

# **Creating Experience Values - Producing Experience Spaces A Pragmatic Inquiry into the Spatial Practice and Materiality of Experience-based Value Creation**

by

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# 1 INTRODUCTION<sup>1</sup>

The experience economy represents a turn in both business strategies and in local development strategies, urban as well as rural. The manifestations of the turn within these two domains are partly interwoven and the focus on space, place and new social practices are central to both. Businesses focus increasingly on non-material features of their products such as narratives and images which relate to the customers perception. Local politicians and planners, on the other hand, increasingly focus on quality of place and quality of life as an aim in itself and as a tool for attracting citizens, tourists and businesses. Thus, the growing demand for meaningful experiences that is a driving force in this experience turn presents many opportunities to be exploited by firms relying on experience-based value creation, not least within the tourism industry.

However, in order to understand the experience turn, focusing on the interplay of immaterial and material aspects is important as experience creation is a typical sociomaterial phenomenon taking place in more or less designed physical contexts. This means that knowledge applicable from e.g. academic tourism studies does not necessarily provide all the adequate guidelines for how to accomplish meaningful experiences for guests. The insights for experience producing practice from studies of non-material features informed by the cultural turn should be supplemented by insight from studies that acknowledge the significance of materiality, technology and objects in modern experience creation. Taking a pragmatic turn towards the material aspects of experience-based value creation means addressing issues of equal importance to practitioners in the field compared to the immaterial ones highlighted in the cultural turn.

A renewed engagement with material culture see material objects and physical sensations as much more central to experience-based value creation than traditionally assumed and acknowledge that extraordinary experiences involve, and are made possible and meaningful by, objects, machines and technologies (Bærenholdt et al. 2004, Sheller and Urry 2005). Moreover, this focus on the material is literally placed within a spatial setting, based on the idea that places are centres for consumption and provide a variety of contexts within which consumers compare, evaluate, purchase and consume goods, services and experiences (Urry, 1995). In addition, although the target group for the practical implications of the research presented here is experience-creating firms, and as such could be seen as production or producer oriented, the consumer of experiences is a central part of this perspective. This is due to the fact that the types of experience products that are the main focus here are always co-created jointly by producers and consumers. This means that there is no production without more or less simultaneous consumption. In this way, the approach presented is also consumer oriented in its focus. Thus it is suggested that a constructive path to follow for future studies of experience-based value creation is a further engagement with the ‘spatial’ and the ‘material’ – the ‘nuts and bolts’ of the practice field.

First, the empirical context for the research issues is introduced (part 2). Second, the pragmatic approach underlying the inquiry is outlined (part 3). Third, a conceptual discussion and reconstruction of the practice of experience-based value creation is conducted (part 4). Fourth, some implications for practitioners in the field are discussed (part 5).

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<sup>1</sup> This paper presents the authors contribution to a joint research project on developing tools for experience-based value creation (see Samuelsen et al. 2010). I would like to thank the other members of this research team, Erika Søfting, Jarle Løvland and Bjørn Ekelund, for their constructive comments and for being fun to collaborate with. The project was funded by Nordland County through VRI Nordland, project nr. 187820/I20.

## 2 APPROACHING THE PRACTICE OF EXPERIENCE-BASED VALUE CREATION

“We neither have nor can be given experiences. We *make* them in a highly personal way of taking in impressions, but in this process we use a great deal of established and shared cultural knowledge and frames” (Löfgren 1999: 95).

People want to live enriching, meaningful lives, and many can afford to realise this quest. As a result, the experience economy have for several years been the fastest growing part of the global economy. This implies that there are a lot of entrepreneurs out there who, more or less successfully, recognise and exploit entrepreneurial opportunities based on various ways of meeting the growing demand for meaningful experiences. Thus, it should be very useful for entrepreneurs as well as for established businesses to acquire knowledge on how meaningful experiences are made or created. Since, following Löfgren (1999), experiences are neither something that can be *had* by consumers nor *given* them by businesses, some kind of active, creative effort on both parts must be put into the creation of meaningful experiences. This constructive effort literally *takes place* and *makes place* and is continuous over a long time span – starting before and ending after the in-person encounter. Relevant knowledge on this spatio-temporal process of experience-based value creation should be part of the active, productive skills of entrepreneurs who want to succeed in the experience economy.

Experiences are highly personal, subjectively perceived, intangible, ever fleeting and continuously on-going. Their valuation is based on individual tastes, interests and preferences and to be valuable and meaningful, they somehow contribute to the general well being and welfare of the individual. Nonetheless, as commodities they are more than randomly occurring phenomena located entirely in the minds of individuals. Thus, creating meaningful experiences is a practice field with many challenges and problems facing the producer/firm/entrepreneur. At the same time, studying experiences, their creation and the markets for them, is a task with challenges and problems of its own (Boswijk et al. 2007).

This paper focus on a type of experience production and consumption characterised by i) that consumers show up at the production site expecting to be engaged in some way; and ii) that the consumers, to varying degrees, are involved in the creation of the experience products (as co-producers or co-creators). The commoditisation of and search for such experiences has a material base that is itself anchored in space. Their production and consumption occur in an endless array of places, what Sheller and Urry (2004) term “places to play, places in play”.

Above, the lack of interest in material matters in much research inspired by the cultural turn was briefly noted. However, rather than spending time on criticizing lines of thought that undoubtedly has its merits on its own terms, more constructively, the focus on the experience turn in this paper is set on a complementary or alternative path of inquiry to follow. This paper is inspired by current calls for a renewed engagement with the material in cultural geography and sociology (e.g. O’Dell 2002, Bærenholdt et al. 2004). It introduces questions of materiality and material culture into the practical field of co-creating meaningful experiences in experience-based value creation. It does so by exploring the related concepts of *experience space* (ref. Mossberg 2007) and *experiencescape* (ref. O’Dell and Billing 2005) and its implications for practitioners within the field; how are experience spaces or experiencescapes constructed, used and made meaningful? In doing so, the paper stresses the interplay between social, cultural and material elements in experience-based value creation and brings to the foreground the ‘nuts and bolts’ of this practice field – the ‘machinery’ of experience-based value creation.

The call for a renewed engagement with the material can be seen on the background of the so-called cultural turn. The focus on the ‘cultural’, emphasising issues like identity, image, symbols, meaning, etc., can, as such, be seen as a welcome one in the social sciences, as every ‘turn’ seems to shed new light on some aspect of reality downplayed or ignored by the hegemonic perspectives in every discipline. However, what was once new and refreshing becomes in its turn hegemonic and somewhat ‘blind’ for certain aspects of the world.

Much social theory and social science research has come under the influence of the cultural turn, in effect melting into symbols and narratives everything that is solid and material. The effect within studies of experience-based value creation like tourism has been a tendency to disregard that consumers, guests, visitors and tourists constantly interact corporeally with things and physical places in the co-creation of meaningful experiences and a concomitant failure to understand the significance of materiality, technology, artefacts and objects in a wide range of experience-based value creation.

## **2.1 THE EMPIRICAL AND PRACTICAL CONTEXT FOR THE INQUIRY**

The case studies underlying this inquiry were conducted in the summer of 2009 among a cooperating cluster of 30 firms practicing experience-based value creation and to varying degrees involved in the tourism industry in Nordland County in Northern Norway.<sup>2</sup> The types of experience-based value creation practiced by the case businesses include the following:

- Viking museum
- Aviation museum
- Hamsun centre (literature centre)
- Cultural festival
- Aquarium
- Ecological farm with dairy
- Recreated stone-age settlement
- Restaurants
- Fishing villages
- Wildlife cottages/centres
- Mountain climbing, glacier expedition and trekking
- Sea fishing, kayaking, boat trips
- Down-hill skiing
- Motorbike trips
- Golf

The main focus of the studies was the management and facilitation of the sites for experience creation by the firms and the actual experiences of their guests at these sites. Successful planning for the experience and tourism industry must take user or customer analyses as its point of departure. To be effective, planning, design, construction and architecture must at least partly be based on knowledge of how people feel and think about the surroundings, but also how they interact physically with it and move around in it. Especially concerning facilitation for foreign guests there is the added challenge of understanding how Norway and its regions, cities and places are being perceived from outside.

Through interviews with firms and guests (i.e. customer analysis), the following challenges has been identified in relation to the practice of these specific firms. However, it can be assumed that variants of these challenges are relevant for many firms involved in experience-based value creation.

- What do we understand by the term experience and to create experiences?
- What material, social and cultural elements play together in various situations where meaningful experiences are created?
- What are the ‘nuts and bolts’ of experience-based value creation?

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<sup>2</sup> See Samuelsen and Clausen (2008) and Samuelsen et al. (2010) for more details on the cluster development project. See also the project website for overall goals, measures and presentations of the participating firms <http://www.innovativeopplevelser.no/>.

- What are the key drivers of the valuations made by guests?
- What are meaningful and valuable experiences for guests from different cultures?
- What elements can businesses exploit to achieve culturally sensitive interaction in experience-based value creation in various types of contexts?
- What specific tools, guidelines and methods can enhance the practice in the areas these issues are related to?

With these issues as a point of departure, this work aims to contribute to the knowledge base for development and improvement of sites for experience creation and the potentially valued elements that constitute them in the practice of firms involved in exploiting the opportunities of the experience turn through experience-based value creation. The pragmatic method used to develop new conceptual and practical understandings is introduced in the next part.

### **3 SOCIAL RECONSTRUCTION - A PRAGMATIC APPROACH TO THE TRANSFORMATION OF EXPERIENCE-BASED VALUE CREATION**

This part presents a general pragmatic perspective on the transformation of experience (a pragmatic term for reflective knowledge search and learning), both in the practical field of experience-based value creation and in research practice. According to the philosopher John Dewey (1938), there is only a difference in degree between different forms of practice in knowledge searching, no difference in essence. This means that descriptions of research practice or scientific inquiry, in the Deweyian terminology, is also relevant for understanding the knowledge search and organizational learning within the practice field of professional experience-based value creation. The transformation of experience in the practice field of firms relying on experience-based value creation can in pragmatic terms be described as social reconstruction (a collective learning process). Social reconstruction as a practice consists of two dimensions or aspects: a theoretical or conceptual reconstruction and a practical or institutional reconstruction. From within the conceptual or theoretical dimension, on the basis of research practice, relevant, problem-solving contributions can be provided in the total learning process.

In both everyday practice and scientific practice we constantly transform our experience, understood as a continuity of experienced situations. As Michael Eldridge has pointed out, "Dewey regarded inquiry as a way to transform our experience. It occurred in time and made a difference existentially" (Eldridge 1998: 24). According to Eldridge (1998: 40), Dewey's perspective, termed pragmatic instrumentalism, can be summarized as

"The awareness that one's ideas are mental products drawn from life, and also the commitment on the part of the Inquirer to return them to everyday experience. He or she uses Hypotheses, theories, or ideals to inform the problematic situation, making it more satisfying. Instrumentalism is the opposite of the decontextualized thinking that Dewey deplored".

When it comes to scientific practice, Dewey expressed this idea as follows: "Scientific subject matter grows out of and returns into the subject matter of the everyday kind" (Dewey and Bentley 1949: 291). In his presentation of Dewey's instrumental philosophy, Hickman (1990) has conceptualized the notions of to "grow out of" and "return to" everyday experiences in productive knowledge search as *excursus* and *recursus* respectively. These concepts are used concerning conceptual knowledge development and practical application in this paper.

According to Dewey then, there is only a difference in degree between different forms of practice in knowledge searching, no difference in essence. One interpretation of Dewey on

this point is that he regarded scientific knowledge search (or scientific inquiry) as a special case of a more general and fundamental form of knowledge search, problem solving or transformation of experience that is also central to the practices of firms involved in experience-based value creation.

Pragmatic instrumentalism as a two-way approach - the *excursus* and *recursus* of productive inquiry - can be seen in connection to *social reconstruction* as a learning process (Campbell 1992, 1995). In such a learning process, the initial point of departure is a situation encountered in the practice of firms involved in experience-based value creation that require further investigation based on scientific practice, for example, related to the practice of experience-based value creation, communication with foreign visitors, the design of sites for experience creation or documentation of guests' experience value.

The first step is thus that a theme or issue that requires research grows out of (i.e. the *excursus*) experiences related to the production or creation of experiences. In pragmatic terminology, such situations encountered in practical life that are not fully satisfactory, requiring some form of change to be satisfactory are termed *problematic situations*. The research activity that the solving of such problem situations requires is termed *conceptual reconstruction* and consists of theoretical and analytical processing of material related to the problematic situation in question.

Having developed the knowledge base for a new understanding of and hence a solution to the problem situation through conceptual reconstruction, this material is returned to (i.e. the *recursus*) the relevant practice field for trial and testing. The practical activities that this entails are termed *institutional reconstruction* and consist of experimentation, testing, evaluation and implementation of solutions. In the rest of this part, we will look further into social reconstruction as a learning and problem-solving process.

If an organization, a firm or a society is able to use their collective social capital and knowledge (what Dewey terms *social intelligence*) to resolve their challenges, problems and conflicts, this will contribute to and maintain a high degree of continuous and targeted socio-cultural and material reconstruction. To pursue the practice of experience-based value creation on the basis of this type of informed, thoughtful and complex social reconstruction follows from some basic pragmatic assumptions concerning social action:

- The belief that it is legitimate to speak of society in collective terms like people, citizens or the common good and not just in terms of individuals or of personal or group interests or benefits;
- The belief that society is fundamentally democratic, i.e. either that the people actually have control or that they can take control by using existing means if they so desire;
- The belief that members of the democratic society have a fundamental common sense, that they are able to recognize and willing to follow good advice and that they are willing to engage in social exploration and experimentation along yet unknown ways.

This third assumption makes the effort of socio-cultural and material reconstruction of experience-based value creation as a practice more a matter of information, education, learning and broad democratic participation rather than a limited concern for science, management, planning or policy. The core of this view is that attempts at informed, thoughtful and complex reconstruction of experience-based value creation can be compared to a form of cooperative, democratic experiment.

Based on this pragmatic understanding of social scientific practice, we can approach cases of corporate and social challenges and problems related to experience-based value creation as situations that have moved away from a state of predictability, security, transparency and continuity. Our usual forms of organization, interaction and practice are unsatisfactory, are not enough, are inadequate or have failed. There is a breakdown in the social process; uncertainty and ambiguity characterize the situation and those involved will be frustrated while cooperation and informed practice is made more difficult.

Following such experiences, there are usually some attempts to articulate the challenge or problem through thinking and reflection. Here, it is the experienced problem situation that places constraints on the reflection and thinking rather than thinking in itself deciding the situation. However, without achieving some reasonably well-formulated initial problem description this may be restricted to blind groping in the dark.<sup>3</sup>

In the continuation of this process of socio-cultural and material investigations there is time to experiment with alternative explanations, test various hypotheses to assess whether they have the potential to provide success or not and produce a tentative solution that must be tried out and evaluated. Such testing of theories and solutions through use is central to pragmatic thinking and practice. The fact that a theory makes it possible to create certain practical effects is considered a sign of its truth value. But it is not just the research community that should assess the value of these practical effects. This must take place in the wider democratic community constituted by all stakeholders involved in problem solving, development and reconstruction processes related to the practice of experience-based value creation.

This pragmatic view implies that research-based and practical knowledge are means that contributes to a thoughtful and well-founded solution to small and large corporate and social problems related to experience-based value creation. The focus here is on the introduction and evaluation of proposals and suggestions designed to enable us to both design and construct better socio-material contexts for experience-based value creation and to conduct better processes in actual experience creation. Such proposals and suggestions can be of two kinds: on the one hand, theoretical (conceptual) contributions and on the other hand, practical (institutional) contributions. This is the basis of the two main types of activities in social reconstruction; conceptual or theoretical reconstruction and institutional or practical reconstruction respectively (Campbell 1992, 1995).

Conceptual or theoretical reconstruction means to derive and show in theory and principle what is needed to change an unsatisfactory situation (socio-cultural or material) into a more satisfactory situation. The steps in this phase of social reconstruction are presented in table 1 below. Conceptual reconstruction is based on some underlying pragmatic assumptions, for example, that the interpretations or perceptions of key terms or concepts in political / social / cultural discourses are *tools* to manage what is perceived as social problems. Inherited perceptions of certain concepts at one time functioned fairly well in those situations in which they were applied. But terms and interpretations that are no longer adequate tend to live on. Hence, there is in many instances a need for new thinking with regard to various types of social practice.

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<sup>3</sup> The analysis reported in Samuelsen and Clausen (2008) map a range of challenges and needs for new competence among the case firms at the start of the cluster development project. Among the challenges identified was a need to improve the practice of experience based value creation through attendance-based experience production.

**Table 1. Aspects of conceptual reconstruction related to experience-based value creation.**

Pragmatic terminology	Conceptual reconstruction related to experience-based value creation
1. Indeterminate situation, conceptions of possible/ideal ends - Visions - Identification of need for knowledge	<ul style="list-style-type: none"> <li>• What challenges and problems are encountered in spaces for experience-based value creation and how can they be approached conceptually?</li> <li>• Necessary to see these challenges in a comprehensive experiential perspective.</li> </ul>
2. Transformation into problems that can be addressed systematically, based on the identification and (re-) conceptualisation of concrete, experienced problems - Challenges - Focusing the need for knowledge	<ul style="list-style-type: none"> <li>• What challenges and problems are selected for further inquiry and how should methodological issues be dealt with?</li> <li>• Common challenges:               <ul style="list-style-type: none"> <li>- How to facilitate better cooperation between actors?</li> <li>- How to establish better transportation and communication solutions?</li> <li>- How to develop better competence within the firms?</li> <li>- How to secure good services at the sites?</li> <li>- How to deal with cultural differences between guests and hosts?</li> </ul> </li> </ul>
3. Articulation of specific problem situations that is prioritized for further inquiry and solving  - What can be done? - Directed search for relevant knowledge	<ul style="list-style-type: none"> <li>• Inquiry into specific challenges and problems and work on the conceptual frameworks in general.</li> <li>• What challenges and problems at specific sites for experience-based value creation are selected for further inquiry? Specific challenges:               <ul style="list-style-type: none"> <li>- How to facilitate better cooperation between actors A and B at site 1?</li> <li>- How to establish better transportation and communication solutions for site 2?</li> <li>- How to develop better competence in firms that create food experiences?</li> <li>- How to secure good services at sites that use cultural heritage as a resource?</li> <li>- How to deal with cultural differences between guests from Russia and the employees at sites 1 and 2?</li> </ul> </li> </ul>
4. Selection and development of potential solutions: methods, means, tools - Plan for practical measures - Prepare knowledge for practical use	<ul style="list-style-type: none"> <li>• A wide range of measures that should be taken or tried out, e.g. to strengthen various sites for experience-based value creation as motors for relevant industries in a region.</li> <li>• Establishment of a research and knowledge base for design and construction of sites for experience-based value creation.</li> <li>• Conclusions and possible recommendations of solutions.</li> </ul>

Institutional or practical reconstruction means to implement in practice the measures (socio-cultural or material) that can change an unsatisfactory situation to a more satisfactory situation. The steps in this phase of social reconstruction are presented in table 2 below. Institutional reconstruction is also based on some underlying pragmatic assumptions, for example, that liberal societies are trying to promote social change and to adapt the old and new. A liberal society should strive to promote radical changes, changes that reach down to the root of the problem, something that requires organized planning. A liberal society should also strive to promote such radical changes by peaceful means. The same assumptions apply in principle also for organizations of all sorts. Hence, there is in many instances a need for new and better practices based on prior innovative thinking.

Social reconstruction is an iterative process, with movement back and forth, particularly between the development, selection, implementation, testing and evaluation of solutions, i.e. in the transition zone between conceptual and institutional reconstruction. By making new proposals, hypotheses and tools available to institutional and practical reconstruction, the development of experience-based value creation - in the form of socio-cultural and material reconstruction – can be promoted. Among the researchers' tasks is to provide theoretical

perspectives of various phenomena related to corporate and social challenges encountered in the practical field of experience-based value creation. Next, conceptual reconstructions are conducted, based on the issues arising in the empirical and practical context introduced above.

**Table 2. Aspects of institutional reconstruction related to experience-based value creation.**

Pragmatic terminology	Institutional reconstruction related to experience-based value creation
1. Implementation, testing and evaluation of suggested solutions, i.e. methods, means and tools - May reveal need for additional conceptual reconstruction - What is the connection between means and ends? - Testing of knowledge in practice	<ul style="list-style-type: none"> <li>• Research into the <i>actual</i> implementation, testing and evaluation of practical measures aimed at solving problems and challenges in experience-based value creation based on the knowledge that is produced through conceptual reconstruction.</li> <li>• Practical measures that are aimed at strengthening specific sites for experience-based value creation as motors for relevant industries in a city or region.               <ul style="list-style-type: none"> <li>- Are these the proper means to reach the stated aims?</li> <li>- Is there a need for additional conceptual work based on the experiences that are made at the various sites?</li> </ul> </li> </ul>
2. Permanent, practical implementation of the solutions that are considered effective for reaching the ends - New practice established on the basis of new knowledge	<ul style="list-style-type: none"> <li>• Research into the <i>actual</i> permanent, implementation of practical measures aimed at solving problems and challenges in experience-based value creation based on the knowledge that is produced through conceptual reconstruction.</li> <li>• Implementation of concrete, practical measures that are aimed at strengthening specific sites for experience-based value creation as motors for relevant firms and industries in a region.</li> </ul>

## 4 CONCEPTUAL RECONSTRUCTION - THE SPATIALITY AND MATERIALITY OF EXPERIENCE-BASED VALUE CREATION

In order to address the above issues adequately, with the purpose of establishing better practices, an improved conceptual understanding must be devised. In this part, the spatiality of the practice of experience-based value creation and attendance-based experience production is explored, leading into further conceptual reconstructions.

### 4.1 THE SPATIALITY OF EXPERIENCE PRODUCTION SYSTEMS

The interplay between social, cultural and material elements in experience-based value creation can be conceptualised as production systems. What characterises the production systems of experience concept development is dependent on the types of concepts involved, more specifically the modes of producing and consuming the experience product in question. Thus, there are several types of experience production systems. Here we focus on a taxonomy of experience producing organizations developed by Sundbo and Hagedorn-Rasmussen (2008) that can be used to structure different forms of experience production systems. This taxonomy helps us answering the question of how the experience product or concept structures the production system and determines its spatial characteristics. The relevant criterion here is *the type of experience the firms produce*. Experience firms can be classified according to the following two dimensions – the production means and the delivery means – that can be combined in the taxonomy in table 3 which includes examples:

1. *Technological experiences* (based on technology such as ICT, motorcycles, cars, etc.) vs. *personal experiences* (the experiences are produced in personal face-to-face contact).

2. *Distant experiences* (the experiences are distributed from the place of production to the place of consumption) vs. *close experiences* (the consumers come to the place of production).

**Table 3. Taxonomy of experience production systems based on production means and delivery means. Based on Sundbo and Hagedorn-Rasmussen (2008).**

	<b>Personal</b>	<b>Technological</b>
<b>Close experiences</b>	<p><i>Performance</i> Human-human in physical place</p> <p>Examples: Theatre Concert Museum 2 Restaurant Mountain climbing, hiking Sea fishing Whale watching Rafting</p>	<p><i>Techno interaction</i> Human-technology in physical place</p> <p>Examples: Designer hotel Entertainment parks Museum 1 Motorbike Cycling</p>
<b>Distant experiences</b>	<p><i>Virtual interaction</i> Personalized distribution, human-human in virtual space</p> <p>Examples: Computer games</p>	<p><i>Broadcast</i> Mass distribution, one-to-many</p> <p>Examples: Television Radio Film</p>

From this taxonomy, two main types of experience products with different spatial characteristics can be derived (see also figure 1):

- 1) A varied group of experience products are produced at one place and distributed – either materially or digitally – to various places of consumption, most significantly at the consumers’ homes: books, magazines, CDs, DVDs, MP3-files, computer games, etc. Smidt-Jensen et al. (2009) term this type of experience *DEPS, detachable experience products and services*.<sup>4</sup>
- 2) The consumption of certain types of experience products literally takes place as they have to be created at specific sites, either constructed for the purpose or being more or less natural sites. The material bases for the production of these experiences are either immobile or the character of their production and consumption requires the consumer to show up in-person. Smidt-Jensen et al. (2009) term this type of experience *AEPS, attendance-based experience products and services*.<sup>5</sup>

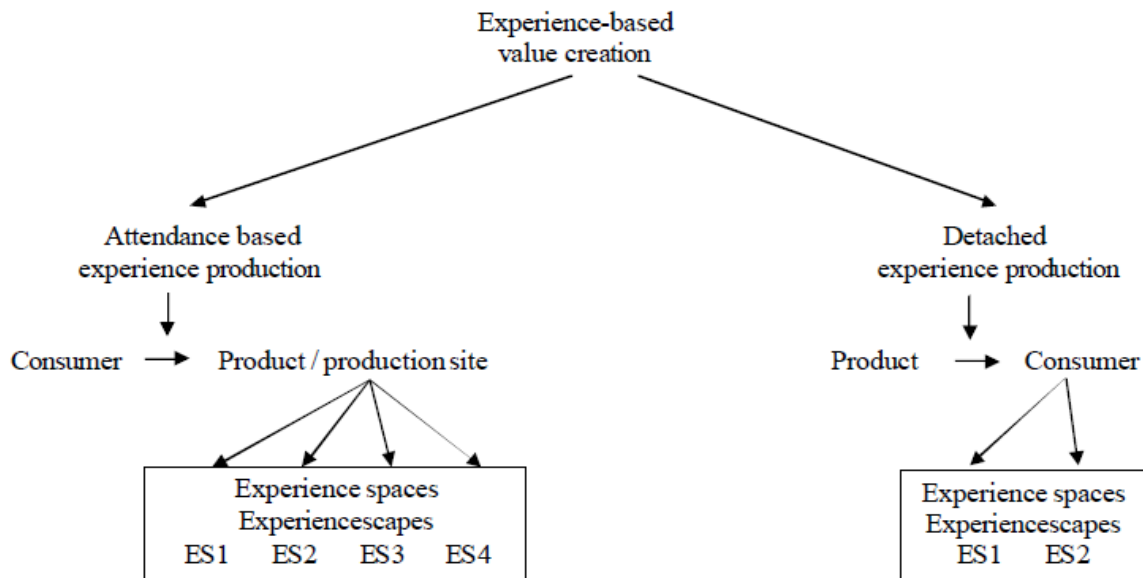
Thus, what characterises this second type of experience production and consumption is that i) the consumers show up at the production site expecting to be engaged in some way and ii) in varying degrees are involved in the creation of the experience products (as co-creators). This type of experience production and consumption can, more specifically, be termed *attendance-based experience production and consumption* respectively (Bærenholdt and Sundbo 2007)

<sup>4</sup> This type of experience-based value creation is variably termed distant, detached or distributed. The last term hints at the specific spatial implications of this form of production. Instead of the transport of a large number of people that is central to attendance-based experience creation, here we have massive transport of goods and transmission of electronic signals.

<sup>5</sup> This includes tourism as the personal visit to experience production sites.

Next, the sites of production and consumption in attendance-based experience production are further conceptualised in terms of experience spaces and experiencescapes.

**Figure 1. Two types of experience-based value creation**



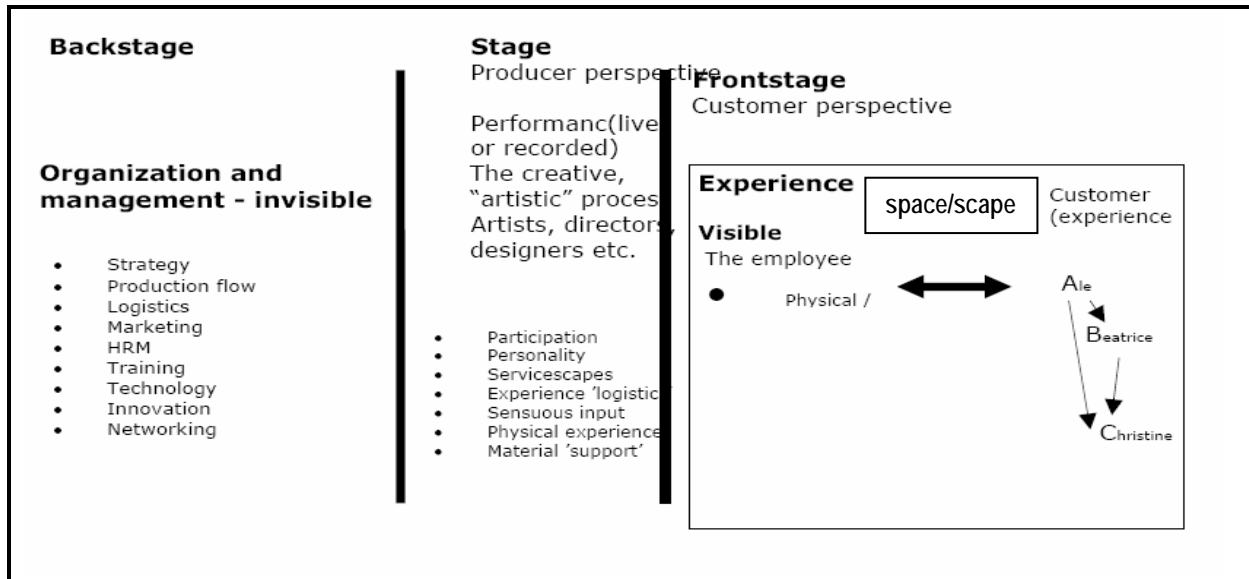
## 4.2 EXPERIENCE SPACES AND EXPERIENCESCAPES

This section takes its point of departure in a stage-model of the attendance-based experience production system developed by Sundbo and Hagedorn-Rasmussen (2008) (see figure 2). The front stage of the production system is the visible, physical sphere where producer / employee and consumer / customer meet in interaction to co-create the experience, based on the experience concept. The front stage is part of the concept, as this is part of the mode of delivering the experience product. However, the relation between the concept and the front stage differs in different production systems. In production systems producing distant experiences, distributed through technological platforms, the front stage is the various places of consumption, in many cases the consumers own home. Sundbo and Hagedorn-Rasmussen argue that, in general, backstaging becomes more important. However, in the distant experiences in particular, backstaging is extremely important: What is experienced ‘on the stage’ is wholly dependent on the ability of the producer to design the staging on a distance, both in time and in space. What correspond to the front stage in this model has been conceptualised as *experience space* by Mossberg (2007) and *experiencescape* by O’Dell and Billing (2005) respectively. These concepts are discussed with a focus on attendance-based experience production.

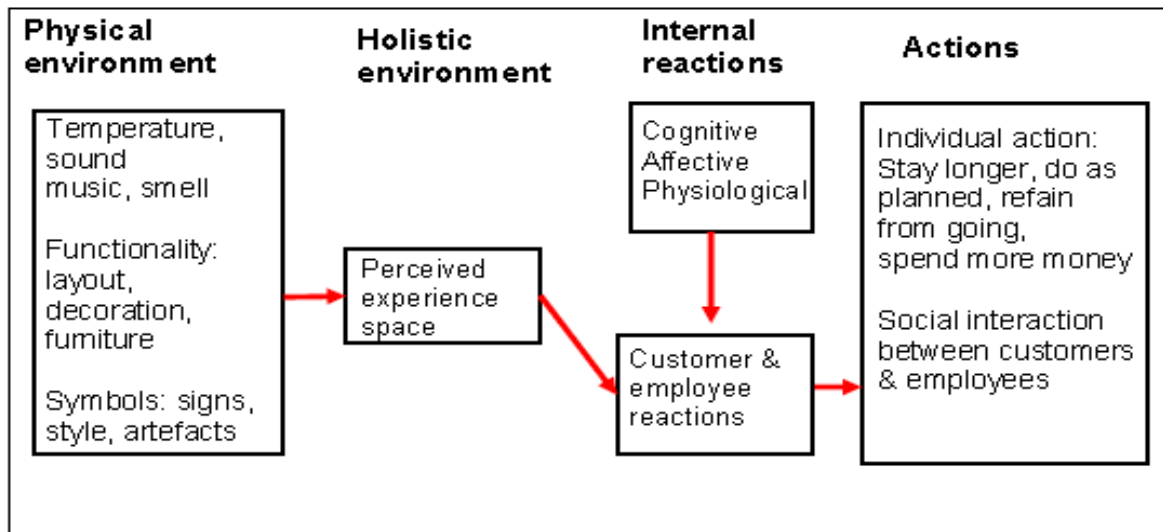
### Experience spaces

The front stage obviously plays a much more important role in production systems producing close experiences, both performance-based types and techno-interaction-based types of experience. In this type of production, the front stage is part of the concept. Thus, innovative activity focusing on the elements of the front stage can be of importance in this context. Following Mossberg (2007), relevant elements in the visible, physical part of the production systems, potentially subject to innovation, can be, e.g. outdoor atmospheric conditions, the built environment and its functionality and material artefacts and symbols (see figure 3).

**Figure 2. Distinction between backstage, stage and front stage in attendance-based experience production (Based on Sundbo and Hagedorn-Rasmussen (2008)).**



**Figure 3. Experience space: elements and relations to action (Based on Mossberg (2007)).**



In attendance-based experience production experiences are co-produced through connecting together a range of elements in the practice itself. The firm's own employees play a significant role in this effort of constituting experience spaces through connecting material and immaterial elements. It is within these experience spaces at the front stage of the operation that the firm can stage and influence the experience situation where meaningful experiences are co-created through various degrees of interaction between customer and producer. It is the quality of the various elements at offer on a site that makes it attractive and worth visiting.

For practitioners in the field, it is vital how to influence or exploit the different elements and utilise available practical and more scientific or formalised knowledge bases for action, improvement and development. The potential for each firm is connected to the types of elements that are of importance in their specific practice. But, in general, it is obvious that in

many cases the interplay between such elements are crucial for creating memorable, valuable experiences and that much can be gained from innovation in this sphere.

### **Experiencescapes**

A related conceptualisation of the sites for attendance-based experience production - the front stage or the visible part of the production system (ref. figure 2) – is provided by the ethnographer Tom O’Dell (O’Dell 2005) through the concept of *experiencescape*. This notion was coined as a paraphrase on Appadurai’s landscape metaphors (Appadurai 1996).<sup>6</sup> It is connected to ideologically afflicted environments and spaces for commercialised experiences such as stores, shopping centres, museums, cities, sporting arenas, neighbourhood parks, well-known tourist attractions, etc. Thus, it refers to an array of specific places and spaces that are material bases for experience production and consumption. However, these spaces often reach beyond any single place, as experiences “can be (and often are) planned in one place, developed in another, and staged for consumption in a third” (ibid: 15). Moreover, the experience can in itself be mobile in character, taking place over a certain distance, i.e. a boat trip, a ride on a motorbike, a walk cross a glazier, climbing a mountain, surfing the waves, parachuting, hang gliding, etc. This implies that even if experiences by nature are subjective and often ephemeral, their production and consumption are organized spatially and made possible through the manipulation of the material culture of each experiencescape.

O’Dell likens the spaces where experiences are staged and consumed to “stylized landscapes that are strategically planned, laid out and designed. They are, in this sense, landscapes of experience that are not only organized by producers (from place marketers and city planners to local private enterprises), but are also actively sought after by consumers” (ibid: 16). In referring to sites for experience production and consumption as landscaped spaces, O’Dell emphasize “the degree to which the surroundings we constantly encounter in the course of our everyday lives can take the form of physical, as well as imagined, landscapes of experience” (ibid.). Being both physical and imagined surroundings where pleasure, enjoyment and entertainment takes place, these landscapes of experience have practical aspects as the use of space and place in production and consumption of experiences implies the emergence of new forms of social practice, e.g. in firms involved in attendance-based experience production.

The spatiality and materiality of the social practice of attendance-based experience production taking place in experience spaces and experiencescapes is further explored in the next section. In order to understand this interplay between the social and the material at the core of experience-based value creation the concept of spatial practice is introduced.

### **4.3 ATTENDANCE-BASED EXPERIENCE PRODUCTION AS SPATIAL PRACTICE**

The spatial practice perspective implies to define a social ontology that focuses on practice and where all forms of practice is considered as spatial.<sup>7</sup> Since experiences are neither something that can be had by consumers nor given them by producers, some kind of active, creative effort on both parts must be put into the co-creation of meaningful experiences. This constructive effort literally *takes place* and *makes space*, involving social, cultural and material elements. Every experience of the world, whether mundane or extraordinary, implies that humans interact corporeally with things and physical places. This is a continuous process

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<sup>6</sup> Appadurai (1996) has invoked the landscape metaphor – e.g. mediascapes, ethnoscapes, ideoscapes, finanscapes and technoscapes – in order to increase our understanding of the processes and flows through which transnational communities of people, ideas and things are organized.

<sup>7</sup> See e.g. Buciek et al. (2006), Bærenholdt et al. (2004) and the main source of the perspective Lefebvre (1991).

of being-in-the-world and the ways that consumers of experiences in the commercial sphere experience something are not different from how humans experience in everyday life. Rather, the extraordinary experiences in life can be seen as peaks in a steady flow of perceptions and impressions from encounters with the stuff of the world.

According to Lefebvre (1991: 33, 38-39), every social formation produces its own space through a dialectical and reflexive process with three identifiable elements. This perspective can be used to further explore aspects of experience-based value creation as a form of practice. All three elements or dimensions are active simultaneously and related to each other. However, they have to be introduced and discussed sequentially.

First, through *spatial practices* each society produces its own distinctive material spatial arrangements, Lefebvre (1991) maintains. Spatial practices include production and reproduction and entail the daily routines and flows that produce communications and transport networks, water and sewage networks and energy grids; produce urban hierarchies and differentiate public and private spaces. Thus, these are spaces which are *perceived* through the activities of everyday social life and commonsensical perceptions. Following Merrifield (2000), spatial practices “can be revealed by ‘deciphering’ space and have close affinities with perceived space, to people’s perceptions of the world, of their world, particularly with respect to their everyday world and its space” (ibid.).

In the context of this inquiry, spaces where experience-based value creation takes place – as a sort of material infrastructure for experience production – are also products of spatial practice in the Lefebvrian sense. Of specific interest here are the processes through which experience spaces materially come into being, are used and transformed and are involved in the practices and life projects of various actors in the experience economy. To see creation of meaningful experiences as a continuous corporeal and mental interaction with things and physical places implies that this type of practice is a specific form of spatial practice.

In this perspective, there is an analytic focus on the forms through which the body (including the biological and affective registers) and materiality (in all its forms: technologized or unmediated) functions constitutively in the creation of systems of meaning, practices, institutions and space. Focusing on the social and material aspects of this field, there are some affinities with what Urry (1995) terms consuming places, centres for consumption that provides a variety of contexts within which consumers compare, evaluate, purchase and consume goods, services and experiences. Thus, spatial practice both produces and consumes the spaces that consumers visit, encounter and remember as more or less meaningful and valuable experiences.

Second, *representations of space* are conceptualisations of ordered space, the spaces of scientists, engineers, planners, technocrats and other professionals. “This space comprises the various arcane signs, jargon, codifications and objectified representations used and produced by these agents and actors. Lefebvre says that it’s always a space which is *conceived*, and invariably ideology, power and knowledge are embedded in this representation” (Merrifield 2000: 174). Moreover, this is the space of capital and thus conceived representations of space “have a substantial role and a specific influence in the production of space” (Lefebvre 1991: 42). On this background, it is obvious that representations of space are the dominant space in any society or mode of production. It is through the systems of signs or codes upon which they are based that individuals know this space and it’s ordering.

In the context of the present inquiry, representations of space are, in short, the spaces of experience producers. Many examples of representations of space are found in the sphere of the professional experience producers. The most significant instances are the formal presentations / re-presentations of the businesses' experience spaces as the more or less ordered sites and systems for experience-based value creation. Important stuff of such (re-) presentations is the digital and paper-based advertisements and sales material used in the commercial promotion of experience spaces. But also the architecture, design and interior decoration of the built environments of the producers experience spaces can be seen as representations of space.

Moreover, the present inquiry's systematic approach to the practice field is also an example of representations of space, for instance through notions like experience-based value creation, attendance-based experience production, experience spaces, experiencescapes and value drivers that have been derived through the professional practice of conceptual reconstruction. This dimension of space is also relevant for experience creation in a non-commercial setting, as for instance planners and public technocrats and bureaucrats influence on the shaping and use of public and private spaces used for recreational activities that are free of charge.

Third, *representational spaces* are directly *lived* spaces of everyday *experience*. Following Lefebvre, these spaces are dominated spaces, appropriated by the imagination and experienced through systems of complex, nonverbal symbols, signs and images. Works of artists, photographers and filmmakers may be representational spaces. Certain material constructs like symbolic spaces and particular built environments like museums also belongs here. Following Merrifield's (2000: 174) interpretation of Lefebvre, representational or lived space "is an elusive space, so elusive in fact that thought and conception usually seeks to appropriate and dominate it. Lived space is the experiential realm that conceived and ordered space will try to intervene in, rationalize, and ultimately usurp. On the whole, architects, planners, developers and others, are, willy-nilly, active in this very pursuit". However, following Shields (2004: 210), this "'third' space not only transcends but has the power to refigure the balance of popular 'perceived space' and official 'conceived space'".

In the context of the present inquiry, representational spaces are, in short, the spaces of experience consumers. These are the lived spaces of the multitude of actors involved in the daily use of and practice within experience spaces. As lived spaces of everyday experience this is the spaces of consumption and enjoyment of the experience values that a certain site has to offer. These offerings can be both commercial, like professionally guided mountain climbing, and non-commercial, as when mountain climbing is self-guided. Ultimately, a meaningful, satisfying, fulfilling experience is a mental state, a qualitatively changed or altered mind. This type of change takes place in the lived spaces of humans involved in the activities of experience co-creation. Being involved in such activities is a significant contribution to the well being and welfare of individuals, groups and the overall population. However, the opportunities to participate in such activities are not equally distributed and, perhaps most importantly, dependent on peoples disposable income.

Gottdiener (1985), inspired by Lefebvre, maintains that this sphere offers lived space at its richest and most symbolic and that, even if this space is "suppressed in the abstract space of capitalist societies, it remains in art, literature and fantasy" (in Shields 2004: 210) - and in the consumer's sphere of the experience economy it could be added. However, the attempts by representatives of conceived and ordered space to intervene in, rationalize and ultimately usurp the experiential realm of lived space, as Merrifield (2000) points out, can be seen in the

increasing power of commercial interests relative to non-commercial ones. Experiences that were once common goods can be commoditised into highly prized exclusive products when a market and a concomitant demand for it is created. This is also an aspect of the place and space consuming tendency of capitalizing on the opportunities of the experience turn.

#### **Four aspects of spatial practice in attendance-based experience production**

Building on Lefebvre, Harvey (1989) has discussed four aspects of the notion of *spatial practice* that can be helpful in the further conceptual reconstruction of the practice of attendance-based experience production. The point is that this first spatial sphere can be seen as the primary mode of interaction between producers and consumers. In this sense, different aspects of the practical domain of ‘everyday’ experience production are highlighted. These four aspects are interdependent *in practice* but are here separated for analytic purposes.

The first aspect, concerning *accessibility* and *distanciation*, “speak[s] to the role of the ‘friction of distance’ in human affairs. Distance is both a barrier to, and a defence against, human interaction. It imposes transaction costs upon any system of production and reproduction. Distanciation is simply a measure of the degree to which the friction of space has been overcome to accommodate social interaction” (ibid.: 219-222). In the context of attendance-based experience production this has relevance both in relation to the conditions for travelling to a certain experience space in the first place and the accessibility to parts of this space once arrived there. Degrees of access and distance can be valued in various ways. While remoteness and low degree of accessibility is valued high by some guests, interpreting this as a form of exclusivity, others will consider this inconvenient and costly.

The second aspect, concerning *appropriation* and *use of space*, “examines the way in which space is occupied by objects [...], activities [...], individuals, classes, or other social groupings” (ibid.: 222). In the context of attendance-based experience production this concerns the core activities of experience-based value creation itself. As will be shown in sections 3.5 and 3.6 below, a multitude of individuals, groups, objects and activities constitutes a wide range of experience spaces. This aspect is relevant concerning potential conflicting interests with regard to uses of spaces and places. There are some types of experience production that can hardly be practiced at the same place at the same time without one of the parts experiencing a reduced quality of the offering in question, e.g. a rock festival and wildlife cottages or a gokart track and an ecological farm in close proximity.

The third aspect, concerning *domination* and *control of space*, “reflects how individuals or powerful groups dominate the organization and production of space through legal or extra-legal means so as to exercise a greater degree of control either over the friction of distance or over the manner in which space is appropriated by themselves or others” (ibid.). In the context of attendance-based experience production, relevant issues concern, for instance, public regulations and legislations on land use and utilization of natural and cultural resources and private ownership of land and resources that could be of potential value in experience-based value creation. With regard to the example of a gokart track and a nearby ecological farm, some private or public measures could be taken to prioritize one activity at the cost of the other.

The fourth aspect, concerning *production of space*, identifies the domain wherein the social production of *physical infrastructures* (in general, transport, water and sewage, electricity, telecom, built environments, etc.) and the territorial organisation of *social infrastructures* (formal and informal) takes place. In the context of attendance-based experience production this is the domain wherein:

- i. the sites for experience production and consumption – experience spaces, experiencescapes, consuming places, etc. – are socially produced as physical infrastructures, technological networks and built environments for experience-based value creation, e.g. museums, gokart tracks, golf courses, aquariums, amusements parks, wildlife cottages, fishing villages; and
- ii. the social infrastructures for experience-based value creation – both as a business practice and as non-commercial practice – are organised territorially. Examples of such social infrastructures are the labour market, the innovation system (the educational system, the knowledge infrastructure), the cultural climate towards visitors, traditions concerning professional experience-based value creation and the non-commercial use of local resources in re-creative practices.

In part 4.4 and 4.5, we look more into the details of the physical and social infrastructures of attendance-based experience production at the level where people actually meet as these infrastructures are territorially organised as experience spaces constituted by a wide range of elements that are potential value drivers. Next, a set of actual, empirical experience spaces, as the context for attendance-based experience production and consumption, are explored.

#### **4.4 EXPERIENCE SPACES EXPLORED – THE TERRITORIAL SHAPES OF EXPERIENCE CO-CREATION**

In the practical field of co-creating meaningful experiences an engagement with questions of materiality and material culture is central. The interplay between social, cultural and material elements in experience-based value creation has been conceptualised as spatial practice above. In terms of the spatial practice perspective, attendance-based experience production at the level where people actually meet takes place within settings of physical and social infrastructures that are territorially organised in specific ways. Such organisations can be termed experience spaces and are the territorial shapes of attendance-based experience production. Through the study of spatial practices within experience spaces – the ‘deciphering’ of space in the terms of Merrifield (2000) – implications for practitioners within the field of attendance-based experience production are identified;

- How are experience spaces constructed, used and made meaningful?
- What can and should firms involved in attendance-based experience production do to facilitate various spatial practices and performances within experience spaces?
- Which elements of potential experience value do the firms own and manage privately and which elements are public or part of commons but under some degree of control?
- How can such elements be turned into actually valued elements, so-called value drivers, which can be used to exploit the opportunities of the experience turn?

The relevance of these questions follows from an understanding of experience production as co-creation of value, that the producers have an active role to play both before the customers arrive and during experience creation itself.

Based on detailed empirical studies of the practices in 30 businesses involved in attendance-based experience production in Nordland County in Northern Norway, a pattern of distinct modes of experience production and consumption has been observed emphasising how the practice takes place and makes space (Samuelsen et al. 2010). Distinct practices of experience-based value creation use space in particular ways, in the process creating and re-creating different types of experience spaces. These are the territorial shapes of value-creating interaction between producers and consumers in the experience economy. Here, six types of experience spaces, each implying different spatial practices, are outlined.

### **1. Experience space 1: Centres for day trips**

The first type of experience space that can be identified in the experience-based value creation of the Arena businesses can be referred to as *centres for day trips*. This type of experience space has the following characteristics:

- Comprehensive built environments
- Large areas prepared for day trips, but to varying degrees
- Facilitation of larger groups and flows of customers
- Sites built and used for several types of activities by different types of groups/individuals
- Generally easy access and low friction of distance
- Elements and total experience space both publicly and privately owned and managed

The following cases are typical examples of this type of experience space in the practice of the experience concept of the businesses:

- Museums (aviation, viking)
- Historical centre (literature)
- Aquarium
- Fishing villages
- Glacier with mountain cottage
- Ecological farm

### **2. Experience space 2: Facilities for longer stays**

The second type of experience space which can be identified in the experience-based value creation of the Arena businesses can be referred to as *facilities for accommodation*. This type of experience space has the following characteristics:

- Comprehensive built environments
- Large areas prepared for visitors, but to varying degrees
- Facilities for accommodation of larger groups and flows of customers
- Sites built and used for several types of activities by different types of groups/individuals
- Generally easy access and low friction of distance
- Elements and total experience space mostly privately owned and managed

The following cases are typical examples of this type of experience space in the practice of the experience concept of the businesses:

- Fishing villages
- Recreated stone-age settlement
- Wildlife cottages/centres
- Hotels

### **3. Experience space 3: Rooms within buildings**

The third type of experience space which can be identified in the experience-based value creation of the Arena businesses can be referred to as *rooms within buildings*. This type of experience space has the following characteristics:

- Single rooms within single buildings or smaller built environments
- Facilitated for shorter visits
- Facilitated for high-throughput and flows of customers, individually or in groups
- Sites built and used for limited or single types of core activities by limited numbers and types of groups/individuals
- Generally easy access and low friction of distance
- Elements and total experience space both publicly and privately owned and managed

The following cases are typical examples of this type of experience space in the practice of the experience concept of the businesses:

- Restaurants
- Museums (aviation, viking)
- Historical centre (literature)
- Dairy at farm

#### **4. Experience space 4: Mobile experience spaces**

The fourth type of experience space which can be identified in the experience-based value creation of the Arena businesses can be referred to as *mobile experience spaces*. This type of experience space has the following characteristics:

- Use of mobile and flexible equipment (experience technology, physical infrastructure)
- Facilitation for experience-based value creation in different suitable locations
- Facilitation for smaller groups and individuals and modest flows of customers
- Spaces organised and used for limited or single types of core activities at a time by limited numbers and types of groups/individuals
- Variable access, from low to high friction of distance
- Elements and total experience space mostly publicly owned and privately managed

The following cases are typical examples of this type of experience space in the practice of the experience concept of the businesses:

- Mountain climbing
- Fishing
- Kayaking
- Trekking
- Boat trips
- Motorbike trips

#### **5. Experience space 5: Fixed trails**

The fifth type of experience space which can be identified in the experience-based value creation of the Arena businesses can be referred to as *fixed trails*. This type of experience space has the following characteristics:

- Physical facilitation for experience creation in permanent trails both natural and designed
- Facilitated for short visits and high throughput
- Facilitation for both larger and smaller groups and flows of customers
- Sites built and used for single types of core activities by different types of customers
- Mostly easy access, moderate friction of distance
- Elements and total experience space both publicly and privately owned and managed

The following cases are typical examples of this type of experience space in the practice of the experience concept of the businesses:

- Golf
- Down-hill skiing
- Viking museum trail

#### **6. Experience space 6: Festival areas**

The sixth and final type of experience space which can be identified in the experience-based value creation of the Arena businesses can be referred to as *festival areas*. This type of experience space has the following characteristics:

- Limited areas, sometimes extensive
- Facilitated for extensive but (relatively) short-term experience creation with high throughput
- Facilitation for larger groups and flows of customers
- Sites built and used for single types of core activities by different types of groups
- Generally easy access and low friction of distance
- Elements and total experience space mostly publicly owned and both publicly and privately managed

The following cases are typical examples of this type of experience space in the practice of the experience concept of the businesses:

- Cultural festival
- Viking museum

### **Summing up: generic experience spaces – 6 basic types**

In this section, we have taken a first step towards a systematization of how spatial practices in different types of experience spaces manifest themselves in different constellations of tangible and intangible elements of potential experience value. In terms of the spatial practice perspective, such constellations of elements are formed within settings of physical and social infrastructures that are territorially organised in specific ways. Such organisations have been conceptualised as experience spaces and are the territorial shapes of attendance-based experience production and consumption (see figure 4). In other words, experience spaces can be seen as specific constellations of territorially organised physical and social infrastructures for experience-based value creation. The territoriality of experience-based value creation is particularly significant in the case of attendance-based experience production/consumption.

In principle, there are at least as many unique experience spaces as there are businesses striving to exploit the opportunities of the experience turn through practicing experience-based value creation. In practice, there are actually many more since the same business can use several types of experience spaces. Through in-depth empirical investigation of 6 cases, supplied with thorough knowledge of the 24 other Arena businesses, we have begun to develop a systematic approach focusing on a limited number of types of generic experience spaces being used or practiced within the Arena cluster.

Each type of experience space, both the specific and generic, are constituted by a set of elements that can be termed value drivers. It is among these elements we can identify what constitutes the qualitative characteristics that differentiate between the generic types of experience spaces. It is the elements of the experience spaces that enable flows of people and flows of experiences. But in addition to promoting flows, these elements can also hinder or limit what is possible to achieve in practice. The realization and practice of various experience concepts necessitates and creates different types of experience spaces.

We assume that these types of spaces cover some of the central aspects of the spatial practice of experience businesses more generally. Thus, we assume that this experience space approach have a more general relevance in the context of experience-based value creation as a means to capitalize on the experience turn. However, more empirically based conceptual reconstruction is needed, next focusing on the details of the concept of value drivers.

## **4.5 EXPERIENCE SPACES DECONSTRUCTED – THE NUTS AND BOLTS OF EXPERIENCE CO-CREATION**

The type of experience-based value creation termed attendance-based experience production is a spatial practice that co-produces experience spaces through connecting together a range of elements in the practice itself. In addition to the firm's own employees, it is through the elements that constitute their experience spaces that the firm can stage and influence the experience situation where meaningful experiences are co-created through various degrees of interaction between consumer and producer (ref figure 3).

Key questions are how businesses can influence or exploit the different elements and what constitutes the scientific and practical knowledge base for action, improvement and development. This should in principle be answered for each element that has significance in the experience space used or created. Each of the 6 types of experience spaces derived above are constituted by a set of generic value-driving elements. A priori, it is obvious that in many cases the interplay between such elements are crucial for creating memorable, valuable experiences and that much can be gained from innovation in this sphere.

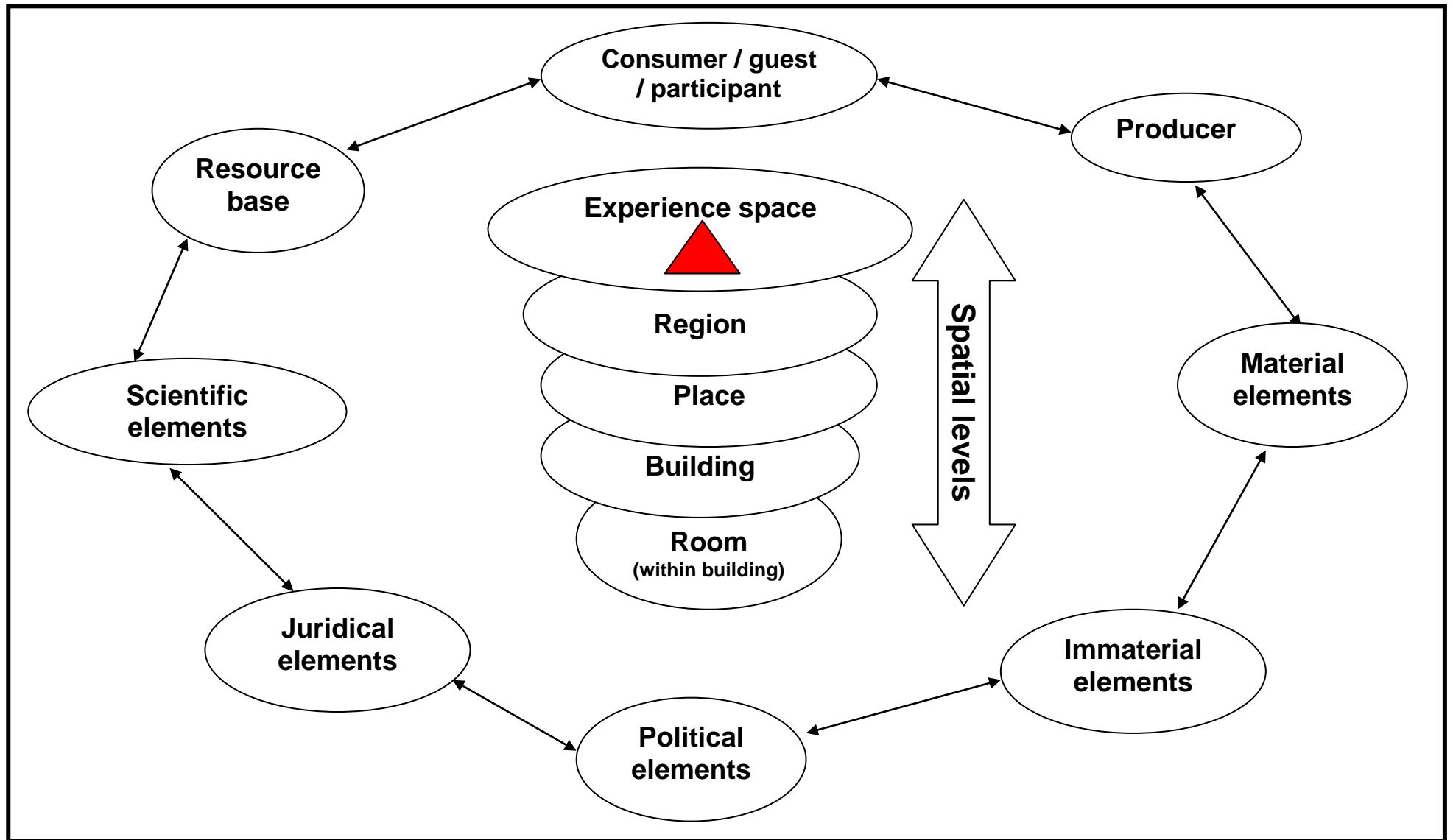


Figure 4. The experience spaces of attendance-based experience production as scaled levels of related elements.

The constituting elements of experience spaces presented here are derived from detailed analyses of the actual experience spaces that the case businesses in the Arena project are using in their attendance-based experience production (Samuelsen et al. 2010). As a second instance of what Merrifield (2000) terms the ‘deciphering’ of space, generic elements are identified that, through different forms of interplay, constitute the functional logic of various specific types of experience spaces – the ‘machinery’ of experience-based value creation so to say.

The 40+ elements (or potential value drivers) of experience spaces that were mapped in the Arena project was grouped in the following 7 main categories:

1. Natural elements
2. Buildings, architecture, area
3. Premises / functionality
4. Atmospheric conditions indoors
5. Signs, symbols, artefacts
6. Facilitation for customer co-creation
7. Employees

Below is a brief review of each category of elements. For each element, a possible dimension or scale for assessing its state or quality is indicated.

### **1. Natural elements**

All types of outdoor experience creation takes place in a context where many of the potential value drivers are more or less given by nature, such as weather, vegetation, wild life and landforms. Other natural elements can be more or less influenced, such as cultural landscapes, although it is not always within the individual company’s reach to do much adaptation or facilitation on its own. Concerning some of these elements, for instance the weather, an experience producer can do little to influence it as such. But an element like the weather can definitely be done something out of in a particular situation. The experience value of a specific weather condition will vary depending on many other elements in the situation, including where the visitors come from, their prior experiences, motivations and preferences. A statement like "there is no bad weather, just bad clothing" has validity in an experience situation where, what is bad weather for some guests is exotic and exciting weather for other guests. The smell and noise that characterize a vibrant fishing village full of activity would be disastrous in a different experience situation like in a restaurant, even a sea food restaurant. Naturally given value drivers in the experience space illustrates well how the experience value of single elements are time and place specific and contingent on the interaction with other elements.

Although the potential for direct influence can be limited with regard to naturally given value drivers, the knowledge base for understanding how the individual elements work, both as more objective phenomena and in time and place specific experience situations, is important. An example is the importance of understanding the weather, its development on short and longer term and risks related to heavy weather, both for sea- and boat-based experience producers and those who operate in mountainous areas or other demanding terrain.

Naturally given value drivers with potential relevance to the experience-based value creation of the Arena businesses include the following:

- Landscape (high degree of human impact – low degree of human impact)
- Weather (unstable – stable) – (context-dependent)
- Temperature (outdoors: cold – mild – warm) (context-dependent)
- Smell (outdoors: high degree – low degree) (context-dependent)
- Sound / noise (outdoors: high degree – low degree) (context-dependent)

## **2. Buildings, architecture, area**

The architectural style and the aesthetic design of buildings is central to certain types of experience creation, as several examples from the Arena businesses illustrate: the chieftain's house at the Viking Museum, stone-age earth huts at Tuvsjyen, and the main building at the Hamsun Centre are all distinctive building types with potential experience value while there are some examples that experience creation of high value can take place in less conspicuous built environments, for instance food experiences and skiing. One way to describe this difference may be through a distinction between various degrees of authenticity and generic building types and be aware of the importance of this factor.

Other physical conditions outdoors that may play a role for the guests' consideration of what creates experience value in individual businesses can for example be accessibility, both with regard to transportation to and on the place but also the design of buildings and areas. The concept of universal design, for instance, refers to the facilitation for all types of disabilities. Whether the context of value creation is orderly, clean, well maintained or characterized by intensive use are also factors that influence the guests' valuations.

Outdoor construction, architecture and / or site-related items with relevance to the experience-based value creation of the Arena businesses include the following:

- Architectural style (aesthetics) (generic – authentic)
- Design (aesthetics) (generic – authentic)
- Maintenance (high degree of wear – low degree of wear)
- Transport (easy – difficult)
- Accessibility (easy – difficult)
- Intensity of use (high degree – low degree) (context-dependent)
- Universal design (outdoors: high degree – low degree)
- Tidiness (outdoors: high degree – low degree)
- Links to place, surroundings, local cultural context (high degree – low degree)

## **3. Premises / functionality**

Experience creation also takes place indoors, in more or less custom-made experience spaces, such as museums, theatres, cinemas, arenas and restaurants. In these spaces there is a variety of physical factors that may play a role for the guests' assessment of what creates experience value in the individual business. This can for example be with regard to how the space is designed and decorated, how the furniture looks, the type and standard of technical equipment in rooms, the accessibility and degree of universal design and the conditions with regard to cleanliness and tidiness.

Indoors construction-related and / or functional value drivers with potential relevance to the experience-based value creation of the Arena businesses include the following:

- Design (aesthetics) (generic – authentic)
- Equipment (generic – authentic)
- Electronic equipment (low standard – high standard)
- Furniture (generic – authentic)
- Furnishings (functionality) (high degree – low degree)
- Accessibility (indoors: easy – difficult)
- Universal design (indoors: high degree – low degree)
- Cleanliness (high degree – low degree)
- Tidiness (indoors: high degree – low degree)

#### **4. Atmospheric conditions indoors**

A special quality of indoor experience spaces observed in some of the Arena businesses are what can be described as atmosphere, mood or ambience. Examples of such custom-designed experience spaces with distinct atmosphere is the banqueting hall of the chieftain's house at the Viking Museum, the main stone-age earth hut on Tuvsjyen and restaurant Børsen at Svinøya Rorbuer (fishing village). In addition to the value-adding significance of the type of material elements discussed above, here we have less tangible elements such as smell, light, sound, temperature and music / background sound.

Internal atmosphere and / or mood-related value drivers with potential relevance to the experience-based value creation of the Arena businesses include the following:

- Temperature (indoors: low – high) (context-dependent)
- Smell (indoors: high degree – low degree) (context-dependent)
- Sound / noise (indoors: high degree – low degree) (context-dependent)
- Music (inappropriate – appropriate) (context-dependent)

#### **5. Signs, symbols, artefacts**

A category composed of tangible and intangible value drivers that are found both outdoors and indoors can be grouped under the heading signs, symbols and artefacts. This may include, e.g. appliances, utensils and weapons, whether they are supposed to help "recreate" the Stone Age, Viking Age or life in a fishing village. Other elements that can support or undermine the value in such contexts is the style of furnishings and decoration, semiotics and use of symbols and the use of storytelling based on the narrative dimension of an experience space.

This diverse group of tangible and intangible value drivers with potential relevance to the experience-based value creation of the Arena businesses includes the following:

- Artefacts, objects (generic – authentic)
- Signposting (bad – very good)
- Style of design (aesthetics) (generic – authentic)
- Style of decoration (aesthetics) (generic – authentic)
- Historical / narrative dimension (low degree – high degree)
- Semiotics (random – planned)

#### **6. Facilitation for customer co-creation**

Arena companies offers experiences based on different degrees and forms of participation and own activity on the part of guests. The extent to which elements of the experience spaces support or reinforces what is the core of the experience concept with regard to participation and interaction may therefore be essential to the value experienced by guests. This also applies with regard to too much interaction in experience situations where this is not valued by guests, for instance guides that engage reluctant guests too much during a guided tour.

Elements relevant to guests' participation in the experience-based value creation of the Arena businesses include the following:

- Possibility (space) for interaction (poor – very good)
- Possibility (space) for self-direction (poor – very good)
- Possibility (space) for reflection (poor – very good)

#### **7. Employees**

A final set of value drivers that have potentially great significance for achieving successful experience creation are linked to the staff's skills and competencies. This can for example concern language skills and the ability to communicate with people with different cultural

backgrounds, how well they can communicate the historical and narrative dimensions of the experience space through storytelling, how good they are at guiding and supervising in situations where people's participation is a central part of the perceived experience value.

Qualities of the employees - the human value drivers - with potential relevance to the experience-based value creation of the Arena businesses include the following:

- Language skills (low skill – high skill)
- Skills in mediating historical / narrative dimension (low skill – high skill)
- Skills in guiding (low skill – high skill)
- Capability for organizational learning (low capability – high capability)

### **Summing up**

Experience-based value creation – and the specific form of this practice termed attendance-based experience production – is a complex and sensitive practice involving many aspects and elements. Through conceptual reconstruction of this practice field, and the introduction of the concepts of experience spaces, experiencescapes and value drivers, a more detailed picture of what experience-based value creation is has been provided. In a pragmatic perspective, how this knowledge base can be used in practice in exploiting the opportunities of the experience turn is the focus of institutional reconstruction. We turn to this in the next part.

## **5 INSTITUTIONAL RECONSTRUCTION – PRACTICAL IMPLICATIONS AND ISSUES**

In this part, some of the implications of the foregoing conceptual reconstruction for practitioners in the field of experience-based value creation is outlined and discussed. The focus will be on issues related to the design, construction, facilitation, staging and use of experience spaces and the value drivers that constitute them.

### **5.1 DESIGN, STAGING AND USE OF EXPERIENCE SPACES**

The focus here on the practice of experience production implies that this is a contribution to the knowledge base and practice of the conceived, ordered and structured spaces of professional experience-based value creation, the dimension that Lefebvre termed representations of space. However, the main way to contribute to more ordered experience spaces is through the production of space, i.e. the domain wherein spaces are socially produced, transformed and improved upon as physical infrastructures, networks and built environments for experience-based value creation and wherein the social infrastructures for this business practice are organised territorially. Thus, the dimension of conceived space intersects with the dimension of perceived space related to spatial practice, aiming to influence the dimension of the lived spaces of everyday experience of consumers and guests in ways that ultimately bring income to the professional provider of experience products.

The above conceptualization of experience-based value creation as spatial practice means that different ways of creating experiences and different ways of using space and place in such processes in effect creates various types of experience spaces. The material elements of experience spaces exists to a large degree before producer and customer meets in the experience situation, but it is through their co-creative efforts that the spaces are accomplished and come into existence as the spatial locus of value creation.

Prior to meeting the customer, the experience producer puts considerable efforts into designing experience spaces, constructing them materially and facilitating and staging the elements that are supposed to be instrumental in creating meaningful and memorable experiences for the customer. These efforts imply various degrees of innovation, as seen from

the businesses point of view, from relatively incremental (e.g. improved accessibility to premises) to more radical (e.g. building a multimedia Viking experience centre).

Experience spaces are to various degrees designed and constructed physically. Some types of experience creation takes place in wild, untouched natural landscapes that are hardly designed at all. Other types of experience creation take place in highly sophisticated built environments based on complex designs, like modern museums. However, behind every use of places as experience spaces there is some kind of thought on how the interaction between the customer and the elements are supposed to have the intended effect and how the elements must be combined and staged. Thus, there is a difference between design and the degree to which material adaptation or construction is needed.

The elements that constitute experience spaces must to various degrees be facilitated and staged in order to create just the right setting for making meaningful experiences. The types of experience creation that takes place in wild, untouched natural landscapes hardly need, can or should be facilitated or staged at all. The types of experience creation that takes place in highly sophisticated built environments, like modern museums, demand a high degree of facilitation and staging.

The creation of meaningful, memorable and valuable experiences for customers is the means through which the producers can generate revenue for their firm. However, the producers efforts, solely or jointly with the customer, can only bring him so far. The meaningful experience is only accomplished by the customers final and personal efforts to interpret, enjoy and master the mix of diverse elements that constitute the experience situation. The process also stretches beyond the actual experience situations and into memory making. Clearly, this is a combination of mental and bodily processes and many of the issues that are central to research influenced by the 'cultural turn' are relevant here. However, as discussed and shown above, there is more to it than a purely mental consumption or consummation of experiences. The sensing body together with a vast range of other material elements plays a crucial role in turning encounters with the world into meaningful experiences.

## **5.2 SOME PRACTICAL USES OF THE FRAMEWORK OF EXPERIENCE SPACES AND VALUE DRIVERS**

The set of value drivers introduced in part 3 have several possible uses. It can be used to document and rank the quality of the single value drivers in terms of systematic improvement and innovation over time. The company may use multiple knowledge sources in such work, both internal reviews, experts' reviews and especially the guest reviews - obtained through the collection of relevant information from stakeholders. The framework can be adapted or further developed in relation to various forms of application.

### **1. Identify improvement potentials in own business**

The framework can be used for quality reviews of the value drivers and experience spaces of businesses in order to identify improvement potentials. Critical review and rating of the quality of the value drivers and experience spaces can help to raise awareness about what the company should give priority with regard to improvements. Such a critical review can be conducted by the company's owners and employees as part of routine improvement work. When needed, expertise in various areas can be brought in to achieve quality enhancement and improved practice.

In terms of innovation, to apply this framework can be seen as a process innovation as it is a tool for improving the experience production process. The improvements and changes in value drivers resulting from the use of this framework can be seen as both product and

process innovations. All the value drivers identified in the present study are elements in the various experience products or overall experience concepts of the firms in focus. This also applies to the category “employees”. In addition, the elements in the categories “facilitation for customers co-creation” and “employees” is part of the process of producing experiences as these has to do with the interactive, interpersonal and social aspects of this practice field.

## **2. Identify what guests appreciate**

The framework can be used to identify the elements that are actually valued by guests / customers, i.e. the real value drivers, with a view to more accurate pricing of the elements that actually creates value in the experience spaces. The framework of value drivers and experience spaces thus becomes a common structure in stories about what creates valuable and meaningful experience for the company’s guests and what elements or value drivers, the company can put a price on, i.e. the connection between what the visitors price highly and what the business can price highly, in a literal sense. This can contribute to the understanding of how to price experiences with a sound understanding of guests' preferences as a basis. The framework has thus the potential to be developed further and be connected to the company's communication with their guests to improve the basis for segmentation, pricing and thus the development of more valued and better paid experiences.

## **3. Identifying best practices in attendance-based experience production**

For companies that adopt the framework as described in paragraphs 1 and 2, it can be used as a common reference basis for identifying good or even best practice in attendance-based experience production and make detailed and systematic investigations of how different combinations of value drivers in various types of experience spaces contributes to experience-based value creation.

## **4. Benchmarking of value creating practices in experience spaces**

The potential for comparative practice improvement on the basis of this framework can be taken a step further. The framework can then be used as a common reference basis for comparison with and learning from and within the relevant community of practice among firms involved in experience-based value creation. Identifying similarities and differences in the practice of experience producing firms is necessary to make relevant comparisons and provide the basis for learning and transfer of experience.

## **5. Guidelines for experience-based value creation**

Moreover, such a framework can help to focus attention on more extensive practice improvement in attendance-based experience creation. A further development of the framework on the basis of experience from the use, as described in the above points, may eventually help to direct policy or set standards for value creating practices in different types of experience spaces.

## **6 SUMMING UP**

The point of departure for this paper was two manifestations of the experience turn, partly interwoven around the significance of space, place and new social practices for both. Within both business strategies and in local development strategies, urban as well as rural, the experience economy represents new opportunities and challenges. Businesses focus increasingly on immaterial qualities of their products such as narratives and images which relate to the emotional and affective sides of the customers. Local politicians and planners, on the other hand, focus ever more on quality of place and quality of life, both as an aim in itself and as a tool for attracting citizens, tourists and businesses.

This means that the increasing demand for meaningful experiences that is a driving force in the experience turn presents many opportunities that can be exploited by firms through experience-based value creation. Based on inquiries into the efforts of 30 small and medium sized experience firms in Nordland County in Northern Norway to exploit such opportunities, this paper has stressed the interplay between social, cultural and material elements in attendance-based experience production and consumption. These processes, that takes place and makes place, has been conceptualised above as experience spaces. The paper has shown that material objects and physical sensations are central to experience co-creation, perhaps more central than traditionally assumed, and that extraordinary experiences involve, and are made possible and meaningful by, objects, machines and technologies. The paper has suggested that a constructive path to follow for future studies of experience co-creation is a further engagement with the 'material'.

More specifically, a conceptual and practical way to engage with questions of materiality and material culture has been devised through developing an analytical framework to deal in practice with the elements that constitute experience spaces and in that sense constitute the 'machinery' and the 'nuts and bolts' of experience creation. This framework is useful for practitioners within the field of experience-based value creation, in particular attendance-based experience production, in their efforts to construct, use and make meaning in experience spaces.

The central point of the reconstruction conducted has been to re-situate experience from something purely or mostly mental and symbol processing taking place inside the head of the consumer or person more generally and into its more proper material context where consumers are in constant bodily interaction with things and physical places. By introducing the concepts of experience spaces, experiencescapes and value drivers and further develop them through empirical case studies, the conceptual reconstruction have implications for practitioners within the field; how are experience spaces and their constituting elements constructed, used and made meaningful? In doing so, the paper has stressed the interplay between social, cultural and material elements in experience-based value creation as a means to exploit the opportunities of the experience turn.

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