

## Companies that Mesh: The Future of Business is Sharing

By Nancy Pekala

Traditional businesses follow a simple formula: create a product or service, sell it, collect money. But in the last few years a fundamentally different model has taken root - one in which consumers have more choices, more tools, more information, and more peer-to-peer power. In this exclusive interview with *Marketing Thought Leaders*, pioneering entrepreneur Lisa Gansky calls it the Mesh and reveals why it will soon dominate the future of business.

Author of the new book, “**The Mesh: Why the Future of Business is Sharing**,” Gansky currently serves as a Director and Co-Founder of Dos Margaritas, an environmental foundation with programs focused in Latin America. She is an advisor and investor in several social ventures including: New Resource Bank, Convio, Squidoo, TasteBook, MePlease and Greener World Media. (Follower her on Twitter at /instigating or follow her tweets on mesh at /sharethemesh. To learn more about mesh companies and view a mesh business directory, visit [www.meshing.it](http://www.meshing.it).)

**Marketing Thought Leaders:** *Can you explain what's behind the concept of “mesh” companies?*

**Lisa Gansky:** I coined the term “mesh” from the point of view that mesh is based on the notion that we’re moving from an economy and lifestyle that predominantly focused on ownership to one that is partially oriented toward sharing. We’ve historically had a history of sharing as cultures. But there’s a different share platform today. You see them a lot in cities, in airports, taxis, elevators, office buildings and hotel rooms. These are businesses or ventures that have been undertaken based on the notion that they would be owned and used by many at the same time. People like Conrad Hilton, certainly, have created a business out of what was a share platform. Blockbuster is another good example.



A mesh business connects people to people and people to things. Social networks and our attachment to the mobile phone has helped fuel this trend. Most of us are attached to our mobile phone all the time which is likely web-enabled and has GPS. That’s taking the friction out of finding each other and things. It sets up very nicely the sharing economy and the move to a world where access trumps ownership. The term “mesh” acknowledges the interconnections between us and each other and our things. The reality is this is the first time in the world that so many people have been connected in this way to each other.

**MTL:** *The concept behind mesh companies underscores a shift in consumer behavior--- namely one from ownership to sharing. Is this a reflection of the recent recession or is this a more permanent shift? Do consumers really want to share everything and does this reflect a broader lifestyle change for consumers?*

**Gansky:** The recession has set up a perfect storm for the mesh in a way. It created the right environment to make the right kind of growth for mesh. But it's not dependent on the recession. There are several other things that set it up. People are more connected to each other and to their things. A lot of the physical things can be mapped because they have some technology in them, whether it's GPS or a computer chip.

In the San Francisco Bay area there's something called casual car pool. You go outside in certain areas and wait in a queue on the street. If you want to go to San

Francisco, a car coming by will stop in a particular place and take you so they can use the car pool lane and go over the bridge free. It's a win-win. It's a very ad hoc, impromptu service that came out of a year when there was an earthquake here. People created that. The technology has allowed us to take the inconvenience out of sharing in ways we didn't have before. Also, unlike previous generations, the younger generation's orientation towards driving is not a rite of passage. That shift very much changed their orientation to car sharing, bike sharing and mass transit. What we're seeing is real fundamental social changes. Climate change is playing a role as well. The technology available today is just enabling a different kind of reality we're embracing.

This is as permanent a shift as permanent can be. We're at the beginning of something new and when we look at Facebook and Twitter and Foursquare and Groupon, we're seeing the very beginning of a phenomenon as marketers, businesspeople and citizens that's going to shape the next couple of decades with how we interact with products and brands and each other.

**MTL:** *This concept fundamentally alters the traditional goals of marketers---which is to convince consumers to buy more new products and services. If this new business model takes hold, how do you believe this will change the marketing task?*

**Gansky:** There's already a shift that's been taking place. When you look at a number of companies like BP, there is a disconnect between the positioning of the brand and the action in the public world. The idea that marketers can sit in a room and massage the brand and the offers and push it out and have people swallow it in the form they want people to take it in is just not the case. Friends and social networks have much more

## Companies that are Mastering Mesh

Zipcar and Netflix are just two companies that are joining the sharing economy. Author Lisa Gansky suggests that the same pattern is playing out with less famous Mesh companies including:

- [thredUP](#) enables mail-in kids' clothing swaps. One year after launching, they have 10,000 members exchanging more than 14,000 items per month.
- [Kickstarter](#) connects artists who need funding with small donors who want to support them. The firm has helped hundreds of projects raise as much as \$200,000 without the angst of fundraising.
- [Groupon](#) harnesses collective buying power to offer daily discounts to its five million subscribers. Sixteen months after inception, they've raised over \$170 million in venture capital.

influence over people's buying habits and who they trust and what they do with their money than companies and what they say about themselves. Peer-to-peer marketing requires marketers to really be on top of what people are saying in social networks and communities. We have a reality we didn't have before but we also have tools now we didn't have before. It's important to embrace those tools and understand and be responsive to the perceptions people have with a fresh and authentic voice.

**MTL:** *As you note in your book, several companies are already adapting this principle. ZipCar and Groupon are two key examples. Can this concept be applied to all products and services?*

**Gansky:** Every company can shift their business strategy to have more of a mesh strategy. Mesh companies are ones that are taking a product that we have historically bought once and they're creating many iterative interactions and transactions and touch points where they can have a relationship with that customer, their family and their friends. As a result of all this interaction, there's an enormous amount of data available that provides the ability to microcast and make really compelling offers to customers.

One of the most challenging categories to adopt the mesh principle is consumer electronics where we've created disposable products. What we're seeing is more of an interest in finding another home for something you're finished with. Retailers are seeing a lot more value in waste and are going to focus on reclamation of goods at the end of their useful life.

Nancy Pekala is the AMA's Director of Online Content and Editor of *Marketing Thought Leaders*. Follow us on Twitter at [twitter.com/marketing\\_power](https://twitter.com/marketing_power). Submit feedback and ideas relating to the AMA's newsletter program to [suggestions@ama.org](mailto:suggestions@ama.org).