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BOOK EXCERPT
ALL THE WORLD'S A
STAGE
The authors of a book on the Experience Economy say work has become theatre.
BY B. JOSEPH PINE II AND JAMES H. GILMORE

In explaining why they think the world of commerce is becoming an Experience Economy, Joe Pine and Jim Gilmore hark back some 30 to 40 years ago when their mothers started making birthday cakes for them. Initially, their mothers made cakes from scratch—meaning they actually touched commodities. Over time, they began using mixes—physical goods. Later, they stopped baking the cakes at all, but instead purchased them from bakeries—which performed a service for them. Messrs. Pine and Gilmore say their mothers simply were following the natural progression for all economic offerings.

But in their book, *The Experience Economy: Work Is Theatre & Every Business a Stage*, Messrs. Pine and Gilmore write that today's economy is moving beyond commodities, goods, and services. The authors write that more and more companies are learning how to stage experiences for their customers. As their book makes clear, experiences are a distinct economic offering that can provide a higher level of value, and command a higher premium, than previous economic offerings.

The authors know this on a personal basis. Now that their children are having birthday parties, not only don't their wives bake the cakes anymore—they don't even throw the parties. Instead, they hire companies that put up decorations and orchestrate memorable events to provide a unique experience for each child who attends. Think of the difference in economic terms: While it costs mere dimes to buy the flour, sugar, etc., to make a cake from scratch, perhaps \$2 or \$3 to buy a mix, and \$10 or \$20 to buy a cake from a bakery, parents everywhere now pay \$100 or \$200—and sometimes much more—to buy a birthday experience for their kids.

The authors offer plenty of other examples to show how big companies have seized on experiences, making the phenomenon reach far beyond birthday parties. Disney has its sensational theme parks. Hard Rock Cafe has its engaging restaurants. Imax has its immersive movie theatres. These and many more experience stagers—from on-line communities to insurance companies, parking lots, and repair firms—create experiences that let them forestall commoditization by standing out from competitors. And, not coincidentally, these providers of experiences increase their margins over what commodity traders, goods manufacturers, or service providers can achieve.

In the following edited excerpt, the authors argue that even companies that don't view themselves as being in the experience business need to pay more attention to the kinds of experiences they're creating when they interact with customers. Messrs. Pine and Gilmore say that companies must realize that work performed before customers is theatre. Everyone must think about the role he or she wants to play, and everyone must act out that character at all times.

Barbra Streisand had not yet gotten her act together as an aspiring actress and singer when she tried out for Harold Rowe's musical, *I Can Get It for You Wholesale*. Casting director Michael Shurtleff writes in his book, *Audition*, that he was concerned about how Ms. Streisand's proboscis-dominated looks would come off to producer David Merrick, who had told him, "I don't want any ugly girls in my show."

Ms. Streisand, draped in a gaudy raccoon coat and wearing mismatched shoes, walked in late, chewing gum. Curtly, she ordered a stool brought on stage. Once settled on the stool, she began to sing, but she stopped unexpectedly after just a few notes. She started and stopped again, this time to remove her gum and stick it beneath the bottom of the stool. Finally, she sang the full number and, as Mr. Shurtleff put it, "she mesmerized 'em." Ms. Streisand got the part. As he prepared to leave, the director ran his hand underneath the stool, for he had noticed that Ms. Streisand had failed to retrieve her gum. No gum! Chomping so visibly had been an act of pure theatre.

The emerging Experience Economy demands recognizing that *any work observed directly* by a customer is an act of theatre. Flight attendants and hotel staff routinely perform acts of theatre even when they direct patrons to the nearest exit or rented room. The work of a retail store associate is theatre when he straightens merchandise on a shelf. Bank tellers, insurance agents, and real-estate brokers engage in theatre when they explain terms and conditions.

So do taxi drivers when they converse. Even the trading of commodities in exchange pits is theatre of a particular, attention-grabbing kind. But how differently (and more memorably) would all these activities be performed if those executing them understood that their work is theatre and acted accordingly?

Consider the business of baseball. The remarkable turnaround of the Cleveland Indians attests to the value of theatre in deliberately staging engaging experiences. Before 1994, fewer than 5,000 season ticket packages were purchased annually. Now, all 43,368 seats sell out by the preceding Christmas. Part of the reason is Jacobs Field, the Indians' new, \$175 million stadium. But other new facilities have not met with nearly the same success. The difference? While Major League Baseball, in general, may be as badly managed as any professional sport, the Indians management recognized that Jacobs Field could be a new stage for enacting deliberate performances.

Just one example of what they do: Outside the park, a uniformed employee of the ballpark busies himself with a broom and dustpan-on-a-stick, sweeping the sidewalk. Few of the many people who pass examine the extraordinary nature of his gestures. But his whisks gather no debris, for the place already sparkles! Why perform this nonexistent work? For the same reason Ms. Streisand chewed nonexistent gum: as an act of pure theatre.

All business—and the work that fills it, from executive suites to factory floors—demands the same performance as that featured on Broadway and in ballparks. In the Experience Economy performers of all sorts—executives, managers, and other laborers—must see their occupations differently. Work is theatre.

Let us be clear: We do not mean work as theatre. This is no metaphor. It is a model. We literally mean: Work *is* theatre.

In all companies, whether managers recognize it or not, the workers are playing—not in some game, but in what should be a well-conceived, correctly cast, and convincingly portrayed real-life drama. Renowned stage director Peter Brook declared, in his book *The Empty Space*, "I can take any empty space and call it a bare stage. A man walks across this empty space whilst someone else is watching him, and this is all that is needed for an act of theatre to be engaged."

What should occur on a business' bare stage? A grocery clerk talking over a customer's head to the clerk in the next aisle about what they're going to do after work may seem to them insignificant—but for the customer it is an act of indifference. For compelling theatre, the grocery clerk should be asking himself how he might scan the canned goods with flair, how to ask for a credit card, and especially what personal touches make the most out of exchanging cash or providing a receipt.

Work should be thought of as having a beginning, climax, and denouement. The old saw that the salesman should stop talking once he makes the sale should not be taken literally—his task merely shifts to evoking an effective denouement.

How can building, diminution, contrast, and release of dramatic energy enrich the

business scene? FedEx employees deliberately rush about to convey the impression of speed. Or think of a waitress in a fine restaurant, where every course presents a dramatic scene in the dining experience. How should the end of one course flow into the next? Should she unobtrusively remove the salad plates, while making a show of refilling the water glass, or perhaps the reverse? And at what precise right moment should she deliver the check? Good answers distinguish engaging performances from monotonous or intrusive ones.

Think back to your last encounter with a cab driver, salesman, or check-out clerk, and you will quickly come to the conclusion that dramatic design elements known for thousands of years remain regrettably absent from much work today.

Technology-mediated interactions also present a bare stage for business theatre, as Brenda Laurel shows in her book *Computers as Theatre*. Ms. Laurel says, "Thinking about interfaces is thinking too small. Designing human-computer experience isn't about building a better desktop. It's about creating imaginary worlds that have a special relationship to reality—worlds in which we can extend, amplify, and enrich our own capabilities to think, feel, and act." Exactly.

Whether or not your company fully enters the Experience Economy by charging for staged events, no matter what position you have in the company, and regardless of what co-workers do—you are a performer. Your work is theatre. Now you must act accordingly!

Did we say act? People often regard movie celebrities as egotistical, flighty, or fake and Broadway stars as pretentious or worse. Are we really suggesting that you, too, act? Absolutely. Don't confuse awful actors and bad acts with acting itself. Acting is the taking of deliberate steps to connect with an audience. To dismiss acting as dishonest relegates you and your employees to bland roles, with little prospect for engaging customers in new and exciting ways. Worse, drawing artificial boundaries around work often kills innovation. If servicing a car, for example, begins only when customers bring in their vehicles, Lexus never would have thought to send employees to customers' homes to retrieve them.

Bad acting constantly reminds an audience that the actor, ahem, is acting. By contrast, engaging people have a sense of role so keen, an ability to stay in character so perfected, and an effect so pronounced, that observers seldom realize these actors are constantly on-stage. Think of Jack Welch in industry, Ronald Reagan in politics, Gen. Norman Schwarzkopf in battle, and the late Mother Teresa in charity. Every worker in business should strive to engage others in this way. To engage a customer in the Experience Economy, act as if your work depended on it!

How well you act depends on how you characterize your role. Proper characterization makes any drama natural, believable, spontaneous, and real.

Characterization distinguishes the work of staging experiences from that of other economic activity. In fact, the absence of such character explains why so many service workers seem to operate as mere automatons—receptionists greeting you in the same, monotonous manner every time, car salesmen employing identical pitches, fast-food lines putting customers through the same old drill. Contrast that with the refreshment stand character at Cedar-Lee Cinema in Cleveland Heights, Ohio, who spins lines like, "Who's next to be refreshed?" He acts better than some of the stars on the marquee. Guests want to wait in his queue!

Getting into character provides a sense of purpose for each worker in an organization, uniting him to the overall theme of the experience offered to guests. Perhaps no company understands this as well as Disney. Each day, cast members—whether portraying a cartoon figure, ride attendant, street sweeper, or other character—don their costumes, grab their props, and enter various staged experiences. Each one contributes to the portrayal of the place as a haven for family, fun, and fantasy. Cast members keep off-stage work off-stage and conduct on-stage work on-stage. Period.

The legendary acting coach, Konstantin Stanislavski, constantly admonished actors to "Cut 95%." Actors tend to do too much. Stanislavski reduced acting to its essential

core, so that it clearly communicated the theme (what he called the super-objective) of the play.

Thanks to Total Quality Management and Business Process Re-engineering, most organizations now understand redesigning and improving work processes. In most instances, however, such exercises only delineate *what* activity organizations perform, not *how* the work should be performed. The resulting work processes still lack a sense of intention. Merely completing an activity is not enough: Some underlying motivation must invigorate the performance so that it ultimately affects the buyer of the final offering. Process excellence—at least in the sense of truly engaging customers—only surfaces when workers decide how to enrich each activity. As acting instructor Michael Kearns writes in his book, *Acting = Life*: "Deciding what you want is critical to your success....If you haven't decided what it is you want, you're likely to be unfocused. When you've conscientiously spelled out your intent beforehand, you are more likely to be specific and clear, and the result will be an energized connection."

Any offering increases in value when every worker on stage—in farmyards, on shop floors, at service counters, within themed places—fills work with intention.

Mr. Kearns supplies a most useful tool for doing so. For every piece of work, describe your intention using the phrase, "in order to." Barbra Streisand chewed gum *in order to* demonstrate that appearances don't matter—it's the vocal cords that count. The Jacobs Field performer swept the street *in order to* show that the new ballpark was clean, safe, comfortable, and eager to come to life.

Consider the world of doctor-patient relationships. Medical research shows that women with breast cancer who choose lumpectomies (simple tumor removals) live just as long as those who select mastectomies (total breast removal). But, despite laws requiring doctors to explain lumpectomy as an option, the rates of breast-conserving surgery in some parts of the U.S. remain unchanged. According to the Wall Street Journal, "part of the reason for the lack of impact is that it's not just *what* the doctor says, but *how* it's said." Doctors must not only provide patients with options but do so *in order to* ensure that each patient properly considers the alternatives.

Lawyers, too, must fill their work with intention. "You want to plan every detail—the way you dress and the way your table looks" in court, Chicago lawyer Fred Bartlit told the Wall Street Journal. A growing number of trial lawyers scrutinize every single thing they do, from how they walk to how they deliver ad-libs and prepared quips.

For many students in the Hill House dining hall at the University of Pennsylvania, a woman everyone just calls Barb is the most memorable person of their entire educational experience. Her job consists of but one—repeat, one—activity. For three meals a day, Barb sits at a table at the entrance and swipes students' prepaid meal cards through a checking machine. That's it. Yet Barb richly fills this one simple task with intention. First, she takes a student's card *in order to* learn his name. Then, she takes the card *in order to* greet him back by name. If someone misses a meal, she takes the card *in order to* inquire about an earlier absence. She will even take a card *in order to* inform its holder where a friend sits in the cafeteria. In every instance, by word or by gesture, her intentions fulfill her theme of warmly welcoming students to the school's dining experience. She may be one of the great welcomers of the globe. No wonder Barb's position has yet to be disintermediated, downsized, or automated by some self-serving turnstile.

On the old TV show *Taxi*, the usually atrocious but fun-loving Rev. Jim Ignatowski once decided to become the best taxi driver in the world. He did it by surprising his patrons with totally unexpected events: serving sandwiches and drinks, conducting tours of the city, even singing Frank Sinatra tunes over a jerry-rigged intercom. Iggy was so engaging that the experience of being in his cab yielded greater value than the service of cabbing the customer from point A to point B. In the TV show, at least, Iggy's customers happily responded with greater tips. One patron even paid more for demonstrably poorer service, asking to go around the block again. Taxi transportation was simply the stage for the experience that Iggy was really selling.

Real-world entrepreneurs also act in ways that turn mundane services into truly memorable events. Aaron Davis, who works in the Kalamazoo, Mich., airport, is not only a great shoeshine man but a great showman, because he introduces elements that have little or nothing to do with polishing shoes. Finding a loose thread, Mr. Davis

produces a pocket lighter to burn it off. After the shine, he not only ties the guest's laces, but then gently pulls up his socks. He offers proverbs to those in need of a pick-me-up. Should a regular fail to stop by one week, the next shine is, as Mr. Davis says, "On me." After the first free one, regulars make sure to take in a shine.

For every Aaron the shoeshine man, there's a Barb the cardtaker and a Fred the lawyer. You remember them when you encounter them. Their intention-filled work spills over into passion for their characters, caring for the company, and empathy for the customer. They are the true performance actors in the world, and we all should follow their lead.

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