

Real-World Virality

Distinctive design can make consumer products go viral.

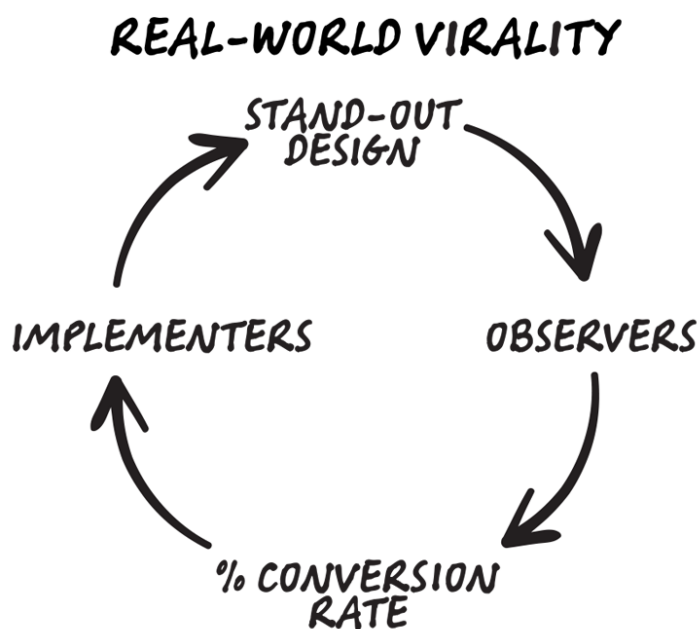


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Viral loops have long been one of the most explosive ways for online products to grow. Now a new generation of online-to-offline business models are creating the opportunity for viral vectors in the real world. Startups that are able to harness this “real-world virality” can grow at incredible rates. Founders whose products have a nexus in the real world should consider these techniques.



Here's how real-world virality works:

1. The product's unique form factor causes it to stand out in the marketplace. It also has a clear value prop and easy on-ramp.

2. The distinctive design causes observers to remember the product and associate it with that value prop.
3. Some percentage of those observers also have a need for the value prop. Closing the viral loop, they implement the product themselves, creating more impressions and starting the next cycle.



Unique form factors and distinctive design have fueled the growth of Square, Bird, and Juul.

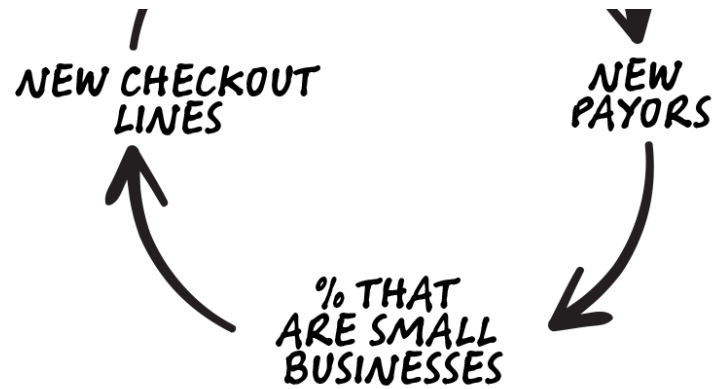
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Some examples:

1) Square

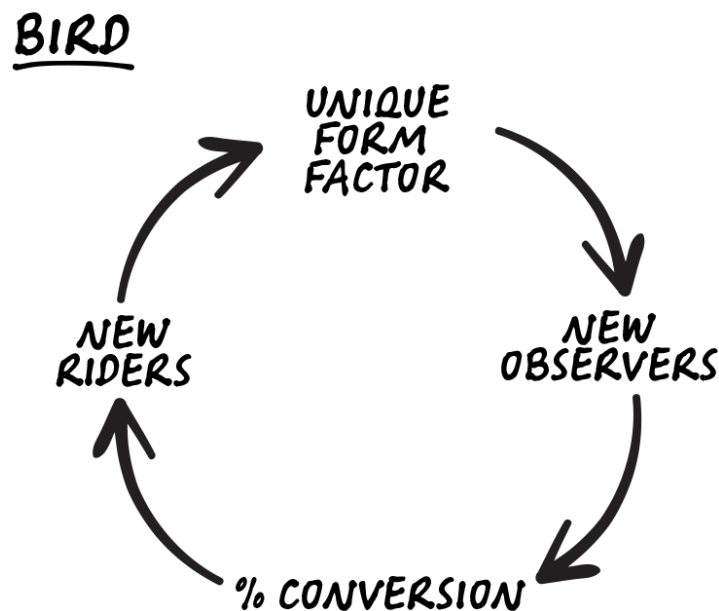
The original Square credit card reader, which plugged into an iPhone or iPad, had a distinctive design that was reinforced by its eponymous name and logo. Unlike all previous checkout lines, which were powered by nameless hardware and software, payors couldn't help noticing a Square register. A subset of those payors were small business owners who needed to accept payments. Closing the viral loop, they implemented the product themselves, creating new checkout lines and more impressions.





2) Bird

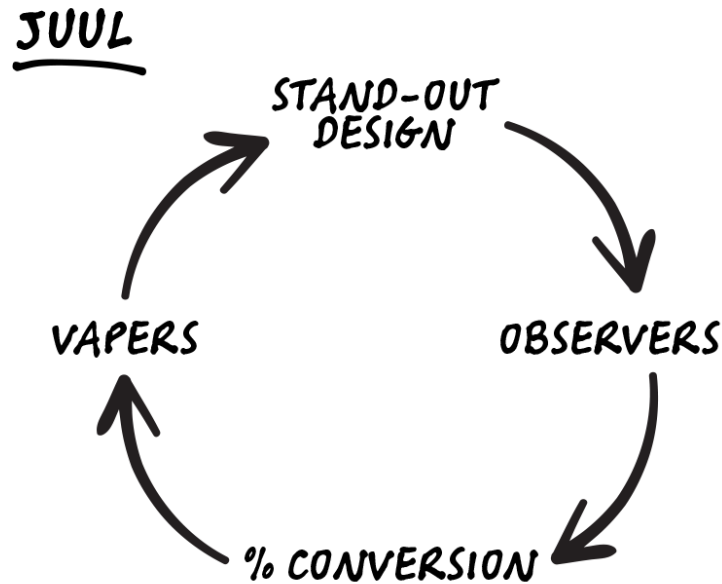
At the time Bird launched, most people had never seen this form factor before — an electric scooter designed not as a toy but as a personal electric vehicle. The product created a sensation when riders whizzed by. Almost all observers have a need for short-range trips and many are willing to try it. They convert to riders, driving an increase in vehicle supply and more impressions. The result has been a new social phenomenon. By contrast, one reason bike-sharing startups failed is the lack of real-world virality — when a bike goes by, it's not a particularly noteworthy or brandable event.



3) Juul

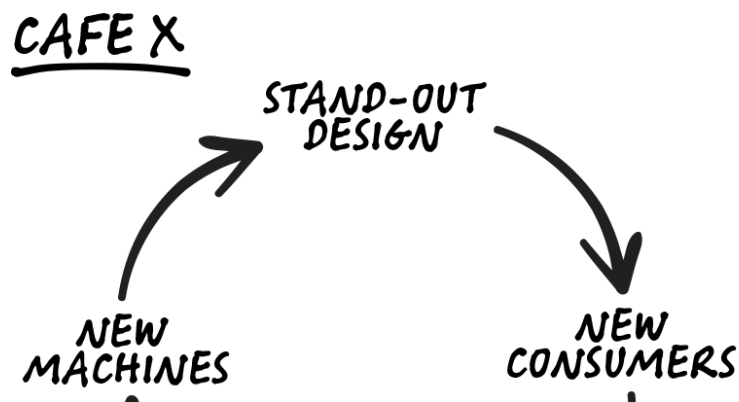
Juul's vape pens have exploded in popularity. Of course it helps that nicotine is addictive. But that doesn't explain why Juul has dominated other vapes. Whereas other vaping products (e.g. NJoy) made the decision to imitate the look of cigarettes, Juul

made the counter-intuitive decision to design an entirely new form factor. This differentiated the product in the market, turning every party or live social event into a new viral opportunity. Juul spreads person to person like a meme as the form factor sparks a conversation.



4) Cafe X

At a much earlier stage, Cafe X is a robotic barista and coffee shop that makes premium espresso-based drinks. The design is beautiful and eye-catching, and the workings of the robotic arm often draw a crowd. Some subset of customers are building owners or property managers. They might like Cafe X as an additional amenity or revenue-generator in their buildings, and the machine's small footprint makes it accessible to a huge number of new locations. If Cafe X can close the viral loop by removing the friction of adding new installations, it has the ingredients necessary for real-world virality.





Cafe X's unique form factor and beautiful design make it a great candidate for real-world virality.

Conclusion

Virality is the phenomenon of users recruiting new users. When this occurs in a viral loop with a sufficiently high viral coefficient, the results can be explosive. Historically such rates have only been possible online. But new online-to-offline models create the opportunity for explosive growth in the real world. Entrepreneurs can exploit this by designing products with distinctive form factors that entice observers to try them.

There's an old saying that if you build a better mousetrap, the world will beat a path to your door. In reality, that's rarely true. But if that mousetrap is not just better but viral, the results can be explosive.

Craft Ventures is an investor in Bird and Cafe X.

Startup Viral Marketing Consumer Products Venture Capital

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