

FINDING BUSINESS VALUE IN THE ARTS



The idea for Stagehand initially came from the potential I saw in my three talented artist daughters and a sense of frustration that there wasn't a better "use case" for their passion and skills. The arts are typically about beauty, expression, creativity and entertainment. Even though the arts can make your life better it is possible to live without them, albeit in a much less interesting world. "What if?" rolled around in my head for years. Prior to Stagehand, I spent 28 years in multiple leadership roles with traditional information technology companies. The "what if" gradually evolved into "how could" more businesses put artists to work? What is the value proposition, how could businesses that worked with artists be more successful than those that didn't?

It turns out artists do provide a compelling value proposition in the rapidly evolving world of Customer Experience (CX). In the groundbreaking Harvard Business Review article, "Welcome to the Experience Economy"¹, authors Joseph Pine and James Gilmore describe the progression of economic value from commodities to goods, from good to services, and from services to experiences. The article was written in 1998 and, as is often the case, this early insight has taken some time to be adopted into the mainstream. One of my strategic advisors, Deepak Khandelwal, the Chief Client Experience Officer for CIBC and former VP, Global Customer Experience for Google, describes it this way: "In today's rapidly changing world, almost everything can be copied, the one thing that can't be copied is the emotional connection a customer has with a brand". CX is about engaging human emotions. Emotional connections can't be copied and guess who specializes in engaging human emotions? That's right...artists!

Okay, so a customer feels better about your brand, so what? How does that translate into business results? Let's look at live music:

LIVE MUSIC CREATES AN ENVIRONMENT WHERE EMOTIONAL CONNECTIONS CAN BE FORMED

In 2018 Live Nation sponsored a study² that spoke about the idea of "sensation deprivation". They found that 73% of 13-49 year olds agree that, "Now, more than ever, I want to experience real, rather than digital life." The study also finds that 71% of the same group agree that, "The moments that give me the most life are

live experiences." In short, this group of consumers is starved for real-world engagement and when they get it, they are moved to an emotional state where a connection can be formed with a company or brand.

EMOTIONAL CONNECTIONS LEAD TO BRAND LOYALTY

Research done by Frederick Reichheld of Bain & Company³ (the inventor of the net promoter score) shows that increasing customer retention rates by 5%, in turn, increases profits by 25% to 95%. In a world where almost everything can be copied, an enduring emotional connection could be the difference between retaining and losing a customer.

LIVE MUSIC INCREASES DWELL TIME

One of the airports that we work with experimented with hosting live music performances on top of baggage carousels. Picture how you behave at a baggage carousel: you wait impatiently for your bag and the moment it arrives you grab it and head for the exit. But with live music playing a curious thing happened, after their bags had been picked up, the travellers did NOT leave. They waited at least until the end of the song! Multiple studies correlate increased dwelling time with increased customer spending. Imagine a similar result in a retail setting. Getting clients to pause and linger can lead to higher profitability for vendors.

LAST WORD ...

Emotion has always played a significant role in decision making and in today's increasingly digital world, consumers long for emotional engagement and real-world experiences. Artists are skilled at engaging human emotions, so if used properly, they can bring tangible business value.

So how do you engage artists with your business? That is the real problem that Stagehand solves! Contact us to learn more.

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¹ <https://hbr.org/1998/07/welcome-to-the-experience-economy>

² <https://www.livenationentertainment.com/2018/09/global-study-reveals-why-live-music-is-one-of-the-most-powerful-human-experiences-and-the-ultimate-escape-from-digital-overload-21/>

³ <https://hbr.org/2014/10/the-value-of-keeping-the-right-customers>