

SELLING EXPERIENCES

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” [1]. The purpose of this article, therefore, is to explore the concept of the experience economy and its growing importance in modern consumer behavior, as well as to understand why millennials are the driving force behind it.

The experience economy is the phenomenon that we’ve seen since the 1990s of consumers recognizing that there’s more to life than just having stuff. Blame it on the internet showing more people what’s possible and how to do it, or the fact that so many of our most valuable “things” are now freely available – music, movies, art, communication, education and more. You could also attribute it to the longer hours most industries are adopting, now that everyone is accessible via their phones 24/7. But researchers have noted a trend: material goods are simply not as valued.

If money doesn't buy you happiness maybe that's because you're spending it the wrong way. A growing body of academic literature reveals that materialism (I.E., spending your disposable income on physical items) negatively impacts well-being. “The good life may be better lived by doing things than by having things” [2]. This is an insight into human psychology that seems to resonate with Millennials in particular. Not only does this major shift in consumer culture promote personal well-being, it also has the potential to improve society to make us all a bit more generous, creative and empathetic. Millennials who are finally emerging from the economic doldrums of a recession perfectly timed for the start of their careers are inclined to splurge on experiences rather than material goods.

And in Belarus as Millennials have become the largest generation expenditures on experience-related services have grown several times faster than expenditures on goods in recent years. That's part of the reason why we're seeing all these retail outlets become experiences. Because every time you purchase a material good something like a gadget or a piece of jewelry in order to maintain that jolt of happiness you initially get from retail therapy you have to continually get new stuff to replace the possessions you inevitably fall out of love with. And because of something academics call upward shifts of aspiration your taste tends to get more expensive over time so you're using ever increasing resources to temporarily fill a need that will soon reappear.

People mentally revisit their experiential purchases more often than their material purchases. We adjust to our surroundings and circumstances. That's super useful when we lose a limb and are able to persevere, but when it comes to our possessions that tendency to habituate means that the material purchases that initially brought us joy quickly lose their luster, they become ordinary and unspecial, they fade into the background slowly deteriorating and becoming obsolete. The opposite frequently happens in line with something called The Rosy view hypothesis we have a tendency to

mentally reframe our past experiences and put them in a more positive light than they actually were. The best elements become prominent in our memory while the inconveniences slip away.

In the experience economy, according to Jim Gilmore and Joe Pine, time is the currency of value. Consumers see value either in time well spent or in time well saved. This framework has profound implications for businesses. Companies must design offerings that either optimize convenience or create immersive, transformative experiences. For example, grocery delivery services exemplify "time well saved," while dining at a unique restaurant represents "time well spent". Ultimately, the experience economy challenges organizations to rethink their value propositions, focusing on how they can capture attention and deliver meaningful interactions in a world where time is increasingly scarce and precious.

The experience economy represents a significant shift in consumer culture, prioritizing memorable experiences over material possessions. This trend challenges businesses to rethink their value propositions and create engaging, transformative experiences for consumers. As the experience economy continues to evolve, it has the potential to reshape not only business strategies but also societal values, promoting a focus on personal growth, shared experiences, and meaningful interactions.

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LEVERAGING NEW TECHNOLOGIES IN THE EXPERIENCE ECONOMY

Today, consumers are increasingly focusing on the emotional component when choosing a product, preferring not only favorable price-quality ratio. Thus, the desire to own a product is transforming into the search for vivid and memorable impressions, which become an important part of the consumer experience. This phenomenon, known as experience (impression) economy, is not a new concept, but it has taken on heightened