

over and routine sets in. The business focuses on operations and efficiency and becomes a well-oiled machine. What is lost is the entrepreneurial passion. The big danger is that the firm's products and services may become increasingly irrelevant in a changing marketplace. The big need is to keep a spirit of entrepreneurship alive.

Your company can nurture an intrapreneurial spirit in a number of ways. Encourage ideas. Reward good ideas. Set up a collection system for new ideas. Set up a skunk works. Every 90 days gather all the employees at an "idea bragging session," where employees describe how they got their new ideas.

Experiential Marketing

We talk about marketing *goods* and *services*, but Joe Pine and James Gilmore think that we should be talking about marketing *experiences*³³—or designing experiences around our goods and services. The idea has many sources. Great restaurants are known for their experience as much as their food. Starbucks charges us \$2 or more to experience coffee at its finest. A restaurant such as Planet Hollywood and Hard Rock Café is specifically set up as an experience. Las Vegas hotels, anxious to distinguish themselves, take on the character of ancient Rome or New York City. But the master is Walt Disney, who created the opportunity to experience the cowboy West, fairyland castles, pirate

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ships, and the like. The aim of the experiential marketer is to add drama and entertainment to what otherwise might pass as stale fare.

Thus we enter Niketown to buy basketball shoes and confront a 15-foot photo of Michael Jordan. We then proceed to the basketball court to see whether the shoes help us score better. Or we enter REI, an outdoor equipment chain store, and test out climbing equipment on the store's climbing wall, or test out a rainproof coat by going under a simulated rainfall. Or we enter Bass Pro to buy a fishing rod and test it by casting in the store's pool of fish.

All merchants offer services; your challenge is to escort your customer through a memorable experience.

inancial Marketing

I have always urged marketers to be strong in financial thinking. This is not a natural inclination of marketers. They are marketers because they are more interested in people than in numbers.

Yet few marketers will rise to the top of an organization unless they have a good grasp of financial thinking. They need to understand income statements, cash flow statements, balance sheets, and budgets. Concepts such as asset turnover, return on investment (ROI), return on assets (ROA), free cash flow, economic value added