

Chapter 1

Enough with the marketing blah blah blah— let's talk about something interesting

The conversations in marketing circles say it's time for a revolution, and most of the talk is around new tactics. You might hear them say:

- * "The old marketing rules are dead."
- * "TV commercials don't work. Advertising agencies are dinosaurs."
- * "Your CEO needs to blog. Or do monthly Podcasts."
- * "Word-of-mouth marketing is the Next Big Thing."
- * "Public relations is more important than advertising."
- * "Get ready for advertising on video iPods!"
- * "It's time to break down the marketing silos."

The big new idea isn't about new tactics, although they're certainly exciting and opening up new communications channels. The big idea is simply that marketing is about having conversations and engaging with people in interesting discussions, through new and traditional channels. Technology may

be becoming the heart of marketing and communications, but conversations are the soul.

John Battelle, a founder of *Wired* and *The Industry Standard*, recently said, “Marketing has become a science on one hand and conversation on the other. In other words, we need to have a real conversation to get down to the thing we’re supposed to be good at: communication. Not selling, not grabbing attention, not seducing. Communicating. It sounds obvious, but in fact it requires an entirely new approach to marketing.”¹

This book shows you how to evolve your practices to succeed in a marketing-conversation world. It’s a marketing field guide of sorts. In it, you’ll discover:

- * What conversational marketing is and why it has become an important addition to the marketing mix
- * How to find ideas and points of view that help people talk about your company in ways that are interesting to customers and develop mutual understanding
- * How to evolve traditional marketing practices into more of a two-way dialogue
- * How to overcome the obstacles to conversational marketing and change your organization

People should like talking about your company

What do people in your company talk about to people outside the company? Do people like telling your story? Do the conversations add up—or are they random talk? Do they help explain what makes your company different? Get people interested enough so that they put aside competitors to learn more about you? Jump-start meaningful conversations so that sales cycles

move faster? Build trust? Make people feel good about buying from you?

Conversations should do these things, but many don't. So customers, analysts, or reporters often walk away from a meeting unclear or unable to talk about what was especially interesting or relevant.

This is because no one in marketing, sales, or communications is yet responsible for conversations. (Chapter 8 provides ideas for new roles and responsibilities.) Traditional marketing and communications don't help people talk. Advertising and direct marketing promote. Web sites and public relations inform. Vision, mission, and values statements are directional. Messaging documents are too often written to be read, not said. And the ubiquitous elevator speeches are usually starchy, self-absorbed, and, well, descriptive. They don't help jump-start a conversation that gets people to say, "Gee that's interesting. Tell me more." They might tell, but they don't engage. See Figure 1-1 for a snapshot



Figure 1-1. Common conversations that influence sales decisions.

of all the possible conversations that can take place in organizations.

Want the sales reps to make more calls? Give them something interesting to talk about.

Want frontline supervisors to be better communicators with employees? Give them something interesting to talk about.

Wish the CEO were a more engaging speaker? Give her something interesting to talk about.

Want the PR people to get more media stories? Give them something editors will find interesting.

Lights out in San Francisco: Lessons from a blackout

A few years ago I was in a San Francisco hotel conference room with a smart, witty marketing vice president of a software company called Firepond. We were waiting for a group of international business journalists to arrive for a ten o'clock meeting where Steve was going to introduce the journalists to the company and its products.

Steve was especially nervous because the CEO usually did these types of meetings and the company's software was complex. He ran through his PowerPoint slides three times to make sure he was set, making some minor tweaks here and there. He was feeling especially good about several new slides that showed how the different software modules fit together and how they connected to other technologies. It had taken months to figure out how to present the software system visually, and Steve was confident the journalists could now understand the software when they saw these slides.

Just as we were about to get the presentation under way, the

electricity went down. The entire city of San Francisco was without power. Steve, usually a pretty cool guy, was stunned, stuttering and at a loss. No PowerPoint? How could he explain the company? You couldn't understand the software if you couldn't see the slides.

The journalists were quite kind, suggesting that Steve forget about “presenting” and just talk with them. Tell some customer stories. Explain how the company was different from the big competitors. Better yet, they wanted to know why a well-known German software executive—the CEO—had decided to go to a small software company like Firepond?

Steve spent most of the time talking about the German CEO. He explained that the CEO had been extremely frustrated when he ran large sales organizations at other companies and didn't think that any of the existing sales automation or customer relationship management software actually helped the sales rep.

Steve then tried to draw on the whiteboard how the software worked. But with no air-conditioning the room was growing hotter and the journalists' interest was cooling. The power came back and everyone cheered and we all decided to leave the building while the elevator worked. No time was left to see how those software modules worked.

On their way out, several journalists said, in effect, “We like the story about why your CEO left his big job at SAP to start this company. Could you set up a time for us to talk to him—and maybe a couple of your customers? We think that would be more interesting to our European audiences than the technical product information.”

In that dark, hot conference room I realized that despite all the strategy, positioning, and messaging advice I had provided to Steve, I had failed. What Steve needed—and, I'm sure, many, many others—was ideas on how to have interesting and mem-

orable conversations that engage an audience and help them understand what was different and valuable about the company.

My epiphany was confirmed when, as we were shaking hands good-bye, one editor whispered to me, “All these software products . . . it’s too much even for us Germans. I really don’t care so much how they work.”

Eventually, Firepond did get comfortable talking in new ways, and Steve became much more comfortable talking than presenting. The point of view that eventually helped Steve and the rest of the sales team talk about Firepond software was that “sales reps don’t want typical sales automation software for writing reports back at the Holiday Inn. They want a way to give prospects customized product recommendations on the spot, no matter how complex the product. That’s what we do, sales recommendation software for when you’re *with* a prospect.”²

To provoke conversations, have something interesting to talk about

Countless sales reps, public relations managers, and CEOs struggle like Steve and I did during that power failure to figure out how to do a better job engaging prospects, media, and employees. Too often, our instinct is to create new tactics without considering how to improve the conversation. Or we heap on more rational facts and figures to support our point, like a lawyer preparing a brief. Yet, facts alone don’t necessarily help people understand what we’re talking about—or even make them want to have conversations with us.

We need interesting ideas that both provoke conversations and involve people in the conversations. Studies have found that the more customers participate in meaningful conversations and interactions with companies, the more likely they are to pur-

chase a product or service and recommend it to others.³ For marketers, this suggests that we need to find ways to involve customers in more conversations that are meaningful to them.

One step is to create conversational marketing approaches, such as salonlike meetings, online customer communities, more regular radio talk show–like conference calls, and more conversational sales meetings. The second step is having something interesting to talk about in those conversations. Some of the most effective conversation starters are points of view based on beliefs, contrarian views, or unusual advice. A good point of view gently (or not so gently) smacks people in the face and gets the response, “That’s interesting. Tell me more.” It lures people into the conversation, sparking dialogue that helps us understand issues, products, and companies in multidimensional, rational, and emotional ways.

Marketing as a good dinner party conversationalist⁴

If the metaphor for marketing is a conversation, then marketing should be like a good dinner party host who:

- Has a fresh point of view, but never tries to thrust it on other guests
- Speaks politely and respectfully
- Tells good stories to illustrate key points
- Is good at drawing other people’s views out and drawing them into the conversation
- Speaks intelligently on a variety of subjects but is not afraid to admit areas of ignorance
- Avoids trotting out well-worn arguments that have been made time and time again
- Listens with genuine interest
- Is light-hearted in style, but always respectful of the other guests’ points of view

People always ask, “Does a conversation theme replace something we already do like value propositions and product messaging?” The answer is no. Conversation themes are important *additions* to the traditional marketing tool kit.

Obstacles to conversational marketing

A second frequent question is, “If creating conversational marketing is as effective as you say, why aren’t more companies doing it?” They aren’t because of the following reasons:

- ◆ *No one is in charge* of conversational marketing from a strategic point of view. Individual functions may look at how to use new tactics to make programs more interesting and interactive, but few organizations have begun to think of marketing as conversations and to create the approaches and competencies needed to support that strategy.

- ◆ *“Alpha fraidy cats” are trying to take everyone’s suggestions* into account. Often, when this happens, the committee produces a meaningless message mush. When a true point of view is put on the whiteboard, an alpha fraidy cat convinces everyone, “We can’t say that,” or “It doesn’t explain enough of our story,” or “Some prospects might not like us talking about that.” (Alpha fraidy cats are persuasive, smart, articulate, domineering, often charming, and command respect because of their overt self-confidence. But underneath that smooth veneer, alpha fraidy cats are risk averse and self-doubting, particularly of people in their own organization; they think outsiders are smarter. They also instinctively pick apart why an idea won’t work before allowing the idea time to breathe.)

♦ *Executives are suffering from executive attention disorder (EAD).* EAD executives quickly tire of talking about the same thing and always seem to want to talk about something new, usually before any one idea or view becomes known or understood.

♦ *Someone forgets to involve communications professionals* who have greater insights into what makes for genuine, interesting conversations. Often, they'll know more than marketing executives who were trained in traditional "telling" techniques like advertising, direct mail, and promotions.

♦ *The strategy is muddled.* The last obstacle is tricky. If there is no clear business strategy or a company is run by insecure executives (or both), it may be difficult to develop and get buy-in to conversation themes, which by their nature stir up interest, discussion, and questions.

When Eric Schmidt was CEO of the billion-dollar technology company Novell, sales reps, analysts, and journalists couldn't understand his strategy. He spoke often, but to increasingly confused people. No one could really figure out Novell's value to customers, including the sales reps and the customers themselves.

"Eric Schmidt is one of the great technologists of our time. But when it comes to marketing, he's been as clear as a foggy night in London, which has put Novell in a pickle," wrote David Einstein of *Forbes*. "It seems the salespeople at Novell have had a hard time conveying Schmidt's message."⁵

While Schmidt grappled to explain the strategy of being a Net services and software provider and sales reps tried to figure out what they were supposed to be selling, Novell's financial results plummeted. The once profitable company slid into years of

quarter-million-dollar losses, suggesting that the problem may not have been just one of communications.

Too much jargon often signals bigger underlying business problems.

Why conversational marketing matters

Why are conversations—and having something interesting to talk about—important? The following three trends have turned traditional marketing and communications norms on their heads:

1. Less consumer trust in companies
2. Technology
3. The struggle to make sense out of so many choices and so much available information

People are listening to and talking with one another—and with those they view as trustworthy, credible, and having something interesting to say. For the most part, this does not include companies. Surveys say that people don't trust companies and that the only way to win back that trust is through communicating in new ways. Approximately 69 percent of Americans say "I just don't know whom to trust anymore," reports a Golin/Harris trust survey.⁶ Two-thirds to four-fifths of Americans "display a profound distrust" of corporations, according to a Yankelovich "State of Consumer Trust" study.⁷

Customers want straightforward communications that address their interests.

"The inept marketers are the ones who fold their arms and

insist that you listen to their story and tell your story the way they want it told,” says marketing author Seth Godin. “But the people aren’t listening.”⁸

Approximately 65 percent of respondents to the Golin/Harris trust study said that companies should do a better job understanding *their* needs and 93 percent said that companies should “communicate more clearly, effectively, and straightforwardly” to win back their trust. As former governor Gary Hart said in a *Washington Post* editorial that provoked nationwide political conversations, “The public trust must be earned and speaking clearly, candidly, and forcefully [about the mess in Iraq] is the place to begin.”⁹

The second shift is that technology has made it possible to talk *with* people in many ways—from inexpensive global conference calls to informal blogs, where everyone has a chance to talk back to the speaker or writer. We’re talking with people constantly—even if the “talk” is in written forms like online communities, instant messages, or e-mail.

These new channels have not only changed where we communicate, but how we communicate. Today communicating is direct and informal. Just as business dress has turned casual in all but a handful of major urban areas, so has business communications. We often tune out the overly formal in favor of people who are more direct and plainspoken.

Recently, I was researching companies that are doing interesting work in business innovation. I checked out two competitive companies: IBM and Sapient. On IBM’s Web site I found an interview transcript of a conversation with Michael Zisman, vice president of corporate strategy. The interviewer asked Zisman, “How can companies begin the shift from productivity to innovation?” Zisman answered:

You have to understand that in a context of what companies face today, which is (A) a recognition that we're coming out of a recession, (B) that we are moving towards a global economy. So we're surrounded by change everywhere. And firms today are asking the question, "What is the evolving ecosystem in which I exist? How is the value chain disaggregating, unbundling, whatever term you want to use, but being broken up into pieces? What role do we want to play? Where do we have differentiating capabilities in that value chain where we can focus to really add value?"¹⁰

Say what? I'm sure IBM has some significant expertise in innovation, but I couldn't tell you what it is from this conversation with Zisman.

When I met with Stuart Moore, the cofounder of Sapiient, a business and IT consulting firm, and asked the same question, he said, "There's no mystery to innovation. You just have to look through a new lens to see the possibilities. In many ways innovation is free."

The possibilities are everywhere and may even be free? That's interesting. Tell me more.

When I reported back to my colleagues, I recommended that we look more closely at Sapiient because of the conversation with Moore. I was concerned that IBM might not have a strong strategy because Zisman used so much rhetoric. And, I admit, I thought it would be more interesting to talk with Moore. He seemed smart, yet pragmatic. A rational reason? No, but as you'll read in Chapter 2, when we're trying to understand new ideas, emotion and feelings play a big role in our decisions.

(As an aside: Months later, another IBM executive provided a different point of view on innovation that got me to say, "That's interesting. I'd like to hear more," which is the mark of

a good point of view. “If you’re not fast, you’re dead. But if you’re not also good, you’re still dead,” said George Bailey, a consultant at IBM’s Business Consulting Group to a *Business Week* reporter.¹¹⁾

The third reason for conversational marketing is that we want to talk with people to understand choices and the people and companies behind the products. Unlike buzz marketing, which is someone recommending a good product or reviewing a disappointing experience, conversational marketing helps people make sense of ideas through two-way dialogues. Talking with people is how most of us learn, make sense of information, form relationships, and make decisions. It’s part of our human nature, especially around new or complex ideas. The more complex or high-risk a decision, the more we value conversations to help understand the people, the product or service, the company, and other relevant factors.

This “sense making” is rooted in the educational psychology principle of “meaning making.” Neurologists and educational psychologists have found that relevance, context, pattern making, and emotion are the four ingredients needed to get people to pay attention, understand what is being said, and then process and remember it. All conversations that help “make meaning” must have at least one of these ingredients, which Chapter 2 explains in detail.

Interestingly, emotion is the most powerful ingredient for understanding.

Yet, much marketing, sales, and corporate communications are sterile. There is no passion or conviction or even an occasional outrage. People are regularly numbed by PowerPoint presentations at meetings in dim rooms. They’re lulled into daydreaming while listening to someone read a script during a teleconference. And they’re suspect of corporate spokespersons

who hide their personalities and passion behind scripted, rehearsed responses.

This is too bad, because emotion not only drives good communications but influences whether a person will act based on a conversation.

Three steps for real, relevant, and repeatable conversations

Here are three steps to creating interesting, relevant conversations.

1. *Research in new ways, listening more closely and seeing new patterns*

One of the fastest ways to create points of view that engage people is to tune in to what people are talking about and how they're talking with one another. Although typical market research might be just the thing for product management or geographic expansion planning, it often doesn't provide enough of the right kinds of insights for meaningful communication. Here are several approaches, all of which are explained more thoroughly in Chapter 4.

- ◆ ***Tap into CEO beliefs.*** CEOs and other C-level executives are attuned to emerging conversations because they're talking to more people in the market than anyone else in the company except, perhaps, for sales. What are the CEOs' views on customer frustrations, reasons for not making decisions, or uncertainties about the company?

- ◆ ***Do a structured listening tour.*** Get inside the heads of customers, noncustomers, industry experts, industry watchers, and

your own best sales reps. Talk with them individually about what is most relevant in their worlds, what is moving them to try new things—and what they couldn't care less about. What ideas and trends are they beginning to keep an eye on? What are the one or two obstacles that are annoying them to no end?

♦ *“See” what is being talked about.* Use new technology tools that visually show conversation topic patterns in any industry. Being able to see what the most popular topics are—and who and what is linked to them—is a way to glean ideas about which conversation themes may be most relevant to customers. The tools also help people understand the context within which these themes, or topics, are being discussed.

2. Create conversation themes based on points of view

Two things make a point of view stand out:

- * It provokes conversation—be it contrarian, surprising, or challenging.
- * It is something someone might actually say.

A point of view is not meant to be the headline of a Web site or the tag line on business cards. It's not meant to explain the company's entire value proposition. It is meant to get people thinking and talking. Here's an example.

When working with Hyperion, a large business analytics firm, I found that the team of marketing and communications people all instinctively liked the concept of talking about Hyperion as the company for chief operating officers (COOs).

At the time, competitors were targeting IT and e-business managers and they were talking deep technology talk. Hyperion provided a view into all of a company's operations, helping execs

to see what was going on, make decisions, and hold people accountable. Unlike its competitors, it really could say it was the firm for COOs—and there was a lot of contrarian advice coming from COOs who early on had had it up to here with e-mania.

Taking a contrarian and counterintuitive approach to the market talk would have helped Hyperion to be noticed more quickly. It would have set the company apart, giving sales reps, partners, analysts, and the PR staff something to talk about. Plus, the CEO Jeff Rodek had been COO of FedEx; he knew what these people really needed and could truly talk the talk.

The concept was simple, easy to understand, and easy to talk about. Still, the group decided not to use it.

Instead, the focus turned toward more traditional advertising and public relations by concentrating on the technology story. Although the company succeeded quite well under Rodek's leadership, the marketing committee killed the COO conversation platform, worrying that it was too simple in view of the depth and complexity of the company's technology.

Much later, two of the people from the committee e-mailed me: "We should have used the COO idea. People would have gotten our story much faster."

There are nine topics, as explained in Chapter 5, that people most like to talk about: beliefs and aspirations, David vs. Goliath stories, avalanches about to roll, anxieties, counterintuitive/contrarian perspectives, personalities and personal stories, how-to, glitz and glam, and ideas associated with seasonal events.

3. Make it someone's job—and hold that person accountable

Conversational marketing doesn't cost millions or require hiring specialized agencies. It does, however, have to be added to the marketing organization—to job descriptions, for example,

and to how employees are rewarded. The point is that if conversational marketing isn't made part of people's jobs, it won't happen.

Conversational marketing starts by having something interesting to talk about, something that piques customers' interest and helps them better understand what your company is all about. To make sure the conversations help people understand your views and you theirs, the first step is to make sure conversations make meaning, not buzz.

Chapter 2 shows you how to become a meaning maker.