

Localogy Analyst Brief

Pivoting with Agility: The New Product Cycle

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SUMMARY



During a dynamic time for the world, we're seeing tech and media companies rewrite their product road maps. Some products get shelved while others get fast-tracked as shifting ground quickly transforms the market's demand signals. The name of the game is to pivot with agility.

What innovations has this new rollout cycle inspired? Will the results sustain beyond the current global lockdown? And will fast-tracked product development itself reveal new methods to accelerate cycles and speed-to-market in normal times? We tackle these questions below.

THE NEW PRODUCT CYCLE



The last 45 days can be defined by many words, but the one that perhaps captures the atmosphere best is pivot. Some products get shelved while others are fast-tracked. Some are even getting discovered out of dire need. After all, necessity is the mother of invention.

More importantly, the rigor and altered perspective inherent in this process has engendered product and feature discoveries whose value could be positive and permanent. They could sustain well beyond the period of global crisis -- a possible silver lining in challenging times.

For example, virtual collaboration tools for knowledge workers have already begun to improve while others are getting launched and funded based on the market's new demand signals. This will bring us better collaboration tools than we had before. The same goes for virtual events.

When the world returns to office work and conferences, these newfound products could engender streamlined productivity that exists somewhere between the old and new normals. Remote work can coexist with high-touch office work, alternating based on what's optimal.

Process Innovation

Beyond the matter of product is that of process. In this course-altering time for product teams, is fast-tracked product development forcing new perspectives about what's possible in the cycle itself? Will faster product cycles be another one of the silver-lining discoveries cited above?

As it often goes, the answer will be mixed. Accelerated cycles could instill a new cadence or muscle memory for faster tech product rollouts. Once something of the magnitude of a global crisis forces a certain behavior, it can suspend the previous disbelief that it wasn't possible.

One historical example is industrial production during World War II. By being forced to rise to the occasion, goals were not only met but capabilities were discovered in the process. What the tech world is going through is a much smaller -- though conceptually similar -- version of that.

Demand Signals

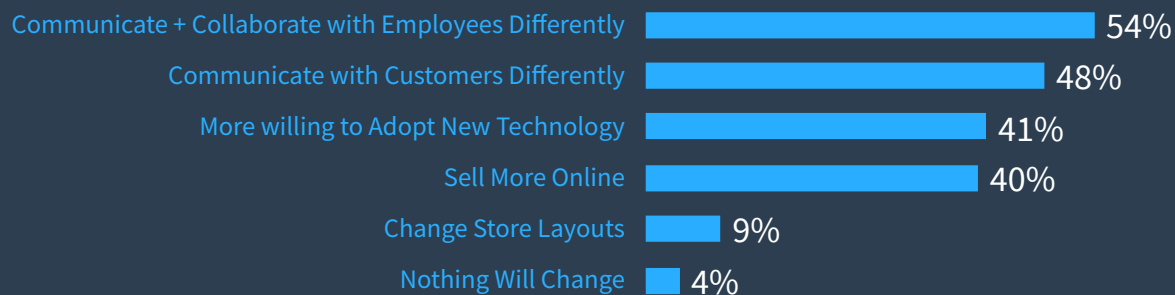
Why is this important? As the ground shifts, so does SMB demand and expectations. According to Localogy's Modern Commerce Monitor, SMBs' top priorities in the wake of Covid-19 business disruptions are to more effectively communicate with employees (54%) and customers (48%).

This new demand signal compels faster product cycles so that when business realities shift -- as they have in the past two months -- SMBs have the tools to deal with that change and execute necessary communications. Fulfilling that need will require speed and agility.

Likewise, this entire experience has taught SMBs a lesson about being well equipped with the proper tech tools. This will instill long standing demand and willingness to adopt. This too is shown in MCM Wave V-II results, with SMBs more willing to adopt new tech (41%) & sell online (40%).

EVERYTHING HAS CHANGED FOR THE BETTER

Top Ways COVID Will Impact SMB's Business in the Future



Source: Localogy Modern Commerce Monitor™; Mini-Wave V-2: N= 1,002 SMBs.

To provide more color on this accelerated product development cycle and how it is allowing technology companies to meet SMBs in the moment, let's look at a few examples.

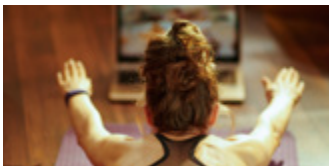
MINI CASE STUDIES



Google and Apple's Contact Tracing Tech

Apple and Google have launched a jointly-produced contact tracing API. What's notable about the product, beyond the actual specs, is the timing and nature of the partnership. Joint-efforts between Apple and Google are rare due to increasingly-dueling interests in mobile technology.

Not only was this self-interested paradigm set aside in the name of public health (and some PR benefit), but the rollout schedule was accelerated. The weeks-long (rather than months-long) API completion was much faster than typical cycles, especially for the design-obsessed Apple.



Yelp Highlights Virtual Services

Yelp has fast-tracked new business profile features that support new-normal SMB needs and user search patterns. This includes a “virtual service offerings” profile category that highlights things like virtual lessons or classes (think: Yoga) in listings, search results and Collections.

“As local businesses adapt to current realities, their offerings, hours of operations and ways of doing business are all evolving,” Yelp SVP of Business & Corporate Development Chad Richard told Localogy Insider. “Accordingly, people have an increased need for accurate and up to date information on the businesses in their community. Yelp is incredibly focussed on reflecting this ever-changing reality as we continue to connect people with great local businesses.”



iHeart Media Creates Recovery-Specific Ad Suite

iHeartMedia quickly rolled out a new advertising product suite aimed at helping local businesses reconnect with customers as they reopen. This includes distribution through iHeart's broadcast radio stations, digital platforms and its geographic and demographic targeting tools.

"The SmartAudio COVID Recovery Program helps businesses reach their customers with the right message at the right time," iHeart Media EVP for Advanced Audio & Data Revenue Justin Nesci told Localogy, "and we think it will help businesses more effectively connect with customers after the challenge they face in re-opening their businesses following supply chain disruptions and shelter-in-place orders."



Google My Business and Shopping Updates

Google has executed several product pivots and rollouts over the past 45 days, including the aforementioned contact-tracing API. Also on that list was the quick decision to suspend some Google My Business (GMB) features in order to focus on more time-relevant profile attributes.

By back burning reviews and Q&A features on GMB profiles, it let other critical business info like (e.g hours of operation) rise to the top. This also helped to prioritize and redeploy its support staff and server bandwidth -- both strained from a sudden rush of SMBs changing their profiles.

Separately and more recently, the Google Ads team released an update that helps local businesses spotlight service and fulfillment details such as a new official curbside pickup indicator. This is now a dedicated option for local inventory ads on Google Shopping.



Shopify's User-facing App

U.S. eCommerce sales jumped 49 percent month-over-month in April according to Adobe's Digital Economy Index. To tap into and support this spike in activity, eCommerce powerhouse Shopify launched a consumer-facing app to join its otherwise merchant-facing focus.

Known as Shop, it brings together all of the stores of the online merchants that it powers, including standard features like personal recommendations and package tracking. This will have several benefits including aggregating demand for its core constituent of online merchants.



Zoom Goes Back to Basics

Zoom had several aesthetic and UX-based features on its near term development road map. That changed in mid-March when it suddenly became one of the most popular online tools in today's software landscape. This exposed several functional and security vulnerabilities.

So Zoom quickly pivoted and shelved its planned UX updates (leaving us with the still spartan and low-quality UX that Zoom employs). It redeployed resources to addressing security concerns, working on core functionality, and even acquiring a security company Keybase.



Frontdoor Accelerates the Shift to Real Estate

Home services company Frontdoor recently acquired augmented reality tool Stroom. It helps home services professionals diagnose service issues remotely through a homeowner's upheld smartphone. This includes voice and spatial annotations to guide the remote assistance.

This makes home services pros more streamlined in normal times, reducing truck rolls by 42 percent. But it's more valued now, given social distancing. Stroom has benefited and doubled down by accelerating its move to helping real estate agents sell homes in the same virtual way.

DEVIL'S ADVOCATE: SUSTAINABLE PRACTICE?



The above examples are a cross section of the pivot and fast-track activity we're observing across the software and SMB SaaS landscape. And though it could bring us new product and process discoveries, could it also be too early to tell if this is a "good thing?"

In other words, are product development and rollout cycles already the length they should be? Is the common Q.A. process needed in order to flush out bugs, design flaws and security vulnerabilities. So far the above products seem functional but will more time reveal flaws?

For example, Brandify VP of product Damian Rollison tells me that Google's fast-tracked development of new features cited above have resulted in some bugs. They aren't immediately apparent but are popping up here and there in Rollinson's work in GMB profile management

This is something we'll have to look out for in all of the fast-tracked and pivoted product releases mentioned above... and those that we'll continue to see.

FINAL THOUGHTS: LOOKING FORWARD

As is often the case, the right answer is likely somewhere in the middle. In other words, somewhere between previous product development cycles and new fast-tracked processes underway, product teams will learn tricks that streamline processes while not cutting corners.



Also like many other things, this will all transpire through a shift in mindset among tech companies. There's an already existing sliding scale that maps to different companies' cultures when it comes to experimental versus refined product development.

The classic example is Apple versus Google. Apple, as referenced earlier, is known for extremely refined product design and development – a product cycle that takes years. Google on the other hand releases things early and often and relies on beta testing to iterate products.

One caveat to this example is that it's admittedly “apples-to-oranges” in that Apple deals mostly in hardware while Google is a software company (though these lines are blurring at both companies). Because hardware is atoms rather than bits, it has to ship in its final state.

Software conversely can be updated on the fly, especially web based. Native app cycles will be more polished due to static releases, but web based products that live in the cloud – congruent with the virtues of SMB SaaS – can be rolled out faster with the ability for dynamic updates.

So it's the latter where we could see the impact of new product cycles. This is where product teams could start to become conditioned to a new cadence of product development – born from the newly-discovered capacity for speed in supporting the new normal.

In other words, we can learn new things about capabilities by being forced into them. By being forced to do things differently, we see things differently. And that's where discoveries are often made. But along the way, some things will be pushed to hard and possibly break.

The latter could just be a necessary evil, and the cost of innovation as you can't make an omelet without first breaking a few eggs. But the net effect will be positive in the form of permanent products and processes that advance technology, media and – specifically in our purview – SMB SaaS.

APPENDIX: ADDITIONAL READING & REFERENCES

Google/Apple Contact Tracing

<https://www.localogy.com/the-what-why-and-how-of-google-apples-contact-tracing-app/>

Yelp's New Virtual Service Highlights

<https://www.localogy.com/feature-fast-track-yelp-rolls-out-virtual-service-highlights/>

iHeart's New Ad Suite

<https://www.localogy.com/iheart-helps-smbs-reach-customers-as-they-reopen/>

Shopify's User Facing App

<https://www.localogy.com/shopify-goes-user-facing-in-new-app/>

Adobe Digital Economy Index

<https://techcrunch.com/2020/05/12/us-e-commerce-sales-jump-49-in-april-led-by-online-grocery/>

Frontdoor Pivots to Real Estate

<https://www.localogy.com/frontdoor-makes-ar-free-for-home-service-pros/>

Zoom Acquires Keybase

<https://blog.zoom.us/wordpress/2020/05/07/zoom-acquires-keybase-and-announces-goal-of-developing-the-most-broadly-used-enterprise-end-to-end-encryption-offering/>

Google Temporarily Disables Reviews and Q&A

<https://www.business2community.com/online-marketing/changes-to-google-my-business-due-to-coronavirus-02298549>

Google Shopping Update

https://www.searchenginejournal.com/google-ads-beta-testing-curbside-feature-pickup-in-shopping/367530/?mc_cid=b9c253377f&mc_eid=5c5812db16#close

Localogy's Modern Commerce Monitor™ is a quantitative tracking study, that monitors SaaS service adoption in the small business marketplace. This research, updated at least twice a year, provides a comprehensive view of how business are leveraging SaaS products and services.

Wave V-2 completed April 24, 2020 updates Wave V which was completed February 2020. The 2020 Modern Commerce Monitor™ will be updated at least two more times by the fall of 2020.

About Us

For more than 20 years, Localogy has been the informed thought leader and unifying voice of Local. We empower members with the insights, resources, and connections they need to succeed and thrive in the Local marketplace.

Membership

We connect members with other strategic business partners and SMBs through events, content development, and targeted marketing services.

Research

Our team of Local industry experts conducts and facilitates proprietary and custom research projects designed to educate or improve business outcomes.

Events

We help Local marketing and technology providers grow, engage, and develop new skills through in-person meetings, conferences, and online events.

Let's Talk Local

Interested in finding out more about Localogy membership, research or programs?

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