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## What is Experience Economy? (Part 2)

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In my previous post, I briefly discussed the role experience is playing in few industries. Let's advance this topic by looking at few more concepts like evolution, realms and delivery of experience.

Evolution
Here is a brief look at the transformation in the economy which has started from commodity business and has moved towards to goods business, service business, experience business and we are all set for transformation business:
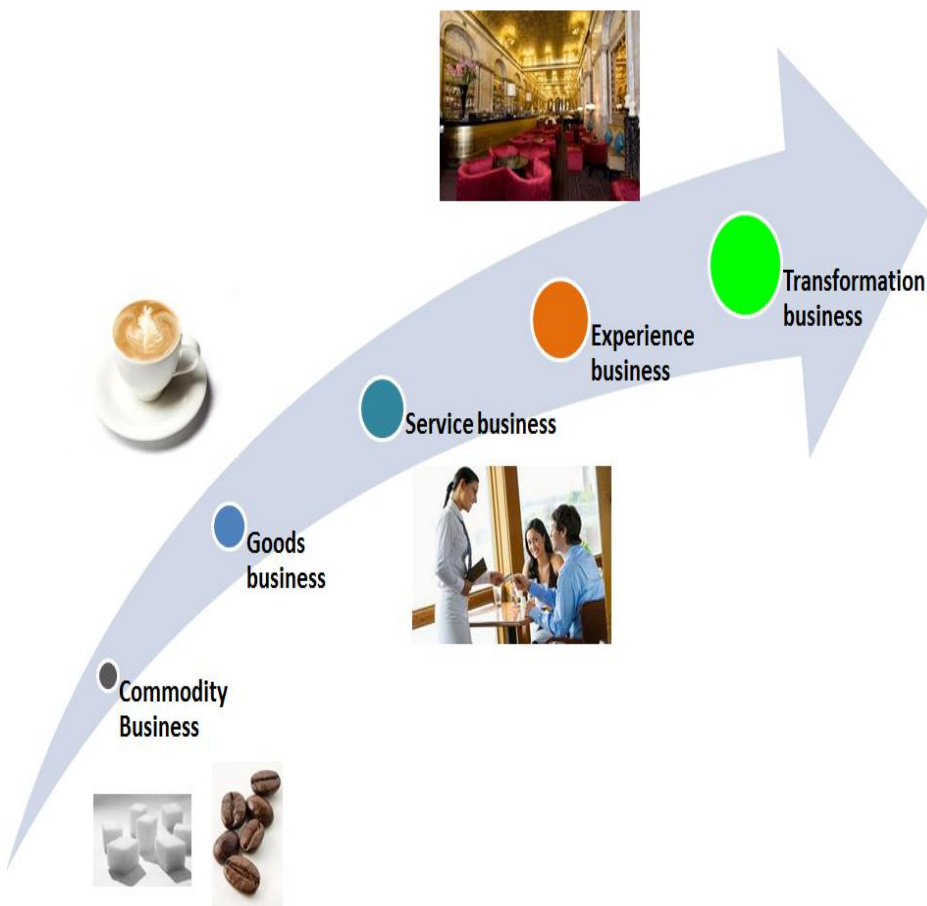
Let's look at the above evolution from a beverage industry perspective:

Commodity business involves inputs for a goods or a service. For instance coffee beans, sugar, milk would fall into this business category. **Goods business** involves selling the end products like various types of Coffee manufactured from the above inputs. **Service business** involves providing value-

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Today, #OpenSource adoption has become critical for business success. Infosys is armed with a suite of in-house tools and accelerators that drive Open

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added services on top of core products like providing coffee through vending machines, drive-in offers etc. **Experience business** involves unique shop, prime locality, in-shop youth-appealing-music, ambience, hospitality, merchandise products, gift cards etc.

Realms and delivery of experience

Researchers have identified following realms of an experience:
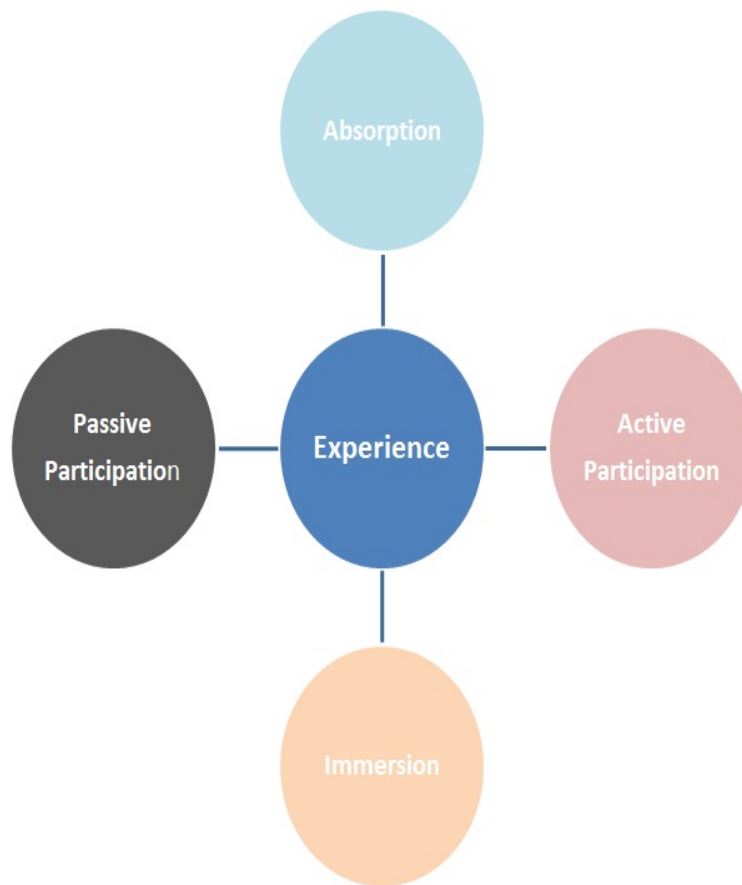
And following factors play vital role in delivering the experience effectively:

- **Create a theme** around the experience. For instance a rainforest kind of atmosphere in rainforest cafe
- **Harmonize impressions with positive cues**. For instance light-hearted jokes found in merchandise of a restaurant.
- **Eliminate negative cues**. For instance "Use me" trash cans in a theme park.
- **Mix in memorabilia**. For instance Sovereigns, T-shirts purchased as a token of remembrance inside a theme park.
- **Engage all five senses**. For instance special effects like sprinkling, fragrance while viewing a 4D cinema

Adoption to the online world

As always online sites mimic the real world experience. Hence most of the online sites incorporate the above themes mentioned above to provide a unique experience for their visitors by providing all related and value-added services at a single place. At the same time they bundle the related products to cross-sell and up-sell. Amazon.com and Netflix.com are some of the classic examples of this model. Facebook has similarly enhanced user's social experience.

Manufacturing sites are providing product information, product comparison tools and cross-channel support providing a single-stop user experience and engage users by integrating with various social media platforms.

From experience to transformation

Experience is not the end of this value chain. Even though experiences are memorable, they would ultimately perish with time. Transformation business aims at a sustained and persistent change. In this economy the end customer becomes the product wherein he/she undergoes a personal change

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like a career enhancement, a better figure etc. The business acts as a supporter or enabler for this change. Customer would become the ambassador for the business.

Summarizing the importance of experience, Janet Prince in her book "*Meaningful Pursuits*" says: People ask, 'What do you want for your birthday?' I don't want more stuff. I want experiences....."

Next time when you visit a place like restaurant, do provide the feedback about the experience. The feedback loop helps the business to continuously improve. After all we drive the transformation and we are the true architects of our future experience!!

Posted by Shailesh Kumar Shivakumar on June 5, 2012 5:54 AM | Permalink

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Thanks for sharing this. It is very interesting read. I immidiately started thinking how Online website can come closure for experience. I recently saw TripAlong feature from MakeMyTrip. I think that is wonderful concept to find fellow travellers and make journey more exciting. In Manufacturing side, i think there can be something like Shopalong where group shopping is done. Another experience which online user will definitely like is improved delivery. Today if I go to anysite, the delivery time is generally 7 days to 10 days. This sometime stop person to make online buy and go to store instead.

Posted by: Devendra Singh | June 5, 2012 7:27 AM

A very interesting read. Reminds me of how Flipkart has made major inroads into the online shopping market. Initially they just had the online mode of payment. Online shopping being relatively new concept in India, customers were apprehensive and hesitant about making payments before actually receiving their ordered items. Flipkart then introduced CoD (Cash on Delivery) payment which seems to have given their sales a major boost. Not to miss their excellent delivery services which ensures you receive your goods well ahead of the promised timelines.

Posted by: Rakesh | June 6, 2012 6:01 PM

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