

The KØS

Dispatch



Brands Without Products:
How Experiences Are Replacing Merchandise

The KØS Dispatch Issue 04

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Letter from the Editor

When we launched The KØS Dispatch, we made a quiet promise: to question what others take for granted.

This issue is that promise, set on fire.

In a world obsessed with selling things, we're far more interested in what makes people feel. Because no matter how shiny the product, the real value lives in what surrounds it — the anticipation, the memory, the belonging. Brands without products isn't a prediction. It's already here.

From hospitality houses born from fashion labels to cult fitness studios that sell nothing but adrenaline and identity — we're watching brands abandon the shelf and embrace the stage. Not because they have to. But because they get it. This new era isn't about selling more. It's about meaning more.

This edition is a map, a manifesto, and maybe a mirror. You won't find "best practices" here. You'll find provocations, patterns, and possibilities. So go ahead — read it like a playbook. Or like a spark.

See you at the edge,

David Leuchter

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What's the Future?

Introduction

The hottest thing your brand can sell today isn't a product – it's a feeling. In an age where **74% of consumers prioritize experiences over things**, global brands are flipping the script. Shoppers aren't lining up just for the latest gadget or handbag; they're lining up for the *immersive pop-up*, the secret menu speakeasy, the festival-like product launch. The result? Brands are moving from product-centric strategies to **experience-first ecosystems**, where *memory trumps merchandise*. Welcome to a world of brand theaters, digital dreamscapes, and lifestyle havens – a world where **“the store is the stage, the customer is the star, and the product is just one part of the plot”**.

Chapter 1: From Product-Led to Experience-First: A Brief Evolution

Not long ago, branding was all about the product. Quality, consistency, and a catchy slogan were king. Customers were told what to buy; marketing was a one-way street of features and benefits. But over the past few decades, tectonic shifts in consumer values have propelled us into what many call the Experience Economy. Back in 1998, business gurus Pine & Gilmore illustrated this with a birthday cake: our parents once baked cakes from scratch for pennies, then bought \$10 grocery cakes – now we pay \$100+ for a Chuck E. Cheese’s party that “stages a memorable event” (cake included) [1]. In short, people are willing to pay a premium for the experience around a product, not just the product itself.

Fast-forward to today: “Quality products simply are not enough anymore” [2]. Goods have been commoditized and digital technology has armed consumers with infinite choice. To stand out, brands are cultivating emotional resonance and human connection. Consumers would rather hold onto a unique memory than a unique commodity [3]. We’ve moved beyond the era of better

mousetraps; now it's about the better moment. Brands that once sold an item now sell a lifestyle and an identity. As one luxury executive succinctly put it, “the future of our luxury brands will be defined by the experiences we create for our customers” [2].

Several factors accelerated this pivot. The rise of millennials and Gen Z – generations who value experiences as status symbols – has been pivotal. An industry observer notes that unlike baby boomers who flaunted watches or cars, younger consumers “prefer to show their status through exclusive and meaningful experiences... something they can easily show on social media” [2]. A luxury camper trip under the stars or a VIP pass to Coachella is today's badge of honor, more than any logo on a handbag. Add a pandemic (which reminded us what we missed when experiences were taken away) and a digital landscape that makes every experience shareable in real time, and you have a perfect storm. In this climate, experiences are king [2] and brands ignore that at their peril.

Chapter 2: The Rise of Experiential Value (and Why It Matters)

The shift to experience-first branding isn't just a marketing fad – it's grounded in hard business reality and human psychology. Emotionally engaging experiences forge deeper loyalty than any product spec sheet could. Memorable moments stick; as one report quipped, "swipe-right relationships don't" [2]. There's strategic ROI, too: companies that excel in customer experience see 5-6× higher revenue growth than competitors with lackluster experiences [2]. Experiential marketing can directly boost sales conversions – brands that embrace live events, tactile demos and immersive media have lifted conversion rates from 20% to as high as 50% after the experience [2]. In other words, make someone feel something and you've likely made a customer.

What's driving this value shift? First, human connection. Experiences tap into emotions – joy, awe, nostalgia, belonging – in ways products can't. A luxury store or hotel that treats you like a VIP guest, or a tech brand's app that delights you with a little AR magic, makes you feel a certain way about the brand. Second, social currency. In the

Instagram/TikTok era, experiences are shareable content. A stunning pop-up installation or quirky event can spark free viral exposure as attendees broadcast it to their networks (if it's not on the 'Gram, did it even happen?). Brands have caught on that “storyliving” beats storytelling – it's not enough to tell a great brand story; you need to invite consumers to live it [2](#).

Finally, experiences create brand communities. They bring people together, transforming customers into fans and fans into tribes. Whether it's an online forum of gamers, a runners' club led by a sportswear brand, or a hotel chain's members-only events, these interactions between customers (facilitated by the brand) build bonds that outlast any single purchase. The net effect is a brand that is not a logo on a label but a meaningful part of consumers' lives. As branding expert B. Joseph Pine said, businesses must learn to stage experiences because what customers really want are experiences – memorable events that engage them on a personal level.

Chapter 3: Luxury & Hospitality: From Status Symbols to Storyliving

In the luxury sector, the product was traditionally the hero – the couture dress, the Swiss watch, the Italian sports car. No longer. Today’s luxury leaders understand they’re in the business of selling dreams, not just items. That’s why so many luxury brands have expanded into hospitality and experiential lifestyle offerings. Armani and Bulgari operate lavish hotels in Dubai and Milan; Cartier and Tiffany run exclusive cafes (ever fancied breakfast at Tiffany’s for real? now you can); Ralph Lauren has chic restaurants and coffee shops in New York and London ². Even a Swiss watchmaker, Audemars Piguet, built a boutique hotel in the Alps ³. The motivation is clear: let customers live the brand, not just buy it.

The younger generation of affluent consumers is driving this change. They “want to live and experience their beloved brands, going beyond simply owning a luxury item” ². Luxury is shifting from a showcase in your garage or on your wrist to an immersive environment you can step into. By moving into hotels, restaurants, private clubs, and even branded residences, luxury houses enable fans to

inhabit the brand's world 24/7. As a hospitality analyst observed, "Hotel and restaurant experiences allow guests to be fully immersed in their favorite luxury brand universe" [2]. Imagine checking into a hotel where everything from the scent in the lobby to the design of your suite and the courtesy car embodies the ethos of your favorite fashion house – that's brand heaven for the experiential era.

Crucially, these ventures also strengthen the emotional bond and lifetime value of luxury clients. Sharing a Dior-inspired gourmet picnic or attending an exclusive Chanel art exhibit creates memories money can't ordinarily buy – which in turn justifies the money-can-buy goods. Luxury brands have essentially gone from storytelling to "storyliving" [2]. They're no longer just narrating heritage and craftsmanship in glossy ads; they're crafting real-world moments you can touch, taste, and share. The strategy is paying off: younger luxury consumers respond with intense loyalty to brands that offer them experiences aligned with their values and lifestyle. In a very real sense, the luxury product has become the souvenir, and the experience is the main event. When a brand hosts you at a pop-up five-star retreat or a VIP journey (think Louis Vuitton organizing a private train voyage for top clients [2]), it's creating an emotional halo that makes owning the bag or watch far more meaningful. Luxury marketing is thus evolving into hospitality – because the ultimate luxury

today is not just owning something exquisite, but feeling part of something exquisite.

Chapter 4: Fashion & Retail: Brand Theaters and Sensory Immersion

Brick-and-mortar retail was supposed to be dead by now – instead, it’s being reborn as theater. Leading fashion, beauty, and lifestyle brands have transformed their stores from mere points of sale into points of experience. As one retail expert put it: “Retail used to be a place you went to buy something. Now? It’s where brands come alive... the store is the stage” [2]. Walk into any forward-thinking flagship and you’ll see what this means. Immersive flagship “brand theaters” are designed to wow every sense: bold architecture, art installations, music, fragrance, interactive screens – all orchestrated to tell the brand’s story the moment you step in. For example, Gentle Monster, an avant-garde eyewear label, turns its boutiques into surreal art exhibitions complete with kinetic sculptures and fantastical themes; shoppers feel like they’ve wandered into a sci-fi museum rather than a shop [2]. Nike’s flagship House of Innovation in NYC is part sneaker store, part tech playground, where you can customize shoes on the spot or check out via mobile app in seconds [2]. Glossier’s beauty pop-ups and stores are pastel-tinted “Instagram dreamlands”, deliberately designed for selfies and social sharing as much as for

testing skincare 2. This is retail as entertainment and community hub, not just commerce.

Several key concepts are driving experiential retail strategies:

- Sensory retail: Stores today are “full-blown sensory playgrounds” 2. Every detail – lighting, sound design, even scent – is curated. (If your boutique doesn’t have a signature scent yet, take a cue: “If your store doesn’t smell like your brand, you’re missing an opportunity” 2.) A great store visit now feels like a mini-vacation or a theme park attraction. Shoppers linger longer, engage deeper, and leave with stories to tell – and often a stronger inclination to purchase.

- Multi-purpose spaces: The best stores double as community spaces. Think of bookstores with cozy cafés and event stages, or apparel shops like Lululemon hosting yoga classes in-store so that “you come for the leggings, you stay for downward dog and a smoothie” 2. These brands understand that fostering community around their lifestyle strengthens loyalty – it’s hard to switch to a competitor when your weekly workout group meets at their store.

- Ephemeral pop-ups: Pop-up shops and events deserve special mention. Once just the province of hip startups, ephemeral pop-ups are now a staple for luxury and fashion brands to create buzz. By design, pop-

ups are here today, gone tomorrow – and that’s their power. Their limited-time nature creates FOMO and urgency. Luxury houses have embraced this: from Hermès’ traveling immersive exhibits to streetwear brands’ one-day “secret” stores. These temporary activations are “integral to the DNA of luxury”, used for everything from testing new concepts to dropping limited editions [2]. They generate “maximum impact in minimum time” [2], often amplified by social media as fans and influencers flock to capture the exclusive experience. A great pop-up is essentially a live ad that people pay to attend – and they’ll remember it long after a billboard or banner ad would fade.

- Digital meets physical: Modern retail blurs online and offline in clever ways. Interactive tech in stores (AR mirrors, RFID-enabled displays, VR demos) adds a layer of digital magic to the physical space [2]. Meanwhile, physical experiences are often designed to ripple out into the digital sphere via hashtags and user-generated content. Burberry has been a pioneer here: its flagship in Shenzhen melds social media and gaming elements into the store experience (with WeChat integration to unlock content), and during lockdowns the brand even created a virtual store experience online for those stuck at home [2][2]. The lesson for retailers is clear – merge clicks with bricks. The convenience of e-commerce won’t win hearts alone; it’s the experiential extras that get people off their couches and into your (beautifully designed) door.

The bottom line in fashion and retail: the store is now a storytelling medium. It's not about moving maximum units per square foot; it's about staging a brand experience that people can't help but talk about. Do that, and the sales will follow. As one experiential agency aptly said, "no one's getting nostalgic over a checkout lane. But they will remember the time your brand made them feel part of something bigger." ☐ In other words, build it and they will come – not just to buy, but to belong.

Technology & Digital: Immersion Beyond the Screen

It's easy to assume that tech brands, dealing in software or gadgets, might be exempt from this experience revolution – far from it. In many ways, tech companies are at the forefront of crafting ecosystems of experience around their products. They not only leverage technology to enhance experiences (naturally), but they also recognize that community and culture can be as important as code.

Take the example of digital immersion. With the advent of AR and VR, brands can create experiences that don't even require a physical venue. Augmented reality try-ons have become popular in beauty and furniture retail – L'Oréal's apps let you virtually test makeup on your face, and IKEA's mobile app lets you drop a true-to-scale 3D sofa in your living room to see how it fits ☐. These are not just utilitarian

tools; they're fun, engaging experiences that reduce friction and enrich the customer journey (who knew trying on lipstick in your PJs could feel so futuristic?). In the gaming and entertainment realm, we've seen virtual concerts and brand-sponsored events inside games – a Travis Scott music spectacle in Fortnite attracted millions of attendees, creating huge cultural buzz for both artist and platform. Metaverse brand activations are booming: fashion labels like Gucci have built virtual gardens and item drops in Roblox, and Nike launched NIKELAND on Roblox – a persistent 3D world where fans can play sports mini-games and deck out avatars in Nike gear. The response was immense: NIKELAND racked up nearly 35 million visits in its first year ², showing that a well-crafted virtual experience can rival a physical flagship in footfall (or at least thumb-fall). In fact, Nike even bridged the digital and physical with NIKELAND by bringing an AR version of it to its New York store via Snapchat lens, blending the metaverse with meatspace in a very on-brand way ³.

Tech brands also excel at building experience ecosystems that keep users engaged beyond the product itself. Apple is a classic case: the annual Apple product launch events are basically globally-streamed theater, where the excitement and storytelling around the announcement often eclipses the specs of the devices. Apple's retail stores, too, are famously experiential – from the sleek

architecture to the Today at Apple creative sessions (free classes on music, coding, art held in-store) that encourage customers to see the Apple Store as a community center, not just a point of sale. This strategy of focusing on customer experience holistically has paid off in fierce loyalty and a brand that feels like a lifestyle. Similarly, Adobe turned its user conference into the extravagant Adobe MAX creative festival; Salesforce's Dreamforce conference transforms downtown San Francisco into a branded playground (complete with rock concerts and wellness zones). These events go way beyond software demos – they generate fervor and tribe among users. In tech as in luxury, the product often becomes secondary to the platform of experiences surrounding it.

Lastly, technology is the great enabler of personalized, seamless experiences. Brands are harnessing data, AI, and IoT to make each customer's interaction unique – and thus more meaningful. Recommendation algorithms, smart devices that anticipate your needs, chatbots that speak in your brand's quirky voice at 2am – all these shape an experience of the brand in everyday life. When your Tesla car entertains you with a light show, or your Peloton bike's instructors create a cult-like following that feels like family, that's technology creating emotional value. The common thread: even in a digital context, customers don't just want a product that works – they want to feel something. The tech brands winning today are those that,

in addition to engineering great products, engineer great experiences for users at every touchpoint (often using their own tech to do so). It's a virtuous cycle: better experience leads to more engagement, which yields more data and loyalty, which in turn leads to better products and services.

Chapter 5: Immersive Brands in Action: When Experience Is the Product

To truly appreciate the power of going experience-first, look at a few standout examples across industries – brands that have transcended the traditional idea of “product” altogether:

- Red Bull: Arguably the poster child for an experience-driven brand, Red Bull sells an energy drink – but you’d be forgiven for forgetting that. Over decades, Red Bull has built a world of high-adrenaline events, content, and communities that embody its “Gives You Wings” ethos. From sponsoring extreme sports competitions, to throwing urban culture festivals, to the legendary Red Bull Stratos skydive from the edge of space, the company’s marketing “blurred the lines between product, culture, and spectacle” [1]. Red Bull doesn’t interrupt your life with ads; it invites you in for an adventure. The result is a brand that’s more movement than merchandise – millions of fans who consume Red Bull’s content (and attend its events) with genuine enthusiasm. The drink itself has almost become a footnote; what Red Bull really “sells” is the feeling of pushing limits. This all-in commitment to experiences has made Red Bull one of the most iconic

youth brands on the planet. As one analysis noted, “these weren’t events as marketing – they were marketing as events”, and they turned Red Bull into something people seek out rather than skip [?] [?]. The payoff? An almost cult-like brand loyalty and cultural relevance that money can’t simply buy.

- Disney: The Walt Disney Company certainly has plenty of products (films, toys, etc.), but at heart it’s an experience empire. Disneyland and Disney World paved the way for branded experience ecosystems in the 1950s – physical worlds where you literally live inside the stories Disney created. Today, Disney’s theme parks, cruise lines, live events, and interactive hotels (Star Wars Galactic Starcruiser, for example) are core to its brand strength. A child’s (or adult’s) emotional connection from a day at Disney World translates into lifelong affection for Disney’s characters and movies. Disney showed early on that owning the experience directly (not just the IP) yields unmatched brand magic. Their model has inspired many others to consider: how can we create a place or occasion where our audience can step inside our brand’s narrative?

- Starbucks: The coffee itself is decent, sure – but what made Starbucks a global phenomenon is the experience around the coffee. Howard Schultz famously described Starbucks not as a coffee business, but as “the third place” people gather between home and work. The cozy ambience, the Italianized sizing language, the aroma of fresh brew, the music, the writing of your name on the

cup – these experiential details made Starbucks stand out in a sea of generic coffee shops. By crafting a consistent, welcoming environment worldwide, Starbucks turned a commodity (coffee beans and water) into a lifestyle accessory. People don't just go to Starbucks for caffeine; they go for that Starbucks feeling of predictably comfortable refuge. It's a great case of how hospitality principles (usually the realm of hotels) can elevate a retail product: treat your customers like guests, give them a space to relax or work, and they'll keep coming back even at premium prices. In essence, Starbucks' primary product is the experience of Starbucks, with the latte as a supporting prop.

- **Communities & Membership Brands:** Another emerging pattern is brands built entirely around belonging and experience, with little to no physical product. Think of Soho House (the members-only club/hotel network for creatives), or even fitness brands like CrossFit and SoulCycle. What are they selling? Not just a gym class or a lounge chair – they're selling membership in a tribe. Their "merchandise" is a sense of identity and community, reinforced through events, rituals, and shared language. The zeal of a CrossFit devotee or a Harley-Davidson rider (Harley is a great classic example: the Harley Owners Group community, rallies, and lifestyle are arguably more valuable than the motorcycles themselves in brand terms) shows how experiences forge fanatics. This is the apex of brand without product: when your customers so ardently identify

with your brand experience that it becomes part of who they are.

These examples underscore a powerful truth: an experience-first approach can redefine a brand's relevance. When done authentically, it creates an emotional moat that competitors who only push products can't easily cross. It's telling that even industries that once focused purely on transactions are evolving to this model. Banking, for instance, now talks of "customer experience" more than interest rates; airlines differentiate on in-flight experience and lounges; automotive brands are investing in driving events and brand museums. Everywhere you look, experiences are eclipsing the widgets.

Conclusion : The Strategic & Emotional Edge of Experience

In a marketplace overflowing with products, experiences have become the ultimate differentiator. Brands that embrace an experience-led strategy aren't just enhancing their marketing – they're future-proofing their business. The strategic impacts are tangible: higher customer retention, more word-of-mouth advocacy, greater willingness from consumers to forgive mistakes (a customer who has a relationship with your brand will be more patient during a service hiccup), and even pricing power. When you deliver extraordinary experiences, you stop competing on price or specs – you're offering something uniquely valuable. It's the difference between being a vendor and being a beloved brand.

Emotionally, focusing on experiences transforms the customer-brand relationship from a transaction to a journey. It's the shift from "I buy it" to "I'm part of it." That sense of belonging and engagement is what every CMO or brand leader dreams of instilling. When a customer feels seen, entertained, or inspired by a brand experience, a psychological bond forms. Over time, these bonds

cement into brand love – the kind of affinity that yields lifetime customers and evangelists who will sing your praises unprompted. In an era of infinite choice, those emotional connections are gold. As one article neatly summed up: “Turning physical spaces into story-driven environments full of personality and possibility” leads to deeper loyalty and louder advocacy ². The same holds for digital or service environments. People remember how you made them feel long after they forget what you sold them.

For senior decision-makers, the mandate is clear. It’s time to expand your definition of “brand offering” beyond the tangible. Audit the experience ecosystem around your brand: How can you delight your customers in novel ways? What community or lifestyle can you build that aligns with your brand’s purpose? How can you use technology to add magic or convenience? Where might you create a physical or virtual space for your fans to gather and explore? These questions spur a new kind of innovation – one that might lead you to launch a festival instead of an ad campaign, or a concept store instead of a new SKU.

Of course, none of this implies abandoning product quality or service excellence. Those remain the price of entry. But the brands that will soar in the coming years

will be the ones that enchant their audiences. They will be bold in designing experiences that surprise and delight, and playful in execution – perhaps a bit irreverent, as that’s often what it takes to cut through the noise. We’ve seen that play out from luxury to tech to FMCG. The brand playbook is being rewritten: a dash of theater, a sprinkle of community, a dose of interactivity, and a whole lot of heart.

In closing, consider this thought experiment. Imagine a future where your brand has no products – only a devoted fanbase eager to interact with you through experiences. How would you keep them engaged, year after year? Answer that, and you’re on your way to mastering experience-first branding. In a world of endless stuff, experiences are the new premium. They are how brands become iconically memorable, culturally relevant, and emotionally indispensable. Merchandise fades; memories last. So go ahead – build the memories. The products will sell themselves as a result.

Key Takeaways

- Experience is the new product. Customers crave connection, emotion, and story — not just objects. Brands that master experience-first strategy win loyalty and cultural relevance.
- Luxury is evolving into hospitality. The best luxury brands aren't just selling couture — they're serving memories, opening hotels, cafes, and lifestyle playgrounds that extend their ethos into lived moments.
- Retail is now theater. Flagships and pop-ups are being designed as immersive, sensory spaces where the brand comes alive — making every visit Instagram-worthy and emotionally charged.
- Technology fuels emotional depth. AR, virtual stores, branded metaverses — the most successful tech brands are using innovation to deepen, not digitize, the brand experience.
- Community is currency. From members-only clubs to workout tribes, the strongest brands are those that foster belonging and identity — making the “product” just a souvenir of the experience.

- Ask yourself: if you removed the product, would your brand still matter? If the answer is yes, you're not selling — you're resonating. That's the future.