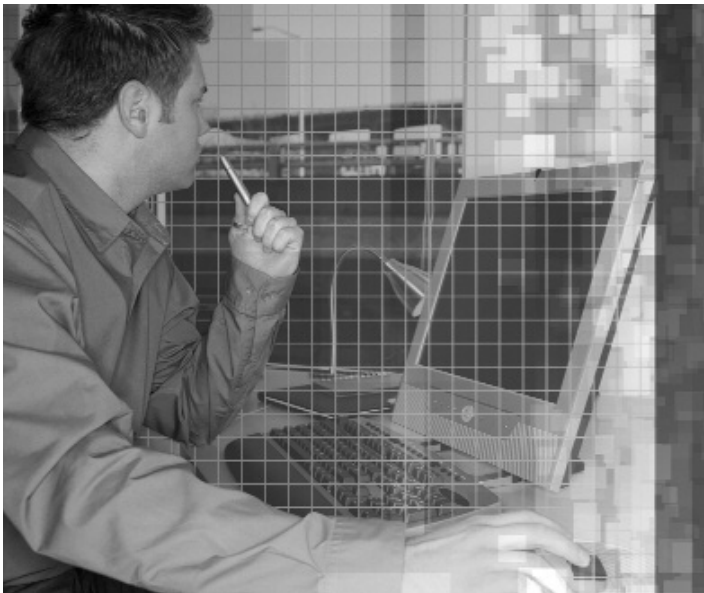


USE THE NEW COMMUNICATIONS CHANNELS OR PERISH: REACHING YOUR STAKEHOLDERS THROUGHOUT THEIR DECISION-MAKING PROCESS



by Ira W. Yellen, APR

produced by:



©2006 First Experience Communications

“More and more stakeholders are relying on search engines to get the background information they need to make a decision. This mechanical research is one of the quickest, most efficient discovery methods to get a relatively impartial overview on a subject or organization.”

Introduction

Three new waves of communication that directly impact the way organizations develop relationships with their stakeholders have emerged in the past few years.¹ CEOs, executive directors, marketers, public policy makers, communicators and any leader who is responsible for the image and reputation of an organization should understand the opportunities and threats these new communication channels have created:

Search - Dominated by the big three search engines, Google, Yahoo! and MSN, “search” defines the way your organization is represented in the prioritized listing results generated by search engines.

Blogs - Simple and efficient to publish and update, “blogs” are web log pages containing brief journal entries in reverse chronological order.

Podcasts - Similar to blogs, podcasts are regularly produced audio segments, to which anyone with an Internet connection and a computer can subscribe.

These channels differ from communications channels available in the 20th century in their ability to engage an organization's stakeholders many more times during a decision making process. On the surface, a decision making process may appear simple. But whenever stakeholders are faced with scarce resources, stringent regulations or complex decisions, their need for high value, relevant messaging becomes more important than ever.

Stakeholders still gather background information, make inquiries, communicate their needs, build consensus or get approval, and try to arrive at an informed decision. However, our experience has shown that this process is often hampered by internal politics, shifting priorities, changing deadlines, and difficult personalities. In 2005, Booz Allen researched 30,000 organizations to gauge organizational fitness; survey results reported in a Harvard Business Review article stated that more than half of

those organizations classified themselves as “unhealthy” - passive aggressive, overmanaged, outgrown or fraught with fits and starts.² To reach leaders with value messaging in these unhealthy organizations, today's communicators must use technology to build real time relationships. Each time you open up a new channel of communication, you create one more opportunity for a relationship to begin.

Search and Discovery

More and more stakeholders are relying on search engines to get the background information they need to make a decision. This mechanical research is one of the quickest, most efficient discovery methods to get a relatively impartial overview on a subject or organization.

For the user, doing a search easy. Behind the scenes, search engines are more complex. They use an algorithm to scan the text of hundreds of millions of web pages for keywords selected by a user and return a list of resources prioritized in order of “most” to “least” relevant. The results may not be perfect, but research from the Pew Internet and American Life Project shows that search engines are an effective tool for millions of decision makers. The study found that, “On an average day nearly 60 million people use search engines”. It also found that from September of 2004 to September 2005 the number of search engine users has increased by 23%. This trend represents vast audiences trusting a computer program to provide their initial perception of organizations. One of those may be yours.

Reading the results of a Google, Yahoo!, or MSN search can provide almost anyone with a cursory knowledge of just about any topic. Judging by the growth in search engine usage, decision makers are clearly placing value and credibility in this relatively new communication channel. Yet, the likelihood of an individual studying every result found in a particular search is slim. An organization must be positioned towards the top of the list to get noticed. Here's a simple example to illustrate. We typed the word

“Candy” for a Google search and came up with 53,800,000 results. We narrowed the search to “Chocolate Candy” and had 10,400,000 results. When we refined the search to “Chocolate Candy New England,” we found 2,220,000 results. “Chocolate Candy New England Vermont” showed 413,000 results. Clearly more manageable than the initial “Candy” search, but what are the odds of a searcher ever working through the list to number 413,000? Not good. So the more savvy organizations have taken a proactive role in communicating through search by optimizing their web pages to rank higher in a search or by purchasing contextual ads that appear alongside searches. By doing this, they are creating an opportunity to capture the awareness of some 60 million people searching for answers. Organizations that ignore the “search” channel of communication risk other parties (often with competing interests) capturing the initial attention of their stakeholders and potentially defining their image.

The real value of search is its efficiency. The time commitment on the part of the stakeholder is flexible, unlike conferences, phone calls and face-to-face meetings. Search's efficiency is critical to any busy person starting a relationship. Reductions in travel, training, networking and time have forced them to turn to technology to start the relationships that support effective decisions.

The simplest way to see the potential impact of search is to experience it just like your customer does. Start by forgetting all the terminology you use internally to describe what you do. Then go to your favorite search engine (Google, Yahoo!, MSN) and type in a phrase that describes your organization. How easy or hard is it to find your organization? Then try searching just your organization's name. What do you find? This is how many of your potential stakeholders form their first images of your organization. If you are not completely satisfied with what you found, then you have an opportunity to improve your organization's position and image that would be risky to ignore.

Building Understanding Beyond the Search

Two of the newer methods decision makers use to build expertise beyond the basic facts are blogs and podcasts, both no-pressure relationship building channels. These communications tools can turn an otherwise faceless organization into a group of human beings with a shared interest in meeting its stakeholders' needs. After your stakeholders acquire their basic information, they often need to gain expertise beyond that to continue moving forward to help them overcome “unhealthy” internal or external obstacles. Reaching a decision to work with your organization may involve debating difficult bureaucrats, allocating scarce resources and changing long-standing traditions. You have the option of staying out of the mess or offering support to decision makers every step of the way. Blogs and podcasts are continuous streams of text or voice from which your stakeholders can continuously glean valuable bits of information.

Blogs

Blogs (an abbreviation for web logs) are little more than journal entries published in reverse chronological order on a website. The entries, called posts, can range from a few short sentences to a lengthy essay. Some bloggers post several times a day, while others post 2-3 times a month. The benefit of publishing a blog for an organization is the creation of many opportunities for your stakeholders to move ahead in their decision-making process. Once they are aware that your organization has a potential solution to their problem, they are primed to learn more. However, in a highly competitive economy, with little time to spare, stakeholders may still refrain from contacting you directly. They are likely confronting internal obstacles and cannot commit full attention to your message.

A well-written blog is often an effective source for potential stakeholders to better reach your organization in small increments. By reading and subscribing to an organization's blog,

“Blogs and podcasts are continuous streams of text or voice from which your stakeholders can continuously glean valuable bits of information.”

“When considering what blogging might do for your organization, think about what your stakeholders need to know in order to work with you one year from now.”

stakeholders can gain insight into the special things that make an organization relevant to their decisions. Each time they read a post is another chance for them to gain necessary expertise.

Bob Lutz, Vice Chairman of General Motors, publishes a blog (<http://fastlane.gmblogs.com/>) that has many of the qualities that traditional communications professionals fear about the channel. It has no unifying topic, it includes public criticism, and it never goes away. But by virtue of its transparency, it has an underlying theme: GM is part of the conversation with its customers. They might not be able to solve every customer's problem today, but by taking an active role and allowing their customers (and anyone else who has an opinion) to have a public conversation, they are changing expectations.

When considering what blogging might do for your organization, think about what your stakeholders need to know in order to work with you one year from now. Are you a thought leader in your industry or your area of expertise? Do you have innovative ideas? What is changing about your organization as they are taking the time to make their decisions? Is your organization responsive to customer needs? Is all that information in your marketing materials?

Podcasts

Podcasts are regularly produced audio files that can be downloaded to a digital device (like an MP3 player or iPod). Podcasts have the added advantage of capturing the human voice, with all the nuances that influence decision makers. The enthusiasm, sincerity and empathy in a person's voice can help your stakeholders stay active. Think of the last week of activity in your organization. Which ideas flourished and which ones flopped? Was there an instance when a person's enthusiasm changed the way a message was received?

Allegheny College in Meadville, Pennsylvania produces a podcast every 1-2 weeks to keep prospective students, parents and alumni informed of its special place among colleges. It features an array of passionate students, staff members and alumni. It is conceivable that not every episode will be worth the listener's time, but if a few, or even one, is relevant enough to help someone make a decision, the possibility of Allegheny being considered a helpful part of it, is greatly increased. In the first seven months of its Allegheny College's podcast release, it has been downloaded 25,000 times.

IBM currently produces a podcast called "IBM and the future of...". These 10-15 minute audio programs focus on thought leadership in various topics such as cities, banking, shopping and driving. They don't claim to have the solution to any of the major issues in these areas, but the enthusiasm and expertise of the employees and guests who speak on them provides information that can educate and inform decision makers whose busy schedules make it difficult consume the same information by reading. The segments may be consumed at any time that is convenient to the user.

From Knowledge to Action

The latest wave of communication technology applies to the behavior changes all of us face as we present our ideas and values. Parallel to every decision that is made about your organization is a change in behavior. It is important to take the psychological characteristics of human beings into account. We are social animals who can be trusting or suspicious; passive or aggressive; extraverted or introverted. Those traits modify our behavior changes as much as facts, figures and evidence do.

Every decision maker whether a customer, donor, public policy maker, or voter goes through the same four phases of basic behavior change. First, a person gains awareness. Let's imagine that a threat, opportunity, or message caught a man's attention. His second phase is

developing an understanding. That understanding helps him prioritize the importance of an issue in his busy life, which is the third phase of behavior change. If the issue ranks high on the decision maker's priority list, he can then become engaged in his behaviors and perception, become willing to see things differently and begin to change his attitude toward some message. Finally, in the fourth phase, he changes behavior. Often, when reaching out with an important message, organizations fail to acknowledge the complex process that happens in the first three phases. As a result, countless opportunities to change behavior are lost. The complexity of the individual's behavior change is not the only challenge to real time relationship building. Competing interests are clamoring for the attention of your decision maker. Colleagues, peers, media, family and friends constantly offer worldviews that stop behavioral change. At worst, these influencers encourage individuals to make non-decisions. Although they can satisfy internal audiences, non-decisions perpetuate the unhealthy behavior that weakens organizations.

The new communications channels are beginning to reveal the impact of non-decisions. When an organization fails to address an important issue, or fails to communicate its position well, stakeholders begin to talk. Other organizations and individuals publish information that can be found through search. Other organizations and individuals publish information in the form of blogs and podcasts. The messages in those channels then influence the behavior of other stakeholders creating a conversation. More than ever, communications tools are revealing which organizations are participating in the conversation, and which ones are not. They are revealing which ones are active players in the behavioral change process and which ones are passively waiting around for decisions to be made.

Conclusion

Strategic market planning and market research are still the foundation of growth and influence for an organization. However, real-time relationship building is emerging as the driver of long-term success. Marketing to the needs of stakeholders at a single point in time is no longer enough to develop the relationships necessary to sustain an organization. Real time relationship building needs to be a part of their culture. Constant, sustained communication throughout the behavioral change process is required to compete for the scarce attention of stakeholders and to help them overcome the internal or external pressures that make a non-decision more appealing.

Our marketing communications industry has seen the impact of these new messaging channels first hand. The widespread decline in traditional advertising showed a need to cultivate relationships in new ways. As a percentage of the whole, investment in traditional advertising (television, magazines, newspapers, etc.) is steadily declining.³ Conversely, spending on interactive tools, like the ones described here has grown 17% from 2000 to 2004 and is expected to continue to grow 15-20% in 2006.⁴ This shift signals a major change in how stakeholders are developing a relationship with organizations. An understanding of how search, blogs and podcasts affect your organization can help you prepare for that change.

“Strategic market planning and market research are still the foundation of growth and influence for an organization. However, real-time relationship building is emerging as the driver of long-term success.”

About this position paper

This is one of a series of position papers, which addresses the real-time communication challenges organizations face on a regular basis. Determining what kind of messages and delivery system to use is based upon doing research and communication audits on a regular basis to key stakeholders and influencers.

About Ira W. Yellen, APR, President & CEO, First Experience Communications

With a background in public relations, marketing and design, Ira oversees a wide range of marketing and communications projects and provides strategic counsel for clients ranging from Fortune 500 companies to nonprofit organizations. FEC clients served include: Connecticut Community College System; Connecticut Association of Nonprofits, University of Connecticut (Schools of Education, Business and Continuing Education), DeLoitte & Touche, LLP; Hospital for Special Care; Laidlaw Transit, Inc.; ADVO, Inc.; CIGNA; Hartford Hospital; United Healthcare; and Hartford Foundation for Public Giving.

A graduate of Pratt Institute, he started his career as a designer of residential renovation projects in Brooklyn, New York. While working with Margaret Mead in the early 1970s, he began exploring the relationships that intertwine commerce, civic institutions, society and human nature – a perspective that continues to influence his work today. As a chronicler and fund-raiser for the Statue of Liberty/Ellis Island restoration project during the 1980s, he applied his entrepreneurial skills to help raise more than a \$100,000 for the preservation of this important national monument.

With his company First Experience Communications, he developed strategic skills to encompass leading-edge practices including integrated marketing communications, Internet, and interactive multimedia projects. His company has a unique niche in creating communication models for school districts, large non-profit and regional organizations in Connecticut.

His professional leadership responsibilities include current and past board positions with Connecticut Technology Council, Leadership Greater Hartford, Glastonbury Chamber of Commerce, Glastonbury Education Foundation (Chair) Literacy Volunteers of America/Connecticut, The Connecticut Quality Council, and the Public Relations Society of America (National Board of Directors, Tri-State District Chair, Past President of the Connecticut Valley Chapter and Past Chair of the National Professional Services Section). He also serves as United Way of the Capital Area marketing committee, and Foodshare's marketing and public relations committee.

Contributors to this position paper:

Alison Karam, APR, Director, Public Relations, Marketing and Research, FEC

David Kluskiewicz, Senior Account Manager, FEC

If you have questions about this paper or want to discuss an issue related to this paper, feel free to contact us:

First Experience Communications

701 Hebron Avenue

Glastonbury, CT 06033

860-657-3815

1-800-426-5170

www.firstexperience.com

Ira W. Yellen, President & Senior Counsel

iwyellen@firstexperience.com

¹ For the purpose of this position paper, the term stakeholders includes customers, clients, funders, donors, volunteers, members, students, etc. - any person or group without whose commitment your organization would fail.

² Neilson, Gary L. et. al., "The Passive Aggressive Organization", October 2005.

³ ZenithOptimedia, Ad Spending Breakdown by Medium.

⁴ AdWeek, September 26, 2005.

Except for internal, non-commercial use, no part of this document may be reproduced, stored in a retrieval system, or transmitted by any means, electronic or mechanical, without the prior written permission of First Experience Communications, Inc. © Copyright 2006 by First Experience Communications, Inc. All rights reserved.