BY MICHAEL KRAUSS

Connecting the Connected



Michael Krauss is president of Market Strategy Group based in Chicago. To read past columns, go to MarketingPower.com/ marketingnews and click on "featured contributors."

hen CEOs don't understand social media and online communities, they call Bob Pearson, chief technology and media officer at WCG Co., a San Francisco-based global communications consultancy.

Pearson didn't set out to become a social media guru. He got called in as a fireman at the start of the social media era and earned his expertise hands-on. He built on his traditional communications skills and learned the fundamentals of social media

Earlier in his career, Pearson held a series of increasingly senior communications roles in the pharmaceutical industry at Ciba-Geigy, Sanofi-aventis and Novartis, where he was head of global corporate communications. Then in February 2006, Pearson was in his first week on a new job at Dell as a vice president in the corporate communications group when CEO Michael Dell asked him to work on a special project.

Those were the days of "Dell Hell," when blogger Jeff Jarvis was turning Dell's world upside down with posts about the poor quality of customer service and support. Michael Dell turned to Pearson for help, and Pearson responded by creating Dell's "communities and conversations" team, one of the earliest and best-known efforts to engage with real customers through social media.

"It wasn't even called social media back then," Pearson says, but what started as a response to online criticism grew into the development of a multifaceted Web-based customer service initiative with more than 25 blogs, forums and wikis written in seven languages with more than 200 million page views. It also set the ground rules for Dell's approach to Twitter and Facebook.

Pearson likes to describe the potential impact that a strong relationship between the CEO and the marketing communications executive can yield. "When I arrived at Dell, we didn't have a customer response policy," he says. "If a customer complained, anywhere in the world, if we got back to them, it was because we wanted to." When Pearson brought this problem to Michael Dell's attention, he said, " 'We need to fix that," Pearson says. "That was always his answer: 'Fix it.'

Pearson and his colleagues came up with a policy and got everyone on board. He proposed a new standard. "Within 24 hours, if someone complained online, we would tell them what we were going to do. Even if we couldn't answer them, we were going to respond to them. Everyone in the company agreed. It was a big deal," Pearson says. "Michael Dell called me and said: 'Great job, but you made a typo. You missed a period between the two and the four."

Pearson told Dell, "I'm still going out with a 24-hour response policy, but I'll work towards 2.4 hours." But Dell's

less-than-enthusiastic response to that plan made Pearson reconsider. "I started to realize, I'm the guy who is preventing innovation from occurring at a faster rate. I'm the one who is afraid of failure."

Today, Pearson shares that story with CMOs and CEOs as he urges them to pay attention to bloggers, digital communities and social media, and to innovate rapidly. Pearson believes there is a new set of marketing and communications frameworks that need to be applied to the way we do business. He describes these models in his book, Pre-Commerce: How Companies and Customers Are Transforming Business Together.

He talks about the four A's of "pre-commerce": awareness, assessment, action and ambassadors (assessment actually enters the process twice):

- Awareness: Understand when and how to penetrate market noise and raise awareness with the right influencers on the right sites with the right content.
- Assessment: Supply content that customers can download and assess.
- Action: Remain cognizant of the moment that the customer signals he is on board, whether that's when he buys the product or accepts a coupon.
- Assessment: Reassess and review your approach to identify improvements.
- Ambassadors: Know and build relationships with your loyalists, and give them the opportunity to spread the word.

"The company's control over its brand image and message now belongs as much in the hands of the customer [as it does the companyl. Companies can't wait 'til the moment of the transaction to influence a customer. Customers are busy online sharing ideas, sharing product knowledge and providing solutions for one another," Pearson says.

By the time customers arrive at the register, their minds are made up. Marketers have to build programs to engage in precommerce, the vast period of time prior to the transaction. To Pearson, traditional advertising models are insufficient.

Social media is a critical component of companies' pre-commerce efforts, Pearson says. He tailors his counsel to suit different generations and their varied levels of social networking aptitude.

For those who grew up with Facebook, Twitter and LinkedIn, he warns of hubris. Even if you think you know how to use all of the digital tools at your fingertips, "we say you need to understand the market dynamics of the industry. You need to understand the business models. You need to become a student of the business and learn," he says. In other words, just because you know how to use a phone, you might not automatically be a great telemarketer. The technology is merely a tool to support the business and you have to learn the fundamentals of the business.

Pearson's advice for established marketers and senior executives is even more pointed: The real roadblocks to success in applying new marketing technologies are the corporate "antibodies," he says. "The people who are the biggest blockers of innovation all look like us. They dress well. They're smart. They have money. They show up for every meeting. And they say things like: 'I love that idea. Let's benchmark that. That's really good. Have you talked to this department yet?' They never say 'no' and they never say 'yes,' and they're the death of innovation.

Whether you are young or old, Pearson says, "you've got to keep learning." That's what made Pearson a social media guru. Spread the word. m

