

Staging experience, valuing authenticity: Towards a market perspective on territorial development

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Abstract

Drawing on particular socio-economic theories, this paper discusses the implications for regional studies of the experience economy approach through the broader question of market valuation. Different forms of market construction are identified and compared with regard to distinct models of regional development. It is observed that most of established territorial innovation models give prominence to a technical form of market valuation driven by technological change, by localized innovative production and by the mobility of goods and services. Conversely, experiential valuation primarily points to alternative models of development focusing on the local capacity to set attractive and engaging stages and to exploit consumer mobility. While the former models have mainly been applied to export-based manufacturing, the latter have essentially been applied to leisure, entertainment and tourism activities. The second part of the paper discusses the limits of technical as well as experiential market valuation in the case of the Swiss watchmaking industry. In such a case, experience in consumption and technology in production appears as strategic economic resources but what is primarily valued is authentic watchmaking. Authenticity is regarded as a third possible form of market valuation revealing specific socio-economic and territorial dynamics. The paper finally argues that market valuation should be considered as a key issue for future understandings of economic and territorial development.

Keywords

Experience economy, authenticity, market valuation, quality conventions, territorial innovation models

Introduction

‘Welcome to the Experience Economy.’ With this catchphrase, Pine and Gilmore (1999) have described the emergence of an economy in which business is primarily made not out of a technical offering of goods or services but out of consumers’ engagement in ‘memorable’ experiences. In line with earlier work in marketing studies (Holbrook and Hirschman, 1982), they point to the place of symbolic, entertaining and hedonistic consumption in economic value creation. Owing to the increased importance of culture, leisure, events and tourism in territorial development, this approach has more recently been addressed as a central research and policy agenda in regional studies (Freire-Gibb, 2011; Lorentzen, 2009, 2013;

Hauge and Power 2013). Which particular analytical and conceptual challenges does such an approach imply for the comprehension of economic and territorial development today? What are the scope and limits of a potential ‘experience turn’ in regional studies?

In the last few decades, regional studies have mostly focused on production processes in order to understand economic and territorial development.

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Numerous researchers have analysed how particular local production systems innovate, succeed or fail in a global market driven by an increased mobility of goods and services. In contrast, the experience economy approach enhances the importance of consumption in economic processes. In this approach, goods and services are no longer valued as market outputs. Rather, they support the social performance staged by a seller and experienced by a buyer. The consumer experience is what is sold. From this perspective, territorial development is based on the local capacity to stage and contextualize a valuable consumptive engagement.

Drawing on particular socio-economic theories, this paper discusses the implications for regional studies of the experience economy approach through the broader question of market valuation. Different forms of market construction are identified and compared with regard to distinct models of territorial development.

The first part of the paper compares the technical and the experiential forms of market valuation. It is argued that traditional 'territorial innovation models' (Moulaert and Sekia, 2003) often reflect a technical market valuation perspective driven by technological change, by localized innovative production and by the mobility of goods and services. Conversely, experiential valuation primarily points to alternative models of development focusing on the local capacity to set attractive and engaging stages and to exploit consumer mobility. While the former models have mainly been applied to export-based manufacturing, the latter have essentially been applied to leisure, entertainment and tourism activities.

The second part of the paper discusses the limits of technical as well as experiential market valuation in the case of the Swiss watchmaking industry. On the one hand, it is observed that, even though technological development represents an essential issue in the economic success of this industry, Swiss watches are no longer valued according to technical use in a market. On the other hand, although consumer experience contributes to their value, experiences are not directly what is sold in the market. In such a case, experience in consumption and technology in production appear as strategic resources mobilized to value authentic watchmaking. The valuation of authenticity is thus regarded as a third

possible form of market construction out of which specific economic and territorial issues can be observed.

Technical and experiential market valuation in territorial development

Beyond a 'productionist' approach to economic and territorial development

Regional studies have traditionally paid attention to production in order to explain territorial development. Since the late 1980s, various territorial innovation models have pointed out how specific regional systems of production are able to compete in a globalized market (Legendijk, 2006; Moulaert and Sekia, 2003). Often inspired by an industrial approach to economic development, such models have mostly considered technological change as the main driver of innovative production and regional competitiveness. This technological perspective has more recently been challenged by several studies that have underlined the importance of cultural/creative activities in urban or regional innovation, regeneration and growth (see, for instance, Cooke and Lazzeretti, 2008; Power and Scott, 2004). Nevertheless, this interest in symbolic and immaterial resources within economic and territorial development has mostly placed the emphasis on the production and commodification of cultural activity and has largely remained supply-orientated (Garnham, 2005).

However, this 'productionist' perspective has been an object of criticism and several scholars have called for a renewed understanding of production and consumption within regional studies and economic geography (Coe et al., 2008; Grabher et al., 2008; Malmberg and Power, 2005; Power and Hauge, 2008). Addressing territorial development from an experience economy perspective converges with this research agenda. It implies considering consumption as an essential process of value creation whereby end-consumers 'are the products' of their experiences (Pine and Gilmore, 1999: 63). Besides the particular analytical and theoretical issues raised by the experience economy, this article proposes a more general reflection on the question of production-consumption processes in market valuation at large (Aspers and Beckert, 2011).

Conceptualizing socio-economic market valuation

Even though the market is largely regarded as a central economic mechanism, its socio-economic construction often remains an unexplored ‘black box’ in economic geography (Berndt and Boeckler, 2009, 2010). This issue has, however, received more attention in other fields of social sciences. Different theories have argued that the market value of a good or a service does not reflect a ‘Walrasian equilibrium’ (Walras L, 1900) naturally established between a given demand and a given supply. Rather, it results from a dynamic social process of valuation whereby particular actors (e.g. producers, consumers or intermediaries) coordinate and mobilize resources to assign a particular socio-economic value to different market objects (e.g. goods or services). Based on a selective account of this rich research field, three central analytical dimensions of market valuation can be stressed.

Often highlighted in economic sociology, a first analytical dimension deals with the *relational construction* of market value. In this approach, economic value results from a qualification process based on a dynamic positioning of market actors and market objects. Qualification involves ‘hybrid relations’ of cooperation, competition and influence among producers, intermediaries and consumers (Beckert, 2009; Grabher et al., 2008). It also implies a relational positioning of objects that are made comparable and distinguishable at the same time (Callon et al., 2002). In some cases, producers and consumers may qualify goods or services primarily by comparing them with each other (e.g. comparison of products with similar functionalities). In other cases, they may utilize them to acknowledge a mutual social status (Aspers, 2009) or to engage with particular imagination (Beckert, 2011). In this qualification process, intermediary actors (e.g. journalists or opinion leaders) and technical devices (e.g. awards, magazines or certificates) often constitute crucial resources. Not only do they make objects visible and identifiable, but they also allow social recognition or mutual engagement among actors (Callon et al., 2002; Cochoy, 2008; Grossetti, 2008).

A second analytical dimension, notably developed within the economics of conventions, emphasizes the *conventional construction* of market value. Whereas the relational perspective shows how actors and objects are positioned relative to each other, this approach draws attention to how this positioning is legitimized against particular shared equivalency principles. A market is therefore regarded not only as an arena of interaction but also as a socio-economic context governed by specific ‘quality conventions’ (Eymard-Duvernay, 1989; Favereau et al., 2002) to which actors refer to ‘justify’ their actions and discourses (Boltanski and Thévenot, 1991; Diaz-Bone, 2009; Stark, 2009). Conventions are not only perceived as contractual principles upon which actors agree to facilitate their relations. Rather, they bear an institutional dimension in the sense that they exist before, are reinforced by and live through individual relations (Bessy and Favereau, 2003; Hodgson, 2007). Quality conventions do not establish a fixed configuration of objects and actors. They allow a dynamic of valuation by providing legitimate principles in coordinated actions. Producers, consumers and intermediaries evaluate, test, adapt or innovate in reference to these principles.

A third analytical dimension, particularly addressed in anthropological and ethnographical research, stresses the *transactional construction* of market value. In this approach, markets organize around the social construction of equivalency between an object and its exchanged counterparty (Weber, 2000). In a market economy, this counterparty most often consists in a monetary exchange – a payment – taking place within an organized commercialization process. The commodification of a good or a service is a particular form of commercialization whereby an object and its monetary exchange substitutes, temporarily or permanently, for the interpersonal transactions among producers, consumers or intermediaries (Testart, 2001; Weber, 2000). However, an exchange counterparty (e.g. a payment) can also be achieved through other forms of commercialization processes. For instance, folk music in Irish pubs is usually not commodified as such but commercialized through the payment of food or drink. This valuation process implies, for

instance, reciprocal transactions among musicians, publicans and tourists (Kaul, 2007).

Building upon these three analytical dimensions, market valuation is here conceptualized as a relational, conventional and transactional process of qualification and commercialization. Qualification implies relations between actors and objects that are reflected in particular buyer–seller interactions and in particular intermediation processes. It is governed by specific quality conventions that are equivalency principles to which actors refer when mobilizing resources (e.g. discourses, culture) and developing ‘knowledgeable skills’ (Lave, 1991) in production, consumption, and innovation. Commercialization implies specific transactions among producers, consumers and intermediaries during which a payment is achieved at a particular stage of the valuation process.

Based on this comprehensive approach, the following sections put the experience economy approach into perspective by positioning and comparing the idealized form of experiential market valuation with the idealized form of technical market valuation. Both are regarded as analytical categories highlighting specific market relations, conventions and transactions, which mirror not only specific economic issues but also specific models of territorial development.

Technical market valuation: objectivating and commodifying value in market

Technical market value is assigned to a good or a service mainly according to its physical or functional characteristics, for instance ‘healthy food’, ‘a safe car’, ‘an accurate watch’ or ‘a reliable service’. In these cases, market actors abstract from their mutual

social status and seek to qualify and re-qualify the technical attributes of different objects. In this sense, technical qualification is a fundamental process of *objectivation* (Figure 1).

‘Objectivated’ here means not that a good or a service is of Producers and Users value but that socio-economic resources are essentially mobilized by actors around the construction and the characterization of market objects. On the one hand, buyers are *users* who draw on knowledgeable skills to evaluate, compare and distinguish the use value of objects without paying attention to the identity of sellers. ‘Is it useful?’ ‘Does it work well/better?’ ‘Is it (more) reliable/accurate?’ ‘Is it fast(er)?’ On the other hand, sellers are *producers* who mobilize resources to produce an object according to its potential generic or dedicated use (Salais and Storper, 1993) and according to a strategic niche identified through a mutual comparison (White, 2002).

Technical quality conventions are institutionalized in technical standards providing equivalency principles against which objects are evaluated and compared (e.g. technical measurements, manufacturing or security standards) (Aspers, 2009; Eymard-Duvernay, 1989). These conventions are legitimized by technical discourses focusing on the characteristics of the object. Branding, marketing and communication strategies are, for instance, designed to advertise the attributes of the product rather than the identity of the producer.

In this view, technological innovation in production is perceived as an essential form of economic change and development. It drives the technical re-qualification of objects by improving industrial productivity (the same use for a lower price) or by

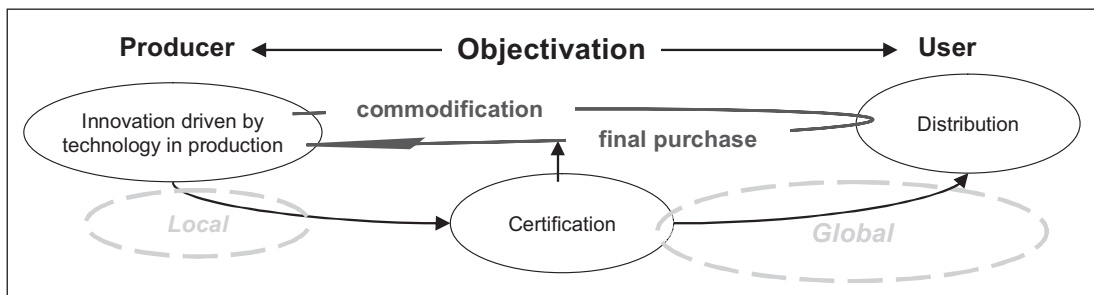


Figure 1. Technical market valuation.
Source: own elaboration.

providing new technical attributes to a good or a service (improved efficiency or a new technical opportunity for use). The adoption of a radically new technology within a market may replace older technologies (Nelson and Winter, 1982) and redefine new legitimate technical quality conventions and technical justifications.

The objectivation process is also supported by particular forms of intermediation between producers and users. On the one hand, it implies certification, consisting of testing and legitimizing technical characteristics attributed to the object, regardless of the producer–user relation. Technical standards (e.g. health, security, accuracy) are for instance controlled and acknowledged by external experts, journalists, laboratories or schools and by institutionalized technical certificates (e.g. a certified competence in the objectivation of a service or a certificate of accuracy in the objectivation of a good). On the other hand, intermediation also relates to distribution, consisting of making the technical attributes of the objects identifiable, comparable and distinguishable for end-users (Cochoy, 2008). This implies giving end-users access to technical information without engaging in privileged interpersonal relations along the distribution chain. Such a process of abstraction was typical of the Fordist philosophy according to which distributors or retailers had to limit themselves to communicating the attributes of the product instead of engaging in mutual relations with end-users (Eymard-Duvernay, 1989: 340).

In addition, technical market valuation also involves a particular commercialization process based on the *commodification* of the object. Commodification means that a ‘produced thing or activity itself is given a consumptive market value’ (Kaul, 2007: 706). Hence, the object becomes the purpose of the market transactions whereby producers and users put their interpersonal relations ‘into brackets’ to evaluate an object and establish its monetary counterparty (Weber, 2000). Ideally, technical information enables end-users to achieve a full appreciation of the object before its purchase. Buyers are not interested in the seller’s identity. They do not maintain any loyalty to a particular producer after the purchase. The producer–user transaction is thus exhausted and terminated by the monetary exchange.

In other words, commodification is about organizing the *ex ante* qualification of the object and its final purchase.

Experiential market valuation: consumer experience as an end value in the market

For Pine and Gilmore (1999: 2), the market value of a coffee bought in St Mark’s Square in Venice does not essentially rely upon the technical attributes of the good or the service, for instance the selection of coffee beans or the promptness of the waiter. It primarily results from the experience achieved by the buyer who drinks a coffee in a memorable environment. In such a case, goods and services are ‘props and stages’ that support a particular experience in consumption (Pine and Gilmore, 1999: 11). Their quality is not objectivated and abstracted from buyers and sellers. It results from their reciprocal, live and situated relation during the contextual *experimentation* of a stage. The seller is a *stager* who dedicates strategic resources to setting a particular social context of action, of interpretation and of interaction in which the buyer engages as a *guest* (Pine and Gilmore, 1999: Figure 2).

Quality conventions are about the ‘theme’ of an expected experience and are not about the experience itself (Pine and Gilmore, 1999: 46). They enable market actors to justify and coordinate their activities through the setting of a particular stage. For instance, in a festival organized on the theme of ‘Medieval Times’, various stagers coordinate their activities (e.g. cooking, musical performance or craftwork) in reference to the Middle Ages. On the one hand, experiential quality conventions enable the stagers to harmonize positive cues (e.g. discourses or artefacts) and to avoid dissonance while staging an experience. On the other hand, they enable the guests to identify attractive themes and to adopt an adequate predisposition to enter an experience (e.g. a pre-engaged or open attitude with regard to a promised experience).

In contrast to technical valuation whereby the characteristics of goods and services can ideally be qualified as an end, the quality of an experience may be fully appreciated only once achieved by a consumer. For Hutter (2011), this particular uncertainty

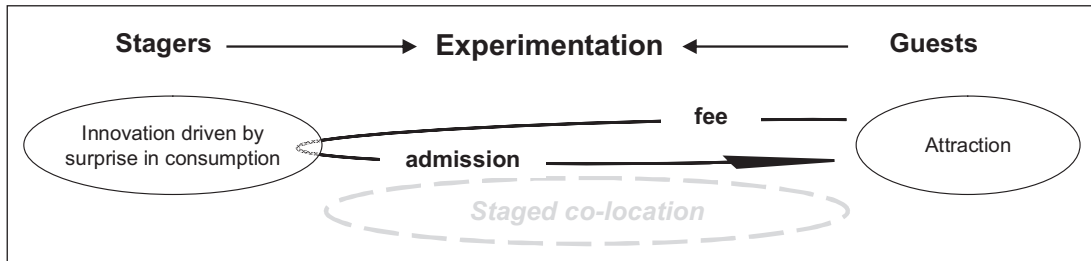


Figure 2. Experiential market valuation.
Source: own elaboration.

is at the core of a cultural economy driven by the valuation of surprise in consumption. For Pine and Gilmore (1999) as well, surprise is inherent in the experiential value of the stage. Stimulating, entertaining or renovating surprise in consumer engagement is therefore the central driver of innovation in experiential market valuation. This can be done through a consolidation of the stage (surprise by getting deeper into an experience) or through the renovation of a theme (surprise through a new type of experience).

In experiential market valuation, intermediation primarily relates not to the certification and distribution of goods and services but to consumer attraction to a stage. Attraction may imply supporting and facilitating the physical access or transfer of the guests to the stage. Above all, however, it deals with stimulating consumer knowledgeability and expectations regarding an anticipated experience (Stamboulis and Skayannis, 2003).

What finally characterizes the experiential market valuation is that the consumer experience is in itself the purpose of the market transaction. For Pine and Gilmore (1999), it is the admission to the experience that is commercialized through the payment of *admission fees* (Pine and Gilmore, 1999: 62). Reinforcing the idea that surprise in consumption is part of its value, an experience is assigned a monetary counterparty before its achievement. Experimentation occurs *ex post* to payment.

Technical and experiential valuations: contrasting the approaches to territorial development

Technical and experiential market valuations point to distinct forms of socio-economic organization and

raise different territorial issues. They also highlight specific and challenging models of regional development.

In various ways, technical market valuation emphasizes an industrial perspective that has largely inspired iconic ‘territorial innovation models’ (TIMs) (Moulaert and Sekia, 2003) such as industrial districts (Becattini, 1990), innovative milieus (Camagni and Maillat, 2006) or clusters (Porter, 1998). Although these models have built upon different theoretical traditions and analytical approaches (Legendijk, 2006; Moulaert and Sekia, 2003; Simmie, 2005), they do share fundamental conceptual principles.

Originally, TIMs were built on the idea that globalization implies new economic and competition challenges induced by the increased mobility of production factors (e.g. the relocation of production lines or the mobility of workers) and of goods or services. This mobility leads to new spatial divisions of productive activities and to new export opportunities on a global scale. Based on empirical observations, these models have pointed out how particular regions are able to compete globally through specialized or specific productive resources embedded in local communities. A region is primarily perceived as the locus where a particular production system anchors itself (e.g. in a milieu, in a district or in a cluster) within proximate organizational learning and technological innovation dynamics (Moulaert and Sekia, 2003). Local development is examined through the lens of a global ‘production market’ (White, 2002) where distinct regional systems occupy strategic niches of production. The relation between producers and end-users is mostly conceptualized in technical terms: in the early phase of development, through a

sophisticated use (Porter, 1998); in a mature phase of market exploitation, through a distant and rather ‘aspatial’ use taking place on a global scale (Malmberg and Power, 2005). This market organization essentially reflects a local–global dialectic: it is locally innovated and produced and globally used and sold (Figure 1).

In contrast to these models, experiential market valuation implies considering territorial development not only through the spatial organization of production but also through the spatial contextualization of consumption. In recent years, an increasing number of studies have stressed the importance of the consumer experience in the economic valuation of regional products and activities. Pointing to the increasing importance of culture, events and tourism in urban and rural development, various studies have highlighted the economic value of a staged co-location of production and consumption (see for instance, Lorentzen, 2009; Richards, 2004; Scott, 2010). Territory is regarded as a staging system within which local activities and offerings draw competitive economic value from the specific and contextual memorable engagement of consumers.

In experiential market valuation, the economic value of local natural and cultural resources can be understood not only through their mobilization in creative and productive activities, but also through the social involvement of residents and visitors (Scott, 2010). Goods and activities provided by firms and by local initiatives are the components of a stage setting to be performed through the valuable collective and personal engagement of consumers (Wikström, 2008). Accordingly, the quality of goods and services is not dissociated from the quality of the place in which they are experienced. Considering the experience economy in territorial development emphasizes not only particular place-based production processes, but also particular place-based products and consumption processes (Lorentzen, 2009).

In contrast to territorial models of development that are primarily inspired by the mobility of goods and services, such a perspective gives prominence to the mobility of consumers: particular regional activities are turned into attractions for visitors and residents (Richards, 2001). In this

approach, cultural events (festivals, exhibitions, sport) are regarded as strategic tools that stimulate and valorize local creative activities through the promotion of an attractive image of place (Richards and Wilson, 2004). Place branding acts as a market signal enabling local stagers to harmonize their offering within a coherent theme of experience, and potential guests to identify an experience promised by a particular destination (Blain et al., 2005).

Hence, experiential and technical market valuations bring to light contrasting models of territorial development. They point to different economic activities too. Whereas technical market valuation has mostly been applied to export-based manufacturing, experiential market valuation has mainly been highlighted in cases of leisure, entertainment and visitor-based activities. Does an experience economy approach provide some relevance also in the case of export-based manufacturing? How does consumers’ experience relate to the market valuation of a good that is produced and consumed in distant places?

In the next part of this article, these questions are addressed through the case of the Swiss watchmaking industry. This particular case emphasizes a third possible form of market construction whereby technology, culture and consumer experience are engaged in the socio-economic valuation of authenticity.

Authenticity as market valuation in the Swiss watchmaking industry

The analytical and conceptual reflections provided in the following section draw on empirical observations made within a larger qualitative study realized between 2007 and 2010 in the EC FP6-funded project EURODITE. The qualitative research was based on document analysis as well as on semi-structured interviews. On the one hand, a large review of print magazines, websites and online forums launched by watchmaking companies, umbrella organizations, media companies, auction houses, watch experts, bloggers and customers was undertaken. On the other hand, 50 interviews were carried out inside

and outside watchmaking companies with chief executive officers, human resource managers, communication managers, marketing managers, journalists, publishers, event organizers and representatives of watchmaking organizations. This data gathering provided knowledge about recent entrepreneurial projects, about significant changes in corporate strategies and about valued discourses. It also revealed the particular views that interviewees had on the milieu in which they were involved. The place of end-consumers in the current development of the industry has been analysed by observing how watchmaking firms and intermediaries try to influence them and are influenced by them in their business strategies.

The empirical observations used in this paper are selective accounts from this research. They are assembled in a comprehensive way to highlight a particular evolution of the Swiss watchmaking sector during the last two decades. A particular focus is put on the revival of mechanical watches and on the importance of initiated consumption in the valuation of authentic watchmaking within the marketplace. Although the following analysis particularly applies to high-end and luxury watchmaking, it also reflects business and management issues that are increasingly relevant for middle-range watches.

Moving beyond the technical market valuation of Swiss watches

Until the 1970s, the production and business organization of Swiss watchmaking was in many ways illustrative of a technical form of market valuation. Through specific and localized technical competences, Swiss watch manufacturers established in the Jura region and in the city of Geneva had become internationally leading producers of mechanical watches. The particular organizational and institutional structures of the regional production system reflected important features of an industrial district (Donzé, 2009). With the rise of electronic technology and under the pressure of international competitors, the Swiss watchmaking industry fell into a devastating crisis between the 1970s and early 1980s (Glasmeier, 2000). This crisis led the Swiss watchmaking sector to radical industrial and business transformations.

During the 1980s, the production of mechanical watches was nearly abandoned and the production of electronic watches was centralized and vertically integrated within larger companies (Glasmeier, 2000). An increased cultural and symbolic valuation of the design and the fashionable components of Swiss watches accompanied this industrial restructuring. Around the same time, important international luxury and fashion companies began to establish factories in the Jura region in order to produce branded 'Swiss Made' watches. More and more, Swiss watches became iconic products of social and symbolic distinction (Crevoisier, 1993).

Since the mid-1990s, notably driven by the rise of the luxury sector and by the increasing number of enthusiastic buyers in search of 'exceptional' watches, Swiss watchmaking companies have progressively returned to the production of mechanical watches. Characterized by a generalized move to higher-range and higher-priced products, this technological revival has extraordinarily increased the average value of Swiss timepieces. The export value of mechanical watches has trebled in the last 10 years and represents nearly three-quarters of the overall export value of the Swiss watchmaking industry today.

This evolution underlies important technological innovations (e.g. in materials, in micro-mechanical components and in industrial processing) that are stimulated by proximate learning and by complex relations of cooperation and competition among regional firms (watch producers and suppliers). However, interpreting the current economic competitiveness of the Swiss watchmaking industry merely as the success of a local milieu able to produce goods technically better than somewhere else is too restrictive. Mobile phones and rudimentary electronic watches provide cheaper and even more accurate time-giving tools in everyday life than a highly sophisticated mechanical watch. The economic value of Swiss watches is thus not primarily based on a technical use value in the market.

Authenticity as the purpose of market valuation

How, then, should we characterize and analyse market valuation in the Swiss watchmaking industry

today? Since 2009, the Fondation de la Haute Horlogerie ('Foundation of Fine Watchmaking') and the Federation of the Swiss Watch Industry, which represent most of the watch manufacturers established in Switzerland, have been leading an intense international anti-counterfeiting campaign under the slogan: 'Fake watches are for fake people: Be authentic. Buy real' (see Figure 3). It is one of the very few communication campaigns collectively supported by watchmaking companies.

Beyond the slogan, this catchphrase points to a particular form of valuation that is neither technical nor experiential. Quality builds upon the authentic status that is assigned to particular objects and actors ('be authentic') through this essential question: 'Is something/someone real or fake?' (Gilmore and Pine, 2007). This fundamental justification reveals a



Figure 3. Anti-counterfeiting campaign of the Fondation de la Haute Horlogerie and the Federation of the Swiss Watch Industry.

Source: Fondation de la Haute Horlogerie and the Federation of the Swiss Watch Industry (2009).

particular quality convention on which a distinct form of market valuation can be drawn and analysed.

Inspired by Deleuze's work (1990), Hertz explains that the interpretation made by social actors of what is 'real' or 'false' relates to the idea they have about the resemblance of an object to its original essence (Hertz, 2000: 42). Qualification of authenticity can thus be regarded as the *authentication* of an idealized origin attributed to market objects as well as to market actors ('Fake watches are for fake people'). Valuing authenticity does not mean conserving products and practices from an ideal past. Socially constructed, authenticity is qualified and re-qualified in a perpetual 'quest' (Peterson, 2005: 1093) for an idealized origin implying innovation, negotiation or control around the legitimate convention of authenticity. In this sense, considering authenticity market valuation as a prominent issue for the Swiss watchmaking industry today leads to analysing complex production and consumption processes in economic and territorial development (Figure 4).

Not producing authenticity but founding an idealized origin

The idealized origin of an authentic Swiss watch is today largely embodied in the mechanical technology. This technology recalls the original technical know-how that has been developed in Geneva and the Jura region during past centuries. In this sense, technical competences are mobilized not primarily to improve the technical use value of watches but rather to justify the origin of authenticity. The capacity to develop and produce innovative and highly complicated mechanical movements in-house is regarded by manufacturers as a major issue to justify their status of 'real watchmakers'.

The quality of Swiss watchmaking relates to the properties of the object (e.g. its technology) as well as to the social status of manufacturers that promote their identity as original watchmakers. For instance, the image of someone working with eyeglasses at a bench is largely used to represent this status. The story of the manufacturers and of legendary early watchmakers is told by specific books

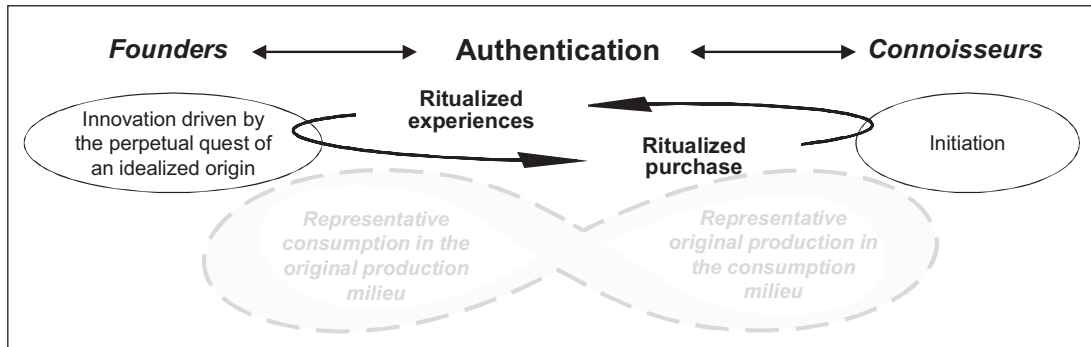


Figure 4. Authenticity market valuation.

Source: own elaboration.

and museums. Anniversaries of original logos, original products or pioneer watchmakers are celebrated by older as well as younger brands to point to their origins. In such a valuation process, the identity of the producer is merged within the 'DNA' of the brand that qualifies a watch. Branding works here as a market signal giving coherence to, and making identifiable, particular funding elements of authenticity.

Valuing an original essence does not necessarily mean valuing a long history. The notion of originality does not stay unchanged over time either. It relates to the perpetual quest for an original essence that underlies technological as well as non-technological forms of innovation. On the one hand, watchmaking companies must prove their legitimate technological competences by developing new concepts for watches, new mechanical complications and new materials for display at major annual exhibitions. On the other hand, innovation also occurs through the development of parallel cultural activities. This implies, for instance, the editing of dedicated publications (historical books, special issues and dedicated publications), the production of multi-media supports (online editing, blogs or web television), the creation of stages (architecture of headquarters, museums, exhibitions) and the organization of events (Jeannerat and Crevoisier, 2011).

However, the economic value of technological and cultural creativity that has characterized the development of the Swiss watchmaking industry in past decades cannot be restricted to a production process. Watchmaking companies are not

'producers' of authenticity but *funders* of an initial and coherent socio-technical setting (e.g. goods, services, discourses, repertoires or artefacts). Authenticity comes into existence and to market value only through the individual and collective interpretation developed by an audience (Beck and Wezel, 2008), which qualifies this setting as 'real' or as 'fake'.

Authentication as a dynamic process of initiation, legitimization and control

End-consumers have to understand, subscribe and contribute to the justification that qualifies 'real' watchmaking. For instance, they have to know about, and agree upon, the legitimate repertoire that is used to qualify a complicated watch or a historical brand. Authentication thus relies upon the adequate competence of an initiated audience whose members engage as *connoisseurs*.

Consequently, initiation is a fundamental issue of intermediation in market. For instance, watchmaking brands increasingly develop training sessions for journalists, sales staff and enthusiastic end-consumers to initiate them into the historical and technical value of fine watchmaking (in French 'Haute Horlogerie'). Retailers also propose so-called 'spaces for connoisseurs' in their shops where one can learn about watch brands, watch history or watch technical specifications. They also organize particular events or workshops during which customers learn to assemble a mechanical watch. Consumers also initiate themselves through

online platforms, blogs, technical and historical books and magazines.

Driving the perpetual quest of authenticity, initiation also promotes innovation. On the one hand, companies mobilize important resources to upgrade the knowledgeability of their audience. On the other hand, this increasing knowledgeability pushes watchmaking companies to develop even more sophisticated watches or to upgrade the competences of their sales staff. The market value of authenticity is thus not granted and established once for all. It is permanently at stake through a renewal of its founding elements (e.g. a new product, a new technology or a new cultural content) and through a constant initiation of the audience (e.g. the rise of influential connoisseurs).

For watchmaking companies, this implies a continuous struggle to maintain and justify the legitimate repertoires used to qualify their authenticity. On the one hand, they rely upon independent voices to legitimize their discourses (e.g. journalists, retailers, bloggers, auctioneers, collectors). On the other hand, they try to influence and control these same voices through advertising agreements and through selective accreditations (e.g. the appointment of legitimate ambassadors). Consequently, the perpetual quest for authenticity is also a perpetual game of control and autonomy between market actors.

Consumers' experience not as an end but as a resource in market valuation

In the last decade, the development of fairs, thematic exhibitions, museums, visits to manufacturers, training workshops and sophisticated shops has given more attention to the place of consumer experience in the market valuation of Swiss watchmaking. In contrast to experiential market valuation, consumers' memorable engagement is not, in such cases, what is primarily sold. The market transaction remains centred on the purchase of the watch and the consumer experience is embedded in the broader process of authentication.

On the one hand, watchmaking companies or retailers rely upon initiating experiences to engage their audience (e.g. consumers, journalists, brand ambassadors) in an interactive learning process.

Through participation in workshops, events and exhibitions or through visits to factories or museums, consumers learn by experiencing the idealized origin of watch brands. On the other hand, these stages establish a direct interaction between the idealized universe funded by the buyers and sellers. Directly experienced by the consumer, the idealized origin staged by the founders of an authenticity becomes lively legitimized and appreciated as real. The importance of these initiating and legitimizing experiences for watchmaking companies clearly appears in the fact that they generally refuse to sell their products on the Internet. The stage of the watch shop must be experienced before buying an authentic watch.

Consumers are usually not charged for admission to initiating and legitimizing experiences. The monetary transaction is thus postponed to the purchase of the watch. Most often, the purchase occurs at a particular moment in the initiation process and does not necessarily bring it to an end. Today buyers tend increasingly to buy more than one Swiss watch in their life. In some cases, prestigious watch brands sell their most complicated and expensive watches only to initiated customers already owning one of their simpler models. Commercialization in authenticity market valuation thus reflects a *ritualization* process (Weber, 2000) whereby experience and purchase are achieved at particular points of the valuation process and in particular ritual places.

Staging a continuity between production and consumption milieus

From a territorial perspective, considering the market valuation of authenticity points to particular issues that differ from a technical or an experiential perspective. Within the market valuation of authenticity, the region can be regarded as a local funding system whereby technical and cultural resources are mobilized to acknowledge and make coherent an idealized origin.

In the case of the Swiss watchmaking industry, the original Jura region and city of Geneva can be regarded as a territorial founding system of authenticity organized around local technological and cultural activities. As observed, local micro-mechanical know-how enables regional firms to develop

sophisticated products, to innovate and to create employment. However, the market value of Swiss watches cannot be reduced to a technical use. It also builds upon important cultural resources (Kebir and Crevoisier, 2008) that are mobilized through additional activities developed and exploited by watchmaking companies (e.g. museums, publications, exhibitions, architecture) as well as by external actors (e.g. dedicated media, consultants in communication, event organisers).

Equally, this centrality of cultural activities cannot be dissociated from technological development. In other words, it is too restrictive to consider Swiss watchmaking through the lens of a regional industry that commercializes culture as an end commodity. Cultural and technological activities contribute inseparably to the foundation of an idealized origin. In this context, labels such as 'Swiss Made', 'Poinçon de Genève' or 'COSC' (Contrôle Officiel Suisse des Chronomètres) are utilized by companies not only to certify the technical attributes of their products, but also to authenticate their legitimate status as original watchmakers.

Besides the foundation of authenticity, another territorial issue relates to the authentication (initiation and legitimization) of the value of Swiss watchmaking across space. As already highlighted by different studies, an important part of the co-creation, diffusion and legitimation of cultural contents takes place at the level of global or 'fashion cities' through globalized brand channels (Jansson and Power, 2010). In particular, the cities of Paris and Milan play a major role in cultural co-production related to luxury, design and fashion activities in the promotion of Swiss watchmaking. However, beyond global cultural trends relayed by major cultural cities in the world, watchmaking companies establish a more direct relation with their audience. This relation gives rise to a particular territorial coupling based on ritualized venues and experiential stages.

On the one hand, a representative consumption is organized and staged in the original production milieu of Swiss watchmaking. Parts of factories, museums, exhibitions or touristic shops in Switzerland are venues dedicated to a privileged audience (ambassadors, retailers, journalists, collectors, tourists) who engage in the original stage of watchmaking and who bring a

legitimate testament to their experience back to their home region.

On the other hand, a representative production is staged within the consumption milieu. Mono-brand shops and travelling exhibitions launched by watchmaking companies seek to establish a presence within the consumption context. More and more, watchmakers are exhibited in shops and in initiation workshops launched in various international cities. This territorial coupling is shaped not only by watchmaking companies, but also by retailers who organize particular meetings with Swiss watchmakers or visits to Switzerland for their enthusiastic customers.

Conclusion

How to consider the relevance of an 'experience turn' in regional studies? A possible way to address this question could be to adopt Pine and Gilmore's (1999) proposition and to consider an 'experience turn' as the historical rise of a new predominant form of economic development to be handled as a general paradigmatic approach in regional studies. The increasing importance of culture, leisure, tourism and events (sport, art, festivals) for the attractiveness and competitiveness of many regions today illustrates the necessity to place the consumer experience as a central issue for understanding territorial development.

However, focusing exclusively on the rise of the experience economy does not provide a sufficient understanding of innovation and economic processes taking place within other relevant forms of market valuation. In this sense, this article has considered an experience turn in regional studies from a broader perspective that has consisted in highlighting the central and fundamental research questions raised by the concept of the experience economy. It has been argued that major conceptual and analytical issues addressed by this concept relate to the understanding of consumer engagement in economic value creation and of socio-economic market construction. The experience economy approach has been presented as a distinct form of market valuation whereby consumers' memorable engagements are what is sold. This particular form of

market valuation challenges the views on technological innovation, on commodification and on producer–user relations upon which iconic TIMs have been built in the last decades. It also leads to studying economic globalization not only through the mobility of goods and production factors but also through the mobility of consumers.

Nevertheless, it has also been argued that considering the consumer experience only as a market output provides a too restrictive lens for analysing economic and territorial development today. As highlighted in the case of the Swiss watchmaking industry, the consumer experience may contribute as a resource to the construction of other forms of market value. In this case, the importance of initiating and legitimizing experiences has been addressed within the particular market valuation of authenticity. Facing increasing competition in manufacturing and technological development, firms and regions, particularly in western countries, tend to develop and exploit new forms of economic value today. The case of the Swiss watchmaking industry is particularly illustrative of this phenomenon, and authenticity market valuation can be applied to numerous other activities such as wine or

car making (see for instance, Beverland, 2005; Leigh et al., 2006).

Rather than opposing technical, experiential and authenticity valuation, this article has pointed to the importance of considering the socio-economic construction of the market as a central issue in the comprehension of economic and territorial development (Figure 5). Do we buy vegetables at a Saturday market because they are healthier than in a supermarket (technical), because it is enjoyable to buy them in a nice atmosphere (experiential) or because it is the real way to buy them (authenticity)? If regional studies should not provide a single and exclusive answer, dealing with these questions certainly opens up challenging research issues and further investigation. Such reflection could lead not only to a renewed appreciation of different modes of market construction, but also to a new conceptualization of economic and social phenomena.

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	Technical market valuation	Experiential market valuation	Authenticity market valuation
Qualification	Objectivation of products	Experimentation of the stage	Authentication of an original status
Buyer-seller relation	Producer-User	Stager-Guest	Founder-Connoisseur
Learning and innovation driver	Technology in production	Surprise in consumption	Perpetual quest of an idealized origin
Intermediation	Certification-Distribution	Attraction	Initiation
Commercialization	Commodification (final purchase)	Admission (admission fee)	Ritualization (ritualized purchase)
Territorial issues	Local production and global use	Staged co-location	Coupling of production and consumption milieus

Figure 5. Technical, experiential and authenticity market valuation.
Source: own elaboration.

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