

Critical industries moving B2C: Go-to-market strategies for impact unicorns

The younger generation has lost trust in government and institutions, but not in the future.

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Proportionately, some of the world's largest sectors—also representing the biggest challenges and opportunities our world is facing—are moving from business to business (B2B) and business to government (B2G) to selling directly to consumers (B2C)...

...moving trillions in value with them.

Tesla—the world's sixth largest company—is a poster child among a growing peer group of companies applying a B2C business model to laggard industries.

The energy industry illustrates how impatience for impact and discontent with slow moving or profit driven governments and incumbents got us here. On top of an acute energy crisis our world is getting warmer and 93% of EU citizens see climate change as a serious problem; young people don't think governments are doing enough, as exemplified by 21 American youth *suing their government* for violating their generation's constitutional rights to future life, liberty and property by not taking action against climate change; and energy prices are at an all-time high while customer satisfaction with energy providers at an all-time low. In the UK, the energy market now has an average of 20% churn, with 22% of

customers switching away from the six largest suppliers to new challengers.

While this seismic shift represents a clear investment opportunity and impact potential, innovating in critical industries comes with unique challenges.

Giant markets such as energy (13% of global GDP), water and wastewater (essential to human life and every sector of the economy), telecommunication (\$1.7T market), food and agriculture, and material innovation usually come with large upfront capital expenditure and hardware requirements that slows scale. In other cases, sustainable solutions exist but the difference in cost between doing something in a way that produces greenhouse emissions compared to doing it without-what Bill Gates calls the *Green Premium*-is deemed too high by the businesses and governments they've been marketed to.

Upfront capital and green premiums might have been enough to demoralise B2C founders from improving critical industries in the past, but new technology coupled with innovative go-to-market strategies make 2023 a perfect time to chase impact alongside conscious consumers. Here's how.

Empowered communities and the TIPIN model

For infrastructure companies, huge upfront capital expenditure is generally a bottleneck for innovation, while one of consumer companies' biggest line items is customer acquisition cost (CAC). For some B2C infrastructure companies, community is the solution to both.

While a tried and tested chapter of the consumer playbook, it's not until late it's been applied to "unsexy" markets such as utilities and

infrastructure.

A good example is *Helium*. Helium is a decentralised IoT company providing cheap access to hotspots owned by the community. Routers are bought, installed and managed by individuals who in turn are rewarded with the token \$HNT.

Helium switched to the crowdsourced model in 2019 and at the time of writing has created the largest decentralised telecommunications company with more than 171,000 Discord evangelists and more than 969,000 routers deployed by individuals in almost every country of the world—with no capex to Helium.

While participants in many mining schemes derive value from speculation, Helium contributors make money by adding physical value. The model has been dubbed “TIPIN” (Token Incentivized Physical Infrastructure Networks) and started gaining traction in 2022, with endless use cases across critical sectors left to explore.

Whether you think Helium is the ultimate missionary People’s Network or a mercenary scheme making executives rich, the company exemplifies two tactics mission driven founders can leverage

- How crowdsourcing can help companies bootstrap huge physical projects by incentivising the community to deploy and manage infrastructure
- How empowered and vested communities create scale and impact quickly compared to a centralised brand.

There’s a series of new B2C utility providers applying token ecosystems to create business models accountable to everyday people. Examples include *React Network*, also using the TIPIN model, with a network of distributed clean energy devices owned by the community coordinated to provide stability when the grid is under stress. *Tesseract* is another

example—tokenizing what’s called Power Purchase Agreement (PPA)—allowing consumers to directly access shared “virtual” solar panels and wind turbines.

Tokens aside, shared solar programs and community ownership will grow in coming years with companies like *Solstice* and *Lunar Energy* innovating in the space. The former connects homeowners to local solar gardens, and the latter—with a fresh \$300M in funding—provides all the software and hardware necessary to make homes energy independent and clean, while allowing them to share energy with their community.

Even if a token ecosystem isn’t necessary for your mission, some aspect of community likely is. The 2010s, the D2C era, taught us the importance of turning users into advocates. The same playbook that brought down CAC for lifestyle consumer brands can be activated to drive change and more efficient unit economics in enormous laggard industries that traditionally have been B2B or B2G.

By building community and giving consumers actual ownership in the organisations affecting their everyday life and the future of their children and planet, brave organisations turn consumers into vested co-pilots in attacking the world’s most pressing needs. When it comes to utilities, B2C is best understood to mean business to community.

Aspirational positioning and pro-social currency

According to Bill Gates, the *single most important* thing we can do to avoid a climate disaster is to lower the Green Premium. In simple words, we have a lot of innovative solutions to the world’s critical problems, but many are still prohibitively expensive.

To bring down the prices of sustainable alternatives, we need innovation,

funding, and ultimately customer demand. What's one way of getting there while accounting for the reality of current unit economics? Premium positioning and good old hype (put to good use). Governments and businesses aren't that susceptible to hype; consumers eat it for breakfast.

Tesla is, again, an obvious example to start with (before moving on to soon-to-be-sexy industries such as sewage systems). Tesla arguably played a key role in the solar revolution, contributing to the price of solar power falling more than 80% in the 2010s. Yet their first product was a sports car named Roadster of which they sold a mere 2,500 at a \$100,000+ price tag.

Can similar go-to-market strategies be applied to other industries beyond transport and clean energy to bring awareness and innovation where we need it most?

Let's look at water. The UN World Water Development Report states that 2.2 billion people currently lack access to safe drinking water and some alarming predictions claim half the world's population will live with chronic water shortages by 2050. It's a global problem, not just because it's intrinsically linked to geo-political stability but because a 40% shortfall in freshwater by 2030 coupled with a rising population has most of the world heading for a water crisis.

To say that we need to invest in water infrastructure and innovation is an understatement. Yet many people would struggle to name the technologies our lives might depend on in the future.

One of many promising innovations is Atmospheric Water Generation (AWG) and other water condensation technology. In very simple terms, AWG pulls moisture from the air to produce drinking water. While the amount of water you can efficiently generate depends on air temperature and humidity, AWG can be used anywhere: in areas of chronic water

scarcity, but also for emergency relief. AWG is still a fairly costly and energy consuming solution and for it to be an answer to our water shortage on a global scale, that has to change.

Let's be real. While brands like Evian, VOSS, Acqua Panna, and Fiji water have built relatively premium brands around water, it's no longer very cool nor conscious to stock your home with plastic bottles.

It is, however, understandable to look for alternatives to tap water. Even in the US, worsening source water quality has the country struggling to meet drinking water health standards already.

If you're currently sipping Evian, you could install Hydropanels or an AWG unit making your own water for a comparable price. You will help eventually making it cheaper for everyone else, while you can brag about your water tasting like air and sunshine in the meantime.

Convinced? While the opportunity to build a cool consumer brand around AWG is still open (ping me if you do and want an investment) you can order an AWG unit or Hydropanels from companies like [WaterGen](#) or [Source](#).

Beyond water, there's a growing luxury market catering to people aspiring for a climate positive life. Haus, Dvele and ArchiBlox are examples of companies offering prefabricated off-grid housing direct to consumer; fully self-sustaining with solar power, water generation from air condensation and reverse osmosis, autonomous sewage systems, and ~20x energy efficiency, some even moving beyond carbon zero by producing more energy on-site than the house requires. While these are still targeting a privileged consumer segment, they contribute to awareness and innovation in areas such as off-grid sewage systems and green materials—playing a part in making critical industries sexy, which in turn help bring innovation where it's needed most.

Humans are social animals and many of the world's largest consumer companies have tapped into social currency—what people believe makes them appear attractive and improve their reputation among peers—to drive adoption and brand. B2C marketers in critical industries have an opportunity to leverage the *link* between social currency and pro-social behaviour, a favourable relationship psychologists and anthropologists date back to our very beginnings.

Impact unicorns in the making

Summing up, trillion dollar companies in critical industries will be built on the premise that today's consumer cares more about humanity and our planet, and wants more from the future, than what slow moving incumbents and governments offer.

The entrance of new B2C players—bringing consumer awareness to nascent technology which in turn translates into demand, innovation, and access to talent—equals positive externalities for the sector as a whole, including B2B and B2G.

The urgency to act has perhaps never been as widely felt as today, and the B2C business model is proving particularly good at catering to the founders and consumers most impatient for impact.

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