

Skills4Retail
Building sustainable growth

Leadership in the Experience Economy

Workshop 2: The Experience Economy

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What we will cover today:

- The Origins of the Experience Economy
- The 2024-2030 Updated Model
- Business as Theatre
- The Value of Experiences
- The Rise of the Transformation Economy
- Storytelling in Customer Journeys
- Leading Brand Examples

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Introduction

- Welcome and objectives of the session

- Why the Experience Economy matters today

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The Experience Economy - Objectives for this Topic

- The Objectives of this Topic is to look at the concept of the Experience Economy and its new found relevance in the current era of retail

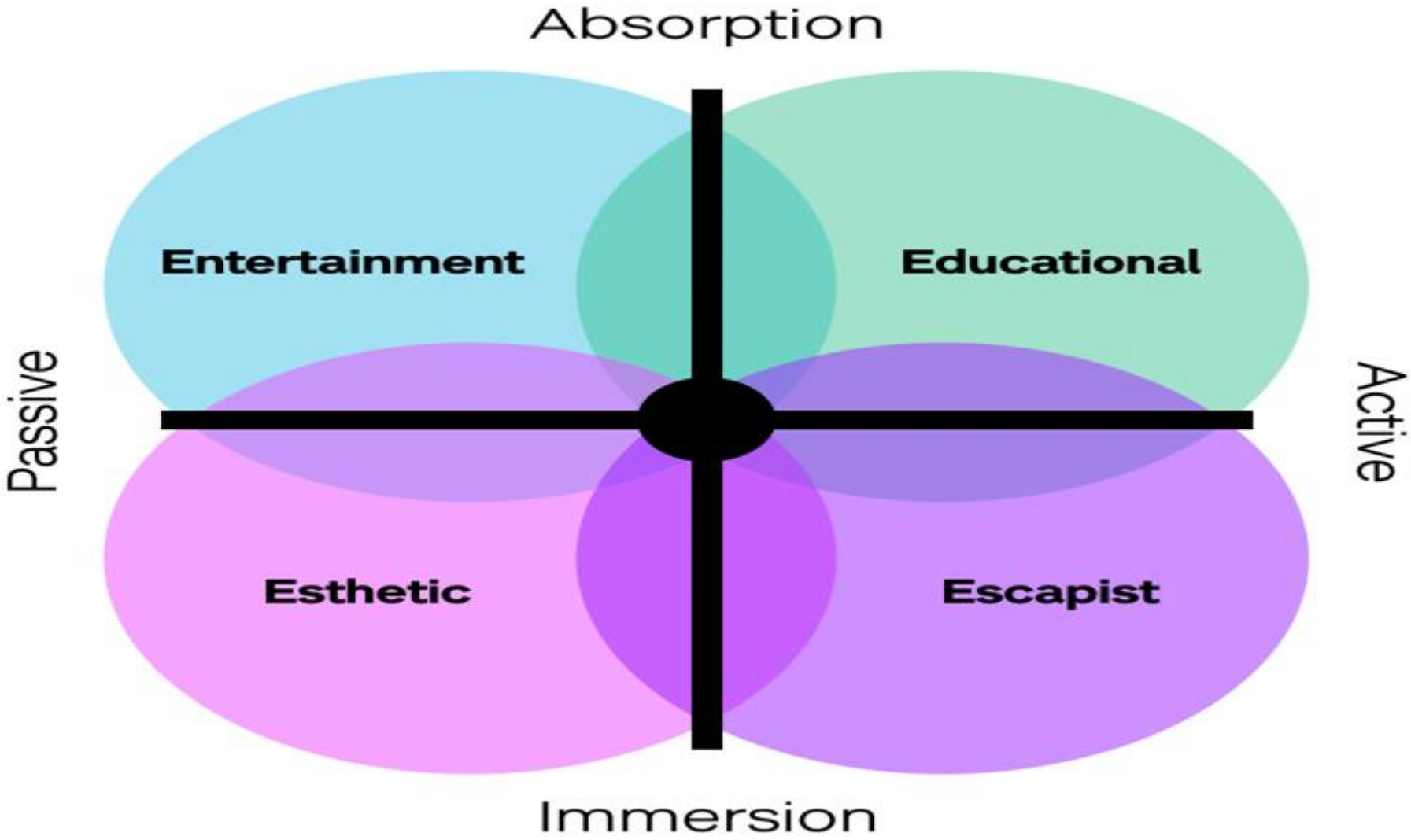
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Defining the Experience Economy

- In the experience economy, customer experience drives economic growth. The experience economy gives business leaders a new framework for understanding customers and how to invigorate them through experiential services.
- Although the concept goes back to its initial work by Pine and Gilmore, The experience economy is still hugely relevant for 2025 -2030 and the battleground for the hearts and minds of the retail customer is being fought on the experiences generated as well as the other factors involved
- We must look at the modern experience economy and one relevant to the current era of 2024-2030

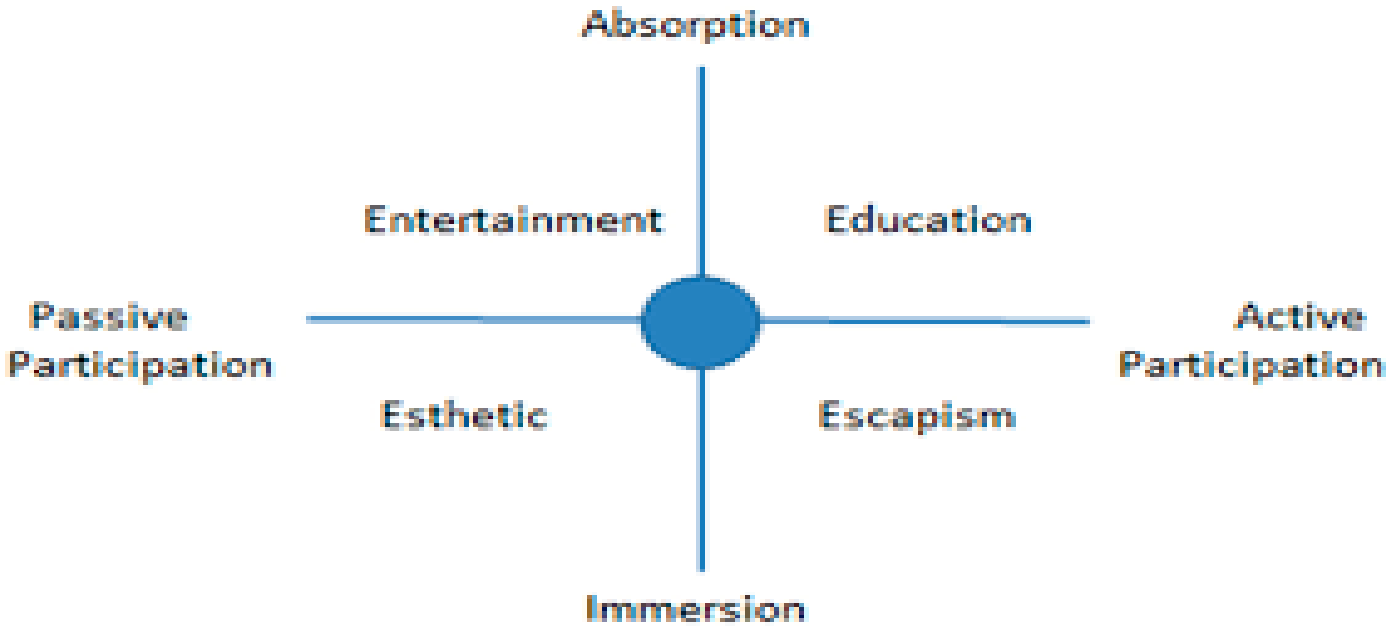
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The Experience Economy Framework



Pine & Gilmore's Four Realms of Experience

- Entertainment, Education, Escapism, Aesthetics
- Real-life examples for each realm



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Pine & Gilmore's Four Realms of Experience Discussion

- Entertainment, Education, Escapism, Aesthetics
- Self Reflection Activity - Consider your own retail outlet and where these four realms are relevant. Write these down and be prepared to share them in a discussion.

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Why Experiences Matter

- Emotionally engaging experiences drive loyalty
- Customers remember how you made them feel
- Therefore it is important that the ‘Experience’ has a strong emotional and human element



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2024–2030: The Evolved Model

- Focus on personalisation, co-creation, and technology
- Data-driven experience design



Staff are Actors

- Role-playing and scripting in service delivery
- Staff as experience enablers

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Theatrical Principles in Business

- Staging, set design (environment), timing, choreography
- The power of entrances and exits



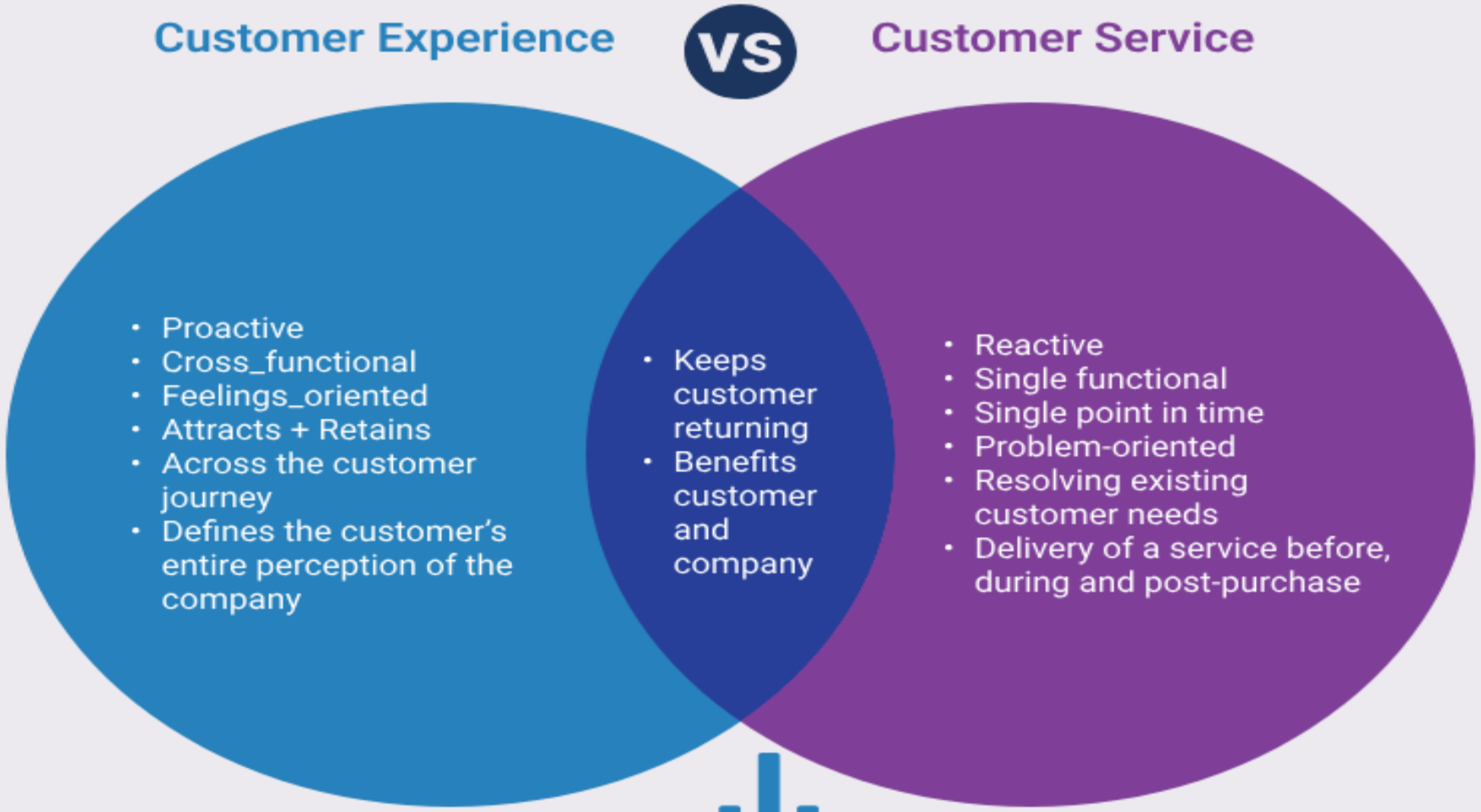
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The Value of Experiences

- We buy meaning, memories, and emotions
- Consumers seek brands that align with their identity

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Experience vs. Service



Examples of Experiences as Products

- Starbucks, Disney, Airbnb
- How they add experiential layers?







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Emotional Resonance in Customer Experience

- Emotional intelligence in CX
- Brands that connect deeply with customers

Group Exercise - Name two organisations or businesses that connect deeply with their customers. Spend 10 minutes discussing this and feeding back afterwards your choice and describe the connection

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The Transformation Economy

- Definition: An economy where businesses help customers achieve their aspirations, realise potential, or undergo meaningful personal change

- Value Proposition: The customer doesn't just *buy* or *experience* something—they are *changed* by it
- Example Industries:
    - Health and wellness (e.g. long-term fitness or mental health programs)
    - Personal development (e.g. coaching, mentoring)
    - Education and upskilling
    - Sustainability e.g. brands helping people live more environmentally conscious lives

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Transformation Economy in Action

- The Transformation Economy is about helping people become who they want to be—it's no longer just about delivering a service or a great experience. It's about partnering with the customer to achieve a lasting, meaningful change in identity, lifestyle, mindset, or capability

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Transformation Economy in Action

EXAMPLE - **HYROX**

HYROX is more than a fitness competition—it's a global transformation brand built around personal challenge, identity, and community. It moves well beyond simply offering an experience (like a single race day) to changing how participants see themselves and how they live



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Experience + Transformation = Value

- Where can Experience and Transformation combine in creating greater value to the retail customer
- Retail Customisation → Empowered Identity
- Example: A high-end fashion brand enables customers to co-design their clothing online or in-store. This shifts the customer from passive buyer to co-creator, offering a transformation in self-expression and confidence

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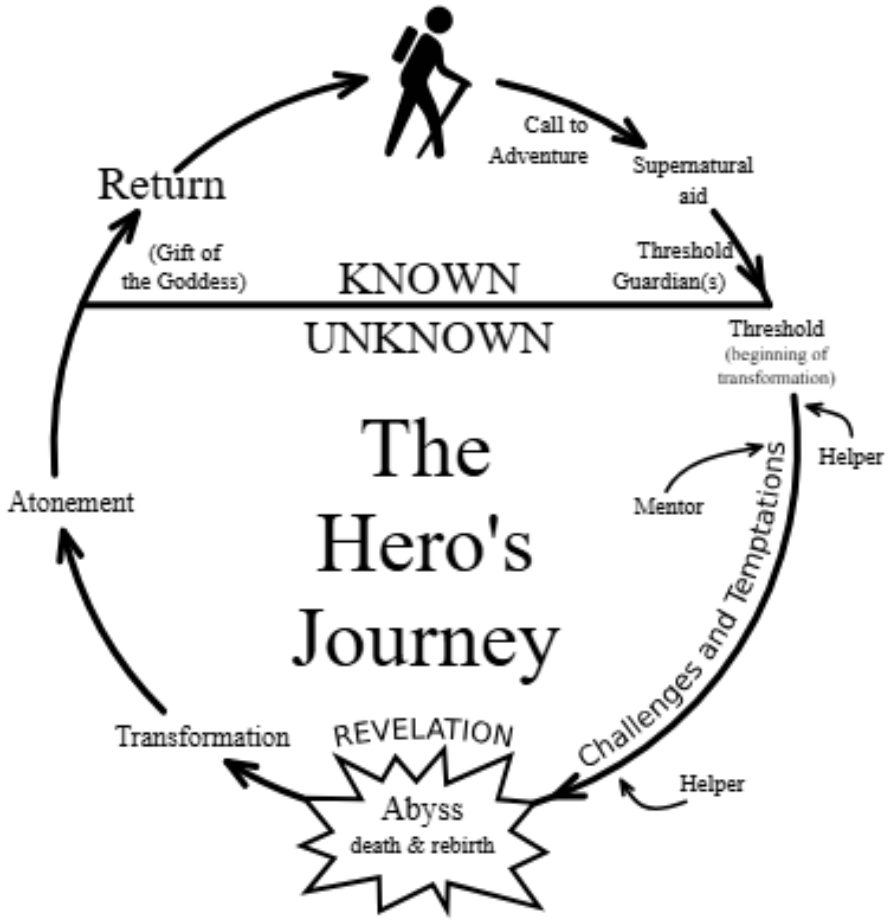
Storytelling: The Heart of Experience

- Humans are wired for stories
- Stories create emotional anchors
- Stories create trust

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Elements of Great Brand Storytelling

- Hero’s journey, authenticity, purpose
- Emotional triggers



Storytelling in the Customer Journey

- Awareness, consideration, purchase, loyalty
- Story touchpoints at each stage



Tools for Storytelling

- Visuals, narrative, music, smell, environment
- Customer personas
- Staff training for brand storytelling



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Brands that Master Storytelling

- Nike, Apple, Guinness, Lego
- What they do differently?

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Why Storytelling Works

- Neuroscience of narrative: oxytocin, empathy
- Enhancing memory and connection

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Case Study: LEGO

- Play as learning and imagination
- Experience centres and customer co-creation

NOTE - See Lego Case Study provided



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Case Study: Guinness Storehouse

- Immersive, multi-sensory journey
- Celebrating heritage and identity
- A strong story



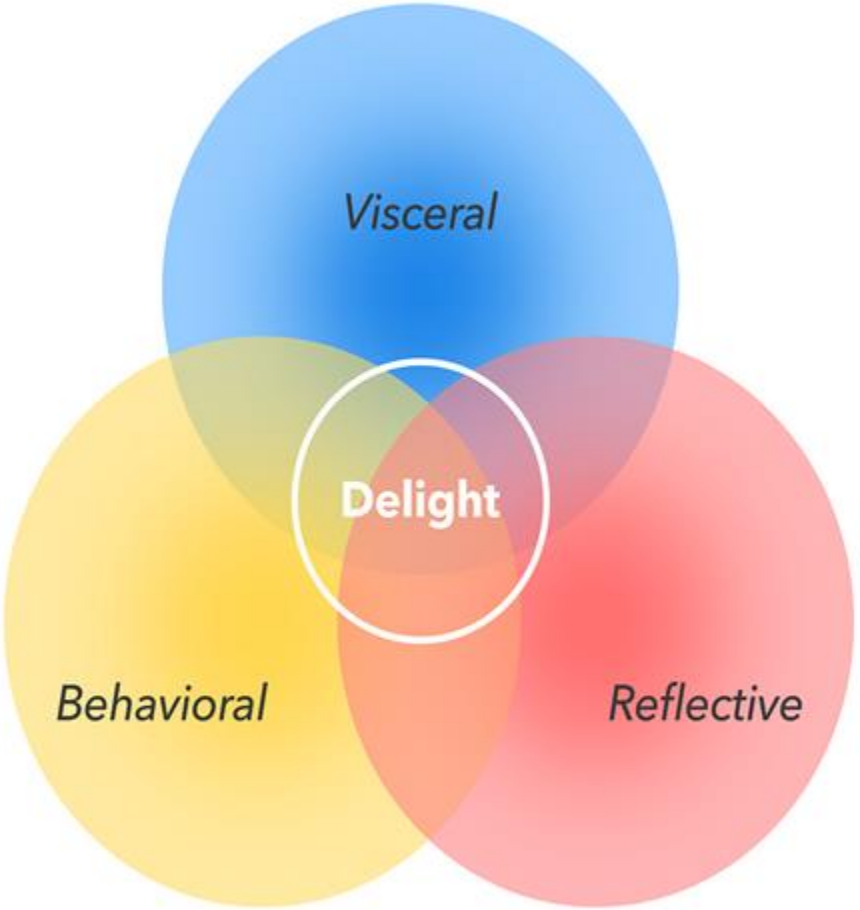
Note - See Guinness Storehouse

Case Study provided - Activity

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From Transaction to Memory

- Designing for emotions, not just functionality
- The experience design mindset



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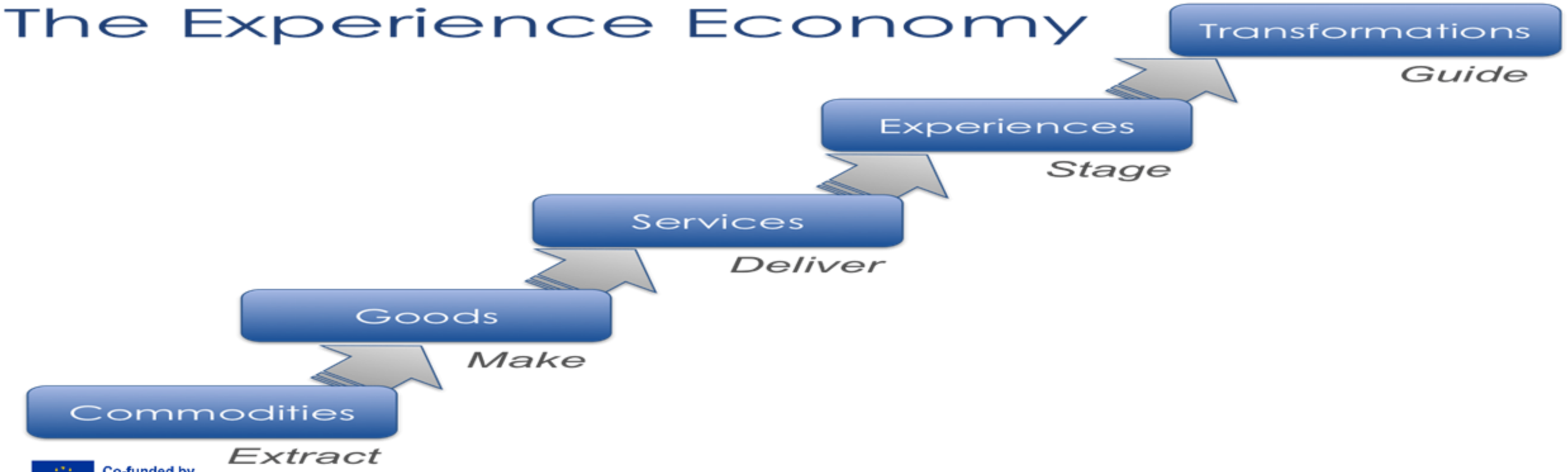
Customer Experience Touchpoints

- Pre, during, and post-purchase
- Emotional mapping of touchpoints

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Mapping the Experience Journey

- Customer journey map example
- Highlighting opportunities for delight



Source: B. Joseph Pine II & James Gilmore
"The Experience Economy" (1997, 2011)

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Mapping the Experience Journey - Why is it important?

- Mapping the Customer Experience Journey is a powerful tool that helps organisations see their business through the eyes of their customers. It visualises each step a customer takes when interacting with a product, service, or brand — from first awareness to post-purchase engagement — and captures their needs, expectations, emotions, and pain points at each stage
- An important element of the creation of an outstanding experience for the retail customer, is to map the journey they encounter and to ensure that that it is one we maintain with excellence consistently

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Designing Moments of Impact

- Activity: Moments that matter most - Identify these in your business
- Surprise and delight - Going beyond expectations

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Touchpoints that Build Loyalty in Retail



Immersive Experience Technologies

- AR, VR, holograms, sensory tech
- Future possibilities in retail



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Culture and the Experience Economy

- Cultural relevance in experience design
- Localisation vs. globalisation



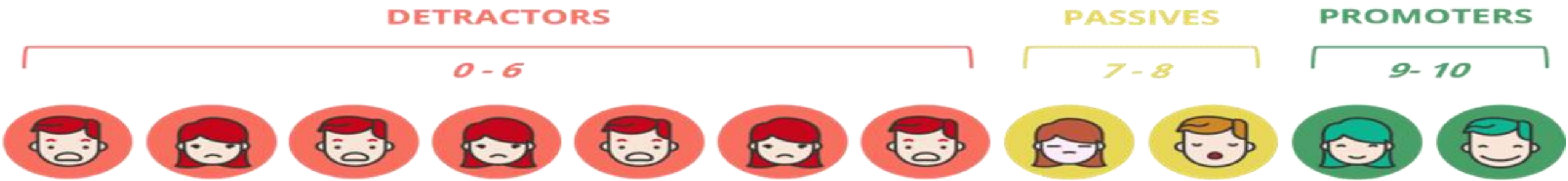
Empowering Employees

- Staff as brand storytellers through digital tools and platforms
- Training and emotional engagement

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Metrics for Experience Success

- NPS, customer sentiment, loyalty, lifetime value



DETRACTORS

- Rate you from 0 – 6
- Require proactive outreach to mitigate brand damage
- Are not particularly satisfied by your product or service

PASSIVES

- Rate you between 7 – 8
- Are susceptible to competitive offerings
- Are left out of the NPS calculation

PROMOTERS

- Rate you between 9 – 10
- Are loyal and likely to repurchase from you
- Fuel viral growth through word of mouth

Beyond Metrics: Stories as Evidence

- Collecting and sharing customer stories



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Challenges in the Experience Economy

- Lack of awareness of the concept
- Overstimulation, inconsistency, inauthenticity
- Strategies to overcome them

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Practical Takeaways

- Quick wins to improve experience design
- Ask: What will your customer remember?
- Where are your key touchpoints?

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Group Activity or Discussion Prompt

- Design a branded customer experience
- Share and discuss in pairs or groups



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Summary of Key Points

- The Origins of the Experience Economy
- The 2024-2030 Updated Model
- Business as Theatre
- The Value of Experiences
- The Rise of the Transformation Economy
- Storytelling in Customer Journeys

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Reflection Prompt

- How can your business move from service to experience?

- What can you implement tomorrow?

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Reading & Resources

The Experience Economy – the future of the High Street

https://365retail.co.uk/the-experience-economy-the-future-of-the-high-street/

Retail Brands that use Storytelling

https://www.growave.io/blog/brands-that-use-storytelling

How emotional insights transform your CX strategy

https://www.retailtouchpoints.com/features/design-perspectives/how-emotional-insights-transform-your-cx-strategy#:~:text=Incorporating%20emotional%20journey%20mapping%20%28EJM%29%20allows%20retailers%20to,points%2C%20tailor%20experiences%2C%20foster%20connections%20and%20build%20loyalty.

Making memories – the rise of the experience economy

https://home.barclays/insights-old/2024/06/making-memories--the-rise-of-the-experience-economy/

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