

The Power of Conversation and Engagement

There is a conversation taking place about your brand, your industry, and your competitors in real-time with or without you. It is happening on the Internet and on mobile platforms around the world right now. You have less control over what people are saying than you used to, but there is good news: Social media-empowered conversations about brands are redefining the art of conversation, and business professionals are learning to master the new world of friend-driven marketing.

True conversation is a circular flow of thoughts and opinions between two parties with mutual respect. Both contributors fill a need in each other and are engaged by what the other has to offer. That hook, or engagement, has them coming back for more. This is true whether the dialogue is in person or in digital bytes. Active and engaged consumers have found a new voice and are defining what a brand signifies, what it is worth, where it can be found, and if and when it should be purchased.

The implications of conversational marketing and real-time are dawning on product and brand managers as well as their advertising and public relations partners. The chaos that anytime, anywhere social

media created in 2008 and 2009 grabbed the attention of companies and caused them to rethink the value of conversation through their integrated marketing and communications strategies.

The focus for most of 2009 was on exploring how to create an online presence in social media that would expand the brand's audience and increase awareness of events involving the brand and also improve traffic/transactions on a hub Web site. Brands realized that their customers increasingly were turning to those sites as their primary source of news and to share information with others. Customers want content where they regularly live online versus seeking it out on a Web site. Clearly, the volcanic numbers alone demonstrate the necessity of engaging on social media platforms.

"Social customers" want a brand to pay closer attention to what is being said, where it is being said, why it is being said, and strive to anticipate where the conversation is going. What matters most is engagement and collaboration on their terms. Authenticity and transparency are even more important than consistency of the brand message.

Paradoxically, seeking the "voice of the customer" has been a priority for some time. There is a long history of VOC initiatives in the annals of corporations all across the globe that are designed to gain a detailed understanding of customer requirements and receive key input for new products or services. But most of those initiatives were controlled and one-way. Companies invested in expensive focus groups, interviews, and surveys that were based on customer experiences with products and services. This data ultimately fed customer satisfaction programs that built sophisticated algorithms designed to develop customer loyalty and customer retention rewards programs. One of the first manifestations of this was the frequent-flier miles program. Those little rewards cards hanging on your key chain from a variety of businesses are also a result of such initiatives.

Thus, an entire industry was born in the customer relationship management (CRM) industry. It focused primarily on three key elements of building and maintaining the customer relationship: (1) customer

satisfaction, (2) customer loyalty, and (3) customer retention. It was revolutionary at the time and helped make customer satisfaction and loyalty part of the company's stated mission. CRM also facilitated the development of efficient supply chain management systems that drove prices down because stores could provide "just in time" merchandise that, theoretically at least, met the customers' stated requirements. This was the best in class at the time and continues to fuel many brand strategies around the world. The CRM industry boomed and proved highly profitable. No one doubted that the voice of the customer was being heard. The enormous amounts of data the CRM systems contained were proof that customers' needs were being met.

Imagine the surprise of the industry when in the early 2000s consumers began to harness the power of the Internet and their new online environment, where they discussed their true brand experiences among themselves. Suddenly, with the advent of blogging and podcasting in 2003 and 2004, consumers found a voice, and what they had to say was not always a reflection of the rosy picture painted by CRM systems. In fact, often that voice was, and still is, venting or even ranting. Brands and companies began to whisper privately, "Maybe we don't really want to hear what the customer has to say. It seems so negative." But the genie was out of the bottle.

Brands and companies need not worry. There is a substantial number of thoughtful consumers out there who want to be brand advocates ready to voice support. When a brand disappoints them, they want to express how it can serve them better. Some are even big cheerleaders and love the brand no matter what transpires, to the point of self-policing fan sites. Customers are made up of critics, "prove-it-to-me"s, and advocates. All these consumers are clamoring for brand transparency and authenticity.

This brings us to the rise of the social CRM Now Lens and the new voice of the community. The current conversation evolution is happening *among* customers, users, partners, affiliates, fans, detractors, and other stakeholders. Social media tools support conversations that are open, frank, and public. The voice of the customer and the voice

of the community are getting louder as stakeholders share everything under the sun because they can. Real-time marketers need to lend an ear because they should.

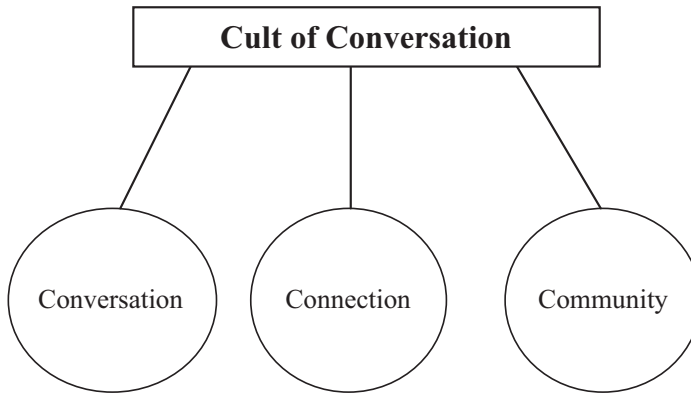
The shift in communication has been captured by what Markyr Media principals Kyra Reed and Marjorie Kase refer to as “the cult of conversation.” Markyr Media is a social media agency in Los Angeles, California. While working with clients, they observed a shift from the cult of personality to the cult of conversation powered by real-time, open social media.

“‘The cult of personality’ had a wall that separated fans and consumers from accessing information about brands or celebrities,” Reed said. “People were mysterious and inaccessible. But now, the wall is gone and has given way to the ‘Cult of Conversation.’ It isn’t about chasing after an image someone else is pushing on you or says you have to *be* in order to be happy. Instead, the ‘Cult of Conversation’ is about access and openness. It is looking to one’s friends to see what they think about something. They look at Facebook news feeds to find out what’s important. It’s not about image, it’s about conversation.”

Reed and Kase further break down the cult of conversation to identify *semisocial* versus *social* media personae. The cult of conversation is based on a three-C’s pyramid: (1) conversation, (2) connection, (3) community (see Figure 3.1). As with a three-legged bench, if one of the C’s is weak or eliminated, social media efforts will totter or fail.

1. The entry point to social media is Conversation:
 - a. What are you going to say?
 - b. How are you going to say it?
 - c. Are you a *semisocial* personality? (This persona talks about the brand and gives only information relevant to the *brand*.)
 - d. Are you a *social* personality? (This persona talks about what is relevant to the people who follow the brand. Only gives information relevant to *personality*.)

3.1 The Cult of Conversation



2. Connection

- a.** Conversation style will determine the type of connections that will take place on social platforms. (This can lead to crowdsourcing, business development, leads, and associations.)

3. Community

- a.** Arises out of meaningful conversation and connection.
- b.** Becomes the place where these two elements flourish and continue to grow.
- c.** Must be fed with new, meaningful conversations.
- d.** These conversations generate stronger connections that make the community an engaging environment for participants.

What is astute about their observation is that it distinguishes between brands that enter social media to serve themselves (semi-social) and brands that truly want to get to know customers, learn what is important to them, and become part of their world (social). Their findings have shown that the most effective social media campaigns, and the most memorable, are social. As an observation, Reed

cites Pepsi as a brand that has moved from the cult of personality to a fully social cult of conversation. Pepsi's brand evolution over the years began as a patio cola that evolved to moms, then youth appeal, followed by celebrity that was aspirational and image-driven. Now, the Pepsi "Refresh" campaign is a crowdsourcing charity undertaking. It engages communities to select a deserving nonprofit in their towns or neighborhoods where customers can see direct benefits tied to the Pepsi brand. Its campaign is all about inclusivity and accessibility. It remains to be seen if Pepsi made the right choice in shifting dollars from paying for its 2010 Super Bowl commercial to supporting the Refresh program. Only time will tell if it will experience success as measured by goodwill, sales, or both. However, the significant point is that Pepsi, a global company, is willing to take a risk in real-time.

Listening

Show me a good conversationalist and I'll show you a good listener.

—Anonymous

One of the first things a social media marketer or consultant must tell a new client is to set up a "listening strategy" using social technology platforms such as Twitter, Facebook, and LinkedIn. It does not mean hastily erecting a Facebook page to "get friends" and "post something on the wall."

Companies that already are conducting reputation monitoring and competitive strategy initiatives know that both require listening and scouring the media for brand mentions, articles, and so on. If the information is accurate and favorable, it provides a positive base on which to build. If it is not, reputation management departments correct negative information in the appropriate way. Companies are learning to set up Google Alerts on their products, brands, and services as well as those of the competition to track them and keep them up to date on competitors' activities. If they have not done so yet, they need to.

The extension of reputation management to social media means that the listening platforms have changed. The traditional reputation management resources included clippings from the press around the world and then evolved to the use of tools such as Google Alerts. Today dashboard systems monitor brand mentions on Twitter, Facebook, blogs, YouTube, or all of them. In some cases, individuals are assigned to monitor the social layer “in real-time.” The main point is to find out where the conversation is taking place and migrate there.

Beginning in 2008, the terms *sentiment* and *influence* were introduced into the real-time ecosystem to describe how to begin measuring the different aspects of listening. In addition to listening to mentions, companies and brands started to realize that they needed to listen to “influencers,” the leading voices whom others listen to, or the “just like me” and word-of-mouth consumers. Social media platforms allow users to express themselves in a multitude of positive, negative, mixed, and neutral sentiments.

However, a real conversation is about listening *and* talking. When do brands and companies get a chance to speak up in this new paradigm? The answer is that most of them need to take a step back and reflect on the essence of conversation and determine the purpose of the conversation. The purpose could be to build brand awareness or provide customer support. It might be executive communication or information relevant to a product launch. Whatever the reasons are for stepping into the conversation, the contributions of the brand had better add value to the dialogue or the conversation will be ignored or shut down.

Conversational marketing was a term that became famous with *The Cluetrain Manifesto*, which was written in 1999 by Rick Levine, Christopher Locke, Doc Searls, and David Weinberger. A printed publication that elaborated on the manifesto was published in 2000 by Perseus Books under the same name. The first thesis in the manifesto was that “markets are conversations.” At that time, the Internet was revolutionizing the way people could connect with one another, and Cluetrain helped highlight opportunities for companies to connect directly with their customers online.

Before that time, advertisers relied on mass communication to reach large consumer audiences. Mass marketing worked. (It still does in many cases, by the way.) Newspapers may be going through an agonizing transition period, but television still reaches a broad audience in one swoop. It aggregates the most eyeballs at any one time (over 1 billion people tuned into Super Bowl 2010) and commands the most advertising dollars (over \$70 billion per year).

Mass marketing originated in the 1920s with radio and evolved in the later part of the twentieth century with television. For the first time, advertisers were able to reach a broad section of an audience—literally *broadcast*—with each advertising message. Products that most people needed or wanted could be advertised to a large general market through these media with extensive reach. For example, products advertised during national television programs reach consumers in the entire country. As long as the products were available nationwide, advertising reach to a huge demographic was and still is considered a successful marketing strategy. Traditionally, consumers seeing products advertised in television commercials are more likely to choose them over similar store products that are not promoted. Showing television viewers the actual product and communicating benefits such as getting sparkling white teeth by using Brand X toothpaste increases sales of advertised products. As the commercials are repeated, the frequency creates brand awareness by reaching eyeballs or ears listening or tuning in at different times. Reach and frequency delivered the message that led to action or a purchase. Brand recognition occurred as consumers began to identify a product through its packaging, name, and promoted benefits. Mass marketing also inspired brand loyalty by reminding consumers of the benefits of a product over competing goods. Through a mass marketing strategy, brand managers created wide appeal for their products to match the broad scope of their audience.

However, mass marketing by nature is undifferentiated marketing. Mass marketing targets everyone at once. Differentiated marketing

focuses on at least two different market segments. Each segment is reached through unique promotional strategies, and the results are analyzed to determine future outreach. This type of market concentration can be extremely effective in creating product sales but is more expensive than mass marketing. Real-time social media provides direct paths to segmented, untapped markets that can differentiate a brand from the pack if you get there first.

Joining the Conversation

There is power in consumer-generated conversations. They have meaning and relevance to the consumers who brands eagerly want to access. Social media sites are listening fields with individuals who describe their preferences voluntarily.

The new approach to real-time marketing means that the brand has to be invited into the conversation, and the ticket is *adding value*. The brand message on its own does not constitute adding value. Offering helpful suggestions, intervening if there is a problem, and sparking new ideas about how to use the brand qualify as value. The brand will find out what to contribute by listening.

If it sounds like a continuous circle, it is. Think about your own life and relationships. There is a natural give-and-take. You listen, and then you add to the conversation. You do not enter a cocktail party shouting your news or message: “Hey, everyone! We just bought a new car! You need to know this!” Instead, you walk up to a group of two or three people and listen to the tone and direction of the conversation. Then you add comments that are relevant and meaningful to the conversation and the group. Someone builds on your comments, you build on his or hers, and friends are made. This is the power of conversation. Real-time is about being social, remembering that conversations are a dialogue, not a monologue. Once the brand successfully joins the conversation, people can’t stop listening.

Customer Engagement Planning

Companies large and small are defining what constitutes engagement on the basis of their objectives. Once a social footprint is established, the next step is to determine how the brand will engage in the two-way conversation in the long term.

Authentic engagement involves entering the conversation where your customers are active and where identified influencers are spending their time. By first listening carefully, you discover what people are saying about your brand and what they want. Then you will be better prepared to join their conversations in a natural way and offer solutions and ideas to help enrich their experiences.

Now that your community has been built—people “like” your brand and service and share your content—you should consider ways to keep brand fans coming back to your sites. You should build your engagement plan and consider ways your team can add value in the form of useful and/or entertaining links, content, information, and resources.

Relationship management is being redefined. Companies need to look at their business holistically, not in terms of silos or roles. Marketing and sales, service and support, customer experience, employee experience, innovation, collaboration—all have engagement touch points internally and externally. However, most companies cannot move fast enough to get in front of what customers and stakeholders are going to say and do. Tools are being created to help manage engagement points and responses. As was mentioned before, we are seeing the birth of social CRM as a way to help operationalize engagement. Simply gathering X number of “followers” or fishing for “likes” is not a strategy. Building a base through effective engagement is a strategy.

There is evidence that companies are picking up the pace on developing social media customer engagement strategies and tactics. The *Customer Engagement Report 2010* (<http://econsultancy.com/>

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reports/customer-engagement-report) by Econsultancy highlights the following:

- The proportion of company respondents that regards customer engagement as “essential” has increased to 55 percent, up from 52 percent in 2008 and 50 percent in 2007.
- The tactics that have come to the forefront for driving customer engagement are social networking and Twitter activity. Presence on social networks has almost doubled, and micro-blogging has gone up fivefold.

People are using online channels as their primary source of information and communication. We are looking at an entire world that will be connected one way or another very soon. New generations of business workers are now able and will be able to collaborate and communicate in real-time. Entire economies will go mobile as emerging markets and countries go directly to an unwired infrastructure. Clearly, it is time to think about how your brand will engage with these new consumers, stakeholders, and businesses.

What is new is that customer engagement is not just a brand’s connection with the customer. It is also the customers’ engagement with one another in the horizontal, viral aspect. This is the true measure of success in real-time marketing and is what creates the long tail of engagement.

Tactically, brands must begin writing and publishing content with embedded links to other content, pictures, and videos to meet the expectations of the online audience. This encourages engagement and facilitates sharing. Conversely, lack of engagement limits brand leadership effectiveness and ultimately defeats the purpose of the medium.

A smart combination of listening to the online conversation already taking place, learning what people want, and then providing what they are open to receive from the brand constitutes the winning ticket. The goal of customer engagement is to establish the right message at

a connection touch point that is based on understanding and defining customer needs. Evaluating social platforms to achieve customer engagement goals should include those that will best support retention and business objectives.

Engagement can mean video, polls, games, photo sharing, e-mail, blogging, and podcasting. Engagement strategies present an opportunity for brands to align content creation for social media with a company's priorities and involve cross-functional interaction and collaboration. Social media engagement can also be used for front-end campaigns and appearances to help guide the conversation and generate buzz.

Being friendly helps. Here is a fun exercise to do while thinking about your engagement strategy. Read *Building Wonderful Friendships* by Hyacinth Fraser, who also writes for Answerlife UK. It may seem a bit corny at first, but try to think differently. Especially in this age of blurred brands, stand out by getting back to basics.

How to Build Wonderful Friendships According to Hyacinth Fraser

- Keep your friends in mind and ask them how you can help them.
- Check with them on a regular basis; find out how they are doing.
- Surprise them.
- Be really grateful you have the friends you have.
- Give without expecting anything in return.

It is not that much of a stretch to apply these simple rules to your business. Arriving at a “high-touch” relationship with your customers is a form of competitive advantage. Markets are made up of people, and the basic tenet of treating people the way you want to be treated still works.

Marketing Communications in Real-Time

First of all, what is MarCom? *MarCom* is an abbreviation for “marketing communications.” Some think of it as public relations, and in many companies it is. Public relations as a discipline is also undergoing change. MarCom is targeted interaction with customers and prospects using one or more media, such as direct mail or e-mail, online and offline newspapers and magazines, television, radio, billboards, tele-marketing, the Internet, newswires, and more.

MarCom in real-time is undergoing the same seismic shift that is shaking all of marketing and communications. Strong marketing communications strategies have served corporations and organizations fairly well over the years. Now brand managers need to think about how they communicate in real-time as well as with whom, because each message requires a thoughtful, targeted approach. One size does not fit all. Companies have to shift marketing communications away from reactive reputation management and adopt the new social technologies that make communication immediate. The two-way nature of interaction is certainly defining the parameters of how quickly we communicate today.

Embracing real-time communications requires a global outlook. It also requires the ability to understand and directly interact with constituencies/influencers and give a portion of editorial and conversation control to the customers. Give them channels where they can get involved with your content. Listening and monitoring should be standard practice. For those in MarCom, listening is an excellent way to dip a toe into the social water, develop an understanding of what is going on, and get input from your community on the best way to pursue further engagement. Asking questions is an excellent way to gather valuable, pertinent information. It is amazing how much activity can result from posting a video or picture on a Facebook page with a question: “What do you think?” or, “Who’s your favorite?” People love

to participate, and they do it! Just follow the number of comments of the Facebook pages of Levi's, Coke, or Nike. You will find hundreds of people talking about the brand, unprompted and unscripted. That is a marketer's dream!

Every big company is fearful that the conversation is going to veer negatively, and sometimes it does that. This is where a strategy pays off. If the company thinks this through, it can develop a strategy for the negative sentiment that may arise, just as it does for any crisis.

The discipline of public relations is even more important in real-time. Public companies will continue to use the press release as a primary means of positioning news. Press releases for public companies are actually legal documents. They are vetted multiple times to check what they say and make sure they accomplish certain goals. Putting news out on the wire is not going away any time soon.

Justin Goldsborough, digital strategist at the global public relations firm Fleishman-Hillard, commented on the benefits his profession can bring to clients regarding social media: "Education is really important, so we provide a type of Social Media 101 to our clients, on trends we are seeing and how it relates to them. Companies are looking for leadership in this area." In addition to education, Justin made the following recommendations: "Be a valuable part of the community and be completely transparent when talking about your business. Use social media to engage as a person or as a brand. Brands can take on a persona that can be trusted so they may engage with the community as a person. This is new for some companies. After seeing different tweets from your brand name, people will know you are a business but are acting in your community like a person. It requires a different way of interacting with the public."

When asked about moving companies to consider adopting social media, Justin observed, "Corporate cultures are hard to change. That's why social media education is so important. If they are locked internally and scared, it makes the process of change difficult. Trying to operate one way externally and differently internally doesn't work."

To create a receptive atmosphere and encourage learning, Fleishman-Hillard has developed a social media game along the lines of Trivial Pursuit™. Justin explains, “When it comes to something as critical as how employees use social media, which can have a significant impact on brand reputation, companies can’t afford for training not to stick. Unfortunately, employees are not going to throw a social media policy party or get out of bed early to rush to the office and review the new company digital do’s and don’ts. One solution we are strongly pursuing is using social media to teach social media.

“The approach we are testing is two-pronged. The first piece is to turn real-life social media case studies involving our clients’ employees into an IRL¹ learning experience. We create a Trivial Pursuit-type game customized for our clients with questions relating to social media policies, answering customer service questions via social networks, handling inquiries from bloggers, and more. In most cases, the questions come from real situations. At the training, employees divide into teams, play the game, and then discuss the questions with a panel including PR, Marketing, HR, and Legal reps. The second piece is to continue the education conversation after the social media training session ends. Brands can facilitate this by giving the governance board the opportunity to blog about social media policy internally. It also allows employees to ask questions in real-time as they emerge.” Fleishman-Hillard is a stellar example of a traditional profession reformulating its services to enrich clients in an engaging way in real-time.

The staple of public relations, the press release, has become easier in the last decade with services such as PR Newswire and PRWeb. Now PR professionals need to make a commitment to learn about the new digital social media release for public relations and how to use it. The digital release contains all the text of a regular news release plus multimedia photos, graphics, video, and links to important documents and files, all of which give even more background information about the subject to readers. Corporate content can be repurposed for video and audio podcasts as well. This makes a press release more interesting and engaging and, quite literally, makes it come alive.

Most important, a social media release allows the community—your audience—to have a conversation about your release via comments. Share buttons then make it easy for users to distribute the release on all the different social networks. It is not a replacement for the standard press release but rather an add-on. Social press release platforms such as PitchEngine, along with several others, are available for one's company or organization to adopt.

Approach the discipline of communications as a process, a dialogue. Do not be afraid of the market talking back. Embrace user comment and content and then put mechanisms in place that encourage response. It is far cheaper than a focus group. Finally, investigate Web site stats and learn how to track campaigns more effectively.

Real-time communications will be a central part of every brand and marketing department in the near future. A real-time manager will sit alongside established disciplines such as media relations, internal communications, brand management, and analyst relations. His or her role will be to integrate real-time social data into every aspect of corporate communications as a fundamental part of the department's thinking. Keeping up on all the latest trends and being fluent in the language of real-time conversations will give this new function a seat at the table for all brand-related decisions. We are all living in a real-time world, and the sooner we can professionalize this role, the better.

The good news is that unlike marketing disciplines of the past, the role of a real-time marketing department and what it tracks are infinitely more measurable than a press clipping report. The new communications practices outlined above can be analyzed in seemingly endless ways [the number of blog comments, the number of Really Simple Syndication (RSS) subscribers, etc.]. Long-distance communication today is essentially free for both work and social activities. Groups of people no longer need to be geographically close to get a sense of closeness and shared experience. The way this shift is applied to business, teaching, learning, creativity, and so forth is still being defined in an evolutionary process that is being sped up exponentially by occurring in real-time.

Public relations and advertising have been the primary vehicles for communicating brand messaging. Typically, what traditional ad agencies have done brilliantly is create commercials. The process was to develop a product and a message and then send it out one-way to millions via TV, print, outdoor, radio, trade shows, and so on. A crisis plan was tucked away just in case. Finely tune the message, spread the word, and increase sales—it was all clear-cut. Advertising worked—the golden days when Hollywood and Madison Avenue ruled the world. Most CEOs and business owners believe that the only purpose of advertising is to increase sales. That may be true today, but actually advertising is a relatively new thing in the history of the world.

The first known paid advertisement in America was an announcement seeking a buyer for an Oyster Bay, Long Island, estate that was published in the *Boston News-Letter* in 1704 (<http://adage.com/century/timeline/index.html>). In 1742, after purchasing the *Philadelphia Gazette*, Benjamin Franklin's *General Magazine* printed the first American advertisements. Thus began mass communication supported by advertising.

Advertising also was a way to underwrite the free exchange of ideas and information in the marketplace and help grow the economy. The expense of producing the paper was covered by advertisers, and so the cost to readers was virtually eliminated, increasing the number of people who would see the advertising and thus grow the market. The upside for advertisers was that they controlled the message and that advertisements helped boost sales. The trade-off was friendly: the opportunity to create a free exchange of ideas and brand control. For the most part, the paid advertisement model has remained the same until now.

But to be successful in this new real-time arena, a different skill set is required that starts by understanding that it is not about spamming 30-second one-way commercials. Forward-leaning companies see these trends and implications for business and are creating cross-department task forces composed of legal, public relations, customer relationship management, reputation monitoring, corporate

communications, human resources, and marketing. The discussion is about whether they should enter this confounding new world and, if so, how to communicate their brand message and image. We will also see interchanges between customer relations, marketing, and product development like never before. Internal engagement and escalation procedures will be recalibrated to reflect the real-time nature of communications. The mission will be to spread messages to new audiences through emerging social technology channels and participate in various user communities.

The tables have been turned. Companies that are able to both listen and engage for the long term will be successful. Those that do not master this art will not attract the attention or gain the loyalty of the market that is bestowed on others. Real-time communication may seem daunting, but no more so than entering any new conversation among unfamiliar guests. Listen. Have something valuable to say. Be a friend to get a friend. Your market will reward you by sharing their satisfaction with one another. All these gems are most effective when funneled into a powerful real-time marketing strategy; this will be explored in Chapter 4.