1

WHERE WE ARE TODAY

W hen I first mooted this book with friends and associates in the market-
ing and PR profession, a common thread emerged in response.
Although it was expressed in many different ways, it boiled down to this:
there's change fatigue.

The marketing and PR professional has had to get to grips with quite a lot
during the past decade, and this section aims to provide a whistle-stop tour of that
journey and where we find ourselves today, but in that response lies the answer.

Change in business should never be for the sake of change. Change has
been demanded of marketing, public relations, customer service and other
aspects of business by social, technological, environmental, legal and eco-
nomic factors, and the marketing, PR and other professionals have reacted
with varying degrees of success – reactive change.

This book, however, is championing proactive change – proactive in con-
solidating the multiple adaptations made reactively, and proactive in restruc-
turing, repositioning, regearing and empowering the influence processes as
organizational lifeblood, delivering competitive advantage for the organiza-
tion and the individual practitioner.

Of course, laggards to this opportunity will find themselves having to
react. Such is life.

Let's look a bit more closely at where marketing and PR are today.

The Cluetrain and Permission Marketing

The *Cluetrain Manifesto*[3] and *Permission Marketing*,[4] both of 1999, were the
first signposts that the status quo of marketing and public relations was about

to end, and relatively abruptly. And from a personal perspective that was just fine – I was still in my twenties with comparatively little marketing and PR experience, so I was joining advantageously at just the moment when the rules were changing.

With a collection of assertions and a call to action, the *Cluetrain* authors painted a frank, unambiguous vision of the way in which the Internet would affect the way in which individuals communicate and organize, and the responses this revolution would demand of organizations.

> A powerful global conversation has begun. Through the Internet, people are discovering and inventing new ways to share relevant knowledge with blinding speed. As a direct result, markets are getting smarter – and getting smarter faster than most companies.
>
> These markets are conversations. Their members communicate in language that is natural, open, honest, direct, funny and often shocking. Whether explaining or complaining, joking or serious, the human voice is unmistakably genuine. It can't be faked.

The authors, Rick Levine, Christopher Locke, Doc Searls and David Weinberger, created a storm. On one side, the so-called digerati fanned the flames and, some would say, adopted the *Manifesto* quasi-religiously. The sceptics on the other side called the whole thing a cult and claimed that not much would change in the long run. The detractors contended that it was more hype than substance, much like the 'dotcom' bubble that was inflating and then popping around them at the time.

The detractors were wrong.

Consumers today check how others rate products and services before taking the plunge themselves, and they share their thoughts for outstanding and substandard service openly and with brutal honesty. The term 'conversational marketing' is now considered by many marketing and PR firms to be a core service or skill, and there is hardly a marketing or PR expert who doesn't chime up with the need for brands to be authentic or open or transparent – words that were applied considerably less often in this context during the 20th century. Information and communication technologies, and the corresponding cultural shifts, have, as the *Cluetrain* authors put it, rekindled

'human to human' conversations. 'Markets are conversations.' The inference is simply that this marks the end of the 'us and them' divide, or big corporate 'versus' the little guy.

As a compliment to the *Cluetrain* authors' focus on dialogue and public relations, Seth Godin's *Permission Marketing* attacked the sacred cow, advertising:

> You can define advertising as the science of creating and placing media that interrupts the consumer and then gets him or her to take some action. That's quite a lot to ask of thirty seconds of TV time or twenty-five square inches of the newspaper, but without interruption there's no chance of action, and without action advertising flops. . . .
>
> The ironic thing is that marketers have responded to this problem with the single worst cure possible. To deal with the clutter and the diminished effectiveness of Interruption Marketing, they're interrupting us even more!

And according to Kantar Media (formerly TNS Media Intelligence), advertising spend in the USA has grown further since then, albeit with some ups and downs mirroring the booms and busts along the way, from an inflation adjusted[5] $115.1 billion in 1999[6] when *Permission Marketing* hit the bookshops, to $125.3 billion in 2009.[7] Kantar Media reports 14 minutes of network ad messages per hour of prime time US network TV in Q4 2009, with a further 5 and 15 minutes of 'brand appearances' for scripted and unscripted programming, respectively. So, even more interruption?

Yet Eric Clemons, Professor of Operations and Information Management at The Wharton School of the University of Pennsylvania, penned a polemic for TechCrunch in March 2009 in which he asserts that advertising will fail because consumers do not trust it, they don't want to view it, and mostly they don't need it.[8]

Godin champions a new marketing approach substituting permission for interruption, and interestingly his four tests of permission marketing ended up bearing more than a passing resemblance to facets of public relations:

1. *Does every single marketing effort you create encourage a learning relationship with your customers? Does it invite customers to 'raise their hands' and start communicating?*
2. *Do you have a permission database? Do you track the number of people who have given you permission to communicate with them?*
3. *If consumers gave you permission to talk to them, would you have anything to say? Have you developed a marketing curriculum to teach people about your products?*
4. *Once people become customers, do you work to deepen your permission to communicate with those people?*

Hugh MacLeod pulls no punches, as cartoonists are want to do: 'If you talked to people the way advertising talked to people, they'd punch you in the face.'[9]
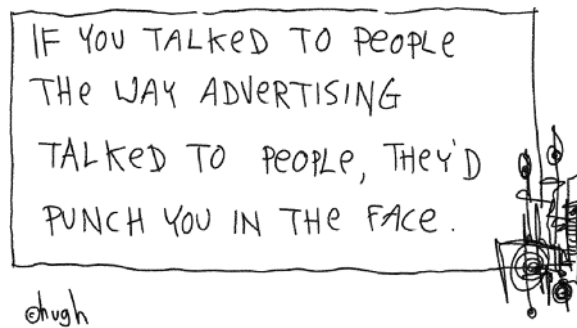
By 2006, those sceptics of the social Web revolution were increasingly subdued or simply converted. *Time Magazine* chose 'You' as Time Person of the Year, representing the millions of social media participants. Facebook removed its prior membership restrictions, opening its service up to everyone, and YouTube was the fastest growing Web service ever. The *Wall Street Journal* reported that YouTube was consuming more Internet capacity by its second birthday in 2007 than the entire Internet had in 2000[10] . . . even the British Royal Family got itself a YouTube channel[11] in 2007.

At the Association of National Advertisers annual conference that year, A.G. Lafley, the Chief Executive of Procter & Gamble, said: 'Consumers are beginning in a very real sense to own our brands and participate in their creation . . . We need to learn to begin to let go.'[12] David Meerman Scott then described the fall of traditional mass media marketing, and crystallized the ramifications, opportunities and challenges for the marketing and PR world with *The New Rules of Marketing and PR*.[13] It became an international best seller, available in some 26 languages.

A decade may feel like a long time when you're in it, but historically one can only conclude that we have just witnessed an unprecedented, massive, fast and irreversible transformation.

Perhaps you might interpret the 9% hike in US ad spend in the decade to 2009 as proof that nothing has changed; or perhaps that advertising is migrating away from spray 'n' pray to a more intelligent, targeted and responsive model; or perhaps that marketers are panicking; or perhaps that new digital ad formats have just been too tempting, or indeed an improvement on the old straightforward interruption. Fortunately, we don't need to answer that question here. We simply have to view the matter through the eyes and ears of your customers and other stakeholders, who make no informed distinction between different marketing and communications methods, only knowing what they like, listening when you respond to their questions and points of view and needs and aspirations, and filtering out the rest.

Marketing and public relations

Most readers of this book will be working in, studying, teaching or researching marketing and/or PR. Others will be working in other disciplines central to influence, such as sales and customer service, or senior management figures or management consultants keeping up with the latest ideas. Regardless, I hope you won't mind if we invest some time defining both marketing and PR. Why? Well, this book wants to map out a journey from A to B, and navigating to B is so much easier if we're all at A to begin with. Moreover, experts don't agree . . .

Marketing

In its 2009 paper, *Marketing and the 7Ps,*[14] the Chartered Institute of Marketing (CIM) defines marketing as 'the management process responsible for identifying, anticipating and satisfying customer requirements profitably'. The paper continues:

> . . . the customer is at the heart of marketing, and businesses ignore this at their peril.
>
> In essence, the marketing function is the study of market forces and factors and the development of a company's position to optimise its benefit from them. It is all about getting the right product or service to the customer at the right price, in the right place, at the right time. Both business history and current practice remind us that without proper marketing, companies cannot get close to customers and satisfy their needs. And if they don't, a competitor surely will.

However, the CIM recognized in its 2007 *Tomorrow's World*[15] paper that its definition harks back to 1976 and could do with an update. The paper identifies a number of reasons why a revision may be needed, including:

- The discipline has become more sophisticated, possibly demanding subdivision into three broad paths: science, arts and humanities
- The idea that marketing is no longer a separate role but something everyone in an organization does to a greater or lesser degree
- The technology revolution has altered the dynamic between an organization and its customers, increasing the power of the customer (the rebalancing we referred to earlier in this chapter)
- The fragmentation of media and the increasing resistance of audiences to marketing communications
- The increasing need for numeracy and research fluency
- The role of people management in the marketing skill set.

While the following definition was mooted in the paper, the CIM does not yet appear to have officially adopted it, or one based on it:

> The strategic business function that creates value by stimulating, facilitating and fulfilling customer demand.
>
> It does this by building brands, nurturing innovation, developing relationships, creating good customer service and communicating benefits.
>
> With a customer-centric view, marketing brings positive return on investment, satisfies shareholders and stakeholders from business and the community, and contributes to positive behavioural change and a sustainable business future.

The definition given in what many consider the seminal marketing textbook, *Principles of Marketing*,[16] is:

> Broadly defined, marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others. In a narrower business context, marketing involves building profitable, value-laden exchange relationships with customers. Hence, we define marketing as the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return.

The American Marketing Association did, however, find itself a new definition in 2007, but to fairly widespread derision:

> Marketing is the activity, set of institutions and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large.

From my reading various reactions I can say that Mike Smock's blog post, 'Everything that is wrong with marketing can be found in AMA's new definition,'[17] appears to best capture the mood of those critical of the new definition. The primary criticism appears to be that, unlike CIM's current and drafted definitions – or indeed that provided in *Principles of Marketing* – the AMA

fails to be explicit about marketing's role in contributing to the achievement of a for-profit organization's financial objectives.

The bit about 'society at large' also appears to have ruffled feathers as being too distanced from the cut and thrust of business, but from my perspective it's just one sign of many that marketing fancies itself as the guardian of all things in public relations. The CIM draft definition includes 'developing relationships'. The CIM paper, *Marketing and the 7Ps*, lists PR under the fourth marketing 'P', promotion.[18] And its paper, *Tomorrow's World*, clearly references PR to mean spin (spin a yarn, make up a story) rather than anything public relations experts would recognize.[19]

Public relations

I discuss PR with many people in my professional life and find that the majority only have a tenuous grasp of what PR actually encompasses, and many others simply have no idea or, worse, have it wrong. And, as we've seen, that includes professional marketers.

Believe it or not, I've met people who think PR stands for press release. And perhaps I should get over myself, but I have never liked the turn of phrase 'to PR' something. But by far the most common mistake I find is considering PR to be synonymous with media relations – journalist lunches and column inches.

I often start by telling people what PR is not. PR is not marketing. PR is not promotion (coupons, offers, etc.). For more on 'what PR is not', I found a similar list by Bill Sledzik on his blog *ToughSledding*.[20]

The PR role encompasses aspects of publicity and many people referred to as PR practitioners invest much of their time wielding the tools of publicity: press releases, pitches, interviews, etc. (indeed, this aspect has been referred to as 'marketing public relations', which either confuses the matter or clarifies it, depending on your point of view[21]). James Grunig's and Todd Hunt's '4 Models', first presented in 1984,[22] describe four views of public relations, the first of which is publicity or 'press agentry'. The second is known as the public information model, the third asymmetric persuasion, and the fourth the two-way symmetrical model.

The renowned *Excellence* study emphasized the fourth model and defined PR as[23]:

> a management function that focuses on two-way communication and fostering of mutually beneficial relationships between an organization and its publics.

The Public Relations Society of America puts it simply[24]:

> Public relations helps an organization and its publics adapt mutually to each other.

Terry Flynn, Fran Gregory and Jean Valin actually set up a wiki[25] to record various definitions and collaborate on consolidating a new definition for adoption at the Canadian Public Relations Society national board meeting February 2009[26]:

> Public relations is the strategic management of relationships between an organization and its diverse publics, through the use of communications, to achieve mutual understanding, realize organizational goals, and serve the public interest.

And according to the UK's Chartered Institute of Public Relations (CIPR):

> PR is the discipline that looks after reputation, with the aim of earning understanding and support and influencing opinion and behaviour. It is the planned and sustained effort to establish and maintain goodwill and mutual understanding between an organization and its publics.

In a conversation with me, Jay O'Connor, CIPR President 2010, extended this definition by stressing the role that public relations must play at board level, helping to explore, define, plan and execute strategy. She particularly underlined its role with respect to reputational risk and opportunity, and good governance.

Note the consistent recurrence of reference to mutuality. Although this is invoked in slightly different ways, I take it to mean all parties having respect and understanding for others' points of view and working together to increase that respect and understanding. Of course, any organization may interact with two or more publics that disagree vehemently between themselves, meaning that the organization cannot be reconciled to all publics. Mutuality, however, doesn't require reconciliation, but rather continued dialogue with the intent to understand and be understood.

Such emphasis on mutuality is core to the fourth model. And in words from Chapter 1 of the book summing up the findings of Grunig *et al.*'s *Excellence* study: 'As a result of good public relations, both management and publics should behave in ways that minimize conflict or manage conflict effectively.'[27]

Two-way symmetric public relations relies on honest and open two-way communication and mutual give-and-take rather than one-way or asymmetric persuasion. It requires a management philosophy that recognizes that no organization stands alone but must instead adjust and adapt what it does and how it does it in order to align itself with its publics on the basis that this can only help not hinder the organization to achieve its objectives.

The *Cluetrain Manifesto* was the right way to say the right things at the right time, but it appears that its authors took their lead in part from the two-way symmetrical model and Patrick Jackson's compelling ability to convey the theory in practical terms in the *pr reporter* newsletter and other media. And they, in turn, on the prior perspectives of Edward Bernays[28] (the original PT Barnum style publicist) and Albert Sullivan[29] in the 1950s and 1960s.

For his part in asserting how his models apply in the digital age, Grunig re-endorses the two-way symmetrical model.[30]

It's worth then finishing this section on public relations with an extract from the preface of the *Excellence* book.[31] This concluded the *Excellence* team's 15 years of study, so I take its findings seriously:

> In a nutshell, we show that the value of public relations comes from the relationships that communicators develop and maintain with publics. We show that reputation is a product of relationships and that the quality of relationships and reputation result more from the behav-

> ior of the organization than from the messages that communicators disseminate. We show that public relations can affect management decisions and behavior if it is headed by a manager who is empowered to play an essential role in the strategic management of the organization. In that role, communicators have their greatest value when they bring information into the organization, more than when they disseminate information out of the organization . . .
>
> We show that communicators can develop relationships more effectively when they communicate symmetrically with publics rather than asymmetrically.

So there we have it. The definitions of marketing and PR are contentious. They vary, overlap and contradict. These are not exactly ideal foundations on which to move forward, but as this isn't a philosophical treatise we don't require ideals; it's only important that we understand the current landscape. To complete the picture, and this chapter, let's take a look at the phrase that's used to describe how all this is supposed to come together.

Integrated marketing communications

Integrated Marketing Communications: Putting it Together and Making it Work[32] by Don Schultz, Stanley Tannenbaum and Robert Lauterborn, is considered to be the seminal text on the subject. The authors have this to say in the 1993 book's introduction:

> It's a new way of looking at the whole, where once we only saw parts such as advertising, public relations, sales promotion, purchasing, employee communications, and so forth. It's realigning communications to look at it the way the customer sees it – as a flow of information from indistinguishable sources. Professional communicators have always been condescendingly amused that consumers called everything 'advertising' or 'PR'. Now they recognize with concern if not chagrin that that's exactly the point – it is all one thing, at least to the consumer who sees or hears it.

The introduction proceeds to identify other traits of Integrated Marketing Communications (IMC) such as the need to elicit a response rather than just conduct a monologue, and accountability for results and outcomes, not just outputs. In particular it illuminates IMC's dedication to identifying and calculating ROI.

Don Schultz is Professor Emeritus-in-Service of Integrated Marketing Communication at Northwestern University's Medill School[33]. The School publishes the *Journal of Integrated Marketing Communications* (IMC), which at the time of writing defines IMC as:

> . . . a customer-centric, data-driven method of communicating with consumers. IMC – the management of all organized communications to build positive relationships with customers and other stakeholders – stresses marketing to the individual by understanding needs, motivations, attitudes and behaviors.
>
> . . . IMC not only integrates the marketing communications disciplines of advertising, direct and e-commerce marketing and public relations, but also advocates the alignment of all of a company's business processes, from product development to customer service.

Later, as we build our influence framework here, I'll be comparing and contrasting the framework with the vision of IMC as described in the later book by Schultz and Schultz, *IMC – The Next Generation: Five steps for delivering value and measuring returns using marketing communications*.[34] Coming a decade after Schultz's first book on the subject, it incorporates and adapts to the management theory, experience and technological innovations of the 90s and the early part of this century. This includes a move away from the original emphasis on what the seller wants to communicate to the consumer (outbound) towards a more reciprocal form of communication (outbound and inbound), and moving from an organization-centric to customer-centric focus.

The book adopts the definition of IMC employed by a study initiated in 1997 by the American Productivity and Quality Center (APQC)[35,36]:

> Integrated marketing communication is a strategic business process used to plan, develop, create, and evaluate coordinated, measurable, persuasive brand communication programs over time, with consumers, customers, prospects, and other targeted, relevant external and internal audiences.

As you'd expect, the book is a well-articulated and argued insight into the vision of ICM, and while you don't have to read it to make sense of this book, I do recommend it.

As Grunig defines the asymmetric model in terms of persuasion, I find the reference to persuasion in the APQC definition slightly incongruous with the claim to have moved away from a sole focus on outbound communications towards integration of both outbound and inbound. You can conduct persuasive communications and symmetric conversations concurrently, but the latter is not represented in the definition. Moreover, the book includes an organization chart with public relations reporting into the 'marcom manager', and a case study organization chart in which PR is listed under brand marketing.

The *Excellence* study honed in on IMC as you'd expect, attributing the matter sufficient gravitas to feature in the book's Preface. The *Excellence* findings show that excellent public relations functions are integrated, but not through another management function. 'We found that integrated marketing communication (IMC) is integrated into the integrated public relations function. IMC should not be the concept that integrates communication [PR].' Perhaps such concern is validated by the way the IMC book positions PR.

But let's drop back into the real world for a moment. I surveyed readers of my blog for their definition and regard for IMC,[37] and here are a couple of responses I thought most pertinent here.

Justin Hayward, Communications and Business Development Director of Telnic, has a go at cracking it in one punchy, slightly unusual and thought-provoking sentence that edges ahead of typical aspirations in my opinion:

> The product is the message is the experience is the feedback is the fanbase is the developer [product development] team.

Stephen Waddington, Managing Director of Speed Communications and highly regarded blogger on all aspects of public relations and marketing, speaks about IMC from the heart:

> It's a nonsense phrase. You wouldn't say let's use an integrated business approach would you? Yet the very fact we do use the term suggests that integrating marketing with other areas of the business is the exception rather than the norm. Marketing and PR should be connected to other areas of a business, but, try as hard as we might here at Speed, we know they aren't.

So thanks to Stephen for capturing, in four-dozen succinct words, one of the reasons I wanted to write this book. IMC is at once an important vision and too often a disappointing experience.

Summary

- Social, technological, environmental, legal and economic factors have demanded change to the way we go about marketing and PR
- The *Cluetrain Manifesto* and *Permission Marketing* signalled the cusp of this change in 1999
- Advertising has, possibly, come under the most pressure
- Experts don't agree on what precisely marketing and public relations are, let alone how they should co-exist.

We're now going to see if we can bring some clarity to this situation by stripping it back and asking ourselves: What exactly are we trying to achieve here?