

Chapter 14

Balancing Value Co–Creation: Culture, Ecology, and Human Resources in Tourism Industry

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ABSTRACT

Co-creation of services in tourism industry is accorded in this work as a shared-responsibility by the service providers, local communities, and tourists who interact and collaborate to co-produce improved service offerings for a valuable experience. The process of creating improved services involves a state of harmony and balance within and among the tourism elements such as ecology, culture, and human resources for the protection, preservation, and sustainability of the tourism environment. People attach notable value to experiences, and tourism is one of the greatest sources of life experiences. From this perspective, the authors, through systematic literature review, attempted to align the emerging concept of creating value in service ecosystem to tourism for a more meaningful touristic experience.

INTRODUCTION

Experiences are valued because they are memorable, and tourism is regarded as one of the most relevant life experiences (Alcoba, Mostajo, Paras, Mejia, & Ebron, 2016). Everyone and everything in the tourism experience is involved in the creation of a meaningful experience. This work gives importance to value co-creation in the tourism industry services ecosystem, incorporating a paradigm of balance among the tourism elements, such as culture, ecological environment and human resources as components for improved services. The concept of services ecosystem involves cooperation and coordination of people in the institutional environment for value co-creation (Vargo & Lusch, 2015). Thus, the preservation,

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sustainability, and co-creation of valued services in tourism are considered here as a shared-responsibility: a product of the interaction and concerted effort of its elements, including the participation of the tourists. The succeeding discussions establish the rationality of the framework introduced for achieving improved services in tourism industry, which is the main objective of this paper.

VALUE CO-CREATIONS IN TOURISM INDUSTRY

Even mere accidental observation would conclude that what customers consider valuable has changed significantly compared to the past. In the last decades, at least two new concepts that have relocated the focus of value creation have appeared.

The first nests from the impact caused by the switch from an exchange of goods market into an economy which is mainly based on services. This approach has two parallel and interrelated pathways (Spohrer, Anderson, Pass, & Ager, 2008). The first, called service-dominant logic, was originally conceived as a marketing issue (Vargo & Lusch, 2004). But it has undergone a progressive evolution (Vargo & Lusch, 2007) that has expanded its descriptive value. Nowadays, it is positioning itself as a paradigm about creating value in service ecosystems, in which the institutional environment is contemplated as a context of cooperation and coordination in value creation (Vargo & Lusch, 2015). The second pathway, originally termed as science of service systems (Spohrer, Maglio, Bailey, & Gruhl, 2007), is now named service science (Spohrer & Maglio, 2009). It is understood as the interaction among people, technology, and shared information (IfM & IBM, 2008) and considers service systems as the basic abstraction that explains the co-creation of value (Maglio, Vargo, Caswell, & Spohrer, 2009).

The second concept that helps in conceptualizing what is valuable by the customers is related to Pine and Gilmore's schema of the progression of economic value and it is the so-called experience economy (Pine & Gilmore, 1998). Under this approach, lived experiences are even beyond interacting with services. Experiences are personal and memorable. Customers add them to their biographies and they help them to construct their identities (Alcoba et al., 2016). In the semantic universe defined by these two concepts, there are several terms whose conceptual delineation plays a very important role in the analysis of their impact in the tourism industry.

The first of these terms is the concept of value, an essential element in economics, because it is evident that customers exchange money for that which they consider valuable. Value can be defined as that which improves a system's well-being (Vargo, Maglio, & Akaka, 2008). Nevertheless, in a market which is characterized by its growing complexity and where once basic needs have been met, it is not always easy to determine what the need or the problem that has been solved after an economic transaction is. For example, in the luxury market, it has been noticed that even within the same value proposal that generally a company offers, there is a co-existence of products oriented both to the display of the brand and to its very concealment (Han, Nunes, & Drèze, 2010). This is because human beings hold a unique way of seeing the world. Thus, when considering the way in which people interact with services, one must take into account that human beings perceive and store events in a subjective way that is strongly influenced by symbolic representations that are different and unique for each person (Alcoba, 2011). Therefore, although this definition is seemingly less operative, it may be more appropriate to say that what determines value is the personal meaning that customers construct in their interaction with the experience they live (Pralhad & Ramaswamy, 2003). Consequently, the hallmark of the design does not just consist of merely creating products, but of experiences, emotions, interaction, sustainability,

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