



# TRANSCEND THE TRANSACTIONAL

FUEL A LIFELONG LOVE AFFAIR WITH YOUR CUSTOMERS  
AND EMPLOYEES TARA-NICHOLLE NELSON

**"Advertisements are so numerous that they are very negligently perused, and it is therefore become necessary to gain attention by magnificence of promises and by eloquence sometimes sublime and sometimes pathetic."**

**—Samuel Johnson, 1759**

Have you ever started up your car and had the warning bell start going off, but it wasn't obvious what was making it ring? You open and shut the doors, check to make sure every one's seat belts are on, slam the trunk a couple of times, and still it dings. Only after you give up and realize you're driving against resistance do you realize that your parking brake is on. Unclick it, *and you're off*.

That's what I see happening in every size of business, in every sector, around the world. I talk with CEOs, owners and leaders every single day, for a living. There are three things they say they're most stressed about:

1. **Growing the business (Growth)**
2. **Beating the competition (Winning)**
3. **Posting the right “content” to the right social media channel at the right time (Content)**

While the first two of these are worthy objectives, the levers that most executives and entrepreneurs try to pull in order to achieve them are, like slamming the trunk, barking up the wrong tree. The number-one limiting factor of almost every business is neither growth nor the competition. It is disengagement. It has been since at least 1759.

The third question is a beast of its own. When the CEO asks me what the company should post on Twitter, which is almost never even in the top 5 most impactful marketing channels for the business, I know priorities are off.

These are the wrong questions.

We're having the wrong conversations.

Here's how I know. I was the VP of marketing for the world's largest digital health company. The company was called MyFitnessPal. Our logo was a little orange dancer. We called her "tiny dancer." She was clip art, from a time when one founder built the app in a back room, just he and his cat. Yet, with these brand assets, two co-founders grew that company to have 45 million users, over eight years. Then we grew from 45 million to over 100 million users in 18 months. We started a blog with zero readers that had ten million uniques a month, less than ten months later. And we did it with zero paid advertising.

How? We paid attention to the humanity of the people we served. We paid attention to how they wanted their lives to be different, and we fixated on how we could help them achieve that.

This deep, human motivation—transformation—is one of the most elemental reasons people do the things they do. And it's certainly the pure, primal force underlying why they buy what they buy, read what they read and love what they love.

In particular, there are three ways in which people have wanted their lives to be different throughout human history. And each of these involves a set of behavior changes that are extraordinarily difficult for people to make, without help.

- They want to be healthier
- They want to be wealthier
- They want to be wiser

Those of us who have taken on business as our life's work must now elevate our thinking. We must dare to be different. Let's stop fixating on which pic to post on which channel. Instead, dedicate yourself and your company to the endeavor of becoming an agent and facilitator of the transformations that people want to make in their lives. Let's talk about why and how.

*“The number-one limiting factor of almost every business is neither growth nor the competition. It is disengagement.”*

# Disengaged and Disgusted: A Tired, Old Transactional Story

Any company, of any size, in any sector will be successful if it engages two audiences, over and over again: customers and employees.

Unfortunately, most companies are not doing so well with either:

- One in four mobile app users abandon apps after a single use.
- Viewers avoid well over 60% of commercial messages simply by turning their heads.
- Nearly 70% of employees, the people we pay to be engaged, rank somewhere between mildly disinterested and actively, toxically hateful when it comes to their employer and their work.

Let that sink in for a minute.

*We can't even pay people to be engaged.*

Most companies look at customers through the lens of the transaction, tasking their teams with one overall objective: how can we get people to buy more of what we sell, or do more of the work we pay them to do?

Strictly transactional relationships with your customers are a quid pro quo. You provide a thing, and they buy the thing. This type of tit-for-tat, transactional relationship is what my dear grand mother would call a hard row to hoe. Because it's a row that has to be constantly seeded. Incessantly seeded. Expensively seeded.

And that's exactly what most companies do. They hire growth hackers. They pay for "user acquisition." They spend millions on brand marketing. They spend all their money trying to get new customers into the top of their funnel, because they can't count on their existing customers to visit again, buy more, or get their friends to come into the fold.

This is a losing game.

*“Let's stop fixating on which pic to post on which channel. Instead, dedicate yourself and your company to the endeavor of becoming an agent and facilitator of the transformations that people want to make in their lives.”*

Spending millions to acquire disengaged “customers” who buy your product or download your app and never buy it again, never tell anyone about it, never read or watch your marketing messages again is an unsustainable business model.

Remember that 1759 Samuel Johnson quote? It makes one powerful point: that disengagement is not a digital problem. It is a human problem. And the solution is human, too.

## A New Story: Transformational Business and Lifelong Love Affairs

Businesses know a lot about behavior change and habit formation. It’s no secret: that’s why people can’t stop eating Cheetos, why they can’t stop checking their phones and Facebook feeds.

But what if companies used what we know about building habits and changing behavior to help people create the healthy, prosperity- inducing habits that people are out there trying to build on their own? What if we aligned our business models with people’s personal goals for themselves, to change their behavior for the healthier, wealthier, and wiser?



Massive, massive change, that's what would happen. Billions of healthy, prosperous people would happen, on the customer side. Brand love and long-term, sustainable profitability would happen, on the business side. This is not a fairy tale. I've seen it happen, firsthand. I saw it when I worked with HGTV, when I worked at Trulia, and definitely at MyFitnessPal and Under Armour Connected Fitness.

In this new realm, customers are the heroes of their own life journey. They take on a never-ending series of quests to change their lives for the better, coming back from each quest challenged and changed. Every time they go out on a quest to live a healthier, wealthier, wiser life, they seek and find mentors, advisers, and tools to help them overcome their challenges.

And every time they return home from a quest, they inspire their friends and loved ones to go out on life-changing quests of their own—to be the heroes of their own journeys.

In this new realm, these thriving, engaging companies have a single thing in common: they are the knowledgeable mentors, the compassionate advisers, and the invaluable, transformational tools these customers can't bear to be without (and can't stop telling their friends and loved ones about, either).

This new future is already reality for start-ups like Pinterest, Acorns, Airbnb, Lyft, Headspace, and Thrive Market. It is also the new reality for much-larger, more mature, incumbent companies, such as Apple, CVS/health, and Target. It is possible for companies in the health, fitness, and lifestyle-design industries, but you don't have to be a health or finance company to win brand love and customer loyalty by helping people live and be better.

There is a uniquely human force that these companies have all tapped into. This force is bigger than any brand, bigger than any product, bigger even than any demographic group—even millennials, even boomers, even moms.

Wild, two-way love affairs with their customers, by helping them along their journeys, are available to any company or brand that gets serious about tapping into this force.

It is available to you and your company.

This force is the human drive for transformation.

And the companies that are tapping into this force are consistently ranked as the most innovative companies in the world.

They are consistently ranked among the most beloved, engaging brands.

They consistently achieve stellar growth and beat their competition.

They are consistently crowned the best places to work.

By helping their target audience make the critical life changes they crave, these companies have become linchpins in the lives of a powerful group of consumers. They have engineered—and sometimes reengineered—everything about their business to serve Transformational Consumers.

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# Meet the Protagonist of Your New Love Story: The Transformational Consumer

Transformational Consumers are a massive and growing group of people who see life as a never-ending series of projects to live healthier, wealthier, wiser lives. They spend a great deal of their time and money on the products, services, and content that can help them make these changes.

They are early adopters. They influence the buying behavior of everyone around them. And they engage in joyful, two-way love affairs with the brands that change their lives.

They are triathletes, Crossfitters, and fitness walkers. They do SoulCycle and the senior exercise classes at Kaiser Permanente. Some of them are hardcore health nuts. Others might call their lifestyles “healthy-ish.”

If you have been vegan and Paleo, at different times in your life, you might be a Transformational Consumer. If you run or lead a business, or want to run or lead a business, you are almost undoubtedly a Transformational Consumer.

In my recent survey of over 2,000 US consumers, 50% of respondents said they use digital or real-world products at least several times a week in an effort to achieve any of a number of health, financial, career, or personal-development aims.

50% of U.S. consumers are Transformational Consumers. They spend over \$4 Trillion US per year on their efforts to live better lives. This is not a niche.

Transformational Consumers pick carefully the things they put in, on, and around their bodies. They are always studying a course in something, exploring a new certification, or starting a business on the side. They read lots of business and wisdom literature, including this Manifesto.

There are five core characteristics of Transformational Consumers.

I find them easier to remember with the acronym HUMAN.

- H** Focus on joyful prosperity: **h**ealthier, wealthier, and wiser
- U** See life as an **u**nending series of personal disruption campaigns
- M** Have an extreme growth (versus fixed) **m**indset
- A** Have innate or learned bias toward **a**ction
- N** Engage in a **n**ever-ending search to find products, services, and content that support their behavior-change goals

Transformational Consumers experiment with frugality and minimalism. They think a lot about designing their lives and course correcting the total picture of what they do with their work, their careers, and their time. They may have rejected a regular day job to drive for Uber or rent out their spare space on Airbnb, so they can work on their art or their entrepreneurial endeavors. The specific aspirations of an individual Transformational Consumer at a given time don't matter right now. For now, the most important thing to understand is how these people define and view themselves.

Transformational Consumers consciously view themselves as committed to growth, development, change for the better, and constantly making progress toward living a healthier, wealthier, wiser life. And Transformers are the companies that transcend the transactional by understanding, reaching, engaging, and serving Transformational Consumers in the same way these people see themselves: through the lens of change.

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# What Does a Love Affair with Transformational Consumers Look Like?

Transformational Consumers engage in love affairs with the companies that help them change their lives, their habits, their bodies, and their finances for the better all the time.

Some of these love affairs are wild and rollicking and sexy. The love of some Transformational Consumers for lululemon gear or SoulCycle spin classes is something they proudly proclaim, literally wearing their hearts on their sleeves (and headbands and pant legs).

But many Transformational Consumer love affairs with the products that make their lives healthier, wealthier, and wiser look much more like a long, lovely, devoted marriage than a heady entanglement. Customers may not wander about starry-eyed or head over heels, but they do read the blog every day. They do open the newsletters. They do share the content. They do buy or use the product every day, week, month, or every time it becomes relevant in their lives. They do tell their friends, when asked, what their go-to budget or online learning software is and who their go-to real estate broker, life coach, CPA, or insurance agent is.

*I may not go about wearing T-shirts proclaiming my love for my go-to protein powder, but I buy it every month.*

Unprecedented growth, beating the competition, lifelong customer loyalty, and word-of-mouth referrals: that's what it looks like when Transformational Consumers engage in lifelong love affairs with the companies that help them change their lives, when leaders decide to transcend the transactional.

*“ Like one of those films made up of vignettes with one or two intersecting characters or story lines, your customer-hero's journey intersects with another fascinating story line: your journey as leader-hero.*



# Your Call to Adventure

As with every good adventure story, the story of the Transformational Consumer has a plot twist. Like one of those films made up of vignettes with one or two intersecting characters or story lines, your customer-hero's journey intersects with another fascinating story line: your journey as leader-hero.

Visualize yourself, right now, as you read this, as taking the first steps on a hero's journey of own.

This manifesto is your call to the adventure of serving as the voice of the customer within your company, regardless of your title, regardless of your role. Whether you are the CEO of a public company, the sole proprietor of a local business, or a marketing director stuck in the middle level of a scaling start-up, hear me when I say that you can be a leader-hero.

Consider yourself called.

And know, leader-hero, that where this journey, your journey, intersects with your customer-hero's journey is where beloved businesses, brands, and products are born.

How do you do it? How do you transcend the transactional and help your company become transformational?

You'll have to rethink what you sell, your customer, and your marketing.

# Step One: Rethink what you sell

**From: Product**

**To: Transformation**

Most companies think they sell a product. Paper. Tables. Apps. Gym memberships.

To transcend the transactional, your company must expand the way it conceives of what it sells. Your company must sell a possibility: it must sell a specific sort of transformation, a specific sort of behavior change, a specific sort of journey from a problematic status quo to the new levels and possibilities that will unfurl after the behavior change you help make happen.

**Problem-first > product-first.** You really only have two choices. You can be a product-first company or a problem-first company.

To be product-first is to be attached to your product, in your mind, in the minds of your employees, and in the minds of your customers—those you have and those you wish you could get through to. The best-case scenario for a product-first company is that customers understand their product and why they need it, prefer it over competing products, and try it, hopefully more than once.

Unfortunately, there are many scenarios that are more common than the best-case scenario. You might have experienced one or more of them:

- People don't understand your product.
- People don't understand why they need it.
- People prefer to buy a competing product.
- People try your product once but never again.
- Once-loyal customers eventually switch to a new product or switch to a totally new category of product.

If you are comfortable with your product being viewed by customers as a commodity, because you feel that your product always wins on price or quality, then being product-first and operating with a literal answer to the question of what you sell might be fine.

Until it's not.

If your product is so innovative that people might not actually know what it is or why they need it, product-first is not the approach to take.

If your product needs to constantly compete in the marketplace (and, trust me, it does), ditch product-first.

## Step Two: Rethink your customer

In order to transcend the transactional, you must go...

**From: Your existing customer base, user base, or social media followers.**

**To: Everyone who has the human-scale, high-level problem your company exists to solve.**

Once you rethink what you sell, rethinking your customer follows naturally. “Your customer” is not just the people who literally already have or use your product. Your customer is everyone who has the problem that your company exists to serve.

Understanding your customers’ journey, the problem, and their real-life experience trying to solve it—that’s what it takes to rethink your customer, and to spot opportunities to innovate transformational product, services, marketing, and content for them.

In order to understand your customers’ real-world journeys from having the problem you exist to solve to no longer having that problem, you must talk to real people, some that are your existing customers and followers, and some in your prospective audiences. From those conversations, look for the following insights and patterns:

1. Universal stages of their journey: What stages do people all experience as they move from broke to empowered, or from unhealthy to healthy?
2. Feelings and Behaviors: How do people feel, and what do people do at the various stages of the journey?
3. Progress Triggers and Resistance Points: Where do they get stuck and unstuck?
4. Natural Language Patterns: How do they think, research and talk about the problem you exist to solve? (Hint: It's almost a given that their language will be very, very different from yours.)

*“Your customer” is not just the people who literally already have or use your product. Your customer is everyone who has the problem that your company exists to serve.*

## Step Three: Rethink your marketing

**From: Stories about your brand**

**To: High-value content about your customers and for their journeys.**

Remember, Samuel Johnson was bemoaning ad overwhelm and “Peak Content” back in 1759. Before digital was even a thing. This problem of customers failing to engage with marketing content is not a digital issue. Digital did not cause it. And digital will not, on its own, solve it, either.

This is a human issue.

And the solutions? They will be human, too.

*“To transcend the transactional and create content that truly engages your customers, you must give up one of the most pervasive misconceptions about content and social media.*

# Content Engages

There's one way to engage your customers more frequently and often more emotionally than any product on its own can do: with content.

Think about it: there are only so many people who will ever track their food or their finances consistently. There are only so many times in a day, week, month, or year that people can or will go sit in a workshop or class or buy an item from a given category of consumer goods, whether it's food, paper products, or apparel.

But there is an activity that Transformational Consumers engage in on a near-constant basis, which creates literally millions of opportunities for brands to connect with them in a way that eases their transformational frictions, inspires them, and exponentially builds brand love even when the product is not in their presence. They consume content about their aspirations—all day, every day.

Great content, it turns out, changes lives and drives engagement. The circle of Transformational Consumers who can and will consume well-executed content about and for their own Aspirations on any given day is vastly larger than the circle who will engage with a given product or even content about the brand.

**Engaging content is *not* beautiful messages about your brand; content that engages is high-value content that removes resistance and triggers progress along your customers' journey.** To transcend the transactional and create content that truly engages your customers, you must give up one of the most pervasive misconceptions about content and social media.

The goal is not to publish stories about your brand, no matter how big, beautiful, or emotional they might be. There is a short list of things people care about, and stories about your brand are not on it.

Instead, create content about your customers and for their journey.

This doesn't mean that your content can't be beautiful, emotional, or entertaining. It doesn't mean that your content can't be stories about interesting people or places or things. And it doesn't mean that every social media post, blog post, or video must be educational content and how-to material. In fact, the opposite is true.

It just means that the majority of the content you publish should fall within a storyline that either alleviates the frictions your customers are experiencing as they try to create change or inspires and excites them about the possibilities for their lives. Remember, the role you play within your customers' stories is the role of mentor, adviser, or tool.



It also means that most of your content should be about your customers (including people like them, whether or not they are using your product), their lives, and their issues. Your content should not primarily consist of pieces that tout or promote your product. While there will definitely be times you'll need to publish blog posts that simply let people know about a new product or feature, my experience is that traffic to those sorts of content posts will get anywhere from 60% to 95% less traffic than high-value content does, when published to the exact same Transformational Consumer audience.

This is hard for some leaders to swallow, the idea that most of your content should not be about your product. But the data shows the truth: most people won't see your promotional content anyway. They don't care about it, so they won't click on it.

This doesn't mean that people never want to hear about your product. It just means that most of your content should be beautifully executed, high-value content that is effective at helping them on their transformational journeys, in ways that your product implicitly and, occasionally, explicitly facilitates. Think about a story everyone knows: the tale of the Three Little Pigs. No one tells the story from the perspective of the bricks, but they are essential to the story and get used nonetheless. In fact, the story has been subtly promoting the superiority of brick houses for generations.

# Transcendence: The Natural State of Things

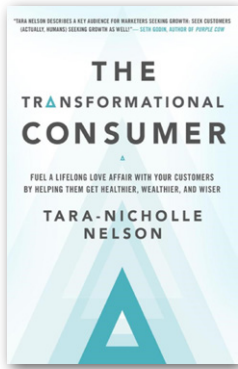
Now you are at the point in your leader-hero's journey where it's time to embark on a voyage to that supernatural otherworld, beyond the world of business as usual and into the messy, human-centered realm of helping people change their lives.

Some things can't come with you on this path: cynicism, flippancy, learned helplessness, and fear among them. These must be released, before you set out.

This journey may be daunting, but it's also rewarding. Guard against overwhelm by keeping one thing in mind. Transcending the transactional might seem like a fantastical, supernatural realm that you can only get to by winning a number of battles, internally and in the marketplace.

This is true. But carrying on a love affair with your customers is actually the most natural thing of all. To engage in relationships between customer and company on the basis of a mutually desired, mutually beneficial exchange of value for value is a return to the natural, original flow of commerce—this is the way things were before distrust and disengagement got in the way. When humans first began conducting commerce, it was not purely transactional: vendors played various societal roles, beyond selling stuff, and people had relationships with those who helped them stock their homes and make their lives function better than before. **This is not new. This is a return to what's natural.** 🏠

# Info



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**ABOUT THE AUTHOR** | Tara-Nicholle Nelson is the founder and CEO of Transformational Consumer Insights. She is the former vice president of marketing for MyFitnessPal, now part of Under Armour, where her teams covered brand, growth, engagement, content and digital/social media, and media relations. She holds a master's degree in psychology and a juris doctorate from the University of California, Berkeley, and is the board president of City Slicker Farms, a nonprofit food justice organization in West Oakland.

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