Experience Industries

Priority Sector Report

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Executive summary

- Experience Industries are defined by the European Cluster Observatory as the combination of six sub-sectors: Accommodation and tours, Food and drink, Gambling, Museums and parks, Sports and leisure, and Arts.

- Experience Industries employ about 9.8 million people in EU-27 and EFTA. The largest sub-sectors are Food and drink and Accommodation and tours.

- High regional specialisation in Experience Industries is found in Mediterranean regions, Alpine regions, Prague, and on the British Isles. Specialisation patterns differ between sub-sectors.

- During the period 2004-2009, employment in Experience Industries grew by on average 3.13% annually. Museums and parks was the sub-sector with the highest growth rate, at 22% annually.
Experience Industries

Definition

The concept “Experience Economy” was coined in 1998 by Joseph Pine and James Gilmore. In 2003, the Swedish Knowledge Foundation (KKS) established a definition of “the experience industry” divided in 13 sub-sectors, and in 2008 the Danish Enterprise and Construction Authority (EBST) published a report that included 13 similar sub-sectors. These definitions captured two aspects of the experience economy: both the creation of creative and cultural contents, and the provision of experiences through activities at certain locations.

In 2010, the European Cluster Observatory (ECO) presented a definition for Creative and Cultural Industries, which generally overlaps with the former aspect of the Experience Economy. With the exception of performing arts (because of their function as destinations), this aspect has therefore been excluded from the Observatory’s definition of Experience Industries. The remaining industries can be seen mainly as an extension of the Observatory’s standard sector Tourism and Hospitality. The Observatory thus defines Experience Industries as the following six sub-sectors:

Cluster Observatory’s definition of Experience Industries:

- Accommodation and tours
- Food and drink
- Gambling
- Museums and parks
- Sports and leisure
- Arts

Each sub-sector is comprised by service industries only, no manufacturing. The complete Observatory NACE-code definition for Tourism and Hospitality is found in Appendix 1, and for Experience Industries in Appendix 2.

Table 1 outlines the relationships between the different definitions.
### Table 1. Definitions of experience industry sub-sectors

<table>
<thead>
<tr>
<th>EBST Experience Industries</th>
<th>KKS Experience Industries</th>
<th>ECO: Creative &amp; Cultural</th>
<th>ECO: Tourism &amp; hospitality</th>
<th>ECO: Experience Industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Books &amp; the press</td>
<td>Literature</td>
<td>Printing and publishing</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Architecture</td>
<td>Architecture</td>
<td>Artistic creation</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Music</td>
<td>Music</td>
<td>Artistic creation</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Design</td>
<td>Design</td>
<td>Fashion</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Art &amp; crafts</td>
<td>Art</td>
<td>Performing arts</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Amusement parks, destinations &amp; events</td>
<td>—</td>
<td>Museums and preservation of historical sites and buildings</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Radio &amp; TV</td>
<td>Media</td>
<td>Radio and television</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Film &amp; video</td>
<td>Film and Photo</td>
<td>Software</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Content production</td>
<td>—</td>
<td>Advertising</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Advertising</td>
<td>Market communication</td>
<td>Advertising</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Gastronomy &amp; nightlife</td>
<td>Meals</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Accommodation &amp; tourist offices</td>
<td>Tourism, visits</td>
<td>Accommodation</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Sports &amp; leisure</td>
<td>Sports</td>
<td>Gambling</td>
<td>Gambling</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>Gambling</td>
<td>Taxi and car rentals</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

An analysis of location patterns between these six sub-sectors confirms that these six sub-sectors are co-located with each other. Figure 1 illustrates these co-location patterns, where the thickness of the lines and distance between sub-sectors indicates how strong the location correlations are. The strongest correlation is 0.59, between Accommodation and tours and Food and drink. The connection between Food and drink and Sports and leisure is almost as strong. Arts is the sub-sector which is least co-located with the others, displaying only weak links to Museums and parks and Accommodation and tours.
Size and regional specialisation

In 2009, all Experience Industries employed about 9.8 million people in EU-27 and EFTA.\(^1\) The experience economy is not homogenously distributed across Europe, but shows strong patterns of concentration to certain regions. Particularly strong regions include: Mediterranean regions (especially island regions), Alpine regions, Prague, and several regions in the British Isles.

\(^1\) For the calculations in this report, 2009 (and for growth 2004) has been used as the reference year. However, data is not available for all countries for that year, and in the cases where data is missing the closest preceding year has been used instead.
The largest sub-sector is Food and drink, with over four million employees, followed by accommodation and tours. Regional specialisation patterns are shown in Figure 4-9.

**Figure 3. Size of Experience Industries sub-sectors (million employees, percentage)**

- **Food & drink**: 4.28, 44%
- **Accommodation & tours**: 2.83, 29%
- **Sports & leisure**: 1.80, 18%
- **Arts**: 0.37, 4%
- **Museums & parks**: 0.33, 3%
- **Gambling**: 0.23, 2%
Figure 4. Regional specialisation in Accommodation and tours

Figure 5. Regional specialisation in Food and drink
Figure 6. Regional specialisation in Gambling

Figure 7. Regional specialisation in Museums and parks
Figure 8. Regional specialisation in Sports and leisure

Figure 9. Regional specialisation in Arts
Growth

Over the period 2004-2009, Experience Industries grew by 3.13% in EU-27 and EFTA. High-growth regions are scattered across Europe, and are found in Mediterranean and Alpine regions, but also in regions elsewhere.

Figure 10. Regional employment growth rates for Experience Industries

Note: Growth for Spain, Poland and other countries in white cannot be calculated due to lack of time-series data.

The fastest growing sub-sector is Museums and parks, which grew by 22% annually. In contrast, Accommodation and tours declined slightly by 0.7% annually. Sub-sector growth rates are shown in Figure 11 and for comparison the corresponding growth rates for sub-sectors in Tourism and hospitality and Creative and cultural industries are shown in Figure 12.
Figure 11. Growth rates of Experience Industries sub-sectors

![Chart showing growth rates of Experience Industries sub-sectors]

Figure 12. Growth rates of Tourism and hospitality/Creative and Cultural Industries sub-sectors

![Chart showing growth rates of Tourism and hospitality/Creative and Cultural Industries sub-sectors]

* Note: growth rates are calculated between 2004 and 2009, or the closest preceding year for which data is available.
Appendix 1: Definition of the European Cluster Observatory’s “Tourism and hospitality” sector

<table>
<thead>
<tr>
<th>Category</th>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodation</td>
<td>55.1</td>
<td>Hotels and similar accommodation</td>
</tr>
<tr>
<td></td>
<td>55.2</td>
<td>Holiday and other short-stay accommodation</td>
</tr>
<tr>
<td></td>
<td>55.3</td>
<td>Camping grounds, recreational vehicle parks and trailer parks</td>
</tr>
<tr>
<td></td>
<td>55.9</td>
<td>Other accommodation</td>
</tr>
<tr>
<td>Taxi and car rental</td>
<td>49.32</td>
<td>Taxi operation</td>
</tr>
<tr>
<td></td>
<td>77.11</td>
<td>Renting and leasing of cars and light motor vehicles</td>
</tr>
<tr>
<td>Gambling</td>
<td>92</td>
<td>Gambling and betting activities</td>
</tr>
<tr>
<td>Amusement parks</td>
<td>93.21</td>
<td>Activities of amusement parks and theme parks</td>
</tr>
</tbody>
</table>
Appendix 2: Definition of experience industries

Accommodation and tours
49.39 Other passenger land transport n.e.c.
50.3 Inland passenger water transport
50.4 Inland freight water transport
52.22 Service activities incidental to water transportation
55.1 Hotels and similar accommodation
55.2 Holiday and other short-stay accommodation
55.3 Camping grounds, recreational vehicle parks and trailer parks
55.9 Other accommodation
79.11 Travel agency activities
79.12 Tour operator activities
79.9 Other reservation service and related activities

Museums and parks
91.02 Museums activities
91.03 Operation of historical sites and buildings and similar visitor attractions
91.04 Botanical and zoological gardens and nature reserves activities
93.21 Activities of amusement parks and theme parks
93.29 Other amusement and recreation activities

Arts
90.01 Performing arts
90.02 Support activities to performing arts
90.03 Artistic creation
90.04 Operation of arts facilities

Gambling
92 Gambling and betting activities

Food and drink
56.1 Restaurants and mobile food service activities
56.3 Beverage serving activities

Sports and leisure
47.64 Retail sale of sporting equipment in specialised stores
47.65 Retail sale of games and toys in specialised stores
93.11 Operation of sports facilities
93.12 Activities of sport clubs
93.13 Fitness facilities
93.19 Other sports activities
96.02 Hairdressing and other beauty treatment
96.04 Physical well-being activities
About the Cluster Observatory

The Cluster Observatory is an online platform that provides a single access point to information and analysis of clusters and cluster policy in Europe. Originally launched in 2007, the Observatory is now offering a range of new services. It provides data and analysis on clusters and competitiveness, a cluster library, and a classroom for cluster education.

The Cluster Observatory also produces analysis and reports on regional competitiveness conditions, transnational cluster networks, clusters in emerging industries, and studies on better practices in cluster organisations.

The Observatory is aimed at three main target groups:

- policy makers and government officials at the European, national, regional and local levels;
- cluster management staff;
- academics and researchers.

The Cluster Observatory offers a user-driven toolbox to facilitate analysis and support fact-based policy and learning.

CLUSTER MAPPING
The Cluster Mapping tool gives access to an advanced data set on clusters and regions in Europe. It provides statistical information from a wide range of sources, both on the geographic concentration of various industries and indicators of economic performance. In addition, the Observatory offers data on the framework conditions that shape regional competitiveness. Users can access data for standard sectors and regions, or use special definitions that will be added gradually to the mapping tool. Users can also apply their own customised regional definitions.

CLUSTER CALENDAR
Users can post information about events they want to promote to the cluster community, such as conferences, seminars and workshops.

CLUSTER CLASSROOM
The Classroom offers videos and other educational materials which give an introduction to clusters and cluster policy.

CLUSTER WIKI
The wiki pages present information about regions, sectors, organisations and networks, all of which can be linked to each other and to documents and events. Users contribute the contents of the pages. For example, a cluster policy officer in a region can provide information about cluster policies in the region, upload relevant documents and link them to the region, and link the region to its local cluster organisations.

CLUSTER LIBRARY
The Cluster Library is a European depository for all kinds of cluster-related documents. Users can browse and search for cluster policy reports, sectoral cluster reports, regional cluster reports, and cluster cases. Users can also contribute to the Library by adding their own documents. A subscription system allows users to be notified when relevant documents or events are posted.

The Cluster Observatory is managed by the Center for Strategy and Competitiveness (CSC) at the Stockholm School of Economics (Sweden), in collaboration with Orkestra (Basque Institute of Competitiveness, Basque Country, Spain).