Sri Lanka Journal of
Marketing
University of Kelaniya - Sri Lanka

Virtual Reality for Enhancing Customer Value in Sri Lankan Hospitality and Tourism Industry: Perspective of Industry Experts

W.A.K.C.B. Muwandeniya
Department of Marketing Management, University of Peradeniya
kavindu.muwandeniya@gmail.com

B.A.N. Eranda
Department of Marketing Management, University of Peradeniya
nuresh@mgt.pdn.ac.lk

ABSTRACT

With the heat of emerging the Metaverse concept, the application of Virtual Reality (VR) technology has been elevated. VR's importance is continuously growing due to its distinctive core traits, especially in the tourism and hospitality sectors. It is imperative to explore how VR adds value to its users. Therefore, the purpose of this study is to explore how tourism and hospitality industry service providers effectively engage with VR technology to enhance customer value. The study used qualitative research methodology and the phenomenological approach to extract the essence of this specific phenomenon. By unifying the noema, noesis, and intentionality concepts, the researchers captured the eight respondents' experiences regarding VR. Data collection was undertaken using in-depth interviews with respondents and analysis of data was completed using the generic qualitative data analysis procedure. As per the findings, from the service provider's perspective, VR technology adds value to the customers of the hospitality and tourism industries in two ways; addressing customer issues through utility and by developing pleasant sensations. The result of this research study allows hoteliers to comprehend the importance of utilising VR to gain a sustainable competitive advantage by enhancing customer value. This research query will shine a new light on modern tourism and hospitality industry. VR technology is evolving rapidly, therefore future research should

Sri Lanka Journal of Marketing by Department of Marketing Management, University of Kelaniya is licensed under a Creative Commons Attribution 4.0 International License.

Page | 64

be constantly re-validated through continuous investigation of how VR can be used in the hospitality and tourism industry.

Keywords: *Experiential Marketing, Hospitality Industry, Phenomenology, Value Addition, Virtual Reality*

1. INTRODUCTION

Facebook CEO Mark Zuckerberg recently revealed a mind-blowing concept called "Metaverse" that can revolutionise the present and future of many industries. This Metaverse concept comprises the main immersive technologies such as virtual reality, augmented reality, blockchain, artificial intelligence (AI), and 3D reconstruction (Taylor, 2022). In addition to that, another most recent groundbreaking revelation is the Japanese lickable TV screen that imitates food flavors, introduced by Professor Homei Miyashitha of Meiji University. The ultimate goal behind both of those concepts is to add value for the users by creating multisensory experiences. In the marketing field, this experiential marketing concept is the most contemporary orientation that business organisations use to develop a positive neuro-association through the experiences of their customers (Williams, 2006; Urdea and Constantin, 2021).

Today, we live in an experience economy with very high customer expectations. Hence, modern customers are now more concerned about unforgettable, unique memories and pleasant feelings that they can create rather than the mere functional values of the products and services (Pine and Gilmore, 1999; Sülük and Aydin, 2019). Virtual Reality (VR) technology is one of the immersive technologies that business organisations can use to create different positive experiences for their customers (Guttentag, 2010). In particular, this technology can be ideally used in the tourism and hospitality industries since most of the products and services in the

Sri Lanka Journal of Marketing by Department of Marketing Management, University of Kelaniya is licensed under a Creative Commons Attribution 4.0 International License.

Page | 65

hospitality and tourism industry are of an intangible nature (Walker, 2017). Through VR technology, customers can experience their desired travel destination, its atmosphere, and possible emotions beforehand (Beck et el, 2019).

Guttentag (2010) stated that especially in the tourism industry, VR technology can be used in the following six areas: planning and management, marketing, entertainment, accessibility, education, and heritage preservation. However, Wei (2019) emphasized that the existing VR literature on tourism settings and extant literature has prioritized a consumer perspective. In addition, there is a lack of knowledge in hospitality settings such as hotels, restaurants, resorts, and events settings where VR technologies have increasingly been implemented for marketing and consumer experience enhancement purposes. Therefore, through this research, the researcher will try to do a thorough exploration about how Virtual Reality (VR) adds value in hospitality industry. Seeing from this background, the aim of this paper is to determine how hoteliers can use virtual reality (VR) technology to enhance customer value in Sri Lankan Hospitality Industry.

2. RESEARCH PROBLEM

In this in-depth scholarly investigation that tries the production of new knowledge, it chooses its conceptual query as "Virtual Reality (VR) can be used to enhance customer value in the Sri Lankan hospitality industry. How? ". This research problem was identified through neglect spotting since there is a lack of empirical support.

3. SRI LANKAN HOSPITALITY INDUSTRY AND ITS DYNAMICS

After suffering nearly a decade from the civil war, Sri Lanka's hospitality and tourist sectors were able to reach their pinnacle in 2019, and Lonely Planet ranked Sri Lanka as the best travel destination in the world.(Wilson, 2018). In addition, as a country, Sri Lanka has been able to become renowned and thrive as a tourist paradise due to its admirable geographical location, valuable natural resources, remarkable cultural attractions, and authentic food culture. However, the Sri Lankan tourism and

hospitality industries had to witness a sharp decline due to the Easter attack that happened on April 21, 2019 (Karunarathne et al., 2021). According to Silva (2019), the Sri Lankan tourism and hospitality industry lost approximately US$1.5bn due to the Easter attack. While reeling from the shock of the Easter attack, in 2020, the COVID-19 pandemic hit hard on the Sri Lankan hospitality and tourism sectors and brought them to their knees. Over the first eight months of 2021, the Sri Lankan tourism industry alone experienced a $3 billion decline because of the COVID-19 pandemic (Yokoyama, 2021). Numerous business organisations and individuals that were directly or indirectly associated with the tourism and hospitality industries, from blue-chip enterprises to beach souvenir vendors, have entered an unprecedented era of zero sales, leaving the industry's stakeholders in a dilemma on the next steps. (Samarathunga, 2020).

This situation has forced practitioners in the tourism and hospitality industries to reconsider how to effectively use the dynamic capabilities and new advanced technologies to adapt to the new normal (Teece, 2019 ;Gautam, 2021). Abuhussein et al., (2021) conclusively demonstrated that businesses should reshape their ordinary business models into novelty-centered business models that consist of digitalization, improved internal communication, and reformed ad hoc organisational culture to overcome the challenges of the COVID-19 pandemic. In particular, since the 1980s, advancements in new technologies have been transforming tourism globally (Buhalis & Law, 2008). Therefore, it is crucial to utilise the full potential of modern digital technologies and put the appropriate policies and investment choices in place to restore the competitiveness of the Sri Lankan tourist sector in the global hospitality and tourism market (Munasinghe et al., 2020).

4. THE USE OF VIRTUAL REALITY IN HOSPITALITY INDUSTRY

In the 1990s Paul Milgram and Fumio Kishino introduced the 'virtuality continuum' to illustrate the idea of 'to which extent technology can be used to show virtual and real objects in particular display situation' (Milgram & Kishino, 1994). In addition,

they introduced the term "Mixed Reality" and this reality-virtuality (RV) continuum has been used to frame virtual and augmented reality research and development (Skarbez et al., 2021). In 2021 Skarbez, Smith and Whitton (2021) reexamined Paul Milgram and Fumio Kishino's ideas and found that the continuum is actually discontinuous but mixed reality has been broader than previously believed. In the present, VR is revamping the way how people experience the controlling and navigating the simulated real or imaginary generated virtual environments (Chuah, 2019; Guttentag, 2010).

There is a taxonomy and discrepancy in existing definitions of VR based on the physical and psychological points of view (Guttentag, 2010; Gutiérrez A., Vexo and Thalmann, 2008; Milgram and Kishino, 1994). For this paper, VR is defined as a technology that can be used to generate a computer-simulated 3D environment that allows users to navigate and interact with it by using one or more of the user's five senses (Guttentag, 2010; Wei, 2019). The main goal of VR is to create a virtual environment for users to perform specific tasks in an interactive, efficient, and comfortable way (Gutiérrez A. et al., 2008). As a result, immersive feeling of telepresence increases the perceived enjoyment and usefulness of the potential user (Israel et al., 2019).

Emergence of advanced VR technology created paradigm shifts in many industries such as education, engineering, automobile, gaming, hospitality and tourism, and health care (Pangilinan et al., 2019). According to research findings by Lee & Kim, (2021) VR technology creates utilitarian value and hedonic value for its users, and they reported that the antecedents of utilitarian value are information access, flow, and interactivity, whereas the antecedents of hedonic value are flow, interactivity, and telepresence. Similarly, Wei (2019) asserts that VR technology can use to create economic value, experience value, social value, epistemic value, historical and cultural value and education value.

Page | 68

Especially in the hospitality and tourism industry, VR has the power to make a revolutionary impact since it offers more compelling experiences such as the feeling of "being there," and it allows consumers to "try before they buy" (Williams, 2006). VR technology's inherent ability to provide an immersive user experience can metamorphose the tourism industry (Wei, 2019). For example, Guttentag (2010) highlighted that VR technology can be used as a substitute for tourism, and Damjanov & Crouch, (2019) stated that VR has given rise to a new breed of space travel. According to the research findings of Israel et al. (2019), the hedonic and utilitarian value of the virtual hotel experience increases the probability that the customer will book the travel accommodation. In addition, Pestek & Sarvan (2020) have highlighted that VR technology will make a paradigm shift in the tourism industry through three key touch points; future tourism planning and management, technology-based marketing of tourism destinations and VR potential in changing consumer requirements.

However, some researchers have already drawn attention to the paradox in whether VR could be a double-edged sword (Li & Chen, 2019). In the study conducted by Li & Chen (2019), it was shown when the expected enjoyment of destination is low, higher perceived enjoyment of VR actually leads to lower travel intention. In contrast to Li & Chen (2019), Klein (2003) argues that VR technology has ability to reduce perceived risk of intangible services helping travelers make more informed decisions with more realistic expectations.

The last decade has seen the rapid utilization of advanced VR technology in the hospitality and tourism industries. (Buhalis & Law, 2008; Guttentag, 2010;Wei, 2019). In order to assess the main advancements of VR and AR research in hospitality and tourism, Wei (2019) conducted a thorough analysis by critically examining 60 full-length research journal publications that were published between 2000 and 2018. This seminal study has suggested three fruitful directions to conduct future investigations; a cross-cultural approach to examine VR experiences; the application

Sri Lanka Journal of Marketing by Department of Marketing Management, University of Kelaniya is licensed under a Creative Commons Attribution 4.0 International License.

Page | 69

of VR in events and hospitality settings; and the prediction of future technology advancements.

A growing interest in using VR technology in Sri Lanka's hospitality sector has recently emerged (Muwandeniya & Eranda, 2022). This indigenous study conducted by Muwandeniya & Eranda (2022) offers probably the most comprehensive empirical analysis of using VR in the Sri Lankan hospitality industry. It was discovered that Sri Lankan hoteliers use VR for four major reasons: to improve HR efficiency; to prevent seasonality factor impact; to adapt to a changing business climate; and as a powerful digital experience-marketing tool. However, there is a dearth of data addressing how VR might be applied in the Sri Lankan setting to increase customer value from the standpoint of the hotelier. Therefore, this research article aims to explore how does the tourism & hospitality industry service providers effectively engage with VR technology to enhance customer value.

5. METHODOLOGY

The aim of this research study is to determine how hoteliers can utilise VR technology to enhance customer values. Accordingly, researchers have deployed a qualitative research approach to conduct this study since it's essential to extract data from interviews, personal experiences, observations, and introspections to achieve the above research aim (Denzin & Lincoln, 2018). As bricoleur theorists, the researchers were aware that interviewees' answers could be shaped according to their gender, social class, personal history, race, and biography. Therefore researchers have utilise axiological and epistemological paradigm principles to conduct this in-depth exploration (Lincoln & Guba, 1985).

In adopting qualitative research method, researchers can use several qualitative research approaches including case study, narrative, ethnography, phenomenology and grounded theory (Cresswell, 2014). Ethnography is the most suitable research approach for investigating common patterns in communities that share a certain culture (Hammersley & Atkinson, 2019). The core purpose of grounded theory is to

build a theory from data as a specific methodology (Glaser & Anselm, 1967). The narrative approach can be used to investigate people's life stories, which can either be lived or recounted (Creswell, 2014). According to Eranda (2021), the case study can be used to investigate a real-life contemporary issue with respect to a single or multiple cases using multiple data sources. Phenomenology is the ideal research approach for exploring and describing shared experience or the essence of the experience of all the individuals relating to a common phenomenon (Moustakas, 1994).

Industry professionals in the hospitality and tourism sectors faced difficult circumstances during the COVID-19 epidemic as their sources of income became zero. As a result, e-tourism is becoming more and more important, and VR tours are gaining popularity as a potential remedy. Use of VR tours accumulated numerous new experiences which are worthy of researching for the Sri Lankan hospitality and tourism industry. In addition, the one core use of VR technology is to provide experiences (Guttentag, 2010). Therefore, this indigenous research study is carried out by using Husserl's transcendental phenomenology since it allows researchers to extract the essence of consciousness as experienced from the first-person point of view (Husserl et al., 1964).

According to the Creswell (2014), to conduct a phenomenology study, researchers should collect data from typically range from three to ten interviewees. A detailed description of the experiences of selected eight respondents was collected by using the judgmental sampling method. The respondents listed in Table 1 were the subjects of the interviews and all of the interviews were tape recorded to make transcription easier. These respondents were, chosen because they have knowledge and experience with VR, which is crucial for attaining the goal of the study. More importantly, the industry professionals chosen for the study have gained practical experience with VR by working collaboratively with the technical staff of their own organisations or with the outsourcing companies. In addition, the researchers have understood that the accumulation of knowledge through industrial practitioners is inadequate and

therefore, academicians who have exposed to VR are also chosen for the study. In collecting the data, an interview guide was used, which was developed based on the purpose of the study. Accordingly, an interview guide was developed with a focus on three areas: the wording of the questions, principles of measurement, and general "getup." In addition, the researchers tended to provide an introduction to the research, set structured questions in a logical order, and develop suggestions for probing questions.

Table 1: Profile of Respondents

Respondent's ID	Organization	Position
A 1	University of Sri Jayewardenepura	Senior Lecturer in Marketing Management
A 2	SL tourism promotion bureau	Assistant Director
A 3	Siddhalepa Ayurveda hotels	Senior Marketing Manager
A 4	The Grand Kandyan Hotel	PR and Marketing Executive
A 5	Wattura Resort and Spa	Operations Manager
A 6	Sabaragamuwa University	Senior Lecturer in Tourism
A 7	Experiential Journeys (Pvt) Ltd	Business Development Manager
A 8	York Hotel Management Services Ltd	Director

To "winnow" the gathered data and develop essence descriptions, the researchers used general analytic procedure steps named coding, sorting, and synthesizing. After reading through all the transcripts, the data was coded manually to generate descriptions. Then after developed themes were interpreted to be in line with the purpose of the study. Accordingly, the researchers drew the interpretations to capture the essence of this exploration.

6. FINDINGS OF THE STUDY

After going through the data analysis spiral, the researchers have developed two themes that can be used to describe the essence of the phenomena. Addressing

customer issues through utility and developing pleasant sensations are the two developed themes in this study that researchers used to interpret the data. Interpretations have been drawn by conforming to the criteria of Hammersley's model, which are plausibility, credibility, and relevance. (Hammersley, 2008). The researchers used the following strategies to ensure the trustworthiness of the insights that were gathered. Follow a proper interview guide based on research questions, reflect the transparency in the analysis, every respondent were subjected to the same set of questions in a uniform fashion (However, depending on the circumstances, researchers took cues from a respondent's response and pose additional pertinent questions outside the scope of the interview), and record the interview and prepare detailed transcripts. This process enabled researchers to gain new knowledge, which led to a deeper understanding.

After reading and memoing the data, the researchers coded interview transcripts in order to describe, classify, and interpret the data. Following the coding of raw data, researchers were able to identify patterns and relationships in the data and arrange the data into three comprehensible categories. After observing patterns and relationships, the researchers developed two themes that address the research problem. Accordingly, table 2 presented the summary of qualitative data analysis procedure adopted in the study.

Table 2: Summary of the data analysis

Codes	Frequency	Categories	Themes
Reduce the money cost	2		
Reduce the physical cost	2		
Provide customer convenience	5		
Less time consuming	3	Utilitarian values	Addressing customer issues through utility
Reduce time wastage	1		
Provides a user-friendly interface	1		
Provide security to customer data	1		

Avoid the language barriers	3		
Reduce issues faced by tourists	1		
Reduce seasonal factor impact	1		
Increase customer interaction	1		
Reduce the social cost	2		
Ability to reinforce memories	1	Hedonic values	Developing pleasant sensations
Evokes positive emotions	5		
Reduce the mental stress	1		
Reduce uncertainty	5		
Reduce stress	1		
Reduce the psychological cost	3		
Provide entertainment facilities	1		
Reduce the buyer's risk	5		
Easy to plan	1	Make customer decision journey easy	
Make customer decision process easy	11		
Provide conformity in decision making	2		
Provide holistic experience	7		
Provide holistic view	1		
Obtaining in-depth tangible experiences	7		
Live brand experience	1		
Ability to researching destination beforehand	2		
Ability to try before buy	4		
Increase the trustworthiness	1		

Each of the themes derived in the analysis is explained below in detail with evidence.

6.1 Addressing Customer Issues Through Utility

The key advantages of VR are those that assist users in completing activities and solving issues, which are the sources of the technology's utilitarian value. These functional benefits can be expressed in terms of elements such as effective, helpful, informative, monetary, time, and practical achievement experiences. Through the practical and effective advantages of an immersive activity, VR offers utilitarian value for customers in the tourist and hospitality sectors. VR technology allows any customer in any part of the world to obtain in-depth, tangible experiences about their prospective travel destination in a matter of minutes. It solves many doubts that occur to customers when they are deciding to travel to an unfamiliar place to get joyful and memorable experiences.

As follows, a senior lecturer of Sabaragamuwa University's Tourism Management Department, explained how virtual reality technology adds utilitarian values to customers:

 "In particular, VR adds value to the customers through their decision-making process. They do not have to solely depend on the hotel managers' word since now VR allows customers to explore what hotel promised offerings are available there or not. Therefore, the decision-making process has become very simple now, and especially for the younger generation, this is a value addition. There are also value additions such as less time-consuming, providing enjoyable emotional experiences, and reducing the financial cost. For example, if local customers want to attend a wedding, they have to visit the hotel to check how the wedding hall looks. But now they don't have to go there. By using Virtual Reality, they can check the hotel and make a purchase decision on whether to buy it. So, this technology makes it easy to make decisions, and every piece of information is available at your fingertips. Customers can make reservations without supportable search parties, and also have more security and will also avoid the language barriers. For example, some tourists cannot speak English, so this Virtual Reality will be a good option for those language

barriers. Another important thing is that this technology provides a unique experience for customers because it provides them with the ability to visit places that customers can never go to. For example, I don't have enough money to go to the USA and stay in the Hilton hotel in the USA. Still, I can go there through Virtual Reality and experience that kind of superior hotel or destination in any foreign country. As a result, these are compelling reasons for hoteliers to use Virtual Reality".

In accordance with his experiences of using VR, it conclusively demonstrates that VR makes the customer decision-making process easier, avoids language barriers, provides customer convenience, reduces the monetary cost, and reduces time wastage. Hoteliers can add value by providing an opportunity to research destinations beforehand by providing holistic experiences to customers. Through these live brand experiences, customers can try before they buy destinations or experiences. This has opened whole new possibilities for travelers to plan and also provides conformity in the decision-making process.

The PR and Marketing Executive of the Grand Kandyan Hotel stated that they have provided virtual tours for customers through their website, "*the customer decision making process has been easy due to virtual tours, and it reduces time wastage"*. This experience confirms that VR adds value to the customers by making the decision-making process easier. Accordingly, VR tours improve visitors' access to information and provide utilitarian value by facilitating searches for product information. Accessing information enables customers to comprehend the characteristics of a tourist attraction or location in the context of hospitality and tourism. Therefore, providing proper information access to potential customers is essential and critical for the success of hoteliers. The ideal strategy for hoteliers to communicate tourism information is to provide VR tours through their websites because it simulates a direct visit and eliminates the distance barrier that prevents potential visitors.

The respondents' experiences make it clear that the core capabilities of VR technology make it the ideal way for hoteliers and destination marketers to present

visual information about destinations or hotels. Therefore, hoteliers and destination management companies should consider incorporating VR into their marketing strategy. VR technology can be utilised in travel trade shows, travel agent offices, and hotel websites to encourage potential travellers who are hesitant to travel. Since it appears that the rising number of VR devices in households is the new global trend, professionals in hospitality and tourism sectors have a great opportunity to reach international target markets while adding value for customers.

6.2 Developing Pleasant Sensations

The hedonic value of VR technology arises due to its unique ability to arouse emotional factors such as happiness, enjoyment, memory recall, and arousing curiosity, which are associated with its use experience. Hoteliers can use VR technology to provide a virtual hotel experience that appeals to people emotionally. As follows, a senior lecturer at the University of Sri Jayewardenepura, explained his experience of how virtual reality can add hedonic value to customers as follows.

"*Obviously VR adds value to the customers. Through virtual reality when we are touching and communicating with customers, they can have a higher level experience due to the in-depth information in communication process, this adds value to the customer. In addition to that we can closely established the brand promise that we are promising to give with in first-stage. Also, we can add values to the customers in post-purchase stage through reinforcing memories of experiences like camping, cooking or any other activity type tourism products. For example, I have visited a palace in Japan and I like Monaki concepts that they have used. So, if I able re-live within that experience after long time, it is very valuable to me, because it may be a forgotten experience to me. So, if customers can re-lived within their pleasant experiences through virtual reality, it will be lifelong value addition to the customers*".

According to his experiences, VR technology has the ability to provide more stimulus, which can arouse the emotional experiences of users. This allows customers to explore intangible products of the tourism and hospitality industry in a much more interesting and immersive way. Therefore, hoteliers can provide an opportunity for their customers to experience the hotel and its environment in a more realistic way that can evoke their positive emotions. Through VR technology, customers can have a more immersive experience that provides the feeling of "being there" and, in the post-purchase stage, this will cause them to recall the memories of the customers that experienced it before. These positive emotions will add hedonic value to customers.

Travel customers tend to face mental stress and anxiety because most of the products in the tourism and hospitality industry are intangible in nature and information asymmetry. Due to this, customers always tend to think there is a perceived risk in their purchase decision. Through using VR technology, hoteliers can provide an opportunity for their customers to get a holistic experience and a realistic representation of the hospitality industry's products. This allows hoteliers to make a value addition for customers. The Business Development Manager at Experiential Journeys (Pvt) Ltd explains his experiences regarding "how VR adds hedonic values to the customers".

"*Through providing comprehensive experience beforehand customers arrive to the hotels, they can have full picture about hotel room. So, it will avoid pain points such as reduce the doubt of customers and they can cherish more. In addition to that, customers can show virtual tour to their colleagues and get suggestion before going there, so it will help to reduced dissatisfaction*".

According to his experience, hoteliers can provide a holistic experience regarding hotel features in a vivid visual way. This will increase the enjoyment of the customer during the information acquiring process and reduce uncertainty regarding the customer's risk in the purchase decision-making process. VR technology adds value to customers through enhancing customers' confidence in the hospitality industry's

products and increasing customers' satisfaction with their actual visit experience. In addition, experts in the hospitality and tourism industries can use VR to promote explorative behaviour because users can explore and feel new things while travelling through the virtual tours.

Among the studied experiences, certain emotions were more salient in the context of VR use, such as evoking positive emotions, reducing uncertainty, making customer decision processes easy, providing a holistic experience, and obtaining in-depth tangible experiences. This will increase the potential travelers' pleasure and perceived enjoyment.

However, findings may be contradictory due to surprisingly unanticipated statements that are associated with this phenomenon. According to that, VR technology does not add value to the customers and it only adds value to the hotels and destinations. The operational manager of Wattura Resort and Spa explained his experience, "*Through VR, we can provide motivation to customer expectations to stimulate but I don't think that it adds value for the customers. Value addition is "what you gain", so I don't think that you can gain from the virtual reality but you can motivate yourself to purchase a particular product. For example, Sri Lanka as product we can show special events and it will stimulate tourists to come to the Sri Lanka but it does not add value to them*". This means that customers are only motivated to travel to a location or attraction based on the experiences they receive through virtual reality technology.

Experiences of the Assistant Director of the Sri Lanka Tourism Promotion Bureau is similar to that since he stated that "*VR not providing benefits to the customers or tourists, it add benefits only for the destination. Actually, in travel industry value addition will not provide through a promotional program or promotional tool. Value addition have to give by the real product*".

The reason for this is not clear but it may have something to do with respondents'
perspective regarding VR technology.

7. DISCUSSION AND CONCLUSION

According to this research study, the researchers identified that within the Sri Lankan
tourism and hospitality industry phenomenon, hoteliers can add value to their
customers by utilising VR technology. The common view among interviewers was
that VR adds value to customers through addressing customer issues through utility
and developing pleasant sensations.

Lee & Kim's (2021) research findings indicate that information access, flow, and
interaction are the antecedents of utilitarian value, whereas flow, interactivity, and
telepresence are the antecedents of hedonic value of VR technology. In addition, the
immersive feeling of telepresence increases the perceived enjoyment and usefulness
of the potential customer and it positively affect purchase intentions (Israel et al.,
2019 ;Willems et al., 2019). Research studies such as that conducted by Marchiori et
al., (2018) have shown that VR has greater impacts on memory recall since its unique
ability to presenting an unusual viewpoint to the user and incorporating animated
elements. It has been observed that the degree of one's anxiety about travel is
significantly reduced by the use of VR functions at a hotel website (O. Lee & Oh,
2007). To date, a number of studies have confirmed the effectiveness of using VR
technology in tourism and hospitality industry (Wei, 2019).

As phenomenologists, through this in-depth exploration, the researchers have been
able to confirm that even in the Sri Lankan tourism and hospitality industry VR
technology can be used to add value for customers. Based on respondents consciously
expressed experiences of using VR, the researchers found VR technology add value
for the customers through addressing customer issues through utility and developing
pleasant sensations. According to the findings, utilitarian values derive from the
functional values of VR technology and make the customer decision journey easy.
Also, hedonic values derive from VR's ability to reinforce memories, evoke positive

emotions, reduce mental stress, reduce stress, reduce uncertainty, reduce the psychological cost, provide entertainment facilities, and reduce the buyer's risks. This will create a new dimension in the hospitality and tourism industries because, based on these values, not only regular customers but also users with disorders, users with mobility impairments, and elderly users will be able to enjoy travelling experiences. In addition, these research findings provide empirical and theoretical evidence for the claim that VR technology can be utilised in the hospitality and tourism industries to add value for customers, and it conclusively demonstrates how service providers can achieve a sustainable competitive advantage through utilizing VR. However, the researchers noted contradictory opinions regarding the value addition of VR. Therefore, more research is needed to ascertain how VR might benefit visitors and the hospitality sector in Sri Lanka from the viewpoint of the customers. In addition, the emergence of the Metaverse concept and the rapid evolution of VR technology allows the re-creation of tourist destinations in a highly immersive virtual world. Therefore, there is a call to action to conduct future research that focuses on how to do marketing in a virtual world like Metaverse which is based on VR technology.

REFERENCES

Abuhussein, T., Barham, H., & Al-Jaghoub, S. (2021). The effects of COVID-19 on small and medium-sized enterprises: empirical evidence from Jordan. *Journal of Enterprising Communities*. https://doi.org/10.1108/JEC-03-2021-0043

Beck, J., Rainoldi, M., & Egger, R. (2019). Virtual reality in tourism: a state-of-the-art review. *Tourism Review*, *74*(3), 586–612. https://doi.org/10.1108/TR-03-2017-0049

Buhalis, D., & Law, R. (2008). Progress in information technology and tourism management: 20 years on and 10 years after the Internet-The state of eTourism research. *Tourism Management*, *29*(4), 609–623. https://doi.org/10.1016/j.tourman.2008.01.005

Chuah, S. H.-W. (2019). Why and Who Will Adopt Extended Reality Technology? Literature Review, Synthesis, and Future Research Agenda. *SSRN Electronic Journal*, *March*. https://doi.org/10.2139/ssrn.3300469

Creswell, J. W. (2014). Research design : qualitative, quantitative, and mixed methods approaches. In *Syria Studies* (4th Editio, Vol. 7, Issue 1). SAGE Publications.

Damjanov, K., & Crouch, D. (2019). *Virtual Reality and Space Tourism*. *25*, 117–137. https://doi.org/10.1108/s1571-504320190000025007

Denzin, N. K., & Lincoln, Y. S. (2018). *The SADenzin, N. K. and Lincoln, Y. S. (2018) The SAGE Handbook of Qualitative Research. Fifth Edit. SAGE Publications. doi: 10.1007/s11229-017-1319-x.GE*

Handbook   of   Qualitative   Research   (Fifth   Edit).   SAGE   Publications.
https://doi.org/10.1007/s11229-017-1319-x

Eranda, B. A. N. (2021). Qualitative Research Inquiry to Explore the Corporate Leaders in the Time of
COVID-19. *Kelaniya Journal of Management*, *10*(2), 57. https://doi.org/10.4038/kjm.v10i2.7693

Gautam, P. (2021). The Effects and Challenges of COVID-19 in the Hospitality and Tourism Sector in
India.   *Journal   of   Tourism   and   Hospitality   Education*,   *11*,   43–63.
https://doi.org/10.3126/jthe.v11i0.38242

Glaser, B. G., & Anselm, S. (1967). *The discovery of grounded theory: Strategies for qualitativeresearch.*
Sociology Press.

Gutiérrez A., M. A., Vexo, F., & Thalmann, D. (2008). Stepping into virtual reality. In *Stepping into Virtual
Reality*. https://doi.org/10.1007/978-1-84800-117-6

Guttentag, D. A. (2010). Virtual reality: Applications and implications for tourism. *Tourism Management*,
31(5), 637–651. https://doi.org/10.1016/j.tourman.2009.07.003

Hammersley, M. (2008). *Questioning Qualitative Inquiry Critical Essays*. SAGE Publications.

Hammersley, M., & Atkinson, P. (2019). *Ethnography Principles in Practice* (4th Editio). Routledge.
https://doi.org/https://doi.org/10.4324/9781315146027

Husserl, E., Alston, W. P., & Nakhnikian, G. (1964). *The Idea of Phenomenology*. The Hague.

Israel, K., Zerres, C., & Tscheulin, D. K. (2019). Presenting hotels in virtual reality: does it influence the
booking intention? *Journal of Hospitality and Tourism Technology*, *10*(3), 473–493.
https://doi.org/10.1108/JHTT-03-2018-0020

Karunarathne, A. C. I. D., Ranasinghe, J. P. R. C., Sammani, U. G. O., & Perera, K. J. T. (2021). Impact of
the COVID-19 pandemic on tourism operations and resilience: stakeholders' perspective in Sri
Lanka.   *Worldwide   Hospitality   and   Tourism   Themes*,   *13*(3),   369–382.
https://doi.org/10.1108/WHATT-01-2021-0009

Klein, L. R. (2003). Creating virtual product experiences: The role of telepresence. *Journal of Interactive
Marketing*, *17*(1), 41–55. https://doi.org/10.1002/dir.10046

Lee, O., & Oh, J. E. (2007). The impact of virtual reality functions of a hotel website on travel anxiety.
Cyberpsychology and Behavior, *10*(4), 584–586. https://doi.org/10.1089/cpb.2007.9987

Lee, W. J., & Kim, Y. H. (2021). Does VR tourism enhance users' experience? *Sustainability (Switzerland)*,
13(2), 1–15. https://doi.org/10.3390/su13020806

Li, T., & Chen, Y. (2019). Will virtual reality be a double-edged sword? Exploring the moderation effects
of the expected enjoyment of a destination on travel intention. *Journal of Destination Marketing
and Management*, *12*(101), 15–26. https://doi.org/10.1016/j.jdmm.2019.02.003

Lincoln, Y. S., & Guba, E. G. (1985). *Naturalistic Inquiry*. SAGE Publications.

Marchiori, E., Niforatos, E., & Preto, L. (2018). Analysis of users' heart rate data and self-reported
perceptions to understand effective virtual reality characteristics. *Information Technology and
Tourism*, *18*(1–4), 133–155. https://doi.org/10.1007/s40558-018-0104-0

Milgram, P., & Kishino, F. (1994). A Taxonomy of Mixed Reality Visual Displays. *IEICE Transactions on
Information and Systems*, 1–15.

Moustakas,   C.   (1994).   *Phenomenological   research   methods*.   SAGE   Publications   Inc.
https://doi.org/https://dx.doi.org/10.4135/9781412995658

Munasinghe, L. M., Gunawardhana, W. H. T., & Ariyawansa, R. (2020). Sri Lankan Travel and Tourism Industry: Recent Trends and Future Outlook towards Real Estate Development. *SSRN Electronic Journal*, *August*. https://doi.org/10.2139/ssrn.3614984

Muwandeniya, K. C. B., & Eranda, B. A. N. (2022). Virtual Reality (VR) for Experiential Marketing in Sri Lankan Hospitality Industry. *SSRN Electronic Journal*, *May*. https://doi.org/10.2139/ssrn.4117552

Pangilinan, E., Lukas, S., & Mohan, V. (2019). *Creating Augmented and Virtual Realities Theory and Practice for Next-Generation Spatial Computing*. O'Reilly Media. http://oreilly.com

Pestek, A., & Sarvan, M. (2020). Virtual reality and modern tourism. *Journal of Tourism Futures*, *July*. https://doi.org/10.1108/JTF-01-2020-0004

Pine, B. ., & Gilmore, J. . (1999). Experience Economy:Updated Edition. In *Harvard Business Review Press*. https://doi.org/10.1007/bf03036337

Samarathunga, W. (2020). Post-COVID19 Challenges and Way Forward for Sri Lanka Tourism. *SSRN Electronic Journal*, *August*. https://doi.org/10.2139/ssrn.3581509

Silva, C. de. (2019). Tourist hotels fear $ 1.5 b revenue loss from terror attacks. *Daily FT*. http://www.ft.lk/front-page/Tourist-hotels-fear----1-5-b-revenue-loss-from-terror-attacks/44-676993

Skarbez, R., Smith, M., & Whitton, M. C. (2021). Revisiting Milgram and Kishino's Reality-Virtuality Continuum. *Frontiers in Virtual Reality*, *2*(March). https://doi.org/10.3389/frvir.2021.647997

Sülük, S. B., & Aydin, K. (2019). Marketing communications and experiential marketing in the context of augmented reality. *Contemporary Studies in Economic and Financial Analysis*, *101*, 153–162. https://doi.org/10.1108/S1569-375920190000101010

Taylor, C. R. (2022). Research on advertising in the metaverse: a call to action. *International Journal of Advertising*, *41*(3), 383–384. https://doi.org/10.1080/02650487.2022.2058786

Teece, D. (2019). *Dynamic Capabilities and Strategic Management: Organizing for Innovation and Growth*. Oxford University Press.

Urdea, A.-M., & Constantin, C. P. (2021). Experts' Perspective on the Development of Experiential Marketing Strategy: Implementation Steps, Benefits, and Challenges. *Journal of Risk and Financial Management*, *14*(10), 502. https://doi.org/10.3390/jrfm14100502

Walker, L. (2017). Tourism and hospitality management. In *Library Press* (Vol. 28, Issue 2). https://doi.org/10.1080/13032917.2017.1292710

Wei, W. (2019). Research progress on virtual reality (VR) and augmented reality (AR) in tourism and hospitality: A critical review of publications from 2000 to 2018. *Journal of Hospitality and Tourism Technology*, *10*(4), 539–570. https://doi.org/10.1108/JHTT-04-2018-0030

Willems, K., Brengman, M., & Van Kerrebroeck, H. (2019). The impact of representation media on customer engagement in tourism marketing among millennials. *European Journal of Marketing*, *53*(9), 1988–2017. https://doi.org/10.1108/EJM-10-2017-0793

Williams, A. (2006). Tourism and hospitality marketing: Fantasy, feeling and fun. *International Journal of Contemporary Hospitality Management*, *18*(6), 482–495. https://doi.org/10.1108/09596110610681520

Wilson, A. (2018). *Sri Lanka ranked top country for travel in 2019 by Lonely Planet*. The Guardian. https://www.theguardian.com/travel/2018/oct/23/sri-lanka-ranked-top-country-for-travel-in-2019-by-lonely-planet#:&%23x007E;:text=Almost 10 years after the,in 2019 by Lonely Planet