Joseph Pine
What Consumers Want

Introduction

Joseph Pine discusses in this video how we have moved from an agrarian economy to an industrial economy, in which goods are being customized and furthermore commoditized to create better service and also service is moreover being customized to create customer experience. Joseph Pine proposes we are moving towards an experience economy in which services are being commoditized to suit a customers needs exactly.

Progression of the Economy

1. **Commodities**- extract off the ground- animal, vegetable, minerals.

2. **Industrial Revolution** came along and goods became the “predominant economic offering”.

3. **Goods** became commoditized - where they are treated like a commodity. An antidote to commodity is **Customization**.

4. Customization automatically changed it into a service.
5. **Service**- for a particular person; delivered on demand. We moved on from an industrial economy to a service based economy.

6. Services became commoditized
7. Then we moved to a new level of economic value. To make the services particular for an individual person. Beyond goods and services.

8. Services was customised to turn it into an “Experience”.
Customization of services to Experience resulted in the businesses making better profit from the products they sell as it is made for a particular individual, to meet their demands.

Eg:
Commodities – Raw coffee beans
Goods – Coffee in supermarkets
Services – Brewing it for a particular customer
Experiences – surround the brewing of that coffee with the ambiance of Starbucks.

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<th>Economic Output</th>
<th>Business Imperative</th>
<th>Consumer Wants</th>
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<tr>
<td>Experiences</td>
<td>Render</td>
<td>Authenticity</td>
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<tr>
<td>Service</td>
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<td>Goods</td>
<td>Control</td>
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<td>Commodity</td>
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Joseph refers to a 2 by 2 matrix of what makes something authentic and genuine. The grid consisted of one axis with “is what it says it is” and “is not what it says it is”, the other axis has “is true to itself” and “is not true to itself”. In his speech he compared universal studios theme park and Disney's and showed how they were fake in different ways based on these concepts. For example Disney World is what it is says it is but it hasn't stayed true to its values when it bought the ABC network so its classed as a Fake Real. It's near impossible for a company to be Real Real as Joseph Pine says that because a company is man made there isn't a business that can be purely authentic.

He doesn’t say that a Real Real company is going to be more successful than one of another category, according to him people will always be looking for fake, for example Disney isn't actually a magical kingdom but people still love to go and engage in its fake reality.

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<tr>
<th>Is what it says it is</th>
<th>Real Fake</th>
<th>Real Real</th>
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<tbody>
<tr>
<td>Is not what it says it is</td>
<td>Fake Fake</td>
<td>Fake Real</td>
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<tr>
<td>Is not true to itself</td>
<td>Is true to itself</td>
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**Authenticity**
authenticity becoming the new consumer sensibility. As Joseph Pine summarise about what consumer want is authenticity. However when say about authenticity is the experiences and render what actually have been given out to consumers.

There are two dimensions of authenticity:
1. being true to yourself, which is very self- directed
2. others- directed being what you say are to others

Time and money are two things in the experience economy. As well as goods and services everywhere become commodities, people want to spend their hard-earned money and hard-earned time on the experiences. experience that they perceive as authentic.
Summary

Customers desire an authentic experience with price in mind. For a business to be authentic, they need to stay true to themselves, with the example of Disney proving this. In order for a business to provide an authentic service and be authentic, they need not to state that they are authentic unless they truly are!

Terms:

Commodity: A raw material or primary agricultural product that can be bought and sold, such as copper or coffee beans.

Commoditize: The act of making a process, good or service easy to obtain by making it as uniform, plentiful and affordable as possible.

Industrial Revolution: A period when industries were being developed on a wide scale.

Customization: Customization in terms of this discussion is showing how goods can be commoditized into a service and delivered on demand to the customer automatically.

Authenticity: The quality of being authentic, of having undisputed origin, not a copy - genuine.

Services: The action of helping or doing something for someone else.