

Co-Created Authenticity: Generation Z Themed Hotels' Narrative Experience Strategy

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Abstract. As Generation Z gradually becomes the main consumer group of theme hotels, the paradox of marketing prioritization breaks out. Generation Z, as the group pursuing "search for truth" the core value, puts a higher demand on "authenticity" than ever before. But the essential feature of theme hotels is exactly "staged" and "the false." The core question addressed herein is how to use experiential marketing by theme hotels to construct the brand story that can attain the perception called "authenticity" by Generation Z. This study reveals that the "authenticity" pursued by Generation Z no longer lies in the traditional objective fact, but in the subjective personal concern, emotional resonance, and peer verification (User-Generated Content [UGC]). To address this paradox, the purpose of this study is to build a model of "Co-Created Narrative Experiential Marketing" (CC-NEM). The model conceptually synthesizes the Experience Economy, Strategic Experiential Modules (SEMs), Narrative Servicescape, Service-Dominant Logic (S-D Logic), and Narrative Transportation Theory (NTT). The core premise of this research is that hotel brands need to undergo a role transformation from "Storyteller" to "Story-Facilitator". Through an experiential framework that allows the customer to participate, modify, and co-write the story, and by using UGC as the basic verification channel for authenticity, "co-creation" can be the key mechanism to dissolve the paradox which enables themed hotels to establish genuine emotional connection and brand loyalty in the mind of Generation Z.

Keywords: Generation Z, Themed Hotels, Authenticity Paradox, Co-Created Narrative, Experiential Marketing.

1. Introduction

In the modern age of the hotel industry, the economy of experience has developed from a marketing strategy to the core business model [1]. This also means that "themed hotels," as a particularly mature product of the economies of experience, simultaneously welcome their golden age of development. At the same time, Generation Z (ca. 1995-2010, born), is rapidly becoming the most important consumer group in the global tourism and hotel industry [2]. When the hotel industry now tries to sell the "themed hotel"—this artificial product, which has been put in an artificial environment [3]—to Generation Z, the strong "Authenticity Paradox" becomes evident.

Generation Z is called the "True Gen" in many texts [4], and the core value of this generation is "Searching for the Truth." They expect a very high standard of brand transparency, social responsibility, and ethical behavior from suppliers. This conflicts directly with the essence of themed hotels: for themed hotels are "staged," "simulated, prefabricated." This leads to the core question of this research: How can a (business) experience which is "artificial" in essence procure the perception of "authenticity" of a generation radically and completely "Searching for the Truth"?

It is believed that the true source of this paradox is to be found in a different definition of the concept of authenticity. Research has suggested that the "authenticity" that Generation Z desires is not traditional historical fidelity or objective fact of reference, but rather something more like: deeper personal relevance, emotional resonance [5], and the potential to participate more. Hence, the main argument of the current paper reads: authenticity comes not from the brand telling but rather from the experience and co-creative act of the customer themselves [6].

In order to logically deconstruct this mechanism, this study creates a model of "Co-Created Narrative Experiential Marketing" (CC-NEM), an integrated theoretical framework, based on Pine & Gilmore's Experience Economy [1], Schmitt's Strategic Experiential Modules (SEMs) [7],

Mossberg's Narrative Servicescape [8], Service-Dominant Logic (S-D Logic) [9], and Narrative Transportation Theory (NTT) [10]. The theoretical contribution of this study is that, after illustrating the CC-NEM model, it explains how hotel brands are switching from "story-teller" to "story-facilitator", engaging Generation Z customers in "co-creating" the narrative, while also using User-Generated Content (UGC) [11] as a verification mechanism, thus solving the authenticity paradox suitably.

2. Theoretical Foundations and Literature Review

2.1. The "Staging" of Experience: From Experience Economy to Experiential Modules

The Experience Economy Theory has been proposed by Pine and Gilmore, which states that businesses must "take service as a stage, and goods as the property," and immerse the customer in "memorable events." Themed hotels are considered to be the apotheosis of such a theory; they make their principal business the "Staging" of experiences. This theoretically legitimizes the inevitable "Prefabricated" nature of themed hotels, but it tends to reinforce the authenticity paradox mentioned above.

Bernd Schmitt's "Experiential Marketing" provides a tactical toolbox for how to deliver experiences. He divides experiences into five SEMs: SENSE, FEEL, THINK, ACT, and RELATE. The traditional hotel industry has long competed at the SENSE (e.g., luxurious lobby design) and FEEL (e.g., high-quality customer service) levels [12]. However, the core values of Generation Z seem to indicate that they have gradually become "immune" to purely passive sensory stimulation, turning instead to a deeper craving for other experiential modules. Their "search for truth" pragmatic trait requires the THINK module (e.g., an intellectually challenging story); their desire for participation and lifestyle demands the ACT module (e.g., participating in workshops); and their "Communaholic" nature [4] and need for "meaningful engagement" [5] urgently require the RELATE module (e.g., sharing experiences, feeling a sense of community belonging). Therefore, an effective strategy targeting Generation Z must downgrade the SENSE and FEEL modules from the ultimate goal to auxiliary tools, using them to drive deep participation at the THINK, ACT, and RELATE levels.

2.2. The "Canvas" of Narrative: Theming vs. Narrative Servicescape

In hotel practice, "Theming" and "Storytelling" are often used interchangeably, but are strategically distinct. Theming is usually a static application of decoration; it is merely "Setting" [13]. Whereas narrative is a dynamic process, constructed around dramatic elements: information, conflict, characters, and plot. A "pirate-themed" hotel (with only decorations) can only satisfy the SENSE module, while a "pirate narrative" hotel (e.g., providing a treasure map for customers to hunt treasure) activates the THINK and ACT modules, which is crucial for Generation Z seeking "emotional immersion".

According to Mossberg, the "Servicescape" associative concept supplies a physical vehicle for the story [8]. Mossberg states that the environment of the service itself becomes the main device to express the story; it is "a world created by a narrative which consumers can live in." The narrative is embodied by means of a "trinity": spatial design (the stage), the processes of the service (the rituals), and the personal interaction (the actors). This framework thus clarifies that the brand story does not commence at the point of the customer signing in but must commence at the process of the customers booking and web search [14]. The online narrative becomes the "Digital Prologue" designed to "prime" all customers in respect of physical immersion by experience.

2.3. The "Shift" of the Audience: Generation Z and the Definition of "New Authenticity"

As the first generation of digital natives, Generation Z's decision-making process is completely dominated by social media. Influencers (Key Opinion Leaders [KOL]) are sources of inspiration, while peer UGC is the decisive validator [15]. Research shows that Generation Z views UGC as a

"source of credibility and authenticity" [16]; the "raw, unedited" characteristic of UGC provides social proof unmatched by traditional brand advertising. Taking Airbnb's performance on TikTok as an example, the engagement and volume of UGC far exceed its official brand content [17].

The dominance of UGC means brands have fundamentally lost narrative control. Top-down, unidirectional traditional narratives are destined to fail. This leads to the core of resolving the paradox: Generation Z's definition of "authenticity" has already shifted. For Generation Z, "authenticity" is no longer objective historical fact, but subjective emotional resonance and peer verification. A brand story can be 100% fictional (e.g., a fantasy theme [18]), but as long as it remains consistent across all touchpoints, the brand transparently admits it is a "story," and the story is verified by UGC, it will be considered "authentic" by Generation Z. Therefore, the hotel's narrative strategy should not be to deliver a closed work, but to provide an open "Prompt" or "Template," whose fundamental purpose is to encourage customers to "narrative hijack," personalize, and re-disseminate. The hotel's "stage" is now a "selfie stage."

3. Construction of the CC-NEM Model

Based on the theoretical foundations above, the CC-NEM model is integrated and proposed. This model aims to resolve Generation Z's "authenticity paradox," and its core mechanism is "Co-Creation."

3.1. The Model's Psychological Mechanism: NTT

NTT explains how stories affect audiences. When a person is immersed in a narrative (through plot and characters), they experience "narrative transportation"—a state of cognitive and emotional immersion, feeling "mentally entered into the world evoked by the story." This immersive state plays a mediating role; a well-structured brand story leads to higher narrative transportation, which directly brings about better "perceived brand image" [19] and more positive attitudes. This is the "psychological engine" of the experience economy. The hotel's strategic goal should not be merely to tell a story, but to achieve narrative transportation in the customer. This again emphasizes the importance of a dynamic "Plot" [13] relative to static "Theming."

3.2. The Model's Action Mechanism: S-D Logic

If NTT is the psychological engine, then S-D Logic is the action program that allows it all to happen. The core paradigm of S-D Logic is that value is not delivered by the firm, but "is always co-created with the customer." In its application to the hotel industry, the customer is no longer a passive recipient of service, but an active participant in creating their own experience [20].

This is the strategic turning point for resolving the authenticity paradox. If a "True Gen" customer is merely a passive audience to a "staged story", they will perceive it as inauthentic. But if S-D Logic is applied, the hotel only provides the narrative framework (i.e., the "narrative servicescape"), and invites the customer to actively co-create their own unique experience within this framework, then the customer transforms from "audience" to "co-author." The story is no longer a Monologue, but a Dialogue.

3.3. The Closed Loop of Authenticity: Co-Creation, UGC, and New Authenticity

The key to the CC-NEM model is the combination of S-D Logic and Generation Z's dependence on UGC. Generation Z's "brand experience" is a value co-creation process in its own right; they must be "invited to enter the brand narrative". Paradoxically, when consumers are allowed to participate in co-creation, this solves the issue. It has been empirically established that co-creation behaviors actualized through UGC enhance the perception of brand authenticity to a high degree [3, 6].

At this stage, the paradox is resolved, in that it is thus no longer the case that "authenticity" is achieved through staging, but is achieved vice versa because one is allowed to participate in staging. In the CC-NEM strategy, the hotel stages the world (SENSE, THINK). The guest is invited to ACT

and RELATE within this world. By participating, customizing, and creating UGC [11], the guest "becomes the author of the story" [21]. Authenticity is thus ultimately transferred from the static brand story to the dynamic, personalized, co-created experience of the guest.

4. Case Corroboration: Application of the CC-NEM Model

This part of the study explores a case analysis of three hotel brands that have been successful in engaging Generation Z to demonstrate the utility of the CC-NEM model for this area and its application to different settings.

4.1. Moxy Hotels: Co-Creating the "Servicescape"

Moxy is a "bold, experiential" brand under Marriott [22], explicitly targeting Millennials and Generation Z. Its "Brave Starts" campaign in China provides an excellent footnote for the "co-created servicescape" in the CC-NEM model. Moxy did not unilaterally tell a story about "bravery," but instead handed over the design rights of its "narrative servicescape", inviting 9 local Generation Z artists to co-create the hotel's physical space.

This defines the core of CC-NEM: The brand provides the "stage" and the "narrative prompt" ("bravery"), while the target audience (artists as representatives of Generation Z) is responsible for "filling in" the content. This is a pure application of S-D Logic. This strategy activates multiple SEMs for Generation Z: the installation art created by the artists is itself a carrier for the SENSE and THINK modules; the act of inviting Generation Z to participate activates the ACT module; and the connection with the local community strengthens the RELATE module. Ultimately, this story, created by the community itself rather than imposed by the corporation, is perceived as highly authentic. Its results (450 million views and 7,000+ UGC videos [22]) are not traditional marketing exposure, but the result of Generation Z spontaneously creating UGC after "narrative transportation", and are proof that "authenticity" was successfully verified.

4.2. citizenM: Co-Creating "Pragmatic Efficiency"

The citizenM case demonstrates how the CC-NEM model can be applied to a functional narrative. Its brand story is "Affordable luxury for the people" [23], which directly appeals to Generation Z's pragmatism and demand for "smart luxury." citizenM's "narrative servicescape" is technology-driven: a user-experience-friendly app and an iPad-controlled room.

The "co-creation" here is functional: customers, by using the app to skip the front desk, self-check-in, and customize the room environment (lights, temperature), thereby co-create their own service experience. This is strategically driven by the THINK (smart, efficient) and ACT (control, customize) modules jointly. The "affordable luxury" narrative feels authentic because the customer personally executes the action (through technology) that creates efficiency, thereby proving the low price is reasonable. The customer participates in value creation (saving labor costs) via S-D Logic; therefore, they believe the brand's story. Furthermore, its signature "SocietyM" shared lobby is designed as a co-working space, which precisely activates the RELATE module, connecting Generation Z digital nomads and creative work.

4.3. Airbnb: The Ultimate Co-Creation as a "Platform"

Airbnb is perhaps the ultimate embodiment of the CC-NEM model, its brand narrative "Belong Anywhere" [24] perfectly matching Generation Z's desire for "authentic experiences" and "communalism". Airbnb's form as a "story-facilitator" has reached the extreme, as it does not own any physical hotel assets.

In this model, the Airbnb company only provides two core elements: (1) the digital platform (i.e., the "stage"); (2) the narrative prompt ("belonging"). All other parts of the model are co-created by users: First, the hosts (as the first layer of users) are responsible for co-creating the "narrative servicescape"—they design unique physical spaces, write listings (the story), and play the role of

"local guides" (actors). Second, the guests (Generation Z) co-create the "experience" by staying, internalizing the space into a personal story. Finally, the guests complete the final verification and closed loop of "authenticity" by writing detailed reviews and publishing social media content (UGC) [17]. As research reveals, UGC (the guests' stories) is more powerful than the brand's own voice. "Belong Anywhere" is not a story told by Airbnb; it is a platform that millions of Generation Z users use to create and share their own authentic stories.

5. Discussion and Future Research

5.1. Managerial Implications

The CC-NEM model and its successful cases provide a clear strategic path for themed hotel managers facing the "authenticity paradox."

First, the most fundamental shift is from "brand control" to "narrative invitation." Traditional brand management emphasizes information consistency and controllability. But under the framework advocated by the CC-NEM model, managers must learn to accept a certain degree of "loss of control." They are no longer "storytellers," but "story-facilitators" or "World-Builders." Their core task is to design a narrative framework that is attractive enough, yet intentionally incomplete (including background, characters, conflict), to invite Generation Z to enter and "Hijack" this story, making it personalized.

Second, this means redefining "success": from "exposure" to "expression." The Key Performance Indicator (KPI) for traditional hotel marketing might be brand message impressions. The KPI for the CC-NEM model, however, is the quantity of high-quality UGC and emotional engagement (Expressions). Managers should stop over-investing in static SENSE modules (like more expensive marble) and instead allocate resources to experience designs that can stimulate the THINK (e.g., puzzle games), ACT (e.g., DIY workshops), and RELATE (e.g., high-stickiness community spaces) modules. The hotel's service processes (like check-in, dining) should themselves be designed as "rituals" that are easy to share.

Finally, managers must confront the risk of co-creation: the out-of-control narrative. Inviting customers to co-create also means inviting them to criticize. When UGC turns negative, the brand story can be reverse-constructed. S-D Logic applies equally to the co-creation of negative value. In this situation, the only feasible countermeasure is perhaps to return to Generation Z's core value: transparency. The brand cannot delete or hide negative UGC, but must respond openly, and sincerely, treating negative feedback as another form of "co-creation," inviting users to jointly solve the problem.

5.2. Limitations and Future Prospects

It must be admitted that the main limitation of this research, as a theory-building paper, lies in the lack of direct empirical testing. The CC-NEM model is a conceptual framework based on the integration of existing theories, and its effectiveness, especially the causal relationships between its modules, requires follow-up empirical research (such as structural equation modeling or quasi-experiments) for verification. Furthermore, the selected cases are mainly focused on European, American, and Chinese markets, and the model's applicability in different cultural backgrounds is not yet clear.

Future research should first focus on filling the identified literature gaps. The academic community urgently needs in-depth qualitative research on how customers experience the "co-creation" process. How exactly do customers "turn the story into their own story"? The underlying psychological motivations and transformation pathways remain a "black box" awaiting deep exploration.

Second, the cultural dimension is a key direction for future research. For example, in more collectivist cultures, does Generation Z's co-creation behavior lean more towards "community identity" (RELATE)? Whereas in more individualistic cultures, does co-creation focus more on "self-expression" (ACT/THINK)? The CC-NEM model must be adjusted in different cultural contexts.

Finally, looking to the future, the clearest research direction is the integration of emerging immersive technologies. Virtual Reality (VR) and Augmented Reality (AR) have been shown to create a higher brand experience than static images [25]. Moreover, the Metaverse represents the ultimate "narrative servicescape". In the Metaverse, physical laws are broken, and the boundaries of S-D Logic and NTT are completely blurred. Users no longer "step into" a story; they live and create a narrative world in real-time with others. The themed hotel of the future is likely to be a "Hybrid Model": customers visit the physical hotel (satisfying SENSE, FEEL), while simultaneously participating in a digital narrative overlay via AR or the hotel's metaverse mirror to drive plot-based engagement (THINK, ACT). This will be the next front line in the fusion of digital narrative and the physical hotel industry.

6. Conclusion

This research departs from the "authenticity paradox" between Generation Z's "search for truth" value and the "meticulously staged" essence of themed hotels, proposing a "CC-NEM" framework. The core argument of this paper is that the "authenticity" Generation Z pursues is no longer traditional objective fact, but a subjective emotional resonance and peer verification achieved through UGC. The CC-NEM model integrates Experience Economy theory, SEMs, Narrative Servicescape, NTT, and S-D Logic. Its core mechanism lies in inviting customers to transform from passive "audience" to active "co-authors". Through participation, customization, and sharing, customers internalize the brand story into a personal experience; this "co-creation" behavior itself constitutes the "authenticity" that Generation Z pursues. Therefore, the future strategy for themed hotels should not be to tell a perfect story, but to provide an attractive enough "stage" and "plot" for Generation Z customers to create and tell their own stories within it.

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