

# Experience-ing Your Event



**To compete in today's Experience Economy, you must stage meaningful, compelling experiences. Here are four ways to enhance your events, with examples from successful consumer experiences.**

**By James H. Gilmore and B. Joseph Pine II**

**H**ave you talked to the executive director of your industry's trade association or professional society lately? If you have, then you know the tremendous turbulence felt in association management today. In years past, these organizations were the sole providers of the annual conferences and trade shows that everyone who was anyone faithfully attended. Today, companies no longer rely upon such events as the sole means of engaging customers. They opt instead to host their own product-launch events, user conferences, mobile-marketing tours, and other corporate events.

This shift in business-to-business behavior coincides with a broader shift

in the economic landscape among consumers. Indeed, the experiences that each of us take in as consumers influence the way we conduct ourselves in B2B settings, altering both our expectations of vendors and our customers' expectations of us. Today, goods and services are no longer enough; what people want are experiences.

## **THE PROGRESSION OF ECONOMIC VALUE**

To understand how advanced economies have shifted over the past 200 years, just look at chickens.

Yes, chickens can be used to demonstrate how we have progressed from an Agrarian Economy based on extracting commodities, to an Industrial Economy

based on manufacturing goods, to a Service Economy based on delivering services, and finally to an Experience Economy based on staging experiences.

Not too long ago, nearly everyone raised chickens. You can still buy commodity chickens from various mail-order houses. Live chicks cost about \$1.25 apiece from outfits like Iowa-based McMurray Hatchery.

Today, few of us buy commodity chickens. Rather, we buy chicken as a packaged good, processed and frozen by companies like Springdale, AK,-based Tyson's, and available for \$1.99 per pound at the grocery store. Or we buy from a chicken-cooking service such as Kentucky Fried Chicken, at \$1.99 for a few pieces or a sandwich.

For a chicken-eating experience, however, head to Medieval Times, located in eight cities throughout North America, where you'll pay \$41 to \$48 (plus \$5 for premium seating) to eat a chicken breast while immersed in a re-enactment of a medieval knight-jousting tournament. Guests cheer for their

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favorite knight while they dine at rugged tables that surround the dirt-floor arena. And they eat their chicken with traditional medieval utensils — their hands.

Guests aren't paying for the chicken or the cooking — they're paying for the experience. Medieval Times actually operates a lower-cost service than a traditional restaurant. Servers merely slop food and pour pitchers, so the restaurant doesn't need as many servers per diner, and it has

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no silverware or silverware-shrinkage costs. But the resulting experience is premium-priced, and it gets customers to spend more money — and more time.

People now spend less time and money on goods and services, and more on experiences that engage them in a personal and memorable way. As an integral part of the Experience Economy, corporate events represent a unique opportunity to create offerings as distinctive as Medieval Times for your company.

But a corporate event doesn't automatically qualify as a compelling experience. Too many events merely provide an

information service, rather than a truly memorable experience. Here are four principles that can help you enhance the events you stage, illustrated by examples drawn from consumer experiences that have used them successfully.

### 1. CHARGE ADMISSION

Perhaps no idea in our 1999 book, "The Experience Economy," has created more controversy than that of charging admission. But, your experience won't be *worth* an admission fee until you stop giving it away for free. Too many events are given away for free in the name of so-called "experiential marketing," and too often the experience isn't engaging enough, robust enough, or compelling enough to translate into sales of the goods and services being hawked.

It's only when you charge admission that you are *forced* to design experiences that command such fees. And if it's worth an admission fee, guests will pay it.

Let's take another look at Medieval Times. Consider how it explicitly charges an admission fee, unlike, for example, Planet Hollywood. Medieval Times prospers (it opened its eighth location in Hanover, MD, in 2004), while Planet Hollywood has closed numerous outlets just to survive.

Planet Hollywood's problem is not its premise. Its theme is based on film — the



dominant medium of our age, and one for which people have long purchased tickets to experience. Perhaps if it charged admission it wouldn't be floundering.

While many user conferences and numerous private trade shows do charge admission, other B2B events, such as hospitality events and product launches, still grant free access.

Those who choose not to charge admission run the risk of becoming the B2B equivalent of Planet Hollywood. And one day, when money is tight, management will question the merit of hosting events that don't generate revenue.

So ask yourself: "What would we do differently if we charged admission?"

### 2. "ING" THE THING

Meet Dave Haymond of Global Gumball. Rather than invent a better gumball, Haymond designed a new-to-the-world gumball experience. You've probably seen his now ubiquitous Gumball Wizard outside any number of retail outlets — providing a *gumball-spiraling* experience before the gumball comes out of the machine.

The device doesn't offer better gumball delivery as a vending service. In fact, based on traditional service metrics, it actually provides worse service because it takes longer to receive a gumball after you place your order. (One of the distinguishing characteristics of an experience is to get customers to spend more time with you — not less.) The Gumball Wizard has added value because it offers the experience of watching gumballs spiral around and around.

The Gumball Wizard is a wonderful example of "inging" a thing — focusing not on the traditional features and benefits of the goods and services, but on the experience of *using* the good.

We came up with this "ing the thing"

directive after reading “Fodor’s Adventures to Imagine: Thrilling Escapes in North America” by Peter Guttman. In the table of contents, we found the following chapter headings, among others: Houseboating, Cattle Driving, Tall-Ship Sailing, Tornado Chasing, Canyoneering, Wagon Training, and Seal Viewing. It was obvious: Experience words end in “ing” (or gerunds), so companies need to “ing” their things.

We can point to a whole host of “inged” consumer products: Heinz green ketchup (colorizing), Sanford flip-chart markers (scenting), AOL (you’ve-got-mailing), Jones Soda beverages (photo-labeling), Nike ID or Vans footwear (online customizing), to name a few.

Consider two questions: 1) What “ing” word in your lexicon is being ignored as the basis for a compelling experience? 2) What new “ing” word can you invent for a new-to-the-world experience?

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### 3. MIX IN MEMORABILIA

In 1998, Pleasant Rowland, former school teacher and founder of The Pleasant Co., maker of the American Girl doll collection, decided to expand her business beyond direct-to-consumer catalog sales. But rather than open a traditional store, she produced an experience: The American Girl Place, just off Michigan Ave. in Chicago.

There, mothers and daughters spend time together at The American Girl Theater, where for \$25 apiece they can take in a 70-minute stage production, “The American Girls Review.” They can have “grown-up dining experiences” at The Café for an admission fee of \$16 for lunch or tea and \$18 for dinner. Girls can pose for a \$21.95 photo shoot with their dolls and take home a copy of “American Girl Magazine” with their pictures on the cover. They can even have their dolls’ hair styled in The Hair Salon for \$10 (a

simple ponytail) or \$20 (to restore a doll’s original hair style).

The American Girl Place so engages guests that visits average more than four hours — and the more time they spend, the more money they spend. Think about it: A family can walk into the American Girl Place and spend hundreds of dollars — before they buy one physical thing. Of course, guests return home with more dolls, more furniture, more clothing, and more accessories as memorabilia of their experience.

Several pieces of American Girl Place memorabilia stand out because of how ingeniously they are integrated into the experience.

First, after the conclusion of the theater production, cast members return to the stage and invite audience members to turn their programs over and join the cast in singing “The American Girl Anthem.” Little girls cry. Mothers glow. And nearly everyone keeps the



program to remember it.

Second, the silverware and napkins at The Café are held together by a hair scrunchie, which the young ladies inevitably inquire about — only to be told that they're complimentary. But they must pay to take home the Treat Seat, the foot-tall highchair in which their dolls sit during the meal.

We believe there is a universal human desire for people to collect memorabilia from experiences they want to remember. The key is to mix artifacts into the experience — items customers actually use during the experience — to which people can affix personal memories.

You can gauge how compelling your experiences are by how much demand you have for memorabilia. Nearly all corporate events fail in this arena. Trinkets and “promotional” materials serve as cheap tchotchkes, unattached to any specific memories formed during the experience.

Others, like eBay Live!, featured in “Using Events to Build Customer Community” on p. 36, have made memorabilia an integral part of the event, with items such as collector pins and trading cards. One attendee even sold an eBay Live! napkin on eBay after the event.

#### 4. USE PAYING LABOR

Build-A-Bear Workshop was founded in 1997 by Maxine Clark. Inspired by a local factory tour offered to grade schools and scout troops, Clark noticed a special twinkle in the children's eyes and decided that personally produced bears had potential as a distinct economic offering.

Today, there are more than 170 Build-A-Bear Workshops worldwide. Each site is really a retail factory, not a retail store, where customers pay to make their own stuffed animals. There are eight stations in the manufacturing process: Choose Me, Hear Me, Stuff Me, Stitch Me, Fluff Me, Dress Me, Name Me, and Take Me Home.

Customers perform all the manufacturing tasks, except at the Stitch Me station, where company Master Bear Builders assist. (These Builders also supervise the Stuff Me station to ensure materials are not wasted by overstuffing.) The venue essentially employs *paying labor* — people who actually pay to work in the retail factory to create their own bears. Business is so brisk that most locations take reservations for “shopping.”

We've seen customers put to work in other enterprises as well. Shrimp-boat operators in the southern United States are now charging people to work a morning of hard labor “shrimp boating.” At the end of the excursion, each customer gets a T-shirt and a photo — and the shrimp-boat operator takes the shrimp to market.

Research scientists routinely employ people who pay to work archaeological digs, and tall ships charge would-be sailors who pay to help bring ships to port. We could go on and on.

We are so divorced today from the Agrarian and Industrial Economies

(and to a certain degree, even the Service Economy) that people will actually pay to perform tasks that would otherwise be done by a paid worker.

Similarly, in a B2B context, certain activities are so foreign, yet so intriguing to customers, that they might pay to perform the task you would otherwise assign to staff or suppliers. For example, at your next customer event, why not put customers to work on product development — designing features to make your product better fit their needs.

Most companies view corporate events as a way to make marketing more experiential. That's all well and good, but we're talking about a fundamentally new way to attract and retain customers by offering new experiences.

It's not about experience marketing. It's about *marketing experiences*. As Peter Drucker stated in his book “The Practice of Management,” “The aim of marketing is to make selling superfluous.” To that we add: The aim of an experience is to make marketing superfluous.

The experience *is* the marketing. The best way to market any offering is with an experience so engaging that potential customers can't help but pay attention — and pay up.

