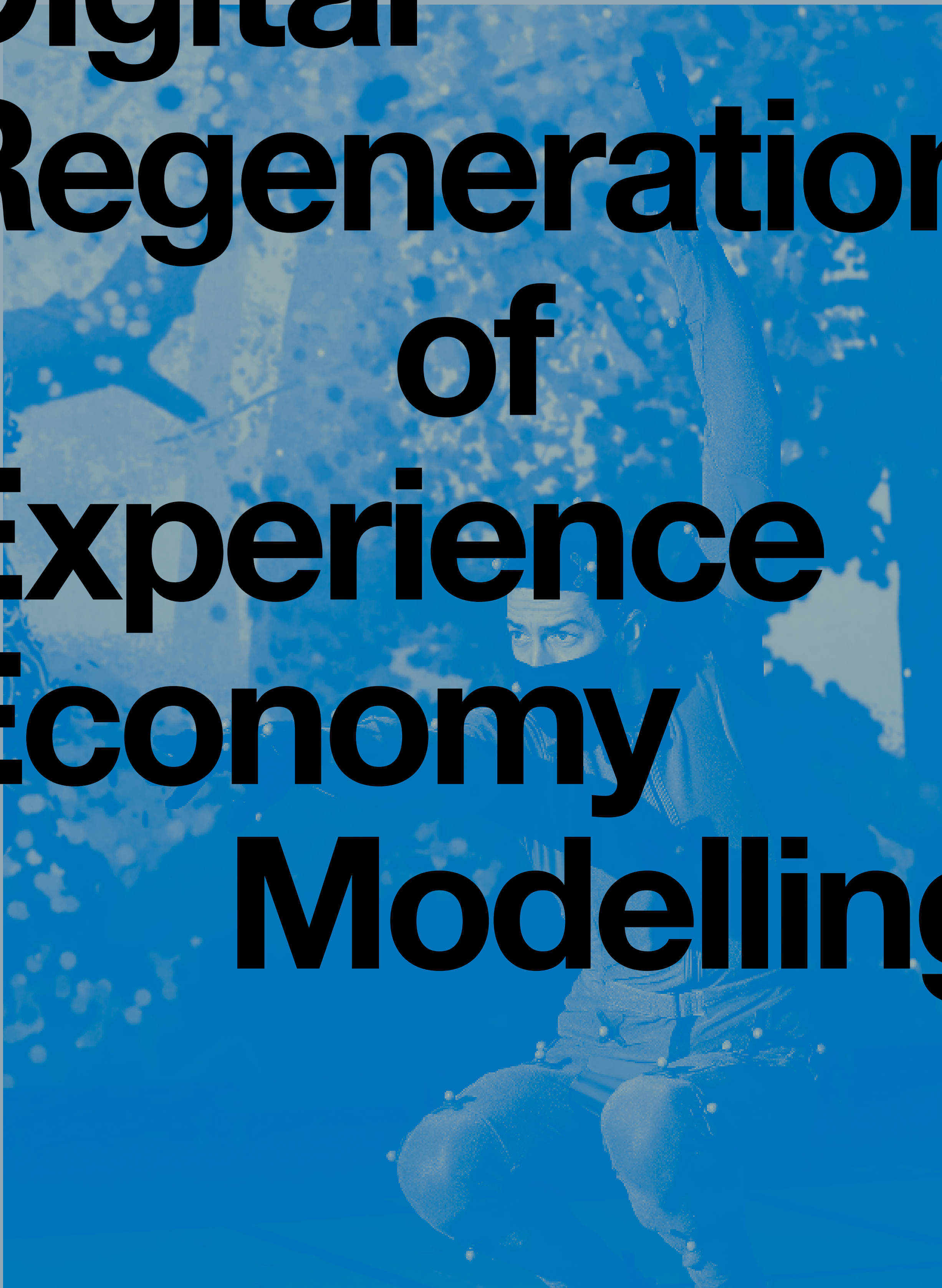
Digital Regeneration of Experience Economy Modelling



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Modelling and Supporting Recovery of the UK's Experience Economy

DREEm: Modelling and Supporting Recovery of the UK's Experience Economy

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Published: December 2022
How to cite: Harris, J., Hawkins, R., Bashford-Rogers, T., Mazzarella, F., Whelan, S., Bunyan, C., Rowe, M., (2022), *DREEm: Modelling and Supporting Recovery of the UK's Experience Economy*

In partnership with

Funded by

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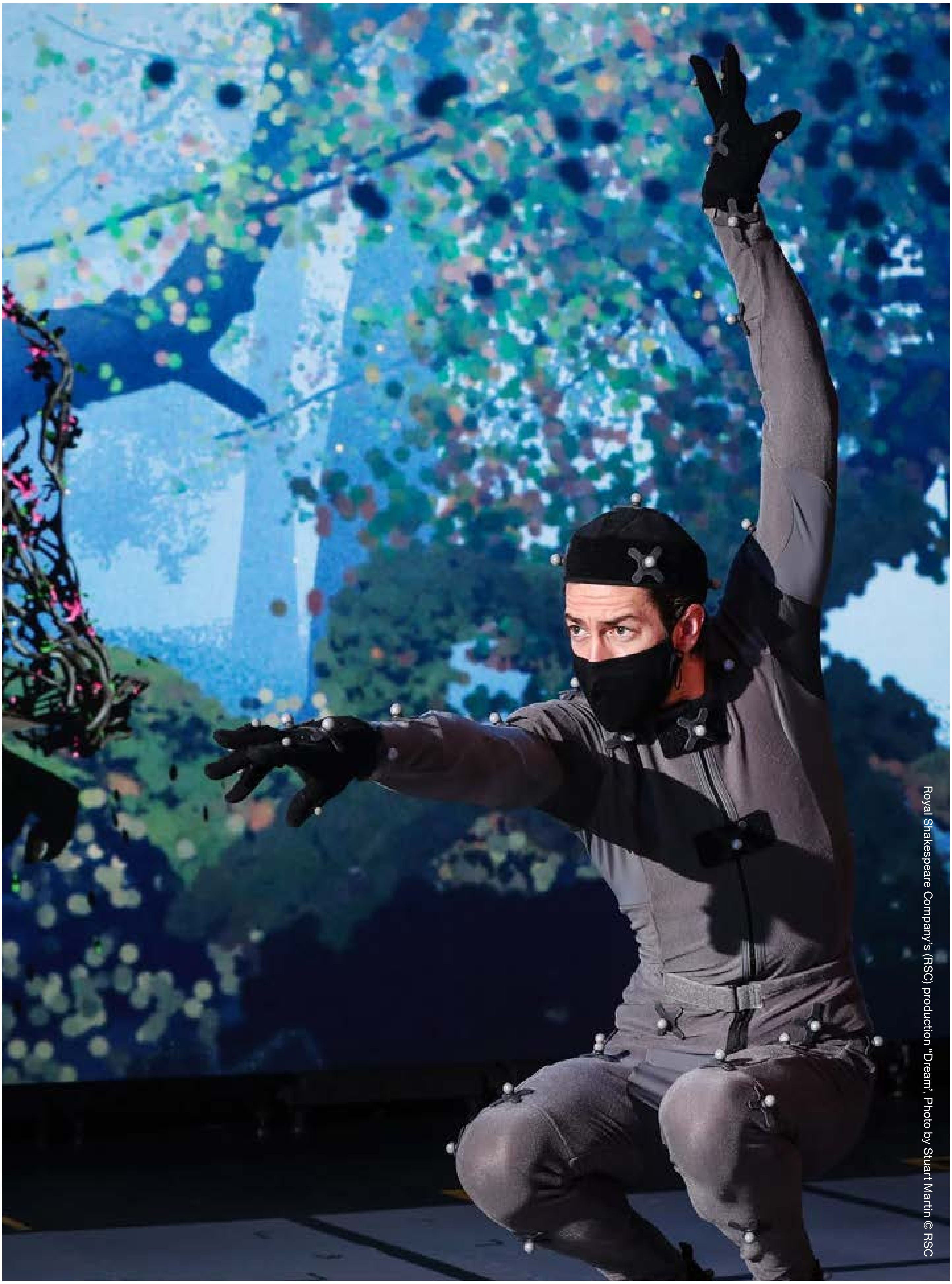

Royal Shakespeare Company's (RSC) production "Dream", Photo by Stuart Martin © RSC

Digital, Regeneration and Experience Economy modelling (DREEm) sets out a variety of innovative digital strategies, informed by and implemented by Experience Economy organisations across the UK during the Covid-19 pandemic. These strategies enabled consumers to continue to consume experience while physically unable to travel. Their evolution during the height of the pandemic has had significant and lasting impact on the way that experiences are created and received.

This report analyses the impact of these strategies on economic, social and cultural wellbeing of consumers / communities and businesses, and reviews digital strategies, offerings and policy interventions implemented locally, regionally and nationally. It evaluates the extent to which these have supported recovery and resilience among Experience Economy organisations. It documents the lessons that can be learned from the recent period of upheaval, in particular the rapid shift in digital technology provision and related skill sets. It goes on to make key policy recommendations that may support and advance the UK Experience Economy moving forward, and ensure it will thrive into the future.

This mixed-methods research project (see **Section 2** for methodology) is **funded by the Arts and Humanities Research Council (AHRC), UK Research and Innovation (UKRI)**, and was designed and produced in close consultation with creative, cultural, digital and tourism organisations (in the public, private and third sector) from across the UK.

The Experience Economy, is as the name suggests, the sale of memorable experiences to consumers. **Pine and Gilmore**, who coined the term in the US, elegantly describe an experience as what occurs when **"a company intentionally uses services as the stage, and goods as props, to engage individual customers in a way that creates a memorable event."**[1]

A paper co-authored by Joseph B Pine that considers the Experience Economy from specifically a UK context and in the light of the pandemic is available in here.[2]

We are all familiar with the physical experience — a visit to a city or a museum, a show or a festival. Prior to the pandemic, many Experience Economy organisations were already experimenting with early digital renditions of experience that may in time become more prevalent. The impact of the pandemic led many to pivot towards the use of digital methods of engagement more quickly than they would otherwise have done, in some cases with great success: see the **DREEm Production Case Studies** for examples presented in an accessible way to provide practical guidance for other organisations.

Digital experiences can open new markets at home and abroad, and engage new audiences with significant potential for monetisation. However, the research highlights a substantial skills gap. Put simply, the UK Experience

1 Pine, B. J., and Gilmore, J. (2011) *The Experience Economy*. Updated edition. Boston: Harvard Business Review Press
2 Harris. J, Hawkins. R, Bunyan. C, Bashford Rogers. T, Pine. J, Rowe. M, Mazzarella. F, and V.Young (2022), The UK's Experience Economy: Towards a Working Definition from the Supply Perspective in the Context of the Covid-19 Pandemic.

Economy does not currently have the skills capacity necessary to support digital regeneration, despite the fact that digital experiences are now a crucial part of the Experience Economy (see **Section 3** of the report, which provides an overview of the current situation, influenced by the pandemic, **Section 4**, which looks at the ways in which individual organisations responded as Covid-19 reshaped the experience landscape, and **Section 6**, which highlights audiences' interest in digital experiences and methods of engagement).

For the purposes of this particular report and in the context of Covid-19, digital experiences are not only understood in their existing form, but very specifically as an evolving means to enhance and augment their physical counterparts in visitor and creative Experience Economy contexts (rather than operating as a full replacement).

They may also be deployed to reinforce a local sense of place and connectivity (see **Section 7** for place-based case studies), add an extra layer of accessibility that contributes to human wellbeing, and, crucially for many Experience Economy providers, may also be monetised to support the organisations that produce them to augment, and generate entirely new types of experience — which will be better informed following extensive experience of online provision during the pandemic.

The potential for new forms of Experience Economy digital content creation and digitalisation is immense; but without in-house skills and / or expertise, Experience Economy organisations struggle to translate their visions into experiences created by third-party digital providers, whose services can be prohibitively expensive. See **Section 5** for more detail on the skill sets and current limitations — and an indication of what could be achieved if the skills gap were addressed.

Policy Recommendations

- **Digital and creative skills:** The Experience Economy and adjacent industries urgently require UK-grown talent across all aspects of digital, virtual production and extended reality[3] (XR).

- **Digital divide:** Skills acquisition needs to be more dynamic and inclusive, acknowledging the speed of technical change, and also the opportunities for introducing lifelong learning in order to mitigate issues of digital divide across both developer and user groups.

- **Public sector support:** Public sector organisations play a pivotal role in making the case for Experience Economy activity politically, and in terms of sustaining networks across creative, visitor, and the numerous related intersecting sectors.

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3 Extended reality (XR) is a term referring to all real and virtual combined environments and human-machine interactions generated by computer technology and wearables. It includes representative forms such as augmented reality (AR), mixed reality (MR) and virtual reality (VR), and areas that intersect them, including all aspects of computer imaging. XR is a superset that includes the entire spectrum from the complete real to the complete virtual — providing an extension of human experience and representative sense of existence. XR is increasingly applied widely in entertainment, marketing, real estate, training and remote working.

- **Monetisation:** Effective monetisation of online experiences and digital content has emerged as a core theme. There is currently an emergent and variable approach toward monetisation methods from industry. Novel forms of financial modelling toward monetisation objectives, with wide-ranging and inclusive consumer perspectives, require further research.

- **Data:** Official data available via the Office for National Statistics (ONS) significantly underreports the number of enterprises engaged in experience-related activities, because a disproportionate number are small / micro enterprises or freelancers.

- **Visibility:** Developing ways to support effective digital output in reaching its fullest potential audience, including established and emergent global audiences, presents new opportunities for engagement for many Experience Economy providers.

- **Digital in the context of place:** Digital methods of engagement provide powerful new ways to stimulate interest among new and existing audiences to explore place. The interface and connectivity between digital and physical operatives and spaces, however, requires more research to ensure that digital methods complement rather than replace physical experiences, ensuring audiences, and the economic benefits from visitors, are spread throughout communities.

- **Strengthening networks:** The experience economy is most resilient in places that are characterized by strong interconnectivity. Experience Economy networks, composed of businesses from the creative and visitor sectors, are vital to maintaining a coherent narrative at place level, attracting investment and bringing audiences and related spend in.

360-degree capture/photography/filmography	**360-degree capture** or photography is the process of digitally capturing a physical scene, area or object from multiple angles. Using computer software, the process allows the end user to experience a complete 360-degree view and/or navigate a scene via an electronic device (such as smartphone, PC, Mac, tablet, games console or VR headset). 360-degree photography is also sometimes referred to as 360, VR photography, 360 panoramic photography, 360 spherical photography or photosphere. The process is often used to create 'virtual tours' and there are a number of branded providers of the service. 360 content is not limited to photography. Computer-generated scenes or single objects can also be delivered as a 360 experience.
Applications (apps)	**Applications (apps)** describes a type of software that can be downloaded and installed on an electronic device, typically a smartphone or tablet, or a games console or computer.
Audio tours	An **audio tour** is a recorded spoken commentary, typically used to assist a visitor with their understanding and exploration of a venue such as a museum, a gallery, a visitor attraction or another specific location. Audio tours are normally delivered via a personal mobile handheld device (for example, smartphone or dedicated headset) and often used for self-guided visits. They are also sometimes used as part of an organised tour or visit.
Augmented reality (AR)	**Augmented reality (AR)** is the use of digital vision, sound or other sensory stimulus that is overlayed on to the real physical world through a technological/electronic device (such as smartphone, tablet, games console or computer headset). It creates an enhanced version of a real physical space and requires the use of a screen and camera. Augmented reality is sometimes also referred to as **MR** or **Mixed reality**.
Custom Web	**A customised website (custom web)** describes a bespoke website, which might have specific unique features or access to unique digital content. Websites can be a platform to offer audience members access to multimedia content, time-limited or ticketed events (such as single performances, digital festivals) as well as more standard features such as e-commerce or general information about an organisation.

Experience Economy (EE)	**Experience Economy** is a term initially coined by Joe Pine and James Gilmore that explores the shift that occurs when an organisation "intentionally uses services as the stage and goods as props to engage an individual." From the perspective of the consumer, the key commodity that is purchased is time well spent.
Extended reality (XR)	**Extended reality (XR)** refers to all real and virtual combined environments and human-machine interactions generated by computer technology and wearables. It includes representative forms such as augmented reality (AR), mixed reality (MR) and virtual reality (VR), and areas that intersect them, including all aspects of computer imaging. XR is a superset that includes the entire spectrum of experience from the complete real to the complete virtual.
Immersive experience	**Immersive experience** typically uses a mix of audio, visual and perhaps other sensory stimuli (for example, scent or movement) to engage individuals into a created environment. An immersive experience might be presented as an in-person event and may not require any technical means, or could be delivered remotely as a purely digital experience. In the context of digital, VR and AR technologies are frequently used to create remote immersive experiences.
Live streaming	**Live streaming** describes the process of simultaneously recording and broadcasting/sharing real-time media, video and audio via the internet on a one-to-many basis. Live-streamed events may have some limited interaction between the performer and the audience, typically via a live chat function. Many social media platforms, including Facebook, Instagram and Twitch, facilitate live streaming, as do video hosting platforms, for example YouTube (via YouTube Live) and Vimeo. In some examples, live-streamed content may be delivered after a short delay, to facilitate minor editorial changes in a similar way to any other live broadcast.

Messaging platforms, DM and PM	**Messaging platforms** allow users to **direct message (DM)** and **private message (PM)** their personal contacts with text, audio or visual/photographic content. Messaging platforms are typically accessed via smartphone and tablet, and can also be used via computer. Some services allow users to create groups of contacts and publish messages to all members of the created group. Most services record when the intended recipient receives a user's message and some (such as WhatsApp) also notify the user when a message has been read. Many messaging services are integrated into social media platforms. Popular messaging platforms include: **Messenger** — Voice, video and text (messages and calls). Users can exchange multimedia formats and can create groups. Part of the Facebook social media platform. **WhatsApp** — Voice, video and text (messages and calls). Users can create group chats and can exchange most multimedia formats. WhatsApp is the most popular messaging app in the world. **Slack** — Text and file sharing. Users can create channels/subject groups. Slack is aimed at business users working on projects together. **Discord** — Video, voice and text. Users can create groups or custom channels/topics. Popular with gamers. **Snapchat** — Voice, video, photo and text (messages and calls). Unlike the other popular messaging services, messages automatically delete after viewing so there is no history. The service also includes Snapchat Stories, which allows updates/photos to be shared and viewed by an individual's group of followers; the posts expire 24 hours later.
Metaverse	**The metaverse** is an emerging term and concept used to describe a network of digitally created environments and 3D virtual worlds. It is focused around social connection and the interaction of users in virtual spaces.
Nomis	A service provided by the Office for National Statistics (ONS) that provides free access to the most detailed and up-to-date UK labour market statistics from official sources.
SIC	**Standard Industrial Classification** is a five-digit code that provides a framework for the collection, tabulation, presentation and analysis of data about the main activities of businesses, first introduced in the UK in 1948. Businesses select up to four SIC codes that represent their core businesses activities when they register with Companies House.

Social media	**Social media** describes the online digital channels used by networks of individuals or organisations to share, interact and exchange information, ideas, thoughts and option. Social media platforms typically allow users to share multimedia formats (audio, photography, video) as well as written comment or use of iconography to express their thoughts or emotions. Popular social media platforms include: **Facebook** — focused on networking people socially. **Instagram** — focused on sharing imagery and photography. **TikTok** — focused around short-form video / film (TikTok is known in China as Douyin). **LinkedIn** — focused on professional networking. **Twitch** — focused on live-streaming content, particularly around video games. **Twitter** — focused on networking / grouping topics with each post (called a tweet) limited to 140 characters. **Discord** — voice chat and video, text chat merging from PlayStation. Discord can create events. **Weibo** — Chinese social media platform. **Pinterest** — focused on creating groups of photographs, following 'boards' and visiting related websites on the user's selected topic areas ('pinning' items to their board) — unlike other platforms, users do not comment on the post itself. Content can be shared via direct message using other messaging platforms such as WhatsApp. **Reddit** — a socially curated social news / forum website Many of the above social media platforms have direct message facilities — either linked to the same provider or accessible to multiple messaging services.
Streaming	**Streaming** refers to the broadcast of pre-recorded content via the internet. In some examples, pre-recorded content might be delivered as a single event, at a specific time and from a specific platform (such a customised website). This might be the case where content is, for example, part of an online festival, or where content is a single pay-to-view performance.

Streaming services	**Streaming services** describes the media platforms and providers that offer content via the internet. Users can normally choose what they view and access content on demand, at a time of their choosing. Typically, streamed services offering pre-recorded content allow users to pause, play and rewind media; viewers are unable to participate in any real-time interaction with the broadcaster. Popular streaming services include subscription-based providers such as Netflix and Disney+, as well as free-to-access provision such as BBC iPlayer, BBC Sounds, ITV Hub and More4.
Video conferencing	**Video conferencing** describes technology / software that allows individuals to meet remotely using video and audio, without being in a shared physical location. Video conferencing platforms typically enable users to interact together in real time, also allowing them to share screens and present slides, documents and files. Many meeting software packages integrate or interact with digital diaries, so that meeting invitations appear on users' / attendees' calendars. Popular conferring platforms include Microsoft Teams, Zoom, Skype, Google Meet, Webex and Slack.
Video hosting/sharing platforms	**Video hosting and sharing platforms** allow users to broadcast and / or view video via the internet. The most popular platforms are YouTube and Vimeo. They are perhaps best known for their social media and business-to-customer content respectively. A huge range of other platforms is also available; these include Brightcove, Dacast, Kaltura, IBM Cloud Video and Wistia. Most video platforms can be embedded into a website. YouTube allows users to access video on demand (when they choose) and search for topics, titles, or by the creator's name. Many video hosting platforms also facilitate live streaming.

Virtual tour	**A virtual tour** typically employs 360 photography to create a digital opportunity for users to experience a physical location remotely, via an electronic device (such as a PC, Mac, tablet or smartphone). When 360 tours are offered, users are normally able to navigate their view of the location using their chosen device. Virtual tours can also be a live-streamed or pre-recorded experience, where a host films the location they are in and users access the pictures (and audio) remotely via an electronic device. These types of filmed tours may have different levels of interaction with their audience. Virtual tours can be hosted by a variety of platforms, for example on customised websites, or via social media, apps or video conferencing software.
Virtual reality (VR)	**Virtual reality (VR)** is the use of digital visual, sound and other sensory stimulus to create a wholly computer-generated environment accessed via an electronic device, typically using a headset (in order to achieve a fully immersive experience). VR can also be viewed via a smartphone, tablet or PC. There are a number of VR headsets readily available to consumers for use in their own homes. These VR devices include brands such as Oculus (and Oculus Quest), HTC Vive and, for the PlayStation games console, PlayStation VR.
Webinar	**A webinar** or web seminar is an online video workshop, lecture, seminar or formal teaching/educational presentation. It is a one-to-many event attended exclusively by an online audience, and differs from a video meeting as a presenter may be unable to see their audience and by the formality, level of interaction, and focus on a limited number of speakers. Webinar software often provides functionality for users to conduct polls or surveys during a presentation and for audience members to submit questions via text chat. Webinars may be real-time events (which can be recorded and made available to view by others later) or delivered as pre-recorded content. **A webcast** also describes a seminar-type event, broadcast online, but also attended by a physical audience.

1 Introduction

Virtual visitors control their local Faroese guide remotely

1.1 Introduction to the project

This research project has focused on resilience for a grouping of industries called the Experience Economy (EE), during and following the Covid-19 pandemic. At its core, however, the project is also about the survival of what may be perceived to be an eclectic group of industries and the economic value that they generate. It is about the fundamental role that those organisations play in creating, curating, producing, performing and broadcasting the stories that we, as individuals and communities, tell about who we are, where we come from, what binds us together and what makes us unique. Over the period of the pandemic, these stories have increasingly been conveyed to audiences via digital means. Regardless of the mode through which they are told, these stories cohere at place level to define what makes each special: to generate pride among residents and to draw outsiders in.

Perhaps the most compelling message that we have heard from the many individuals and organisations we have consulted with over the course of this research is that losing touch with our stories of place is about more than losing the income that is derived from the wide-ranging industries and related infrastructure that provide experiences (whether that is a night at the ballet or a visit to the local museum). It is tantamount to losing touch with our sense of self and belonging.

DEFINING THE EXPERIENCE ECONOMY

The Experience Economy (EE) is usually defined from the perspective of the individual who engages in experiences, as "memorable events that engage each customer in an inherently personal way".[1] Thus, when viewed from the demand perspective, the key commodity that is 'sold' by EE organisations is time and — preferably — time well spent. When considered from the supply perspective, "experience offerings occur whenever a company intentionally uses services as the stage and goods as props to engage an individual."[2]

The organisations that come together to provide these services include within their scope those engaged in the creation, development, production and staging of experiences, whether in the formal or informal economy. For the most part, these organisations include the combined activities of the tourism, creative, cultural, sport and — in the light of recent developments — digital sectors. It is these sectors, therefore, that are the focus of this report.

A full definition of the EE can be found in the report titled: **The UK's Experience Economy: Towards a Working Definition from a Supply Perspective in the Context of the Covid-19 Pandemic**[3]. A list of **SIC codes in scope** can be found in Appendix 2.

1 Pine, B.J. Memorable Events Are the Most Valuable Experiences, *Harvard Business Review*. Available at: https://hbr.org/2011/04/memorable-events-are-the-most
2 Pine, B. J., and Gilmore, J. (2011) *The Experience Economy*. Updated edition. Boston: Harvard Business Review Press
3 Harris. J, Hawkins. R, Bunyan. C, Bashford Rogers. T, Pine. J, Rowe. M, Mazzarella. F, and V.Young (2022), The UK's Experience Economy: Towards a Working Definition from the Supply Perspective in the Context of the Covid-19 Pandemic.

1.1 Even before the Covid-19 pandemic, this sense of self was under threat from the wave of standardisation that had swept nationally across our villages, towns, cities and regions: challenging individual and collective perspectives about what made each special. **From Dungeness to Dundee, the pandemic forced communities to rediscover the stories of their own places, while also fuelling a thirst for travel, exploration and experience among those who could not access these for the first time in a generation.** In the eye of the pandemic, the thirst for experiences was sated via digital means; as restrictions on personal movement are lifted, physical experiences are once again available, and we are entering a period of rapid experimentation as the digital and physical worlds increasingly converge.

This report explores how the cultural, creative and visitor organisations that constitute the EE have been impacted by and responded to the challenges of the pandemic. It provides detailed insights into the ways in which these organisations have pivoted from physical to digital methods of engagement and providing experience, also ensuring that the stories of place are told even during times at which consumers have remained physically absent.

The report also reflects on how those stories are perceived by those who have engaged with them (digitally or physically, from nearby or far away). The organisations that are represented in the pages that follow include small community-based groups, internationally renowned performance organisations, Destination Management Organisations (DMOs) and everything in between. Over the course of the pandemic and the different and variable phases of lockdown, these organisations have experimented with digital and physical modes of delivery to offer moments of connection, joy and emotional sustenance to individuals and communities in distress, as well as sustaining the image of the UK as a vibrant and diverse place with a wealth of creative expertise and experiences to enjoy.

There are now significant opportunities to maximise the value from advances in digital technology and the interface between this and the EE to develop creative and commercial outcomes. Some of these opportunities relate to direct monetisation of experiences that have been provided digitally or to the escalation of investment in technology and skills to support digital experience production. Others relate to realising the economic and social value that continues to emerge from experience industries.

If we are successful in building on the learning of the past 24 months, there is an opportunity to bring the digital and physical realms together across EE organisations to create a compelling sense of engagement and place that drives investment, reinvigorates the visitor economy and embeds a deep sense of pride in place. The High Streets Task Force and the Levelling Up prospectus both include within their scope experience and place-based innovation that has the potential to capture this value. What is necessary now is the vision of how EE organisations can work together to capture this value.

1.2 The Experience Economy

The concept of the Experience Economy (EE) was initially defined by Pine and Gilmore in 1998 as a response to evidence that consumers were shifting their preferences from a desire to buy 'things' to experiences. **"… consumers unquestionably desire experiences, and more and more businesses are responding by explicitly designing and promoting them. As services, like goods before them, increasingly become commoditised … experiences have emerged as the next step in what we call the progression of economic value."**[4]

Prior to this project, the EE had been defined mainly from a demand lens, reflecting on the characteristics that consumers associate with an experience. Within these definitions, it was implicit that experiences are broadly the results of the combined activities of the creative, cultural, visitor and sport sectors. Over the course of the pandemic, consumers have shifted their preferences from the physical to the digital realm. This shift has required EE organisations to adapt their services for online consumption at speed and at scale, often without the necessary tools or investment available.

This report uses a supply chain lens to evaluate the scale and significance of the EE, and to begin to build a picture of how this has been impacted by the pandemic across the UK. A full narrative of our approach to defining and measuring the EE can be found in the paper aligned with this report and co-authored by **Joe Pine**. Within this, we describe how we have used the system of Standard Industrial Classification (SIC) to identify organisations across the UK that are engaged in:

- **The EE in its entirety**. Within this definition, we include all organisations that are registered to Companies House and for which one or more of the SIC codes[5] selected upon registration to indicate business type is associated with the wider activities of the creative, cultural, visitor, sport and digital sectors, i.e. the sectors represented in the UK by the Department for Digital, Culture, Media and Sport (DCMS). EE organisations include within their scope some that are directly involved in the provision of experiences (e.g. SIC 90.04 Operation of arts facilities) and also some that provide the equipment or infrastructure to allow consumers to access experiences but service a wider range of functions in other sectors (e.g. SIC 46.51 Wholesale of computers, computer peripheral equipment and software).

4 Pine, B.J., and Gilmore, J.H. (1998) Welcome to the Experience Economy, *Harvard Business Review*. Available at: https://hbr.org/1998/07/welcome-to-the-experience-economy
5 Businesses can register up to four SIC codes with Companies House

- **The primary EE.** This includes those sectors that wholly or largely create and produce experiences, supply goods and services directly to experience creators; enable experience creators to reach their customers effectively; provide services to support customer fulfilment (for example, as a micro experience that is purchased separately to the main activity, e.g. the hotel accommodation that makes a late-night theatre performance possible, or a mid-performance drink / snack); or provide specialist advice to EE organisations.[6]

A list of SIC codes associated with these definitions can be found in Appendix 2.

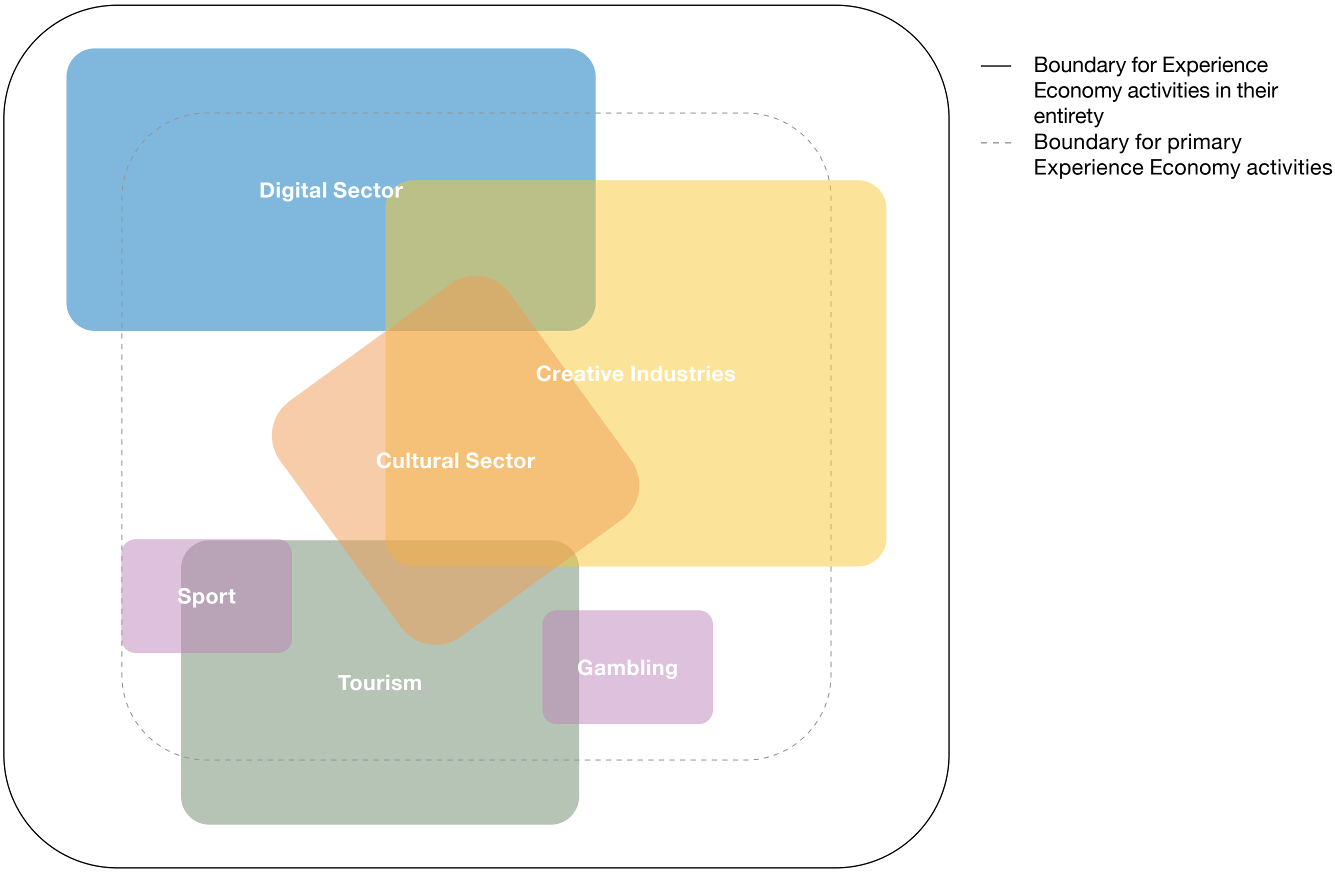


Figure 1 — The Experience Economy, adapted from DCMS, 2021.[7]

6 Excluded from here are network organisations that facilitate engagement between Experience Economy providers (for example a Destination Management Organisation such as Visit Dundee that is managed by a local authority); organisations that provide business support activities (such as a local authority that provides access to digital skills training or the food safety services); trade associations; and charities that provide funding for activities. These organisations are typically identified by SIC codes that are associated with their core function (e.g. local authority) and not the Experience Economy

7 DCMS (2021) DCMS Sector Economic Estimates Methodology, DCMS, London. Available at: https://www.gov.uk/government/publications/dcms-sectors-economic-estimates-methodology

SIC codes are the only practical way to identify businesses associated with specific economic activities. Using them in this way within this and other similar research projects is not, however, without issues, as identified by OECD (2020), among others.[8] The list of limitations associated with SIC codes can be found in the paper titled: **The UK's Experience Economy: Towards a Working Definition from a Supply Perspective in the Context of the Covid-19 Pandemic**[9]. **One of the recommendations in this report is the necessity for a review of the SIC system to enable businesses associated with non-traditional manufacturing activities to be more easily identifiable.** The inadequacies of the SIC system for the purposes of categorising industrial activities that have their origins in recent changes in consumer demand mean that the value and employment contribution of primary EE organisations reported here are likely to be under-represented. Moreover, the role of support organisations (including local authorities and trade associations) remains under-recognised.

1.3 The Experience Economy in numbers

As of 2019, the combined economic contribution of all Experience Economy (EE) sectors (i.e. all sectors represented by DCMS) to the UK was in the region of £291.9 billion.[10] These sectors have borne some of the most significant impacts associated with the Covid-19 pandemic, and primary EE activities, with their high dependence on in-person interactions, have been particularly affected. Figure 2 provides key data about these impacts.

8 OECD (2020) Webinar: Coronavirus (COVID-19) and cultural and creative sectors: impact, policy responses and opportunities to rebound after the crisis. Available at: https://www.visitbritain.org/who-we-are-what-we-do

9 Harris. J, Hawkins. R, Bunyan. C, Bashford Rogers. T, Pine. J, Rowe. M, Mazzarella. F, and V.Young (2022), The UK's Experience Economy: Towards a Working Definition from the Supply Perspective in the Context of the Covid-19 Pandemic.

10 National Statistics (2019) DCMS Economic Estimates 2019: Gross Value Added. Available at: https://www.gov.uk/government/statistics/dcms-economic-estimates-2019-gross-value-added

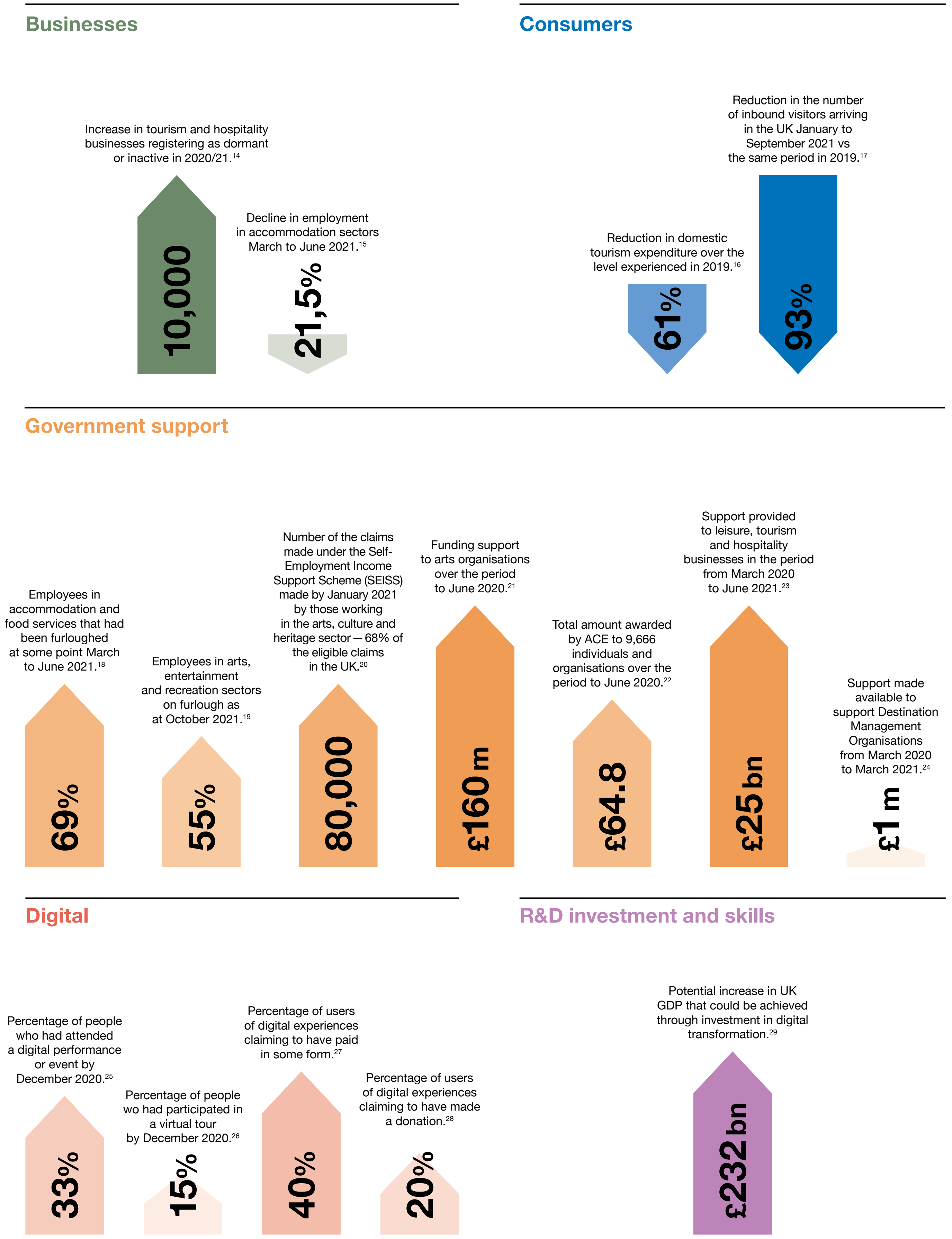


Figure 2 — Impacts of Covid-19 on primary Experience Economy organisations (March 2020–March 2022)

More information about the EE and how it changed over the period of Covid-19, including an analysis for each local authority area, can be found on the DREEm UK Experience Economy Dashboard.

11 Du, J., and Zheng, C. C. (2020) Impact of Covid-19 on DCMS sectors: case for the UK Tourism and Hospitality sectors. Written evidence to UK Parliament. Available at: https://committees.parliament.uk/writtenevidence/7346/pdf/

12 Office for National Statistics (2021) Coronavirus and the impact on the UK travel and tourism industry. Available at: https://www.ons.gov.uk/businessindustryandtrade/tourismindustry/articles/coronavirusandtheimpactontheuk travelandtourismindustry/2021-02-15

13 VisitBritain/Visit England (2021) 2022 tourism forecast. Available at: https://www.visitbritain.org/2022-tourism-forecast

14 VisitBritain/Visit England (2021) 2021 Q1, Q2 & Q3 2021 January–September. Available at: https://www.visitbritain.org/2021-q1-inbound-data#:~:text=The%20UK%20received%201.3%20million,down%20 85%25%20on%20Q2%202019.

15 Ibid.

16 Office for National Statistics (2021) An overview of workers who were furloughed in the UK: October 2021. Available at: https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/anoverviewofworkerswhowerefurloughedintheuk/october2021

17 HM Revenue & Customs (2021) Self-Employment Income Support Scheme statistics: January 2021. Available at: https://www.gov.uk/government/statistics/self-employment-income-support-scheme-statistics-january-2021/self-employment-income-support-scheme-statistics-january-2021

18 Arts Council England. Covid-19 support. Available at: https://www.artscouncil.org.uk/covid19

19 Arts Council England. Emergency Response Funds: how we invested. Available at: https://www.artscouncil.org.uk/covid19/data

20 Department for Digital, Culture, Media & Sport (2021) New plan to drive rapid recovery of tourism sector. Available at: https://www.gov.uk/government/news/new-plan-to-drive-rapid-recovery-of-tourism-sector

21 Visit Britain/Visit England (2021) Round 2: Destination Management Organisations' (DMO) emergency financial assistance fund. Available at: https://www.visitbritain.org/who-we-are-what-we-do

22 The Audience Agency (2020) The Audience Agency COVID-19 Cultural Participation Monitor Digital Findings. Available at: https://www.theaudienceagency.org/asset/2549

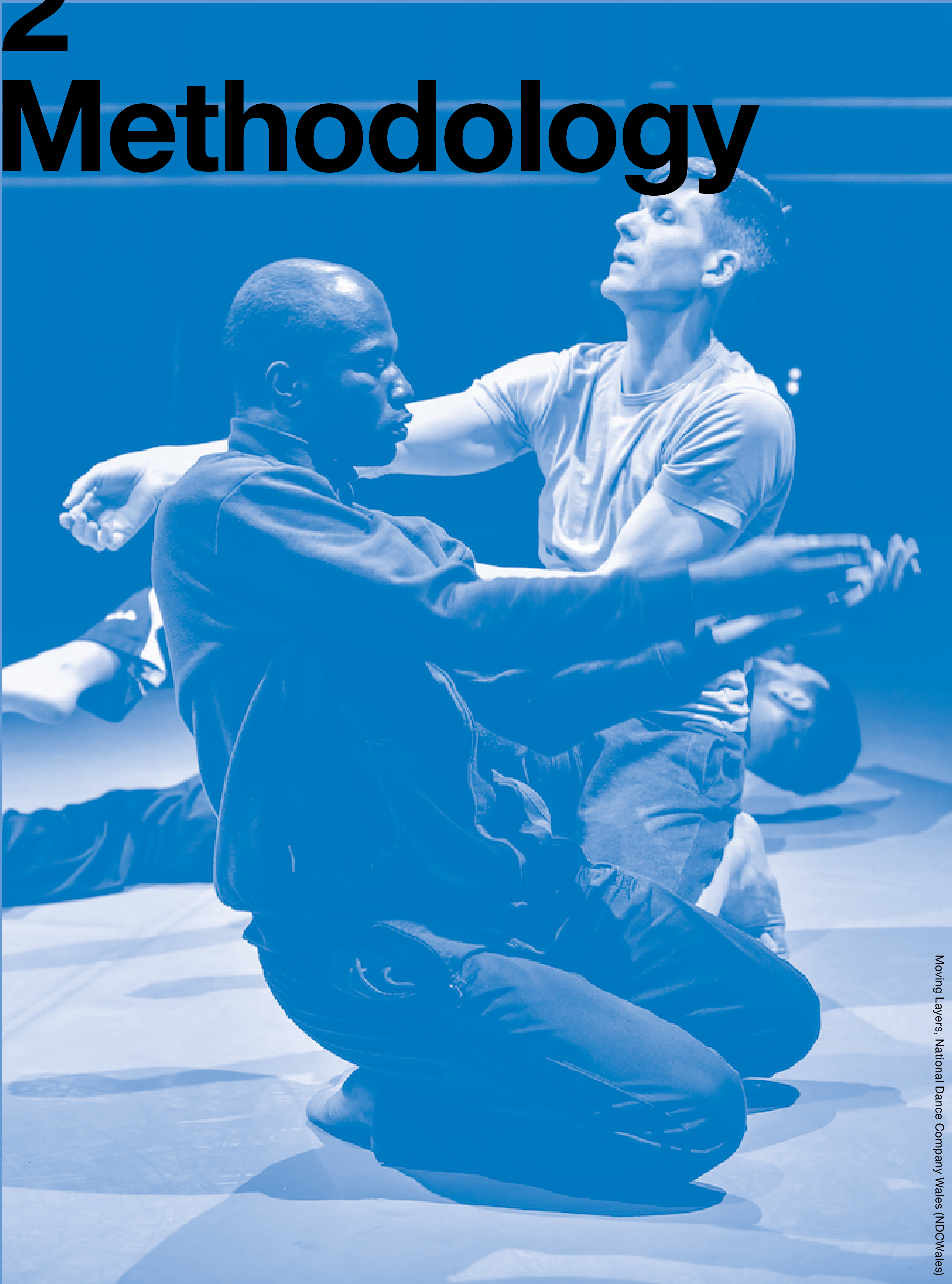
23 Ibid.

24 Ibid.

25 Ibid.

26 Virgin Media Business (2021) How Covid-driven digital change could transform the UK economy. Available at: https://www.virginmediabusiness.co.uk/pdf/RevTheEv/Virgin%20Media%20Business%20-%20Transforming%20 the%20UK%20economy%20Report%20VMBD_CEDG.pdf

2 Methodology



Moving Layers, National Dance Company Wales (NDCWales)

The DREEm research project was divided into four separate workstreams as outlined below, each of which employed a mixed-methods approach including the components described in Figure 3. Project oversight and expert input was provided by a working group comprised of representatives of organisations from across the UK-wide Experience Economy (EE).[27]

2.1 Project workstreams

Workstream 1 — Digital Experience Production — This workstream explored the role that digital played in supporting Experience Economy (EE) organisations over the period of Covid-19, created case studies of digital production (available on the **Guide to Creating Digital Experience Productions**) and explores the barriers and opportunities for maximising the value of digital experiences in the future.

Workstream 2 — Digital Experience Consumption — This workstream focused on the conceptualisation of value from the consumer perspective. It explored consumer perceptions of digital experiences and refined the elements that made these engaging.

A round table event facilitated knowledge exchange between digital producers, traditional live experience providers and consumer-facing organisations, and this provided insights for Workstreams 1 and 2.

Workstream 3 — Place-based perspectives on EE recovery — This workstream engaged with EE organisations in each of three dedicated geographies, selected to represent different types of the UK experience landscape. Workshops were used to unpick and model interactions between experience providers, evaluate the role that digital has played in supporting resilience and in creating the conditions for recovery, and to evaluate policy interventions and their implications.

Workstream 4 — Modelling business scenarios for recovery — This workstream used the data from the three earlier work packages to create a dashboard through which local authorities can view the impacts of Covid-19 on EE organisations and identify actions that can support resilience. The resulting dashboard can be viewed **here** and the resilience questions can be seen in Section 3.2 of this report.

2.2 Methods employed

The project adopted a mixed-methods approach across all workstreams. This comprised desk research and qualitative and quantitative methods, which are described in brief below.

27 The working group comprised: Anna Jobson, Clwstwr Creative R&D Partnership (CRDP), Dundee Contemporary Arts, Framestore, InGAME CRDP, Katy Arnander, London Borough of Barking and Dagenham, Northern Ireland Tourism Alliance, Royal Opera House, Sadler's Wells, Society of London Theatre, South East Creative Economy Network, The Arts Development Company, The Mill, Visit County Durham, Visit England, Visit Scotland, XR Stories CRDP.

Desk research involved a comprehensive review of strategy and policy documents targeting Experience Economy (EE) activities pre and during the pandemic to evaluate responses at national level and within each of three place-based case study locations. In addition, an ongoing review of digital experiences that became available in the public domain was undertaken. Data was collated in a **Compendium of Digital Experience Productions** created over the period of the pandemic.

Qualitative data was collected via a combination of interviews and co-creation workshops. The data derived from these sources is mainly included in sections 5 (digital production), 6 (digital consumption) and 7 (place-based case studies) of this report. Qualitative data collection included:

- **Round table events** (online) that brought together leaders and experts from across different EE disciplines to gain insights into perspectives on audiences, digital experience production, the way in which digital and physical experiences interface, skills, distribution platforms, monetisation strategies and collaborative working.

- **Interviews** with individuals engaged in digital production, which were analysed thematically to evaluate barriers and opportunities for digital production (see Section 5 of the report) and also provide the substance of the case studies included in the **Guide to Creating Digital Experience Productions.**

- **Six place-based co-creation workshops** and follow-up interviews in each of three geographies designed to analyse the concept of resilience and evaluate the role that national and local policy interventions have played in supporting EE recovery. The geographies selected were Dundee, Durham, and the London Borough of Barking and Dagenham (LBBD). Data collected was thematically analysed, through a manual and iterative process, encompassing data reduction, data display and conclusion drawing. Qualitative data emerging from the workshop discussions was analysed to provide insights into the nature of connections within and between EE providers in the place- based case studies.

Quantitative data was essential to the audience survey (supporting the development of the audience information that is now included in the **Guide to Creating Digital Experience Productions**) and the creation of the **UK Experience Economy Dashboard**. The latter in particular supported the modelling elements of the project, enabling the project team to create a snapshot of EE performance in each of the UK local authority areas and create the Recovery Index as well as allowing the research team to formulate insights into policy actions that create resilience.

2.3 Limitations of approach

The data that has been provided as an outcome of project activities provides important insights into Experience Economy (EE) resilience and recovery. Further testing is required to develop it. In reading the data, however, it is important to recognise that there are some limitations to the approach taken. These are discussed in detail in Appendix 2 and in summary include:

The **generalisability of the results,** especially those that related to connectivity within and between EE sectors. These arise because of the relatively limited participation of certain key businesses, e.g. small and medium-sized enterprises (SMEs), in the workshops (itself a reflection of the Covid-19 pandemic and very limited resources among businesses to support this activity). The initial ambition was to involve more freelance and SME creators and producers of (digital) experiences, and further testing among these groups will be necessary to assess generalisability.

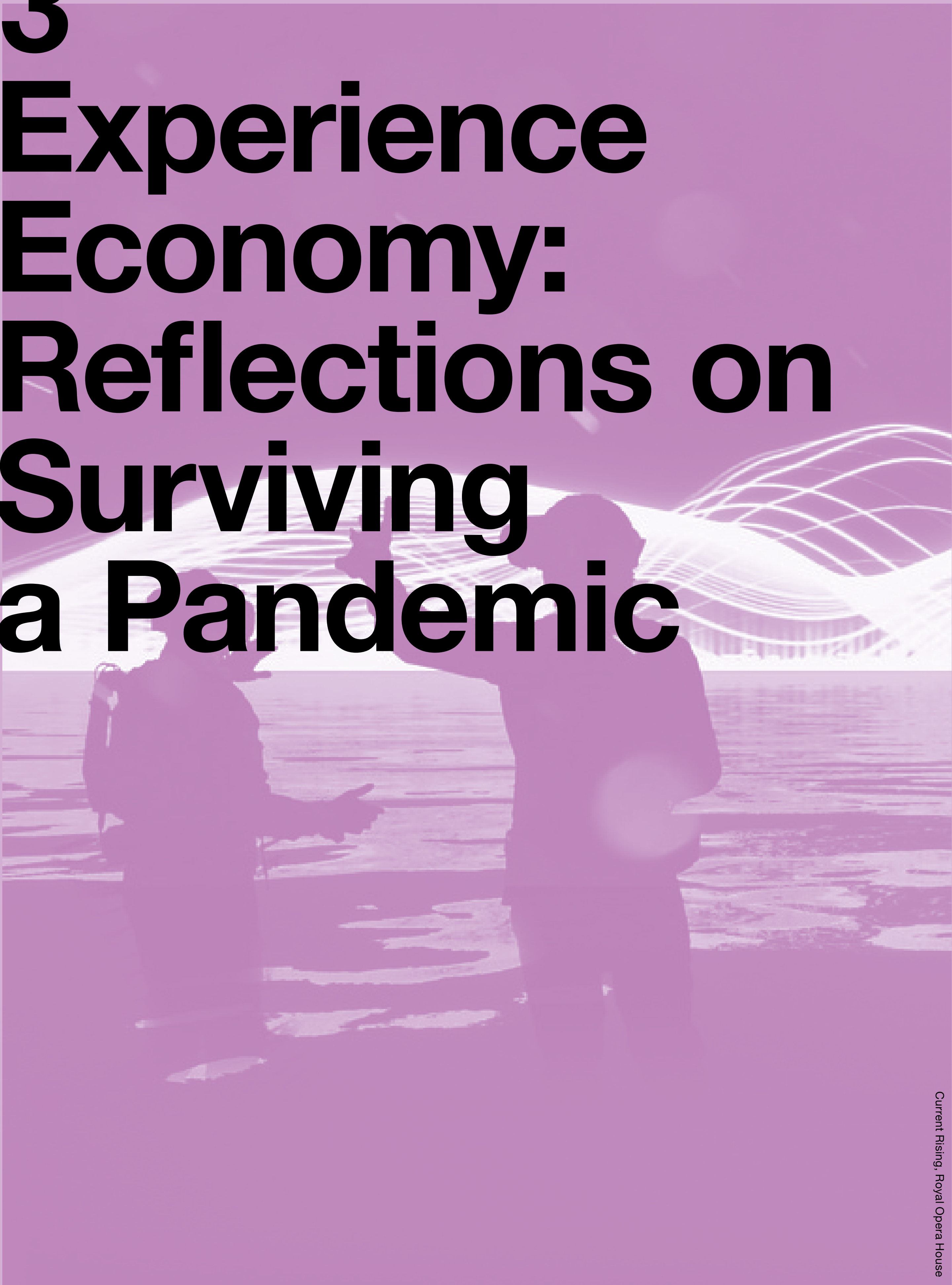
The testing of recommendations and digital tools. The dashboard has been provided to the relevant parties of place partners: Dundee, Durham and London Borough of Barking and Dagenham, including relevant local authority departments for review and feedback. It has also been presented to and discussed with sectoral partners/organisations such as the Tourism Alliance and the Department of Culture Media and Sport (DCMS). While the tools are considered prototype, and would benefit from further development for which there is significant scope and opportunity, the feedback has been positive, enabling the project team to enhance the tools prior to publication.

Shortcomings of SIC codes as a mechanism for measuring the EE. Covid-19 has highlighted for the first time significant issues regarding the EE and its significance in the light of levelling up and town-centre regeneration activities. The SIC code system is the only mechanism through which quantitative data about discreet industrial sectors can be compiled. However, as has been noted by others, including NESTA[28] and the Organisation for Economic Co-Operation and Development,[29] the SIC system has limited applicability for wider creative and cultural sectors, and experience sectors. These limitations are referenced in fuller form in the appendixes.

Despite these limitations, the comprehensive nature of the data produced by this project provides important insights into the significance of experiences in bringing customers back to venues and place following a pandemic, and thus adds context to town-centre regeneration and associated narratives, while also providing tools to support local authorities and experience providers as they recover from Covid-19.

28 NESTA (2018) Creative Nation: How the creative industries are powering the UK's nations and regions. Available at: https://media.nesta.org.uk/documents/creative_nation-2018.pdf
29 OECD (2020) Webinar: Coronavirus (COVID-19) and cultural and creative sectors: impact, policy responses and opportunities to rebound after the crisis. Available at: https://www.visitbritain.org/who-we-are-what-we-do

3
Experience Economy: Reflections on Surviving a Pandemic



Current Rising, Royal Opera House

Covid-19 simultaneously posed an existential threat to Experience Economy (EE) organisations and reinvigorated customer desire for experiences. The pandemic has driven research and development (R&D), innovation and investment; fostered new partnerships between experience creators and technology providers (as well as other organisations); and created awareness among consumers about the ways in which digital technologies may enhance physical experiences.

Some EE organisations have thrived, particularly those that have been able to pivot and offer hybrid experiences on a paid-for basis. For many, however, survival has depended on the significant levels of support provided by the UK government. The relative efficiency with which this support was delivered has been key, a fact recognised by many of the participants in our working group and place-based workshops. Following the lifting of restrictionson personal movement, we discover a new normality, in which the balance between different EE company types has changed and audience preferences have shifted.

The DREEm UK Experience Economy Dashboard uses a series of trial indicators to assess the performance of the EE across the UK. Figure 4 illustrates an example of a map from this dashboard. The red colouring indicates local authorities that are performing in the lower third across the UK and the green indicates those that are in the highest-performing category, against these collective indicators. It should be noted that these indicators do not necessarily represent resilience but are a proxy measure of the health of the EE in a given area (see Appendix 3 for methodology).

Over and above the company data reported in the dashboard, freelancers, very small and new businesses, and organisations that depend on volunteers have also incurred specific losses. Each of these losses have impacts on the individuals affected, but they also have broader implications for the ability of the EE to rebuild and sustain. Freelancers, for example, offer flexibility that matches the project-based way in which many EE organisations work, a point commented upon by NESTA.[30] Volunteers are particularly important in heritage and community-based arts settings, and a lack of strategic activity around reinvigorating recruitment in these sectors has been reported on by the Heritage Volunteering Group, among others.[31] A lack of visibility or representation of these individuals/groups is a reflection of a system of SIC codes that do not adequately encapsulate the diversity and complexity of the modern UK workforce and do not reflect new groupings of industries that have emerged to service customer demand for experiences. The result is a lack of information available to local authorities to enable them to identify and target support to those most in need. Addressing these issues is a priority for the recovery and resilience of the UK EE, and is included in the recommendations made by this project.

30 Smith, L. NESTA (2018). The value of creative hubs. Available at: https://www.nesta.org.uk/blog/value-creative-hubs/
31 Heritage Volunteering Group (2021) Creating Capacity 2021: Rebuilding volunteering in the heritage sector post Covid. Available at: http://heritagevolunteeringgroup.org.uk/wp-content/uploads/2021/06/Creating-Capacity-Final-2021.pdf

Fig. 4

Figure 4 — Example of an image (screen grab) from the DREEm Experience Economy Dashboard showing the UK EE landscape over the pandemic. For live data link to the Dashboard.

The rise of digital content production has been a consistent theme throughout the pandemic, allowing consumers to be digitally present while physically distant. Over the period of the pandemic, the following scenarios have been observed:

- **Increased uptake and familiarity with mainstream conferencing/social media platforms.** The increase in consumers encouraged EE organisations to look beyond streaming, to curate experiences that can maximise the value from these digital spaces. One of the most innovative examples is the ***Mermaid's Tongue*** experience (part of the London Stone Trilogy series of events produced by Swamp Motel), which engaged consumers in using a number of platforms such as Facebook and Snapchat within a single experience to provide a multilayered and complex encounter.

- **Enhanced familiarity with close-to-home venues and locations.** Mainstream platforms such as Twitter and Facebook Community have been used by communities (across the UK as well as internationally) to encourage residents to enjoy their own 'back yard' or locale, for many reinvigorating pride in place.

- **Social distancing requirements have stimulated interest in and demand for place-based digital interactions.** The range of technologies available on the market to enable organisations to create their own digital content has thus accelerated. Advances have been made in particular in the area of augmented reality (AR) and virtual reality (VR). For example, the **Salisbury Trails, Carnaby Echoes and City Visitor Trail apps** have all been produced using Calvium's place-based experience app design. This simplifies the process and reduces the costs of developing interactive online experiences for non-technical organisations. Apps such as these, produced by specialist consultancies such as Hex Digital, the digital partner in the **England Originals** experience, support the combining of wayfinding, storytelling and real-time information about a destination. The skills of the digital organisations behind these apps are increasingly sought out by EE organisations across the UK and internationally.

- **Rapid acquisition of skills among EE organisations.** Technologies facilitate digital experiences, but do not create them. It is the passion, creativity, dedication and vision of experience industries that curate those experiences. Many have adapted over the course of the pandemic and have rapidly acquired (often by deploying the goodwill of employees) the skills necessary to develop digital content. Much of what has been achieved has been on a wing and a prayer. A positive outcome of this situation for EE organisations is the way in which audiences have been more accepting of experimentation, and this has provided more opportunity for limited risk-taking among those who are engaging for the first time with digital as a medium. Organisations now need to facilitate collective learning and the embedding of experiences, to ensure that the digital and physical offers are complementary.

- **Changing perspectives on monetisation.** Our knowledge about mechanisms that realise the monetary benefits of digital experiences is still nascent. Indications are, however, that monetisation has many forms, and these go beyond a direct financial transaction in exchange for an experience at the point of sale or membership via subscription to a streaming service. Those who can most readily access monetisation opportunities have access to mailing lists (whether their own or those purchased from commercial data houses) through which they can promote their activities. A combination of insights from the DREEm audience survey and feedback from the place-based workshops indicates that, over and above the pay-per/to-view mode of operating:
  - there is an appetite for paid-for forms of membership that offer enhanced benefits via digital means that go over-and-above the existing types of membership offer
  - there is a willingness among those who engage with community-based experience organisations to provide donations to enable economically disadvantaged or excluded groups to access experiences
  - there is a dynamic market for educational and learning materials that embrace the multilayered benefits that come from a site visit and/or personal interaction and that can be accessed digitally. This market includes not only traditional educators, but also individual lifelong learners seeking a new skill
  - there is an active demand for gifting
  - there is much more that can be achieved by EE organisations by ensuring that commercial activities (such as shops) can be accessed online, while also extending the retail activity beyond promoting physical products and into promoting experiences
  - there is much to be learned from the role that digital experiences can play in supporting community health/wellbeing. Local authorities have extended pre-pandemic activities in social prescribing or arts organisations' creation of performances focused on community cohesion in schools. A few have gone as far as to create a seamless interface between the NHS and experience providers (for example, allowing GPs to directly book patients into experiential activities such as sport or drama). The value of these experiences requires further research and recognition.

- **Some digital experiences do not have an immediate monetary value.** These include the many experiences that have been developed over the pandemic to serve a charitable purpose, and extend to include those organisations that have used digital means to maintain the presence of places in consumers' minds. These organisations often use their digital activities in a commercial sense, but not for immediate monetary reward. Understanding this nuanced monetisation landscape and the barriers to entry for small organisations (including the often high commissions charged by experience platforms) would benefit from further research.

- **The pivot to digital implies rethinking risks for EE organisations.** Digital experiences have a different cashflow profile from those that are physical. While some digital experiences can be created at minimal cost, many require significant investment. Attitudes to risk and access to funding are barriers to embedding the learning that has already taken place and maximising the benefits that can be achieved from world-leading innovations — examples include the Royal Shakespeare Company (RSC) working with Magic Leap to create a mixed reality (MR) version of Shakespeare's "All the world's a stage" speech. A second innovation in the digital space by the RSC was *Dream*,[32] a 50-minute online immersive theatre show presented between 12 and 20 March 2021. Originally devised as an in-person work, the concept was reimagined as an R&D project for a digital-only audience as a response to lockdown restrictions. Other experiences will reframe how audiences encounter the interface between digital and physical worlds. **The Abba Voyage experience**, by leading visual effects company Industrial Light and Magic, took over four years to realise, and involved over 1,000 technical practitioners working internationally. This achievement of a state-of-the-art digitally constructed experience that is viewed physically by an audience is likely to set a high bar for others seeking to create highly memorable digital experiences in a physical space. MSG Sphere, a controversial £800-million immersive entertainment concept approved for development in east London, supported by New York's Madison Square Garden company, is another example of an EE project that combines digital and physical within a single space to invest in the creation of novel types of customer encounters and engagement.[33]

- **Many communities do not have easy access to digital devices and internet services.** The pandemic has seen experimentation in tackling the issue of digital poverty, for example in the **London Borough of Barking and Dagenham** (LBBD), and there is more that can be learned from these examples.

3.1 Perspectives on recovery

Despite the level of digital innovation evident throughout the pandemic, and concerns from partners regarding a potential permanent shift to digital experiences, sentiment surveys demonstrate a significant consumer desire to engage in physical experiences as movement restrictions are lifted. Many will, however, be reluctant to relinquish digital experiences altogether and expect to access the digital and physical simultaneously. That said, 14.7% of businesses are at risk of closure and so bringing physical customers back is essential.[34]

Perspectives on recovery are provided in the following section. Within the scope of this project, recovery is defined as the process and related steps required for an economy, in this case, the UK Experience Economy (EE), to bounce back from a shock and start to expand again. The concept extends beyond returning to the pre-shock state and requires organisations to mitigate the potential effects of future similar crises. Perspectives on EE recovery are derived from analysis of policies (at a national level) and

32 https://www.rsc.org.uk/support/members-room/exclusive-members-content/dream-q-a, https://audienceofthefuture.live/dream/
33 Khomami, N. (2022) 'London's Madison Square Garden Sphere gets planning approval', *The Guardian*, 23 March. Available at: https://www.theguardian.com/society/2022/mar/23/londons-madison-square-garden-sphere-gets-planning-approval
34 Lambert, P., and Van Reenen, J. Centre for Economic Performance (2021) A major wave of UK business closures by April 2021? The scale of the problem and what can be done. Available at: https://cep.lse.ac.uk/pubs/download/cepcovid-19-016.pdf

from the perspectives of a diverse range of stakeholders participating in the project's three case study locations (Dundee, Durham, and the London Borough of Barking & Dagenham) presented below.

- **Many organisations have critically depleted cash flow reserves.** Having used this funding to survive and service customers over the period of the pandemic, organisations are acutely aware that reductions in funding streams are likely. These organisations need time to rebuild their reserves, recover, and for a stable and certain funding environment to evolve and enable them to plan for the future.

- **Maximise the benefits of investment in digital technologies**. Over the course of the pandemic, there has been unprecedented investment by UK organisations in R&D and in technologies that support the development of digital experiences (including real-life digital experiences). These investments come both from the private sector and from public sector organisations such as UK Research and Innovation (UKRI) and Audience of the Future[35], which has invested in and showcased world-leading R&D activities, as seen on the Creative Innovation platform. These innovations offer opportunities to bring together real-life and virtual experiences to make them more immersive, interactive, hybrid and engaging. This provides an opportunity to go beyond the constraints of a physical space (for example, when limitations are imposed) and allows for greater experimentation. There are significant opportunities to exploit these technologies, and others that are near to market, via targeted R&D funds.

- **Building and retaining skills is a critical issue.** There are currently 400,000 job vacancies across hospitality sectors.[36] Various estimates exist of the data gap for digital skills and these indicate that there may be a digital skills gap of 650,000 jobs.[37] No other group of industries has the same potential as the EE to draw people to online and physical places, and provide skilled, location-specific jobs. Maintaining this skills base will be essential to ensuring the recovery and resilience of EE organisations.

- **Embed the learning that has emerged from digital engagement over the course of the pandemic.** Specifically invest in generic and specialist skills development as a core element of teaching on EE courses — and make these skills available to those already working in the sector.

- **EE organisations are central to policy agendas for town-centre regeneration and levelling up.** An explicit action plan through which EE organisations can support the delivery of the ambitions of these agendas in the long term, and the associated funding, are necessary. Within this agenda, consideration needs to be given to:
  - the specific needs of EE organisations, especially given the large number of freelancers and small organisations

35 Audience of the Future Creative Industries Clusters. Available at: https://audienceofthefuture.live/
36 UK Hospitality (2022) Hospitality industry launches £5m campaign for talent in response to jobs and skills crisis. Available at: https://www.ukhospitality.org.uk/news/595342/Hospitality-industry-launches-5m-campaign-for-talent-in-response-to-jobs-and-skills-crisis.htm
37 Department for Digital, Culture, Media & Sport (2021) Quantifying the UK Data Skills Gap — Full report. Available at: https://www.gov.uk/government/publications/quantifying-the-uk-data-skills-gap/quantifying-the-uk-data-skills-gap-full-report#the-demand-for-data-skills

  - the ways in which EE organisations can work with communities to rediscover and celebrate what is special about their places
  - the uniqueness of a place, with a view to better understanding whether experiences that have been a blueprint in one place can realistically be transferred to another and succeed
  - ways in which places can work most effectively with EE organisations to promote their stories to residents and outsiders, and appeal to new audiences, using digital as well as physical means.

- **Invest in enhanced wi-fi and broadband coverage** to allow those businesses that have invested in extended reality (XR) and other related technologies to maximise the benefits by securing screen load times that are acceptable to users when in destinations.

3.2 Building resilience

Resilience is a complex concept that embeds within it the ability to respond to and/or rapidly recover from unforeseen (and usually negative) circumstances. Within the scope of this project, resilience is defined as the capacity for Experience Economy (EE) organisations in a given place to respond to stresses or shocks and survive/thrive. Digital is one essential part of place-based resilience for EE organisations. This alone, however, is insufficient. It needs to be set within the broader business and social ecosystem, as well as the economic, strategic and policy landscape. In line with the City Resilience Index developed by Arup in 2017,[38] it is recommended that the following qualities are taken into consideration when designing a resilient EE within a place.

- **Integrated:** Connectivity within and between EE organisations in a place, to exchange information and feedback loops in order to ensure the ecosystem collectively works well and rapidly responds to external shocks.

- **Reflective**: Need for a mechanism embedded within the EE ecosystem to gather evidence, so that relevant organisations can examine this and make informed decisions to let the system continuously evolve (a **UK Experience Economy Dashboard** has been developed to kickstart this process, informed by this research).

- **Robust**: Need for the EE ecosystem to have well-constructed and managed physical assets, including spaces that are appropriate for small businesses and freelancers, and that have appropriate rental terms to provide security of tenure.

- **Redundant**: Resilient EE ecosystems should have cost-effective spare (redundant) capacity (otherwise referred to as resource reserves) to accommodate disruption and diversity to achieve a given need or fulfil a function, as well as distributed networks.

38 Arup City Resilience Index (2017). Available at: https://www.arup.com/perspectives/publications/research/section/city-resilience-index

- **Flexible**: Need for the EE ecosystem to have decentralised and modular infrastructure and management to allow it to evolve and adapt to a changing environment, for example by introducing new knowledge, practices and technologies as needed.

- **Resourceful**: Need for investing in, mobilising and coordinating human, financial and physical resources in order for the ecosystem to be able to meet the needs of EE organisations during shocks, crises or pandemics.

- **Inclusive**: Need to consult and engage EE organisations, audiences and other relevant stakeholders, to trigger a sense of shared ownership and a joint vision.

- **Accessible:** Reflecting the desirability that experiences available in the digital space are open to all and widen participation in experience activities.

Perhaps most important to achieving resilience in the context of this project is recognising the "interconnected and interdependent networks of freelancers and micro-firms which provide creative content, goods and services", something recognised by OECD and our own research.[39] These multilayered networks include EE organisations, local authority representatives and funding organisations. They are at their most rich and diverse in places where the widest possible range of EE organisations engage in these networks with a collective vision of the story of their place. The health and diversity of the networks are essential to resilience, as is the active engagement of the range of agencies at a local level that can support the EE organisations that wish to develop digital content. These networks provide a framework for mutual support, a mechanism through which to acquire know-how and skills, for example to write proposals for funding, as well as creating a platform through which to plan for a more resilient future. Often led by more significant and larger local organisations (with a notable absence in representation by many international companies), networks are underpinned by a powerful sense of what makes their place special and a can-do attitude towards working collectively to co-create the stories that will sustain consumer interest post-pandemic. Each of the three place-based case studies that we worked with (Dundee, Durham, and the London Borough of Barking & Dagenham) acknowledged the significance of these networks. Those that were the most diverse in terms of EE activities and firmly rooted in their places appeared to be the most robust.

The pandemic has allayed the fears of many that digital experiences would replace the physical. Numerous related sentiment surveys, and the DREEm audience survey, make it evident that the social and visceral elements of the physical realm will keep consumers returning for in-person experiences for many years to come. **The pandemic has seen unprecedented technical and creative development of digital experiences that are becoming an essential and vital part of the consumer journey.** In a period of two years or less, consumers have embraced digital technology and the number of

39 Organisation for Economic Co-operation and Development, cited in Harris. J, Hawkins. R, Bunyan. C, Bashford Rogers. T, Pine. J, Rowe. M, Mazzarella. F, and V.Young (2022), The UK's Experience Economy: Towards a Working Definition from the Supply Perspective in the Context of the Covid-19 Pandemic.

digital consumers now significantly exceeds those anticipated had the pandemic not occurred. EE organisations have, for the most part, managed to develop digital experiences or access to online content. As EE operators move forward from the pandemic, many audiences are already less tolerant of digital platforms and low-quality experiences that do not perform or meet expectation; for example, gallery tours that are less than engaging and staged performances that are little more than a streamed version of the physical alternative.[40]

In a world in which consumers can go quite literally anywhere (physically or digitally), EE organisations need to become adept at representing the physical offer in the digital space and providing a wider range of paid-for services that contribute towards core costs, in order to become resilient. Case studies such as the **Faroe Islands** demonstrate how this can be done at relatively low cost, while achieving high quality, and conveying the spirit and essential character of place and people.

Over the period of this project, the speed at which organisations have responded to the challenge to pivot from physical to digital experiences has been unprecedented. This pivot is evidenced through UK-wide consultation with partners and documentation of case studies, as well as the content of this report and examples included in the **Guide to Creating Digital Experience Productions**. Building resilience will require capturing the knowledge and benefits that have been accrued over the course of the pandemic, while providing an environment in which R&D spend is sustained across the UK. This will be particularly important to ensure that digital skills and know-how are retained in UK regions.

Between various lockdowns, the pandemic focused the minds of experience takers on opportunities to explore the outdoors. This meant many people got to know their own neighbourhoods better, while others discovered parts of the UK that were new to them. The domestic tourism boom that resulted has been welcomed by many as a way to reduce the sharp economic impact of the lockdowns, and potentially enhance a longer-term domestic market. For some places, however, visitor pressures strained infrastructure and overwhelmed communities, as large numbers of people sought to use outdoor spaces at the same time. Going forwards, there are opportunities to make greater use of digital methods to support these experiences and avoid such bottlenecks.

40 See, for example, research by McKinsey, available at: https://www.mckinsey.com/business-functions/mckinsey-digital/our-insights/whats-next-for-digital-consumers

MEASURING RESILIENCE IN PLACES

Resilience indicators were developed to support local authorities in assessing the resilience of their places. Clustered thematically, these are as follows (a higher number of Yes responses are likely to indicate greater resilience):

Experience Economy (EE) representation in place

- To what extent are local residents, communities, organisations and other relevant stakeholders engaged in the shaping and delivery of EE activities?
- Are there spaces in your place that offer affordable and secure rents to EE businesses?
- Do EE organisations have a place-based strategy that defines their ambitions for the future?

Business connectivity

- Does your place have a network that represents the interests of all EE organisations?
- Does the local authority have detailed knowledge of the range of organisations that are engaged in EE activity, including those that are at risk of closure?
- Are EE organisations connected with education, health and other providers as a means to provide community wellbeing services and support, for instance through social prescribing?

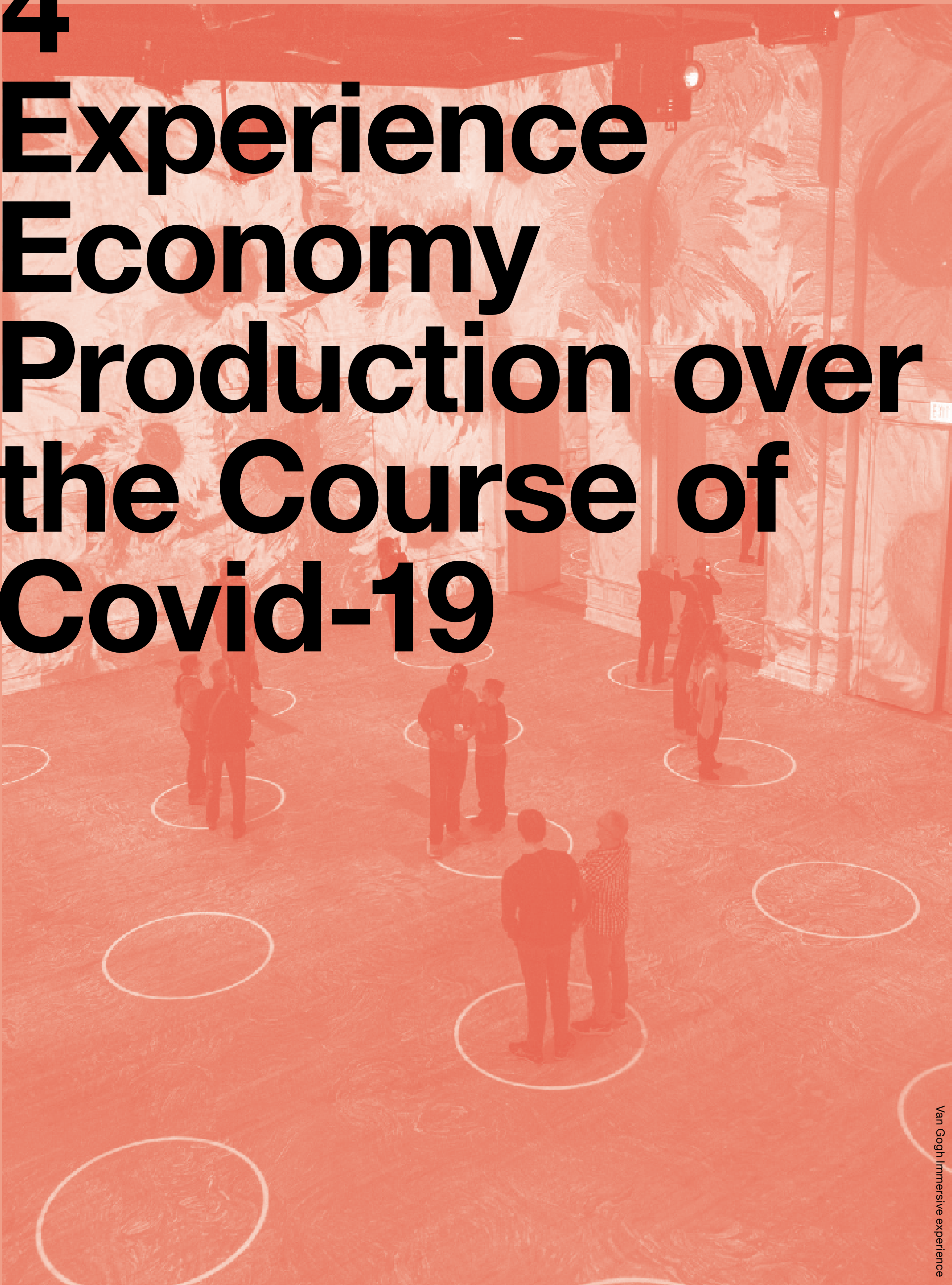
Digital regeneration

- Is there a digital portal through which residents and potential visitors can discover information about what your place has to offer (physically and digitally)?
- Is there an effective digital skills training provision within your place for EE organisations to develop digital content and to support new types of relevant jobs within a changing and dynamic environment?
- Does your place have a robust digital infrastructure across public and outdoor spaces, to ensure producers and consumers have access to digital experiences?
- Are digital experiences provided by some EE organisations that complement the physical and also provide opportunities for increasing capacity (over and above the physical only), attracting new audiences, extending the lifespan of experiences and generating income?

Changing the way visitors engage with place

- Are digital technologies available within your place to help customers explore it?
- Does your place use digital technologies to support visitor management activities (such as queue management systems that alert customers to wait times for specific venues, promoting alternatives, etc.)?
- Is the EE in your place flexible enough to be able to evolve and adapt to a changed environment (for example, by introducing new knowledge, practices and technologies as needed).
- Are digital materials devised to engage international customers as well as those who are closer to home.

4
Experience Economy Production over the Course of Covid-19



Van Gogh Immersive experience

The project team developed a Compendium of Digital Experience Productions over the period of the pandemic, collating reports from mainstream and specialist news and academic journals and reports, as well as collecting information from DREEm working group stakeholders about how Experience Economy (EE) organisations were adapting to the challenges posed by Covid-19.

This section tracks the introduction of measures and initiatives designed to support businesses over the course of the pandemic, including policy developments, and place-based, industry-led responses. This section also provides a record, and account of the digital experiences that emerged as a means for maintaining contact with existing customers and acquiring new ones (whether as an alternative or complementary offering to the physical experience. **The information in the Compendium provides a snapshot of how EE organisations adapted to the various challenges from the initial lockdown in the UK (March 2020), to the easing of restrictions (June-December 2020), the reintroduction of lockdown measures (January-July 2021), the lifting of restrictions (July 2021 onwards) and the subsequent return to 'normal' (up until March 2022, in line with the timeframe of this project).** The examples of digital content referenced in this report are included in the **Compendium of Digital Experience Productions** and can be viewed in the **Guide to Creating Digital Experience Productions**.

The analysis of the phases of EE adaptation that occur in the Compendium is reported in the pages that follow. Key information is provided in the **Policy Progress Timeline** in **Appendix 7.**

4.1 Early March 2020: providing businesses with the confidence to go on

National Position: The UK government and each of the devolved administrations introduced what became known as lockdown restrictions, with the aim of preventing the spread of Covid-19. These required all individuals, with the exception of essential workers, to stay at home. International flights to and from most countries were halted. These measures had an immediate impact on the Experience Economy. In parallel to these restrictions, a series of measures were introduced with the aim of supporting businesses and encouraging employment retention during compulsory lockdown.

4.2 March–May 2020: the pivot to digital

National Position: Lockdown resulted in most venues closing their doors to in-person / physical customers. This created a significant change in consumer behaviours. However, demand for experiences remained high, shifting from a physical to a digital mode of delivery. Indigo reported that 38% of 92,000 respondents had engaged with online cultural content for the first time in March 2020 and 86% of core audiences said that they would consider engaging digitally even if they had not as yet — comparable data is not available for other Experience Economy (EE) sectors.[41] An interest in consuming experiences digitally increased across all age groups. Specific funding streams encouraged the adoption of digital technologies via, for example, Arts Council England's Culture Recovery Fund.

Experience Economy Position: Creative businesses invested significantly in developing some form of digital content during this period. R&D funding from Arts Council England and other philanthropic organisations (including some that preceded the pandemic) supported a digital transition for those organisations that had sufficient capacity to bid for these funds.[42] Most organisations, however, made the pivot to digital using in-house resources and skills, often learning techniques on the job, and relying on younger team members for technical input.

The type of content that emerged at this time originated mainly from organisations that were able to mobilise quickly and that had mailing lists of consumers who would be able to access their outputs digitally. The resulting content ranged from:

- **Experiences that were designed specifically as a response to lockdown conditions, with the intent that they would be delivered online to consumers in their own homes and upon payment of a fee. Early entrants into the market included *Animal Crossing New Horizons* on Nintendo Switch, which was a part of a global craze for remote connected play and simulated travel**

- **Organisations operating in the sharing economy that adapted quickly from offering physical to offering digital experiences directly into consumers' homes (e.g. Airbnb launched its online experience platform in April 2020).[43] Some organisations seeking to enter this space have found it hard to get their voices heard over the more established tech giants, including gaming companies (see below)**

- **Games platforms, many of which were already delivering services directly to consumers pre-pandemic, found that retail closures accelerated online sales. They invested significantly in new titles and companies such as PlayStation, Nintendo Switch and Xbox thrived over the period of the pandemic**

- **A handful of theatres that quickly adapted performances (many of which already included some form of digital content, albeit intended for consumption by audiences that were physically present). Perhaps the most notable is the RSC, which offered a week-long performance of Dream via live streaming. Dundee Rep was also an early entrant to this space, launching its first digital engagement piece, Where are you, Dundee?**

41 The Audience Agency (2020) Analysis, Act Two. Available at: https://www.theaudienceagency.org/evidence/digital/act-two-survey
42 Many of the stakeholders that we consulted noted that the capacity to bid for these funds (i.e. to write a project proposal, develop a project plan, indicate that the organisation has the expertise to deliver on the funding, create, stage and deliver the experience) existed only in larger organisations and/or depended on a network of organisations working collaboratively.
43 https://www.airbnb.co.uk/s/experiences/online

- **Streaming of performances via mainstream platforms such as Facebook and YouTube or through traditional broadcasters such as Sky or the BBC. These activities were either paid for via subscriptions or supported by fees from advertisers. They included experiences like the BBC's Swan Lake Bath Ballet, part of the Culture in Quarantine[44] series**

- **Live streaming of experimental modes of delivery, often recorded by individuals who were operating in a socially distanced way, and from their own homes. As per the above, these activities were rarely paid for directly by users, but supported by fees from advertisers and/or subscription services and/or the individuals who created the content. Examples of this type of activity include the collective recording of sea shanties that went viral over TikTok[45], a digital platform whose usage grew exponentially during the pandemic**

- **Converting the substance of physical visits into a digital format, via online tours of premises such as Blenheim Palace and Hastings Contemporary museum[46], or educational programmes (e.g. those created by Arc Theatre). Usually delivered via video conferencing platforms, these outputs were on occasion monetised, albeit at a far lower price point than their physical counterparts**

- **Delivery of (usually) outdoor activities via social media (specifically Facebook or Twitter), for example online yoga classes in outdoor spaces, online walking guides for local towns, or innovative sculpture trails, for example that by Unreal City at Home. These outputs were generally developed by the community for the community or by charities and were generally offered free of charge.**

Outside of these activities were the initiatives of some of the place-based organisations and specifically the Destination Management Organisations (DMOs) that sought to maintain representation of their place. These generally used mainstream platforms (such as Google Street View, YouTube, etc). Some were targeted at maintaining contact with visitors; others sought to change the customer demographic, encouraging local residents to explore their own back yard. These initiatives had varied success and ranged from **VisitScotland's Portal AR** (a partnership between Google and VisitScotland)[47] to the **Faroe Islands Remote Tourism campaign**,[48] produced in-house using mainstream and free-to-access platforms such as YouTube. Other early entrants into the market included Belfast (combining free-to-view content with a paid-for tour experience)[49] and **Bristol from Home**.[50] These interventions are of particular interest because most were not monetised via a pay-to-view mechanism, but they were commercial and perceived by the organisations that created them as an essential means for maintaining emotional connectivity with existing and potentially new audiences during a time when venues were physically closed.

44 https://www.youtube.com/watch?v=T8PLkd2VAnc&t=46s
45 https://www.youtube.com/watch?v=fCHlkD_89o8
46 https://www.hastingscontemporary.org/robot-tours/
47 https://www.scotland.org/about-scotland/scotlands-stories/portal-ar
48 https://www.facebook.com/watch/?v=2316759588633456
49 https://visitbelfast.com/article/virtual-visit-to-belfast/
50 https://visitbristol.co.uk/things-to-do/virtual-attractions-and-tours

4.3 June–December 2020: digital and physical worlds collide

National Position: Late May/June 2020 saw the reopening of venues across the UK (albeit with lockdowns being reintroduced in some areas) and a partial restoration of international travel albeit with requirements for Covid-19 testing and self-isolation. Physical experiences across much of the UK restarted with an ongoing requirement for social distancing and mask wearing. Some types of venues (nightclubs/festivals) remained closed or were not able to operate for risk reasons. The UK government launched the Eat Out to Help Out scheme as a way to help hospitality businesses that were particularly impacted by the pandemic.

Even as visitors became physically present, the pandemic continued to influence behaviours with a marked shift in preference from urban to rural, indoor to outdoor and the over-there to the nearby. National policy remained focused on keeping businesses alive, supporting DMOs; the furlough scheme and VAT reduction remained in place. The first vaccine was given at the very end of this period (December 2020).

Experience Economy Position: Consumers demonstrated an enthusiasm to return to physical experiences in the period immediately following the lockdown. Pressure on rural and outdoor locations peaked, with Cornwall reporting that it received two million visitors from July to October 2020.[51] By point of comparison, taken as an average over the years 2016–2019, the county received around 3.2 million holiday trips in total across a year.[52] Conversely, businesses in urban centres suffered and some rural areas struggled to reach pre-pandemic visitor spend (either because many venues were closed, or people were distrustful of using indoor spaces or had limited purchasing power due to pressures on their own finances). By the end of 2020, the scale of economic impact on the EE was becoming evident despite digital interventions. The Association of Leading Visitor Attractions, for example, reported that leading attractions lost 70% of 2019 visitor volumes in 2020[53] and the ONS reported a similar scale of losses over the same period.[54] The International Council of Museums reported an average reduction in visitor numbers of 50%.[55] Indoor venues were the most severely hit and, despite ongoing government support, a number of EE venues reported severe cashflow concerns.

- **Digital experiences sustained their growth over this period, creating new audiences (including many who had previously been excluded from accessing their services because of economic or health constraints). There was a specific growth in gaming and entertainment sectors, and significant innovation around paid-for modes of delivery.**

51 https://www.cornwalllive.com/news/cornwall-news/cornwall-two-million-visitors-july-4562093
52 Kantar (2020) The GB Tourist: 2019 Annual Report. Available at: https://www.visitbritain.org/sites/default/files/vb-corporate/gb_tourist_annual_report_2019.pdf
53 Association of Leading Visitor Attractions (2020) Huge fall of 66% in visitor numbers at UK attractions in 2020. Available at: https://www.alva.org.uk/details.cfm?p=453&codeid=846
54 Office for National Statistics (2021) Coronavirus and its impact on UK hospitality: January 2020 to June 2021. Available at: https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/articles/coronavirusanditsimpactonukhospitality/january2020tojune2021
55 International Council of Museums (2021) Museums, museum professionals and Covid-19: third survey. Available at: https://icom.museum/wp-content/uploads/2021/07/Museums-and-Covid-19_third-ICOM-report.pdf

- **Streaming grew significantly and, by December 2020, 32 million UK consumers were paying a subscription to these services.**[56]

- **Gaming also continued to grow, with the free *Among Us* game reaching 60 million daily active players in September 2020.**[57]

- **Investment in digital technology was sustained, and Facebook launched the Oculus Quest 2 VR headset, which had shipped 10 million units by late 2021.**[58]

- **Online experience growth continued to attract new investment and Amazon launched a digital experience platform, Amazon Explore, in September 2020.**

- **Festivals began to experiment with digital content, led by Burning Man, which produced a live VR experience in the place of the 2020 physical festival (tickets were free, but donations were encouraged).**

- **Monetised experiences became more common in this period, with Dua Lipa's Studio 2054 event delivering a monetised live-streamed performance. The show attracted 5 million viewers and sold 284,000 tickets for premium content.**[59] **French performer Jean-Michel Jarre followed suit, providing a VR New Year's Eve performance in Paris that attracted 75 million viewers.**[60]

- **Fashion was not far behind festivals and Balenciaga pivoted away from physical catwalk presentations to deliver an immersive gaming experience called Afterworld.**[61] **Lockwood Publishing saw exponential growth in the online world of Avakin Life, a 3D life simulation, computer and mobile video game featuring constantly evolving fashion trends and related content purchased in the form of NFTs.**

- **A number of organisations launched online educational materials. For example, English National Ballet (ENB) launched the BalletActive**[62] **subscription offer as part of the wider ENB home branding that monetises video outputs, and other fitness providers such as FitXR**[63] **also sought to enter the learning-at-home market.**

- **Augmented reality (AR) technology continued to grow, with sales increasing by 50% in 2020, compared to the average year-on-year growth in 2017–2019.**[67] **New platforms were instrumental in converting**

56 Sweney, M. (2020) 'Lockdown drives UK TV streaming customers to more than 32m', *The Guardian*, 27 December. Available at: https://www.theguardian.com/tv-and-radio/2020/dec/27/netflix-amazon-and-disney-push-uk-to-more-than-32m-tv-streaming-customers?CMP=Share_AndroidApp_Email
57 Business of Apps (2022) Among Us Revenue and Usage Statistics (2022). Available at: https://www.businessofapps.com/data/among-us-statistics/
58 The Verge (2021) Meta's Oculus Quest 2 has shipped 10 million units, according to Qualcomm. Available at: https://www.theverge.com/2021/11/16/22785469/meta-oculus-quest-2-10-million-units-sold-qualcomm-xr2
59 Millman, E. (2020) 'Dua Lipa's Very Expensive Concert Is the Future of Livestreaming', Rolling Stone, 1 December. Available at: https://www.rollingstone.com/pro/news/dua-lipa-livestream-cost-viewership-1096950/
60 Horton, O. (2020) 'Jean-Michel Jarre to play in the Paris New Year in virtual Notre-Dame cathedral concert', RFI. Available at: https://www.rfi.fr/en/culture/20201231-notre-dame-cathedral-in-paris-to-bring-in-new-year-with-dazzling-virtual-concert-culture-jean-michel-jarre-electro-music-france
61 Hitti, N (2020) 'Balenciaga's Afterworld video game takes players to a secret rave in the forest', 9 December. Available at: https://www.dezeen.com/2020/12/09/balenciaga-afterworld-the-age-of-tomorrow-video-game/
62 https://active.ballet.org.uk/
63 https://fitxr.com

unusual spaces into art and cultural venues, as per the Unreal City at Home exhibition delivered by Acute Art and Dazed Media.[65] These apps helped customers to explore physical spaces without the need for physical interaction.

- **Services that were compromised by social distancing arrangements increasingly became available online, growing capacity and creating resilience. Beamish Museum, for example, launched an online Santa's Grotto and online teatime treats, as well as the more conventional shop offer.[66]**

  For EE organisations with a social purpose (often these organisations provide services free of charge at the point of use), digital technologies frequently provided a means to overcome the constraints of physical sites and reach new audiences.

- **Museums collaborated to present their combined assets around specific themes, e.g. the Climate Museum.[67] The Empathy Museum was very well received.[68] However, it should be noted that the quality of experience from some of these digital forms of engagement was mixed, and on occasion relatively poorly reviewed.**

- **Performance organisations used digital means to reach disadvantaged communities or bring moments of joy (see, for example, the Dundee Rep case study).**

- **Location-based AR platforms have been used creatively by DMOs to attract new customer segments (see, for example, the England Originals app). Others have provided storytelling and interpretation services to those who are already on site (see, for example, Carrickfergus Castle,[69] Visit Gravesend,[70] Alex Hirtzel's Displays Decoded,[71] Hidden Florence[72] and Tourism Northern Ireland's 3D Tourism experience.[73]**

- **Churches have live streamed their services, reaching audiences that significantly exceed their physical capacity and, in the case of Durham Cathedral, attracting viewers from as far afield as New Zealand.[74]**

  While fulfilling a social and, to some extent, commercial purpose (whether a charitable function or ensuring that places or experience providers are kept current in customers' minds), these latter experiences were often not fully monetised per se, which may prove challenging to maintain longer term.

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64 Fortune Business Insights, Augmented Reality (AR) Market Size, Share & COVID-19 Impact Analysis. Available at: https://www.fortunebusinessinsights.com/augmented-reality-ar-market-102553#:~:text=Based%20on%20our%20analysis%2C%20the,year%20growth%20during%202017%2D2019
65 https://acuteart.com/artist/unreal-city/
66 https://www.beamish.org.uk/
67 https://climatemuseumuk.org
68 https://www.empathymuseum.com
69 https://curio.zubr.co/case-study/carrickfergus-castle; https://apps.apple.com/id/app/carrickfergus/id1479071963
70 https://www.visitgravesend.co.uk/; https://ingraveshamfootsteps.co.uk
71 https://curio.zubr.co/case-study/alex-hirtzel-displays-decoded/
72 https://hiddenflorence.org/
73 https://www.tourismni.com/build-your-business/sector/tourist-guiding/tourist-guiding-growing-your-business/virtual-tours/
74 https://www.durhamcathedral.co.uk/worship-music/online-worship-resources

4.4 January–July 2021: digital and physical combine

National Position: The UK began a phased exit from lockdown in March 2021. Rapid roll-out of the vaccine programme meant that, from April onwards, venues reopened once again and physical experiences restarted, albeit with requirements for social distancing and mask wearing. International travel reopened in part on 17 May 2021 with a traffic light system and Covid-19 testing/self-isolation regime. By 1 July 2021, 45 million people in the UK had received at least one dose of the vaccine.

National Policy: From keeping businesses economically viable and helping them to maintain staff, there was a switch to supporting recovery. A new variant of Covid-19 (Omicron) was found in the UK in November 2021, and new measures were introduced to reduce its spread. The phasing out of the furlough scheme was announced in September 2021 alongside an end to the discounted VAT rate for hospitality and tourism businesses. The economic impact of the pandemic for some EE sectors, most notably tourism, resulted in the announcement in March 2021 of a government review of the operating model for DMOs.

Experience Economy Position: Customers continued to consume digitally, but sentiment surveys indicated a strong desire to return to physical experiences,[75] with many customers expressing concern about travelling overseas in the short term.[76] Outdoor destinations began to feel the pressure as lockdown restrictions were lifted. Bournemouth, for example, experienced 400,000 visitors on a hot weekend in June 2021, causing traffic chaos.[77] By the summer, 'staycation' was the word of the moment. **VisitEngland launched its Escape the Everyday** at Home campaign[78] and regional DMOs echoed this theme (often with support of industry partners). Domestic tourism volumes soared, with short-term rental accommodation performing particularly well. VisitBritain changed its projections about international travel, predicting that it was unlikely to bounce back to 2019 levels until 2025. Popular destinations from the Highlands to the Peak District and coastal areas struggled to manage tourist volume, and conflict between residents and visitors in these areas rose. Despite a strong performance during the summer season across EE sectors, spend levels remained depressed.

Growth in some types of digital experiences (for example online streaming) reduced as premises reopened. Digital experiences, however, remained important and experimentation shifted to developing digital content that could be consumed while providing the sense of social engagement that many felt was lacking in the digital space. Monetisation remained a priority.

- **Some of the physical performance venues adapted and embedded knowledge from the gaming world to deliver immersive performances in the digital space, often employing mainstream platforms such as**

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75 https://www.kantar.com/uki/inspiration/fmcg/2021-wp-time-to-reimagine-the-high-street
76 https://www.visitbritain.org/covid-19-consumer-sentiment-tracker
77 https://www.bournemouthecho.co.uk/news/districts/poole/19371727.bournemouth-beach-400-000-visitors-scorching-weekend/
78 https://www.visitbritain.org/about-escape-everyday-campaign

Facebook and Zoom. The Mermaid's Tongue, produced by Swamp Motel and accessed on a pay-per-view basis, engages teams of experience takers to solve a series of clues and progress through the performance.[79]

- **Experimentation in the digital and physical space was enthusiastically received by audiences. Van Gogh: The Immersive Experience, for example, was launched in March 2021 and rapidly went viral.**[80]

- **Geocaching (already becoming popular before the pandemic), became mainstream with sites such as Geocaching.com**[81] **providing access to a range of free and paid-for services.**

- **Festivals explored digital only or '+ digital' options for their product offer. For these organisations, digital technologies provide a means to expand capacity and reach. These events often have a range of charging mechanisms, from digital-only tickets to donations. Digital Buzz Festival, for example, was hosted by Dundee Rep and was its first fully online engagement programme.**[82]

- **Investment in digital technologies saw significant growth. Unreal Engine 5 was launched in Early Access mode, marking a major shift for advanced virtual production. Some destinations began to experiment with digital technologies to address the concerns around over-tourism that have caused conflict between residents and visitors in recent years. Examples include apps encouraging exploration of under-visited parts of cities**[83] **or software developments such as that from Cornwall-based Data Duopoly, which have been designed specifically to alter visitor movements across a site.**[84]

- **Organisations working with communities extended their reach by engaging with digital. Green Shoes Arts in the London Borough of Barking and Dagenham, for example, launched its Speak Up programme, delivered via VR technology and headsets, and designed to support young Black and South Asian males with special educational needs or disabilities.**[85]

At the end of this period, it was clear that digital was becoming a part of the new normal for EE organisations. However, concerns about how monetisation and payment from these mechanisms are distributed to all who have been involved in their development began to emerge, with early indications that some of those who write and create content were losing out to the platforms that choose to screen it. Scarlett Johansson, for example, sued Disney for breach of contract for simultaneously releasing *Black Widow* in theatres and on Disney+, providing an insight into the importance of

79 https://isklander.com/
80 https://vangoghexpo.com/
81 https://www.geocaching.com/play
82 https://dundeerep.co.uk/whats-on/digital-buzz-festival/book
83 See, for example, the Edinburgh International Festival at home, available at: https://www.eif.co.uk/at-home. See also the remote tour of Venice and Florence, available at: https://hiddenflorence.org/
84 https://www.dataduopoly.com/
85 https://www.greenshoesarts.com/teens/speak-up/

having mechanisms in place to ensure all of those involved in the development of digitally accessed experiences are remunerated appropriately.

4.5 July 2021–March 2022: the emergence of a ‘new normal.

National Position: Many Covid-19 restrictions in England were lifted on 19 July 2021 (dates were slightly later in Wales, Scotland and Northern Ireland). September saw the end of the furlough scheme and in February 2022 the UK government announced that all Covid-19 restrictions would be lifted. Many Experience Economy (EE) sectors continue to struggle. In September 2021 the UK government announced a reinsurance scheme to provide live festivals and events with the security to plan events (this intervention was too late to save many of summer 2021’s headline events). Predictions by VisitEngland indicated that domestic tourism numbers would recover to 2019 levels by 2022/23 and that international passenger volumes would recover by 2025. February 2022 saw the publication of the UK government’s Levelling Up white paper,[86] which recognises the significance of culture, creativity, heritage and sports in creating pride of place and town-centre regeneration.

Experience Economy Position: The dominant trend that emerged in 2020 continued in this period, with large numbers of people participating in experiences near home and in rural areas as opposed to urban locations. Some sectors benefitted from this upturn in trade (accommodation occupancies peaked in some rural destinations), but international travel remained very limited and a delay in offering the reinsurance scheme for events resulted in a number being cancelled in their physical form but delivered digitally. Urban centres were relatively slow to recover and the High Streets Task Force developed recommendations for urban recovery. The recommendations clearly define the role of EE organisations in supporting the redevelopment of high streets as well as foregrounding the relationship between these issues and wellbeing.[87]

As physical events began to re-emerge, those organisations that had created digital content faced the challenge of finding ways to sustain both types of engagement. Digital experiences that replicated the physical began to suffer from waning audiences and some organisations struggled to maintain their digital presence under the pressure of reopening physical sites. Critically, some of the focus on digital innovation and progress made in the earlier period was lost. Those organisations that have thrived and used digital methods to achieve resilience, however, have continued to invest and experiment, with a renewed focus on finding ways to monetise the digital as a means to enhance engagement methods, reach wider audiences and increase revenues.

- **Poor international passenger volumes forced destinations to continue to refocus marketing efforts on domestic tourists. Innovation has been critical to success and those that have succeeded have developed**

86 HM Government (2022) Levelling up the United Kingdom. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1052708/Levelling_up_the_UK_white_paper.pdf
87 https://www.highstreetstaskforce.org.uk/

messaging that resonated with the emotional need to travel, while using a range of multimedia approaches to conjure powerful imagery of all that wannabe visitors miss. Examples include the Western Cape's Dreaming of One Day[88] and Travel Oregon's Studio Ghibli-like reimagining of place.[89]

- Fewer international tourist numbers have driven innovation across the accommodation sector. International hotel companies were among the hardest hit by the Covid-19 pandemic and have created blended and highly connected live, work and play spaces as a response. Accor was ahead of the field with its Wojo brand and has been joined by Finnish hotel Valo and Autograph's Bankside. These spaces bring life into city centres and, in the UK, offer promise as the Levelling Up agenda rolls out. Their commitment to excellent wi-fi connectivity makes them a natural hub for meeting and innovation, creating a reason for home-based workers to come to the city centre and explore all it has to offer.

- Integration of digital and physical interactions aims to deliver a consistent customer experience across all interfaces. Those EE organisations that are most successful at this integration view digital as a means to meet consumers where they are, extending opening hours and creating new offerings rather than representing the physical in digital form. Art of London's Augmented Reality Art Gallery[90] is just one example of an organisation that is differentiating between physical and digital content with its 2022 exhibition.

- Gaming remains popular and the combination of gaming and performers is ripe turf for experimentation. Ariana Grande's appearance on Fortnite, for example, set a new record for attendance with some 78 million attendees.

- Platforms that support EE organisations to use big data to create compelling experiences have learned much from the digital adaptations that occurred over the period of Covid-19, and are adapting these to support improved visitor management and customer fulfilment.

- Innovations in the computing world are enabling experience creators to design the sense of physicality that many missed during lockdown and/or open up a space in which individuals can create and monetise their own games. Applications such as the Sandbox online metaverse platform enable players to build, own and monetise gaming experiences. Microsoft Mesh[91] and Terentia[92] enhance the physicality of the digital experience, enabling experience organisations to make better use of data to tell their stories digitally. These developments hold a great deal of promise for the affordability of digital content.

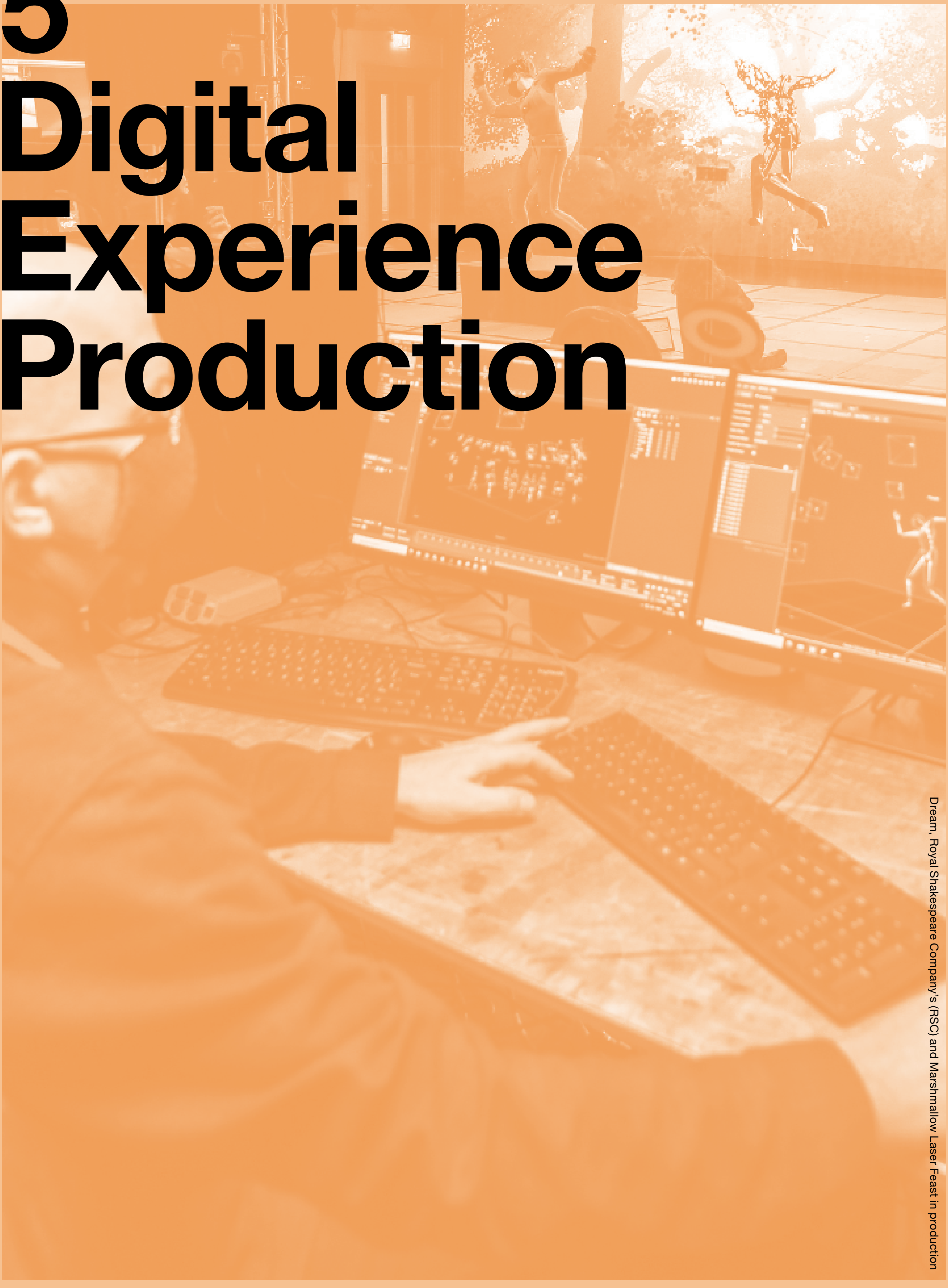
88 https://youtu.be/uoJ3_eOZ-2Q
89 https://youtu.be/KIC-XmyEfhI
90 https://artoflondon.co.uk/events/augmented-reality-art-gallery
91 https://www.microsoft.com/en-us/mesh?activetab=pivot:primaryr7
92 https://www.terentia.io/about

- **Digital innovation offsite has refocused minds on the quality of digital installations onsite. Customers who have had access to a wealth of digital content offsite have high expectations for onsite digital experiences. Digital, therefore, is now repositioned as a core exhibition component (sometimes creating an income stream in its own right) rather than an afterthought. Events such as the Van Gogh immersive experience[93] demonstrate the power of digital to shift an exhibition from interesting to exhilarating, while creating a new stream of income.**

Collectively, the activities reported here and in other projects have changed the landscape in which EE businesses operate. Some organisations are rolling back their digital content as physical visits become available. Most, however, are keen to build on learning to date, want to embed new technologies, and — critically — need to better understand how they can monetise their offers to expand impact while also attracting new and sustainable audiences.

93 https://vangoghexpo.com/new-york/

5 Digital Experience Production



Dream, Royal Shakespeare Company's (RSC) and Marshmallow Laser Feast in production

Covid-19 created a moment of rapid and disorienting change, remodelling the Experience Economy (EE) landscape, and fast forwarding the future to the present, with unprecedented advances in digitally produced content and experiences.

Consequently, consumers now have access to types of digital experience that before the pandemic might have been expected to emerge in perhaps five to 10 years' time — selected examples of which are represented as a series of production case studies, for the purposes of this research.

Within this environment, experiences across digital platforms gained new customers while their physical counterparts temporarily lost theirs due to Covid-19. In essence, there has been a massive shift in the mode in which consumers engage in experiences (albeit possibly temporary) and a corresponding surge in innovation and investment in digital production. Changes in consumer demand triggered a rapid period of upskilling for EE organisations seeking to develop digital content (often for the first time), while drawing upon already limited resource and skills.

New partnerships have emerged and experimental approaches to digital experience delivery have pushed the boundaries of our knowledge about what is technically and creatively feasible. There are opportunities now to capture the learning from this phase of rapid innovation, embedding knowledge and nurturing emerging technology into commercially viable outputs that offer new approaches to monetisation and overall EE business modelling.

In this part of the report, insights from those who created digital content and experiences during the period March 2020–March 2022 are reflected upon. The information presented in the narrative that follows draws together findings from: a survey of 17 senior industry staff members about the opportunities and challenges that they and the sector have encountered or expect to encounter (referred to as producer survey hereafter); four roundtable discussions about digital experience development that included representatives from across different sectors of the UK-wide working group;[94] relevant discussions from the place based working groups (see section 7).

Report insights are informed by the analysis of nine detailed case studies of digital production, and 147 examples of digital experiences that are included in the Guide to Creating Digital Experience Productions.

94 Participants in roundtable 1 (03/02/2021) included representatives from: InGAME Creative R&D Partnership, led by Abertay University; The Mill visual effects company; VisitScotland; Creative Scotland.
Participants in roundtable 2 (03/02/2021) included representatives from: South East Creative Economy Network; Framestore visual effects company; Clwstwr Creative R&D Partnership, led by Cardiff University; Sadler's Wells; Creative Cardiff.
Participants in roundtable 3 (10/02/2021) included representatives from: Royal Opera House; Visit County Durham; The Mill visual effects company; XR Stories Creative R&D Partnership, led by University of York.
Participants in roundtable 4 (17/02/2021) included representatives from: The Arts Development Company; InGAME Creative R&D Partnership, led by Abertay University, Studio Wayne McGregor dance company; London Borough of Barking and Dagenham.

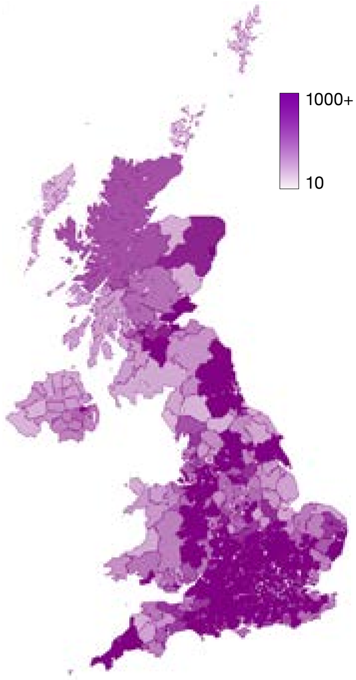


Fig. 6

Figure 6 — Example of an image (screen grab) from the DREEm Experience Economy Dashboard showing a map of digital experience providers across the UK. For live data link to Dashboard.

5.1 Digital experience capacity across the UK

Figure 6 illustrates how the live DREEm UK Experience Economy Dashboard represents the distribution of digital sector employees across the UK. For live data **link to the Dashboard**.

5.2 The digital skills gap

A significant shortage of access to digital production skills due to existing limitations in provision, capacity and cost has been a recurring theme raised throughout the research and was particularly referenced in the responses to the producer survey. Skills shortages were already evident pre-pandemic, and even more so during it, across a range of specialisms from pure computing skills (such as machine learning) to production (e.g. video making/editing), commissioning (e.g. co-creating content with organisations from a range of different sectors) and management (of projects and businesses).

Aside from specific skills needed to facilitate digital experience creation, a number of organisations noted that they had basic digital skills requirements, for example to equip staff and volunteers to navigate the home-working environment. Some participants noted that skills shortages are not new, but have been exacerbated by the speed of the pivot to digital and the scale of competition with other industries (many based in other countries) in terms of home-grown digital skills.

Digital skills shortages were noted from senior[95] to junior roles. Digital upskilling was a challenge for all organisation types, but particularly severe for small and medium-sized enterprises (SMEs). SMEs face challenges in acquiring skills support because there is a limited range of organisations that are able to provide good quality in-work training in some geographies, and undergraduate provision in some instances does not deliver the level of skills required by Experience Economy (EE) organisations.

“We actually had an available role open for a digital social media manager for almost a year during the pandemic and have only just managed to fill that position now.”
— Lena Smith, library project manager, Pen to Print.

95 Some producer survey participants indicated that many of those at senior levels in creative industries had come into management from practice disciplines, and had not necessarily acquired business management skills within their formal education provision.

“We’re an incredibly lean team so when it came to expanding our digital offering it was a case of looking internally to see who had complementary skills and a willingness to develop new knowledge around additional media formats and content delivery.” **— Guðrið Højgaard, CEO, Visit Faroe Islands**

Participants in the producer survey and roundtable discussions noted that the EE industry requires digital skills to be embedded within broader multidisciplinary training provision, rather than delivered within technical computing courses alone. The aim is to ensure that those who work in the sector are equipped to manage processes such as commissioning, creating and developing digital content. The various conversations around digital skills identified the following generic digital skills training needs for EE professionals:

- **Awareness of the general range and scale of digital tools, platforms and capability.**
- **Familiarity with the terminology associated across different digital production contexts.**
- **Skills to support the creation of a brief for digital or hybrid content and experiences.**
- **Information to enhance knowledge about the interface between digital and physical experiences within a customer journey.**
- **Capacity to work across sectors to co-create content.**
- **Evaluation techniques to assess the impact of investment in digital content and productions.**

The producer survey and roundtable discussions also highlighted significant shortages in specialist technical areas.[96] These include:

- **machine learning**
- **programming**
- **game design**
- **2D and 3D visualisation**
- **knowledge about emerging technologies/solutions**
- **data analytics**
- **knowledge about storytelling**
- **capacity to work across sectors to co-create content.**

It was also noted that skills acquisition needs to be more dynamic, recognising the speed of technical change, and also providing opportunities for lifelong learning in order to mitigate issues of digital divide across both developer and user groups.

96 Office for National Statistics (2021) Quantifying the Data Skills Gap. Available at: https://www.gov.uk/government/publications/quantifying-the-uk-data-skills-gap/quantifying-the-uk-data-skills-gap-full-report#executive-summary The report estimates that there are potentially up to 234,000 data roles to be filled.

5.3 Essentials for successful digital experience creation

The roundtables and producer survey explored the elements that are essential to creating digital content and experiences. Aside from the obvious (i.e. for digital content to achieve a high quality of user experience, to be accessible to users and consumers, to be intuitive to engage with, and to function effectively with seamless interfaces between different experience components), less obvious themes that consistently emerged are covered as follows.

Collaborative working: Even large digital production organisations rely on collaborative working practices with specialists from other fields,[97] (in addition to collaborations with, for example, higher education institutions (across technical and creative provision).

- Collaboration and related skills are necessary across a wide range of different departments within the same production organisation, and may typically involve the following specialists: producers, directors, writers, game developers, animators, UX/UI developers, app developers, performers and graphics, costume, set, and sound designers, in addition to wide-ranging technical provision.

- Freelancers were cited as being particularly important, providing all types of collaborative workforce flexibility, across all skillsets, that can be tailored to each specific project need.

- Collaborations are most effective when they are established early in the process of concept development. Figure 7 illustrates the range of common collaborations that emerged from the producer survey.

Appetite for risk taking: A number of organisations consulted engaged in developing experiences using digital technologies for the first time during the period being tracked. Learning in these circumstances takes place on the job, and many organisations have acquired skills by doing. This approach requires funding mechanisms that allow risk taking, and opportunities to learn from failure. Based on the producer survey responses, the scope of activity that experience creators engaged in for the first time, and that required significant skills acquisition, has been extensive, and includes:
- streaming of performances/activities that were designed for viewing live or specifically created for viewing later via a digital platform
- digitising of collections for online consumption (e.g. for museums or art galleries) that are usually viewed by physical audiences
- streaming and management of online conferences, panel discussions, lectures and classes
- development of targeted educational content for all levels of educational need
- creation of experiences that can be enjoyed via virtual, mixed or augmented reality (for use on a physical site or remote from it)

97 For instance, while companies that offer advanced video game development engines such as Unreal Engine or Unity will demonstrate a high degree of specialism in their field, they may still rely on external filmmakers, producers, camera operators and other associated film practitioners in instances where virtual production techniques are deployed. Likewise, agencies that offer commercial digital experiences to brands for marketing activities may still rely on collaboration with specialist events production organisations and logistics suppliers to build a cross-sector cohort capable of creating large-scale digital installations.

- development of gaming apps and/or games that can be enjoyed remotely or at a physical site
- development of community engagement projects.

Availability of funding: The pivot of funding agencies to actively encourage Experience Economy (EE) organisations to deliver digital experiences provided many with an opportunity to explore options to create digital content that complemented the physical counterpart. The funding offered was unencumbered by the usual requirement for applying tried and tested methods and predictable outcome metrics. These factors allowed for experimentation and are — in part — thought to underpin the diversity of content that occurred over the period March 2020–March 2022.

Significance of place (digital and physical): The digital experiences developed that have been particularly successful appear to the user to be rooted in place. This, in turn, conveys a sense of authenticity that is associated with the organisation that owns the experience. Sense of place/authenticity is created through the choice of sound or music (as is the case for **The Bard's Tale**, design (as is the case for the **England Originals app**), cultural connectivity (as is the case for the **Remote Tourism app**, which also successfully conveys the Faroe Islanders' sense of humour, or the engagement of the community and/or other participants (as is the case in the three examples from the **London Borough of Barking and Dagenham**).

Accessibility offline or online (with acceptable loading and buffering times): Critical issues of poor or limited digital infrastructure were highlighted during the pandemic, as was the significant variability in provision across the UK. More specifically, it transpires that many experience creators are located in areas in which connectivity is limited. Digital experiences that take time to load are prone to failure because devices crash, load times exceed consumer expectations, and a requirement for the download of additional apps or software can add a further barrier to accessibility. EE offerings, while built using present-generation technology, also need to consider backward compatibility with previous-generation devices such as smartphones, tablets or laptops.

Clear delineation of the relationship between the physical and digital: There was a consensus among the research participants that successful digital experiences complement rather than replicate their physical counterparts. This is particularly relevant for organisations in the tourism, hospitality and accommodation sectors, which have embraced the use of digital technologies to attract people to visit places in person. For instance, people tend to first experience a virtual tour of a hotel before proceeding with booking accommodation and visiting a place in person.

Participants in the roundtable and place-based workshops indicated that the digital experiences they were aware of that failed to engage audiences were those that sought simply to duplicate the physical experience online. Having a clear delineation of the relationship between these product elements at the start of the project is essential, as is an understanding of the components of the experience that can be most effectively enhanced by digital technologies. Used well, digital tools and related technology:

- offer the potential development of experiences that go over-and-above that available in physical form. Examples include opportunities to meet performers in small groups and/or view objects in museums at a level of detail that is not normally achievable in public display areas
- provide opportunities for exploration in bite-sized chunks, pre or post visit. Examples include opportunities to view the range of attractions in a destination in advance of a visit, to engage in games associated with historical artefacts, to explore a place from different dimensions using VR headsets, or to explore the stories of a place in more detail after the visit
- spread visitors more evenly across a site or place during a visit. An increasing number of places are using digital methods to promote areas of a site or destination that are quiet and deflect visitor attentions from those that are busy
- contribute to addressing the issue of over-tourism
- extend dwell times on site, for example through games that encourage participants to engage in treasure hunts or similar activities
- open up new, associated markets, for example in education, health sectors or even political debates (e.g. on Twitch)
- engage new audiences, nationally and, indeed, globally. A positive outcome of digital modes of adaptation has been the opening up of engagement opportunities for those who may be excluded from visiting in physical form (due to cost, distance or health issues)
- allow organisations to gather broader data sets on audiences and their experience more easily and accurately.

The range of digital experiences that can be accessed through the **Guide to Creating Digital Experience Productions** and the **Production Case Studies** provides rich evidence of some of the digital experience productions that emerged during the DREEm research period.

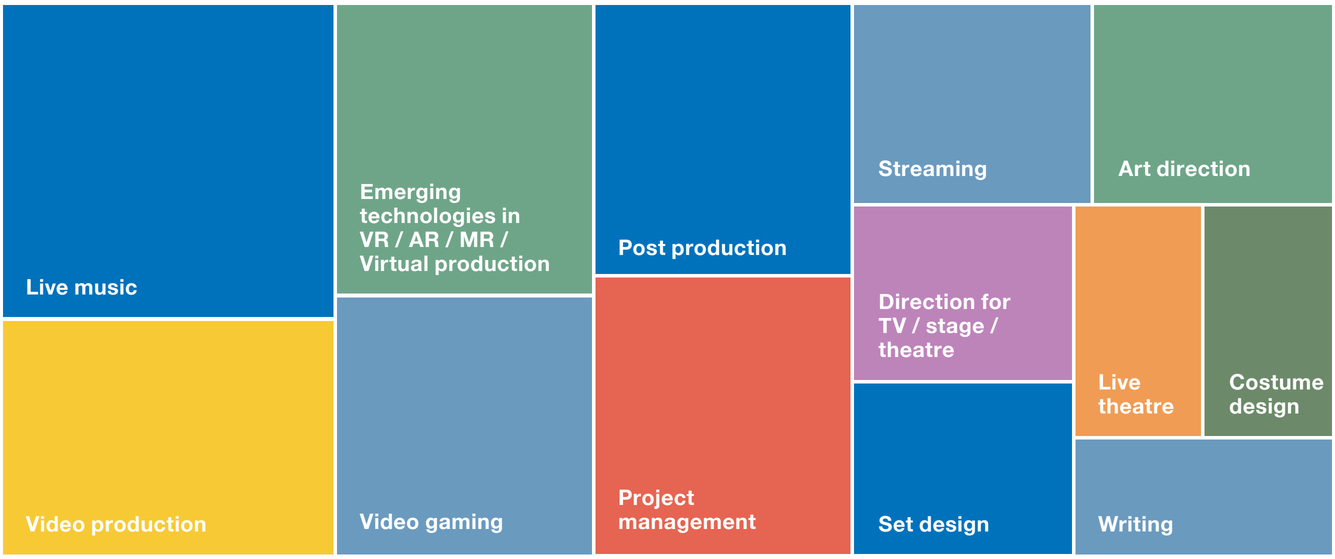


Figure 7 — The image depicts responses from 17 digital experience creators to the question 'Which other specialists did you or your organisation collaborate with when creating experiences prior to March 2020?

5.4 Measuring success

A recurring theme throughout the research and related activities pertains to measuring success. Many Experience Economy (EE) organisations have business aspirations that extend beyond profit. For some, these aspirations are largely social and associated with serving their respective communities. For others, they relate to challenging the status quo through art or performance. For others still, they relate to promoting the characteristics of a place and, in so doing, bringing income into the businesses that exist in that place. Measures of success within this context go beyond counting the number of people who use a venue, have heard of a place, or how much they pay. It is this group of metrics, however, that are typically used by funding agencies and/or investors to decide whether digital methods of engagement are appropriate or not. Measures of success that are typically embedded into contracts were explored by the **producer survey** respondents, as follows.

Delivery against monetary KPIs, which typically include:
- income-generated targets from paid viewings
- the cost effectiveness of delivery sometimes measured as cost per click, per click onto specific pages, or cost per conversion to paying customer.

Delivery against non-monetary KPIs, which typically include:
- awareness measured through audience survey, or positive audience sentiment (or “hype”) measured in likes, shares or comments
- earned media measured by impressions, reach or quantity of coverage
- creation of internal skills and knowledge, including providing the confidence to work with other EE organisations.

Considered collectively, these measurements can be used to plot the relative cost-effectiveness of EE activity with dynamic weighting given to each factor based on tactical and strategic priorities set out in advance.

These responses indicate that measures of success at the current time are largely commercial and relate to income or audience size rather than the broader metrics that are used by many EE organisations. This is a key area worthy of further research and development.

5.5 Monetisation

Monetisation was discussed by roundtable participants during a particular period of flux in the first year of the pandemic, and also during a time when businesses were having to remodel themselves entirely. There was a view that general conclusions could not be drawn about this issue without understanding context. In short, the monetisation strategies that are appropriate for some organisations might not be appropriate for others.

Charities, for example, are often funded by external organisations with the explicit intention that they create free experiences and/or support access to vulnerable communities. The monetisation strategies that are appropriate to this type of organisation will be very different to those aligned to a visitor attraction that sells tickets and accommodation to thrill-seekers. Many organisations were unclear as to how best to establish approaches toward monetisation, whether this was feasible with existing content, and how best to approach the development of new content that may be monetised.

“At the start of the pandemic we were extremely cautious about rushing to monetise content that had never been created with the intention to make it available to the public.”
— Liam Sinclair, executive director and joint CEO, Dundee Rep

“Quantifying a ‘monetisation’ value against grant-funded projects can be particularly challenging as often we don’t hold data against onward value driven out to local businesses spanning the tourism and hospitality sectors.”
— Melanie Sensicle, director, Avenue Six travel consultancy

The producer survey indicated that digital experience producers have delivered content adopting a range of monetisation approaches.

- Free to view.
- Brand/media partner sponsorship.
- Lease and license in which a new process or software is created and showcased in the execution of an Experience Economy (EE) project, with the intention being to create onward monetisation by becoming the industry standard for that process or output.
- Membership/subscription to content library, typically applied to games platforms such as Steam or PlayStation Plus, with the potential for extension to other digital experience types.
- Pay-per-view/pay on demand.
- Pay what you can afford.
- Advertising.

Many organisations provide a combination of free to view and premium content, with the latter requiring some form of payment. Participants in the roundtables, however, emphasised that it is important that monetary returns or user numbers alone do not come to be used as a proxy for the success of an experience. Knowledge in the area of monetisation, novel approaches, and the potential to achieve significant revenue remain nascent and to some extent complex and elusive. This aspect would benefit from further research in consultation with the EE industry, across all of its sectors.

5.6 Barriers to building on digital engagement post March 2022

All our research participants commented on the remarkable progress that had been made in digital experience development over the period of Covid-19. Some expressed a need for a period of reflection following on from the intense activity, to allow them to embed learning and review what has worked and what has not. Many of those who have created digital content over this time are keen to maintain progress. However, the following barriers to sustaining investment in this area were noted.

- Lack of confidence in commissioning digital content across Experience Economy (EE) organisations as a whole.
- A perception that digital production must be largely or wholly outsourced and is expensive (however, case studies such as Remote Tourism demonstrate that digital content may be largely or wholly developed relatively cheaply and using in-house resources).
- Lack of knowledge about how customers will engage with the digital environment once physical visits become fully mainstream again.
- A fear that digital content may cannibalise income from physical visits, or vice versa.
- Lack of capacity to create digital content as a result of staff losses to other more highly paid sectors (often overseas).
- Lack of resources to invest in staff upskilling, thus supporting the currency of their expertise.
- Lack of capacity to simultaneously bring customers back to site while also continuing to create high-quality digital experiences.
- Lack of political will/organisations that can advocate for ongoing investment in digital developments combined with a lack of vision about how the UK could benefit from these investments globally.
- Lack of funding and the withdrawal of funding streams that allowed for digital innovation over the period of the pandemic.
- Difficulty in identifying appropriate and trusted platforms on which to host digital content, recognising that different platforms, modes of interaction, and access will appeal to different audiences.
- Challenges associated with bringing staff back from home working.
- A lack of contacts/trusted intermediaries with whom to collaborate to develop digital content.
- Challenges to reliably financially remodel businesses to operate across physical and digital methods of provision due to limited understanding of monetisation methods and opportunities.

“At the organisational level there needs to be a shift in mindset from seeing digital producers and artists as renegades towards recognising and normalising the value of integrating digital outputs and access to content as part of a strategy yet to evolve.” **— Sarah Ellis, director of digital development, Royal Shakespeare Company**

5.7 Growing the benefits of digital methods of engagement

Findings from the research highlighted a thirst among Experience Economy (EE) organisations to sustain progress in the various different digital developments undertaken during the pandemic, and the ensuing specific opportunities. Many organisations also have a desire to exploit what they have learned to date and take it further. Ambitions for digital methods of delivery are listed below.

- Making more effective use of digital platforms to engage audiences in the creation/co-creation of experiences.
- Using digital platforms to provide consumers with greater agency to have their voice heard.

"By using virtual reality as a tool to open up accessibility to young men within BAME communities we were able to initiate a host of conversations around mental health that might otherwise have fallen silent due to issues of social and cultural stigma." **— Sam Miller, artistic director, Green Shoes Arts**

- Tailoring digital engagement to more effectively reflect the specific characteristics of a place and enhance the place-based experience (including, in some instances, by helping to tackle issues associated with overcrowding).

- Extending and enhancing knowledge of monetisation and, in the short term, enhancing commercial revenues by continuing to offer monetised digital experiences developed over lockdown as a way of rebuilding cash reserves. In the longer term:

- Using digital outreach to connect with audiences, encouraging repeat visits, establishing gifting opportunities

- Increasing experimentation with gifting, donations and digital memberships to create new income streams

- Maximising the value of digital technologies to enable previously excluded communities (for example, those who are unable to access facilities for health reasons) to access experiences in new ways

- Increasing engagement of children with the arts and culture, particularly those from deprived communities, as a way to nurture a new talent pool of creatives and digital skills, and also a way to support positive mental health and wellbeing outcomes.

"We trialled a payment model that allowed those with the financial means to 'pay it forward' by covering the cost of digital ticket access for another audience member, and found that approximately one third of patrons opted to make this generous gesture." **— Liam Sinclair, executive director and joint CEO, Dundee Rep**

- Utilising advances in live and immersive performance to exploit the multiple opportunities for enriching the customer experience pre, during, and post visit.
- Working across the range of activities that are emerging through the metaverse[98] to bring together different digital worlds and allow the creation of multilayered and complex online/offline experiences.
- Working digitally more intuitively by getting beyond the current phase of skilling up/test and learn/process building for each digital experience, to reach a point at which coherent processes connected to determined outputs are more clearly understood.
- Developing new ways of digitally distributing artistic content to supplement live work from home and in office through the development of effective workflow processes and pipelines that allow simultaneous collaboration between a dispersed workforce.
- Engaging with workplaces to embed the value and accessibility of EE activities as a way of restoring work-life balance and rethink the future of work.

"Centring creative technology R&D within arts organisations provides an opportunity to interrogate accessibility and inclusion issues that may be structurally embedded within ingrained ways of working, and helps us configure challenges around access to the arts in completely new ways." **— Paul Kaynes, chief executive, National Dance Company Wales**

- Contributing to sustainability imperatives by reducing consumption of resources and CO_2 emissions associated with travelling (although life cycle

98 The metaverse is the idea of a persistent digital environment in which avatars of human participants can interact with one another to engage in a range of experiences covering gaming, live music, trade of digital assets or non-fungible tokens and more. Examples include Roblox, Fortnite, the Sandbox and VR Chat. For a more extensive explanation visit https://www.wired.com/story/what-is-the-metaverse/

analysis pertaining to digital practices and the use of hardware and tools is extremely nascent).

5.8 Implications for the future

We started this report by stating that the pandemic created an existential threat for experience organisations. We conclude this section by demonstrating that many Experience Economy (EE) organisations have responded to this threat. They have refreshed their places, redesigned their offerings, renewed their capabilities, revised their business models, and strengthened their communities (local and global).

Some organisations have done this using digital technologies; others have blended both digital and physical realms (a combination sometimes referred to as phygital) to develop a multilayered and engaging set of encounters that deepen the consumer experience.

Digital technologies have, therefore, provided one means through which some EE organisations have survived the pandemic. These technologies now provide opportunities to do more than survive. They can also help to achieve thriving creative and economic futures that advance the wider digital skills agenda. There is a need to embed the learning among those who have adapted, and also help those who have not yet embraced the brave new world in which we now exist. There is also scope for further exploration of how digital and physical interfaces open up new markets, bring people to places, and enrich their experiences.

There is also a particular need for more research into monetisation strategies and development of opportunities for EE organisations to implement these to rebuild capital reserves — both to support rapid-response scenarios such as that required by the Covid-19 pandemic — and for longer-term sustainable business modelling. There are also significant prospects to commercialise many of the technological and creative advances that have been made, as well as to work with organisations to operate in more holistic ways and advance the case for wellbeing benefits that are known to accrue from experience activities.

“Really good R&D allows you to strategise for a future that’s not yet known by putting real-world applications out there to build towards it.” **— Sarah Ellis, director of digital development, Royal Shakespeare Company**

6 Audience Engagement with Digital

England Originals App, England's Historic Cities

DREEm's audience experience survey was designed to capture and assess audience engagement with digital experiences over the course of the first 18 months of the pandemic. It gathered data on audience perception, motivation and intention to continue engaging with digital experiences, including willingness and preferences regarding paying for experiences. The survey contained quantitative and qualitative components, and ran from October 2020 to December 2021, receiving 889 valid responses. The statistical data was processed through a quantitative analysis and the qualitative data through a thematic analysis to identify key themes and trends.

Studies specifically on arts and culture[99] noted the persistence of audience engagement with the arts in spite of restrictions on physical participation, with many organisations either attempting to use digital methods to broaden their audience reach, or else seeing broader participation as an unintended benefit of their content being made more accessible.[100] It was noted that theatre companies had been some of the earliest innovators in shifting to online modes of delivery[101] and that during lockdowns, gamers increased the amount of time spent playing video games.[102]

DREEm's audience experience survey was designed to build on, and complement, other relevant AHRC Covid-19 funded research running in parallel, including the Audience Agency's Cultural Participation Monitor[103] by further understanding audience perception of experience quality, motivation for digital engagement, and intentions for future consumption of digital / online experiences.

Audience composition

As was widely observed, the trend for audiences engaging in digital experiences significantly expanded over the course of the pandemic. The DREEm audience survey noted that the composition of the audience base for experiences such as video games remained largely static, comprising primarily under- 18s and 18-24-year-olds, however consumption of other types of experience increased across a range of age groups. Most notable was the rise in 55-64-year-olds engaging with digital / online experiences: this group was most likely to tune in to a live-streamed performance of, for example, theatre or opera. The most popular type of online creative content was a recording of a full-length production. Figure 8 demonstrates audience engagement by type of digital experience and age.

Audience motivation

The most cited reasons for engaging with digital experiences across all demographic groups were the opportunity to share an experience remotely; the chance to learn something new; and entertainment. The notion of

99 Walmsley, B. et al., Centre for Cultural Value (2021) Culture in Crisis: Impacts of Covid-19 on the UK cultural sector and where we go from here. Available at: https://www.culturehive.co.uk/wp-content/uploads/2022/01/Culture_in_Crisis.pdf
100 Misek, R. (2021) Policy Brief: Digital Access to Arts and Culture Beyond COVID-19. Available at: https://pandemicandbeyond.exeter.ac.uk/wp-content/uploads/2022/01/Digital-Access_Misek_PolicyBrief_Dec21.pdf
101 Aebischer, P., and Nicholas, R (2020) Digital Theatre Transformation: A case study and digital toolkit. Available at: https://creationtheatre.co.uk/wp-content/uploads/2022/01/Digital-Theatre-Transformation.pdf
102 Barr, M., and Copeland-Stewart, A. (2022) Playing Video Games During the COVID-19 Pandemic and Effects on Players' Well-Being, *Games and Culture*. Available at: https://journals.sagepub.com/doi/full/10.1177/15554120211017036
103 The Audience Agency (ongoing) Cultural Participation Monitor. Available at: https://www.theaudienceagency.org/evidence/covid-19-cultural-participation-monitor

maintaining a social experience, even at a distance, was highlighted as important by several respondents; chat functions were noted as especially valuable by age groups 25–34 and 35–41.

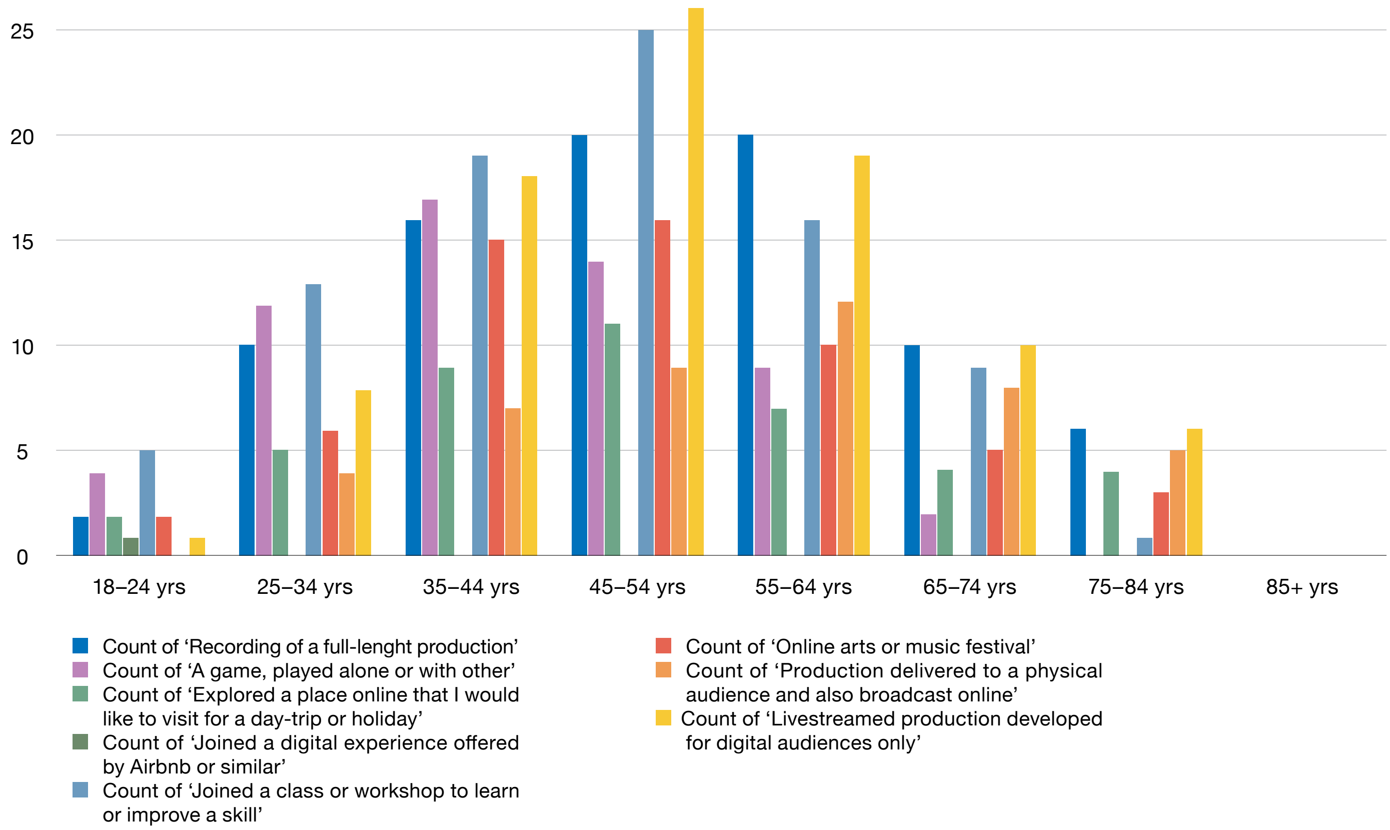


Figure 8: Audience engagement in digital experiences by experience type and age 856 respondents providing a valid response

For many respondents, the act of supporting the arts was particularly important as a motivating factor at this time, while also reminding those who engaged of the sense of normality associated with physical experiences, a comment particularly prevalent among younger respondents. The quotes below provide a snapshot of opinions expressed by participants.

"A feeling of continuity with how life was lived before the pandemic."
Respondent from the 35–44 age group

"Ability to stay connected to arts and culture."
Respondent from the 35–44 age group

The significance associated with remaining connected expressed by younger audiences was echoed in the place-based case studies (see Section 7). Those who attended both the Dundee and the London workshops commented on shifts in the audience demographic during the pandemic, while noting that, even for this younger demographic, there was a need to engage in activities to build familiarity with digital experience platforms (while also addressing the digital divide).

Notable other comments on audience motivation indicated that the flexibility of digital modes of performance allowed broader digital engagement. Participants from Africa, Southeast Asia and Australia, for example, participated in activities produced and created by London-based providers, and Durham providers also commented on the new-found opportunity to achieve broader demographic and global reach.

There was a specific shift in motivations over the period of lockdowns to engage in educational content; 385 of respondents to the DREEm survey indicated that their purpose in engaging with a digital experience was to join a class or workshop. To support this, case studies with **Pen to Print** and other education providers over the period of the pandemic indicate that their educational programmes achieved significant audience numbers at this time. The flexibility of this mode of engagement offered new opportunities for those who had previously been excluded by caring or other responsibilities.

"My viewing is often [combined] with multitasking, or paused after 20 minutes and rejoined… especially live stream via YouTube / recorded — after doing something in the house, etc."
Respondent from the 35–44 age group

The majority of respondents confirmed that they were happy to tune in to the entirety of an experience rather than cutting their viewing short or preferring any particular length of content. There was a consensus that online experiences had the potential to positively impact health and wellbeing, with many respondents citing improved mood and physical fitness thanks to online exercise and meditation classes. Online learning opportunities were also valuable to participants, with lectures and pecha kuchas specifically identified as enriching forms of online content.

Barriers to audience engagement

The audience survey combined with the place-based and production case studies point to a number of barriers to digital engagement. The most obvious of these is a lack of access to devices and / or a reliable broadband connection. Often referred to as the digital divide, these barriers are experienced disproportionately by those who are on lower incomes, older, and in rural communities.

Many of the organisations that the DREEm project has engaged with have worked actively to overcome these barriers, often with support from local authorities and / or charitable organisations, and by working with organisations such as libraries to make access to devices such as tablets available for short-term loan (as is the case in the London Borough of Barking & Dagenham).

Difficulties with access to digital technologies extend beyond those that are related to the digital divide. Many individuals who have access to digital devices and good-quality broadband lack access to the type of technologies that can deliver digital experiences at the quality intended by their designers. In some instances this can extend to specialised technologies (such as virtual reality headsets) and in others to high-quality speakers or graphics cards in devices. Producers of digital experience, therefore, need to be mindful that full access to a digital experience needs to be acquired by many users without specialist equipment, rather than leaving some users feeling that they receive diluted versions of the experience on offer.

Audience members can also lack the skills or confidence to access elements of experiences that enhance enjoyment, such as chat rooms and behind the scenes tours. Guidance and advice on how to use a platform and engage with its full features in an accessible mode can help to provide audience members with the confidence to visit the digital space and fully engage in an experience as an entity in its own right, rather than a proxy for the physical.

Some of these barriers can reinforce the cultural silos that have evolved in the physical experience space and excluded audiences from engaging. At this early stage of development in the digital space, there are opportunities to ensure that these barriers are recognised and addressed.

Audience perception of quality

Research over the course of the pandemic has provided an improved understanding of what online audiences consume and their motivation for doing so, but only a limited picture of audience perception of quality. Understanding quality is vital for experience providers, whose commercial goal is to maximise the value of time — specifically time 'well spent'.[104] Within the DREEm survey, positive attributes of online experiences defined by respondents included convenience, flexibility and the opportunity to access content that would normally be restricted by geographical or financial barriers.

For some audience survey respondents, the ability to engage with performers and / or other audience members online was critical to having a positive experience. For others, it was the ability to engage with activities that add value to the overall experience (these include behind-the-scenes tours, access to less familiar performances, making contributions to the chat that are responded to live, or the capacity to catch up on experiences they had missed).

"I live stream weekly arts and culture shows and engage with them too."
Respondent from the 35–44 age group

"Break-out rooms and the chance to interact with guests, as well as directly influence the event by posting questions to the chat, especially if they get to be addressed during the online event."
Respondent from the 45–54 age group

"Being able to catch performances that I had previously missed when originally performed live (e.g. National Theatre)."
Respondent from the 55–64 age group

104 Voices of CS Podcast (2020) The Experience Economy is All About Time Well-Spent: Joe Pine. Available at: https://voicesofcx.com/the-experience-economy-is-all-about-time-well-spent-joe-pine/

"Access — everything has been subtitled."
Respondent from the 65–74 age group

Perspectives on the less pleasurable aspects of performance were more divided. Some respondents to our survey noted that physical performances may be "less slick and polished, and the potential for things going wrong adds to the excitement and the feeling that something is live" (respondent from the 55–64 age group). The online experience, therefore, lacked the rawness that can be associated with the live space. Other respondents echoed the lack of risk in the online space, noting that it lacks some of the excitement that comes from the live space in which it is common for companies to explore new formats and ideas (respondent from the 55–64 age group). There was a sense that overly professional and polished experiences can tend to be too polished, edited and lose much of the excitement of a live performance and ultimately end up feeling similar to watching a TV programme (respondent from the 55–64 age group).

A lack of social connection with others was a common comment about the negative aspects of online performances, as were technical issues such as latency, and 'feeling like work' because of the screen time entailed in engaging online. It was also noted that physical experiences did not always translate directly into online contexts, and that additional time and resource devoted to reworking and reimagining productions for online audiences resulted in superior quality experiences. Complementary findings from the Audience Agency confirm that younger audiences were less likely to be satisfied with the quality of an online experience than older audiences.[105] Research from elsewhere within the DREEm project suggests that meeting quality thresholds alongside the apparently conflicting audience desire for rawness, risk and excitement represents a significant challenge and potential opportunity to experienced producers, particularly those who were not previously conversant with digital technologies.

Monetisation of experiences

Audiences were prepared to pay for content in different ways. Just over one-third of respondents confirmed that they had paid for a further experience following an initial trial of free content. Around 5% of respondents had gifted access to an experience over the course of the pandemic, and one-third of respondents had spent over £100 on digital experiences since March 2020. While other studies have found that people in their 20s and 30s are most prepared to pay for online arts experiences,[106] DREEm found that audiences in their 50s and 60s are most likely to pay for digital content. Respondents confirmed an expectation that digital versions of physical experiences should have a lower price barrier. They were reluctant to spend on subscription-style models.

105 Audience Agency (2021) Cultural Participation Monitor. Available at: https://www.theaudienceagency.org/evidence/covid-19-cultural-participation-monitor/digital-hybridity
106 Audience Agency (2021) Paying for Online Arts. Available at: https://www.theaudienceagency.org/evidence/covid-19-cultural-participation-monitor/digital-engagement/paying-for-online-arts

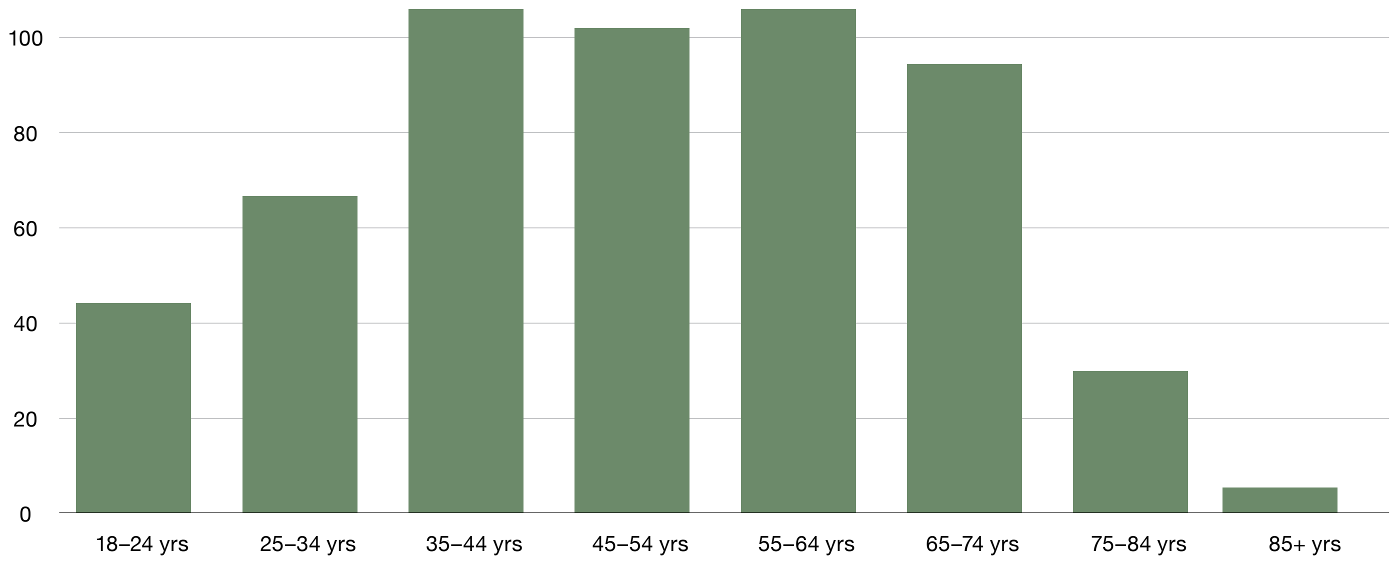


Figure 9: Likelihood that consumers would pay for a digital-only subscription, by age

Live-streamed content is the most popular form of digital access that respondents would consider paying for, followed by access to Q&A sessions, as indicated by Figure 10 below. 428 audience survey respondents indicate that they would be willing to pay for digital access and, of these, the most common value quoted is £75 or more.

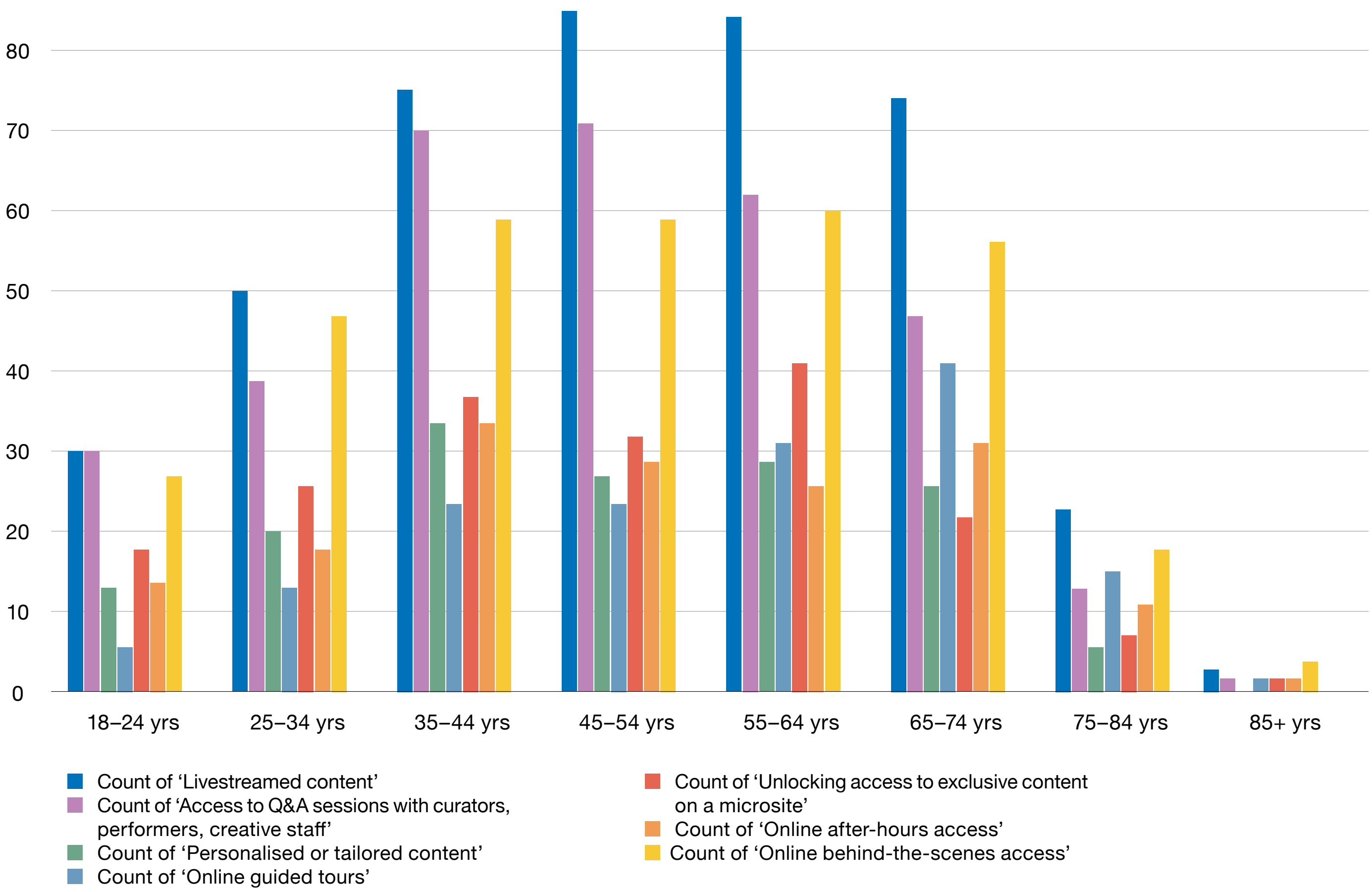


Figure 10: Types of digital experience respondents would consider paying, for by age

Initial DREEm data therefore suggests that experiences are best monetised as standalone products or as credits to be purchased as gifts, rather than via a subscription model. Far more extensive research is needed, however, to interrogate these preferences and to uncover how consumer behaviour may evolve, as providers evolve novel approaches to the development of online experiences, and the pandemic and related policy unfold.

Intention to engage beyond the pandemic

The Audience Agency found that in the period in between the first and second lockdowns in the UK, audiences were prepared to travel greater distances for in-person arts experiences,[107] suggesting that online experiences may have the potential to inspire engagement with in-person experiences.

DREEm found that most audiences planned to maintain their current level of spending on digital experiences intended as a replacement for access to physical experiences. Over 50% of respondents intended to increase spending on digital experiences over the 12 months following their response. Despite this, only around a quarter of respondents would consider purchasing a digital membership for a heritage organisation, provided it was priced lower than a physical membership. This supports the Audience Agency's finding that the preferred mode of payment for digital arts experiences is donation at the consumer's discretion.[108]

Further research is required to fully understand audience intention to consume digital experiences outside of the context of national lockdowns, and, crucially, to take account of rapid developments in digital technology and creative innovation, which accelerated during the pandemic.

107 Audience Agency (2021) Between Lockdowns: Attendance by Audience Spectrum Types & Attendance by Distance. Available at: https://www.theaudienceagency.org/asset/2544
108 Audience Agency (2021) Paying for Online Arts. Available at: https://www.theaudienceagency.org/evidence/covid-19-cultural-participation-monitor/digital-engagement/paying-for-online-arts

7
Place-based Case Studies

V&A Dundee

The information presented in this part of the report provides insights into the way in which the Experience Economy (EE) in three case study locations (Dundee, County Durham, and the London Borough of Barking and Dagenham) responded to the challenges posed by the Covid-19 pandemic. These case studies provide the lens through which national interventions to support recovery and resilience were experienced at a local level. The case studies provide a part of the evidence base that was used to support the development of national policy recommendations that have emerged from this project. The case studies also helped to create data for and test the datasets that are embedded into two online tools that have been developed to support businesses and local authorities to respond to the challenges that pandemics pose to the EE.

The aim of the place-based case studies was to understand the impacts of Covid-19 at a local level, analyse strategies (including both the implementation of existing digital mechanisms and the introduction of new ones) that created resilience, and evaluate the role that national and local policy interventions can play in supporting EE recovery. To meet this aim, the following objectives were set out:

- To analyse quantitative data to measure the scale and characteristics of the EE in the selected case study locations.
- To understand how EE organisations responded to and adapted during the course of the Covid-19 pandemic.
- To review strategies and policy interventions implemented nationally and locally (including new digital strategies) and evaluate how these supported resilience among EE businesses.
- To evaluate how experiences within the case studies can inform national policy-making to support recovery and embed resilience.

The evidence presented in the case studies was compiled using mixed methods as described in Appendix 3. **Specifically, the following activities were undertaken in each case study location:**

- **Policy and strategy documents developed pre and during the pandemic were reviewed to understand context.**
- **Quantitative data about the scale and characteristics of the EE were sourced and analysed.**
- **Co-creation workshops were hosted with EE organisations to explore perceptions about the ways in which the pandemic had impacted on businesses and the ways in which they had responded.**
- **Follow-up interviews were conducted with selected EE organisations to gather more detailed qualitative insights into resilience during the pandemic.**

7.1 Dundee

Located on the Firth of Tay estuary in eastern Scotland, Dundee was recognised as the UK's first UNESCO City of Design in 2014. As at 30 June 2020, it had a population of 148,820, of which 25 to 44 is the most

Figure 11 **— Map of Dundee and participants engaged in Experience Economy workshops**

common age group.[109] The city has a very high student population, with students comprising approximately 20% of all residents.[110]

Dundee has access to a wide labour market, strengthened by excellent city-wide transport networks. The city had 80,000 employee jobs in 2017.[111] Across the city as a whole, 20.3% of the population work in professional occupations, and this is in line with the national average.[112] The most prominent occupations in the city are health (21.3%), education (10.7%), retail (10.7%), and accommodation and food services (10.7%).[113]

Over the past decade, the city has undergone significant regeneration that has at its foundation a 30-year £1 billion redevelopment of the waterfront area. The city now includes a number of flagship experience venues, including the McManus Art Gallery & Museum, Dundee Rep theatre, Dundee Contemporary Arts art centre, Scottish Dance Theatre, and, more recently, the V&A Dundee design museum, the Verdant Works visitor attraction themed around Dundee's industrial textile heritage, and Dundee Science Centre. There is also a nascent digital economy fuelled by the range of further education colleges and higher education institutions in the city, many of which are associated with business hubs — and with the strategic growth and development of an established games industry. New developments are planned to support Experience Economy growth over the coming decade, including a bid to become the UK City of Culture in 2023 (Dundee missed out to Leeds), and two major new investments in the development of a new Eden Project and Europe's largest e-sports arena.

7.1.1 Dundee's Experience Economy profile

Experience activities have been a core part of the Dundee regeneration strategy. Between 2001 and 2019, the city attracted more than £32 million of National Lottery funding to support over 100 projects.[114] Many of these lie at the core of the creative and cultural economy. These investments were partnered by significant investment in hotel developments. The economic value of the Experience Economy (EE) across the city of Dundee is, therefore, significant, with the gross value added (GVA) of cultural and creative sectors in 2018 estimated at £30 million.[115] Tourism spending across Dundee and Angus is estimated at £315 million (2017–2019)[116] of which £157 million is attributed to the city itself (Global Tourism Solutions, 2016).[117]

109 Data downloaded from Office for National Statistics Nomis local authority profile, October 2021; Dundee City Council (2021) About Dundee 2021. Available at: https://www.dundeecity.gov.uk/sites/default/files/publications/about_dundee_2021pdf.pdf
110 Invest in Dundee Student: Population Ratio. Available at: https://www.investindundee.com/human-capital/student-population-ratio
111 Dundee City (2019) Dundee Economic Profile (2019 Q4). Available at: https://www.dundeecity.gov.uk/sites/default/files/publications/dundee_economic_profile_2019.pdf
112 Ibid.
113 Ibid.
114 https://m.facebook.com/HeritageFundUK/posts/3266382890099718?locale=ne_NP&_rdr
115 Ekosgen (2018), Economic and Social Impact of Dundee's Cultural Strategy and Action Plan Final Report. Available at: https://www.dundeecity.gov.uk/sites/default/files/publications/20180731_dundee_culture_impact_final_report.pdf
116 Visit Scotland Insight Department (2021) Dundee and Angus factsheet, 2019. Available at: https://www.visitscotland.org/binaries/content/assets/dot-org/pdf/research-papers-2/regional-factsheets/dundee-and-angus-factsheet-2019.pdf
117 Dundee City Council; Global Tourism Solutions (2018) Dundee City Council's Visitor Economy 2018. Available at: https://www.d-tag.co.uk/sites/default/files/2019-08/Dundee%202018%20Narrative.pdf

7.1.2 Looking back — immediate responses to Covid-1.

Policy responses

Policy responses emerged at national and more regional/local levels. At a national level, VisitScotland has developed a range of initiatives to support organisations that rely on tourists and these include supporting the development of digital skills via a range of training courses. It has also sought to maintain the profile of Scotland through its own marketing initiatives,[118] as well as through creative partnerships that build the profile of Scotland as a destination with potential new customers. VisitScotland, for example, has sponsored ***The Bard's Tale***, a game which includes Scottish traditional music. Creative Scotland has also been active at a national level via its 10-year plan, in which digital plays a central role.[119]

At the local Dundee City level, there have been a range of strategies (many curated by the networks of experience organisations that have emerged across the city), including the Creatives Unite network convened by the EU-funded Dundee Urban Forum,[120] the Dundee Cultural Recovery project supported by the local authority, Dundee Cultural Recovery workshops run by the Developing Inclusive and Sustainable Creative Economies project.[121] This culminated in the Dundee Cultural Recovery Policy Report.[122] The ambition become the UK City of Culture is important as a core theme across all of these networks.

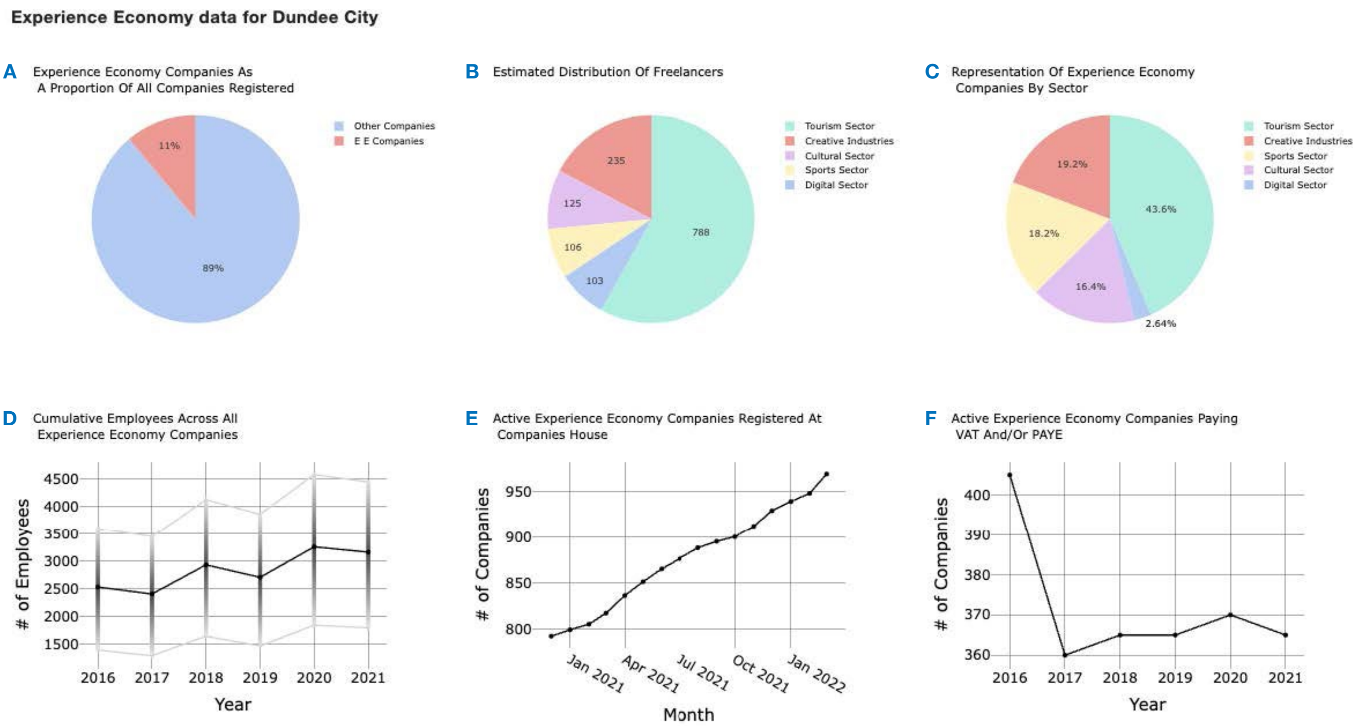
Significant among these initiatives are those that were developed by Experience Economy (EE) organisations to support other businesses, most notably the Dundee Cultural Recovery Fund. Prominent themes that emerge include: the significance of networks within and between EE organisations; the significance of culture and creativity in forming a sense of identity; the diversity among EE organisations and the importance of freelancers as a core element of the workforce; the strategic importance of digital technologies and of developing and retaining the digital skills base; the significance of funding (from a range of mechanisms) to sustain businesses during the crisis, as well as the significance of EE industries in supporting wellbeing and job creation across the city.

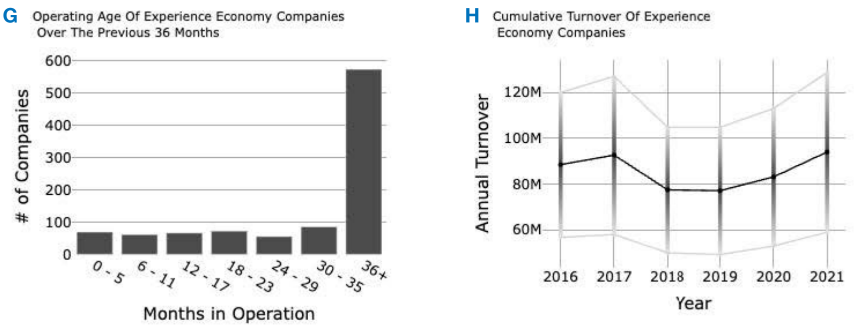
Impact of Covid-19 on Experience Economy organisations

The outbreak of Covid-19 and the subsequent lockdown was described by the workshop participants as being initially "catastrophic" for EE organisations. Figure 12 presents some of the impacts of the pandemic. There was an inevitable time lag between the introduction of measures to reduce the spread of Covid-19 and their impacts on businesses. Nevertheless, it is interesting to note that the pandemic slowed the growth in businesses numbers — but did not halt it. Turnover and employee numbers did, however,

118 VisitScotland (ongoing) Marketing: Response to Coronavirus (Covid-19). Available at: https://www.visitscotland.org/about-us/what-we-do/marketing/covid19#:~:text=Marketing%3A%20response%20to%20coronavirus%20(COVID%2D19)&text=As%20the%20world%20emerges%20from,in%20a%20holiday%20post%20pandemic
119 Creative Scotland (ongoing) The 10-Year Plan: Connective Themes: Digital. Available at: https://www.creativescotland.com/what-we-do/the-10-year-plan/connecting-themes/digital#:~:text=We%20are%20committed%20to%20supporting,audiences%20and%20influence%20creative%20practice
120 https://creativesunite.eu/dundee-urban-forum-creative-city-covid-19/
121 https://disce.eu/dundee-cultural-recovery-workshops/
122 England, L. (2021) Dundee Cultural Recovery: A Policy Report. Available at: https://kclpure.kcl.ac.uk/portal/files/163035882/DCR_Report_FINAL_2021.pdf

significantly slow, and workshop participants commented that many of them would not have survived the initial shock of the first lockdown without the rapid action taken by the government to bring in the furlough scheme, other business support measures and self-help initiatives such as the Dundee Cultural Recovery Fund.





A full methodology for each data set is in Appendix 2. Data sources are as follows.

- A, C, E and G are drawn from Companies House data.
- Table B is a calculated field using national estimates of freelancers.
- Tables D, F and H are developed from Nomis data.

Figure 12 — The primary Experience Economy across the city of Dundee pre and during Covid-19. Please note: the Dashboard has been programmed to update as new data emerges. For relevant data, link to Dashboard.

There are inevitable lags in timing between the data being collected and reported. Nevertheless, key trends to note are as follows.

- The EE comprises around 11% of all businesses registered as active at Companies House with a Dundee city postcode (A).
- The number of tourism businesses registered is larger than all other sectors, accounting for almost half of all EE businesses in the city (C).
- Freelancers and the self-employed are most likely to be focused in the tourism and creative industries (B).
- The number of businesses registered at Companies House has grown over the period since January 2021 (the date at which data collection started for this project) (E) despite the pandemic. This growth, however, needs to be

viewed in the context of the reduction in the number of businesses reported in the Nomis data set as paying tax and/or VAT (H) and a decline in employment (D) also reflected in the Nomis data set.

- Business closures do not seem to have particularly accelerated over the period of the pandemic (G).

Other immediate impacts of the pandemic that the workshop participants considered important, but were more difficult to understand from the publicly available data, are listed below.

- A significant negative effect on the financial security of the many freelance workers who were engaged in EE activities.[123] This workforce is particularly important to experience sectors because it offers the flexibility to source skills (including wide-ranging digital skills) as and when needed.
- The immediate loss of a second workforce: volunteers.[124] The workshop participants (especially those working in social enterprises/charities) commented that the loss of opportunity to volunteer over the period of the pandemic had implications not only for the organisation that was the recipient of the volunteering, but also for the volunteers themselves, some of whom rely on the social aspect of their participation for their personal wellbeing.
- The short-term and longer-term implications for future investment that arise because EE organisations needed to utilise their capital reserves to survive the immediate aftermath of the pandemic and build resilience. This point was particularly commented on by experience organisations in the charity sector.[125] Some workshop participants noted that this was of particular concern because the pandemic coincided with a sustained period of reduced public sector funding for experience organisations and a pivot among some of the traditional trust funding agencies to support health rather than EE activities.

Impact on audiences

The change in audience habits that resulted from the pandemic have been well documented by other projects and were also referenced by participants in Dundee. Pre-pandemic, audiences included.

- Residents, which in the case of Dundee include circa 150,000 people, of whom around 80% had engaged with at least one cultural activity in 2014[126]
- Tourists, of which there were 8 million in Dundee and Angus in 2019. Of these, just under half a million stayed overnight. Circa 18% of overnight tourists were of international origin, and culture was particularly important as an attraction for this group.[127]

123 According to (ONS, 2020), 67% of self-employed people work for themselves and most of these would be described as freelancers. Financial support was available over the period of the pandemic to those who were self-employed and had completed a tax return pre-March 2018 (circa 87% of the self-employed workforce nationally). The remaining 13% of the self-employed workforce nationally, however, may not have been able to claim full self-employment tax relief (because this was based on tax returns) and some (an estimated 3% nationally) were unlikely to have been able to claim any financial support at all. In the case of the EE in Dundee, estimates of the impact of Covid-19 on the freelance/self-employed workforce is shown in Figure 9. The data reported here excludes people who became self-employed since the start of 2020 and may under-report the extent of newly self-employed people.

124 A survey conducted by Yonder on behalf of the Charity Commission indicated that of 1,966 charities across England and Wales surveyed, 32% experienced a shortage of volunteers (Charity Commission for England and Wales, 2021).

125 Circa 40% of charities are estimated to have dipped into their reserves over the period of Covid (*ibid).*

126 http://www.leisureandculturedundee.com/sites/default/files/arculture14.pdf

127 https://www.visitscotland.org/binaries/content/assets/dot-org/pdf/research-papers-2/regional-factsheets/dundee-and-angus-factsheet-2019.pdf

Over the period of the initial lockdown, workshop participants noted the following.

- The challenge was finding ways to engage with audiences who were not able to physically visit premises. Some workshop participants experimented with digital modes of delivery over this time and most focused on targeting audiences in the educational and/or wellbeing space.
- Most organisations that adapted products for this market had already engaged with them in some context: the pandemic added an urgency to bring products to market and deliver them via digital means. These early experiments in producing digital content and achieving delivery were considered important, and kept EE businesses visible. It was widely recognised, however, that digital experiences were not intended as substitutes for physical experiences. The experiences on offer included a combination of free and paid-for activities. The activities of the Dundee Rep theatre are particularly well considered, novel, and in some respects indicative of the way organisations broadly experimented in this space.
- Many organisations noted that the experimental nature of their adaptation strategies resulted from a lack of skills and many initially adapted by depending on the goodwill of staff, often the younger team members, to develop their digital presence.
- Experiments over this period (see, for example, the initial activities of **Dundee Rep** which utilised Zoom — primarily used existing platforms, including mainstream social media and video conferencing channels.

Dundee Rep Theatre 2020 Christmas windows during C19 lockdown

The development of digital new content and experiences was not, however, considered accessible or relevant to all organisations. For some, digital methods of representing experience were an important way of keeping Dundee in mind for audiences as and when they were able to physically visit the city again. It was considered important that leading venues and the Destination Management Organisation (VisitScotland) were actively offering digital content and experiences that sustained visitor interest once lockdown restrictions were eased. ***The Bard's Tale***, one such example, highlights Scottish folk music and locations within the context of a game. Workshop participants observed a notable shift in the way in which audiences engaged with online and physical experiences, as well as a significant change in audience composition as lockdown restrictions were eased. The following points were noted.

- Visitors have become more local (from within a one-hour to two-hour travel radius) and are thus more familiar with the city and have different experience expectations to those visitors from further afield who were targeted pre-pandemic.
- Digital methods of delivery allow previously excluded audiences (e.g. those with health concerns or low incomes) to engage with visitor and creative experiences.
- Digital platforms can play a critical role in helping organisations for whom social distancing measures have reduced physical capacity to adapt. A combination of monetised off-site offers and the deployment of on-site digital activities may play a critical role in supporting these EE organisations (and may also enhance sustainability).

Rendering of Dundee NLAE E-Sports Centre

7.1.3 Looking forwards

Workshop discussions reflected on priorities for recovery, noting that the pandemic had changed perspectives among Experience Economy (EE) businesses. Key reflections are noted below.

The power of place

Workshop participants expressed pride in their city and their role in it. Many were passionate about the capacity of EE activities to contribute towards regeneration. They were proud of the way in which the community in Dundee had supported EE businesses during the pandemic. This had inspired a new sense of value around community and place, raising questions about whether there was a post-pandemic role for experience activities that do not support the local community and contribute to the specific purpose and identity of the city.

These questions led some workshop participants to reflect on strategic direction and whether recovery should focus on new builds or on repurposing vacant properties in the city centre (including reserving spaces in some of the these at affordable rent for smaller businesses). For some participants, the changing dynamic meant that recovery could provide an opportunity to draw experience organisations away from the cultural hub of the city centre and into the outskirts, including areas in which there are higher levels of social deprivation.

Rethinking success

The workshop participants also reflected on what recovery means. Pre-pandemic, EE success had been viewed mainly through the prism of capital investment and the attraction of large-scale new facilities. However, workshop participants highlighted that larger organisations had been among those that were the most vulnerable to closure over the period of the pandemic. Some participants also reflected that the skills created in the city would not necessarily be those that were in demand by larger organisations. A significant group of workshop participants therefore questioned whether the concept of recovery required reframing success to support investments focused around activities that would make the best use of local skills and support smaller local businesses, while utilising existing infrastructure to create a more nuanced and locally attractive offer.

Recognising inter-connections between policy agendas

The workshop participants commented on the tensions between the agendas of organisations responsible for policy-making across the city and region. Some participants noted that there are multiple strategic initiatives, including the City Centre Strategic Investment Plan, the Tay Cities Deal and the Creative Industries Strategy, all of which have ideas of merit. Some noted that there was scope for collective voice, joining up these strategies to create resourcing plans for Dundee that effectively address the specific needs and aspirations of local businesses and communities. Other participants suggested that the concept of recovery could be reframed in the light of broader Scotland-wide priorities. Some participants recommended rebalancing growth with a view to achieving net-zero targets, supporting wellbeing ambitions, enhancing graduate retention, catalysing sustainable living, and supporting education and employment.

Rethinking financial support
Workshop participants recognised that direct and easily accessible financial support has been essential to business survival over the period of the pandemic. Key business-focused financial resources over the period of the pandemic included government support schemes (e.g. furlough) as well as discretionary grants (e.g. from Dundee City Council). However, grant funding was not perceived by the participants as a process in which they should be passive partners. Over the period of the pandemic, EE organisations had effectively fundraised for themselves in the form of the Dundee Cultural Recovery Fund. Looking forwards, there was a sense that some funding would be required in the early days at least and that EE organisations themselves could usefully offer input into the type of funding required (especially in the light of diminished capital reserves). In the longer term, self-funding models could emerge from the activities delivered over the pandemic.

Participants expressed a view that funding in the immediate aftermath of the pandemic could usefully:

- enable organisations with core funding agreements that pre-exist the pandemic to renegotiate milestones based on the new operating environment
- refocus to help EE organisations to reflect on the changes that have occurred over the pandemic, to embed digital practices within their product mix, to bring staff up to date with developments and to plan for recovery
- focus newer funding streams on experimentation and innovation to enable organisations to embed the learning from across the pandemic (including digital) and adapt products to meet the changed needs of audience.
- design funding mechanisms to be inclusive of the full range of EE organisations (including freelancers), to allow the diversity and vibrancy that characterised these organisations pre-pandemic to re-emerge.

Adapting to new audience characteristics
Workshop participants highlighted that audiences have changed over the period of the pandemic and product development is now lagging behind some expectations. There are opportunities (for example to develop a wider offer, inviting visitors to spend time in Dundee and the Tayside region), but market insights are required to help experience organisations pursue these effectively.

7.1.4 Building resilience to future crises

Workshop participants also reflected on activities that would support resilience going forwards. Key points that emerged are reported thematically below.

The power of network
Facilitated via an interactive whiteboard, the workshop highlighted the significance of networks. There are a number of networks in Dundee, including the a network of cultural organisations, the Biome Collective (a network that supports freelancers and small practitioners) and InGAME (an Arts

and Humanities Research Council-hosted Creative R&D Partnership led by Abertay University, part of the £80 million UK-wide Creative Industries Cluster Programme. There are also dedicated tourism industry associations (e.g. the Dundee & Angus Visitor Accommodation Association).

To enable participants to engage in the activity without referring back to SIC codes, we asked them to reflect on Experience Economy (EE) providers using the following categorisations. The SIC code groupings for each of these categorisations can be seen in Appendix 2.

- **Creators** of experiences — organisations that conceive the idea for an experience and develop it into a clear project proposal with a plan for the delivery of the experience to an audience.
- **Primary and secondary suppliers** of goods and services to experience creators — these organisations supply the physical goods and services that are required to deliver the experience to the audience.
- **Distributors** who enable experience creators to reach their audiences effectively. They can promote experiences and enhance a company's audience reach. Some experience creators (e.g. theatres, computer games companies) distribute their own products.
- **Providers** of services to support audience fulfilment. These organisations provide goods and services directly to audiences/customers either as a micro experience that is purchased separately to the main activity (e.g. the hotel accommodation that makes a late-night theatre performance possible) or as, for example, a mid-performance drink/snack.
- Outside of those directly involved in EE delivery, a network of organisations **facilitates** engagement between EE providers (for example a Destination Management Organisation such as VisitDundee or a local authority cultural organisation) and also provides **business support** activities (such as a local authority that provides access to digital skills training, trade associations or local authorities that open up new audiences such as schools or health services).

The outcome of this interactive activity is presented in Figure 13. The strength of connections between primary suppliers, creators, distributors, and Business Support activities is notable in the Dundee network. The role of facilitators has been particularly important in a Dundee context and the local authority in particular has played a pivotal role over the period of the pandemic in engaging across EE organisations. Secondary suppliers of experiences are less well networked (many are very small and have struggled to break into the formal networks even though there is a spirit of engagement and generosity once networks are accessed). The data above is exploratory in nature and based on responses form a relatively small number of organsiations. However, the UK Experience Economy Dashboard appears to indicate that tourism spend levels in the city are relatively modest and further exploration of joint working may reveal opportunities to enhance these.

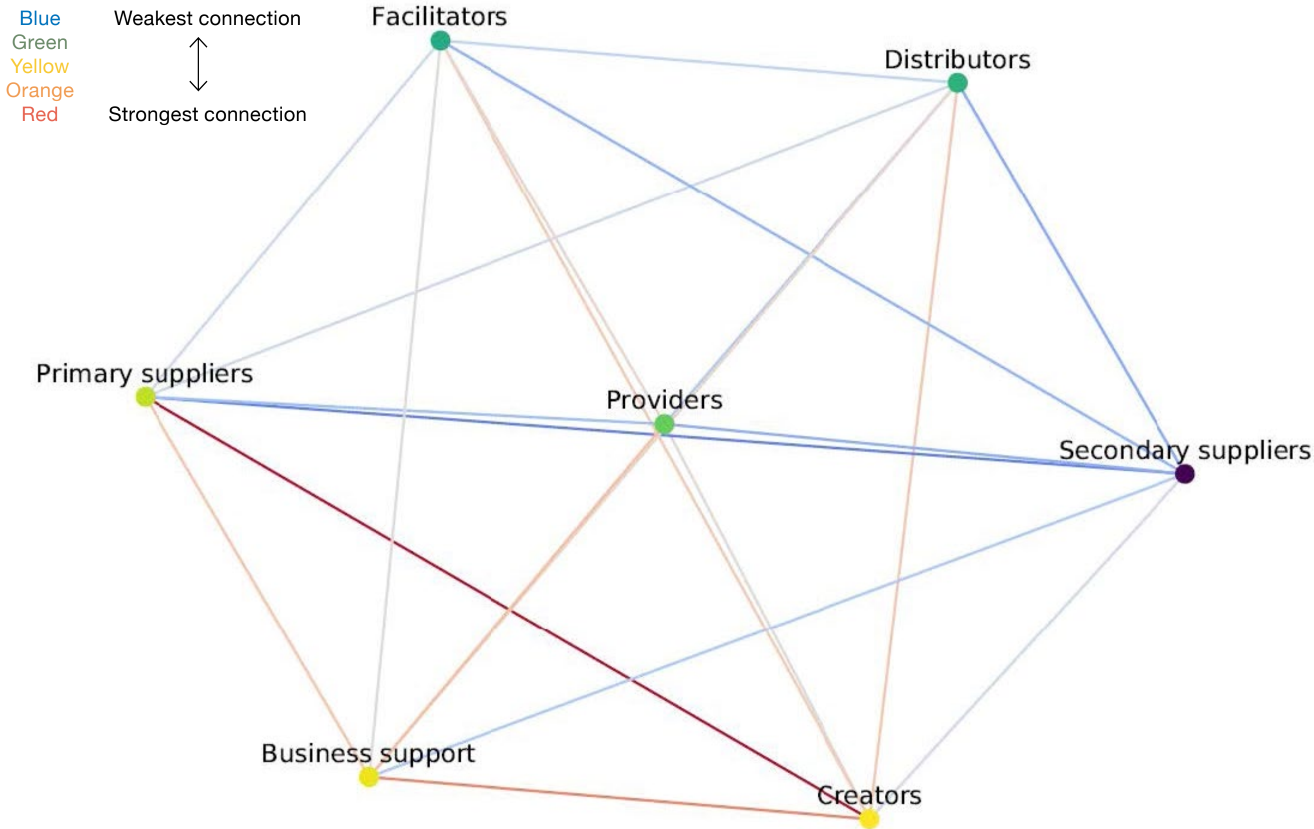


Figure 13 — The power of networks across Dundee. Note: Graphic created using coding developed for this project and created to interpret the data collected on an interactive whiteboard during place based case study workshops and follow up one-to-one discussions.

The following key points emerged from the discussion around networks.

- Dundee has a number of formal and informal networks that support EE organisations. According to the workshop participants, the informal nature of these networks and their relatively loose constitutions combined with the spirit of cooperation among members to facilitate an agile response to the rapidly changing Covid-19 situation.[128]

- Over and above these characteristics, networks provide a means through which to engage new entrants to the EE (including freelancers) in the broader ecosystem, exchange knowledge about what works and what doesn't, identify skills providers (How It Felt, for example, supports skills development in other creative businesses), connect organisations so they can provide their services (NEoN Digital Arts, for example, doesn't have its own venue and works with others to identify potential venues in which to host its arts festival, which showcases online and digital produced works). Networks thus provide the backbone for a joined-up and coherent audience offer.

128 The importance of networks is perhaps evidenced by the fact that some of these in Dundee (e.g. the Biome Collective freelancer network) experienced significant growth in membership over the period of the pandemic.

- Members of existing networks perceive them to be open and easy to access. However, newcomers to the EE reported that they found it hard to access and engage with networks. The latter organisations had specific vulnerabilities over the period of the pandemic and often include younger people.

Diversity and commonality

The workshop participants commented that EE organisations across Dundee have a wide-ranging offer, but a common core set of values. The diversity of organisation types provides a sense of vibrancy to the offer. It is these common values that nurture a sense of collective responsibility and common purpose. The pursuit of the common purpose is an important building block for resilience.

Public sector support

Workshop participants noted that public sector organisations play a pivotal role in making the case for EE activity politically, as well as sustaining (but neither owning nor convening) networks. In the case of Dundee, public sector organisations also play a critical role in facilitating events that showcase the activities of a range of EE businesses as well as linking different EE networks. For example, the city council works at the interface between the tourism associations and hospitality businesses, and broader cultural and creative actors. The council creates the capacity to attract new audiences and visitors, including overnight stays, with the economic and employment benefits that this brings. In the case of Dundee, VisitScotland also plays a critical role, providing a platform through which visitors (local and international) can explore the city and increasingly enabling potential visitors to experience places via digital means before visiting physically.

Contextualising digital provision

The workshop participants noted that digital methods of creating and supporting experiences were already emerging as important ways to engage existing and potential new audiences in building awareness of local and regional culture, as well as supporting pre-visit destination discovery pre-pandemic. Thus, digital initiatives — such as the partnership with VisitScotland to promote ***The Bard’s Tale*** game were already in train. Over the period of the pandemic, however, many organisations enhanced their digital offer. Many workshop participants noted that agile structures and committed staff (many of whom were willing to adapt to new roles and contribute time over and above what they were paid for) have been essential. Willingness to experiment with different modes of digital delivery was considered important. Dundee Rep, for example, launched an online platform enabling the strengthening of local connections and community, in addition to achieving new connections internationally. The workshop participants stressed that experimentation of this type is an essential part of adaptation but that it is very labour intensive, and it takes time to find out what works effectively; hence, organisations face challenges in terms of capacity. Experimenting with new modes of delivery (e.g. digital) and audiences (e.g. schools) is also important for resilience. How It Felt, for example, shifted its in-person workshops and community-based projects to online delivery, and this proved more cost-effective and eco-friendly (with no travel involved). End users (especially vulnerable people) found it beneficial to access mental health services online from home without having to travel.

Retaining skills

Workshop participants noted that while the University of Dundee and Abertay University train a large number of graduates in the skills that are required to build resilience, yet local businesses struggle to find those skills. There is a long-term issue in the city with graduate retention, due to insufficient jobs, high property rental values and tensions around a political push for big infrastructure investments rather than safeguarding smaller spaces that can be used to nurture and grow start-ups. Some workshop participants commented that, if an upskilling model is to be deployed, it needs to be market-led in order to fill the skills gap that businesses face.

Workshop participants reflected that digital developments in the EE had leapt forward by about 10 years in as many months over the period of the pandemic, and noted that specific skills identified to support resilience in any EE organisation include:

- addressing the lack of access to digital skills within many experience businesses (from ability to gain a presence on online booking portals to becoming adept at utilising Instagram, YouTube and other social media, as well as developing more sophisticated digital content where this is relevant)
- supporting collaborations with digital creatives, who have the right skills to create effective and engaging online experiences
- creating space to learn from fundraising activities over the period of the pandemic, whether via grants, monetising digital modes of delivery and experience, gift giving, or other mechanisms.

Serving new markets

A defining factor for nearly all the participants in the workshops held in Dundee was the strength of the role that their respective organisations played in servicing residents as well as supporting wellbeing over the period of the pandemic. Many extended their services (including access to digital platforms and activities) to existing and new audiences on a gratis or very low-cost basis as a contribution to their communities rather than a profit-making activity. The workshop participants considered that these new markets would be essential to resilience.

Encouraging experimentation

Workshop participants commented that the pandemic had stimulated a period of significant innovation and most organisations have been on a rapid learning journey, including, in many cases, adapting to use digital tools (whether as a means of day-to-day communication or for developing specific digital content and experiences for audiences). Experimentation has delivered unexpected results for many participants, including allowing access to experiences for individuals who are often excluded. There was agreement among the participants that resilience would require on-going experimentation and this, in turn, would require a culture in which organisations feel able to learn from failure rather than penalising it with defunding.

Digital poverty

In order to fulfil their potential, workshop participants identified a need to address digital poverty (through access to devices, online connections, or skills). Free wi-fi across the city centre was highlighted as an important step in the plans for recovery and supporting resilience.

7.2 County Durham

County Durham is located in North East England. It has a rich and diverse range of heritage and cultural organisations, including Durham Cathedral, the Beamish museum, Raby Castle and Auckland Castle, and hosts a wide range of festival and creative activities (e.g. Lumiere, Durham Book Festival, Summer in the City, the Community Fun Day and Kynren). The county is largely rural and includes within its boundaries coastline and natural landscapes and significant conurbations. Although clearly defined as a county, there are strong links with the broader north-east region (including the Northumberland National Park) and much of the activity that has taken place over the period (including the discussions about post pandemic recovery) has focused on this broader identity.

Poor provision of public transport and ageing infrastructure across the county and region are significant barriers to participation in experience activities. Poor connectivity means that those among the 533,000 residents of the county who do not have a car cannot easily explore the wealth of opportunities across its geography. These issues limit opportunities to engage the 2.38 million visitors received by the county in 2020 (a reduction of 45.6% from 2019 visitor numbers) in exploring the region as a whole. This has a knock-on effect on the capacity of the region to extend stay lengths and spread the benefits from experience activities across the county. As a result, there tends to be a focus of experience activity on a small number of sites and there is now a sense that it is imperative to spread the benefits of experience access to a wider range of resident and visitor audiences.

Experience Economy (EE) activity is a key pillar underpinning the economic growth strategy of the county and north-east region. Business support for this activity is offered through — among others — enterprise agencies, the Durham Business Improvement District (Durham BID), the EU-funded Generator project[129] and the Creative Fuse North East initiative, supported by the region's five universities. Investment in culture, arts and heritage activities has increased visitor stay length and spend, and has also supported the sense of pride of place among local communities, helping them to celebrate cultural heritage and wellbeing.

Central to delivery of EE activities are the regional cultural networks and, in County Durham itself, a cultural and tourism network convened by Visit County Durham, the local Destination Management

129 www.generator.org.uk

Figure 14 — Map of County Durham and participants engaged in Experience Economy workshops

Organisation (DMO). Visit County Durham is funded by the local authority and includes representation from across experience sectors; it embraces a range of public and private sector organisations as well as charities, social enterprises and academia). By working collectively, this network has actively supported EE organisations over the period of Covid-19, providing a forum through which they can come together to exchange experiences. It has also supported a pivot of marketing activity (via funding from VisitEngland) to target domestic rather than international visitors.

7.2.1 County Durham Experience Economy profile

Experience Economy (EE) organisations across County Durham are mainly small and include a multitude of individual artists and sole traders. Workshop participants noted that included among these small traders are a number of largely invisible supporting organisations (e.g. audio / video suppliers, lighting technicians, etc.). These organisations often operate worldwide and forced closure of venues for performers and artists, including sports and Kynren, among others, had a significant impact on them. Furlough and other government support measures played a role in supporting some (but not all) of these organisations. A failure to retain their skills is a threat to the future of these activities, and also to the potential for the region to fulfil its ambitions for the creation of cultural and creative zones[130] (spearheaded by the BBC's commitment to spending at least £25 million over the next five years across the region).[131] The threat to future survival is particularly real for some younger companies and younger talent in particular.

Workshop participants noted that the creative networks across North East England and Durham have played a crucial role in supporting EE organisations across the period of the pandemic. Durham County Council has been particularly dynamic in supporting access to financial support for businesses, while networks have supported exchange of experiences and know-how. Durham University is also important within the EE ecosystem, playing a civic role by collaborating with local artists, establishing internships to retain graduates, etc. Moreover, university students play a key role as local tour guides, providing services to support visitor fulfilment and appreciation. In the hospitality sector, many organisations rely heavily on the university, since many of their families stay in hotels when visiting Durham and some events organised by the university are hosted in hotels.

7.2.2 Looking back — immediate responses to Covid-1.

North East England was one of the earliest regions to define its recovery strategy, and was one of the few that developed a combined approach to arts, culture, heritage and tourism. Partnership is central to the strategy,

130 Northern Culture All Party Parliamentary Group (2022) The Case For Culture: What Northern Culture Needs to Rebuild, Rebalance and Recover. Available at: https://northernculture.org.uk/wp-content/uploads/2022/01/NCAPPG-The-Case-for-Culture-Report.pdf
131 Gullon, N. (2021) BBC to spend £25m on North East projects over the next five years, The Northern Echo, 22 September. Available at: https://www.thenorthernecho.co.uk/news/19597251.bbc-spend-25m-north-east-projects-next-five-years/

which was created with input from practitioners, local authorities, universities, colleges, businesses and voluntary organisations across North East England at a strategic policy level to champion the region in the UK and internationally. Central to this policy is the development of digital skills across all sectors, and the development of skills to support delivery is a key issue.[132] The strategy also recognises the significant interconnectivity between experience organisations and the need for collective action to support a recovery that builds on the strengths of the region, supports the wide range of very small and freelance organisations that operate in this space, develop more resilient business models, and actively help residents get access to and engage with their own creative and cultural heritage.

Convened by the local authority, initiatives within Durham itself mirror this cross-experience sector initiative. The county council strongly advocates for the arts and culture, and is one of the few local authorities in England that maintains funding for its Destination Management Organisation. A City of Culture bid provided a focus around which these activities coalesced, and engagement with Arts Council England means that the county is recognised as one of 15 priority places in the north for new investment opportunities, as part of the publication of its three-year Delivery Plan for 2021–2024.[133]

Critical within these policies is the county's commitment to the EE as a core pillar for economic and social wellbeing. Resilience is acquired in part through the strength of the networks that have emerged across North East England to deliver against these ambitions. Digital and digital skills development have been a critical part of strategies pre and during the pandemic. Maintaining these digital skills in the north east is a key theme and one that is addressed as a part of a longer-term economic priority.[134]

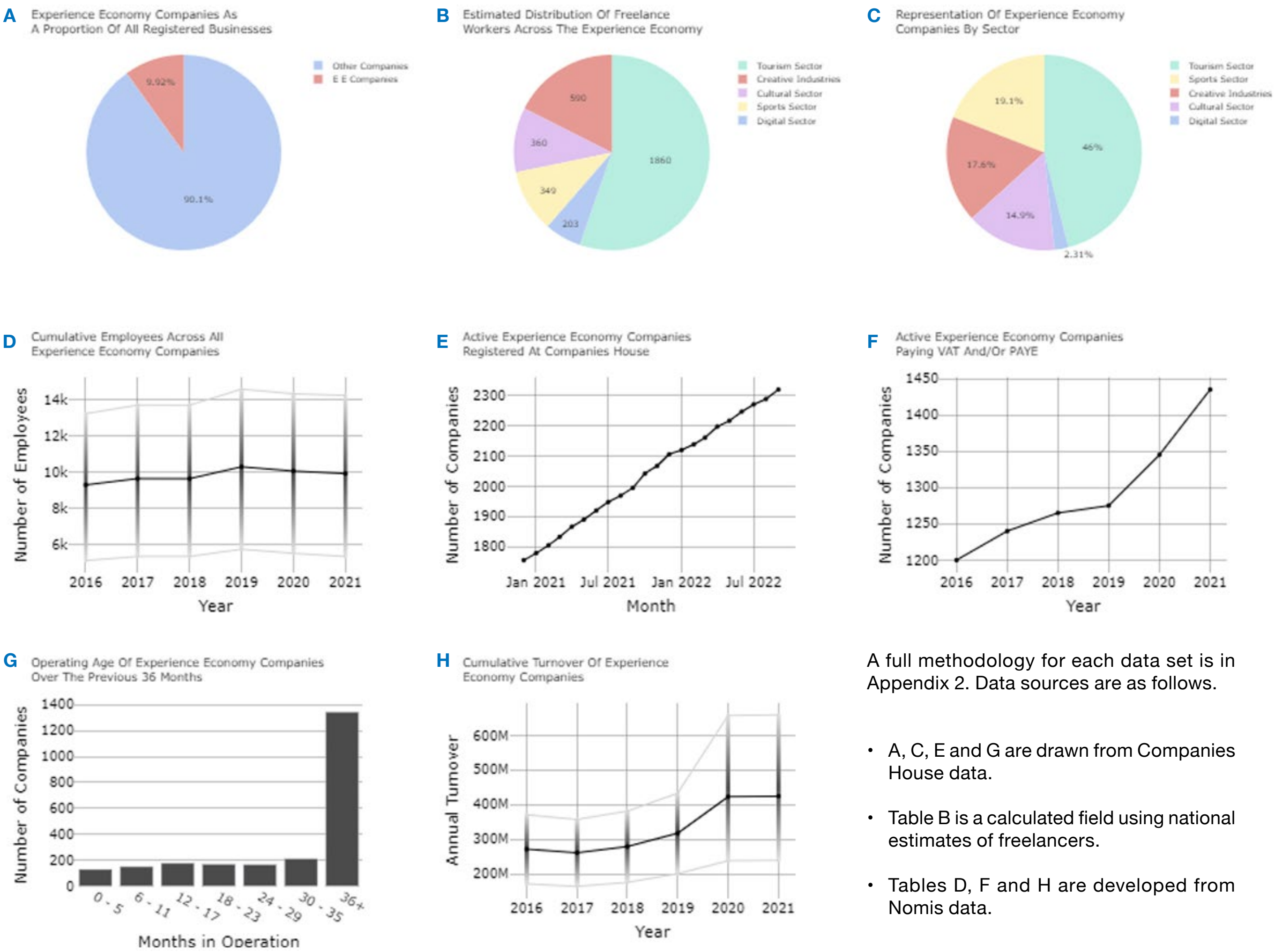
7.2.3 Impact of Covid-19 on Experience Economy organisations

The most immediate, obvious impacts of the pandemic are included in Figure 1. As is the case for other place-based case studies, the number of Experience Economy (EE) businesses that were formed grew throughout the period of the pandemic, but turnover and employee numbers were impacted. The survival rates of new businesses seem to have been impacted in the middle of the pandemic, with a slight increase in the number of businesses closing after one year to 18 months of operation.

There are inevitable lags in timing between the data being collected and reported. Nevertheless, key trends to note are as follows.

- The EE comprises around 10% of all businesses registered as active at Companies House with a County Durham postcode (A).
- The number of tourism businesses registered is larger than all other sectors, accounting for almost half of all EE businesses in the city (C).

132 North East Culture and Tourism Recovery and Resilience Plan (2020). Available at: https://www.case4culture.org.uk/covid-19-recovery-and-resilience-plan-full-document/
133 Durham County Council (2021) Arts Council England announces commitment to County Durham. Available at: https://www.durham.gov.uk/article/26252/Arts-Council-England-announces-commitment-to-County-Durham
134 Durham County Council (2021) Introduction to the Regeneration, Economy and Growth Service. Available at: https://democracy.durham.gov.uk/mgAi.aspx?ID=50601



A full methodology for each data set is in Appendix 2. Data sources are as follows.

- A, C, E and G are drawn from Companies House data.
- Table B is a calculated field using national estimates of freelancers.
- Tables D, F and H are developed from Nomis data.

Figure 15 — The primary Experience Economy across County Durham pre and during Covid-19. Note: the Dashboard has been programmed to update as new data emerges. For relevant data, link to Dashboard.

- Freelancers and the self-employed are most likely to be focused in the tourism industries, with the make-up of tourism in this area being particularly focused on small and medium-sized enterprises (SMEs) (B).
- As is the case in Dundee, the number of businesses registered at Companies House has grown over the period since January 2021 (the date at which data collection started for this project) (E) despite the pandemic. Unlike Dundee, however, this growth is accompanied by an increase in the number of businesses reported in the Nomis data set as paying tax and/or VAT (F).
- Employment data reported by the Nomis data set seems to have flatlined over the period of the pandemic (D) and turnovers initially rose but then also flatlined (H).
- Overall, the number of business closing within 36 months of operations seems to have increased slightly (G).

The outbreak of Covid-19 and the subsequent lockdown was described by the workshop participants as catastrophic. Some of the immediate impacts of the pandemic on business performance can be seen in the quantitative data presented in Figure 15 (this can also be seen on the dashboard), although there is an inevitable time lag between the introduction of measures to reduce the spread of Covid-19 and their impacts on businesses. The workshop participants commented that the Covid-19 pandemic has exposed EE organisations across County Durham to significant challenges, listed below.

- Reduction/elimination of the capital reserves of the organisations that work in EE sectors.
- Reduction in funding for arts/creative/tourism sectors that coincides with changes in policies implemented by a number of funders to switch money away from these sectors and allocate them to research related to Covid-19.
- Significant negative impact on the financial security of the freelance networks and many of the third-sector organisations that are essential pipelines for these industries.
- Challenging a workforce that is dependent (in the heritage sector at least) on older volunteers, many of whom remain cautious of Covid-19.
- Difficulties in monetising digital experiences. Seventy-nine percent of EE organisations across County Durham claim to have the ability to deliver online, but monetisation of these experiences remains challenging.
- EE businesses (especially small charities) faced difficulties in accessing funding, especially to keep businesses viable during lockdown when income from visitors' tickets was suspended. They also found it difficult to access funding for research and development to experiment with digital technologies to produce new experiences.
- Some of the workshop participants highlighted that the financial support available over the pandemic prevented staff from engaging in work activities

I Love Durham, Jacques Rival, Lumiere 2019, Durham, photo by Matthew Andrews. Produced by Artichoke.

(with the exception of some training) and therefore blocked access to funding to support the development of digital content.

- A number of organisations, and especially freelancers, were also ineligible for funding opportunities.
- Many EE businesses (especially SMEs) noted that they were unable to access skills and tools to create digital content despite the fact that virtual reality (VR)/augmented reality (AR) expertise is available, because budgets were limited and small organisations were unable to access funding specifically for this activity.
- Those who were able to develop digital content:
  - expressed a need for more knowledge about the constituents of 'good' in a digital experience context
  - wished to understand more about the interface between the digital and physical experience (and reputational damage that may result from digital that fails to meet customer expectations)
  - lacked the confidence to form partnerships with suppliers of digital content, reporting that they experienced challenges in writing briefs to deliver their design vision.

7.2.4 Impact on audiences

The change in audience habits that resulted from the pandemic have been well documented by other projects and was also referenced by the participants in our workshops in County Durham. Audiences in County Durham are comprised of.

- residents, which in the case of Durham comprise circa 533,000 people;[135] in North East England as a whole, around 80% had engaged with at least one cultural activity over 2014[136]
- tourists (business, leisure, and visiting friends and relations), of which there were 20.1 million in 2019 (among whom 1.6 million stayed overnight).[137] Sightseeing is a key reason for visiting, cited by 39%.[138]

Workshop participants noted the following.

- The strategies that EE organisations implemented across the period of the pandemic were aimed at engaging existing audiences as well as acquiring new audiences; for example, targeting UK residents rather than international visitors.

- During the pandemic, informed by Public Health England, the Department for Culture, Media & Sport, and the Department for Business, Energy & Industrial Strategy, Visit County Durham (the DMO) stopped all destination marketing and adapted its campaigns to keep Durham in people's minds during lockdowns, with a view to encouraging visits once travel was encouraged again. This was done, for instance, through virtual tours or other

135 Durham Insight (2020) Available at: https://www.durhaminsight.info/population/#/view-report/ac541fd4e3d24f0ea88dc7a04fc2b1b1/iaFirstFeature
136 Arts Council England, Taking Part 2013/14: Findings for the North East. Available at: https://www.artscouncil.org.uk/sites/default/files/download-file/Taking_part_2013_14_North_East.pdf
137 Visit County Durham (2019) Impact of Covid-19 on Durham's Visitor Economy. Available at: https://www.visitcountydurham.org/wp-content/uploads/2022/01/Impact-of-Covid-19-on-Durhams-Visitor-Economy.pdf
138 Visit County Durham (2019) Market Intelligence: The Visitor. Available at: https://www.visitcountydurham.org/the-visitor/#:~:text=Key%20findings%20from%20the%202019%20study%20include%3A&text=Some%20of%20the%20most%20popular,to%20go%20sightseeing%20(39%25)

initiatives, such as Local Hours on Twitter, which offered an opportunity for small businesses to raise people's awareness of their offer.

- Over the course of lockdown, even when cultural venues were closed, some audience members continued to pay their membership as a form of donation, to support arts and cultural organisations.

- Digital content developed over the period of the pandemic can be viewed in the **Guide to Creating Digital Experience Productions**. Noteworthy among these examples is the **England Originals** project led by England's Historic Cities consortium and funded through government's Discover England Fund, administered by Visit England. 16 destinations worked collaboratively with the aim of attracting new audiences. During the development of the app, the team focused on understanding what audience they wanted to appeal to; then, everything else (distribution channel, mode of delivery, etc.) followed from that. Once the audience had been identified, engagement and market testing were critical. There were some surprises along the way. It is important to note that there was never an ambition to monetise this app, but to use it as a way of keeping places current and bringing new audiences and income into the cities featured in the project as a form of deferred income generation.

- The majority of these experiences were offered free of charge and audiences have become accustomed to accessing good quality content at no cost. There is, however, a danger in allowing customers to expect digital experiences to be delivered gratis, because the organisations that create the experiences incur costs. Monetisation is, therefore, a priority and it is essential that customers recognise the value and the need to pay, to sustain the organisations that generate the content.

Workshop participants noted that there was a notable shift in the way in which audiences engaged with digital and physical experiences, as well as a significant change in audience composition, as lockdown restrictions were eased. Social media in particular was a key channel that workshop participants had used for distributing digital experiences to audiences. Over the course of the pandemic, most EE organisations across County Durham have witnessed a sharp increase in their social media following. They have also invested in regular updates on their websites to keep audiences engaged.

The following points were noted.

- The pandemic, and the consequent transition to digital, has enabled EE organisations to reach international audiences and markets (though not necessarily to secure the immediate monetary value from this extended reach).
- The Covid-19 pandemic has provided an opportunity for EE organisations to engage with more vulnerable and marginalised people, physically and digitally. This is in line with the UK government's Levelling Up agenda and is also a way of creating new markets and emerging from the pandemic.
- Working collectively, there is a determination among the workshop participants to translate day visitors into stay visitors (who spend four times more).

- In the context of levelling up in particular, digital needs to be seen as an add-on to physical experiences, and not a replacement. Lack of access to digital devices is a critical constraint for many of those in County Durham and maintaining a link to their culture and heritage is considered important.

7.2.5 Looking forwards

Workshop discussions reflected on priorities for recovery, noting that the pandemic had changed perspectives among Experience Economy (EE) businesses. Key reflections are noted below.

Place-making

Workshop participants unravelled issues around definition of the boundaries of County Durham. In fact, geographical and political boundaries are less important in the context of the EE of this area and there is a pervading regional identity associated with belonging to North East England. It is this regional context that underpins thematic developments and networks are freely formed by organisations across its entirety.

This regional identity has been enhanced over the period of the pandemic and other organisations. Durham University, for example, has actively become more regionally focused, supporting its residents, strengthening local relationships and networks, and playing a crucial role in the region during the crisis.

Rethinking financial support

Workshop participants confirmed the crucial role of public sector support (e.g. the furlough scheme, the Coronavirus Job Retention Scheme, the Culture Recovery Fund for Heritage, the County Durham Community Foundation Fund, the Culture Recovery Fund, etc.) for EE organisations. Findings from this research demonstrate that funding is vital to support theatres and venues that play an important role in animating the town centre, tourism and the evening. Public sector support is also needed for volunteer-led organisations and charities, especially recognising the important role the voluntary sector plays in the wider cultural landscape.

Many organisations were not eligible for Covid-19-related funding and there is a need to reconsider the criteria and requirements for accessing financial support, especially for freelancers. Moreover, in order to build resilience, workshop participants argued that, besides funding support, EE organisations need mentoring and practical advice to adapt their business models, income generation strategies, and staff training. Business support needs to be carefully conceived, however. As they exit the pandemic, some smaller businesses are running at skeleton staffing levels and do not have the resources to engage in well-intended business support programmes that require in-classroom attendance, hefty bureaucratic processes or that are delivered by well-meaning advisors who do not have the sector expertise to support genuine and rapid business growth.

Adapting to new audience characteristics

Workshop participants commented that the digital adaptation seeded by the pandemic has enabled EE organisations to reach international audiences and new markets. As lockdown restrictions are lifted, EE organisations need to consider how to sustain engagement with their digital audiences and see how this converts into in-person visits.

Findings from this research also show the need for a marketing programme aimed at older and vulnerable communities, to build confidence and enable reconnection with arts and heritage buildings and events. Social media has become an increasingly crucial channel for audiences to access digital experiences. Therefore there is a need for EE organisations to invest in social media capacity as well as regular updates on their websites, to keep audiences engaged and to acquire new audiences.

7.2.6 Building resilience to future crises

The workshop participants also reflected on activities that would support resilience going forwards. Key points that emerged are reported thematically below.

The power of network

The Experience Economy (EE) across County Durham is made up of organisations that are well connected, built over many years of consistent presence of people and organisations in the area. Some of the key networks active across the county are: the County Durham Cultural Education Partnership, the North East Growth Hub, the North East Local Enterprise Partnership, East Durham Creates, Creative Fuse North East (a network of over 1,500 people), Create North (led by Jane Shaw), work with micro creative businesses led by consultants such as Kate Gorman, the North East Cultural Freelancers network (most of those freelancers live outside of Durham city centre), and the Tyne and Wear Cultural Freelancers Network. According to the workshop participants, connections have been strengthened during the pandemic (e.g. with Durham County Council, Public Health England, the Department for Digital, Culture, Media & Sport, etc.). However, some independent practitioners were so hard-hit by the financial crisis that they withdrew from networks as they had to shift their priorities and invest all their time in income-generating activities. It is also important to acknowledge that some artists tend not to join certain inward-focused, specific networks because they are not sure whether the remit is suitable.

Where relationships existed before, people have continued to engage online (e.g. via Microsoft Teams). Workshop participants commented that, surprisingly, organisations have also been able to engage for the first time with others even without having met before, and are developing joint bids. For instance, Durham's City of Culture 2025 bid, although ultimately unsuccessful, was mentioned as a promising opportunity to drive regeneration of the county and facilitate new collaborations among experiential organisations, perhaps also facilitated by a digital platform. Workshop participants highlighted that digital platforms (e.g. Zoom, Teams), online events and networks have become more popular over the course of the pandemic, so people meet online more frequently than they used to do in person, and there some organisations aspire to adopt a hybrid model for sustaining business relationships. Furthermore, the pandemic-influenced shift to digital has enabled an increasing number of creative practitioners from rural areas to join networking events online. On the other hand, some artists are introverted and find it too stressful to join networking meetings online.

Durham had the strongest connectivity within and between Primary suppliers, Providers of services to support audience fulfilment, Creators and Business Support activities of all of the places that engaged in the project. The local authority (largely through the DMO) plays a pivotal role in coordinating activities, which Include those related to tourism, creative and cultural sectors, with a regular forum meeting and this may underpin this connectivity. Links with Distributors are, however, less well developed especially between Creators and Primary Suppliers. This may be because these organisations tend to be smaller and are less directly represented in networks, thus depending on larger organisations to provide a supporting voice.

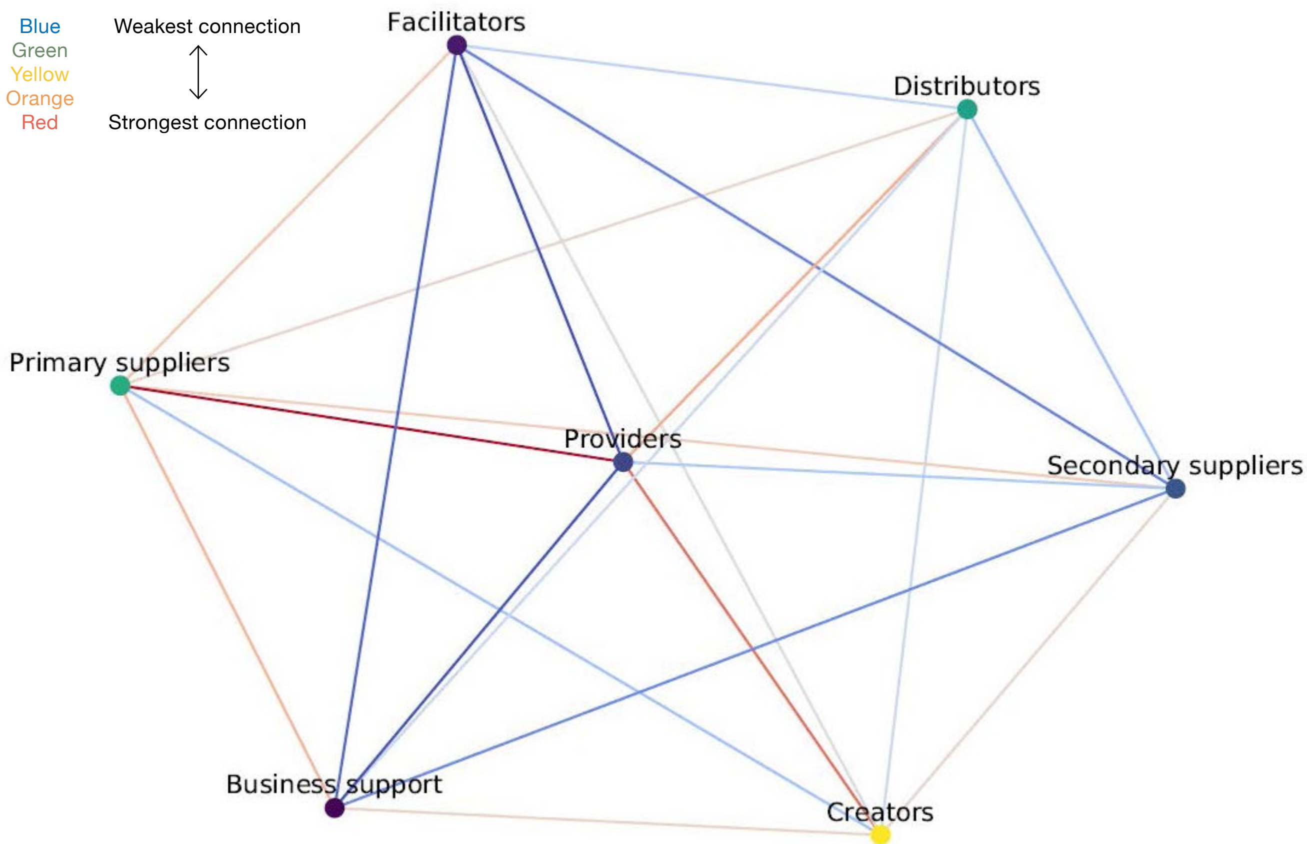


Figure 16 — The power of networks across County Durham. Note: Graphic created using coding developed for this project and created to interpret the data collected on an interactive whiteboard during place based case study workshops and follow up one-to-one discussions.

The following key points emerged from the discussion around networks.

- As referenced above, there are strong networks across County Durham and North East England. Network affiliates are familiar with them and often adept at making input/accessing resources (whether for moral support or funding). There are, however, a number of organisations that are unaware of these networks and how to engage effectively with them.

- Networks across County Durham tend not to be dynamic because they all comprise similar membership; there is an aspiration to diversify them.
- There are a lot of parallel networks across County Durham, and they do not often intersect. Some networks are very self-contained. Some creative practitioners feel the need to be part of more than one network in order to really feel connected.
- Networks are crucial for creative practitioners (especially freelancers who are more likely to be hit hard by pandemics) to generate new business opportunities.
- Besides inwards networks, it is also important to consider that organisations in Durham are connected with others nationally and internationally, and such outwards-facing connections should continue to be supported, to enhance the resilience of the EE.
- Although tech hubs have a presence in County Durham, there is a lack of hubs for arts and cultural organisations.

Redesigning spaces

In line with the North East Culture and Tourism Recovery and Resilience Plan, this case study showed the need for a small-scale capital programme to support arts and heritage venues that need to redesign their spaces to enable social distancing (toilets, cafes, performing / exhibition spaces). Moreover, the pandemic has offered an opportunity to develop new creative ideas around the environment and public space, enabling buildings to use outdoor space in new ways and build on some of the environmental gains such as increased walking and cycling. In fact, in order to build resilience, an opportunity for EE organisations could be to adapt their business model and focus on wellbeing, making the most use of outdoor spaces (wherever possible) and delivering new types of experiences. Workshop participants also highlighted the need for more affordable workspaces; with this in mind, and considering that Durham University has a lot of spaces, there is an opportunity to make some of them available for artists and small businesses to use.

Supporting digital innovation

During the pandemic, a lot of businesses increased their engagement with digital, either strategically or out of necessity. We are at the beginning of the process of understanding the future impact of the metaverse (a space that exists in parallel to physical experiences and will only be able to learn if we see which trends are prevalent and which fall by the wayside. In this regard, EE businesses need to reflect on what digital means to them and undertake a process of digital adaptation, either to generate income and survive, or to keep their place current in people’s minds, or change audience profiles or something else altogether. Overall, the Covid-19 pandemic has accelerated experimentation with digital technologies (e.g. the creation of Zoom content, paid-for experiences, live content, e-commerce, etc.), for instance using digital to personalise or upsell physical experiences. In this regard, it is expected that digital content will continue to increase in quantity and improve in quality. At a practical level, to overcome the language barrier that some experience creators face in collaborating with digital tech providers, some workshop participants expressed the need for a toolkit to break down the language and clearly explain what each piece of technology does, so that they can more easily choose the solutions most suitable to their organisations and most effective in reaching the target audiences.

In Our Hearts Blind Hope, Palma Studio, Durham Cathedral, Lumiere 2021, photo by Matthew Andrews

Among the examples of digital innovation within County Durham shared by the research participants, the Digitale[139] project was initiated in spring 2021 as a hybrid art-tech festival. During the pandemic, it became much more of a tool for digital placemaking and a platform for collaboration for large and small organisations across the county. Durham University collaborated with East Durham Creates on the Street Gallery[140] mini pilot project, accessed via Facebook. The educational offer of the cathedral went online on Zoom, and Raby Castle started creating a digital model of the building and a 3D scan of collection items, so that visitors can experience them both in person and online.

Findings from this research show that one of the priorities of County Durham to support recovery and resilience of the EE is funding (e.g. Culture Recovery Fund, the Durham Future Innovation Building Programme, the Digital Improvement Grant for visitor economy businesses, the Department

139 https://durham.gov.uk/article/25368/Digital-artists-take-on-Durham-Heritage-
140 https://www.facebook.com/streetgallerydawdon/videos/

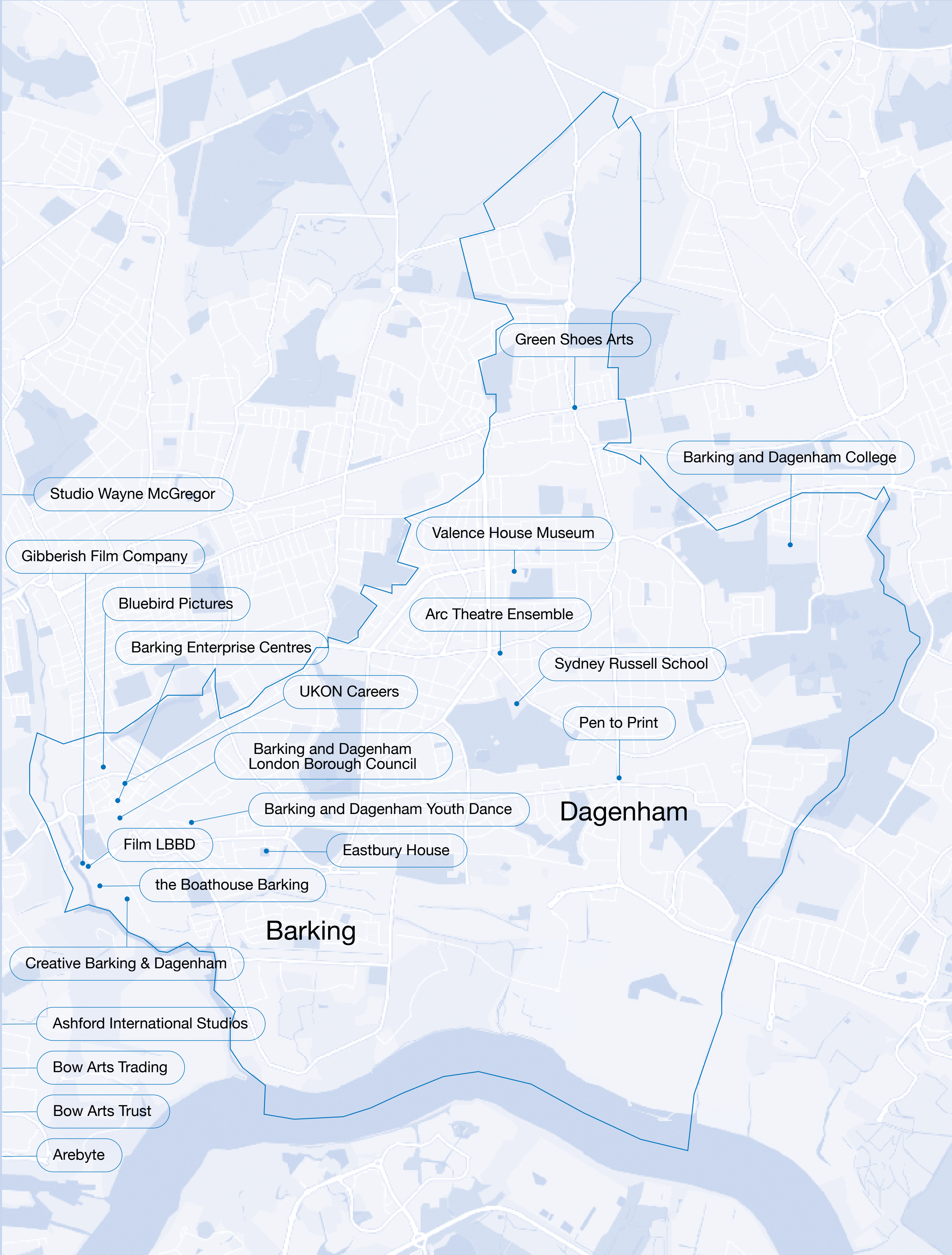


Figure 17 — Map of London Borough of Barking & Dagenham and participants engaged in Experience Economy workshops

for Digital, Culture, Media & Sport's Community Match Challenge fund, donations, etc.). Another priority is to support research and development (R&D) for digital innovation, including virtual reality (VR) and extended reality (XR). This would allow cultural organisations to reach audiences in new ways, enabling community connections and co-creation. Investment in digital equipment was also mentioned as an important step in the process of adaptation of EE organisations to the changed environment. For instance, the Beamish museum — thanks to a grant of £10,000 received through the Culture Recovery Fund — bought digital kit to transfer some of its offerings online. Proto[141] was also highlighted as a digital production R&D facility in Gateshead, marketing itself as the first of its kind in Europe.

Developing new skills

This research highlighted that business support in digital skills is fundamental to the development of new digital experiences. With this in mind, one of the workshop participants mentioned that Arts Council England has a national team of Tech Champions with expertise across the digital field, including monetising content, marketing, etc. All cultural organisations can get free advice from them. Also, Visit County Durham offers digital skills training to its employees and member organisations, delivered by an in-house team, and digital services are also provided by external businesses. Another example mentioned by the workshop participants is that of the Beamish museum, which invested in new in-house skills for social media and film production to enable the museum to develop high-quality film content in a short timeframe.

Workshop participants also expressed the need to train and sustain not only digital skills, but also commercial and entrepreneurial capabilities, as well as craft skills, including those needed to build products and also to maintain them.

Learning from these successful experiences, a policy priority to support recovery and resilience that emerged from this case study is to support a digital skills and training programme for creative and heritage SMEs, to help creatives monetise their online work and sustain their businesses. Placements and apprenticeship schemes were deemed vital to support young people to gain experience in the arts, heritage and tourism sectors, building capacity and employment skills and stimulating the labour market.

7.3 London Borough of Barking and Dagenham

The London Borough of Barking and Dagenham (LBBD) is located in east London, around nine miles east of central London. Barking and Dagenham merged to form a single borough in 1965. At first, the combined borough was known as the London Borough of Barking. In 1980 it changed its name to the London Borough of Barking and Dagenham.[142]

As of 2020, the borough, with its 17 neighbourhoods, was home to

141 https://www.proto.co.uk/
142 London Borough of Barking and Dagenham. Available at: https://en.wikipedia.org/wiki/London_Borough_of_Barking_and_Dagenham

approximately 214,000 residents and hosts one of the fastest expanding populations of early years and school-age children in England (27% of the population).[143] It is the third most deprived borough in London and the 12th most deprived out of all 326 local authorities in England.[144] It ranks particularly poorly on education and health outcomes, and 31% of working people who live in the borough are paid below the London Living Wage.[145] It is designated as a priority area for urban regeneration. LBBD has a culturally diverse and mobile population. Sixty-seven percent of the local population is from Black and Minority Ethnic (BME) groups, and the 2011 Census found that English is not the first language for 18.7% of the local residents.[146]

Experience Economy (EE) activity is a key pillar of the economic growth strategy for the borough and the local authority actively supports access to skills and spaces for these business types (with a strong focus on social inclusion and wellbeing) and has also placed them at the core of town-centre regeneration activities. This is demonstrated by the range of festivals and activities that have been delivered since 2013; for example, the Glow Festival, the Inspire Festival, The Becontree 100 and the Community Music Service. Up until March 2020 there had been a noticeable growth in creative, cultural and sport opportunities, with a smaller growth in the number of accommodation and food and drink businesses operating in the borough. The local authority has been particularly active in supporting EE organisations during the pandemic, actively embracing digital delivery as part of a wellbeing and social inclusion strategy. It has also actively supported social prescribing.

This case study is notable because of the range of EE initiatives that are directly supported by the local authority, which has established companies through which to pursue commercialisation of opportunities that meet its social and wellbeing objectives.[147] In this way, EE activities are contextualised as a means to deliver economic and social objectives and the representation of charities and social enterprises engaged in experience activity delivery.[148]

7.3.1 Experience Economy profile

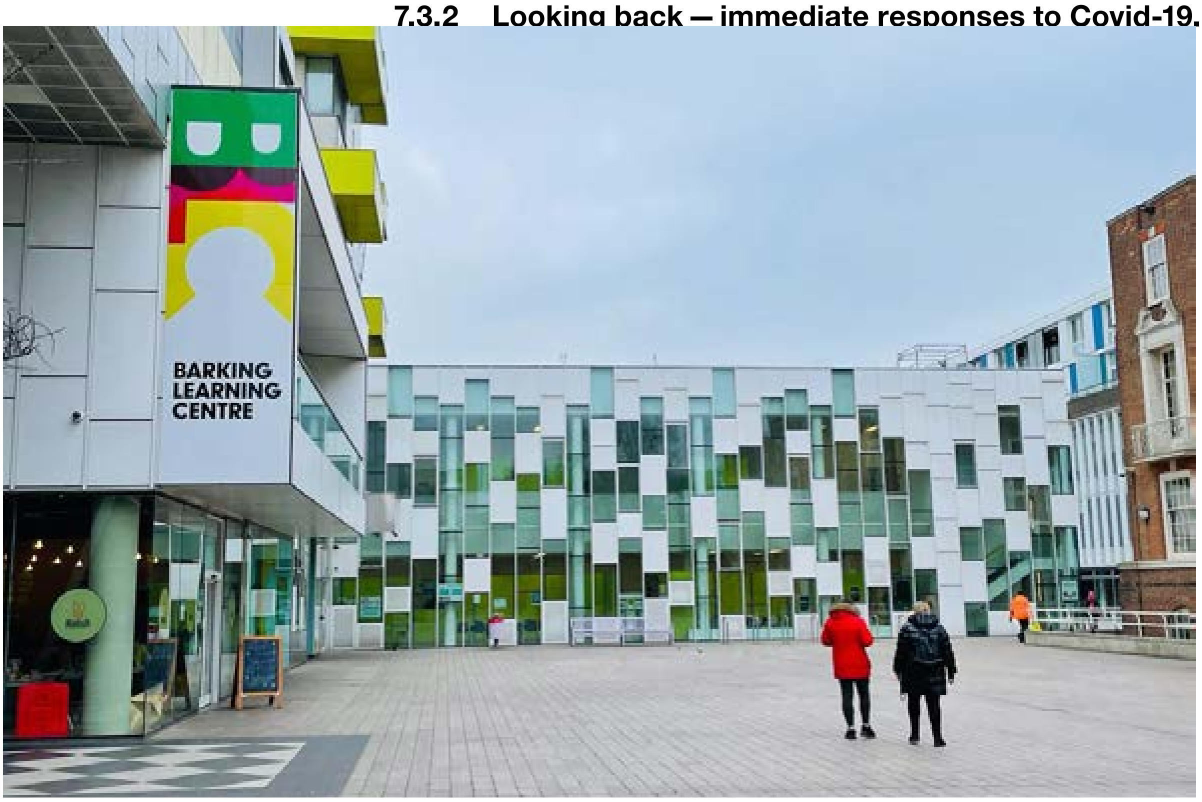
Experience Economy (EE) development is a strategic priority in Barking and Dagenham. The borough is part of the Thames Gateway (and its ambitions for a Thames Estuary Production Corridor). The borough was one of six to host the London 2012 Summer Olympics and it has actively sought to attract

143 Barking and Dagenham population and demographic data. Available at: https://www.lbbd.gov.uk/population-and-demographic-data
144 Public Health England (2015) Local Health Indicators: Deprivation Score — Index of Multiple Deprivation 2015. Available at: https://www.gov.uk/government/statistics/english-indices-of-deprivation-2015
145 GMB London (2019) 30% of Barking and Dagenham residents in employment earning less than London Living Wage. Available at: https://www.gmblondon.org.uk/news/barking-and-dagenham-residents-earning-less-than-london-living-wage
146 Barking and Dagenham (undated) policy document. Available at: https://modgov.lbbd.gov.uk/Internet/documents/s142962/Article%204%20Direction%20Appx%203.pdf
147 Information taken from the internal presentation Inclusive Growth in Barking and Dagenham: A story and a strategy: reference to: Municipal ownership: through a set of council-own [sic] companies that draw on the best of the public, private and voluntary sectors (while protecting against privatisation and out-sourcing).
148 Charities, social enterprises and socially engaged programmes that are mainstays of the EE in LBBD are: Studio 3 Arts, Green Shoes Arts, Creative Barking and Dagenham, and Barking and Dagenham Youth Dance. The borough also works with enterprises that share its social inclusion ambitions but are outside its boundaries, including Studio Wayne McGregor and the Barbican Theatre.

EE organisations. A House for Artists, which offers 12 affordable, high-quality residential units and studios, is the capital's first Artist Enterprise Zone, an initiative that aims to help keep artists in London. Opportunities are also emerging around the regeneration of the Dagenham Film Studios (owned by the local authority, with an ambitious plan for job creation), London's first Youth Zone, a new live music venue and cinema for Barking town centre, the new Everyone Everyday programme led by Participatory City, and the new Cultural Citizens programme led by A New Direction and Studio 3 Arts. Capital investment is also planned for the major heritage sites of the borough, including Barking Abbey, Eastbury Manor House, and Valence House. Figure 13 provides a map of the EE in the borough.

The ecosystem that supports EE development is diverse and includes faith communities and the voluntary sector alongside more mainstream arts and cultural organisations. Tourism activity is as yet a very small part of the area profile and the focus is on engaging residents from within the borough and its immediate neighbours. EE activity across LBBD is actively supported by strong connectivity between the public sector organisations that deliver services to the area's 60 schools, 19 community centres, 12 local open spaces, 12 parks and two museums. Within the borough's ecosystem there are several social enterprises, including an organisation that supports the homeless in getting into employment through tourism, Arc Theatre (a touring performance company that primarily uses drama as a means of addressing a range of social issues in schools), and UKON Careers (a carnival that uses a range of workshops and other interactive sessions to bring people onto the streets, build confidence and begin to build employability skills).

7.3.2 Looking back — immediate responses to Covid-19.



Barking Learning Centre, London Borough of Barking and Dagenham

As noted above, creative, cultural and heritage, and, by extension, Experience Economy (EE) activities have been a central pillar to deliver the economic and social ambitions of the London Borough of Barking and Dagenham (LBBD). This vision has set a framework and created a belief in the value of EE activity, and linked it within the wider context of the Thames Gateway (which received £4.3 million to develop the concept of the Thames Estuary Production Corridor[149]) as well as embedding it at the heart of decision-making before and during the pandemic.

Arts and culture are, therefore, at the centre of the Barking Town Centre Regeneration Strategy 2020 –2030,[150] with innovative schemes such as A House for Artists and the Three Sixty space building on the strong foundations of the Ice House Quarter and long-standing Barking organisations such as Studio 3 Arts and the Broadway Theatre. Over and above this investment, the local authority has committed to reviving the Dagenham Film Studios, with investments of £300 million in Eastbrook Studios, which will be London's biggest film and TV production campus. Warehouses in The Wharf in Barking are also being converted into studios.[151] The investment in the Dagenham Film Studios will support film production, and also grow the ecosystem necessary to support it, including transport networks, hospitality provision, and education and training (the latter specifically focused on young people). In the context of London as a whole, the borough is one of the few that offers affordable rents to start-ups from EE sectors (including digital), thus keeping talent in and around the city. It is important to note here that London and its environs have been central to the success of the UK's creative industries over the past decade, as of 2015 accounting for just under half of the total gross value added (GVA) from the creative industries.[152]

The vision for culture within LBBD is explored in its Culture Everywhere Strategy 2017–2022.[153] This defines culture and experience development as a key part of economic growth plans, and central to the place-making blueprint for Barking. Culture in the borough is explicitly focused on more than economic development. It is presented as providing opportunity for levelling up with the borough's neighbours, creating pride in place, and providing local people with opportunities for skilled work, as well as supporting wellbeing. LBBD's performance framework, set out in the Barking & Dagenham Corporate Plan 2020 to 2022[154] outlines four key strategic priorities: inclusive growth; participation and engagement; prevention, independence and resilience; and well-run organisation. In line with this framework, the council's resilience strategy is grounded in making every design inclusive, without leaving anyone behind, creating opportunities for

149 South East Local Enterprise Partnership (2019) Government awards £4.3m to develop the Thames Estuary Production Corridor putting the creative industries at the heart of the Estuary's industrial strategy. Available at: https://www.southeastlep.com/government-awards-4-3m-to-develop-the-thames-estuary-production-corridor-putting-the-creative-industries-at-the-heart-of-the-estuarys-industrial-strategy/
150 Barking Town Centre Regeneration Strategy 2020-2030. Available at: https://modgov.lbbd.gov.uk/Internet/documents/s141417/BTC%20Strategy%20Report%20-%20App%201.pdf
151 https://www.theguardian.com/film/2021/nov/21/made-in-dagenham-but-now-its-movies-rolling-off-the-production-line
152 GLA Economics (2015) The creative industries in London. Available at: https://www.london.gov.uk/sites/default/files/creative-industries-in-london.pdf
153 https://modgov.lbbd.gov.uk/Internet/ieDecisionDetails.aspx?ID=3147
154 London Borough of Barking & Dagenham (2020) The Barking & Dagenham Corporate Plan 2020 to 2022. Available at: https://www.lbbd.gov.uk/sites/default/files/2022-07/LBBD-Corporate-Plan-2020-2022_0.pdf

residents to be involved in many industries, and also to generate their own lifestyle. The significance of cultural activities is highlighted by the fact that the local authority has a dedicated cultural commissioner, Tamara Horbacka. Horbacka has focused on sustaining cultural and creative activities. She has drawn on existing networks with wellbeing, educational, skills and training and economic development teams across the council to deliver innovative approaches to supporting EE activity, while exploiting its potential to enhance wellbeing during the pandemic. Key aspects of policy in the borough that are relevant in an EE context include the following.

- Providing clear guidance on and support for delivery of EE activities during the pandemic.
- Creating a framework through which to deliver social and economic objectives and underpinning this by engaging in the Social Value framework and policy, and associated measurement methods (Themes, Outcomes and Measures, known as TOMS).
- Ensuring that members of the council team have access to information, skills and support to deliver the ambitions of cultural, creative and wellbeing initiatives, via membership of the Inclusive Growth Network hosted by the Centre of Progressive Policy. These ambitions are focused around creating good jobs for residents, growth and green infrastructure.
- Supporting skills development (including digital). As well as government-funded schemes,[155] the council has various initiatives of its own, including the Inspiring Futures Cultural Education Partnership, which nurtures links between cultural organisations and schools to work towards every young person having the opportunity to be creative, either in school or beyond.
- Developing partnerships with cultural organisations that provide students with the opportunity to take part in bespoke projects, with wrap-around support that combines delivery of the grant objectives with longer-term local economic and social priorities.
- Providing space for new business incubation — the borough offers a range of grants, loans and other financial incentive schemes designed to support all industries and features EE businesses prominently in its growth prospectus. Since before the pandemic, it has committed to investing in significant development sites like the Dagenham Film Studios as a way of achieving its ambitions around EE organisations.
- Actively supporting business retention over the period of the pandemic via financial mechanisms (e.g. the Additional Restrictions Grant), and also actively identifying new audiences (for example, commissioning works to support schools in communicating anti-bullying messages).
- Supporting community wellbeing (and creating new audiences) by social prescribing via the Community Solutions (ComSol) prevention pathway.[156] This has enabled the delivery of a universal prevention and early help strategy across the borough, as well as creating innovative solutions to enhance access to digital devices through, for example, a partnership with Citizens Online to deliver basic digital skills via the library service. With

155 Including the Apprenticeship Levy Transfer scheme that encourages businesses to offer high quality apprenticeships to local people and the Barking and Dagenham Recovery Programme delivered by LBBD in partnership with the Barking Enterprise Centre to support businesses in increasing their resilience and sustainability.
156 Barking and Dagenham, Health Scrutiny Committee (2020) Social Prescribing in Barking and Dagenham. Available at: https://modgov.lbbd.gov.uk/internet/documents/s135983/Report%20-%20Social%20Prescribing%20in%20Barking%20and%20Dagenham.pdf

this in mind, workshop participants envisage that the library service may become even more a crucial service. Innovation has also been evident in finding ways to loan tablets to residents who lack access to these devices; for instance, the Breezie scheme offers tablets to older members of the local community to help them get online, feel less isolated, and access digital services.

A coherent vision of the role that EE activities can play in supporting the delivery of the social and economic objectives of the borough, and a commitment to that role, are key to this case study. Strong networks within the local authority and between the local authority and experience providers have played an essential part in consistent messaging, an innovative approach to funding, and facilitating a rapid pivot to find new audiences during the early days of the pandemic.

7.3.3 Impact of Covid-19 on Experience Economy organisations

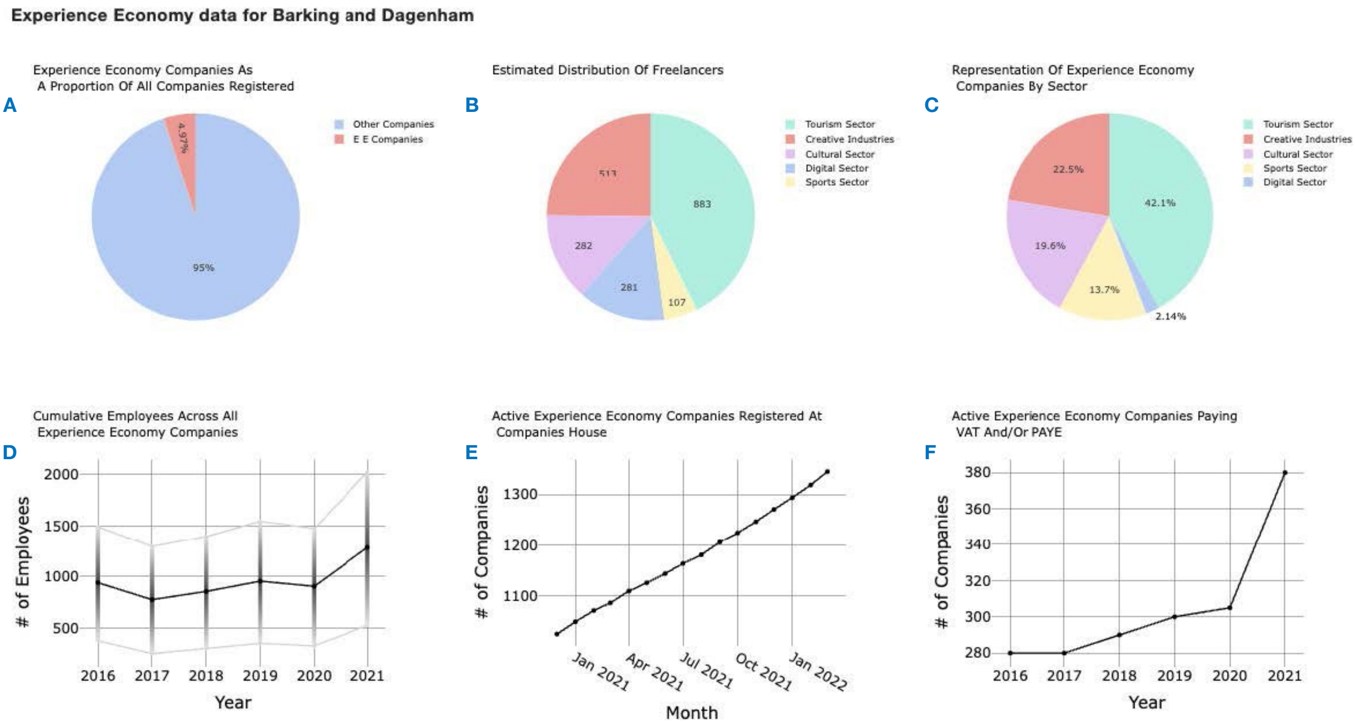
Available data indicates that business growth has been marginally impacted by the pandemic. Turnover and employee numbers have been more significantly impacted, as have those sectors for which diversification options were limited (most notably accommodation). It is important to note in all three case studies, but in the London Borough of Barking and Dagenham (LBBD) in particular, that there is a vibrant unofficial range of Experience Economy (EE) activities. It is likely that these provide supplementary income to support residents, but are not included within official datasets. Airbnb, for example, lists 223 accommodation units, many of which do not seem to appear in official datasets. The data sets in LBBD follow the trend observed in the other case studies, with the number of businesses registered at Companies House growing, while turnovers and employee numbers experience a slower rate of growth.

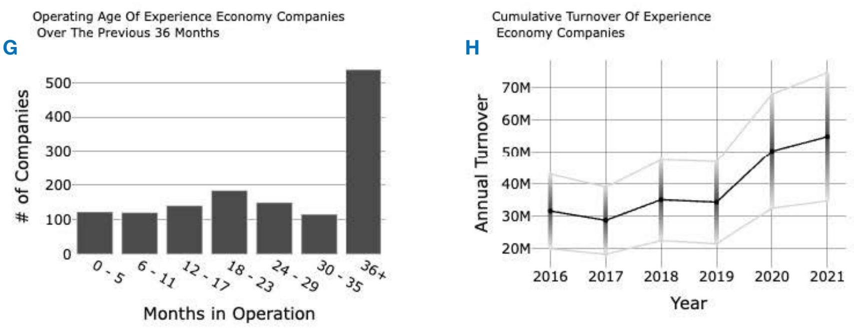
There are inevitable lags in timing between the data being collected and reported. Nevertheless, key trends to note are as follows.

- LBBD's EE is the smallest of those in the places that we studied, and comprises around 5% of all businesses registered as active at Companies House (A).
- The number of tourism businesses registered is larger than all other sectors, accounting for almost half of all EE businesses (C). A large number are registered in the unofficial rather than the official economy (for example, as of 2021, 223 businesses were listed on platforms such as Airbnb, but only five accommodation businesses were listed in the Nomis data set).
- Freelancers and the self-employed are most likely to be focused on the tourism industries, but also make up a significant proportion of the creative industry workforce (B).
- As we noted in the other case studies, the number of businesses registered to Companies House has grown over the period since January 2021 (the date at which data collection started for this project) (E), despite the pandemic, and this growth is accompanied by an increase in Nomis data demonstrating the number of businesses paying tax and/or VAT (F).
- Employment as reported by the Nomis data set seems to have increased

(D), as have turnovers (H), perhaps a reflection of the emphasis of the EE in this area on non-tourism uses, and the relatively rapid bounceback among a young resident population from the pandemic's implications.

- While company set-up rates in LBBD are high, business closures in the first 36 months of operation are proportionally higher than in other places included in the study (G).





A full methodology for each data set is in Appendix 2. Data sources are as follows.

- A, C, E and G are drawn from Companies House data.
- Table B is a calculated field using national estimates of freelancers.
- Tables D, F and H are developed from Nomis data.

Figure 18 — The primary Experience Economy across London Borough of Barking and Dagenham pre and during Covid-19. Note: the Dashboard is programmed to update as new data emerges. For relevant data, link to Dashboard.

Over and above the impacts noted in the data, workshop participants made the comments below about the impacts of the pandemic on EE organisations.

- During the Covid-19 pandemic, the local council (and especially its culture team) has played a crucial role in understanding the complexities and needs of EE businesses, connecting them and providing public funding to support organisations' survival.
- The local council has also developed policies and strategies to connect

vulnerable and marginalised people with creative communities to support wellbeing.

- Some of the challenges faced by the organisations engaged in digital experience production include.
    - overcoming the issues associated with digital poverty. In the context of Barking and Dagenham, this has two dimensions: lack of access to the internet because of poor wi-fi coverage, and lack of access to devices (and skills to utilise those devices) among some audiences, especially those who are the most in need of the wellbeing benefits that can be associated with social prescribing
    - lack of skills among EE providers to translate physical experiences into digital content, which particularly impacted social enterprises
    - lack of connectivity with potential new markets that could be open to digital experiences, inside and outside the borough
    - lack of access to distribution platforms through which digital experiences can be effectively monetised.

7.3.4 Impact on audiences

Pre-pandemic, audiences were comprised of tourists and residents.

Tourists — The borough attracted a gross value added (GVA) tourism spend of circa £120 million in 2009.[157] As at 2007 (the latest visitor data that is available), there were 1.15 million tourists. They were comprised of two groups.

- day visitors (comprising those who come to the borough for less than 24 hours.
- staying visitors from the UK and overseas, with a roughly equal split between international and domestic staying visitor numbers.

Residents — Of the 214,000 residents across the London Borough of Barking and Dagenham (LBBD), a relatively large proportion have been actively invited to engage with the arts and culture.

The changes in audience habits that resulted from the pandemic have been well documented by other projects and were also referenced by our research participants in LBBD. Key findings from the analysis of qualitative data indicates that:

- the Covid-19 pandemic has created opportunities to engage with new audiences via digital, as well as identifying new business opportunities out of the boroug.
- The pandemic has accelerated a shift towards new business partnerships (mostly activated through word of mouth) with local schools and organisations (especially small businesses) that have become new customers for digital and in-person experience.
- the council has used digital technology to deliver a range of community support services as a form of social prescribing. For instance, the New Town Culture programme has utilised digital platforms on a small scale,

157 Greater London Authority (2011) Barking and Dagenham Local Area Tourism Impact model results for 2008 and 2009. Available at: https://www.london.gov.uk/sites/default/files/gla_migrate_files_destination/LATI-Barking%20and%20Dagenham.pdf

and there is an intention to launch a new podcast series and online tools for social care practitioners.

Workshop participants noted that there was a notable shift in the way in which audiences engaged with digital and physical experiences, as well as a significant change in audience composition as lockdown restrictions were eased. The following points were noted.

- Overall, audiences have adapted their behaviours over the course of the pandemic, and many have become accustomed to digital and hybrid experiences.
- One of the biggest challenges for the borough's Experience Economy (EE) is digital poverty, which hinders many residents from accessing digital experiences. There are particular issues for some young people in getting online. For example, the council estimates that 8,000 pupils do not have access to digital experiences, because they cannot access networks or devices. Initiatives such as the Breezie tablet scheme have been mentioned previously.
- Some EE organisations have effectively used digital technologies to engage with their audiences during the period of lockdown. A number of case studies are included in the **Guide to Creating Digital Experience Productions** with **extended case studies** available, as follows:
    - Green Shoes Arts
    - Arc Theatre
    - Pen to Print.

7.3.5 Looking forwards

The workshop participants reflected on priorities for recovery, noting that the pandemic had changed perspectives among Experience Economy (EE) organisations. Key reflections are noted below.

Rethinking success

Thinking about recovery, workshop participants suggested that the borough's EE should entail not only large regeneration projects (such as the development of Dagenham Film Studios), but also support for the grassroots organisations that create experiences. Participants acknowledged that investment in people and skills has already been substantial, but more is required, specifically in digital, and also in helping the EE support delivery of the wellbeing / social inclusion agenda. Some organisations already have developed means to measure success in terms of wellbeing, social and cultural confidence (e.g. Studio 3 Arts). Workshop participants noted, however, that funders emphasise economic rather than social or community impact measures of success.

Inter-connected policy agendas

Workshop participants reported that the disconnection between different organisation types was a hindrance to the development of a joined-up approach to EE development. For example, the local council has prioritised creative industries and this means that funding is targeted more to these activities than those associated with heritage, the visitor economy and so on. There is an almost complete divorce between these activities and sport. With this in mind, the council has worked to strengthen the

Green Shoes Arts

interconnection between different internal departments, such as the wellbeing, cultural/creative business support and digital teams. These connections have emerged organically and are a result of the relatively tight-knit team within the council.

Workshop participants noted that council ownership of buildings has been a significant factor for linking wellbeing and cultural agendas, because this provides opportunity for regular informal conversations. Going forwards, LBBD is trying to bring heritage, culture, and the arts closer together through a new cultural strategy (currently in development).

Delivering financial support

Workshop participants noted that grants from the UK government were essential to keep businesses viable during the lockdown. Local knowledge provided additional insights and enabled LBBD to roll out additional mechanisms, such as the Additional Restrictions Grants targeted at particularly vulnerable activities. Businesses receiving the grants (up to £5,000) have been able to access support from Barking Enterprise Centres to develop a business recovery plan, identify staffing solutions, avoid outright redundancy, diversify their offer, pivot business models to increase long-term resilience and sustainability, identify sensible investments, for instance in web tech or physical kit-out measures for retail space, etc. Despite the range of financial support available, workshop participants stressed that EE organisations face difficulties in accessing funding. This is partly because many are small and relatively recently established. Other reasons, however, were that some organisations are unaware of available funding schemes or that the funding criteria were too prescriptive and do not enable businesses to adapt and attract new audiences.

A significant proportion of workshop participants commented that one of the greatest threats to EE recovery across the borough comes from the inevitable reduction in funding for arts and culture that will follow in the wake of Covid-19. In essence, recovery funding provided a short-term lifeline without providing businesses with the scope to adapt to likely longer-term changes in the funding landscape. Going forwards, some funding will be required and will be particularly important for LBBD given the evidence that indicates that poorer communities have suffered greater economic impacts because of the pandemic (Warwick Business School, 2021). EE organisations could usefully make input into the type of funding required and build partnerships to jointly raise funding for themselves in the longer term.

Finding the right distribution channels

Workshop participants acknowledged that new (digital) experiences for new markets can be an effective means to support short-term resilience. It is important to note, however, that some EE businesses in LBBD have clear routes to market via digital channels, while others do not. Therefore, there is a need for digital platforms or information hubs to provide audiences with effective routes to access the content created by experiential organisations and amplify their reach. For instance, Unseen Tours uses Airbnb as a platform to distribute its experiences to audiences. Other online intermediaries that are often used include the BBC, Sky, Eventbrite, Fuel Theatre and Zoom. Furthermore, the distribution channels that are available to EE organisations vary according to the type of experiences. For instance, in the case of Studio Wayne McGregor, performances that are located in a specific place (e.g. a theatre) are often promoted by the host theatre as well as via the usual intermediaries. Therefore, when finding the right distribution channels it is important to consider the different types of audiences, of experiences and of organisations.

7.3.6 Building resilience to future crises

Workshop participants also reflected on activities that would support resilience going forwards. Key points that emerged are reported thematically below.

The power of networks

The Covid-19 pandemic triggered businesses to work in different and more collaborative ways, sharing resources and information across different sectors, creating innovative partnerships, including the following examples.

- Studio 3 Arts has supported isolated families by providing them with data bundles and hardware, and shared its connections and platforms with other organisations.

- Arc Theatre has worked with schools, funders, providers of social services and the police in the borough and beyond, to deliver services via Zoom to new audiences. The theatre is also exploring opportunities to work with businesses to deliver Equality, Inclusion and Diversity training, support Corporate Social Responsibility implementation and extend the geographical scope for online delivery.
- Fuel Theatre is a network of creative freelancers who have come together to support London's recovery.
- Sydney Russell School has collaborated with the Barbican to gain access to cinema space.
- The London Borough of Barking and Dagenham (LBBD) collaborated with Film London and the British Film Institute, and with occupational health and health and safety teams, to develop an extensive risk assessment to support film production during the pandemic, creating a template which was then shared across the council.
- LBBD has joined the Inclusive Growth Network, alongside 11 other councils and combined authorities, to share experiences of creating new forms of growth that meet economic, social and environmental objectives.
- Valence House Museum has built partnerships with universities.

The drivers for these collaborations are varied, but building a more inclusive economic recovery, reducing inequalities and alleviating poverty during Covid-19 and beyond is a prominent ambition for multiple organisations.

LBBD has the strongest linkages across the range of organisations with especially strong links between facilitators of engagement and business support activities of the three case studies. The local authority is pivotal in stimulating these connections (and is central to them) and has been particularly effective in generating linkages within and between creators and primary suppliers, some of which it directly contracts for services/part owns. From this strong bottom-up base, new connections are emerging, associated with the many investments that the council is making, including in digital skills and creativity.

Creating networks that support resilience

The following key points emerged from the discussion around networks.

- Networks are inward facing (largely comprised of the same types of organisations and focused on EE organisations' requirements rather than necessarily finding new opportunities). There is potential going forwards to build new partnerships with organisations that have the potential to extend outreach and create new markets.
- Local networks play an important role in supporting the delivery of social objectives, developing funding proposals, and providing outreach to new (and often disadvantaged) audiences. Broader networks play a different role in supporting production and delivery of creative outputs; in fact, much of the production of experiences is focused on national and international supply chains that meet specific design requirements.

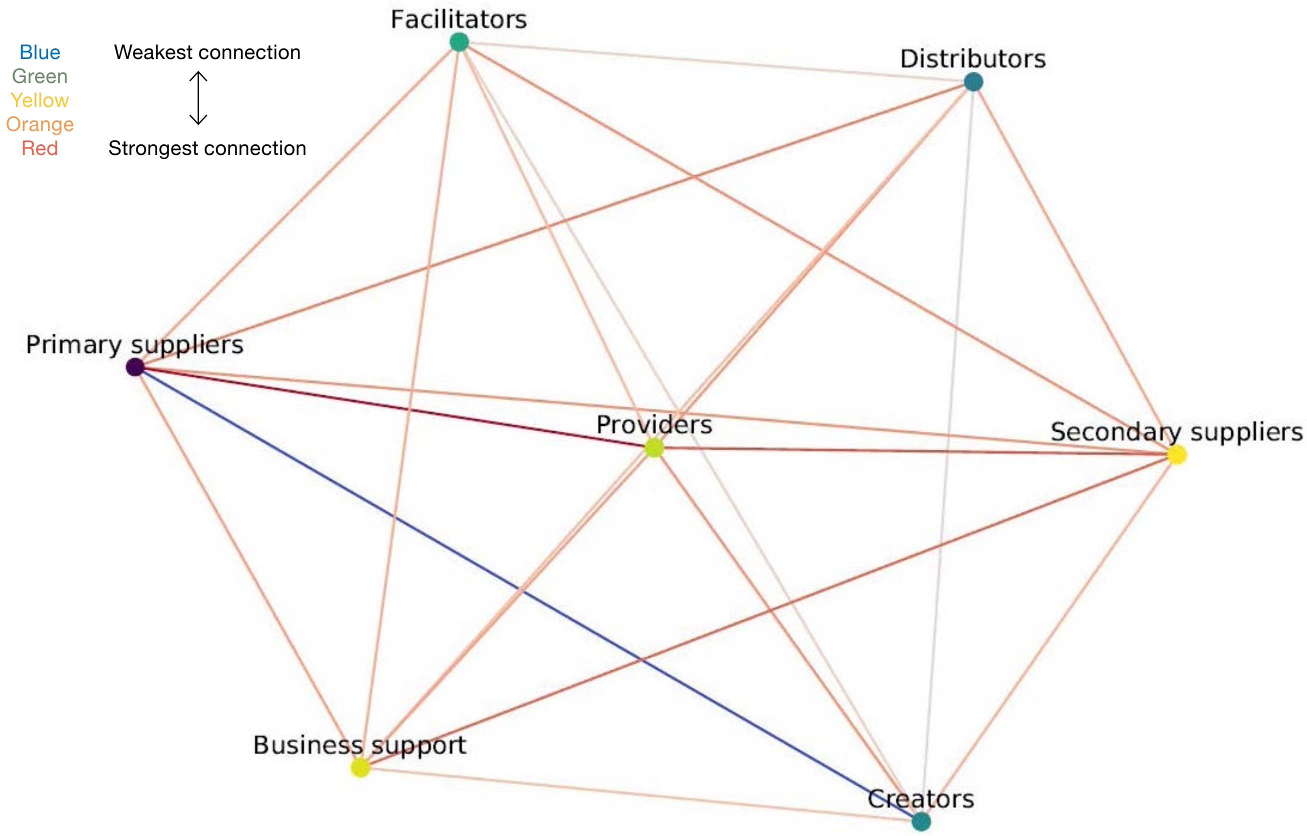


Figure 19 — The power of networks across Barking and Dagenham. Note: Graphic created using coding developed for this project and created to interpret the data collected on an interactive whiteboard during place based case study workshops and follow up one-to-one discussions.

- Overall, strengthening connectivity across organisations is expected to enhance the resilience of the borough's EE.

Public sector support

LBBD is central to defining the direction and delivery of EE activities across the borough. Its policy documents lay out its vision. It has commissioned much of the cultural content that has occurred over the period of the pandemic, joined the dots to ensure EE organisations provide services to support vulnerable and excluded communities, embedded arts and culture in different sites across the borough, and revitalised local assets (e.g. green spaces, public spaces, town centres, etc.). More important than any one specific intervention, LBBD works to ensure that these activities interrelate, and has reacted rapidly over the period of the pandemic to maintain EE activities. For instance, Community Solutions provides a newsletter which showcases all activities, including cultural and creative events. Workshop participants agreed that the local authority would play an increasingly crucial role in facilitating engagement between EE organisations and supporting them in building resilience to future crises. This proactive position is already in evidence as LBBD plays the role of intermediary for businesses wishing to work with the Barking Enterprise Centre, and with its own employment and skills team in the Job Shop and adult college, supporting employers and employees, as well as collating and promoting related information.

Supporting digital production

Workshop participants noted that digital technologies play two core functions in EE organisations: they allow teams to network (especially with other businesses over periods of lockdown), and they reach audiences. Workshop participants stated that, although many organisations had wanted to embrace digital technologies pre-pandemic, the pandemic has accelerated a digital transition; even with reduced budgets some organisations (such as Studio 3 Arts) managed it well. In particular, the Covid-19 pandemic triggered organisations to develop digital content and explore the development of new products, new audiences, and new modes of delivery. For instance, Valence House Museum received government funding for the digitalisation of Barking Abbey; Arc Theatre has used staff members' working-from-home time for planning and creating new projects (e.g. online performances delivered over Zoom with significant amounts of audience participation); the 2021 UKON Careers carnival went digital via a series of films that were transmitted across the borough. Some organisations (such as Participatory City) offer a digital platform infrastructure available to other organisations to access services (including booking physical workshops). Overall, workshop participants highlighted that digital experiences do not replace their physical counterparts.

Developing new skills

The new digital landscape raises the need to develop new skills. Many participants (especially those from museums and archives, which base most of their operations on physical objects) noted that they lack the ability to translate physical experiences into digital content to be experienced online via interactive platforms that can also be monetised. Some participants noted that they have used in-house skills to create content, while others have collaborated with well-established artists from outside the borough. However, some organisations question the approach of engaging outside organisations and instead advocate for the need to better involve local artists in order to create experiences that are more meaningful and relevant to the local context and its residents. In this regard, a relevant initiative to mention is the apprenticeship levy transfer scheme, which allows unspent apprenticeship levy funds to be transferred, in order to support more businesses to offer apprenticeships in the borough.

Workshop participants also pointed to the opportunity to open up new roles for digital specialists supporting council members in developing digital literacy and aiding different departments in digitising their operations. They also suggested using apprenticeship levy transfers to fund apprenticeships around such digital roles.

Workshop participants also highlighted the crucial role of local further education colleges, higher education institutions and other training providers in making short courses more accessible and developing the new set of required skills to support the digital transition. For instance, the Barking and Dagenham adult college is currently offering staff training, upskilling and support, and the council's employer engagement team offers a free, high-quality recruitment service for employers to ensure specific business needs are met in this changed landscape. LBBD also committed to maximising the opportunity offered by the UK government via the Kickstart job creation scheme (now closed) for young people, who are especially vulnerable to the current economic crisis. Young people can access high-quality roles that lead to meaningful and sustainable employment, and this also regenerates the local economy to help businesses recover from the pandemic.

Identifying the right monetisation options

Workshop participants highlighted the need to further investigate monetisation options for digital experiences and supporting organisations in identifying the right ones for their experiences. Workshop participants reported that most of the digital experiences developed in the borough over the period of lockdown were delivered free of charge and there wasn't an ambition to directly monetise them through audiences (many were commissioned by the local council and thus the monetisation occurred at this point of the product cycle). Another noteworthy example is that of Arc Theatre. Unlike many performance companies, most of the work of this organisation is not sold on a pay-per-view basis, but is mostly funded by external agencies, which have agreed to a delay in the delivery of project outputs during the lockdown.

Tackling the digital divide

In order to fulfil their potential, the EE organisations participating in this research identified a need to address digital poverty (through access to devices or internet connection). The digital divide[158] has two dimensions: some people cannot get online because they have no internet connection, others lack a device. For instance, many volunteers (most of whom are post-retirement age) in heritage sites do not have mobile phones or access to computers, and this rigidity within the council's regulations hinders their potential to become digitally enabled. To tackle this issue, some initiatives are emerging — many of them are a result of council members being in touch with their communities. The council also provides peer-to-peer mentoring and grants / access to devices to encourage more people to get online. Overall, the council's emerging digital strategy is expected to join the dots and make up for the gaps in digital provision, using council investment in necessary infrastructure. In fact, ensuring free wi-fi and high-speed digital access across the borough was highlighted as an important step in the plans for recovery and supporting resilience. In view of future work, having a better understanding of digital exclusion helps the council's digital team within the to address this issue, but it is important to highlight that outreach is not always easy to undertake.

7.4 Implications from the place-based case studies for national policy

In an environment in which working from home is the norm for many people, experiences are an increasingly important factor that encourages visitors (whether resident or tourist) to come to a place and spend time within it. They are thus central to regeneration in each of the three case studies. Although the activity emphasis is different in each, experiences have played

158 Local Government Association (2021) Tackling the Digital Divide — House of Commons (4 November 2021). Available at: https://www.local.gov.uk/parliament/briefings-and-responses/tackling-digital-divide-house-commons-4-november-2021

a key role in bringing people into communities, supporting mental health and shaping perceptions of what matters in a specific place. Experience Economy (EE) organisations have worked collaboratively and remarkably effectively across each of these places, generating loyalty among their respective customers that goes significantly beyond a financial transaction. The value of EE organisations in the city, therefore, goes beyond their contribution to gross value added (although this GVA is of course important).

The EE plays a significant role in each of the places presented in this report. Economically it is particularly important in some, while in others it is an essential part of health and welfare support. Employment and turnover data for the sector indicate a danger that many businesses may face closure once the pandemic is over, should they fail to increase turnovers. The fate of the many freelancers who provide the flexibility on which many organisations depend is also unknown and a failure of many of these to return to the sector may undermine its recovery capacity.

The collective values of many of EE organisations have formed their response to the pandemic. Many have played a key role in providing services to educational institutions, supporting community wellbeing, maintaining open spaces, and providing important moments of joy to residents and visitors alike. Playing these multiple roles demands that businesses become nimbler and better connected with other EE organisations, developing connections which are not only inward facing (i.e. among the same organisations within the same place) but also outward facing (i.e. with other organisations with the right type of skills and resources), and adopting hybrid models (e.g. a mix of online and in-person meetings, and an open-door policy). Networks are essential to facilitate these connections and sustain business relationships, while building a vision of a common and resilient future. The public sector is little recognised but critical within these networks. In many ways, public sector organisations are the essential glue between different parts of the EE (especially those that are visitor-focused and those that are more creative or cultural in orientation) and that can bring the combined might of financial, planning and marketing resources to bear, to deliver services in a time of crisis. What is needed as we emerge from the Covid-19 crisis is perspectives on how success looks that are nuanced by the experiences of the past two years and enable policy makers to join up agendas (net zero, skills development, digital divide, deprivation, wellbeing) and simplify implementation / measurement to support EE activity going forwards.

Within each of the case studies, there was a commitment to sustaining EE activity and a recognition of the value of these organisations in creating sense of place. Within this context, the EE has an obvious economic value, but the ways in which it can contribute towards pride in place, community cohesion and individual wellbeing are equally significant. It is these industries that provide differentiation on the high street, that are the first port of call when seeking to kickstart the process of regeneration, and that are frequently peopled by those who are fiercely rooted in their communities. All too often, the commitments to these industries are short term and they lose their tenure to international businesses that are capable of paying higher rental values for town-centre real estate once economic growth starts. Sustaining these industries at the heart of communities, however, is essential for town-centre regeneration. Learning from the past as well as nurturing input from residents will help to curate townscapes that retain their unique appeal.

EEs across each of the case studies have experienced a relative decline in turnover per unit and a slowing in new company formation. Some types of organisation, and especially the freelancers that provide the flexibility that many experience organisation depend on, have been particularly impacted. There is a danger that many of these organisations may have survived the pandemic but are operating unprofitably, with critically low capital reserves, and may be lost as recovery gains momentum. Many have demonstrated remarkable resilience. They have kept customers engaging online, and coming in even under the conditions of social distancing. Financing the recovery will be important to reap the rewards of financing the shutdown. Many of these businesses can reopen and offer services to consumers who are keen to once again experience.

Consumers have, however, changed, and experience organisations — in the short term at least — are likely to remain focused on the near-to-home domestic market. Rebuilding customer confidence will be critical in providing resources to help businesses adapt to the new environment. Digital methods of consuming experience and making new types of content have become a critical part of the product mix for all businesses. The ability to engage with this channel will remain an essential part of the survival skills base for EE industries. Businesses across each of the case studies have highlighted that they have adapted to the challenge, but skills development will be critical going forwards. Access to good-quality digital infrastructure will also be fundamental to providing places with the confidence that the products, services and experiences they develop will be accessible to their intended audiences.

Digital has become a central theme of narratives about recovery and skills development, and monetisation strategies across each of the case studies. Many organisations have made significant investments in digital over the period of the pandemic. Most, however, have a thirst for further insights into how digital and physical interface in the customer journey and more knowledge to support the development of experiences that can be monetised. Many express a need for some form of transition fund for research and development, to enable them to take the digital experiments from the pandemic into further creating digital content and supporting upskilling to sustain this activity. Some of this support may be financial, but business support and mentoring, skills development programmes and investment in highly visible digital platforms are also required.

While there are similarities across each of the case studies, it is important to note that there are also significant differences. Identity and fierce sense of pride in place is a key difference. For some of the case studies, that place is hyper-local (defined by a city or town), for others it is regionally focused. This sense of identity is rarely reflected in funding opportunities and the broader policy structures that support EE organisations. Small boroughs such as LBBD find it hard to get noticed within the auspices of the London-wide marketing focus of organisations such as London & Partners. Larger regional units such as North East England find that funding packages are typically focused on county boundaries. National initiatives such as the City of Culture and Arts Council priority places all play an important role in focusing ambition, but flexibility is required to reflect how place is defined.

Perspectives on monetisation also differ significantly between places and experience types. Some EE organisations recognise that digital provides a new product channel, offering the opportunity to make income from a second activity perhaps focused on educational or other markets. For many, and especially those in deprived communities, digital creates an opportunity to enhance wellbeing and is not necessarily monetised in the sense that the end customer pays for the experience. In these contexts, monetisation may be viewed as something that can be supported through health and mental wellbeing services and/or education budgets. In other situations still, digital content is not intended to be monetised in its own right. It is a means to attract consumers in a global marketplace and bring them into a place to explore all it has to offer. In this context, it is a marketing tool, with the financial reward being delivered to the businesses and public realm activities that depend on bringing outsiders in.

Digital and creative skills
The Experience Economy and adjacent industries urgently require UK-grown talent across all aspects of digital, virtual production and extended reality[159] (XR). This is a highly competitive field, evolving at pace technically and creatively, and with an increasing global demand for relevant skills (digital and analogue) particularly at postgraduate, and post-doctoral levels.[160] Investment in subsidised postgraduate education, in hybrid technical-creative disciplines, across the computer sciences, digital imaging, sensory (e.g. sound, haptic), and design practice fields, should be significantly increased to fully meet the potential for innovation. Fast-track programmes that enable students to study while on funded placements should also be explored. In addition a dedicated space in which creative, cultural, visitor and digital providers can collaborate and learn from each other to define training needs could add significant value and support and inform digital innovation.

Digital divide
Skills acquisition needs to be more dynamic and inclusive, acknowledging the speed of technical change, and also the opportunities for introducing lifelong learning in order to mitigate issues of digital divide across both developer and user groups. Covid-19 has also highlighted significant inequalities in digital provision, access to digital tools, support, and inclusive methods of participating in experience. In addition, vital public facilities such as libraries, and other relevant provision (e.g. galleries and theatres), require resourcing to ensure more Inclusive approaches toward digital access, learning and support throughout all our society.

Public sector support
Public sector organisations play a pivotal role in making the case for Experience Economy activity politically, and in terms of sustaining networks across creative, visitor, and the numerous related intersecting sectors. Dedicated financial instruments at national, devolved and regional levels would contribute to improving UK Experience Economy organisations' continued resilience in the longer term. Destination Management Organisations (DMOs) play a specific role, providing a shop window for experience organisations as well as convening conversations across experience sectors. The recent government consultation on the role of DMOs also highlighted related issues, with recommendations for change, many of which resonate with these research findings.

Monetisation
Effective monetisation of online experiences and digital content has emerged as a core theme. There is currently an emergent and variable approach toward monetisation methods from industry. Novel forms of financial modelling toward monetisation objectives, with wide-ranging

159 Extended reality (XR) is a term referring to all real and virtual combined environments and human-machine interactions generated by computer technology and wearables. It includes representative forms such as augmented reality (AR), mixed reality (MR) and virtual reality (VR), and areas that intersect them, including all aspects of computer imaging. XR is a superset that includes the entire spectrum from the complete real to the complete virtual — providing an extension of human experience and representative sense of existence. XR is increasingly applied widely in entertainment, marketing, real estate, training and remote working.
160 www.storyfutures.com/uploads/docs/VP_Skills_Report_202121.pdf, www.bfi.org.uk/news/bfi-skills-review-published-film-high-end-television

and inclusive consumer perspectives, require further research post Covid-19. Fully understanding the many evolving monetisation options will be critical to Experience Economy business modelling and implementation, nationally and globally. Approaches towards monetisation should be nuanced to recognise the range of values of organisations operating across the EE space (including organisations that do not have a for profit motive).

Data

Official data available via the Office for National Statistics (ONS) significantly underreports the number of enterprises engaged in experience-related activities, because a disproportionate number are small/micro enterprises or freelancers. This means that in economic terms, the scale and contribution of these organisations to GDP is poorly understood. Freelancers in particular are an essential part of the Experience Economy ecosystem, providing the flexibility that many businesses need to acquire specialist skills for specific projects. A reassessment of the Standard Industrial Classification (SIC) system to enable easier identification of the range of organisations involved in experience creation is needed, along with more rapid capture and dissemination of data between businesses, freelancers and local authorities and better data from which to evaluate local economic impact.

Visibility

Developing ways to support effective digital output in reaching its fullest potential audience, including established and emergent global audiences, presents new opportunities for engagement for many Experience Economy providers. New platforms could play a critical role both in supporting recovery and building trust.

Digital in the context of place

Rethinking the role of Digital within the context of place in a world in which working from home and online shopping is increasingly the norm, It is important to ensure that digital methods are also valued as a means of attracting existing and new audiences. There is an opportunity to enhance the role of physical experiences via digital methods, also as an important means to bring people into villages, towns and cities that otherwise would have a more limited profile. Digital methods of engagement provide powerful new ways to stimulate interest among new and existing audiences and enabling them to explore place in new ways. The interface and connectivity between digital and physical operatives and spaces, however, requires more research to ensure that digital methods complement, rather than replace physical experiences. This will go some way to ensuring that the economic benefits from an increase in audiences engaging in physical experiences in the wider context of place, is spread throughout communities.

Strengthening networks

The most resilient places in the UK are characterised by strong interconnectivity. Experience Economy networks, composed of businesses from the creative and visitor sectors, are vital to maintaining a coherent narrative at place level, attracting investment and interdependent audiences. Digital platforms and initiatives targeting places with lower connectivity could spread the level and rate of recovery more evenly across the UK. Such platforms would also connect organisations to new global audiences.

Resources and information:

- **DREEm Resources**
- **DREEm Paper**
- **DREEm Report**
- **DREEm Report Appendices**
- **DREEm Glossary**
- **DREEm Dashboard**
- **DREEm Compendium**
- **DREEm Production Case Studies**
- **DREEm Production Guide**
- **DREEm Bulletin**

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First published 2022

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Funded by
the Arts and Humanities Research Council (AHRC)

Partners
Joseph B Pine, University of West of England, and RHPL consultants

Additional thanks
Joseph B Pine, Dr Victoria Young, Archie Hollyfield, Quinn McNeil, Dr James Harvey, Michelle Philgence, and with particular thanks to the Working Group Stakeholders cited in Appendix 4

Copy editing
Hester Lacey, Katie Myers

Design
Clémence Guillemot

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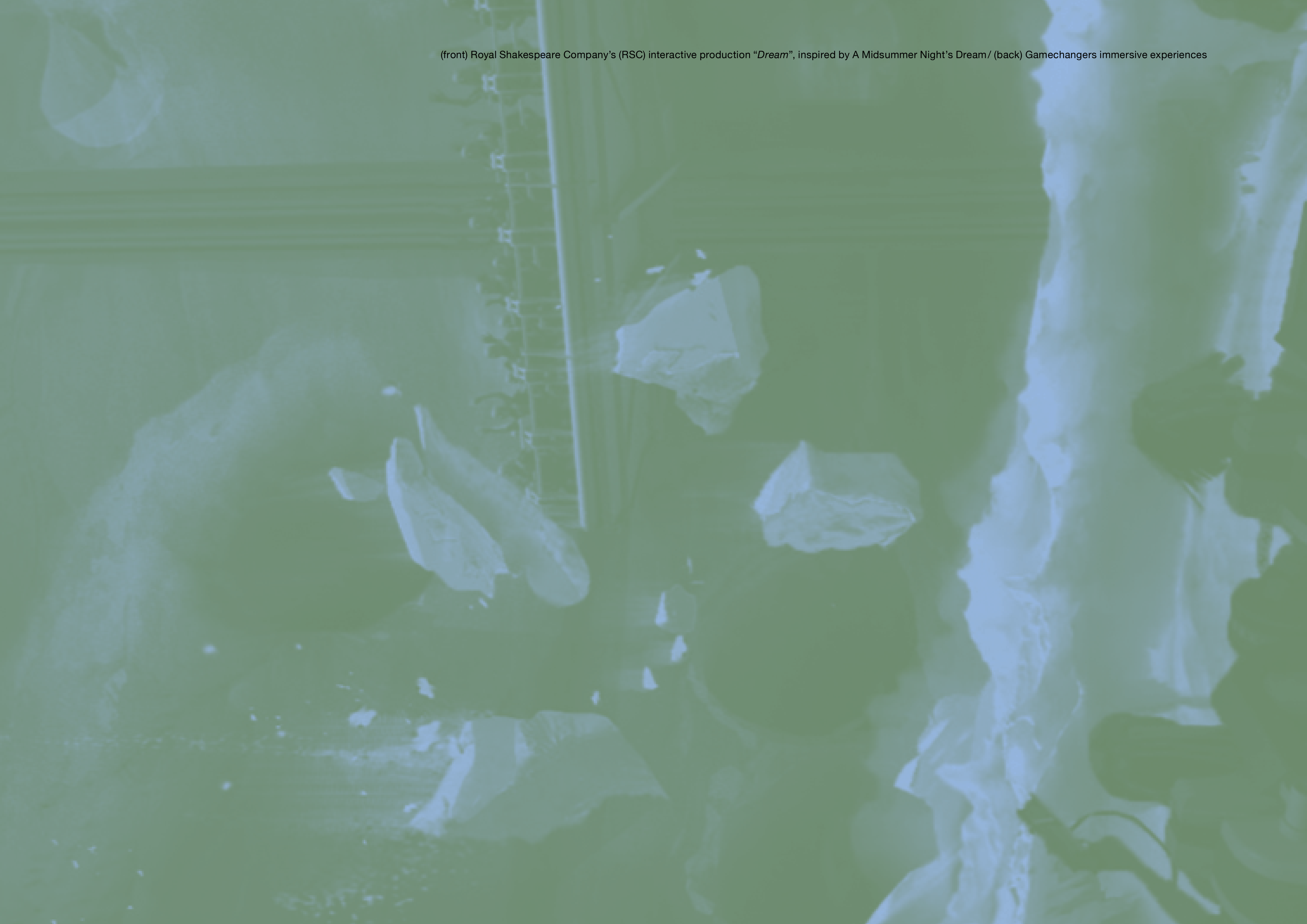

(front) Royal Shakespeare Company's (RSC) interactive production "*Dream*", inspired by A Midsummer Night's Dream / (back) Gamechangers immersive experiences