

10

New Business Models for this Decade BETA

TREND RESEARCH BY Trend Firm trendwatching.com

MARKET ANALYSIS BY Strategy Boutique [Thaesis](http://Thaesis.com)

BUSINESS MODEL DESIGN BY Strategy Consultant/Graphic Facilitator [Ouke Arts](http://Ouke Arts.com)



10 New Business Models for this Decade

1. Localized Low-Cost Business Model BETA
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**Localized Low-Cost
Business
Model**



"FUNCTIONALL"

Why simple, small & cheap appeals to *all*



“FUNCTIONALL”
Why simple, small & cheap appeals to all



Localized Low-Cost Business Model

**Localized
Low-Cost
Business
Model**

Fast moving consumer goods companies looking for new market opportunities for their simple, small and cheap products are considering the localized low-cost business model.

In essence, this business model is suitable for standardized products and services with minimum specifications and lower customer expectations that can be locally produced and globally branded.

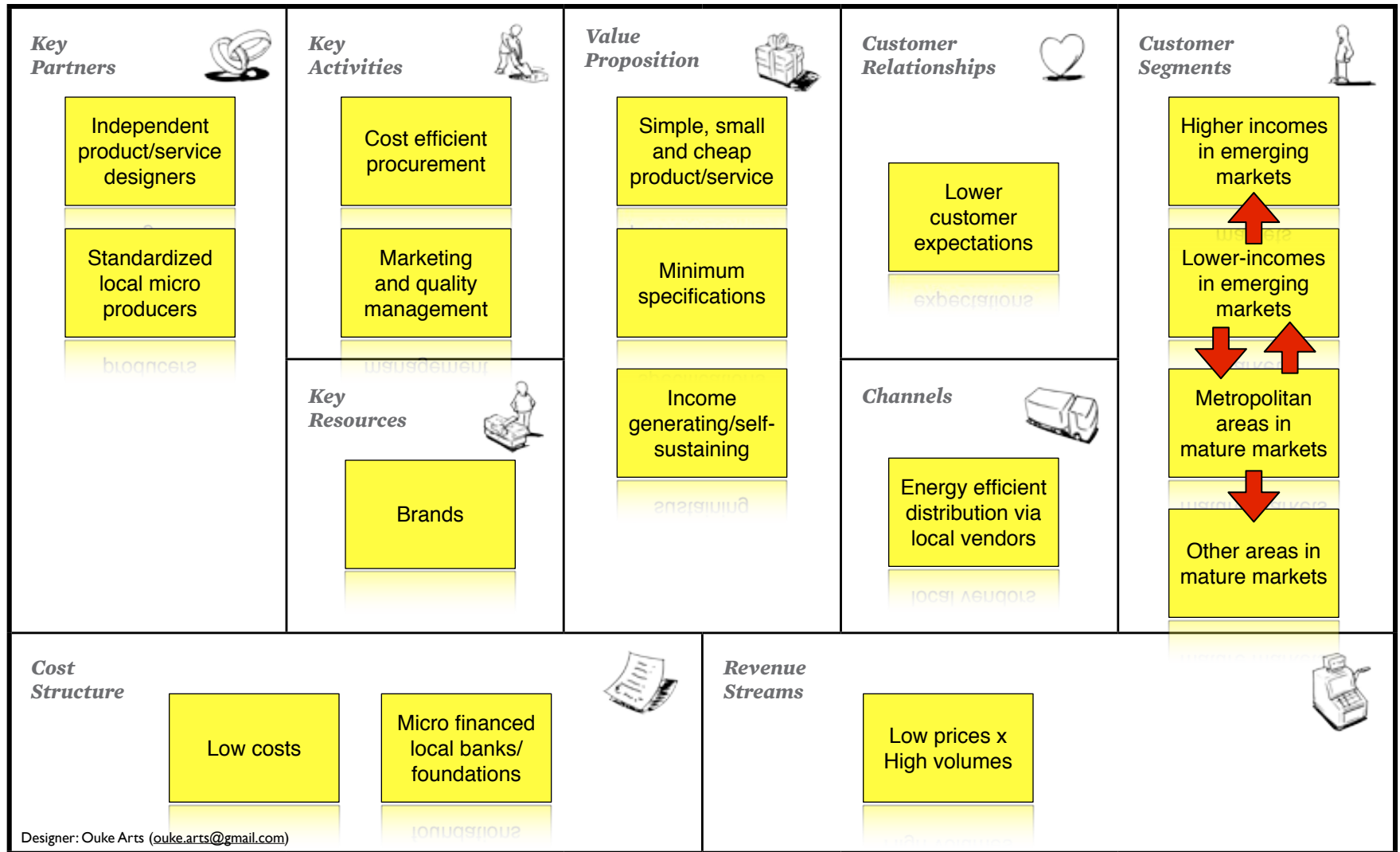
This business model will only be successful if the following two conditions apply. The first one depends on significant market presence in metropolitan areas in mature markets. This condition allows companies to leverage on their achieved brand value in emerging markets. The second condition is that the product or service has income generation or self-sustaining features. This condition opens the door to lower incomes in emerging markets. Future market expansion is possible to both other areas in mature markets and higher incomes in emerging markets.

The company's most important activities will be cost efficient procurement, marketing and quality management. Design is in the hands of local product and service designers and standardized production is outsourced to local producers. Likewise, energy efficient distribution is done through local vendors. Fast moving consumer goods companies will focus even more on maintaining and managing their brand portfolio. Their low cost structure, micro financed local activities and low prices plus high volumes will result in profitable growth of global market share.

The Business Model Canvas

Localized Low-Cost Business Model

most relevant for fast moving consumer goods companies



Designer: Ouke Arts (ouke.arts@gmail.com)

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Example





Example

Example



One-Off Experience

Business

Model



"NOWISM"

Why currency is the new currency



"NOWISM"  One-Off Experience Business Model
Why currency is the new currency

**One-Off
Experience
Business
Model**

Big in popularity and unknown for their profit, many social media companies are searching for ways to combine third party see-hear-buy products and services with their own ability to offer one-off experiences.

The One-Off Experience business model stands for a smart connection between customers in markets of abundance and their experience seeking equivalents.

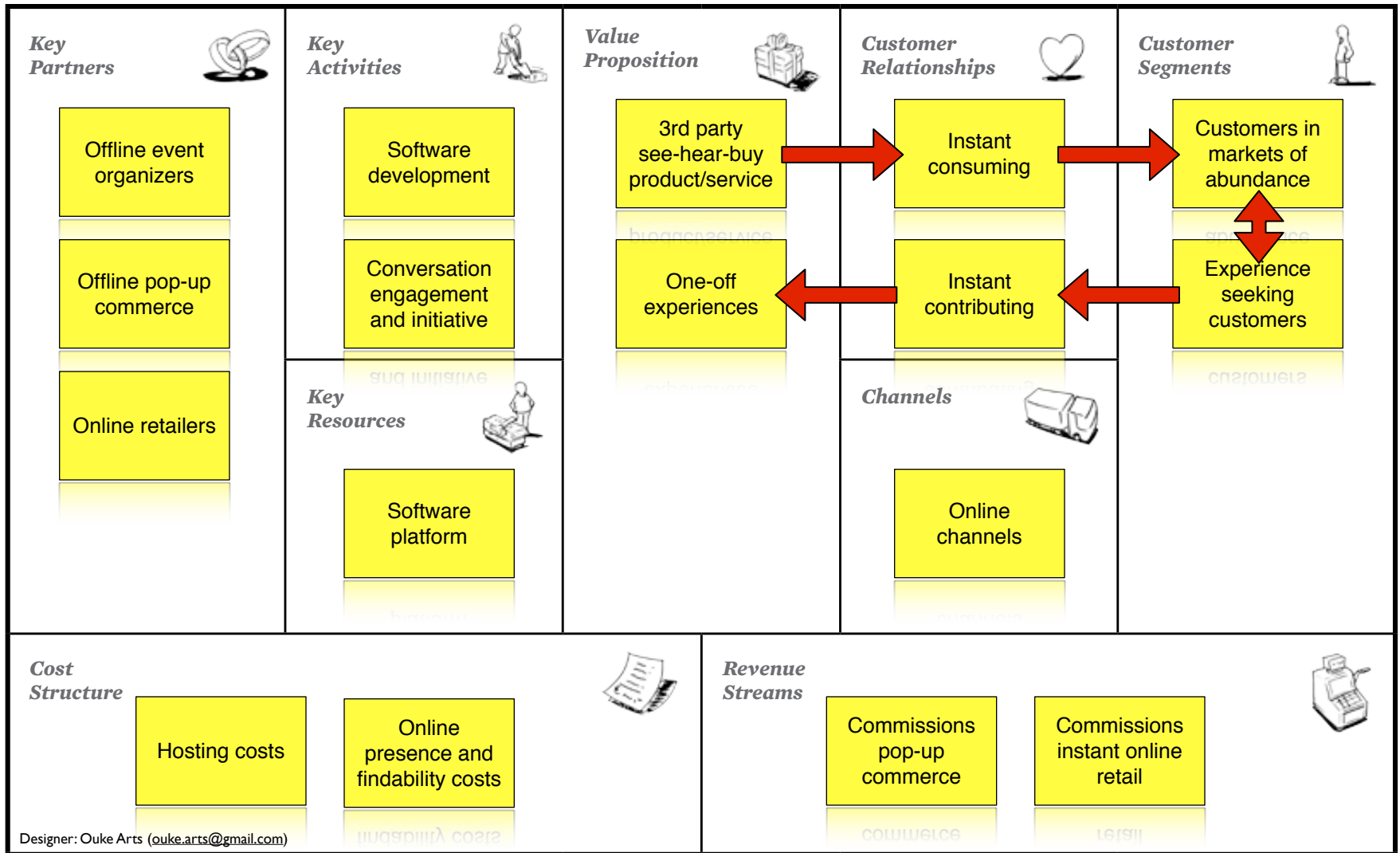
This business model will only live up to its expectations if social media companies team up with offline event organizers, offline pop-up stores and online retailers. Developing software and engaging in ongoing conversations with their users is simply not enough to do the trick. This business model offers unique experiences to customers at a given place during a specific event. The software platform on which its online communication channels come to life will spark the engine of experience seeking customers. By instant contributions from these customers then and there, the door to the larger experience consuming market share will be opened. Events will have to be combined with commercial opportunism. The social media experience remains free, relevant products and services will have to be bought the old-fashioned way. With money that is.

Commissions from both pop-up stores and instant online retailers will bring in the revenue. These have to compensate social media companies for high hosting costs and presence and findability costs. These costs tend to rise along the popularity of the social media platform. If this is not absorbed by a parallel growth in revenues, the business model will not be sustainable.

One-Off Experience Business Model

The Business Model Canvas

most relevant for social media companies



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Matt [GRIFFITH](#) IS SUCKING around.

2 hours ago - Jacksonville, FL



Betsy [Sveinsson](#) Have a Cigar.

12 hours ago - Madison, WI



Brian [Pulham](#) Quit hggin the blogin, Greatest line of the night.

12 hours ago

Example

Accept payments. Everywhere.



Example

amazon.com[®]
and you're done.™

Example

**Beyond Advertising
Business
Model**

3

“TRANSPARENCY TRIUMPH”

Reviewing is the new advertising



**"TRANSPARENCY
TRIUMPH"**
Reviewing is the new advertising



Beyond Advertising Business Model

**Beyond
Advertising
Business
Model**

Traditional media and print companies are looking for new revenue streams and have done so for some time. In the last decade, the number of subscribers has been declining and the market for advertisements has not performed much better. So what's beyond the known horizon?

Traditional media and print companies need to shift from a business model based on advertisers telling subscribers what to buy to a business model based on facilitating both customers and partners in trust building and on-demand interacting.

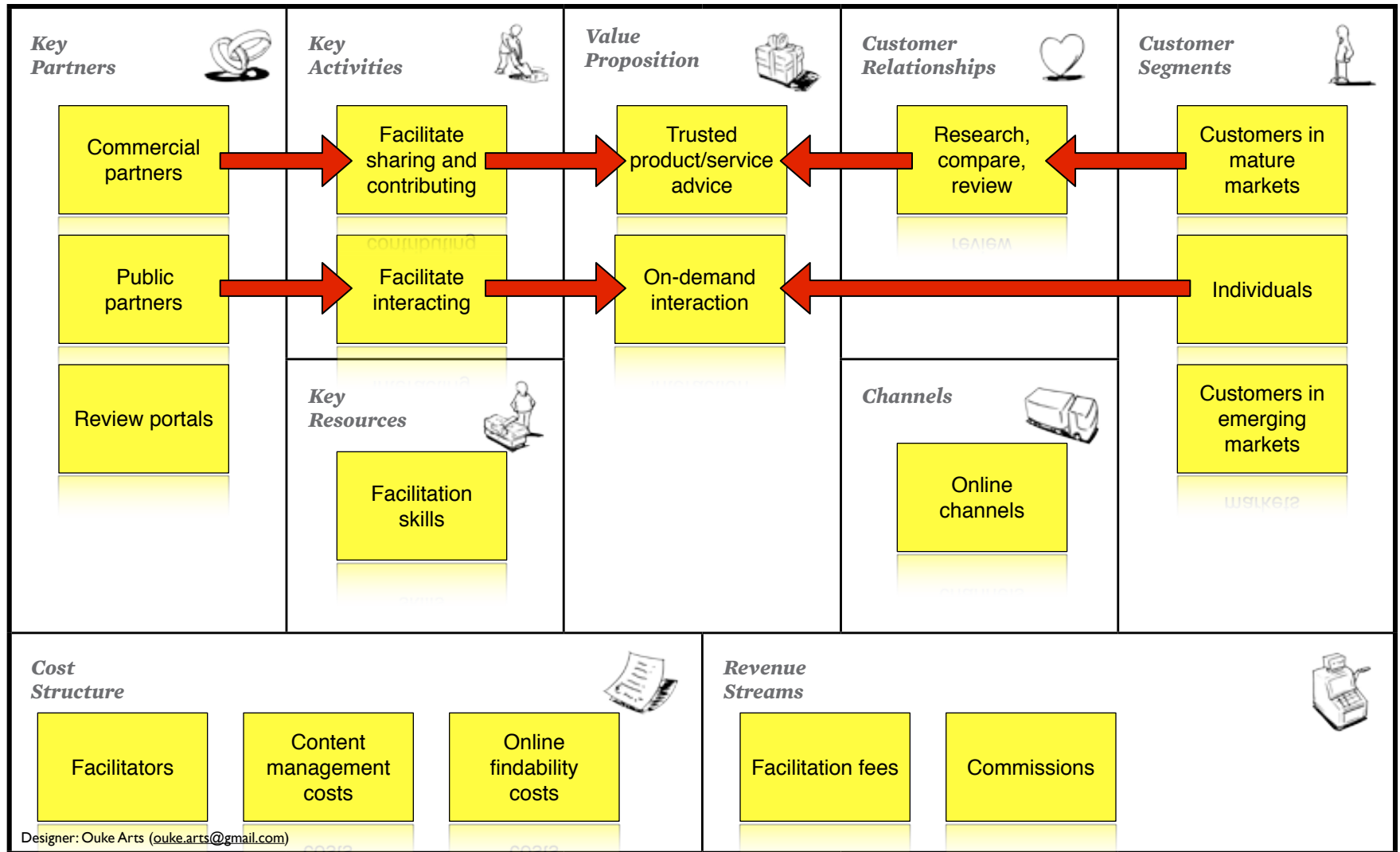
The business model for media and print companies remains two-sided but with two separate value propositions. It offers customers in mature markets, which are reached through customer initiated research, comparison and review, trusted product and service advice. These are shared with – and contributed by – commercial partners. Second, it offers individuals on-demand interaction with public partners, for example governments, schools and hospitals. Media and print companies will become great in facilitating individuals and groups in sharing, contributing and interacting.

All communication will be channeled online and independent review portals complement media and print companies in building trusted customer relationships. Their cost structure will shift dramatically, from paper and distribution to content management and online facilitating. Revenues will be generated from facilitation fees paid by commercial and public partners, and commissions from product and service retailers. What's beyond the known horizon? Facilitation is the answer.

The Business Model Canvas

Beyond Advertising Business Model

most relevant for traditional media and print companies



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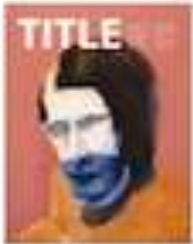
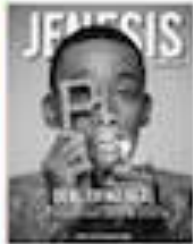
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-  Go straight to a school

28 sections on
268 schools

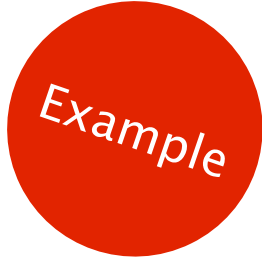
5,628
student editorials

33,034
college students

65,761
student reviews



Stowaway Issue 1:
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and atmosphere."
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Example



Example

Markets Are Conversations

Business

Model

4

“FOREVERISM”

Consumers and businesses embracing conversations, lifestyles and products that are 'never done'



“FOREVERISM”
Consumers and businesses embracing conversations,
lifestyles and products that are ‘never done’



Markets Are Conversations Business Model

Markets Are Conversations Business Model Product-focused professional services firms are finite. Economic turmoil leads to severe pressure on fees in business-to-business markets like consultancy, advocacy, accountancy and corporate finance. In times like these, it takes more than product development to stay in the game. Understanding that markets are not a static product of history and position, but a dynamic snapshot of conversations and interactions, is the first part towards new growth.

For professional services firms, the difference will be made by converting non-engaged customers into engaged customers. Product development will be obsolete. It will be replaced by customer relations and conversations.

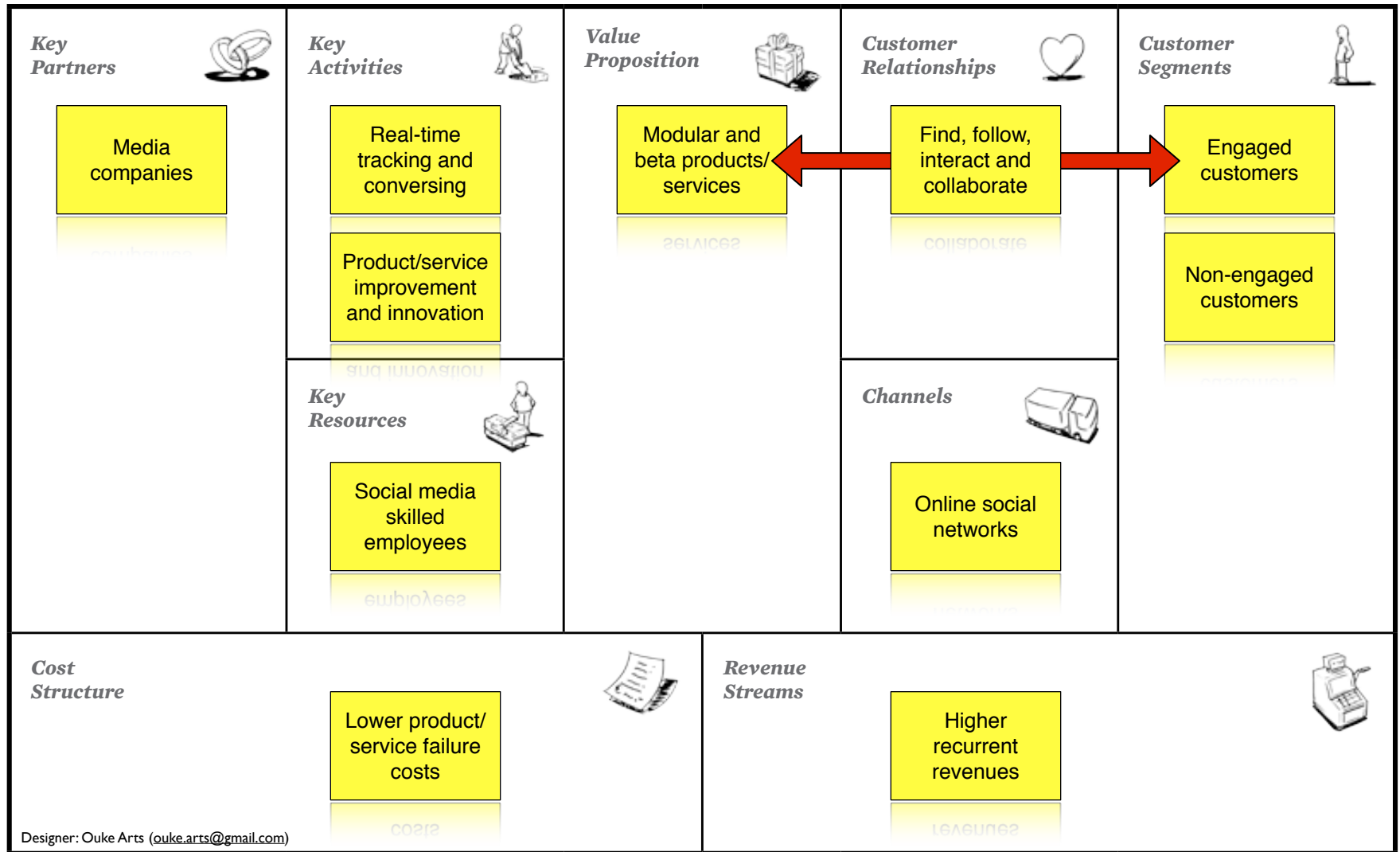
By sharing modular and beta products and services with your current and future customers, companies and their customers interact and collaborate in ongoing conversations. Not only will customers find and follow companies in online social networks, it will be the other way around as well. Employees have always been an important resource for professional service firms, and this importance will be especially true for social media skilled employees.

Professional services companies will need to become active with real-time tracking and conversion, with a little help from media partners. This will lead to ongoing product and service improvement and innovation, resulting in lower failure costs and higher recurrent revenues. An involved customer is a loyal customer.

The Business Model Canvas

Markets Are Conversations Business Model

most relevant for professional services companies



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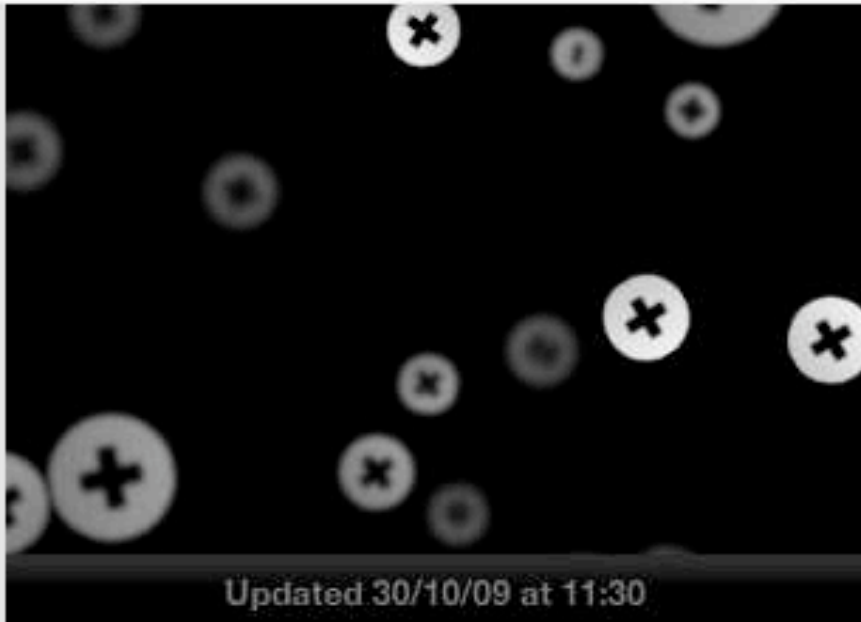
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Example

▶ Live feelings about **first direct**



Live summary



▶ Live words about **first direct**



Live summary

25.66

Example

will work
for all
it's worth.

Example

**Low-Budget Innovation
Business
Model**



“INNOVATION JUBILATION”

50+ new business ideas that defy doom and gloom



**“INNOVATION
JUBILATION”**
50+ new business ideas that defy doom and gloom



Low-Budget Innovation Business Model

Low-Budget Innovation Business Model Innovation in fast moving consumer goods companies used to mean bringing in the creative talents, the marketeers and the producers who started searching for possibilities to develop new products. For executives, there was nothing left but to hope for the best. Those days are over now that's co-creation is introduced. Innovation has become something companies can do with their customers, instead of to them.

Based on customer observation and customer participation, fast moving consumer goods companies develop co-created products that are improved by early adopters with sample tests.

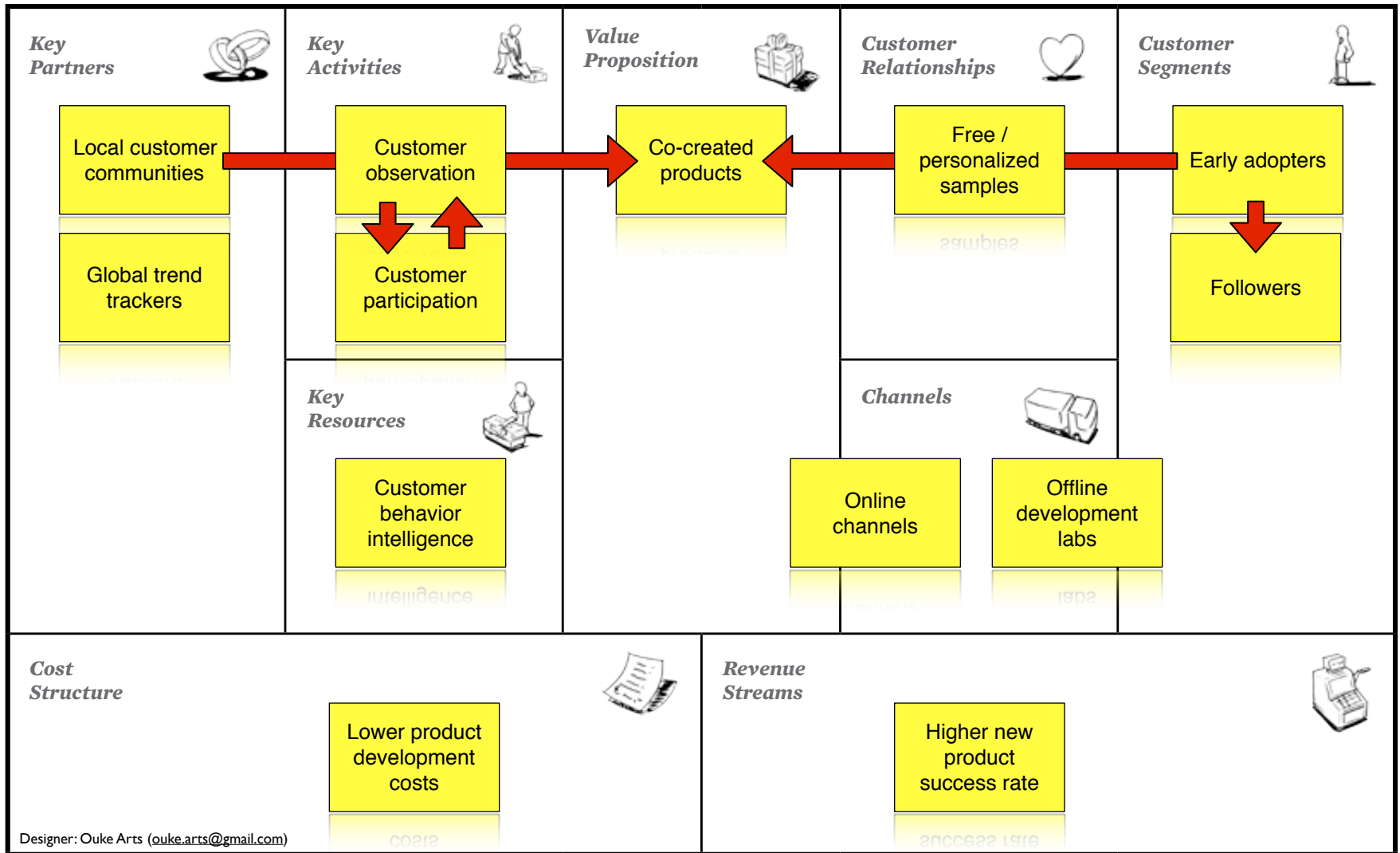
Early adopters are connected to the much larger market share of followers. Although co-creation can take place in off-line development labs, connectivity between adopters and followers is almost exclusively taking place through online channels. Online is also where local customer communities and global trend trackers meet.

Fast moving consumer goods companies need to become specialists in customer behaviour, in traditional consumption patterns, but more and more in social and individual lifestyle patterns as well. In a low-budget innovation business model, fast moving consumer goods companies are able to achieve a higher new product success rate with lower budget development costs. Now that's called low-budget innovation.

The Business Model Canvas

Low-Budget Innovation Business Model

most relevant for fast moving consumer goods companies



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Example

cm I Make My Case

Artists My Designs Cart Cases

Design a Case With



MATT W.
MOORE

www.mwmgraphics.com

Matt W. Moore is the founder of MWM Graphics, a Design and Illustration studio based in Portland, Maine. Matt works across disciplines, from colorful digital illustrations in his signature Vectorfunk style, to freeform watercolor paintings, and massive aerosol murals. MWM exhibits his artwork in galleries all around the world, and collaborates with clients in all sectors. Matt is also Co-Founder & Designer for Glyph Cue Clothing.

Follow Matt on Twitter: http://twitter.com/mwm_graphics

Example





Example

**Community-Funded
Business
Model**



"SELLSUMMERS"

If saving is the new spending, then selling is the new saving



“SELLSUMERS”
If saving is the new spending, then selling is the new saving



Community-Funded Business Model

**Community
Funded
Business
Model**

Entertainment- and publishing companies have traditionally been specifically good at talent identification and development. In a community-funded business model, talent identification and talent development are radically democratized.

Instead of talent identification and development, entertainment and publishing companies become exceptionally good at fund and community management. The most essential resource in this business model is the intelligence of a community.

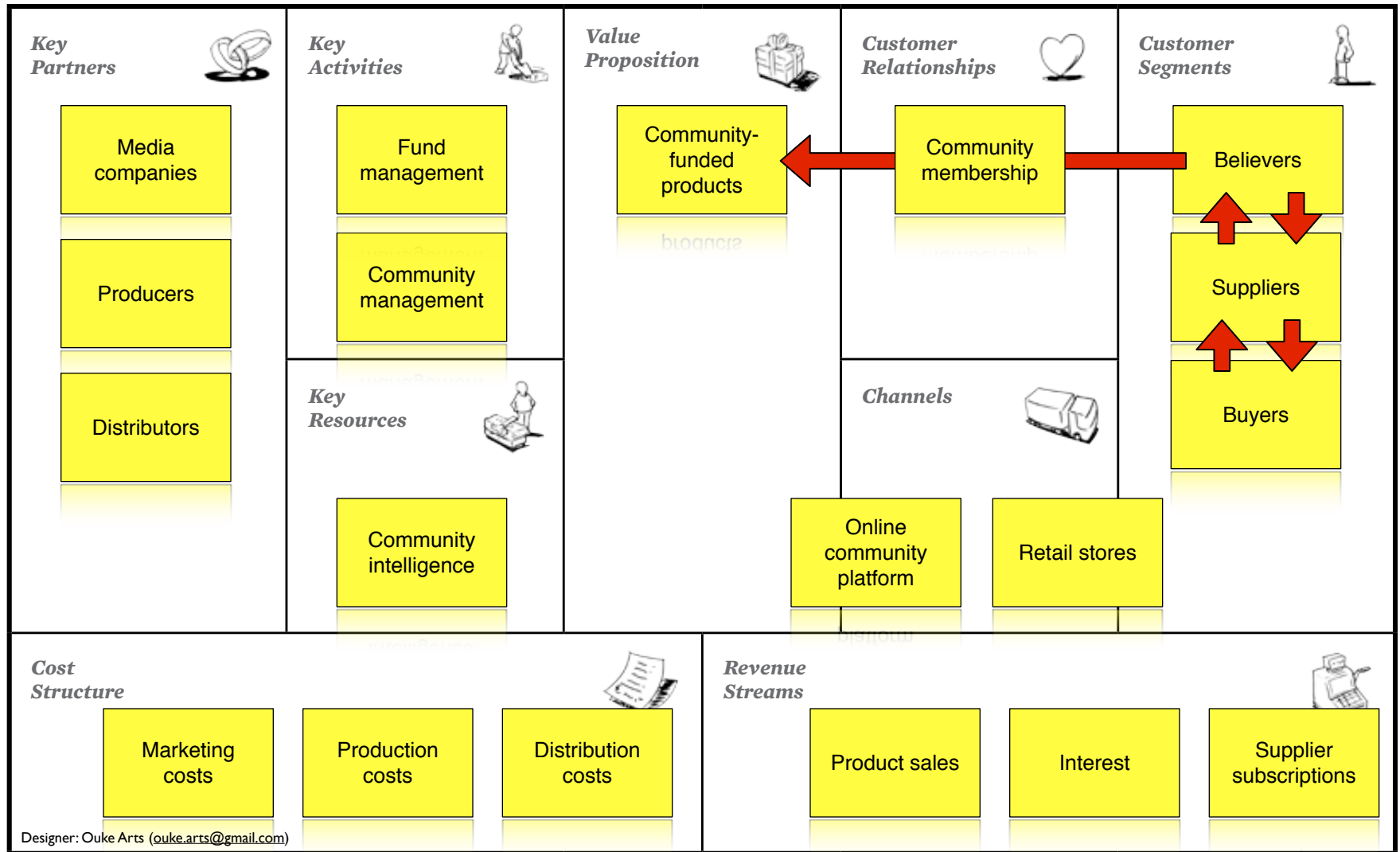
In this multisided business model, there are three distinctive customer segments: believers, suppliers and buyers. Believers become members through the online community platform and fund products that are produced by suppliers. These products can be visual, auditory or textual and are bought by buyers. Believers can be buyers can be suppliers and the other way around. Physical products are distributed through retail stores, digital products through the online community platform.

To boost product sales, entertainment and publishing companies partner with media companies, professional producers and distributors. This means marketing, production and distribution costs have to be covered by interest and supplier subscriptions next to product sales. This business model has a different tipping point in different markets.

The Business Model Canvas

Community-Funded Business Model

most relevant for entertainment and publishing companies



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so very happy!
Average Rating 4.7 - 17 Votes



Orange you Excited...
Average Rating 4.6 - 18 Votes



Ooh Lolly
Average Rating 3.9 - 49 Votes



Example



**START MAKING YOUR
VIDEOS & UPLOAD**



Example

IDEA EXCHANGE

MORE THAN AN ONLINE SUGGESTION BOX



Example

Sustainability-Focused

Business

Model



"ECO-BOUNTY"

From ECO-FRUGAL to ECO-METERING,
future profits *will* be green



"ECO-BOUNTY"

From ECO-FRUGAL to ECO-METERING,
future profits *will* be green



Sustainability-Focused Business Model

**Sustain-
ability
Focused
Business
Model**

If green status is what customers want, that's what they'll get. Fast moving consumer goods companies are creating new products and services for customers in mature and emerging markets by focusing on sustainability.

Fast moving consumer goods companies that are serious about sustainability research the ecological impact of their products and services. Facts are needed for research-based green marketing while creativity and locality is needed for green storytelling.

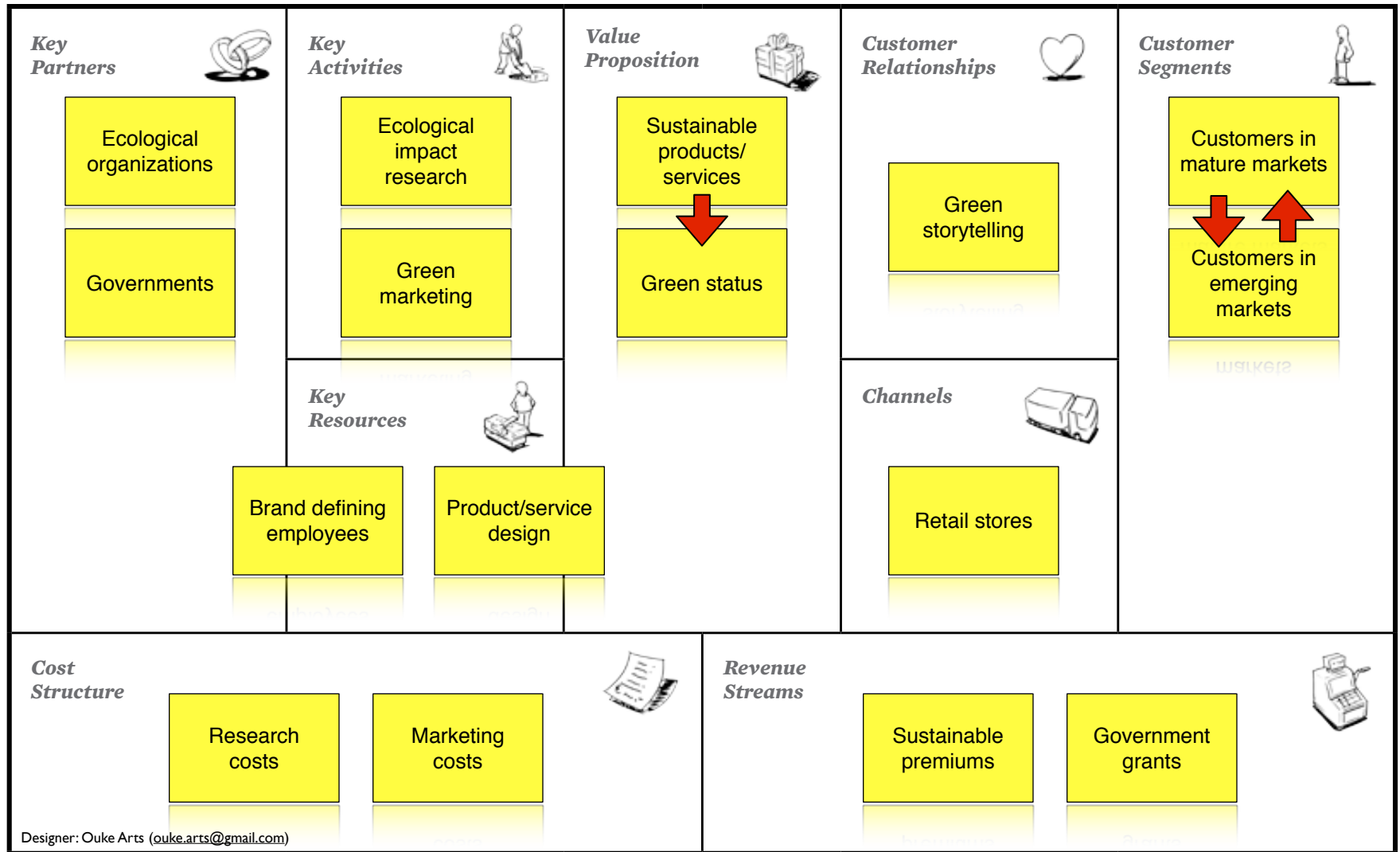
Brand defining employees and green marketeers work together with product and service designers, ecological organizations and governments. These research and marketing efforts demand a sustainable premium on traditional low-cost prices. When the market response is insufficient, governments can provide grants for sustainability-focused companies. Customers are reached through regular channels such as retail stores. The relationship between company and customer is based on green storytelling: individualized, personal and local context are integrated in customer relationship management.

This business model will be more successful if fast moving consumer companies are active in both mature and emerging markets. Given the lead in green ambitions in mature markets, market presence in these markets allows companies to leverage on their achieved brand value in emerging markets.

The Business Model Canvas

Sustainability-Focused Business Model

most relevant for fast moving consumer goods companies



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Example



SEALスニーカー、遂に登場。

ストリートでも、アウトドアでも、
とことんタフなスニーカー。



tire tube



product

Example



Example

**Twisted Freemium
Business
Model**



"GENERATION G"

That would be G for 'Generosity', not G for 'Greed' ;-)



"GENERATION G"
That would be G for 'Generosity', not G for 'Greed' ;-)



Twisted Freemium Business Model

**Twisted
Freemium
Business
Model**

Freemium business models are relevant to many companies, amongst others software development companies. This business model is based around the idea of involving customers and development communities in the development process of a free open source based product.

Free open source products are offered to self-service customers, who have access to a self-service platform. For these customers, self-reliance is part of the value proposition. Customers in need of a continuously serviced version of the product are willing to pay for a professional subscription.

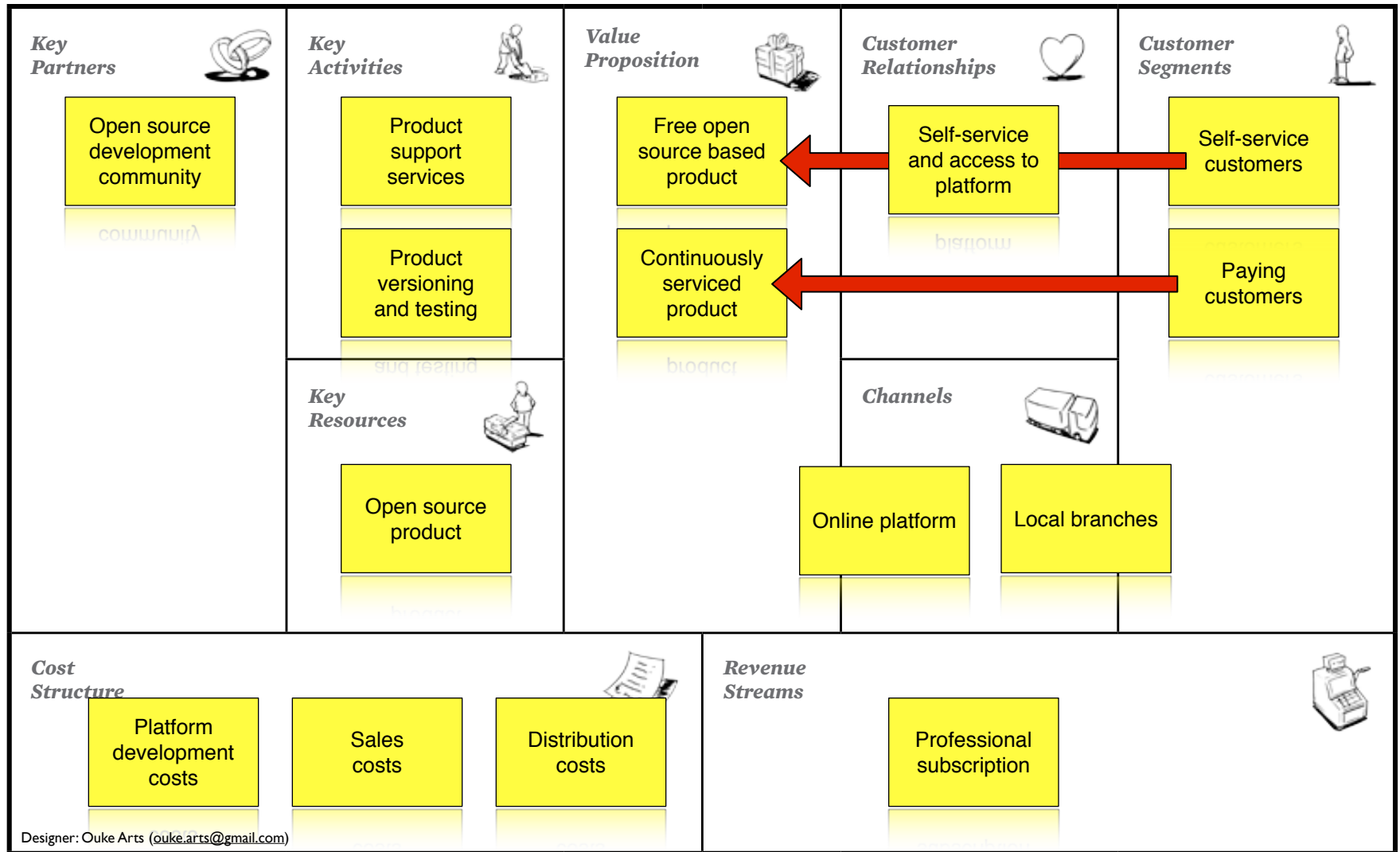
Now here's the twist. Because the free open source version is being developed outside the software company, there is no relatively large budget needed for research and development. Key activities become product support services and product versioning and testing. This means lower development costs. Customers get to choose between 'Free' and 'Premium' versions of the product.

Software companies need to facilitate relevant open source development communities by providing an online platform. This involves platform development and maintenance costs. To distribute the continuously serviced version, local branches are in place. This means sales and distribution costs are incurred.

The Business Model Canvas

Twisted Freemium Business Model

most relevant for software development companies



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Your opinions will go directly to the people building these features. Tell them if they're on the right track, or if it's back to the drawing board. We want to get this right. Help our Garden grow.



Example



PeopleBrowsr™

search marketers mypb corporate industry news conference



Example



Example

PLAY

**Unlimited Niches
Business
Model**



“NICHE TRIBUTES”

Low-cost, practical tributes to the zeitgeist



"NICHETRIBUTES"
Low-cost, practical tributes to the zeitgeist



Unlimited Niches Business Model

**Unlimited
Niches
Business
Model**

The long tail is a typical statistical reflection of niche markets. If storage costs are close to zero, the number of products on sale is close to unlimited. Online retail companies use a business model adapted to this long tail, servicing many niche segments. Some online retail companies have even outsourced to fulfillment partners. By adding content production tools to their value proposition, an unlimited niches business model can be realized.

Online retail companies offer niche content to many niche customer segments, by engaging in ongoing mass-customized customer relations. A second customer segment is the segment of niche content providers. Potentially, the combination of these two leads to an unlimited number of niches.

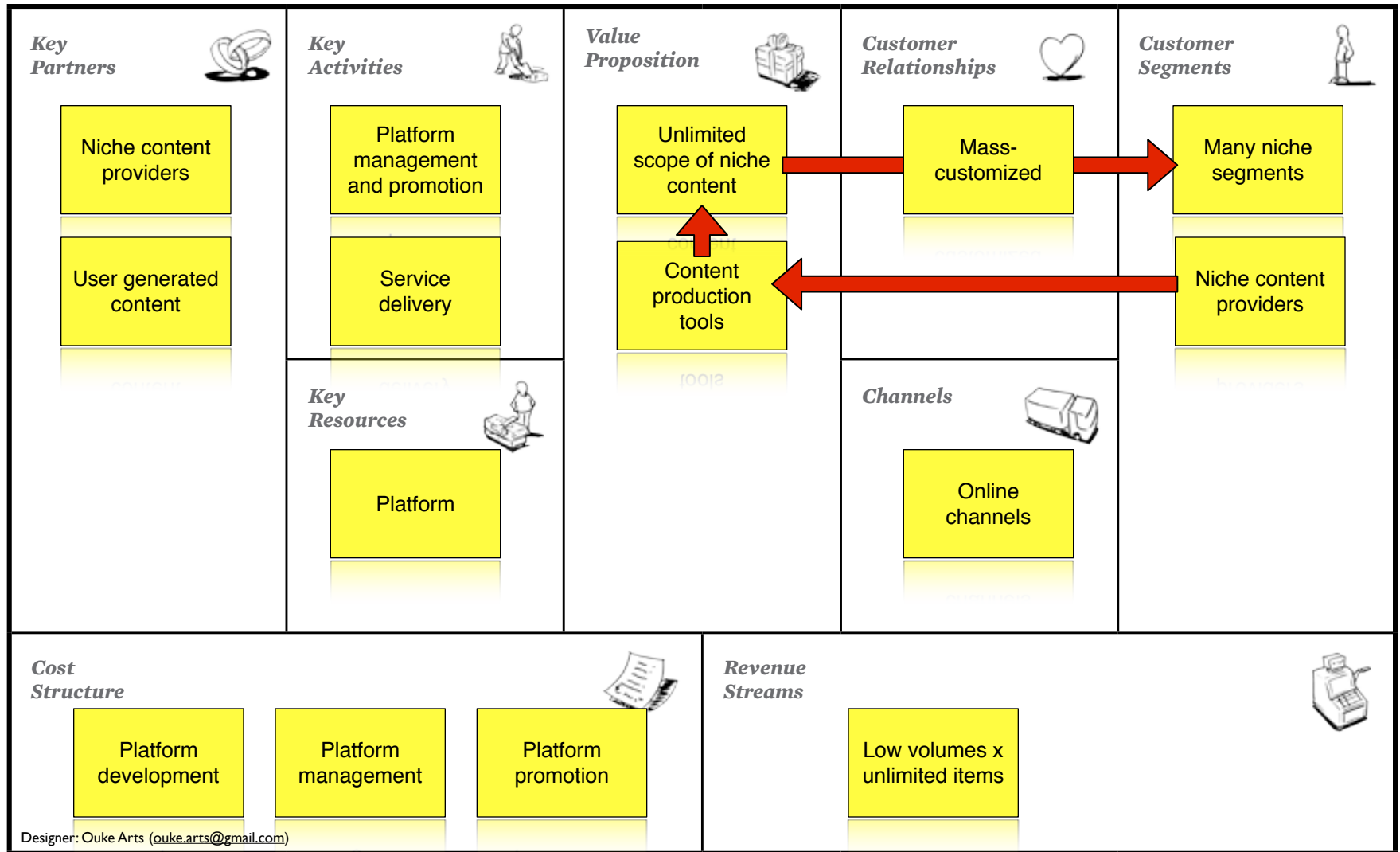
New content is created and offered through online channels, which means online retail companies will have to focus on platform management and promotion next to service delivery. This platform is a key resource, as it is the place where supply and demand meet and it allows niche content providers to develop user generated content.

The cost structure of online retail companies includes platform development, platform management and platform promotion. Revenue comes from low volumes of unlimited items. Because customers develop the content, if it needs to be low-cost and practical it will be.

The Business Model Canvas

Unlimited Niches Business Model

most relevant for online retail companies



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Semester: March-April 2010

...oooooooked solid! maybe you'd be interested in [another course?](#)

...chicken or beef or pork, but beyond some vague idea of "this is meat" we really have a handle on what really makes up meat?

...animals the meat comes from: There's a lot of talk out there about organic- vs. grass-fed animals, we'll figure that one out. Can you

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The second semester is at [The Gowanus Studio Space](#) from March 15th - April 7th. Each course meets once a week for a month and only costs \$25!

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POE354: Modern Poetry!

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MKUP444: Beauty School Dropout

Cosmetics past, present and future: color theory! Lead, mercury and other historically pretty poisons! The power of mascara! [read more](#)

PPR202: Paper Arts

Paper! dye it, scent it, turn it into books/swans/planes! [read more](#)

MEAT266: Meat!

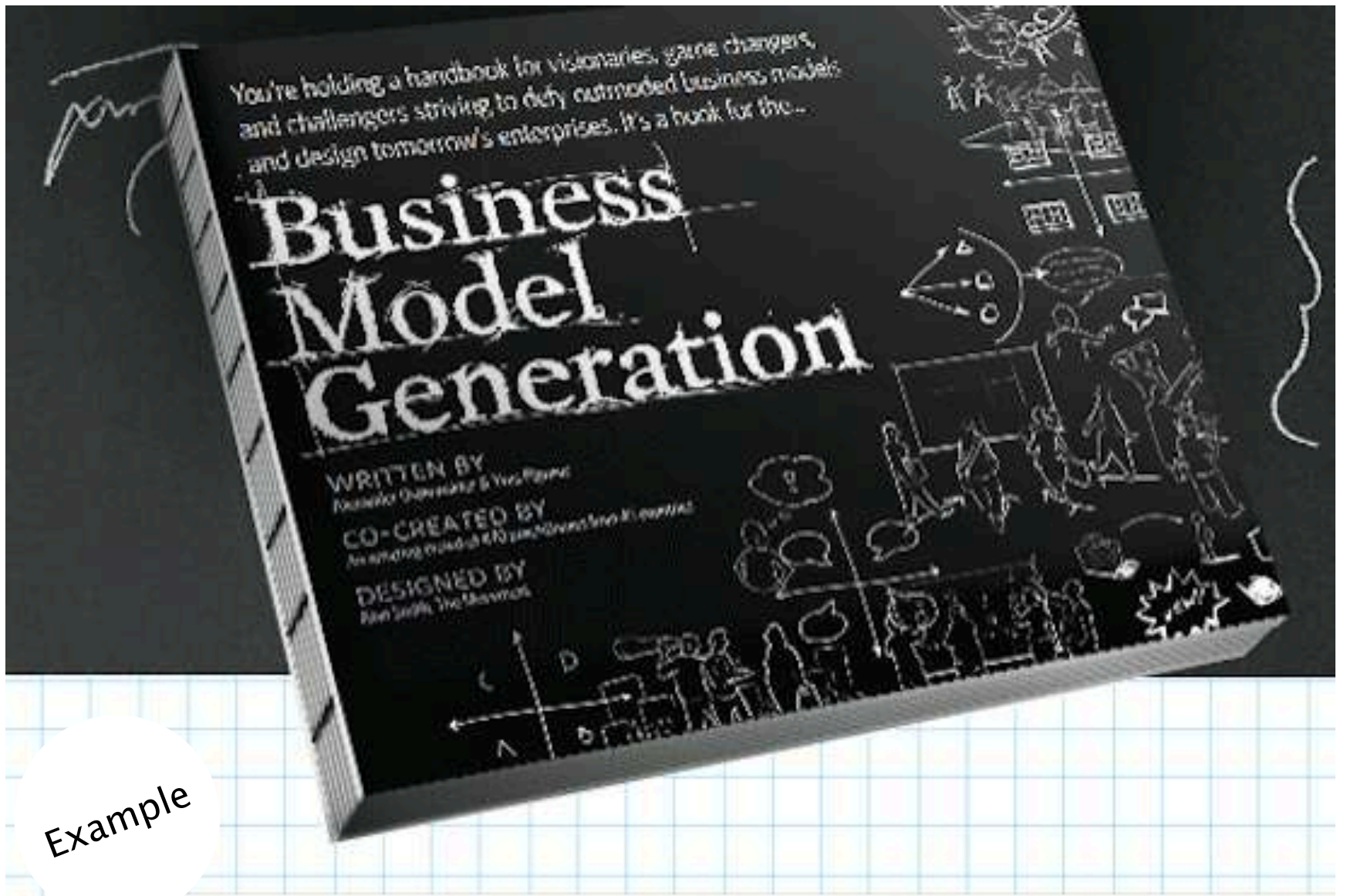
Example

Welcome to noah, is this your [first time here?](#)

[Sign-up for our iPhone Beta test](#)

FOLLOW US ON [Twitter](#)





Example

In-Crowd Customers

Business

Model

10

"LUXYOURY"

In 2009, *you* define what constitutes luxury



"LUXYOURY"
In 2009, *you* define what constitutes luxury



In-Crowd Customers Business Model

**In-Crowd
Business
Model**

Travel, leisure and lifestyle companies are always on the look-out for status triggering products and services they can offer. To deliver status, these companies think in terms of experiences and individuals. The more personal, the more status they deliver. Which is also true for the uniqueness of the experience.

Servicing in-crowd customers in mature markets, travel, leisure and lifestyle companies need to extremely personalize the relationship they have with these customers. Offline networks deliver the best results through personal in-crowd encounters.

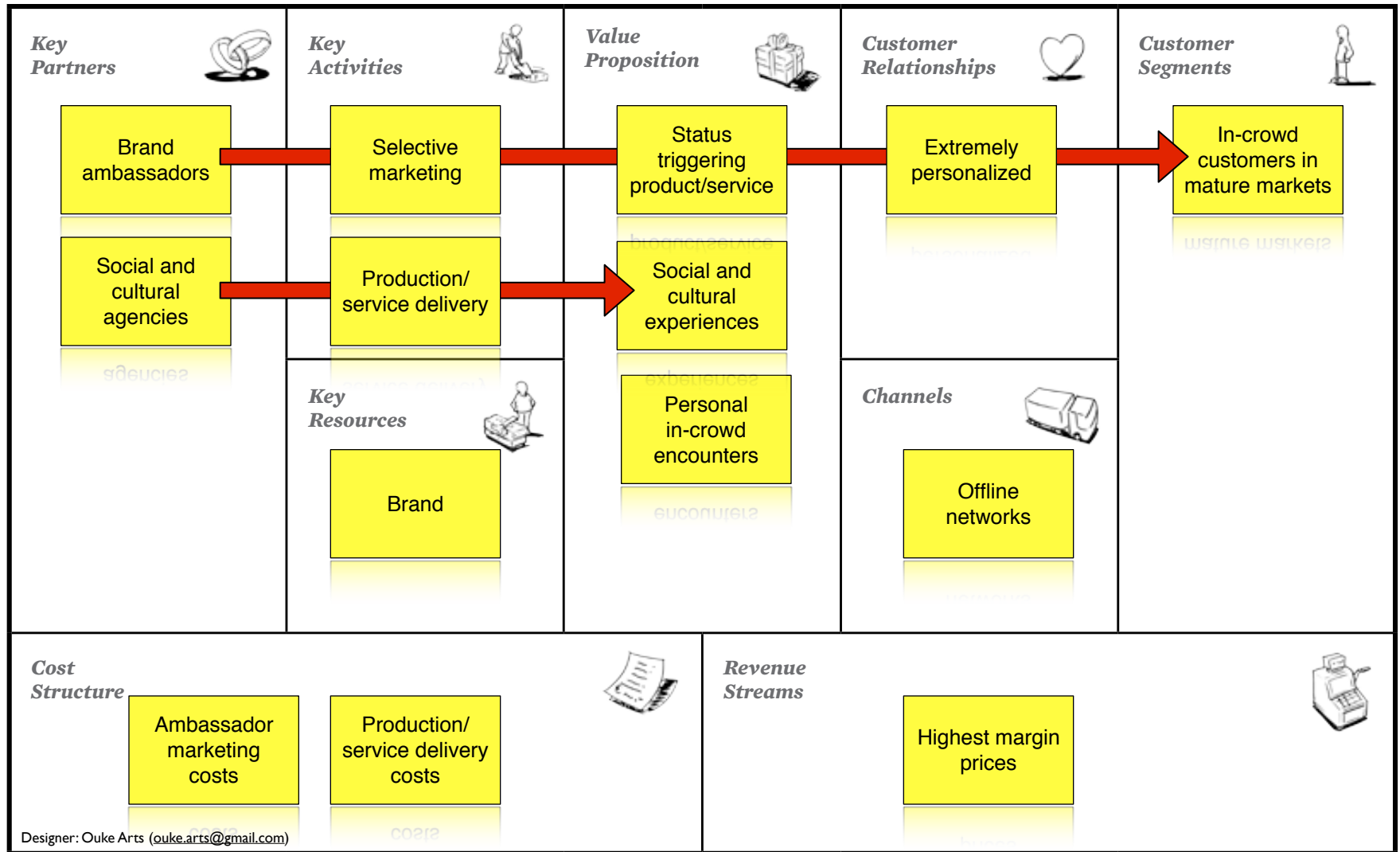
The most key resource for travel, leisure and lifestyle companies is their brand. The brand is both a social network navigator and a divider between in-crowd and crowd. The most influential members of a social network are potential brand ambassadors. Brand ambassadors become partners in selective marketing the status triggering products and services. Local social and cultural agencies are another key partner, who actually produce or service of social and cultural experiences.

The extremely personalized customer relationship allows for the highest margin prices, which have to compensate for the relatively high ambassador marketing costs and production or service delivery costs. It is the kind of travel, leisure and lifestyle margins marketeers have for a long time dreamed of but haven't been able to maintain in the past decade. The in-crowd business model is their new business model for this decade.

The Business Model Canvas

In-Crowd Customers Business Model

most relevant for travel, leisure and lifestyle companies



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Example



1 *LOVE*

2 *WEAR*

3 *RETURN*

Example



**PORT
LAND,
OREGON**



Example

10 New Business Models for this Decade BETA

PRODUCED BY:

Ouke Arts, **Strategy Consultant/Graphic Facilitator**

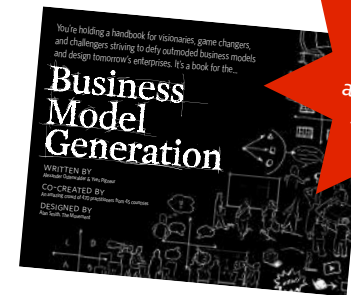
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THANK YOU:

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THE BUSINESS MODEL CANVAS is described in the book **Business Model Generation**



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