six	9	2.8
	seven	6	1.8
	eight	3	0.9
	nine	0	0.0
	ten	0	0.0
	eleven	24	7.4

4.2.3 Guest stay over information, home province and nature of visit

Most of the respondents reported that, except for their last visit to a guest house, they had only stayed over in a guest house once before (26.8%, n=91) during the previous 12 months and stayed for an average of 4.5 nights. Most stays were between two and five days, or longer than 10 days (15%). Concurrent with information from the Domestic Tourism Survey 2014, which shows that 51.7% of travellers spend two-four nights per trip (Statistics South Africa, 2015a).

The home province of most of the respondents was Gauteng, with 66.5% (n=226) of the total sample residing in Gauteng (Table 4.1.1). Some 4.4% of respondents were international visitors coming from Zambia, the Netherlands, Thailand, Norway, New Zealand, Japan, India and Germany. A large percentage of respondents using guest house accommodation in the Gauteng province, were also permanent residents of the same province. A simple correlation matrix between the guest house address and the respondent residential address showed that 61 respondents (17%) utilised the accommodation services of guest houses in Gauteng while residing permanently in this province. These trips are seen as short distance and could be for various reasons, which are not investigated or reported on in this study.

More than half (51.9%, n=168) of the sample indicated their purpose of travel as holiday or/and leisure, while 32.1% (n=104) stayed as guests while on a business trip. Some (15.30%, n=52) of the respondents claimed to have mixed their business and leisure times during the specific trip, which shows that one should not limit the offerings of a guest house to business or leisure guests, but should rather cater for both groups simultaneously. However, this phenomenon could have been influenced by the location of the guest houses in the sample; whether the facility was based in a business district, in a location known for its tourism attractions, and also the season during which the visit happened. At general holiday times or when businesses close for the holiday, leisure guests would be more prevalent and business guests less so.

In this section, the profile of the guest was described and discussed. In the next section the characteristics of the guest house will be described and discussed.

4.3 INFORMATION ABOUT THE GUEST HOUSE

The guest house is described in the following section based on its characteristics.

TABLE 4.2: GUEST HOUSE CHARACTERISTICS

CHARACTERISTICS		FREQUENCY	PERCENTAGE
Province of guest house (n=339)	Western Cape	42	12.39
	North West	17	5.01
	Northern Cape	11	3.24
	Mpumalanga	13	3.83
	Limpopo	10	2.95
	KwaZulu-Natal	39	11.5
	Gauteng	168	49.56
	Free State	37	10.91
	Eastern Cape	2	0.59
Star grading of guest house (n=338)	No star grading	96	28.4
	1 Star	3	0.9
	2 Star	4	1.2
	3 Star	77	22.8
	4 Star	135	39.9
	5 Star	23	6.8
Years in business (n=39)	>20	1	2.6
	10-19	8	20.5
	5-9	24	61.5
	<4	6	15.4
Source of income (n=39)	Yes only source	18	46.15
	No, a secondary source	21	53.84
Number of employees (n=39)	One	4	10.3
	Two	3	7.7
	Three	7	17.9
	Four	6	15.4
	Five	7	17.9
	Six	2	5.1
	Seven	3	7.7
	Eight	4	10.3
	Nine	0	0.0
	More than 10	3	7.8
Total number of rooms (n=39)	Two	1	2.6
	Three	3	7.7
	Four	1	2.6
	Five	5	12.8
	Six	5	12.8
	Seven	4	10.3
	Eight	4	10.3
	Nine	4	10.3
	Ten	2	5.1
	More than 10	10	25.7

The information was collected from guests and guest house management. In total, 50 guest houses responded to the study but only 39 fully completed the questionnaire. Therefore the sample size is 39, except where stated otherwise.

4.3.1   Location, star grading, years in business

The location and star grade of each guest house was taken from the guest questionnaire. The guests in the sample stayed at various guest houses in many different provinces. Figure 4.1 shows the location of the guest houses as the guests reported. In Table 4.2 it is reported that 168 (49.56%) of a total of 339 guests stayed at a guest house in Gauteng, while the Western Cape (12.39%) was the second most visited province.
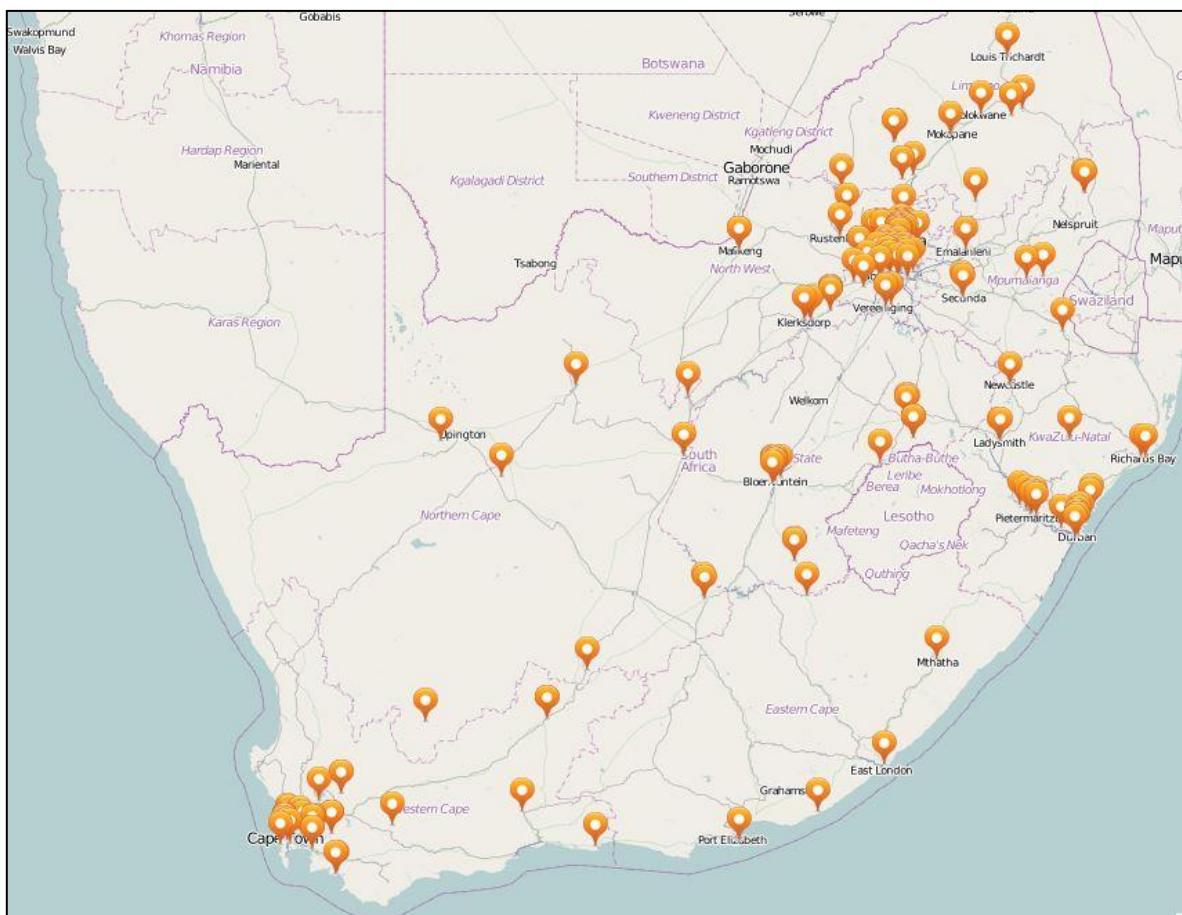
FIGURE 4.1:   GUEST HOUSE LOCATIONS PLOTTED ON A SOUTH AFRICAN MAP

4.3.2 Source of income, number of employees, total number of rooms

When asked whether the guest house was a side business or their main source of income, the answers were fairly equally spread. Table 4.2 indicates 46.15% reported that the guest house was their main source of income and 53.8% reported that it is not their main business nor their only source of income. Most guest houses employ three to five persons, and of the total number of guest houses, 29 reported to have more than six rooms, while 10 had five or fewer rooms.

4.3.3 Occupancy rate, returning guests and room rates

Guest house managers were asked to report on the average room rate, occupancy rate and rooms cost.

TABLE 4.3:   OCCUPANCY RATE AND ROOM COST

	SAMPLE SIZE	MEAN	MEDIAN	MODE	STD DEV
Average Occupancy Rate in %	42	56.60	60	60	18.917
New guests	42	52.61	50	50	22.405
Returning guests	41	47.39	50	50	22.405
Room Rate: Single	43	R552.42	R500	R350[a], R400, R450, R500, R600	241.521
Room Rate: Double	44	R632.41	R537.50	R400	366.616

a. Multiple modes exist. All are reported

Table 4.3 shows an average occupancy rate of 56.6%, returning guests make up 47.39% and new guests 52.61 % as reported by the guest house. Fifteen guest houses (35%) reported to have an occupancy rate lower than 35%, while nine guest houses (19%) reported to have an occupancy rate higher than 75% for a sample size of 42 (n=42). Price is known to affect the choice of guest house, therefore the guests' perception of quality and level of expected satisfaction (du Plessis & Saayman, 2011) should be considered when assessing occupancy. The room rate for single rooms averages R552.42, the median is R500, while multiple modes (R300-R600) are

reported. The average rate for a double room was R632.41, the median is R537.50 and the mode is R400 at the time of data collection.

4.3.4 Education level, experience and business goals

Most managers, including managing owners (59%) have a diploma or post-matriculation certificate, while a quarter of the managers have a Bachelor's degree (n=10). Almost a quarter have a secondary school (Grade 12) qualification. Of all managers 41 have formal tertiary qualifications although it might not be within the tourism/accommodation industry. The managers were asked about their personal and financial goals for the business. From the 35 who responded, 24 guest house owners claimed that the guest house was fulfilling their financial goals, (somewhat agree, agreed and strongly agree) and 13 stated that the business is fulfilling their personal goals.

Figure 4.2 shows how the guest house owners rated the level of success of their guest house experience by assessing whether they accomplished what they wanted to running the establishment. Thirty-four of the 39 guest house managers claimed that the guest house is successful (according to them) while 32 claimed that they are living out their plans and accomplishing what they wanted to do with their business. This result suggests that most guest house managers/owners are satisfied with their guest house offerings.
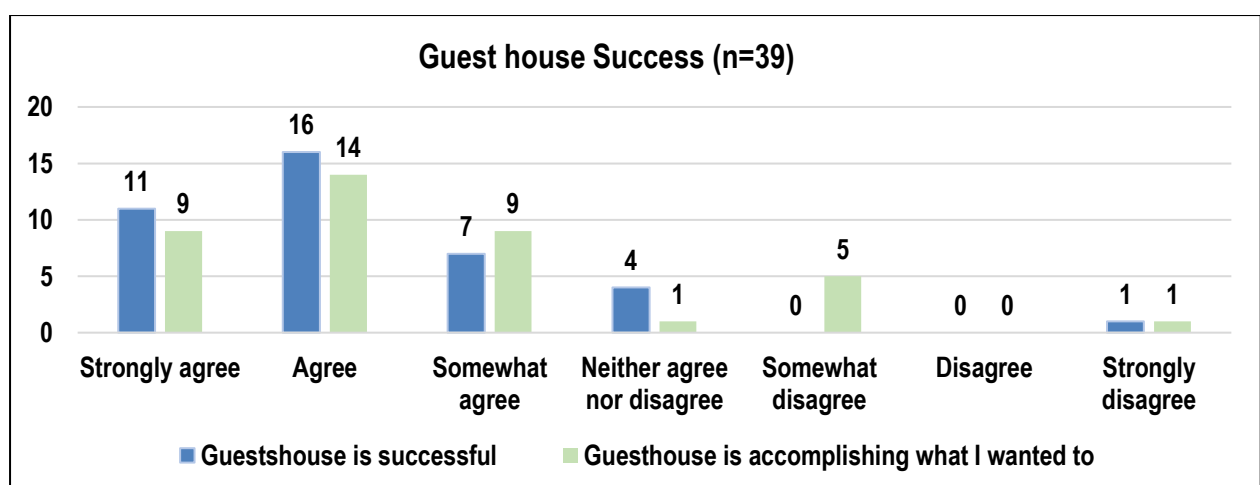
FIGURE 4.2:   GUEST HOUSE SUCCESS

4.3.5 Intentional application of experience dimensions in guest houses

To gauge the intentional application or rather the inclusion of experience economy concepts in the guest house, managers were asked to rate 19 statements on a 7-point Likert scale, where 1 = Very True, 2 = True, 3 = Somewhat true, 4 = Neutral, 5 = Somewhat untrue, 6 = Untrue and 7 = Very Untrue. The 19 statements consisted of six items to measure the educational dimension, four items to measure the aesthetic dimension, four items to measure the escapism dimension and five items to measure the entertainment dimension. Their ratings are given in Table 4.4 according to how guest house management rated themselves on whether they designed their guest house to include the experience dimensions or not.

TABLE 4.4: APPLICATION OF EXPERIENCE ECONOMY IN GUEST HOUSES

	N	MINIMUM	MAXIMUM	MEAN	NO. OF ITEMS	CRONBACH ALPHA
Aesthetics	37	2.5	7	1.628	4	0.772
Escapism	35	2	7	2.950	4	0.843
Entertainment	37	1	7	4.103	5	0.941
Education	39	1	7	4.282	6	0.980

From the data it is clear that only the aesthetic dimension receives significant attention from the guest house management at a score of 1.6 – ranging between very true and true for the items in the scale. The aesthetic dimension refers to the appeal of the surroundings such as décor, interior design, landscaping and the visual stimulus the guest house arouses. This result confirms the guests' responses, that they experience the aesthetics dimension more than the other dimensions. Escapism dimensions were also given some attention by the guest house management at 2.9, but Entertainment and Education where not focused on at a score of 4.1 and 4.2 respectively. Showing that these concepts are not a priority in guest house design.

This section has documented the characteristics of the guest house. The next sections will describe and discuss the results from applying all five objectives.

4.4 THE EXPERIENCE DIMENSIONS

Objective 1 aimed to identify and describe the overall experience of guests regarding the four experience dimensions of the experience economy: entertainment, education, escapism and aesthetics.

In the experience economy, a standardised good product and recurring excellent service is not enough to retain customers or sustain growth in businesses as it is better to rather capture consumers using experiences (Pine & Gilmore, 1998). To understand the experience in a guest house setting, guest house guests were asked to answer 24 items to gauge the type and level of participation in an experience. The scale items were based on Pine and Gilmore's theory that stated that all experiences fall within the four dimensions of experience (ibid.). These dimensions fall within the realms of entertainment, education, escapism and aesthetics that represent the fields of human endeavour. Every experience a person has falls somewhere in the scope of these experience realms in which they participate either actively or passively and to which they are connected through either absorption or immersion (Pine & Gilmore, 1998).

4.4.1 Exploratory factor analysis for the experience dimensions

For the first part of this first objective, to explore and identify, an exploratory factor analysis (EFA) was conducted to reduce the 24 scale items into coherent constructs. The 24 scale items were based on a 7-point Likert scale with increments from Very Strongly Agree (1) to Very Strongly Disagree (7). For the exploratory factor analysis, principal axis factoring was performed using SPSS and a Varimax rotation with Eigen Values >1.0. Four factors emerged as expected.

TABLE 4.5: EXPLORATORY FACTOR ANALYSIS OF THE EXPERIENCE DIMENSIONS

SCALE ITEMS	FACTOR*			
	1	2	3	4
Q15.1 Activities of others were amusing to watch	.720	.268	.224	.190
Q15.4 Watching activities of others was very entertaining	.786	.311	.202	.214
Q16.4 I really enjoyed watching what others were doing	.801	.241	.196	.229
Q17.1 Activities of others were fun to watch	.842	.231	.190	.204
Q17.7 What others did was interesting to watch	.816	.338	.149	.126
Q18.3 Watching others perform was very captivating	.758	.400	.156	.153
Q15.3 The experience was highly educational for me	.379	.604	.249	.349
Q17.5 I learned a lot	.304	.824	.264	.138
Q17.6 The experience has made me more knowledgeable	.294	.812	.280	.129
Q18.1 It was a real learning experience	.319	.827	.197	.222
Q18.5 The experience really enhanced my skills	.311	.803	.126	.232
Q18.6 The experience stimulated my curiosity to learn new things	.273	.778	.167	.223
Q16.1 The setting provided pleasure to my senses	.192	.121	.737	.237
Q16.3 I really felt a sense of harmony	.125	.197	.775	.306
Q17.2 The setting really showed attention to design detail	.209	.197	.718	.181
Q17.4 The setting was very attractive	.196	.131	.808	.120
Q18.2 Just being here was very pleasant	.098	.219	.758	.211
Q15.2 I felt I was in a different world	.373	.203	.412	.525
Q15.5 I felt I played a different character here	.355	.444	.056	.475
Q16.2 I felt like I was living in a different time or place	.254	.245	.450	.618
Q16.5 I totally forgot about my daily routine	.157	.156	.352	.626
Q18.7 I completely escaped from reality	.183	.270	.347	.672
Q17.3 The experience here let me imagine being someone else	.309	.370	.276	.467
N	329	327	330	329
Mean	3.690	3.774	2.457	3.617
Standard Deviation	8.789	8.901	6.335	8.352
Variance Explained	21.534	21.213	17.771	11.795
Cronbach alpha	.955	.957	.913	.886
Eigen Value	12.330	2.609	1.646	1.139

*__Factor 1__: Entertainment, __Factor 2__: Education, __Factor 3__: Aesthetics, __Factor 4__: Escapism

The total variance explained among the factors was 72.313. The internal consistency was acceptable as shown by very high Cronbach alpha's of >0.88 for all factors, indicating that the measuring instrument is reliable (Hair et al., 2006:777). In comparison to the study by Oh, Fiore and Jeoung (2007) using the same scale, the Cronbach alphas for factors were higher in all instances. One scale item from the aesthetic dimension (item 18.4) was deleted due to a low correlation (1.73) with the rest of the scale items and cross- loadings on three factors. Deleting the item increased the Cronbach alpha for the aesthetics construct from 0.835 to 0.913. The item was reverse coded in the questionnaire and could be the reason for not being consistent with the rest of the scale items.

After a perusal of Table 4.5 and its content; each item within each factor, the following labels were assigned:

- **Factor 1**: Entertainment (6 items)
- **Factor 2**: Education (6 items)
- **Factor 3**: Aesthetics (5 items)
- **Factor 4**: Escapism (6 items)

The factor groupings of the items confirmed the results Oh, Fiore and Jeoung (2007) obtained in that the same items loaded on the same factors, and could therefore be given the same label. This also allowed the researcher to use the collected data to apply a confirmatory factor analysis for objective five of this study.

A description and discussion of the four experience dimensions as measured in this study is provided in the next section.

4.4.2 Description of the experience dimensions

For the second part of this first objective the aim was to describe the experience of guests. In order to do this, the experience as grouped in Table 4.5 is described and discussed using means, modes, medians, percentages and frequencies. The mean scores of all four factors indicated that all four dimensions of experience were present in guest houses. The score for the aesthetic dimension ranked the highest of all four experience dimensions, with a mean score of 2.5, indicating that the aesthetic dimension is highly prevalent in the guest houses as guests report. In this study, using a 7-point Likert scale, "4" indicated neutral, while "1" indicated that the dimension is very strongly present in the experience. The second most prevalent dimension of experience was the escapist dimension with a mediocre score of 3.61 (between somewhat agree and neither agree nor disagree) followed by the entertainment (3.69) and educational dimensions (3.77).

It is noteworthy that only the aesthetic dimension received a low mean score, suggesting that the environment and the décor of the guest house was pleasing to their patrons but that the escapist, entertainment and educational dimensions received

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higher mean scores (significantly close to 4 or neutral), indicating that respondents did not feel that their time in the guest house had significantly offered them meaningful entertainment, added to their existing knowledge or altered their sense of reality (escapism). According to some literature sources, within the experience economy consumers are looking for enlightening experiences that will not only be beautiful for them but also entertain, educate and give them a sense of a different reality (Pine & Gilmore, 1998). The results from this study show that the guests did not experience all the elements of the experience economy equally and indicates the areas in which guest houses should improve are entertainment, cultivating opportunities for escapism and edifying them through educational elements.

TABLE 4.6:   AVERAGE EXPERIENCES OF GUESTS PER DIMENSION

N = 323	ENTERTAINMENT	ESCAPISM	EDUCATION	AESTHETICS	TOTAL EXPERIENCE
Mean	3.6760	3.6094	3.7802	2.5800	3.4114
Median	3.6667	3.5000	3.8333	2.5000	3.3333
Mode	4.00	2.83 [a], 3.83[a]	4.00	2.00	3.00
Std. Deviation	1.46565	1.38453	1.48556	1.05371	1.10883
Std. Error of mean	0.08155	0.07704	0.08266	0.05863	
Variance	2.148	1.917	2.207	1.110	1.230

a. Multiple modes exist, both are shown.

To further describe the total experiences of guests, the average, middle and most common values for each factor were calculated and plotted visually (Figure 4.3), representing the theoretical sweet spot. The data was processed to yield a combined average for each dimension which included the data from all the scale items per factor. The means, modes and medians are known to better describe the distribution of the data which is important for identifying a normal/non-normal distribution, an assumption for more advanced statistics later on. In Table 4.6, the difference between the means and the modes for both entertainment and education should be noted. The data indicates that most respondents reported a neutral experience although the mean indicates a more optimistic view. The data shows the modes for the average experience of escapism (2.83/3.83) and aesthetics (2.00) as positive (2 = strongly agree, 3 = agree, 4 = neutral) where the mean gives a lesser positive answer. The distribution is not normal.

4.4.3 Experience and the guest profile

The data was screened for significant patterns in the experience dimensions according to the information given by respondents using ANOVA analysis as the method. The result, in Table 4.7 shows no significant correlations between the various demographic profile categories, gender, age, income, marital status and how respondents answered on the experience dimensions, except for the level of education which showed a significant ($p=0.044$, significant if $p<0.05$) influence on how escapism was ranked.
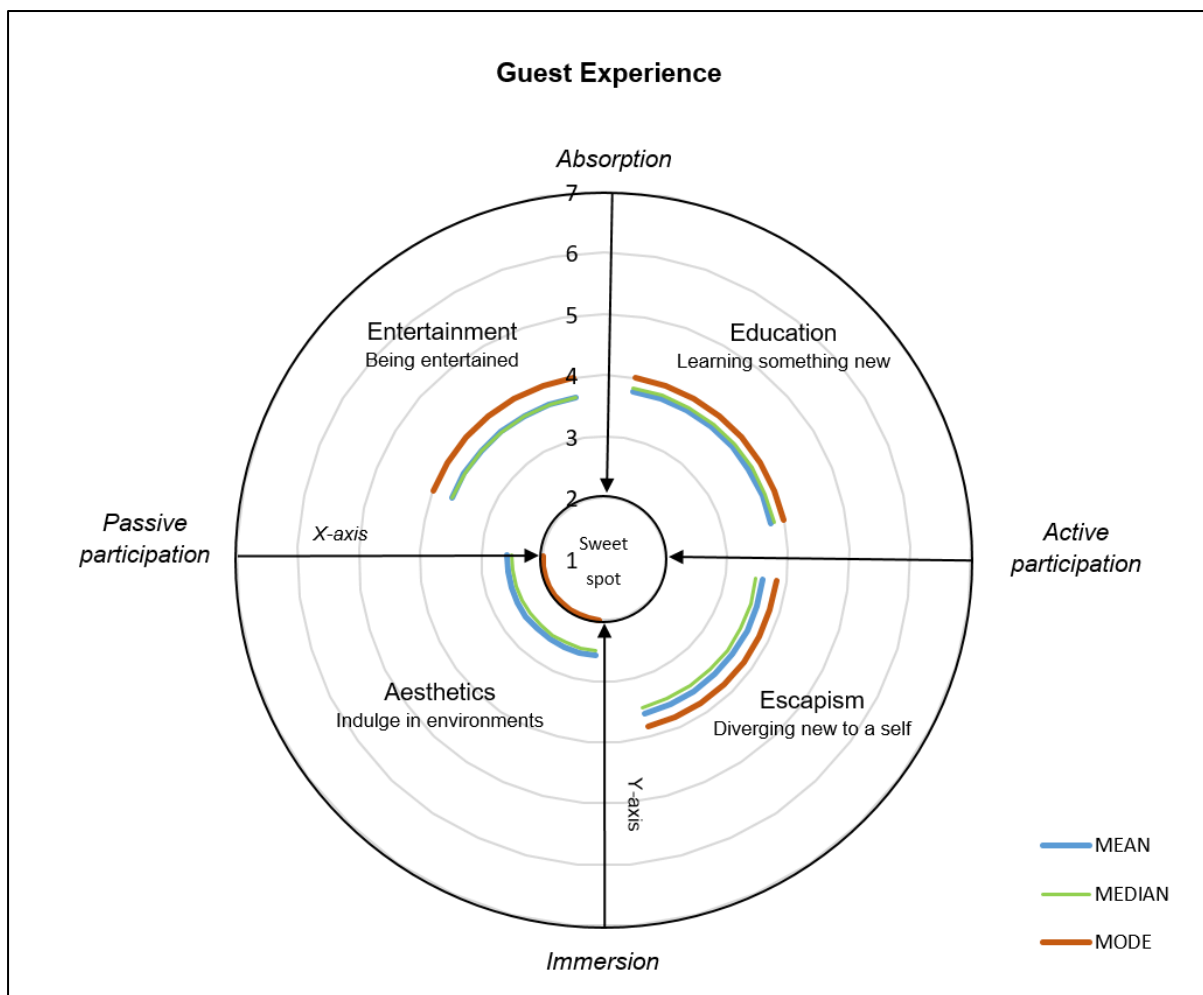
FIGURE 4.3: SWEET SPOT REPRESENTATION OF GUEST EXPERIENCES

TABLE 4.7:   ONE WAY ANOVA FOR EDUCATION LEVEL

		SUM OF SQUARES	DF	MEAN SQUARE	F	SIG.
Entertainment	Between Groups	688.431	5	137.686	1.783	.116
	Within Groups	24557.899	318	77.226		
	Total	25246.330	323			
Education	Between Groups	499.350	5	99.870	1.253	.284
	Within Groups	25182.886	316	79.693		
	Total	25682.236	321			
Aesthetics	Between Groups	184.966	5	36.993	.913	.473
	Within Groups	12924.247	319	40.515		
	Total	13109.212	324			
Escapism	Between Groups	785.705	5	157.141	2.314	**.044***
	Within Groups	21597.662	318	67.917		
	Total	22383.367	323			

*Significant at p<0.05

A post-hoc test was done to identify and describe the identified result of the ANOVA analysis. Table 4.8 describes the difference between the groups statistically. For the analysis the total score (sum of the Likert scale answers 1-7) of each respondent per dimension was used. The total scores per dimension are used rather than averages, because averages would eliminate the effect of extreme values, giving an inaccurate interpretation. Levene's test shows that the requirement of homogeneity of variances is satisfied. All p-values for error variance of the dependent variables were non-significant (p>. 05), and equal variances were assumed using the Bonferroni method. In Table 4.8, each category for the level of education was compared to the other categories within each level of education. The mean difference column shows the difference in scores between 10 and 14 points, this relates to items from the same dimensions being rated between 2.5 and 3.5 higher (more negatively) per dimension on the 7-point Likert scale, where 1 = Very strongly agree, 4 = Neutral and 7 = Very strongly disagree. The results show that respondents with doctoral degrees scored the experience much lower on the escapism dimension than other educational groups. More research is needed to understand why this is.

TABLE 4.8:   COMPARISONS TABLE FOR LEVEL OF EDUCATION AND ESCAPISM

DEPENDENT VARIABLE	(I) Q23: WHAT IS YOUR HIGHEST LEVEL OF EDUCATION?	(J) Q23: WHAT IS YOUR HIGHEST LEVEL OF EDUCATION?	MEAN DIFFERENCE (I-J)	STD. ERROR	SIG.	95 CONFIDENCE INTERVAL	
						LOWER BOUND	UPPER BOUND
EDUCATION	Grade 11 or Lower	Matric / Grade 12	-2.29861	2.89747	1.000	-10.8680	6.2708
		Diploma / Certificate	-2.26165	2.87692	1.000	-10.7703	6.2470
		Bachelor Degree	-2.82929	2.85723	1.000	-11.2797	5.6211
		Master's Degree	-3.40741	3.17203	1.000	-12.7888	5.9740
		Doctoral Degree	**-14.31111***	**4.59671**	**.030**	**-27.9061**	**-.7161**
	Matric / Grade 12	Grade 11 or Lower	2.29861	2.89747	1.000	-6.2708	10.8680
		Diploma / Certificate	.03696	1.25668	1.000	-3.6797	3.7537
		Bachelor Degree	-.53068	1.21095	1.000	-4.1121	3.0507
		Master's Degree	-1.10880	1.83423	1.000	-6.5336	4.3160
		Doctoral Degree	**-12.01250***	**3.79900**	**.026**	**-23.2482**	**-.7768**
	Diploma / Certificate	Grade 11 or Lower	2.26165	2.87692	1.000	-6.2470	10.7703
		Matric / Grade 12	-.03696	1.25668	1.000	-3.7537	3.6797
		Bachelor Degree	-.56764	1.16091	1.000	-4.0011	2.8658
		Master's Degree	-1.14576	1.80159	1.000	-6.4741	4.1825
		Doctoral Degree	**-12.04946***	**3.78335**	**.024**	**-23.2389**	**-.8600**
	Bachelor Degree / 3 / 4 Year Degree	Grade 11 or Lower	2.82929	2.85723	1.000	-5.6211	11.2797
		Matric / Grade 12	.53068	1.21095	1.000	-3.0507	4.1121
		Diploma / Certificate	.56764	1.16091	1.000	-2.8658	4.0011
		Master's Degree	-.57811	1.76999	1.000	-5.8129	4.6567
		Doctoral Degree	**-11.48182***	**3.76840**	**.038**	**-22.6270**	**-.3366**
	Master's Degree	Grade 11 or Lower	3.40741	3.17203	1.000	-5.9740	12.7888
		Matric / Grade 12	1.10880	1.83423	1.000	-4.3160	6.5336
		Diploma / Certificate	1.14576	1.80159	1.000	-4.1825	6.4741
		Bachelor Degree	.57811	1.76999	1.000	-4.6567	5.8129
		Doctoral Degree	-10.90370	4.01234	.104	-22.7704	.9630
	Doctoral Degree	**Grade 11 or Lower**	**14.31111***	**4.59671**	**.030**	**.7161**	**27.9061**
		Matric / Grade 12	**12.01250***	**3.79900**	**.026**	**.7768**	**23.2482**
		Diploma/Certificate	**12.04946***	**3.78335**	**.024**	**.8600**	**23.2389**
		Bachelor Degree	**11.48182***	**3.76840**	**.038**	**.3366**	**22.6270**
		Master's Degree	10.90370	4.01234	.104	-.9630	22.7704

*The mean difference is significant at the 0.05 level.

In this section an EFA grouped the items into factors, after which each factor was described. The researcher also searched for significant patterns within the

respondents' demographic profile data and found that the level of education had an influence on how escapism was rated.

In the next section the results of the second objective, concerning the consequences of the dimensions are presented

4.5   CONSEQUENCE DIMENSIONS

The second objective was to identify, measure and describe the experience consequences as outcomes of the lodging experience of guests in guest houses.

To accomplish the objective, an exploratory factor analysis was employed to identify the underlying factor structure of the consequences construct. This section explores the non-behavioural outcomes of an experience in a guest house. To understand the emotional and cognitive outcomes of the experience, especially in a guest house accommodation setting, guest house patrons were asked to respond to 17 item statements for the researcher to gauge the level of arousal, memory, overall quality and satisfaction that they had experienced at a guest house. The scale items are adapted from the work of Oh, Fiore and Jeoung (2007).

In this section an EFA grouped the items into factors, after which each factor was described. The researcher also searched for significant patterns within the respondents' demographic profile data and found that the level of education had an influence on how escapism was rated.
In the next section the results of the second objective, concerning the consequences of the dimensions are presented.

4.5.1 Exploratory factor analysis for the consequence dimensions

The 17 scale items relating to the consequences of experience were based on a 7-point Likert scale with increments from very strongly agree (1) to very strongly disagree (7) and extremely likely to not at all likely. A score of 3.5 or less indicated that the

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specific consequence was present in the outcome mix within the guest house, where 4.00 was the exact midpoint, and scores above 5 indicated that the dimension was not strongly present.

To reduce the items into constructs, a Principal Component Analysis was performed using the SPSS software. The results are shown in Table 4.9. For the analysis the solution was rotated using an Oblimin rotation (with Kaizer normalisation) with Eigen Values >1.0. It yielded only two factors. The items of the two factors were conceptually heterogeneous which made it difficult to assign appropriate labels to each construct. Rather, the researcher programed the software to extract four factors. The factorisation yielded four factors, although in a different combination of items per factor compared to other studies using the same measuring instrument (Quadri, 2012, Oh, Fiore & Jeoung, 2007). They labelled their factors as satisfaction, memory, arousal and overall quality.

TABLE 4.9:   EXPLORATORY FACTOR ANALYSIS OF THE CONSEQUENCE DIMENSIONS

	FACTOR LOADINGS*			
	1	2	3	4
Q14.4 How exciting was your stay at this guest house.	.948	.539	.415	-.715
Q14.3 How interesting was your stay at this guest house.	.944	.549	.493	-.684
Q14.2 How enjoyable was your stay at this guest house.	.906	.646	.605	-.706
Q14.1 How stimulating was your stay at this guest house.	.900	.568	.441	-.664
Q6.3 Overall, I really like this guest house.	.589	.961	.547	-.526
Q6.4 My attitude towards this guest house is positive.	.567	.958	.567	-.508
Q6.1 My overall evaluation of this guest house is favourable.	.572	.953	.575	-.479
Q6.2 This guest house is good.	.563	.951	.528	-.531
Q12.1 A stay at this guest house was worth the rate charged.	.491	.544	.960	-.469
Q12.2 The guest house is of good value.	.526	.623	.946	-.551
Q12.6 My stay at this guest house will be very memorable.	.757	.536	.484	-.953
Q12.5 I will have many stories to tell about this guest house experience.	.716	.457	.409	-.933
Q12.7 I will not forget my experience at this guest house.	.615	.473	.407	-.910
Q12.4 I will remember many positive things about this guest house.	.718	.594	.622	-.889
Q12.3 I will have wonderful memories about this guest house.	.706	.579	.611	-.884
N	337	338	339	339
Mean	2.589	1.817	1.984	2.414
Standard Deviation	4.631	4.270	1.995	6.121
Variance Explained	64.344	11.437	6.065	4.927
Cronbach alpha	.945	.946	X	.953
Eigen Value	10.295	1.830	.970	.788

* **Factor 1:** Arousal, **Factor 2:** Satisfaction, **Factor 3:** Value, **Factor 4:** Memories

The inter-item correlations were low and the total variance explained among the factors was 86.773, which acceptably explained variance. The internal consistency was acceptable as shown by very high Cronbach alpha's of >0.92 for all factors, indicating that the measuring instrument was reliable. One scale item from the satisfaction factor (item 9) was deleted due to a significant cross loadings on three factors (0.654, 0.689, and 0.639). Based on their components the four factors were labelled as follows:

- **Factor 1:** Arousal
- **Factor 2:** Satisfaction
- **Factor 3:** Value
- **Factor 4:** Memories

It made no sense to calculate the Cronbach alpha for factor 3, as it contained only two items. The Spearman correlation of 0.860 (p=<0.01) that was subsequently calculated between the two items in that factor, confirmed statistical significant consistency. In future studies at least two more items should be included to allow proper factorisation, therefore allowing four factors per construct.

The next section will provide an in-depth description of the consequence dimensions.

4.5.2 Description of the consequence dimensions

The mean scores of all four factors in Table 4.9 indicated that the anticipated consequences of experience was highly present in the guest experience. The score for the satisfaction consequence ranked the highest of all four consequences, with a mean score of 1.817, indicating that guests reported high levels of satisfaction after the experience in the guest house. The second most prevalent consequence of experience was the value consequence with a very high mean of 1.984 followed closely by the memory (2.414) and arousal (2.589) consequences. The data here indicates that guests achieved a high sense of satisfaction and value, strong memories and a high sense of arousal following their experience in the guest house. It is noteworthy that all four consequence dimensions received low mean scores, showing

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that the data indicates high levels of the consequences despite the data showing only average and above average level of the experience dimensions.

To further describe the consequence of experiences, the average values for each consequence factor are calculated. The data (n=323) was processed to yield a combined average for each consequence dimension which included the data from all the scale items of the specific factor. The means, modes and medians are shown as it better describes the distribution of the data for each experience dimension.

In Table 4.10, the modes and medians, together with the means, are shown as this is a more accurate indication of the distribution of the data than using only the mean. Most respondents reported high levels of arousal (2.00) and value (2.00) and very high levels of satisfaction (1.00) and memory (1.00) although the mean in each case gives a different result. In the study, (Table 4.10.1) "4" indicated neutral, "3" indicated a presence of the consequence, "2" indicated a strong presence of the consequence and "1" indicated that the consequence dimension is very strongly present:

TABLE 4.10: AVERAGE CONSEQUENCE OF GUESTS' EXPERIENCE PER DIMENSION

	AVE AROUSAL	AVE SATISFACTION	AVE VALUE	AVE MEMORY
Mean	2.5658	1.8142	1.9613	2.3783
Median	2.5000	1.7500	2.000	2.2000
Mode	2.00	1.00	2.00	1.00
Std. Deviation	1.15077	.83029	.97685	1.20708
Variance	1.324	.689	.954	1.457

TABLE 4.10.1: LIKERT SCALE INDICATORS

7-Point Likert scale Indicators						
1	2	3	4	5	6	7
Very strongly agree	Strongly agree	Somewhat agree	Nor agree or disagree	Somewhat disagree	Strongly disagree	Very strongly disagree

In conclusion of the section, as reported by guests, it seems that guest houses are creating satisfying, arousing, valuable and memorable experiences for their guests. The next section will describe whether guest houses are implementing the experience economy in their businesses as reported by the guest house manager.

4.6   APPLICATION OF EXPERIENCE ECONOMY IN GUEST HOUSES

For the third objective the aim was to explore and describe the application of experience economy concepts within guest houses.

According to Pine and Gilmore (1998, 2002) the experience economy is already here, and has been identified in several different applications across the globe (Gilmore & Pine, 2002, Oh, Fiore & Jeoung, 2007; Quadri, 2012). In order to identify whether guest houses in the current South African sample are aware of and applying the principles of the experience economy, several scale items were used to identify managers/owners' intentions when designing their guest house. In objective one the experience of the guest was described, and it provided reasonable evidence that the dimensions of the experience economy were well perceived by guests. Although it should not just be assumed that guest house managers or owners intentionally or knowingly staged the experience dimensions for the guest.

In order to assess whether guest house managers incorporated or applied the aspects of the experience economy in their guests houses, 59 managers/owners of guest houses were sampled and invited to complete the guest house questionnaire. Several scale items from each of the experience dimensions are used to gauge respondents answers using a 7-point Likert scale where 1 represents "very true", 2 = "true", 3 = "somewhat true", 4 = "neutral", 5 = "somewhat untrue", 6 = "untrue", 7 = "very untrue". Only 35 valid and complete questionnaires were returned, therefore n = 35. Although the sample was too small (and could not be associated with specific guests) to conclude any meaningful or generalisable results, it was found that among the 35 respondents guest house designers (managers/ owners) did not focus as much on creating an educational, entertaining or escapist experience as much as the aesthetic dimension.

This indicates a significant lack in intentional guest house design concerning educational, entertaining and escapist aspects. In Table 4.11, scale items that were used to assess the application of the experience economy principles in guest houses are shown, together with sample size, mean and standard deviation.

TABLE 4.11: INTENTIONAL DESIGN OF THE GUEST HOUSE REGARDING EXPERIENCE DIMENSIONS

VARIABLES	N	MEAN	STANDARD DEVIATION
Education (α = .980)		4.282	
You designed the guest house to include a learning experience for the guest.	39	4.13	1.824
Your guest house experience is designed to help the guest learn something new.	39	4.08	1.855
You try to create an educational experience for your guests.	39	4.21	1.852
You emphasise 'learning opportunities' for your guests as a theme for your guest house.	39	4.51	1.918
Many of your guests come back to your property because they can learn something new.	39	4.41	1.888
You believe your guests enhance their skills from what you have offered.	39	4.36	1.769
Entertainment (α = .941)		4.103	
Your guest house experience is designed to allow your guests to sit back and be entertained.	37	3.32	1.547
You designed the activities of the guest house to be fun for your guests to watch (look at).	37	4.43	1.894
You try to create an entertaining experience for your guests' stay.	37	3.86	1.798
Because of entertainment opportunities at your guest house, many of your guests choose to stay at your guest house.	37	4.27	1.910
You try to provide special events to entertain your guests.	37	4.62	2.139
Escapism (α = .843)		2.844	
Your guest house experience allows your guests to really feel as if they are in a different time and place.	37	2.41	1.363
Your guest house allows your guests to participate in exciting activities.	35	4.00	1.455
You want your guests to completely forget their daily routine while staying at your property.	37	2.65	1.418
You strive to make your guest house experience a complete escape for your guests.	37	2.49	1.426
Aesthetics (α = .772)		1.628	
You have paid special attention to the design details of your guest house setting.	37	1.65	0.824
You designed your guest house setting to provide a great deal of pleasure for the guest's senses.	37	1.65	1.060
You focused on making your guest house really beautiful for the guests.	37	1.51	0.692
Making your property attractive to your guests is a main theme of the property.	37	1.70	0.812

The Cronbach alphas' for this scale were all above 0.7 (Table 4.11) indicating high reliability of the scale per construct. It is noteworthy that managers indicated that they strove to include aesthetic dimensions (1.62) in the guest houses, while guests also reported high sense of the aesthetic dimension (2.46) as reported in Table 4.5. In the second place owners also seemed to intentionally create an escapist dimension (2.84) which was also rated second highest by guests (3.61 in Table 4.5).

4.7   STAR GRADE AND EXPERIENCE

Objective 4 was to identify and compare the relationship of the star grade of the guest houses with the level of guest experience.

Du Plessis and Saayman (2011) wrote that managers of accommodation establishments often use the star grade as an indicator of quality and price. In contrast, the modern consumer is changing and assesses consumption experiences differently (Pikkemaat et al., 2009; Scott, Laws & Boksberger, 2009; Van Boven & Gilovich, 2003:1193; Richards, 2001; Pine & Gilmore, 1999; Schmitt, 1999). Therefore, it would be appropriate to have a measure that could gauge and forecast the experience associated with enjoyment, relaxation, escapism and the appeal of the surroundings. To develop such a measurement tool, Oh, Fiore and Jeoung (2007) developed the experience scale that is used in this study. The scale is proven to be reliable and valid in objective one and two and confirmed in objective five. In this next section, the results from the above mentioned scale is compared to the star grade of the guest house to identify whether there are correlations in the results between these two measurement tools.

To assess whether the new scale can enhance the star grade, or more accurately better forecast the experience that one can expect, a relationship analysis was done between the two variables. Experience per se has been covered in Section 4.4 and star grades are dealt with in this and the next sub-section.

**TABLE 4.12:   STAR GRADE FREQUENCY DISTRIBUTION**

STAR GRADE	FREQUENCY (N=338)	PERCENTAGE
Not graded	96	28.4
1 star	3	0.9
2 star	4	1.2
3 star	77	22.8
4 star	135	39.9
5 star	23	6.8
TOTAL	338	100

### 4.7.1   Descriptive statistics for star grade

The star grades of the guest houses were unequally spread throughout the sample as shown in Table 4.12 and visually represented in Figure 4.5. More three and four star guest houses were included in the sample than guest houses with one, two or five stars. The sample size of the guest houses included in the study were 338, of which 96 (28.4) guest houses did not have a star grade. The mean was 2.6 stars where the maximum and best is 5 stars, the median was 3 stars and the mode was 4 stars.
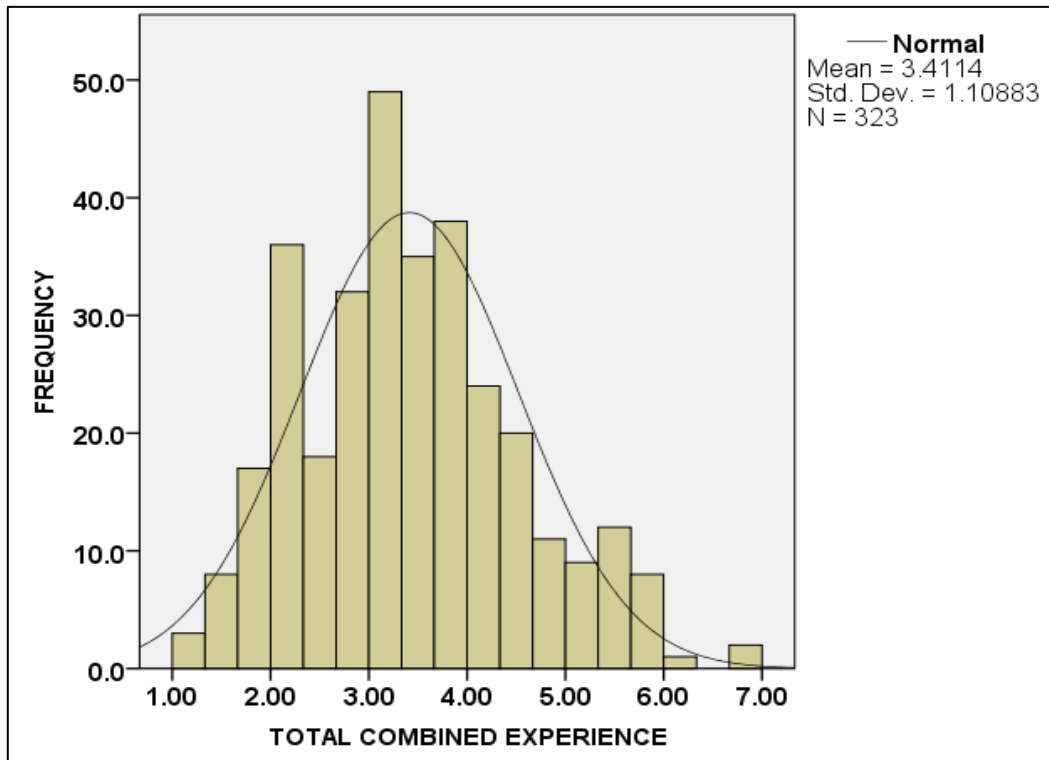
FIGURE 4.4:   EXPERIENCE DISTRIBUTION
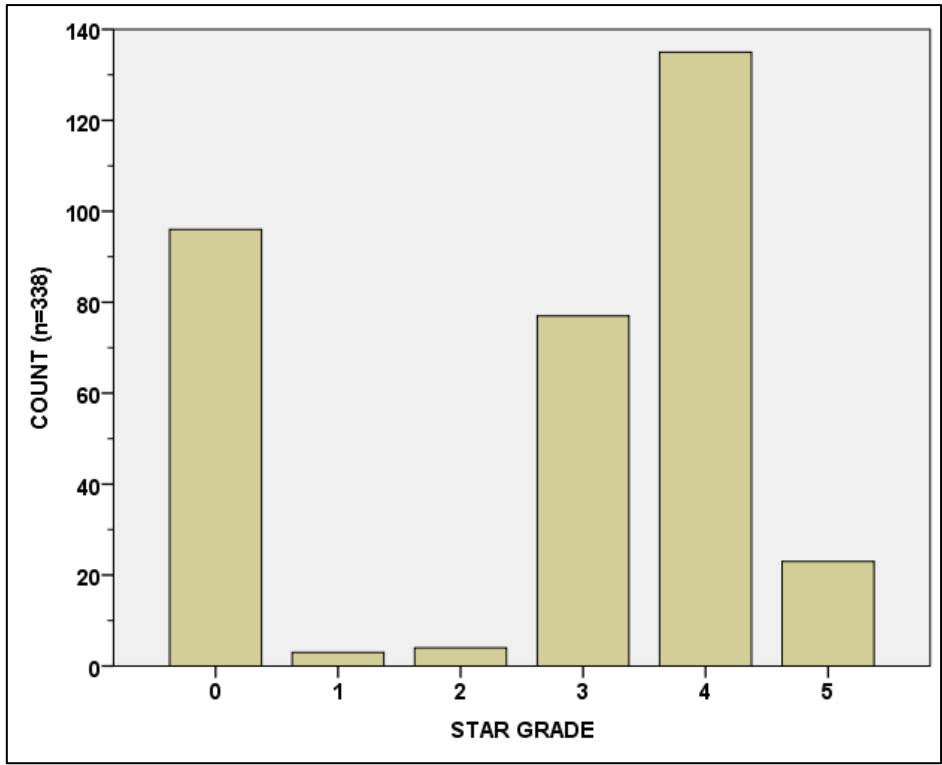
FIGURE 4.5:   STAR GRADE
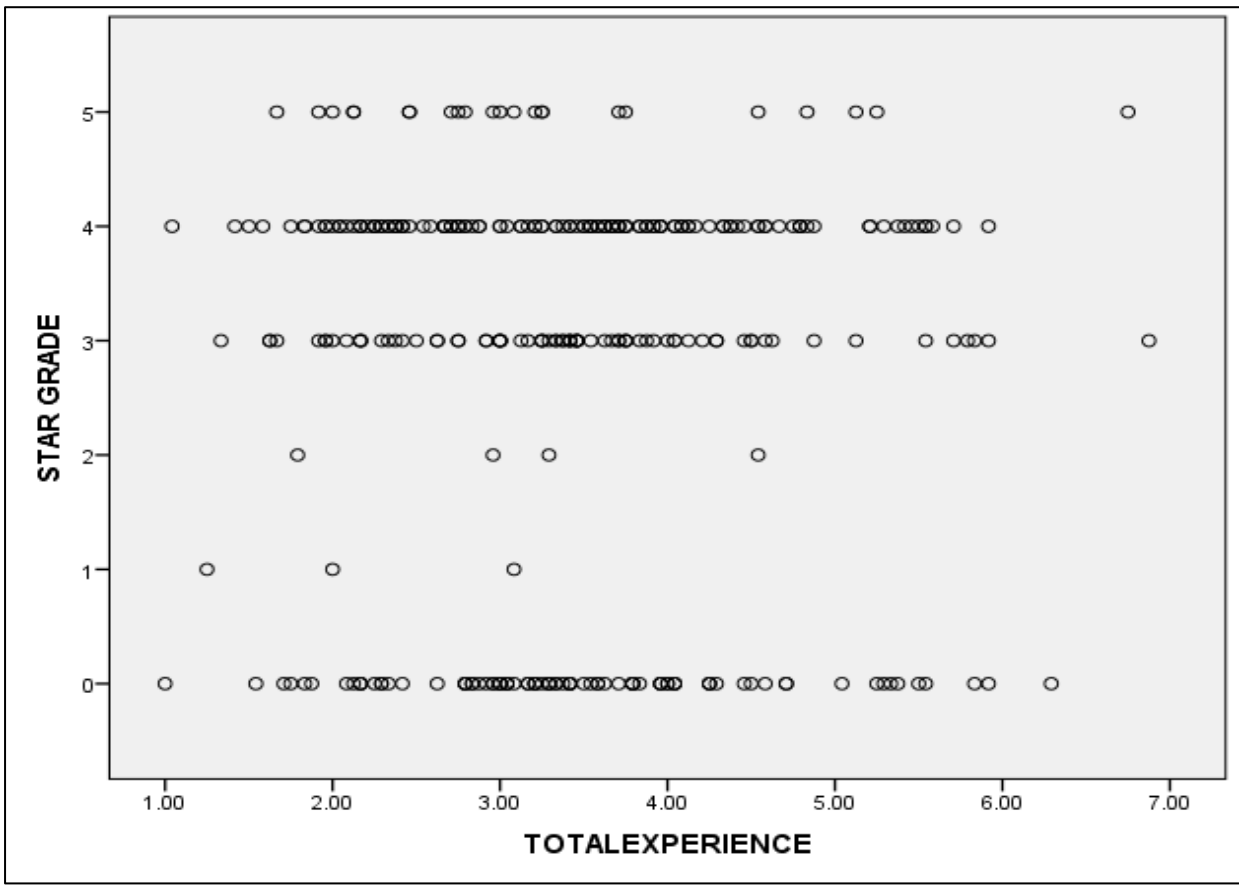
FIGURE 4.6:   EXPERIENCE/STAR GRADE SCATTERPLOT

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In order to identify the direction and strength of the relationship between the total experience and star grade a simple scatter plot diagram was drafted. The total experience variable complies with the assumption of normality as indicated by the almost normal frequency distribution, seen in Figure 4.4. The scatterplot in Figure 4.6 showed no specific linear correlation between total experience and the star grade, which indicates no specific relationship exists between star grade and experience.

For further investigation into the relationship between the star grade and each of the four experience and four consequence dimensions, a bivariate correlation table was compiled, which showed no significant correlations between the consequence dimensions and star grade. The two variables are correlated in the Table 4.13.1 and Table 4.13.2, which show no statistically significant correlations.

TABLE 4.13.1: CORRELATIONS: STAR GRADE AND EXPERIENCE DIMENSIONS

		STAR GRADE	ENTERTAIN-MENT AVE	ESCAPISM AVE	EDUCATION AVE	AESTHETICS AVE
Star Grade	Pearson Correlation	1				
	Sig. (2-tailed)*					
	Number of values	338				
Entertainment average	Pearson Correlation	-.070	1			
	Sig. (2-tailed)	.214				
	Number of values	321	323			
Escapism average	Pearson Correlation	-.001	.635**	1		
	Sig. (2-tailed)	.987	.000			
	Number of values	321	323	323		
Education average	Pearson Correlation	-.007	.681**	.681**	1	
	Sig. (2-tailed)	.904	.000	.000		
	Number of values	321	323	323	323	
Aesthetics average	Pearson Correlation	.038	.362**	.566**	.375**	1
	Sig. (2-tailed)	.499	.000	.000	.000	
	N	321	323	323	323	323

**Correlation is significant at the 0.01 level (2-tailed).

4.7.2 Descriptive statistics for star grade and experience

The results suggest two things: first, that good and bad experiences are present in guest houses, irrespective of their star rating, and second, that the star grade allocated to a particular guest house is not an effective forecast of the expected experience levels. Analysis of the data collected for this study shows that there is no definite

correlation between the two variables, a guest house's star grade and a client's experience. Therefore an experience scale and consequence scale is required to serve as an additional tool, used together with the star grade to gauge both aspects, the tangible and the experiential, of the nature of a stay at a guest house.

TABLE 4.13.2: CORRELATIONS: STAR GRADE AND CONSEQUENCE DIMENSIONS

		STAR GRADE	VALUE AVE	SATISFACTION AVE	MEMORY AVE	AROUSAL AVE
Star grade	Pearson Correlation	1				
	Sig. (2-tailed)**					
	Number of values	335				
Average value	Pearson Correlation	-.046	1			
	Sig. (2-tailed)**	.416				
	Number of values	318	320			
Average satisfaction	Pearson Correlation	-.108	.604**	1		
	Sig. (2-tailed)**	.054	.000			
	Number of values	318	320	320		
Average memory	Pearson Correlation	-.002	.553**	.600**	1	
	Sig. (2-tailed)**	.971	.000	.000		
	Number of values	318	320	320	320	
Average arousal	Pearson Correlation	-.032	.518**	.647**	.765**	1
	Sig. (2-tailed)**	.574	.000	.000	.000	
	Number of values	318	320	320	320	320

**Correlations are significant at the 0.01 level (2-tailed).

4.8   INVESTIGATION OF STRUCTURAL MODEL

The final objective, five, was to determine, measure and validate the relationships of the experience economy concepts.

For the purpose of this investigation, the same four experience dimensions and consequence dimensions that were identified through the two exploratory factor analyses as discussed in section 4.4 and section 4.5.1 respectively, were used as the point of departure for the application of confirmatory factor analysis (CFA), namely,

- Entertainment, education, aesthetics and escapism

    and

- Arousal, satisfaction, value and memory.

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SPSS was used to perform a confirmatory factor analysis (CFA). The multivariate normality test indicated kurtosis, hence unweighted least squares estimation was used to perform CFA per factor. The aim of this method was to confirm structures identified by EFA during the explorative analysis. The factor loadings are represented by the correlation coefficients calculated between the factor and each variable. Factor loadings equal to or greater than .5 are considered practically significant (Hair et al., 2006).

4.8.1 Path diagrams for confirmatory factor analyses

Results of the confirmatory factor analysis procedure are presented in Figures 4.7 to Figure 4.14, in which each figure gives the resultant loadings for the specific factor.
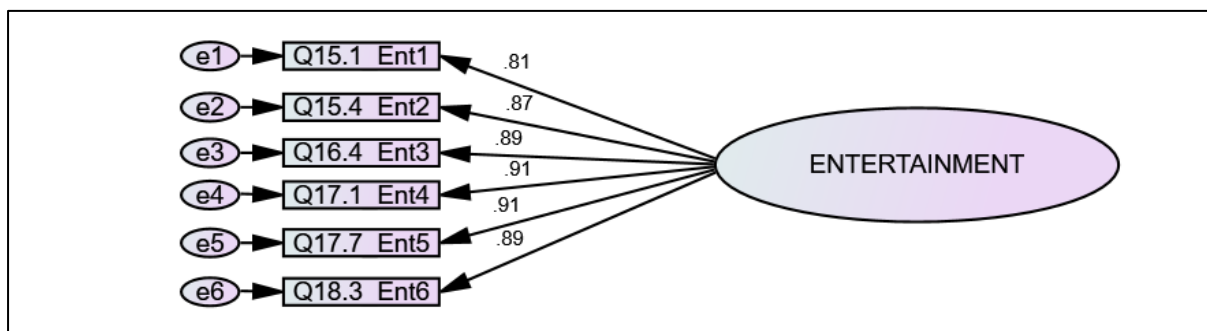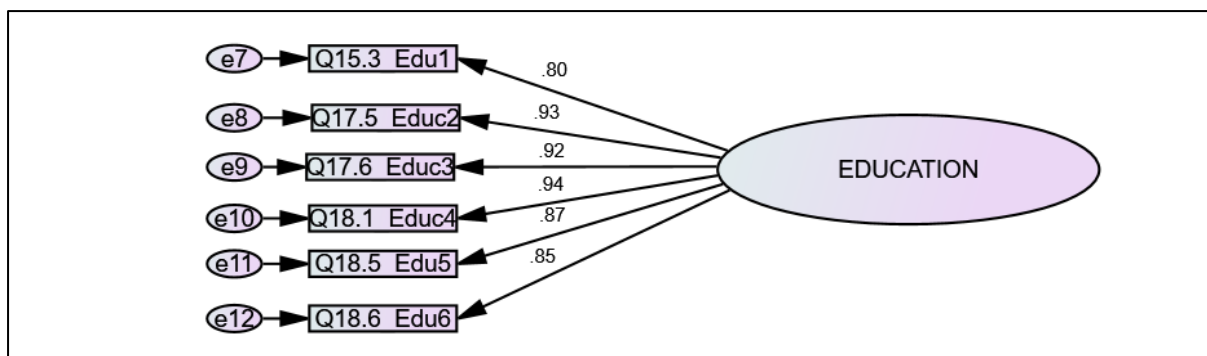

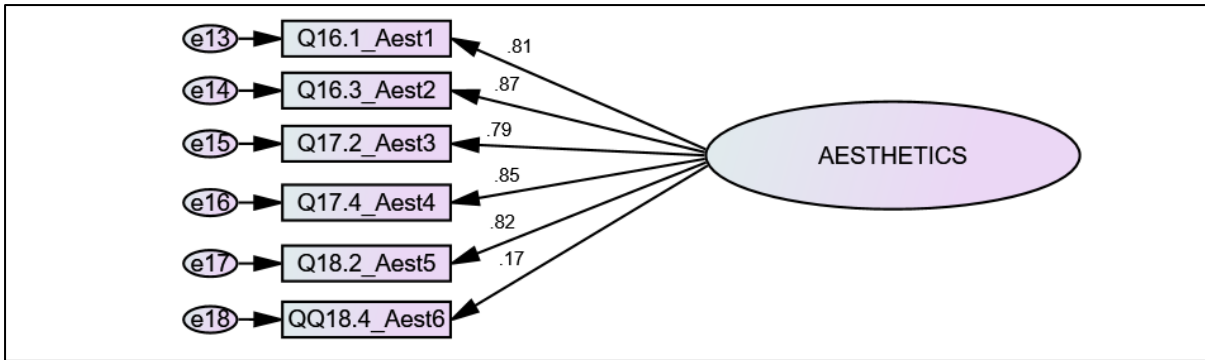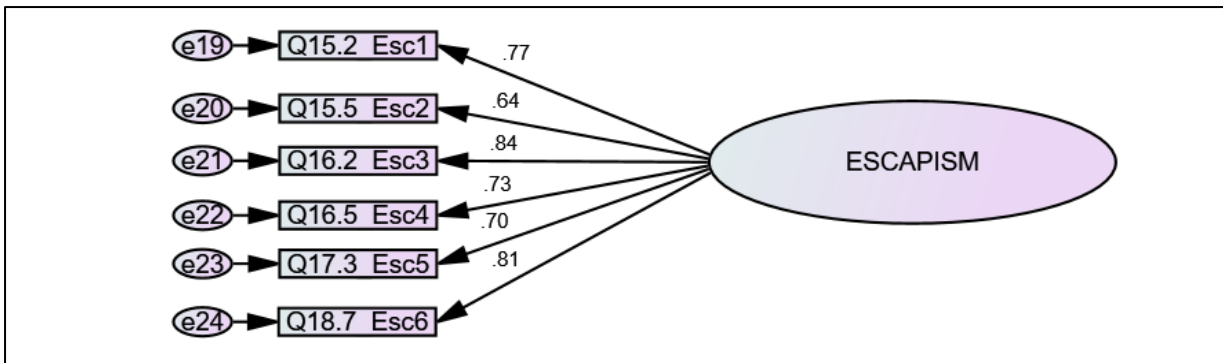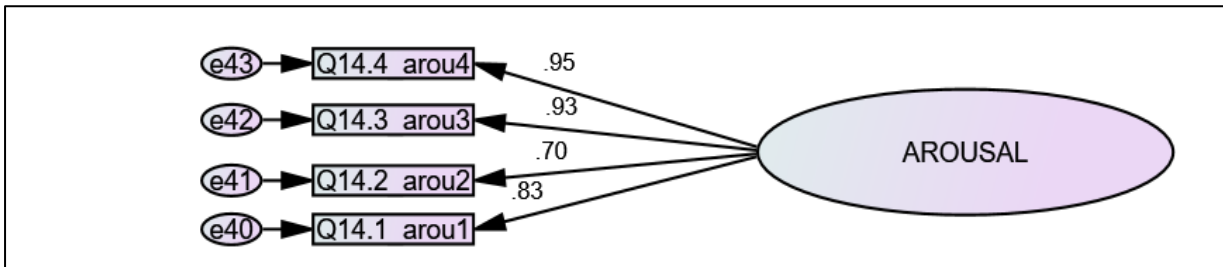**FIGURE 4.7:   PATH DIAGRAM FOR ENTERTAINMENT FACTOR**

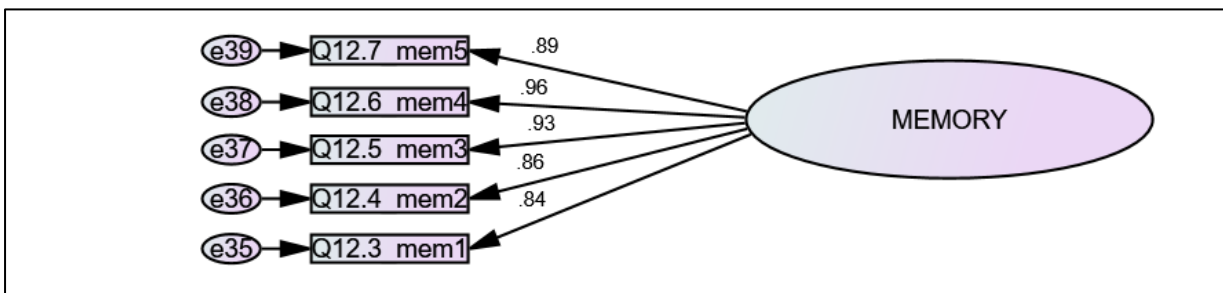**FIGURE 4.8:   PATH DIAGRAM FOR EDUCATION FACTOR**

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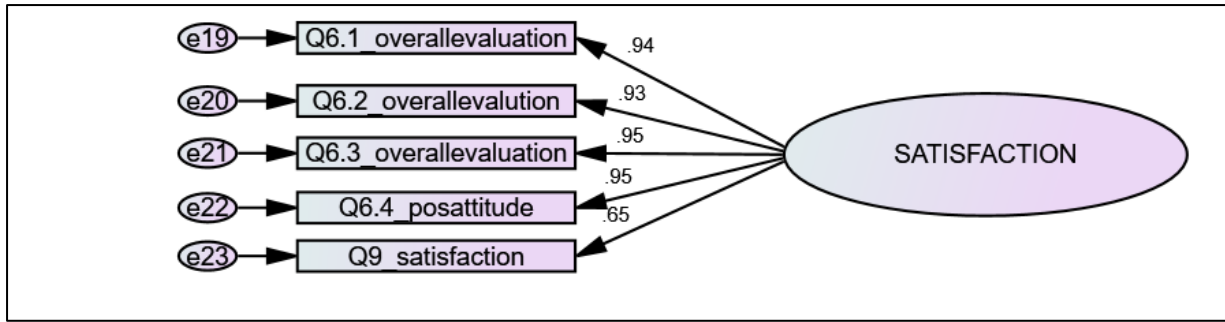**FIGURE 4.9:   PATH DIAGRAM FOR AESTHETICS FACTOR**

FIGURE 4.10: PATH DIAGRAM FOR ESCAPISM FACTOR
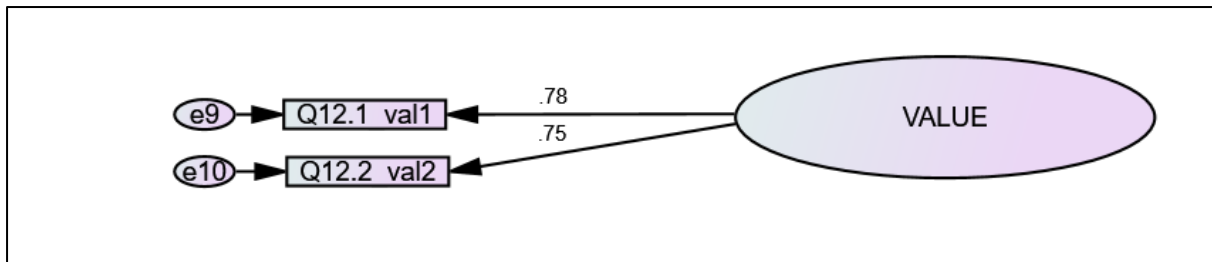

FIGURE 4.11: PATH DIAGRAM FOR AROUSAL FACTOR

FIGURE 4.12: PATH DIAGRAM FOR MEMORY FACTOR

FIGURE 4.13: PATH DIAGRAM FOR SATISFACTION FACTOR

FIGURE 4.14: PATH DIAGRAM FOR VALUE FACTOR

Each of the four experience dimensions and four consequence dimensions was visually presented in this section, and indicated that the scale items do measure the specific dimension.

The next part deals with the conclusions of the confirmatory factor analysis.

4.8.2 Conclusions of the confirmatory factor analysis procedure

Confirmatory factor analysis was done by means of Maximum Likelihood estimation. The value factor, labelled a Heywood case, was problematic to assess due to only two items in the scale. To solve the error, the variances were manually constrained to 0.5. For all the CFA constructs the factor loadings are all above 0.5 (Hair et al., 2006:777) except for one item on the Aesthetics scale with a loading of 0.17, which should be removed from the scale. Together with the model fit indices, discussed below, the respective scale is shown good model fit.

Good fit indices were achieved as presented in Table 4.14. The GFI (goodness of fit) statistics were developed by Jöreskog and Sorbom as "an alternative to the Chi-

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Square test and calculates the proportion of variance that is accounted for by the estimated population covariance (Tabachnick & Fidell, 2007)." (Hooper, Coughlan & Mullen, 2008:54). As suggested by Hooper, Coughlan and Mullen (2008), the cut-off point for the GFI and AGFI (adjusted goodness of fit) statistic in smaller samples, like the one in this study, should be at 0.95. From the respective GFI and AGFI statistics in Table 4.14 it is clear that not all the CFA's models fit the data well.

The NFI (normed fit index) and the Standard root mean square residual (SRMR) is also reported. Values for the NFI statistic range between 0 and 1 with recommended values for good fit, greater than 0.95 (Hu & Bentler, 1999). All the NFI values in the analysis were above 0.9 indicated good fit, except for Arousal at .889 and Value at .599

Values for the standard RMR are calculated based on the scale items in the questionnaires (7-point Likert scale) and span from zero to 1.0, with well-fitting models obtaining values less than 0.05 (Hooper, Coughlan & Mullen, 2008). The respective SRMR values are below 0.5 indicating good model fit.

TABLE 4.14:   FIT INDICES FOR THE CONFIRMATORY FACTOR ANALYSIS

FACTOR	GFI	AGFI	NFI	SRMR
Entertainment	.911	.792	.955	.0311
Education	.868	.692	.938	.0307
Aesthetics	.973	.936	.975	.0228
Escapism	.923	.820	.922	.0509
Arousal	.863	.544	.889	.0881
Memory	.837	.511	.907	.0459
Satisfaction	.986	.959	.994	.0067
Value	.528	-.417	.599	.1599

For further analysis into the relationships of the four experience dimensions and four consequence dimensions, a correlation analysis was conducted.

According to Oh, Fiore and Jeoung (2007) relationships are evident among the four experience dimensions and the four consequence dimensions. To establish whether these relationships exist and to assess such relationships among the dimensions in the current data set, a bivariate correlation analysis was completed. Each of the four experience dimensions was correlated with the four consequence dimensions. A

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bivariate correlation matrix analysis, using a Pearson r Correlation, was conducted within the SPSS software. The correlations were all statistically significant at the p<0.01 level for sample size n=323.

TABLE 4.15: CORRELATION TABLE: EXPERIENCES AND CONSEQUENCES

	1	2	3	4	5	6	7	8
1. Entertainment	1							
(Sig 2-tailed)	.000							
2. Escapism	.635	1						
(Sig 2-tailed)	.000							
3. Education	.681	.681	1					
(Sig 2-tailed)	.000	.000						
4. Aesthetics	.362	.566	.375	1				
(Sig 2-tailed)	.000	.000	.000					
5. Value	.238	.371	.265	.504	1			
(Sig 2-tailed)	.000	.000	.000	.000				
6. Satisfaction	.256	.389	.287	.630	.640	1		
(Sig 2-tailed)	.000	.000	.000	.000	.000			
7. Memory	.442	.608	.557	.701	.567	.617	1	
(Sig 2-tailed)	.000	.000	.000	.000	.000	.000		
8. Arousal	.470	.615	.602	.658	.544	.668	.772	1
(Sig 2-tailed)	.000	.000	.000	.000	.000	.000	.000	

All correlations are statistically significant at the p<0.01 level.

In Table 4.15, Entertainment is not highly correlated with any of the consequence dimensions, with coefficients between 0.23 and 0.47. Escapism seems to be correlated with both Memory (0.60) and Arousal (0.61), while Education is only highly correlated with Arousal (0.61). In particular, Aesthetics are correlated with all four consequence dimensions, but especially with Memory (0.70) and Arousal (0.69). Memory and Arousal are also highly correlated (.077) which is consistent with the literature on memory formation (Robinson, Watkins & Harmon-Jones, 2013:156)

Entertainment and Education have a very low correlation with Value and Satisfaction and seems to be of low importance for guests. According to Table 4.15 the guest house management can provide satisfaction, value, memories and arousal by increasing their aesthetical appeal.

4.9   CHAPTER SUMMARY

In this chapter the results for each of the objectives in the study were presented. It includes a short description of the statistical methods that were applied in each objective and the results of the statistical tests. Diagrams and tables were used to visually present the information.

In the next chapter the conclusions will be drawn based on the literature from chapter 2 and the results of the current study in this chapter.

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CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

This chapter presents the conclusions of the study as well as referring to associated implications and recommending avenues for further research.

5.1   INTRODUCTION

This chapter presents the conclusions of the study based on the main aims and objectives stated to answer the research question about lodging experience in guest houses that are in tune with the principles embodied in the theory of an experience economy. It applies the experience economy concepts to South African guest houses. The research methods and limitations of the study are first discussed in order to draw attention to identified difficulties associated with conducting research in the accommodation sector of South Africa.

5.2   LIMITATIONS OF THE STUDY AND RECOMMENDATIONS

5.2.1 Limitations of the questionnaires

With the use of self-report data, such as questionnaires, accuracy can be questioned (Leedy   & Ormrod, 2013:190). Literature shows that respondents may favour themselves or others without giving their truthful opinion. This could have happened when the respondent was a regular client of the guest house or was linked (family/friend) to the guest house in some way. The respondent then acts out of loyalty, and does not consider reality. Also, respondents may be influenced by the opinions of others and issues of prejudice or bias could influence their answers (Leedy & Ormrod, 2013:190).

Another cause for concerns would be that the respondent might have completed the questionnaire out of obligation and might have rushed through it without either reading the questions properly or considering their response. Leedy and Ormrod (2013:190) write that people often construct their opinions once asked, which could mean that their answer relates only to their current context. For this study, it was a concern as some respondents were present at the guest house while completing the questionnaire while for others it could have been a past event up to six months ago.

5.2.2 Sampling

This study was originally planned to have been conducted in the Tshwane area in the Gauteng province, but due to a low response rate the sampled area was increased geographically to a national level to allow for more effective sampling and data collection. This meant that guest houses situated in business districts and those close to holiday or tourism destinations where grouped together, which could possibly have affected the results. It would be recommended that future studies consider the location of the guest house as it is likely to influence the purpose of the visit by the guest, and would have an impact on what the guest would expect to experience in a guest house.

5.2.3 Data collection

The study is limited in that guests could not be linked to specific guest houses, which made comparisons difficult. The initial research design proposed to sample guest houses first and from there recruit ten guests per guest house. In this way, the initial management and business aspects of the intentioned design of the guest house could be compared with the data from the guest. The initial obstacle was the non-cooperation of guest house management, which caused the method of data collection to be unsuccessful. The collection methods presented several obstacles and were subsequently adjusted. This adversely affected the period of completion of data collection. Guest house management provided several reasons for their reluctance to participate, although the list given is not all-inclusive;

- Concern for the privacy of guests.

- Management not wanting to bother guests with completing questionnaires.

- Guest house employees are not allowed to give out any personal details of their guests due to privacy laws, nor are they allowed to contact guests from historical records for research purposes without their specific consent, therefore only currently available guests were accessible.

- Management representatives were not interested in the research nor the potential the results would have for themselves or their businesses.

- Employees needed to get permission from the owner/manager first to allow this initiative to take place.

- Guest house employees and management representatives were not willing to make the effort as they considered the time it would take and the responsibility involved.

- Many did not give any specific reason for refusing.

The most successful data collection method, although with questionable reliability and validity, was the use of fieldworkers to source respondents from the general population who met certain criteria (age, language) as discussed in Chapter 3.

For future research, it is suggested to sample guests from specific guest houses as this would enable the researcher to conduct several comparative analyses. The guest house sample in this study was too small for thorough statistical analysis, and should have also included guest houses on a national level to be able to draw conclusions from a wider and more representative South African population. Future research should introduce larger samples from broader geographical areas and find alternative methods of data collection to counteract the typical low response rate that is a common feature of the industry at large.

It is suggested that researchers find other ways to source and compare data from this aspect of the hospitality industry with data from consumers as guests of guest house facilities. One way to increase the chances that data is collected from guests of specific guest houses without the guest houses' participation, is to increase the sample size. It will increase the likelihood that guest houses data from guests and guest houses in the second data set will overlap. In addition, finding industry

organisations and governing bodies to endorse, introduce to industry and participate in the research process could be highly beneficial to both stakeholders.

5.3   CONCLUSIONS DRAWN FROM THE STUDY

In this study all the objectives are met, as was set out in the problem statement and objectives. The conclusion for each objective is discussed in the following sections, starting with the additional investigation of guest house websites.

For the purposes of the study, each guest house website in the sample was perused. This secondary activity yielded interesting information and allowed the researcher to view the online presence of each guest house, in the same manner a potential guest would have. With the study's dataset, more than 37% of guests used the internet, probably either from a personal computer, smartphone or tablet, to search for and find the guest house and information relating to it. This reveals the importance for a well-designed, well-placed, searchable, website that integrates with other popular technology, such as online bookings, GPS directions and options to pay online directly from the website. In the current technological age, it is deemed necessary for a guest house to have an online platform on which potential guests can find information, and interact with the business. A perusal of the guest house websites in the study, showed many poorly designed websites and revealed some unsearchable guest houses often without a website or secondary website that advertised them. It is suggested that guest houses in general take more responsibility for their online presence and use the online options such as social media to market themselves, and provide a word of mouth platform where guests can provide feedback. This in itself could hold possibilities for future study, such as the influence of social media on guest house visitation.

In the next section the findings of the study will be set out in line with the previously stated objectives; on how the research achieved the five objectives and met the research obligations. The adjusted conceptual framework is presented in Figure 5.1, and shows the original experience dimensions and the consequence dimensions as concluded in the study. Guest and guest house profiles were adequately representative of all the demographic characteristics associated with age, gender,

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marital status, income, business or leisure as discussed in the previous chapter that gave the results of the tests applied to the data collected.

5.3.1 Conclusions related to the experience of guests

Guest experience was measured using the experience economy scales Oh, Fiore and Jeoung (2007) proposed. From the sample of guests, most reported a high overall sense of aesthetics in the guest house, with a sense of escapist aspects being second highest. Entertainment and educational aspects are close to the central point of the scale and it can be said that guests do not significantly experience these aspects. However, the results were interpreted bearing in mind that the main business goal of guest houses is to provide accommodation with the option of specified additional services (breakfast, laundry, private office services, etc.)

Guests usually do not spend much time at the guest house itself. Moreover, most of the time spent there is usually inside their private rooms therefore guest house employees do not have as much time as other tourism establishments (such as museums or adventure destinations), to create opportunities for entertainment and education. The study found that on average guests stay over for two to four nights, while it might be enough time to form an opinion of the guest house, the duration of time might not allow for proper engagement with the guest house offerings or give employees of the guest house time to interact with the guest. This could cause that guests never experience the full offerings of the guest house in comparison to what they might have experienced on a longer stay. This could be the reason why education and entertainment aspects were rated lower than aesthetics. In accommodation settings, guests often engage with the immediate surroundings and décor, the latter of aesthetic value, more than with any other aspect of the experience economy.

It is here acknowledged that business travellers would interact differently with guest house employees than holiday makers would in that their needs and time schedules are more calculated. In the sample these two groups were equally spread and showed no significant difference in how they responded, in contrast with common assumptions. More detailed research would be required to investigate how business and leisure

travellers place importance and assess accommodation settings in the experience economy.

The sampled guest house employees (n=39) also reported that more had been invested in the décor and aesthetics of the guest house, than other dimensions, which could be the main reason why the aesthetics dimension is so prominent in the guest experience analysis.
Another interpretation could include that mostly South Africans took part in the study and that they have not yet entered the experience age and are therefore not mindful or interested in the entertainment, education, escapist and aesthetic aspects on offer at guest houses, or accommodation services. None the less, guest houses have an opportunity to please and create that dreamworld that guests would appreciate.

5.3.2 Conclusions related to the consequence of the experiences of guest

Objective 2 aimed to identify, measure and describe the consequential outcomes of experience for guests. The outcomes of the experience were measured using the scale of Oh, Fiore and Jeoung (2007). The results showed that guests felt a high sense of satisfaction, value, strong memories and a high sense of arousal following their experience in the guest house. It is noteworthy that all four consequence dimensions received scores between 1 and 2, showing that the data indicates high levels of positive consequences despite the data showing only average and above average level of some of the experience dimensions. The original scale from Oh, Fiore and Jeoung (2007) found overall quality as the forth factor, whereas in this study is with conceptualised as value, as seen on the adjusted conceptual framework in Figure 5.1.

Several factors could explain the differences between the experience dimensions and the consequence dimensions. First, the use of ordinal data means the score of '2' on the one scale does not necessarily equal a score of '2' on the other scale. Therefore, the scales are not linearly correlated. Second, the guests in the sample may not be very critical of the guest house due to a lack of previous experience that they can compare experiences. Therefore the respondents scored it so favourably. It is noteworthy that, although the experience did not yield very entertaining, educational or escapist experience that the consequences of the experiences are still reported

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favourably. This could indicate that the guests in the sample had not yet fully moved into the experience economy, and perhaps still held other more traditional views or had different expectations. This shows the possibility that guests still used more traditional indicators and criteria other than the experience economy dimensions to evaluate services and products. For example, in South Africa, guests could still place high importance on more traditional quality and value indicators such as a privacy, safety, personal contact with host and price. Irrespective, guest houses have the opportunity to educate consumers on the experience economy by providing them with a guest house stay that is arousing, memorable, produces satisfaction and sense of value through the use of the four experience dimensions; entertainment, education, escapism, aesthetics.

5.3.3 Conclusions related to the application of Experience Economy in guest houses

Objective 3 aimed to describe the application of experience economy concepts within guest houses. To assess the application, guest house owners or managers was asked to indicate whether they intentionally designed their guest house to include entertainment, education, escapist and aesthetical aspects. Although the sample size was too small to generalise too confidently, most guest house employees indicated that they made a definite effort to make their guest house aesthetically pleasing for the guest, while the entertainment, education and aesthetics were greatly neglected. Although it seemed that few guest houses intentionally created entertainment, educational and escapist experiences, from the results obtained when dealing with Objectives 2 and 3, it seems that this does not have a significant impact on the outcomes for guests, positively or negatively. The study concludes that guest house management should intentionally create a balanced experience for their clients.
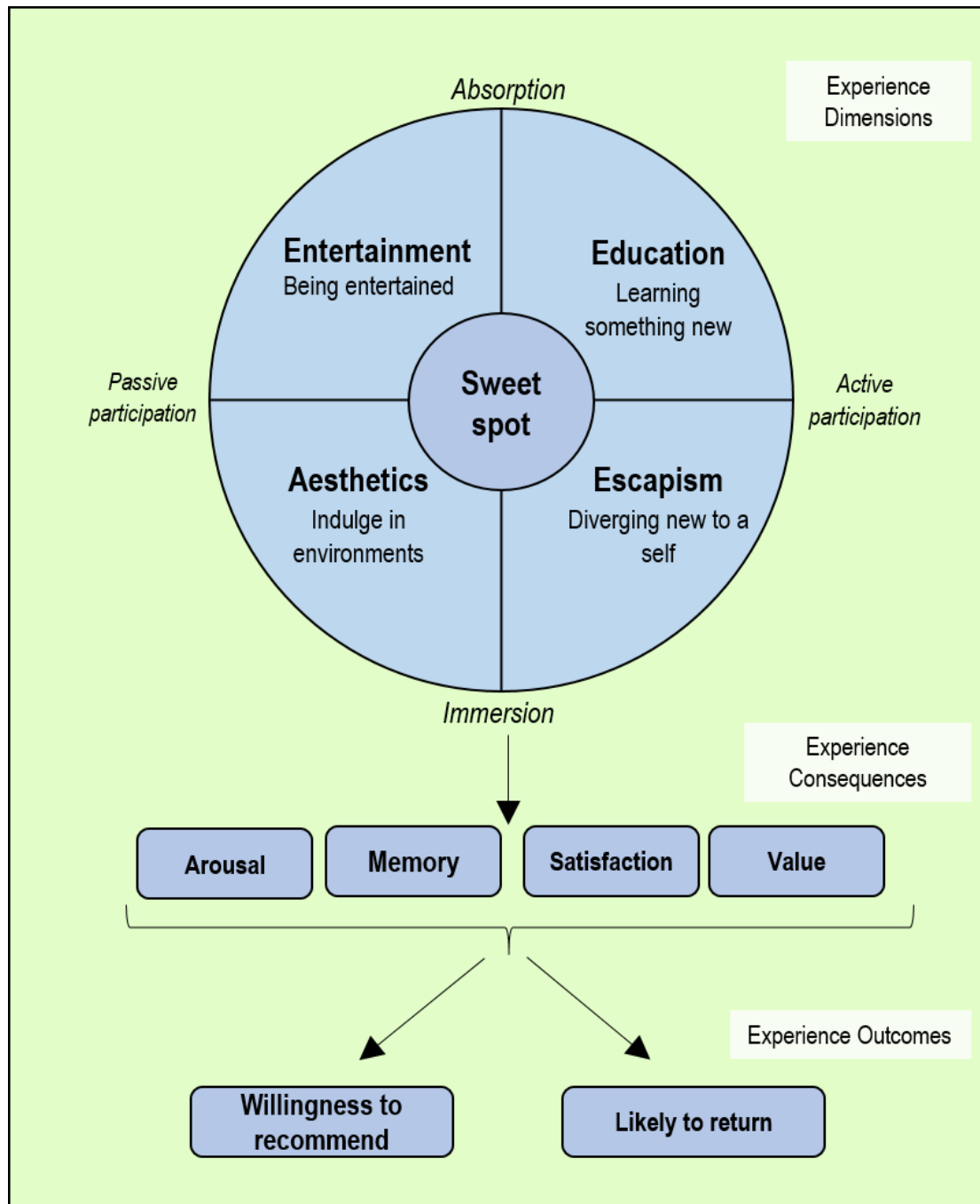
FIGURE 5.1:   ADJUSTED CONCEPTUAL FRAMEWORK

5.3.4 Conclusions related to the relationship between the experience economy and star grade

Objective 4 aimed to identify and compare the relationship of star grade with the level of guest experience in guest houses. The results showed no specific relationship between the two variables. From the relevant literature sourced, it was posited that

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consumers and managers use the star grade to assess price, quality and to align their expectations. But the star grade cannot predict the outcomes of a stay with regard to satisfaction, memories, arousal and value, since they operate on tangible elements. Therefore it was posited that the star grade should not be the only grading or rating tool used by both potential guests and guest house management. Because modern consumers want to enter the experience dimension, beyond quality and service, the guest house experience must be rated according to what a modern guest would expect. The scale used in this study proved to be a good measure of the experience and outcomes and is therefore proposed as a tool to measure the hospitality experiences in the future. The measured experience levels showed no relationship to the star grade - in layman terms, guest houses created average to good experiences with good outcomes (as rated by guests) irrespective of its allocated star grade. Thus the measurement tool in this study should be applied together with the star grade, respectively, in order to assess the guest experience and the tangible aspects of the guest house offerings.

5.3.5 Conclusion of the relationships between the constructs

Objective 5 aimed to determine, measure and validate the relationships between the experience economy concepts. It was found that entertainment was not highly correlated with any of the consequence dimensions. Escapism seemed to be correlated with both memory and arousal, while education is only highly correlated with arousal. In particular, aesthetics were correlated with all four consequence dimensions, but especially with memory and arousal, which are also highly correlated, and is consistent with the literature on memory formation (Robinson, Watkins & Harmon-Jones, 2013; Cahill & McGaugh, 1998). Entertainment and education had a very low correlation with value and satisfaction and guests did not seem to think these items were important at all. According to the results, the aesthetics dimension is the most important to achieve for a positive outcomes for guests. Neither entertainment nor education seemed to affect the outcome of satisfaction at all. It is the décor and surroundings that matter most and lead a guest to achieve a sense of satisfaction, acquired pleasant memories, feeling aroused and added value.

Testing measurement theory cannot simply be done with only one sample or study but needs to be done with multiple samples and contexts to prove a model's stability and generalisability (Hair et al., 2006: 711). Although this study built on the work of Oh, Fiore and Jeoung (2007) and used the same scale and model, which provided a set of comparative results, more research using the scale is required. This is needed before the model and measurement instrument and its scale can be empirically validated across all settings.

5.4   IMPLICATIONS AND RECOMMENDATIONS FOR GUEST HOUSE MANAGEMENT AND INDUSTRY

Many guest houses operate at low occupancy levels and have already supplemented their income with additional services such as hosting conferences, private catering, art exhibitions and more, as discussed earlier. However, they have even more opportunities to engage with guests who make use of the accommodation facilities, but also with other visitors. The experience economy provides the knowledge and platform on how to impress the consumer but is not yet recognised by guest house managers or owners. As shown in this study, guest houses have many unused opportunities to engage with guests on a more experiential level. The study found that guest houses lack in creating and staging entertainment and educational experiences that have proven in other areas to add to the overall experience of the consumer and increase profits. Guest house management, in future, will face a more competitive environment, therefore they should adapt their offerings and focus on the experiential aspects of their offerings as consumers become aware of and demand unique experiences. It is recommended that guest house management become aware of the experience age, educate themselves and adapt their offerings in such a way that guests can experience the experience economy dimensions. This will educate, entertain, and provide escapist and aesthetics experiences for guests.

Guest house management must realise the value and benefits of both the star grade and the experience economy measuring instruments. Both these instruments have proven to give valuable insight into the guest house offerings and provides the tools to identify whether guest are receiving what they pay for, but also whether they are

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being impressed, satisfied beyond expectation, and enticed into a return visit. The research showed that the popular star grading system does not provide the information that consumers use to evaluate lodging options, and that the experience measurement scales used in this study are a more adequate measure to gauge enjoyment, pleasure, and satisfaction based on guest experiences. In South Africa, the current customer feedback forms which the industry uses together with the star grading system are the only tools available to rank or assess the performance level of a guest house. This research shows that no firm correlation exists between the guests' experience and the star grade. Therefore, it is recommended that guest houses start evaluating their offerings in terms of both these models and adapt their business strategies, training and service levels to match the modern day consumer in the experience age. Also it is recommended that industry adapts the measurement tool applied in this study to gauge industry success, and develop new customer feedback scales based on actual experience as reported by guests for all types of accommodation.

From the additional website perusal conducted, it was clear that the online identity of many guest houses are not user friendly, outdated or non-existent. It is recommended that guest houses assess whether they are using technology, especially online platforms and social media, to enhance and promote their business. For some guest houses it is necessary to update or redesign their websites to make them more user friendly, easier to locate, and useful for a potential guest who is planning a trip. For others it is suggested to introduce social media to their business in an effort to increase their online footprint and customer awareness of the guest house.

5.5 CONTRIBUTION AND RECOMMENDATIONS FOR FUTURE STUDIES

Throughout this study, the need for more research on guest houses and accommodation types was evident. The gaps in literature showed that very little information is available on accommodation in South Africa. In a sector that averages on 45-50% occupancy rate there are many areas for improvement. The high rate of unemployment, and growing entrepreneurial support from both government and industry leaders, makes the South African market viable for experience based offerings in all sectors. Therefore it is recommended that the experience economy be

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applied across all sectors, and industries. Theoretical research on the experience economy in other industries can lead the way for the business sector to capitalise on this economic product.

5.6   CONCLUDING NOTE

This research shows that the measuring instrument was a good conceptual fit for an accommodation-related experience and would be useful in other studies to measure consumption experiences. Guest houses are not providing sufficient entertainment and educational experiences for their guests as prescribed for the experience age (Pine & Gilmore, 2002). Data shows that owners and managers do not focus strongly enough on the escaping aspect of a holiday or trip through the aesthetic value or appeal of the guest house and surroundings. The aesthetical appeal of guest houses were rated very highly and indicates that most guest houses are beautifully designed and decorated according to guests, which was consistent with owners' intentions. Guests' experiences, in general, were aligned with the intentional design of the guest house or rather what the owner planned for the guest, but had no correlation to the star grade. This indicates that improving or intentionally staging educational and entertaining experiences are likely to cause higher levels of the dimensions within the guest.

The consequence dimensions (satisfaction, arousal, memory and value) seemed to be significant although rated at a lower level than total experience that does comprise a range of aspects. Suggesting that a highly favourable experience regarding the experience dimensions it is necessary to produce higher levels of satisfaction, arousal, memory or value which were not linearly correlated. Other factors that were not included in the study, may have contributed to the results of the consequence dimensions in the study. There could be accommodated in future studies and should include the broadly known service outcomes documented in the literature when using the Experience Economy Model. Future research should concentrate on the importance of experience dimensions to access guests and identify whether the experience in accommodation is important to travellers in comparison to traditional pull factors or destination attractions.

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Addendum A

Ethics Committee Approval Letter

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Addendum B
Introduction letter to questionnaire

CREO

Addendum C

Questionnaire : Guest

CRSO

Addendum D

Questionnaire: Guest house

CRISO