

Experience design's transformation towards experience-driven transformation: a practical perspective

Lai, Michael T^{*abc}; Tang, Hsien-Hui^d

^a X Thinking Institute, Shanghai, China

^b TANG Consulting, Shanghai, China

^c Tongji University, Shanghai, China

^d National Taiwan University of Science and Technology, Taipei, Taiwan

* mike@x-thinking.com

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Over the past two decades, rapid economic development has transformed the practice of user experience. This article reflects on the evolution of the experience economy in China and the development of the experience strategy, from a design perspective, to address the challenges of an increasingly competitive market. The case study of TANG Consulting, a leading design consultancy in Shanghai, China, demonstrates how user experience (UX) design has evolved into experience strategy by 2023. The article presents four phases of UX transformation from UX (the design of digital experiences) to experience design (the design for holistic experiences), to experience strategy (the design for the dynamic link between users and the brand), to experience management (the quantification of experience), to experience-driven transformation (the strategic consultation for organizational transformation to achieve desired customer-centric and experience-driven objectives) in order to illustrate the changes in problems and solutions. The Experience Strategy Framework builds upon the Holistic Experience Model and the Domains of Experience to elaborate on the new issues that designers should focus on. The Experience-Driven Transformation Model is discussed to depict the future of user experience professionals in the full-fledged experience economy. This article contributes to both design research and practice for UX design.

Keywords: *experience design; experience strategy; experience management; experience-driven transformation*

1 Introduction

Since Pine and Gilmore (1999) introduced the experience economy concept, the interconnections among people, technology, design, and business have strengthened. The internet's growth and mobile connectivity have reshaped industries and accelerated information sharing through social networks.



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As the experience economy has expanded across various sectors, researchers have investigated how businesses can boost their value by delivering experiences (Chevtchouk, Veloutsou, and Paton, 2021). The World Experience Organization (WYO), a professional organization focused on the experience economy, has identified 25 experience sectors, including themed attractions, location-based experiences (LBE), immersive (cinema/theatre/experiences/art), museums/attractions (including zoos & aquaria), sports (fan experience), sports & recreation (participatory), live events (private, public, B2C, B2B), competitive leisure (including escape rooms, crazy golf, e-darts, etc), wellbeing & human potential, gaming, virtual reality (VR), augmented reality (AR), metaverse, experiential marketing, experiential retail, travel & tourism, food & beverage (F&B) & hospitality, customer experience (CX), employees experience (EX), user experience (UX), experiential luxury, experience management (XM), healthcare (patient experience), education (learner experience), and architecture & urban planning (Wallman, 2023). Though related to the experience economy, these fields approach the concept of experiences differently. While this paper does not examine these sectors in detail, the experience economy contributes to the context in which one sector, UX, has evolved.

UX typically refers to interactions with products, systems, and services through a user interface (Law et al., 2009). In contrast, customer experience covers the entire process, including searching, purchasing, consuming, and after-sales stages across multiple channels (Verhoef et al., 2009). Employee experience also plays a crucial role in business performance (Itam and Ghosh, 2020), while brand experience encompasses all commercial human experiences (Chevtchouk et al., 2021).

In China, the experience economy has followed a unique trajectory. Initially, Chinese brands focused on product design as a differentiating factor, leading to widespread imitation (Huang and Lai, 2020; 2022). Subsequently, businesses shifted their focus to product efficiency and innovative problem-solving using smartphones and mobile internet access. More recently, Chinese consumers have prioritized values, meaning, and significance when choosing products and services (Huang and Lai, 2020; 2022).

As China's experience economy advances, competition in the UX market has intensified. To maintain a competitive edge, businesses have shifted their focus from user interface design to user experience design and, ultimately, customer experience strategy. This has led to the emergence of an experience strategy, which emphasizes the dynamic relationships between corporate capabilities, brand value, holistic experiences, and customer lifetime relationships.

Experience strategy involves analysing, positioning, planning, and operating brand, experience, and user aspects to address diverse business challenges in the Chinese market. To facilitate this transformation, the authors have guided the management team and senior-level designers towards strategic roles within a prominent Chinese experience consultancy, TANG Consulting. This paper aims to establish a foundation for promoting experience strategy as an evolution and extension of user experience by analysing and reflecting on the consultancy's transition from design projects to strategic solutions.

Founded in 2007, TANG Consulting initially focused on UX research, strategy, and design. Over time, the company expanded its expertise to encompass overall service planning across the entire customer journey. TANG now operates as an experience consultancy, offering experience strategy, experience design, and experience management solutions.

This paper examines the transformation of UX design into experience strategy in the context of a consultancy's evolution across four phases: from UX (the design of digital experiences) to experience design (the design for holistic experiences), from experience design to experience strategy (the design for the dynamic link between users and the brand), from experience strategy to experience management (the quantification and datafication of experience), and experience strategy, experience design and experience management to experience-driven transformation (the strategic consultation for experience-driven transformation). In each phase of transformation key models and frameworks were developed to address the new challenges faced in each respective phase: Domains of Experience, Holistic Experience Model, the Brand Experience Index, and the Experience-driven Transformation Model. It also represents the broader transformation of the user experience industry in China and beyond as the business value of the concept of "experience" continues to evolve. The paper analyses representative case studies and highlights the shift from experience design to experience strategy and experience management toward experience-driven transformation. While any good design requires a strategy, management and ideally has a transformative impact, the significance of these stages represent a shift in design's core competitive value as previous stages become commoditized. Lastly, the Experience Strategy Framework emerged from the analysis on the evolution of the UX industry and serves as a foundation for the future of the industry.

2 Literature review

The section provides a concise review of the related work on design framework and using case study as the establishment method.

2.1 A Framework for experience practitioners

A framework is a way of system thinking to help users comprehend the essence and the structure of a given field. Different frameworks have been proposed for experience-related industries, but most of them are not macroscopic enough to cover experience-driven transformation.

Nasution, Sembada, Miliani, Resti & Prawono (2014) provides a comprehensive guide for marketers in understanding the service encounter from the point of view of customers and proposes a new customer experience framework (CEF) that focuses on the journey of the customer in experiencing the service. Five layers are all customer-related without consideration of actual executions of service and the connections to companies or brands.

Desmet & Hekkert (2007) introduce a general framework for product experience for all affective responses experienced in human-product interaction. Three distinct components are discussed: aesthetic experience, the experience of meaning, and emotional experience. They are distinguished in their underlying process respectively, for sensory modalities, symbolic significance, and emotion psychology. These components could also be elicited as the meaning of products or the purpose of products without considerations of other forms of experience and the connections to a brand.

McLean, Al-Nabhani & Wilson (2018) proposed a Mobile Application Customer Experience Model (MACE) to understand the variables capable of influencing the customer experience during use of retailers' m-commerce mobile applications. The model highlighted utilitarian factors in driving an effective customer experience. Related factors were examined through questionnaires and statistical methods. Companies and brands related issues were not included.

Another way of establishing a theoretical framework for experience design is from a comprehensive review of literature from different disciplines in a given design context. Tussyadiah (2014) applied a literature study to build up three fundamentals in tourism experience design as a theoretical framework consisting of human-centeredness, iterative designing process, and a holistic experience concept as an outcome of designing. Corresponding approaches to better the experience were suggested from literature reviews and reasoning.

Huang & Lai (2020, 2022) proposed the initial version of the Domains of eXperience and Holistic eXperience Model where experience is the connection between brands and consumers. This initial model was inspired by the four Vectors of Brand Tangibility by Olins (2008) where a brand is sensed through the four vectors of product, environment, communications and behaviors. The Domains of Experience evolved into offerings (products and service), environments (digital and physical), communications, and behaviors. The findings in this study have since updated and built upon this previous work.

For this study, we found limited references about the framework of experience design with connections to brands and companies, beyond the authors' previous commercial work and publications in this area.

2.2 Case study as a method to establish framework

Using case studies or ongoing projects to establish a framework of practical design methods has been conducted in the discipline that is still constantly evolving. Da Silva, Silveira, Maurer, & Hellmann (2012) used existing studies as a basis, performing a field study in an ongoing project to develop a framework for integrating UX and Agile in the real world. Zomerdijk & Voss (2010) drew relevant literature in service and experience design to establish a theoretical proposition and then investigated empirically by means of 17 case studies of design agencies and consulting firms. Their study identified the current design practices of leaders in experience design, and thus presented a unique perspective on the design of service delivery systems. Lastly, The design case study for user experience in Human Computer Interaction (HCI) is very common, for example, Schiphorst, T. (2011). It often invites a re-thinking of the process of design for technology in relation to experience. The content often articulates design concepts for future innovative HCI.

In business study, case studies have been a very common and important research methods to explore the constantly changing business world and the teaching method for analyze the complex real world problems (Dul & Hak, 2007). Many guidelines have been proposed and recommendations for specific business have been studied (Rashid, Rashid, Warraich, Sabir & Waseem, 2019; Vissak, 2010)). This study utilized anonymous business case studies with real projects from the company and the in-person experience to study the phrases of experience business transformation in order to establish a framework that can account for the developments of experience design and strategy.

3 Research method

This research aims to provide a comprehensive understanding of the development of experience design into experience strategy based on TANG's design cases and development within the context of the UX design industry in China. The complete related documentations of these cases, in person experience in these cases, and post-interviews from the foundation of the analysis. The archive of

meeting notes and design presentations in different stages are reviewed with additional interviews conducted to clarify their details. This article serves as a reflection of the cases and the evolution of the consultancy as authors were familiar with the related data as they were constantly involved in the design practice and projects as well as the strategic development and management of the company (Schön, 1983).

3.1 Phases of development

After reviewing the case data, we found that since the consultancy's founding in 2007, UX design has undergone a significant evolution characterized by four distinct phases of development. These phases reflect the consultancy's growth and adaptation to the ever-changing market demands and the increasing complexity of client needs. At the same time, they represent the evolution of UX in China.

1. From UX to experience design: In the initial phase of development, the focus shifted from UX specific to digital experiences on smartphones and websites to a more holistic experience design approach. This transition design scope of work to address not only the functional aspects of user interactions, but also the emotional and meaningful aspects, across products, services, environments, and communications. By integrating these elements, designers aimed to create more engaging, memorable, and significant experiences for end-users.
2. From experience design to experience strategy: As designers matured into strategists, they recognized the need to move beyond just designing experiences and towards addressing strategic issues. The transition to experience strategy opened strategists to not only address user needs, but also align with business objectives. Strategists help develop comprehensive, long-term plans for delivering exceptional experiences across multiple touchpoints that contribute to the clients' competitive advantage and long-term success.
3. From experience design to experience management: The third phase of the UX design industry's development involved the integration of experience management into their service offerings. This shift allowed designers to assist clients in not only designing and strategizing experiences but also in managing and optimizing them from a quantified perspective after the designs have been executed and implemented. Through experience management, designers support clients in continuously monitoring, measuring, and refining their customer experiences to ensure ongoing improvement and adaptation to changing market conditions through the use of an experience management Software-as-a-Service (SaaS) platform.
4. From experience strategy, experience design, and experience management to experience-driven transformation: The newest phase in the UX design industry's evolution has been the integration of experience design, experience strategy, and experience management into a framework for experience-driven transformation from a holistic business perspective. This approach enables experiences strategists and designers to guide clients through a comprehensive process of transforming their organizations by placing the customer experience at the core of their business strategy, operations, and culture. Through experience-driven transformation, strategists and designers empower clients to create lasting, meaningful change that drives business growth and fosters enduring customer relationships in the full-fledged experience economy.

The roles of UX design were significantly different in these four phases. The projects belonging to different phases still simultaneously exist in the market because the UX maturity in different

companies and projects vary. The results will be presented according to these four phases where we select one representative case to illustrate the details and corresponding components of the Experience Strategy Framework, as shown in Table 1.

Table 1. The four phases of experience design development

Phase Name	Experience Design	Experience Strategy	Experience Management	Experience-driven Transformation
Representative Case	China Merchants Bank – Leading retail bank in China	International skincare startup*	Leading global sports footwear and apparel company*	Leading global luxury automotive manufacturer ¹
Main Focus	Designing for holistic experience	Designing for the dynamic link between brand and users	Quantifying experience for improvement	Strategic consultancy for experience-driven transformation
Main jobs	Different kinds of experience design for users	Plus better understanding of brand	Plus quantifying users, experience design, brand	Plus coordinate with business issues
Key components	Users & Experience	Users, Experience, & Brand	Users, Experience, & Brand	Users, Experience, & Brand, Company

3.2 The structure of the analysis

The structure of the analysis is devised to represent the contexts of the transformation of different roles of user experience revealed by the case study. Each phase consisted of four elements: Macro-environment, Client, Value, and Consultancy.

3.2.1 Macro-environments

The macro-environment serves as the backdrop against which the consultancy and its clients operate in China. It highlights the external factors that influence clients and their needs in the design case. During each phase, these factors may include STEEP elements (societal, technological, economic, environmental, and political factors), user trends, and business trends. These components help identify the driving forces behind the demand for UX services and the challenges that businesses face.

3.2.2 Client

In each development phase, the consultancy caters to a specific type of client with unique characteristics. These clients typically come from specific industries, face particular business problems or opportunities, and have designated sponsor and stakeholder departments. Understanding the decision-making hierarchy is also crucial, as it sheds light on the key individuals responsible for project outcomes.

3.2.3 Value

The value aspect of the analysis focuses on the solution delivered by the strategists and designers during each phase. This includes understanding the purpose of the project, the key deliverables, and

¹ Company name has been removed due to client confidentiality

the approach that they employ to address client problems. Additionally, the role of research, design, and communications in each phase of the development is examined, along with the criteria for evaluating project success.

3.2.4 Consultancy

Lastly, the analysis delves into the characteristics of the consultancy itself during each phase. This encompasses the capabilities required to execute and deliver projects, the composition of project teams, and the competitive landscape. By examining these elements, we can gain insights into the positioning and growth of UX within the rapidly evolving Chinese market.

In the results section, we will present these elements for each phase to illustrate the transformation of the needs of UX and the establishment of the Experience Strategy Framework along the gradual developments.

4 Results

The results present the details of the four phases of transformation according to the structure of the analysis to illustrate the changes.

4.1 From UX to experience design (XD)

The most actively development period of TANG's experience design approach took place between 2014 and 2019. The end date of 2019 does not signify the conclusion of client work in this area, rather the timeframe represents the active development of the approach, methodology, and tools. The consultancy continues to practice experience design to this day.

This phase was characterized by a shift from digital experiences to holistic experiences, based on people designing the four domains of experience: products, services, environments (digital and physical), and communications, as shown in Figure 1. The focus on experiences aimed to create relationships between Domains of Experience and people to foster long-term customer engagement.

A breakthrough of this phase occurred in 2020 with the establishment of the core structure, outline, and content of the two books *X Thinking: How Brands Touch People's Heart* and *X Thinking: Building Better Brands in the Age of eXperience* (Huang and Lai, 2020; 2022). These publications further solidified the experience design approach and provided a comprehensive framework for understanding and implementing the principles of holistic experience design.

4.1.1 Macro-environment

During this time period, China experienced a booming real estate market, with a significant amount of construction and a focus on offline experiences. The ubiquity of mobile payments and the emergence and dominance of SuperApps also characterized this time.

User trends uncovered by client projects showed that consumers were becoming wealthier with more disposable income. Spending shifted from quality-of-life aspects, such as home, care, and insurance, to healthcare, education, travel, and entertainment. This shift was supported by the government policy of consumption upgrade that focused on consumption-led growth. The rise of the post-90s generation as consumers brought a focus on lifestyle and diverse experiences, as they were more optimistic and had different saving and spending habits than previous generations. Users sought value from their consumption in the form of efficiency (Huang and Lai, 2020; 2022).

In terms of business trends, New Retail emerged, integrating e-commerce and offline commerce and supply chains. The service economy shifted from product-dominant logic to service-dominant logic, emphasizing the importance of customer experiences and their impact on brand loyalty and business success.

4.1.2 Client

Typical clients during this phase were from the retail banking, NEV automotive, and consumer retail industries. These clients faced competition that shifted from product value propositions to enhancing service delivery and experience. They needed to adapt to the changing landscape, focusing on efficiency, seamless transitions from single-channel to multi-channel and omni-channel experiences, and the integration of digital and offline experiences.

The sponsoring department's core objective was to improve their particular business function's performance, and other stakeholder departments included UX, Sales, Offline retail, Online retail, Digital services, and IT. Decision-makers typically held positions such as Senior Director, General Manager, or Vice President, and they were responsible for overseeing the project and ensuring its alignment with the organization's strategic goals.

4.1.3 Value

The purpose of experience design projects was to design predetermined touchpoints as part of a predetermined strategy for implementation. This involved creating seamless and engaging customer experiences across various channels and touchpoints. Key deliverables included personas, customer journey maps, Experience Vision Framework, Experience Masterplan, and concept and detailed design for mobile and offline environments, as well as service SOPs.

The approach was omni-channel, ensuring that the customer experience was consistent and coherent across all touchpoints. The Domains of Experience was the key model, emphasizing that people perceive the value of a brand through the four domains: products, services, environments (physical and digital), and communications (Huang and Lai, 2020; 2022).

The role of design in these projects involved creating artifacts and visual representations of the desired customer experience, while research generated insights into customer behaviour and preferences. Communication played a crucial role in explaining the methodology and rationale behind the experience design approach to stakeholders and clients. Evaluation of experience design projects was based on aesthetics, as well as the effectiveness of the designed experiences in meeting customer needs and expectations.

4.1.4 Consultancy

Core capabilities needed to deliver experience design projects included user research and insights, retail store design, app and MiniApp design, and service SOPs. These capabilities allowed the consultancy to provide a comprehensive suite of services, addressing all aspects of customer experience design. Project teams consisted of client managers, project managers, user researchers, and various designers, such as service, interaction, visual communication, and space designers. These multidisciplinary teams collaborated to create cohesive and effective Experience Design solutions for clients. Other design agencies and consultancies in China competing for experience design projects included IDEO, Frog, Continuum, ARK, and EICO. These companies also had similar core capabilities and services required to deliver experience design project solutions.

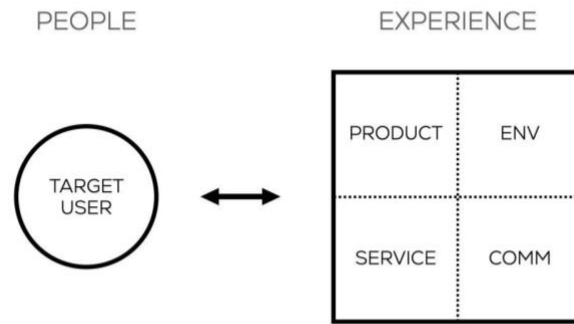


Figure 1. The Relationship between people and Domains of Experience.

4.1.5 Case study – China Merchants Bank

The case study of China Merchants Bank serves as a prime example of experience design in the financial industry. As the leading retail bank in China, China Merchants Bank faced the challenge of commoditization from the rise of mobile internet financial services. To address this issue, the bank sought to differentiate its product and service offerings across both online and offline channels. The solution was a mobile-centric omni-channel strategy that would enhance the customer journey. This involved designing a mobile app, website, personalized services, and retail bank branches. The result of the project was a success, leading to more projects and an ongoing relationship with the bank to design and iterate subsequent versions of the digital touchpoint (Huang and Lai, 2020; 2022). Unfortunately, the retail bank branch designs were never implemented due to organizational leadership changes.

4.2 From experience design to experience strategy (XS)

The development period of the consultancy's experience strategy approach took place between 2017 and 2021. During this phase, designers extended the value of experience from implementation to strategic decision-making, expanding on the Domains of Experience to form the Holistic Experience Model. A major breakthrough occurred in 2020 with the launch of the strategist training program, aimed at actively converting the best and brightest employees into strategists, equipping them with the necessary skills and knowledge to drive strategic initiatives in the realm of customer experience.

4.2.1 Macro-environment

The context of China during this time period was marked by increased nationalism and populism, both within the country and globally. The COVID pandemic in 2020 had a significant impact on the economy, consumer behaviors, and accelerated digital transformation. This unprecedented situation led businesses to reassess their strategies and adapt to the rapidly changing environment.

User trends evolved as consumers sought meaning and significance, driven by the spending power of younger consumers, such as the post-90s and the emerging post-00s generations. In the previous phase, consumers sought value in the form of efficiency. However, the focus shifted towards meaningful experiences and personal significance, as younger consumers placed greater emphasis on individuality, self-expression, and connection to the brands they engaged with.

Business trends included the rise of new consumption trends, particularly in consumer goods start-ups driven by venture capital. These start-ups aimed to disrupt traditional markets by offering innovative products and experiences. Additionally, increased domestic competition through the rise of local brands and investment in foreign brands entering China created a more complex competitive landscape for businesses to navigate.

4.2.2 Client

Typical client industries during this phase included consumer retail, new consumption start-ups, and multinational corporations localizing in China. Established companies were looking for the next S-curve to reposition their brand based on growth opportunities. Competition shifted from product value proposition to brand value proposition, focusing on achieving a desired positioning. The challenge for these companies was determining the brand/company direction for the strongest competitive advantage. For companies entering China, the key questions revolved around how to go-to-market (GTM), including localization, product selection, branding, channel choices, and the rationale behind these decisions.

Sponsoring departments typically included the Business Transformation Office (BTO), Centre of Excellence (COE), branding, marketing, or even the CEO or founders. The sponsoring department's core objective was to determine "what's next" for the company, identifying new growth opportunities and directions. Stakeholder departments included UX, sales, offline retail, online retail, digital services, product, R&D, strategy, and potentially founders and investors. Decision-makers typically held positions such as Vice President, Executive Vice President, President, or CEO.

4.2.3 Value

The purpose of experience strategy projects was to provide the necessary context, insights, logic, and arguments for supporting confident decision-making at the strategic level. Key deliverables included competitive analysis, personas, customer journey maps, user strategy for determining the target user and why, brand strategy for determining the brand value proposition and why, and experience strategy for determining the tactics in the form of touchpoints and their design and functional requirements.

The approach to the project was hypothesis-driven, with the key model being the Holistic Experience Model, based on the Domains of Experience and expanded to include the brand in the analysis. The role of design in these projects involved developing strategic structure, while research focused on developing reasons and insights. Communication played a crucial role in problem distillation and solution presentation, ensuring that stakeholders understood the rationale behind the proposed strategies and their potential impact on the business.

The evaluation of experience strategy projects was based on the logical viability to address business issues, ensuring that the proposed solutions addressed the underlying challenges effectively and provided a strong foundation for future growth and success.

4.2.4 Consultancy

Core capabilities needed to deliver experience strategy projects included user research and insights, competitive research and market analysis, brand strategy, user strategy, experience strategy, and storytelling. Project teams consisted of strategists, client managers, project managers, user researchers, and service designers. These multidisciplinary teams collaborated to create cohesive and

effective experience strategy solutions for clients, addressing their unique challenges and opportunities, connecting people, experience, to brand, as shown in Figure 2.

Other consultancies providing services and solutions similar to experience strategy-based solutions included management consultancies such as McKinsey and BCG; IT and digital transformation consultancies like Accenture; positioning consultancies such as Trout & Partners, Junzhi, Hua & Hua; and advertising agencies like Ogilvy and WPP.

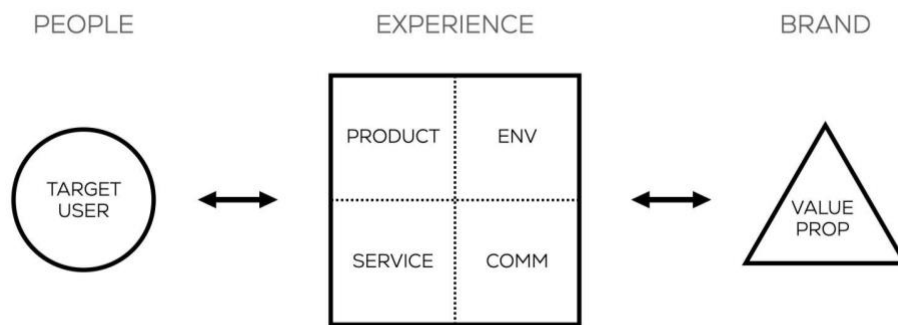


Figure 2. The Holistic Experience Model.

4.2.5 Case study – International skincare start-up

The second case study involves an international skincare start-up brand whose name remains confidential to protect its strategic interests. The company was planning to launch in both the United States and China, but faced the challenge of identifying a target audience for one product line under one brand in both markets. The project's solution involved hypothesizing potential personas receptive to the brand's value proposition, the type of experience they desired, and the product and price point that would appeal to them. However, the hypothesis revealed a flaw in the original plan to launch one product line under one brand in both markets. As a result, the experience strategy was altered by creating a new product at a new price point and establishing a new brand for the Chinese market based on new target audience. A good example of a Holistic Experience Model, which has evolved from previous versions based on user and client feedback on the Domains of Experience from experience strategy projects. In the previous version, offerings included products and services. However, as the company consulted in more diverse industries, we found that environments and communications can also be offerings. Thus the terminology was evolved and the domains were adjusted so that services were separated from offerings and combined with behaviors. As a result, offerings have been updated to product and behavior has been updated to service.

4.3 From experience design to experience management (XM)

The development period of the experience management approach at the consultancy started in 2020 and continues to this day. While experience design focused on implementation, experience management concentrates on measuring the results of the implementation, serving as a logical extension to experience design to validate the design work. This shift in focus allowed strategists and designers to ensure that their design solutions were effective in addressing client needs and providing tangible value in a quantitative method.

The experience management is a new application of the Holistic Experience Model to measure user experiences and offer a comprehensive framework for assessments. A major breakthrough in 2021 was the establishment of the structure and content of the Total eXperience Management book, which further solidified the holistic experience model and provided guidance for organizations seeking to implement experience management practices (Huang, Huang, Su, 2022).

4.3.1 Macro-environment

The context of China during this time period was significantly influenced by the COVID pandemic in 2020, which created economic uncertainty and accelerated digital transformation. This rapid shift to digital channels highlighted the importance of delivering seamless, engaging experiences across all touchpoints. Increased data privacy and security concerns, such as the Personal Information Protection Law (PIPL), led companies to shift their focus from public domain to private domain, emphasizing the importance of managing and protecting customer data.

User trends during this period were affected by the pandemic, which contributed to lower consumer confidence. The struggling economy also led to lower customer loyalty, as consumers became more discerning and selective in their purchasing decisions. This increased the importance of delivering exceptional experiences to retain and attract customers. Business trends during this time were influenced by the slowing economy (Yao & Zhang, 2023), resulting in tighter budgets and layoffs (Zhou, 2022). However, companies became more aware of the business value of experiences and the need for metrics to operate and manage them, particularly due to the increased awareness of experience management following Qualtrics' IPO in 2021. This growing awareness prompted organizations to invest in experience management to gain a competitive advantage and drive long-term success.

4.3.2 Client

Typical client industries included retail banking, footwear and clothing, home appliances, and the automotive industry. Their main problem was the lack of data to evaluate the health and quality of product, service, environment, communications, and overall brand experience, as well as the success or failure of their experience initiatives and business activities. They also lacked timely experience data to quickly diagnose problems and devise and iterate solutions, making it difficult to adapt to the rapidly changing market conditions and customer expectations.

The sponsoring department for experience management projects was similar to experience design clients, including UX, Sales, Offline retail, Online retail, and Digital services. The sponsoring department's core objective was to improve their business with Experience Data, using insights to drive strategic decision-making and optimize customer experiences. Stakeholder departments included other departments mentioned above, plus IT, and senior leadership or executive leadership teams, all of whom had a vested interest in the success of the experience management initiatives. Decision-makers typically held positions such as Senior Director, General Manager, or Vice President.

4.3.3 Value

The purpose of experience management projects was to evaluate the product, service, environment, and communications experience across the customer journey, as well as the total brand experience. The goal was to identify specific experience problems and their severity, providing actionable insights to drive improvements. Key deliverables included an experience indicator system, customer journey

maps, survey design and implementation, real-time dashboard, and regular insights report, all of which provided a comprehensive view of the customer experience landscape.

The approach to the project was a combination of SaaS and consulting, leveraging technology to efficiently gather, analyze, and present data while utilizing expert consultants to interpret the findings and provide strategic recommendations. The key model was the Brand Experience Index based on the Holistic Experience Model. The Index consisted of 3 components: Experience Perception, Customer Journey and Brand Perception. Experience Perception measured people’s experience of the touchpoints in isolation within the four Domains of product, service, environment, communications. The customers’ customer journey was evaluated and scored in Customer Journey. Lastly, the Brand Perception is evaluated by measuring the difference between the value perceived by users against the value proposition defined by the brand. Together, these allow clients to quantitatively evaluate the health of their brand’s experience to consumers (TANG Consulting, 2023).

The role of design involved connecting meaning to data, while research focused on identifying priorities. Communication played a crucial role in establishing standards and benchmarks, ensuring that stakeholders were aligned and working towards a common goal.

The evaluation of experience management projects centered on actionable insights to improve experience evaluation and business performance. By identifying areas of improvement and providing targeted recommendations, experience management initiatives could drive tangible results and contribute to the overall success of the organization.

4.3.4 Consultancy

Core capabilities needed to deliver experience management projects included experience management consulting and an experience management SaaS platform. Project teams consisted of client managers, project managers, service designers, and data analysts. Additionally, a research & development and product team was necessary to develop the experience management SaaS platform, ensuring that the technology solution was tailored to the unique needs of each client. Other providers of experience management primarily included local experience management service providers such as Beishide, Quasi, Shuzi 100, and Ipsos.

The quantifying elements of the Holistic Experience Model was established, including how people perceive the brand, how consistently experience domains were perceived, and how well the experience is perceived during the customer journey, as shown in Figure 3.

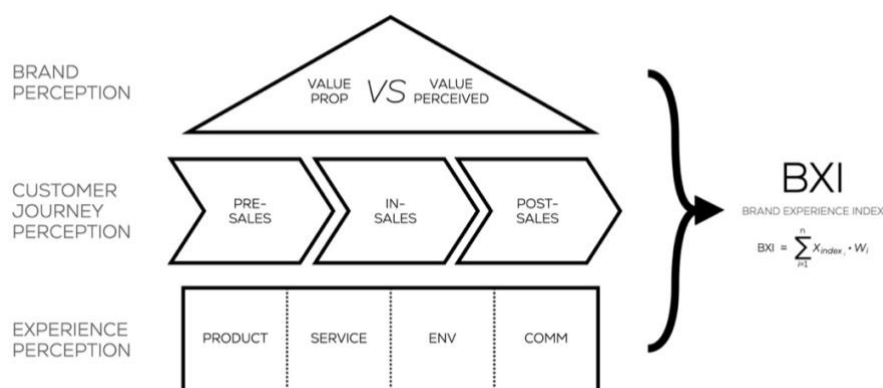


Figure 3. The Brand Experience Index for quantifying elements in terms of the Holistic Experience Model.

4.3.5 Case study – Leading global sports footwear and apparel company

The third case study involves a leading global sports footwear and apparel company, whose name remains confidential to protect their strategic interests. The company faced the challenge of evaluating the health of their customer experience in a scientific, data-driven manner. The solution was to develop an experience indicator system across the entire customer journey in the company's four main pillars: e-commerce, retail stores, after-sales service, and membership. This system was implemented in an experience management SaaS platform that provided real-time data on the company's performance through a dashboard, monthly reports with breakdowns into specific areas of focus, and notification alerts for areas of immediate concern.

The result of the project allowed the company to quickly identify problem areas in their customer experience and test quick-win solutions. The data provided by the experience management SaaS platform enabled the company to evaluate the effectiveness of their solutions in real-time, leading to a more agile and responsive approach to improving the customer experience.

4.4 From strategy, design, and management to experience-driven transformation (XT)

The development period of experience-driven transformation began in 2023 and continues to this day. This newest phase of the consultancy's development arose out of clients' lack of capability to use experience strategy and experience design projects to transform themselves into customer-centric, experience-driven organizations. The Experience Strategy Framework was expanded to form the Experience-Driven Transformation Model. Unlike the other phases, there has not been a major breakthrough due to its recent emergence from client needs and the early stages of the consultancy's own transformation in meeting this need. However, an initial framework has been established and is being applied to real-world client projects.

4.4.1 Macro-environment

Due to the newness of this area, there are fewer macro-environment influences. The need emerged from the client side, particularly within the automotive industry, which is facing disruption from sustainable technologies and government policies promoting sustainability. User trends show that consumers seek more meaningful experiences and prefer the simplicity of direct-to-consumer brand/customer relationships. Business trends include influences from outside the automotive industry, particularly luxury and high-end brand experiences, and the direct-to-consumer sales model, which is forcing companies to reconsider their go-to-market strategies.

4.4.2 Client

Current clients are primarily in the automotive industry, particularly New Energy Vehicles (NEVs), and the high-end home appliances industry. The automotive industry is facing massive disruption from new technology, NEV technologies, government policies regarding the transition from Internal Combustion Engines (ICE) to NEV, and new sales models such as direct-to-consumer and agency. Companies have a general direction for their experience-driven transformation but lack a clear vision of the destination and standards for success. Many organizational obstacles hinder transformation, including gaps in information and knowledge, lack of capabilities to implement experience strategy recommendations and experience designs, lack of alignment and collaboration across the organization, existing operating processes optimized for current business operations, and existing business metrics based on the current state of the business.

The sponsoring department for experience-driven transformation projects typically includes the Business Transformation Office (BTO) or Center of Excellence (COE), whose objective is to prepare the company for "what's next." Stakeholder departments span the entire organization, including brand, PR, marketing, events, CRM, customer Experience, sales operations and order management, strategy planning, training, and IT. External stakeholders, such as franchises, are also involved. Decision-makers typically hold positions such as Vice President, Executive Vice President, President, or CEO.

4.4.3 Value

The purpose of experience-driven transformation projects is to provide the appropriate plan and resources for sustained change. Key deliverables include experience strategy, experience design, experience management, organizational structure, business model, and transformation roadmap. The approach to the project is an end-to-end transformation solution, from strategy to design to implementation to measurement, covering the current state, transition state, and future state. The process is agile and iterative.

The key model is the Experience-Driven Transformation Model, based on the Experience Strategy Framework, which expands by extending across time and includes user positioning, brand upgrade, experience upgrade, and organizational transformation, as shown in Figure 4. The role of design involves creating the environment for success, research focuses on identifying barriers, and communication is essential in changing the mindset. The evaluation of experience-driven transformation projects centers on sustained culture and behavior change.

4.4.4 Consultancy

Core capabilities needed to deliver experience-driven transformation projects, in addition to experience strategy, experience design, and experience management, include business design, implementation resources, and corporate training. The project team consists of strategists, client managers, project managers, user researchers, business analysts, service designers, and trainers.

Other companies capable of delivering experience-driven transformation projects have not been specifically identified at this time, as these projects have emerged as an extension of experience strategy projects. However, potential practitioners could include management consultancies such as McKinsey and BCG, and IT and digital transformation consultancies like Accenture.

The experience-driven transformation approach represents the next stage of the UX design evolution, integrating the best practices from experience strategy, experience design, and experience management to deliver comprehensive, end-to-end solutions. By addressing the complex challenges faced by organizations in today's rapidly changing business landscape, strategists and designers with capabilities from all four stages of development are well-positioned to help clients achieve lasting success and maintain a competitive edge in their respective industries. As the experience-driven transformation model continues to develop and mature, it is expected to become an increasingly valuable tool for organizations seeking to harness the power of customer experience to enhance competitiveness and drive growth.

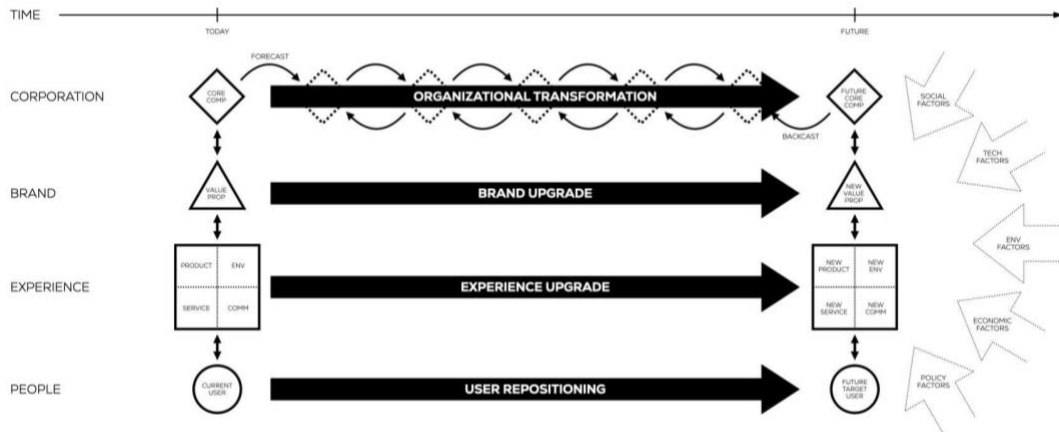


Figure 4. The Experience-Driven Transformation Model.

4.4.5 Case study 4 – Leading global luxury automotive manufacturer

The last case study involves a leading global luxury automotive manufacturer, whose name remains confidential to protect their strategic interests. The company was in a state of transformation, transitioning from internal combustion engines (ICE) to new energy vehicles (NEV), and from a franchise sales model to an agency sales model. Additionally, the company was undergoing a repositioning and redesigning of their brand experience. The solution involved identifying a new target audience and designing new services to meet their needs. However, the ideal future state could not be implemented immediately and required a roadmap from the current state to transition states.

The implementation of the new services required the collaboration and coordination of 11 departments within the organization, the dealerships, and external vendors. This involved redefining the organizational structure, procedures, and performance metrics, as well as training from front-line to back-office employees. The result of the project allowed the company to take the first steps towards transformation.

This case study highlights the importance of experience-driven transformation in helping companies navigate complex transformations. The collaboration and coordination required to implement the new services demonstrate the importance of organizational change management in experience-driven transformation.

5 Findings and discussion

The main findings of this study are the contents of the four phases of the holistic experience model, the essential design abilities of practitioners corresponding to each phase, and finally the Experience Strategy Framework for Experience-Driven Transformation.

5.1 The four phases of experience-driven transformation

Our case study reveals a series of phases of transformation from user experience to strategy. Each new phase of development emerged as opportunity for designers and strategists to deliver more value to clients. The transition from UX to experience design occurred because the problem was that UX was no longer just on screens; products, services, offline environments, and communications also impacted the consumer experience, indicating a change of the carriers of experience and also the

targets being designed. The shift from experience design to experience strategy addressed the issue that the resulting experience designed was great for the user but may not solve the right brand or business problem, indicating both a user-oriented and brand-oriented perspective of designers. The move from experience strategy to experience management tackled the problem of lacking a means of evaluation to the validity of the experience outcomes in terms of business performance. Finally, the transition from experience management to experience-driven transformation dealt with the issue that the company may not be able to implement the strategy and design due to organizational culture, structure, processes, and metrics, indicating the coming of an experience-oriented transformation strategy as a kind of business strategy.

In ideal world, these four phases are designed to work together. Experience strategy is used to determine what the experience should be from both user and brand perspectives. Experience design is used to create the experience across the four Domains of Experience. Experience management measures the impact of the experience. Experience-driven transformation ensures that the company culture and structure is configured so that it can maintain and sustain the desired future state. These are essentially wicked problems, particularly since each problem attempted to solve was a symptom of another problem (Buchanan, 1992; Rittel et al, 1973).

However, these cases revealed that clients ultimately want their problem resolved, but they might not see the bigger pictures, resulting in underestimation of the resources needed. Therefore, Experience-Driven Transformation isn't sold as a solution at the first engagement because of its large scope and complexity. Clients may not be aware of the size of the problem, and they want to use the least amount of time, money, and resources to resolve or improve the issue. On the other hand, these four kinds of experience-related expertise might be required independently for different business units with different projects. Future experience practitioners, therefore, should begin to think about their skill sets to face the challenge of a new experience age.

5.2 Abilities of strategists and designers

The abilities that strategists and designers need are evolving. Practitioners of experience design need the ability to understand what a desired experience from the user perspective is and how to create the experience. Practitioners of experience strategy need the ability to understand what experiences are appropriate and inappropriate for a brand and a company, regardless of the desirability from the user. The abilities needed to practice experience design and experience strategy were qualitative and yet different. Revealed by our case studies, some in-practice designers were reluctant to learn about business-related knowledge. Even more, practitioners of experience management need the ability to quantify the result of the experience, while practitioners of experience-driven transformation require the ability to understand business and corporate challenges ranging from culture, structure, resources, processes, and metrics. The abilities of designers and strategists of experience are evolving.

This study demonstrates a structured hierarchy of abilities and mindsets for experience practitioners from experience design of webs and mobile applications, the total control of experience domains, the quantifying experience, to the experience-driven business abilities. With the maturity of experience design globally, it no longer can provide strong benefits for creating business competitive value. A new skill set for experience practitioners is needed for positioning design in better helping companies aiming for a full-fledged experience economy.

5.3 Experience Strategy Framework for experience-driven transformation

Experience-driven transformation has emerged as an area of continued research, and its practice integrates all the previous developments: experience design, experience strategy, and experience management. They ensure the successful implementation of the experience-driven transformation for future business. For analysis and implementation, we devise an updated version of the Experience Strategy Framework, as shown in Figure 5, which serves as a comprehensive and evolving guide for organizations seeking to achieve lasting success through experience-driven transformation. Details of this framework currently are undergoing developments and examined through our design projects.

The essential concept of this Experience Strategy Framework (XSF) is that an excellent experience-oriented company would have meaningful connections between the layers of different elements of XSF. A sustainable modern company would find a way to dynamically maintain the connections overtime to overcome the consistent changes of people and cooperates. More results will be presented in future studies.

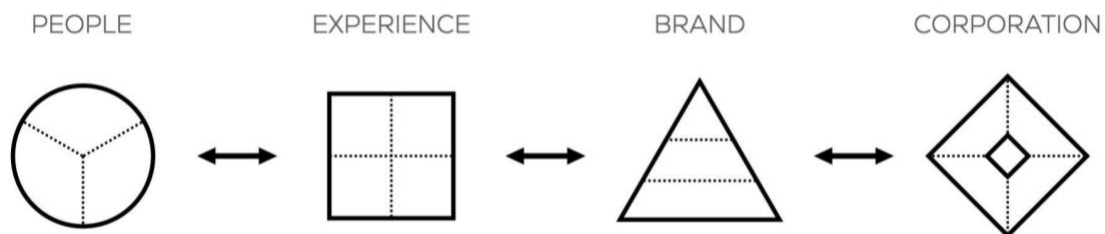


Figure 5. The Experience Strategy Framework for Experience-Driven Transformation.

6 Conclusion

To sum up, the study utilized case study, in-person participation, and interviews to explore the developments of experience practitioners. First, the study presents the four phases of UX development: transitioning from UX to experience design, to experience strategy, to experience management, and finally, to experience-driven transformation. The phases represent a natural progression for the evolution of UX design's core competitive value, where its previous strengths and expertise becomes commoditized and new value is generated by providing clients a comprehensive, end-to-end solution for navigating the complex challenges of business landscape in experience economy.

Second, the abilities of experience practitioners corresponding to different phases were discussed. Third, the study developed the Experience Strategy Framework to address the dynamic relationships between corporate capabilities, brand value, holistic experiences, and customer relationships. The applications of the Experience Strategy Framework in design practice and research enable organizations to adapt to the rapidly changing market and deliver exceptional experiences across multiple touchpoints to achieve business objectives.

Experience designers and strategists are vital in addressing clients' evolving needs. Their continuous skill refinement is essential for delivering innovative solutions that align with business objectives. By embracing experience-driven transformation, companies can achieve lasting success, maintain a competitive edge, and highlight the importance of investing in the development of designers and strategists to navigate complex business challenges. This study also advances our research on experience design and strategy.

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About the Authors:

Michael T. Lai: Include a short bio of the author with maximum limit of 40 words. Use this to provide an overview of the research interest and/or a major achievement.

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