

Business-to-Business Marketing Viewpoints on Health Communications: Insights/Ideas from ISBM Research

This podcast is presented by the Centers for Disease Control and Prevention. CDC – safer, healthier people.

[Host] Ralph Oliva of ISBM continue with my lengthy introductions of each these people. I could take most of the time with their bios. The, I don't know the statistic, Ralph will, but for the institute that focuses on business-to-business, that structure, the dollar sales in terms of our economy, maybe Ralph will have the statistic at his fingertip or maybe not.

[Ralph Oliva] Our statistic is that seventy percent of the transactions in the world happen between businesses and that less than, it's about single digit percent of the research on how to make those transactions work better is focused on business-to-business. Most of it's focused on the end consumer.

[Host] So we're not talking about small numbers here. Business-to-business, the economy functions in large measures as a function of that and here's a man who studies that. Thanks.

[Ralph Oliva] Maybe a question first? How many of you consider organizations or businesses one of your key target audiences? Okay. And one thing, I spent over two decades as a business-to-business marketer. I was worldwide brand manager at Texas Instruments for a lot of years before I got the good fortune of coming to Penn State to run this research institute. So this is sort of something completely different and I'm always a little over awed by the company of scholars and it calls to mind and I try not to become to professorly and being a primadona, but I really hate doing these things when it's not on my own computer because as the presentations are going on, I could be adjusting, cutting down, Tivo'ing, this is all @##@\$##, get this out of here, and I didn't have the opportunity to do that so I am going to play TiVo with some of these slides. In addition, I would begin this conversation by bringing up, I can't do it, one of my favorite Peanuts cartoons. Maybe you've seen this Peanuts. How many of you know Peanuts? It's very interesting that when you're teaching students, by the way, and you're of the boomer persuasion, you have to be very careful 'cause I told a whole class a few days ago, "Put your cell phones on stun." No one even knew what I meant. So, today I need to be really careful of that. And the Peanuts cartoon that I'm thinking of is Linus and Lucy and Charlie Brown are lying down on a hill - you probably have seen this - and they're looking up at the clouds and Linus says, "Geez these clouds look," excuse me, Lucy asks "Clouds look interesting. Do you see pictures in the clouds? Linus, what do you see?" And Linus, Mr. Cerebral, said "Oh, I see, yeah that sort of looks like a bust of Thomas Heacons, the famous painter and author and those formation of clouds over there and it looks like the stoning of St. Stephen. I can see the Apostle Paul on the other side." Lucy, "That's very, very interesting Linus. Charlie Brown, what do you see in the clouds," and he says, "Well I was going to say a ducky and a horsy, but forget it." So now for the ducky and the horsy. What I decided and again, first of all, thank you very much for having me here and thank you for all of the important work you do. It's very over aweing for someone who's been in marketing to be invited to this sort of enterprise and again I'm over awed. Thank you for what you do. And what I'd thought about doing, I'll tell you a little bit about my institute. I'll TiVo most of that, but I reached into the tool kit that we're working with firms on as they communicate with other firms and just picked out some of the things that spelled the biggest difference between

communications that works and communications that doesn't. And when I got out of the business and into the chance to do some literature searching on this, I discovered something very interesting for all of us in this business. By many, many measures, the best stuff that we do, the best, when we're at our best, we get ten times the results, ten times of the worst. The ends of the bar in our discipline are one in ten. That's really good news for a meeting like this. All you have to do is get a little bit better and you can have a tremendous impact on what you're doing. And a lot of it I find, again, it's not just listening to your audience. In fact, I'm going to be a little crumugingly here. You've got to understand the audience. I know that Olsen Saltman presented. They get down below what people say, down to what's going on. Bill spent time at ER's and watched what was going on and peeled back the layer underneath, and he got a lot more insight about what was really happening than if he had just asked a lot of people questions. So be careful listening too hard. As marketers we need to get down to what lies beneath. Talking a little about that and move on.

Just our institute, again, we study how businesses market with one another. We have an academic research focus, pull what we get from academia, academic research, get it out to businesses to make them more effective. If our institute might be of help to you, we're investigating an alliance with the CDC. I have some information on the institute up here, so I'll just sort of TiVo through these slides. We generally create value at the intersection of about a hundred researchers around the world. We're not just at Penn State, and about seventy large industrial firms into the conjuncture of those two generate new knowledge and how to make this space work better and get it out to our firms, three core agendas. Research, we do a ton of professional development and education, and then a lot of networking like this, where a lot of knowledge gets created. So that's that.

So, looking into the tool kit and if you really want to come into our tool kit, the tool kit we're teaching at ISBM and that I'm personally teaching, there's a website that's not on here, modestly named ralpholiva.com. And I'm doing this because we have this very spectacular intranet at Penn State, which has all kinds of tools on it, but you can't get there. So ralpholiva.com, not a very pretty website, but all this stuff is there. So, I'm bringing you an incredible quantity of naiveté about what you do and I'll admit that up front. But on the other hand, my whole life, I've been helping people get complex messages with very often difficult to articulate benefits and value propositions. And I said well that may line up with a health message to complex audiences with differing points of view and, as was pointed out I think in principle four, a very interesting web of influence, a firm. The firm is receiver. So some tools on this. What we do when we're approaching a business-to-business firm is quite a bit different than positioning and selling Coca-Cola or Axe Body Spray, but things you can learn from, certainly, in the ferocious targeting and the getting way down. I mean if you look at Axe Body Spray, they really know the psychology of teenage boys. Right as they are beginning to smell and care that women care about it. Again, ferocious targeting. They didn't get that by simply asking the boys what was on their mind. Think about that. But, we're in the business of selling much more interesting stuff like centrifugous from a firm you never heard like Alpha Lavow or in this case a bunch of fluid connectors from Swage Lot. These are very difficult propositions that intersect with their customer firms through a large web of influence. So that's sort of the space. It's industrial. A lot of people don't consider it the glamorous side of marketing. I do, I love this stuff, which makes me dangerous, so Marv will have to keep me from going over time. Again, in b to c, business-to-

business, there's all kinds of things that goes on up the supply chain and a lot of us, I helped launch the calculator business at T.I. and I discovered that that's sort of, that part of the business was really worried about the last couple of meters of the buy. Off the shelf, into the shopping cart. Concentrated here. You and I when we're approaching businesses though, we have to worry about a much more complex span of the marketing process. Of businesses, and I'm viewing this as a business, if I'm the key supplier here, well gosh, I sell to people and we all have our own acronyms. This is an original equipment manufacturer. If you have a cell phone, chances are there's a Texas Instruments chip inside it. The more that that happens, the more I have a fighting chance at retirement. Okay? That is a complex sell. That is a really complex sell - getting that chip in there, and we have to worry about that. Sometimes businesses go through distribution and the distribution things - the sales force issues that Bill was talking about - come to bear. So what I decided was well why don't you bring them something with your ideas on, so what's a mom to do? What do we do in this? One is - recognize that if you're going to an industrial firm and if you're going to communicate to a firm, as opposed to an end consumer, there are fundamental differences. Beware of someone who comes along who says, marketing is marketing. First of all, I'm looking - my colleagues are here because they always laugh at me. I've been working on this book for the past ten years on the ten most misunderstood words in business. Okay? Marketing is number one. In a room this size I would suspect we'd have ten, maybe eight to ten fundamental different definitions of marketing. We just had a members meeting last week. We saw six case histories. Every one of the case histories began with well first we better define what we're talking about and they were talking from one marketing audience to another. Consumer firms tend to have a different understanding of marketing than business-to-business firms and the firms we're working with, but you're basically dealing with a fundamentally different kind of web of influence when you're approaching a business. And recognizing that, learning it, loving it, and getting used to it I would say is job one if you're going to move behavior or if you're going to change the attitudes inside a business. Okay?

So there's a checklist of things, but really leaping into this and understanding it and again, looking at what their life is like. At Texas Instruments actually, our lives depended on a hundred customers. That was it. Okay? They said Coca-Cola has billions of customers, but they actually have thousands of bottlers, so understanding how all of these chains work together. This is a little checklist. I'm not going to go through it in depth, but getting people to think through the differences if you're coaching a business, the firm is audience and this builds straight on your principle number four. So how do you deal with that? Here's an interesting chart from a piece of research done by a genius at Harvard, Doss Nariandas is his name. He is one of our ISBM fellows. He says you know, in my research I go out and I find businesses sending single blast messages to other businesses with long lists o benefits. Okay? The list o benefits problem. Here's all the things we know and love about our program, our process, our product. So again, this is very business-oriented and some of this I actually was going to attempt to write in healthcare-related stuff here, but I realized generally, every time I open my mouth, I tend to make a fool of myself and I certainly would be doing that and attempting to naively plug in the right things, but I think that can - what are the different benefits in a proposition you're building when you move to a business who cares about what? And just simply taking this and applying it here does not produce the results of the return you're looking for. B to B is much tougher than that. You got to get down to geez, we got this great new internet-based auto placement and tracking and billing system. We spent a fortune for it. Who cares? Why do they care? What will move them? So be

thinking about that as you build a total program and we have to constantly be coaching firms on this. Who in your receiver or your purchase team or your decision-making stack inside the firm cares about what and line things up carefully and I think this plays right to your proposition principle for and several others that were in your research. We see this producing better results. By the way, these are research-driven tools is what I'm basing - these work. When we're teaching how to build a market communications plan in our MBA program, we get in to this in some depth. We use this eight-step process. You as communicators probably have your own. If you don't, please feel free to steal this one. Again, it works. But we use a tool that was developed originally at GE and now put into research by a great guy, Dr. Bob Lauderborn, who's at University of North Carolina Chapel Hill, but before that he was head of advertising and sales promotion at GE. The behavioral time line is a simple construct. I commend it to you. I've used this in my practice, this works. Pretty simple. List the people, carefully list the people, who need to participate for you to get your message across or your behavior to change. Think carefully about what you want them to believe, first. Then, think carefully about what you want them to do and when that has to happen if you're going to move the process along. This is a tool for getting to some of what you were talking about because very importantly on this side are your own people and your sales force, the media, everyone who can carry your message. This ain't just for the people inside your customer, although they get there. These lists can get long. I suggest you brainstorm all of them, then think back, which are the ones I absolutely must reach? Who's best to deliver this message inside the company? Who's the wacko looney who might be the first person to seize on this, but might not have any credibility with management. So again, the behavioral timeline, I've got a map there in your handouts. Who's part of the decision-making influence? What's the, and we call this the demand decision chain, including your sales force, internal people, media. What do you want them to believe? Think that through carefully. What do you want them to do? When will it need to happen? Just a planning tool, not rocket science, but planners who use this tool get better results, proven. Okay.

Value propositions with what we call a resonating focus. There's a paper on this in Harvard Business Review written by another one of our researchers, Jim Anderson, whose business is developing propositions that get people to change and move. Any of you want a copy of this paper, just send me an e-mail, we buy them in bulk. This is research we're supporting at the institute. And again, we're using another one of those loaded words - value. Value is a sacred word at Texas Instruments. And in fact, at Penn State and at Texas Instruments, excuse me, brain shark is a tool that delivers a voiceover PowerPoint. If you go to this website and click on it, you'll get a detailed presentation on the language of value. But basically, what we find is this loaded question when we ask it. There's another place we will get ten answers in a room of around fifty people. Folks, you have the data often to use this definition of value, but if you want to move a firm, particularly a firm now, quantifying the value of every piece of the proposition is pretty critical. We compute value. We ask the question what's the price of you not being there? I'd ask that question of the CDC. What would the cost be? What would the price of no CDC be? It would be enormous. What's the price of ignorance? What's the price of not being prepared? What's the price of not taking action? What's the price of the alternative? Businesses react to value propositions they can quantify and translate to the bottom line. Don't be afraid to do that. There are tools for doing it and that little brain shark goes through the taxonomy of value. Ignorance. What's the price of apathy? What's the price of no speed? What's the price of not having the environmental sensing in place? Again, translate that to dollars for greater impact, the

message. And again, we believe the value is often very different from a customer's perception of the value of your offering. Bringing them together so that the perceived value and the true customer value come together, critical. So, I'm not going to go through this whole value taxonomy, we don't have time, but this taxonomy for describing value is what we use with member firms. Then you say Ralph, this doesn't apply to us, we're really not selling stuff. Yes, you are. Price definitely enters into this because a business has to really consider what is the cost to the firm for taking action and following your message. And effectively, that's a surrogate in my mind for price on this entire taxonomy. Now we teach this course over two days on how to use this taxonomy. This might be something you want to tune into. Just come to our website, you'll see the course there. It's a very important way to move firms and again to build a resonating focus value proposition. You're really going beyond a list of benefits or even the points of what makes you different to what really matters to the customer on the bottom line, in terms of value. And there's actually a taxonomy in your notes as to what a resonating focus value proposition is and I'm not, in the interest of time, going to go through this.

I'm going to just wrap up with one quick thing - the importance of branding in business-to-business in what you do. There are folks who say in business-to-business, brands aren't as important as they are in consumer marketing. The fact is, I actually think they're more important, because in the challenge we face for picking a different message, often through a different medium to this varied audience to get a firm to move, what ties all this together? What builds unity? What integrates all this? Well, it's your brand and what your brand means. You're all mobilizing a lot of different media, and I suspect you all have to be superb brand managers - understand what a brand is, how to articulate it. We're all deploying this incredible plethora of media to get messages across in B to B. What knits it together is your brand and knowing how to use brand across these different media is becoming a real state-of-the-art in this space. We use this template to define what a brand means. It's another one of my ten words. We consider a brand a relationship with an audience that has an economic driving impact on the marketing of an offering. That means you don't own your brand, the audience does. You own your trademarks. You own the economic impact, the equity. This is a way, just a tool we use, to define how to develop a brand. If you don't have one and you want to use this one, it's available to you. So again, I put some other references in my handouts for you. I've skipped through this kind of quickly because I just wanted to, I guess, just say this - the work you're doing is so important. I only had a few minutes with you, so I opened up the tool box and said, well what are my favorite and best tools and I brought them here and just showed them to you and that's kind of tough. So you say, boy here's a great chainsaw, yeah, but I don't know how to use it, Ralph. Come to us to learn how to use these tools if we can be of service to you. I'm hoping we get a chance to develop a more formal alliance with the CDC and thanks for the breathless way - for putting up with the breathless way.

Thank you. Thank you. I can't tell you, just as a colleague of Ralph's, how much I've learned, actually how much my son has learned. He was in a couple of Ralph's classes on the way to an MBA this year and sang his praises endlessly. If Ralph, you got just a hint of why Ralph may be known as Mr. B to B in the country. Thank you, Ralph. One question before we go. Yeah.

Hi, I got a question regarding the distinction between business-to-consumers and business-to-business? At the very beginning, you point out there could be a great difference between the two,

and I remember yesterday, Dr. Smith from Yankeslovich, he was pointing out these days, consumers think they are really smart. They want to be partners and he gave out the example of the AT&T mobile and the envoy and I'm thinking in this kind of context, do you think the distinguishing between B to C and B to B could be less distinct than it used to be? Thank you.

Good question, thank you. I think the answer is short - no. I think that B to B marketers have to be able to look all the way down the value chain to wherever their products wind up to be a good B to B marketer. But many B to C marketers are still very, very focused on what happens at retail - brand experiences. So of course, I'm a B to B guy, I think B to B is the discipline that has to have the broader view, and getting in to how it works up the value chain involves some of these tools, applied in ways that are distinctly different from what you do down at that last piece of the value chain. That said, more and more firms are having to look all the way down, in fact beyond the end-user, to what happens to their product once the end-user's done with it. Many firms now are having to worry, legitimately about, well what happens to that computer when you're all done with it? Does it go into a landfill? Does it get recycled? So, I think B to B folks often have to be worried about both. When they're working up the value chain, that's a different place to play. You're working with a smaller number of customers, big transactions, complex webs of influence. When you're working downstream with the customers, typically much larger, more brand focused experiences. B to B folks often have to look across the both. Most B to B folks really concentrate on that last three feet of the buy. That's my own opinion on this, okay?

[Host] Well thanks to all the speakers. Thanks to all of you. Thank you.

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