

From the New to the Now Economy

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There are only two types of companies: the quick and the dead.

-Michael Dell

For more than 20 years, we have heard about the benefits, excitement, promise and impact of a digital revolution and a technologically-driven society. Concept albums by iconic rockers such as Radiohead *OK Computer*, Rush (*2112*) and David Bowie (*The Rise and Fall of Ziggy Stardust and the Spiders from Mars*) sung about the all-encompassing power of technology - for good and evil -- before the new economy was born. And, a half century ago, Rod Serling relayed ironic tech-based themes in his brilliant television series, *THE TWILIGHT ZONE* (e.g., *Time Enough at Last*, *Third from the Sun*, *To Serve Man*, and so many more spell-binding episodes).

In the 1990s, Internet pioneers such as America Online, Amazon, Cisco Systems, Dell, eBay, E-Trade, Expedia, and Yahoo! dramatically changed how consumers and businesses bought products and services in a 24/7 global market space. A seismic shift in the new economy has taken shape over the past ten years led by the FAANGs -- Facebook, Apple, Amazon, Netflix and Alphabet's Google. These digital leaders focus on speed, service, selection, sociability and solutions.

What has been the result of this 5-S transformation? Welcome to the *now* economy! Just as a toddler cannot possibly wait for a chocolate chip cookie and *absolutely, positively must have it right now* -- today's consumers are equally impatient and demand immediate satisfaction. Hence, the rise of Amazon Dash, Fresh, and Prime; Apple's iTunes; Couchsurfing; TaskRabbit; ZipCar; and a multitude of other "I gotta have it now!" business models.

Strategic differentiation combined with technology and consumers' interest in choice has led to industry disruption. Marriott and Hilton have sure felt the effects of Air BnB in the lodging industry. Today, target marketing means segment-of-one personalization. Mass promotion has evolved into two-way dialogues with consumers and business users. Customer relationships lead to lifetime brand advocates. The new economy has morphed into the *now* economy!

The *now* economy is service dominant. This includes business, consumer, professional, and government services. Knowledge workers and the creative class turbocharge this economic sector. In addition, digital services (the platform economy) and consumer-to-consumer services have surged in the past 5-10 years. Realize that a strong traditional backbone of manufacturing, agri-business, construction, and infrastructure is still a key economic priority in industrialized nations. And, let's not forget the trade segment (retail and wholesale), as well as the burgeoning e-commerce marketplace and the rise of smart products (e.g., appliances, energy regulation, and the internet of things) - see Table 1 which summarizes the key components of the *now* economy.

Table 1. Key Sectors of the Now Economy

Services

B2B, B2C and Professional Services

Knowledge Work and the Creative Class

Digital Services and the Platform Economy

Consumer-to-Consumer (C2C) Services/Sharing and Access Economy

Manufacturing +

Customized Manufacturing

High Technology

Emerging Technologies

Agribusiness, Construction, Mining

Trade

Retail, Wholesale

E-Commerce

Internet of Things (IoT)

The 24/7 *now* economy is always-on and always open. Buyers will no longer accept shopping from 9 a.m. to 9 p.m. daily and noon to 6 p.m. on Sundays. Online shoppers will expect their orders to be delivered immediately, within the next two hours, or overnight (not in 5-10 business days). Bricks-and-clicks business models allow consumers to pick up their purchases at a neighborhood store. Sub-par customer service will not be tolerated. Buyers expect to be wowed with amazing experiences and will not settle for yesterday's ordinary store visits. Table 2 summarizes what customers want in the *now* economy.

Table 2. What Customers Want from the Now Economy

The 5 - S's

Speed

Service

Selection

Sociability

Solutions

Customers Value

It now! - Immediacy and convenience

Superb service

Many options and quality products -- goods, services and ideas

Ongoing, long-term relationships with companies that truly value their business

Doing business with innovative, problem-solving companies that are perceived market leaders

Millennials Also Seek

Technology to manage and simplify daily activities - e.g., apps for immediate access

Interesting, enjoyable and memorable experiences

Product access and benefits -- not necessarily product ownership

Emotional connections with companies, brands and user groups via social media platforms as well as supporting organizational/ environmental causes that they are passionate about

Doing business anytime in any location via multiple channels

Consider this example of the *now* economy in action.

I recently dropped my dog off at a neighborhood pet spa for one-hour grooming services. I visit the Target Superstore down the street to grab a cup of dark roast in the mini Starbucks. The café is sparsely populated but employees (mostly millennials) drop by to consume premium coffee and pricy pastries. Occasional shoppers, largely female, young and old of all ethnicities, stop by to get their caffeine fixes, too. The fresh produce section in the grocery department is right across from me, part of the one-stop shopping experience. A hundred or so yards away is the embedded CVS Pharmacy -- once a formidable competitor and now a strategic partner. Paralleling the unstoppable movement towards online buying, I notice very few shoppers in this cavernous establishment. Is it any wonder that H.H. Gregg, Sears, Macy's and dozens of other retail leaders have closed stores or went out of business? (The death of retail is a very real threat in the industry). I get a text message from the groomer - it's time to pick up Maya.

The *now* economy is also about sharing and access. Users are bypassing traditional market structures and business channels to work directly with other consumers to solve individual problems - think about an Uber instead of a taxi. The redefinition of buyer behavior has spawned a vibrant consumer-to-consumer sector and impacts the future of work.

While most of us would love to be like Tim Ferriss, rich and only work four hours a week, such incredible wealth is unlikely. In the *now* economy, many individuals are turning to multiple entrepreneurial ventures to pay the bills to survive or thrive. Just as struggling musicians work hard and hope for that big break, many millennials (and others) are juggling multiple gigs such as driving for Lyft, creating apps, writing blogs, posting YouTube videos and starting innovative businesses as they seek the "big deal" and navigate their individual path to success.

Consider:

1. What impact does the *now* economy have on your personal life?
2. What impact does the *now* economy have on your professional life?
3. Is your company creating superior value in the *now* economy? If not, what strategic changes are called for?
4. Identify 1-2 other companies that may ascend as a potential rival(s) to the FAANG giants.

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