



David Perell 🙌 @david_perell · Dec 9



3/ When the seller has a lot more information than the buyer, the seller can rip you off if he/she wants. The seller had the advantage.

As a result, companies relied on the moat of incomplete information.



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4/ By and large, the internet took us from a world of information asymmetry to a world of information parity.

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5/ Now, buyers can gain the advantage.

Today, shoppers can go online research a product, and arrive at a car dealership familiar with all the models and associated costs.

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6/ When this happens, buyers have the power. They can share their rate and review with the world on platforms like Yelp and Amazon.

Research shows that buyers are often 60 to 70% of the way through their decision process before they pick up the phone, or reach out to a company.

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7/ Soon, we'll be able to look at a product with mixed reality glasses ask:

1. "Is this product cheaper on Amazon?"
2. "How does the food at this restaurant taste?"

Ratings and reviews will appear automatically.



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8/ So, what does this mean for the future of brands?



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9/ Here's my thesis: Brands will struggle where there's information parity.

@profalloway has observed that in a voice-first world where speed and convenience trump logos and packaging, brands will not matter.

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10/ Galloway calls CPG "the house that advertising built." But now, big consumer brands, are struggling.

Among the top 100 consumer-packaged good (CPG) brands, 90 percent experienced a decline in market share in 2015.

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11/ The percentage of people who can identify a favorite brand is in sharp decline. (Via @l2)



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12/ Brands will exist on a spectrum: emotional vs. unemotional purchases.

On one end, you'll have unemotional routine purchases: laundry detergent, cleaning supplies, basic clothing, etc.

That's where I agree with [@profgalloway](#).



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13/ Amazon's Echo strategy reflects this. Look at what they kinds of products they're promoting — mundane ones.



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14/ With these unemotional purchases, trust increasingly comes from reviews and star ratings — not brand power.

We want to minimize downside, not maximize upside. To avoid badness rather than maximize

perfection.

Unemotional purchases should be fast, easy and even automatic.



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15/ Emotional purchases exist at the other end of the spectrum.

These purchases are driven by our desire express ourselves and display individuality: our favorite winter coat, a coveted pair of shoes, personalized beauty products, etc.



