

Arts & Business

Beyond experience: culture, consumer & brand

Executive Summary

Foreword by **Mat Hunter**

Essays by:

James H. Gilmore & B. Joseph Pine II
and Tina Mermiri

Foreword

The world of business is fast realising that creativity is too valuable to be left to the creatives. Whether the challenge is to craft new and improved products and services, or to imagine whole new business opportunities, the sometimes formulaic manner of management thinking is being questioned in these globally competitive, fast moving and often disruptive times. The most advanced business leaders are embracing creative methods to add to their strategic toolkit.

But Arts & Business' report recognises that it's not just the commercial creativity of designers that is valuable in business – it is the cultural insight and capital of the Arts that matters too. In a world now well supplied with high quality, well priced goods, how can we better meet consumers' needs? The Arts have much to offer.

Having spent the past 15 years designing cutting-edge products and services, and trying to teach the art and science of innovation to business students, I know how hard it is to connect theory with practice. This report masterfully unwraps the concept of 'authenticity' and shows how practices from the Arts can generate ideas for numerous business contexts. I defy anyone not to have new thoughts for their own venture.

But I would suggest that the most important concept regarding authenticity is this: that you really need to want it for your business, to see it as a vital, embedded part of what you do. It is not a quick trick to lure customers. As the report suggests, being really successful requires careful partnership not casual sponsorship, and as we begin to emerge from the recession, now is the time to be building the bonds between art and business.

Mat Hunter

Designer & Innovator; Former Partner, IDEO

Executive summary

In *Beyond experience: culture, consumer & brand*, Pine & Gilmore alongside Arts & Business aim to unlock the power of culture in the way businesses and brands will engage with their consumers in the future.

Looking at how culture can be placed at the heart of emerging commercial practice, the report explores the changing nature of increasingly media savvy consumers with a growing cultural appetite and commercial demand, and their subsequent desire for authentic experiences and meaningful transformations. The key themes of the report revolve around co-creation and interaction between the business and arts partners and their clients and audiences in respect. Any business seeking to engage or reengage further with their current or future market, cannot afford to ignore the potential of the arts and their role in doing this.

.....

The two essays featured in this report therefore explore how businesses can offer their consumers authenticity and meaning through their use of and engagement with the arts.

Pine & Gilmore, the influential authors of *The Experience Economy: work is theatre and every business a stage* (1999) and *Authenticity: what consumers really want* (2007) have written the first provocation paper, *Using art to render authenticity in business* (2009) encouraging businesses to engage with the arts in a more innovative and creative manner. They set out to do this by outlining and exemplifying the multi-faceted relationship between authenticity and the arts and the business opportunities that exist between the two.

The essay highlights the shift of consumer behaviour from the Agrarian Economy to the Experience Economy, where businesses charge for the experience they can offer, focusing on authenticity as the new consumer sensibility and business imperative. It looks at how businesses can use the arts and culture for differentiation, giving them a resonating competitive edge.

In *Using art to render authenticity*, Pine & Gilmore present an expert intellectual treatment of an incredibly complex area, with serious, theoretical and speculative arguments, which we try to take forward in *The transformation economy*. Our arguments serve to complement Pine & Gilmore's original work, not replace it. We hope that just as they stimulated us, we can stimulate you to think about the following:

- The consumption of culture in any capacity is experiential, which itself can be authentic but can also be transforming (in most cases it is both)
 - Consumers are increasingly looking for meaningful experiences to transform their lives. Businesses can best offer these through the use of culture in creative and innovative ways
- The value, authenticity and meaning of art itself, is rendered through its interaction with its audience/consumer
 - Businesses must in respect find ways of working with the arts to create a similar dialogue with their customers: culture, consumer and brand thus feed into and from each other in a cyclical and creative way
- Businesses and brands need to work alongside their arts partners to achieve mutual benefits and meet their overlapping objectives. Brand alignment and mutual values of both partners will therefore ensure that neither is compromised

- A business will therefore be invited and encouraged to work with cultural organisations when the end-product is enhanced, not diluted as a consequence of the partnership
- In the transformation economy, cultural partnerships also give consumers opportunities to directly impact on – or transform – the product itself, thus becoming producing-consumers (or prosumers)
- In this light, the fully engaged prosumers become a product in themselves, as they are also seeking for an internal transformation, through the consumption of the economic offering.

Looking at the specific market in the UK and some of the partnerships that are already taking place between businesses and the arts, it seems therefore that we are already heading towards the transformation economy, which Pine & Gilmore identified will eventually replace the experience economy. In this light, we focus on the ever changing market and the consequent needs of consumers, seeking meaning and a transformational experience.

We argue this is particularly important in this and any economic climate, as the arts, which are becoming increasingly present in people's lives and are inherently considered meaningful, can help restore trust and maintain brand loyalty for a business by engaging their customers in more direct and innovative ways. We therefore seem to be moving away from the concept of 'sponsorship' and towards the notion of 'partnership'. This should be underlined by the close collaboration between both arts and business partners and characterised by their shared values, which will directly lead to the co-creation of an authentic and meaningful experience for consumers.

Furthermore, we begin to look at the changing nature of consumers within the transformation economy, and how technology is challenging their hitherto passive role, inviting them to contribute to the production and development of an economic offering and simultaneously transforming themselves through the consumption of that product.

As with the experience economy, authenticity of a business, product or service, can in the transformation economy be generated through businesses' association and engagement with the arts helping them differentiate their offer and appeal to increasingly demanding and culture-literate audiences.

Using both essays as a springboard, we hope to explore in more depth how businesses can start offering more authentic experiences, through their involvement with culture and the arts. Most importantly, however, we want to take the discussion forward to look at the transformation economy and the arts' role within it to help businesses provide a more appealing and meaningful offer to their consumers.

Arts & Business

Head Office

Nutmeg House
60 Gainsford Street
Butler's Wharf
London SE1 2NY

Telephone

020 7378 8143

Email

head.office@artsandbusiness.org.uk

Website

www.artsandbusiness.org.uk

President

HRH The Prince of Wales

Chief Executive

Colin Tweedy



department for
culture, media
and sport

Disclaimer: Arts & Business Limited is a charity registered in England and Wales (274040) and in Scotland (SC039470), and a registered company limited by guarantee (England 1317772). It trades through Arts & Business Services Limited, a registered company limited by shares (England 4027285). VAT number 629018442. Member of CEREC (Comité Européen pour le rapprochement de l'économie et de la culture).