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# IN THE NEW CENTURY, STRATEGIC CONVERSATION IS THE NO 1 MARKETING WEAPON

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Ask most business people what marketing is about, and they'll trot out clichés about satisfying the needs of customers, building strong brands or "world class" service. Sooner or later, the famous "4Ps" – product, place, price and promotion – will come up. But all of this misses the fundamental point that marketing is … wait for it … *conversation*.

If executives understood this they would think about many of their activities in powerful new ways. They would behave very differently. They would have greater control over their destiny. And their companies would deliver better results.

To say that marketing is conversation won't sound sexy enough for many people. Surely it can't be that simple. There must be more to it.

But there's not. Like much else in management, marketing has been shrouded in buzzwords and gobbledygook. It has been packaged as a mysterious process that only specialists can understand. The result is that even those who claim to be the experts have lost sight of their real purpose, and people in finance, procurement, manufacturing and elsewhere have been shoved back into their corners; marketing, they're told, is not their business.

In fact, marketing is the one activity that involves everyone. When you think about it as conversation, you see why this is so.

Marketing is about creating relationships with customers. Relationships hinge on conversation – a two-way flow of information and ideas.

But marketing is not just a dialogue between a company and its customers. It also requires a rich internal exchange, between individuals and teams, divisions and departments, bosses and subordinates. And of course, there are stakeholders such as suppliers, society, government, trade unions, and many others who can "vote" for or against an organization's success, who can help or hinder its delivery of value.

All day long, people inside organization share information and ideas. They speak constantly to each other in casual interactions, meetings and by phone. Videoconferencing lets them see and hear each other across the world. Letters, faxes, E-mails and SMS messages fly about.

At the same time, firms connect constantly with customers. In a host of ways, ranging from product performance to sales and service calls, from paid advertising through free publicity, they shape their image (or it is shaped for them).

In some cases, managers have a lot of control over their messages: they can tailor the content and select their audiences with some accuracy. Much of the time, though, they have little or no control over who gets to hear what. And of course they have no control whatever over the way people interpret their utterances.

Advertising and promotions let them decide what gets said and to whom. They can be precise about words and images and sounds, and if they listen to feedback they can hone and refocus their communications. They're also in charge when it comes to their call centers and personal selling activities, for there too they can write their own scripts.

But after that, it's downhill all the way. Even the most carefully crafted of press releases is at risk of being slanted and edited – or spiked – by the media. Meticulously planned interviews can go horribly wrong when a chance remark opens a trapdoor or when a hostile journalist seeks to score points. Journalists make up their own minds about what's important and what's not, what angle to take in their reporting, and who else to ask for opinions.

With luck, firms may get positive coverage from stories in which they are not the central player. But they can be seriously hurt when, despite their best efforts, they're dragged into someone else's story. They can also take costly hits from malicious rumour mongers, from people who write letter writers to the press, and from angry employees or customers who "flame" them on the internet.

Communication is constantly cited as the number one problem within organizations. Employees complain about it all the time. And their complaints are mostly ignored.

But if companies are careless about their internal conversations, the situation is much worse outside. Their public image is created by default rather than through deliberate planning and action. Their message-making is haphazard and their messages often clash with each other.

Outsiders choose what to see or hear, and what to make of it. Innuendo, distortions and lies undermine efforts to build the reputation of a company and its brands. So it's downright stupid to make things worse by not being single-minded about what needs to be said, and to confuse audiences with mixed messages.

Of course, this is just common sense. Everyone knows these things. And the good folk in charge of marketing or "corporate affairs" will be quick say, "It doesn't apply to us. We've got things under control."

But have they? And is everyone who sends out any kind of message about their firms singing from the same hymn sheet?

Organizations are managed conversations. We all know that what gets measured gets managed, but we overlook the fact that it's only what gets *talked* about that will be either measured or managed. And most organizations are a blur of different statements, signals and symbols.

The confusion starts at the highest levels. From the CEO down, there's little clarity about direction, priorities or key performance indicators. Ask half a dozen senior people what they think they're doing, and you'll probably get six different answers. Put the same question to others, further down or out at the edges, and you'll hear a cacophony of views.

But it gets worse. A huge debate is raging over who is best qualified to make companies – and individuals or partnerships – and their products and services famous. Should you spend your money above the line, below the line, or "through the line"? Should you advertise your organization or the things you sell?

"Branding" has become fertile ground for everyone from ad agencies and designers to strategy experts and knowledge management hawkers. "Reputation management" is the new term for the old practice of public relations – and once again, many people have opinions about it and are eager to grab some of the spoils. Everyone, it seems, has some kind of spin on what is unquestionably the heartbeat of all business.

The fact is, the expensive advisors who are retained to position firms in the marketplace, to shape their publicity and to create award-winning ads, often just muddy the waters. Management consultants develop one language, one set of themes. The ad agency goes off in another direction and creates snappy slogans and catchy headlines. The PR people want to grab as much media time and space as they can, with whatever story editors will buy. Sponsorship has another pitch. And then there are direct marketing experts, customer relationship management (CRM) advocates, information technology vendors, sales trainers, and so on.

Each of these players is no doubt sincere and does want to do a good job for the client. But they're briefed separately by people who themselves are not sure what they want to stand for, fight for or say to their various stakeholders. So like the blind man trying to describe an elephant by feeling parts of it, they understand the organization in parts.

If the people who lead organizations don't take charge of their messages, someone else will do it for them. The consequences are costly, and may be disastrous.

Strategy is partly about analysis and decision-making. It is largely about communication. By managing their "strategic conversations" well, leaders shape the context in which other people act. They delegate this task at their peril.

Organizations are marketing machines. That's how they stay in business. So strategic conversation is a marketing matter of the greatest importance.

Developing the right messages begins with the development of corporate strategy. That's when issues of business purpose, the profit recipe, organizational character, and goals, priorities and actions are discussed and agreed. And it's from these that the strategic conversation flows. (Figure 1).

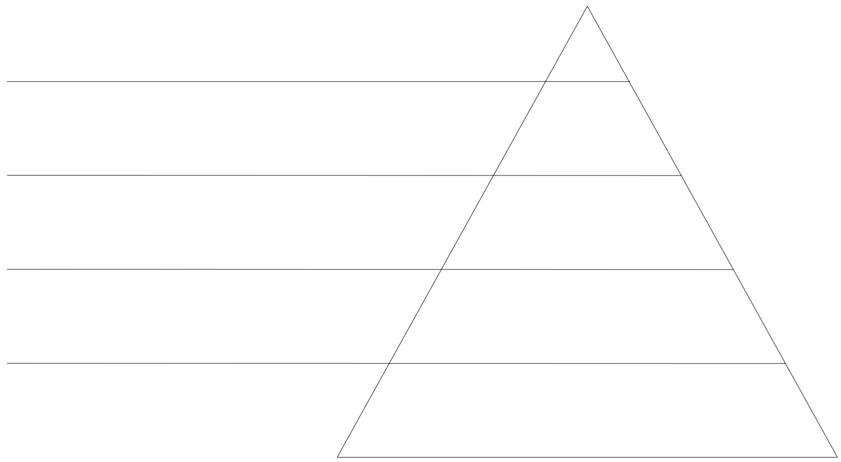

Figure 1

But there's more. The first decade of the new century, will see a dramatic acceleration in the development of new business models. It's here that competitive battles will be won and lost. So it is vital that executives think hard about the kind of organizations they need to build, even while they consider how they might promote their offerings.

Robust strategic conversation ensures that models are the product of rigorous thinking, not just of glib assumptions. It ensures that many voices are heard when decisions are taken about products, processes and business philosophies. (Figure 2). And it involves customer early and continually, in a dialogue that makes them partners in success.

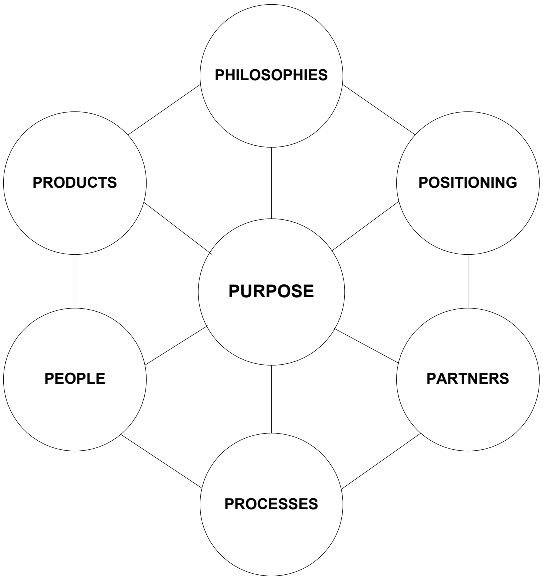

Figure 2

The new business environment is uncertain and dangerous. Competition is becoming increasingly hostile and companies face daunting claims from many constituencies. The winners will be those that see marketing as everybody's business, and message-making as the most critical challenge, the most important task and the most valuable leadership tool.

The original 4Ps of the marketing mix remain useful. But they are not the whole story. For an organization to walk its talk, profound decisions must be taken about everything it does and the way it does everything. And just as the company is deliberately shaped and managed, so must the strategic conversation be deliberately crafted and managed.

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