

If You Love Doing Something, Chances Are That Other People Do, Too. Here's How to Start an Experience-Based Business.



Catch the trend of entrepreneurs starting successful businesses based around customers' desire for fun and unique experiences.

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Jenn Nicken was working as a marketing executive at Apple when she became so inspired by the cooking classes she was taking that she decided to launch a company, The Chef and the Dish, that offers live cooking classes over Skype from renowned international chefs.

Alexandra Kenin has a somewhat similar story. She became hooked on urban hiking after moving to San Francisco to work at Google. She ended up starting her own business leading like-minded hikers on urban excursions around the city, called San Francisco Urban Hikers.

What these women have in common isn't just that they both moved from great tech jobs to careers in entrepreneurship. It's also that they tapped into the same trend – a growing market-demand for experiences.

The 'experience economy' is booming

According to McKinsey, experiential spending is growing four times faster than expenditures on goods, and millennials are leading the way, spending more, on average, than previous generations on things like entertainment, events and gym memberships. This may be a product of changing values, economics and probably also has something to do with the impact of social media.

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Glenn Fogel, president and CEO of Booking Holdings, parent company of experiential businesses including Kayak, OpenTable and Booking.com, thinks so. At a recent panel on the topic, he attributed his companies' success to "people taking photos."

But it shouldn't just be major travel sites and big tech players riding the wave of experience. If they're doing it, so should upstart entrepreneurs, who have greater access to online audiences than ever before, thanks to a digitally-leveled playing field. Wix and others offer cost-effective, scalable tools that allow small businesses owners to set up shop and compete online. Business functionality wrapped in professional quality and engaging aesthetics provide the perfect platform for creative ideas to blossom into full-

fledged companies. Whether entrepreneurs are selling physical goods, tutorials or activities, many of them are finding that marketing experiences is a driver for success.

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They may even have a chance to outdo larger businesses in this area. A recent Gartner survey drew connections between the so-called “experience economy” and the rising importance of customer experience in general. It found that, while most corporate marketers believe their companies need to compete primarily on the basis of customer experience, only about one in five said the experience they offer exceeds customer expectations. This is an opportunity for entrepreneurs to build businesses around unique experiences and the idea that they can help customers create memories.

The power of emotions

Back in 1998, Joseph Pine and James Gilmore predicted the rise of an experiential economy, owing to the idea that “experiences are inherently personal, existing only in the mind of an individual who has been engaged on an emotional, physical, intellectual, or even spiritual level” in the *Harvard Business Review*.

The spiritual or emotional experience can be the basis of an experiential business. That was the case for Matt Gardner, who traveled to Nepal, worked for a water sanitation NGO and ended up running Hearts and Tears Motorcycle Club along with his partner Jo Pytel. Their club offers guided tours that deliver unforgettable tours and views from the seat of vintage motorcycles. Like Jenn, Alexandra, and so many others, this entrepreneurial journey began with memorable experiences that in the process of sharing with others grew into a business. The key to the company’s success is that it invites people to participate in an experience, an adventure, that becomes a

deeply personal customer journey – and yet again is shared with others, who hopefully one day will take the ride on their own.

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In the new experience economy, this is a great way to think about starting a business. Even if your business is something more traditional than motorcycle rides, it can be a helpful exercise to think about how you can invite people to participate in an experience – and the ability to share it with the world – rather than simply selling them yet another thing.

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