



Innovation in the experience sector

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Experience

- A mental journey
- A particular sector and an aspect of all products and services
- The experience sector – examples: culture (film, music, TV), sport, computer game, experiences on the web-net, tourism, events (e.g. town festivals)
- Part of the service sector – or a new sector with its own logic
- "The experience economy" by Pine and Gilmore
- The primary experience economy about 8-10% of GNP/employment in Western countries



Aim of the study

- Survey on innovation in experiences
- Comparable to CIS
- First measurement
- New knowledge
- Can be useful in new revisions of CIS



Research question

- Theory on innovation in service has been developed
- Service innovation similar to manufacturing innovation - however, particularities
- The same to experience innovation compared to service innovation?

Method

- Survey (web-based) to a representative sample of Danish experience firms
- Population 4.500 firms with 1 employee and more – 1315 firms responded
- Several questions from CIS4 – other questions added



Measurement problems

- Creativity a particular phenomenon in experiences – different from innovation
- Artists a particular role
- Traditions for "laboratory"/art's studio
- Much ICT (technology, laboratory)
- Much public support/production, the voluntary sector, mix
- Similar to services: No R&D, lack of systematisation, etc.

How innovative is the experience sector ?

Firms that have innovated, Denmark, 2002-2004

	Product-innovation	Process-innovation	Product-and/or process innovation	Organisational innovation	Market innovation	Min. one of the four types innovation
Industry	29	35	45	53	16	70
High technology	41	37	51	56	15	71
Medium technology	21	28	35	52	17	69
Low technology	26	39	47	51	18	69
Retail, wholesale	27	18	33	58	21	70
Knowledge services	41	37	50	63	25	77
Finance	20	20	30	52	24	68
Other industries	21	24	35	58	14	65
Total	31	30	42	58	20	72
<i>Experience 2004-2006</i>	62	53	69	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>

Innovativeness of sub-sectors

Innovation in experience sub-sectors Percentage of firms that had innovated 2004-2006. Denmark

Sub-sector	Have had innovation activities
Tourism	68
Art and culture	73
Entertainment and leisure	78
Design, image and branding	59
TOTAL	69

Own results

Technology

Importance of technology for experience products Percentage

ICT	
Very much	45
To some degree	34
Not very much	14
Not at all	6
Other technology	
Very much	20
To some degree	46
Not very much	25
Not at all	9

Own results

Enterprise size

Percentage of enterprises that have introduced product and/or process innovations

<i>Size: Number of employees</i>	Our survey* Denmark Experience 2004 -2006	<i>Size: Number of employees</i>	CIS4 Denmark All firms 2002 -2004	<i>Size: Number of employees</i>	CIS3 Europe Industry 1998 -2000	CIS3 Europe Services 1998 -2000
2-9	66	2-9	38			
10-49	73	10-49	43	10-49	40	36
50+	86	50-249	47	50-249	63	54
		250-999	64	250+	80	69
		1.000+	68			

* Only enterprises with 2 and more employees included
Eurostat 2004 figure 2.1.2, Dansk Center for Forskningsanalyse 2006 table 2b and own results

Public support

Public economic support Percentage

	Our survey Denmark Experience 2004 -2006 *	CIS4 Denmark Industry 2002 -2004 **	CIS4 Denmark Retail and wholesale 2002-2004 **	CIS4 Denmark Knowledge and financial services 2002-2004 **	CIS4 Denmark Other firms 2002-2004 **
Firms that have received public support	27	19	6	10	18

*All types of support

** Support to innovation activities only

Dansk Center for Forskningsanalyse 2006 table 25.a and own results

- Public supported experience firms more innovative



Conclusion

- Experience firms are very innovative (not only creative)
- Characteristics of innovative experience firms similar to those found in services
- Possible to measure innovation in experiences with general measures – however, do not mix it with creativity
- The experience sector should be included in CIS