

INFINITE POSSIBILITY

Creating customer value on the digital frontier

An executive of a global coffee manufacturer once told me that there had been “no innovation in the coffee industry in fifteen years.” I responded, “Have you never heard of *Starbucks*?” This gentleman could only conceive of innovation in physical *goods*, and so totally missed the shift from ground coffee to the coffee-drinking *experience* that Starbucks innovated.

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B. JOSEPH PINE II

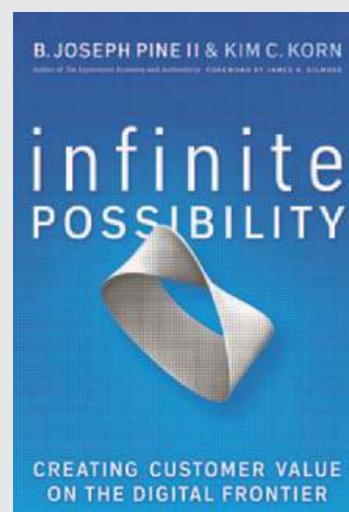
Unfortunately, he is not alone. Despite the ongoing economic crisis, the fact that we are now in an Experience Economy has not penetrated the minds of enough business leaders and policymakers to give full bloom to a truly new – and desperately needed – economic order. Too much emphasis continues to be placed on goods and services alone, prohibiting the shift to more vibrant enterprises and more robust economies. To foster economic growth, create new jobs, and maintain economic prosperity, we must recognize *experiences* as a distinct form of economic output.

We also cannot ignore how digital technology is reshaping the landscape in nearly every industry. Companies must therefore pursue experience innovations on the digital frontier to fuse the *real* with the *virtual*. More and more people bring their technological devices – iPods, iPhones, iPads, iEtc. – wherever they go. The potential to divert their time, attention, and money is always just a tap away.

Just consider how Augmented Reality, for example, changes the experience of world travel when you use your smartphone to superimpose virtual information, objects, and even people onto the real-world scene before you. Consider its implications for studying, say, history or botany; you could see what a historical site looked like at any point in time, watch a long-ago battle unfold, or recognize the genus, species and medical uses of any plant in an arboretum.

Reality will always provide the richest of experiences. But with the ongoing migration to Virtuality, companies increasingly need to fuse the two to innovate experiences never before envisioned. With the full power of digital technology at our disposal the opportunities are now endless, for they are limited only by our imagination. And of that there is no end. ♦

• **B. Joseph Pine II**



B. JOSEPH PINE II
Co-founder of Strategic Horizons LLP,
is the co-author of *Infinite Possibility: Creating Customer Value on the Digital Frontier* and *The Experience Economy*.
Contact: bjp2@StrategicHorizons.com
Twitter: [@joepine](https://twitter.com/joepine)
Website: www.strategichorizons.com



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