



## Experiential Marketing through Virtual Reality: A Study based on the Hospitality Industry in Sri Lanka

Eranda, B.A.N.<sup>1\*</sup> and Muwandeniya, K.C.B.<sup>2</sup>

<sup>1,2</sup> *University of Peradeniya, Sri Lanka*

Received 7 May 2022

Revised 12 August 2022

Accepted 11 December 2022

### Abstract

*This study aims to examine how Virtual Reality (VR) can be used for experiential marketing in the hospitality industry in Sri Lanka. This study was conducted using the qualitative research methodology by adopting phenomenology as the research approach to capture the respondents' experiences regarding VR. Data was collected using in-depth semi-structured interviews with eight respondents, and data analysis was conducted using the generic strategy. As per the findings, the VR experience is explained under two themes. First, VR is an innovative marketing medium that offers opportunities to attract prospective customers. The second findings show that VR provides an immersive user experience that facilitates hotels to reach their customers with higher interactions. The motives for implementing VR are identified under four themes: powerful digital experiential marketing strategy, ability to avoid seasonal factors, adapting to the dynamic business environment and boosting HR effectiveness. Therefore, the findings of this study are significant since this is the first attempt to explain VR from the perspective of hoteliers and industry professionals, which has multiple implications for enriching the hospitality industry in the future. Further, the study's exploratory nature opens opportunities for future research.*

**Keywords:** Virtual Reality, Experiential marketing, Digital experience, Hospitality industry

South Asian Journal of  
Tourism and Hospitality  
© Faculty of  
Management Studies  
Sabaragamuwa  
University of Sri Lanka  
ISSN: 2756-911X

\*Corresponding author: [nuresh@mgt.pdn.ac.lk](mailto:nuresh@mgt.pdn.ac.lk)  
ORCID: <https://orcid.org/0000-0002-3907-0597>



Articles in SAJTH are licensed under a Creative Commons Attribution-NonDerivatives 4.0 International License (CC BY-ND 4.0). This license allows reusers to copy and distribute the material in any medium or format in unadapted form only, and only so long as attribution is given to the creator.

## **INTRODUCTION**

Business organizations in the hospitality industry need to implement effective and agile marketing strategies in order to be successful. Accordingly, they are moving away from conventional interruptive marketing strategies and increasingly adopting experiential marketing, arguably marketing's most contemporary orientation (Williams, 2006). The reason behind this is modern customers are placing more emphasis on the emotional values and experiences of the product or service rather than its functional attributes (Sülük & Aydin, 2019). Therefore, the hospitality industry, which focuses more on providing a greater experience for customers, is more applicable to experiential marketing. Further, hospitality products are 'confidence goods' that consumers are unable to test in advance and must decide whether or not to purchase based merely on available descriptive information (García et al., 2018).

Hoteliers in the Sri Lankan hospitality industry should utilize the full potential of the new technological advancements to gain a sustainable competitive advantage (Munasinghe et al., 2020). One of the latest trends in the hospitality industry is implementing virtual reality (VR) technology. Guttentag (2010) adduced VR's possible contributions to tourism marketing and also Williams and Hobson (1995) pointed out, "from a marketing perspective, VR has the potential to revolutionize the promotion and selling of tourism" (p. 425). In the meantime, hoteliers have begun to apply VR as an innovative marketing medium to revitalize their original properties to attract more customers and improve service experiences (Wei, 2019).

According to Wei (2019), over the past two decades, most scholars have focused on using VR in visitor experience management and marketing in cultural heritage tourism sites. In addition, Wei (2019) emphasized that the extant VR literature has placed on tourism settings and prioritized a consumer perspective. The integration of VR into the hospitality industry remains in its

infancy (Guttentag, 2010), and this technology has great potential to change the future of the hospitality industry (Li & Chen, 2019).

Through VR, hoteliers can offer more compelling experiences regarding their services, and it has the potential to elicit perceptions of telepresence. The term “telepresence” is used to describe the feeling of “being there” that allows customers to “try before they buy” (Willems et al., 2019). VR can be used to answer common customer questions regarding hotels service packages, such as: “What do the rooms look like?”, “What view do I have from the balcony?” “Is the pool or the spa area spacious?” “How does the hotel’s location look like?” or “What does the hotel beach look like?” and “Is the hotel bar great?” (Israel et al., 2019). Accordingly, the guest can remotely see the hotel with the aid of VR.

Though, VR can be used in the hospitality sector to a greater extent, there is a lack of conceptual and empirical evidence regarding the reasons for using VR in hotels. Mainly, the extant literature has emphasized more on the customers’ perspective behind VR instead of exploring the suppliers’ or hoteliers’ perspective. Therefore, this study focuses on closing this gap by exploring the experiences of using VR and the motivations to implement VR by hoteliers. Tussyadiah et al. (2017) contended that there is a rapid development of VR technology in the areas of hardware, software, and applications. However, its applicability to tourism marketing has not been comprehensively examined from the hoteliers’ perspective. Moreover, VR research in tourism has borrowed explanations from other industries (Guttentag, 2010), which requires VR to be researched in the context of tourism and mainly from hoteliers’ perspective in order to identify its future potential for growth of the tourism industry.

## **LITERATURE REVIEW**

Researchers developed this literature review section by critically appraising the available research to inform the purpose of the study and the findings in detail.

### **The Use of Technology in the Hospitality Industry**

In general, the term hospitality refers to businesses and organizations providing services to travellers: food, lodging, and travel (Bottorff, 2013). According to King (1995), the definition of hospitality management is based on four crucial cornerstones (i) food, drink, sleeping accommodation, and entertainment designed to please the guest; (ii) mutual relations between people of different social standing (iii) hospitality-related rituals and (iv) norms that dictate the host's behaviour toward the guest and the guest's behaviour toward the host. Currently, the concept of hospitality has become more business-oriented due to the transformation of the traditional hospitality concept into modern hospitality management (Bottorff, 2013). It is essential to understand what would pleasure the guest in the contemporary commercial hospitality setting.

Advances in technology have been recognized to often exert direct and influential impacts on the tourism and hospitality industry (Guttentag, 2010). Invasive technology has changed the shape of hospitality management totally and given rise to modern customers looking for specific experiences (Teitler Regev, 2017). It will enhance the post-consumption experience by reducing the mismatch between expectations and exact features (Sambhanthan and Good, 2013). New emerging technologies like Chabot, Virtual Reality, and language translators can be effectively applied in Travel, Tourism & Hospitality industries (Samala et al., 2020). These technological advances allow organisations in the hospitality industry to “transform” their operations and subsequently reduce costs, stimulate productivity, and improve the efficiency and reliability of the services they offer (Naumov, 2019). Virtual reality is one

of the most significant developments in the information and communication technology (ICT) field expected to impact the hospitality industry today greatly (Pestek & Sarvan, 2020).

Developing countries like Sri Lanka have become vulnerable due to a lack of technology utilization both in the pre-buying and consumption stages; therefore, innovative technologies must be adapted to ensure their hospitality industry's sustainable development (Sambhanthan & Good, 2013). Such technological advances will yield new opportunities and application possibilities for the hospitality industry (Beck et al., 2019). As technology improves, hotel operators are exploring creative ways to use visual representation to promote a positive image of destinations and increase hospitality in an increasingly dynamic and competitive global marketplace (Griffin et al., 2017). Accordingly, VR will offer innovative ways for service providers in the hospitality industry to modernise their original properties to attract more potential customers and improve the quality experience (Wei, 2019). Therefore, technological applications are needed to enhance the competitiveness of the hospitality industry.

### **Experiential Marketing**

According to Youssef & Abdallah (2016), there is nothing like a real experience when connecting with consumers because it has the power to reach consumers on a more direct and personal level. The reason behind that is consumers tend to remember an emotional experience, and there is evidence that they are now more likely to be prepared to pay for this sensation depending on its authenticity (Gilmore and Pine, 2007). Gentile et al. (2007) pointed out that customer experience is the next competitive field of battle because of the global competition, conventional services/goods viewpoints are insufficient and require an emphasis on the process of building consumer experience at all shopping phases (Ihtiyar et al., 2019).

Modern customers are not only interested in the functional value of the products or services provided by the business organizations, but they are also interested in additional values such as pleasant feelings and unforgettable memories and experiences (Sülük & Aydin, 2019). Therefore, this phenomenon caused the creation of a contemporary marketing perspective referred to as “experiential marketing” (Ihtiyar et al., 2019). Pine and Gilmore firstly introduced this idea in 1999 (Williams, 2006). According to Pine and Gilmore (1999), the experiential marketing concept can be explained as “when a person buys a service, he purchases a set of intangible activities carried out on his behalf. But when he buys an experience, he pays to spend time enjoying a series of memorable events that a company stages to engage him personally”. Further, Schmitt (2010) presented five types of experiential marketing approaches in the form of strategic experiential modules, including sense, feel, think, act, and relate. These strategic experiential modules also fit with the categorisations of Dewey (1922, 1925), the mental modules of Pinker (1997) and the pleasure constructs of Dube and Jordan (2003), which are referred to as social, physical, emotional, and intellectual pleasures (Ihtiyar et al., 2019).

In the hospitality industry, the ultimate expectation of a customer is essentially the sum of the experiences. Therefore, hoteliers must assume that they are responsible for managing these experiences in collaboration with suppliers of the experiences and the consumers who co-create them. Consequently, the concepts described by ‘experiential marketing’ are highly relevant to managing services in the hospitality industry (Goldsmith & Tsiotsou, 2012). As Schmitt (1999) states, the goal of experiential marketing is to create “holistic experiences.” According to Common Language Marketing Dictionary (2020), experiential marketing can be defined as the marketing approach that directly engages consumers and invites and encourages them to participate in a branded experience. The Association of National Advertisers (ANA) has stated that experiential marketing consists of events and more

individual consumer experiences, such as a demonstration of a product's or service's performance, extra personal connection, and grassroots events. According to all the definitions mentioned above, one of the basic concepts in experiential marketing is that value does not merely occur in the consumption of services/goods and their practical benefits, but it consists in its hedonic elements and in the experience of consumption itself (Kim et al., 2018; Schmitt and Zarantonello, 2013). Accordingly, highly evolved experiential marketers tend to deliver digital experiences rather than providing a physical experience to customers through new technological tools like VR (Smith & Hanover, 2016). Experiential marketing's exciting field is still emerging, and it will become the dominant marketing tool of the future along with the evolution of marketing science and technological advancements (Schmitt, 2010; Guttentag, 2010).

Due to the hospitality industry's unique nature, managers must think carefully about their 'product' and how it might differ from other industries. The hospitality industry's ultimate product is essentially the sum of the experiences. Therefore, concepts described by the 'experiential marketing' phenomenon are highly relevant to managing hospitality industry services (Goldsmith & Tsiotsou, 2012).

Service providers in the hospitality industry have globally embraced the concept of customer experience management linked to many other marketing concepts, including perceived service quality, experiential marketing, customer satisfaction, and loyalty interaction of encounters and emotions (Ihtiyar, Barut and Ihtiyar, 2019). In addition to that, Hannam (2004) indicated that the idea of experiential marketing has excellent applications in tourism marketing and promotion for understanding how consumers interact with tourist attraction brands because it can be used to create a steady, efficient and competitive, and steady marketing alignment for the targeted markets (Ihtiyar, Barut and Ihtiyar,

2019). Therefore, experiential marketing has a more significant association with the hospitality industry.

### **Virtual Reality (VR)**

There are notable discrepancies existing in the definition of VR (Guttentag, 2010). However, the general acknowledgeable definition of VR is the use of a computer-generated 3D environment that the user can navigate and interact with, resulting in real-time simulation of one or more of the user's five senses (Guttentag, 2010; Wei, 2019; Yung and Khoo-Lattimore, 2019). In order to use this technology, a variety of devices and programmes have been developed, such as wearable VR head-mounted displays (e.g. wearable cardboard VR viewer) and online three-dimensional (3D) virtual tours (Wei, 2019). Also, VR can be used within various areas and for various purposes, namely training, educational purposes, entertainment and media, healthcare, architecture and tourism (Rainoldi et al., 2018).

VR is increasingly being adopted and implemented in tourism and hospitality areas such as theme parks, cruises, museums, and destination marketing (Wei, 2019). According to Guttentag (2010), VR may significantly impact the tourism industry within six areas: planning and management, marketing, entertainment, accessibility, education, and heritage preservation. In this 21st century, hospitality marketers heavily rely on innovative digital ways that create holistic representation to promote a positive destination image and attract tourists. Therefore, they tend to use VR technology that can offer more compelling experiences of tourism destinations and has the potential to elicit perceptions of telepresence (Willems et al., 2019). This telepresence is a central feature of VR that conveys to users the realistic feeling of being in a virtual environment (Israel et al., 2019).



However, Wei (2019) emphasized that the extant VR literature has been placed on tourism settings, thus, calling for more studies in hospitality settings such as hotels, restaurants and resorts and events where VR has begun to be increasingly implemented for marketing and consumer experience enhancement purposes. Moreover, the adoption and acceptance of VR in destination marketing is barely explored, and it is necessary to develop a deeper understanding of VR and its benefits for hotels from a marketing perspective (Rainoldi et al., 2018). Although the opportunities that VR offers the tourism sector are quite significant, many questions and challenges have remained regarding VR's future roles in tourism (Guttentag, 2010).

## **RESEARCH METHODOLOGY**

### **Sample Selection and Data Collection**

Researchers adopted the qualitative method in conducting this study using the constructivist paradigm. Phenomenology was used as the research approach since it can be used to describe the common experience of several individuals of their lived experiences concerning a concept or a phenomenon (Creswell and Poth, 2016). Accordingly, researchers wanted to understand the essence of experiences and perceptions of the top managers of hotels and professionals related to VR.

According to the recommendations of previous scholars (Creswell, 1998; Morse, 1994), 08 respondents were selected to collect data using the judgmental sampling method (Neuman, 2014). Therefore, the findings of this study will not be intended to generalize to a larger population. Researchers conducted in-depth semi-structured interviews with the respondents, who are presented in table 1. More importantly, these respondents were selected since they possess a better understanding and experience with VR, which is vital for achieving the objective of the study. Researchers used an interview guide in conducting the interviews with the respondents in line with the purpose of the

study. Some of the interviews were conducted through the zoom platform due to the inability to reach the respondents physically due to the COVID-19 pandemic. However, the researchers ensured that the respondents were properly informed about the purpose of the study before starting the interviews and developed a proper relationship to gather in-depth data. All the in-depth interviews were digitally recorded; thereafter, the researchers listened to the recordings several times to be more familiar with the content. Subsequently, the interviews were transcribed by the researchers to ensure cognitive ownership of the content and to obtain a deeper insight into the data (Saldana, 2011).

**Table 1:** Profile of Respondents

<b>Respondent's ID</b>	<b>Organization</b>	<b>Position</b>
A 1	Government university	Senior Lecturer in Marketing Management
A 2	Apex body for promoting tourism	Assistant Director
A 3	Ayurveda Hotel	Senior Marketing Manager
A 4	Five-star hotel	PR and marketing executive
A 5	Large-scale resort and spa	Operations Manager
A 6	Government university	Senior Lecturer in Tourism
A 7	Tour operating company	Business Development Manager
A 8	Hotel management service company	Director

The data analysis was completed by adopting the general analysis procedure (Creswell, 2013). Accordingly, the analysis started with coding, where the labels were assigned for the important information in interview transcripts. Researchers adopted an inductive coding method even though they had prior knowledge regarding the relevant literature to generate newer findings. Thereafter, those codes were categorized under the sorting stage based

on the relationships between codes and the underlying meanings across the codes. Finally, the themes were generated from the categories to address the research questions of the study and displayed with 9 irrelevant evidence.

## **FINDINGS AND DISCUSSION**

### **Experiences of Using VR**

As per the analysis, researchers have developed two themes related to the experience of using VR in the hospitality sector.

#### **Theme 1: Innovative Marketing Medium**

Respondents experienced VR as an innovative marketing medium with a broad range of use. Particularly, VR provides benefits in terms of attracting customers due to its ability to capture tourism destinations in a memorable and immersive way. VR-based marketing campaigns have proved that it is an innovative, powerful marketing medium, even in the Sri Lankan context. The Senior Lecturer in tourism explained his experience of using VR as follows.

“VR is really emotional, and I was able to go to some locations, and I got a good picture of the places and their facilities and surroundings. Earlier we had to go to the place and see everything. Now without going there, we can get that orientation before going to the place. VR can facilitate capturing a lot of information without giving any leaflets. When reading the leaflet, you can’t get the whole picture. With VR, you can go here and there and see real things available at a particular place. It was really emotional and interesting to the customer, just like playing a 3D video game”.

According to the experience of the above respondent, VR can provide a prior experience for the guest the tourism destination. Therefore, tourists can

get an adequate understanding of the destination in order to plan their visit effectively. Moreover, the tourist can obtain a large amount of information, enabling them to make an informed purchasing decision. More importantly, the ability of VR to provide the real experience of the destination is crucial for destination marketing.

VR is becoming one of the latest creative marketing tools that the hospitality sector can use to attract customers with novel experiences. Accordingly, the Assistant Director of the apex body for promoting tourism explained his experience regarding how they were able to attract customers using VR as follows.

“We have several VR products which are used for inspiring tourists. We have used it in our organisation in Germany, to inspire tourists to travel around Sri Lanka. We have done several projects in some destinations using VR. It is useful in getting attraction at trade fairs. It is an excellent potential marketing tool for the tourism industry. VR describes the whole attraction of the product virtually. Without coming to Sri Lanka, you can feel it. You can’t go too deep into the product with the videos, but with VR, you can go to rock bottom. Therefore, VR is an excellent technology to inspire tourists”.

As he elaborated, VR technology can be used as an effective travel marketing tool and a brand-building tool by providing users with experiences they can retain in their minds. In Sri Lanka, hotels and travel organisations have embraced VR to improve sales and gain brand exposure. As an innovative marketing medium, VR offers the opportunity to attract prospective customers. Particularly, authorities responsible for promoting tourism can offer guests an on-site virtual travel experience during trade exhibitions which can completely transform what it means to visit an exhibition outlet.

## **Theme 2: Immersive User Experience**

VR allows people to feel as if they are actually present in a different place or time. This hugely impacts the hospitality industry because virtual tours allow customers to imagine themselves in a hotel room or a tourist destination. The Director of the hotel management service company explained his experience of using the virtual tour as follows.

“It was amazing. You can practically feel everything except one of all five senses, but all the other four senses of our body are functional when you are in a VR scenario. Currently, there is a possibility of giving the feel of all five senses with the latest VR techniques, including the feeling of smell. So, it’s quite an interesting and very factual thing”.

According to his experience, VR has provided the opportunity for hoteliers to provide immersive user experiences that stimulate potential customers ‘senses. This will allow customers to connect with the hotel’s services and products in a novel way. Therefore, it can generate a unique brand engagement with the guests. Further, this implies that VR can be used to develop innovations grounded on different senses.

Further, this immersive user experience provides an opportunity for customers to compare other hotels’ offers and room types. From the hotelier’s perspective, this technology provides the opportunity to reach customers by offering fully immersed experiences. The Operational Manager of a large-scale resort and spa explained his experience regarding how VR changed his mind set about the hotel as follows.

“As a customer through VR, I was able to experience the hotel room, and it changed my perception of the hotel. So, I was able to experience

more, and I realized the hotel was better than my perceived idea. When we consider this in the hotel operation, we are always trying to give this reality called the 'movement of truth'. In earlier times, hotels take beautiful photos of the rooms by making bed baskets or beautiful dishes to post on their websites, but when customers come to the hotel, there is no such thing. But after providing programs like VR, hotel managers always try to provide the same experience, which is on the virtual tour to customers when they come to the hotel”.

According to his experience, providing an immersive user experience boost customers' attitude toward a hotel or travel destination. In the hospitality industry, most of the products and services are intangible, but through VR, hoteliers can enrich the inspiration and information phases in an interesting immersive way. Once hoteliers facilitate a more immersive, interactive, and diversified experience through VR, it will cause to change the perceived ideas of the customers in a good way.

However, within the Sri Lankan hospitality industry, virtual reality has been limited to some level. Virtual tours are generally provided through the hotel website, and to get a proper experience, they usually require a VR headset. When it comes to the local context, the virtual experience primarily consists of a simple 360-degree image, which can be viewed on regular devices such as mobiles and desktops. A VR video related to the tourism and hospitality industry works much like a regular video that can be watched on social media platforms or websites. The specialty of the VR video is that, unlike a normal video clip, the customer is able to explore the entire scene whilst the VR video is playing. According to the respondents' experiences, within the Sri Lankan context only a few hotels have provided these virtual reality experiences. Also, those virtual experiences are provided at some fundamental level. Some respondents' experiences of using VR are different from others' experiences.

Table 2 illustrates the respondents' experiences of VR within the Sri Lankan hospitality sector.

**Table 2:** Respondents' Experience of Using VR

<b>Respondent</b>	<b>Experiences of using VR</b>
Assistant Director of the apex body for promoting tourism	"We have done several projects not only in Sigiriya but also in Dalada Maligawa and some wildlife parks through this VR technology."
Senior Marketing Manager of Ayurveda hotel	"According to my knowledge, two or three hotels in Sri Lanka introduced this VR technology, and I have experienced it."
Director of the hotel management service company	"I haven't experienced real VR technology, but I have experienced it through laptops and computers".
Senior Lecturer in tourism at a government university	"There are many hoteliers in Sri Lanka, not only the five stars hotels or star category hotels. I have experienced VR in resorts type of hotels and small types of hotels use VR as a marketing tool for promoting their business."
Business Development Manager in the tour operating company	"Within the Sri Lankan tourism industry, we have experienced it, but it's very limited. I haven't experienced it in video format, but some hotels provide 360-degree view photographs of their properties and rooms".
PR and Marketing Executive in the five-star hotel	"Even Five-star hotels like us still haven't gone for providing 3D version VR, but we have provided virtual tours to get experiences for customers up to that level. On our website, we have provided virtual tours for customers".

---

Senior Lecturer in Marketing Management in a government university	“Yes. If you go to the new technological museum in Polonnaruwa, you will find a few historically and culturally important tourist locations produced using VR. There is the Sigiriya project, and through the toolkit and remote, you can feel like you are actually on the Sigiriya rock. You can feel the real experience, but I’m not saying it is 100% close. But it's close in terms of how you feel about it”.
Operations manager in large-scale resort and spa	“I haven't experienced VR in many hotels. I have experienced it only in two international hotels. When I went there, I got 80% real experience from the virtual experiences that they provided”.

---

**Motives for Implementing VR**

The analysis of results generated four themes with respect to the motives for implementing VR by the hoteliers is depicted in table 3.

**Table 3:** Themes on Motives for Implementing VR

Powerful digital experiential marketing strategy	Ability to avoid seasonal factor	Adapting to the dynamic business environment	Boost human resource effectiveness
Inherent benefits of digital marketing		Sustainable competitive advantage	Employee cost reduction
Impactful promotional strategy		Paradox Navigation	Increase employee productivity
Psychologically shaping consumer behaviour.		The Covid-19 pandemic	Ability to conduct training sessions
Provide Vivid description			

---

*Source: Interview findings (2021)*



Each of the themes generated based on the analysis is explained below.

### **Theme 1: Powerful Digital Experiential Marketing Strategy**

VR possesses all the inherent benefits of other digital marketing tools as well as unique capabilities that set it apart from others. By integrating VR with an experiential marketing strategy, marketers can provide a vivid description to the target audience whilst psychologically shaping consumer behaviour. Therefore, VR is known as one of the most significant and influential experiential marketing tools that can be used in the hospitality industry to motivate and attract customers.

The Senior Lecturer in Marketing Management at a government university explained his experience regarding how VR can psychologically shape consumer behaviour by providing a vivid description as follows,

“If we produce experience only through words, at the primitive level, we can make it as a leaflet. In marketing, we are talking about the five senses because people understand things through those senses. Through most of the tools, we can detect only one or two stimuli. Even when we see a video on Facebook, there is only hearing and sight, and no stimulus for the nose, skin, and tongue. When we take a poster, there is a stimulus only for the eye. Therefore, a tool that can provide more stimulus to our sensory organs outmanoeuvres the other tools. Through VR, we can provide more stimuli to sensory organs to arouse more people's feelings; because of that, we can use VR very effectively to market experience-based authenticity. We can use VR to arouse curiosity, to get the people's attention, to sustain the attraction and reinforce memory”.

According to his idea, VR has the capability of providing a much more beneficial effects on attitudes, brand image and purchase intentions compared to other marketing mediums. Notably, it can achieve a higher level of

engagement with customers while providing an immersive experience which is an excellent motivator for hoteliers to use VR.

### **Theme 2: Ability to Avoid Seasonal Factor**

The seasonality factor has often been viewed as a common problem that the tourism and hospitality industry faces. Due to the four conventional seasons, there is a temporal imbalance in the hospitality & tourism industry. According to the experiences of the Senior Marketing Manager of the Ayurveda hotel, VR can be used to avoid the seasonal factor influence. So, he pointed out that “Since we have the opportunity of reaching numerous places in Sri Lanka through VR at different times during the year, we can avoid the seasonal demand for our destinations. We need to go beyond the typical activities as a hotel in this case”. Therefore, VR is useful in marketing the destinations even during the off-season. This ensures that hoteliers and travel agencies can increase the sale ability factor, even though the consumer is thinking about visiting a place considering seasonal factor influence.

### **Theme 3: Adapting to the Dynamic Business Environment**

The hospitality industry is one of the industries in the world that has always been affected by rapid changes in the business environment. Therefore, firms in the hospitality industry always have to navigate paradoxes by dealing with the inevitable tensions to gain a sustainable competitive advantage. The COVID-19 pandemic outbreak is the latest inevitable tension that has profoundly affected the tourism and hospitality industry. Due to these kinds of reasons, VR is gaining more attention from new generations.

These new generations are perfectly represented by the world’s youngest and most digitized population of the world known as “Generation Y” or “Millennials”, and that is why hotels and other related business organizations should incorporate VR as a new experiential marketing strategy. The Business

Development Manager at the tour operating company contended that “VR is mostly preferred by millennial travellers who have a greater tendency for E-tourism”. The same idea was reiterated by the Senior Lecturer in Tourism at the government university “the younger generation wants to see how beautiful the hotel environment is, and through VR, this can be done easily”.

Due to the ongoing Covid-19 pandemic, the whole global tourism and hospitality industry has been severely affected. This is because it has shut down the ability to travel from one place to another. Even though there are constrain for travelling, by using advanced technologies like VR, hotels, destination management companies (DMCs), and other related tourism organisations can effectively engage with prospective customers. Business Development Manager at the tour operating company explained his experience using this VR technology as the solution for this pandemic situation. Accordingly, he stated that “VR might be a potential marketing tool for the COVID-19 pandemic, and most of the tour operators and destination management companies are now moving into this VR option to promote destinations”. Therefore, as per his explanation, VR is an effective tool for sustaining tourism at the time of COVID-19 as well.

#### **Theme 4: Boost Human Resource Effectiveness**

Hoteliers can use VR to increase the effectiveness of human resources by enhancing customer service, providing training sessions to employees, and offering support to reduce employee costs. The Director of the hotel management service company stated that “VR will be essential for conducting hotel staff training sessions”. This technology has the ability to provide an immersive user experience and allowing hoteliers to expose their employees to real-world stressful scenarios. With VR, hoteliers can provide their employees with opportunities to make cost-free mistakes and gain confidence and knowledge before they face real-world challenges. Also, this will be a novel

and interactive way to learn for employees while achieving a significant cost reduction for hoteliers.

Moreover, the senior lecturer in Marketing Management contended “If organizations use VR, there won’t be the necessity for a whole marketing department to provide customer service; only one or two persons would be adequate”. Therefore, the number of employees can be reduced in the presence of customers.

## **CONCLUSION, IMPLICATIONS, AND FUTURE RESEARCH DIRECTIONS**

The findings of this study emphasized that professionals related to the Sri Lankan tourism & hospitality industry have experienced VR as an innovative marketing medium and technology that provide immersive user experiences. Previous studies have also emphasized the potential and power of VR as an innovative marketing tool (Guttentag, 2010; Pantano & Servidio, 2011; Willems et al., 2019). These immersive user experiences of VR can be described based on their capacity to provide physical immersion and psychological presence known as "telepresence" (Guttentag, 2010; Gutiérrez A. et al., 2008). Therefore, VR is emerging as a powerful digital, experiential marketing tool in the future by revolutionizing the tourism industry's marketing. More importantly, tourists can feel more involved and engaged with the destination by using VR compared to traditional marketing communication tools like travel guides and magazines.

VR’s ability to avoid seasonal factors is one of the novel findings of this study. Therefore, during uncertain periods, hoteliers can be benefitted by using VR to provide an immersive experience for tourists. Finally, VR will boost HR effectiveness by enabling training and development benefits in overcoming the challenges of time and distance. Therefore, hotels can use VR to enhance the efficiency of their marketing activities by having only a few staff members. So

once again, it is clear that VR is highly beneficial for an uncertain time to reduce the costs of operations. Particularly during economic crises occurring in the global economy, VR can be used as a powerful tool for streamlining the marketing activities in the tourism industry.

Theoretically, this study represents one of the first attempts to critically review how industry professionals have experienced VR and why hoteliers should implement this technology. According to Wei (2019), most of the extant VR literature has prioritized tourism settings and consumer perspectives. This research's findings filled that gap by providing the hoteliers' perspectives on how to use this technology in hospitality settings where VR has begun to be increasingly implemented in the future.

This research's findings mainly provide insights into how hoteliers can use VR to enrich the hospitality industry in Sri Lanka. Mainly, these findings are practically useful to hospitality management to make management decisions, improve their marketing activities and attract more customers to their hotels. Further findings show that hotels and customers tend to use VR as a substitute during COVID-19. Therefore, this needs further research how VR can be used during an unprecedented time when physical travelling is restricted. Further, since the adoption of VR is significant during economic crises based on efficiency improvements, it should be adequately researched to reap the benefits of this newer technology. Accordingly, crises can provide opportunities for transformations that are not feasible at the usual time.

There are several limitations to this research. First, VR offers rich data on experiential marketing phenomenon, but this analysis is not comprehensive as the data was collected from 08 respondents who have experience in VR. Second, the explanations provided by the respondents are rich enough. It is important to mention that the sample does not represent all the managers and professionals who have experience with VR. Therefore, a quantitative study

with a larger sample size is worthwhile in testing the themes generated in this study. Further, due to the open-ended and exploratory nature of the study, respondents have more control over the collected data. Therefore, researchers are not in a position to objectively verify the results against the scenario explained by the respondents.

## CONFLICT OF INTEREST

The authors declare no potential conflict of interest concerning the research, authorship, and publication of this article.

## REFERENCES

- 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>.
- Bottorff, T. (2013). Hospitality management: a guide to key reference works. "Hospitality Management: A Guide to Key Reference Works," 41(4), 605–622. <https://doi.org/10.1108/RSR-03-2013-0020>.
- Buhalis, D., & Law, R. (2008). Progress in information technology and tourism management: 20 years on and 10 years after the Internet - The state of e-Tourism research. *Tourism Management*, 29(4), 609–623. <https://doi.org/10.1016/j.tourman.2008.01.005>.
- Creswell, J.W. (2013). *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*, 4th Edition, SAGE Publications, Inc., London.
- Creswell, W. J., & Poth, N. C. (2016). *Qualitative Inquiry & Research Design Choosing Among Five Approaches* (4th ed.). SAGE Publications.
- García, J. A. C., Galindo, A. D. V., & Suárez, R. M. (2018). The effect of online and offline experiential marketing on brand equity in the hotel sector. *Spanish Journal of Marketing - ESIC*, 22(1), 22–41. <https://doi.org/10.1108/SJME-03-2018-003>.
- Gentile, C., Spiller, N. and Noci, G. (2007). 'How to sustain the customer experience: An overview of experience components that co-create value with the customer', *European Management Journal*, 25(5), 395-410.
- Gilmore, J.H. and Pine, B.H. (2007). *Authenticity: What Consumers Really Want*, Harvard Business Review Press.

- Goldsmith, R. E., & Tsiotsou, R. H. (2012). Introduction to Experiential Marketing. *Strategic Marketing in Tourism Services*, 207–214.
- Griffin, T., Giberson, J., Hwan, S., Lee, M., Guttentag, D., & Kandaurova, M. (2017). ScholarWorks@UMass Amherst Virtual Reality and Implications for Destination Marketing. 29.
- 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>.
- Ihtiyar, A., Barut, M., & Ihtiyar, H. G. (2019). Experiential marketing, social judgements, and customer shopping experience in emerging markets. *Asia Pacific Journal of Marketing and Logistics*, 31(2), 499–515. <https://doi.org/10.1108/APJML-02-2018-0081>.
- 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>.
- Khandelwal, K., & Upadhyay, A. K. (2021). Virtual reality interventions in developing and managing human resources. *Human Resource Development International*, 24(2), 219–233. <https://doi.org/10.1080/13678868.2019.1569920>.
- King, C. A. (1995). What is hospitality? *International Journal of Hospitality Management*, 14(3–4), 219–234. [https://doi.org/10.1016/0278-4319\(95\)00045-3](https://doi.org/10.1016/0278-4319(95)00045-3).
- 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>.
- 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>.

- Naumov, N. (2019). The impact of robots, artificial intelligence, and service automation on service quality and service experience in hospitality. *Robots, Artificial Intelligence and Service Automation in Travel, Tourism and Hospitality*, 123–133. <https://doi.org/10.1108/978-1-78756-687-320191007>.
- Neuman, W. L. (2014). *Social Research Methods: Qualitative and Quantitative Approaches*. In Pearson Education Limited (Seventh Ed). <https://doi.org/10.2307/3211488>.
- Pantano, E., & Servidio, R. (2011). An exploratory study of the role of pervasive environments for promotion of tourism destinations. *Journal of Hospitality and Tourism Technology*, 2(1), 50–65. <https://doi.org/10.1108/17579881111112412>.
- 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>.
- Rainoldi, M., Driescher, V., Lisnevskaja, A., Zvereva, D., Stavinska, A., Relota, J., & Egger, R. (2018). Virtual Reality: An Innovative Tool in Destinations' Marketing. *The Gaze: Journal of Tourism and Hospitality*, 9 (February 2019), 53–68. <https://doi.org/10.3126/gaze.v9i0.19721>.
- Saldaña, J. (2011). *Fundamentals of qualitative research*, Oxford University Press.
- Samala, N. *et al.* (2020). Impact of AI and robotics in the tourism sector: a critical insight, *Journal of Tourism Futures*. doi: 10.1108/JTF-07-2019-0065.
- Sambhanthan, A., & Good, A. (2013). Enhancing Tourism Destination Accessibility in Developing Countries through Virtual Worlds (Issue February).
- Schmitt, B. (2010). Experience marketing: Concepts, frameworks, and consumer insights. *Foundations and Trends in Marketing*, 5(2), 55–112.
- Schmitt, B. H. (1999). *Experiential Marketing How to Get Customers to Sense, Feel, Think, Act, and Relate to Your Company and Brands*. Free Press.
- Smith, K., & Hanover, D. (2016). *Experiential Marketing Secrets, Strategies, and Success Stories from the World's Greatest Brands*. John Wiley & Sons.



- 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.
- Teitler Regev, S. (2017). Tourism and hospitality management, *Anatolia*. doi: 10.1080/13032917.2017.1292710.
- Tussyadiah, I.P., Wang, D. & Jia, C.H. (2017). Virtual reality and attitudes toward tourism destinations, in Schegg, R. and Stangl, B. (Eds.), *Information and Communication Technologies in Tourism 2017 Proceedings of the International Conference in Rome, Italy, January 24-26, 2017*, Springer, Cham, 229-239.
- 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>.
- Williams, P., & Hobson, J. P. (1995). Virtual reality and tourism: fact or fantasy? *Tourism Management*, 16(6), 423–427. [https://doi.org/10.1016/0261-5177\(95\)00050-X](https://doi.org/10.1016/0261-5177(95)00050-X).
- Youssef, M. M. and Abdallah, H. A. (2016). Rise of experiential marketing in emerging markets: An analysis of advertising in experiential markets, *Ethical and Social Perspectives on Global Business Interaction in Emerging Markets*. doi: 10.4018/978-1-4666-9864-2.ch015.
- Yung, R., & Khoo-Lattimore, C. (2019). New realities: a systematic literature review on virtual reality and augmented reality in tourism research. *Current Issues in Tourism*, 22(17), 2056–2081.