

Pine & Gilmore's Annual

thinkAbout

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A place that we've dreamed of...
where sales fly high

by Joe Pine & Jim Gilmore

Meet our very first Experience Stager of the Year award winner, a consumer goods company that recognized the value of paid-for experiences.

Since we wrote our book *The Experience Economy*, we've learned of a number of wonderfully engaging experiences. Some have only opened since publication, while friends and fans of our work called others, longer established, to our attention. Sure, we wish some of the better exemplars of what we advocate had found their way into the book. But alas, such is inevitable whenever one puts ideas to ink at a certain point in time.

One such place exemplifies the very best in experiential design, scripting, and staging: the American Girl Place (which opened just as we finished writing the book). Just off of Michigan Avenue in Chicago, the American Girl Place dots the exclamation point in Chicago's Magnificent Mile! We've long dreamed of seeing such a venue – ingenious theming supported by harmonized cues, memorabilia mixed into a sensation-filled set, full of engaging staff performances, and charging admission fees to a number of places within the place. One can't even call the American Girl Place a retail store, as it is indeed a business stage for experiences.

And, unsurprisingly, it was created not by some retail chain but by The Pleasant Company, a manufacturer and direct marketer (via catalogues) of American Girl dolls and accessories. The company was founded in the 1980s by former schoolteacher Pleasant Rowland (and sold to Mattel a few years ago). So certainly there are for-sale dolls,

books (each doll is cast in a specific period of U.S. history that form the setting for a handful of fictional volumes), furniture, clothing, and various kits galore – even children’s clothing that matches the doll outfits. But the merchandise is really secondary to the overall experience

For starters, the Pleasant Company built a 150-seat theatre in the American Girl Place and commissioned the scripting of a one-hour musical, *The American Girl Revue*. Tickets cost \$25 per seat. We’ve been to the show on three occasions — each time on a weeknight — and the audience averaged around 100 people (primarily mothers and daughters, of course). Do the math: That’s \$2500 revenue per night from theatre admissions alone. At the conclusion of each performance, everyone stands, turns their program over to the back page to find the lyrics, and sings in unison “The American Girl Anthem”. Tears run down the faces of many in the audience of young girls, most aged seven to twelve; mothers look on adoringly — validating every purchase decision ever made via the catalog.

Then there’s the American Girl Place’s restaurant, simply called Cafe. It doesn’t charge for individual entrees, as that would be a food *service* pricing model. Rather, customers pay a flat admission fee of \$16 (“gratuity included”) for two seatings for lunch and two for tea, and a flat fee of \$18 (again, including gratuity) for two dinner seatings. The doors are closed to the Cafe until the appointed hour, and the queue outside creates a wonderful sense of suspense and buzz for each successive

dining experience.

And then there’s the customized magazine offering. The Pleasant Company publishes *American Girl* magazine six times per year (subscriptions run \$19.95) and little girls write essays and submit them to the magazine. The company then chooses one girl for a two-page feature in each issue. (We couldn’t help but think the same concept might have helped Starbucks’ ill-fated *Joe* magazine actually appeal to its customer base!) At the American Girl Place, girls and their families may shell out another twenty dollars for a photography shoot – complete with preparatory make-up session – that results in the memorabilia item of a seventh magazine issue with each girl’s own picture on the cover.

The Place magically mixes more memorabilia into these experiences: the ticket stub and program from the play (free with admission); in the

Cafe, a hair “scrunchie” securing the rolled napkin and a plastic flower in the dessert pudding (both also free); and most creatively, a one-foot tall high-chair — called the Treat Seat — in which dolls sit during the meal (retail price: \$25. . . including gratuity!).

Because of the experiences staged, customers average over four hours per visit. And a family literally can spend hundreds of dollars in the American Girl Place – without buying a *thing*. Of course, spending that much time and money on experiences then creates great demand for traditional American Girl goods. Sales soar, because the experience is the marketing.

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