

The Experience Economy



*Work Is Theatre &
Every Business a Stage*

B. JOSEPH PINE II
JAMES H. GILMORE

HARVARD BUSINESS SCHOOL PRESS
BOSTON, MASSACHUSETTS

3 *The Show Must Go On*

FOR HIS OLDER BROTHER NICKY'S BIRTHDAY, Conrad purchased a rather unusual gift. Feeling Nicky had become too stuffy and set in his executive ways, Conrad contracted with Consumer Recreation Services (CRS) to stage a rather elaborate experience. No present needed unwrapping as Conrad simply handed his brother a CRS-furnished card, inviting Nicholas Van Orton to participate in "The Game." Once he accepted the offer, Nicky found himself involved in a world all its own, with intriguing characters drawing him to seemingly life-threatening situations, curiously assimilated into his day-to-day routines. Every time he thought he had it figured out, a new twist emerged until the events finally spiralled into a fast-paced climax. To pull off "The Game," CRS had to put on a well-orchestrated show. No company, not even Disney, has mastered such intricate experience orchestration—staging rich, compelling, integrated, engaging, and memorable events—as well as CRS, the fictional business depicted in the 1997 movie thriller *The Game*, starring Michael Douglas as Nicholas and Sean Penn as Conrad. But the day approaches when this type of staging will form the bulk of real commercial activity.

Far-fetched? To quote a line from the Broadway musical *Rent*, "real life's getting more like fiction each day." Look around. Court TV broadcasts actual litigation cases as entertainment; in other courtroom productions, litigants opt for celebrity judges in lieu of government magistrates. Watch an old reel of game highlights from the National Basketball Association and compare its matter-of-fact action to today's sport, with its

colorfully decorated floors, lavish pregame light shows, and posterboy personalities. Today's NBA gives us Dennis Rodman, the personification of real-life fiction. Video feeds now make it possible to display everyday events at ordinary places—from repair shops to maternity wards—on the World Wide Web, where they can be viewed by anyone anywhere in the world. (Perhaps real life is less like *The Game* than *The Truman Show*—the 1998 film in which Jim Carrey plays a real person who unknowingly lives in a made-for-TV world.)

Eventually, experience orchestration will become as much a part of doing business as product and process design are today. The evidence of its beginnings is everywhere. In restaurants and retail stores, classrooms and parking garages, leading companies are setting the stage for what lies ahead. There are as yet no hard and fast rules to follow when it comes to staging experiences—it's still in its embryonic phase of development. Nonetheless, the practices and results obtained by the pioneering enterprises that are giving it their best efforts make a good starting point from which to explore the nature of successfully staged experiences. Clearly, it's show time!

THEME THE EXPERIENCE

Just hear the name of any theme restaurant—Hard Rock Cafe, House of Blues, Dive!, or the Medieval Times, to name a few—and you know what to expect when you enter the place. The proprietors have taken the first, crucial step toward staging an experience by envisioning a well-defined theme.¹ A poorly conceived theme, on the other hand, gives customers nothing around which to organize their impressions, and the experience yields no lasting memory. An incoherent theme is like Gertrude Stein's Oakland: "There is no there there."

Retailers often offend the principle. They talk of "the shopping experience" but fail to create a theme that ties disparate merchandising presentations together into a staged experience. Home-appliance and electronics retailers, for example, show little thematic imagination. Row upon row of washers and dryers and wall after wall of refrigerators merely highlight the sameness of different companies' stores. Shouldn't there be something distinctive about an establishment called Circuit City?

One retailer that does understand the experience of shopping is Leonard Riggio. When the Barnes & Noble CEO began to expand the chain of bookstores into superstores, he hit on the simple theme of "theatres." Riggio realized that people visited bookstores for the same reason they go to the

theatre: for the *social* experience.² So he changed everything about the stores to express this theme: the architecture, the way salespeople acted, the decor and furnishings. And of course he added cafes as an "intermission" from mingling, browsing, and buying.

Or consider the Forum Shops in Las Vegas, a mall conceived by developer Sheldon Gordon (of Gordon Group Holdings) and developed along with Indianapolis-based real estate company Simon Property Group. It displays its distinctive theme—an ancient Roman marketplace—in every detail and fulfills this motif through a panoply of architectural effects. These include marble floors, stark white pillars, "outdoor" cafes, living trees, flowing fountains, and even a painted blue sky with fluffy white clouds that yield regularly to simulated storms, complete with lightning and thunder. Every mall entrance and every storefront is an elaborate Roman re-creation. Every hour, inside the main entrance, statues of Caesar and other Roman luminaries come to life and speak. "Hail, Caesar!" is a frequent cry, and Roman centurions periodically march on their way to Caesar's Palace casino. The Roman theme even extends into some of the shops. A jewelry store's interior, for instance, features scrolls, tablets, Roman numerals, and gold draperies. The theme implies opulence, and the mall's more than \$1,000 per-square-foot sales in 1997 (versus less than \$300 at a typical mall) suggests that the experience works.

Walt Disney's idea for Disneyland grew out of his dissatisfaction with amusement parks—un-themed collections of rides, games, and refreshments geared to the young. As he related to biographer Bob Thomas, "It all started when my daughters were very young, and I took them to amusement parks on Sunday. I sat on a bench eating peanuts and looking all around me. I said to myself, dammit, why can't there be a better place to take your children, where you can have fun together?"³ And from these first thoughts Walt conceived the original idea of Disneyland—in Walt's words, "a cartoon that immerses the audience." It developed into a cohesive orchestration of *theme rides*—such as the King Arthur Carousel, Peter Pan's Flight, and the *Mark Twain* paddle boat (each "like nothing you've ever seen in an amusement park before"⁴)—within *theme areas*—such as Fantasyland and Frontierland—within the very first *theme park* anywhere in the world, what its first brochure called "a new experience in entertainment."⁵ What was the overarching theme of the Disneyland experience? Disney's 1953 proposal to potential financial backers begins with a very simple but engaging theme and then goes on to elaborate the meaning of this theme in very real, and soon realized, terms:

The first step is envisioning a well-defined theme

The idea of Disneyland is a simple one. It will be a place for people to find happiness and knowledge.

It will be a place for parents and children to share pleasant times in one another's company; a place for teachers and pupils to discover greater ways of understanding and education. Here the older generation can recapture the nostalgia of days gone by, and the younger generation can savor the challenge of the future.⁶

"A place for people to find happiness and knowledge" conjured up such a wonderful image that he quickly found financial backers. In less than two years the *themed* park opened to far more visitors than anyone had imagined.

As a model, consider the oft-used theme in novels and films: Crime doesn't pay. Three simple words say it all. Or consider the television tavern *Cheers*, "where everybody knows your name." Companies staging experiences must seek equally crisp thematic constructions. Of course, businesses wishing to impart very different experiences require very different themes. A mall might choose "a walk down memory lane" or "the downtown suburbia never had." A salon or spa specializing in high-end body care could use "a prestigious pause from the monotony of life" or "modern methods to pamper every sense." For a bank it might be "a bulwark never failing" or "a fountainhead for progressive businesses." Hospitals might be themed as "civilized care for better health" or "where the hopeless are cured, and their loved ones assured." "The Geek Squad" serves as a powerfully simple and appropriately nerdy theme for a computer repair firm. The two-word motto "Friendly Serve" suits Mobil Oil's latest "retro" rendition of the convenience store/gas pump combination. And "The Sargeant's Program" provides a perfect theme for the Washington, D.C.-based fitness program modeled after a boot camp.

Indeed, at its best, theming an experience means scripting a story that would seem incomplete without guests' participation.⁷ Disney uses such stories for its rides, which are often based on movies or updated fairy tales. In establishing the theme "Step Inside the Great Outdoors!" the American Wilderness Experience places its guests in the narrative of a ten-year-old boy who desires more than anything else to become an architect of great buildings but then realizes he has left the animals out of the picture. Bamboola's theme of "The Island of Play, Adventure & Fun" lands each child in the middle of a fantasy tale in which two children lost at sea are rescued by giant turtles who bring them to the Island of Bamboola. There the children discover the island's natural

Theming an experience means scripting a participative story

beauty, as well as loads of debris washed ashore. Their task: Help clean up the island so the sea turtles can once again lay eggs there.⁸

Developing an appropriate theme for an experience is challenging. One place to start is with general categories of themes. In his insightful, albeit academic, book *The Theming of America*, sociology professor Mark Gottdiener identifies ten themes that often materialize in the "built environments" that he calls staged experiences.⁹ These are:

1. status
2. tropical paradise
3. the Wild West
4. classical civilization
5. nostalgia
6. Arabian fantasy
7. urban motif
8. fortress architecture and surveillance
9. modernism and progress
10. representations of the unrepresentable (such as the Vietnam Veterans Memorial Wall)

Marketing professors Bernd Schmitt and Alex Simonson, in their instructive book *Marketing Aesthetics*, offer nine "domains" in which themes can be found:¹⁰

1. history
2. religion
3. fashion
4. politics
5. psychology
6. philosophy
7. the physical world
8. popular culture
9. the arts

But no matter what list prompts the discovery, the key to successfully theming an experience really lies in determining what will actually prove to be compelling and captivating. *Five principles are paramount in developing such a theme.*

First, an engaging theme must alter a guest's sense of reality. Gottdiener's themes each alter some dimension of the human experience, be it temporal age, geographic location, environmental condition (familiar/foreign,

risky/safe), social affiliation, or self-image. Creating a reality other than everyday—for doing, learning, staying, and being—underlies any successful theme and is at the heart of establishing a sense of place.

Second, the richest venues possess themes that *fully* alter one's sense of reality by affecting the experience of space, time, and matter. Parking garages are a space we've all experienced. Typical parking lines occupy space in but one dimension, and only serve to *identify* a stall—usually when a driver pulls in, more than when he returns. Signs provide a two-dimensional view, helping one *see* where one has parked. The themed design of the Standard Parking garage at Chicago's O'Hare airport, however, offers a place to *experience* parking spots in full 3-D perspective. Indeed, the intent is to bring energy and motion into the process of locating one's car. As a result, returning guests do not waste time wandering around looking for their cars.

The richest venues affect the experience of time, space, and matter

Time also feels different at the new ESPN experience at Baltimore's Inner Harbor. No ordinary sports bar, the ESPN Zone sports theme, "A place where the cheering never stops," alters the feasting fans' sense of the present. There's no longer just one game on the tube; rather, three hundred television sets serve up every contest televised anywhere in any sport. There's *always* something to cheer for. Similarly, Silicon Graphics' VISIONARIUM, like Disneyland's revamped Tomorrowland, alters one's sense of the future, and the Hard Rock Cafe manipulates the past.

Likewise, matter can be neither slighted nor ignored in the formation of a compelling theme. Themes may suggest alternative sizes, shapes, and substances of things. FAO Schwarz's "Welcome to My World" theme welcomes guests to an altered state of toys; Cabela's and rival Bass Pro Shops' outdoor themes display the objects of a sportsman's desire, through taxidermy and other backdrops, and in the process bring the hunted closer to the hunter. The American Wilderness Experience combines real (animals), fake (artificial trees), and virtual (motion-based attraction) materials to help guests "Step Inside the Great Outdoors," its postmodern theme.

And space matters. Ogden's American Wilderness Experience theme required detailed study of the position, posture, and proximity of biome to biome, species to species, guest to guest to make the experience make sense. The upstart LAN Arena lacks a readily apparent theme; no wonder it sports bare walls and nondescript furnishings. Then again, billion-dollar airlines take similarly few steps to alter the sensation of crammed space experienced by the coach traveler on most airlines. Creativity expert and former dean of Disney University Mike Vance relates in speeches how he

travels with personal items in a bag he calls his "Kitchen of the Mind"—family pictures, pieces of paper, and assorted knickknacks that he uses to decorate his seatback, traytable, and window shade, especially on long flights. Flight attendants look at Vance as if he, not the theme-less airline, has a problem.¹¹

Third, engaging themes integrate space, time, and matter into a cohesive, realistic whole. To see how, consider a work of theology. In his apologetic for the Christian faith, Dr. Henry M. Morris states, "It is not that the universe is a *triad* of three distinct entities [time, space, and matter] which, when added together, comprise the whole. Rather each of the three is itself the whole, and the universe is a true trinity, not a triad. Space is infinite and time is endless, and everywhere throughout space and time events happen, processes function, phenomena exist. The tri-universe is remarkably analogous to the nature of its Creator."¹² Therein lies the power of storytelling and other narratives as a vehicle to script themes. Great books and good movies engage their audience when they create completely new realities, altering every detail of the reading and cinematic experience. Lori's Diner, a small chain of restaurants in San Francisco, creates an authentic 1950s diner, complete with vintage jukeboxes, pinball machines, booths, waiter and waitress uniforms—even a Fonz-like character outside beckoning passersby to walk up the steps into this past world.¹³ So why not bank branches and car-rental shuttle buses, hotels, and airlines?

Fourth, themes are strengthened by creating multiple places within a place. The five biomes of the American Wilderness Experience leverage this principle. The change in scenery from Redwood to High Sierra to Desert to Coast to Valley extends the story introduced by a video and simulated ride. It puts the guests in motion in the experience. This places-within-the-place explains much of the difference between a Club Disney and a Discovery Zone. Both employ a variation of "play" as a theme, but Disney's masterful design of nine distinct play areas within the same location allows child and parent to construct their own play-time story. At Discovery Zone, practically every corner of the place remains visible from any other vantage point. See-through nets separate one section from another, with the so-called ball pit attraction often at the center of activity. Even if this setting helps parents keep track of their youngster's whereabouts, it calls to mind Gottdiener's fortress architecture and surveillance theme more than a place for play.

Finally, a theme should fit the character of the enterprise staging the experience. In 1947 Chicago developer Arthur Rubloff coined the term "Magnificent Mile" to describe the famous stretch of commercial property

Strong themes create multiple places within a place

A theme could fit the character of an enterprise staging the experience

along greater North Michigan Avenue in downtown Chicago. It is a magnificently constructed theme, enduring for generations because it so befits the *walking* shoppers must do to shop and eat there. A crossover to politics supplies an example of a theme that misses the mark: the very moment then-Massachusetts governor Michael Dukakis donned a helmet and stepped into a tank for a photo-op, he lost the 1988 Presidential election. The theme “fighting man” did not fit who he was as a candidate—and voters knew it. If a theme is to succeed, it must be completely consistent with the character of the business that is promoting it. Anything less appears disingenuous and detracts from the experience rather than improve it.

An effective theme must be concise and compelling. Too much detail clutters its effectiveness in serving as an organizing principle for staging experiences. The theme is not a corporate mission statement or a marketing tag line. It needn't be publicly articulated—just as the term “Trinity” appears nowhere in the texts of Scripture—yet its presence is clearly felt. The theme must drive all the design elements and staged events of the experience toward a unified storyline that wholly captivates the customer. That is the essence of theme; all the rest simply lends support.

HARMONIZE IMPRESSIONS WITH POSITIVE CUES

While the theme forms the foundation of an experience, the experience must be rendered with indelible *impressions*. Impressions are the “take-aways” of the experience; the congruent integration of a number of impressions affect the individual and thereby fulfill the theme. Thinking about impressions begins with asking yourself how you would like guests to describe the experience: “It made me feel . . .” or “It was like . . .” Professors Schmitt and Simonson again provide a useful list, this one delineating six “dimensions of overall impressions”¹⁴:

1. Time: Traditional, contemporary, or futuristic representations of the theme.
2. Space: City/country, East/West (to which we might add North/South), home/business, and indoor/outdoor representations.
3. Technology: Hand-made/machine-made and natural/artificial representations.
4. Authenticity: Original or imitative representations.
5. Sophistication: Yielding refined/unrefined or luxurious/cheap representations.
6. Scale: Representing the theme as grand or small.

Experience orchestrators can use these dimensions to think creatively about the enormous possibilities for rendering a theme with indelible impressions. The connection to space-matter-time is obvious.

Yet this list only begins to tap the relationship between impressions and the theme they support. For what may be the most comprehensive list of impressions imaginable, no source can exceed Peter Mark Roget's synopsis of categories. *Roget's International Thesaurus* (fourth edition), offers 1,042 categorized entries from “Existence” to “Religious Buildings” across eight classes, 176 subclasses, and, should you want the detail within the *Thesaurus* itself, 250,000 words and phrases.¹⁵ It's the richest possible source for exploring the exact words to denote the specific impressions you want guests to take away from the experience.

Words alone are not enough, of course. To create the desired impressions, companies must introduce cues that together affirm the nature of the desired experience for the guest. Each cue must support the theme, and *none* should be inconsistent with it. In designing the British Airways experience, which is centered around a theme of almost lavish personal service, Sir Colin Marshall relates how the company arranged “all the elements of our service so that they collectively generate a particular experience. We try to think about what kind of impression or feeling each interaction between the company and a customer will generate.”¹⁶ Therefore, the flight attendants don't pile on food and drinks and then disappear into the back of the plane. Instead they oblige passengers only when asked, the purpose being to “create additional personal contacts with the customer.”¹⁷

In a similar vein, George Harrop, founder of Barista Brava, a chain of coffee bars based in Washington, D.C., advertises for franchisees with the trademarked slogan “Our Business Is Providing Customer Experiences. . . . Our Industry Is Coffee!” His underlying theme of “the marriage of Old-World Italian espresso bars with fast-paced American lifestyle” influences the entire design. The interior decor supports the Old World theme, and the carefully crafted pattern of floor tiles and the counter layout encourages customers to queue without the usual signage or ropes that would detract from that theme. Customers get the accurate impression of quick service in a soothing setting. Furthermore, Harrop motivates *baristas* to remember faces so they can presciently hand regular customers their “usual” order before being asked. At the time of this writing, Barista Christopher Mathis, who goes by the stage name “The Amazing Marceau,” holds the record at sixty-two customers in a row!

In 1997 ARAMARK's Campus Services division unveiled a new cafeteria experience, dubbed *Pan Geos*, which marketing director Doug Martinedes

**The experience
must leave
indelible
impressions**

calls “the next evolution in food service: a marketplace experience for virtually every taste profile.” To fulfill its theme of “Fresh World Flavors,” the development team decided on a set of impressions they call “The Five F’s and a W.” At seven modules, each featuring different foods from around the world with a *Fresh* display of the seasonal ingredients that make up the day’s specials, the costumed chefs cook each entree on the spot in a *Fast* and *Forthright* manner. Everything is laid out in front of the guests, with no backroom kitchens. Amidst the explosion of color and aroma, the chefs customize each meal to taste, just *For You*, all the while keeping up an engaging banter that makes it *Fun* for both the chefs and the guests, resulting in a decided *Wow!* as it all comes together.

Different kinds of experiences, of course, often rely on radically different kinds of impressions. At East Jefferson General Hospital in Metairie, Louisiana, just outside of New Orleans, CEO Peter Betts and his management team redesigned the hospital around the impressions of warmth, caring, and professionalism. They convey these three key impressions by means of having team members wear easily read nametags that list professional titles and degrees and knock before entering a patient’s room, among other things. The hospital designates any area accessible to guests—which include not only patients but family members, clergy, and any other visitors—as on-stage and all others as off-stage. It then confines unpleasant activities (such as transporting blood) and “hall conversations” to off-stage areas, while carefully crafting all on-stage areas with appropriate cues that enhance the experience. Toward this end there are painted murals on the ceilings of rehabilitation rooms where patients frequently exercise on their backs, and different kinds of flooring to identify locations (lobbies are carpeted, paths to dining areas slate, to conference rooms terrazzo).¹⁸

Companies must introduce cues affirming the nature of the experience

Lewis Carbone, president of the Experience Engineering Co. in Bloomington, Minnesota, developed a useful construct for “engineering” preference-creating experiences. Carbone divides impressions, or “clues,” as he calls them, into “mechanics” and “humanics,” or what might be called the inanimate and animate. The former are “the sights, smells, tastes, sounds, and textures generated by *things*, for example, landscaping, graphics, scents, recorded music, handrail surfaces, and so on. In contrast, ‘humanics’ clues emanate from *people*. They are engineered by defining and choreographing the desired behavior of employees involved in the customer encounter.”¹⁹

At Disney, for example, to avoid any possible association with rowdy local carnivals or run-down amusement parks, management set the impres-

sion of cleanliness as a cardinal principle. The designers translated this concern into such cues as: the mechanics of making sure a trash receptacle is always within sight of any guest and the humanics of assigning a large number of cast members whose sole role is to pick up any trash that does not make it into a receptacle. Well, not quite the sole role: they’re also to make eye contact and smile whenever they’re within ten feet of any guest to reinforce the “happiness” impression.

The cues trigger impressions that fulfill the theme in the customer’s mind. An experience can be unpleasant merely because some architectural feature has been overlooked, underappreciated, or uncoordinated. Unplanned or inconsistent visual and aural cues can leave a customer confused or lost. Have you ever been unsure of how to find your hotel room, even after the front-desk staff has provided detailed directions? Better, clearer cues along the way would have enhanced your experience.

ELIMINATE NEGATIVE CUES

Ensuring the integrity of the customer experience requires more than layering on positive cues. Experience stagers also must eliminate anything that diminishes, contradicts, or distracts attention from the theme. Guests to most constructed spaces—malls, offices, buildings, or airplanes—find them littered with meaningless or trivial messages. While customers sometimes do need instructions, too often service providers say it poorly or choose an inappropriate medium, such as the sign we encountered on a chair in a Wyndham Garden Hotel room: “For your comfort, this chair reclines.” Cognitive psychologist and industrial design critic Donald Norman gives “a rule of thumb for spotting bad design: Look for posted instructions.”²⁰ They can only serve to form poor impressions.

Seemingly minor cues can impair any experience. At most restaurants, for example, a host droning “Your table is ready” cues customers to expect a normal meal service. That phrase is now so familiar it forms no impression. At a Rainforest Cafe, however, the host sets the stage for what lies ahead by proclaiming for all to hear, “The Smith party, your adventure is about to begin!” Should the Smith party fail to appear at the third call, the host informs the other guests that the Smith’s “safari has left without them.”

To avoid giving off cues at odds with its themes, Disney theme-park cast members always act their part, never stepping out of character while on-stage. Only when off-stage,

Different kinds of experiences rely on different kinds of impressions

Experience stagers eliminate anything that distracts from the theme

in an area prohibited to customers; can cast members talk freely amongst themselves. Many historical villages, such as Old Sturbridge Village and Plimoth Plantation, both in Massachusetts, also require employees to stay in character (eighteenth-century farmers and the like at Sturbridge, Pilgrims and Indians at Plimoth). Others, such as Colonial Williamsburg and Jamestown in Virginia, significantly diminish the integrity of their experiences by allowing period-costumed employees to talk the talk of their present-day guests.

The idea of "role-appropriate" clothing and behavior can also apply to people with more workaday jobs. At East Jefferson General Hospital, all team members must personify "the EJ Look"—a set of dress standards that eliminates potentially negative cues. Not allowed, for example, are casual shirts without ties on men, extra-long fingernails and certain shades of polish on women, and strong colognes or perfumes on either. The "EJ Look" helps the staff create the hospital's desired impression of "professionalism" and has proved so effective that people they meet out and about in the community often immediately identify them as being from East Jefferson.

Too many cues, particularly when put together haphazardly—such as *overservicing* in the name of customer intimacy—can also ruin an experience. As a writer for *Fortune* put it in extolling the virtues of staying in chartered homes instead of hotels while traveling: "There are no check-ins, no checkouts, no bills to puzzle over, no inflated telephone charges (you dial direct and an itemized list of calls is sent to you later), and only a two- or three-night minimum. Even better, no *service-industry intrusions*: no bellman waiting to be acknowledged or tipped, no maids lurking in your room watching TV, no agents sneaking in at night to hide chocolates in the bed."²¹ Lest they slowly lose their clientele to the better experience of an away-from-home home, hotel chains should work harder to eliminate negative cues: stop cluttering end-tables, dressers, and desktops with service communications; assign off-stage personnel to answer phones so front-desk staff won't have to interrupt conversations with paying guests to field telephone calls; make sure bellmen and maids perform their tasks unobtrusively; and so forth. Only then will their guests be made to truly feel at home.

**Too many
haphazard cues
can ruin an
experience**

MIX IN MEMORABILIA

People have always purchased certain goods primarily for the memories they convey. Vacationers buy postcards to evoke treasured sights, golfers purchase shirts or caps with embroidered logos to recall particular courses

or rounds, spouses select greeting cards to celebrate important occasions, and teenagers collect T-shirts to remember rock concerts. They purchase such memorabilia as tangible artifacts of the experiences they want to remember.

Such items are often among an individual's most cherished possessions, worth far more to them than the cost of the physical artifact. Take something as simple as a ticket stub, a natural by-product of many an experience. Perhaps you have some tucked away in the bottom of a jewelry box (with other valuable items), or your children have some carefully mounted and displayed in their bedrooms. Why do we keep these torn fragments of paper? Because they represent a cherished experience. Your first Major League baseball game, a favorite musical, a meaningful date at the movies—all events that run the risk of fading away without that physical remembrance.

Of course, that's not the only—perhaps not even the primary—reason we purchase memorabilia. Greater still may be our desire to show others what we have experienced to generate conversation and, not a small factor perhaps, envy.²² This is more food for the thoughtful experience stager. As Bruno Giussani, head of online strategy at the World Economic Forum in Davos, Switzerland, related to us, "Memorabilia are a way to 'socialize' the experience, to transmit parts of it to others—and for companies entering the Experience Economy, they are means to entice new guests."

People already spend tens of billions of dollars every year on this class of goods, which generally sell at price points far above those commanded by similar items that don't commemorate an experienced locale or event. A Rolling Stone concert goer will pay a large premium for an official T-shirt emblazoned with the date and city of the concert he attended. That's because the price point functions less as an indicator of the cost of goods than of the value the buyer attaches to remembering the experience. In addition to gaining a premium over run-of-the-mill T-shirts, the Hard Rock Cafe induces guests to make multiple purchases simply by printing the location of each particular cafe on its T-shirts (a practice the Rainforest Cafe now emulates, with other themed establishments sure to follow). The Ministry of Sound, a British nightclub and burgeoning media company, had revenues of \$40 million in 1997, but only \$6 million actually came from traffic at the nightclub. Most of the rest came from memorabilia.²³

Selling memorabilia associated with an experience is one approach to extending an experience; turning items inherently part of the experience into personalized memorabilia is another. Sports-themed restaurants might digitize a guest's credit card signature and transfer it to a baseball where it would sit right below Ken Griffey Jr.'s autograph. At Planet Hollywood a

**People purchase
memorabilia as
tangible artifacts
of experiences**

guest's signature could appear at the bottom of a digitally altered movie scene in which the guest stands next to a favorite movie star, Arnold Schwarzenegger or Demi Moore, perhaps, whose signature already appears on the photograph.

A third approach is to not sell memorabilia but to give it away. When the Ritz-Carlton in Naples, Florida, installed a new computerized safety system with key cards, management decided to give away the old doorknobs to past guests instead of selling them or tossing them out. Each of the 463 knobs was engraved with the classic Ritz-Carlton lion and crown insignia, converted into a distinctive paperweight, and given to those guests—among the more than six thousand who requested one—whose story of an experience at the Ritz most touched the hearts of the associates who read each appeal. The limited-supply doorknobs became a physical reminder of a memorable stay, and, Ritz-Carlton certainly hoped, a cue to relive that experience in the future. The sense of obligation created within guests was worth far more than the Ritz would have gotten by selling the doorknobs.

Finally, a fourth approach companies can employ is to develop a wholly new sort of memorabilia. For instance, Hillenbrand Industries of Batesville, Indiana, developed a new memorabilia capability for the funeral industry. The concept emerged from the practice in many funeral homes of craft producing "memory boards" for display at viewing and memorial services. Hillenbrand sought to bring greater efficiencies to the process but also to preserve the one-of-a-kind collages families now put together to commemorate the lives of lost loved ones. Hillenbrand did this by developing a proprietary system to digitize, merge, and print mass customized collages to both paper and video output media.

But these Lifescape collages serve merely as a prop for the experience Hillenbrand really offers. A self-guided kit that walks a family, group of friends, or coworkers through a series of steps to create their own memories. "What we sell," says Gary Bonnie, who headed the initiative, "is the *lifescaping* experience of gathering with others, rummaging through old photographs and other mementos, and recalling fond memories. The collage just happens to be the outcome; the true value is experienced in going through the process we've helped script." Accordingly, Hillenbrand charges for the kit experience, whether or not people actually buy the collage.

With the proper stage setting, any business can mix memorabilia into its offerings. If service businesses such as banks, grocery stores, and insurance companies find no demand for memorabilia, it's because they do not offer anything anyone wants to remember. Should these businesses offer themed

The price point is a function of the value of remembering the experience

experiences layered with positive cues and devoid of negative ones, their guests will want and pay for memorabilia to commemorate their experiences. (If guests don't want to do this, it probably means the experience wasn't all that great.) The special agents of the Geek Squad, for example, stage such a distinctive computer repair experience that guests buy T-shirts and lapel pins with the company's logo from its Web site. If airlines truly were in the experience-staging business, more passengers would actually shop in those seat-pocket catalogs for mementos. Likewise, mortgage loans would inspire household keepsakes; grocery checkout lanes would stock souvenirs in lieu of nickel-and-dime impulse items; and perhaps even insurance policy certificates would be suitable for framing.

ENGAGE THE FIVE SENSES

The sensory stimulants that accompany an experience should support and enhance its theme. The more effectively an experience engages the senses, the more memorable it will be. Smart shoeshine operators augment the smell of polish with crisp snaps of the cloth, scents and sounds that don't make the shoes any shinier but do make the experience more engaging. Savvy hair stylists shampoo and apply lotions not simply for styling reasons but because they add more tactile sensations to the customer experience. Similarly, better grocers pipe bakery smells into the aisles, and some use sight and sound to simulate thunderstorms when misting their produce, to create a more engaging experience. Indeed, in most any situation the easiest way to sensorialize a service: add taste sensations simply by serving food and drink. Barnes & Noble has found its cafes to be a wonderful addition to its superstores, encouraging people to spend more time there, thus increasing the likelihood they'll buy books, and more of them.

West Point Market in Akron, Ohio, founded by Russ Vernon, was one of the first to serve specialty foods in a grocery store. Retail guru Leonard Berry of Texas A&M University describes this upscale market as "a sea of colors, an adventure in discovery, a store of temptation with its killer brownies, walnut nasties, and peanut-butter krazies."²⁴ He quotes Kaye Lowe, director of public relations, as saying, "We don't hesitate to let customers taste a product. Some people come in on a Saturday and eat their way around the store. Russ's favorite saying is: 'Come see the sights, smell the delights, and taste the wonders of WPM.'"²⁵

Services turn into engaging experiences when layered with sensory phenomena. This can be seen in the very earliest stages of life. Consider the task of feeding an infant.

The more sensory an experience, the more memorable it will be

One evening during dinner, then eleven-month-old Evan Gilmore pushed aside his mother's hand, refusing the food she offered. So daddy took over. In an act performed by countless parents before, the spoon no longer went directly from jar to mouth. Instead, it was taken two feet back and raised high in the air. With herky-jerky movements, the flying machine descended, accompanied by the sputtering motor-mouthed improvisations of Air Traffic Papa. Tightly clinched baby lips soon opened as wide as a hangar to receive a spoonful from each flight.

Believe it or not, this airplane game conveys the essence of what any eatertainment establishment does to turn an ordinary food service into a scintillating dining experience for paying adults: designing exactly the right *sensations* into cues that convey the theme for which the guests came. With Evan, everything fit the "Flying Food" theme and gave the impression that a safe landing was required. The experience stager eliminates negative cues (such as a sternly stated "Eat your food"), while tuning each positive cue (visually, aurally, tactilely, flavorfully, aromatically) to integrate the impressions into a believable and appealing theme.

To enhance its theme, the mist at the Rainforest Cafe appeals serially to all five senses. You first encounter it as a sound: Sss-sss-zzz. Then you see the mist rising from the rocks and feel it soft and cool against your skin. Finally, you smell its tropical essence and taste (or imagine that you do) its freshness. It's impossible to be unaffected by this one, simple sensory-filled cue.

Some cues heighten an experience through a single sense by means of striking simplicity. The Cleveland Bicentennial Commission spent \$4 million to illuminate eight automobile and railroad bridges over the Cuyahoga River near a nightspot area called the Flats. No one pays a toll to view or even cross these illuminated bridges, but the dramatically lighted structures are a prop that city managers now use to attract tourist dollars by making a trip to downtown Cleveland a more memorable nighttime experience.

Similarly, a single, simple sensation can completely detract from an experience. Think of the recorded and/or mechanical voices now heard all over the place—fronting voicemail systems, beginning a telemarketing pitch, getting on and off shuttles, informing you of how to work a seatbelt on an airplane, even giving you a wake-up call at a hotel. People so quickly

drown out these monotonous dronings because companies don't bother to explore alternative creative ways of yielding the same benefits without the negative sensory cues. Here, the four realms of an experience presented in Chapter 2 can be tapped to come up with schemes to enrich the senses. How could an automated voice entertain—by using humor? How might it not just inform but educate? How might it

A simple cue can heighten an experience through a single sense

induce action to create an escapist experience? And how might the sounds of—or behind—the voice be so esthetically pleasing that guests just want to listen to it?

Adding sensory phenomena obviously requires businesses to employ technicians who know how to affect our senses.²⁶ Experience-based enterprises will require architectural and musical skills not just to design buildings and select music but to fill the experience with senses that make sense. (In the future, hotels won't provide A/V technicians for meetings but "sensory specialists.") Not all sensations are good ones, and some combinations don't work. Barnes & Noble may have discovered that the aroma and taste of coffee go well with a freshly cracked book, but Duds n' Suds went bust attempting to combine a coin-operated laundromat and a bar—apparently, the smells of phosphates and hops aren't complementary.

COMPANIES THAT WANT TO STAGE COMPELLING EXPERIENCES should begin with the principles outlined above to explore the possibilities that await them. They must determine the theme of the experience as well as the impressions that will convey that theme to guests.

Many times, experience stagers develop a list of impressions they wish guests to take away and then think creatively about different themes and storylines that will bring the impressions together in one cohesive narrative. Then they winnow the impressions down to a manageable number—only and exactly those which truly denote the cogent theme. Next, they focus on the animate and inanimate cues that could connote each impression, following the simple guidelines of accentuating the positive and eliminating the negative. They then must meticulously map out the effect each cue will have on the five senses—sight, sound, touch, taste, and smell—taking care not to overwhelm guests with too much sensory input. Finally, they add memorabilia to the total mix, extending the experience in the customer's mind over time.

Of course, embracing these principles remains, for now, an art form. But those companies which figure out how to design experiences that are compelling, engaging, memorable—and rich—will be the ones leading the way into the emerging Experience Economy.

YOU ARE WHAT YOU CHARGE FOR

The transition to an economy in which experiences fuel the engine of growth will undergo many of the same changes encountered in the earlier transition from the Industrial to the Service Economy. This transition begins when companies *give away* experiences in order to sell existing

Many experience stagers start with a list of impressions and then develop the theme

offerings better, just as IBM and others initially gave away services in order to sell their goods. Service providers, consciously or not, recognize the value clients place on the experience, but rather than charge separately for it, they just surround their core services with experiential effects. Theme-based restaurants, for example, still charge for the food when customers come in for the experience.

The transition begins when you give away experiences in order to sell existing offerings

Consider Chrysler's new showcase storefront, "Great Cars, Great Trucks" in the Mall of America outside of Minneapolis. Visitors learn about the history of Chrysler and the automobile, and among other activities get to see a tantalizing concept car, play a race car simulation, hear the sounds emanating from different engines, and sit for a picture in a Dodge Viper. The store manager told us that Chrysler designed the showcase "to get out the word to consumers—in a nonthreatening, nonsales environment—about what great cars and trucks Chrysler builds." When we suggested the

company should charge admission to the showcase experience, he replied, "Oh no—if we did that, customers would feel they had a right to tell us what they wanted to do here." Exactly what it *should* want customers to do!

Ultimately, a business is defined by that for which it collects revenue, and it collects revenue only for that which it decides to charge. You're not truly selling a particular economic offering unless you explicitly ask your customers to pay for that exact offering. For experiences, that means *charging an admission fee*. Appealing to a buyer's five senses may create a greater preference for your offering versus its commoditized competitors, but unless you charge customers for *using* it—not for owning it—in a *place* you control, your experience is not an *economic* offering. You may design the most engaging experience around your service offering or within your retail establishment, but unless you charge people specifically for watching or participating in the activities performed—just for entering your place,²⁷ as do concert halls, theme parks, motion-based attractions, and other experience venues—you're not staging an economic experience.²⁸

Even if you reject for now the idea of charging admission out of fear, uncertainty, or doubt, it should still be your design criteria. Ask yourself: *What would we do differently if we charged admission?* This exercise will force you to discover what experience will engage guests in a more powerful way. Bottom line: your experience will never be *worth* an admission fee until you explore how to stop giving it away for free.

Movie theatres, whose owners have always recognized they're in show business, already charge admission to see the movies—but what about the theatre itself? Jim Loeks, part owner of the Star movie complex in South-

field, Michigan, declares, "It should be worth the price of the movie just to go into the theatre." Today, the Star charges 3 million visitors a year 25 percent more than a local competitor for a movie thanks to its fun-house-themed experience, which, according to Loeks, "creates a sense of place people want to go to every week." With 65,000 square feet of restaurants and stores now being added to the complex in the future, the Star may charge admission to the theatre whether or not people also see a movie.²⁹

Think about a pure retailer that already borders on the experiential. The next time you go to a Sharper Image or Brookstone—two retailers that provide a place where consumers can play with the latest high-tech devices—watch the customers as they meander around the store. Many wouldn't dream of actually using, let alone owning, most of these physical goods at home or in the office. But notice how many enjoy playing with the gee-whiz gadgets, listening to miniaturized hi-fi equipment, sitting and lying on massage chairs and tables, and then *leave without paying for what they valued*—namely, the experience.³⁰

Could such an establishment charge admission? Today, only a few people would likely pay just to get into the store, though surely not enough people (not at least as the companies currently manage the stores) to sustain the enterprise on admission fees. But if the Sharper Image decided to charge an admission fee, that would *force* the company to stage a much better experience to attract guests, especially on a repeat basis. The merchandise mix would need to change more regularly, perhaps daily, even hourly. Demonstrations, showcases, contests, and a plethora of other experiential attractions would complete the sharpened experience of a visit to the Sharper Image. Indeed, it would no longer be mere image but an escape from the reality of shopping elsewhere in the mall. As a result, the retailer might very well sell more goods.

Or consider Niketown. It is steeped in such experiential elements as exhibits that chronicle past shoe models, displays of *Sports Illustrated* magazine covers featuring athletes wearing Nikes, a usable half-court basketball floor, and video clips of everyday athletes viewed in an intimate theatre. Indeed, according to a company press release for the opening of the first Niketown in Chicago, that store was "built as a theater, where our consumers are the audience participating in the production."³¹ Through these flagship stores Nike aims to build its brand and stimulate buying at other non-Nike retail outlets. And despite selling shoes and apparel, which must cannibalize other retailers' volume to some degree, Nike nevertheless maintains that the locations are meant to be noncompetitive with other retail channels.

You're not truly selling an experience unless you charge admission

**Our experience
won't be worth
an admission fee
until you stop
giving it away
for free**

If so, then why not explicitly charge people just to enter Niketown? An admission fee would force the company to stage compelling events inside. We might actually see guests use the basketball court, perhaps to go at it one-on-one with past NBA stars or to play a game of H-O-R-S-E against a WNBA player. Customized Nike T-shirts, commemorating the date and score of events—complete with an action photo of the winning hoop—could be purchased afterward. There might be interactive kiosks for educational and entertaining exploration of past athletic triumphs. Virtual reality machines could let visitors *be* Tiger Woods and then have themselves videotaped saying, “I *was* Tiger Woods.” All of Nike’s signed stars could talk about their favorite sports moment, teach clinics, and sign autographs.

We’re convinced Nike could generate as much admission-based revenue per hour at Niketown as Disney does at its venues. Granted, an admission fee will make it more difficult to lure *first-time* guests (“You mean I have to pay to get in there to eat?”), but it will be easier to get them to come back. And there’s another benefit to charging admission. For those experience stagers, like theme restaurants, struggling to attract guests for return visits, the admission fee alters the buyer’s evaluation of the value of the total offering. For when restaurants try to recover all the costs of staging an experience from the food alone, people quickly get used to getting the experience for free and then begin to view the food as grossly overpriced. So why go back? With an admission fee, guests rightly perceive each offering they consume—goods, services, and experiences—as reasonably priced in its own right. The same principle applies to direct manufacturers, Web site operators, insurance agents, financial brokers, business-to-business marketers, and any other cue-less business that wraps free experiences around costly goods or services. Many retailers, in particular, would readily benefit from charging admission: Warner Bros., FAO Schwarz, the Imaginarium, Oshman’s, Victoria’s Secret, the Nature Company, and, of course, Disney itself.

Disney’s foray into speciality retailing outside its primary properties disappoints. Other than the Disney videos playing in the background, its mall stores pretty much look and feel like everyone else’s mall stores, and the blame lies squarely on Disney’s failure to charge admission. Because no one pays to get in the door, Disney provides a pedestrian shopping trip rather than a magical adventure. Even when Disney puts real effort into the architecture and furnishings—such as at its flagship store in midtown Manhattan, where upon entering it seems for a moment that you have been transported to Disney World itself—it doesn’t

harmonize all the cues. The elevator at the midtown store, for example, appears both inside and out to be an entrance into Snow White’s castle, but once on board blaring rock music confronts you that has nothing to do with the medieval surroundings. And everywhere you find costumed employees (here, they do not earn the term “cast members”) totally out of character, talking amongst themselves. Perhaps this is not Disney’s intention. Perhaps it is merely poor execution. But that execution stems directly from the lack of an admission fee—even one reimbursable later for merchandise—and it certainly diminishes the Disney brand by failing to live up to the company’s high experiential expertise.

Perhaps the right way to start charging admission is to do so for only a *portion* of the store. At four fun-filled Jordan’s Furniture locations across New England, the company stages myriad experiences (from audio-animated replicas of the co-owners, brothers Barry and Eliot Tatelman, to a Bourbon-Street-theme Mardi Gras atmosphere). Barry and Eliot still give these away, but at their Avon, Massachusetts, store they charge admission to the Motion Odyssey Machine, which takes audiences on a thrill ride simulating a roller coaster, a dune buggy, an out-of-control truck, and so forth, complete with wind and water effects. As Barry often says, “There’s no business that’s not show business.”

In the full-fledged Experience Economy, we will see not only retail stores but entire shopping malls charge admission before a person is allowed to set foot in a store.³² In fact, such shopping malls already exist. Disney’s arch-rival Universal Studios, for example, charges admission (in the form of a parking fee) to City Walk, as does the Opryland Hotel complex in Nashville. But think also about the Minnesota Renaissance Festival, the Gilroy Garlic Festival in California, the Kitchener-Waterloo Oktoberfest in Ontario, Canada, and a host of other seasonal festivals that charge admission for what are really *outdoor shopping malls*. Consumers find these festivals to be worth the entrance fees because their owners explicitly script distinctive experiences around particularly enticing themes and then stage a wealth of activities that captivate guests before, after, and while they shop.

At the Minnesota Renaissance Festival, for example, handsome knights and fair maidens greet visitors to the twenty-two-acre domain of King Henry and Queen Katherine outside of Minneapolis, hand them a *News of the Realm* guide on simulated parchment, and invite them to enjoy the day’s festivities. Throughout the day various merry-makers in Renaissance costume—magicians, jugglers, peddlers, singers, dance troupes, and even a pair of bumbling commoners known as Puke & Snot—frequently accost

**Not only retail
stores but entire
shopping malls
will charge
admission**

guests (many of them are clothed in period costume as well) with the express intent of ensuring that they, their companions, and everyone else within earshot have a wonderful time. Among the numerous categories of activities in which guests delight—and that could apply to any experience—are the following:

- Period *demonstrations* (armor making, glass blowing, bookbinding, and so forth)
- *Crafts* that guests perform themselves (brass rubbing, candle-making, calligraphy)
- *Games, contests*, and other *challenges* for which prizes are awarded (archery, giant maze, Jacob's ladder)
- Human- and animal-powered (never electric) *rides* (elephants, ponies, cabriolet)
- *Food* (turkey legs, apple dumplings, Florentine ice)
- *Drink* (beer and wine but also—in an admitted concession to modern concessions—soda and coffee)
- *Shows, ceremonies, parades* and various and sundry *revelry* (magicians, puppetry, jousts), some of which require an additional fee

Not to mention the hundreds of Renaissance-theme shops (make that *shoppes*) all selling hand-crafted goods appropriate to the period, such as jewelry, pottery, glass, candles, musical instruments, toys, apparel, plants, perfumes, wall hangings, and sculptures, or services such as face painting, astrology readings, portraits, and caricatures. With nearly every guest leaving with one or more bags of goodies, the Renaissance Festival experience clearly siphons off shopping dollars that otherwise would be spent at traditional malls and other retail outlets.

Fortunately for their conventional competitors, the proprietors of such festivals do not hold them year-round . . . yet. The Minnesota Renaissance Festival, for example, opens its gates weekends and Labor Day from mid-August to the end of September. Because of its intensity and unusual nature, most people do not repeat this kind of experience often enough to make staging it every day worthwhile. However, with appropriately malleable grounds and facilities, consumers could be enticed over and over again if different experiences were rotated through the same place. Mid-America Festivals, the company that runs the Minnesota Renaissance Festival as well as similar endeavors in other states, recently added Halloween-theme experiences (Trail of Terror, Gargoyle Manor, and BooBash) at the same locale, as well as a Christmas-theme gourmet dinner and entertainment called the Fezzwieg Feast. Shopping malls entering the Experience

Economy must learn how to stage revolving productions, just as theatres did long ago, that entice people to pay an admission fee again and again.

Do you think people would be crazy to pay for the experience of shopping at their local mall? Imagine the reaction if, decades ago—just after World War II, let's say, when the American economy was booming, flush with returning GIs buying houses in the suburbs and filling their garages with new cars and their kitchens with the latest in household gadgets—you had told people that in the near future the *typical* family would pay someone else to change the oil in their car, make their kids' birthday cakes, clean their shirts, mow their lawn, or deliver a host of other now-commonplace services. No doubt they would have said you were insane! Or imagine going back hundreds of years and telling rural farmers that in the centuries hence the vast majority of people would no longer farm their own land, build their own houses, kill animals for their own meals, chop their own wood, or even make their own clothes or furniture. Again, you would have been thought crazy.

The history of economic progress consists of charging a fee for what once was free. In the full-fledged Experience Economy, instead of relying purely on our own wherewithal to experience the new and wondrous—as has been done for ages—we will increasingly pay companies to stage experiences for us, just as we now pay companies for services we once delivered ourselves, goods we once made ourselves, and commodities we once extracted ourselves.

Charging admission does not necessarily mean, however, that companies stop selling their goods and services. (Although some will indeed give away their lower-echelon offerings to better sell their high-margin experiences, just as telephone companies today give away cell phones to consumers that sign up for their wireless service.) The Walt Disney Company derives an awful lot of profit at its theme parks from parking, food, and other services, as well as from all the goods it sells as memorabilia. But without the staged experiences (not just of the theme parks but of the company's cartoons, movies, and TV shows) there would be nothing to remember—Disney would have no characters to exploit. While historically Disney started with the experience and then added lower-echelon offerings, the principle holds for those starting with goods and services that shift up to experiences. In the Experience Economy, experiences drive the economy and therefore generate much of the base demand for goods and services. So explore what experience *you* could stage that would be so engaging that your current customers would actually pay admission to experience it, and then pay extra for your services while they are so engaged, or pay more for

The history of economic progress consists of charging a fee for what once was free

your goods as memorabilia. In doing so, you would be following the lead of not only Disney but the Minnesota Renaissance Festival, the American Wilderness Experience, Bamboola, and a host of other companies that have already entered the Experience Economy.

The same principle applies to business-to-business companies: staging experiences for their customers will drive demand for their current goods and services. The business equivalent of a shopping mall is, after all, a trade show—a place to find, learn about, and, if a need is met, purchase offerings. Trade show operators *already* charge admission (and could charge even more, if they staged better experiences); individual companies can as well. If a company designs a worthwhile experience, customers will gladly pay the company to, essentially, sell to them.

In a business-to-business setting, Diamond Technology Partners of Chicago accomplishes this with an experience offering it calls the Diamond Exchange. This thrice yearly gathering of executives, “fellows” (top partners as well as outside authorities ranging from computer pioneer Alan Kay to University of Chicago economics and psychology professor Marvin Zonis),³³ and Diamond’s own “knowledge leaders” explores “the digital future” to help determine its impact on guest companies.³⁴ Diamond Exchange director Chunka Mui describes it as “a long-term conversation between top executives and some of the world’s leading experts in strategy, technology, operations, and learning. Its point of departure is how our members can compete in a world that is increasingly transformed by technology.” Current and potential clients gladly pay tens of thousands of dollars a year to attend the Diamond Exchange for the simple reason that what they gain from the explicitly staged events—the fresh

insights, revealing self-discovery, and engaging interactions—is *worth* it. And because it demonstrates its capabilities in a nonsales atmosphere (the company strictly forbids any solicitation of potential consulting engagements at the events) Diamond greatly increases its chances of gaining significant consulting work to help members further explore what they learn.

Will every company be able to charge admission? No, only those that, like Diamond or Club Disney, properly set the stage by designing rich experiences that cross into all four realms: the entertaining, the educational, the escapist, and the esthetic. And only those that use the principles outlined above to create engaging, memorable encounters. Charging admission is the final step; first you must design an experience *worth* paying for.

In business-to-business situations, stage experiences where customers pay you to sell to them

4 Get Your Act Together

REMEMBER THE LAST TIME you received particularly poor service, at a restaurant, automotive shop, or airline counter perhaps? For many, such ordeals create our most lasting recollections of a company—and often our best cocktail-hour stories. We forget consistently dependable service while remembering the occasional mishap. Companies that falter on the service front discover the hard way: The easiest way to turn a service into an experience is to provide poor service, thus creating a memorable encounter of the most unpleasant kind.

The surest way to provide poor service is to walk every client through the same rote, impersonal routine, never varying, no matter who the individual client is or what he really needs. Customers have been receiving such treatment ever since service providers embraced the same principles of Mass Production that manufacturers used to dramatically lower costs. And it’s become even worse as the forces of commoditization that hit manufacturing now attack services as well. So service providers reengineer their call centers to reduce call time and downsize already harried front-line staff to save on fixed costs and overhead. The end result? Their employees spend less time with clients, and the time they do spend no longer delivers the same level of service.

By focusing on costs at the expense of what clients want, these companies are commoditizing themselves. Why should customers pay a higher price for demonstrably poorer service?

But the inverse principle also holds true: Customizing a service can be a

To turn a service into an experience, provide poor service