

# The Experience Economy

## Auxiliary Services

# What Is the Experience Economy?

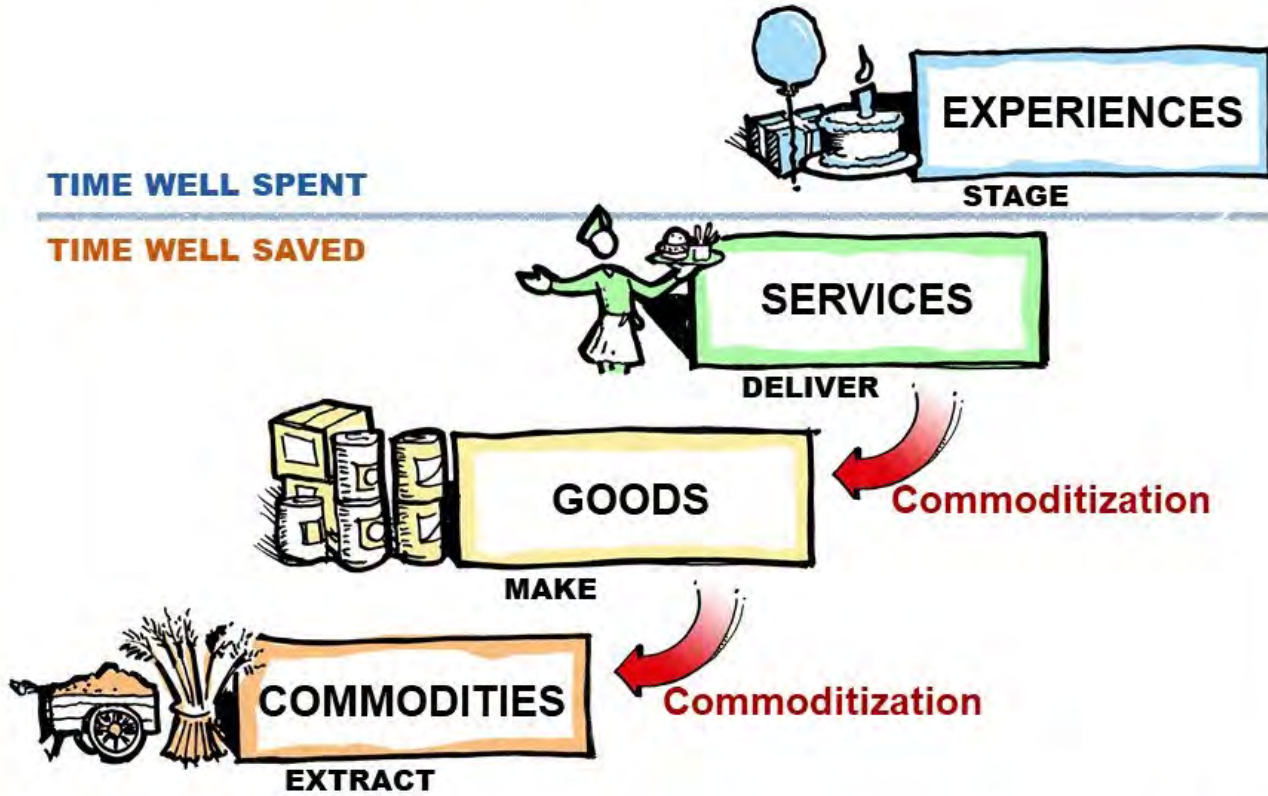
The experience economy is defined as “an economy in which many goods or services are sold by emphasizing the effect they can have on people's lives.” Experiences are their own category, just like “goods” and “services.”

Generally speaking, you need a combination of goods or services to make an experience possible. Customizing a good automatically turns it into a service, and customizing a service turns it into an experience.

*Experiences should be robust, cohesive, personal, dramatic, and transformative!*

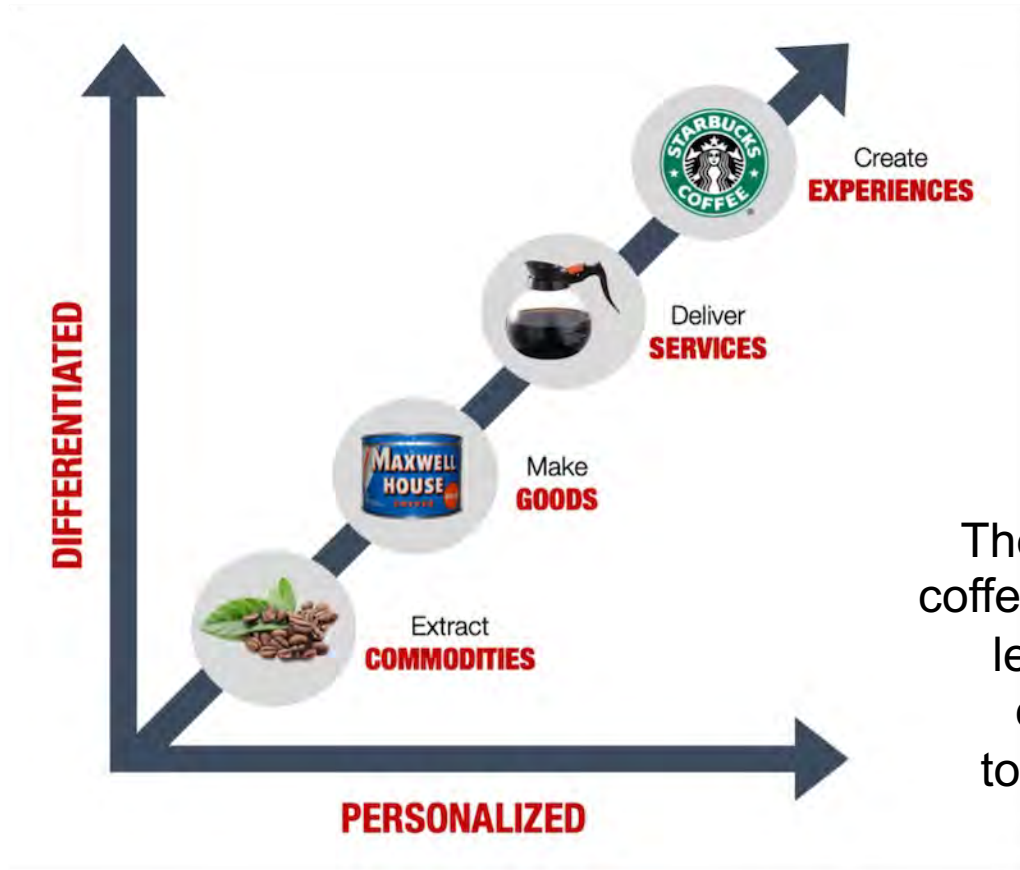


# The Progression of Economic Value



© 2016 Strategic Horizons LLP

# Beyond Goods and Services, What are We Offering?



The evolution of coffee beans (or tea leaves!) from commodity to experience.



# Beyond Goods and Services: Starbucks

Starbucks commodity is coffee beans. **Their focus is creating an experience centered around becoming a place of community.**

When you go into any Starbucks you expect a **consistent** experience. The drinks will have a consistent quality, there's enjoyable music playing, there's a board for local events, there's food and snacks, there's branded drinkware available for purchase, they record your drink preferences, you can mobile order, they have your name on the cup and they call you by name when your order is ready, and on and on...

What Starbucks has done so well is to take a simple transaction (buying a cup of coffee) and turned it into an **event**. There's a rewarding feeling for going to Starbucks. It feels like a treat. This is why people pay so much more for an experience.

They're not just buying the product, it's everything associated with it.

They have even taken it a step further with their highly experiential Starbucks Reserve Roastery locations. *(NY Roastery pictured at right)*



# What Are Our Goals?

- Understand and implement experience economy concepts.
- Think about and understand who our customers are, specifically students, and what experiences they value.
- Commit to our role as managers in designing the guest experience every day with the support of our staff.



# Experience Economy: What Do We Know?

Today's consumers are a digital bunch - we're constantly searching, communicating, and checking in. Each action we take, whether we're on our mobile device of choice or at our desktop, has the same end game: **Satisfy me.**

As consumers, we no longer simply make a purchase and walk away. Consumers seek—and often expect—additional utility from the brands we patronize. **We want to feel like they're listening.**

**We don't just want the goods or services, but we want an experience to sweeten the deal.**

Welcome to the experience economy, where—according to [Harvard Business Review](#): “A company intentionally uses services as the stage, and goods as props, to engage individual customers in a way that creates a memorable event.”



# Experience Economy: It's a Value Thing

Our personal and professional lives are weaved together digitally and through blended experiences. Does that "memorable event" in the definition above have to be earth shattering? Nope.

Does ordering a pizza count?

Think of Dominos Pizza, a brand that once allowed customers to order their favorites by texting, tweeting, or emailing and now offers online and mobile ordering options.

If you're sitting in your last meeting of the day and can't stop thinking about what to do for dinner, you can order Dominos via their app or website... You not only get the cheese and toppings, but you also **get a fresh ordering experience that fulfills your specific need *in real-time***. It's - a value thing.





# Integrating the Experience Economy Into Our Business

## Key Elements: Value, Engagement, Connection

The experience in each Auxiliary Services operation / unit includes many components.

The way a unit looks, feels, sounds, the way the staff look and act, the way the food smells, tastes, the way merchandise looks, feels, etc. All of these things can add value, while creating engagement and connection.

**We must ensure, from pre-opening through closing, that each of these experiential details is in place and activated to provide a superior experience for our guests.**



# How do we move from transactions to creating experiences that help us appeal to our core guests: Gen Z?

