

Be the Business

Don't just wrap your product in an experience, *make* it the experience

Remember reengineering? In the early 90's, Michael Hammer wrote his seminal *Harvard Business Review* article entitled "Don't Automate, Obliterate" and later teamed with Jim Champy to coauthor the bestselling business book, *Reengineering the Corporation*. These two treatises fueled an unprecedented frenzy of process innovation initiatives in companies throughout the world.

The concept was ingeniously articulated and thoroughly outlined, but management in most companies heard but three words: *Big Bucks Fast*. The problem was that these executives didn't really internalize the reengineering dogma. While Hammer & Champy championed reengineering as a means to generate new business output (an *effectiveness* emphasis), their followers just used "reengineering" to reduce the cost of generating more of the same old output (an *efficiency* emphasis). As a result, reengineering quickly became synonymous with downsizing and other cost-cutting measures.

What came to be practiced differed greatly from what was espoused by the originators of the movement. Why? Perhaps human beings are such paradigm-preserving creatures that we instinctively take new thinking and merely use it to modify our existing perspectives and priorities, versus establishing new ones. Maybe we're just uncomfortable with change. Or, the antibodies in our organizations just emerge whenever threatened by a truly new point-of-view.

In any case, we sense such a slide afoot in the arena of experiences. Although 100,000-plus copies of our book have sold worldwide, we guess perhaps 10,000 people have actually read it closely. Sometimes we feel as if only

1,000 individuals have fully grasped the thesis of our book: that *experiences are a distinct genre of economic output*, as distinct from services as services are from goods. The point has been lost on many now embracing "experiences" in their organizations. Instead of offering experiences as a direct means to generate income from new sources of revenue—by designing, staging, and managing new paid-for experiences—they're simply wrapping existing offerings in new lan-



guage. Witness Microsoft's much hyped XP (for eXperience) software. It's still a CD in a box (to be installed on a hard drive in yet another box). Or consider the Grand Canyon Experience in Las Vegas—there's no experience; it's just a souvenir store.

Beyond this, however, two linguistic developments are particularly noteworthy. First, we see an emphasis on improving "the customer experience" at every touch-point between seller and buyer of various goods and services. Dell Computer, for example, has done this with the slogan, "The Customer Experience: Own It." A number of business books have

similarly embraced the phrase as a means to talk about managing the emotional take-aways that customers get out of each interaction.

Second, the rise of "experiential marketing" seeks to make marketing messages less information-filled and more sensation-filled. Its practitioners augment or replace traditional advertising with more experiential packaging, promotions, placement, and pricing schemes.

Don't get us wrong; these two means of leveraging experience thinking are both worthwhile. Done well, each can and will help improve one's business. But they are not the same as explicitly charging for distinct experience offerings. Any professional event marketer would be wise to diligently and continually enhance the customer experience—by focusing not only on the functionality of every task and technology, but also on the impressions that are formed step-by-step within each individual customer—while at the same time experimenting with the tactic. We support all that.

But more needs to be done. Strive for greatness. Your events could very well command a fee, ideally one that increases over time (witness what Vans has achieved). Charging admission, subscription, membership, or other forms of access fees *just to enter* your experience (or at least events within your events) would force you marketers to launch more compelling experiences.

The events will not only help your business, they will be the business. **EM**

Pine & Gilmore keep busy with consulting, speaking engagements, and work on the sequel to "The Experience Economy." Catch them via Aurora, Ohio-based Strategic Horizons at strategichorizons.com.