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Being part of the **experience economy**

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NORTHERN InSights

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Locfood workshop, March 19-20th 2014

1) EXPERIENCE ECONOMY

TREND: **experiences more often makes the ground** for value creations and innovation (Pine & Gilmore)

E.g. local food and meal experiences as major attractions for destinations and destination development

DIFFERENT ECONOMICAL LOGICS

Chocolate weeks

Choco-Laté **in Brugge, the second year 14 000 participated.**

- **Activites:**
  - **Choco path through Brugge.**
  - **Choco-Story in the chocho museum: "Charlie and the chocolite factory"-experiences**
  - **Tasting,**
  - **Chocolate and wine,**
  - **Choko-kids village.**
  - **Choco sculptures made by artits and students**
  - **Chocolate symposium**
  - **How to make chocolate**

Attendance versus distributed experiences
- core or secondary product

- SPA

- Web shopping:
  - Standard products
  - Customer-generated content and packeting

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Reasons to go/buy

Customers seek:

- experiences that are personally involving (Gilmore, 2003)
  - basic needs are covered
- **new experiences, involve senses, interactions, emotions, coping, learning, meaning, identity, selvrealizing, hedonism, etc.**
- more balance in life
  - Work life dominated by technology and knowledge (Jacobsen, 1999)

What is created?

- **Positive, meaningful, memorable experiences**:
  - Ordinary versus extraordinary (e.g. WOW)
  - Mainly intangible
  - Production and consume overlap

- **Customer values**:
  - Functional
  - Emotional
  - Social
  - Epistemic

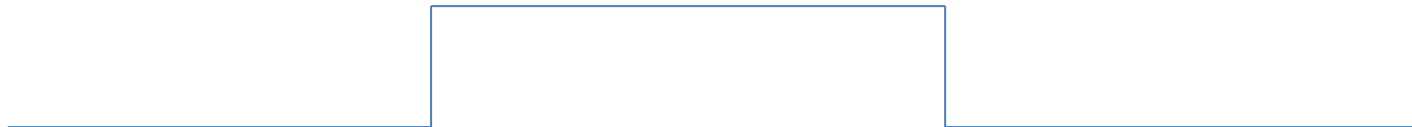- **Continual innovations!**

How created?

- Customers as **co-producers**:
  - Subjective experiences
  - Different degree of co-production:
    - *Low:* Always some sensing, perception and sense making (Individual, relational, collective)
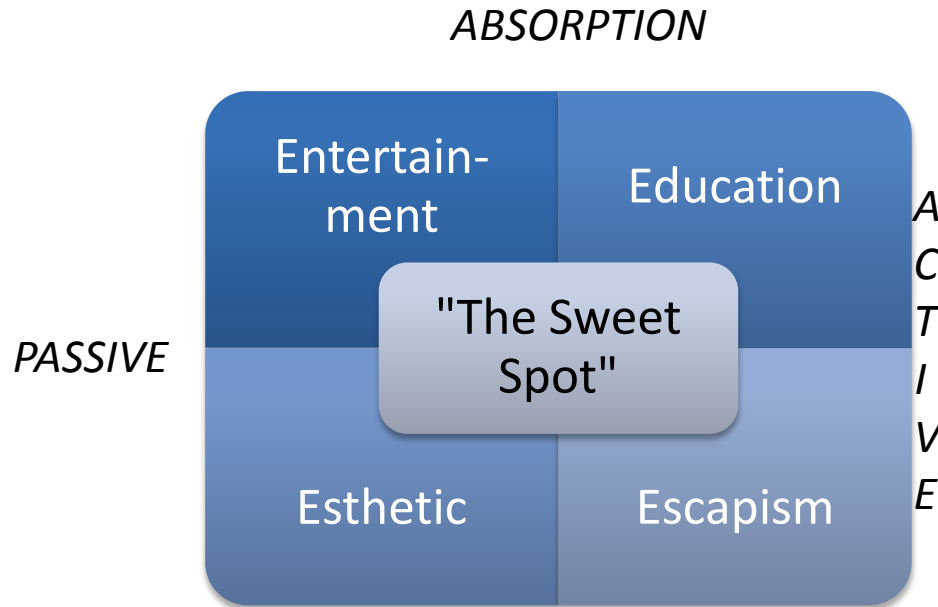   - High: active interaction and holistic participation
  - Different phases:

  Before   *under*   *after*

Four main types of experiences (Pine & Gilmore, 1999)

ABSORPTION

Entertain-ment	Education
Esthetic	Escapism

"The Sweet Spot"

PASSIVE

ACTIVE

IMMERSION

E.g.

- **Eeater-tainment**
- Edu-tainment

Three generations of experience economy (Boswij, et al, 2012)

1. **Staging** (Pine & Gilmore, 1999)
2. **Co-creation** (Prahalad and Ramaswamy, 2003)
3. Self-directed

2. EXPERIENCE DESIGN

=Innovations of experiences

- Design is part of the innovation processes:
  - Observations –ideas - design - implementation
  - Testing
- Experience design = design…
  - of attractive experiences – parts and total experiences
  - that facilitate for customer and firm value
    - By influencing senses and emotions (Jantzen, Vetner & Bouchet, 2011)
    - By increasing elements/factors creating values and reducing the value drainers
- Knowledge based tools and processes

"… the blending of creative imagination with technical know how."
(Walt Disney in Jeff Kurtti: Imagineering Legends, 2008, p.IV)
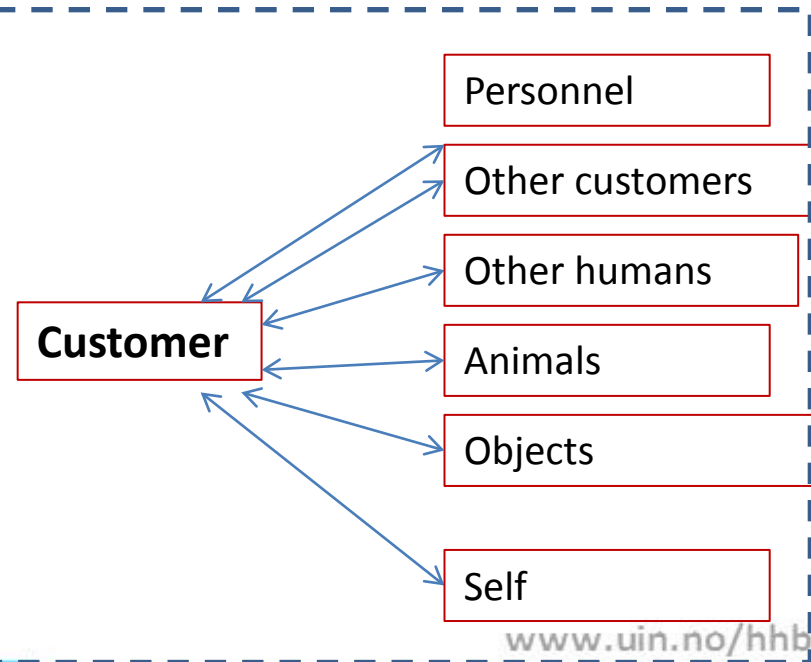
Design elements and tools

A) Three bacis dimensions (Caru & Cova):

- Enclaved

- Secure

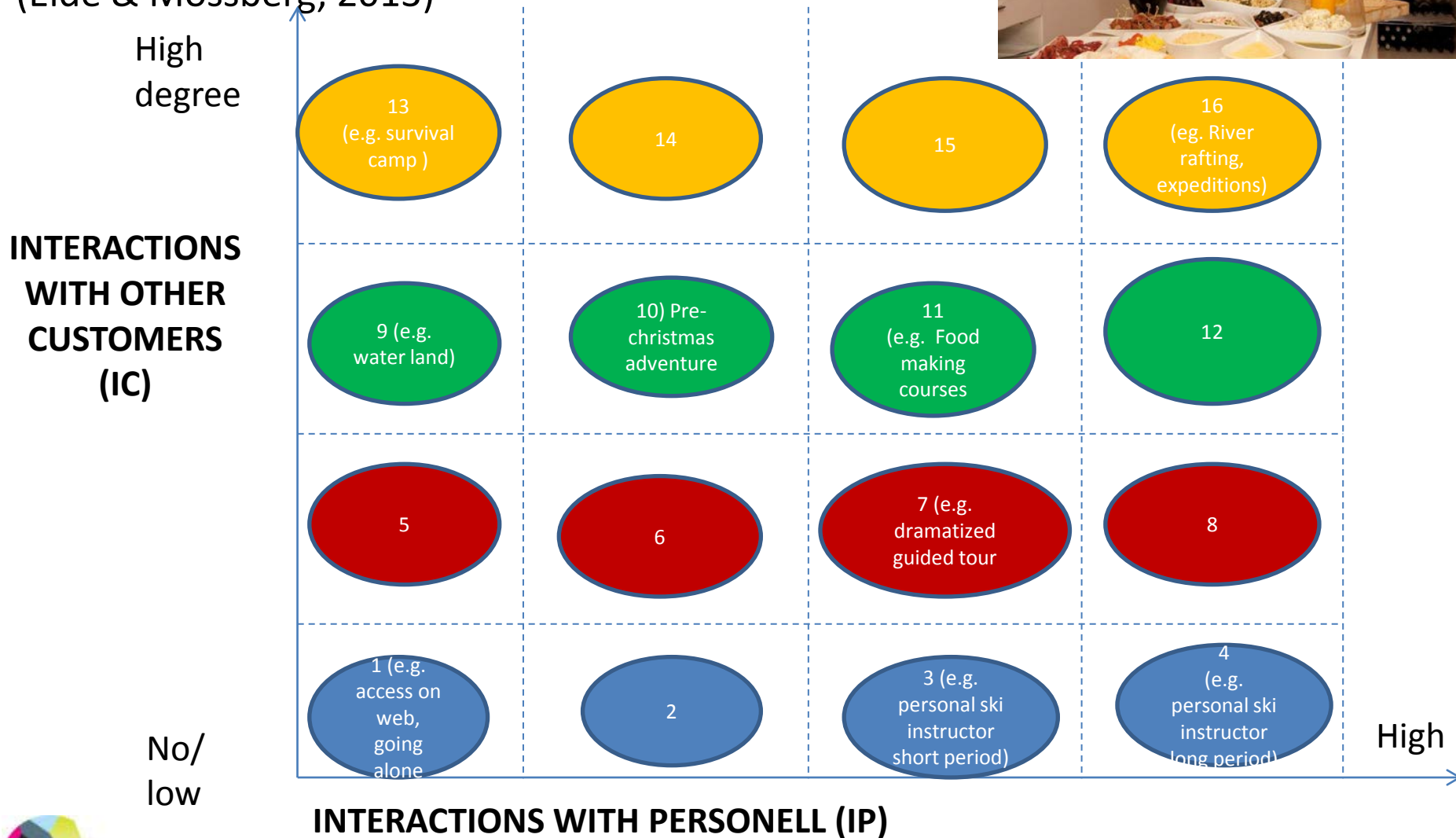- Thematized

B) Experience scape (Mossberg, 2007)

- the physical, social and symbolic enviornment

- 'space of pleasuere, enjoyment and entertainment'

- where interactions are situated

- Design of main interactions


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                                Personnel

                                Other customers

                                Other humans

        Customer                Animals

                                Objects

                                Self
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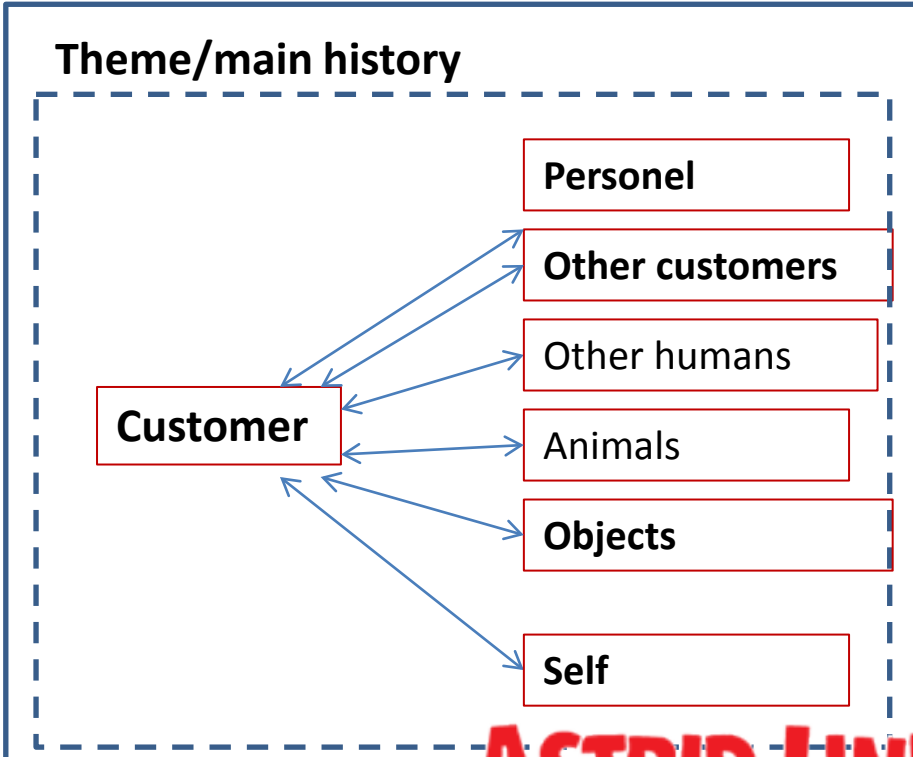
Design of main customer-interactions
E.g. two customer-interaction types
(Eide & Mossberg, 2013)

INTERACTIONS WITH OTHER CUSTOMERS (IC)

High degree

- 13 (e.g. survival camp)
- 14
- 15
- 16 (eg. River rafting, expeditions)

- 9 (e.g. water land)
- 10) Pre-christmas adventure
- 11 (e.g. Food making courses
- 12

- 5
- 6
- 7 (e.g. dramatized guided tour
- 8

- 1 (e.g. access on web, going alone
- 2
- 3 (e.g. personal ski instructor short period)
- 4 (e.g. personal ski instructor long period)

No/ low

High

INTERACTIONS WITH PERSONELL (IP)

C) Thematized/main history – shape design of all or most parts:

Theme/main history

Customer	**Personel**
	Other customers
	Other humans
	Animals
	Objects
	Self

ASTRID LINDGRENS VÄRLD

VIMMERBY, SMÅLAND

E.g. LO-VE lunch (local food)

Tuvsjyen – stoneage experiences

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Hamsun centre: Lunch by Hamsun
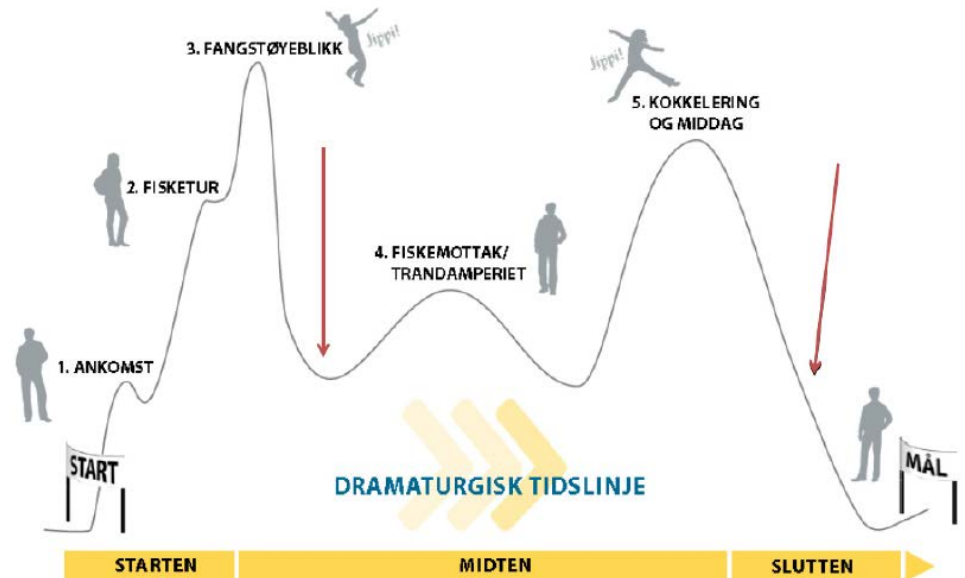
KNUT HAMSUN
MARKENS GRØDE
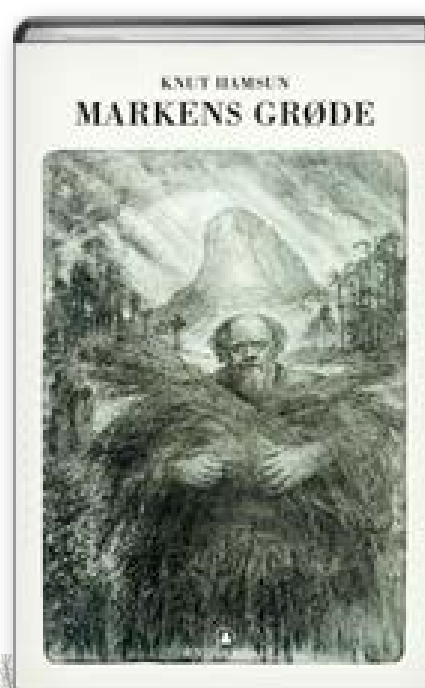
The Growth of the Soil

BUSINESS

D) Dramaturgy:

- Front stage - on stage - back stage
- Dramaturgy:
  - Time sequences
  - Intensity (high-low)
  - Events (act)   **Fish theather** by
  - Value drivers and drainers   XXLofoten
    - Culture
    - Nature
    - Other
- Storytelling/narrating

Experience bankets and christmas shows
(Thon Hotel Svolvær)

'Living food experience' (Thon Hotel Svolvær)

Local resources, local culture and traditons expressed through food

Menue:

- Cod tongue and jaw
- Baked halibut
- Lamb – leg and rib
- Dessert

'Living food experience' (Thon Hotel Svolvær)

Local resources, local culture and traditions expressed through storytelling

Menue:

- Cod tongue and jaw

- Baked halibut

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- Dessert

1) Stories about local traditions of children cutting cod tongue, and the use of almost all parts of the fish

2) Stories about halibut, old traditions of baking + aroma, smell, demonstration

3) Stories about local traditions of sheep farming, nature shaping the taste + old traditions of using lamb

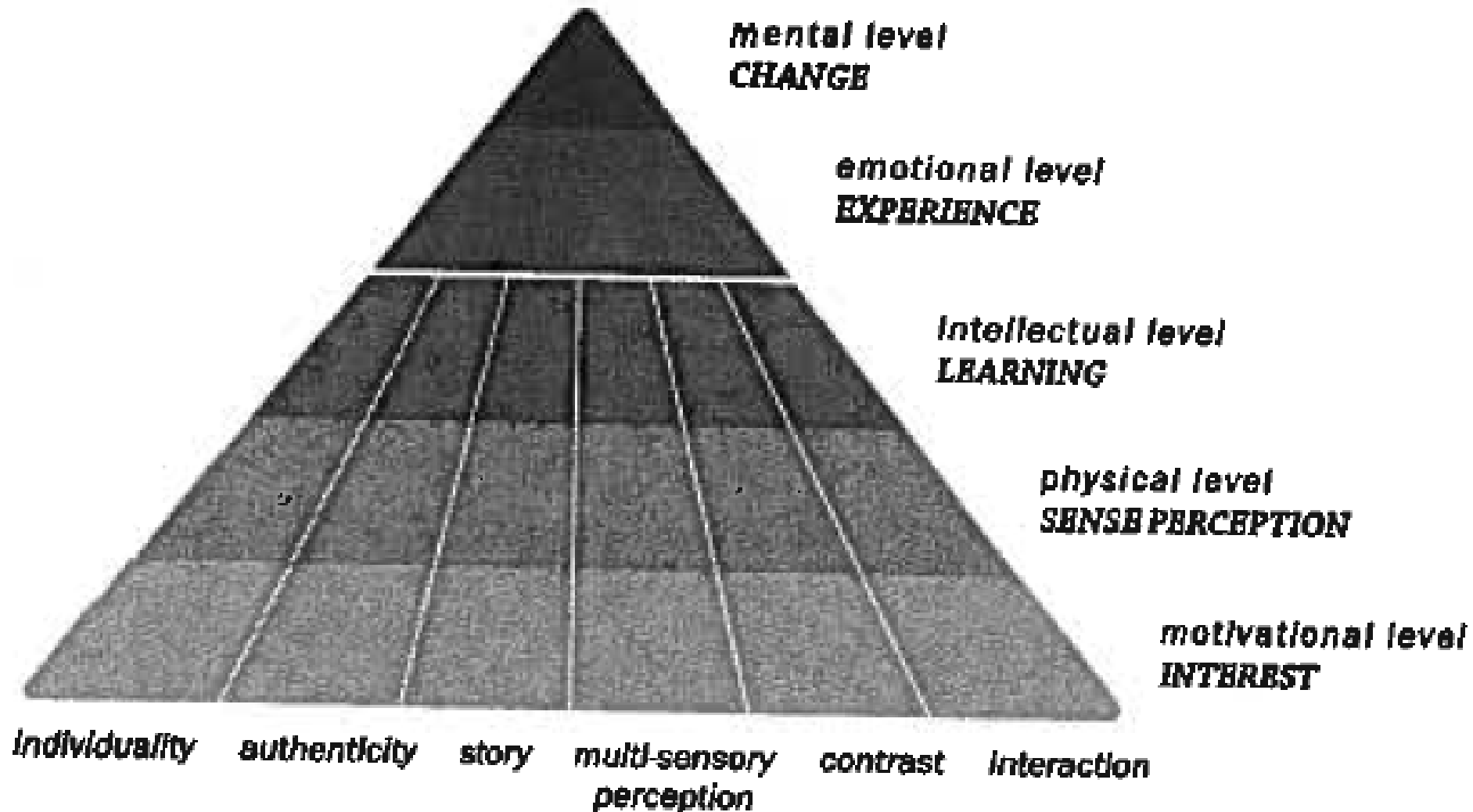4) Short introduction, afraid of tire out the guests

Innovations of food experiences

- New combinations:
  - old and new resources, elements and methods
  - Manly local and some global trends and resources

- Drivers:
  - local identity and passion for food
  - Pride about local resources, dishes and culture
  - Want to share
  - Use experience design tools
    - Storytelling and dramaturgy
    - All senses

- Proactive searching for innovations

E) LEO experience pyramid (Lapland Centre of Expertise, Tarsaanen):

Mental level
CHANGE

emotional level
EXPERIENCE

Intellectual level
LEARNING

physical level
SENSE PERCEPTION

motivational level
INTEREST

Individuality   authenticity   story   multi-sensory perception   contrast   Interaction

Local food and meal experiences
major attractions and destination development

"**We learned from the researchers to put the focus on the customers perspectives. We use it commercially as there is an increasing market demand for products creating desire for traveling and knowledge.** It started with the breakfasts which are being rewarded as one of the best in the country. The best example is our focus on Christmas shows and the Experince bankets. They are products creating much 'word-of-mouth' by satisfied customers. **It has positively increased our image enormously. Our focus on experiences have increased the economical situation and strengthen our competitiveness at the national market**" (**Erik Tharaldsen**, CEO **Thon Hotel Svolvær**)

4. CLOSING REMARKS

- **What economic logics are firms or destinations working within?**
  - *Is good service enough?*
  - *What are the primary and supplementary products?*

- **Who are the main customers and segments?**

  - Characteristics? Reasons to go?

- **Continual and more open innovations**
  - *Who involved?*

- **Knowledge based**

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