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In the crowd: Economist and liberal thinker Jeremy Rifkin moves through the audience at Calvin College.

Author sees revolution coming

► *Social critic Jeremy Rifkin predicts traditional business models will fall by the wayside.*

By Barbara Wieland
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Social and economic critic Jeremy Rifkin predicts we're in for some strange changes.

We're in the throes of a revolution that will change the homestead as well as the marketplace, said Rifkin, who spoke Thursday at Calvin College's January Series.

The author of 15 books and frequent guest of television shows such as CNN's "Crossfire" said the revolution will change the way businesses work with each other. It will transform the way companies court clients.

And it will alter the way people relate to one another.

"It is not a new economy," he said to a packed house at the Fine Arts Center Auditorium. "What we'll be talking about today is something deeper."

The speed of business helps to fuel that change, he said. Spurred by the quickness of the Internet, businesses are finding new ways of doing business. The traditional market model of a seller and a buyer is falling by the wayside.

Replacing it is a new system of networks. Buyers and sellers are becoming suppliers and users. Instead of owning products, consumers are leasing, licensing or subscribing to services.

Money will no longer be made on margins and by volume. Instead, profits will be earned by selling time.

He pointed to Internet bookseller Amazon.com as an example of the old model. Using a computer, customers ordered a compact disc or book.

At some distant warehouse, the item is taken off a shelf, packaged and shipped to a customer.

Internet music service Napster typifies the new model. Instead of ordering a CD and waiting days for it to arrive, customers download it onto their computer in a matter of minutes.

Without a product changing hands, new ways of making money are being developed. Napster entered into an agreement with German conglomerate Bertelsmann AG in October to market music on Bertelsmann's BMG label. For a monthly fee, subscribers will be able to download all the music they want.

That sort of access, Rifkin said, is the wave of the future.

Companies that market experiences — hearing a song, reading a book — will easily be able to make the transition. But even brick-and-mortar giants such as car makers are getting in on the trend. They emphasize leasing cars rather than selling them.

It's been a good change for the companies. Customers who lease cars from Ford Motor Co. return for a second lease 54 percent of the time, Rifkin said. Only a

quarter of all sales customers return for a second car.

What companies are after, Rifkin said, is a cradle-to-grave relationship with a consumer. People are looking for the experiences that make up the moments of their lives. Companies want to sell those experiences.

"We pay to have our experiences in life," he said. "But what happens when we have to buy the stories that make up our life?"



The danger that lurks in the new system lies in the widening gap between people. For example, he said, children today are connected over the Internet to children on the other

side of the globe. But they're going outside to play with the neighbor's kid less and less.

Personal relationships could suffer. "Can you ever be intimate in an efficient way?" he asked the audience. "For 100 years, we've been integrating our human life into a machine. Then we ask how we lost our humanity."

As corporate relationships gain way and personal relationships wane, people will have to fight to keep makes them human. The antidote, he said, is to return to our communities.

If people do that, the future is promising.

"Hopefully we will have a leap forward for humanity," he said.