

The AGE of the CUSTOMER

PREPARE FOR THE MOMENT OF RELEVANCE



Jim Blasingame

FOREWORD BY STEVE FORBES

PRAISE

for *The Age of the Customer*

“This is the most relevant business book today. In *The Age of the Customer*, Jim Blasingame demonstrates his unique ability to explain why we’re in a once-in-a-lifetime marketplace shift, then delivers solutions every business owner needs to turn disruptions into opportunity. This is Jim’s gift to you, especially ‘Blasingame’s Laws.’”

Debbie Meyer, inventor, entrepreneur, and co-CEO, Debbie Meyer® Products

“Jim Blasingame, the master of small business, has done it again. With leading-edge ideas and an entertaining style, Jim shows you how to navigate the fast-changing marketplace in the Age of the Customer. This book will make you smarter and make your customers love you!”

Ken Blanchard, co-author of *The One Minute Manager®* and *Trust Works!*

“In his new book, *The Age of the Customer*, Jim Blasingame reveals why all managers must re-examine their business through the new and evolving expectations of customers. And this is now happening often before you even know the customer exists, at what Jim calls ‘the Moment of Relevance.’ Let Jim help you bring your business into the Age of the Customer.”

Gail F. Goodman, CEO, Constant Contact, author of *Engagement Marketing: How Small Business Wins in a Socially Connected World*

“With his new book, Jim Blasingame shows us the power of community in this new era he calls the Age of the Customer. Playing an increasing role in influencing prospects and acquiring customers, he correctly points out that communities are the products of marketplace networking, especially face-to-face. Networking = Community = Customers. Well said, Jim.”

Ivan Misner, Founder, BNI (Business Network International)

PRAISE

for *The Age of the Customer*

“Peter Drucker said, ‘The purpose of a business is to create a customer.’ In his new book, Jim Blasingame reveals how the Age of the Customer is altering the customer acquisition process and shows you how to successfully adapt to the new rules. This is Jim’s most important book yet – don’t miss it.”

Karen Kerrigan, President & CEO, Small Business & Entrepreneurship Council

“As Jim Blasingame proves in his new book, the Age of the Customer has changed the rules of selling. Since nothing happens until someone makes a sale, understanding these new rules is essential to success, and no one delivers that understanding better than Jim. In fact, chapter 16 alone is worth the price of this book.”

Jay Mincks, Executive Vice President, Sales and Marketing, Insperity

“It’s unfolding right in front of our eyes. Jim Blasingame calls it the shift to the Age of the Customer. You may be feeling it, even seeing it; but many still don’t understand it. Here’s the good news: In his new book Jim reveals the answers you need to align your business with customers, and he does it in language everyone can understand. Read it, **understand it, and use it. Don’t ignore it.**”

Tim Berry, Founder, Palo Alto Software and the creator of *Business Plan Pro*

ABOUT

Jim Blasingame



Jim Blasingame is one of the world's foremost experts on small business and entrepreneurship.

He is president and founder of Small Business Network, Inc., a media company dedicated to serving small business. Jim is the creator and award-winning host of The Small Business Advocate® Show, the world's only weekday radio talk show

dedicated to small business, nationally syndicated since 1997.

Jim conducts over 1,000 live interviews annually with his Brain Trust, the world's largest community of small business experts, policy makers, and entrepreneurs. He reaches a national radio audience, plus worldwide listeners on his Internet simulcast and the 2,600 podcasts produced annually from the radio show.

Jim's weekly column appears in newspapers, business journals and a number of online publications and websites, including Forbes.com, American Express OPEN Forum, NASDAQ.com, ConstantContact.com and Manta.com, plus his own e-zine, The Small Business Advocate NEWSLETTER. His books are *Small Business Is Like a Bunch of Bananas*, *Three Minutes to Success*, and the newly released, *The Age of the Customer*®.

Jim has received awards and recognition for his work and leadership on behalf of small businesses from the U.S. Small Business Administration, Association of Small Business Development Centers, American Chamber of Commerce Executives, New York Enterprise Report, FORTUNE Small Business, and TALKERS magazine.

As a high-energy keynote speaker, Jim talks to small business audiences about how to compete in The Age of the Customer®, and he teaches large companies how to speak small business as a second language.

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FOREWORD BY STEVE FORBES



The Age of the Customer

Prepare for the Moment of Relevance

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The Small Business Success Attitude

I accept that my small business will face challenges every day. As I begin my day, I will assume the attitude that, regardless of the number of challenges or the degree of difficulty, if my business is to survive, I must face each one. Therefore, I know that the only thing in question today is how well I will respond to challenges, and the future of my business will depend on the answer to that question.

—Jim Blasingame

The Age of the Customer

Prepare for the Moment of Relevance

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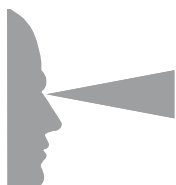


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Life is divided into three terms—that which was, which is, and which will be. Let us learn from the past to profit by the present, and from the present to live better in the future.

—William Wordsworth



Foreword

We need to promulgate humaneness in business, which is woefully lacking. Too many business people are mercenary and obsessed only with rolling up profits, regardless of the suicidal consequences of their conduct. They are without consciousness of their civic, social, and patriotic responsibilities.

How contemporary do the sentiments in the previous paragraph sound? You may be surprised to learn that this observation of the marketplace was written by my grandfather, B.C. Forbes, almost a century ago. The good news is that these conditions motivated him to start a venture that would produce one of the most trusted business publications in the world, *Forbes Magazine*.

My grandfather published the first edition of *Forbes* in 1917, during what my friend, Jim Blasingame, identifies in this book as the Age of the Seller. Jim describes this as a period when businesses controlled the majority of the elements of their relationships with customers, and the excesses of that control is what my grandfather was concerned about.

One of the great paradoxes we've witnessed in history is how adversity and disruptions often produce better things. Most of the conveniences we enjoy today were envisioned and produced by people who bumped up against a wall of resistance and, refusing to be controlled, innovated an alternative which gave them a path over, under, or around that wall. My grandfather's reaction to greed and bad behavior motivated him to risk everything on a publishing innovation: a business magazine that would advocate and demonstrate the values of humanity, reason, and equity in the marketplace, while promoting free markets.

As Jim points out in this book, technological innovations now empower customers to go over, under, or around the walls of control that businesses

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enjoyed for millennia. With all of the disruptions this shift is causing businesses—including here at *Forbes*, as we make our journey to convert from print to digital—I think my grandfather would have liked what Jim identifies as the Age of the Customer. He would like seeing how businesses must now work more closely with their two most important stakeholders: customers and employees. He would enjoy seeing businesses reveal and demonstrate their values, as Jim discloses in chapter 7, as part of the bargain they strike to attract and keep customers.

You will learn, as you spend time with Jim in his book, that the most successful way to think about the Age of the Customer is not so much as a shift or disruption, but rather as a reconciliation: Both parties to a transaction, seller and customer, now come together on a more equal footing, where quality and value are partners, competitiveness is trumped by relevance, and transparency is the coin of the realm. This is the new reality of the marketplace in which customers are now inviting businesses, like yours and mine, to participate.

A prophet, it has been said, is someone who foretells the future. And when what is being foretold is not yet our reality, we often indulge our prophets. But foresight is not the only role of a prophet. A true prophet—one with the courage of his convictions—often finds he must also play the role of heretic, which we typically don't indulge.

Jim says a heretic is a true believer with the courage to warn us about complacency with, and the seduction of, the status quo. As you read this book, you'll alternate between seeing Jim as a prophet or a heretic, depending on where you are on your journey of understanding about the transition from the old age to the new one. When you read about ideas Jim reveals that are new to you, he'll be a prophet. But as you begin to realize that what you first thought of as future thinking is actually your here and now, Jim's prophecy will turn to heresy. At that moment, when you start to understand why "the way we've always done it" is no longer producing acceptable results, that's when you must stop resisting and pay the most attention. Because that will be your greatest moment of clarity about the essence of *The Age of the Customer: Prepare for the Moment of Relevance*.

Remember, the blessing of a heretic is tough love. And when it comes to delivering tough love to small business owners, Jim Blasingame is the best. The good news is he's also a great storyteller, which will make his heresy more enjoyable.

One of my grandfather's favorite quotes, which was on the masthead of every *Forbes* magazine for many years is, "With all thy getting, get understanding." I encourage you to allow Jim to help you get the understanding needed to successfully make the transition from your Age of the Seller practices to those that will help you meet the expectations that are now our reality in the Age of the Customer.

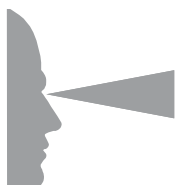
Enjoy Jim's book and, in the spirit of B.C. Forbes, I hope you'll promulgate some humaneness in business in the process.

Good luck,

Steve Forbes
Chairman and Editor-in-Chief
Forbes Media

The greatest ability in business is to get along with others and to influence their actions.

—John Hancock



Preface

Since 1997, when I began my syndicated weekday radio program, I started developing relationships with really smart people who became regular guests on my show. This group, which I named the Brain Trust, has become the largest community of small business experts in the world. As thought-leaders in their fields, many of the ideas in this book have been prompted by my conversations with them on my show, as we forged ideas into intellectual alloys that could become useful to others.

One such alloy-forging relationship is with Kirk Cheyfitz, founder and CEO of Story Worldwide, author of *Thinking Inside the Box*, a recovering journalist, and Pulitzer Prize nominee. His expertise is marketing and advertising. Kirk is scary-smart, but the thing that's most endearing is that he's a heretic, like me. A heretic is a true believer who doesn't mind sticking his finger in the eye of the status quo.

Several years ago, during an appearance on my show, Kirk used a term that fascinated me. In describing the current state of the marketing world, he declared that we were in "the post-advertising age."

"Whoa!" I remember thinking. "How can you say that? Especially from your New York City office barely a block away from legendary Madison Avenue, where purveyors of this legacy industry defend the status quo while reading from publications like *Advertising Age*."

Throwing down this gauntlet, Kirk was at once a heretic and a prophet. My immediate reaction was to object to this heresy with a lurch in defense of my multi-decade investment in the status quo. But then the reality I was observing in the bargain that businesses tried to strike with customers, with increasingly diminishing results, whiplashed me over to the power of his prophecy. As the interview continued, it started to become clear to me that Kirk was right. The old way of reaching customers was under indictment for the crime of defaulting on expectations.

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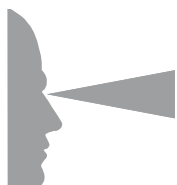


As I kept thinking about Kirk's statement over the next several months, my thought process expanded to cause-and-effect: Why is this shift happening? What is causing it? How is it manifesting? Who is it impacting? As I put names to causes and attributed frustrations to effects, I began to see a picture much bigger than advertising and marketing. Kirk's heretical prophecy opened my eyes wider than before and inspired the ideas that have become the essence of this book: the Age of the Seller is being replaced by the Age of the Customer. My vision was now focused on the marketplace writ large, including all practices, paradigms, and people.

In the intervening years between Kirk's post-advertising declaration and the publishing of this book, I developed my focus with articles serialized in my syndication, road testing on my live radio program, and as a keynote speaker in front of live audiences. I hope you will benefit from all of this purifying and hardening of what I believe is an important and valuable alloy that Kirk helped me to forge. It's an alloy that I am convinced you'll need to survive and thrive in the Age of the Customer.

Thanks, Kirk, for the inspiration of your prophecy and the power of your heresy.

And thank you for spending time with me, as we begin this important journey where we'll acknowledge where we've been, establish perspective on where we are, and develop foresight into where we're going.



Introduction

*And when I die, and when I'm gone,
There'll be one child born
In this world to carry on, to carry on.*

—*And When I Die* by Laura Nyro
performed by Blood, Sweat & Tears

It has been said that change is the only constant. Most things are in a constant state of growing and decaying, waxing and waning, living and dying. Each generation gives way to the next; over time, for example, fire evolved into electricity and the wheel morphed into a computer.

But what's happening today is different. We're in the middle of the most dramatic changes in the history of the marketplace. My goal for this book is to help you navigate those changes successfully, and this introduction is designed to lay out my plan.

From the Neolithic era to the end of the 20th century, change in the marketplace was somewhat predictable and manageable. Once upon a time, you could create a marketplace model—a product, strategy, skill, etc.—and expect to make a living off it for a lifetime with little disruption. And for hundreds of family generations, you could even expect to pass a business model on to your children for them to make a living from it.

So if change is so abiding and natural—even predictable—why does it seem there is so much more anxiety about change in the marketplace today than in the past? Well, anxiety is being caused not by change itself, but rather the almost exponential increase in the velocity of change.

Sometime during the 20th century, the marketplace started speeding up to the point where the life expectancy of a typical model generation was compressed into a calendar year. By 1993, the Internet and associated innovations began further compressing time to where a model generation is

now measured in Internet terms. What not so long ago could be counted on to be valid for at least a year is now more likely to be obsolete in 90 days. As technology merges time and space, information is delivered faster, knowledge happens quicker, and, as you'll see, customer expectations and what they consider to be relevant to them are changing, sometimes overnight.

What you'll learn in this book is how every business now must buckle up and pull the straps tight, as an unprecedented confluence of innovations has further compressed the time between model generations. Remember, a model generation is the lifespan of a business model, product, campaign, etc., and, in the Age of the Customer, is only valid at the pleasure of your customers' expectations.

A Quick Tour of What's Inside

A golf pro once told me that if you have a bad swing, practicing hard will just reinforce the thing that is producing undesirable results and make you tired and frustrated in the process. Over my career I've observed many businesses becoming tired and frustrated while working hard executing bad and/or obsolete practices. But worse, they're also creating a casualty list that includes employees and, ultimately, the business. The common cause of such drama is a failure by the organization's executives to see the value in foresight practices.

Based on the future they foresee, successful executives develop goals for what they want to accomplish and strategies to make that happen, then give managers those parameters to execute. Regardless of the size of an organization, the expectations of its chief executive officer should include a commitment of time and energy in the disciplines of foresight and strategy. In our time together, I'm going to help you with foresight, strategy, and execution.

If you reduced the concepts of this book to two words, they would be *expectations* and *relevance*—more specifically, *customer expectations of relevance*. Here's the essence of these two ideas in a question every Seller must ask themselves every day: "How can we continually adjust to changes in customer expectations in order to stay relevant to them?"

You'll find the answers to this critical question in Section I:

- Chapter 1, "The Age of the Seller," describes the control model between Seller and Customer for the last 10,000 years. This is a short chapter for a reason—we're at the end of that Age.

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- Chapter 2 reveals something that has never happened before. It lays out how a once-in-an-eon paradigm shift in the marketplace power structure has created the Age of the Customer, and how this shift of control is changing the way you do business—now and forever.
- At the new speed of change described above, any business in denial—which I refer to as Hidebound in chapter 3, “Parallel Universes,” is likely to start experiencing a heightened level of anxiety and frustration. A successful business model—identified as Visionary in chapter 3—will be one that responds to the increased velocity of change, especially in customer expectations.
- In chapter 4, “Subduction of Expectations,” I’ll define and provide insight into customer expectations. (This will later be expanded on with practical applications in chapter 12, “Evolution of Expectations.”)
- Relevance is so critical to your success in the Age of the Customer that it dominates three chapters. In chapter 5, “The Moment of Relevance,” I’ll show how relevance is trumping competitiveness and, before we’re finished, you’ll see how this new coin of the realm is the currency of everything you do in your business in the new Age.
- You’ll meet two new groups of Influencers in chapter 6 who are becoming very involved in, and important to, your business—but don’t read that as always in a good way.
- In chapter 7, “Value and Values,” you’ll discover how adding a single letter to the end of a marketplace hallmark announces the birth of a new and powerful differentiator.
- Section I wraps up with chapter 8, “The Power of Trust,” where we’ll cover how this primordial marketplace-founding force is more powerful in the new Age than ever.

In Section II, each chapter focuses on a practice, behavior, or discipline:

- Chapter 9, “What’s Love Got to Do with It?” will help you eject any Age of the Seller baggage that’s holding you back.
- Chapters 10 and 11 are devoted to two ways that everything you ever knew about branding, brand ownership, and brand messaging is being disrupted.

- Chapter 12, “Evolution of Expectations,” looks at the evolution of customer expectations and how your business practices have to adjust and conform to meet the demands of the new Age.
- In Chapter 13, “Global Mobile,” we’ll discuss this phenomenon which was not any part of your business’s past, but will dominate your future.
- In the new Age, Prospects and Customers are presenting you with a gift I call, “Follow me home,” which you’ll learn about in chapter 14. And it’s not an accident that chapter 15, “Emotional Relevance,” is next, nor that chapter 16, “The Rules of Selling Have Changed,” and chapter 17 on social media are right behind. These four chapters are designed to help you make the necessary adjustments from Age of the Seller customer acquisition practices to the new rules Customers are expecting from anyone with whom they do business. Did I mention how important chapter 16 is?
- One thing you’ll notice is that I’ve included lots of stories in this book. Some are very short and some not so much. Some stories are woven into the narrative and some are highlighted. Either way you should take away from this that I believe in the power of stories and that your ability to tell them is important to your success in the Age of the Customer. Consequently, I’ve dedicated chapter 18 to this important topic and followed it up with chapter 19, “You Must Become a Publisher,” to help you tell and deliver your stories with the power of new multimedia resources and channels.
- In chapter 20, you’ll gain an understanding of how to leverage intellectual property (IP) more and tangible assets less, plus how to combine the IP you create with the kind you acquire from others as components of your growth strategy. And in chapters 21 and 22, respectively, I’ll launch you into orbit with the efficient power of cloud computing and then bring you back to Earth by revealing what you cannot do there.
- In chapter 23, I explain how classic quality service must be replaced with the quality process in order to achieve sustainability in the new Age. Next door, in chapter 24, “Outsourcing: The Mother of Niches,” I reveal why outsourcing, with its harness mate, technology, are the chicken and egg that birthed the explosion of small business opportunity in the Age of the Customer. And in chapter 25, you’ll see why it’s time

for more small businesses to look outside the four walls of their business and markets to discover new opportunities in the global economy.

- There are some things that the new Age did not change or disrupt, and I'll remind you of some of those fundamentals in chapter 26, including the two most powerful words in the marketplace.
- And finally, in the Epilogue, I'll really put the arm on you to assume the CEO role of your company by encouraging you to put your futurist hat on and practice the disciplines of executive thinking and foresight.

How to read this book

If you're reading these words, that means I'm preaching to the choir when I encourage you to read the front section of this book. Thank you. But I do hope you'll take the time to see how this book was born, with the story I tell in the Preface. You'll also benefit greatly by reading the introduction to Section I. And who doesn't want to read what Steve Forbes has to say? This will be time well spent, I promise.

Of course, as the creator of all of this brilliance, I want to imagine that you'll begin with word one and not put the book down until the last page. But I'm realistic enough to know that's unlikely, so I'm going to offer a suggestion on how to get the most out of our time together.

Do yourself a favor and read all of Section I before going to any chapter in Section II. The first eight chapters reveal why and how to shed your Age of the Seller baggage, which is essential to success in the new Age. In Section II, the chapters are arranged in groups to some degree, but still, each can stand alone. You should read them once together, but then refer to them, as needed, as individual disciplines become the most pressing issue on any given day.

As you'll see throughout the book, I've coined a number of ideas called, "Blasingame's Laws." I've given these thoughts a name, because they're important nuggets to remember. They're also aggregated them in the back of the book for handy reference.

Please think of this book as a tool, not just another bundle of paper on a shelf. If I ever meet you with this book after you've owned it for a while, I hope it's dog-eared and highlighted, with post-it notes sticking out all over. That's how the books look that have helped me the most.

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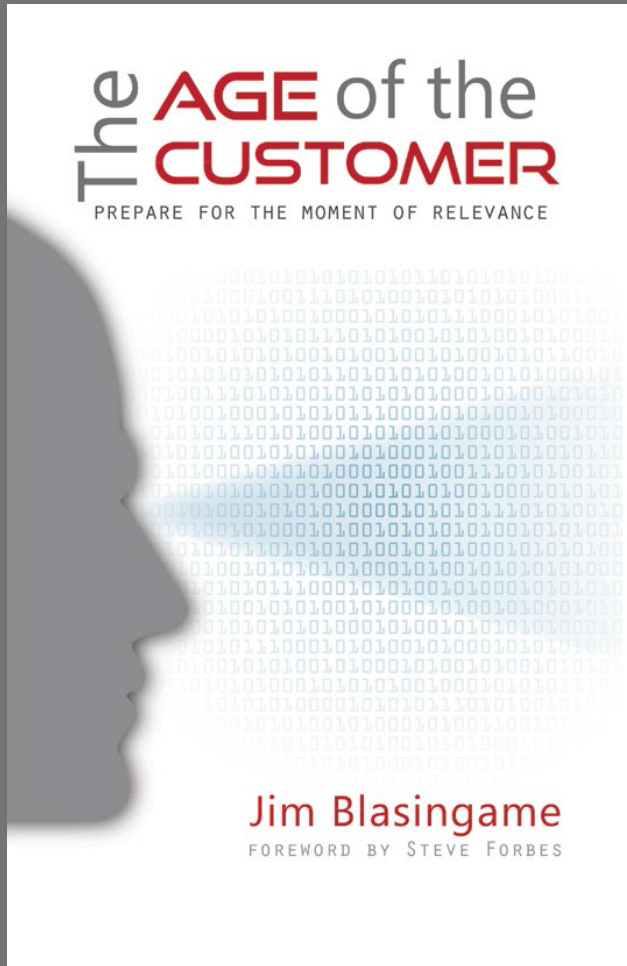
Let's Get Started

In our time together, you'll discover that the ideas I offer will either be new to you or remind you of what you already know but perhaps aren't pursuing. You'll see that the shift from the Age of the Seller to the Age of the Customer is impacting every industry differently, but every organization significantly.

You'll find some level of execution detail—the how—in this book, but my primary goal is to encourage you to focus on what and why: what's changing and why it's happening. As the CEO of your organization, your mission is to develop strategies that will help your team execute the conversion of Age of the Customer disruptions into opportunities that will help you sustain success.

This book is designed to help you deliver on that mission. Now let's get started.

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