



INTRODUCTION: ALL BUSINESS IS SHOW BUSINESS

*There's no bus'ness like show bus'ness,
Like no bus'ness I know.
Ev'rything about it is appealing,
Ev'rything that traffic will allow;
Nowhere could you get that happy feeling
When you are stealing that extra bow.*

IRVING BERLIN¹

Show business is everywhere—in business.

Every industry—automotive, retail, technology, packaged goods, high art, and professional sports—has started to realize that business as usual won't do anymore. From peppermints to computers, from lingerie to skyscrapers, companies have discovered that they need to move beyond business as usual to reach out and engage their customers.

Creativity, humor, and play are showing up among cutting-edge companies in every corner. These companies are breaking through the boredom of one-way communications and using great experiences to surprise their audiences and get them involved with their brands.

1. “There’s No Business Like Show Business” by Irving Berlin. © Copyright 1946 by Irving Berlin. © Copyright Renewed. International Copyright Secured. All Rights Reserved. Reprinted by permission.

Show business is used to dazzle customers, to communicate internally, to launch new products, and to attract business partners. Show business is extremely effective. It helps to differentiate products and brands. It creates powerful connections with customers. It attracts media coverage. Show business can be a surprising new weapon to use against competition and to attract talent and motivate employees. At its best, show business can transform a business, or even an entire industry.

WHAT IS SHOW BUSINESS?

Company initiatives that we call show business have the following key characteristics:

- **Entertaining.** Show business begins with entertainment. It is no news today that customers want to be entertained. Every part of our culture—the news, education, sports, food—increasingly targets this desire. When times are tough, the appeal of experiences that are entertaining and positive is even greater. Show business creates experiences that are fun. It does so by appealing to fantasy, humor, or drama. Show business can use high technology or old-style razzle-dazzle to create an experience that can be surprising, playful, thrilling, or sexy.
- **Engaging.** Show business is engaging. Media-savvy customers are looking for a different relationship with companies. Rather than being *talked at*, *branded to*, and inundated with top-down advertising messages, they want experiences that engage them directly and reward or invite their participation. Show business provides customers with an experience that is face-to-face or interactive. It often invites them to learn, explore, offer their own views, and even take a role in the show themselves. At its best, show business provides an experience that allows customers to form communities and connect with each other.

- **Boundary-Breaking.** Show business is boundary-breaking. For their true loyalty and sustained attention, customers demand an experience that goes beyond the expected. Show business creates experiences that are innovative, sometimes even outrageous, and that reach customers in new and unexpected ways. Show business can even redefine the way a product or category is perceived. It creates the kinds of experiences that dissolve boundaries and distinctions between company and customer—creating excitement or buzz and turning customers into evangelists for a brand.
- **Value Creating.** Show business also delivers real value to a business. The experiences it creates are aligned with the company's brand, linked to strategic goals, and integrated with other marketing communications. They produce real and measurable returns on investment. They target, understand, and build relationships with valued customers. They also create value for the customer, often in the form of learning, pleasure, stimulation, or lasting lifestyle value. Show business experiences use an understanding of the changing role of entertainment and experience in our popular culture to connect brands and customers to important trends and exciting cultural developments.

When companies create an experience for customers that does all of this, we call it *show business*.

WHY BUSINESS NEEDS SHOW BUSINESS

Many marketing books have argued that three trends are transforming business: the declining power of traditional advertising, the rise of the informed and independent consumer, and the emergence of an experience culture. Each of these trends provides a reason for why show business is essential for companies.

Media fragmentation has reduced the customer mind share of any single advertising channel because television channels have proliferated, and the Internet offers a medium with theoretically infinite channels of communication. At the same time, media saturation has led to a widespread feeling of information overload for consumers, who seem increasingly numbed by the thousands of advertising messages that are directed at each of them every day. With each new generation weaned on mass media, consumers also seem to be growing increasingly skeptical of the didactic advertising tools of the last half of the twentieth century. Most recently, new technologies like TiVo raise the prospect of consumers empowered to edit out commercials between TV programs.

All of these factors have led to a widespread decline of confidence in traditional advertising's ability to sway customers and deliver compelling arguments about products, services, and brands. A recent *Intellitrends* study of companies in automotive, IT, media, electronics, and healthcare found that 47 percent chose event marketing as their communications tool with the greatest return on investment, versus only 32 percent for advertising.¹ Traditional mass-communications advertising is not going to disappear any time soon, but it is clearly no longer enough. Companies of all kinds are realizing the need for something more local and targeted that provides communication with customers that is more interactive and high-touch. These are exactly the kinds of communication that show business creates between companies and customers.

On the other side of the equation, consumers themselves are being seen as increasingly tough to reach. They are increasingly fragmented themselves—no longer bowing to the single master brands that until recently dominated the market (the soft drink market share of Coca-Cola Classic fell from 33 percent to 20 percent, and Pepsi-Cola from 23 percent to 13 percent, between 1998 and 2001).² Part of this may be a proliferation of competing products, but customers are also becoming more savvy, more interconnected, and more likely to make their choices based on consultation and informed opinions. The Internet, in particular, has

given a dynamic new medium for customer-to-customer communication that companies are striving to reckon with.

Just one example of growing consumer power can be found at the web site televisionwithoutpity.com. On this consumer-run message board, viewers post comments immediately after hit shows like *Alias*, *The Sopranos*, and *Charmed*—and the leading networks are paying close attention. TV producers have found out which of their plot lines viewers felt were unrealistic, which costumes were better or worse, and which supporting character was too lust-worthy to cut from the following season. After years of talk about the future of interactive TV, television has, in fact, finally become responsive to immediate customer feedback. More and more companies are waking up to the same realization. Today's consumers expect companies to listen to what they have to say, and they plan to listen more to each other than to Madison Avenue in deciding what to buy. Show business encourages customers to talk to each other and relate through a company's brands. By providing a role for customers to play in creating its experiences, show business welcomes them into the show.

The third trend is the rise of experience and entertainment within all aspects of our culture. *The Experience Economy*, published in 1999 by B. Joseph Pine II and James H. Gilmore, argued that economic value had progressed from producing commodities, to goods, to services, and, finally, to experiences. Consumers no longer expect to find experiences and entertainment just at the movie theater. They expect it in their nightly news, in their classrooms, in their retail environments, on web sites, and when they go out to eat in a restaurant. Experiences that entertain—through humor, drama, surprise, or sexiness—are becoming a mainstay in such realms as politics, art museums, and even in the law courts. This is not about shallowness—entertainment can be part of an experience that is also informed, complex, or very personal. But the culture at large expects even serious parts of their life to include a dimension of fun; and companies who are trying to understand their customers have to understand the challenge this poses to them. Consumers' need for entertainment is even greater in a difficult economic climate.

Show business offers customers an entertaining experience that can be “a smile when you are down.” It is upbeat, often a bit offbeat, offering an uplifting new experience that connects customers to a brand.

MAKING SHOW BUSINESS DELIVER

The response to these trends has been a groundswell of new approaches to communicating with customers that has been growing across all industries. Many companies are turning to creative events and mobile marketing campaigns in order to target specific customer demographics and meet them face-to-face, in hopes of adding value and becoming a part of their customer's lifestyle. Experiential customer environments have moved out of the realm of theme restaurants and flagship stores and into new ideas for interactive retail, customer product-testing labs, and branded destinations. Companies are constantly trying new ways to reach the hard-to-reach consumer with guerilla marketing, new types of product placements, and interactive web experiences. Recruited street teams of customer evangelists are being sent out to spread buzz and word of mouth on behalf of products and brands. At times, customers are taking the reins themselves and creating shows about the brands they care about, and the companies are trying to catch up and find ways to participate.

These fun, innovative approaches to reaching customers reflect enormous creativity and interest in delivering an entertaining, engaging, and boundary-breaking experience. But that alone is not enough. If they are to work, and to truly be show business, all of these shows need to fulfill critical strategic goals as well:

- Integration with brand identity throughout implementation
- Strategic objectives that are clearly identified
- Useful metrics to measure return on investment in terms of brand-building, customer retention, sales generation, and market research

- Meaningful targeting of high-value customers and use of interaction and dialogue to gain insight and build customer relationships
- Real value provided to customers through a great experience that builds trust in and affiliation with a brand
- In-depth understanding of current trends in customer culture, entertainment, and lifestyle

To make show business deliver value, companies also need to realize how broad their audience can be. Entertaining, engaging, and boundary-breaking experiences are not just useful for reaching your average consumer audiences. Of course show business is “in” for things like consumer packaged goods and electronics—with clothing, beverage, and electronics brands devoting increasingly more of their budgets to show business. But show business is also extremely effective for business consumers. The old story that B2B consumers don’t respond to branding or experience is pure myth. As we will see, even purchasers of enterprise software solutions appreciate a great experience that educates them in an exciting and interactive way.

But external customers are not the only audience for show business either. Companies know that to succeed, they need to communicate effectively with internal audiences as well: employees at every level and business partners such as sales channels and vendors. Show business is an important tool for all kinds of internal communication, whether it is for education, motivation, or brand alignment within a company. As the importance of internal branding becomes apparent to more and more companies, they are realizing that the show they put on about their brand on the inside needs to be just as engaging as the one they put on for the outside.

Figure I-1 shows a model for how show business builds brand relationships for both external customers and a company’s own employees. Show business puts customers and a company’s personnel in parallel relationships with the brand: both can relate to the brand when they experience the show, help to develop the brand by their participation in the show, and help to build the brand when they create a show. Shows provide customers and

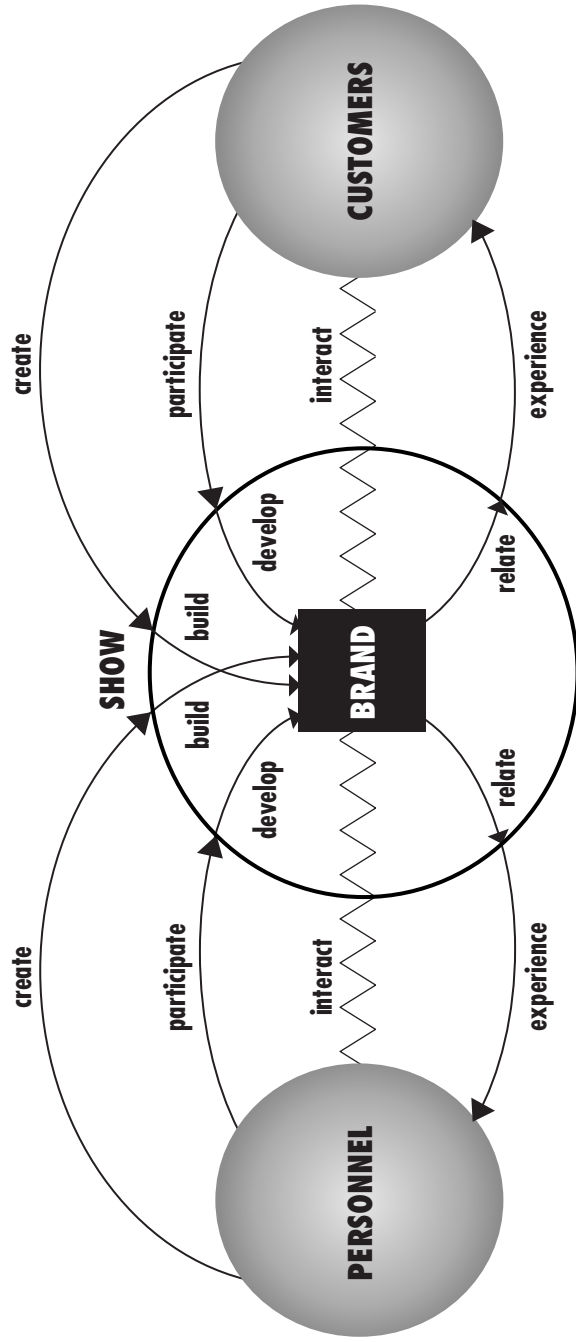


FIGURE I-1 The Show Business Brand Relationship model.

personnel with a chance to interact with each other and themselves. Shows facilitate feedback with a brand, and they help to create community among customers and personnel alike.

Now that we have a sense of what show business is and how it works, let's take a look at some successful recent cases of show business experiences that are entertaining, engaging, boundary-breaking, and value-adding. Some are large and spectacular, others small and intimate. They include shows put on *for* customers, put on *with* customers, or sometimes created *by* the customers themselves.

REINVENTING THE PEPPERMINT: ALTOIDS

Originally a stomach remedy, Altoids was invented in the UK more than 200 years ago, during the reign of King George III. Although it has been sold in the U.S. since before the Revolution, for a long time Altoids was a niche player with a very small market share: just 2 percent in 1994 after it was bought by Kraft.

In the mid-1990s, a new marketing campaign (the “curiously strong mint” campaign) focusing heavily on show business elements changed all that. The result: throughout the 1990s, the brand grew an average of 40 percent. By early 2001, the brand's sales totaled \$126.3 million and the brand was number one in its category, accounting for 35 percent of sales among breath fresheners. In fact, Altoids is now much credited for the packaging revolution that occurred in the entire category.

The original campaign started with billboards featuring taglines such as “Mints so strong, they come in metal boxes.” Altoids played ironically with the old-fashioned packaging. Without losing the nostalgia value Altoids brought its image up-to-date by featuring jokes about bisexuality (“Bi-curious?”). This peppy campaign was integrated with an engaging web site, altoids.com, where visitors could make silly art work in tacky retro styles reminiscent of the 1950s era imagery of the ads. By giving Altoids lovers a place to express themselves and

their feelings about the mint, Altoids welcomed the customers to take things into their own hands.

Altoids took the campaign to a new level by starting an underground media blitz in core urban markets. The new show used nontraditional media: magnets placed on street signs and subway cars, personal ads in local weekly papers, postcards and posters, all with just the address www.toohot.com. Curious customers, no doubt expecting a porn site, clicked their mouse and instead found a web site for Cinnamon Altoids, the newest extension of the brand. Greeting visitors was Sindy (think “sin”), Altoids’s cinnamon babe, dressed in a Playboy-bunny-style outfit: a racy, animated spokesperson “hot enough to make the Devil jealous.” The show again led customers themselves to pursue the brand and respond to the provocation. It got them talking and got them sharing stories and their own new ideas about the mints.

In the late 1990s, an Altoids customer’s discovery hit the Internet and spread rapidly, becoming the hot topic on numerous chat sites. The discovery? “A few Altoids just before engaging in oral sex elevates the recipient’s experience to the ‘out of this world’ category,” according to the word of mouth.

The rumor must have reached Monica Lewinsky, because according to the Starr Report, she tried to work it into her own show on November 13, 1997:

The President finally joined Ms. Lewinsky in the study, where they were alone for only a minute or two. Ms. Lewinsky gave him an antique paperweight in the shape of the White House. She also showed him an email describing the effect of chewing Altoids mints before performing oral sex. Ms. Lewinsky was chewing Altoids at the time, but the president replied that he did not have enough time for oral sex. They kissed, and the President rushed off for a State Dinner with [Mexican] President Zedillo.³

As they say, you can’t buy this kind of publicity. The consumers themselves created it all—because Altoids had sparked their imagination and invited them to put on their own show.

By now, Altoids's retro-fresh, experience-rich packaging has been mimicked by the whole premium mint industry. Cunning tin boxes now line the shelves. But none of the imitators has even come close to challenging Altoids, and none has developed a show that provokes such customer loyalty. None of them has the potential of creating a similar "out-of-this-world" experience.

STOKING THE RUMORS: APPLE'S IMAC

Sometimes show business is all about building excitement for a climactic launch event. Apple Computers is a company that knows how to put on a great show for product launches. Twice every year, the computer company takes the stage at the MacWorld Expo and reaps a bevy of free publicity as newspapers, magazines, and TV lavish attention on the show. The charismatic CEO Steve Jobs is probably the only person in the world who can excite the mainstream press about an operating system upgrade.

One of Apple's greatest launch shows in recent memory was for the dazzling second-generation iMac. When Apple computers was finishing its design, with the swiveling flat screen and dome-shaped base, they knew they had a winning product on their hands. They also knew that the company needed to put on a great show to generate excitement for its launch.

For years, Apple has counted on its loyal customer community to help it build excitement and word of mouth for new products. Part of the show around any Apple launch is the rumor-mongering among its fans that starts months before every biannual MacWorld Expo. Fan web sites like Thinksecret.com, Appleinsider.com, and Spymac.com start generating buzz and speculation about what's coming down the pike. In this cat-and-mouse drama, insiders in the company smuggle out photos of the new designs that are posted on the Web until Apple's lawyers file the habitual half-hearted complaint—half-hearted because these fans are the ones out there generating

the most excitement. But if the secret breaks too early, obviously the drama goes bust.

With the new iMac, Apple decided to run the show a little differently. Building up suspense for what would be its most dramatic new product design in recent memory, Apple goaded its fans, superseding their rumor sites by running its own buzz campaign. Instead of suing the customer sites, it staged a running taunt on its own corporate site: "Beyond the rumor sites. Way beyond." "Count on being blown away." As the Expo approached, apple.com began a countdown ("10 days. It's coming," "9 days. Can you feel it?").

Apple managed to keep the new design a complete secret. As a result, the rumors started to fly: There were stories of a detachable monitor with handwriting recognition, of new digital video devices, talk of a flying computer. Spymac.com even published video footage of an alleged (but nonexistent) hand-held device called the iWalk. It finally leaked out that the surprise would be an update of some kind to the iMac when employees at CompUSA deciphered a change in inventory code that indicated the end of the line for the original candy-colored desktop.

The final act happened on the first day of MacWorld's January 2002 Expo. Steve Jobs's keynote address was sold out, with lines you would expect at Madison Square Garden, and he took the stage like a rock star before the thronging crowd, entering to his personal theme music and in his trademark stage costume (black mock turtleneck and blue jeans).

These expo technology introductions are a melodrama whose elements are so worn as to have no chance at surprise. But that's the point: the fans know it's coming and get to ooh and ahh at the newest magical wonder. The previous year, Jobs had introduced the iPod with his trademark shtick of waiting till the end of his talk and then, as he started to walk off-stage, saying, "Oh, but there's one more thing..." He then launched into a whirlwind riff about the capabilities of his newest hardware device and surprised everyone by pulling the tiny iPod out of his back pocket.

This year, having built up so much expectation for the new iMac, the show was all about a sudden climax. Jobs went



FIGURE I-2 Apple's show business launch for the daring new iMac won the product front-page media coverage. Photo courtesy of Time Magazine.

straight for the big moment, striding on stage to give his speech before an enormous video screen that burst into images of the beautiful new iMac as it rose up from the floor in front of him on a pedestal (a touch from Broadway shows) to the wild applause of the audience. If you couldn't be there, there was always the

Web, where avid Mac fans were watching the whole show streaming to their computers worldwide.

Major news carriers like CNN had already been running stories in advance of the Expo about the mystery of Apple's newest arrival. By arranging a deal offering a prerelease test drive and an exclusive on the story, Apple got *Time* magazine to commit a cover story to the new flat-screen wonder, under the headline, "Flat-Out Cool!" The result of this carefully orchestrated show business product launch: a record-breaking 150,000 pre-orders in the first day.

THE BAG THAT LAUNCHED A THOUSAND CLICKS: BLUEFLY.COM

What would you do for a Birkin bag? That was the question that was asked of fashionable women entering Madison Square Garden for New York's annual Fashion Week, strolling the designer streets of Beverly Hills, or browsing the chic boutiques of Miami's most upscale fashion neighborhood.

If you don't know what the Birkin bag is, your answer probably wasn't what these shoppers said:

"I would streak naked down 5th Avenue!"

"I'd lay in bed with snakes."

"I'd walk around Beverly Hills with my facial mask."

"Just name the guy you want me to sleep with!"

Whoa! Who mentioned sleeping? This outpouring of offers of the ultimate sacrifice was elicited by a street show put on by Bluefly.com to launch its new brand and web site devoted to offering designer fashion at discount prices. The niche was new and promising, but to get their brand off the ground, Bluefly.com knew it needed to do something to get the attention of the right customers, and they certainly didn't have the budget to do it with advertising. So they decided to put on a show.

The company knew it had to offer something irresistible that would be a perfect match for the discerning customer who



FIGURE I-3 Bluefly.com took its show to the streets to ask customers how far they'd go for fashion. Photo courtesy of Renegade Marketing.

shopped regularly for designer brands. But what would these women covet above all else?

Enter the Birkin bag. Made by luxury design company Hermes, the Birkin bag normally sells for anywhere from \$5,000 to \$50,000 a bag. Even if you have the money, it takes connections to buy a Birkin bag. Without fame, you'll be lucky to make it on a six-month waiting list. The mystique of the fabulous bag had recently been the subject of an episode of HBO's hit show *Sex and the City*, as the ultimate fashion accessory.

The company somehow managed to acquire 12 of the bags, and then set up one in each of the three cities, inside a glass case with their web site on it and with a security guard on hand. Next to the exquisite display, a mock reporter stopped the passing fashionati, asked about their own passion for the bag, and recorded the conversations on videotape. After revealing the lengths to which they would go, each confessor was told the magic secret: by registering

online at the Bluefly.com web site, they could enter a chance to win one of the 12 bags for free—no snakes. The show touched a lot of people that week—20,000 “bull’s-eye influencers,” as they called these targeted customers (they knew they were reaching the right crowd when 9 out of 10 interviewees knew what the bag was). Those 20,000 told more friends in turn. And to really spread the word, Bluefly.com made a video of the most outrageous customer comments and sent it out as a press release that was widely picked up and reported for its humor and topicality. Fox TV in Los Angeles devoted two-and-a-half-minutes of its morning news show to talking about the bag, the show, the company, and to urging husbands to go online and register if they wanted to show their love for their wives.

The results of the show were a windfall of more than just publicity. Bluefly.com received 160,000 new online registrants at their web site. More importantly, within two months, over 6,000 of them had become first-time purchasers at the site. From previous customer registration patterns, Bluefly.com predicted the number of new purchasing customers from the show to reach 16,000 within 12 months. That’s show business that speaks straight to the bottom line.

SOMETHING OLD, SOMETHING NEW: THE NBC EXPERIENCE

When NBC decided to build a show business retail space in New York around their television brand, the company knew who their audience would be. There were already hundreds of thousands of tourists visiting Rockefeller Center each year for a tour of NBC’s studios, which gave them a nostalgic look at the past (NBC’s early days in radio, hand-made sound effects, and the transition to television) and a backstage peek at the studios of the present (*NBC Nightly News*, *Saturday Night Live*, and *Late Night with Conan O’Brien*).

After the tour piqued their curiosity, NBC wanted to create a store that would immerse the visitors in a total experience of

the brand and then leverage the audience's attachment to it into sales of high-priced merchandise. So they created what they call The NBC Experience Store.

NBC had already discovered through research that there was a tremendous resonance in their audience for the network's 50 years of vintage programming. They wanted the experience in the store to put visitors back in touch with those memories and evoke a powerful nostalgic appeal. But they also wanted an experience that used leading-edge technology to point toward the future and to give visitors a chance to step into the screen and become a part of the NBC show themselves.

The store they created does all this and more. It is a never-ending spectacle, with a stunning multilevel interior design of mirrored steel, hundreds of TV monitors everywhere you look showing highlights of current programs, and a linoleum floor printed with black and white archival photos of NBC shows from the past. There's even the NBC three-note signal as you step across the floor. The centerpiece of the space is a two-story globe covered with 100,000 LEDs that provide 360-degree graphics. Inside the globe is a 40-seat 3-screen High-Definition TV theater that tells the history of the network.

Surrounding the globe in all directions are walls of merchandise in sections arranged by programming schedules: early morning, daytime, primetime, and late night. Branded t-shirts, mugs, key chains, and other standard fare are mixed in with television scripts, DVD collections of classic episodes, sitcom board games, and insider books that range from news anchors' memoirs to the lusty reflections of soap opera stars.

Visitors can spend their money not just on kiss-and-tell and coffee cups, but to jump into the show and become a part of the NBC brand. At special kiosks, staff assist visitors with TelePrompTers and blue-screen technology that allow them to virtually sit on Conan O'Brien's desk, give the weather report with Al Roker, or chat about sports with Bob Costas—and buy a video of their moment of stardom to take home and share with others.



FIGURE I-4 Inside the multilevel NBC Experience Store. Photo courtesy of Jack Morton Worldwide.

The show business of the Experience Store doesn't just convert NBC's steady stream of visitors into enthusiastic purchasers. It also returns the favor by helping promote the backstage experience of the studio tour, and it builds customers' connection with the brand in a powerful and affecting way.



FIGURE I-5 NBC's spectacle of high-technology and nostalgic imagery. Photo courtesy of Jack Morton Worldwide.

A PREVIEW OF THIS BOOK

Now that we have provided a clear sense of what show business is, we can start to look in detail at how it is done and the value it offers.

In Part I of this book we look at different types of shows, from shows staged as live events, to creative show spaces, to shows that use new and reinvented media, to shows that rely on the oldest of marketing tools, word of mouth and referral. We provide appropriate applications and best practices for each type of show so that you will know which type to use for which business situation.

In Part II, we examine the strategic tools available to show business. We show you how to keep your show on-brand, how to understand and engage your customer through

show business, how to extend the impact of your show through PR and CRM, and how to measure a show's return on investment.

In Part III, we look at how to put on a show for your own employees and business partners. We examine best practices for internal shows, how they contribute value to a company, and the special issues that arise for this kind of show business. We will also look at how show business can be a part of leadership, and feature the leaders whose persona, myth, and ethos have shaped the experience of their companies.

In Part IV, we show how show business is not only transforming individual organizations, but entire industries and culture at large.

Along the way, we feature numerous examples of companies who have created experiences that entertain, engage, break boundaries, and deliver value, including:

- The Tie Me Up, Tie Me Down S&M and bondage party that launched a flurry of press for Casio's G-Shock watch and made it the darling of the influential fashion community
- SAP's E-Business Solutions Tour, a traveling, satellite-linked road show that shows off their enterprise software in a multimedia theater that can pull into their prospects' parking lots
- Vans's discovery of self-liquidating marketing, with an independent movie that put their brand in the hearts of their skateboarding customers while delivering a big profit at the box-office
- Crayola Works, the retail-store-art-studio-product-testing-lab-customer-playspace, which is helping move the Crayola brand from a product-only positioning to an experiential and solutions-focused brand
- The experiential dealer launch of the VW Phaeton, where Volkswagen introduced its European dealers not just to a new car, but to a new type of customer and the lifestyle which the Phaeton will be a part of
- Victoria's Secret's glamour show of supermodel fantasies, faux fashion shows, and boutique retail stores that

have captivated the imagination of their customers and transformed the apparel industry

- Oracle's Larry Ellison, the "James Bond of the IT world," a show business leader who talks the talk, walks the walk, sails the yacht and flies the fighter jet
- Vespa's buzz marketers, cruising the streets of California spreading the word about the return of this classic on wheels
- Intel's cyborgs on the streets, the interactive show that fired demand for its newest chip for laptops
- The Dallas Cowboys's plan to turn one of the world's three biggest sports brands into an interactive destination experience
- Jeep's, Saturn's, and BMW's participatory shows for customers, which give them a chance to experience and live their brands on the racetrack, on the off-roads, and in the factory

All this and more awaits us, so...

Let's get on with the show!