

Explore the Experience Design of Taiwan's "Creative Living Industry" - An Example of Nanyuan*

I-Hsin Fan

Institute of Information and Society, National United University,
TAIWAN.

magfan2011@gmail.com

ABSTRACT

Due to the structural change of world economy and technological advances, industry development in a competitive global market further needs creativity and special characteristics. Marketing and product design, in response to the changing economic trends, also convert from "function-oriented" to "consumer-oriented". Meanwhile, Taiwan in recent years also enters the post-modern era of consumption. When making purchases, consumers not only consider satisfying their basic material needs, but also trying to pursue sensual and symbolic value and further pursuing the creation of self-efficacy to obtain the satisfaction of psychological needs. Therefore, the "creative living industry", combining the three elements in "core knowledge", "in-depth experience" and "aesthetics", is born.

This study uses "Nanyuan", the first in Taiwan introducing "creative living industry" and brand marketing in its business philosophy, as the object of study and uses "Evaluation Grid Method (EGM)" of Miyoku Engineering to conduct in-depth interviews of 4 practitioners with high involvement and 5 consumers, and then obtains an evaluation grid map based on the interview results. Five original attractiveness factors of "Nanyuan" are "natural environment", "architectural space", "service design", "product design" and "brand marketing". This study finds that the operating personnel and the consumers are highly consistent in their perceptions of the first four attractiveness factors. As for "brand marketing", the two sides show considerable differences in their views of whether the degree of commercialization is conducive to marketing. The results of this study can be provided as a reference for the business planning of "Nanyuan", and at the same time, provides recommendation on the experience design of the business planning in the future to the practitioners who wish to invest in the "creative living industry".

Keywords: Creative living industry, attractiveness factor, evaluation grid method, experience design

INTRODUCTION

Research Background and Purposes

Since entering the era of consumer society, businesses have sought breakthrough and innovation in terms of management and marketing strategies. Through creative techniques, aesthetic design and cultural elements, products and business facilities express their delicateness and emotions to promote the desire and motivation for consumption, immersing the consumers and creating good experience and memory. Also, from the perspective of the changing consumer environment, the world has gradually entered the postmodern consumption era. In the consumer society with rich commercialization, shopping is mainly based on self-actualization and the symbolic value in seeking cultural sensibility.

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Using "Nanyuan", a "creative living industry" benchmark business officially certified by the Taiwanese government, as the object of study, we explore and analyze how the "creative living industry" practitioners in Taiwan should build their operational models and marketing strategies to facilitate the transformation and upgrade of the industry. The "Evaluation Grid Method" of attractiveness engineering and in-depth interviews are conducted to understand the attractiveness factors that the business operator attempts to shape for "Nanyuan" and the attractiveness of the industry perceived by the visiting consumers. The results from the two sides are put through comparative analysis to be used as the reference for marketing and products design in the future for the operator, and are also provided as recommendation for the development of the industry for the practitioners in the same "creative living industry".

LITERATURE REVIEW

The Experience Economy Is the Trend of Modern Industry Development

Pine and Gilmore (1998) mentioned in "Welcome to the emerging experience economy" that the current economy system has evolved from the traditional to the experience economy (Figure 1). "Experience" has become a word frequently used by businesses. The experience and the traditional (agricultural and industrial) economies are different in that the experience economy pursues the shaping of emotion and content, creating activities worthy of memory for consumers and emphasizing on the interaction between consumers and products. In recent years, the rapid development of information technology makes the communication between businesses and consumers even smoother. In addition to product functions, companies pay even more attention to the communication and stimulation between them and their customers, so that experience-based strategies gather unprecedented attention. There are numerous and successful examples where the businesses enhance their products' added value by creating experience. For example, Coca-Cola is the first in the world investing heavily on experience strategy (Keller 2003); Starbucks Coffee also adds value to their goods by creating customer experience, becoming a strong brand.

Schmitt (1999) pointed out that many firms have gradually shifted from providing product functions and performance to creating customer experience, and so that the experience marketing is also different from the traditional marketing (Table 1) in which it particularly emphasizes on the emotional level of consumers and shaping the environment for consumption.

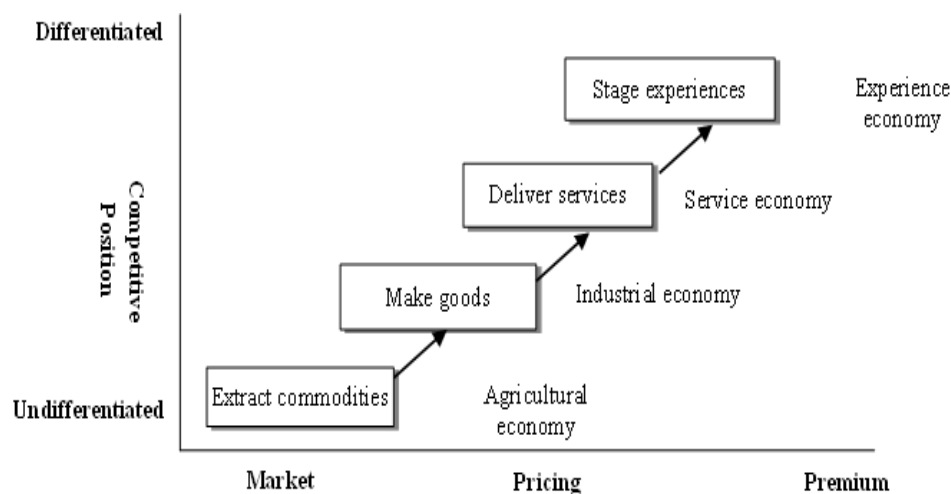


Figure 1. Evolution of economic structure

Source: Pine and Gilmore (1998)

Table 1. Comparing the traditional and the experiential marketing

	<i>Focus of Promotion</i>	<i>Identification of Competitors Items</i>	<i>Consumers</i>	<i>Market Research</i>
<i>Traditional Marketing</i>	Product Performance and Efficiency	Narrow product category	Rational Consumers	Analysis, Quantitative and Spoken
<i>Experiential Marketing</i>	Customer Experience	Comprehensive experience based on the consumption scenario	Rational and Emotional Consumers	Flexible, Diverse, Multi-faceted

Source: Organized by this study

Schmitt (1999) also stressed that experiential marketing creates different forms of experience for customers. The ultimate goal is to create an overall experience for customers, with five types of strategic experiential modules (Table 2): sensory (sense), affective (feel), creative cognitive (think), physical (act) and social-identity (relate). This study uses an interview outline based on the experiential module provided by Schmitt (1999) and explores and analyzes the planning and concept of experience design utilized by the business operator of "Nanyuan" and the feedbacks provided by the consumers after the experience.

Table 2. The marketing methods of experiential modules

<i>Experiential Modules</i>	<i>Goals</i>
<i>sense</i>	Create sensory experience through stimulation of sight, hearing, touch, taste and smell. Sensory marketing can differentiate the companies and the products, triggering customer motivation and increasing product value.
<i>feel</i>	Emotional marketing caters to customers' inner feelings and emotions. The goal is to create emotional experience ranging from the mild and positive emotional connection with the brand to the strong emotions of joy and pride. Most of the conscious emotion occurs during the consumption.
<i>think</i>	Think marketing appeals to intelligence. The goal is to use creative methods to build perception and problem-solving experience for customers. Through surprises, this method causes interest and induces customers to perform centralized or decentralized thinking.
<i>act</i>	Physical experience, lifestyle and interaction impacting the body. Action marketing points out alternative ways of doing things, lifestyles and interaction through physical experience, enriching the lives of customers.
<i>relate</i>	The relating marketing usually contains the sensory, feel, think and act aspects. However, it goes beyond the individual personality and personal feelings. "Personal experience" is added in, relating the individual to the ideal self, others or cultures.

Source: Organized by this study

The History of Development and Category of "Creative Living Industry"

Britain proposed the concept of creative industry (CI) in 1997, triggering global attention and emulation in combining culture and industry development. Caves (2000) considered that the so-called creative industry should be able to produce products and services with considerable amount of artistic or creative effort.

Taiwan's government in 2002 included the cultural and creative industry as part of the national development in the "Challenge 2008 - National Development Plan". Based on knowledge economy, it combined inspiration, creativity and design and brought development potential and employment, becoming the opportunities for future development and transformation of Taiwan's economy. "Creative living industry" policy was part of the plan. "Creative living industry" covers food, clothing, housing and transportation industries related to the daily life, and integrates the core knowledge of industries with creativity to provide emotional services that have in-depth experience and consumption scenario that have high-quality aesthetics. Consumers are able to obtain deep emotional involvement during the shopping process through the addition of culture and creativity, promoting the desire to shop. Under the implementation of this industry transformation policy, many industries in Taiwan strived for upgrades, reflecting the consumption environment in Taiwan moving toward the model of experiential economy. Therefore, business operators paying attention to the dimension of experiential design when formulating the management and marketing strategies has become an inevitable trend.

History and Development of "Nanyuan"

"Nanyuan" is located in Hsinchu County of Taiwan. The main building is in the form of China's southern landscape architecture. Coupled with the unique local nature beauty and the landscape and interior design enriched with the oriental culture, the facility provides attentive personalized service and experience activities. It has become one of the most representing benchmark businesses in the "creative living industry" in Taiwan and was awarded as the representing business for the "creative living industry" by Ministry of Economic Affairs.

"Nanyuan" measures twenty-seven hectares in total, and is the largest park in Taiwan. It began construction in 1983 and was completed in September 1985. Mr. Tiwu Wang named the park after his father, Funan Wang. "Nanyuan" was once a vacation center for the employees at the United Daily News, and it also had hosted Prime Minister Thatcher from England, Russian Prime Minister Gorbachev and other important figures. Due to the operating costs and facility maintenance issues and the flourishing trend of leisure travel in Taiwan, the park was entrusted to "The One" marketing firm for operations and management and opened to the public to experience the beauty of "Nanyuan".

"The One" was founded in the spring of 2003. The business name was taken from the ancient "Spring and Autumn Annals and the Commentary of Zuo", using the phrase "For different individuals, manners are also different" as its business philosophy. It represents how the management team longs for a better lifestyle. Oriental culture and philosophy and arts are used as the core and the special characteristics of the company. The presentation of design and creativity shows the style of the facility and products. The company wished to share its value with the customers to cultivate the breadth and depth of life and shape an environment showing the aesthetic living in Taiwan; therefore, it was entrusted by the United Daily News to begin operating "Nanyuan", allowing it to practice its philosophy and achieve brand marketing.

The building of "Nanyuan" came when the owner of the park, Tiwu Wang, met architect Pao-teh Han. Mr. Han took the elements of Chinese culture to interpret the southern landscape of China during the South Song Dynasty, reflecting the natural environment of rolling hills. He profoundly expressed the leisure mood in the oriental culture and showed the exquisite style of Chinese architecture. All the beams were made of precious cypress in Taiwan and connected by latches, mortise and tenon. The decoration involved more than a hundred skilled master woodworkers and sculpture craftsmen who carved folk tales or auspicious mascots on camphor wood. At the same time, the building incorporated the color tone of red

bricks and tiles of the Fujian-style buildings in Taiwan, matched with the red and green plants in the garden, allowing "Nanyuan" to show the calmness and elegance of the southern building while having an ambiance of warm and welcoming. The garden implements the design and decoration of "Feng Shui"; the wooden window frames and grilles, couplets, tables and chairs express the philosophy of oriental culture. After "The One" management team took over the operation, the knowledge of experiential economy was introduced to make the space and hardware facility at Nanyuan even more delicate, enhancing the visual experience. Resident artists also perform on-site. Live performance of zither instrument allows the tourists to listen to the melodious music performed by the musicians. Craftsmen create their paintings and calligraphy masters show their writings on-site, so that the tourists can experience the oriental art in person. Tour guiding activities and crafts experiencing leave a deep and wonderful memory for the visitors.

METHOD

In recent years, shopping behaviors have transformed from the simple "good shopping" to "emotional shopping". Economist Lawrence Abbott (1941) once said that what satisfies people is not a particular "goods" but a satisfactory "experience", and that only being able to deeply understand people's minds and design attractive goods that meet the needs and value of people can we get accepted by the smart consumers in this saturating market economy. However, the subjective preferences of consumers mainly come from their value judgment system. The judgment comes from the sensory reception, mental decisions, sociology, art appraisal and other scopes. Therefore, this study uses the "Miryoku Engineering" developed by Japanese scholars to further understand the consumer choices to be used as the successful experience for product design, capturing the attractiveness essence of products and creating an attractive product (Hirohiko Asano, 2001).

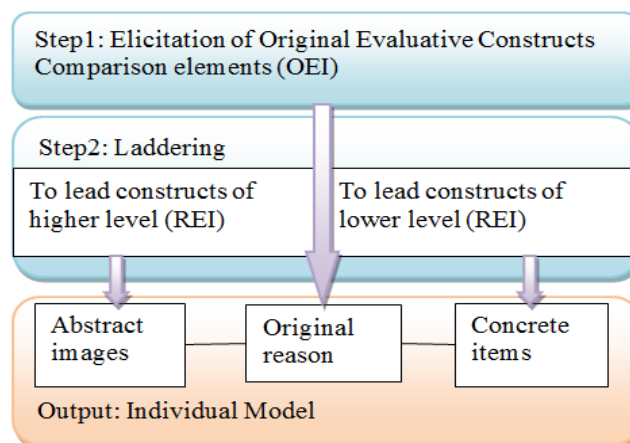


Figure 2. EGM Interviews

Miryoku (Attractiveness) is a vague concept. It has been difficult to make a specific evaluation, but it is one of the important factors influencing consumers shopping for goods. Miryoku Engineering was developed in 1991 by a Japanese scholar, Masato Ujigawa, together with several other scholars, with the purpose of creating attractive products and the techniques and knowledge of space. Evaluation Grid Method (hereinafter referred to as EGM) is an important research method in Miryoku Engineering, being developed by a psychologist, Kelly, in the concept study of "Psychology of Personal Constructs". Sanui (1996) further developed this method. First of all in the evaluation of the subject of study, respondents are required to answer their preference or aversion of the products. Second,

additional questions are asked to clarify the meaning or conditions of the answers from the respondents. The results are compiled to specifically analyze the attractiveness factors of the products and the related constructs.

This study follows EGM to conduct in-depth interviews of the practitioners with high involvement and consumers in the industry. Semi-structured interviews are run for the four main dimensions in "business philosophy", "planning and design", "experiential marketing" and "uniqueness and innovation" to analyze the attractiveness factors perceived by the both parties, further verifying whether their perceptions are consistent with each other (Figure 2).

RESEARCH ANALYSIS AND RESULTS

Practitioners with High Involvement

There are four representatives with high involvement in the industry, and they are a manager and a staff member from the marketing and planning department, an on-site service staff and a resident craftsman. According to the in-depth EGM interview results, they believe that the abstract attractiveness factors are ranked in "Five senses and six feelings", "unforgettable" and "oriental ambiance" and the concrete attractiveness factors are ranked in "a cultural experience garden park offering five senses and six feelings", "products enriched with culture implications" and "products with oriental imagery" (Figure 3).

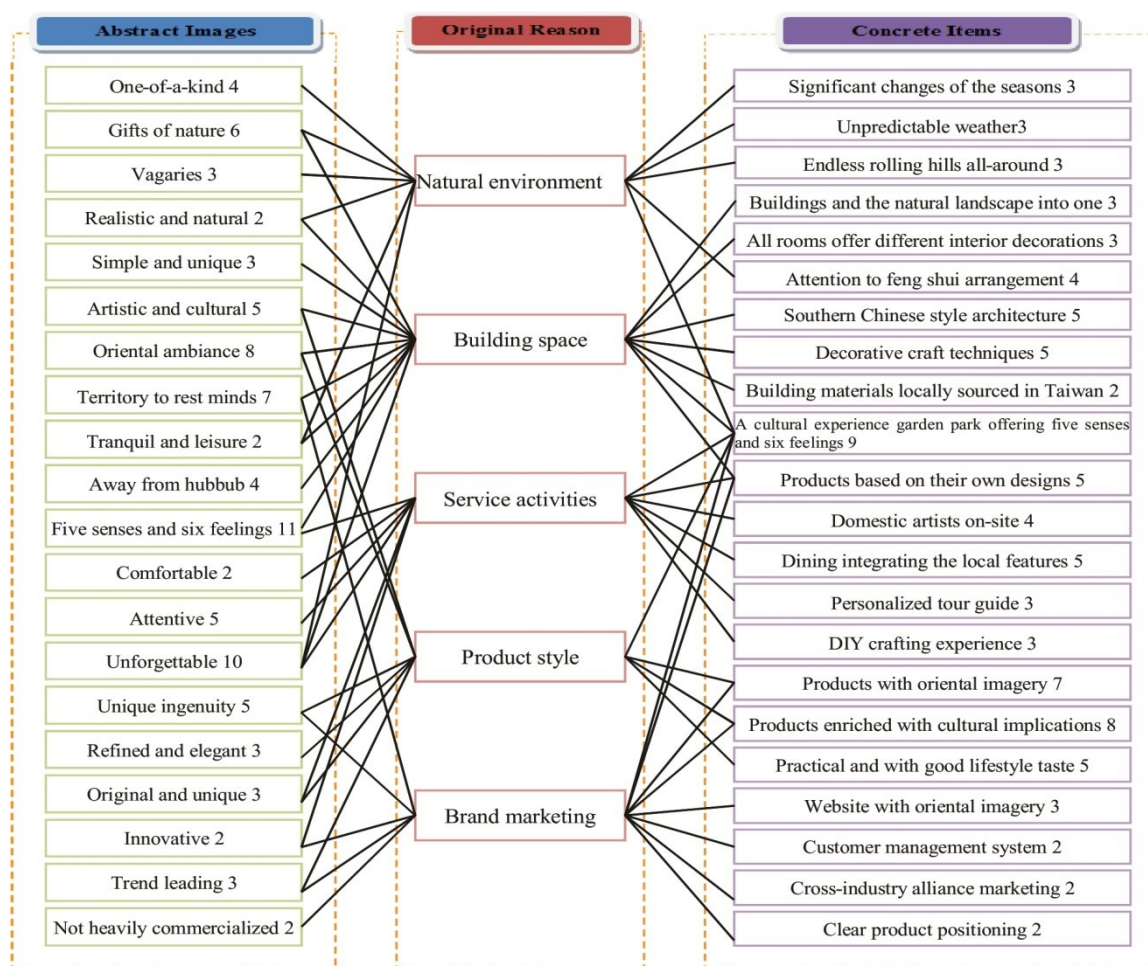


Figure 3. EGM map for the people highly involved in the industry

The survey results show that the respondents highly involved in the industry show high consistency in terms of the styles and characteristics and operations planning of Nanyuan,

and they practice the knowledge of strategic experiential modules (Schmitt, 1999), the core knowledge regarded by the company, to establish a culture experience park offering five senses and six feelings. During the visits, consumers can see the culturally enriched crafts and buildings and the natural beauty of the mountains. They can hear insects buzzing or bird chirping in the mountains and forests, as well as the music from zither filling the valleys. They can smell the natural and refreshing air every breath. They can taste the locally produced seasonal health food to satisfy their demand for delicacy. The resident artists offer calligraphy courses or art and crafts creation for experiential activities, giving consumers a distinctive and unforgettable "territory to rest their minds".

Consumers in the Industry

The respondents who are the consumers in the industry have experienced the lodging facility and enjoyed the food services. Among the five people, two of them are the expert scholars with high involvement in the "creative living industry". According to the in-depth interview of EGM, we learn that the consumers believe that the abstract attractiveness factors of "Nanyuan" are ranked in the order of "Oriental ambiance", "away from hubbub" and "simple and unique" and the concrete attractiveness factor is "Southern Chinese style architecture" (Figure 4).

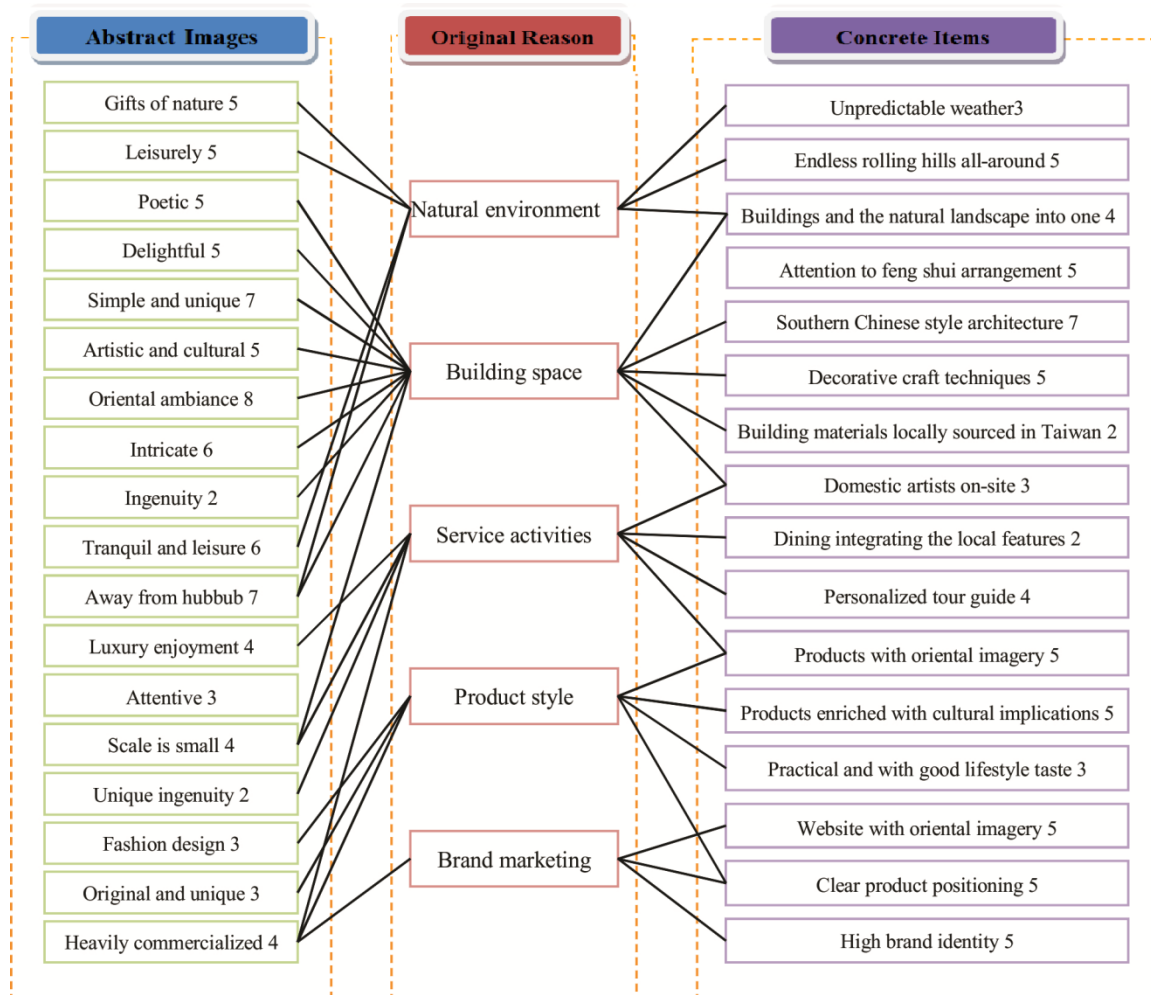


Figure 4. EGM map for the consumers in the industry

During their tour of the garden park, these five visitors show considerable experience and appreciation of the oriental and cultural ambiance, the simple and unique architecture and the

crafts. Next, they also express high acknowledgement and recognition of the natural environment that is away from hubbub and a gift of nature. Also, they also uncover the more negative impressions which include the heavy commercialization and small scale.

CONCLUSION

We compare the opinions on the experience design of Nanyuan from the people highly involved in the industry and the consumers based on the EGM results and sort out the commonalities and differences through inductive method.

The highly-involved industry practitioners believe that the business operators in line with the scope of "creative living industry" can design and plan operational models to provide consumers with a "comprehensive experience", and then in turn the consumers acknowledge the business philosophy, further stimulating the willingness for consumption. "Nanyuan" provides refined lodging environment and facility to let consumers savor the services provided by the business operator in a leisurely pace in which they can nurse their body and soul while enhancing the taste of lifestyle. The highly-involved industry practitioners wisely use the gifted "natural environment" advantage in the garden, together with the "building space" enriched with the oriental and cultural ambiance and the "service activities" integrating the artistic experience, to earn the high recognition from consumers, and that these are the factors why consumers are willing to spend more at "Nanyuan". This practice is in line with the experiential marketing that the sensory factor is to create sensory experience, and that creating positive impression and unforgettable shopping experience are the primary constituents for experience design (Schmitt, 1999).

However, there is still room for improvement in terms of the overall service design for the practitioners highly involved in the industry. For example: They attempt to educate the consumers on the concepts of leisure living, health, light food and everyday aesthetics through various activities and services immersed in the leisurely atmosphere of "Nanyuan". They hope the consumers can, from the in-depth psychological level, feel the comfort and relaxation which are what the management team strives for in terms of the "territory to rest minds" and "comprehensive experience". However, the existing intellectual and emotional levels of the "service activities" still need improvement. Although earning the recognition of "high brand identity" from the consumers, it does not generate good experience evaluation from the consumers, even earning a negative image of "heavily commercialized" which is substantially different from "not heavily commercialized" perceived by the management team. This also is in violation of the principle of the experiential marketing theory which is to "avoid generating negative image". We can learn from this that brand marketing requires considerable caution.

Looking at this study, it is known that using the knowledge of experiential marketing in Taiwan's "creative living industry" as the business strategies in the contemporary consumer society is gradually accepted by consumers. The market demand also shows a growing trend, but it is still a distance from the maturing stage. As the material world becomes more affluent, the economies of scale of the experience economy in Taiwan also expand. Taiwanese have improved the practices of everyday aesthetics and improved the quality of life, and that the demand is also increasing. To verify using Maslow's hierarchy of needs, consumption in the future is no longer about meeting the basic needs of humans. The pursuit of aesthetics or even the psychological levels of self-actualization are what the future consumer society should cover. Therefore, the business operators in the "creative living industry" should pay attention to the related knowledge in the experience economy for the experience design, employee training and the counseling policy for the transformation of

"creative living industry" promoted by the government, which all should be helpful to the future development of the industry.

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