

The margin is in the mess

 By [Bronwyn Williams](#)

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In Philip K. Dick's science fiction classic, *Do Androids Dream of Electric Sheep?* (the book that was to become better known as the inspiration for the movie *Blade Runner*), the characters, left on a dystopian post-apocalyptic Earth are obsessed with possessing animals. A living animal of any sort (the bigger the creature, the better) is a highly sort-after status symbol.

Those, like the protagonist, who cannot afford to own and keep a live animal (which in the book can cost many months' worth of income) resort to purchasing fake "electric" (android) animals in order to keep up with the Joneses.



Who would buy an electric sheep?

The premise seems ridiculous. Who would buy an electric sheep? Why would anyone kill for an electric owl? However, it got me thinking about how much of our own economies are propped up by what must seem to alien observers as equally ridiculous status symbols and the conspicuous consumption of intrinsically worthless, but socially essential goods and services. Does anyone really need gel nail polish? Jewellery? Or an SUV to take your children to and from school in the suburbs? Of course not. We don't need these things, we purchase them because we desire them, and we desire them because the (equally irrational) humans around us desire them too.

We buy feelings, not facts

And this is the important point:

“ The margin in most (perhaps all) businesses and markets is not found in the essential goods and services that fulfil basic human needs, but in the “irrational” desires and wants that fulfil our emotional, human needs. ”

All good marketers know this. In contemporary society where most of us are fortunate enough to have our basic needs met (either by ourselves or through the support of social safety nets and government grants), people buy the brands, goods and

services that make them feel better about themselves and life in general.

Economists know this too: In a perfectly competitive market, where demand meets supply, *there is no* margin. Or at least logically, according to economic theory, there should not be any fat left in the system to profit off. Our economies, our markets, our businesses and our brand values are based on feelings and not on facts. Our profits are based on messy, imperfect human desires, not on cold android logic.

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