## THEORIZING THE EXPERIENCE ECONOMY: TOWARDS A FUTURE AGENDA?

NOVEMBER 3-4|2011|HAFENCITY UNIVERSITÄT|HAMBURG

## **ABSTRACT**

Anne Lorentzen, Aalborg University

## Postindustrial growth: Experiences, culture or creative economies?

The paper reflects on differences and similarities between the experience economy approach and the cultural/creative economy approach and discusses the spatial and strategic implications of each of them. The discussion is embedded in insights related to societal and spatial megatrends of post-industrialism.

Tofler (1970) foresaw a change in economic structures towards more luxury consumption, and a demand for psychic gratification, supplied by experience industries. Andersson and Andersson (2006) described the structural changes and the resulting demand for experiences and entertainment, with a focus on Scandinavia, and the German sociologist Schulze (2005) saw an aestetization of everyday life in the advanced countries.

Scott (2007) interpreted the postindustrial economy as a 'cognitive-cultur1al economy', characterized by a high level of computerization and with high levels of human capital. The role of human capital in developed countries was discussed by Florida (2002, 2005) in terms of 'the creative class.' Spatial magnetism through hedonistic appeal became growth engine though the attraction of highly skilled labor. This magnetism was in particular attached to cities (Florida, 2005).

The cultural economy (Scott, 2004) and the creative economy (Howkins 2002) characterize economic sectors, consisting of particular culture products (Scott, 2004) or particular creative processes (Howkins, 2002). Their appeal for research and politics rests with the growth potential and the promise to provide an alternative to fading industrialism. Both these 'economies' have been shown to cluster in big cities (Scott, 2004; Cook & Lazzeretti, 2008: Pratt 2004).

In comparison the experience economy (Pine & Gilmore 1999) can be seen as a megatrend in strategic management in which the customer relationship has the highest priority. The ability to innovate by developing experience offerings provides the businesses with a competitive advantage. Every final product can be the object of experience-based innovation, although P&G also mention particular sectors as having experiences as their 'core', while others have the experience as 'add on'. Place can be seen as a particular valuable ingredient in experience innovation, because it increases the identification of the customer with the products. On the other hand places can be developed as experiences to increase the identification of visitors and citizens with places (Lorentzen 2009), even with peri-urban and rural places.

