

# STAGING THE HEALTHCARE EXPERIENCE

B. JOSEPH PINE II

Today, goods and services are being commoditized everywhere. Therefore, it's time to move beyond goods and services to a new level of economic value — and that means staging experiences for individual customers. Experiences are a distinct economic offering, as distinct from services as services are from goods. Experiences occur when goods and services are used as props, as the stage to engage each individual in an inherently personal way and thereby create a memory, the hallmark of the experience. We are moving into an experience economy, where experiences are becoming the predominant economic offering.

As I travel the globe explaining this fundamental shift in the very fabric of the economy — and researching all sorts of new and wondrous experiences around the world, I often have to point out that I didn't *invent* the experience economy; rather, I *discovered* it. I discovered what executives and managers were doing to respond to the commoditization of their goods and services and to create economic value, and then I built frameworks to show everyone else what was going on and to figure out what they should do about it.

One such executive who was way ahead of the game was Mark Scott. As CEO of Mid-Columbia Medical Center in The Dalles, Oregon, he was one of the first — if not the first — in the healthcare industry to foresee that staging a more engaging, less stressful and highly valued hospital experience was the way out of the morass in which the industry found itself after the rise of managed care. Research has shown that better experiences lead to better outcomes, and that is the bottom line for this industry where what patients and their family members want most is to be transformed.

What is also clear is that the MCMC experience is one that its patients perceive as authentic. And that's the key thing that I, and my co-author Jim Gilmore, have discovered since the publication of *The Experience Economy* in 1999. In a world of paid-for experiences, people increasingly question what is real and what is not. They no longer accept the fake from the phony; they want the real from the genuine. In today's experience economy, managing the perception of authenticity has become the number-one business imperative.

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