



# The 2015 Customer Experience Outlook

A Collection of Ideas  
for the Year Ahead

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# Distinctive Experiences



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*The Experience Economy*

It has been almost twenty years since we first described economic history through our progression of economic value. In short, the Agrarian Economy (based on commodities) was supplanted by the Industrial Economy (based on goods), which in turn was superseded by the Service Economy, and that has now been unseated by today's Experience Economy. Indeed, goods and services are no longer enough; what customers want are *experiences*—memorable events that engage each individual in an inherently personal way.

In 2015, this fundamental shift in the very fabric of the economy continues unabated with new experience offerings all over the world. We also see the shift to experiences taking root beyond what we anticipated in three areas in particular. First, experiential marketing (let's call it EM) applies experience staging to the marketing of goods and services, seeking to be less dependent on traditional media as the means of building demand. Second, digital experiences increasingly flourish, using the World Wide Web and other electronic platforms to create new virtual and gaming experiences focused on the user experience (UX). Finally, the application of experience-staging prowess to operations—in what many call customer experience management (or CEM)—typically aims to make interactions with customers nice, easy, and more convenient.

Each of these movements has yielded more satisfactory interactions with customers and better results for companies, no doubt. But none fulfill the promise of an actual *experience*—which is in fact a distinct economic offering, as distinct from services as services are from goods.

Companies that embrace only the facets of EM, UX, and CEM miss out on conceiving and designing new-to-the-world offerings that customers value more highly, and therefore create more economic value for themselves.

What's crucial to understand about CEM in particular is that making interactions nice, easy, and more convenient never arises to the level of a distinctive experience. Rather, these are all attributes of good service, and focusing on the "customer experience" as the term is commonly used only creates better services. (The oft-heard term "service experience" further confuses the issue; or, perhaps acknowledges the confusion!) This again is a good thing, and can even forestall the forces of commoditization, but it cannot hold them at bay forever.

Look at the primary economic distinctions between services and experiences. First, services are intangible—having little or no materiality (as tangible goods do)—while experiences are memorable. If you do not create a memory, then you have not offered a distinctive experience. And while being "nice" is, well, nice, it's rarely

*memorable*. Instead of just being nice, design your interactions to be so engaging that customers cannot help but remember them—and tell others about them.

Second, services are outwardly customized—done for an individual person (or company)—while experiences are inherently *personal*. If you do not reach inside of people and engage their hearts and/or minds, then you have not offered a distinctive experience. Engineering your processes to be “easy” actually tends to get in the way of making them personal, so instead always take into account the actual, living, breathing person in front of you, even if treating him or her individually gets in the way of greater efficiency.

**“ If you do not create a memory, then you have not offered a distinctive experience.”**

Third, services are delivered on demand—when the customer says this is what he wants—while experiences are revealed over a duration. If you do not let your experience unfold dramatically over the course of your interactions in a way that goes beyond the routine, then you have not offered a distinctive experience. Striving to be “convenient” drains the interaction of all drama,

so instead stage the sequence of your interactions in a way that embraces dramatic structure, rising to a climax and then bringing your customers back down again in a personal and memorable way. That’s why services are *delivered* while experiences are *staged*.

The best way to summarize the distinction between partaking in services—even excellent ones properly enhanced through “customer experience management”—and encountering experiences is through the concept of time. Making things nice, easy, and convenient results in customers spending *less* time with you, and less money as well. And that’s exactly what they want from services, so they can spend *more* of their hard-earned money and their harder-earned time on memorable, personal, and dramatic experiences that truly engage.

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*B. Joseph Pine II and James H. Gilmore are the co-founders of [Strategic Horizons LLP](#) and the co-authors of, among other books, [The Experience Economy](#), named one of the top 100 business books of all time with an Updated Edition out in 2011. They can be reached at [PineGilmore@StrategicHorizons.com](mailto:PineGilmore@StrategicHorizons.com) or +1 (330) 995-4680.*

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