



Sell me a story -

Some important marketing tools for the 'experience economy'

By Rolf Jensen

We are moving rapidly into the 'experience economy' – or the dream society (two terms denoting the same megatrend). What does this entail? Let me illustrate with a small example from the marketplace.

A few years ago, a Norwegian producer of canned sardines decided to enter the 'experience economy'. But how do you get about this, when you are selling a product as ordinary as sardines? A sardine is a sardine, isn't it? Well, yes and no. The product and quality are roughly the same regardless of origin, at least in the eyes of the consumer. Whenever this is the case, any producer of a commonplace or standard product is facing very stiff price competition on the European retail market.

So how can you get around this price competition? How do you differentiate your product from that of the competition? This sardine manufacturer chose a simple and cheap solution. They designed a small leaflet explaining that the date these particular sardines were caught in the net was September 21st, 2003, that the fishing vessel was the good ship *Vikøy*; furthermore, the captain was mentioned by name – and of course, the waters where they were landed and what the weather was like that day was spelled out in detail, creating a little story quite suitable for the guests around your luncheon or dinner table. Now hosts can say, 'We are serving some exceptional sardines for you, not a mere run-of-the mill product.'

Using a metaphor from the book '*Blue Ocean Strategy*' by Kim and Mauborgne, this manufacturer has moved from 'the red ocean (the water has been coloured red by harsh price competition) to the blue ocean, where your product is unique'. At the same time, they raised the price of their product. Now the product came with a story attached, hence it would cost more. Production cost + story = price.

WHY THE 'EXPERIENCE ECONOMY'?

What is going on? Today, the marketplace in the affluent part of the world – consisting of nearly one billion consumers – not only demands quality, it also demands an appeal to the emotions. The reason is that we have become rich. According to the OECD, the European consumer has become 6 to 7 times wealthier in the past century – and we can count on this trend to continue. Usually, GDP grows at a rate of 30 per cent per person per decade. We have to get used to consumers taking quality for granted, leading them to expect something extra: a story about values or ethics, for example – something speaking to the heart rather than the brain. This is not a revolution occurring in the course of just a



AS I SEE IT, A BRAND IS LIKE A FRIEND, A VIRTUAL FRIEND POSSESSING CERTAIN TRAITS THAT YOU CAN IDENTIFY AND FEEL COMFORTABLE WITH, JUST LIKE WITH YOUR HUMAN FRIENDS

couple of years; it is an evolution moving like a glacier: slowly, but very surely. Thus the change can be difficult to notice, but the 'experience economy' has started, it is gathering momentum and it will eventually dominate the marketplace as the post-materialist values gain ground. If we take a look at the international value watchers, e.g. the World Value Survey, it is clear that this is the direction in which consumers are moving. Since the driver is affluence, this cannot be a fad destined to wither and die in a matter of years. On the contrary, it is an irreversible megatrend. Only the content of the stories being told will change.

In his book *Re-Imagine!*, Tom Peters has suggested a very simple rule for ensuring a company's safe passage into the 'experience economy'. Instead of using the terms *product* or *service*, always replace them with the words *dream* or *emotion*.

I have mentioned sardines as examples, but this trend also involves a number of high-tech products. Few people buy cell phones based on their quality. They buy them because of their design, colour and brand. Cell phones have become more of a fashion item than a communications tool. Consumers take quality for granted; they want something more. This will not change despite technological advantages, but many new stories will come forth.

Recently a manufacturer of devices that automatically pull curtains and open garage doors felt they were facing a challenge. Their production was based in Europe and the product was high quality, but they were expecting competition from China before long. Of course they could opt to move production to China, but would this suffice? Hardly. The company realised it had to add a story to the product in order to make it unique.

ARE WE JUST TALKING ABOUT BRANDING?

Are we talking about good, old-fashioned branding? Yes, but only partly. As I see it, a brand is like a friend, a virtual friend

possessing certain traits that you can identify and feel comfortable with, just like with your human friends. The products you choose to surround yourself with paint a portrait of the personality traits you hope to project; this is true for everything, from your shoes, to your clothes, to your cell phone, to your home. This new reality means we are actually dealing with an emotional definition of branding. A brand is no longer merely a guarantee of quality. A brand is a little story you buy in order to convey to yourselves and others who you are.

The better the story, the more you are speaking to the emotions. For instance, a Harley Davidson motorbike speaks more to the heart than the quality of the competition. It speaks strongly enough for it to be bought both by Fortune 500 CEOs and surfing ex-hippies from California. Some call it a cult brand. I call it a brand where the story is more important than the product. The same is true of, say, Nike, Virgin and the big sports clubs. I urge readers to imagine their products surrounded by as much enthusiasm as Manchester United. Use this as your benchmark – technically, 'Man U' is just a soccer club; it is merely a better storyteller than the others.

THE CONSUMER'S BRAIN – AND OUR OWN

Deep down we all know we really buy most products with our hearts, but we talk about our purchases, as if this were not the case. This is due to the make-up of the brain itself. Brain researchers teach us that evolution has given us a three-part brain. The earliest part was the reptilian brain, where our instincts originate. Next came the limbic brain, where the emotions are located. Most recently – from an evolutionary point of view – the so-called neocortex evolved, where logic and reason reside. Typically, we buy things using the limbic brain, but when we have to explain our newest acquisition – say, a pricey pair of luxury running shoes – to our spouse, the neocortex is activated, explaining that these shoes are of the highest quality and can be washed multiple times. We will go on play-acting like this for a few years more, but eventually it will stop; we are not fooling anybody, as everyone knows why you bought that particular, expensive brand. It was your limbic brain making the actual decision, without even asking the neocortex for advice.

We are accustomed to thinking of the



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marketplace as subdivided into specialised lines of business – distinct categories corresponding to definite material needs. You have dairy products, cosmetics, and modes of transportation. In the 'experience economy', these classifications will gradually be replaced by another: an emotional classification. Let us take a look at some of these emotional markets.

THE NEW MARKET CATEGORIZATION

First, there is **love, romance, and beauty**. This is a huge market; just think of popular music, almost always about love, happy as well as unhappy. Think of novels, think of movies. If you do not include a romantic angle in your script, you can be almost sure a movie will not break even – it won't even be produced. Cosmetics, of course, is also part of this market, as is cosmetic surgery and nearly all of the fashion industry – all these businesses are about one of the most central parts of our lives: our relationship to the opposite sex. Romeo and Juliet, Chanel No.5. My guess is that a mall in 10 to 15 years will be subdivided into areas like: Area 1 – Love, Romance, Beauty.

Then there are two opposite markets: **control** and **freedom**. First, control is the idea that we can control our lives, that we have a direct influence upon it, that we can control our needs and ourselves. This is about working out, sports, suits for men and business-like apparel for women, in other words, the uniform which states that you 'are' your function, that you are fundamentally rational and not a slave to your emotions, and that you possess the necessary power and influence to change things.

We also need the opposite, **freedom**. This is the feeling that we can really do whatever we want. This yields the market for vacations, when we can disengage the alarm clock altogether. After a long day at work full of control and demands we have earned our time of leisure. Freedom and control are both important to us as consumers. We cannot buy the feelings themselves but we can purchase tools enabling us to create them.

Then there's **tradition**. This explains the different holidays, birthdays, and anniversaries where families get together and strengthen their bonds. These days are scripted; you have to eat the same food you did last year and do the same things. For a manufacturer, you are in luck if your product is also part of a ritual. In Denmark, ritual dictates imbibing aquavit at luncheon the second day after Christmas. In our part of the world, the Christmas tree is also an indispensable part of Christmas. Let's just imagine that, in the early 19th Century, some producers of fir and spruce trees had wanted to increase sales. They then came up with the nifty idea of persuading every family to buy one of their trees for Christmas, to carry it inside their homes, decorate it – even coaxing them to dance around it while singing carols as is customary in Denmark. Of course, that is not really how this tradition originated, but had this been the case, it would certainly have been the marketing and advertising achievement of the century.

Another emerging emotional market is recognition. We all need that pat on the shoulder, that nod of **recognition** that says "nice going!" We all need to be seen. Here we are talking about the segment of the market place that buys expensive products. It could be a Rolex watch or a costly car that proves you have finally arrived, materially speaking. However, it could also be a T-shirt emblazoned with your true identity, either as a soccer fan or as a visitor to an exotic corner of the world. The cruise market belongs to this category, because it lets you, as a passenger, feel that you are a true VIP. The USA has firms that let you be a star for a day, complete with limo, champagne, red carpets and photographers.

We all need **care**, for people to ask what we need and how they can help. Here we find the beauty parlour, the new wellness centres and the spas. Just as importantly, however, we all also need to *provide* care – to give something to other people. Here we have the market for charity, which only makes sense, if we recognise this need. When Bill Gates – and many others with pockets less deep – donate billions to charity it can be explained by our universal need to provide care. We are not only rational individuals merely thinking about how to maximise our own consumption of material goods.

THE TOOL BOX

OK, so what do you do if, as a company, you want to enter the 'experience economy' and



HEARTSTORMING MAY LEAD YOU TO EXAMPLES OF HOW TO GIVE A CUSTOMER THE SENSE OF BEING IN COMMAND

move from rationality to emotionality?

Your first step will be to identify the feeling or emotion that your product or service is directed at. If, for instance, you are in banking, you will want to give your customers the feeling that they are in command by instilling the feeling that they are sure their finances are in order. In other words, the bank should function as the customer's helper and not the strict and stern father giving orders. This is an approach that many banks are adopting right now.

The next step will be a **Heartstorm** (as opposed to **Brainstorm**) – a meeting where participants employ their hearts, not their brains. The question posed will be: "How can we ensure that our customers get the feeling that they are in command of things?" One possible answer might be to see if it is possible to make sure that the customers do not have to stand in line. Standing in line gives you a feeling of powerlessness, the opposite of being in command. Can we make sure we mention their names, to give customers the feeling that we have empathised with their situation? At present, smaller banks are moving in this direction. And these smaller banks have, in fact, snatched market share from the big banks, where impersonal electronic handling is seen as paramount, at least in the Nordic countries.

Heartstorming may lead you to examples of how to give a customer the sense of being in command. Such a meeting should end by consolidating 'the controlling idea' into one short quotable sentence. This sentence can be communicated to all employees so they not only understand the message, but also act accordingly in their everyday dealings with each and every customer. This is not so much about advertising as it is about

attitudes and about what actually transpires every day in every branch office. This may be as simple as replacing the traditional counter with a round table making customer and bank equal partners. This has already happened in many Danish banks and we can expect the same to spread over the rest of Europe in the years to come.

The last step, of course, will be to measure the progress made by asking customers. The fact remains that things that are not measured are not actualised in the real world; they remain in the board archives as paper decisions.

ALL PRODUCTS AND SERVICES

The title of this article is 'Sell me a story'. The reason, as mentioned, is that selling has to be aimed at the heart and the best way to sell an emotional message is through a story. The better the story is, the higher the price a product can command. If the reader should ask whether this applies to all products and services, the answer is "yes", even when we are talking B2B. Just think of water. Here, a vast 'experience economy' market already exists. The tap turns on the water, but water can also be bought in bottles that explain which source the water came from. The price of bottled water increases by a few thousand per cent, despite the fact that the bottled water may be no better than tap water – at least not to any recognisable degree in the USA and Northern Europe. If this trick can be done with water, it can be done with all products.



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implications for business, when consumers enter the 'experience economy', when products and services must appeal not only to the mind but also to the heart. His forthcoming book is 'The Long Term Future: The Next 25 Years For Business'.

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