

Moving Marketing Education from a *Commodity* to an *Experience*

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This paper is dedicated to the memory and joyful spirit of my student, Justin Harbottle, who made Consumer Behavior a memorable experience for me in Spring 2000.

ABSTRACT

This paper describes a framework marketing educators can use to move marketing education from a basic commodity approach to an experience approach in educating students. The framework, based on Pine and Gilmore's (1999) *Progression of Economic Value* and the concept of *Experience Realms*, suggests a new classification of experiential learning activities for marketing educators to use in the classroom. The proposed framework recommends that educators use a combination of assignments from all four experience realms.

INTRODUCTION

Marketing education has increasingly moved toward a model of experiential, interactive learning and away from the traditional, passive, knowledge-transfer, lecture approach to learning. Most marketing educators now appreciate the value of experiential learning assignments in student skill development, yet the process for analyzing and selecting innovative experiential learning techniques is not clear. Experiential learning exercises should include all stages of the learning cycle (Kolb 1984) in order to be effective. Marketing educators are often unaware of this process and how to insure all stages are included for effective learning.

A corollary trend in business today relates to the transformation of retailers from static, often boring environments to dynamic, interactive, experience-based environments for customers. In order to remain competitive many retailers have become aware of the need to provide *experiential shopping environments* for customers. Both *The Experience Economy* (Pine and Gilmore 1999) and *Experiential Marketing* (Schmitt 1999) provide significant support for this major shift in marketing strategy for retailers.

In moving toward experiential marketing, the world of business has moved along a *Progression of Economic Value* from a basic "commodity"

approach to the sale of "goods," then to a "service" orientation, and now to an "experience" approach to business (Pine and Gilmore 1999). Businesses that remain using one of the earlier approaches may miss the competitive mark. Just as business has progressed along this continuum, marketing educators need to move toward the "experience" end of the continuum in order to remain competitive in the educational marketplace.

This paper proposes an innovative framework marketing educators can use to move marketing education up the *Progression of Economic Value*.

Specifically, this paper presents:

1. A summary of the trend toward experiential learning in marketing education.
2. Discussion of the *Progression of Economic Value* model used in business today.
3. Framework of Experiential Realms for consideration in marketing education.
4. Classification of assignments using the proposed experiential framework.
5. Recommendations for marketing educators in the use of Experiential Realms.

EXPERIENTIAL LEARNING IN MARKETING EDUCATION

Although the traditional, passive, teacher dominated *lecture* is still the predominant pedagogy for marketing educators (Roach, Johnston, and Hair 1993; Clow and Wachter 1996), the trend in marketing education continues toward an active, experiential, student-centered approach to learning (Lollar and Leigh 1995; Harich 1995; Wright, Bitner and Zeithaml 1994; Titus and Petroschius 1993; Stretch and Harp 1991; Gaidis and Andrews 1990b). A recent special issue of the *Journal of Marketing Education* was dedicated to "Experiential Learning in Marketing Education" (April 2000). The benefits of experiential learning in marketing education are well-documented in the literature. For example, experiential learning exercises

increase student involvement and motivation (Butler and Laumer 1992; Williams, Beard, and Rymer 1991; Harich 1995), help students to integrate theory and practice in order to make a connection with the "real world" (Harich 1995; Karns 1993; Haas and Wotruba 1990), improve a variety of skills such as communication, creativity, and critical thinking skills (Lamb, Shipp and Moncrief 1995; Harich 1995; Williams, Beard and Rymer 1991), and increase student learning (Harich 1995; Butler and Laumer 1992). Hamer (2000) considered the additive effects of the use of multiple experiential learning techniques in one course, concluding that multiple experiential techniques provide greater benefit to students than one technique combined with the lecture format. Many studies continue to lend support to this significant trend toward experiential learning in marketing education.

PROGRESSION OF ECONOMIC VALUE MODEL USED IN BUSINESS

In *The Experience Economy*, Pine and Gilmore (1999) carefully describe *The Progression of Economic Value*. This concept implies that many firms, especially retailers, have moved along a continuum from commodity to transformation. The progression of retailing is illustrated in Exhibit 1. A supermarket can be used as an example of each stage in the Progression of Economic Value:

- (1) Commodities
A supermarket selling only basic raw materials or processed agricultural goods such as coffee beans, flour, milk, fruits and vegetables, and meat would fall into the *commodity* stage of the cycle.
- (2) Goods
Supermarkets selling tangible manufactured goods such as soft drinks, cereal, potato chips, baked goods, and canned soup fit into the *goods* stage of the progression.
- (3) Services
Many supermarkets now provide a variety of intangible services to customers such as cake decorating, teleshopping and home delivery, floral arrangements, and photos developing, all falling into the *service* stage.
- (4) Experiences
Supermarkets are now beginning to provide *experiences* or *memorable* events that *engage* the customers, such as the pharmacist offering a variety of health screenings or the bakery giving children the

opportunity to decorate cookies for their mothers on Mother's Day.

- (5) Transformations
Few supermarkets ever reach this level of the Economic Pyramid, because true transformation involves lasting consequences for the customer. For example, if a supermarket invited a famous author of a particular diet book to give a brief lecture and sign books in the store and a customer changed their life pattern of eating as a result, this would be a *transformation*.

Many retailers, such as Disney, Rainforest Café, REI, and Niketown, have moved toward the experience stage of the Progression of Economic Value in order to remain competitive. Both *The Experience Economy* (Pine and Gilmore 1999) and *Experiential Marketing* (Schmitt 1999) cite numerous examples of retail firms focusing on the customer experience. The goal of many retailers today is to provide a memorable experience that engages the customer. "In the emerging Experience Economy, companies must realize that they make *memories*, not goods, and create the *stage* for generating greater economic value, not *deliver services*...customers now want experiences" (Pine and Gilmore 1999).

The *Progression of Economic Value* concept can be used as a model for marketing educators. Just as in business, educators must put themselves in a competitive position and meet the needs of customers. Educators must shift up the continuum to provide *experiences* for their students. Marketing educators lecturing out of a textbook may be providing a *commodity*, while those offering their own unique lecture may provide a *good*. In order to provide more of a *service*, faculty may write letters of recommendation for students, offer career advising, and assist students in writing reports. Those marketing educators who have reached the *experience* stage of the Progression of Economic Value are providing relevant, memorable, experiential learning activities for their students. They have shifted the focus of education to an interactive, student-centered, *experience-based* approach. As mentioned in the previous section, the marketing education literature is filled with many creative examples of experiential learning techniques. Marketing education even has the opportunity to reach *transformation*. For example, a professor changing the major and career direction of a student may have created a true life-changing transformation for a student.

FRAMEWORK OF EXPERIENTIAL REALMS FOR USE IN MARKETING EDUCATION

In shifting up the Progression of Economic Value, marketing educators may consider four different *experience realms* suggested by Pine and Gilmore (1999). These experience realms are based on two primary dimensions or ways to engage students:

(1) *Level of student participation*

Student participation may range from "passive participation" where a student does not affect or influence the educational setting to "active participation" where the student affects the educational environment that yields experiences. Much is written in the educational literature about active learning.

(2) *Type of connection or relationship that unites the student with the educational experience*

The connection may range from *absorption*, where the experience occupies the students' mind, to *immersion*, where the student is physically part of the experience.

Putting these two dimensions together yields the four *realms* of an experience (see Exhibit 2 for an illustration of the realms). The four experience realms can be used as a framework for marketing educators in designing courses. No one particular realm is the best. Ideally, a marketing educator would include all four realms at some time during a course. The four experience realms can be described as follows:

1. *Entertainment Realm*

Here the student passively absorbs the experience through their senses, meaning that the student may observe/listen and bring the experience into their mind. Listening to a professor's lecture would fall into this realm. Traditionally, marketing education has fallen into this one realm.

2. *Educational Realm*

In this realm, the educational experience actively engages the students' mind. Here learning requires the full participation of the student in activities such as class discussion and exercises.

3. *Escapist Realm*

Here the student is completely immersed and actively involved in the educational experience. Giving an advertising campaign presentation to an actual client or taking golf lessons to learn how to

negotiate on a golf course would be examples of experiences in the escapist realm.

4. *Esthetic Realm*

Students are immersed in the educational experience but have no effect on the educational performance itself. A field trip to an advertising agency or a video production company would fall into the esthetic realm.

Students engaged in the entertainment realm may just want to *sense*, in the educational realm may want to *learn*, in the escapist realm want to *do*, and in the esthetic realm want to *be there* (Pine and Gilmore 1999). For a complete marketing educational experience, all four of the experiential realms should be included. Marketing educators could consider this experiential framework in the design of a particular course or even program. A mix of the four realms is important for student learning.

CLASSIFICATION OF ASSIGNMENTS USING THE PROPOSED EXPERIENTIAL FRAMEWORK

Others have classified experiential learning activities, but none have used *experiential realms* as a framework for classification. Gaidis and Andrews (1990) classified projects by the "Type of Experience" (Course-related or Non-course related) and by the "Nature of Relationship with Client" (Formal or Informal). Exhibit 3 provides a classification of experiential learning activities in marketing education by the four *experience realms*. This exhibit is not meant to include an exhaustive list of activities which would fall into each realm, but only examples of learning exercises for each quadrant.

The primary learning activity which falls into the Entertainment Realm is the traditional lecture. Although this would be considered the least experiential, it does stimulate the learner's senses. Students, hopefully, passively absorb the information presented by the professor. As mentioned previously, the lecture remains as the predominant pedagogy for marketing educators.

The Escapist Realm includes activities that most educators consider to be *the* experiential learning exercises, but both the Educational and Esthetic Realms also include a variety of experiential activities. The Educational Realm includes more typical *active learning* assignments, such as in-class discussion, small group activities, journal writing, and online exercises.

Titus, Philip A. and Susan M. Petroschius. 1993. Bringing Consumer Behavior to the Workbench: An Experiential Approach. *Journal of Marketing Education* (Spring): 20-30.

Williams, David L., John D. Beard, and Jone Rymer. 1991. Team Projects: Achieving Their Full Potential. *Journal of Marketing Education* (Summer): 45-53.

Wright, Lauren K., Mary Jo Bitner, and Valarie A. Zeithaml. 1994. Paradigm Shifts in Business Education: Using Active Learning to Deliver Services Marketing Content. *Journal of Marketing Education* (Fall): 5-19.

EXHIBIT 1

Progression of Economic Value forming The Economic Pyramid (Pine and Gilmore 1999)

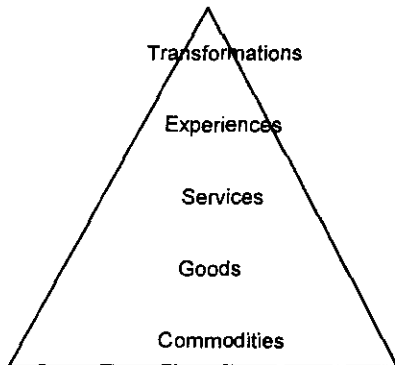


EXHIBIT 2

Experience Realms (Pine and Gilmore 1999)

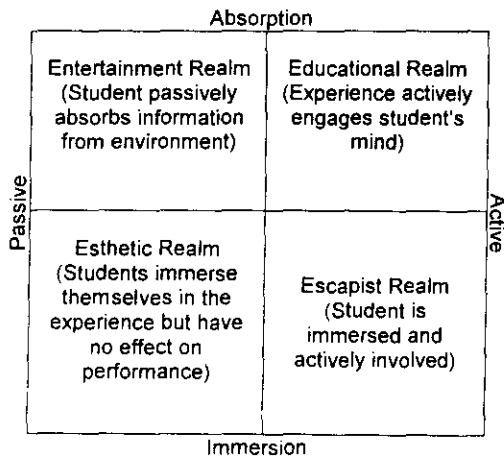


EXHIBIT 3

Experience Realms for Marketing Education

