X Thinking in the Experience Economy Era: 23 Personas that Identify Generation Z Interaction Qualities

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ABSTRACT

In today's business landscape, enterprises are no longer relying solely on their understanding of products but are instead prioritizing user experiences. To comprehend and model the challenges presented by this shift, we conducted a sequence of literature reviews and six qualitative user studies. Through this research, we identified 23 archetypical personas and how they manifest in the experience economy era. Building upon these insights, we identified six crucial interaction qualities and intend to create design guidelines and demonstrators that facilitate Generation Z interactions in everyday life.

Keywords: Human-centered insight, Generation z, Interaction qualities, X thinking, Experience economy, User experience, Persona

INTRODUCTION

The concept of the experience economy was popularized among Chinese people by the book, The Experience Economy, authored by Pine and Gilmore in 2011. The authors first introduced the idea of the experience economy in a Harvard Business Review article in 1999, positing that it represents the fourth stage of economic development, following the agricultural, industrial, and service economies. China's experience economy has evolved in a distinctive manner, reflecting its pioneering and representative character on the global stage (Lin, 2011). In the last decade, the advent of innovative products, such as high-speed rail, mobile payment, and bicycle sharing, has considerably enhanced people's daily lives while promoting the development of the experience economy worldwide (Zheng and Walsh, 2019). A major difference between the experience economy and the traditional economy is the shift in focus from brands and industries to people. In the experience economy, there is a heightened emphasis on user experience (UX), with increasing emphasis placed on efficiency, quality, and cost reduction (Zhu et al., 2022; Liu et al.,

2021). The voice and participation of people in business behavior have never been more pronounced, and enterprises are undergoing significant transformations in response to the experience economy era (Meyer and Schwager, 2007).

X THINKING

Experience is a fundamental means by which people perceive and comprehend the world around them. In turn, businesses play a vital role in driving social development by continually providing new experiences to people. With the emergence of the experience economy, a new economic view was born, which gave rise to X Thinking. Since 2009, our organization has undergone three transformations, progressing from UX research and design to experience consulting. We have offered experience-driven brand upgrading and digital transformation consulting services to many renowned brands. We believe that the core issues of business innovation center around three key dimensions: people, value, and sustainability. Answering questions such as, "who are our core people?" "what kind of value do people require from us?" and "how do people sustainably perceive value?" is crucial. In the experience economy, the conceptual content of a brand becomes a compilation of UX rather than the messages and ideas it aims to convey. X Thinking, as the most important factor guiding brand innovation, has emerged in such an experience economy. Concurrently, X Thinking illuminates the cognitive evolution of three dimensions: (1) people are no longer merely consumers but have become co-creators of the brand; (2) value is no longer restricted to product transactions but is centered on brand services; and (3) sustainability is no longer confined to the relationship between supply and demand but stems from the entire symbiotic system.

GENERATION Z

Generation Z is a cohort of individuals born between 1995 and 2009, and are commonly referred to as the generation raised with digital technology (Seemiller and Grace, 2018). Growing up with ubiquitous access to the internet and intelligent devices has shaped their habits and behaviour differently from their predecessors, including the Millennials and digital natives. Studies have found that Generation Z has a shorter attention span than Generation Y and spends more than five hours a day on their smartphones, with over 55% of them falling into this category (Turner, 2015). These factors contribute to their distinct decision-making and product interaction tendencies. Additionally, Generation Z has emerged as a prominent group in the consumer market, making research on their consumption patterns and motivations valuable to businesses. In order to tap into the potential of this demographic, it is essential to adopt an X Thinking approach that integrates people, brands, and brand systems into a holistic, integrated, and sustainable symbiotic strategy while gaining a deeper understanding of this group.

HUMAN-CENTERED INSIGHTS

Psychology, as the study of human behaviour and mental processes, serves as the foundation for research on human beings. Therefore, the concept of human-centered design has become a crucial link between academia and the consulting industry (Desmet and Fokkinga, 2020). A Human-Centered Insight Lab was established through collaboration to promote X Thinking and to generate valuable research findings. Our team combines industry expertise with academic rigor to produce actionable business insights by analyzing changes in people's needs, scenarios, and behaviours related to consumption patterns. To gain a better understanding of key consumer segments and business insights, we conducted 6 qualitative user studies and identified 23 typical personas for Generation Z in the experience economy era (Ferreira et al., 2015), as presented in Table 1.

Designer Toy

The consumption of designer toys has become increasingly widespread and diverse, with blind boxes gaining popularity among consumers. This trend has given rise to a new generation of consumers in the hipster market, namely, Generation Z. When selecting designer toys, they are particularly drawn to visual and tactile factors, but they also value the product's connotation and

Table 1. The mapping of the user studies and the extracted personas.

User studies	Personas
Designer toy	01. Unconstrained beautician
	02. Model lovers who are faithful to the last
	03. Curiosity collectors
	04. Transcendental thinkers
Regimen	05. Health preservationists
	06. Passionate participants
	07. Academic experts
	08. Joyful weightlifters
Pet	09. Rich and exquisite pet owners
	10. Dashing Mori literary artists
	11. Maverick reptilian pet owners
	12. Companionship desire workers
Borrowing and lending money	13. Exploratory financial novice users
	14. Diamonds in the rough
	15. Ultimate experience pursuers
	16. Financial savvy
Domestic product	17. Product experience officers
	18. Individualistic trendsetters
	19. Social butterflies
	20. Pragmatic disciplinarians
Board game	21. Game party organizers
	22. Jacks-of-all-trades players
	23. Hardcore commanders

the designer's intentions. Furthermore, in China, where many of them are only children, designer toys serve as emotional support and offer psychological fulfillment as they collect entire series of toys. A significant number of Generation Z also redesign these toys to express their views on life and values. In this study, we have examined the consumption behaviour of Generation Z in the designer toy industry, gaining valuable insights into their consumption motivations and the industry's business development trends in the current market landscape.

1. Unconstrained beautician (天马行空整容师). They aim to customize and personalize designer toys by adding their favourite elements and expressing their worldview and values.
2. Model lovers who are faithful to the last (至死不渝模法师). They seek emotional satisfaction by buying garage kits, mecha models, sofubi, and resin toys that evoke childhood memories and resonate with their interests.
3. Curiosity collectors (稀奇古怪收藏家). They collect various types of designer toys to experience the fusion of different cultures and ideas, creating a personal world that provides them with a sense of dominance and satisfaction.
4. Transcendental thinkers (超凡脱俗思想家). They focus on the ideas and concepts behind designer toys, hoping to engage with designers and prove the validity of their ideas through these toys.

Regimen

The wellness and regimen market has seen a surge in popularity among Generation Z, driven by health issues such as declining health, hair loss, obesity, insomnia, and other concerns. Through an exploration of their attitudes and motivations towards health and regimen, we have identified opportunities in this market that take into account the constraints of time and energy when making decisions. In particular, recommendations from sources like Netflix and friends are significant factors influencing their choices. While pleasing themselves is important, sometimes they may neglect their health concerns. Due to their fast-paced lives and stress, they require more spiritual satisfaction, and engaging in a regimen can help them reduce the guilt associated with an unhealthy lifestyle.

5. Health preservationists (惜命养生打工人). They live fast-paced lives and often experience severe anxiety about their health conditions. They have a strong desire to quickly relieve any discomfort they may be feeling. In their eyes, following a regimen is a way to regain control of their lives and feel a sense of empowerment over their health.
6. Passionate participants (激情参与体验派). They are enthusiastic about improving their health and enjoying life by trying new things. They prioritize the experience of a product over its effectiveness and are willing to spend more on healthcare, often making impulsive purchases.
7. Academic experts (学术养生小专家). They are usually involved in research work and readily accept the content of professional science. They

prioritize avoiding IQ tax and side effects and hope to gain security and improve their quality of life. They understand that a regimen is only effective if they commit to it for an extended period of time.

8. Joyful weightlifters (快乐负重撸铁人). They strive for improved fitness results through the use of advanced exercise equipment. They seek to maintain a youthful appearance and prioritize keeping their bodies active and healthy.

Pet

As the number of pet owners and their level of care for pets increases in China, a comprehensive industry chain from birth to death has emerged, covering food, supplies, and services. The pet economy market has significant potential, with Generation Z being the leading group in this market. For this demographic, the role of pets has shifted significantly, becoming a new form of self-identification. Consumer behaviours related to pets are used to define and showcase their personalities. Additionally, pets have become a new form of social relationship. As the growth of the Internet has weakened real human connections, the companionship of pets provides an effective way to combat loneliness.

9. Rich and exquisite pet owners (多金精致养宠人). They spare no expense in providing their pets with the finest treatment and care. They often purchase purebred animals from high-end pet stores and view their pets as a reflection of their own identity. Their pets are more than just companions. They are social status symbols, often used to impress others and showcase their wealth.

10. Dashing Mori literary artists (潇洒森系文艺家). They prefer their pets to be in a natural state and enjoy creating an indoor oasis for them to thrive in. They often choose lively and adaptable birds as pets, and they embrace a Japanese Mori-style aesthetic that celebrates the forest lifestyle.

11. Maverick reptilian pet owners (特立独行爬宠主). They are fascinated by the habits and environmental needs of reptiles, which they learn about through online research. They take pleasure in observing and studying their pets, often to satisfy their curiosity.

12. Companionship desire workers (渴望陪伴打工人). They are attentive to offline adoption events and show concern for stray animals. They strongly advocate for adoption rather than buying pets. In order to save costs, they often create DIY nests for their pets or prepare homemade fresh food.

Borrowing and Lending Money

The proliferation of online shopping and easy access to information have fueled the desire of young people to shop, but the economic fallout caused by Covid-19 has constrained their spending power. In navigating this predicament, Generation Z has developed a distinctive perspective on wealth,

prioritizing financial management and credit consumption behaviour. Managing their finances is not only about managing their money but also managing their lives. They view money management as an effective means of income management, revenue generation, and consumption control. Furthermore, interest-free consumer loans are seen as flexible savings, more akin to enjoyment savings given their consumption characteristics.

13. Exploratory financial novice users (摸索型理财小白). They are not yet in the workforce, but they want to learn about money management in advance to prepare for managing their finances. They tend to invest in low- to medium-risk products as they explore different financial strategies.
14. Diamonds in the rough (发展型钱力股). They are individuals who have been working for three to five years and now have a relatively stable high income. They strive to improve their financial literacy and knowledge to make informed decisions when choosing financial products instead of solely relying on experts' recommendations.
15. Ultimate experience pursuers (极致体验派). They have a stable and substantial income, which can cover their daily expenses. However, they often spend beyond for a better experience. They are accustomed to using credit products as working capital to finance such expenses.
16. Financial savvy (精打细算派). They are practical and mindful spenders. They possess a rational approach to expenses and are proficient in obtaining the most out of their purchases without exceeding their budget. They prioritize borrowing interest-free loans to utilize the time value of money to their advantage.

Domestic Product

Due to the growth of domestic product brands, the implementation of a dual circulation development pattern (Lin and Wang, 2021), and the increasing patriotic sentiment among young people, Generation Z has shown a greater preference for new domestic products. By examining their purchasing behaviors, motivations, and psychological shifts when purchasing new domestic products, we have gained insights into their consumer perspective. Generation Z values diversity, inclusivity, and original and personalized designs. They prioritize the culture and emotion associated with a product. They are willing to invest more time and effort in choosing domestic products and seeking novel and distinctive experiences, even if it means incurring higher costs.

17. Product experience officers (新品体验官). They are always on the lookout for new Chinese products and value their experiences and benefits. They have a particular interest in consumer electronics, shoes, and fashion products, and enjoy trying out new releases.
18. Individualistic trendsetters (独领风骚个性党). They enjoy experimenting with bold and flashy fashion items and expressing their unique perspectives on fashion. They believe that high-quality original Chinese

products not only provide a friendly user experience, but also convey a certain attitude towards life.

19. Social butterflies (为爱发电社交党). They are motivated to purchase new domestic products through co-branded IPs and celebrity endorsements. Their desire to be recognized by their peers or become the center of attention is the driving force behind their purchases. They value the social status and connections that come with owning certain domestic products.

20. Pragmatic disciplinarians (实用派纪检员). They prioritize practicality when purchasing new domestic products. They carefully evaluate the product attributes and choose items that meet their specific needs, rather than being swayed by the product's appearance or marketing.

Board Game

In recent years, multiplayer interactive board games have gained popularity in China, particularly murder mystery games, which have become a sought-after entertainment activity among young people. We have focused our attention on the players and gained insights into their desires and demands, as well as analyzed the direction for the conversion of online board games. To attract more players, these games should lower the entry threshold by simplifying the rules, reducing learning costs, and avoiding user loss. Game designers should emphasize multiple interactions and incorporate game design that emphasizes verbal and physical interaction.

21. Game party organizers (呼朋唤友跑团人). With their fast-paced lives, party-loving game organizers often feel insecure and crave social interaction. They organize game parties to socialize with friends and acquaintances, relieve loneliness, and alleviate stress.

22. Jacks-of-all-trades players (八面玲珑追新族). They play these games to make new friends and explore new topics. They enjoy playing with people from diverse backgrounds and lifestyles, as it dissolves social distance between strangers and helps to build potential friendships.

23. Hardcore commanders (硬核钻研指挥官). They are veteran players who invest a significant amount of time in studying the rules and strategies of these games. They see these games not only as entertainment but also as an extension of their interests and even as a career choice.

DISCUSSION AND FUTURE PERSPECTIVE

User interactions with products, services, and systems only occur through active engagement (Norman, 2023; Øritsland and Buur, 2003). Interaction qualities, also referred to as experiential qualities, denote the attributes of artifacts-in-use that users experience (Arvola, 2010; Hassenzahl, 2001; Lenz et al., 2017; Odom et al., 2014). These qualities encompass the user experience (UX) that a design can offer.

By exploring storyboarded scenarios based on user studies and personas, we have identified six key interaction qualities for Generation Z, including instant, playful, collaborative, expressive, foretasting (i.e., early adoption),

Table 2. Generation Z interaction qualities and their definitions.

Interaction qualities	Definitions
Instant	The interaction is immediate, spontaneous, and on the spot.
Playful	The interaction is engaging, enjoyable, and challenging.
Collaborative	The interaction is supportive, unifying, and shared.
Expressive	The interaction is open, free, and animated.
Foretasting	The interaction is surprising, passionate, and cheerful.
Self-pleasing	The interaction is adaptable, personal, and customized.

and self-pleasing, as listed in Table 2. In comparison to the interaction qualities of Generation Y (Liu et al., 2014), we have removed responsive and flexible and added foretasting and self-pleasing. Challenges remain in further supporting Generation Z interactions in the context of everyday life, applying new personas that support these interactions, and investigating their potential impact on future ways of living, working, commuting, and playing.

Several UX design guidelines can be inherited from Generation Y interactions, which could drive the development of future products, services, and systems for Generation Z, such as:

- New metaverse offerings should enhance instant and context-aware communications, result in foretasting and self-pleasing conditions.
- Any content for interacting has to be playful and expressive.
- Collaborative working requires an engaging (digital) platform for gathering and exchanging information.

We plan to conduct more qualitative studies to formulate Generation Z UX design guidelines as well as design and test experiential prototypes in which these guidelines are implemented (Zielhuis et al., 2022). The work presented here is intended as a first step in this direction.

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