



**Marketing Experience Economy**

**COMMRC 1732**

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# Welcome to the Experience Economy

1. Explaining Pine and Gilmore's thesis
2. How to stage experiences - Emphasis on commoditizing experience and staging experience
3. Case Studies: Ford, new technologies
4. Thursday: Groupings and Task

# The thesis

- 'Experiences' are not 'services'. Economists bundle in the one with the other, but are distinct
- Services increasingly commoditized. This as a natural "progression of economic value", but...
- Transition from selling 'services' to selling 'experiences' (mirroring the previous economic shift from the industrial to the service economy)
- Examples: Automotive industry (Ford), Apple (not HP), Disney's 'imagineers', IBM
- Next stage in late capitalism: How to *stage experiences*

# How to stage experiences

- Looking at successful case studies reveals strategies for how to stage experiences
- E.g. Iggy the taxi driver: the experience of riding in the cab more valuable than mere transport
- “While prior economic offerings – commodities, goods and services – are external to the buyer, experiences are inherently personal, existing only in the mind of an individual who has been engaged on an emotional, physical, intellectual, or even spiritual level” (100)

# How to stage experiences

“An experience occurs when a company intentionally uses services as the stage, and goods as props, to engage individual customers in a way that creates a memorable event” (p.98)

- This still refers to previous economic categories but the arrangement of them is altered
- Concepts of selling experience now spreads beyond theaters, theme parks into every area of business
- Theater companies hired to turn “ordinary business meetings into improvisational events that encourage breakthrough thinking”

# Ford Motorcars

- 1950 – 1970: Cars sold directly as masculine ideal
- 1970 – 1990: Saturation of marketplace, 'feminization' of automobile industry
- 1990 – 2000: Branding now applicable to *services* as well as tangible *commodities*, Ford make more profit on financing arrangements than on cars themselves
- 2000 – Present: Increasing attention to the experience of driving through in-car tech, iPod and GPS integration, personalization, emphasis on selling the *experience* rather than the *ideal*



# Ford Motorcars



# Ford Motorcars

- Steve McQueen, Bullitt (famous SF car chase [here](#))
- Mustang Commercials: [1967](#), [1969](#)
- Jim Schroer, executive marketing director at Ford, summarizes shift from broad-brush *demographics* to more individually focused *psychographics*: “It’s smarter to think about emotions and attitudes, which all go under the term ‘psychographics’—those things that can transcend demographic groups”



# The Staging of Experiences

- IBM, hardware, software and services – but what about staged experiences?
- Niketown stores – almost in the experience business! Building brand image, “for show”. But this could be commoditized in different ways: how has this changed today?
- Synergies between Disney theme parks and Disney retail stores
- ‘Dedifferentiation’ as collapsing of theme park and retail space, e.g. sports grounds

# What kinds of experiences?

- *Customer participation* that may/not affect the performance (active/passive)
- *Customer connection* that unites customer with event or performance (absorption/immersion)
- Examples: Build-a-bear, sweet factories, IMAX 3D
- Four realms of experience: Entertainment, Educational, Esthetic, Escapist
- Experiences derive from iterative process of exploration, scripting, staging

# Theming Experience

- Themed shopping malls, e.g. Forum Shops in Las Vegas, based around Caesar's Palace with centurions, guards, fountains, mise-en-scène
- Harmonize impressions with positive cues: e.g. Rainforest Café waitress announces "Your adventure is about to begin"...
- Eliminate negative cues (e.g. over-intimacy, interruptions to the experience)
- Engage all five senses (like last week), e.g. mist at Rainforest Café

# Thursday: The Task

- Thursday:
- Next week: