

the
mesh

Six Reasons Why
The Sharing Society
(aka THE MESH) Will Trump
The Ownership Society

LISA GANSKY



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Six Reasons Why The
Sharing Society (aka THE
MESH)

Will Trump The
Ownership Society

For now, most companies stubbornly stick to various twists on a single tried-and-true formula: Create a product or service, sell it, and collect money. Just sell the guy a lawn mower and watch him walk out the door. Few businesspeople, including most entrepreneurs and venture capitalists, have imagined creating wealth any other way. Though they may use social media to market their products, their minds are still stuck in a 2-D buyer/seller/own-it world.

Around these entrenched businesses, a new model is starting to take root and grow, one in which consumers have more choices, more tools, more information, and more power to guide those choices. I call this emerging model "The Mesh." In recent years, thousands of Mesh businesses have been created and scaled up, a few into well-known brands. These businesses understand and cleverly exploit the perfect storm of mobile, location-based capabilities, Web and social network growth, changing consumer attitudes, and the historically understood market benefits of share platforms. In this manifesto, I'd like to share with you six reasons "The Mesh" conveys extraordinary competitive advantages to entrepreneurs and businesses.

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1. Mobile equals local and fresh.

Get out of your chairs and on the streets, kids—the Internet has come to town. Literally. The IT revolution started with moving data around. Now mobile devices have spread the revolution to physical things—to the street. Making a reservation for a car, bike, a home or a meal from your phone hooks you to the company's data, which may include information on your preferences, how that compares to other people like you (to make juicier, more personalized offers), and data collected from sensors in the car, bike, home or at the cafe. Your social networks allow you to make better-informed choices of goods and services, as well as recommend the things you like. Mobile plus GPS changes everything. It means you can get more of what you want exactly when you want it. It means convenient access to fresh goods and services. Convenient access means you don't have to own stuff to have a pulse on its whereabouts; you can use it—you share it—saving money and sparing hassles. Advantage: Mesh.

2. Let's snuggle up.

Barring some miracle in space, there's only one planet for us to inhabit. And by mid-century, roughly three billion more people will be joining in. With that math, it's not hard to predict that businesses that figure out more efficient ways to use the earth's resources will thrive. Also, urban areas will inevitably grow in density, which really favors the sharing economy. If you've got more people in a neighborhood, it's easier to broaden the number of bikes, tools, local farmers' markets or clothing swaps you can offer. You can also make your offers more convenient—more shared cars in the lot or on a nearby street. Density deepens community and its Mesh of products and services. Owning a car outright, on the other hand, becomes a bigger and bigger expense and burden to maintain and park. Advantage: Mesh.

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3. Hidden cost unveiled.

If there's any good news about climate change, it's the amount of CO2 that's *unnecessarily* puffed up in the air. We waste energy and water and other natural resources like, well, there's no tomorrow. Shared businesses are based on turning that waste into value. Think about the effort that airlines put into trying to get more passengers on any given plane, because many of the costs are the same whether you're flying one person or 200. Private cars, on the other hand, sit unused for an average of over 22 hours a day. By sharing them—as RelayRides in Cambridge is doing—you radically increase the efficiency of all the materials that go into making, running, and maintaining those cars. Plus the owners collect some ducats. Now combine car sharing with the power of coordination among bike sharing services and public transit. Then add in better-designed, more efficient vehicles, with interchangeable and recyclable parts. That captured waste then adds up to huge savings—for the individual, the community and the planet—and puts the ownership economy at a distinct disadvantage to one based on sharing. And as scarcity, increased demand, and regulations drive up the costs of sourcing new materials, the benefits of sharing-based models will only grow. Advantage: Mesh.

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4. Now you see me. Now you don't.

Buying stuff to own is usually a one-time transaction. A customer collects her purchase and marches out the front door, perhaps never to be seen again. Maybe, just maybe, she registers the product. But share-based businesses communicate with customers every time the product or service is rented, leased, or borrowed—or when they want to change the drop off location or report an issue. Each point of contact becomes a better opportunity to get to know the customer, to wow them by presenting the brand, to cultivate trust, to refine the core offering and to make new, personalized offers. Robust data sets come from the customers' choices, from product and usage information, and from the company's and customers' social networks—all of which serve to enrich offers and relationships. Add partners—a home share, a popup shop and a bike share, say—and the quality of information, relationships, and offers shoots up again. Advantage: Mesh.

5. Make their day. Do it again tomorrow.

Flip to the other side of the transaction. Mesh customers get superior products (because they're designed to last, not to be tossed). They get convenient service that is customized and timely, without the burden of buying, maintaining, insuring, storing, and disposing of more stuff. The more they participate, the better the offers get. More frequent communication also presents more opportunities for them to get (heck, demand) what they want. And all this at less overall cost. Advantage: Mesh.

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6. There's more to life than money.

When the bozos on Wall Street blew up the economy, it burst more than a housing bubble. As they lost their homes, jobs, and savings, many people were forced to rethink what they truly care about. Maybe the collection of more stuff, bigger houses for storing it, and more debt wasn't the all there was to life. Many established brands lost their luster. On the other hand, sharing based businesses generally offer a greater feeling of connection and community. They are more trustworthy because they have to be. And they're better for the planet—a big and growing driver of consumer decisions, even as the recession deepened. Advantage—you guessed it—Mesh.

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In this fast-moving environment, it has become an essential business skill to recognize, well ahead of your competitors, the discontinuity that generates new platforms, models, expectations, and brands. See it first. Act. Win.

The Mesh is that next big opportunity—for creating new businesses and renewing old ones, for our communities, and for the planet. **And it's just beginning. ii**

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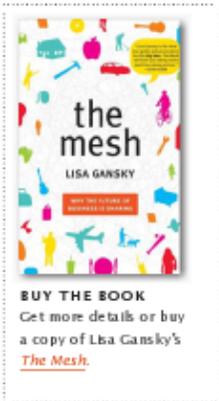
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Currently, Lisa serves as a board member and investor of Me Please, Squidoo, TasteBook, and Dos Margaritas, an environmental foundation. She is an advisor/investor in several new ventures including: New Resource Bank, Slide, Instructables, Nuko toys, Addis Creson, and Greenbiz.

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