

The Experience Economy; Work is Theatre & Every Business a Stage

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Imagine this scenario: A meeting with a personal trainer at the local fitness center results not only in a discussion of the prospect's current physical capabilities, but also his attitudes, behaviors and fitness aspirations. From this discussion, the trainer develops a tailored fitness profile and works with the customer on a fitness experience created just for him. And, here's the surprise, only when the goals have been well and truly met does the customer pay the center for their role in transforming him from fitness wannabe to fitness guru. Too good to be true? Not so, say the authors of *The Experience Economy*. According to Pine and Gilmore, this is the way businesses will "escape from the all-too-easy practice of competing on the basis of price."

Commodities, goods and services are discussed thoroughly in the book's early chapters. While many say the economy currently operates in a service mode, Pine and Gilmore beg to differ. They contend the most successful companies operating today are in the business of providing experiences. The Walt Disney Company is a prime example where guests of Walt Disney World are transported to a magic kingdom, but the authors provide many more. Think of the difference between eating a burger at a favorite fast-food establishment and sitting in a small café, sipping a mocha latte, absorbing the ambience and gladly paying anywhere from \$3 to \$6 for the privilege? Which business has truly engaged the customer?

Pine and Gilmore have a wealth of business experience, most recently as cofounders of the Ohio-based Strategic Horizons LLP, "a thinking studio" for management teams. Previously, Pine held numerous positions with the IBM Corporation and is a graduate of the Sloan School at MIT. Gilmore began his career with Proctor & Gamble and moved into consulting; he is a graduate of the Wharton School at the University of Pennsylvania.

Using the theatre as a metaphor throughout, the book details the necessary shift in thinking required to engage customers in the experience of one's choosing. The book is not only devoted to corporate players; the authors believe everyone, from the CEO of a major airline to the ticket taker at the movie theatre, has an essential role to play if the business is to thrive.

The final chapters move from participating in the experience economy to evolving into a transformation business, such as that mythical fitness center. Say the authors, "The opportunities are vast, but so are the challenges." Use this book to identify, and perhaps master, both.

VICKI GERVICKAS (May / June 1999)

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