



## The Experience Economy

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The experience economy is a term for the present-day economy of the West. It is not the product or service that is most important, but the experience that is associated with it.

So many commodities and services are offered that the demand has to be created. In the last few years marketing departments have been trying to create an impressive experience with a mixture of images, music and architecture to associate positive emotions with their brand. In the case of many mass products, the difference in quality, external appearance and content between rival brands and/or products is very small. The difference lies mainly in the perception of the customer, his or her emotional response to this product and/or this brand. In other words, the more generic the product, the more important the experience created to form a bond between the customer and the product is.

### Increasing value

In their book *The Experience Economy* (1999), Pine and Gilmore argue that when a certain level of prosperity has been achieved, attention shifts from commodities and services to experience, and that added value is created through this experience. Experience is the fourth rung on the ladder of the creation of value after commodities, goods and services.

The most famous example of the increase of value is the coffee ladder:

- **Commodities:** The price for the coffee contained in one cup of coffee can barely be expressed in cents if you take the price of coffee beans, the original agrarian product, as the starting point.
- **Goods:** Calculated on the basis of coffee in the supermarket, a cup of coffee that you have made yourself costs a few cents. Value has already been added through roasting, packaging, transport, etc.
- **Services:** The price for a cup of coffee in a café is already higher. The added value is the product of services: making the coffee, serving, washing up, etc.
- **Experience:** The ultimate cup of coffee, in terms of experience and price, is served on the San Marco Square in Venice. Drinking a cup of coffee in such a romantic location with live music in the background is a special experience for which the customer is prepared to pay.

The experience in the coffee ladder is determined mainly by the beautiful surroundings. The cup of coffee is added to an existing experience. The major challenge for marketers is the addition of an experience to a product or brand that will increase its value.

Nowadays we see an increase of personalized experiences. Companies can also distinct themselves with so called transformational experiences. When we talk about transformation, we think of personal ambitions.

### The significance of the experience economy for the creative sector

In his book *The Rise of the Creative Class* (2002), the US sociologist Richard Florida outlined a picture of a new society in which it is mainly experiences that are created and which is almost entirely detached from the production of goods. According to Florida, we are on the eve of becoming a society like that, with a large creative class consisting not only of artists but above all of



scientists, architects, marketers, etc. So creative by no means always means working in one of the arts – it can extend to new ideas for television or the design of the growing urban area. These are not the traditional activities of an artist, but a good visual artist can have interesting ideas about how to lay out the public domain. A new kind of assembly line work emerges in this world too, as the passers-by have to be serviced. The Ducks and Goofies are not confined to the amusement parks, but can be found in adult form everywhere: conjurers who alleviate waiting in a queue, clowns who accompany the food to the table, musicians in the background who create the right atmosphere.

So there is plenty of work in the art and culture sector, but at what price? If you are a musician, do you want to spend every day giving a lunch concert in a shopping centre to brighten up the atmosphere a little? How many parties can you take dressed up as a flower seller? Or is this the wrong question? Shouldn't we be asking instead: How many fantastic paintings can someone make if he or she has an income based on painting décors for business events? Is there a difference with the earlier forms of patronage, or in the kinds of assignments that are placed?

For the art and culture sector, the experience economy has a double aspect. Art, whatever form it takes, is already an experience in itself. On the one hand it can supply the products, formats, ideas, actors, music, etc. to create an experience for mass products. On the other hand, institutions in the culture sector can also use experiences themselves to achieve greater recognition, to give their performance more impact, etc.

The experience economy offers opportunities to a cultural organisation. It transforms people's dreams into images, music and so on. It finds the possibilities and formats to appeal to the emotions of the consumer. The seduction must be more subtle, opaque and less superficial each time. This creative work will only increase in the future as the boundaries between advertising and art projects will become somewhat blurred.

## **Characteristics of a good experience**

### ***The consumer as co-creator***

Today's consumers are better informed and therefore more demanding than twenty years ago. They not only know what the producer says about the product, but can also find the experiences of others on internet and compare products. Products with an individual stamp are often preferred to mass products. That is why industry is looking for ways of involving the consumer in the development of the product to reinforce the feeling of co-creation.

How can you combine industrial mass production with individuality? A simple solution is a modular system in which the customer chooses from a limited number of possibilities. An example is provided by websites where the purchaser can personalise a new car by choosing the colour, number of doors and engine capacity and order an individualised model: personalised mass production.

'Genuine' creation remains the preserve of the creative professionals, the designers who determine the range of choices. This is a new field of work in the creative sector.

### ***Flow and the difference between art and experience***

In connection with the experience economy, flow refers to a mental or emotional situation in which a person becomes completely absorbed by his or her activities. According to the US psychologist Csikszentmihalyi, the feeling of flow consists of at least a number of the following characteristics: a concentrated and purposive attitude; becoming so involved in an activity that nothing else seems to matter; the loss of an awareness of time and place; the experience contributes to giving life a meaning and has an intrinsic value; and the participant feels almost elated afterwards.



This theory explains the difference between the experience of a work of art and a created experience. A work of art has an intrinsic value and contributes to giving our life a meaning. Unlike a created experience, it usually appeals to only one of the senses (people close their eyes when listening to a concert or whisper in a museum), while a created experience has to appeal to several senses if it is to be successful. The product (washing powder) or the service (ticket sales) do not have that intrinsic value. If the customer is to be aroused, an appeal must be made to as many senses as possible in order to trigger different emotions.

According to this theory, a work of art is both a product and a valuable experience. Personal taste, background, education and other factors determine in which individuals a work of art can lead to a flow.

The services (marketing, ticket sales, location) to bring the work of art to the attention of the public and to show it can be improved by making use of artificial experiences.

## **The context of the experience: what makes an experience successful?**

An experience is not determined by the content alone. The various contexts in which the experience takes place make it clear which elements are important for the successful creation of experiences.

### ***The personal context: motivation, knowledge, background***

Why is the specific visitor here? Does he want to learn something? Has he come to admire or support an acquaintance on the stage, to obtain study credits, or is it a work outing or an enjoyable evening out with friends? The various reasons for attending influence the intensity with which a person undergoes the experience. A creator cannot influence these, but he can respond to them.

- Identity reinforcement: A visit to a concert, for example, is an opportunity to strengthen your anchorage in a particular social subgroup – a way of showing to which social group you belong or would like to belong.
- Personal interests: These go back to education, background and personal experiences and determine the choice of certain forms of art.
- Knowledge of an artistic movement: A visitor must be able to understand at least the 'language' and symbolism of an artist in order to have a positive experience.

### ***The socio-cultural context***

People are always both individuals and members of a social group. Our experience depends just as much on the group to which we belong as on our personal preferences. In assessing a work of art, we make use not only of our personal knowledge and experiences, but also of the history and knowledge of our social group.

Like the personal context, the socio-cultural context lies outside the sphere of influence of the creator of the experience. It is important to use certain characteristics of the key target group for the experience: for its packaging, content and/or the marketing.

### ***The physical context***

The setting in which something takes place creates expectations. The choice of the location is thus very important for the effect that the experience produces on the public. A play on the stage of a listed theatre works very differently from the same piece in a factory, and an exhibition in an established gallery works very differently from one in an empty shopping mall. A beautiful film can still produce the same effect in an ugly backroom of a cinema with uncomfortable seats, but handicapped by such a setting, the film first has to get rid of the initial negative feelings before that positive experience can begin.

Every location has its own history, image and name. For instance, De Kleine Komodie in Amsterdam has a reputation as a theatre for cabaret. A stand-up comedian can benefit from that reputation and sell tickets to regulars even if they do not know him personally.



### ***The timeline***

The quality of the experience also depends on influences prior to, during and after the experience.

- Events prior to the experience: The easier the entrance is, the more favourably disposed the visitor to the experience will be at the start. This concerns factors such as the journey, parking, ticket sales, reception, the bar, the introductory remarks. The impression of the advertising campaign also influences the expectations of the public.
- Events during the experience: This mainly concerns the ease with which everything can be followed, audio, lighting, seats, clean toilets, a pleasant bar for the interval – generally speaking, everything that can influence how the experience is perceived.
- Events after the experience: Actions which are undertaken after the experience is over can still influence it. If the visitor's coat has disappeared, his memory will be a disagreeable one.

## **Creating an experience: Do's and Don'ts**

### ***1. Appeal to as many senses as possible***

Our emotions and thus our actions too are determined to a large extent by the perceptions of our senses and how these are linked to memory. The scent of fresh bread arouses our appetite, certain music reminds us of our first love. In the case of a powerful experience, several senses perceive something that arouses the same positive feelings. The use of colour, sound and material must be harmonised with one another or reinforce one another.

For instance, if people enjoy art, the experience may already be so intense that an extra stimulation of the senses diverts attention. In the case of some arbitrary product, the intrinsic value is lacking and an appeal is made to as many senses as possible by the created experience.

### ***2. Do not convey contradictory messages***

The messages that are perceived by the senses must reinforce one another and certainly not contradict one another. Nobody will design the interior of a Spanish specialty restaurant in Country & Western style or play Japanese opera music there, and there will not be an aroma of nasi. Contradictory signals create confusion and irritation. The music and interior of a shop, restaurant, theatre lobby or gallery must be appropriate to the subject and the target group. In the arts the fact that contradictory messages lead to confusion, anger and other emotions may also be deliberately used in a thought-provoking way.

### ***3. Ensure a unique personal experience***

As every individual has a different history, comes from a different background and goes to a performance with a different set of expectations, every individual visitor has an individual experience too. It is very important to bear this in mind in analysing the target group and its needs and to adapt the experience accordingly.

### ***4. Be authentic, do not lie***

The story (the heart) of the experience has to be authentic. Even if they are packaged with beautiful words, colours or music and encapsulated in a luxurious experience, you still cannot sell untruths – the customer soon sees through it and resents the attempt at deceit. At a time of mass consumption, tourism and communication, authenticity and originality have become a standard of quality. Heritage is the best example of authenticity. It can be used in both an entertaining and an edifying way within an experience, as in the Zuiderzeemuseum or the Open Air Museum.

### ***5. Involve the customer in the experience: staging and co-creation***

The first experience economists assumed that a director would create and perform the entire experience. By now, however, it has become clear that an experience makes more of an impact if the customer is involved in it and is jointly responsible for its creation. Watch what happens at a concert: depending on the type of concert and public, there are various ways of joining in: bringing the score with you and following the music as it is played, singing along, clapping, dancing. Participation is not equally easy for everyone, nor is it always accepted by everybody. Generally speaking, participation in an experience reinforces the positive feeling.



### **6. Leave room for playfulness and take anticipation into account**

A well organised experience leaves room for fantasy, pleasure and personal contributions, but – unlike real play – it still remains predictable to a certain extent. The conclusion is also more or less pre-programmed. Visitors must have something to choose in terms of intensity and involvement: one listener will like to whirl through the crowd with wild dance movements, another feels that tapping one's foot is enough participation.

Anticipation is also connected with pleasure in advance of the experience: the visitor already predicts certain elements beforehand and looks forward to them. When the moment comes, his enjoyment is double thanks to the beautiful moment and to the fact that it matches his anticipation. The arts sometimes play with these patterns of expectations to deliberately lead visitors up the wrong path.

### **7. Make sure that the challenge is risk-free and the situation under control**

A memorable experience challenges the participant, but the challenge must not become too demanding or stand in the way of the pleasure. No one wants to make a fool of himself or to be confronted by insoluble problems. The right balance between challenge and safety varies from one target group to another.

Visitors find it easier to give free rein to their emotions if there is still some control. In a successful experience, every participant can mentally or physically leave at any moment, for instance by pointing out to his neighbour someone who is sobbing two seats away during an emotional scene. By drawing his attention to that, this participant has briefly stepped out of the experience. Everyone knows that every play has a happy ending – perhaps not in the performance itself, but in the sense that, in spite of the corpses on stage, the audience will be able to leave the building when the performance is over without torn clothing. If this security were not there, not everyone would be bold enough to give free rein to his emotions. Of course, during a co-creative experience, the participant also has positive control elements at his disposal and can exert control by steering the experience in a different direction.

### **8. Aim for a clear-cut goal**

Art has intrinsic value, and is thus already an experience in itself. The surroundings and circumstances also influence how it is enjoyed. That is why a good experience clearly shows what the goal is. What do its makers want to achieve? Do they want to improve the world, or is it pure entertainment? Do they want to promote a particular style of music, or does the artist want to express a political conviction? This is a reason why the 'higher arts' hold little attraction for the man in the street, because these works of art are more often questions than answers, they are ambiguous and open to different interpretations, which makes it difficult to pin them down.

### **When is an experience a success?**

If you follow the tips listed above, you will satisfy the most important criteria for a successful experience. The customer or visitor will then often have the feeling of a loss of time and place and will have been emotionally affected. The visitor (or reader, or listener) who gets carried away by the emotions in a film has lived in a different reality for a fleeting moment. He feels the need to wake up when the lights are turned on. The visitor has been affected and emotionally involved by the content, but often also by the structure and impact of an experience. Some buildings make such an impact that people need a moment to take them in when they enter them. They change the way they walk, lower their voice... A good experience can provoke reactions like these too.

## **More information**

- You can find more information on [BeroepKunstenaar.nl](https://www.beroepkunstenaar.nl) about marketing and enterprise.
- Website of [Richard Florida](https://www.richardflorida.nl) on the importance of the creative industry.