



Experience Economy in the Context of Sustainable Development

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One of the main challenges is the question how sustainable development assumptions can be implemented in practice better and more effectively. This paper explores the relation between sustainable development trends and experience economy, with its main aim to describe links of those two ideas. The authors hypothesized that there is relation between sustainable development and experience economy since both ideas have common goals and are a counterweight to the concept of mass consumption. The aim of the study is to prove that the concept of experience economics along with its conscious design in an enterprise can counteract growing consumerism. In order to verify this hypothesis and achieve the main aim, the author used triangulation methods combining desk research and qualitative research. The main research result is that designing experience in organisations will be an important trend that will allow to meet the current challenges not only economic, social but also ecological. It is a very good time for designers for using their creativity in many different branches of industry.

Keywords: experience economy, sustainable development, experience design, consumerism

Introduction

Human life is full of experience. What we experience, what stimuli we perceive, how we deal with them and process them affects the kind of people we become. *Homo oeconomicus* is also a rational man striving to maximise profits and making choices because of the economic value of the results of these decisions.

Although people are not always rational, they have high desire to maximise benefits and learn from mistakes that make this maximisation difficult. The constant need to improve the state of life and the desire to increase the level of possession that goes with it has led to an escalation of standard consumption – the consumption of goods in order to directly meet human needs to the level of consumerism – consisting in almost unjustified real needs, or ecological costs, social acquisition of material goods and services.

In consumerism, consumption has become a key value, determining even the style and quality of life. It is debatable whether this process has been designated by people as consumers, driven by new whims in a dynamically changing world, or by companies that impose new needs on recipients. Nevertheless, hedonistically understood consumption, as well as the accompanying cult of ownership transforming into materialism, led to one of the most important questions of modern times about how not to over-exploit and protect the environment in which we live.

CO₂ emissions, which companies are responsible for, contribute to an increase in the Earth's surface temperature, which translates into melting glaciers and rising water levels. The global deforestation is responsible for the decrease in animal population and for the increase of the smog phenomenon. Excessive use of natural resources means that in the near future we will be forced to change our habits, diets and even lifestyles.

Sustainable development responds to the current needs of people without limiting future generations from being able to meet their needs. Sustainable development requires partnership and is now generally accepted by not only politicians but also producers and end users. Nevertheless, its implementation is not easy and needs effort on the part of the stakeholders. One of the main challenges is the question how sustainable development assumptions can be implemented in practice better and more effectively.

This paper explores the relation between sustainable development trends and experience economy, with main aim to describe links of those two ideas. The authors hypothesised that there is a relation between sustainable development and experience economy as both ideas have common goals and are a counterweight to the concept of mass consumption. What is more that the concept of experience economics along with its conscious design in an enterprise can counteract growing consumerism.

In order to verify this hypothesis and achieve the main aim, the author used triangulation methods combining the desk research method and also qualitative research in form of the individual in-depth interviews (IDI). The scenario was divided into introduction, summary and three substantive parts. The respondents were representatives of enterprises and experts in the field of experience economy, experience design and sustainable development.

Experience Economy, Circular Economy Role and Implementation

The economy of experience is based on the experience of the recipients and refers to their emotional, physical, intellectual and spiritual involvement in the consumption of products and services. Thanks to such approach, the recipient has a sense of participation and co-creation of different types of activities, and thus of involvement and identification with the product. The

price of such a hybrid offer is therefore higher than the purchase of the good itself.

In practical terms, the relationship between the producer and the recipient may assume two extreme types of behaviour – active and passive. In an active relationship, the manufacturer allows the recipient to co-create the selected good or service that the recipient wants to purchase (Stickdorn & Schneider, 2011). In a passive relationship, the producer recognises the lack of need to involve the recipient in the process of producing the good or service. The main assumptions of the experience economy include the following aspects (Dziewanowska, 2013):

1. it is not products or services that are purchased, but the accompanying sensations, which means that value is no longer considered only in the utilitarian context, but value is considered in relation to the category of experiences that allow buyers to fulfil their dreams and achieve the desired lifestyle (Bakowska & Tomczyk, 2014; Smith & Wheeler, 2002);
2. key are customer experiences (Majchrzak, 2014), which co-exist with increasingly personalized consumption, based on the intangible values accompanying the concluded transaction, such as feelings, smell, prestige, impressions, mood, atmosphere (Stasiak, 2013), store appearance, service behaviour, product packaging, way of providing the service, way of communication with the customer, etc. (Skowronek, 2011).

Experimental goods are characterised primarily by the fact that they are symbolic (based on mass beliefs, ideas, commonly held values), consist of messages affecting the imagination, have an element of surprise, create a desire to repeat the experience, are virtual, can use all the possibilities of digital technologies, so they are widely available. The economy of experience is based on experience as the main factor of creating value. Thanks to this, the product itself could be used many times, because it is not the products that are the goal, but the experience around them (Pine & Gilmore, 2013). The economics of experience can therefore become part of circular economics.

The circular economy (Ellen MacArthur Foundation, 2013) is a sustainable development paradigm that has attracted the attention of governments and organisations around the world as it is considered a promising concept to enable more sustainable economic development in a changing socio-economic landscape where resources are limited. The interpretation of the Ellen MacArthur Foundation has become a de facto standard in recent years.

However, it appears that industry has not yet implemented the principles

of a circular economy for sustainable production on a large scale (Heshmati, 2015).

The main concept of circular economy is based on the principle of reborn design (Stahel, 1982), who in the 1970s, in a research report entitled 'The possibility of changing the workforce to energy' commissioned by the European Commission, sketched a vision of a looped economy. This concept was developed by (Braungart & McDonough, 2002). In a book published in 2002 they comprehensively described a philosophy of action called cradle-to-cradle.

The cradle-to-cradle model is the driving force behind the circular economy and is used to describe a sustainability model in which manufacturers, looking at nature, introduce solutions to reduce or eliminate waste. Economic growth in the circular economy model is not related to the consumption of limited natural resources. Materials are divided into technical and biological ones and so the production process is conducted in such a way so as to maintain and use the highest quality throughout the product's life. The main focus is on the efficient design and use of materials in order to optimise their flow and maintain or increase technical and natural resources. Circulation management can therefore be interpreted as a set of many complementary principles. The proper selection and application of these principles largely depends on the context of the problem. In order to implement the principles of circular economics, it is necessary to start by changing the approach to the design of products and services so as to eliminate the concept of waste already during production – things, packaging and systems – from the very beginning based on the assumption that there is no waste (Braungart & McDonough, 2002):

Zero waste, zero emissions, zero 'ecological footprints,' [...] zero is a good target. We also need to understand that poor design of things is dishonourable, destroying the best systems that man could create. [...] Respecting diversity in the design of things means not only how the product is made, but how it is to be used and by whom. The cradle-to-cradle concept can have many uses, many users, over time and space.

The circular economy model is based on the 3R rule: reduce reuse, recycle, which is a challenge and a necessity to change the current paradigm of management. This is the basis for the Canadian formula 4RV + ges – réduire, réutiliser, recycler, régénérer, valoriser + 0 gas à effet de serre, which means to reduce, reuse, recycle, regenerate, valorise + zero greenhouse gas emissions. The Swiss 5R formula assumes réduire, réparer, réutiliser, recycler, réinventer, i.e. to reduce, repair, reuse, recycle, reclaim, regenerate, reinvent (Raftowich-Filipkiewicz, 2015).

Designing Experiences in the Context of the Future and Designing for the Future: Research Issues

Current economic realities are very difficult for micro, small, medium and large enterprises. The environment is turbulent, trends are created in a very short time, and quickly disappearing. It is not just companies that create economic reality. It is also intensively created by consumers. Thanks to new media, especially developed thanks to the Internet, buyers have the opportunity to communicate their needs and reasons. Thus, economic realities arise at the interface between the world created by producers and the world of recipients.

Even the organisation's many years of experience will not necessarily be able to guarantee its managers the skilful construction of the entity's operating strategy. In such intensively changing realities it would be wrong to assume a certain level of sector expertise or trends. Fashion and trends emerging in economic realities pose significant challenges for enterprises. It results, among others, from the fact that they determine the activity of entities.

However, it should be remembered that fashion and trends should not be given up. In order to manage them effectively, business models that help create economic reality, not just being passive recipients, can be helpful. What's more, active trend analysis, conducting research on the company's environment can support entities in the fight for a strong competitive position on the market (Spsychalska-Wojtkiewicz & Tomczyk, 2017).

The specificity of issues related to economy of experience and the trends that follow it is so complex that the authors decided to apply a qualitative study to deepen the phenomena accompanying these issues. Individual in depth interviews (IDI) were selected as a technique, taking into account the specificity of respondents, namely experts coordinating strategic processes in enterprises. Experts came from various European countries ($N = 20$), but they all represented entities from the creative sector (such as fashion, ICT, multimedia production, audio-visual arts, advertising, graphics). Interviews were moderated by the authors. They lasted 40 minutes and were recorded in accordance with the principles of anonymity of the interviewees. Transcriptions from interviews were carried out and analysed. Interviews focused on three main research issues:

- lack of information on how to design customer experience,
- lack of information on whether designing experiences can counteract excessive consumption,
- lack of information on how to reconcile mass production and mass sales with the sharing trend, and whether conscious design in enterprises can remedy this.

The problems presented to the respondents determined the interview scenario and research questions. The interview began with an introduction to the general assumptions of the conversation and ended with a summary of the main conclusions. The main part has been divided into two areas:

- the first concerned issues of experience design,
- the second focused on design issues in relation to contemporary socio-economic challenges.

The interviews were aimed at verifying the hypothesis that there is a relation between sustainable development and experience economy because both ideas have common goals and are a counterweight to the concept of mass consumption. The qualitative study has positively verified this hypothesis. Experts admitted the concept of experience economics along with design in an enterprise can counteract growing consumerism and has shown that the current, difficult time, full of environmental challenges in particular, is a very good time for designers, as there are possibilities of using their creativity and redesigning products that do not meet current standards. The process of designing experience in organisations will be an important trend that will allow to meet current challenges not only economic and social but also ecological.

Designing Experience in the Opinion of Experts

Sensations that flow from experience can have a number of dimensions, e.g. sensory, aesthetic, visual or olfactory. Thus, each of them, as well as the sensations arising from it must be properly planned and therefore designed. An apt design should create or fit into existing trends. According to the experts surveyed:

One of the current trends that will not lose its significance but will even strengthen is craft – manual work and a return to creative foundations.

According to the experts surveyed, there are concepts for the design of products, services and enterprises that would be good for people, business and the environment, but these are quite niche initiatives and still not enough, as well as not breaking through to mass consciousness.

A lot of initiatives are created, but unfortunately they are usually start-ups and not large enterprises (and these have their limitations). I know, for example, a company that produces algae bottles or produces materials from potato waste. The concept of recycling as a method of business seems to be very accurate.

Experts judged that a wise concept uniting the goals of buyers, producers and the environment is circular economics, which can help stop ex-

plotation of the planet. The circular economy assumes a renewable and self-regenerating system designed to reduce and ultimately eliminate the amount of unused waste and wasteland arising in the economy. In a closed economy, products are not wasted – they are recycled, processed, repaired or they find another buyer or other purpose. This is an incredible challenge for producers, managers and designers.

Circular economics and circular design are very difficult concepts because they assume that the product will not become waste. This requires designers, enterprises and management assumptions to move away from the traditional paradigm and the concept of the product linear life cycle: from production to its death. The circular approach assumes that the product never really goes out of circulation and never becomes waste.

The respondents in answer to the question, considering creating and offering buyers products of high quality but also high prices that can be countered against excessive consumerism focused on cheap fast-moving goods, agreed that this is how it can be:

Briefly: yes. Quality must be good, then these goods will be much more respected and can be used many times.

I think so, that it is a matter of quality it compensates for, a higher price, or longer waiting for the product.

The high price aspect is problematic. When an economical, rational person is able to buy easily available goods at a lower price, one will most certainly choose them. The question remains what if one is presented with a long-refined and meticulously designed product, being hence expensive. Will the buyer be interested? In experts' words:

I am convinced that awareness in this area is increasing. It was completely different a few years ago, it is different now and, in a moment, in the next period it will be different as well. Consciousness increases. You will want to have not only more beautiful things, not only good quality, but also what gives us aesthetic pleasure, so the combination of this creativity, art and business has a future.

According to the respondents, well-designed, durable products will stay with customers longer, not only due to their functional but also sentimental ties. Even a daily product can bring back memories, i.e. offer specific sensations. Many people value inherited items, e.g. from grandparents, in order to build a family identity. For such things to stand the test of time, they have to be of good quality, which often goes hand in hand with price, which consumers know and are often able to accept in such cases.

Some experts note that consumer education is necessary, pointing out why prices are low, what affects them, and why prices are high. Several re-

spondents said that they are able to risk the statement that among young people, despite the extensive and momentous discussion about environmental protection and natural resources, there is a cult of ownership. They don't wonder where the products come from, how much they are worth, where they are produced. This lack of knowledge and reflection causes that they do not value them and quickly get bored and replace them. According to the experts of this study, as well as KPMG (2018) analyses, *The Fashion Market in Poland*, is mostly young buyers at international stores with low or medium price caps. What's more, in recent years the fast fashion approach has evolved in consumers a strong need to have clothing corresponding to seasonal trends, produced quickly, but not durable and quickly out-dated, contributing to increasing the consumption of clothing by half, but also increasing the formation of clothing garbage.

However, with age and a richer portfolio, there is interest in good quality and specific aesthetics. Education in this field seems to be justified from an early age in order to teach future consumers that it is not worth falling into the clutches of unrestrained consumption, and that it is worth saving and sensibly managing the signed funds, exchanging them for high-quality products. According to experts, personalisation is important for craft products.

The respondents referred to examples of Scandinavian countries considered to be rich, where citizens pay special attention to aspects related to waste segregation, cleanliness of public space, or environmental protection. According to the surveyed customers, e.g. from Sweden, they appreciate expensive products from natural resources, care for them and adhere to the principle of their repair and further use, not just throwing them away and replacing them with new ones. An example would be a shopping mall opened a few years ago in Swedish Eskilstuna where only recycled items are sold – second hand and repaired. There are clothes, furniture, vases, lamps and other decorations, bicycles, books, as well as home appliances and electronics (see <https://www.retuna.se>). Regardless of the country of origin, the respondents concluded that the question: 'Can building customer experience (counterpart) prevent excessive consumption?' is a difficult question to answer but they are able to agree with a positive answer:

Yes, customer experience can cause buyers to want to participate and experience instead of just have it. Referring to the eternal question to have or to be, the experience economy can lead us to the path of being, the experience of things.

In the course of these statements about customer experience in the face of consumerism, the respondents were asked to answer the question: are buyers looking for the products themselves or are they looking for experi-

ences related to them? The answers prevailed that buyers, in addition to the solutions offered by the products, are looking for certain impressions and experience (even if they are not completely aware of it). The greater the pleasure of these experiences, the better the product is remembered and the more buyers want to identify with it and do not want to part with it.

Generally, yes. In the case of basic goods, such as bread or soap, you will notice that impressions, memories of warm bread, a family home, etc. are added, and to a large extent these projects can affect the purchase. When buying, for example, soap, it is also encapsulated with a certain aura, e.g. relaxation, time for yourself etc. These impressions influence the purchase.

Thus, the authors asked: can one design experiences to counteract excessive consumption? Make customers buy less often but reasonably, and even at a higher price? According to the respondents, yes, it is possible.

Yes, you can design your experience the most. I think this is already happening and more and more companies are doing so. Enterprises are increasingly designing products and services that respond to specific needs.

It's already happening and I think that this trend will be more and more popular, also because we live in times where the ecological crisis is unfortunately very likely and will also force it.

Yes, for example according to – fun theory, where human habits change through experience in the form of fun. I think a well-designed experience can mean that we will not only buy but will pay for the buying experience.

In the opinion of experts, designing experience is a very current and important topic, especially in the context of protecting natural resources and the environment. For this reason, the respondents emphasised that this topic would continue to grow in importance. According to the respondents, designing experiences and consumption impressions may prevent excessive buying and throwing away. Experts mentioned that some time ago things, such as furniture, interior design, but also clothes and other textiles, were passed down from generation to generation.

Discussion and Interpretation in Perspective of Sustainable Development

Appropriate designed experience can cause the buyer to be strongly attached to things, identify with them, which in turn can lead to taking more

care of them and to desire to pass them on to others. According to the respondents, this trend may counteract excessive consumption, since during the consumption process it was determined by producers that their products were quickly disposable, and their usefulness ended with the warranty period.

This is similar to research of the emotional bond consumers experience with their durables during ownership, which shows that for both product attachment and satisfaction, the pleasure elicited mediates the effects of utility and appearance (Mugge et al., 2010).

Designing experiences and impressions of recipients resulting from contact with the purchased product may lead buyers to buy less. What's more, it may develop the need to search for added value that they would not get anywhere else. Such value may be, for example, a positive or neutral impact on the environment, products that are not tested on animals. The trend of thoughtful design of experience can occasionally make customers more aware and more demanding of producers. What is more, they will be more focused on the quality not on the quantity of products and will be willing to pay more for the quality that meets their needs. According to the respondents, the social suitability of business, social innovations, circular economics, recycling or upcycling, fair trade are trends that change business, the fashion sector or fast-moving goods. These changes are not temporary, as the widely discussed climate crisis has its impact on producers and consumers.

Producers will permanently introduce changes that are profitable. An important role in this practice lies with the consumers; namely, their passive or active attitude can give testimony to what they expect. The preview research shows that the group of buyers with moral norms is the smallest one and consist of experience buyers with higher income (Han 2016), so the new way of production and business models needs to be developed.

According to the respondents, the role of entrepreneurs should be re-defined so that they are more aware of targeting not only sales but also responsibility for the environment and recipients. Concepts for, for example, adding ideas such as:

- planting trees,
- creating urban gardens or municipal food gardens,
- creating city hives,
- manufacturing products from new materials (e.g. clothing from recycling materials),
- looking for alternative materials for plastic,
- sharing food, meals,

- searching for cheaper and energy-saving logistics solutions could change a lot in the approach of entrepreneurs.

According to experts, when starting a business, the entrepreneur already has a kind of debt to pay because he uses natural resources for enrichment purposes, thus he should look for a way to repay to nature. It goes together with the theory of circular economy (Braungart & McDonough, 2002; Heshmati, 2005; Raftowich-Filipkiewicz, 2005).

Hypothesis that there is relation between sustainable development and experience economy because both these ideas have common goals has been positively verified. Moreover, according to the respondents, these issues are combined and cannot be resolved separately. Sustainable development and experience economy should be implemented together to be a counterweight to the concept of mass consumption.

Conclusions

The results of the study helped to achieve interesting results indicating that the current, difficult time, full of environmental challenges, is a very good time for designers, as opportunities for using their creativity are opening up. The respondents confirmed that the process of designing experience in organisations will be an important trend that will allow to meet the current challenges not only economic and social, but also ecological.

Customers operating in a spiral of desire to own have more than one thing of the same kind, they surrender to the mass market because they do not want to differ from others, because they want to have more, they want to manifest something with their possession. It is therefore important to find a way out of this self-winding spiral by designing products and solutions that will guide reason and concern for the quality of life of present and future generations.

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