



# BOOK REVIEW

## Authenticity What customers really want

Harvard Business School Press

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There is growing evidence that today's affluent customer in developed economies has become more interested in quality of life (doing things) than material wealth (owning things). All the way back to Maslow, studies have shown that once the basic needs of food and shelter are met, extra material wealth does not necessarily lead to greater happiness. Much research has demonstrated that experiential purchases (doing) have brought people more long term satisfaction and happiness than material ones (having) since experiences are more central to a person's identity than possessions. Experiences tend to be more favourably viewed as time passes and they have greater social value (in other words they are more interesting to talk about). In a Future Foundation study of 1,000 UK adults, almost 50% (and over 50% of baby boomers) chose personal fulfilment as their main priority in life, more than double the number that selected it 20 years ago.

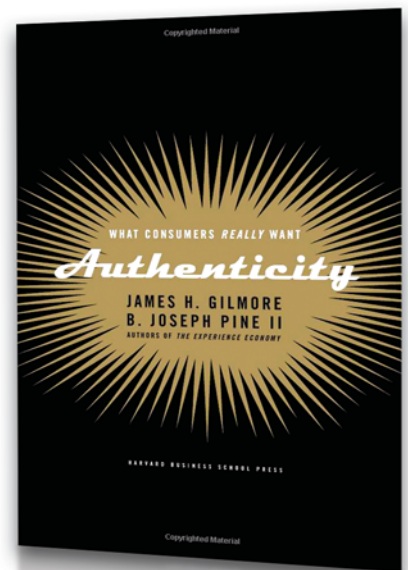
In their 1998 Harvard Business Review article and 2002 book, Pine and Gilmore labelled this phenomenon 'the experience economy', suggesting that developed countries have transitioned not just from manufacturing to service economies but on a stage further. In experience economies, they say, suppliers should focus on providing customers not just with a product or service, but with a satisfying and memorable experience. Since then, they have been studying how consumers determine

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the value of their paid-for experiences. One trait has risen to prominence: authenticity. How authentic is the experience? In the book the authors introduce the concept of perceived authenticity, or how a consumer experiences a product, service, environment, communication, or person. The concept applies to leaders being perceived as authentic by their staff as well as organisations by their customers.

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Gilmore and Pine state that companies need to address the problem of managing “the perceptions of real or fake held by the consumers” because people increasingly make purchase decisions based on how real or fake they perceive offerings. These perceptions flow directly from how well any particular offering conforms to a customer's self-image. And this is critical. Managers can't be subjective about what's authentic. What's authentic to you may not be perceived as authentic by your customers. This is why co-creation is becoming an increasingly important concept in organisations' ability to satisfy customers and build their loyalty. Obviously, if customers have co-created the product, the experience, the brand or the advertising, it will be perceived as authentic.



Although they acknowledge that it's a desirable behaviour, the authors do not examine the authenticity of individuals in personal relationships. Much has been written about this elsewhere. Instead they focus on the perceived authenticity of organisations and their commercial offerings. Companies claim they want to serve their customers' best interests, yet at the same time they want to make money out of customers (i.e. serve the company's best interests). Is this credible? Can it be perceived by customers as authentic? Pine and Gilmore seek to solve this problem, extensively referencing previous research studies and using real company examples, especially Disney and Starbucks. They do an excellent job of making the book both academically sound, very readable and of real practical value. **S**