

THE EXPERIENCE ECONOMY AND EXPERIENTIAL MARKETING

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The buzzword of the 1980's was services marketing. In the 1990s it was relationship marketing. In their book, The Experience Economy, authors Joseph Pine III and James H. Gilmore, argue that the 2000s will be known as, "The decade of the experience." In their book, and Harvard Business Review, article titled "Welcome to the Experience Economy!" they distinguish between four stages in the progression of economic value: commodities, goods, services, and experiences. The authors write, "As services, like goods before them, increasingly become commoditized, -think of long-distance telephone service being sold solely on price - experiences have emerged as the next step in what we call the progression of economic value."

Over the past three to four years, we have become inundated with the term "experience" in marketing contexts. The shopping experience, the online experience, the Richard Petty Driving Experience, Star Trek Experience, the Fremont Street Experience, and even the undergraduate experience are typical references to the idea of "experiential marketing."

While this focus on "The Experience" has been touted as the panacea for everyone's marketing ills, the term is often misused, misunderstood, and abused. For example, many "marketing experts" use the term interchangeably with services marketing. As Pine and Gilmore point out, "Experiences are as distinct from services as services are from goods." If your firm focuses on services it will lose a significant amount of their business to "experience" focused companies.

Traditional goods and services marketing offers little guidance to capitalize on the emerging experiential economy. While a few consumer researchers have begun to recognize the importance of investigating the consumer experience, the focus has tended to be on such things as handling complaints, managing call centers, and providing service to

retail store and online customers. At the other extreme of the research spectrum, consumer psychologists have investigated the impact of affect or emotions in consumer decision making and to a lesser degree on consumer satisfaction. However, the literature is nearly void of research that specifically focuses on experiential goods and services and how they should be developed, managed, and marketed.

This Special session was designed to provide the attendee with a better understanding of the concept "experiential marketing" and to provide a basic framework for marketing educators interested in teaching, researching, and consulting in this emerging field. Specific topics include a working definition of "experiential marketing," along with the introduction of terms such as, staging experiences, experientializing your good or service, and managing the experience. In addition, a framework for developing and managing experiences is presented. Finally, the presenters provide a detailed example of experiential marketing using an education-based example.

Attendees of this session will be immersed in a learning experience that they will both valuable and entertaining. In addition, it might just change the way they view mega experiences such as Disney World and Las Vegas. This appears to be the ideal location to present a special session on this important topic.

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