

Towards a staging system approach to territorial innovation

Hugues Jeannerat

This chapter provides a reflexive account on the fundamental issues raised by the experience economy for urban and regional studies in the last decade. Through the concept of 'territorial staging system' (TSS), a possible research agenda is proposed on the basis of current and ongoing debates in economic geography. Rather than a closed-ended understanding of regional development, the concept of TSS is proposed as an open and exploratory framework to build upon in order to address new critical research avenues.

Along with an initial definition of the TSS, three main research avenues are drawn out. The first draws particular attention to the way particular production resources are turned into territorial stage settings. The second emphasizes the way particular stage settings and consumption resources are turned into experiences. The third finally questions how experiential engagement is turned into territorial revenue.

Why the experience economy in regional and urban studies?

Over the past years, mainstream models of territorial innovation and competitiveness have been largely challenged by various critical reviews and alternative theoretical propositions. The traditional models of industrial districts, innovative milieus, innovation clusters or regional innovation systems have become objects of debate upon which new concepts have been formulated. In a knowledge- and service-based economy perspective, more specific attention has been dedicated to cultural and creative activities. The concept of 'creative cities and regions' has become, for instance, a new headline to describe the fertile ground upon which competitive economic activities can be generated and global talents attracted. Policies of 'creativity' have gained attention as alternative models of public intervention to conventional industrial cluster policies or as new incentives to regenerate regions in crisis (Cooke and Lazzarotti 2008a; Costa 2008; Miles and Paddison 2005; Pratt 2008; Scott 2006).

In the past decade, a more subdued but not less critical approach to traditional models of territorial competitiveness also started to convey alternative views on regional development around the notion of 'experience economy'. Parallel to the debates instigated by cultural economic geographers, this approach drew its

inspiration from marketing and management studies (Lorentzen 2013a). Not presented as ‘another’ specific ‘turn’ (Grabher 2009), the experience economy critique of traditional territorial innovation was driven by three intentions.

The first intention was *theoretical*. While territorial innovation models (TIMs) were almost exclusively conceived and discussed from a production perspective, the experience economy approach adopted a reversed perspective: the economic value of regional activities is created out of consumers’ memorable engagement (Pine and Gilmore 1999). Not merely did such an approach broaden existing models; it also implied a new interpretive lens on territorial competitiveness. While the geography of innovation was mainly built on an exchange value approach, asking how economic goods or services were innovated and produced differently from one place to another, the geography of experience economy primarily draws on a use-value approach, asking how these goods and services were consumed in specific places. The consumption of goods and services was no longer conceptualized as footloose (Malmberg and Power 2005) but bound to particular geographical places of experimentation, imagination and enrolment (Lorentzen 2009a).

The second fundamental intention was *pragmatic*. In line with Pine and Gilmore’s (1999) thesis describing the rise of a new historical phase of business making, the concept of ‘Experience Economy’ was approached as a pragmatic analysis of the new economic challenges that firms and territories face in a post-modern and globalized economy (Harvey 1989). If it was not denied that ‘economies of experience’ had always existed, it was nevertheless advocated that value created through consumers’ experience had become a new dominant techno-economic paradigm (Lorentzen 2009a) applicable to leisure activities as well as to conventional goods and services. Valuing consumer experience was not only considered as creating a new added value to economic activities, it was also regarded as a contemporary opportunity for firms and regions to distinguish themselves and draw competitive advantage in a global market. Besides the global race for talents and high-end technologies supporting the models of ‘creative city’ or ‘technopole’, the experience economy was perceived as an alternative approach to innovation in regions and cities.

The third intention was *policy based*. Usually mentioned but only addressed indirectly in most European ‘cultural’ or ‘creative’ economic policies, the experience economy approach received more specific attention in Nordic and Scandinavian countries (Freire-Gibb 2011; Lorentzen 2013b). Interpreted in various ways (Bille 2011) and implemented with variable degrees of success (Power 2009), this concept was explicitly acknowledged and promoted as part of a strategic knowledge or industrial policy of innovation. This specific policy attention boosted a common research agenda among Nordic scholars and contributed to the formation of a research community sharing a common aim: investigating territorial innovation in the experience economy.

Territorial innovation in the experience economy: an ultimate goal or a promising starting point?

By analogy, the metaphor of ‘bandwagon journey’, adopted by Fuglsang and Eide (2013) to describe how the concept of experience economy became a common object of coordination and collective learning among small innovative Norwegian and Danish tourism firms, can be applied to the research community engaged with this same concept, too.

In the past years, several dedicated workshops and publications have acknowledged, explored and established the concept of experience economy in regional and urban studies. Among significant achievements of this process, the edition of two special issues in European journals (Lorentzen and Hansen 2009; Lorentzen and Jeannerat 2013), the publication of a dedicated handbook (Sundbo and Sørensen 2013) and a series of European workshops (for some accounts of these workshops, see Jeannerat 2010; Lorentzen 2011; Grabher and Jeannerat 2012) can be mentioned.

The present edited volume is another important milestone in this research trajectory. Nevertheless, the present volume is not only an additional contribution to the literature on experience economy and territorial innovation. It is also a timely opportunity to evaluate the current state of the reflections and their potential future(s). Again to recall Fuglsang and Eide (2013), providing a reflective account on what has been done is also part of a learning process. It can also help avoid a potential ‘lock-in’, to adopt another famous metaphor, in the research path initiated for some years now. What are the main achievements of this bandwagon journey?

A first major achievement of this research process has been to overcome the boundaries of different research fields. The concept of experience economy became a ‘boundary object’ (Star and Griesemer 1989) for researchers coming for instance, from rural, urban, regional or consumer studies. Under this concept, different researchers mobilized theories from economics, geography, anthropology, sociology, marketing or management and provided complementary insights to a common knowledge corpus. The concept also gave the opportunity to address, in a common framework, multiple socio-economic phenomena such as the growing eventification and festivalization of places, the culturalization of traditional productive offerings, or the increasing entanglement of tourism, manufacturing and residential activities in economic life.

Not only a ‘boundary object’, the concept of experience economy also became an ‘intermediary object’ (Vinck 2009) in the sense that it was not considered as a finished theory to be empirically tested and implemented in practice. It had a heuristic purpose. Rather than an ultimate theoretical paradigm, Pine and Gilmore’s thesis was often utilized as a starting point to question and reconsider the way regions innovate and develop today. Over the years, the concept gained theoretical and empirical thickness, enlarging at the same time the earlier contributions on the subject.

Finally, the experience economy approach developed within broader theoretical debates. This was particularly the case in urban and regional studies where

the experience economy approach was positioned against or complemented with, for instance, ongoing debates on the ‘knowledge economy’ (Lorentzen 2009b), on ‘varieties of knowledge bases’ (Manniche and Larsen 2013), on ‘cultural activities’ (Lorentzen 2013a; Power 2009), on ‘urban hierarchies’ (Jakob 2013) or on ‘tourism and destination management’ (Richards 2001; Richards and Wilson 2006; Stamboulis and Skayannis 2003). Rather than a positivist and generalizable response to territorial innovation challenges, the concept of experience economy participated to bring alive and evolve debates in regional studies (Legendijk 2003).

In line with these arguments, the experience economy should be regarded as a promising starting point to revisit territorial innovation models rather than itself an ultimate goal. The primary strength of the approach developed in the past years is not to be found in the achievement of a new encompassing model of territorial innovation. Rather it has been to initiate a new explorative and cross-disciplinary research programme.

The experience economy as an unachieved agenda in urban and regional studies

But which were then the limitations of the bandwagon journey? If no dedicated and systematic criticisms have formally been addressed to the experience economy approach to territorial innovation, some constructive criticisms can, in my view, legitimately be made.

First, while the ‘experience economy’ approach carried out new theoretical and empirical insights to territorial innovation, these were rarely interpolated in leading debates within regional and urban studies. Put another way, the scientific knowledge nurtured by this approach has mostly stayed a niche evolving along with external debates but rarely making itself an object of debate in broader literature. The strength of having built on a relatively small community of researchers to develop a renewed understanding of territorial innovation was also a weakness in its lack of impact on a broader research community. For non-initiated scholars, this approach was often and unfairly assimilated to a Nordic and Scandinavian research tradition on cultural and creative economy rather than appraised as a specific theory.

Second, although it was seen as a general ontology, the experience economy approach failed to avoid a certain sectorial bias. Even though it focused the pointer on consumers, the analysis of economic value creation has mostly remained from a production perspective; related to ‘experience goods’ (Andersson and Andersson 2013; Hutter 2011), ‘experience industries’ (Nilsen and Dale 2013; Smidt-Jensen *et al.* 2009; Vang and Tschang 2013) or ‘experience sector’ (Sundbo *et al.* 2013). In this sense, territorial innovation mostly focused on the capacity to relate leisure, entertainment, events or tourism activities to regional production.

Beyond the history of a new economic phase (Pine and Gilmore 1999) and beyond the story of a new theoretical ‘turn’ in urban and regional studies (Lorentzen and Jeannerat 2013), the experience economy thesis raises research

questions that should not be restrained to an analysis of how firms and regions innovate and draw competitive advantage from consumers' experience today. It conveys more profound potentials to reconsider mainstream models of innovation and territorial competitiveness.

Going beyond without throwing the baby out with the bathwater

In the second half of the past century, a particular vision of economic and territorial development has progressively been established in theories and policy practices based on the argument that successful firms, industries or regions are the ones able to innovate within an increasingly globalized market. Innovation has become the essence of competitive advantage, enabling firms to distinguish themselves from low-cost competitors. From a territorial perspective, regions and nations are most often conceived as particular production and innovation systems, more or less able to turn local factors/resources into competitive commodities (Figure 2.1). Competitiveness is assessed through the capacity to export regional or national goods or services towards external markets and to generate, in turn, new basic revenues for the regions through direct monetary transactions (export sales) (Polèse and Shearmur 2009). Consumption factors and resources engaged in the *territorial valuation* of commodities – that is, how these are actually *valorized and evaluated* (Vatin 2013) in time and space – are rarely specifically examined and theorized.

The experience economy approach developed in the past decades failed, at least partially, to overcome this classical vision. As highlighted above, an important strength of this approach was to propose a new way of approaching economic and territorial development. However, mostly focused on the changing nature of regional offerings to explain new forms of innovation, two critical and interrelated issues have been left mostly unexplored in this research agenda. Addressing these two issues in more systematic and in-depth manner is, in my view, required in order to realize the full potential of an experience economy approach to territorial innovation and competitiveness.

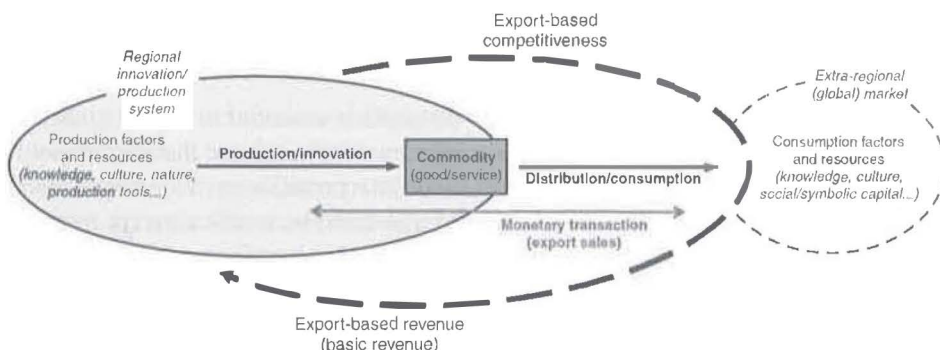


Figure 2.1 The conventional approach to territorial innovation and competitiveness (source: own elaboration).

The first issue relates to the place of goods and services in market valuation (Jeannerat 2013). Beyond its specific managerial implications, the concept of the experience economy more generally points to the imaginative performance in which market actors engage when valuing particular goods and services (Beckert 2011). An experience is not a finished commodity traded, bought and sold as an object disconnected from its socio-economic context of consumption. It is valued in *prize* and *praise* (Dewey 1939; Stark 2011) within a continuous process whereby stagers and guests (Pine and Gilmore 1999) prepare, anticipate and perform shared imaginaries and common actions in a particular socio-economic framework.

The second question relates to the way monetary transaction(s) and revenue models are organized in the experience economy, that is, how experiential engagement is turned into an economic resource. For Pine and Gilmore, experience is 'what is charged for' and 'admission fees' are what is paid. This provocative thesis remains untenable. If it can be easily adopted for traded leisure or visitor-based activities (festivals, museums, natural/entertainment parks, etc.), it is an oversimplified interpretation for a large number of other activities. In most cases, experiences can hardly be charged as such. Goods and services remain the artefacts of stage setting as they mediate monetary transaction within complex business and revenue models. Their monetary trade-off 'totalizes' (Miller 2005), at a particular moment, the broader social rituals set by an experiential stage. For instance, the purchase of a Swiss watch monetizes at a certain moment a more general process of initiation and experimentation in the valuation process of authentic watchmaking (Jeannerat 2013).

Consequently, a broader and more complex approach should be applied to the analysis of territorial innovation. This cannot be reduced to a dialectical export-based model of regional growth describing, on the one hand, the production of tradable goods within proximity and, on the other hand, their exportation within distance.

Beyond this traditional vision, what could be the next bandwagon journey to depict complex market valuation processes of economic and territorial development *today*?

Paving the ground for a new concept

For Posner *et al.* (1982), developing new concepts is essential in the construction of scientific knowledge. It enables exploring new empirical and theoretical fields of research beyond the established schemes of interpretation provided by already existing concepts. However, to be pertinent and durable, a new concept must be sufficiently intelligible and plausible to reflect the limits of an existing conceptual corpus and, at the same time, propose a research agenda that can be collectively adopted and co-developed (Posner *et al.* 1982).

The conceptual corpus progressively established by traditional TIMs since the 1980s is largely challenged by current regional studies. Nevertheless, these models still remain the anchorage point of applied theories and policy practices

devoted to territorial innovation and competitiveness. As many other alternative concepts, the concept of ‘experience economy’ and its related theoretical apparatus have provided pertinent critical views on these established models but have not provided a systematic alternative to them.

Exploring and co-developing a new boundary and intermediary concept could contribute to exploit the potential of the experience economy approach further. It could also provide a new systematic conception of territorial innovation and competitiveness. The nature of this concept would be explorative and collective. Nurtured by the originality of the experience economy paradigm, it should propose a set of systematic questions leading to accommodate new schemes of interpretation (Posner *et al.* 1982).

To build such an alternative concept, it is necessary to return to the original idea of the experience economy thesis and notably proposed by the Pine and Gilmore headline: ‘Work is theater and every business a stage’ (Pine and Gilmore 1999). The fundamental message conveyed by this slogan is that the economic value of an entrepreneurial project may not be based primarily on ‘producing’ goods or services but often also on ‘staging’ things and people in a particular context. A similar interpretation could be translated to territorial innovation: territorial innovation could be comprehended as a localized ability to stage valuable activities and artefacts rather than as a localized capacity to produce competitive goods and services.

In this view, production resources are not just turned into commoditized goods or services but are mobilized as experiential resources in a process of stage setting (Figure 2.2). Consequently, the market is not perceived as an exogenous selection or information mechanism but as a social stage underlying a situated and dynamic process of valuation (Aspers and Beckert 2011). From this perspective, territorial innovation cannot be reduced to the by-product of a local production system competing on a global and exogenous market. Rather, it is constitutive of a broader *territorial staging system* contributing to economic value generation within and across different territories. What could the concept of ‘territorial staging system’ (TSS) bring to our current understanding of territorial innovation?

Exploring the concept of ‘territorial staging system’

Building on the seminal contributions mentioned previously in this chapter, an experiential *stage* could economically be defined as a socio-technical context where particular production resources are turned into experiential resources through a particular stage setting, and where particular consumption resources are turned into economic resources through experiential engagement (Figure 2.2). In such a perspective, goods and services are not market ends in themselves. They are props and social performances economically valued in particular contexts of experimentation and living.

Following this initial definition, a *staging system* can be regarded as an organizational configuration of actors, objects and activities contributing to turning

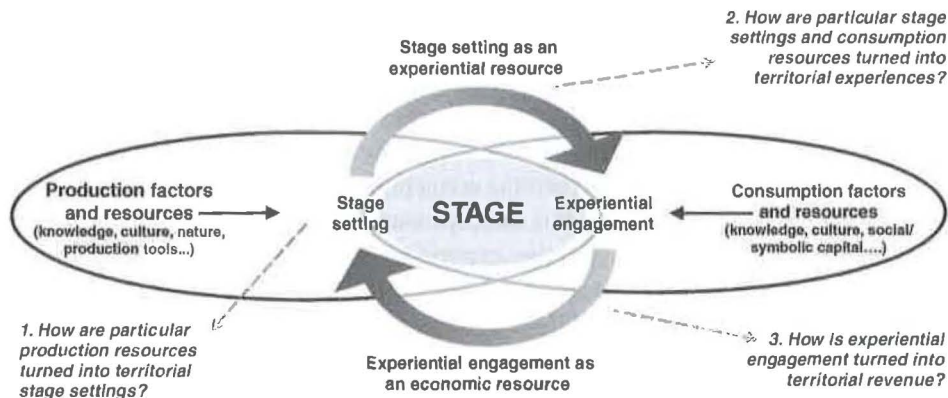


Figure 2.2 The territorial staging system of experiences (source: own elaboration).

production resources into a particular stage setting and consumption resources into an economically valued experiential engagement. In such a socio-economic system, traded goods and services are conceptualized as revenue drivers rather than as individual market commodities. For instance, the coffee drunk on St Mark's Square, the night spent at the Hotel Flora, the ticket paid to visit the Doge's Palace and the vase bought in a Murano glass factory would not be just analysed as the 'basket' offering of a touristic destination. They would rather be understood as punctual monetary transactions fueling income into the broader staging system of Venice.

Accordingly, a territorial staging system (TSS) refers to the way production and consumption resources create stages and economic value across time and space. On the one hand, a TSS builds upon the idea of 'territorial production systems'. It conceptualizes how localized stages emerge through spatial dynamics of cooperation, competition, clustering, agglomeration, specialization or diversification, quite parallel to the geography of innovation (for synthetic notes, see Breschi and Malerba 2001). However, a TSS can neither be reduced to a 'cultural cluster' or 'cultural districts' (Cooke and Lazzeretti 2008b), nor to a 'territorial production system of experience'. Such a notion would, in fact, neglect the active role played by consumers' engagement in the valuation of the stage (Lorentzen and Jeannerat 2013). On the other hand, a TSS should also not be restrained to a particular 'consumption site' (for synthetic notes, see Mansvelt 2005: 64–8). Such an approach would resume the spatial valuation of goods and services to consumer places and would elude the role of multiple production resources (enterprises, workers, investors) at the roots of stage setting and of regional growth (Storper and Scott 2009).

In a TSS view, innovation cannot be summarized as a question of how particular regions succeed in producing and exporting competitive commodities in a global market. It implies three inseparable and intertwined questions: (1) How are particular production resources turned into territorial stage settings? (2) How

are particular stage settings and consumption resources turned into territorial experiences? And (3) How is experiential engagement turned into territorial revenue? These three questions should be the starting point to explore the concept of TSS.

How are particular production resources turned into territorial stage settings?

In contrast to main industrial models of innovation, the concept of TSS should not primarily emphasize how local actors innovate in the development of new technologies, processes and designs in the view to produce standalone market goods or services in competition. It should rather point to the way local actors provide symbolic and concrete sceneries through their different and complementary activities to develop, promote and reinforce the coherence of a commercialized stage. In other words, natural, cultural or technological resources are not seen as the inputs of a production chain but as the reinforcing ‘cues’ contributing to set a ‘themed’ stage (Pine and Gilmore 1999). This aspect of territorial innovation has already been highlighted around two main issues by most researchers on experience economy mentioned above.

A first type of study has pointed to the strategic activities able to set competitive stages. Different works have shown, for instance, how cultural events and festivals have become contemporary determinant activities in global urban competition and hierarchies (Jakob 2013) as well as in alternative development of peripheral regions (Lorentzen 2013b; Manniche and Larsen 2013). Along the same line of analysis, it has been observed that the local capacity to attract and implement world-famous attractions (e.g. a Disneyland park, a major cultural event, etc.) has become part of urban policies of competitiveness (d’Hautesserre 2013; Jakob 2013).

A second type of research has emphasized how local actors coordinate their activities to set a coherent and specific experiential stage in the governance of a specific stage setting. Various initiatives have been depicted to explain how public and private players mobilize local resources to promote a thematic destination. A broader perspective has been given to tourism activities in regional growth by considering them in relation to the valorization of other regional offerings such as regional cooking and handicraft (Manniche and Larsen 2013). Local innovation is here described as the capacity to give a new and specific content to regional stage setting (Lorentzen 2013b; Marling *et al.* 2009; Richards 2001). Building upon these earlier works, further research avenues can be considered.

A first research avenue is to analyse stage setting as a complex interaction between resident- and visitor-oriented activities. These two types of activities have most often been conceived separately or in opposition to each other. On the one hand, works in the fields of tourism and leisure studies have highlighted how urban or regional experiential stage setting contributes to attract new visitor-based revenues and creates ‘windows of opportunity’ for local enterprises

(Boswijk 2013; Lorentzen 2012; Smidt-Jensen *et al.* 2009). On the other hand, works on cultural economy and local governance have shown the role of setting experiential stages to enhance creativity and participatory initiatives in local communities of inhabitants (Hallberg and Harslof 2013; Jakob 2013).

Local empowerment achieved through residential stage setting (e.g. a cultural stage) is often opposed to an export-based logic consisting in setting a stage to visitors. A promising research agenda would consist in investigating how these two dynamics co-develop and co-evolve with each other through potential conflicts but also through mutual enrichment. Setting attractive regional or urban stages is about attracting visitors as well as attracting and retaining residents. Posing this research question implies not only identifying the coordinating 'theme' of a local stage setting but also identifying the fundamental social values assigned to this setting and shared by visitors and residents.

A second research avenue deals with the multi-local and multi-scalar dynamics of stage setting. As illustrated by Manniche and Larsen (2013), Bornholm culinary products are not only valued through the stage set on the island of Bornholm, but also relate to the traditional culinary stage of Italy and the event and cooking scene of Copenhagen. More systematic investigations should be promoted to understand how the mobility of knowledge contributes to the development of distant local stages and how the mobility of consumers contributes to the value of various goods and services between different places. In such analyses, the relational complementarities between urban and rural areas should be particularly highlighted. For instance a music festival organized in a rural region should be analysed in relation to an urban cultural stage of music production. Parallel to this, the urban farmers' market is an urban stage setting that can only be understood with reference to a related rural stage setting.

How are particular stage settings and consumption resources turned into territorial experiences?

Underlined as the most crucial and challenging issue implied by the experience economy approach is the idea that the economic value of goods and services is by nature 'in the hands' of end consumers. A market supply does not have a proven but a 'suggested' value (Schulze 2013) that must be realized by a self-enrolment of the demand. A similar perspective applies to the market valuation of a particular territorial stage setting. As emphasized by Blain *et al.* (2005), the experience-value of a particular destination can be 'promised' but never 'ensured'. To be actually valued, the experience must concretely and symbolically *take place* and the fundamental questions are how, when and where it can take place within the TSS.

In this view, a first research avenue would be to investigate the 'attraction system' preparing and making possible the engagement of consumers within the stage. Following Richards (2002), an attraction system can be regarded as a configuration of actors and markers 'pulling' (appealing) and 'pushing' (motivating) someone to move to a particular stage setting. The innovation purpose relates

here to the territorial value ‘suggested’ by a particular stage setting and the territorial value ‘expected’ by different consumers. In this interplay, branding geographies (Jansson and Power 2010; Pike 2011; Power and Hauge 2008; Power and Jansson 2011) should be seen as a perpetual game of initiation to and anticipation of a projected experience. Interpersonal relations should also be studied in depth within this attraction system. For instance, the decision to travel or move to a particular place can be motivated by friends established in this destination or by an earlier experience made there, told and recommended by neighbours. These interpersonal relations create direct links between the stage and a potential guest. They also stimulate anticipation and expectation through an interpersonal sharing of previous experiences related to a particular stage or to other compared stages.

A second research avenue is then, of course, how the TSS enables and makes the realization of a concrete and valuable territorialized experience possible. As already mentioned above, the artefacts and activities of the stage setting frame the experiential engagement of the guests (e.g. a visitor, a resident or a consumer). Avoiding negative cues is in this respect crucial (Pine and Gilmore 1999). Yet, guests also contribute to perform the stage among each other (Holt and Lapenta 2013). If this may reinforce a mutual engagement of common resources in the stage setting (shared imaginaries, common cultural capital, reciprocal performances, etc.), the cohabitation of different guests may also be conflictual. For instance, potential conflicts can appear between new and old residents in particular urban stages or between visitors and inhabitants.

As for the question of stage setting, the question of consumer engagement in a TTS should be analysed in relation to its multi-local and multi-scalar dimension. The experience made by a guest on a stage is part of a continual process of initiation, learning and transformation (Pine and Gilmore 2013) taking place in different places and at different moments. As emphasized by Guex and Crevoisier (2015) in this volume, a territorial stage is the concretization, at a particular moment, of a symbolic stage.

In this view information technology (IT) should not be seen as alternative and virtual stages to physical stages but rather as complementary to them. The example of the Swiss watch industry could be enlightening (Jeannerat 2013). A consumer does not usually buy an expensive Swiss watch on a whim. He informs himself in online showrooms, initiates himself to complex watchmaking in an initiation workshop organized in his country, visits a trade show in Basel, has a look in a watch shop on the Place Vendôme in Paris and buys his watch at the top of the Matterhorn in Switzerland. This stylized example highlights that, in a highly mobile world, a TSS does not end up with an analysis of a particular place or a single experience. It should be studied as a continuum of interrelated contexts of engagement and of multi-located value creation.

How is experiential engagement turned into territorial revenue?

Deconstructing and understanding complex territorial revenue models is certainly the most unexplored issue addressed by the experience economy approach up to now. As underlined above, specific contributions have been provided by urban and regional studies or by destination management and tourism studies on the question of territorial stage setting, branding and attractiveness. However, very little has been undertaken to understand systematically how monetary exchanges and incomes are generated within an experience stage.

Pioneer works on this issue can be found in management studies on the question of business and pricing models (Chesbrough and Rosenbloom 2002; Ng 2010; Osterwalder and Pigneur 2010; Zott and Amit 2010; Zott *et al.* 2011) or in ethnographical debates on market commodification (Kaul 2007; Weber 2000). In various ways, this literature underlines the idea that value creation cannot be restrained to the market trade-off of different commodities but should be understood within a complex revenue model implying monetary as well as non-monetary transactions. Investigating a TSS should provide a spatial lens to these pioneer contributions and go beyond a restrictive export-based model of territorial innovation.

The TSS is a model which depicts both a visitor and a residential context of revenue attraction and circulation (Davezies 2009; Segessemann and Crevoisier 2013; Talandier 2008, 2010). Thus, analysing the revenue model of a TSS would not only consist in identifying the local activities bringing new income into the region – the so-called basic activities – but should also examine how this revenue is redistributed and recirculated within the TSS through induced and including activities.

Pointing to the way a stage can be monetized raises the broader question of how particular goods and services become the revenue vehicles of a TSS. Various dimensions of this issue can be highlighted for future research.

A first and quite traditional approach to the monetization of a territorial stage relates to the ‘admission to’ and ‘subsistence in’ the stage. Admission is usually monetized through particular fees (taxes, entrance tickets, etc.) and subsistence through traded amenities supporting the realization of a localized experience (hotels, restaurants, cafés, grocery shops, etc.). These monetary trade-offs are already studied as the usual business of touristic destinations. Further research avenues could be to trace more systematically how the monetary income generated by these activities are recirculated within the overall TSS between profit and non-profit-making activities and between private and public spending.

A second issue should be to investigate the ‘ritualistic’ and ‘totemic’ value of goods and services traded within the stage (Beckert 2011). To illustrate such an approach, let us recall the examples of coffee bought on St Mark’s Square, the vase bought in a Murano factory or the Swiss watch bought at the top of the Matterhorn. In all these examples, traded goods transcend their physical and functional use. They are objects with which buyers interact (Jensen 2013: 198).

In a territorial perspective, the fundamental research issue here is to understand where and when the monetary transaction takes place during the experiential consumption process of the buyer. This monetary transaction marks a 'bracket' (Weber 2000) in the ongoing experimentation of a stage. For instance, buying a coffee may be a ritual point initiating the contemplation of St Marks square or buying a vase a ritual point succeeding to the visit of a glass factory.

Once again, investigating the revenue model of a TSS goes far beyond the examination of revenue flows into a particular export-based region. It implies identifying where and when particular monetary transactions bring income into the system and how this income is recirculated within and between territorial stages.

Conclusion

Neither a unilateral proposition nor an achieved model of interpretation, the concept of TSS suggested here intends to continue rather than to conclude the original work done by many researchers. It calls for a renewed collective agenda to be retrieved in a constant dialogue between theoretical debates and new social challenges.

The experience economy approach developed in the past decade has opened promising avenues to understand territorial innovation and development. It has provided evidence of a necessity to go beyond a productionist and technologist approach to innovation and has formulated alternative solutions for regional development.

However, as for other TIMs, this approach should not be defended in a hegemonic manner. It provides an original lens to understand some challenging contemporary issues often neglected by other approaches, but it should not be arrogantly regarded as the new 'best theory' for the new 'best practices'. A main contribution of this approach is to go beyond the *exchange-value* perspective usually used to explain regional or national competitiveness. It underlines a complex *use-value*, which is socio-economically constructed between producers and consumers, between sectors and between places. Such an approach is to be considered in relation to the challenges that our societies are facing to promote not only highly competitive production regions but also quality places of living and of consumption.

This chapter has proposed a possible interpretation of the current state of theorizing relating to the experience economy concept and has highlighted the necessity to continue the reflection through the broader concept of TSS. Exploring this concept should have the ambition to grasp some challenging research questions mostly left aside by traditional TIMs as well as by recent works on the experience economy. A particular emphasis has been given to the importance of understanding territorial innovation within a multi-local and multi-scalar system valuing the increased mobility of consumers and residents.

Such an issue is evermore crucial since the consequence of these mobilities is a territorial spread of monetary exchanges. One does not necessarily spend

money where one earns it and one may not pay for each experience achieved in different stages. Nevertheless, each experience can contribute to a punctual monetary exchange at a specific moment and in specific places. A systematic examination of monetary transactions reaches, in this sense, far beyond a restrictive interpretation of market exchange and use-values. Our globalized economy is usually considered – both within its primary theorizing as well as in policies/politics – through the restrictive lens of a global commodity trade. This is, for instance, well illustrated by the World Economic Forum (WEF). The TSS approach leads one to reconsider this restrictive lens, and to take into account complex business models based not only on commodity trading, but also on interrelated spaces of monetary flows and of valued experiences. This implies depicting and understanding complex territorial revenue models. Developing such an approach is ambitious but promising.

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