

Pine and Gilmore stage a fourth *thinkAbout* experience

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In the early 1980s, the operators of the authentically hip dance club Studio 54 discovered that the act of saying “No” could create a yen for “Yes.” They created a destination for New York’s trendy people, put a velvet rope out in front and proceeded to have their doormen deny entrance to all but the elect. Studio 54 was an exclusive experience to those they did let in – and it fueled a driving need for acceptance in the crowd that stood outside.

Today, brand marketers are again trying to pull off the velvet rope trick. They need to find a way to foster a desire amongst consumers to want only their brand – need only their brand. Exclusivity marketing, a major driver of consumerism, identifies niche audiences, then designs “authentic” products or experiences that those niches will buy to define themselves and other segments will buy to emulate them.

According to B. Joseph Pine II, co-author with James H. Gilmore of *The Experience Economy: Work Is Theatre and Every Business a Stage* (Pine and Gilmore, 1999), “Today, individuals long for authenticity, but struggle with how to attain it.” Pine and Gilmore, partners in Strategic Horizons LLP, recently held their fourth *thinkAbout* conference in Las Vegas, a place where experience and authenticity collide.

Experience economy

Those familiar with Pine and Gilmore’s groundbreaking book know that they believe that we are entering an experience economy, a natural outgrowth of the succession of Agrarian, industrial and service economies. In the experience economy consumers will base their brand loyalty not merely on reliable service, but increasingly on

the experience they have with the brand. Pine and Gilmore believe that the consumer will pay for experience itself – that the experience can become the key part of the transaction.

In order to understand the new opportunities in the experience economy, strategists should first reflect on the dramatic changes in consumerism that have occurred in just a few years. Yesterday’s consumer had a destination for shopping, work, recreation, and personal activities. Tomorrow’s consumer will use digital devices to go to the market place, the work place, the home-place, the play-place and the social-place. The coming generation of consumers is stunningly more comfortable with technological complexity and the new devices of digital convergence. Their understanding of how to communicate and receive/search for information is unique, because they will have never lived within the boundaries of snail-mail, slow downloads, incomprehensible MS-DOS commands or telephones screwed to the wall.

Constant stimulation

This next generation will not consider their information and entertainment environments fixed. They will understand that they can have what they want, when they want, and how they want. Because this flexibility will define their lives, they will become even more of a moving target to marketers than their parents were. They will expect more from marketing because their lives are about constant experiential stimulation.

As the world around them becomes more commoditized – malls that all feature the same brands, banks that all promise to be a strong partner, or service providers that promise to be at

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their beck and call, 24/7 – consumers will need an additional reason to stay loyal. Delivering authenticity will become the new means of attracting customers and maintaining their loyalty. It will become the key differentiator in a world of me-tooism. As Pine says, “There’s a paradox at work. No individual can have an artificial experience, while no company can provide a completely natural one. Resolving this paradox is becoming the key issue for business in the experience economy.”

Buying the logo experience

Consider the rise of designer clothing. Consumers have proven that they are willing to pay for the privilege of becoming part of the marketing push of designers such as Tommy Hilfiger, Ralph Lauren, and Donna Karan. Consumers are happy to wear clothing that prominently features the names and logos of these designers because it brands them as part of a certain strata of society. But more than that, they wear those logos to be part of that designer crowd, that lifestyle, and that experience. They do not wait to be invited to the other side of the velvet rope – they pay for entry. But consumers will pay a premium only if the brand is experiential – that is, if the experience of using or wearing or visiting the brand somehow resonates with them, somehow aids them in feeling unique. They want the brand to deliver on its promise, and they want it to happen in such a way that they respond emotionally.

Pixie dust premium

Disney understands the desire of the consumer to fulfill the promise. When guests visit the Magic Kingdom they buy into the possibility of pixie

dust. Part of the Disney experience is actually meeting Mickey Mouse, one of the most famous icons in the world. Disney understands that customers pay a premium for admission to the kingdom the mouse built, so therefore, they cannot give away too much Mickey. They solve this paradox by always having the character Mickey available somewhere in the park – but not everywhere in the park.

Disney understands that if Mickey is always accessible, he becomes just another character. If you truly want to meet Mickey, you need to find out where he is and stand in line to meet him – unless you are lucky enough to discover him on one of his carefully limited “spontaneous” experiences. If you do, Disney will have delivered on their promise – while still hoarding their intellectual property/emotional capital so that it can be used without being overused. They can keep the experience special, and therefore authentic to the individual guest.

It is this authenticity – this ability to craft an individual experience for each guest or consumer – that becomes the greatest challenge to those businesses that strive to capture not only the minds but also the hearts of their consumers. The brand must become “real” to the consumer – it must help them define who they are, enrich their experience of themselves and create a bond that cannot be broken through the simple competition of price. It is this need to create reality that will become a greater challenge to marketers in the twenty-first century, because the new consumer will have new definitions of “real,” definitions that are not grounded to destinations, but to devices.

Making selling spaces experiential

For the coming generation, the convergence of technology will create less need to venture out into the “real” world as we know it today – the world of strip centers and retail brands. However, young consumers will still want to rub elbows, to socialize. Brand managers who understand this will realize that there is an opportunity to drive business at a local level by creating spaces that not only feature product, but create places that connect with consumers longing for a “somewhere.” It will need to feel different than the competitive destination. Retailers and brands that understand this will create spaces that allow for both socializing and brand experience, thus creating vessels for brand loyalty.

If it is true that technology will allow people to not leave their keyboard, then whatever pulls them away from it will need to be even more special. And so, as Jim Gilmore said at the close of *thinkAbout* 2001, “Want to be a successful experience stager? Get real.” Do not assume that you can create experiences based on scripts or themed environments or cheerful smiling faces. Understand that consumers need to be seen as individuals; that they crave something that is different from all other parts of their lives; and that they will pay to get behind the velvet rope of technology and be transformed by the brand experience. ■

Reference

Pine, B.J. II and Gilmore, J.H. (1999), *The Experience Economy: Work Is Theatre and Every Business a Stage*, Harvard Business School Press, Boston, MA.