

Contents

Acknowledgments	ix
Introduction to the Paperback Edition	xi
User's Guide	xiii
Preface	xxv
Chapter 1 ■ Back from the Future	3
<i>This book is about a technology-generated "discontinuity" that will compel businesses to compete under an entirely different set of rules. Some companies are already beginning to apply the principles of 1:1 marketing. These are the competitors that have peeked beyond this discontinuity to catch a glimpse of a radically different future—and then returned to prepare for it.</i>	
Chapter 2 ■ Share of Customer, Not Share of Market	18
<i>Consumers are not on-off switches. They are volume dials. They can and do turn the volume up and down on the various products and services they use over a lifetime. Instead of concentrating on one product at a time and trying to sell it to as many customers as possible during a fiscal period, tomorrow's share-of-customer marketer will concentrate on one customer at a time, and try to sell that customer as many products as possible over the customer's lifetime.</i>	
Chapter 3 ■ Collaborate with Your Customers	51
<i>No matter what your business is, you're probably overspending on customer acquisition and underspending on customer retention. If you never hear a complaint, that should be cause for concern, not self-congratulation.</i>	
Chapter 4 ■ Differentiate Customers, Not Just Products	95
<i>People are much more unique than products are. Some consumers are worth more to you than others. Some customers produce other</i>	

customers. Some customers probably have a negative value for your firm. Do you treat different customers differently? The future of individual customer differentiation lies in mass customization of products, services, relationships.

**Chapter 5 ■ Economies of Scope,
Not Economies of Scale** 138

Economies of scale drive mass marketers to compete for market share, but economies of scope drive the battle for share of customer, one customer at a time. In the 1:1 future, it won't be how much you know about all your customers that's important, but how much you know about each of your customers. This means you no longer have to be a giant to win against one.

**Chapter 6 ■ Manage Your Customers,
Not Just Your Products** 173

In the traditional marketing organization, products are managed, and customers are simply counted at the cash register. In any well-managed company threatened with competition, a great deal of time and effort is spent in identifying the best employees, challenging them to work effectively, and rewarding them disproportionately when they do. The same exact principle should apply to customers. A customer management firm manages the differences among customers, rewarding some and getting rid of others, improving the performance of each of them.

Chapter 7 ■ Engage Your Customers in Dialogue 207

Instead of using media to expose your target audience to your message, think of having a conversation with each of your customers. The future of dialogue is similar to direct-response marketing—in reverse. The customer will direct, and the marketer will respond, one customer at a time.

**Chapter 8 ■ Take Products to Customers,
Not Customers to Products** 261

As technology makes two-way, interactive communication faster, cheaper, and more accessible, it will be less and less necessary to go

physically into a retail establishment simply to exchange information about what you need before you make a purchase decision. Look for an ever-increasing blizzard of "addressable products" to complement the increasing number of addressable media. Every time a consumer has to leave home to run an errand, a business opportunity is revealed.

Chapter 9 ■ Make Money Protecting Privacy, Not Threatening It	303
<i>Big Brother is almost here. His sister is the telemarketing operator who called you during dinner last night. His nephew runs a sweepstakes and magazine-subscription service from somewhere out on Long Island. But new media technologies will soon bring a free-market solution: "host" systems and privacy intermediaries.</i>	
Chapter 10 ■ Society at Light Speed	338
<i>The future will not be so much a story of the haves and have nots as it will of the "theres" and "there nots"—those who have to <u>be there</u> and those who don't. Two hundred years ago, the Industrial Revolution centralized the workforce. The Information Revolution will reverse the process, eventually sending half of us or more back home. The relatively brief era in history during which an adult could enter the workforce, be employed for four decades by a single enterprise, and retire with a pension and a gold watch is gone forever. We are returning to a society based on hunting and gathering. We will eat as well as we can forage—for ideas, entertaining images, or services that can be performed for others for a profit. And we will all <u>have to forage</u>.</i>	
Notes	382
Index	419