

Affluenza

America in general and Silicon Valley in particular used to be on the ball. It used to operate at Silicon speed, work really hard, and produce extremely interesting innovations. A hungry, driven work-ethic permeated the culture.

Today, along with outsourcing and off-shoring, that superb work-ethic has also been shipped off to India and China. America suffers from Affluenza, while the Asian giants ride their enormous growth cycles and develop at a frantic pace.

The Internet era of the nineties gave us a fundamental discontinuity around which America organized itself. All the youthful optimism, risk-taking, willingness to work hard kicked in gear. For about six years (1994-1999) the world ate out of America's hands, until in 2000 the Internet bubble was punctured. 2000-2005 were years ridden with terrorism and war, and an atmosphere of caution, fear, retrenching, pessimism and anger set in. The political firmament of the world saw George Bush's closed world-view replacing Bill Clinton's charismatic, inviting and open world-view. The economic impact of technology made globalization pick up pace, and created new markets, took jobs away from America, and created a vacuum in America's long-standing innovation-driven hegemony.

In 2005, what then is the state of innovation? Is there a chance to recover from the lull?

I believe, the same Affluenza that is plaguing America's work-ethic - can be tapped into, to find the next generation consumer markets.

The teenage kids of high-achieving wealthy parents (many of whom were first-generation immigrants) are chronic spenders. These are the HAVES of America. Many of these kids have acute Affluenza and they neither work hard, nor aspire to achieve much in life. They HAVE everything. That resources in the world are finite - is a foreign concept to these kids. They all have Attention Deficit Disorder (ADD), and hence have to be constantly entertained which creates new opportunities for marketeers to sell them new things. The iPod is a classic success story that has done a fantastic job of tapping into this segment, and its desire for the next "cool" thing.

My challenge to today's innovators is to come up with "Edutainment" products that this segment can consume in abundance, and make you rich. But in the process, I submit, you can impart some sorely needed education to these chronic consumers. Marketeers: convince the parents of your products' educational value, and convince the kids of the coolness value. Parents will surely open their wallets, if you can engage this perpetually distracted segment, and give them something that will serve them well in preparing for life!

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