



Authenticity

What Consumers *Really* Want

by James H. Gilmore and B. Joseph Pine II

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Take-Aways

- People crave authentic offerings of all types.
- This craving is getting more intense in an increasingly artificial world.
- To be perceived as fully authentic, your company must be “true to itself” and “what it says it is” to others.
- Traditional advertising is phony and is losing efficacy.
- Effective marketing today involves “placemaking experiences,” which enable companies to be who they say they are.
- Such marketing experiences must be authentic if they are to work.
- The five genres of authenticity can apply to any offering. Authentic offerings should be rendered as natural, original, exceptional, referential or influential.
- Totally fake offerings (such as Disneyland or Las Vegas) can be perceived as authentic if they are honest about their fakery.
- Your company’s future is constrained by its heritage.
- Successful business execution requires working within these constraints.

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Relevance

What You Will Learn

In this Abstract, you will learn: 1) What authenticity is; 2) How it can be a source of competitive advantage; and 3) How to deliver it.

Overview

“When we say a thing or an event is real,” wrote Pulitzer-winning novelist Carol Shields, “we honor it. But when a thing is made up – regardless of how true and just it seems – we turn up our noses.” In an increasingly manufactured “real” world, though, how can your business give customers a sense of authenticity? That’s the question James H. Gilmore and B. Joseph Pine II tackle in this thorough analysis of authenticity, wandering through such diverse fields as existential philosophy, architectural criticism and even relativistic physics. They discuss examples of perceived authenticity from Coca-Cola to Disneyland. The authors explain how an economic offering can be fake, but still be rendered as authentic. The key is to determine whether your offering and how you represent it are real or fake, and to design your marketing strategy accordingly. All consumers want authenticity, but the more you tell them you are authentic, the less they will believe you.

Abstract

The Red Pill or the Blue Pill?

Human beings have always been obsessed with the real and abjured the fake, the phony and the contrived. In *The Republic*, Plato told an allegory about benighted, cave-dwelling people who mistook shadows on the wall for reality. In the mid-20th century, Jean-Paul Sartre extended this idea to personality, describing people so confused about their real selves that they lived “inauthentic” lives in self-deceived “bad faith.” But the most vivid depiction of living in unreality has to be *The Matrix*, in which Morpheus offers Neo the chance to see reality as it is (by taking the red pill) rather than remain in a computer-generated simulation (which would happen if he took the blue pill). “The Matrix is everywhere,” says Morpheus. “It is the world that has been pulled over your eyes to blind you from the truth.”

Consumers want the real thing, not just in cola but in everything they buy. Yes, they still want commodities to be available, goods to be affordable and services to be top-notch, but today’s offerings include more than goods and services. Think of buying a latte and reading *The New York Times* in a comfortable Starbucks or making your own cuddly teddy bear at a Build-A-Bear Workshop. Particularly with such offerings, consumers crave authenticity (or at least its appearance). If you don’t render authentic-feeling experiences, they will find someone who will, since this need for authenticity is intricately tied to self-image. No one wants to be a poser.

Making Your Offering Authentic

Historically, economists classified economic output as commodities (like coffee beans), goods (like toasters) and services (like preparing a tax return). When thinking about authenticity, however, you need two more categories: experiences and transformations. Experiences are memorable “inherently personal” events, like when the barista at

“Practically all consumers desire authenticity.”

“Even the me-me generation eventually grows up to desire the real-real-real.”

“An increasingly unreal world may be emerging – but groceries and toys, TV programs and university educations, residential homes and vacation destinations, musical recordings and sports entertainment all face the concerted challenge of being perceived as authentic.”

“To be blunt: Your business offerings must get real.”

“Get rid of all those manipulative messages that work decreasingly well and all too often say what you aren’t.”

“Cirque du Soleil...appeals to influential authenticity in the way performances show the possibilities of what the human body can do physically, aesthetically, and lyrically. It is an entirely new art form.”

Starbucks remembers how you like your cappuccino and makes it to order for you. Transformations help customers change some aspect of themselves. Such offerings – for example, fitness centers or Weight Watchers – let consumers be the sort of people they want to be and feel good about themselves. With each purchase, customers close the gap between reality and aspiration.

You can render any offering as authentic, whether you sell commodities, goods, services, experiences or transformations. Each of the following five genres of authenticity can be applied to any and all offerings. The five genres are:

1. Natural authenticity – An authentic offering must feel natural, raw, of-the-earth, rustic, stripped-down and if possible sustainable, like organic food. For example, coffee beans and natural soaps are commodities, yet Starbucks and the Rocky Mountain Soap Company both render naturally authentic offerings.
2. Original authenticity – An original offering can be new (such as Apple’s iPod), but it can also be old (Coca-Cola) if it stresses its heritage as the first of its kind (“the real thing”).
3. Exceptional authenticity – Any offering can be exceptional, if it is done well, and with feeling. For example, consider the extraordinary services provided by Ritz-Carlton and Southwest Airlines. This doesn’t mean obsequiousness: The salespeople at Apartment Number 9, a Chicago clothing store, will tell you if the puce blazer you’re trying on makes you look fat. They sell not just clothes but also brutal honesty. Make your offering exceptional by stressing uniqueness, adopting a “craft” aesthetic (“good things take time to make”) or being “foreign” relative to the target market.
4. Referential authenticity – A referential offering evokes an “iconic” time, person, group or place. Imagine a Chinese tea ceremony or a visit to a sauna in Finland. If your referential offering is fake, make sure it is a good fake, like the art-filled Bellagio Hotel in Las Vegas, which evokes Bellagio, Italy.
5. Influential authenticity – To have influence, an offering must surpass utility to imply or provoke change. Think of green services, such as “eco-tourism,” or “three-word offerings,” such as “dolphin-safe tuna” or “free-range chickens.”

“To Thine Own Self Be True”

In *Hamlet*, Laertes is leaving Elsinore for France when Polonius accosts him. The old man, worried how his son will conduct himself abroad, recites a litany of admonishments that culminates in wisdom both trite and strikingly wise: “This above all,” says Polonius, “to thine own self be true.” In doing that, he continues, “Thou canst not then be false to any man.”

Shakespeare, via Polonius, states precisely what it means to be authentic: true to yourself and others, being what you are and saying what you are without duplicity. Like Laertes, your company and its offerings can be more or less true to self and to others.

While “being true to self” and “being false to any man” have fine gradations, think of each attribute as binary. Your offerings are either true to self or not, and what they claim to be or not. If you put “trueness to self” on one axis, and place “being what it says it is” along another, Polonius’s advice reduces to a two-by-two matrix with four cells: “Real-real” (true to self and to others); “real-fake” (false to self but true to others); “fake-real” (true to self but false to others); and “fake-fake” (false to self and to others). Each pairing can yield a commercially viable and, believe it or not, authentic offering.

“The very act of saying some thing is authentic immediately leads consumers to doubt said authenticity.”

“If you are authentic, then you don’t have to say you’re authentic.”

“CityWalk exposes its fakeness, letting you see past the bright, wondrous fake faces to the real buildings, and past the real buildings to other parts of Universal, and then to the real Los Angeles beyond. It is what it says it is: a great place to walk around and enjoy some of the best of the City, period.”

“Disneyland is...fake-real – certainly not what it says it is, but definitely true to itself.”

Real-real is easy to understand but hard to achieve (and once achieved, easy to lose). Apple, Coca-Cola, REI, Patagonia and Harley-Davidson are real-real. They have a sense of self and they communicate it clearly. Would Steve Jobs make an ugly, malfunctioning product? No way.

Now consider the other clear case: fake-fake. This sounds bad, but lots of people (not all) love fake-fake, at least some of the time. They call it *faux*. Faux embraces its fakeness, like silk plants and the *Weekly World News*, which runs the motto “Nothing But The Truth” over stories about Bat-Boy and Madonna adopting a baby alien.

Fake-real and real-fake are trickier. Like Agent Mulder on the *X-Files*, consumers who buy a fake-real offering want to believe. Think of Disneyland. Enter the Magic Kingdom and you’ll find yourself on “Main Street, U.S.A.,” a simulation of a small-town shopping district. Sort of. Anything “offensive” (litter, panhandlers, used syringes) has been boiled off, leaving a powerful distillation of fantasy that is internally consistent. Disneyland is what Walt Disney wanted: a place that tells you it is real – which it isn’t, but you don’t care. It’s enchanting.

Real-fake is more like a movie backlot: it’s fake (not true to what it is) and makes no excuses. It is real in that it communicates its fakeness clearly by allowing you to see struts propping up walls, booms holding microphones and arrays of lights. Real-fake is also internally consistent – such offerings continually communicate their fakery. For a real-fake offering, think of Universal CityWalk in Los Angeles.

Who Are You?

Is your company real-real, fake-fake or somewhere in between? Think about your core business, your business model, your organizational form (S-Corp, nonprofit), and what features, if removed, would render your business no longer true to itself. Think about what you offer customers and how you offer it, including such aspects as contractual relationships, means of delivery, and how you price things or give them away. Think about your heritage. How did your business begin and what milestones have you passed? Think about your purpose. You exist to create or do...what? Think about your values. Don’t mouth platitudes. Jot down the values that govern how you act.

Armed with sufficient self-knowledge, look at how you present the self you have discovered. What does your name say about you? Are you promiscuous with it, letting anyone who’ll pay enough slap it on a sports stadium or racecar? Think about your media statements, including not only the message but also the medium. Think about where and how customers (and potential customers) meet you and your products, including things like kiosks inside other stores. Think about the ideals you espouse and the incentives you put in place for your employees. If you’re in business just to make a buck, is that what you tell people? If not, do you have the right incentives? How do you dress up your product or service – your colors, logo, packaging, headquarters, or anything else that projects your image and controls how you are perceived?

Being What You Say You Are

These days, being what you say you are involves more than just traditional advertising. Advertising is phony. Worse, it’s becoming less effective as its volume increases. The alternative is “placemaking,” in which you create an experience that demonstrates who you are. Placemaking is inherently authentic. Rather than telling customers what your offering should be, could be, would be like, you let them experience what it really is like

“It is increasingly difficult to tell the real fake from the fake fake. All fakes are clearly not equal; there are good fakes and bad fakes. The standard is no longer real versus phony, but the relative merits of the imitation. What makes the good ones better is their improvement upon reality.”
[– Ada Louis Huxtable, *The Unreal America*]

“What companies need, therefore, is a new approach to demand creation that actually enables – make that forces – a company to be what it says it is.”

– so they see what you really are like. Placemaking is done in both the physical world of stores and actual locations, as well as in the virtual worlds of the Internet and, say, *Grand Theft Auto San Andreas*.

Start with a physical flagship location. It could be a big store like REI in Seattle, where people can try out hiking gear by walking wooded trails as they listen to a waterfall or ascend a 65-foot climbing wall inside a huge, rustic structure made from reclaimed timber. Or it could be an executive briefing center where customers can see, touch and experience your products. In addition to a flagship, place your offerings at “experience hubs” – places like Dubai, Las Vegas and Times Square that attract a continuous rush of people. Create major venues, as Bose and Apple do, where customers can experience your offerings. Consider having a “derivative presence” inside someone else’s business, such as WestinWORKOUT Centers “Powered by Reebok.” Strive for ubiquity in other places, but be careful: Reach often dilutes brand (as it may be doing for Starbucks).

Virtual placemaking begins with a Web site that integrates with your physical locations. Check out the websites of REI and American Girl for inspiration. The Web also has experience domains, such as Facebook, YouTube and Second Life. Consider building a presence there. Many companies create “major platforms” in cyberspace. They often use subsites, such as one from M&M that allows you to see what you would look like as a piece of candy, or the *Lord of the Rings* site, which helped create tremendous demand for the blockbuster film 18 months before opening night. Derivative virtual presences include getting a billboard or placing a product in a videogame. Go for breadth: Put hyperlinks on sites for related products so customers can find their way to your virtual locations.

Being What You Are – and Can Become

Once upon a time The Walt Disney Company decided to go in a new direction. It bought Capital Cities/ABC (then known for shows with plots that revolved primarily around bouncingly sexy girls) and Miramax, famous for ribald if not blasphemous NC-17 films, such as *The Advocate* and *Priest*. Through one of its studios, it signed up a convicted child molester to direct a film. Like a teenager, Disney was experimenting with a new identity. But when Disney wandered too far from its core self, customers were reluctant to follow. Its financial performance suffered.

Don’t do a Disney. When it’s time to change, chart your path from hear-and-now to there-and-then by considering, first, where you started. Would the man who breathed life into Mickey Mouse have hired a child-molesting director? Next, find out where you are and then plot a course. Realize that moving toward your goal closes possibilities. Know your limits, including what you won’t do (consider making a “never to-do” list). The next stop on your journey must make sense. Pen-maker Montblanc slowly expanded from high-end writing instruments to high-end desk instruments to high-end money-clips and keychains, all logically related. Scan the horizon continually for giants – the Microsofts and Wal-Marts that can capsize your boat. Envision the future clearly, execute it well and remember, “What you do is what you become.”

About The Authors

James H. Gilmore and B. Joseph Pine II co-founded a strategy consultancy and wrote the bestseller *The Experience Economy*.