

CHAPTER 6



Managing Service Experiences

LEARNING OBJECTIVES

The material in this chapter prepares students to:

- Understand the need for services that deliver an experience.
- Understand the components or elements of experience.
- Use different models for designing and evaluating the experience.

In today's economic environment, customers face an enormous amount of service offerings both in the physical locations and through other channels such as the Internet. With this glut of information, organizations must “battle for the eyeballs,” and customers’ attention. Not only is it difficult for service providers to get the customers’ attention for their offerings, but keeping their attention can be even more challenging. Generally, those companies that can grab the attention and hold it will be winners. Along a similar vein, author Jeffrey Gitomer (1998) stated that a merely *satisfied* customer is still likely to shop around, the next time he or she needs to buy a service, for a better price or more convenient offering. A *loyal* customer is more likely to come back to a specific supplier, and moreover, is likely to recommend the service to others. Thus, it becomes imperative to look at ways to create a loyal customer rather than just a satisfied customer. Providers must transform a vanilla “me too” service into a memorable event that the customer will want to repeat again and recount to all their friends. In other words, companies must create or stage an “experience.” Not only should the experience be memorable, it should also be designed to increase customer loyalty by letting customers build on their encounters with the provider through time. In this chapter, we discuss what it takes to create such an experience.

EXPERIENCE ECONOMY

Pine and Gilmore (1998) describe the changing competitive environment as an “experience economy.” They argue that as services and products become more like commodities, experiences emerge as the next step in the progression of economic value (see Table 6.1 for the full progression). An experience differs from a normal service in

TABLE 6.1: *Pine and Gilmore's Economic Progression*

Economy	Agrarian	Industrial	Service	Experience
Time ----->				
Economic offering	Commodities	Goods	Services	Experiences
Economic function	Extract	Make	Deliver	Stage
Nature of offering	Fungible	Tangible	Intangible	Memorable
Key attribute	Natural	Standardize	Customized	Personal
Method of supply	Stored in bulk	Inventoried after produced	Delivered on demand	Revealed over time
Seller	Trader	Manufacturer	Provider	Stager
Buyer	Market	User	Client	Guest
Factors of demand	Characteristics	Features	Benefits	Sensations

Source: Reprinted by permission of Harvard Business School Press. From *The Experience Economy* by B. Joseph Pine II and James H. Gilmore, Boston, MA, 1999, p. 6. Copyright ©1999 by B. Joseph Pine II and James H. Gilmore. All rights reserved.

that companies use services as a stage and goods as props with the goal of engaging individual customers in a way that creates a memorable event for which the organization can charge “admission.” The customer or “guest” must be drawn into the offering such that they feel a sensation. A typical example is a Disney theme park with its different “lands.” Each land has a specific theme, all the characters are costumed and act the part, the rides fit with the theme, and all souvenirs and merchandise are developed accordingly. Disney wants all guests to feel the Disney “magic” so any items or behavior that might detract from the theme’s “magic” are minimized (trash removal and security, employees acting out-of-character, food delivery trucks, etc.).

Many trend watchers agree that creating experiences will become a priority for most businesses, and it will create opportunities for new service innovations. For example, prominent entertainment consultant Michael Wolf believes that businesses need to incorporate the “e-factor” (entertainment factor) into their offerings to be competitive as well as have an understanding of the “fun-focused consumer.” Themed restaurants like Hard Rock Café, retailing environments such as Mall of America, and tourist destinations like Las Vegas reinventing themselves with rides, celebrity restaurants, and other nongambling attractions, all incorporated the e-factor to differentiate themselves. But entertainment is just one facet of experience (the fun side). Although much can be learned from the industry that demonstrates the skills and talents for engaging people, service developers must understand all facets of experience.

Experiences have different facets. Some play heavily on emotions while others could be as simple as accomplishing a task in a new way. Often people want to collect experiences (traveling to multiple countries, seeing all the current movies, or visiting shows in local museums). Experiences are not always positive, however; they may be intentionally negative or emotionally upsetting (horror movies, drinking or smoking prevention programs, and other self-help programs).

In a recent study, respondents were asked about a recent purchase (of more than \$100) they had made with the intention of advancing their happiness and enjoyment in life. Typically respondents made purchases for experiential services such as travel, spas, restaurants, admission to concerts or ski slopes while material purchases were items like clothing, jewelry, televisions, stereos or computer equipment (Van Boven and Gilovich, 2003). As shown in Table 6.2, respondents felt more positively about

TABLE 6.2: *Evaluation of Recent Experiential and Material Purchases*

Evaluation	Type of Purchase	
	Experiential	Material
Scale = 1 (not at all) to 9 (extremely)		
How happy does thinking about it make you?	7.51	6.62
Contributed to your overall business life?	6.40	5.42
Money well spent?	7.30	6.42
Better spent on something else?	3.77	5.52
Anticipated happiness of other people's purchase	6.78	4.25

Source: Van Boven and Gilovich (2003)

experiential purchases than material ones on a number of criteria including anticipating how happy others might be with that type of purchase.

Popcorn and Marigold (1996) predicted many trends for the next decade and indicated that for a new service to be successful, it should address several of these trends. Many of their trends address different experiential issues:

1. **Cocooning:** Our desire to build ourselves strong and cozy nests where we can retreat from the world and enjoy ourselves in safety and comfort. The nesting trend is apparent in the boom in home stores such as Crate & Barrel or Pottery Barn; home entertainment rooms and equipment; and home crafts such as cooking or building craft television shows, magazines, and associated products.
2. **Clanning:** Our need to associate with like-minded individuals and to identify ourselves with a particular group that shares our outlook and values. This type of behavior is addressed by special interest chat rooms and Web sites, lifestyle publications, coffee shops, niche hotels, and resorts.
3. **Fantasy adventure:** Our need to seek out risk-free fantasy and adventure experiences as a break from the mundane day-to-day activities. Examples of products and services oriented toward this behavior include computer games, location-based entertainment like theme parks, television shows such as *Survivor*, and adventure travel.
4. **Pleasure revenge:** Another form of escape comes in the form of sensual and pleasurable activities that provide a feeling of compensation for all of life's struggles. Typical examples of this trend are evident in the growth of massage therapy and spas.
5. **Small indulgences:** The trend toward people rewarding themselves regularly with small affordable luxuries such as ubiquitous Starbuck's latte coffee drinks (sold at a premium over regular coffee), dining out, and gourmet food items.
6. **Anchoring:** This term refers to the increasing tendency for people to seek fulfillment in spiritual values and looking back to the past to recapture what was comforting and reassuring then. Stores like Restoration Hardware with retro furnishings and accessories; New Urbanism housing developments such as Seaside and Celebration, which draw inspiration from historical Southern towns and traditional neighborhoods of the 1920s and 1930s; and themed restaurants such as Johnny Rockets that replicate 1940s American diners complete with jukeboxes, hand-formed hamburgers, and malts.
7. **Egonomics:** This reaction to the standardization imposed by the computer age manifests itself through various avenues of self-expression and personal statements. Interactive Web and television activities, installation art and music gatherings such as the Burning Man Event, paint-your-own ceramics shops, and online publications create avenues for addressing this need.

Thus, a look at hedonics or the more general study of sensation-seeking customers is essential to developing experiences that cater to a wide variety of situations. In the next section, we will consider what it takes to move a service beyond the mundane to one that creates a memorable experience.

CREATING SUCCESSFUL AND SATISFYING EXPERIENCES

Generally defined, an experience occurs when any sensation or knowledge acquisition results from a customer's interaction with different elements of a context created by a service provider. Successful experiences are those that the customer finds unique, memorable, and sustainable over time; would want to repeat and build upon; and enthusiastically promotes via word of mouth. But experiences are inherently emotional and personal, so we must acknowledge that many factors are beyond the control of management (personal interpretation of a situation based on cultural background, prior experience, mood, sensation-seeking personality traits, and many other factors). Thus, the service designer is designing *for* experience just as the manager manages an environment *for* experience. In this section, we describe the key dimensions within management control during experience creation: specifically, engagement, context, and time. These dimensions build upon each other as show in Figure 6.1.

Engagement

In order to feel the sensation or acquire the knowledge, the customer must become engaged in creating the experience. Engagement happens through two channels: the personal level (active or passive customer participation) and the environment level (absorption or connection) (Pine and Gilmore, 1998). Figure 6.2 illustrates these four realms of experience. In *passive* participation, customers do not directly influence the performance. Generally, they are observers or listeners such as in a university lecture or a symphony environment. On the *active* end of the continuum, the customers can affect the performance or event. They actively contribute to their experience; participative examples include skiing or golf.

On one end of engaging in the environment, the customer can be completely *immersed* either physically or virtually in part of the experience. The customer “goes into” the experience when playing a computer game like “Myst” or becoming part of

FIGURE 6.1: Model for Building Memorable Experiences

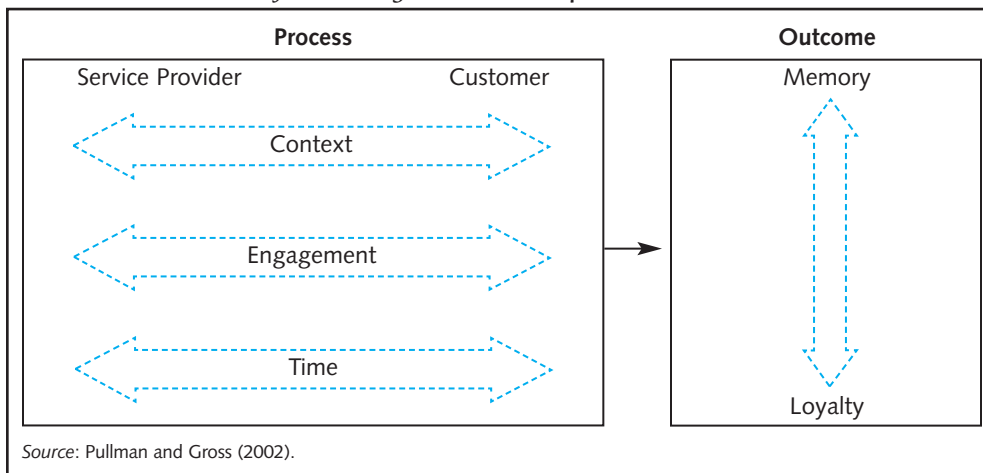
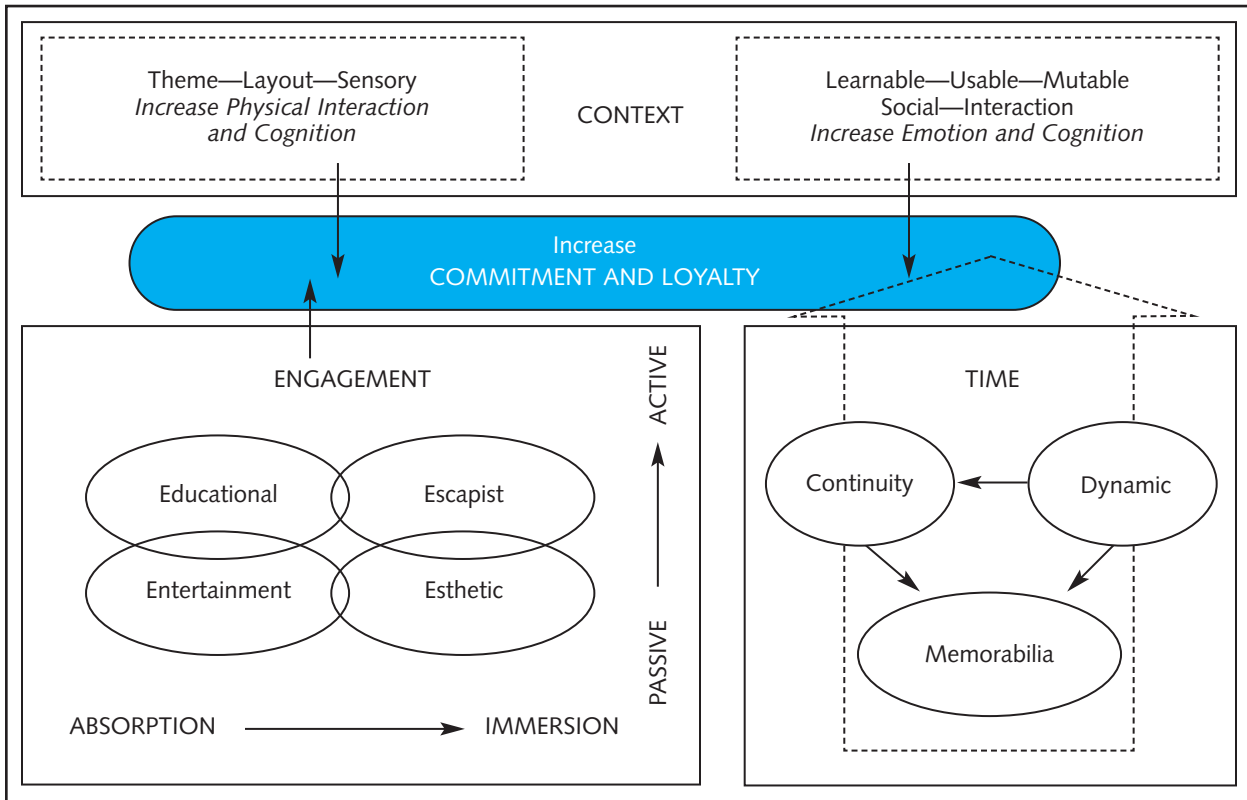


FIGURE 6.2: *The Process of Customer Experience*

a skit or game at a Club Med, for example. On the *absorption* end of the continuum, the experience “goes into” the customers when they watch a TV show. Any type of experience exhibits some combination of the two dimensions as shown in Table 6.3. For example, traditional *entertainment* like TV or theatre is an absorbing passive experience because the customer is not part of the show and does not participate in the show. But *escapist* experiences involve greater immersion and active participation. The customer is part of the performance and can affect its outcome. Typically, these experiences provide a respite from real life. Examples would include casinos, chat rooms, and simulator rides and simulated environments. A person might feel alienated in his or her life and want to interact with a community of like-minded individuals. Typical *educational* experiences tend toward absorption with active participation by engaging the mind and body. Students absorb the events unfolding in front of them and tend to acquire more knowledge when they interact (actively) with the instructor, fellow students, and teaching materials. Finally, *esthetic* experiences allow individuals to immerse themselves in an event or environment but have little effect on it (passive participation). These experiences can be natural, such as standing on the rim of the Grand Canyon or viewing the Northern Lights, or artificial environments such as Disneyland Park or the spectacular water show at the Bellagio Hotel in Las Vegas.

The richest and most satisfying experiences encompass aspects of all four realms in the middle of the framework, otherwise known as the “sweet spot.” To improve the engagement level of the experience, service designers should ask themselves the following questions (Pine and Gilmore, 1999):

TABLE 6.3: *Environment Relationship Versus Participation Examples*

		Environment Relationship	
		Absorption	Immersion
Participation	Passive	<i>Entertainment</i> Television Circus Theater Video/DVD	<i>Esthetic</i> Grand Canyon Cathedral Bellagio Water Show
	Active	<i>Educational</i> Training Discussion Laboratory	<i>Escapist</i> Myst computer game <i>Terminator 2</i> ride Chat rooms Survivor Show participant

- What can be done to improve the *esthetics* of the experience? What will make guests want to come in, sit down, and hang out (or stay on your Web site)? What will make the environment more inviting, interesting, and comfortable?
- What can be done to improve the *escapist* aspect of the experience? How can the guests get further immersed? Do they have the sense that their real lives are left behind? What can they do to become active participants in the experience? For an example of attempts to move from *entertainment* toward *escapist* (more active participation and immersion) see Service Operations Management Practices: Getting the Potatoes Off the Couch.
- What can be done to increase the *educational* aspects of the experience? What do you want your guests to learn? What information or activities will help to engage them in exploration of knowledge and skills? How can you get them actively engaged in learning? How can you get them to continue to come back and learn more? Increase their depth and breadth of knowledge?
- What can be done, in terms of *entertainment*, to get the guests to stay? How can you make the experience more fun and enjoyable? How can you connect emotionally with the customers? What would increase the thrill, surprise, and delight?

Attempts to improve experiences by combining aspects of different realms contribute to the evolution of service concepts.

Eatertainment combines a restaurant with theme park-like entertainment elements. Dave & Buster's and Chuck E. Cheese's are current successful models of this concept. While Chuck E. Cheese's targets kids with games and food, Dave & Buster's combines its full-service restaurants and bars with an extensive assortment of games oriented toward teens and adults. From traditional pub games such as darts and billiards to state-of-the-art computer simulation games such as motorcycle or snowboard courses, the choices appeal to a wide variety of ages. The management of Dave & Buster's claims that their success can be attributed to emphasizing high-quality food and service standards in addition to acquiring the newest games and maintaining them in top condition. This dual emphasis was not apparent in the less successful contenders such as Planet Hollywood or Rainforest Café, which appeared to sacrifice food quality and did not consider ways to enhance the initial service experience.

SERVICE OPERATIONS MANAGEMENT PRACTICES

Getting the Potatoes Off the Couch

Recently, TV shows actively involve people in the outcome of shows by allowing them to vote online or via telephone (drop-dialing or premium-rate phone lines allow both the show and telephone company to collect revenues). Viewers like voting because they feel it gives them a say in the show's outcome. Recent successful models

include *Survivor*, *Big Brother*, and *Who Wants to Be a Millionaire?* In the U.K. *Big Brother* version, more than 20 million people voted on household evictions, bringing in \$3 million in revenues. Also, the *Big Brother* Web site showed every room in the house, 24 hours a day, giving viewers a sense of total immersion. (Vickers, 2001)

Entertailing or shoppertainment combines a retail environment with theatre or theme park-like elements. In an increasingly competitive market, new mall and store designers turn to “fun” or designing stores that are visually exciting, selling concepts and ideas rather than boxes on the shelf. On the single store level, Toys “R” Us designed an indoor playground in their new Times Square location complete with a 60-foot Ferris wheel, 4,000-square-foot Barbie mansion, and 20-foot animatronic T-Rex dinosaur.

Similarly, this concept is integrated into many new mall developments and specific retail shops. The new Grapevine Mills shopping center in Texas installed large suspended televisions, oversized steel Texas-themed sculptures (50-foot footballs and state flags), and virtual reality simulators to entertain customers. Xscape, outside of London, integrated indoor skiing, rock climbing, mountain biking, and off-road car driving into an all outdoor equipment retail mall. Both of these malls found that the average visitor stays 3.5 to 4 hours rather than the traditional 45 minutes and spends almost twice as much per capita on merchandise and services.

Volkswagen recently opened the world's largest theme store, Autostadt, a \$400 million, 62-acre factory/car dealership/theme park in Wolfsburg, Germany. Its 20-story glass and steel towers house hundreds of shiny new cars, ready for delivery. When one orders a Beetle, it drops down like a candy bar from a vending machine. Other attractions include a virtual reality ride through a giant engine and pavilions devoted to other VW brands such as Audi, Bentley, and Rolls Royce.

Safeway modified its food court concept in certain locations. It is more than a “fresh-to-go” concept with a nice assortment of premade foods; it includes entertainment. The initiative is a key factor in grocers' strategy to keep customers off the Net and lure them away from other leisure activities. In-store entertainment includes tossing noodle dishes in woks, making pizzas, and sliding them in and out of stone-baking ovens in full view of customers. The cooking staff attends a three-day course with actors to help them interact with customers with such tricks as juggling balls of pizza dough. On Valentine's Day, two women were sent to the store to play Cupid with customers as they waited in long queues. If “customer A” liked the look of “customer B,” customer A wrote his or her phone number on a Valentine card, which the

Safeway employee ferried across to the object of affection. If the object responded negatively, “customer A” was consoled with chocolates or a balloon.

Edutainment combines playing and learning for parents who want to add substance to the cotton-candy experience. This concept is extremely popular with both for-profits and nonprofits. Several museums took advantage of the *Jurassic Park*-driven dinosaur rage by theming their exhibits along those lines. Additionally, historic, botanic, or national park sites are trying to enhance their experiences. Bonfante Gardens in Gilroy, California, created a 28-acre nonprofit theme park dedicated to trees, flower, and other flora. It offers 40 rides, shows, and attractions for the 12-and-under set with such attractions as a garlic bulb ride and a singing fruits and vegetables revue (“We’re good for you!” they chirp). Instead of signs identifying every bush and flower, volunteers offer “moments of learning.” Four learning sheds house video presentations that cover the birds and the bees and their impact on trees. In addition to the usual merchandise, such as T-shirts and mugs, the park runs a nursery with trees, shrubs, and other plants for sale.

The Great Wall of China Mutianyu site (north of Beijing) is trying to attract more visitors with fun. The Wall is an ancient monument built by a series of emperors to repel foreign invaders. It is studded with parapets and extends as far as the eye can see. But now it holds a curious blend of cultural history and theme-park style entertainment. To get off the Great Wall, one has two options: a ski lift or toboggans with a mile-long aluminum track that starts at the wall and winds its way through the woods to the parking lot in the valley. To go even one better, at the Jin Shanling site two hours from Beijing, a developer is putting the finishing touches on a terrifying-looking ride in which people hurtle down into that valley buckled into a skimpy harness that slides on a wheel down a cable stretched high above the ground.

Sometimes these concepts fail when designers stress the entertainment aspect at the expense of the core activity (e.g., poor food quality at Planet Hollywood). Care should be taken to ensure that the core activities such as eating, shopping, or learning, are not marginalized for the sake of entertainment. If done well, the experience should enhance the other activity. In Table 6.4, one can see a comparison of a winning and losing concept (Hard Rock Café versus Planet Hollywood).

Context

Context is the physical setting, particular selection and arrangement of products, the world of objects and social actors, and the rules and procedures for social interactions with other customers and service facilitators (Gupta and Vajic, 1999). In a service setting, context refers to the place where the customer consumes the service and everything that the customer interacts with in that setting. Bitner (1992) referred to this context as the “servicescape” and indicated that the organization should consider environmental dimensions, participant mediating responses (cognitive, emotional and physiological), and employee and customer behaviors. In particular, a provider should design a setting in which the meaning of the experience is created in a favorable way for individual customers. For example, Starbucks creates a “contemporary bohemian” context with a specific layout of comfortable living room furniture, bistro tables, and work areas; food goods such as freshly roasted coffee and baked goods; ambient sound with custom eclectic music mixes and guest artists; and learning elements such as selected books and magazines. The locations are chosen in specific trendy and young professional neighborhoods. This context encourages lingering over coffee, reading, working, interacting, or socializing with other patrons from that neighborhood. On the surface it would appear that getting people in and

TABLE 6.3: *Comparison of Two Themed Restaurant Experiences*

Dimension	Hard Rock Cafe	Planet Hollywood
Engagement: Entertainment and Food: <ul style="list-style-type: none"> • Get guests to stay/return • Make experience fun • Connect emotionally with customers • Increase thrill, surprise, delight 	<ul style="list-style-type: none"> • Offers high-quality American diner/pub food • Has 100 cafes in 40 countries • Appeals to international music enthusiasts • Connects with irreverent, rebellious customer group • Keeps the legends and adds new talent constantly • Refreshes concept constantly and adds new features: hardrock.com, performances, CDs, and hotels 	<ul style="list-style-type: none"> • Offered low-quality eclectic food, i.e., Cap'n Crunch chicken strips • Had 80 restaurants predominately in the United States • Appealed to celebrity seekers • Connected with tourists (not locals) seeking stars when stars are available • Depended on star availability at cafe • Kept a stable of celebrity stockholders who may or may not be in favor • Difficult to refresh concept without constant major investments in hot stars • Added concept with sports stars
Context: <ul style="list-style-type: none"> • Theme • Learnable and usable • Mutable • Layout • Sensory • Social interaction 	<ul style="list-style-type: none"> • “Authentic keeper of the rock music experience” • Updates atmosphere, locations, food, and music constantly • Allows different customers to create use environment and choose music • Designs layout for dining, drinking and/or concert • Offers high-quality multisensory experience • Encourages social interaction and fan building 	<ul style="list-style-type: none"> • “Tribute to Hollywood” • Offered easy-to-understand concept but not well executed • Did not offer mutable stars; once stars have passed prime or do not want to visit sites, they lose appeal • Designed layout for dining and viewing memorabilia • Offered poor-quality food experience and unpredictable star-viewing experience • Offered limited interaction depending on location and time
Time: <ul style="list-style-type: none"> • Memorabilia • Continuity • Dynamic 	<ul style="list-style-type: none"> • Offers constantly refreshed rock music memorabilia, live concerts of new and legendary artists • Provides customers with many opportunities to enhance initial experience through ongoing activities and international locations • Controlled expansion of concept over 30 years with careful location and relocation analysis 	<ul style="list-style-type: none"> • Offered Hollywood memorabilia but no updating of merchandise • Found it difficult to attract contemporary stars, so lost key demographic customer; suffered from “graying of celebrity stable” • Provided limited reason to enhance initial experience • Hyper-speed expansion over 8 years and self-cannibalization

out quickly would provide higher revenues than having customers taking up a table for an hour drinking an espresso drink. But this ambiance sets them apart from other coffee vendors and successfully contributes to the Starbucks experience. Not only does the experience create long-term customer loyalty, but customers also buy the context elements (music, books, and coffee accessories).

Context is defined by six dominant elements: theme, learnable and usable, mutable, layout, sensory, and social interaction.

Theme

The experience should have an explicit or implicit theme. A coherent theme ties together all elements of the context into a unified story that captivates the customer.

Good themes alter the customer's sense of reality by affecting the experience of space, time, and matter, but also fit the character of the organization staging the experience. For example, the Venetian Hotel in Las Vegas has interiors, furnishing, and merchandise with an Italian theme. The hotel was built with a series of canals, and gondoliers take guests on boat rides through the hotel. The staff is dressed in traditional Italian costumes. Customers get the sense that they could be in Venice at the turn of the century surrounded by Doges Palace, Piazza San Marco, and the Rialto Bridge. Other themes are more subtle, such as "a sense of home," which can be cued by small touches such as baking cookies or apple pie aromas, cozy furnishings, stuffed animals on beds, and other homey accessories.

Learnable and Usable

The context should be designed so that the experience is easy to learn and use. The elements of the context should communicate their purpose and operations, as well as support different personal styles and different knowledge, skills, and strategies for problem solving. For example, Flat Top Grill Restaurant offers a concept in which customers put together a personalized meal of raw meats and vegetables at a large "salad bar," then take this meal to chefs who stir-fry the food on a big steel grill. In this environment, customers need to understand how to build a combination and which sauce to apply. The restaurants help the customers "learn" by posting suggestions in front of each sauce and by suggesting combinations on a big board over the bar. In addition, a service staff person explains the concept and sequence of events to each table.

Mutable

Because experiences should be inherently personal (to be meaningful), a good experience context has mutability. Mutability means incorporating flexibility in the system to allow different customers to create their own use environment during their interaction with the service. It is nearly impossible to force all customers to interact with a setting in an identical manner to create an experience. Each customer may need to use tools and interact with other customers or employees differently.

For example, at the popular new surf camps north of San Diego, customers are adventure seekers ranging from CEOs and celebrities to teenagers. At the weeklong camps, the diverse group sleeps in tents, eats together, and takes surfing lessons together. After initial group lessons, customers pick the type of wetsuit and surfboard to use each day; they can choose to surf alone, with any of the instructors, or with any of their fellow campers; and they can choose where and when to go out surfing. The instructors closely monitor each camper and intervene if they feel that they can improve the customer's experience (either socially or athletically). The instructors make sure that each camper leaves feeling as though he or she succeeded at having fun with the sport. It may require teaching one individual completely different skills from the other campers. The organization hires a diverse staff so that most campers find someone with whom they can relate.

Layout

Physical layout and organization of objects (tools, equipment, utensils, accessories, and other paraphernalia) should encourage active participation. The theme should be reflected in the arrangement of these objects and the organization of space. Layout should satisfy accessibility and visibility criteria, promote participation, and avoid chaos. The facility design, displays, and equipment should help the customer through the experience. The objects should be located according to their function and frequency of their use, bearing in mind that each customer uses tools in different ways.

SERVICE OPERATIONS MANAGEMENT PRACTICES

Developing a Theme and Creating Context: Joie de Vivre Approach

Joie de Vivre is San Francisco's fastest growing independent hospitality company and features 20 boutique hotels. Each carefully designed property celebrates the San Francisco Bay Area through its unique visual style, one-of-a-kind amenities, and highly personalized service. Joie de Vivre Hospitality sets itself apart within the hospitality industry by taking a themed approach to its businesses through the creation of a "refreshment identity" or crafted experiences for each guest. Chip Conley, founder of Joie de Vivre says it best, "Our goal is to create landmark hotels full of soul and personality!"

To design a context, Chip and his team first find a magazine that serves as a metaphor for what that hotel will be about. For example, the Hotel Rex is themed around *The New Yorker* magazine. The team then identifies five adjectives that will speak to their potential guests. These words build the context for all aspects of the hotel from the in-room directories, lobby, and room interiors, to the staff's dress and demeanor. For the Rex, the descriptors are worldly, sophisticated, literate, artistic, and clever. The resulting hotel is described as follows:

The Hotel Rex was inspired by the arts and literary salons of 1930s San Francisco. The

clubby lobby showcases period furnishings, original portraits, and walls of antiquarian books. Guestrooms feature the work of local artisans and an impressive selection of contemporary amenities. Hotel staff dresses as intellectuals with all black clothing and European-styled eyewear. (Conley, 2001)

Another one of their properties, Hotel Bijou, is themed around *MovieLine* magazine. Here the adjectives are dramatic, nostalgic, fun-loving, classic, and informal. This hotel is described as follows:

The Hotel Bijou celebrates San Francisco's rich cinematic history. Each room is named for a film shot in the city. It has "Le Petit Theatre Bijou" in the lobby showing double features of San Francisco motion pictures each evening. There is a candy counter at the Front Desk (because what movie palace experience would be complete without Jujubes?) and a hotline in their lobby with a direct link to the San Francisco Film Commission. There, guests can find out where all the current filming is in the city and even become an extra in one.

Source: Conley, 2001 and <http://www.jdvhospitality.com>

Designers of Ikea stores carefully addressed these layout issues. Each store contains a play center with activities for kids at the entrance to the store. Here parents can deposit the kids and then browse through the store comfortably. Conveniently located restaurants and sitting areas invite customers to relax and think about big (or little) purchase decisions. Pads and pencils for sketching and planning are located in highly visible and easy-to-use locations.

On the other hand, the Millennium Dome, an ill-conceived museum-theme park concept in London, suffered from tremendous layout problems, which led to

unanimously poor experiences for the initial visitors. The most popular attraction, the Body, located at the entrance of the building presented visitors with giant queues as soon as they entered the Dome. Because the encompassing theme was not clear, people had no idea what to do with themselves after going to the popular Body attraction. Should they go to World Religion, the Circus, or Journey? None of the attractions fit together into a coherent story and lacked any obvious flow. Not only was the map of the place impossible to read, but signs to various attractions were not visible either. Bathrooms and retail shops were difficult to find; some restaurants and facilities had too much business during peak hours while others had none. When a new operations manager corrected these layout problems (through signage, new maps, customer helpers/guides, and flow management), the customer satisfaction index went up 30%.



Access your Student CD now for the PY and the Dome case study.

Sensory

Sensory stimulants not only increase *immersion* in an experience but support and enhance the theme. Popular sensory items are bakery smells, misting, lighting, and pyrotechnics; the more engaged senses the better. For example, going to a contemporary movie theater is a totally different sensory experience than staying at home and watching the video. The theater offers enhanced visual effects (consider the difference between watching an IMAX film over a typical movie), surround sound, comfortable stadium seating, and smells and tastes of popcorn and other treats. Today, several of the most successful theme park rides have addressed full sensory experiences. One of the best examples is Universal Studio's ride, *Terminator 2*. At different parts of the ride, real actors merge into simulated characters, metallic or smoke smells permeate the air when appropriate, the seats tilt and jolt, and ice crystals or fog surround the customers when ships take off. One really feels as though one is part of the action.

Most people, regardless of their age, would agree that Disney's *The Lion King* theatrical performance was a truly memorable experience. The play designers created this experience by immersing the audience in the performance. Characters dance and sing among the audience. The Conga drum players sit above the stage so that the audience can really see and feel the beat. The costume designer builds costumes from unique puppetry, creating half-human/half-puppet characters, shifting the audience's sense of reality, helping to fully engage the audience's senses throughout the performance.

Social Interaction

If social interaction were not important for an experience, then everyone would stay home watching TV or surfing the Internet rather than go to the World Series, attend a concert, or throw a party. Organizations need to look at how their experience design helps or hinders social interaction. For new customers who encounter difficulties in understanding the procedures or rituals of new experiences, assigned guides explain, enable customers to learn by doing, facilitate, or encourage customers to engage in novel activities and social interaction. Recall that in inherently personal experiences, we expect each customer to interact with facilitators and other customers differently. Thus, employees need to be well trained and be given autonomy to respond to specific needs. It requires skilled people who can dynamically personalize each event according to the needs, the responses, and behavioral traits of the guests.

Disney spends many months training employees on magic and how to connect emotionally with guests. Similarly, Cruise Lines and Club Med train their employees to look for different ways to get customers socially involved. On the other hand, they also must understand when to leave people alone who really don't want to interact

and would rather lie on lounge chairs reading their books. Rather than using rigid scripts, the employees need to dynamically select sentences and individual props in response to statements, questions, and the body language of the guests.

Time

Experiences are an emergent phenomenon. They should be designed for enhancement over time, with new and constant learning. Good experiences are hard to copy and discourage switching. If all activities within the time frame of the experience are carefully orchestrated, they stay in the customer's memory, but the customer must also discover ways to build on his or her experience(s) with the organization. Management needs to consider three key elements in relation to time: memorabilia, continuity, and dynamic.

Memorabilia

Memorabilia serve several purposes for experience design. First, a physical reminder of an experience extends the memory of it long after the actual encounter occurred. Second, it generates dialog about the experience, encouraging word-of-mouth. Third, it provides additional revenue to the organization and free advertising. It is important to tie the memorabilia in with the theme of the organization. Of course typical approaches include photos of the guest doing the activity (eating dinner at Benihana, running in a marathon, shaking hands with a VIP), T-shirts, mugs, pens, and other overly used trinkets. Creative organizations use different approaches such as promoting exclusivity by making memorabilia scarce or by forming a members-only goods club. Groundswell Surf Camp puts both videos and photos of guests on their Web site, changing the content throughout the year. Former guests can periodically check the site for their own or friends' photos and view current surfing footage to relive the memories.

Continuity

Continuity describes the time aspects of experience as they relate to the individual. Experiences are inherently personal on emotional, physical, intellectual, or even spiritual levels; a rich experience modifies the person who has it and the quality of subsequent experiences. It fosters growth, arouses curiosity, and carries a person to a new and stronger place in the future. Customers move through different stages with a service as long as their service experience remains satisfactory. For personal experiences, customers cannot be expected to open up and fully engage on their first encounter. It may require a number of encounters for customers to reveal themselves. Over a period of time, trust and bonding needs to develop between the provider, customer, and even fellow customers. Service providers need to examine ways to build an experience for a customer over time. Computer game makers, such as the developers of "Myst," carefully design the experience to engage users in a long-term, unfolding experience.

Dynamic

There is a preferred or most desirable pattern for good experiences to reveal themselves over a specific time frame. Like good plays, movies, and musical scores, they begin at a low-level, increase in intensity to reach a climax, and then gradually subside. Each individual brings a different desire and capacity for expending their emotional resources over that duration. Organizations such as Outward Bound or National Outdoor Leadership School rely on long duration trips (two- to six-week trips) with varying intensity of challenging tasks (climbing Mount McKinley or sea kayaking in

SERVICE OPERATIONS MANAGEMENT PRACTICES

Using Time to an Advantage in Cruise Lines

A more desirable pattern for staging an experience over time has several key principles (Chase & Dasu, 2001):

1. **Finish Strong:** The end is far more important than the beginning because customers have a preference for improvement over time. So try to design an experience that ends on a high note.

On a cruise trip, each day ends on a high note using activities such as shows, contests, raffles, etc. At the end of the cruise, the captain has a special celebration dinner and guests received special keepsakes upon reaching home port.

2. **Get the Bad Experiences Out of the Way Early:** If a service has to have a low point, such as paperwork or payment, then it's best to get this out of the way early so the rest of the activities are on the upswing from that point.

For a cruise ship, liability papers and pre-billing are arranged in advance so that customers can forget about those painful activities during their vacation.

3. **Segment the Pleasure; Combine the Pain:** Put different pleasurable activities in a sequence together because it makes the experience seem longer. On the other hand, all negative activities should be combined to minimize their impact.

Cruise lines pack many events into one short vacation. Guests feel like the trip had a longer vacation because they did so many different activities (cooking courses, yoga, dancing, educational side trips, etc.)

4. **Build Commitment through Choice:** People are happier and more comfortable when they feel they have some control over the process, particularly an uncomfortable one.

Cruise ships offer different rooms for different prices. By clearly showing guests what they will actually get for their money in terms of amenities, the guests can choose to pay more for more services and space.

5. **Give People Rituals and Stick to Them:** People find comfort, order, and meaning in repetitive, familiar activities so deviations from expected rituals can cause dissatisfaction with the whole experience. Whether it is offering an afternoon tea or wine hour with snacks or decoratively arranging flower petals on a turned down bed at night, once a guest expects a certain delightful ritual, the service should stick with it or build on that theme.

Many cruise ships offer the Captain's dinner and midnight buffets, which have now become expected rituals for those lines.

Baja) followed by a calmer and often festive situation. The students are eventually put in stressful situations such as surviving alone in the woods for several days with limited food and tools. Although this test is harder for some than others, the leaders carefully monitor the pre- and postsurvival periods to ensure that the individual actually saw the benefits of the "awful experience." Most graduates express fond (and long-term) memories of their ordeals and feel that they altered their lives in positive ways. See the "Using Time to an Advantage in Cruise Lines" feature.

EVALUATING SERVICE EXPERIENCES

The designer or manager should have a good idea about the current or desired experiential world of the customer. Understanding the customer's experiential world can be determined only by observing and/or interacting with the customer while he or she goes through the process. Because of the emotional nature of experiences, it is very difficult to use standard survey techniques to understand a service experience. As alternatives, there are several methods for understanding the customer's experiential perspective: Observation or video taping the environment, customer personal documentation of their interaction with the service, in-depth interviews, and experiential blueprinting.

Observing the Experiential Environment

Because an experience extends over time and can involve different segments and interactions, it is important to follow customers around while they interact with the experience and observe their behavior. This trailing can be done with hidden cameras or by intercepting customers while they participate in experiences and asking them what they like, dislike, or would like to change. Several health care providers have installed hidden cameras in the emergency rooms and were surprised to see that customers waiting to be served were left alone for several hours with no interaction from a human—an experience which did not jibe with the HMO's caring and trust themes.

Customers' Personal Documentation of Their Interaction with the Service

Another research tool for evaluating experiences over time is the personal diary. By asking a set of respondents to document in words, photographs, or videos, the things that they react to or notice during an extended service experience, the provider can learn many things about its current design. By allowing the respondents the flexibility to convey what they see and feel either visually or in words, a provider can get a more accurate picture of how different employee and customer interactions, usage, process flows, design features, and other elements are interpreted by the customer.

In-Depth Interviews

Similar to the above methods, an in-depth interview of a customer in the natural experience environment or with realistic prototypes can reveal the potential improvements or reactions to new service designs. By using a relatively unstructured interview, this format allows respondents to reveal their own ideas without leading questions. The interviewer can probe ideas to determine how to improve or why the respondent does not like a concept. For example, interviewers might ask, "What about this hotel makes you want to return (or not)?" "What about the room makes it comfortable?"

In addition, improvements or wish lists can be generated which provide new service design ideas.

Experiential Blueprinting

A basic process design tool from Chapter 5 (service blueprinting) can be modified to evaluate experience design. Here the researcher looks at every experiential aspect (or clues) of the process and evaluates it for conformance to key themes, sensory impact, resource requirements, and improvements (are we getting "bang for the buck?"). For example, an experiential blueprint for guest arrival at a hotel

FIGURE 6.3: *Clue for Designed Experience*

Clue Description: Intended Experience or Emotion Connection from this Clue:				
Senses	Impact (high, medium, & low)	Resources needed to maintain Clue (\$, time, logistics) Who is responsible?	How does the clue align or not align with above metaphor or descriptive words?	What can the business do to change or improve this clue for better alignment?
Taste				
Touch				
Smell				
Sight				
Hearing				

would start with the airport transportation and proceed through all the steps until the guest is settled in his or her room. At each step, a clue design form is filled out (see Figure 6.3) to address all the criteria. For example, Figure 6.4 shows a clue design form for the fresh baked chocolate chip cookies at Double Tree Inns. Obviously, one can imagine that the clue design card for the water fountains at the Bellagio Hotel in Las Vegas would be quite different and involve many other resources and responsible parties. This type of blueprinting and clue design form is useful for designing new experiences so that the managers are aware of the importance of simple things (such as lighting the candles in the lobby at night and changing the music to convey a different mood).

FIGURE 6.4: *Clue Design for Double Tree Chocolate Chip Cookie*

Clue Description: Double Tree Hotel Chocolate Chip Cookie Intended Experience or Emotion Connection from this Clue: Home or Comfort				
Senses	Impact (high, medium, & low)	Resources needed to maintain Clue (\$, time, logistics) Who is responsible?	How does the clue align or not align with above metaphor or descriptive words?	What can the business do to change or improve this clue for better alignment?
Taste	High	\$: Ingredients & labor Time: Constant baking Resp.: Front desk and baker	The cookie aligns well with a sense of home. It creates an image of "mom baking cookies for you after school" and other comfortable connotations. The smell of home baked goods reminds people of childhood and home.	Must produce high quality home made cookies throughout the day. Currently, the clue is well aligned. It is a well made and tasty cookie, always warm and fragrant. It is essential to deliver it hot to the guest, not over-baked, stale, or crumbling. The package should prevent guests from getting chocolate on their hands or clothes.
Touch	Low	\$: Labor Time: Fresh as possible Resp.: Front desk and baker		
Smell	High	\$: Labor and equip Oven near front desk and fan for circulation Resp.: Front desk cooks constantly		
Sight	Med	\$: Labor Resp.: Front desk and baker		
Hearing	None			

Summary

The chapter outlined the importance of developing services with an experience focus in today's competitive market. We extensively covered the most important elements in a generic sense (applicable to both for-profit and not-for-profit industries). Pine and Gilmore (1998; 1999) state that experiences should be designed for people to pay admission for the experience element too, not just the accompanying product.

Review Questions

1. What are the critical elements of a good experience at a mass venue such as a baseball game or theater?
2. Describe how a theme restaurant with which you are familiar creates an experience.
3. Using the elements of context, describe how Borders designs an experience. How does Amazon.com attempt to compete on the same elements of experience?
4. How is the Internet limited in terms of creating experience?
5. What resources are needed to create experiences at theme parks today?

Selected Bibliography

- Bitner, M. 1992. Servicescapes: The Impact of Physical Surroundings on Customers and Employees. *Journal of Marketing*, 56, 57–71.
- Cain, J. 1998. Experience-Based Design: Toward a Science of Artful Business Innovation. *Design Management Journal* (Fall), 10.
- Caves, R. 2000. *Creative Industries: Contracts Between Art and Commerce*. Harvard University Press, Cambridge, MA.
- Chase, R. and S. Dasu. 2001. Want to Perfect Your Company's Service? Use Behavioral Science. *Harvard Business Review*. June. 79–84.

- Conley, C. 2001. *The Rebel Rules: Daring to Be Yourself in Business*. Simon & Schuster/Fireside.
- Gitomer, J. 1998. *Customer Satisfaction Is WORTHLESS: Customer Loyalty Is Priceless*. Bard Press, Austin, TX.
- Gupta, S., and M. Vajic. 1999. The Contextual and Dialectical Nature of Experiences, pp. 33–51. In Fitzsimmons and Fitzsimmons (Eds.), *New Service Development*. Sage Publications Inc., Thousand Oaks, CA.
- Hirschman, E., and B. Holbrook. 1982. Hedonic Consumption: Emerging Concepts, Methods, and Propositions. *Journal of Marketing*, 46(3), 92–101.
- Pine, B., and J. Gilmore. 1998. Welcome to the Experience Economy. *Harvard Business Review* (July–August), 97–105.
- Pine, B., and J. Gilmore. 1999. *The Experience Economy*. Harvard Business School Press, Boston.
- Popcorn, F., and L. Marigold. 1996. *Clicking—16 Trends to Future Fit Your Life, Your Work and Your Business*. HarperCollins, New York.
- Pullman, M., and M. Gross. 2003. Welcome to Your Customer Experience, Where ‘You Can Check Out Anytime You’d Like, But You Can Never Leave.’ *Journal of Business and Management*, 9 (3) 215–232.
- Schmitt, B. 2003. *Customer Experience Management*. John Wilkey and Sons, Inc. New Jersey.
- Van Boven, L. and T. Gilovich. 2003. To Do or to Have? That is the Question. *Journal of Personality and Social Psychology*, 85 (6), 1193–1202.
- Vickers, A. 2001. Drop Everything, New Media. *The Guardian*, Monday, March 10, 50.
- Wasserman, V., Rafaeli, A., and A. Kluger. 2000. Aesthetic Symbols as Emotional Cues, pp. 140–165. In S. Fineman (Ed.), *Emotion in Organizations*. Sage Publications Inc., London.
- Wolf, M. 1999. *The Entertainment Economy—How Mega-Media Forces Are Transforming Our Lives*. Times Books, Random House, New York.

CASE STUDY

PY & the Dome



Access your Student CD now for the PY & the Dome case study.

The Millennium Dome, built in London, England, cost over a billion dollars of public funds and took six years to build. It was planned to be the largest tourist attraction in England, both figuratively and literally. It was forecast to have 12 million visitors per year, far beyond the volume of any other attraction in England. Further, it was so large physically that it could be seen from space.

It opened on New Year's Eve, 1999, to celebrate the new millennium. But the opening was a spectacular failure of service operations. Attractions broke down, waiting lines were hours long, and some displays just mystified the public. Less than two months after the opening, the leadership was sacked and PY Gerbeau was put in charge.

Access your student CD to see the project that was the talk of English talk shows for years: The Millennium Dome.

Questions:

1. Acting as PY, what strategy will you implement to show results to your sponsors and the media in 10 days? Prioritise the activities and specific actions plans, who will implement the steps, what they are supposed to do, determine how they will measure performance, how the costs will get covered, etc.
2. Does the Dome work as an “experience?” Why or why not? What would you do to improve the “experience” at this point?
3. Give your expectation of yearly attendance and how you expect to achieve these figures. How much revenue can the Dome expect to bring in with your attendance figures and strategy changes?