What's free shipping between friends?

A business shift from transaction to relation

"I can't do this anymore."

This was a tweet from Feb. 3, sent halfway through the lowest-scoring Super Bowl in history. It came from @sunnydelight, the Twitter account for the orange-flavored drink you probably remember from childhood.

Think about that for a second. This was an official mouthpiece for a kid's drink, which has been around for more than 50 years, talking about the existential dread it felt from watching a boring football game. A drink had feelings and shared them with the world – but what's interesting is … it wasn't out of place.

Five years ago, any unassociated brand commenting on a sporting event would have seemed strange, much less a brand criticizing the event. Now imagine that criticism coming from a drink aimed at children – it would have been beyond the pale.

However, this sort of phenomenon is relatively commonplace now. Netflix, Wendy's, Taco Bell, HBO, MoonPie, even Steak-Umm: All have created online personalities for themselves driven in part by ironic, quirky, self-realized tweets and posts – usually in first person. They talk smack to one another, they have favorite TV shows (that they don't make or offer), and they have opinions on a variety of topics.

All of a sudden, these aren't multinational corporations trying to sell you a sugary drink, a TV show or thinly sliced frozen steaks – they're like any other "person" online. These kinds of tweets and posts humanize companies that seemed untouchable before the dawn of social media.

While part of this shift enables brands to stand out in an overly crowded online marketplace, it hints at a broader thought process: the transition from a transactional business model toward one that's relational. The actual transaction is no longer solely what's important – it's how the customer feels about their experience with the brand, whether or not it ends in a transaction.

Some of the most important and successful brands in the world – like Apple, Amazon and Lyft – have made this shift, and it's how they've become the industry giants they are. While this is becoming increasingly popular among brands, it's not as easy as just tweeting in first person.

So, how did we get here? And how does moving from a transactional business to a relational business apply to these three massive companies, all from vastly different industries?

First, let's look back ... *way* back.

Business was built on a trade system: One party wants or needs something, another party has it, and the two parties make an exchange. In the end, both have things they wanted or needed. The "somethings" have changed over time, from an item as simple as salt to a service such as food delivery; but the idea of an exchange between two parties is where business began.

However, what happens before the exchange takes place is a key part of the puzzle. Party A wants something from Party B; but if neither party can agree on a fair exchange, then the deal doesn't happen. There needs to be belief from both parties that what you're exchanging is of fair (or equal) value.

That's where trust becomes a key component to business. There's a shared acceptance of what is "fair" in any given trade; but somewhere along the way, the dynamics between the two parties became skewed. The focus shifted away from an agreement on reasonable trade and more toward maximizing gain in the trade. This was eventually accepted as a standard business operating procedure.

"Fair" was no longer a negotiation between two parties, but rather a negotiation from the customer. It's no longer "can we agree on this price?" but "is this price worth it to me?"

From the business point of view, the actual transactions became top priority: Make the most money by charging the highest prices possible – what's good for the business is most important, and what's good for the customer doesn't really matter as long as they're buying your product or service . . .

. . . and then the internet came along.

1. Shifting minds online

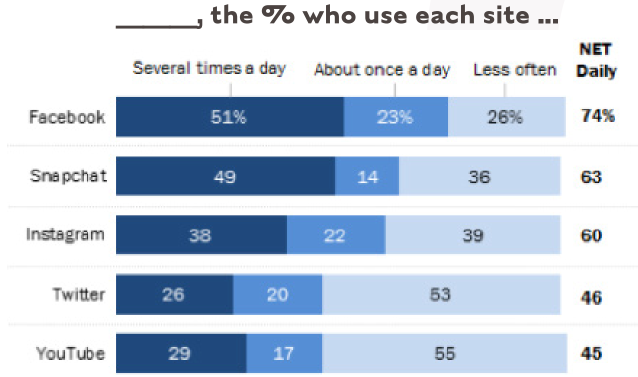
The internet has forever altered the way businesses operate and has made it easier for brands to bond with their customers. Three changes in particular have helped with this overall shift.

Advent of social media

Social media has provided a way for customers and businesses to interact with one another as never before. For customers, this interaction is a way to air grievances, highlight personal tastes and monitor ethical (or non-ethical) business practices.

For businesses, it's an entirely new platform to reach their audiences. [According to the latest Pew data](), the average American uses three social media platforms – most of them on a daily basis – and the [vast majority of people are using their smartphones]() to check them.

Among U.S. adults who say they use ______, the % who use each site ...



Source: Pew Research Center, 2018

A business's messages, regardless of platform, are going to be presented in roughly the same format and alongside messages from friends, family and other "real people." The lines are now blurred, and brands had to react in a way that wouldn't alienate consumers. They had to become more human ... and those that have been the most successful have won the most prized asset in the digital world: being cool.

The quirky, self-aware, first-person tweets accomplish this, but so does Apple's #ShotOniPhone campaign or Lyft's Instagram feed, the latter becoming a de facto travel guide to cities around the country.

For individuals, social media is an avenue to share your curated personality with the world. It has also removed the need for brands to actively sell you a product and instead sell you a reputation – a reputation you can share with them.

Consumers see these posts, photos and ideas right next to a cute dog video or an old photo of a high school friend and everyone else's curated personality. It's just another part of the feed.

2. Democratization of criticism

The internet is the great equalizer of communication. For consumers, the internet has become a place to crowdsource rants and raves about any and everything. No longer do you need to pay for a subscription to the New York Times or Spin, or even your local newspaper, for reviews – you can just go online and read what someone thinks about nearly every product and service available.

Amazon, in particular, was at the forefront of this idea when it first launched as an online bookstore. Users shared book reviews and were served up products that had better reviews, as well as ones that were similar to what you reviewed in the past. Today, that model has extended to virtually every part of culture through places like Yelp, Foursquare and CNET, and this phenomenon has had a tangible impact on generations of people: Eight of out 10 millennials never buy anything online without reading a review first.

The availability of product and service reviews are tangible in other buying trends, too. There's a quest for authenticity with many younger consumers, both in ad content and in buying decisions. Younger consumers are also more likely to spend more on brands that are socially conscious.

These are all examples of a consumer world in which a company's reputation is so easily determined online. If your brand is "cool" because it's socially conscious, then your customers become cool because they're socially conscious for buying your product.

Reputation matters – not just for the business, but for the customer as well. Brands that have realized this and started to focus on how they can help improve their customers' experiences, and therefore their reputations ("cool people only do cool things"), are the ones that stand out in the digital world.

3. Tech, supply chains and immediacy

The consumer-brand relationship has been forever altered by the internet, but so has the supplier-buyer relationship. Advances in logistics – made possible by the ability to be connected across the world at all times – mean companies can offer unprecedented levels of immediacy for their consumers.

For consumers, immediacy means convenience. In a world in which you're expected to always be "on," everything and everyone is fighting to get your attention. There are a wealth of options for how to spend your time and money … and saving people time is an especially powerful tool.

Younger generations of buyers pose some contradictions: Yes, they're more conscious in their purchasing habits; but they also want free delivery and cheaper prices, regardless of the brand.

There's one standout example here: Amazon. They offer free, often two-day shipping for their members and now they even offer free grocery delivery. They're market leaders because of the way they've completely altered the supply chain to offer anything you want, as quickly as possible. They've actually changed the game for everyone.

Apple offers convenience in a slightly different way. The integration of their product suite saves users time and the anxiety of being forced to utilize multiple devices. Couple with that their curated reputation and they've become market leaders in nearly every way imaginable.

Apple and Amazon are selling a simple, efficient and "cool" customer experience. However, it's not just retail companies that are making the most of this new paradigm.

flexdrive is a vehicle subscription platform that adapts to – and thrives in – this new world. The ability to reserve and subscribe to a vehicle from an app, pick up the car in minutes and then swap whenever the desire arises is a level of innovation the automotive industry is evolving toward. Those who understand the need to embrace this new way of conducting business now are the innovators who are going to be successful in the long run.

Consumers don't have enough time, they have too many options, and there's just too much to do. Companies that can cut through these modern worries are rising to the top, and the most successful brands in the world have found their own way to own the customer relationship.

For Apple, it's the ease with which everything seamlessly fits together. For Amazon, it's offering a vast selection of products with the knowledge it will get to you fast and free. For Lyft, it's the ability to call anyone at any time to give you a ride anywhere.

All of these brands alleviate anxiety for consumers: lack of time, lack of money, lack of reputation. And they're doing so in new ways that have lasting impacts on younger generations, who now expect all brands to offer features similar to those of Apple, Amazon and Lyft. The businesses that are going to survive as these generations get older are going to be the ones that adapt to the new paradigm.

So maybe Sunny D is cool after all?

about flexdrive

Launched in 2013 at the advent of car subscriptions, flexdrive is a joint venture between market leaders Cox Automotive and Holman Enterprises, a global fleet management company. Our mission is to create an alternative to traditional car buying and leasing that helps dealers on the path to mobility. Today, we have more than 20,000 subscribers globally across our strategic partners leveraging the flexdrive marketplace and private label. Visit www.flexdrive.com to learn more.

For more information, please email hello@flexdrive.com.