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**THE CUSTOMER VALUE OF THE SOCIAL ENVIRONMENT OF HOSTELS**

**INSIGHTS FROM HOSTEL ENTREPRENEURS**

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### **Abstract**

Hostels are revitalizing and diversifying from its traditional hostel identity to niche hostels where the present research proclaims that the social environment of hostels is becoming more valuable to both the hostel entrepreneurs and its growing heterogeneous consumers of the mid-Digital Age. The unique value proposition of hostels when compared with all other traditional touristic accommodations is its social engaging environment where hostellers innately expect to encounter and interact with other hostellers. The ongoing Covid-19 pandemic in its second year-running has in effect forced the lifestyle hostel entrepreneurs to re-think, re-evaluate, and re-design their socialscape and hostel business concept so that the business may continue to survive.

The purpose of this study was to utilize evolving marketing concepts of value co-creation and socialscape to see if the four lifestyle hostel entrepreneurs found from this study apperceive the customer value of the hostel's social environment as a touchpoint where value can be added or created with its consumers. The qualitative method of semi-structured interviewing was collected during the summer and autumn period of year 2021. The content analysis method was used where the researcher transcribed the video interviews into written texts. Both deductive and inductive coding approaches were used to focus the study upon the social environmental aspects of a hostel as a customer value for both the hostel entrepreneurs and their consumers.

Findings indicate that the lifestyle hostel entrepreneurs apperceived the customer value concept of the hostel's social environment through self-identifying themselves as the niche hostel consumers they seek to attract over to their hostel place. The social engaging environment of hostels were identified as value co-creative places where interactions occur. This social engaging environment of hostels refers to the hostel enclave as a 'metospace', or as a unique suspended experiential place, for specific communities like the backpackers to meet locals and fellow travelers alike. Information communicated about a hostel's social behavioral culture provides hints about the hostel's enclave as a place of gathering for specific niche communities. Lastly, the study indicates that the phenomenon of the Covid-19 pandemic has impacted tremendously the socialscape environment where the customer value for social interaction and to be connected has increased in value.

**Keywords:** socialscape, hostel, customer value, lifestyle entrepreneur, value co-creation

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## **1 INTRODUCTION**

Hostels have been a part of western society for over 100 years. The role of hostels has changed during different eras, from nature retreats post World War One (HIUSA, 2018) to institutionalized homeless shelters after the Great Depression (Neale, 1995). The identity and ownership level of the ‘hostel’ is also extremely diverse, where the hostel can be privately-owned, public-owned or controlled by the government, to even as a non-profit organization (Neale, 1995, p. 21). For the purpose of this thesis regarding tourism research, this paper focuses on the privately-owned entity of hostels from henceforth when referring anything hostel.

Hostels are known today as budget and transitory accommodation catering towards its traditional youth, backpackers, and itinerant markets and still hold their ground as a popular form of accommodation. Hostels are also gradually shifting in value. They are emerging as a more attractive accommodation form in terms of providing higher quality service environments to meet the competitive demands of a growing heterogeneous market, who have more disposable income, time to stay, and who want a more authentic and sustainable local social cultural experience (Butler, 2010). As tourism and travel become more accessible and enticing thanks to the growing economy class of budget-friendly travel options, hostels have re-emerged and revitalized in popularity.

The revitalized hostel industry can be explained through the lens of the modern phenomena of heavy social media usage, the phenomena of the disruptive innovations of the sharing economy, and current megatrends depicted from the World Travel & Tourism Council (WTTC) [see table1\*]. These megatrends describe among others, the desire of individuals to experience connection and sharing, their increasing mobilization demand for accountability. According to the World Travel & Tourism Council (WTTC), “Travel & Tourism is one of the fastest growing sectors, accounting for more than 10% of global GDP in 2017; with industry forecasting 1.8 billion international arrivals by 2030; and where alternative accommodations have seen a growth of 30% since 2018 compared to the 9% of traditional online booking services” (WTTC, January 2019).

To understand the growing popularity of hostels over hotels, we must examine what hostels offer that traditional forms of accommodations do not. A key word that keeps presenting itself in recent studies is “social” (Dutton, January 23, 2020). Although numerous studies on hostels have been made by researchers and relevant agencies, there has been little to no focus on the social aspect of them. This study will address that shortfall. The topic is particularly interesting and important now due to the recent global pandemic of covid-19, which has forced society to re-think how we proceed with social spaces and group gatherings, as well as the movement of people domestically and internationally.

## **1.1 Research background**

To understand where the current image of hostels stem from, it is important to know the history. Hostels began as a place of wellbeing to address health concerns due to air pollution that followed after World War One and the industrial revolution. They were advocating health through short-time stays in nature-based rural areas for the youth (HIUSA, 2018). The second hostel boom or growth of hostels came post WWII with the patronage of wealthy entrepreneurs who were seeking accommodation for their recreational activities such as skiing (HIUSA, 2018). There was another shift when the city and urban hostels were created to meet the demands of migrant workers (O'Reilly, 2006); which then shortly afterwards changed the role of hostels to supportive and homeless hostels as a response to the growing homeless nationwide issues, primarily in Europe, as an effect of the Great Depression in the 1930s (Busch-Geertsema & Sahlin, 2007). The shift from the private entity of hostels to become institutionalized, thus government sanctioned or controlled (Cerovic *et. al.*, 2014), as supportive or homeless hostels damaged the reputation and image of hostels (Busch-Geertsema & Sahlin, 2007). They were not seen as desirable forms of accommodation.

The mark of this almost a century old reputation of hostels can be seen even today, but the expectations of hostel accommodations are clearly changing from the communal and cheap, ‘just a bed’ option to meet the standards of the mainstream accommodation experience like hotels and motels (Cave, Thyne, & Ryan, 2008). The emerging specific

type of niche hostels, like boutique and work or office hostels, reveal a shift in hostel market demographics and clientele focus which is becoming more heterogeneous than the traditional hostel markets. Past studies reveal a change even towards the demands of the traditional backpacker customers for more amenities and services (O'Reilly, 2006; Cave, Thyne & Ryan, 2008; Butler, 2010). This can be referenced to the global widespread adoption of heavy personal handheld device usage (WTTC Megatrends, 2019).

While traditional hostels generally offer only the most basic amenities known for their minimalistic communal environment and shared sleeping rooms, boutique hostels may offer more amenities and services such as Wi-Fi and work office amenities such as scanning, faxing, and printing, among the possibility to have smaller rooms with less people, and even private rooms. The emerging non-traditional hostels are competing with the traditional hostels by offering not only more services, but activities such as tourism activity packages, and recreational activities such as bike and surf rentals (Brochado & Rita, 2014). However, nowadays Wi-Fi is demanded almost as a requirement to be available and free even among the traditional backpacker market (Butler, 2010; Hecht & Martin, 2006).

Wi-Fi has become expected even in hostels, due to the phenomenon of society's adoption of social media usage. Social media has shifted the communication powers, behaviors, and intentions of the people, especially for the hospitality or service industry (Melo, Hernandez-Maestro, & Munoz-Gallego, 2017). Customers want to know that the service companies will deliver the services they promise and uphold the environmental image that is portrayed about them. The peer or customer reviewing platforms have given more power and voice to the people where consumers now demand and are able to gain more transparency of information and data than ever before, especially concerning businesses (Xiang, Wang, & O'Leary, 2015; Chena, Fay, & Wang, 2011; Melo, Hernandez-Maestro, & Munoz-Gallego, 2017). A person can get a clearer depiction of 'the truth' through cross referencing peers or customer reviews about a particular company and their offered services or products through these peer evaluations.

The freedom and comfort of information accessibility that comes from the customer review platforms of social media has forced businesses like hostels to upkeep their promises of the service environment they portray in order for them to be competitive in an increasingly saturated digital marketplace. In addition, as well as for people, social media and the internet have provided for businesses an easy-to-use platform to publicly self-express their identity in telling who they are and what they value (Xiang, Wang, & O'Leary, 2015). The underlying societal value in this is the promise of image portrayal and personalization. The social media phenomenon has given society an accessible platform creating infinite niche or subcommunities where individuals can now find their personal tribes of weirdness fostering the sense of belonging or the essence of really being part of a community. Many successful hostels have leaned onto this consumer desire for community and belonging in their social media presence. In the social category of experiences fall also the desire for locality and authenticity. The popularity of these can be seen in the recent innovations of the sharing economy in both travel and tourism industries. Examples of these are Airbnb for accommodations and Uber and Lyft for private car transportations.

To examine the significance of a social interaction in tourism and travel, we can look at the Five megatrends identified in the World Tourism and Travel Council report which posits the mentioned connections towards a higher value of the social, and towards the revitalization of the hostel industry:

**Table 1: WTTC Megatrends 2019**

<b>Reality, Enhanced</b>	<i>Today's experience-driven world is fueled by a desire for personal enrichment, self-direction and community.</i>
<b>Life/ Restructured</b>	<i>The gig and sharing economies are redefining relationships, disrupting industries and creating new expectations for work and life.</i>
<b>Data Revolutionized</b>	<i>Data, through the Internet of Things and machine learning, has become a driving force of the economy- enabling unprecedented personalization and connectivity.</i>
<b>Power, Redistributed</b>	<i>Power, and demographic shifts from West to East and nations to cities are redefining centers of influence and reshaping global markets, while individuals increasingly mobilize and demand accountability.</i>
<b>Consumption, Reimagined</b>	<i>As a response to escalating environment risks, consumer awareness has translated into more ethical and resource-efficient lifestyles and which are driving the decision-making of younger generations. (WTTC, January 2019).</i>

One can see the ties and connections of the megatrends towards the revitalizing popularity of hostels because hostels offer this one basic thing that the standard accommodation does not- a shared social experience. As one of the major online booking platforms and everything hostel related, Hostel World Group representing [hostelworld.com](http://hostelworld.com) (HSW), asked its community to define hostels in 3 words and these were the published results: “Embracing the Unexpected; Literally Adult Playgrounds; Social. Friends. Adventure.; An Experiences Imaginarium; Anything Can Happen; Diverse Social Exchange; Design. Creativity. Interaction.; Price. Location. Social.” (Dutton, January 23, 2020). However, despite all these great definitions from a major hostel platform today that clearly highlight a social aspect, there seems to be a lack of research upon one of the key attracting features and unique selling propositions (USP) of hostels which is its inviting social environment. Hostels are reemerging in popularity and attractiveness worldwide for both its customers and entrepreneurs because of the social aspect society is increasingly valuing. This thesis proclaims the significance of the socialscape for hostels and attempts to find if hostel

entrepreneurs understand the customer value through semi-structured interviews with a focus on how the entrepreneurs understand it through their service design implementations and managerial practices.

## 1.2 Previous Research

Collecting information about hostels was challenging because, unlike the tourism and hospitality conglomerate industry giants like hotel and resort chains who have the funding instruments to support their own research, many small to medium-sized tourism enterprises (SMTE) like many hostels have been understudied due to their size and private identities where the smaller lodging businesses, “lack the financial resources, the strategic planning, and management expertise” (Ateljevic & Doorne, 2000; Okumus, Koseoglu, Putra, Dogan, & Yildiz, 2019; Garcia-Rosell, Haanpää, & Janhunen, 2019; Cerovic, Milohnic, & Kvasic, 2014), as well as “struggle to adopt new technologies” (King, Breen, & Whitelaw, 2014). On the positive side for hostels’ their smaller size and private business identity gives them the ability to make quicker decisions and to specialize or differentiate themselves by offering possible unique products or services for competitive advantage. On the negative side, the lack of utilizing the same tools to conduct and measure business success makes these private SMTE businesses incredibly difficult to analyze as a whole hostel community. Many hostel entrepreneurs form, build, or create their own information systems and tools to use which makes continuing research difficult to conduct and analyze (Hall *et. al.*, 2016; Alrawadieh & Alrawadieh, 2018). Databases may not even exist for information collecting for some hostels as some may opt out of joining, for example major hostel associations like Hostelworld or Booking.com (Drozdowska & Duda-Seifert, 2016). Previous research discussions have also indicated that many hostel entrepreneurs purposefully do not reveal information as they feel it would give their competitors an advantage (Hall *et. al.*, 2016). Also, some hostels may not be conducting their businesses completely lawfully so they must remain in the dark (Alrawadieh & Alrawadieh, 2018; Hall *et. al.*, 2016). Although one SMTE’s strengths are their strong ties towards their place and destination (Cerovic, Milohnic, Kvasic, 2014), there is a gap to understanding the co-creative values of stakeholder relationships (Garcia-

Rosell *et al.*, 2019). Therefore, there are still many gaps to understanding how viably attractive and safe it is to be a hostel entrepreneur, especially if a crisis occurs again (Busch-Geertsema & Sahlin, 2007).

Research on hostel values have been primarily customer-centric focusing on the traditional backpacker and youth market (Amblee, 2015; Butler, 2010; Cave, Thyne, & Ryan, 2008; O' Reilly, 2006), upon marketing and managerial practices to attract these traditional markets (King, Breen & Whitelaw, 2014; Flint, Woodruff, & Gardial, 1997), and upon the quality indicators for higher ratings on the marketing and reviewing platforms to keep attracting these main hostel clienteles (Brochado & Rita, 2014). Understanding the main customers will always be relevant for any businesses. For hostels, studies reveal the evolving persona of its main clienteles, the backpacker and youth market, to become more diverse or less homogenized to the point where "traditional" may have become outdated (Flint, Woodruff, & Gardial, 1997). Nevertheless, there have been few researches upon the specific hostel value of the social except from what has been discerned through the customers themselves and from major online travel agencies and/or social media platforms that doubles also as booking platforms for hostels (Baek & Lee, 2018).

New types of hostellers are emerging with surprising diversity, when compared to its traditional backpacker market, as traveling becomes more accessible and economically affordable thanks to the growth in the economy or budget-friendly class options in both the transportation and accommodation industries (Sweeney & Soutar, 2001). The revitalizing hostel industry can also be credited to the new types of niche hostels, such as boutique hostels, which target a more specific type of niche clienteles where, for example one of its main customers can be categorized as social media influencers. Social media influencers are typified generally with the Millennial and Gen Z generations, who value the beauty and aesthetics of the environment, because showcasing where and what they are doing is a big part of their identity (Starcevic & Konjikusic, 2018; Chena, Fay, & Wong, 2011). Boutique hostels and its emerging types of new customers like the social media influencers can be linked to the current Digital Era where social media plays a huge role in many people's daily lives (Starcevic & Konjikusic, 2018). Other examples of

emerging markets include the digital nomads and other types of mobile workers, the retiring generation like the Baby Boomers, the becoming adults Gen Z, and the more diverse niche clienteles who value having the experience that modern hostels may provide than the traditional and standard accommodations like hotels and motels (Starcevic & Konjikusic, 2018).

According to Hostel World Group (HSW) research has also forecasted a growth of young female backpackers, ages 16-23, who have stated that they have already or plan on backpacking with a whopping 75% compared to 67% for young men (HSW, 2019). Trends also reveal that female solo traveling has increased by 88% within the past four years as they want to feel empowered and free (HSW, 2019). Newer types of hostels and its hostellers with their own distinct personas are emerging because of the Digital or Information Age society is currently in, where information-seeking and decisions can be done with a few scrolls and tap on people's smart devices (Starcevic & Konjikusic, 2018).

Although there is a lack of literature upon the reasoning for why hostel entrepreneurs decide to open their business, research indicates that some hostel entrepreneurs' motives include having the hostel business as a secondary income (King, Breen, & Whitelaw, 2014; Baek & Lee, 2018; Hall, Dayal, Majstorovic, Mills, Paul-Andrews, Wallace, & Truong, 2016), and the notion that hostels' are relatively easy to startup (Alrawadieh & Alrawadiehs, 2018) which points to the financial aspect. However, insights upon newer studies suggests that many hostel entrepreneurs' motives lead towards the maintenance and protection of their lifestyle as a priority over financial or commercial objectives (King, Breen, & Whitelaw, 2014). Lifestyle motives links to the social-cultural pillar of sustainability, in which previous studies have not been emphasized.

Most previous studies upon hostels have primarily been focused on marketing, such as destination marketing, and partnering with the local tourism board or associations (Graci, 2013, Garcia-Rosell *et al.*, 2019) with the main motive of understanding how to attract the markets, and how to make the SMTE accommodation lodgings presence known while the hostel environment was in a very saturated state prior to major online booking platforms for the touristic accommodation seekers. Despite the chaos in lack of a

homogenized information database prior to the presence of major online booking platforms and the world-wide-web data banks, the disruptive innovative sharing economy accommodation, Airbnb, can be linked to the increasing product differentiation of accommodation types (Sthapit & Jimenez-Barreto, 2018); which also links to the growing heterogenous customers like the growing and evolving niche communities (Alrawadieh & Alrawadieh, 2018; Brenner & Fricke, 2016). The possible overwhelming saturation in the field of marketing, specifically destination marketing, could be a cause of a shift of focus for place identity and innovation in re-thinking about corporate branding (King, 2010). Marketing and branding are therefore still a relevant hot topic as the market environment continues to evolve into the present mid-Digital Age.

Hostels are unique as an accommodation business because of its communal and shared environment, but there has been no real research upon that aspect as a potential value until recently with the rise of the disruptive innovation of the sharing economy. Prior to the inception of sharing economy businesses like Airbnb, there were little to no direct focus studies on the unique communal and shared environment that hostels are uniquely identified as because the idea of hospitality meant luxury and services where luxury had more connotations towards privacy and not having to share (Verissimo & Costa, 2019; Farmaki, Spanou, & Christou, 2021). Airbnb has challenged the traditional accommodations as an alternative accommodation by the following: 1) likely cheaper or competitive overnight stay pricing when compared with hotels, 2) the local and authentic experience, & 3) the personal touch and feeling that traditional accommodations may lack (Starcevic & Konjikusic, 2018; Alrawadieh & Alrawadieh, 2018). Also, in some cases Airbnb might also be in the form of a commune having to share the actual living environment with other strangers or even the original hosts (Starcevic & Konjikusic, 2018). In these regards, Airbnb and hostels are similar in their USP to provide a social or cultural experience, and therefore also a major competitor to hostels as an alternative accommodation option. In other words, the disruptive sharing economy has helped bring the social or cultural aspects of an environment for accommodations into spotlight; conveying the increasing value of the social environment, originality, and the opportunity to experience cultural authenticity through the possibility to interact with locals.

When it comes to the accommodation or hospitality industry of tourism there has not been enough emphasis upon the customer value of the social space or environment, or the significance of the social aspect in general which have been previously mentioned as a main USP for many hostels (Ujin & Lee, 2018). Only a few studies, mostly from corporate giants like the cruise tourism and a few hotel conglomerates, have emphasized the co-creation and co-producing values to include the guests as part of the service experience for added value, when talking about value creation (Rashid-Radha et al., 2016; Kwortnik, 2008; Huang & Hsu, 2009a; Papathanassis, 2019). In these studies, there have been very little discussion about how the social interactions between guests and staffs throughout their hospitality stay are integral to how they perceive the quality of their stay experience.

Previous research has already determined which key modifiers hostel customers value highest in terms of hostel ratings; and main booking and reviewing platforms attempt to showcase that information by having their customers rate each top quality-indicating modifier during their reviews. For instance, ‘cleanliness’ and ‘having things to do around the area’ are top key modifiers towards both negative and positive reviews and ratings from hostel guests (Rashid-Radha et al., 2016). According to the Hostel World Group (HSW) the rating modifiers are of the following: Value for Money, Location, Atmosphere, Facilities, Security, Staff, and Cleanliness (Hostelworld.com). In the platforms, viewers are also able to sort the reviews based on these categories: Top Rated, Lowest Rated, Newest, Oldest, and Age Group (Hostelworld.com). Nonetheless the customer rating framework has been found to be consistent with literatures which lists the attributes of “cleanliness, staff service, facilities condition, location, comfort, pricing, atmosphere, security, dining, and amenities such as internet and laundry” (Baek & Lee, 2018; Rashid-Radha et al., 2016; Hecht & Martin, 2006). Out of those key modifiers for hostel ratings, ‘atmosphere’ and ‘staff’ are the ones that begs the question of what constitutes those to have the highest rating?

From what has been gathered, hostels as the alternative and budget accommodation traditionally caters towards the backpackers and the budget tourists who understand and are more willing to sacrifice certain levels of accommodation and hospitality services for a place to sleep (Brochado & Rita, 2014). These sacrifices address the communal

environment of hostels such as having less privacy, and often times, having more risks with safety and security that comes with the hostel environment of shared rooms and facilities, as well as the possible lack of safe storage spaces. Traditional hostel customers who identify themselves as the budget traveler innately understand the risks and conditions of the communal hostel environment but decide to stay anyways because they like to surround themselves with like-minded individuals or their community, and they are more willing to make service and amenity sacrifices because they value having an experience more than sleep comfort (Font, English, Gkritzali, & Tian, 2021; Prebensen, Chen, & Uysal, 2014; Musa & Thirumoorthi, 2011; Hecht & Martin, 2006; Wilson & Richards, 2008; Prahalad & Ramaswamy, 2004).

Theories about how design and focusing on key touch points to affect behavior have been advanced (Thyne & Laws, 2004), but few studies have empirically examined the social customer values of both internal and external customers of communal accommodations, including the lifestyle entrepreneurs who may also live on the premises. Internal customers refer to staffs or workers, and even the business owner as potential customers. Previous research has revealed the co-creation and co-production values of experience in the touristic setting where the active and passive involvement among stakeholders add and increase the holistic value of the experienced product or service (Malone, McKechnie, & Tynan, 2018; Novani & Kijima, 2012). For hostels, research has begun in the embryonic stages of the 21<sup>st</sup> century into addressing the added-value that describes the co-creation and co-production concepts between the relationship and interaction between stakeholders (Novani & Kijima, 2012). For example, value is co-created and also expended throughout each service or interaction points between staffs-to-guests (S2G), of hosts-to-guests (H2G), and guests-to-guests (G2G). Touchpoints and service points are marketing terminologies to help the researchers understand the phenomenon of specific service encounter points among the customer journey.

The topic about social design is crucial to the tourism industry because above all else the tourist seek and value the unique experiences they are unable to obtain without travel (Pearce, 2005). The tourism experience encompasses the entire journey from pre-journey, during, and afterwards when the tourist finally arrives home to share their stories. This

paper focuses more specifically on the social aspect and its environmental design referred to as ‘socialscape’ for hostels, which stands out as a unique accommodation option primarily because of its communal environment where it is expected for both its travelers and staffs to have multiple touchpoints for social encounters. Socialscape will be analyzed or interpreted from a service design point of view to discover how social interaction plays a vital role to the customer value creation for hostels. In this chapter an overview of the research background will be provided, followed by the research question, the research objectives, and research contributions. Then the research methodology will be introduced as well as an outline for the thesis structure.

### **1.3 Purpose of Study**

The present research is partaking in the scientific discussion of identifying what ‘customer value’ is to the diverse identities and types of hostels. The focus of the research is specifically upon the social environment of hostels. The emerging types and labeling of hostels such as the ‘boutique’, ‘historic’, ‘homely’, ‘backpacker’, and ‘lifestyle’ hostels (Sorensen, Bogren, & Cawthorn, 2019; Ateljevic & Doorne, 2000), conveys innovation of identity to the emerging and heterogenous market of the hostel customers. Humans are social animals; travelers want the opportunity to meet others. Put these two fundamental social values of the tourist together and it may seem that hostels offer more than the economic value when it is seen mostly as a budget accommodation.

This research is conducted through the qualitative methodology of semi-structured interviews of hostel entrepreneurs. This study foretells that the social environment of hostels is a customer value, where the aim is to examine customer value as expressed from the hostel entrepreneurs’ in this study regarding their socialscape understanding and implementation before and during the Covid-19 pandemic. ‘Socialscape’ is a service design terminology that portrays the significance of the social environment as a value generating touchpoint. Throughout this study the term ‘socialscape’ is used to refer to the design of all aspects of the social environment taking into account the physical, social, and technological or digital factors which may influence the behaviors of the consumers.

Therefore, the main research question is:

How does the hostel social environment contribute to creating customer value?

Sub-questions include:

1. How does the entrepreneurs' knowledge and understanding of customer value influence the design and implementation of the hostel's socialscape?
2. What is the role of the entrepreneur in supporting this social environment and facilitating social relations in the hostel?
3. Where and what is the social value co-created in a hostel setting?
4. How has covid-19 pandemic influenced the Socialscape of the hostel environment?

Furthermore, the topic about the social space and socialization in general has become a hot topic where there are now many restrictions on physical meetups, such as restricting the amount of people for gatherings and social distancing oneself of one and a half to two meters from others. Covid-19 is forcing society to re-evaluate and to re-design the socialscape.

#### **1.4 Research methods and data**

The empirical data of this study came from four hostel entrepreneurs conducted in the year 2021 through the qualitative methodology of thematic semi-structured interviews. The qualitative content analysis method was chosen as the data analysis method because of its common use for business relations as the interview subjects of the study are upon the hostel entrepreneurs. The semi-structured interviews were themed with a focus upon the main topics of customer value towards the social aspect of the hostel concept, along with the motivations of the hostels' concept or ideology from the viewpoint of the hostel entrepreneurs. The main data analysis came from transcribing the original audio/ visual interviews into texts.

The qualitative dialogical method through the semi-structured interviews, posturizes methodological individualism which helps the apperception of one of the thesis's theoretical framework of the 'lifestyle entrepreneur' through the co-constructive narratives between the researcher and the hostel entrepreneurs of this study when the researcher attempts to summarize what the interviewee has said about a certain topic (Denzin & Lincoln, 2000, p. 1024). Because the study had a more predetermined focus of the social customer value, the research took on a more deductive approach proclaiming that most hostels revolve around backpackers (David & Sutton, 2004, p. 205; Cave, Thyne, & Ryan, 2008; Brochado & Rita, 2014). However, the inductive approach was also used to form possible new codes during and after the analyzation process (David & Sutton, 2004, p. 205). The abduction side, or inspiration for the research, stemmed from the evolution of the hostel concepts and its image where the researcher would personally like to see if the hostel entrepreneurs are successful lifestylers, where success means happy having a sustainable business (Wengraf, 2001; Thyne & Laws, 2004). Therefore, the semi-structured interview method to collect qualitative data utilized both deductive and inductive approaches, and with a slight narrative analysis approach upon listening to the stories of how the hostel entrepreneurs got to their position and role as the hostel owner (Esin, Fathi, & Squire, 2014; Wengraf, 2001).

Although the content analysis method could be either quantitative and/or qualitative, for this research it is qualitative because information gathered were not numerically valued or focused. Rather, the study focused on finding the qualitative subjective value of what the hostel entrepreneurs' have answered towards the main topics regarding socialscape as a customer value to hostels. Interviews were conducted virtually and recorded through the main platform app of Microsoft Teams, with both backup video and audio recordings through the researcher's own personal mobile device and through a screen recording app, Screen Recorder, as a Google Chrome web browser add-on.

## **1.5 Structure of study**

This chapter introduced the research concepts, background, and methodology. Chapter 2 depicts the theoretical framework with each subchapter defining the theoretical concepts of socialscape, customer value, value co-creation, and the lifestyle entrepreneur. Chapter 3 and its subchapters relays the research method to collecting the research data, to the method of analyzing the research data, to finally stating to the readers that research ethics was incorporated upon every layer of the thesis study. Chapter 4 relays the actual findings from the collected data from the interviews. Each subchapters of Chapter 4 are findings revealed to answering the sub-questions of the main research question found in Chapter 1.3. Finally, Chapter 5 depicts how the findings of this research answers the main research question. Chapter 5 also states the limitations of this research and the implications of areas for future research.

## **2 THEORETICAL FRAMEWORK**

### **2.1 Socialscape of Servicescape**

Servicescape has been widely accepted and used as “a contemporary framework linking service environments with consumption behavior” (Line & Hanks, 2019; Durna & Dedeoglu, 2015; Jang, Ro, & Kim, 2015); especially for the tourism and hospitality industry due to its heavily service-based nature that defines the industry. The term ‘servicescape’ was created by Mary Jo Bitner to explain how the physical environment influences the services or consumption behavior (Bitner, 1992). Servicescape is a marketing terminology often linked to the mood or behavioral intentions of the ambience of the environment or its atmospherics. Focused on the physical aspect, examples of servicescape design could be the spatial layout or functionality, the signs, symbols, and artifacts (Line & Hanks 2019), that are purposely designed and placed to evoke certain moods and/or behavioral intentions of the consumers. Previous research has tested and proven that there is correlation between the physical design to consumption behavior (Durna & Dedeoglu, 2015; Hudson & Hudson, 2013; Zeithaml, Bitner, & Gremler, 2006; Wilson et al., 2016). However, despite numerous studies upon the physical aspects of servicescape, there is a gap upon the operationalization of the social aspects of the servicescape towards the consumption environment (Line & Hanks, 2019; Tombs & McColl-Kennedy, 2003; Jang, Ro, & Kim, 2015), which is why ‘socialscape’ is emphasized in this study.

Socialscape or ‘social servicescape’ is a part of the servicescape concept but instead of focusing on the physical and service or consumable elements, socialscape focuses specifically upon the social, or the people and communication in the environment (Line & Hanks, 2019). Socialscape is based upon the social facilitation theory, which “posits that the presence of people has an effect on human behavior” (Olson & Park, 2019, p. 3684). Previous studies have primarily focused upon the ‘social interactions’ to behavior for socialscape (Olson & Park, 2019; Novani & Kijima, 2012). Whereas servicescape explains in general how the physical design elements of a service environment influence consumption behavior, socialscape emphasizes the social environmental design. The

terms are closely connected to the concepts of marketing, where the concepts of marketing states that there are touchpoints throughout the customer's journey (Wilson, Zeithaml, Bitner, & Gremler, 2016; Zeithaml, Bitner, & Gremler, 2006), or significant mood affecting points, which may affect and direct that individual's behavior to either continue in certain directions or deter them completely from that individual's goal of, for example, looking for a hostel with a cozy atmosphere to relax and mingle. The social interaction in servicescape can be seen as a touchpoint or service encounter moment where the social encounter can either enhance or diminish the overall mood or behavioral intentions of the servicescape designer. When talking about socialscape as a researcher, it is the design of the social environment of how welcoming and engaging the place is to stakeholders. For hostels, primary stakeholders are the internal and external customers like the staffs and the paying customers (King, 2010). Since the social aspect is the focus, the socialscape of the hostel area is very important because a major touchpoint or service encounter is when the customer's and staff's encounter and interact with each other. Servicescape dictates that there are multiple touchpoints to achieve certain touristic behaviors that can be designed to evoke and emote enhancing a specific touchpoint's experience value.

In the hospitality and touristic traveler setting the social scene and encounters can be more than a service encounter between the staff and customer (S2C). Part of the services can also be designed so that customers interact with each other (C2C), such as with the communal kitchen areas of hostels. Although there has been previous research upon the trained frontline hospitality staffs-to-customer interaction (Line & Hanks, 2019; Jang, Ro, & Kim, 2015), there are little to no information about the socialscape or design aspect that managers can actually use to incorporate their socio-environmental settings for added customer value of guest-to-guests (C2C).

## **2.2 Customer Value**

For hostels, most of its customers can be classified as tourists. The axiom for tourists is that they are value-driven for experiences (Malone, McKechnie, & Tynan, 2018). However, each tourist may differ in terms of what ‘value’ they are seeking to satisfy. Therefore, it is crucial for any firm to understand their customer and how customer value is created in their company. By Gautam Mahajan’s definition customer value is “the perception of what a product or service is worth to a customer versus the possible alternatives” (Mahajan, 2020). Mahajan also introduces it in equation form, where the customer value is the benefits minus the costs: ( $CV = B - C$ ); (Mahajan, 2020). The emerging niche and subcommunities that may branch out of, for example the tourist to the green tourist, makes identifying them as customers with their motives and values even more important today.

The term and concept of ‘customer value’ has many meanings and have been redefined over time. Woodruff (1994) reveals the diverse definitions of ‘customer value’ by providing a timeline of its concepts beginning first with Zeithmal’s (1998) defining ‘value’ as to the ‘consumer’; where “value is the consumer's overall assessment of the ‘utility’ of a product based on perceptions of what is received and what is given” (Zeithaml 1988, p. 14; Oh, 1999; Woodruff, 1997, p. 141). Then Monroe’s (1990) definition focuses on the ‘tradeoff’ of benefits over sacrifices; where “buyers' perceptions of value represent a tradeoff between the quality or benefits they perceive in the product relative to the sacrifice they perceive by paying the price. (Monroe 1990, p. 46; Woodruff, 1997, p. 141). Anderson, Jain, and Chintagunta (1993) focuses on the economic value, where “value in business markets [is] the perceived worth in monetary units of the set of economic, technical, service and social benefits received by a customer firm in exchange for the price paid for a product, taking into consideration the available suppliers' offerings and prices. (Anderson, Jain, and Chintagunta 1993, p. 5; Woodruff, 1997, p. 141). Gale (1994) focuses on the ‘market evaluation adjustments’; where “customer value is market perceived quality adjusted for the relative price of your product. (Gale 1994, p. xiv; Woodruff, 1997; p. 141). The final diverse example is with Butz and Goodstein (1996) when they refer customer value as the ‘emotional bond’ between the producer and its

customer after product-use when the customer finds the product to have an ‘added-value’ (Butz and Goodstein 1996, p. 63; Woodruff, 1997, p. 141).

Previous research has classified consumer or customer value as “the dichotomization of hedonic and utilitarian values (Babin, Darden, & Griffin, 1994; Holbrook & Corfman, 1985; Holbrook & Hirschman, 1982; Wang, Chen, & Prebensen, 2018); where Babin *et al.*, (1994) conceptualized utilitarian value as the ‘conscious pursuit of an intended consequence,’ and hedonistic value as a ‘basic duality of rewards for much human behavior’” (Babin, Darden, & Griffin, 1994). Wang *et al.* (2018) compares utilitarian value to shopping like a checklist or task, versus hedonistic value where shopping is tied more emotionally for fun and entertainment. ‘Customer value’ can be broken down into separate individual words where the word ‘value’ is most significant. According to Wang, Chen, & Prebensen whom analyzed the value-minded tourists, ‘value’ is subjective to the individual and can be defined in many ways (Prebensen et. al., 2013 & 2016; Wang, Chen, & Prebensen, 2018). The word ‘value’ is most referred to in literature in the economic sense as “the financial sacrifice people are willing to make for a product” or service (Wang, Chen, & Prebensen, 2018), but there are many others such as the proposed five-value dimensions according to Sheth, Newman & Gross’s consumption values theory: functional, social, emotional, epistemic, and conditional (Sheth, Newman, & Gross, 1991), and an individual’s ‘personal value’, which may embody a multivariate of the already mentioned value definitions (Wang, Chen, & Prebensen, 2018).

For tourism marketing research, Milton Rokeach (1973) introduced his 18 terminal values (desirable end-states of life) and 18 instrumental values (preferred behaviors that can help achieve terminal values such as true friendship, mature love, self-respect, inner harmony, equality, etc.) called the Rokeach Value Survey (RVS) (Rokeach, 1973). The RVS was then later revised by Sweeney and Soutar’s (2001) four-dimensional value-scale regarding general product and service value (Sweeney & Soutar, 2001), then even further revised by Williams and Soutar to help advance the field of hospitality and leisure in the following areas: visitors’ satisfaction, experience, travel styles, and behavioral intentions (Williams & Soutar, 2009; Wang, Chen, & Prebensen, 2018). Williams and Soutar’s five-dimensional value-scale which is used for conceptual and relationship testing, consists of

the following: 1) functional, 2) monetary, 3) emotional, 4) social, & 5) novel (Chen et al, 2017; p.173). Customer value in the hospitality context can therefore be the potential benefits over costs the customer receives with the above-mentioned types of values of the consumed product or service from the business.

Customer value can also be defined as the customer's perceived value through contextual variables, such as a customer's involvement with their service encounter (Vargo, 2008). Perceived value is conceptualized "as a tradeoff between perceived quality and perceived psychological as well as monetary sacrifice" (Oh, 1999; Dodds et. al., 1991). Woodruff defines customer value as "a customer perceived preference for an evaluation of those product attributes, attributes performances, and consequences arising from use that facilitate (or block) achieving the customer's goals and purposes in use situations" (Woodruff, 1997; Flint *et al.*, 1997

In other words, customer value is ultimately dependent on the experiencer themselves and is usually subjective to how the experiencer feels (Wood, 2020). For example, from the customer's perspective the value of a cup of coffee to drink with a friend at the café is more valuable than the same coffee available for take-away, when the cup of coffee costs the same monetarily. The customer value in this example could be the social interaction or moments to connect with someone, and/or the café environment, rather than the customer valuing the coffee itself. Ultimately, customer value can be seen as 'desired customer value', where Flint, Woodruff, and Gardial defines the desired customer value as, "the customers' perception of what they want to have happen (i.e. the consequences) in a specific kind of use situation, with the help of a product or service offering, in order to accomplish a desired purpose or goal" (Flint, Woodruff, & Gardial, 1997).

Customer value can also be defined as to what the customer ultimately seeks to gain or achieve from consuming a firm's product or service, but that is not directly labelled from the actual product. It is the underlying treasure that may be unique only for the specific individual. Therefore, it is crucial for any firm to identifying and understanding specifically who their customer is as a persona.

## 2.3 Value Co-Creation

Value co-creation is often linked with the evolving marketing principles of stakeholder relationships to understanding the interactional values between stakeholders as a touchpoint for value creation (Gordon, 2013). Co-creation is about the ‘process’ between stakeholders; where the value creation happens when the customer is actively participating, or interacting, with the firm to produce the co-creative experience (Garcia *et. al.*, 2019). Co-creation stakeholders are all who obtain value from each other’s actions or operations such as the users for tourism services and the supply-chain actors like distribution channels (Font, English, Gkritzali, & Tian, 2021). Improv comedy can be used as an example: The experience is co-created between the performer and the audience when the audience shouts out ideas, or the participatory action of the customer(s), for the performers to act upon. Co-creation is also linked with co-production which means the product or result is both simultaneously created and consumed at the same time. Co-creation can be defined simply as the joint creation of value between the firm and its customer(s), allowing them to shape the service experience to their liking (Chathoth, Ungson, Harrington, & Chan, 2016).

Although value co-creation, or cocreation values, is based upon the value creation theory which utilizes the service-dominant logics (S-D Logic) proposing that value is co-created with the firm and its customer (Vargo, 2008), value can also be co-created with guests-to-guests (G2G), or customer-to-customer (C2C). Customer reviewing platforms of hostels may reveal the social value of co-creation when the customers talk about their interactions with staff and other hostel guests. C2C co-creation values are expressed when narratives are shared about how one guest met another guest. For example, the communal hostel kitchen area is a touchpoint for co-creation possibilities when guests share the story of how they met and bonded through having a meal or drink together. Another example of co-creation could be how guests create travel and activity plans together.

The concept of value co-creation in hospitality and tourism as an experience economy is extremely important. Today's consumers expect contextual, authentic experiences and they seek a balance between staged and spontaneous moments of freedom and self-

expression, which are at the core of each co-creative activity experience (Binkhorst & DenDekker, 2009). Customer engagement' is the key word when talking about co-creation in the tourism setting. For firms who understand the experience creation value, it means treating the tourists as "partial employees of a company responsible for the outcome of the co-created service" (Chathoth *et. al*, 2014; Xie, Bagozzi, & Troye, 2008); or the transformative view of customers' as 'passive audiences' to 'active players' where the firm and the customer jointly create value by creating 'the experience' together (Prahalad and Ramaswamy, 2000; Latane, 1996; Latane, 1990). Firms can provide for the tourists' a value-creating activity that produces a product they will subsequently consume, becoming their own consumption experience (Xie, Bagozzi, & Troye, 2008; p. 110).

Co-creation values are considered the 'new logics' to how value is created. Authors of "Creating Experience Value in Tourism", Nina K. Prebensen, Joseph S. Chen, and Muzaffer Uysal (2014) proclaims that traditional logic views production and consumption as separate entities; but new logic posits that the customer is always part of value creation processes, and that without the customer, no value is created (Prebensen, Chen, & Uysal, 2014; p. xi). These new logics refer to the service-dominant logic (S-D logic) which states that the roles of the producers and consumers are not separate but rather together where the "value-in-use" is co-created as it is both produced and consumed throughout the interaction(s) (Prebensen, Chen, & Uysal, 2014; p. 4; Chathoth, Ungson, Harrington, & Chan, 2016, p. 224). Creator of 'cocreation values', Vargo and Lusch states that S-D logic is "service-based, necessarily interactional and co-creative of value, network centered, and thus, inherently relational" (Vargo & Lusch, 2010). This differs from the older and more traditional 'goods dominant logic' (G-D logic) whereas the name suggests, the 'value is in the exchange', or the value is produced by the firm in the market such as with actual goods or with money (Prebensen, Chen, & Uysal, 2014; p. 4). Although there are many types of tourism products such as actual physical products, as with the tourist gift shops selling souvenirs, the main product tourism sells is the 'experience'. 'Experiences' are intangible goods and quite subjective for each individual, which is why the S-D logic of co-creative value creation principles is important for tourism and hospitality providers to understand and incorporate.

Hospitality is deeply rooted in the service industry to uphold a certain level of caretaking of comfort for its guests, but tourism should be about the storytelling experience the tourist has gained throughout the tourist's travel journey. The travel journey begins from the tourist's pre-search information gathering stage (*ex-ante*), during (*in-situ*), to post-ending travel journey experience (*ex-post*) when the tourist reflects on their overall experience and is able to share their experience in narrative form (Chathoth, Ungson, Harrington, & Chan, 2016). This implies for service providers possible touchpoints where firms can facilitate value creation through "harmonizing tourists' impressions with positive cues, like enabling self-discovery and facilitating shared experiences with other like-minded others, and eliminating negative cues, such as litter and vandalism" (Malone, McKechnie, & Tynan, 2018; Pine and Gilmore 1998, p.103). Since tourism is all about the 'experience', the overall product tourism offers for tourists are memories and emotions they will obtain throughout the tourists' travel journey experience. This is important for hospitality stakeholders to understand with the concept of S-D logic of value co-creation, as the "sustainability can only be mainstreamed if the different stakeholders attach some cultural, social, or emotional value to it" (Font, English, Gkritzali, & Tian, 202).

Many narratives from tourists can be publicly seen in social review platforms where the platforms often double as booking platforms for accommodations such as [hostelworld.com](http://hostelworld.com). Humans are social creatures where research has shown that the shared experiences with other people, or the interactions and encounters a tourist may have for possible relationship building, are often times either forming the highlight of the tourist's experience or the negative consequences resulting in a negative review of their social encounter based on the social reviews (Wood, 2020; Prebensen *et al.*, 2016). This suggests the heavy impact upon the social aspect for both the tourism and hospitality industry, but also reveals the value of the possibility for relationship-building and networking for tourists.

## **2.4      Lifestyle Entrepreneur**

The ‘lifestyle’ of a person is a big part that forms a person’s identity. ‘Lifestyle’ refers to the approach and practices of one’s life, tying in the philosophical views of the individual, and often-related to how one spends their recreational or discretionary free time (Sorensen, Bogren, & Cawthorn, 2019; Brenner & Fricke, 2016; Bredvold & Skalen, 2016; Mottiar, 2007; Ateljevic & Doorne, 2000). Studies have revealed the importance of identity for lifestyle entrepreneurs to their entrepreneurial actions and to how they manage their businesses (Bredvold & Skalen, 2016; Ateljevic & Doorne, 2000). Williams and Shaw (1989) define lifestyle entrepreneurs’ involvement with business “is as much a form of consumption as it is of production as it allows them to be able to ‘consume’ its landscape and life-style” (Brenner, 2016; Williams & Shaw, 1989). This ‘prosumption’ characteristics of the lifestyle entrepreneurs of producing their own products for consumption sounds perfect (Xie, Bagozzi, & Troye, 2008), which questions why the whole lifestyle concept is not as popular and prevalent today. The following paragraphs convey the characteristics identifying the lifestyle entrepreneur.

‘Motivations’ is the key word to be labeled as a ‘lifestyle’ entrepreneur when compared with the ‘traditional’ entrepreneur, where the traditional entrepreneur can be simply defined as having only the economic means from the business (Ratten, 2020; Sorensen, Bogren, & Cawthorn, 2019). Although there are continued discussions about how to identify or classify the numerous types of entrepreneurs (Bredvold & Skalen, 2016), lifestyle entrepreneurs are defined by their motivations to uphold their social and cultural values (Bredvold & Skalen, 2016), where a key factor is the high level of importance for them to be able to continue to enjoy their lifestyle while running a business (Bredvold & Skalen, 2016; Brenner & Fricke, 2016).

Studies reveal characteristics of the SMTE lifestyle entrepreneur as generally not economically active (Brenner & Fricke, 2016) where many lifestyle entrepreneurs differentiate themselves from the traditional entrepreneurs with their overtly rejection to be oriented as profit-driven (Ateljevic & Doorne, 2000). This questions the sustainability of the lifestyle entrepreneurs’ business with the argument that “the small business culture,

limited capital, lack of skills, lifestyle motivations and the acceptance of suboptimal profits, constrain regional economies and create problems for firm survival” (Ateljevic & Doorne, 2000, p. 379). Firm survival, as with the case with any private business survivability, refers to the economic or financial means to continue running the business for the long-term. Previous studies have debated that the lifestyle entrepreneurs’ stubbornness to not focus economically may lead to financial suicide or development stagnation (Ateljevic & Doorne, 2000). However, recent studies also reveal that the overtly proclamation of the lifestyle entrepreneurs’ specific non-focus to profit financially has attracted niche markets who seek and share the same not-for-profit seeking values as the lifestyle entrepreneurs’ business (Ateljevic & Doorne, 2000). These more recent studies dispute the argument that the explicitly expressed lifestyle entrepreneurs’ values to not be profit-oriented is unsustainable as a business concept. Lifestyle entrepreneurs value independence, autonomy, and control with a centralized theme of comfort to sustain their ‘lifestyle’ (Ateljevic & Doorne, 2000).

### **3 RESEARCH METHODS AND DESIGN**

#### **3.1 Data Collection**

The data collected for the study were upon four hostels through the main recording platform of Microsoft Teams, with backup recordings through both the researcher's personal mobile device's audio recording and his personal computer of screenshare recording. Each hostels were from different countries representing different environments, and each to be supposedly classified as a different type of hostels to make the research more diverse. Two out of the four hostels were specifically selected because of their high social ratings from customer reviews. One was chosen because of its isolated and hard-to-reach place as a destination along with its rare hostel classification as a heritage hostel. And the last hostel was chosen randomly as a local hostel without previous research upon it to be used as a random sample. All interviews were conducted in the year 2021; two years since the beginning of the covid-19 viral pandemic. Overall, the idea is to collect data through semi-structured interviews from four very different hostels in terms of their tourism place identities and their hostel typology or classifications.

The methodology to collect data from the hostel entrepreneurs is through the qualitative semi-structured interview method. As mentioned in chapter 1.4, the qualitative research process is iterative meaning both the data collection and analysis occurs at the same time. The semi-structured interview was chosen as the method because it provides both a solid structure with a set check list of core questions to be asked, but mostly because of its flexibility for clarification through probing, which is an interview technique of questioning the interviewee further about a certain topic for deeper insight and understanding if necessary (Kvale & Brinkman, 2009; Gillham, 2005; Krippendorff, 2004). The structured part of the interviews were the same core questions that was asked with all hostel entrepreneurs', such as their general background information upon their hostel and professional background (Appendix 1). The flexibility with the semi-structured interview method also makes the communication between interviewer and interviewee more casual and easy-going, thus free-flowing and more natural, like having a normal

conversation live and in real-time between two people where if something was misunderstood or needed clarification, probing or further questioning, naturally occurs (Kvale & Brinkman, 2009; Gillham, 2005; Krippendorff, 2004).

A pilot or test interview was conducted by the researcher to see how well the original version of the semi-structured interview flowed so that necessary adjustments to the questions could be made before conducting the actual interviews with the valuable hostel entrepreneurs as also subjects for the study. It was also a good testing point to practice ethical interview behavior. The candidate for the pilot interview was an upcoming touristic accommodation entrepreneur who was in the process of negotiating financing the construction of his accommodation and site, meaning the candidate has already finalized the blueprints and design, thus still viable to be used as a test subject for the interview. The pilot test highlighted certain weaknesses of original questions, thus helped improve the finalized questions after evaluation.

Ultimately, the researcher designed the interview questions to be split and focused upon the four core subjects of the study: the ‘lifestyle’ hostel entrepreneurs’ identity to social customer value apperception, the hostel entrepreneurs’ role in managing the hostel’s social environment, identifying the value co-creative areas in the hostel setting, and to the effects of Covid-19 pandemic to the hostel’s socialscape. The researcher introduced these four core subjects to the interviewees ideally right before the actual interview was conducted, but some interviewees requested further information about the concepts, in which the researcher was obligated to provide which may have skewed results. Actual interview questions consisted of a few general background questions that were asked before the structured and numbered core questions were asked. These introductory interview questions asked the hostel entrepreneurs basic information about their hostel and businesses, such as the type of accommodation they see themselves as, the size of their company, their room prices, customer demographics, etc. After the introductory background questions were answered to summarize their hostel profile, the researcher then told the interviewees the three main sectioned topical core subjects: 1) About their personal role as the entrepreneur, 2) About their hostel’s customer value, and 3) About their hostel’s socialscape or social environment. Each of the three main subject sections

consisted of four open-ended constructed sub-questions to help direct the interviewees towards the main subject of focus, as well as for the researcher to see if there were any possible correlation of the interviewees background in experience and knowledge to their answers (See Appendix 1).

### **3.2 Data Analysis**

The methodology to analyze the collected data from the semi-structured interviews with the hostel entrepreneurs was through the qualitative content analysis method. As a method, content analysis is a non-obtrusive research technique “for making replicable and valid inferences from ‘texts’, or other meaningful matter such as works of art, images, maps, sounds, signs, symbols, and even numerical records, to the contexts of their use” (Krippendorff, 2004; p. 17-19). It is about ‘reading between the lines’ to try to understand the real underlying message (Schostak, 2006). The content analysis method can be defined taking content in the following three ways: “1) Content to be *inherent* in a text, 2) content to be *a property of the source* of a text, and 3) content to *emerge in the process of a researcher analyzing a text* relative to a particular context” (Krippendorff, 2004; p. 19). Krippendorff explains that each type of definitions of content analysis “leads to a particular way of conceptualizing content and, consequently, of proceeding with an analysis” (Krippendorff, 2004). This means that if content analysis were to be defined in only one instead of the combined all three definitions mentioned, then the content analysis would not have been *reliable*, *replicable*, and thus *valid* as a scientific tool (Krippendorff, 2004; p. 19). Each three separate definitions of analyzing the content through the content analysis method have been criticized and evolved over time (Krippendorff, 2004) where now the third definition is primarily accepted and used, albeit content analysis is still defined by the combination of all three.

In this research case with interviews, both video and audio recordings from the interviews were first transcribed from audio to texts. The researcher also transcribed the inferred social cues from the hostel entrepreneurs’ from the video interview into written texts. Freeth, Foulsham, and Kingstone define social cues as “the verbal or non-verbal signals

expressed through the face, body, voice, motion (and more) and guide conversations as well as other social interactions by influencing our impressions of and responses to others” (Freeth, Foulsham, & Kingstone, 2013). The non-verbal social cues were translated into texts such as a laugh to “haha”, smiles to “<smile>”, and excitement expressed with tone of voice with “CAPITALIZED LETTERS”. The transcripts are then annotated with the researcher labeling relevant commonalities. This process of marking texts and finding themes refers to ‘coding’, which defines the qualitative content analysis method.

The researcher conceptualizes the data once critical themes are formulated where the critical themes can be further summarized and grouped together into categories and subcategories. These categories and subcategories defined, thus coded, can then finally be considered as usable and publishable data to be used with the content analysis method. After categories and subcategories are formed, the next step is to segment the data, which is the process of positioning and connecting the researcher’s categories of codes by describing the connections between them. ‘Building codebooks’ can then be created from the codes to link the ‘variables’, or possible key annotative findings that match with the broader category code concepts (Denzin & Lincoln, 2000, p.781). Once codes and variables have been listed and inputted into the spreadsheet or matrix the researcher is then able to dive deeper into the data segments, finding possible hierarchies among the categorizations (Polkinghorne & Arnold, 2014). The researcher is then finally able to completely analyze the content when they are able to describe key findings through their descriptions of how they coded and categorized things while referencing to the main research question.

The two approaches of coding, deductive and inductive coding, were both applied by the researcher (Azungah, 2018). The deductive coding approach means having already pre-assigned codes by using the pre-selected theories or assumptions (Azungah, 2018). For example, each topic heading from the semi-structured interviews could be already pre-categorized or pre-themed as potential codes to be used to help build the codebook (See Appendix 1). For this research the main deductive codes used were upon the theoretical concepts of the thesis: socialscape, customer value, value co-creation, and lifestyle

entrepreneur. The inductive coding approach refers to the critical thinking process for the researcher to open-mindedly look at the raw data to see and find possible new meanings, finding and forming themes to be used as codes to answering the main research and sub-questions (Azungah, 2018). The inductive approach is often linked to grounded theory where grounded theory suggests looking at the raw data line by line for “the process, actions, assumptions, and consequences” that may lead to new findings (Denzin & Lincoln, 2000, p.780). The results of inductive coding combined with the pre-based deductive coding are revealed with the subchapter 4 headings.

Only after multiple analysis of the transcribed interviews could there be a clearer depiction to ascertain if preformed beliefs, such as theories, from the researcher about the main research subjects are to be true, false, or unclear. The potential unclear parts are where and how the researcher uses the content analysis method to clarify the contents into meaningful value by narrowing down the mass information into usable codes as data. For example, what words or descriptors was mentioned from the hostel entrepreneurs of this study when they were asked about ‘what, where, and how’ ‘customer value is created in the hostel social environment’? The researcher obtains usable data only after the time-consuming iteration process of coding as the analysis method. After multiple read-overs, with texts becoming more and more summarized, key words or phrases will formulate into more concrete themes that can be coded.

### **3.3 Research Ethics**

Ethics cannot be talked about without referring to “Kantian ethics of duty, a utilitarian ethic of consequences, and Aristotle’s virtue ethics”, which in short are philosophical principles society has adopted to be provided as guidelines on what it means to be and to do ‘good’ (Kvale & Brinkmann, 2009, p.66). Ethical issues with interviews for researchers are concerned with the following: informed consent, confidentiality, consequences, and the role of the researcher (Kvale & Brinkmann, 2009, p.68). *Informed consent* “entails informing the research participants about the overall purpose of the investigation and the main features of the design, as well as of any possible risks and

benefits from participation in the research project” (Kvale & Brinkmann, 2009). It also lets the participant know that they have the right to refuse or withdraw from the study at any time. *Confidentiality* concerns about privacy and anonymity because ‘personal’ information by definition means private, and thus, should not be allowed to be made public unless the interviewees’ have given consent (Kvale & Brinkmann, 2009). Ideally for the researcher they would want the participants to not be anonymous because the very voice from the interviews could be the aim of the study (Loseke, 2013). *Consequences* refers to how the interviewees might “disclose information that they may later regret having shared” (Kvale & Brinkmann, 2009, p. 73). Therefore, the researcher should keep in mind the ethical *principles of beneficence*, or to try minimizing all possible risks of harm to the participants. A possible consequence as an effect of the attentive researcher who repeatedly focus on personal topics of the participant(s) could be, for example, forming a quasi-therapeutic relationship in which the researcher may not be trained for (Kvale & Brinkmann, 2009, p. 73). *The role of the researcher* refers to the integrity of the researcher as a professional person to uphold their moral responsibilities as not only the scientist but also as a ‘good’ human-being to be honest, fair, and to uphold the scientific quality of the knowledge they will publish (Kvale & Brinkman, 2009, p. 74). The researcher should use their *phronesis* skill of deciphering *thick ethical description*, “or the ability to see and describe events in their value-laden contexts, and judge accordingly” (Kvale & Brinkmann, 2009, p. 67).

The four concerns of informed consent, confidentiality, consequences, and the role of the researcher are all closely tied with one another and is to be used as a framework of ethical protocol for the qualitative study. Therefore, to be ethical as a researcher utilizing the semi-structured interview method with hostel owners as the participants, the researcher should conduct themselves as a professional and provide all necessary background information, such as the purpose of the study, and clearly communicate key concepts relating to the study, such as customer value and socialscape. All received data is confidential and will not be released to anyone not directly involved in the study. To protect the privacy of the participants for anonymity sakes, identities such as names and places will either be replaced with alphanumeric codes or symbols to hide identity.

## **4      RESULTS AND FINDINGS**

This chapter reports the interpreted results and findings of the collected data from the semi-structured interviews of the hostel owners upon the customer value focusing on the social aspect of the hostel environment. The main aim of the content analysis was to answer the main research question: How does the hostel social environment contribute to creating customer value? Since data collected were from the hostel owners' perspectives, the researcher finds it important to provide a general summary upon the hostel entrepreneur's background to understand their motivations or reasons leading to them becoming a hostel owner. Utilizing the service design concept of customer journey in narrative form helps readers understand the hostel entrepreneurs' perspective and process towards their business concepts and customer value. Therefore, the following subchapters begin with first by providing an overview of the lifestyle tourism entrepreneurs' motivations that label them as a more specific type of lifestyle entrepreneur. Findings about each lifestyle entrepreneurs' motivations foreshadows their customer value apperception as a result of subchapter 4.1. Subchapter 4.2 titled, 'Online and Offline Social Management', refers to the public relations role of the lifestyle entrepreneurs. Subchapter 4.3 introduces the social environmental interactions between different stakeholders as a potential co-creative touchpoint. The last subchapter shares the findings of the influence of Covid-19 to the hostel owners' socialscape.

The following presents the codebook describing the hierarchy to categorizing the themes and codes found and used for Chapter 4 through the combination of both the deductive and inductive coding approach. The four hostel entrepreneurs of this study were labeled as E1, E2, E3, and E4. The theoretical concepts of this study were used as pre-assigned deductive codes where 'Customer Value' is marked as '#CV', 'Value Co-Creation' is marked as '#VCC', and 'Lifestyle Entrepreneur' is marked as '#LE'. However, data about 'Socialscape' was found to be easier identified and used as 'Socialscape or Social Value Expressed' so it has been inductively marked as '#SVE'. The following represents the other codes: 'Entrepreneurial Roles' is marked as '#ER', 'Entrepreneurs Motivations and Philosophy' is marked as '#EMP', 'Lifestyle Values Expressed' is marked as '#LVE',

‘Understanding the Market’ is marked as ‘#UM’, ‘Unique Selling Proposition’ is marked as ‘#USP’, and ‘Covid-19 influence to socialscape’ is marked as ‘#Covid’.

#### **4.1 Apperception of Socialscape as a Customer Value**

*“Apperception: (Noun) The process of understanding by which newly observed qualities of an object are related to past experience. (Verb) To comprehend (a new idea) by assimilation with the sum of one's previous knowledge and experience” (Lexico).*

The background and origin stories reveal that all four hostel entrepreneurs interviewed were identified as lifestyle entrepreneurs based on their motivations to be more than profiting financially, but most importantly for them to find the balance to live and express their passions as a customer value. Not all lifestyle entrepreneurs understood initially the concept of ‘customer value’, or what their customer value was specifically. However, through apperception from the interview questions (Appendix 1) and from the researcher’s summarization of their answers, the lifestyle entrepreneurs eventually realized the UVP of the hostel’s social environment. How the lifestyle entrepreneurs define themselves depicts their values. How the lifestyle entrepreneurs describe their hostel or business concepts with their USP’s depicts their customer value understanding. This subchapter further specifies the type of lifestyle entrepreneurs of this study to depict how place and location is a customer value in itself.

E1’s hostel concept was considered as a historic or heritage hostel with the diverse types of preserved historical buildings that were redesigned intrinsically to be made into accommodations.

*“We have a very beautiful villa, which we call it the \*\*\* Historic Hostel, which is the old guest house of the village. And it has always been a guesthouse, and it’s very historic inside. There’s 6 bedrooms with 20 beds. And then we have a number of rooms in other houses in the village. Like in the old school building there’s*

*plenty of rooms. And then we have a tiny little hut somewhere on the cliff. The old post office” (E1:1 #USP, #CV).*

E1 was identified as both a nature-based lifestyle entrepreneur, due to the hostel’s remote location where the identity of the place and location is both the lifestyle entrepreneur’s motivation and customer value (Sorensson *et. al.*, 2019, p. 215); and as a freedom-seeking lifestyle entrepreneur where E1 conveyed values of independence, autonomy, and control (Bredvold & Skalen, 2016, p. 103). Combining the nature-based and freedom-seeking LE definitions, E1 was identified as ‘The Hermit’ tourism lifestyle entrepreneur in E1’s motivation to be completely unassociated by outside forces.

*“I try to actively promote <place> as a destination so that it’s independent as an area. I don’t try to promote it so much as... like there’s some famous areas in the <natural phenomenon>, like the famous rock 1 and rock 2, ... rock 1 makes X amount of visitors while rock 2 makes Y amount of visitors. But I don’t advertise those because I want people to come to <place> for the sake of <place>. And that works better and better” (E1:2 #LE, #CV, #ER).*

*“A couple of things I find important is... staying close to myself as a person. I’m not somebody who wants to offer luxury and a fake smile. I just want to be who I am, and to be who I am in the work I do. So my standard is not too high. It’s not luxury here. And I communicate it very openly and very frankly with my customers. Its written all over my website. Its simple accommodation, its simple food, but in a spectacular environment obviously” (E1:3; #EMP, #ER, #EMP, #LE).*

The apperception of customer value expressed were history, culture, mystery, natural beauty, storytelling, and retreat or escape from the modern world (E1: 1-3).

E2’s hostel concept today strives to become “resort and festival-like” as the ultimate place of gathering for the growing heterogenous backpacker market (E2:1).

*"I would make it more like a resort...I suppose as a thing here... I would try to make it like a wonderland. More like a festival. I always get inspired by when you go to a festival, and there's loads going on. Like that kind of style" (E2:1; #LE, #LVE, #EMP, #CV, #CVE, #SVE).*

E2 was identified as the ‘The Original Lifestyler’ of the lifestyle entrepreneurs because he embodies the mainstream hostel customer. As a backpacker himself E2 completely understood what the backpackers wanted because it was something that he would want for himself.

*"The social experience is absolutely, it's 100% for the hostel for me. I've seen how people, what people were prepared, people were prepared to sleep on a mattress on the balcony or the lounge. At one point we absolutely had no bed, but they wanted to stay here so much we even put mattresses down the shower block. People were saying, 'I don't care where I stay, I just want to stay here'. They were sleeping under a tarp at one time. All these things wouldn't be possible if you didn't have the atmosphere to go with it. So, for me, that's ... pretty... it's everything actually! (E2:2; #LE, #LVE, #CV, #VCC, #EMP, #SVE, #UM).*

E2’s hostel concept was unique in that it was constantly adapting to the high-risk local environment where, at the expressed timeframe, there were many sudden demands from the local hegemonies of the ‘cans and cannots’, to the point that E2 needed fast and flexible solutions. E2’s motivations evolved over time but can be generalized as adapting to a high-risk regulative and changing environment with flexible solutions to establishing an attractive co-livable environment with the locals.

*"It was actually part of the reason for not building properly as well because when you have that ax hanging over you, you're not sure how to best spend your money. Because on \*\*\* they really wrecked a lot of the hostels with all the rules that they made. So, they went from, 'you're not allowed 8 beds in a room but only allowed 3 beds in a room'. That was after a lot of negotiations. So, they weren't allowed bunk beds, and they weren't allowed things and that. Here, I didn't really want to*

*invest huge amounts of money knowing this, changing the rules like this” (E2:3; #VCC, #EMP, #SVE).*

The apperception of customer value expressed were the social atmosphere, the informal and casual environment, the travel experience, always things to do, an enclave for backpackers, a memorable experience, and a place for meeting others (E2: 1-3). For E2 the social environment and socialscape is the business.

E3 was identified as ‘The Hipster’ lifestyle entrepreneur because of the combination of lifestyle aims and how E3 is known to live in a very specific type of place (Sorensson *et. al.*, 2019, p. 219; Lexico). E3 was also identified as a social entrepreneur with his homeless shelter project.

*“The whole social part is... without it you can’t exist, and then you become sort of a Mattress Factory, where people just sleep and go” (E3:1; #LVE, #CV, #VCC, #EMP, #SVE).*

*“For them <the homeless from homeless project> it’s a life-changing experience because, hey; they have their own room. They don’t have to sleep in dormitories and a lot of aggression. And of course, there’s a day-time program. And they are behaving really well. They have breakfast and dinner at our place. And literally these people are... yeah, blossoming! And they will find a place in the whole social system back again, because they will get a sort of a house or half-way house” (E3:2; #SVE, #VCC, #CV, #LVE, #UM, #EMP).*

E3’s motivations can be simply described as repurposing the possibilities of a building to incorporate culture and art for all to enjoy.

*“It’s a building, as a conversion, as a business case, but also as a design...It takes a lot of knowledge, risk, and money. But for me it’s a sort of a calculated risk. And the idea behind this is it to give a building, which are basically stones on a certain location, a new purpose. And it’s all about purpose. But also, a healthy business*

*case with soft-edges. And if you can create, with the whole building, a sort of a communal area literally not only the tourists, but also the locals, find a place to stay and eat, to drink, to study, to work... enjoy culture without any costs then you're more creating a sort of community. But an honest community. And that's the whole hybrid concept" (E3:3 #USP, #SVE, #LE, #LVE, #EMP, #ER, #CV, #VCC).*

The location and artistic focus labels E3's hostel type as the urban boutique hostel.

*"If you open your locker, you're safe. Your laptop is safe in your room. And if you shine with your telephone lights and you look really good, you see a small piece of text inside of the locker. And those really small things create also the wonderment kind of experience! But it could also be a smile of a host or just literally the way you are treated when you enter" (E3:4; #CV, #CVE, #SVE, #LVE, #UM, #USP).*

*"You can have of course beautiful building or a complex, but the people, and basically the employees, and the people that are visiting. They are creating the whole atmosphere. And customer value is basically when people enter, or perhaps it's just for a cup of coffee, or perhaps it's for an overnight, or whatever when they leave... they have a sort of feeling, 'Hey, I was welcomed! Service was good, the food was a pretty good price quality, and I had a good feeling'. And that could be also by the employees, could be the music, the surroundings, the design, or when you look inside your cup of coffee in the morning when you have a hangover and you see just the small text, 'Hi Pretty'" (E3:5; #CV, #USP, #EMP, #VCC, #UM, #SVE).*

E3's hostel or business concept was to be as disruptive as possible questioning the current way of living and the role of accommodations through the focus on art and culture.

*"When you enter, you literally see no beer brands, logos, logos of other companies. And you rarely even see our own logos... We are so programmed and*

*conditioned in this Western World that once you take away all those commercial logos, people start to experience, ‘Hey this is nice!’’’ (E3:6; #USP, #CV, #SVE, #CV, #LE, #LVE, #UM, #EMP).*

The apperception of customer value expressed were the beautiful buildings, the design, the price, the atmosphere, the good feeling, the wonderment, the cultural attitude, multi-use, a really nice experience, decommodification, and the little details (E3: 1-6).

E4 was identified as ‘The Homely’ lifestyle entrepreneur because they were presented with opportunities to create a hostel environment to include their lifestyle passions into their business concept.

*“My partner wanted to move to (the city), because he wanted to move more North with his passion to hunt” (E4:1; #LE, #LVE, #EMP).*

*“\*\*\*\*’s family was actually the owner of the current hostel’s building. We’re renting the place from his family, so that’s why we were able to do the renovations as we wanted. Without that, we wouldn’t have the hostel as it is now” (E4:2 #VCC, #LE, #SVE).*

E4’s motivations on their hostel concept were based on what they were seeking as travelers themselves. For them, it meant discovering the authentic local culture of a place.

*“While traveling, except in the actual city center areas, there was no café or lunch place inside the hostels. We met other people traveling abroad of course so we talked at the communal DIY kitchen. So that’s why we want to have a café in our hostel. It would be a common living room area for the locals and also for the people coming from abroad. So, in the best case a local and a traveler from abroad would sit together at the same table, and discuss maybe what the best thing to do in the city area, and things like that” (E4:3; #UM, #SVE, #USP, #CV, #VCC, #UM, #LVE).*

E4 conveyed their lifestyle aspirations to live and provide authentic and genuine cultural hospitality:

*“I think being an entrepreneur is about the personality. You like to do things by yourself. And you like to do things how you wish them to be... I wanted a place for the people that’s not stuffed with \*\*\* and \*\*\*, you know the ‘typical <unique unauthentic cultural phenomenon of the place> stuff’ what we have here, because it’s not the normal life we live here. I mean, OF COURSE the \*\*\* & \*\*\* are important to us. But for me, when I live in the city center of \*\*\*, I want to show my life as it is here without any <unique unauthentic cultural phenomenon> stuff added to it” (E4:4 #EMP, #SVE, #LE, #CV, #LVE,).*

*“We want to be so good that people will find us, so we don’t have to push and market so much that people will find us. We want to do things so good that I can wake up in the morning feeling that I’m doing the right thing. I don’t want to lie to anybody, or want to have so much money for me. We want to give jobs for many people. We want to give experiences for travelers. We want to make the local culture more like the life throughout our business” (E4:5 #LE, #SVE, #LVE, #VCC, #UM, #CV).*

E4’s hostel concept was identified as the traditional city hostel but, “*not that traditional because usually people think the hostels are a bit messy because they are cheap*” (E4:6). E4 called themselves as the “traditional hostel 2.0” because of their focus on quality and of them producing their own unique food products, “*like the bread and game meat my husband gets from his passion from hunting*” (E4:7 #LE, #USP, #SVE, #USP, #CV).

*“For me, the nicest thing about traveling is to get to know about the local culture and the local people. So, then I would say, I get more “known” to the place, when I know the local people and local places (E4:8; #SVE, #CV, #EMP, #LE, #UM).*

The apperception of customer value expressed were cultural authenticity, sustainable practices, the cozy feeling and atmosphere of home, and quality real hospitality services (E4:1-8).

The apperception of ‘customer value’ were expressed when lifestyle entrepreneurs of this study narrated how their motivations led to their actual implementations of their hostel’s servicescape and socialscape. For instance, even though E1 responded first that his hostel does not actively support social interaction, he then followed up by stating the following:

*“What we do have for accommodation guests in the evening is the pub. I’ve noticed people that people mingle pretty well and often between tables. So there’s a lot of interaction there. There’s also quite a lot of interaction that goes through me as well. People want to talk to me. And then me connecting with people. And then the hostel of course” (E1:4 #SVE, #CV, #VCC, #LE, #LVE).*

Findings convey customer value apperception of the hostel’s socializing environment from the lifestyle entrepreneurs because the lifestyle entrepreneurs identify themselves as the hostel consumers.

## **4.2 Social Management of the Online and Offline Environment**

The social environment gathered from the information expressed from the four hostel entrepreneurs interviewed of this study were deducted as the ‘online’ and ‘offline’. The online and offline were identified when the researcher asked internally the question, ‘Where is this social environment?’ The social environment was therefore defined as the following: places of communication, places where communication can be referenced, and places for possible interaction or engagement between hostel consumers. The ‘online’ social environment from henceforth of this subchapter 4.2 refers to the social media platforms, the booking platforms, and the ‘press’ which can also be ‘offline’. The ‘offline’ social environment refers to the actual hostel and physical places. Offline places refer to

the common and shared facilities of the hostel, private rooms, service areas, and recreational areas.

Findings show that the management roles and duties of the hostel entrepreneurs upon the social environment are of the following: designing the socialscape, creating the brand, sustaining the brand, deciding communication platforms, responding to social media and customer reviews, systemizing the organizational hierarchy, and conveying the principles of relationship culture and relationship ethics.

All hostel entrepreneurs from this study have expressed that their main duty and role was first and foremost to create and sustain their hostel's brand. The brand is the image portrayed about the hostel which includes more than pictures and videos, but also text descriptions, and pricing of the products available (Perez-Vega, Waitre, & O'Gorman, 2016; Naylor, Lamberton, & West, 2012; King, 2010; Doods, Monroe, & Grewal, 1991). The brand also depicts the customer values by showcasing what the hostel has to offer such as, "*the physical, like hiking possibilities, the mystery place where you can only reach by boat, and the history of the place.*" (E1:4; #USP, #CV). The hostel brand could be in the hostel name itself: "*It's <the name of the hostel>. It's a <native language> word that has no direct translation into English but that's how I picked it. It means, 'stay up all night talking', in <country's language>*" (E2:4; #USP, #CV, #SVE).

*"My task is to design, to develop. I'm basically the gatekeeper of the whole concept. And especially all the marketing, everything you see on the socials, on the website, 80-90% is written by me or by our team"* (E3:7; #ER).

*"The main thing about our hostel is that it's cozy, genuine, and depict the common home feeling. To give the feeling to the customers from abroad or domestic the home feeling"* (E4:9; #CV, #USP, #LE, #LVE, #SVE).

When talking about the social environment to the designer role of the lifestyle entrepreneurs, it refers to how the socialscape is implemented and functionalized in actual practice where socializing may occur. The key word for socialscape is the design to social

environment. For the ‘offline’ hostel environment, the areas of interest are the common areas and shared facilities where socializing may occur such as the communal kitchen area, the shared bathrooms, dining areas, and dormitories (Rashid-Radha, Lockwood, & Nolan-Davis, 2016). The service and recreation areas were also hot touchpoints for socializing possibilities. The dining and seating areas were explicitly emphasized by three of the four entrepreneurs as the place where most interactions occur. Bench tables and bars were explicitly expressed as the best idea for hostels and socialscape (E2 & E3).

*“When you went in there, they had bench tables all the way down in the bar. And that was the concept for <mentioned bars and places>. You actually don’t have anywhere to sit in the bar apart from a table with other people. And this was also just my favorite bars because you can be on your own or even with a group of people. You just down at a table and it’s just... everyone just walks over and says, ‘hey how’s it going <hysteric & excited gestures>’. You just drink and meet loads of people”* (E2:5; #LE, #LVE, #SVE, #CV, #VCC, #EMP, #UM, #USP).

Managing the online social environment was a key role expressed by all four hostel entrepreneurs in relations of keeping up to date about information portrayed. Responding to social media platforms and customer reviews, such as handling online customer complaint, was expressed as one of the key responsibilities for the smaller sized and younger hostel firms. This coincides with previous studies about how many smaller sized companies had to fulfill multiple roles and duties (Sorensson, Bogren, & Cawthorn, 2019; Hall, Dayal, Majstorovic, Mills, Paul-Andrews, Wallace, & Truong, 2016). The entrepreneurs as the head of the company means they are accountable regarding any information portrayed. They are the ones responsible to disseminate false accusations.

*“The guests can be 100% wrong about something. Like, how can they possibly think this... And the natural response would be that this guest is an absolute idiot and a mushroom! With extreme ownership the thing is that everything is always your fault! Like you take the accountability as well. Like if I made a clear sign or whatever with directions, it should be impossible for something to go wrong! Yet*

*they still complain. Like I can't make any excuses as the owner because everything is my fault." (E2:6; #EMP, #ER, #LVE, #SVE).*

Now in the mid-digital era where all direct communications are typically online, some lifestyle entrepreneurs have found innovation with the use of communication platforms.

*"The reason we use Facebook Messenger is because it can be monitored by multiple accounts. WhatsApp is locked onto one phone number. Whereas Facebook I can have the Messenger come to my phone, to my girlfriend's, the reception, to the managers, etc. You have a redundancy with Messenger so that nothing is missed." (E2:7; #USP, # CV, #SVE, #VCC).*

Systemizing the organizational structure, such as the hierachal structure, was a role many of the entrepreneurs did not think was going to be an issue since many of the lifestyle entrepreneurs valued the casual and informal way of communication.

*"We thought in the beginning we would all be in the same lines - horizontal as equals. But now since we have almost 20 people working, we realized we need to have a hierachal structure, where we are the owners, followed by the managers, etc. So, it has been very difficult... Because we started on the bottom with everyone. And yeah... we did it wrong basically, haha... And we have learned."*  
*(E4:10; #EMP, #SVE, #ER, #LE, #LVE).*

The last findings reveal the lifestyle entrepreneurs' role of conveying the principles of relationship culture to be uniquely different from each of the four lifestyle hostel entrepreneurs of this study.

*"The current situation is, it's me as the host, who tries to make people feel well. So, I'm kind of the face of company, which is logical, as it's so small, right? When it comes to management, I'm not good at delegating tasks ha-ha. I do love to work by myself. I work extremely hard, especially in-season. Of course, there's a number of employees here. Most of them come back year after year after year.*

*And I really trust them. And this trust for me is very important. I need to be able to send them up to houses and not worry about whether they clean enough, or if things are fixed or whatever, you know?" (E1:5; #SVE, #ER, #EMP, #LE).*

E1's principles of relationship culture expressed is for E1's staffs to be trustworthy and capable, which was very important due to the size,

*"...as a very small company. I'm the owner. I do most of the work myself. Big parts of the year I have no employees. It's just me. I work a lot with maintenance, and marketing, and administration off-season. And in-season, I have a small team around me, with a cook, a cleaner, and a couple of waiters. And then we run this place." (E1:6; #SVE, #ER, #LE).*

E2's principles of relationship culture are based on the phenomenon of backpack enclaves. Wilson and Richards state that "enclaves may be located at crossroads or intersections; meeting points which permit backpackers to socialize with each other after traversing 'alien territory' and serve to reinforce a communal ethos and the creation of an, albeit temporary, Utopian society populated by their peers (Wilson & Richards, 2008, p.190; Westerhausen & Macbeth, 2003, p.73). In other words, backpacker enclaves have a common social environmental experience matching the backpacker culture as a phenomenon. Enclaves are often referred to as a 'metospace', a place of suspension with its own reality mixed between different forces (See Table 2), which is a co-creative environment (Wilson & Richards, 2008).

*"And honestly, the backpackers they really didn't really care where they slept as long as it was a good atmosphere" (E2:8; #UM, #SVE, #CV).*

**Table 2: Basic forces or parameters of spaces in which suspension takes place**  
 (Wilson & Richards, 2008)

REST – LEISURE – WORK TEMPORARY – SEMI-PERMANENT – PERMANENT RURAL – SUBURBAN – URBAN DEVELOPED – NEWLY INDUSTRIALIZING – DEVELOPING EAST – HYBRID – WEST TRADITIONAL – CONTEMPORARY – POST-TOURISM CORE – MARGINAL – PERIPHERAL HARD EDGE – SOFT EDGE – NO EDGE LOCAL OWNERSHIP DOMINATES – MIXED OWNERSHIP – FOREIGN OWNERSHIP DOMINATES
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Information portrayed about the metaspace of hostels, whether by online or offline communication, provides insights to the hostel's social environment and culture.

*“The staff here have nicknames. They’re really silly playing with the guests all the time. Like adding them on friends on Instagram, just you know... You probably have seen a lot of the reviews, talking about \*\*\* Sugar. It’s one of the staffs here <Smiling>” (E2:9; #SVE).*

The researcher followed-up to E2’s implications of fraternization as a company social relations policy stating that, ‘Many companies have policies against fraternizing with the customers, like adding them on social media, but you’re all for it’? E2 responded:

*“Absolutely! I mean we have some of our single staffs. They have met some... ladies... One of them ended up dating one for nearly half a year. And stuff like that... In the end, things can be a problem, but again... You can make a rule like that to try and prevent the one time it might be a problem, but you miss out on so much if they do a really good job- making the guests feel at home and giving them a good experience. You know really becoming good friends with them and stuff” (E2:10: #SVE, #LVE).*

E3’s principle of relationship culture was designed and communicated both online and offline publicly stating the brand of “communal wonderment” through art (E3:8 & 13).

*“We also like to inspire by example... We sort of have a speed fashion show ha-ha-ha, in which about 40 different costumes or dresses, within probably 5 to 7 minutes... just to show, ‘hey you can do everything (dress) how you want, but this will be the impact! Or perhaps, we can give you some pointers” (E3:8; #EMP, #VCC, #SVE, #LVE).*

E3 also portrayed the “employee brand” which conveyed the brand’s values of accountability through “extreme ownership” (E3:9).

*“In our vision and in our opinion, and that’s why our host is very important, and we nurture and train them also. Basically, if they are running a shift, they are the boss of the whole hotel. And also, the responsibility of course. But they can decide, ‘hey this is a pretty good complaint’. And they can literally decide how to compensate WHATEVER KIND OF WAY they see fit! And as long as they can explain why they gave away an overnight stay, a cup of coffee, or however they want to resolve it. They literally have their own responsibility and ownership of that moment” (E3:9; #EMP, #VCC, #SVE, #CV).*

E4’s principle of relationship culture was seeing all staffs as family in E4’s homely hostel concept.

*“Everyone is working for us, and we know the people. We are a quite small family. So, I think that keeps the cozy feeling, hopefully” (E4:11; #SVE, #LE, #LVE, #CV).*

The small size of the company implies the value of the remaining staff members (E4). Therefore, the researcher followed-up questioning E4 on ‘what the most important factor for finding the right staff’ as E4’s answers may reveal a specific social value. E4 responded:

*“I’m more an intuitive person ha-ha. So, if I got a good feeling from the person, then that’s the big thing. But the right attitude also. <Then E4 describes the possible multiple jobs and roles of on a busy working day for a normal café worker*

*to also work in reception and cleaning of rooms> So the person needs to be really ‘self-orientated’” (E4:12; #ER, #SVE).*

Findings suggest that the relationship culture may act as a unique ID, much like a fingerprint, of a hostel. Overall, findings reveal that public relations, or the entrepreneur’s role of information portrayal about the hostel brand, is one of the sole duties for the lifestyle entrepreneurs. Public relation is a form of socialscaping in its function to sustain the image or brand of the firm through effective communication between stakeholders of the online and offline.

#### **4.3 Value Co-created Memories of the Social Engagement Environment**

Hostels are known for their social engaging environment with backpackers as its main customer-base, which holds true to this day, albeit with a growing influx of niche communities. Backpackers have their own ethos and culture where many hostels were identified as an enclave for them. This hostel enclave environment values the socialscape of a welcoming and engaging environment for interaction plus more. The plus more implies the added-value of the possibility to co-create the unique social experience attainable from the suspended ‘metospace’ phenomena of the hostel enclave. Information portrayed about a hostel’s culture, tying in with the information-seeking behavior of hearing what other hostel guests have to say about their stay experience at a certain hostel, foretells the relationship and socializing culture of that hostel. This subchapter reports value co-creation of the memories created with others from the social space of hostels.

Not all lifestyle entrepreneurs have emphasized, nor recognized initially, the socializing space as part of their customer value to their hostel concept, but have apperceived its value through sharing stories of memorable encounters in those social hostel areas. Service areas like bars, cafes, and terraces were reported hot touchpoints for social interaction possibilities. Benches and congregated seating formations were seen as socialscape innovations to...

*“...Force everyone together basically. You know there was no opportunity to have separate tables. We built these massive long bench tables. So, we have this bar, and everyone sits on these huge tables together” (E2:11; #SVE, #VCC, #CV, #LVE, #UM, #EMP).*

*“And you can sit next some sort of a Banker, a Contractor, a Penchant, a Student... Basically, when there’s next to you people, and we do that with our food concept, is try to mingle people. Mingle between people themselves, but also let them connect with culture, music, spoken word, etc.” (E3:10; #CV, #SVE, #LVE, #VCC).*

*“So, in the best case a local and a traveler from abroad would sit together at the same table, and discuss maybe what the best thing to do in <place>, and things like that” (E4:13; #UM, #SVE, #USP, #CV, #VCC, #UM, #LVE).*

Storytelling was a customer value for the lifestyle entrepreneurs’ and their tourist customers as,

*“Everyone likes to have the story of what they’ve been and what they’ve done. People want to share cool experiences... If you crack at something with a hostel, a good social experience, and something like a <unique product> or something like this, then those guys they go off and stay at another hostel. And they will tell everyone they meet, about this sort of thing. This exponential word'-of-mouth that goes around is really unique for the backpacker” (E2:12; #UM, #CV, #VCC, #SVE, #EMP).*

The communal environments of hostels are co-creatively designed organically.

*“You live together in the house. It’s a bit of a special place. People have their stories of getting here, you know? Like how do they know about <place>, how did they get here? There’s lots of talks about that” (E1:7; #SVE, #CV, #VCC, #LE, #LVE).*

*“Having just \*\*\*\* laid out the way it was and having or putting the social areas together, there was a sense that it ran itself. Like once you have ## of people together staying at a place, a lot of the people have already been there. The ones here would welcome the new people. The new persons would sit at the lounge, and straight away they’re already meeting the people who have been here a few days. And they watch what they do. It kind of just rolled. The atmosphere had its own life, once you had a certain amount of people I suppose” (E2:13; #SVE, #CV, #VCC).*

For E3 part of the hostel concept was based on co-creation of collaborating with others to create the business brand and environment they want to actually live. E3 mentions their pictorial brand encyclopedia depicting their co-creation journey.

*“During the last four years we designed, we discussed, we talked about so many things. And especially when it gets some sort of form where you see what we all have been working really hard on. And it’s so much fun also to see the things that didn’t make it in the process. Literally they’re working about ### people on this document. and everybody is really excited because yeah, it’s the whole process and it’s going to be visible...And it’s really a sort of co-creation. Basically, there is no architect. There is no one designer. There are ### people that just were busy with the whole design... it was a huge mix of totally different peoples and backgrounds” (E3:11; #VCC, #SVE, #CV, #LVE).*

*“The social part is also profit! If people are enjoying each other, of course they will have a drink or a meal or whatever! The whole culture program is also one of the social perspectives. But it also has a commercial side! If, for example, on Monday evenings... every first Monday’s of the month, there’s some sort of spoken word session. And especially a lot of rappers, and young people joining. But basically, everybody is buying a beer. It’s sort of literally paying for itself. And everything goes basically to the whole talent or culture part!” (E3:12; #VCC, #CV, #SVE, #LVE).*

The lifestyle entrepreneurs were found to be proud in sharing how they were incorporating their lifestyle motivations with their USP's to their business concepts, and to how they were successfully attracting the "*right type of people with the right expectations*" (E1:8; #ER, #LVE, #LE). "*My motivation comes not so much from income but much more from guest responses where the social aspect of it is completely key*" (E1:9; #EMP, #LE).

*"Culture is part of our whole business case. Part of profits goes through the cultural organization so that everybody, literally everybody, every human being can enjoy culture inside our buildings but also outside or in the neighborhood"* (E3:13; #SVE, #CV, #VCC, #EMP, #LE, #LVE).

The social engagement environments of hostels were apperceived from the lifestyle entrepreneurs as a customer value touchpoint to involve guests into co-creating and co-consuming their potentially unique, yet expected cultural social experience. This phenomenon of the hostel's enclave, in its potential to be a 'suspended metaspace' for guests to be part of a truly unique cultural social experience, relays the social customer values of the lifestyle entrepreneurs and of their hostel brand. The co-creation expectations of hostel guests towards organic and causal encounters with others calls to the emotionally value-driven tourists who seeks an experience as well comfort with the familiarity of the hostel's enclave.

#### **4.4 Covid-19 to the Hostel Socialscape**

This subchapter presents the findings of the impact of the Covid-19 pandemic as the cause, to the effects of Covid-19 to the lifestyle entrepreneurs' hostel socialscape. The ongoing Covid-19 pandemic has heavily impacted the tourism and hospitality industry restricting international travel during the worst viral outbreak waves, introduced social-distancing guidelines of one and a half to two meters worldwide, introduced safety mask-wearing guidelines, and limited the size of groups or gathering of people to any particular space (WHO, 2021). The lifestyle hostel entrepreneurs' were questioned about how

Covid-19 has impacted their socialscape plans pre-Covid, to the impact effects of socialscape restructure during-Covid, and about the entrepreneurs' projection of the outcome of the hostel's socialscape post-Covid (Appendix 1).

Findings reveal that all four lifestyle hostel entrepreneurs expressed plans to build upon their accommodation business concepts to reach out to their 'communitas', and have their most valued customers come to their hostel as the place for 'ritual entrainment' before the Covid-19 pandemic (Wilson & Richards, 2008). Two of the four hostels placed extreme importance in showcasing their lively social atmosphere as a customer value. For E2 the socialscape was the lifeblood of the hostel business:

*"The lounge... the lounge idea I actually got from a psytrance festival. I used to go quite a lot. And it was on these house boats. You're getting pulled around on a lake. And they had these big giant square things with a dance floor, the kitchen, the sitting thing was... they had a place where everyone just crashed and it was just a total mess of mattresses and... It was unstructured thing where everyone just piled in, and made groups, and chilled, and slept, sit, and chat and all that. And I was just thinking that it was very nice to just have a free form area" (E2:14; #VCC, #SVE, #LE, #LVE, #CV, #EMP, #USP, #Pre-Covid)*

*"The example of the dinner tables <design concept> is something very disruptive for the <country>. Normally everybody over here <country> has their own table, or 2, or sometimes 4, or whatever. And we can pack our restaurant with at least #### of people, pre-Covid of course. It's literally how you eat with a big family, basically. And people will go with that flow! Because they enter, and there are only large long tables! And that's the way we are" (E3:14; #SVE, #VCC, #LVE, #CV, #Pre-Covid)*

During the Covid-19 global pandemic the entire social environment proceedings was effectively restricted by mandate from governments to be 'not social' in terms of physical proximity.

*“When Covid came we needed to skip the reception and give the information and keys to the customers without the social interaction. Now, we have small key boxes in the backyard for customers to get their keys if they arrive late” (E4:14, #During-Covid, #SVE).*

Quarantine and isolation became the new norm for many places around the world with high risks for exposure to the Covid-19 virus. Wearing protective masks was a requirement indoors and necessary whenever an individual might come into close proximity of another. Social distancing of one and a half meters to two meters from one person to another became a safety protocol. This then led to limitations of any group gatherings to around six people max, with still the social distancing protocol (WHO, 2021).

*“Inside, if you walk around, you have to wear a mask. But when you sit down you can take it off, but with the distance of one and a half meters. So, walking means face mask on” (E3:15; #During-Covid).*

For accommodations, the use of space was extremely restricted to the general public during the worse outbreaks, where only “*actual customers were allowed to stay in the accommodations, if customers were even allowed to stay at all*” (E3:16; #During-Covid, #SVE). Individuals residing at hostels and other accommodations could only stay inside their private rooms with the principles of reducing chances of contamination. Regarding the use of space, only private rooms were allowed to be booked and used. Communal and group rooms like dormitories typical for any hostels were forbidden (E4:15; #During-Covid). During severe Covid-19 outbreaks traveling was forbidden and everyone had to be quarantined or stay in their private homes (WHO, 2021).

With quarantine and self-isolation as a general safety guideline, international travel was restricted which resulted in higher domestic and local tourism (E All). All these travel restrictions and ‘stay at home’ messages from the global community has definitely hurt the hostel businesses with reports as high as an almost 95% loss of guest stays (E3:16).

*“The <place> is closed... Then there’s the question of when are we going to open <place>, which is a pretty important question of course. But as long as we can’t travel pretty normally, it doesn’t make sense. The average occupancy is under 5% in <place> right now. There are almost no tourists; no travel” (E3:16; #During-Covid).*

The hostel survivability in times of crisis comes into question, where E4 have expressed that thanks to their big range of types of hostel clienteles, which includes the local and domestic tourists, that it was because of the local, domestic, and neighbor countries who were deemed “safe”, or of having less Covid-19 risks, that they were able to continue running their business (E4:16).

*“...We survived because of the <country’s> customers that we had in the beginning. If we only had customers from abroad, we would no longer be here. But because of the <country’s> customers, we still had business during Covid times” (E4:16; #During-Covid).*

*“Now in the pandemic it’s practically zero backpackers with the borders closed. So now it’s just locals like someone living in <country>... working online... just coming over the weekend or something” (E2:14; #During-Covid, #SVE).*

However, findings also reveal the changing consumer attitudes and behavior of Covid-19 in its two-years continuation effect upon the global society. The hostel’s place typography of being more remote and nature-based versus urban and more densely populated matters. E1 mentioned that, *“people have gotten used to these restrictions, have gotten used to being skeptical to others. And maybe demand that also, even more than last summer”* (E1:10; #SVE, #During-Covid).

*“...Because there were practically no Covid-19 cases on the islands, life goes on as usual. No one has masks. Hugs and kisses are still here... The thing is it’s all outdoors and high temperature here, and the humidity. The virus clearly doesn’t*

*spread well in a hot climate. And there's little indoor space and things" (E2:15; #During-Covid, #SVE).*

Luckily all entrepreneurs from the study had the financial savings to continue having their business before governments proclaimed to provide financial aid or support for them. However, respondents have stated from the interviews that the financial aid from the government was to help the accommodation businesses develop their business concept to adapting to the pandemic, and not just to continue running the business the way it was. For E4 this meant changing their "*a la carte dining*" concept of their restaurant and café, "*flipping it upside down to now possible takeaway and food delivery services*" (E4:14; #During-Covid). E2 & E3 have also survived the Covid-19 crisis due to diversifying their business concept into food delivery and takeaways (E2 & E3). All lifestyle entrepreneurs have reported downsizing their staffs so that the hostel business can survive. The remaining staff members however, now have to fulfill multiple roles instead of the one specific area they were originally assigned to pre-Covid times (E2-4).

Western societies were not accustomed to protective mask-wearing as a hygiene practice unlike many Eastern societies (Zhang, 2021), where the Western lifestyle entrepreneurs have expressed their concerns and difficulties in their readiness for mask-wearing to become the possible cultural norm. One respondent commented on how regulations for mask-wearing may deter the personal feelings and emotional connections through body language communication, such as facial expressions of the "*smile*" (E1:11). These lifestyle entrepreneurs state from the interview that they are willing to risk mask-wearing as their customers come to them to "*escape*" (from Covid fear), and to "*live life as normal*", as their customers come already to their place without wearing any masks (E1:12).

*"I've been thinking about face masks- yes or no... It's not an obligatory thing in Norway. It's a thing you see people not wanting to wear, and some people do want to wear. I'm not done thinking about it; I might change my opinion. I'm thinking that a lot of people come to <place> and actually wanting to get away from it all, you know? 'I want to get away from corona <Covid-19>, & I want to live as*

*normal as possible'. SO there seems to be this eagerness in people to leave all of these worries behind. So, when they get off the boat, for example, almost nobody, on their own initiative, wears the face mask. And I'm thinking from the hospitality side of things, am I going to put up a lot of plexiglass barriers to my guests, meeting them with face masks where they can't see my expressions and they don't get the same personal feel. And I currently think that, no; I'm going to meet them without a face mask" (E1:13; #During-Covid, #SVE, #CV, #LVE).*

Another LE stated their surprise and shock of how quickly the local community became like normal without wearing any masks, “*a little too soon for comfort*” (E2:16). And then shortly after how “*practically no Covid cases within their community area*”, how the social distancing guidelines, “*which implies no touching, quickly went to no mask wearing, to hugs and kisses again*” (E2:15). The entrepreneurs felt that mask regulations were restricting their communication and connecting with the customers, but stated that everything normalized quickly after the restrictions were lifted.

When asked about what the lifestyle entrepreneurs’ thought about how the social environment will be like for hostels after the Covid-19 pandemic, many hoped that “*life will return to normal*” (E1, E2, E4). However, E3 predicted that the concept of three- and four-star hotels will go out of business; or the concept of accommodations as only a “*mattress factory*” for sleeping-only will go extinct (E3).

*“In my opinion, especially during COVID, this whole trend is really going to change fast, and a lot, for probably 3-5 more years. I believe that the standard business hotels, the 3 to 4-star hotels... the future is yeah... not good... So, I believe in budget solutions and the high-end market, 5-star hotels” (E3:17; #Post-Covid).*

Due to the feelings of isolation with quarantine as a global phenomenon with Covid-19, is the increased value of social connections, the increased value of experiences, and the increased value of luxury (E3).

## **5 CONCLUSION**

The concepts and theories of service marketing were used to present a conceptual framework within to explain how the socialscape design was vital towards value co-creation opportunities for both the lifestyle hostel entrepreneurs and their customers. The topic about the touristic environment where tourists and travelers are expecting to meet other individuals in the same setting speaks about the social environmental aspect that people, as social creatures, value as customers. In the metaspace of hostels, backpackers innately expect to encounter and interact with fellow backpackers in both the online and offline social environment. This research looks into the perspective of the hostel entrepreneurs' as lifestyle entrepreneurs towards how well the lifestyle entrepreneurs understood the hostel's unique value proposition (UVP) identified as the hostel enclave as a 'metaspace' for hostellers. For hostels the engaging social environment was its unique identifier when compared with other accommodations (Radha & Radha, 2015; Rashid-Radha, Lockwood, & Nolan-Davis, 2016).

The impact of the Covid-19 pandemic, which is ongoing still to this day, has caused the global society to restructure socializing and distancing protocols. The global safety guidelines of Covid-19 pandemic mandated behavioral change and procedures towards interactions in the physical space. It necessitated restructure of the socialscape on all levels of the hostel environment. This in turn forced society to rethink and to re-evaluate the value of the social environment. Therefore, there was a need for research upon how to convey the customer values of the social environment.

The study has four key findings. Firstly, the concept of 'customer value' was found to be a constantly evolving marketing term that updates with society. Current society is classified as being in the mid-Digital Age where consumer values are shifting to be more personalized and where technology-use is rapidly changing the behaviors and attitudes of the traditional marketplace, like the backpackers, into emerging and diverging submarkets such as the 'flashpackers and 'seniorpackers' (Brenner & Fricke, 2016). Secondly, the apperception of socialscape as a customer value can be found through the lifestyle entrepreneurs' motivations and philosophies [EMP] to where the social value is expressed

[SVE] as a customer value [CV]. The lifestyle entrepreneurs of this study were further classified to help understand how their personal values and motivations of sustaining their lifestyle while running the hostel business transfer into their apperception of the customer value of the socialscape, which differs according to the type of niche hostel they represent. Findings suggest that the lifestyle entrepreneurs appercept their customer value through self-identifying themselves as the niche customer [UM] they seek to attract over to their hostel place (Bredvold & Skalen, 2016). In other words, the lifestyle entrepreneurs see themselves as their own customers ‘prosuming’ their own experience (Xie, Bagozzi, & Troye, 2008). Classifications of the lifestyle entrepreneurs of this study are of the following: ‘The Hermit’ as the remote nature-based lifestyle entrepreneur (E1), the ‘Original Lifestyler’ who represents the social experience-seeking backpacker (E2), the ‘Hipster’ lifestyle entrepreneur who creates the niche lifestyle cultural environment they seek to live and prosume (E3), and the ‘Homely’ lifestyle entrepreneur who creates the ‘second home’ for both their traveler guests and for their staffs (E4).

Secondly, a main role for the lifestyle entrepreneurs was public relation management which focuses on sustaining the lifestyle entrepreneur’s hostel brand through portraying the right information on communication platforms of the online and offline social environment. Findings suggest that the social branding of a hostel may act as a unique hostel identifier that signals the place’s social behavioral culture. This social branding is marketed for the communitas that share the same lifestyle values as the lifestyle entrepreneurs’ (Wilson & Richards, 2008). The traditional hostel is an enclave for its main traditional backpacker market, but how about niche hostels with their niche markets? Information portrayed about a hostel’s social behavioral culture through direct communication platforms, like customer reviews and social media, provides clues about how social a hostel’s environment is as a potential hostel enclave, or a place of gathering for specific communitas. For the lifestyle entrepreneurs and their role with public relations, it is their job to communicate also the subliminal messages to target their niche communitas about their possible subcultural hostel enclave through direct communication as the interactive host in the hostel ‘metospace’.

Thirdly, the social engaging environment of the hostels were identified as value co-creative places where interactions occur. This unique socializing environment identifier of hostels offers the customer value of experiencing organic and casual encounters tourists seek (Farmaki, Spanou, & Christou, 2021; Malone, McKechnie, & Tynan, 2018; Radha & Radha, 2015; Novani & Kijima, 2012). Places and outlets for communication between stakeholders are value co-creation points of interests where potential hostel guests can decipher just how socially engaging a hostel environment may be. This social engaging environment of hostels refers to the hostel enclave as a ‘metospace’, or as a unique suspended experiential place for specific communities like the backpackers to meet locals and fellow travelers alike. The socially-engaging hostel metospace provides hints about a hostel’s subculture where the direct communicative language of the hostel’s host and/or staff to customers reveals the attitude. The attitude refers to the emotional language and tone that acts as subliminal messages for that specific hostel’s communitas about the engaging interactive cultural experience the place has to offer. These subliminal messages were conveyed in more than-texts, like pictures and videos from websites and the press, to convey the socializing environment. In summary, the role of the lifestyle entrepreneur is to provide the gathering place for their communitas to enact possible ritual entrainment.

Lastly, the study shows that Covid-19 pandemic has impacted the socialscape environment tremendously where it can be said that the people of Covid-19 times value tremendously the ability for social interaction and to be connected. The rules of social engagement have changed with the social distancing, mask-wearing, and more significantly the ability to meet strangers due to Covid-19 testing requirements during extreme viral outbreak waves if an individual had any possible contacts outside of their tiny circle of contacts (WHO, 2021). Covid-19 safety guidelines of limiting and sometimes restricting travel altogether, limiting the size of allowable grouping of people, social distancing, and mask-wearing ruined the hostels unique socialscape of providing an engaging social environment for hostellers to interact and bond. Most hostels who rely on international guests as their main customer base have to re-conceptualize their business concept to attract the domestic and local tourists. Government aid was revealed to be used only for developing their hostel concepts to survive the changes of the socialscape caused

by the ongoing Covid-19 pandemic. The government aid was not to be used to continue running the original hostel concept pre-Covid-19 but to be used for diversifying their business practices with the notion that the effects of Covid-19 means possible no physical contact with social distancing protocols. For example, in-dining was forbidden so some of the lifestyle entrepreneurs developed take-away food, delivery services, and adding or expanding outdoor terraces where outside-dining is possible.

Managerial and designing implication of the socialscape with the effects of Covid-19 suggests to first identify what the hostel brand is; and secondly, to convey the hostel brand's customer values. Conveying the customer values means understanding which customer market to focus on so that the managers are able to cater to their specific needs. The emerging heterogenous identities of hostels and its guests are market environmental indicators that times are changing. And times really are changing with the Millennials forming one third of the global workforce (Starcevic & Konjikusic, 2018). Each generation have general characteristics that define them. There are many general or normal hostels who want to cater to all markets and demographics. However, this study proclaims that the traditional identity of a hostel may not be sustainable anymore as the hostellers of today are value-driven for social experiences. Therefore, by using the lifestyle concept, the designer, manager, or hostel entrepreneur should think how they are able to communicate their lifestyle aspirations as a customer value brand or UVP to attract specific niche hostel consumers to their unique social hostel environment.

Regarding the socialscape design with the impact of Covid-19, smaller-scaled gatherings could be offered in private corners or edges of a space during worsening Covid-19 environmental outbreak conditions with safety distancing guidelines in mind. Hostel entrepreneurs can think about expanding on the outdoor environment instead of the indoor hostel experience. Expanding the outdoor environment to the rooftop of a hostel building could be a possibility. Ideally, the design for seating and dining areas should be mobile and have multiple functions like the ability to restructure and connect into more than the 3D single floor space like stacking. The more than 3D could be the utilization of technology like handheld devices or screens provided on-site to the virtual realm connecting actual hostellers present to share an e-live experience. This 4D technologically

used environment represents the current megatrend towards the ‘metaverse’, and of the possibility to evolve the hostel ‘metospace’ into the digital world (Kang, 2021). The mobile and connectable physical seating and dining infrastructures could resemble that of like giant lego bricks, where trained hostel staffs can build and restructure the possibilities of having multifunctional physical structures within a certain space so that distancing guidelines could be met. For example, when there is no Covid-19 or when the environment is safe the seating and dining infrastructures could be grouped, linked, and stacked together like a closed fist. And if there are Covid-19 or whatever viral outbreaks where social distancing is required the closed fist can open to a spread hand, where the tips of the fingers may represent the edges or corners of a space that fulfills the safety distancing guidelines. Socialscape designers need to think how to best optimize space utilization for flexibility and adaptability by adopting multi-use and multifunctional furniture.

The present study has some limitations. Firstly, the sampling size was small having only four hostel entrepreneurs used as case studies for this research. However, the results from the four samplings do reveal that the hostel entrepreneurs were deviant cases when compared to what the traditional hostel represents. Qualitative insights have shown that even with only four interviews there are distinct differences upon how the type of hostel and the type of lifestyle entrepreneur identified with their hostel brand have conveyed very differing views upon the social environment of hostels as a main customer value.

Secondly, the cultural background of the hostel entrepreneurs found from the study, including the researcher, were categorized as ‘Western or from the West’, meaning both the accommodation businesses and its owners based their business practices to the Western-styled societal global norms. However, not all actual hostels from the study were located in Western countries. Therefore, the present study was also limited to depicting the views from a Western point-of-view.

Lastly, the lifestyle entrepreneurs’ that were all identified from the study were not significant enough to see if there has been a shift of the ‘traditional entrepreneur’ to the ‘lifestyle entrepreneur’ when thinking if there is a correlation between the ‘lifestyle’

entrepreneur identity to the emerging types of niche hostels. Since ‘motivations to be able to continue a certain lifestyle’ was the main identifier to be labeled as a lifestyle entrepreneur, future studies should identify what type the niche hostel entrepreneurs identify themselves as to see if there has been a societal shift of ‘lifestyle values’ incorporated into actual business practices and livelihood.

Topics that need further research are upon the concept of hostels as enclaves. The hostel ‘metaspace’ and its possible subcultural identity as an enclave foreshadows a truly unique communitas environment that should be explored. This then leads to a need for longer-term studies upon emerging niche markets which have also been identified as the evolution of the traditional markets like the backpackers to flashpackers for hostels. Emerging niche markets is a societal age phenomenon where the field of marketing can explain the consumer change of values to the technological advancements that define the current mid-Digital Age. Further marketing research needs to clearly identify these emerging heterogenous hostel consumers and the emerging niche hostels as previous studies indicate the correlation between them. Therefore, the ‘suspended space’ as an enclave metaspace phenomenon needs further research development as previous studies indicate the ingrained notions of hostels as a backpacker enclaves (Wilson & Richards, 2008; Rashid-Radha, Lockwood, & Nolan-Davis, 2016; Westerhausen, 2002).

The ‘ritual entrainment’ of enclaves should also be explored. Humans, travelers, tourists, and hostellers are social creatures with the need of belonging. Individuals have a desire to connect or bond with similar individuals who appreciate the same nuanced values. When like-minded and similar individuals find each other, bonding and ‘clanning’ formulates as part of the tribalistic human nature. Studies have revealed that most memorable experiences throughout a tourist’s journey are of the co-created shared bonding moments when individuals meet similar individuals. Rituals are symbolic and extremely memorable experiences.

The ‘lifestyle entrepreneurs’ and their niche hostels were found as a result from the interviews, which questions if the stated ‘non-financial focus’ of the hostel business will be truly sustainable as a lifestyle entrepreneur competitive strategy over the traditional

hostel accommodation. Further research should combine both quantitative and qualitative methodology upon the emerging niche hostels and its niche markets to fully understand if combining the lifestyle concept into businesses is just a trend, or an implication for the future of mass societal value change of ‘living the life while working’. Studies of specifically the non-traditional or the niche hostel types, and the identification of its hostel entrepreneurs should also be studied with the implication that ‘lifestyle’ aspirations are on the rise. There needs to be greater sampling size of hostel entrepreneurs to see if there are correlations between the ‘lifestyle entrepreneur’ identification that leads to value creation of the hostel’s socio-cultural interactive environment. Although ‘motivations’ was used as the key criteria to be labeled as a lifestyle entrepreneur, does the type of hostel entrepreneur identified matter to the value of a hostel’s social environment? Further research into this area may reveal the increasing value of having the social experience.

This research contributes to theoretical advancements in the field of marketing, hospitality, tourism, social economics, and entrepreneurship by relaying the importance of understanding the motives of tourism lifestyle entrepreneurs’ as the values they express shapes the identity of their hostel concept and practices. Since lifestyle entrepreneurs already value the socio-cultural aspect to intermix possible passions like hobbies with the work ecosystem, there should be further research upon why ‘lifestyle’ values ingrained into businesses are not as popular or prevalent today. How can people not want to mix passion into their work environment when most of the adult life and time spent is in the working environment?

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## APPENDIX 1: Semi-Structured Interview

This is the layout for the semi-structured interviews to be used with all hostel entrepreneurs. Questions in **bold** refer to the main questions, and the non-bold questions are supplementary helping guide interviewees to respond and to dive deeper into the core questions.

### **Background questions:**

- **How long have you been working in the tourism and hospitality industry?**
- **How long have you been a hostel entrepreneur?**
- **Can you please tell me about your hostel?**
  - What kind or type of hostel is it? (generic vs boutique vs specialized)?
  - For how long has the business operated?
  - Size of the company?
  - Price range of hostel?
  - Types of room?
  - Room prices?
  - Type of clienteles? (Demographics, Psychographics) // Example: Backpackers, Mobile workers, Retirees, European, etc.
  - Age range? (Demographics)
- **How do the customers typically get to the hostel? (Transport)**
- **Why do your customers choose your hostel compared with your competitors?**

- I. About the personal role of the entrepreneur**
  - 1. Why did you decide to become a hostel entrepreneur?**
  - 2. How has your knowledge or previous experiences helped you to design and support the social environment of your hostel?**
  - 3. What principles, if any, did you apply when designing the environment of the hostel? (i.e. marketing principles, understanding your customers, keep it simple, understanding your brand, staff training, Mission statement...)**
  - 4. Please describe your active and passive roles or duties as the hostel entrepreneur regarding social management and facilitation. (i.e. to staffs, to relationship networking, other customers, etc.)**
  
- II. About your hostel's customer value / customer value creation**
  - 5. What are the unique selling propositions (USP) of the hostel?**
  - 6. What does 'customer value' mean to you?**
  - 7. How do you think customer value is created in your hostel(s)?**
  - 8. Where and in what kind of situations does value creation happen or take place in your hostel setting?**
  
- III. About the hostel's Socialscape or social environment**
  - 9. How important is the social aspect to your hostel(s)?
    - a. To you as the entrepreneur?**
    - b. To your customers?****
  - 10. How important is the design, layout, and usage of space when thinking about the service and social environment of the hostel?
    - a. To you as the entrepreneur?**
    - b. To your customers?****
  - 11. Please explain how your hostel supports social interaction. (ex: staff training and guidelines, service procedures, free amenities like coffee and Wi-Fi)**
  - 12. How has covid-19 pandemic influenced the social aspect of the hostel environment?**

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