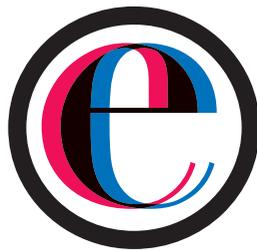


# Economy of Experiences





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## Economy of Experiences 3rd edition

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School photo Anne Frank, 'Jewish Lyceum', December 1941

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# Introduction

## From an economy of experiences to the economy of meaning

At the time of writing our first book in 2005, all sorts of other literature was being published on experiences and we felt a need to clarify matters in terms of the experience economy. In our view, the experience economy is about more than just the embellishment of products and services. It is also more than simply setting the stage in which products and services play their roles, because in fact the décor and the story acted out by consumers or others represents the greatest value. Rather, the experience economy is about putting people in the leading role, partly as consumers or customers, in the particular world in which they live. It is about asking how we can be meaningful to people, and how we can help them add meaning to their lives. It is important to note that the role of material values – the goods and services themselves – is decreasing, while that of intangible values is gaining in importance. Those kinds of meaningful experiences are what this book is about. We are not so much interested in *the* experience economy, but rather in alternative ways of connecting up parties so that they can jointly facilitate and create meaningful experiences.

Trying to help people add meaning to their lives is rather like searching for the Holy Grail. Indeed, that explains the choice of illustration for the cover of this book. (In effortlessly removing the sword that the wizard Merlin had set in the stone, Prince Arthur proved he was the rightful heir to the throne of England. The most important mission of the twelve Knights of the Round Table was the quest for the Holy Grail.)

The quest for the essential connection with what people need, with what makes their lives more enjoyable, fuller or, if you will, 'more meaningful' – that is what this book is about. That is the Holy Grail for which organisations need to search. That is the art of making essential connections. And that is not as easy as it may seem.

These insights have evolved substantially in the six years since our first book was written. Societal changes are taking place so quickly that we have been able to observe them with, as it were, our boots in the mud, while we ourselves were immersed in those changes. The 'democratisation of the future', so eloquently described by Josephine Green, is upon us. Even television shows such as the *X-Factor* and *The Voice of Holland* carry within them elements of the democratisation of talent. It is the public who can identify and choose those whom they regard as

talented, their social heroes. At this stage, programme-makers still have total directional control and our social heroes are being 'exploited', but that too is set to change in the next few years. The world in which we live is gradually evolving into a transparent society and, we must vehemently hope, a social context and an economy in which we will be able to trust one another.

## The content of this book

The above has consequences for the contents of this book. We assume that the reader will have some knowledge of the experience economy. In chapters 1 and 2 we present a concise synopsis of the various forms of value creation. Subsequently we describe and delve deeper into the technological and societal shifts, as viewed both from a business context and by individuals in their socio-cultural context (chapters 3 and 4). Following that, we examine new forms of value creation (chapter 5) and new income models (chapter 6). In chapter 7 we deal with the design principles of meaningful experiences, while chapter 8 deals more comprehensively than before with the five phases of intangible value creation. We have also elected to probe more deeply into the experience economy in the health sector (chapter 9), the financial services sector (chapter 10) and the creative city (chapter 11). We concentrate particularly on the transformation that these sectors are undergoing. In these particular areas there is sufficient urgency and potential to facilitate the creation of intangible value and meaningful experiences.

The book has a broad approach: it does not adopt any particular economic, management, philosophical or psychological methodology. A proper understanding of society and its development requires an integrated approach. We are concerned with what we perceive to be genuinely meaningful and the question as to how we can create value in new ways amongst guests, visitors, citizens, clients and organisations in order to create a playing field in which the traditional lines between suppliers and clients gradually become blurred.

Throughout the book practical examples are cited, many of them drawn from our own consulting practice, because – together with our clients – we too have struggled with the challenges and the problems of finding new strategies and new value propositions. We prefer to view ourselves as strategic architects and developers of new forms of value creation rather than as builders of experience concepts.

From a didactic viewpoint, each chapter concludes with a summary, some questions on the contents of the chapter and a case study with accompanying questions.

## Target group

This book has been written for businessmen, business innovation managers, marketers, advisors and students of higher education. Our hope is that this book, together with the material on the website, will form a framework for discussions about people's points of view and developments in the field of the experience economy.

## The website



1. Wherever the World Wide Web icon appears in the book, it indicates that additional information on the passage is available on the internet.
2. When in the WIFI icon is used, additional information will be found behind the specific URL in the text. Inspirational video material (presentations, interviews and examples of concepts that fit the different experience economy generations); extra case studies and a platform for their analysis; questions on the content of the book.
3. We invite our readers to place their comments and observations regarding the book on the website.

## Inspiration

This publication came to life through the inspiration of many: We are grateful for the inspiration of the guest lecturers at our international courses "*Value Creation through Experiences*", Reon Brand, Prof. Chris Voss, Alan Moore, Uffe Elback, Mark William Hanssen, Prof. Wim de Ridder, Josephine Green, Michel Bauwens, Ep Köster, Rik Maes, Anna Snel, Dan Hill, Joe Pine, Venkat Ramaswamy, Chip Conley, Rob Wagemans and Angelique Schmeinck and of course the many participants and entrepreneurs for their valuable insights.

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## The legend of King Arthur

Arthur was the son of Uther Pendragon, one of many rulers of England and Igraine. When Uther fell in battle in an attempt to unite England under one king, Merlin (the magician) housed Arthur at the court of a local nobleman in order to ensure his safety.

Without a king, England was in turmoil. Merlin placed an anvil on a large stone with a sword sticking into it in a graveyard in London. Merlin spread the news that whoever was able to pull the sword from the stone was the legitimate heir to the English. Many a nobleman tried in vain. England still had no king until Arthur easily pulled it out. Although many noblemen would not accept Arthur as their new king, he managed to unite the noblemen and ascended the throne. During this time he built Camelot.

When Arthur married the beautiful Guinevere, they were given a round table as a wedding gift. Places for 12 knights were set at the table. Because there is no head of a round table, everyone was equal and everyone could be heard. Arthur ensured that the country could be better defended and the Saxons were defeated. However, the most important task of the Knights of the Round Table was the quest for the Holy Grail (the cup or bowl in which the blood of Jesus was caught at his crucifixion, or the chalice at the Last Supper). Most probably, the Holy Grail (which, in some stories even had magical powers) is a myth.