

# Arts & Business

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## Beyond experience: culture, consumer & brand

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Foreword by Mat Hunter

## Using art to render authenticity in business

James H. Gilmore & B. Joseph Pine II

## The transformation economy

Tina Mermiri

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# Foreword

The world of business is fast realising that creativity is too valuable to be left to the creatives. Whether the challenge is to craft new and improved products and services, or to imagine whole new business opportunities, the sometimes formulaic manner of management thinking is being questioned in these globally competitive, fast moving and often disruptive times. The most advanced business leaders are embracing creative methods to add to their strategic toolkit.

But Arts & Business' report recognises that it's not just the commercial creativity of designers that is valuable in business – it is the cultural insight and capital of the Arts that matters too. In a world now well supplied with high quality, well priced goods, how can we better meet consumers' needs? The Arts have much to offer.

Having spent the past 15 years designing cutting-edge products and services, and trying to teach the art and science of innovation to business students, I know how hard it is to connect theory with practice. This report masterfully unwraps the concept of 'authenticity' and shows how practices from the Arts can generate ideas for numerous business contexts. I defy anyone not to have new thoughts for their own venture.



But I would suggest that the most important concept regarding authenticity is this: that you really need to want it for your business, to see it as a vital, embedded part of what you do. It is not a quick trick to lure customers. As the report suggests, being really successful requires careful partnership not casual sponsorship, and as we begin to emerge from the recession, now is the time to be building the bonds between art and business.

**Mat Hunter**

Designer & Innovator; Former Partner, IDEO



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## Executive summary

In *Beyond experience: culture, consumer & brand*, Pine & Gilmore alongside Arts & Business aim to unlock the power of culture in the way businesses and brands will engage with their consumers in the future.

Looking at how culture can be placed at the heart of emerging commercial practice, the report explores the changing nature of increasingly media savvy consumers with a growing cultural appetite and commercial demand, and their subsequent desire for authentic experiences and meaningful transformations. The key themes of the report revolve around co-creation and interaction between business and arts partners and their clients and audiences in respect. Any business seeking to engage or reengage further with their current or future market cannot afford to ignore the potential of the arts and their role in doing so.

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The two essays featured in this report therefore explore how businesses can offer their consumers authenticity and meaning through their use of and engagement with the arts.

Pine & Gilmore, the influential authors of *The Experience Economy: work is theatre and every business a stage* (1999) and *Authenticity: what consumers really want* (2007) have written the first provocation paper, *Using art to render authenticity in business* (2009) encouraging businesses to engage with the arts in a more innovative and creative manner. They set out to do this by outlining and exemplifying the multi-faceted relationship between authenticity and the arts and the business opportunities that exist between the two.

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The essay highlights the shift of consumer behaviour from the Agrarian Economy to the Experience Economy, where businesses charge for the experience they can offer, focusing on authenticity as the new consumer sensibility and business imperative. It looks at how businesses can use the arts and culture for differentiation, giving them a resonating competitive edge.

In *Using art to render authenticity*, Pine & Gilmore present an expert intellectual treatment of an incredibly complex area, with serious, theoretical and speculative arguments, which we try to take forward in *The transformation economy*. Our arguments serve to complement Pine & Gilmore's original work, not replace it. We hope that just as they stimulated us, we can stimulate you to think about the following:

- The consumption of culture in any capacity is experiential, which itself can be authentic but can also be transforming (in most cases it is both)
  - Consumers are increasingly looking for meaningful experiences to transform their lives. Businesses can best offer these through the use of culture in creative and innovative ways
- The value, authenticity and meaning of art itself, is rendered through its interaction with its audience/consumer
  - Businesses must in respect find ways of working with the arts to create a similar dialogue with their customers: culture, consumer and brand thus feed into and from each other in a cyclical and creative way
- Businesses and brands need to work alongside their arts partners to achieve mutual benefits and meet their overlapping objectives. Brand alignment and mutual values of both partners will therefore ensure that neither is compromised



- A business will therefore be invited and encouraged to work with cultural organisations when the end-product is enhanced, not diluted as a consequence of the partnership
- In the transformation economy, cultural partnerships also give consumers opportunities to directly impact on – or transform – the product itself, thus becoming producing-consumers (or prosumers)
- In this light, the fully engaged prosumers become a product in themselves, as they are also seeking for an internal transformation, through the consumption of the economic offering.

Looking at the specific market in the UK and some of the partnerships that are already taking place between businesses and the arts, it seems therefore that we are already heading towards the transformation economy, which Pine & Gilmore identified will eventually replace the experience economy. In this light, we focus on the ever changing market and the consequent needs of consumers, seeking meaning and a transformational experience.

We argue this is particularly important in this and any economic climate, as the arts, which are becoming increasingly present in people's lives and are inherently considered meaningful, can help restore trust and maintain brand loyalty for a business by engaging their customers in more direct and innovative ways. We therefore seem to be moving away from the concept of 'sponsorship' and towards the notion of 'partnership'. This should be underlined by the close collaboration between both arts and business partners and characterised by their shared values, which will directly lead to the co-creation of an authentic and meaningful experience for consumers.



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Furthermore, we begin to look at the changing nature of consumers within the transformation economy, and how technology is challenging their hitherto passive role, inviting them to contribute to the production and development of an economic offering and simultaneously transforming themselves through the consumption of that product.

As with the experience economy, authenticity of a business, product or service, can in the transformation economy be generated through businesses' association and engagement with the arts helping them differentiate their offer and appeal to increasingly demanding and culture-literate audiences.

Using both essays as a springboard, we hope to explore in more depth how businesses can start offering more authentic experiences, through their involvement with culture and the arts. Most importantly, however, we want to take the discussion forward to look at the transformation economy and the arts' role within it to help businesses provide a more appealing and meaningful offer to their consumers.

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**Using art to render  
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in business**

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James H. Gilmore & B. Joseph Pine II  
Edited by Tina Mermiri

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# Introduction

The value of authenticity in art, be it a painting, a performance, a novel or a composition, exemplifies a dynamic that also characterises the reality in business as well. Authentic or inauthentic? That is exactly the dimension on which more and more consumers evaluate what companies offer them, as they increasingly see the world in these terms, and want to buy or consume a real good or service from someone genuine.

Why—and why now? Because of the shift to the Experience Economy. Goods and services are no longer enough; what consumers want today are experiences—memorable events that engage them in an inherently personal way. But in a world increasingly filled with deliberately and sensationally staged experiences, **consumers choose to buy or not buy based on how *real* they perceive an offering to be.**

Whenever experiences come to the fore, issues of authenticity follow closely behind. Think of Disneyland. No place before or since its opening in 1955 has provoked more debate on authenticity within modern culture, nor has any other business sparked more controversy on the effect of commercial activity on the reality of contemporary living than the Walt Disney Company.

Or think of coffee. Starbucks earns several dollars for every cup of coffee, far and away above the few cents the beans are worth, precisely because it has learned to stage a distinctive coffee-drinking experience centred on the ambience of each place and the theatre of making each cup – resolutely shaping how real consumers perceive it all to be. And now, as with Disney before it, Starbucks faces relentless scrutiny from

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both highbrow social critics (in books and articles) and everyday consumers (in visits and blogs) on how real or unreal they deem the company and its (third) places to be. For many, where it once seemed unique and so authentic, it now seems ubiquitous and inauthentic.

Art criticism today similarly flows not only from traditional sources but often from consumers and even from the artists themselves – focusing increasingly on issues of authenticity. Some of the art of British graffiti artist Banksy exemplifies this well: in clandestinely displaying his works alongside acknowledged masterpieces in the Louvre, the Tate Modern, and the Museum of Modern Art, his art (the performance art of sneaking his works past security and onto the walls) certainly calls into question just who it is that deems some art real and other art fake.

Whether examining the world of business or the world of art, authenticity is becoming *the new consumer sensibility*. While authenticity has long been the centre of attention in art, it is now time for companies to understand, manage, and excel at *rendering authenticity*.

Indeed, ‘rendering authenticity’ will one day roll as easily off the tongue among executives and managers as ‘controlling costs’ and ‘improving quality,’ for rendering is precisely the right term for what’s involved.

When consumers want what’s real, *the management of the customer perception of authenticity becomes the primary new source of competitive advantage – the new business imperative.*

And now that business people too necessarily concern themselves with issues of authenticity – just as artists, curators, appraisers, and owners have in art – we must look at the juxtaposition of the two.

- What is the relationship of art to business, and business to art?

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- What roles can art play *in* business?
  - How can business use art – or be used by art – to better render authenticity?
  - How can managers and executives apply the rendering of authenticity to the business of art?

To answer such questions, we hope to leverage thinking about *the art of business* and develop a greater appreciation of *the business of art*. For we suspect the desire for authenticity is particularly pronounced among consumers of art. To accomplish this task, we will do the following:

- 1 Share our perspective on the rise of authenticity as a consumer sensibility;
- 2 Outline a model for four distinct relationships between art and business, essentially defining four different roles of art in business;
- 3 Detail five different genres of perceived authenticity that can be appealed to in rendering authenticity; and finally,
- 4 Look at examples of these four relationships and five genres, as provocations for thinking more richly about the intersection of art and business.

We trust this serves as a starting point for continued discussion on the business of rendering authenticity, the role of art in this rendering, and the rendering of authenticity in the business of art.

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# The rise of authenticity as a consumer sensibility

An examination of the progression of economic value over the past two hundred years puts the contemporary desire for authenticity into perspective. Several centuries ago, at the height of the Agrarian Economy, when the trading of natural commodities was the major economic activity, the dominant consumer sensibility was simply *availability*. *Cost* did not emerge as the dominant consumer sensibility until the Industrial Economy, when the practice of mass production drove down the price of nearly every tangible commodity. In turn, with the rise of the Service Economy, as consumers increasingly purchased intangible services, *quality* emerged as the dominant consumer sensibility. Today, **at the dawn of the Experience Economy, in which consumers increasingly seek venues and events that engage them in an inherently personal and memorable way, authenticity has become the primary concern in their purchasing decisions.**

In industry after industry today, authenticity of experiences has overtaken quality as the prevailing purchasing criterion, just as quality previously overtook cost, and as cost once overtook availability.

These four successively dominant consumer sensibilities can be defined as:

1. Availability: Purchasing on the basis of accessing a *reliable supply*
2. Cost: Purchasing on the basis of obtaining an *affordable price*

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3. Quality: Purchasing on the basis of excelling in *product performance*
  4. Authenticity: Purchasing on the basis of conforming to *self-image*

No longer content with available, affordable, and excellent offerings, both consumers and business-to-business customers now purchase offerings based on how well they conform to their own self-image, namely their perceived state of being (including real, representational, and aspirational aspects). What they buy must reflect who they are and who they aspire to be in relation to how they perceive the world, with lightning-quick judgements of ‘real’ or ‘fake’ hanging in the balance.

Regina Bendix, (*In Search of Authenticity*, pg.17) puts it quite well: “*Authenticity... is generated... from the probing comparison between self and Other, as well as between external and internal states of being.*” Viewers and buyers value those Others (people, goods or services, be they artistic or forms of economic offerings) that conform in both depiction and perception to their self-image as authentic. Those that do not match to a sufficient enough degree to generate a ‘sympathetic vibration’ between the offering and the buyer will be viewed as inauthentic.

To succeed, managers across all industries must add to their expertise an understanding of what their customers (or patrons) consider real and fake about their offerings – or at least which elements influence such perceptions. As shown in Figure 1, each successive consumer sensibility comes paired with a specific business imperative: *supply* availability, *control* cost, *improve* quality, and *render* authenticity.

Figure 1: Successive imperatives and sensibilities

<b>Economic output</b>	<b>Commodities</b>	<b>Goods</b>	<b>Services</b>	<b>Experiences</b>
<b>Business imperative</b>	Supply	Control	Improve	Render
<b>Consumer Sensibility</b>	Availability	Cost	Quality	Authenticity

Source: Figure 1-1 from *Authenticity: What Consumers Really Want* (Boston: Harvard Business School Press, 2007)

This new business imperative applies not just to experience-stagers but to those selling any kind of economic offering – to those extracting commodities and those manufacturing goods, to those delivering services and even to those guiding transformations. Transformations, being the fifth and final economic offering in the progression of economic value, occur when companies use experiences – as in the phrase ‘life-transforming experiences’ – to guide customers to change.

Businesses are only at the early stages of figuring out how to render authenticity—think of it as the late 1910s for controlling costs after Henry Ford invented the system of Mass Production, or the 1970s after Taiichi Ohno put together the Toyota Production System based on the tenets of quality. In tandem, authenticity should now be in the process of becoming a new management discipline. But one thing we do know: no matter the business, art can be central to any company’s appeals to authenticity.

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## The roles of art in business

Before determining the different ways in which art can be used by (or in) businesses to render authenticity, it would be helpful to define our terms. Strictly speaking, business is the act of selling output as an offering by one party to another; any provision of a commodity, good, service, experience, or transformation to another for a fee constitutes a commercial act of business.

Art, on the other hand, is a bit more difficult to define. Of all the definitions in the *Oxford English Dictionary* (it goes on for two large pages in various degrees of small type), the most pertinent seems to be “the skilful production of the beautiful in visible forms” (a sense that came into being only in the late 1800s). However, due to the very subjective nature of this definition, for our purposes here, we’ll allow readers to call as art whatever they *want* to call art – for us, art is the act of framing any shaped object or performance to set it apart from everyday life. In addressing the business of art, we consider both highbrow and lowbrow, fine art and folk art, any art and all art, to be within the purview of analysis.

For most companies today (or so it seems), art remains *ancillary* – something subjugated to (if not completely lost within) the primary tasks of running the business. Perhaps someone is responsible for what goes on the walls or in the lobby, perhaps it is haphazard. For some, however, the way art is treated in business regards its *nature of being*, and may take different forms. It may be art in *actuality* – a physical object or a performance defined, staged, and presented as art – or art in *principle* – an abstraction removed from actuality but nonetheless present in theory or belief. As shown in Figure 2, these two dimensions then create the four roles of art in business.

Figure 2: The roles of art in business

Art in actuality	Art as object	Art as business
Art in principle	Art as cause	Art as organising principle
	Ancillary to business	Integral to business

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What we see in these two dimensions is what Stan Davis and David McIntosh call, in *The Art of Business: Make All Your Work a Work of Art*, the “duality” of two distinct flows, the economic and the artistic, which are always present in work, “to most of us, the economic flow is more familiar than the artistic flow. Yet, *emotions and imagination are as real as labour and capital, creating and connecting are as real as manufacture and sales, and beauty and meaning are as real as fast and cheap.*” (pg. 50) It is precisely this duality that yields the four roles by which art can help businesses render themselves real in the minds of their customers, their employees, and their shareholders.

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## Art as object

When a piece of art is placed on display in a business, or a performance of art is conducted in a business, the art becomes an *object* of that business. The art is not offered for sale, so remains ancillary, but simply adorns the enterprise or serves as a cue in promoting (via its effect on customers) or producing (via its effect on employees) the enterprise's commercial offerings.

This is almost certainly the largest, most frequent role art has in business today – just step into any hotel, any hospital, or the lobby of any establishment. Of course, as with all aspects of commerce, companies get more innovative all the time.

## Art as business

What for consumers is art as object, is art as business for the producer of the artwork, which is forged as an economic offering. Whenever a piece of art is sold, or an art performance requires an admission fee to experience, that art becomes a *business* offering.

Art has been business for about as long as humankind has existed. Travelling troubadours and touring troupes – including *commedia dell'arte* as well as its descendents in street theatre – employ art as business, even if some days make for better business than others. But again we see continued innovations. Steve Wynn was the first to place a for-fee art gallery in a casino, and also helped introduce the new art form that is Cirque du Soleil to the world. Founded in Montreal by Guy Laliberté, who grew this amazing mixture of circus, gymnastics, music, culture – and seemingly half a dozen other revolving art forms depending on the needs of the particular production – out of his busking

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and festival background in the early 1980s into a billion-dollar enterprise today.

## Art as cause

When a business supports the arts apart from its core offerings, either through financial contributions (direct giving, sponsorships, and the like) or non-financial support in various capacities (serving on boards, advocating for funding and the featuring of the arts in its surrounding community, and so forth), the business embraces art as a *cause*. Such embracing of the arts serves the cause of both the arts and the business.

This too, often flows from first treating art as object, and here too, we see ongoing innovation. Ad exec Charles Saatchi opened the Saatchi Gallery in London in 1985 to display his own sizable collection of contemporary art. A critical success, it launched the careers of many a young artist – but Saatchi thought bigger. In 2006 he created a website dedicated to the same cause – launching the careers of young artists – but this time, the online gallery was more or less un-curated. Artists could submit their own art, often displayed in “showdowns” where visitors rated how much they liked various pieces, with physical space in the Saatchi Gallery going to those who win the online competitions. Saatchi Online has become *the* social networking site for artists, dealers, galleries, and anyone who just loves contemporary art – not to mention one of the most visited sites anywhere on the Internet.

## Art as organising principle

When a company uses various art concepts, specific artistic techniques, or even a philosophy of art to enhance the performance of their business

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enterprise, art acts as an organising principle for that business. This use of art can be evident in select areas of a business – influencing the design of a particular offering, place, or process – or it may permeate an entire business enterprise as an overall business model. Witness the rise of businesses such as The Art of Wine, or even The Art of Shaving – not to mention the untold number of custom automobile and motorcycle body shops.

Or consider the Aria Hotel in Prague, which organises itself around music, so much a part of the heritage of the capital of the Czech Republic. Each floor represents a different type of music: classical, opera, jazz, and contemporary. Suites on each floor highlight a particular musical artist representing that type of music, including the Dvořák, Mozart, Gershwin and even Elvis Presley suites. The Aria came up with a number of innovations to extend the basic design, including room keys that come with iPods pre-loaded with music to play on a speaker system in every room (which also has the Art Channel – yet another business with art as its organising principle – on every TV). And in the public area, right next to the Coda restaurant and Music Salon, lies the Music CD/DVD Library with its own Music Concierge. The art of music infuses the entire place.

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Of course, any one business can employ any or all of the four roles as they see fit; they need not focus on just one. For instance, in order to make some extra money (art as business) Justin Gignac and Christine Santora of New York began painting together, and hit on the idea of ridding themselves of the ‘middleman’ so to speak – that is money, the medium of exchange. Instead, if they wanted something, say a plate of food, or something for their apartment, they painted *that thing* (art as object) and offered it (as business) in exchange for whatever they wanted. Examples included paintings of a watch (‘A Gold Nixon Watch,’ \$287.19), a vacuum cleaner (‘A Roomba,’ \$349.99), a mobile phone (‘An

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iPhone,' \$432.42), and even their monthly rent ('One Month's Rent,' a painting of a cheque made out to 'Landlord' in the amount of \$1056.17 – for, of course, \$1,056.17) in addition to numerous paintings of 'experiences' which paid for most of an extended trip to Las Vegas.

To facilitate their fledgling business, Gignac and Santora created the website [www.wantsforsale.com](http://www.wantsforsale.com). It is unabashedly art as object as business as organising principle. And successful enough to warrant the creation of a sister site, [www.needsforsale.com](http://www.needsforsale.com), to sell paintings where the proceeds go not to themselves but to charities they wish to support! This is a perfect example of art as cause.

So what Davis and McIntosh say in *The Art of Business* (p. x) concerning the artistic flows of a business – that that they can “*satisfy customers' desires for beauty, excitement, enjoyment, and meaning*” – applies to each one of these four roles of art *in* business. And to those four desires we would add one more: customers' desire for authenticity.

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## Five genres of perceived authenticity

In examining the way businesses meet this newfound desire, we have identified five *genres* of perceived authenticity. Each genre represents a lens through which different people tend to judge offerings as real or fake, by which they decide what is or is not authentic to them. For authenticity, like beauty, like art, is in the eye of the beholder – it is personally determined. **The sole determinant of the authenticity of any economic offering of business is the individual perceiving the offering.** What one experiences as completely authentic, another may view as completely inauthentic, and a third may be somewhere in between. What famed author and critic Rebecca West said of art, “*Any authentic work of art must start an argument between the artist and his audience*” (*The Court and the Castle*, p. 5) holds true for economic offerings as well. But given that it is the business that sells offerings to customers, in this argument the latter always win!

After detailing these five genres, we will see how each can be used as a platform to explore means of rendering authenticity through the arts.

### Natural authenticity

People tend to perceive as authentic that which exists in its natural state in or of the earth, remaining untouched by human hands; not artificial or synthetic. The essence of natural authenticity resides in the infusion of elements or properties of nature into an offering.

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Growers of organic foods appeal to this genre of authenticity in forsaking pesticides and fertilizers. As do numerous soap manufacturers, which make soap by hand in slabs using only natural ingredients (like goat's milk and kiwi seeds), using little packaging and exposing the soap so one can see and touch the bar. Think of your favourite or most frequented Starbucks – its earth tones, eclectic music, functional furniture, aromas and tastes – it all represents an appeal to natural authenticity.

## Original authenticity

People tend to perceive as authentic that which possesses originality in design, being the first of its kind; not a copy or imitation. The key to original authenticity lies in having an offering precede in time or depart in form from other offerings of its class.

Almost everything Apple designs – from the iPod to the Genius Bar in its Apple stores – seeks to appeal to this genre of authenticity. Even its slogan, ‘Think Different’, is originally ungrammatical. Likewise, Blue Man Group appeals to original authenticity, with three blue men doing things on stage no-one has ever done before. Original authenticity encompasses decades-old brands well identified with their categories, such as Cheerios and even Disney, generally recognised as the originator of the theme park industry (even though De Efteling in the Netherlands in fact preceded Disneyland by three years). Goods with a particular design aesthetic, services which employ unique processes as well as truly new-to-the-world offerings that flout accepted norms in an industry (think of anything from the Virgin mind of Richard Branson) appeal to original authenticity.

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## Exceptional authenticity

People tend to perceive as authentic that which is done exceptionally well, executed individually and extraordinarily by someone demonstrating human care; not unfeelingly or disingenuously performed. The distinguishing characteristic of exceptional authenticity comes in demonstrating concern for shaping an offering to the unique or unusual preferences to those to whom it is offered.

Any company that encourages its people to genuinely care about customers and respond to their individual needs appeals to exceptional authenticity. Businesses appealing to consumers through exceptional authenticity include Lexus' 'Relentless Pursuit of Perfection,' Harley-Davidson's special motorcycle lines for police officers and fire-fighters (not to mention the local rides and programmes it supports via its Harley Owners Group, or H.O.G. club), or any mass-customised offering such as personalised M&Ms.

## Referential authenticity

People tend to perceive as authentic that which refers to some other context, drawing inspiration from human history, and tapping into our shared memories and longings; not derivative or trivial. To appeal via referential authenticity, an offering must reverently refer to something already perceived as authentic. In a fully explored planet, saturated with artefacts of human history, this could be easy to achieve.

Iconic experiences such as downing a pint of beer in an English pub, sipping coffee with a Sacher torte in Vienna, participating in a formal Chinese tea ceremony, eating sushi in Japan, having a sauna in Finland, or taking in a baseball game in the United States all exhibit referential authenticity, drawing their inspiration from the long-practiced rituals of

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long-standing cultures. Successfully appealing to referential authenticity requires thematically creating (or recreating) a certain sense of familiarity with the past.

## **Influential authenticity**

People tend to perceive as authentic that which exerts influence on other entities, calling human beings to a higher goal and providing a foretaste of a better way; not inconsequential or without meaning. The crux of influential authenticity comes down to imparting meaning into an offering and calling people to a higher purpose.

The wave of interest in sustainability in building construction, for homes, offices, and factories, stems from this genre of authenticity, as do fair-trade practices and any of what we call ‘three-word offerings’: free-range chicken, dolphin-safe tuna, shade-grown coffee, pesticide-free fruit, whole-grain bread, low-carb diet, conflict-free diamonds, and the like. More significantly, the Eden Alternative movement in elder-centred communities appeals to influential authenticity in seeking to eliminate the loneliness, helplessness, and boredom so endemic in the nursing home industry. Companies also appeal to influential authenticity when they offer transformation services like GlaxoSmithKline’s Committed Quitters programme, which helps smokers break the habit.

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In any offering appealing to authenticity you encounter one or more of the five genres of authenticity. However, it is not always possible, perhaps not even desirable, to appeal to all five genres simultaneously; a clear and forthright focus on one particular genre often best confers competitive advantage. Do recognise however, that it will be difficult to execute any of these genres of authenticity at such a degree that they are

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perceived as the absolute, purest and most pristine versions of their kind. For most industries and businesses, therefore, an appeal to multiple genres of authenticity must often be made, combining the means of appealing to your particular customers and their desire for authenticity.

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## Embracing art to render authenticity

In our book *Authenticity: What Consumers Really Want* (2007), we recognise the use of art as a means to render authenticity in business, asking enterprises to ‘Embrace Art’ as one of five means of appealing to influential authenticity (the others being ‘Appeal to personal aspiration’, ‘Appeal to collective aspiration’, ‘Promote a cause’, and ‘Give meaning’—these are not necessarily mutually exclusive). We go on to pose the question, ‘How can you integrate art into your everyday business?’ Here, with *Arts & Business*, we look to answer our own question by examining the use of art as a means of rendering authenticity via *each* of the five genres of authenticity for each of the four roles of art. By looking at one role of art at a time, and by considering each genre of authenticity independently, we hope to inspire the business world and art community more richly explore the use of art in business, and vice versa, namely taking a business approach to art.

## Rendering authenticity with art as object

The placement of any art piece or performance in a business provides an opportunity to use that art to help render greater authenticity for the enterprise. But **the perception of authenticity does not flow automatically from the mere placement of the art**; certain pieces or performances can actually serve to detract from one’s business being viewed as real. What kind of art should be placed? By which artists? Where and when might particular works make sense to exhibit or install, from an authenticity-rendering perspective?

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Addressing these questions via the lens of **natural authenticity** aims to identify art pieces or performances that might render greater authenticity when placed in the business by contrasting some element of nature evident in the art with the artificial activity of the business itself. This juxtaposition of the natural with the artificial often results in a greater perception of authenticity for the business – and often of the art!

Keeping the art unfinished or raw holds the key to rendering natural authenticity with art as object. The New York retailer Bergdorf Goodman accomplished this a few years ago when instead of dressing their windows with traditional displays of clothing, they had twenty young artists spend ten hours in ‘The Collage Project’, using scissors, glue sticks, newspaper and magazine clippings, old flyers and the like, to create an exhibit of crudely handcrafted collages.

An appeal to **original authenticity** is inherent to the placement of almost any original piece or performance of art. For original art that comes off as real art does not automatically translate into also rendering the business real unless some association is made appropriately between the art and the business in the minds of customers.

Placing new art objects in the context of a company’s heritage (and not just the company’s space) is often central to rendering original authenticity. This often occurs in many corporate museums, from the World of Coke to the Harley-Davidson Museum. But placing art objects in frontline venues can also serve to render the core business more authentic. The art pieces placed inside each ESPN Zone – from Ronda Drayton Knox’s *Wrigley Field* (1999) placed in its Chicago venue (a miniaturised model of Wrigley Field created using 7,801 folded Wrigley gum wrappers), to Robert Silvers’ *Babe* (1999) in New York (a

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photomosaic of Babe Ruth made from Topps baseball cards of New York Yankees players) – achieves this most effectively.

The use of art to render **exceptional authenticity** represents a truly distinctive way to employ art as object in business. The art serves the purpose of fostering conversation with and among customers so that insights about unique customer interests, tastes and perspectives can be used to develop relationships with those individual customers or for designing new business practices for all customers.

The focus here must be on using the placement, production or performance of art to help make a personal connection, or to seal a relationship between individuals or organisations. Fittingly, the personal approach of brand agency Yamamoto Moss Mackenzie towards their clients exemplifies this use of art as object to render exceptional authenticity. Co-founder Miranda Moss expressed her gratitude with strategic partners, by giving them paintings she specifically and personally created to signify their business relationships, in addition to miniaturised prints (on miniaturised easels) which were given to client staff in lieu of business cards or other traditional handouts as a means of extending the demonstration of their commitment to one another.

Efforts to appeal to **referential authenticity** must use art as a means to honour some aspect of the business enterprise.

Large sculptures often provide the art form of choice for these referential efforts, from statues of former greats displayed at sports arenas to those pieces depicting (hunted) animals placed in front of the retail stores of Cabela's (a store for outdoor clothing and gear for hunting, camping and

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fishing). Companies should explore other media as well for creating such art. The LEGO Company, for example, created unique Lego sculptures, called Minilands, at its Legoland theme parks to honour various cities throughout the world. LEGO makes other place-honouring and person-honouring pieces for display at many of its customer's stores. For example, in New York City, it placed a sculpture of the Statue of Liberty at the Toys "R" Us flagship on Times Square, while the NBA Store displays sculptures of superstar basketball players on its premises on Fifth Avenue. Other artforms – paintings, film, and photography, among others – offer further opportunities to render referential authenticity in honouring business-appropriate subjects.

Finally, art as object can help make an appeal to **influential authenticity**. To this end the art pieces and performances placed in the business must be selected intentionally to draw attention to a particular issue that transcends the business. This issue might be a logical extension of the company, but in any case must clearly represent some purpose that exists outside the domain of the business' complete control.

Successfully rendering influential authenticity with art as object requires using the art for some greater purpose. Yamamoto Moss Mackenzie again provides a ready example of using art in this way. The firm created an art gallery in its offices to honour co-founder Miranda Moss, who exhibits her work while simultaneously inspiring employees and visiting clients to make their life's work their life's passion. Similarly, any object used to commemorate an award can be treated as an opportunity to inspire others to accomplish greater achievements, though unfortunately, more often than not, companies procure these awards from sources (trophy makers, glass engravers etc) that seldom furnish art objects that truly represent the physical embodiment of the

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values that the object is supposed to represent. To accomplish that, one often needs to invest in better art.

## Rendering authenticity with art as business

In terms of rendering authenticity, selling any art can raise an inherent problem with art as business, specifically with the perception of ‘selling out’. Yet many artists across myriad kinds of art successfully navigate these commercial waters – as both artists and business operators. So much so that the perception of **selling out really does not stem from the act of selling itself, but rather from how one goes about it, and whether or not it changes the nature of the art.** A number of behaviours can forestall or completely remove any notion of being inauthentic, from an artist sharing his or her motivation and inspiration behind the work to occasional complaining about the gallery or studio promoting the work. This above all: the art cannot be seen as being created solely, or even primarily, for the purpose of making a sale to adoring fans (even if such is the exclusive reason for production); the art must be for its own sake. But our concern here does not focus on just how artists pull this off (whether through genuine disinterest in popularity or through clever PR); instead we look at the context in which this tightrope is walked.

We examine art as business with a particular eye toward identifying new business opportunities, whether through the identification of whole new kinds of art or new channels of selling existing categories of art.

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Reflecting on **natural authenticity** naturally draws attention to the raw materials used to create particular artwork, yielding a set of questions focused primarily on exploring alternative sources and uses for various substances (for the creation of art pieces) or backstage access (for the staging of art performances).

In rendering natural authenticity with art as business, one need not look to sell finished works. Indeed, intermediate work-in-progress can become fine fodder for the artwork, often with special access provided to a limited few just to be able to buy the art. Disney's selling of storyboards and animation cells qualifies as an example of this, as would the sale of sketched panels of any syndicated cartoon strip artist, the negatives of any renowned photographer, or the clay mock-ups of a sculptor.

Exploring **original authenticity** essentially comes down to creating and selling new artistic creations. While wholly new forms of art do occasionally emerge, and more frequently someone develops new production techniques, most often the creation of a new kind of art entails original works created within the boundaries of known art forms. Still, effort should be made to deviate from familiar forms.

The key: Be original. Certainly the movies of Roger Zemeckis, such as *Who Framed Roger Rabbit* (1988) and *Forrest Gump* (1994), exemplify efforts to produce original works with original production techniques. Ditto almost all the output of Pixar. Conductor Jonathan Sheffer has experimented daringly with combining classical music and performance art as the artistic director of Eos Orchestra in New York and more recently with Red {an orchestra} in Cleveland, Ohio. Touring events like the Vans Warped Tour, which combines skateboarding with

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alternative/punk music performances, represent a new form of art as business. And Homaro Cantu turns food into works of art at his Chicago restaurant Moto through techniques he invented, such as creating edible ink for printing food via inkjet printers.

‘New Media’ may offer the greatest opportunity to render original authenticity with art as business. Examples abound in this space, from Blizzard Entertainment creating tools in its *World of Warcraft* game specifically for people to use them to produce ‘machinima’ movies to the annual software enhancements of EA Sports and other videogame developers.

Our examination of **exceptional authenticity** focuses more on the selling of the very process by which the art is created. Consider the human interaction between artist and viewer, or between an accomplished artist and an aspiring one.

Human interaction is fundamental for rendering exceptional authenticity with art as business. Certainly, such interactions are often sold as business offerings; consider the wide availability of art classes, acting studios, and film courses available in the marketplace today. In addition to workshops and events by various filmmakers and music artists, Apple Stores offer customised ‘One To One’ training classes at its 200+ locations; these sessions often focus not on the basics of computing but the finer points of digital film production and musical recording. The dramatic rise in film tourism, as evidenced by the number of visitors to New Zealand, Santa Barbara, and Alberta, because of *The Lord of the Rings*, *Sideways* and *Brokeback Mountain*, respectively, points to the fact that consumers hunger for more exceptionally authentic art-based offerings.

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Interestingly, examining how companies can leverage **referential authenticity** to render authenticity leads to the recognition of familiar methods of presenting art to the consuming public. In a sense, referential authenticity can be rendered by referentially honouring the existing means by which art has found acceptance with audiences: installations, compilations, retrospectives, commemorations and reproductions (or simulations).

Chanel's Mobile Art exhibit, housed in a 7,500 square-foot travelling museum designed by Zaha Hadid, wonderfully illustrates how to render referential authenticity in art as business. (Not only did Chanel pay Hadid for the creation of the purse-inspired pavilion, and commission twenty artists for the art shown in it, but it also paid Hong Kong, Tokyo, and New York rent for prime sites.) Hadid's inspiration for the pavilion was Chanel's iconic 2.55 handbag, with the theme extending from the exterior design of the structure itself to the flow of galleries inside. Referentially, being in the Chanel exhibit is like being inside the famous purse (much like being in an Apple Store is like being inside a Mac).

Appealing to **influential authenticity** leads to an examination of art as business on a most ambitious scale. It requires thinking anew about the institutions that exist to promote the arts today, envisioning alternative entities that might be established, as distinct businesses, to increase the appreciation, ownership, and creation of art. Granted, a number of institutions already exist to do this – museums, foundations, and the like – but many of these enterprises were established prior to the emergence of a full-fledged Experience Economy and therefore were generally established as non-profit entities. Today, there are opportunities to create new for-profit businesses that fulfil the same influential role of the more established non-profit institutions.

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Many art enterprises, like The West Collection and Saatchi Gallery, aspire to have a positive impact on the art world. It is no longer uncommon for them to charge a fee to see various works—and the commercial nature of charging admission does not necessarily mean they will be less influential. To exemplify this, increasingly non-profit organisations put on temporary paid for exhibitions, which are considered equally popular (if not more) as their free permanent counterparts. Furthermore, the smallest of charges can sometimes actually be used to help render influential authenticity. Consider the ‘Art Rental Programme’ at Oberlin College. For five dollars per semester, students can rent some 400 original pieces – including paintings by Dalí, Picasso, and Toulouse-Lautrec – from the Allen Memorial Art Museum to hang in their dorm rooms. The trust placed in the students by the school not only breeds a healthy respect for art, but certainly renders Oberlin a more authentic campus, especially for students wanting to be treated like responsible adults (and not crazed kids), whether or not they came to school loving art.

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Our look at rendering authenticity with *art as business* demonstrates the multifold opportunity to create more art-focused businesses and business-focused art. Those interested in promoting the arts should embrace new forms of businesses and not resist such initiatives because they seek to make a profit from the endeavour. In fact, establishing more and more art-based businesses might be the very best way to promote the cause of art!

## Rendering authenticity with art as cause

Businesses can render authenticity through their support of art as a cause. While many businesses today already support art through giving

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money and/or time, they may not be primarily motivated (or at all motivated) by a desire to be perceived, through their generosity, as being more authentic. In fact, supporting art without such consideration may be exactly the attitude of giving that contributes to rendering authenticity. (This parallels how an artist comes to be seen as more authentic by not caring about his commercial success.) In other words, **in order for a business to embrace art as a cause it must do so for the sake of the art and not solely for the sake of being viewed as supporting the arts.**

Therefore, in exploring art as cause we do not seek to point to various means of justifying the support of art for businesses just so they can be known as supporting art. Instead, we hope to encourage businesses to provide financial and managerial support when the art being supported aligns with a particular cause inherent to the interests of the business. We seek to help businesses identify which specific art they might support by more thoroughly examining the potential causes that can be found in the intersection of business and art.

Any identification of such *causes* immediately and understandably feels like an exploration of just influential authenticity (“*calling human beings to a higher goal*”). Indeed, no other role of art is so closely linked to a particular genre of authenticity. But by also considering the other four genres of authenticity we seek to uncover ‘lesser goals’ worthy of embracing other causes as well. In doing so, most of the ways to render authenticity through art as cause necessarily have a certain ring of influential authenticity about them.

Causes identified via an examination of **natural authenticity** tend to focus on the use of the earth’s resources, or flow from such a focus.

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As businesses increasingly embrace environmental concerns as causes, look for myriad forms of earthworks and other land art from the Environmental Art, Green Art and Sustainable Art movements to gain in popularity.

One particular type of human activity may offer an opportunity to render natural authenticity with art as cause: walking. Consider the large-scale success of walkathons, such as the Susan G. Komen Race for the Cure (1.5 million people participate in 120 races around the world each year) that already raise millions of dollars for charity. These events clearly support a cause, but are not yet viewed as artistic events. Few focus on environmental causes. Imagine if such (clothed) walking were treated like (nude) posing for Spencer Tunick – businesses and artists sharing concerns about nature are sure to create such new art in the future.

Advancing a cause appealing to **original authenticity** logically begins and ends with identifying and articulating a cause that heretofore had no support from any quarter. Particularly powerful would then be the identification and articulation of a cause that hitherto had no support because it has never before been articulated by human minds. Such original thinking is no easy task.

Given the ambitious goal of rendering original authenticity with art as cause, we only have this to say:

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For we cannot suggest any examples here for fear of leading you down an unoriginal path.

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Supporting causes in the arts that appeal to **exceptional authenticity** must focus on the notion of excellence. The art supported must be exceptional pieces or extraordinary performances, exemplars that particularly represent the finest work of its kind. In this regard, traditional business support for the arts has often focused in this arena, which makes perfect sense since excellence in one domain of life (the arts) points to the need for excellence in other domains of life (including business). Consider placing an even greater emphasis on this connection between exceptional art and exceptional business.

Many forms of art, that from any objective standpoint represent excellence, still suffer today. Consider classical music. Many orchestras struggle financially. Full concert recordings prove less popular in the age of the iPod shuffle. In rendering exceptional authenticity with art as cause, perhaps new media can be utilised to actually restore some vitality to art forms such as classical music, opera, and ballet. Consider popular platforms such as You Tube, with videos such as ‘Will It Blend?’ of the BlendTec food mixers which blend myriad items like marbles and Bic pens; these demonstrate how companies can build audiences for seemingly uninteresting offerings if only they treat the effort in an exceptional way. If it works for food mixers, surely it can work for art!

All art is by definition referential – it is inherent in the act of framing. But not enough support of the arts employs **referential authenticity** by drawing inspiration from others already supporting the arts, or by explicitly making another’s cause one’s own.

In suggesting ways in which referential authenticity might be rendered with art as cause, let’s point to two enterprises that do it well outside the

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arts: Kiva.org, a Web-based micro-lending site that allows individuals to make interest-free loans to third-world entrepreneurs, and ModestNeeds.org, which helps individuals give money directly to people in need of money to pay for specific needs. Once launched, the social networking that these sites engender help the loaning and giving to multiply rapidly, as the enterprises represent a portfolio of causes inside a larger cause. Imagine establishing a similar system for helping individuals fund specific pieces and performances of art.

An exploration of **influential authenticity** should not focus so much on art, or even on the support of art, but on the values that lead one to even want to get behind any particular cause. The more you examine your motivations behind your support of art, and then declaring these motivations, the less you will need to find art and artists to support and the more you will be sought out by artists with whom these motivations resonate.

The crux of the matter is this: businesses need to state their identity and identify their statements vis-à-vis art. In doing so, the business can come to a better understanding of just how it should embrace art. For example, HSBC's sponsorship of Indian Summer at the British Museum, "*a season dedicated to Indian culture featuring a unique programme of exhibitions, installations, performances, lectures and film screenings*"<sup>1</sup>, has been strategically framed by an Indian themed marketing campaign. The press, outdoor and digital campaigns have been designed to complement the exhibitions themselves, in the style of Rangoli, an authentic Indian art form using coloured powders on open floors.

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<sup>1</sup>HSBC, *HSBC and British Museum announce 'Indian Summer'*, 04 December 2008

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Through these exhibitions and their subsequent holistic marketing campaign (with the strapline ‘Understanding culture is our business’), HSBC exemplifies their local insight into specific cultures, as the ‘World’s Local Bank’, which will in tandem help their customers do better business with India.<sup>2</sup>

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Many businesses already take up the cause of supporting art in their local community and throughout the world. In looking to render authenticity with art as cause, it is possible that the causes may be more effectively supported as the contributions individuals make more highly align with each person’s own self-image. The overall cause becomes a personal cause.

## Rendering authenticity with art as organising principle

When art is sold, its sale becomes the basis for doing business. As such, the commercial side of the art is generally deemphasised in order to maintain an aura of authenticity. Coming off as overtly commercial is the last thing any art-as-business business wants. Conversely, **when a company embraces art as an organising principle for all or part of its operation, the business seeks to *become* art, or more likely to be seen as possessing or being infused by some significant artistic**

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<sup>2</sup> Brand Republic, *HSBC launches ‘Indian Summer’ campaign*, 28 May 2009

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element, in order to gain the inherent advantage of art in being perceived as authentic.

Businesses operating with art as an organising principle want to make its use evident to consumers, either through visible business practices that demonstrate the art at work, or by expressly acknowledging the role of art when talking about one's business and its offerings.

What follows is largely an effort to point to various art principles that might function as operating precepts for a business.

Art possesses certain underlying characteristics that can be embraced as operating principles to render **natural authenticity**. In doing so, the structure of the business enterprise is fashioned in a way that resembles the structure of art. Obviously, different art forms vary in their structural characteristics. In some cases, structural principles unique to a specific art form may be adapted to shape business practices. In other cases, certain principles may be shared across art forms.

For an illustration of how to render greater authenticity by addressing the structural need to create a new, more artistic, enhancement to an offering, consider the typical Santa Claus photo booth come Christmas time at a local mall. Most if not all such experiences are far from cheerful events. In light of this, the reinvention of Santa Claus is underway, masterminded by Doug Johnson of mall developer General Growth Partners. The experience replaces the long queue with a serpentine journey through multiple stations: a desk to write a letter to Santa, a Naughty-or-Nice scale on which to step, a larger-than-life mailbox direct to the North Pole that blows out snow when opened, and a few glimpses of Santa from in between village buildings. Hidden cameras capture the surprised faces of children at every turn, offering a collection of digital

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images for parents to purchase and then use to create cards, calendars etc. The framing of this offering against the backdrop of the mall and the careful scripting used to create dramatic suspense have produced a much more real Santa experience, yielding dramatically higher photo revenue for General Growth Partners and more traffic for all mall tenants.

Art objects and performances possess a degree of distinctiveness that helps set them apart from more mundane things and activities. In rendering **original authenticity** through art as organising principle, businesses should similarly seek to distinguish their offerings from everyday competition. The focus is placed on departing in form from conventional (and undifferentiated) practices.

American Girl demonstrates how to gain such distinctiveness as a business. The company was founded by a schoolteacher, Pleasant Rowland, who wanted to teach girls about American history. Each doll, therefore, represents a particular period of American History, with half a dozen books or so written about each character. Young ladies actually learn about different historical periods and events through their doll ownership and book readership. Further, the company (now owned by Mattel) offers a portfolio of place-making experiences at three different American Girl Places (Chicago, New York, Los Angeles); signature moments abound. For example, at the restaurant called (simply enough) Café, girls discover a hair scrunchie holding their napkin, which they can take home to use on their hair. At the end of either of two staged plays (*American Girls Revue* and *Circle of Friends*), the cast comes on stage and invites the audience to join them in singing ‘The American Girl Anthem’. All these and other elements work together to make a day shopping more like a visit to the arts and culture district of a city than a trip to a store or mall.

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The use of **exceptional authenticity** in embracing art as organising principle in business necessarily focuses on human performance. While our examination of the other genres of authenticity touch on various principles of theatre (along with other art forms), here we draw exclusively and explicitly from the art of stagecraft.

Many people hold a misconception of stagecraft and performance art in general and acting in particular: that it is phony. While sometimes true, it need not be. Sally Harrison-Pepper, a professor at the Miami University of Ohio and author of the preeminent book on street theatre, *Drawing a Circle in the Square*, performed a highly personal and electrifying account of how her mother's death had affected her and her family, as part of a concluding exercise for an event she attended. It took a moment for the participants of the event to compose themselves; they couldn't imagine what had caused such a response to a simple exercise. Only later did she explain that she wanted to exemplify that acting *can* be real. Sometimes, perhaps even most of the time in business, however, this is true. Play-acting, as opposed to real acting, is where work becomes merely theatrical rather than really theatre, overly dramatic rather than overtly drama. Avoid this fate by appealing to exceptional authenticity as you infuse your business with the art of theatre.

We turn next to theming – for all theming is by definition referential, and the practice holds the key to using art as an organising principle in rendering **referential authenticity**. We start by acknowledging that, as with theatre, people have misconceptions of theming in business today, largely because Walt Disney (and the company he founded) was so ahead of his time. Disney's understanding of the difference between a theme park and mere amusement park was masterful in the power of having a single unifying concept – a theme – drive everything. One is hard pressed today to find a single business offering, or art collection, or even single piece of art, for that matter, that is not themed. Yet many, with visions of 'theme restaurants' dancing in their heads, object to the

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whole notion of theming. The problem, however, resides not in the practice of theming, but in not doing it well. Rather than reject theming out of hand, the art and business communities should view it as a primary intersection of interest, and work together to learn to do it well.

The Geek Squad is not just any old computer retail and installation company; it's a '24-hour Computer Repair Task Force' created around the unspoken theme of 'comedy with a straight face'. With a wink to law enforcement as its motif, its Special Agents drive black-and-white Geekmobiles and wear white, short-sleeve shirts with black clip-on ties. Geek Squad Agents flash their badges on arrival to a job site to properly identify themselves. It all works because its theme rigorously, thoroughly and unapologetically influences everything being stated. Now numbering over 16,000 Agents around the world, it really is the largest street theatre troupe ever assembled! And people perceive it as authentic, because it is art in action.

Finally, rendering **influential authenticity** in business with art as an organising principle focuses not on the performance of employees, but on that of customers. Our attention turns to influencing how they act and how they become performers in their own right.

One business that puts its customers on stage, front and centre, is the collection of Viking Culinary Arts Centres created by the high-end appliance manufacturer. They realised it wasn't always enough to just place their appliances on the floor of stores and expect customers to buy them over other brands. So they created these cooking schools for current and potential customers to actually *experience* its products in a real-life setting (for which, of course, they charge admission). It does so by making them stars of the production; uncovering their cooking talents; enabling them to experiment with new recipes, appliances, and

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cooking techniques; helping them discover how to plan an entire meal that comes together as one; and creating interactions among all those present – and beyond, as they all tell others about how they became culinary artists, at least for one night.

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Because they are the stars – recall that authenticity is purchasing on the basis of self-image – of course they will view that offering as authentic, and influentially so. Such is the power of the five genres of authenticity for helping businesses render their offerings, and by extension the places in which they are offered and even their own businesses, as real in the minds of their customers.

And it is the power of art, as exemplified by our examples, which provides such compelling ways of doing so for almost any business.

**Whether viewing it as object, business, cause, or organising principle, businesses should embrace the possibilities of art for rendering authenticity.**

What University of Texas professor Michael Benedikt said of one form of art in his wonderful little tome, *For an Architecture of Reality* (p. 4)—that “[i]n our media-saturated times it falls to architecture to have the direct aesthetic experience of the real at the centre of its concerns” – applies to all forms of art, and should therefore apply to all forms of businesses.

James H. Gilmore and B. Joseph Pine are co-founders of Strategic Horizons LLP, a thinking studio dedicated to helping enterprises conceive and design new ways of adding value to their economic offerings. Their most recent book, *Authenticity: What Consumers Really Want* (Harvard Business School Press, 2007), served as the foundation for this article. They can be reached via [www.AuthenticityBook.com](http://www.AuthenticityBook.com).

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# Appendix

## Consider the following

... with art as object:

- Natural authenticity
  - What raw material used as a supply source for the business might remain in its natural state as the media of choice for selecting or commissioning art?
  - What manufacturing defects, discarded service devices, or experience venue artefacts might be appropriated as media for a certain artist? (The art need not necessarily be placed within the business itself, provided the source of the media was somehow identified via some design element in the art or by mention of it in written descriptions.)
  - Could some business's 'work in progress', normally not seen in its intermediate state by consumers, be adapted as art for the viewing public?
  - Could stripped down, naked, or bare versions of the company's offerings be displayed as art?
  - Could art be selected for presentation that makes a deliberate point about sustaining the natural world, especially if legitimately associated with other environmental stewardship efforts of an enterprise?

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- Original authenticity
    - What art might point to the origins or key milestones of the business?
    - What marketing material – ad copy, slogans, jingles, and so forth – from the past, that was not considered art in its time due to its commercial use, could become fodder for new art when appropriated in a non-commercial context today?
    - What design elements of a company’s offerings from any era could be appropriated within some new art form?
    - What two distinct business offerings could be mixed-and-mashed into a new single work of art?
    - What art could be put on display, that through the varied content and form of the art, would help communicate how a company’s own business practice departs from conventional norms?
  - Exceptional authenticity
    - How might the presence of some art foster more frank and direct interactions with customers?
    - What individual pieces or performances of art could be presented to individual customers on a one-to-one basis to help demonstrate responsiveness to their unique needs?
    - Where might art be used to slow down business processes, create a pause in daily operations, and allow for a more accessible and personal interaction between business workers and customers?
    - What company-owned art could be temporarily displayed on customer premises as a means of demonstrating trust and commitment to the business relationship?

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- What art could be shared with customers as a means of addressing uncomfortable or unresolved business issues, or uncovering unspoken customer needs that go unaddressed through the normal course of business?
  - Referential authenticity
    - Can some important business person – executive, manager, front-line worker, or customer – be honoured by or otherwise inspire the art?
    - Can some critical period of time or moment in the history of the business be honoured by or inspire the art?
    - Can some significant place for the business be honoured by or inspire the art?
    - Can some idea at the heart of the business enterprise be honoured by or inspire the art?
    - Can some combination of person-honouring, time-honouring, place-honouring, and idea-honouring art works *collectively* inspire further works or art that referentially honour the referential collection?
  - Influential authenticity
    - How might art be used to help fulfil the aspirations of some deserving customer, whether an individual consumer or a person working for a business-to-business customer?
    - How might art be used to fulfil the shared aspirations that exist collectively among customers?
    - What art piece might be commissioned as an award for some individual or collective achievement across your customers?
    - What greater social cause outside your business could you passionately promote via art?

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- What art might be placed inside your business to serve as an iconic inspiration for your employees?

## ... with art as business

- Natural authenticity
  - Could the art sold specialise in a specific natural material?
  - Could an artist be given access to some unfinished material not otherwise accessible in order to create unique art for sale?
  - Could sketches, storyboards and other rough draft materials used in the creation of certain artworks be sold?
  - Could a fee be charged for behind-the-scenes access to rehearsals and other stagecraft?
  - Could you define and commercialise 'green art'?
- Original authenticity
  - What existing art forms could be mixed-and-mashed to create a new genre or variation of commercial art?
  - What non-art could provide a canvas or platform for creating art capable of commanding a price?
  - What new kinds of commemorative pieces or performances could be offered for sale?
  - What new exhibits could be envisioned that command a fee for the combining and contrasting of art in original ways?
  - What production techniques, software or other tools used for the creation of a particular kind of art could be sold to other aspiring artists?

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- Exceptional authenticity
    - What preparation advice – observation/journaling techniques, reflection habits, or other philosophical insights – could be offered for sale?
    - What hands-on art instruction could be sold, especially that which provided more personal attention?
    - What festivals or other events could provide a for-fee forum for engendering peer-to-peer interaction?
    - What forms of art tourism could be promoted, especially that which provided special access to certain works or artists?
    - How could new forms of highly personal art, such as commissioned portraits, be expanded (from paintings and still photography) to other media (screenplays, documentaries, movies)?
  - Referential authenticity
    - What person, place, object, event, or idea could be honoured through the method of presentation and sale?
    - What theme could serve as an organising principle for such offerings?
    - What place is most fitting for staging these types of events?
    - The presence of which people as guests would bestow further honour?
    - What could be done to more realistically render the offering?
  - Influential authenticity
    - What new form of housing or community development could be offered to provide an alternative living scene for emerging artists?
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- What new kinds of marketplaces, physical or virtual, could be established as venues for artists to sell their works?
  - What new kinds of demand-creation activities could be formed to promote art expenditures by both individual consumers and business clientele?
  - How could (particularly valuable) pieces of art be timeshared – say with 49% sold as fractional ownership to a multiplicity of customers – as a means of both generating revenue (for the timeshare provider as well as for the arts) and fostering appreciation for the arts?
  - Could certain kinds of ambassadorships for the arts be established, with those individuals serving in these roles paying a fee for the privilege of the role (and the title)?

### ... with art as cause

- Natural authenticity
  - How might art that points to the conservation and responsible management of a particular natural resource (important to the business) be supported?
  - How could artists from locales that supply important natural resources be supported?
  - Might one particular artist (or school of art) be heralded as being in the forefront of an artistic style or medium that calls attention to a particular point of view about nature?
  - Should the business help some art to be placed or performed in a particular location known for its significance to some natural resource?

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- Should efforts be made to establish ongoing art institutions in some such naturally significant place or places?
  - Original authenticity
    - What attribute of nature (harnessed or unharnessed), including human nature (favourable or unfavourable), might underlie some worthy cause?
    - What design principle might be highlighted through the support of certain art?
    - What sphere of human interaction suggests the need to support some cause through art?
    - How might some art challenge people to reconsider how they spend their time?
    - How might some art challenge people to reconsider what they value in life?
  - Exceptional authenticity
    - How can greater concern for a particular piece or performance, artist or performer, be demonstrated?
    - How can greater concern for a particular artist or performer be demonstrated?
    - What art not yet renowned is deserving of assistance in gaining a wider audience?
    - How can people who appreciate a particular art piece or performance, or a particular artist or performer, be encouraged to proactively share their appreciation with others?
    - What advice or counsel, or any other kind of professional support, could be offered to deserving artists and performers in order to assist them in gaining greater recognition and acclaim?

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- Referential authenticity
    - What cause could be supported that encompasses other causes?
    - What existing supporter of the arts could be supported anew, by you?
    - What duplicated efforts in support of art would prove more successful if consolidated into a single initiative?
    - Conversely, what consolidated efforts (particularly those under one's own control) would benefit from being handled by multiple other individuals or enterprises (outside one's direct control)?
    - What support for art would induce further support for art?
  - Influential authenticity
    - What business are you really in? Does the essence of your enterprise suggest certain core obligations to support art of a particular kind?
    - What statements do you make in the marketplace about your company and its offerings? In what ways might you reinforce these messages through the art you support?
    - What effects do the origins and history of your company have on what art you choose to support?
    - What sense of purpose is evident in the business? How might these interests of the enterprise and its employees be advanced through the support of certain art?
    - What body of values do you wish to advance throughout the business and through the art you support?

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## ... with art as organising principle

- Natural authenticity
  - How can you establish boundaries that frame output in such a way as to draw attention to its significance (akin to the use of literal frames for art objects and the proscenium for art performances)?
  - When should you charge admission to access all or part of the business's offerings?
  - What dramatic structure could you define and design that provides a natural beginning, middle and end to a business performance?
  - Or more formally (and elaborately), what dramatic structure could explicitly be orchestrated to provide an exposition, inciting incident, rising action, crisis, climax, falling action and a dénouement over the course of the business performance?
  - How could customers be treated as members of the audience, as guests?
- Original authenticity
  - How can your business speak to the unique origins of your enterprise and the subsequent influences on your work?
  - How can you elevate the overall design of your offerings, or certain design elements, beyond traditional functionality to add aesthetic value?
  - What signature lines can workers say intentionally and compellingly?

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- What signature moments can you create by focusing not only on *what* work is performed but more importantly on *how* it is performed?
  - How can customers be afforded an opportunity to express appreciation (or other sentiments) for offerings and processes by providing avenues to submit reviews, providing occasions to buy memorabilia, or even occasions to applaud performances?
  - Exceptional authenticity
    - How could you explicitly separate on-stage from off-stage work in your business?
    - How can you direct workers to act their part?
    - What workshops could be introduced, studios established, or rehearsal time reserved to allow workers to prepare and practice their performances?
    - In what form could *dramatis personae* be presented to customers to acknowledge the entire ensemble of workers who made the product or staged the performance?
    - How could you foster a culture that compellingly performs genuine acting?
  - Referential authenticity
    - What can business learn from the arts about how language and terminology should be harmonised inside of the theme?
    - What can business learn from the arts about how designed environments and sets should be designed to fit with the theme?
    - What can business learn from the arts about the thematic importance of harmonised costuming and props in forming impressions with customers?

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- What can business learn from the arts about engaging the senses to support the theme?
  - What can business learn from the arts about creating intrigue about an object, or building suspense in a performance, by having a theme but not revealing it explicitly?
  - Influential authenticity
    - How could customers be treated as performers, as actors or stars in your production?
    - How can you help uncover the unique perspectives and latent talents of your customers?
    - What workshops could be introduced, studios established, or rehearsal time reserved to allow customers to experiment with different behaviours (using your offerings)?
    - How could customers create their own theme (again, using your offerings)?
    - Under your guidance, what influence could some of your customers have on other customers – and potential customers?

Beyond experience:  
culture, consumer &  
brand

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**The transformation  
economy**

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**Tina Mermiri**

Research Manager, Arts & Business

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# Introduction

Authenticity and the arts have for a long time been intricately connected. But why has authenticity not always been considered as an imperative for businesses and their products? And now that authenticity is indeed becoming something that consumers are looking for in the pursuit of their consumption, how can culture and the arts help businesses become more authentic?

The purpose of Pine & Gilmore's essay, *Using art to render authenticity in business*, was to kick-start a discussion around these key themes, to probe its readers to answer some of the questions the authors pose themselves, and to simultaneously make us pose some questions of our own in response. Arts & Business therefore has used this report as a springboard to further develop these ideas and start looking beyond authenticity and to what Pine & Gilmore themselves identify as the future consumer sensibility, namely transformation.

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*“As the consumer faces complexity of choice and markets become more fragmented and individualistic, so identity will still be derived from... lifestyle choices, specific brand affiliations and niche interests.”<sup>1</sup>* As a result, consumers seek for authenticity within the experience economy, but are also now searching for an even deeper relationship with the products and brands they consume and the companies that provide them; in the transformation economy businesses therefore need to connect to an audience by building a long-term customer relationship and engineering or reengineering a fully transformative process.

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<sup>1</sup>Visit Scotland Research (2006) *Tomorrow's World: consumer and tourist*

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The transformation or contribution economy, characterised by meaning and interaction respectively, will challenge the hitherto relatively passive role of the consumer. **Consumers will therefore choose a product or service not only according to how closely it matches their likes and interests (product preference), but also on the basis of how it will transform them, their lives or their ways of thinking (political, social and moral inclinations).**<sup>2</sup>

Simultaneously, as these participative consumers are invited to co-produce or shape the nature of the business offer (product or service), we will here touch on the new role and literacy of today's producing consumers (prosumers) that will dominate the market in the future.

Below-the-line communications, which encourage a facilitated interaction between consumer and brand, create immersive branded experiences that will respectively have deeper effects over a sustained period of time. The issues of authenticity and transformation are particularly relevant in light of the current economic climate where people and businesses alike are re-evaluating their priorities both in terms of consumption and production. Here too, we try to bridge the gap that exists between businesses and arts in their use of meaning and emotion to engage with their audiences.

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<sup>2</sup> The McKinsey Quarterly, *Rebuilding corporate reputations*, June 2009

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The use of the report is three-fold:

- 1 To understand and unpick the key theories that inform the thinking around the intersection between businesses and culture, outlining the relationship between arts, authenticity, meaning, value, co-production and competitive edge.
- 2 To build and advance Pine & Gilmore's analysis of the experience economy in order to show how cultural partnerships uniquely serve the prosumers model emerging in the new transformation economy
- 3 To encourage a debate and conversation around the value of arts within business, and to inspire business leaders to use art more creatively and innovatively within their company and through their products and services.

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# Target groups

As the boundaries between the business and arts worlds are becoming blurred, with businesses becoming increasingly creative in tandem to the arts becoming increasingly entrepreneurial, we must for the purpose of simplicity distinguish between the two target groups of the separate sectors. Businesses' target groups are their consumers, customers or clients, and cultural organisations' key stakeholders are their audiences or visitors. However, consumers and audiences overlap – in fact they are the same – which is the reason why businesses get involved with the arts in the first place; they want to interact with their clients in a different capacity, in a more direct and engaging way, evoking emotions and trust, not just reason and rationale.

Though consumers and audiences are in this report often referenced interchangeably, when talking about the former we are taking the business perspective, and when talking about the latter we do so through the eyes of the arts. In doing so, we aim for this report to be a stimulus for developing means to connect authentically and meaningfully to consumers in the transformation economy, particularly through the use of culture and the arts.

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Target groups can no longer be identified solely through the classifications of age, gender, ethnicity, social status, education and income. Audiences and consumers are becoming increasingly complex, and social demographics alone will not determine whether or not a person is interested in dance or visual arts, this product or another. Furthermore, according to chapter 5 of Arts & Business' report *Private Investment in Culture 2007/08*, audiences are in fact more likely to be attracted by the genre of artform, rather than the artform itself, thus

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exemplifying the complicated nature of taste and preference whether for culture or commerce. Namely someone who is interested in contemporary dance is most likely going to be more interested in contemporary theatre and visual art rather than classical dance or ballet; something about these preferences can be reflected and translated in the consumption of economic offerings.

Such choices are informed by a plethora of external factors, such as cultural interest and media literacy. **With the democratisation of culture, the arts are attracting not only an increasing number of audiences, but also an increasingly diverse population** (Holden, 2009). For this reason, businesses are often not only interested in reaching large numbers of consumers through high footfall destinations, but niche consumers through targeted content – either way, the arts can provide both.

There is therefore a parallel between business consumers and cultural organisations' audiences – both must be understood in order to be offered the best possible product or service, tailored to their needs, tastes and desires. Cultural organisations are already proficient at collecting and interpreting market intelligence in order to understand their audiences and their interests<sup>3</sup> so as to offer them an engaging experience. Furthermore, in many cases, it is cultural organisations themselves that shape what their audiences want, as many of them actively seek to be engaged in a more invigorating way. Moreover, cultural organisations are now tapping into new resources offered by

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<sup>3</sup> Arts Council England, *Arts Audiences: Insight*, 2008

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technology, which has introduced new production, distribution and consumption channels and new platforms with which they can reach and understand their audiences in an interactive and comprehensive way. (Cronshaw, Tullin, 2009)

The cultural sector is booming, with various research papers and articles exemplifying the increasing levels of cultural attendance and expenditure,<sup>4</sup> which in turn substantiates the public's increasing cultural appetite. What the commercial sector can therefore learn from culture is the way in which it appeals to individuals, helping them to understand themselves in relation to others, and others in relation to themselves (DCMS, 2005). Culture and the arts can also be deeply moving and transformational, often shaping individual and collective identity by appealing both to the aesthetic and the emotional. This is what businesses must now start doing; and the best way to achieve this is through the introduction and infusion of art in what the company does, whether directly linked to the product or service they are offering or not. Businesses should now connect with staff and consumers by **connecting to values** (NESTA et al., 2009) and providing authenticity and meaning through their association with culture and the arts.

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<sup>4</sup> The Sunday Times, *Sitting Pretty in the Recession: booming in the bust*, 5 July 2009; The Guardian, *Top draws: museums and galleries offer light amid the economic gloom*, 26 February 2009; Arts & Business, *Market Trends 2009: spring edition*; Arts & Business, *Market Trends 2009: summer/autumn edition*; Arts Fund, *Culture Crunch? Museum Survey*; The Guardian, *Museum stores booming as a cultural shoppers seek out 'gifts with soul'*, 18 August 2009; London Evening Standard, *Home is where the art is gallery visits soar in downturn*, 20 October 2009

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# The experience economy and authenticity

The primary meaning of authentic – what is the first of its kind, real and unique – is that which in the past has determined in part, if not in its entirety, the value of a work of art, a composition, a manuscript, a play and so on. According to Pine & Gilmore however, authenticity also appeals to the senses and perception (2009) and is closely related to values and meaning, all subjective by nature. In this light, culture and the arts have inherently and from various perspectives been considered authentic, with their emotional appeal to expression and creativity. Moreover, cultural products (art, plays etc) invite and challenge audiences to give their own interpretation of what they're experiencing and what it means for them. Consequently **the cultural product (whatever it is) will stimulate a different reaction for every person, and so will encourage an authentic dialogue between its consumer and producer.**

*“It is not the quality of the collection which is the main factor for potential visitors when deciding to visit a museum or gallery, it is much more the environment as a whole and the interaction with the collection that proves to be the key factor. It is very much about offering opportunities for engagement.” (Waltl, 2006)*

Therefore, due to the creative and interactive nature of the arts, individuals and businesses alike have for a long time been attracted to the cultural landscape, as producers, consumers and/or supporters.

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As Pine & Gilmore rightly pointed out (1999) business products and services or economic offerings are no longer being consumed on the basis of their availability, price and quality but are now also being evaluated based on the experience with which they will provide the consumer; we are consequently “*moving towards an era where designer products and logos count for less than exclusive services and memorable experiences.*”<sup>5</sup> Furthermore, Pine & Gilmore added that consumers will not just be satisfied by a staged experience, but require the experience itself to be (or feel) authentic by conforming to self image (2007).

In their original report for Arts & Business, Pine & Gilmore exemplify the value of a commercial business being associated with the arts and ultimately being seen as authentic (2009). Many companies already do this through their affiliation with the arts, whether through sponsorship, corporate social responsibility (CSR), staff engagement, corporate memberships and exhibitions (see appendix for a summary of how Pine & Gilmore propose this can be done). Customer experiences can therefore be enhanced with the infusion of a narrative through art, theatre and/or other cultural forms in order to evoke emotions and authenticity and to therefore stimulate and engage the consumer.

To this end, McCann Worldgroup, Hong Kong created the award-winning Paper Battlefield campaign for Nike’s Basketball League. Translating the dynamics that exist in the sport and the spirit of competition through art, the team were able to create a bespoke communication channel, culminating in 350 handmade posters. The players expressed themselves through their images in action, focusing on their personal strengths, which were then turned into printing

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<sup>5</sup> Halo: the Central Saint Martins magazine for business (issue 3) *Creativity is not enough*

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templates. *“The posters were designed to capture the energy of basketball competition as well as promote the games... The players themselves were then invited to a studio to create custom poster designs – silk screening the images on top of one another in various combinations... the posters became the battlefield,”*<sup>6</sup> and the random cross-printing became their battles, transforming the sport into art and the art into a sport. *“Places for the Nike Basketball League quickly filled up, and the posters became one of the most sought-after Nike collectibles among the players’ community. More importantly, being their own creation, the posters meant more than just posters to the players – the creative process became an exclusive and unique experience shared only by them in their community.”*<sup>7</sup>

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The coffee bean, a favourite of Pine & Gilmore, best exemplifies the development of an economic offering through the ever-changing economies. As the coffee bean is processed and manipulated, it evolves from being a mere commodity to becoming a good, a service and eventually an experience in its own right, adding value at every stage, where consumers pay for the sense of theatre involved in the coffee experience at the final of these stages.<sup>8</sup> When Pine & Gilmore move on to say this experience has to be authentic, they recognise that this can at times be self-defeating when by definition having a coffee in Starbucks for example, a staged experience in its own right (and mostly a pleasant one at that), millions more all over the world are having the exact same experience.<sup>9</sup> By nature, this is therefore not an authentic experience,

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<sup>6</sup> Creativity Online, *Nike’s Paper Battlefield wins Design Grand Prix*, 24 June 2009

<sup>7</sup> The Inspiration Room, *Nike Battlefield* in Hong Kong

<sup>8</sup> Network Marketing for a Transformation Economy

<sup>9</sup> Times Online, *How Starbucks Colonised the World*, February 17, 2008

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even with its references to natural, exceptional and referential authenticity (Gilmore, Pine, 2009). There is thus an analogy between a work of art and an economic offering.

As with a work of art, the authenticity and value of a product has an inverse correlation with mass production and commoditisation (Benjamin, 1935). Products and services must now be tailored to address individual customer needs and desires, in order to primarily be seen as authentic. Even McDonald's, which have become synonymous with commoditisation (see McDonaldisation) now tailor their products to appeal more to specific people and cultures with specific culinary traditions, addressing them through their country-specific menus. Furthermore, by sponsoring Fashion Week in New York, McDonald's are trying to change their image, hitherto characterised by fast-( cheap)-food, to promote their higher quality range of McCafé (back to the coffee bean again!) to a more 'sophisticated' and health-conscious audience.<sup>10</sup> Moreover, they are now inviting their consumers to take photos of themselves interacting with their digital billboard at Piccadilly Circus, thus shaping their experience in London with some element of creativity and play.<sup>11</sup>

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As people are beginning to re-assess their priorities, the latter part of 2008 and most of 2009 have been characterised by their search for meaning. And as corporate reputations are built on consumer perceptions and attitudes, this is similarly reflected in the way businesses are starting to re-address how they reach out to their

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<sup>10</sup> Cultural Branding, *McFashion Week*, March 2009

<sup>11</sup> Marketing, *Watch consumers interact with McDonald's digital billboard at Piccadilly Circus*, 30 April 2009

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customers, who are increasingly scrutinising their every move and motivation. Businesses are therefore trying to “*enhance their listening skills so that they are sufficiently aware of emerging issues; to reinvigorate their understanding of and relationship with, critical stakeholders.*” (The McKinsey Quarterly, June 2009).

The issue of authenticity is therefore particularly relevant in light of the current economic climate, because whether related to the arts or not, authenticity evokes sentiments of trust. Trust is often what prompts consumers to engage with a business and their economic offerings and trust is that which defines brand loyalty (Edelman, 2009). This ensures long-term relationships between provider and consumer, and conversely it is this need for trust which obliges businesses to keep their offers fresh and relevant for their customers. With the recent cynicism and disillusionment of the top-down and non-transparent nature of most bodies with a high concentration of power and wealth, including politicians and businesses (ibid), now more than ever before, trust must be restored. According to Stephen Green, the Chairman of HSBC and the British Banking Association, there are three components to this:

*“relationships, because the outcomes affect human beings and require human beings to deal with each other; confidence, which enables people to risk entering into relationships; and values, because they are essential to making those relationships constructive and sustainable”.*<sup>12</sup>

Furthermore, according to Edelman’s latest (interim) trust report, 89% of the informed public said they would trust companies that drive better innovation and 81% said that committing resources to the public good is another factor that can build trust in a company.<sup>13</sup> If the commercial

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<sup>12</sup> Communicate Magazine, *The credibility crunch*

<sup>13</sup> Edelman, *2009 Midyear Special Report*

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world is to understand and address consumers' needs and desires, businesses should therefore associate themselves with authenticity and the arts, which will respectively tap into and fulfil each of these components.

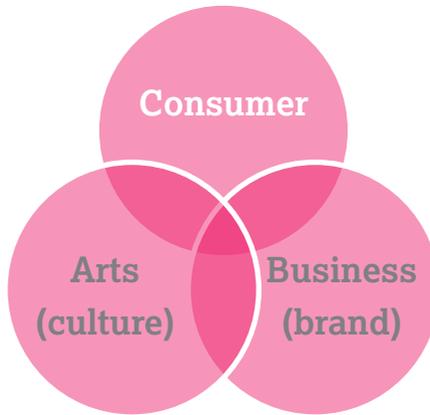
## Co-creation

Though Pine & Gilmore's concept of 'rendering' authenticity as the next business imperative may seem to be counter-intuitive and to a certain extent oxymoronic, it is not, especially when they suggest doing so through culture. The arts are in themselves authentic, because of the inherent value, meaning and emotion they stir in people, which should not change whether a business supports them in doing so or not.

Even so, businesses that simply try to 'art wash' themselves in order to restore trust, will not always succeed. We are therefore moving away from the concept of 'sponsorship' where businesses just tag or badge an event, towards the notion of 'partnership'. In this instance, a business or brand seeking to provide authentic experiences, and especially through the arts, should be fully integrated in the production process with its respective cultural partner. Once the fit and synergy between both partners has been established, where values and objectives align, they must work together in order to co-create an output that will reflect these mutual values and will be authentic in respect. It is therefore important to enter a partnership with a clear understanding and respect of what each partner wants to achieve through the collaboration from the outset, ensuring that it meets the business targets and delivers on objectives, but also that it will not undermine or compromise the artistic integrity of the project.

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## Consumer-centric co-creation



This also needs to be complemented by an integrated and immersive campaign to support the commercial impact of brand experience, building a platform that delivers long-term consumer interaction<sup>14</sup> over a sustained period of time. This will further exemplify the value of businesses and the arts working together and both partners' commitment to doing so.

Innovation here is also key: “*innovation finds itself ranged increasingly alongside competitiveness as a brand differentiator with a persuasive influence on the bottom line.*”<sup>15</sup> Furthermore, as we have already mentioned, the value, authenticity and meaning of art itself is rendered through the genuine interaction with its audience/consumer, “*any*

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<sup>14</sup> Marketing, *Experiential Essays.com*, 23 September 2009

<sup>15</sup> Halo: the Central Saint Martins magazine for business (issue 3) *Creativity is not enough*

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*authentic work of art must start an argument between the artist and his audience” (Gilmore, Pine, 2009).*

Businesses must in respect now find ways of working alongside the arts to create a similar dialogue and connection with their customers: culture, consumer and brand thus feed into and from each other in a cyclical and creative way.

# The transformation economy: meaning and interaction

Moving beyond the experience economy, for which authenticity is integral, Pine & Gilmore also identified the imminent shift towards the transformation economy, which revolves around meaning and which will in turn take over as the new consumer sensibility and business imperative. Creating a transformational experience based on meaning will therefore become the next point of focus for the marketing director and brand manager.

There is a strong parallel between exceptional and influential authenticity and the transformation economy, particularly when considering the ways of rendering authenticity, including ‘appeal to personal aspiration’, ‘promote a cause’ and ‘give meaning’ (see appendix for more details). Following on from Pine & Gilmore’s premises around authenticity, Arts & Business believes and advocates that just as the experience economy cannot exist (at least successfully) without authenticity, so the **transformation** or **contribution** economy will revolve around **meaning** and **interaction** in respect.

## Successive imperatives and sensibilities – the transformation economy

Economy	Commodity	Goods	Service	Experience	Transformation/ contribution
Business imperative	Supply	Control	Improve	Render	Provide/ encourage
Consumer Sensibility	Availability	Cost	Quality	Authenticity	Meaning/ interaction

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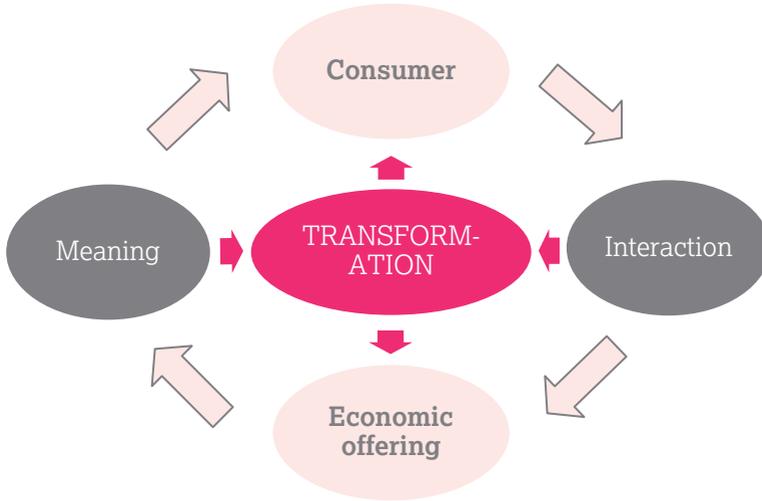
These challenge the role of consumers as passively purchasing or experiencing a product or service, and instead seek to proactively engage them in shaping what the company will offer them. As they are becoming increasingly commercially savvy and culturally literate, audiences are now critically shaping the nature and future of the economic offering they want to purchase.

**The transformation economy is twofold, cyclical and reciprocal:** first and foremost it has the ability to transform the individual who consumes the product or service; but more interestingly, it allows the consumer to become a producer, and effectively shape the product or service that he or she is being offered, which can then in turn again transform the individual. In the transformation economy goods and services are co-created or co-produced through the interaction of consumers and producers. The consumer is therefore in a way, both a producer and a (by)product, as the transformation takes place within the business offering, but moreover within the consumer-cum producer.

According to Pine & Gilmore, in the transformation economy, the consumer is therefore an *Aspirant* seeking some form of change, with the business or *Elicitor* providing the platform for this to take place through its economic offer. Here, emotional and creative human needs are met in the market place for the first time and together co-create the bilateral transformation of consumer and product. Meaning and interaction are of course the prerequisites for this, as consumers will not engage with the process if they don't anticipate it to have a meaningful impact on them or the product itself.

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## The reciprocal nature of the transformation economy



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Returning for a moment to the notion of authenticity of art, it is worth noting that when technology is used to make art more accessible (take the Prado museum and Google Earth for example<sup>16</sup>), the authenticity of an artwork is to a certain extent undermined and diluted. By making the content more accessible through another medium (effectively a simulation of the artwork itself), the direct relationship between audience and original artwork is compromised, rendering the experience itself less authentic as a result (Newland Pratt, 2009). However, this is still a meaningful and enlightening experience, so can still induce a transformation, especially when it offers more insight into the work (such as the detailed brushstrokes through the zooming facilities of Google Earth), that would not be possible without technology. Similarly an economic offering can be meaningful without being

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<sup>16</sup> Cultural Branding, *Arts for all (or at least those with internet access)*, January 2009

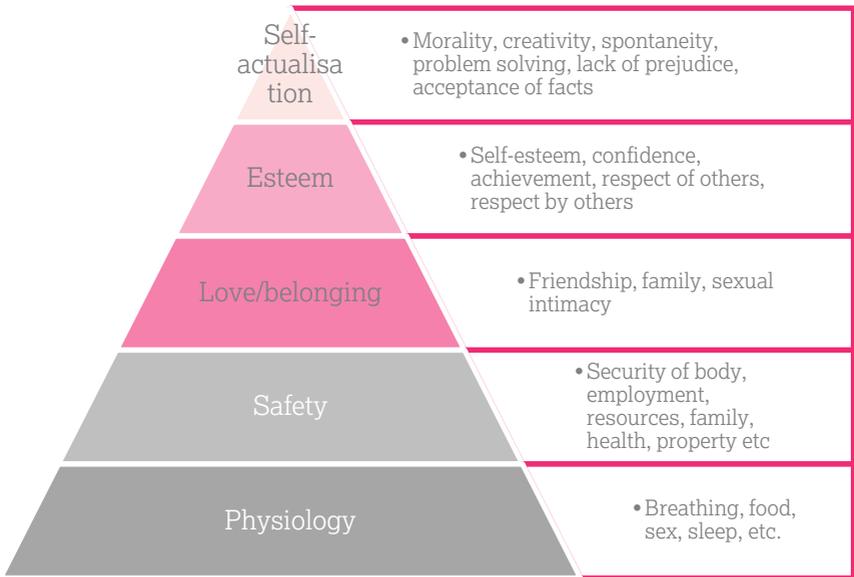
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authentic, as it can also be of high quality without being cheap (based on Pine & Gilmore's purchasing criteria).

## Meaning

Maslow's hierarchy of needs exemplifies people's quest for meaning and self-actualisation; these can both come about through creativity – a key constituent in the transformation economy. Businesses should now tap into these needs to provide an outlet for them to be materialised through their economic offerings.

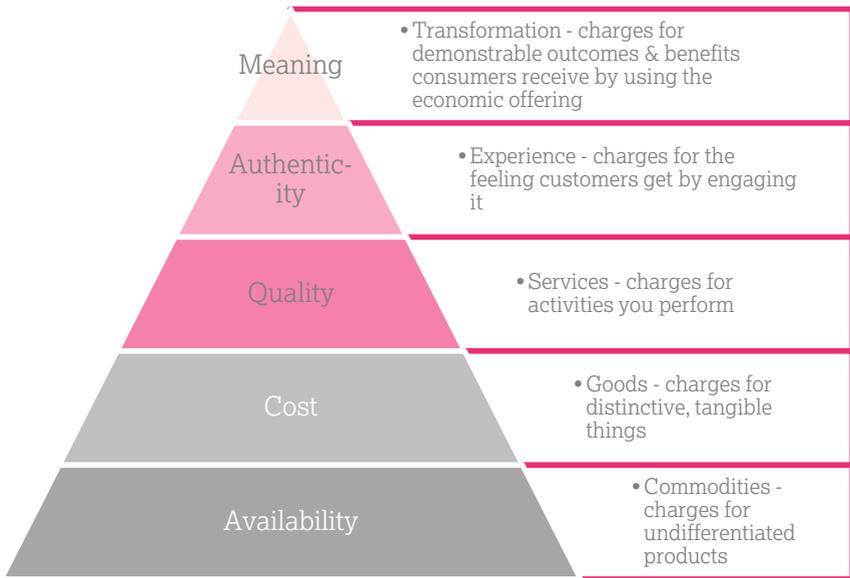
### Maslow's hierarchy of human needs



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As with Maslow's pyramid of needs, there is a hierarchy of business imperatives that consumers prioritise before purchasing a product or service. When the first (bottom) needs are fulfilled, the customer prioritises the indicator up the pyramid, looking for different factors to dominate their purchasing criteria. Stemming from this, the market economy has, as Pine & Gilmore suggest, shifted from offering the basic priorities, i.e. availability, cost and quality to satisfying the drive for personal growth, by offering an experience, and better yet a transformation.

### Hierarchy of business imperatives and consumer sensibilities



A transformation can therefore only take place for a consumer if the product or service they consume is meaningful and resonates with them.

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The transformation economy in this respect is directly linked with appealing to personal aspiration and people's final needs for self-actualisation and reaching one's own maximum potential (once the lower level needs have been satisfied). Individuals will now be looking to the arts (often through business offers) to help them with the self-transformation and development they aspire.

Currently however, Maslow's hierarchy of needs may not be applicable to everyone in the same order, particularly in light of the recession and considering that individuals are now being more particular about the needs they consider most important for them. Ensuring survival will probably still be the primary priority for most, but people might potentially jump straight to the final need for self-actualisation, as this may overtake safety, love and esteem, considering also that these are purportedly harder to secure in this climate, *"to pursue authenticity suits the recession mentality well as consumers strive to connect with what is solid and real in uncertain times."* (nVision, 2009). In this light, the fluidity of geographical location, job security and social status, means that people are increasingly defining themselves in terms of the only things that are real and remain (more-or-less) constant, namely moral values and consumption (cultural – including the arts, food & sport, and commercial – including goods & services).

Similarly, the hierarchy of consumer sensibilities and purchasing criteria may also vary according to different people, especially considering that some would prefer to pay more (even in this climate) if they feel it will be worth it (because of the experience or transformation that they will be offered in return): *"In a world that is seemingly ruled by globalisation, mass production and 'cheapest of the cheapest', a growing number of consumers are seeking out the local, and thereby the authentic [and] the*

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*storied*<sup>17</sup>, and hence prioritise the value of the economic offering over its price.<sup>18</sup>

This is also exemplified by the ongoing popularity of fair trade, organic food, local sourcing and sustainable living, which has for many become a lifestyle choice, rather than a temporary consumption habit or fad.<sup>19</sup> In the recession, though disposable income decreases, moral values conversely become stronger. The transformation economy reflects this need for morality and problem solving (Maslow's final need) to create a meaningful internal change for the consumer and in this case also a change for a third party.

## Degree and nature of transformation

The degree of transformation for the consumer can vary, according to its depth, duration and intensity. The transformation therefore exists within a spectrum, where the impact can be high or low, transient or long-lasting, thought-provoking or life-altering. At the one extreme the meaning of a cultural object can move people in their entirety, inducing them to undergo a complete transformation in the way they lead their lives and think about and experience the world. On the other end of the spectrum exists a transient transformation, which primarily generates some emotional stir, but which does not last long and/or does not result in changing an aspect of one's thinking or way of life.

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<sup>17</sup> Trendwatching, *(Still) Made here*, June 2009

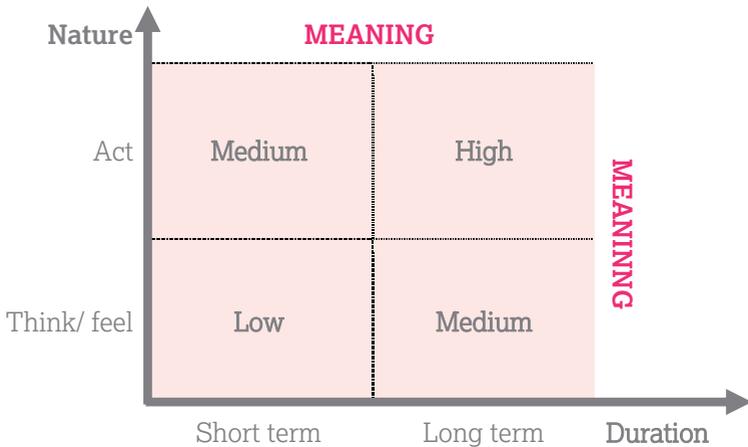
<sup>18</sup> Forbes, *Tatiana Serafin on Arts and Culture*, 18 December 2008

<sup>19</sup> Business Wire, *Ethical Corporation Institute reveals that consumers are still putting ethics first*, 01 June 2009

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The simple matrix that follows exemplifies the relationship between the nature and duration of the transformation's impact, in order to assess the overall degree of success of the economic offering.

Impact of transformation



Here, the varying impacts of the transformation are all underlined by meaning. However, a low impact transformation is very much like an authentic experience. However, in the transformation economy businesses should strive to deliver a high impact transformation.

The scale (nature and duration) of the potential impact of cultural consumption, particularly when supported through business, is encapsulated in the following example: The Cooperative's sponsorship of 'The Burma Play – A comedy of Terror'.

The purpose of the play itself is to raise awareness of the political situation in Burma, but its impact is bound to vary for different people.

Potential impact of ‘The Burma Play – A Comedy of Terror’

<b>Impact of transformation</b>	<b>Description of impact on the consumer</b>
<b>Low</b> (think/short-term)	Simple entertainment/ authentic experience
<b>Medium</b> (feel/long-term)	Thinking about the play (and its sponsor?) – questioning some of their ideologies etc over a long period of time
<b>Medium</b> (act/short-term)	Inspiring the audience to read/learn more about Burma and the current political situation, or perhaps even visit the country (one-offs)
<b>High</b> (act/long-term)	Actively advocate and raise awareness around the issue; lobby for support of democratic freedom and human rights in Burma; boycott Burmese products; take up a related job

The emotional and the intangible (think and act) are becoming increasingly important factors for consumers, and businesses must respectively tap into those areas in order to offer their audiences the transformation they require. In this light, if the perception of any economic offering is subjective and in the eye of the beholder, as Pine & Gilmore suggest (2009) there is further reason for marketing managers, directors and CEO’s to start considering in more depth who they are catering to, and what and how they can deliver to them as a meaningful transformation.

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## Interaction

The epitome of the transformation economy is in the way it encourages consumers to transform themselves into producers. They are invited to co-create the product they are likely to consume, which inevitably calls for an internal change of the consumer's state of mind, and moreover directly leads to an action taken in response to this (Edvardsson et al, 2005). Savvy consumers therefore become producers (or producing consumers or prosumers as Toffler had predicted<sup>20</sup>), and expect to actively shape the nature, form and content of what they want to consume, rather than merely experiencing it in a one-dimensional and top-down manner.

The ongoing evolution of technology and the respective democratisation of the media, has led to new platforms for consumers to be given a voice, interacting with other people, products and their providers, and becoming consumers and producers interchangeably. With these new platforms comes the explosion of user generated content (UGC), which invites users (and future consumers) to generate their own content, which in turn can be 'shared' by a diverse and growing number of other 'consumers'; these channels, including social networking sites, blogs, and product-specific sites, provide an open platform for communication and interaction between and amongst consumers and producers. Consumers' desire for participative transformation is grounded on:

*"the freedom to think what we like, to form and express ideas independently; the freedom to shape our identities, to be who we want to be; the freedom as consumers to choose and buy what we want; the freedom to express ourselves through creating things that matter to us."*  
Charles Leadbeater (pg. 21, 2009)

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<sup>20</sup> Alvin Toffler: The Thought Leader, Interview

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Consumer insight has for a long time been the focus of marketing directors and brand managers. Innovative marketers and product developers are already tapping into the relatively new resource of UGC, which can give them direct access and insight into their audiences, their preferences, their attitudes and their behaviours – no one knows what consumers want better than themselves.<sup>21</sup> User generated content, which in a similar way to art is inherently personal and subjective, (Newland Pratt, 2009), is one step ahead of market research, as it breaks the barrier between consumer and business, ridding the mediator and therefore promoting a direct dialogue between the two. This in turn encourages an intimate, emotional and mutually beneficial relationship.

As consumers are therefore becoming increasingly demanding and creative, so must businesses and their offerings reflect this. The measure of success for businesses will thus increasingly revolve around how and to what extent consumers are engaging and affiliated with the products and services they are being offered.

Encouraging a two-way relationship with their customers will ensure they continue to be loyal to their brand and offering, as they have contributed towards its development. Here again, authenticity and meaning are key, and so are the arts.

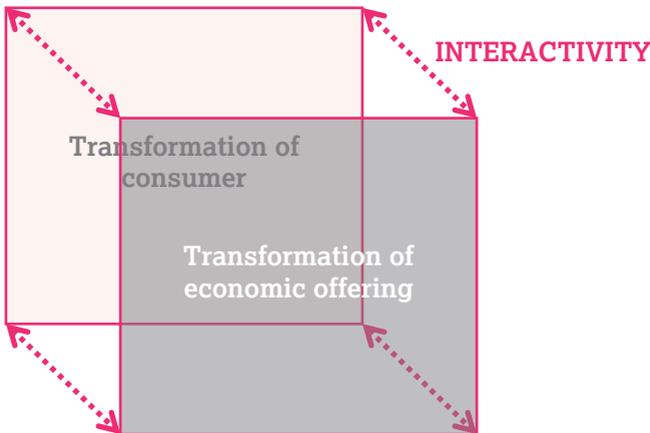
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<sup>21</sup> Marketing, *Marketing Special Report: Design – Everyone's a designer*, 28 October 2008

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Though some tension may exist when considering that businesses must strategically use the arts in order to create the (false?) ‘perception’ that they are authentic (as this seems to almost defeat the intrinsic value of authenticity), it seems easier to reconcile with the notion of transformation and meaning. Transformative transactions are co-creative, because on the one hand the company offers the experience to the consumer who must on the other hand also contribute by allowing/embracing this experience to transform them internally. In this sense transformations cannot be made, delivered or staged – they can only be guided.<sup>22</sup>

### The 3rd dimension of the transformation economy



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<sup>22</sup> Agents of Change @ Work

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It is worth noting that co-creation is not specific to the transformation economy, but the interaction between consumer and producer (and the consequent transformation of consumer and product) is indeed one of its prerequisites, along with meaning.

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As most business models are still very much operating within the realm of the experience economy, the arts are leading the market towards the transformation economy. Businesses and economic offerings that work with the arts therefore seem to be most closely aligned with the transformation economy. Early adopter businesses which therefore strive to guide their customers through a meaningful transformation should think of the arts as the perfect platform to start from.

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## Case study: Ford – this is now

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**“You are invited to help co-create an unparalleled collection of images that capture the essence of ‘now’.”<sup>23</sup>**

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This full-blown campaign, led by Ogilvy, has integrated Ford Fiesta’s TV commercial (itself directed by the famous stop-motion animator, Noah Harris) with the blog ‘This is Now’, which invites users to capture and share images that define ‘now’ for them. Thus going beyond marketing for passive consumers, this campaign has become an active call for prosumers’ positive contribution towards the brand and its reputation, and also to a wider thinking about the present and the future and what that means for different people. Hoping to create an inspiring and innovative project, Violette Vérité and Kai Chan Vong curated the blog (note how the blog itself is being assimilated with a gallery), where users collaborate to define their interpretation of the present through UGC of music, film and photography.

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By first populating the blog by work from promising art students and then opening it up to the public, the project has also succeeded in promoting art in the wider sense, by helping launch artists’ careers, through their involvement with this innovative European-wide project.

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<sup>23</sup> This is now – a unique European collaborative art project

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# The transformation economy and the arts

As with authenticity in the experience economy, a product or service can in the transformation economy be meaningful through businesses' association and engagement with the arts. This will provide the competitive advantage that will distinguish one offering from another; the better one will be differentiated through its association with culture and the arts, and will therefore appeal to increasingly demanding and culture-literate consumers.

**The consumption of culture in any capacity is experiential**, (even through a tangible object like for example a painting or a book); namely the consumption itself is an experience (Leadbeater, 2009). As we have already identified, this experience can be authentic, but it can also be transformative (in most cases it is both).

Staff at the British Museum are already measuring the impact of their exhibitions on their visitors, through a simple three-pronged model which follows the processes and (inter)actions between visitor and object.

## Interaction between visitor and object



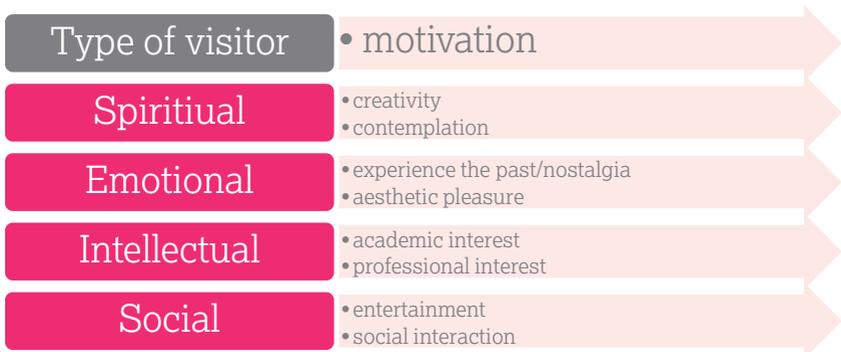
Source: Xerxes Mazda, Head of Learning and Audiences, British Museum, Museums & Heritage Show, 13 May 2009

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This model is scalable and could look at the effects of one artwork, the whole exhibition, or the entire museum or gallery (which can also translate to one scene or an entire performance). The impact itself is also scalable in terms of its nature, duration and depth; as we have already determined, it could be ephemeral or long term, and could be superficial or deeply rooted – thus determining the degree of the transformation.

Furthermore, working with Morris Hargreaves McIntyre, the British Museum also uses a classification for audience segmentation by looking at the different motivations of museum attendees, basing these key drivers on Maslow’s pyramid of human needs (Waltl, 2006). This in itself not only substantiates the notion that the arts can indeed be transformative, but better yet it exemplifies how and why that is.

#### Visitor segmentation through motivation for attendance



*“Museums, leisure environments, public spaces – they all need to convey a message, to tell a story, to engage with audiences in new more direct ways.”* (Halo, issue 3) The arts can therefore offer and induce authentic experiences, inspiration, empathy and escapism; they can be didactic, challenging, political, emotional, motivating and lots more! (ICOM, 2006). Furthermore, the arts can also be transporting, thought-

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provoking and enlightening. Therefore a business which embraces the potential of the arts will almost always offer in one form or other a transformative experience.

Combining audience segmentation (through motivation of visit), with the impact of the visit itself as above, therefore provides great insight into the way people's cultural habits can be translated into the consumption of economic offerings.

However, it is worth noting that **businesses will be invited and encouraged to invest in cultural organisations or products, when the product they are investing in or infusing with cultural qualities is not diluted.**

Furthermore, that which people value most in art, is its intrinsic value and its ability to stand alone, whether with or without a purpose (art for art's sake vs. instrumentalist art). However, if it is manipulated with the sole purpose of selling, then it ceases being art and it becomes advertising, or more generally marketing. This can be counter-productive, as it may alienate consumers and audiences alike, who are becoming increasingly perceptive and are able to instinctively distinguish between authentic and inauthentic (Gilmore, Pine, 2009).

Therefore above all, whenever a business gets involved with the arts, either by supporting a specific exhibition, or by infusing art within their offer, artistic integrity and creative freedom must be maintained at all times. This will ensure the authenticity of the product or service is maintained, and in tandem will encourage consumers to engage in the experience and be 'transformed'. From a marketing perspective, it is of course expected and required for the art to have a PR value attached to

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it, and the two can exist together, as long as the idea has been engendered through an artistic platform and the PR drive does not replace the artistic motivation. The process should therefore be a harmonious one, where both sides feel that they share common goals and mutual values, hence the reference to a partnership.

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Another aspect of transformation guided through business' association with the arts regards art as organising principle (Gilmore, Pine, 2009), which also refers to businesses using arts principles such as theatre workshops to organise the business structure and develop staff. This leads to a transformation both for the staff involved in the experience and the business that employs them (see Schiuma, 2009). Participants of arts based workshops are not only partaking in an event which they are merely experiencing from a distance, but are heavily involved and directly active in the workshop. Consequently, they are transformed, as they gain additional skills through these workshops, which is what these are intended for in the first place. In a similar vein, Japan's transport ministry officials are being trained by stand-up comedians, to improve their communications skills and "soften the stiff image of bureaucrats".<sup>24</sup> Using art as organising principle in this way will therefore simultaneously transform the staff receiving the training, and the image of the transport ministry.

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<sup>24</sup> London Evening Standard, *World in brief: Heard the one about the late trains?* 3 June 2009

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## Grass roots

Audience empowerment and emancipation from the media has given rise to the growing need to address, attract and accommodate increasingly demanding and mobile audiences. Marketing leaders are pushed to find creative and innovative ways to capture the imagination of their target groups and maintain their loyalty. In the wake of the transformation economy, we are consequently witnessing an increasing popularity of guerrilla marketing and an escalating business interest to work with grass-roots arts organisations and artists. These can trace and track hard-to-reach consumers with their inviting, innovative and challenging messages. This trend is quite clearly exemplified by the growing popularity of graffiti art and its subsequent support from businesses.

In the past and for a long time graffiti was hardly considered an artform in itself; now, because of its unconventional, anti-establishment, non-conformist and non-commercial nature, it is not only considered authentic, but also revered by many as a legitimate form of artistic expression. In the last couple of years, products such as edding pens, J&B, Axe deodorant and Nissan QASHQAI and companies including Nike, Coca Cola, Vauxhall, Sony, and Selfridges have associated themselves with graffiti, street or urban art. In tandem organisations such as the Tate, the Royal Albert Hall and the Grand Palais in Paris have recognised the value and potential of graffiti art, and have supported it in their own ways, simultaneously contributing to the transformation of the art establishment as we know it. This has begun to filter down to the public consciousness and is changing people's perceptions and preconceptions of graffiti; this is in respect consequently reshaping the art landscape and the field of sponsorship and marketing at the same time.

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Companies that embrace organic processes and sincerely align themselves with artforms linked to grass-roots values will cultivate reputations of being street-wise, tuned in, hip, contemporary, relevant and above all authentic and meaningful.

Moreover, this kind of art involves the crucial element of play and interaction between producer and consumer, as it simultaneously converts spaces into places and calls into question notions of public and private, whilst simultaneously considerably extending the reach of art to a wider and more diverse audience. Furthermore, by supporting urban art, businesses are in a way endorsing the DIY ethos that characterises this lifestyle and here again, there is a movement towards a transformation, encouraging people (consumers) to think outside the box and be creative.

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## Case study: urban art – the new corporate fad?

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**In these particularly challenging times, those who will survive are those who will faster and better be able to adapt to change.**

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Selfridges' image traditionally champions shopping for fun rather than necessity, with slogans including 'the more the merrier', 'I shop therefore I am', 'the gift of self indulgence' and 'buy me I'll change your life'. Considering that people are now more sceptical and cynical of consumerism per se, Selfridges are speedily counter-balancing their emphasis on hedonism to appear more grounded and in touch with their customers and their changing needs and interests. Amongst other things, they staged two urban art exhibitions in 2007 and 2008 and hence used references to authentic artforms, grass-roots artists and anti-establishment work, which made them appear as more accessible and ground-breaking at the same time. By putting on such exhibitions, they are in a position to legitimately continue building on their extravagant reputation, but with a humourous and tongue in cheek approach, celebrating their centenary in a recession with the following slogans: 'I didn't find it, it found me', 'it's such a good investment... I'd better get three', 'so many things, so little time' and 'it's almost free'.

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In a similar fashion Nissan QASHQAI embarked on a mission to creatively engage and transform their consumers with their sponsorship of the Street Art Exhibition at Tate Modern<sup>25</sup> and their campaign around it. In addition to using one of the most iconic buildings in London as a canvas, the two partners organised tours to galleries in East London (using the cars for the transportation – in true

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<sup>25</sup> Street Art

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product placement fashion), where audiences can experience the bustling art scene of the area. An interactive Urban Guide<sup>26</sup> was also launched to document young people's experiences in one of seven major UK cities. Through these authentic, engaging and transformative projects, they specifically reached out to the highly mobile and culturally literate youth that makes up their target market.

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edding pens capitalised on their unique position of being a medium for art, and have swapped their 'safe' image for an edgy brand, building on Monorex's 'Secret Wars' initiative, where underground artists are invited to compete in 'art-offs', with the mission of turning live art into a recognised sport or an artform in its own right. Through the word-of-mouth live art battles, which take place all around the world, *"two artists turn up and have 90 minutes to create a piece of work on a wall, with edding pens, of course – judged by those assembled and two guests from the art world."*<sup>27</sup>

The ultimate outcome however, has been the development of new products, notably a special Secret Wars pen. This originated as a response to the standard product offering initially being too dry for the surface of the white walls the artists transformed into artworks. The flexibility to react to special requirements with practical solutions is therefore another element that characterises businesses in the transformation economy – this is a perfect example of transformation for the product's brand, the product itself and the product's users. Recognition for Secret Wars also spread commercially, being adapted for clients such as Reebok, Google/You Tube, Havana Club, The V&A, Selfridges and Designers Block.

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<sup>26</sup> Play With The City

<sup>27</sup> Cultural Branding, *Edding Pens Secret Wars*, 11 February 2009

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## Case study: Nokia – where technology, interaction and culture meet

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**As technology is becoming increasingly present in people's lives, it provides the perfect platform from which to launch and with which to co-create interesting products and services, rooted in cultural and artistic activities.**

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Nokia has always been a pioneer in harnessing the significance of communication between people; after all, that is what their products are about. However, where they depart from other telecommunication companies lies in the ways by which they encourage communication, still promoting their products, but through creative and innovative experiences. The artforms that they employ are not limited to music, which seems to be the traditional outlet that telecom companies use, but instead range from film to photography. The two examples that best exemplify this are their Secret Cinema initiative<sup>28</sup> and Meet Your City campaign.

Secret cinema is a monthly gathering of signed-up movie enthusiasts, who don't know what movie they are about to watch or the location where it will be screened until they are guided with text messages on their mobile phones on the day the event itself is planned for.

Nokia's Meet Your City campaign celebrated the launch of their flagship store on Regent Street, by encouraging Londoners to engage with their city and bring it to life by taking photos of fellow Londoners.

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<sup>28</sup> Real.com, *Future Cinema in association with Nokia announce new Secret Cinema event*, 1 October 2008

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Furthermore, Nokia supported the Stanford MoPhO (Mobile Phone Orchestra), a repertoire based ensemble creating music using their mobile phones.

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By introducing these initiatives, Nokia has very much built on their core mission, “connecting people”, doing this in more interesting ways with the help of culture and the arts, as Pine & Gilmore suggest. With these events however, Nokia is not only promoting its products and/or providing an experience, but in addition is encouraging a transformation within the consumer, specifically when looking at the movie ‘treasure hunt’ and encouraging Londoners to become photographers.

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## Back to basics

However, as we have already discussed, **authenticity and transformation do not only occur through the application of an innovative artform, but can also be delivered through the innovative application of traditional artforms.** Traditional artforms can still be appealing, and can be rejuvenated, as Pine & Gilmore have already suggested, to attract new audiences and to keep it fresh for existing ones. From Nokia supporting the Stanford Mobile Phone Orchestra to the success of Simon Bolivar's Youth Orchestra (SBYO)\* performing at the Southbank Centre with the support of Shell, traditional artforms are providing a platform for businesses to engage in innovative and transformative partnerships. SBYO at the Southbank Centre attracted sixty thousand visitors, twice the number of visitors originally anticipated, with close to 40% of them first-time visitors to the Southbank Centre: *"Among the regular attenders, 25% had never been to a classical music concert before. Further testifying to the Residency's phenomenal wide-ranging appeal, approximately 4,000 under-16s attended the concerts."*<sup>29</sup>

The technology sector, always quick to respond to new trends, and in many cases setting them, also capitalised on the resurgence of classical music, with YouTube's innovative online contest, which invited musicians of all levels and anywhere in the world, to upload clips of them playing their instrument of choice. Over 3,000 people posted audition videos, and YouTube viewers voted for the winners from a pre-selection of 200 'finalists'; and thus YouTube Symphony Orchestra was born, comprised of at least 90 musicians from more than 30 different

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<sup>29</sup> Southbank Centre, *News Release*, 21 April 2009

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countries, who gave their first performance in New York.<sup>30</sup> Turning key users into judges, and other users into another product (the orchestra itself) through the call for art, YouTube made good use of its overarching platform to offer an authentic and transformational experience, in more ways than one.

In a similar tune, MTV is now striving to make the world's largest online choir, where all participants (open to the whole public) are recorded singing the same song and will then be placed side-by-side to create a mosaic of the choir, which will ultimately be made up of all the online contributors.<sup>31</sup>

\* "Dudamel and the Orchestra are the products of a pioneering social programme, 'El Sistema', which was founded in 1975 by Professor José Antonio Abreu and has trained more than a quarter of a million children to play in 125 Venezuelan youth orchestras. These young musicians, many from deeply underprivileged backgrounds, play with a dynamism and professionalism of such a compelling nature, that they have revolutionised the thinking of musicmaking and music education across the world."<sup>32</sup>

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<sup>30</sup> BBC News, *YouTube Orchestra makes its debut*, 16 April 2009

<sup>31</sup> MTV Europe Music Awards 2009

<sup>32</sup> Southbank Centre, *Press Release*, 27 February 2009

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## Case study: the reinvention of opera

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**Opera has been re-appropriated, with the support of several businesses and in many capacities, to reach out to different audiences and to transform the artform, their product or brand and their customers simultaneously.**

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Screening live opera and ballet performances from the Royal Opera House (ROH), BP Summer Big Screens are dotted around London inviting the public to watch the performances for free. At the same time, this project called for budding filmmakers to capture the essence of classic ballet in a competition where the winning film was screened at the first of the BP summer screenings.<sup>33</sup>

Here individuals and families who would traditionally not be able to afford going to the opera, are transformed into opera-goers in a fun, relaxing, cheap and engaging way that also modernises opera and breaks down the exclusivity barriers that have characterised the artform in the past.

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*“The three-day Deloitte Ignite festival [is] a programme that will radically challenge peoples’ perceptions not only of themselves, but of what they can expect to find at the Royal Opera House.”<sup>34</sup>*

The programme was embarked on by both parties in order to break down the barriers of opera and open it up to a younger audience through the innovative, radical and contemporary curation of performances using various other artforms. The festival itself, inspired by opera and ballet, made references to the ROH’s core work, though

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<sup>33</sup> ViewLondon, *BP Summer Screens*

<sup>34</sup> Royal Opera House, *Deloitte Ignite*

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most often communicated this through other artforms including visual art. The main objective was to get new audiences through the door and encourage them to discover the space and feel more comfortable with the venue, which should in turn motivate them to attend one of the performances from the ROH's core programme – with 48% of the total audiences first time attendees, the primary objective was achieved.

Furthermore, and to complement their efforts to engage young audiences' as part of the festival, ROH and Deloitte exhibited a photographic exhibition made up of UGC through a public photographic competition run with Flickr.

Now, Time Out has its own Twitter Opera – the first of its kind – at the Deloitte Ignite Festival: the epitome of culture, creativity and interactivity.

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Jumping on the bandwagon of opera's increasing popularity with diverse markets, IKEA staged its own opera in its Wembley store, hence challenging the past preconceptions of opera further as it *"aimed at shrugging off opera's stuffy image and attracting a new breed of audience."*<sup>35</sup>

Inspired by their own products, and infused with examples of the experiences they create, performers in the show, entitled 'Flatpack', performed in the kitchens and living rooms of the store, exploring issues of domesticity, consumerism and the challenges of today's busy lifestyle. Classical singers, musicians, dancers and actors mingled with the shoppers, developing and entwining their stories and thus transforming the shopping experience of the customers, and possibly transforming their living experiences also as a result.

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<sup>35</sup> London Evening Standard, *IKEA Stages Flatpack: the Opera*, 03 June 2009

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Pushing the boundaries of opera even further, Thierry Mugler, the fashion, fragrance and design house, recently sponsored a new opera, *Green Aria: A ScentOpera*, at the Guggenheim Museum in New York:

*“In a darkened theatre, audiences [were] bombarded with smells, blasted in six-second sequences by a scent ‘microphone’ attached to each seat. The scents tell the story of an epic struggle between nature and industry,”*<sup>36</sup> where each scent was a character in itself.<sup>37</sup>

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<sup>36</sup> The Wall Street Journal, *This opera hasn’t even opened, but we know it smells*, 20 May 2009

<sup>37</sup> The New York Times, *Opera to sniff at: a score offers uncommon scents*, 1 June 2009

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## Conclusion

Though the world might be in the grip of financial crisis, Iwona Blazwick, the leading director of the Whitechapel Gallery, observes that in America “*gallery attendance is up by 20 per cent... [though on the contrary] people are exhausted with consumption. There are only so many shopping malls you can take. Then you want something more profound, something spiritual perhaps.*”<sup>38</sup> However, smart marketers will use this to their advantage and make their products more appealing by also orchestrating a profound and spiritual experience brought about by the arts, and businesses’ association with them.

In this light, Elements Mall in Hong Kong, launched the *Flirting with Sound* campaign, which transformed Beethoven’s music into different artforms, and turned these forms into a series of limited edition products, ranging from a silver pendant to chocolates, to reward their loyal customers. The campaign, designed by McCann Worldgroup, Hong Kong, consequently transformed Elements Mall into “*curators to different artforms*”<sup>39</sup>, which sought to engage their consumers further with an interactive visualisation system that enabled them to transform and see their voices live. This campaign is the epitome of the transformation economy, providing consumers meaningful, interactive and transformational experiences, through the infusion of art within their economic offer.

The transformation economy, namely the provision of meaning and the call for interaction through an economic offering, is therefore the

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<sup>38</sup> Times Online, *Iwona Balzwick’s view from the gallery*, 30 March 2009

<sup>39</sup> The Ads of the World, *Elements Mall: Flirting with sound*

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market's response to consumers' changing needs and demands, as they are becoming increasingly savvy and culturally-literate.

*"In most mature consumer societies, consumers want to be anything BUT the Joneses, Li's or Meiers, [so] we've seen a rising interest in the truly different, the obscure, the undiscovered and the authentic... those consumers who are interested in something with a sense of place, the local, the storied, want you to bring them innovative new goods, services and experiences that appeal to those desires."<sup>40</sup>*

To this end, in the transformation economy the customers themselves are simultaneously the product and the producer in the sense that what they value most is the ability of an economic offering to bring about an internal change or transformation. Furthermore, consumers will also value businesses that offer them a platform to contribute with their suggestions on how this should be done. In this light, the DoodleBar in London, combines user generated content (though not through technology) with local sourcing of products (becoming increasingly important along with environmental and sustainability issues), through a low-cost, high-concept approach.<sup>41</sup> This constantly evolving work of art, created by the visitors themselves (at least those who want to doodle on the walls, tables and waiters themselves) exemplifies the growing appetite for collaboration and creativity, and proves that the arts are the perfect outlet to provide these.

**Beyond experience, businesses must therefore work with culture, creativity and interactivity to**

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<sup>40</sup> Trendwatching, *(Still) Made here*, June 2009

<sup>41</sup> Guardian, *Life's a doodle at London's pop-up bar*, 5 June 2009

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offer their consumers what they really want now: an authentic and meaningful transformation.

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# Appendix

## 5 means of appealing to influential authenticity (and also transformation)

- Appeal to personal aspiration
- Appeal to collective aspiration
- Promote a cause
- Give meaning
- Embrace art
  - These are not mutually exclusive. If anything, there is definitely a spillover between them, and the first four can all be achieved through adopting the last means and embracing art.

## 4 roles of arts in business

- Art as object: art as consumption; arts based initiatives (environment)
- Art as business: art as production; transaction of artworks/culture (for artists)
- Art as cause: businesses support of the arts e.g. sponsorship/CSR (cultural branding)
- Art as organizing principle: art concepts, techniques, principles, philosophy used to enhance performance of

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business and function as operating precepts... ABI's (staff engagement and infusion of creative mentality)

## 5 genres of perceived authenticity

- Natural: untouched by humans, pure, not artificial or synthetic – exists in natural/earthly state
- Original: possesses originality of design – one of a kind, not imitation
- Exceptional: done exceptionally well, executed individually(?) and extraordinarily demonstrating human care, high quality and tailored for target group
- Referential: drawing inspiration from human history, and tapping into shared memories – traditional, true to itself
- Influential: exerts influence on other entities, calling human beings to a higher goal – makes a wider impact to society

## Rendering authenticity through art

Authenticity	Art as object (consumption - corporate art)	Art as business (production- almost the reverse of art as object)	Art as cause (sponsorship- most closely linked to influential authenticity)	Art as <b>organising principle</b> (arts based initiatives)
<b>Natural</b>	juxtaposition of art (natural) and business (artificial) e.g. looking at art media/materials could maintain its raw/real aspect	draws attention to the natural (earthly) materials and to the process of creating the artwork, rather than the end-product itself	use art to promote conversation around nature & environment	structure of business enterprise fashioned to resemble structure of art
<b>Original</b>	placing new art objects in the context of business' heritage (overlaps with referential?)	creating and selling new creations- new media offers best opportunities	art that had no support before	distinguish business offer from competition- depart from conventional practices (similar to natural and referential)

<b>Exceptional</b>	design new business practices and develop tailored relationships with unique insightful conversations with customers	selling the artistic process	business support tends to be focused here because of values of excellence, e.g. what art deserves wider support and coverage?	focuses on human performance: stage art key here. Infuse business with the art of (real) theatre
<b>Referential</b>	honour some aspect of business enterprise e.g. statues of people from the past	existing means of using art to honour person/place etc, think more about who/what is worth honouring and why	drawing inspiration from others already supporting the arts to induce further support for the arts	theming is referential (but has to be done well) e.g. performance of employees
<b>Influential</b>	highlight issue that transcends the business purpose outside of the business. The art needs to embody the values the	new thinking about institutions that promote art as distinct businesses to increase appreciation, ownership,	focus on the values that lead to supporting the arts= will become sought after by the artists themselves	performance of customers- influence how they act- make them the stars of your offering

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business is  
supposed to  
represent

creation of art.  
Similar to non-  
profits (e.g.  
museums) but  
for-profit.  
Fee/charge can  
help show  
influence.

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