

# Master Class Workshop

## Designing for Conversation

SESSION LEADER

**Paul Pangaro**, CTO, [CyberneticLifestyles.com](http://CyberneticLifestyles.com)



**what's all this about  
“conversational marketing”?**

what's all this  
"conversational"



WITH A NEW PREFACE BY THE AUTHORS

"I've seen the future of business, and

## BUILT ON CONVERSATIONAL MEDIA

At FM, we believe that the best conversations are those where all parties are engaged, informed, and valued. Working with our marketing and publishing partners, Federated Media is helping to define this innovative form of online marketing: a two-way dialog among creators, audiences, and marketers.

Google™

"conversational marketing"

Web Video Results 1 - 50 of about 110,000 for "[conversational marketing](#)"

[Conversational Marketing Summit - Federated Media Publishing](#) - 4

visits - 9:29pm

In addition to building events for FM such as our **Conversational Marketing Summit**, FM can help authors, advertisers, and partners reposition or

[Getting more from less](#)

Bestselling author shows how social media can help during a recession  
[www.jaffejuice.com/speaking.html](http://www.jaffejuice.com/speaking.html)

# CONVERSATIONAL MEDIA MARKETING

Thoughts on using conversational media as a market

the  
cluetrain

common sense internet strategies  
**conversation marketing**



with  
Ian Lurie



### Conversational Marketing: Fact or Fiction?

By Sean Carton, ClickZ, Nov 10, 2008

Way back in 1999, the authors of "The Cluetrain Manifesto" boldly

### John Battelle On Conversational Media

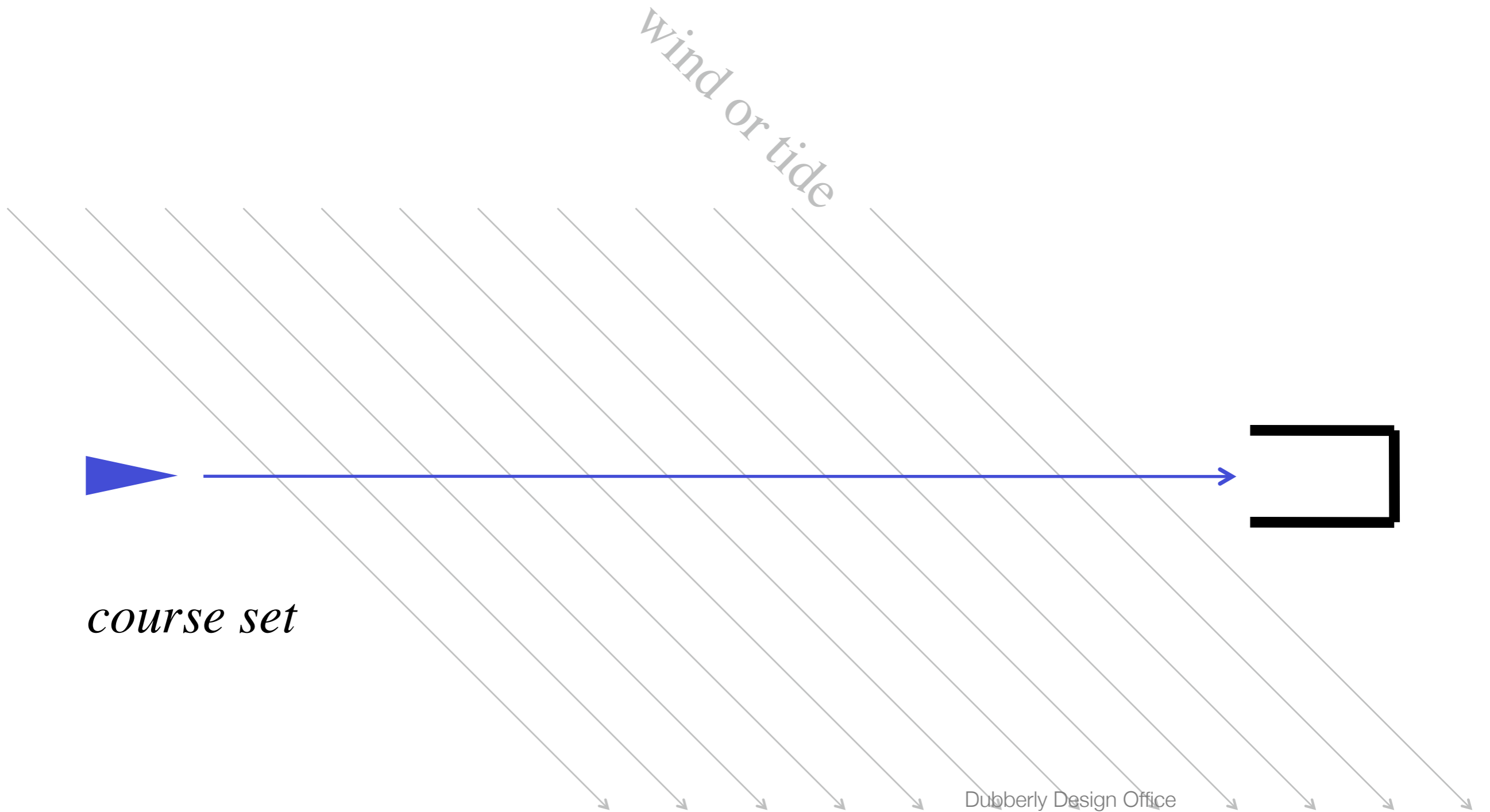
March 19, 2007 by [ian](#)

# How do we **design** for conversation?

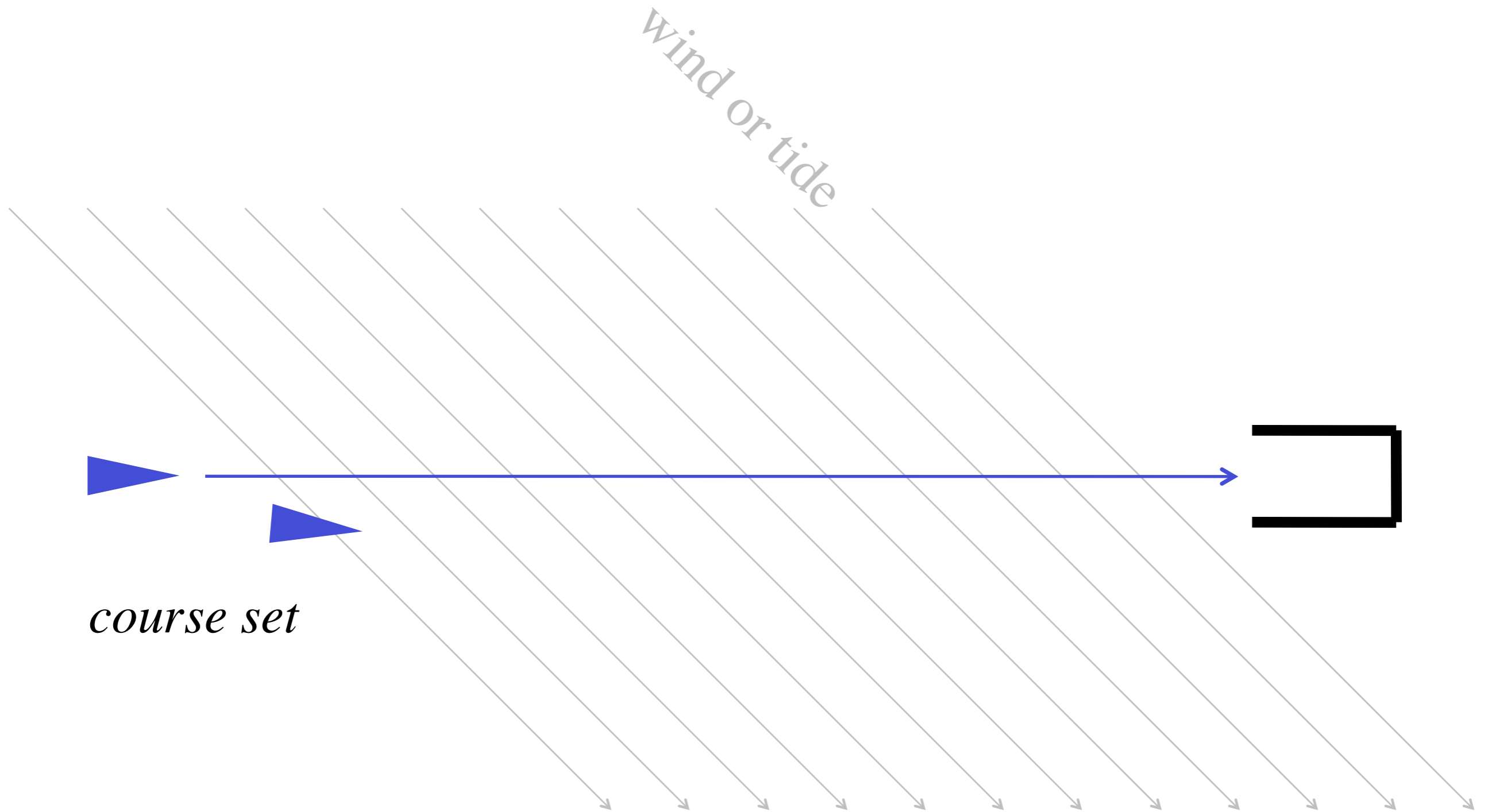
## cybernetics of conversation

- ▶ what is cybernetics?
- ▶ so what?

# the science of steering

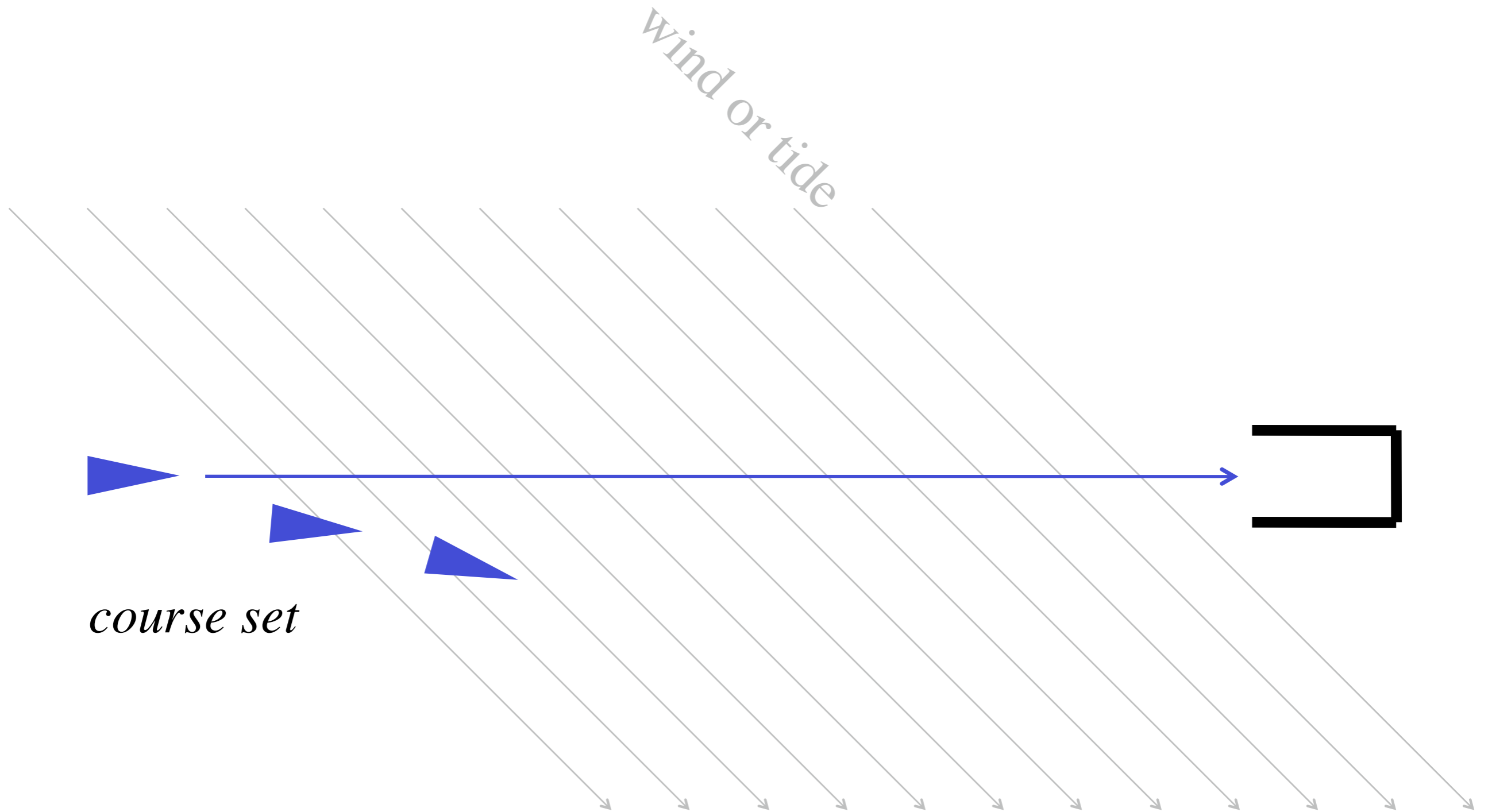


# the science of steering—heading toward a goal

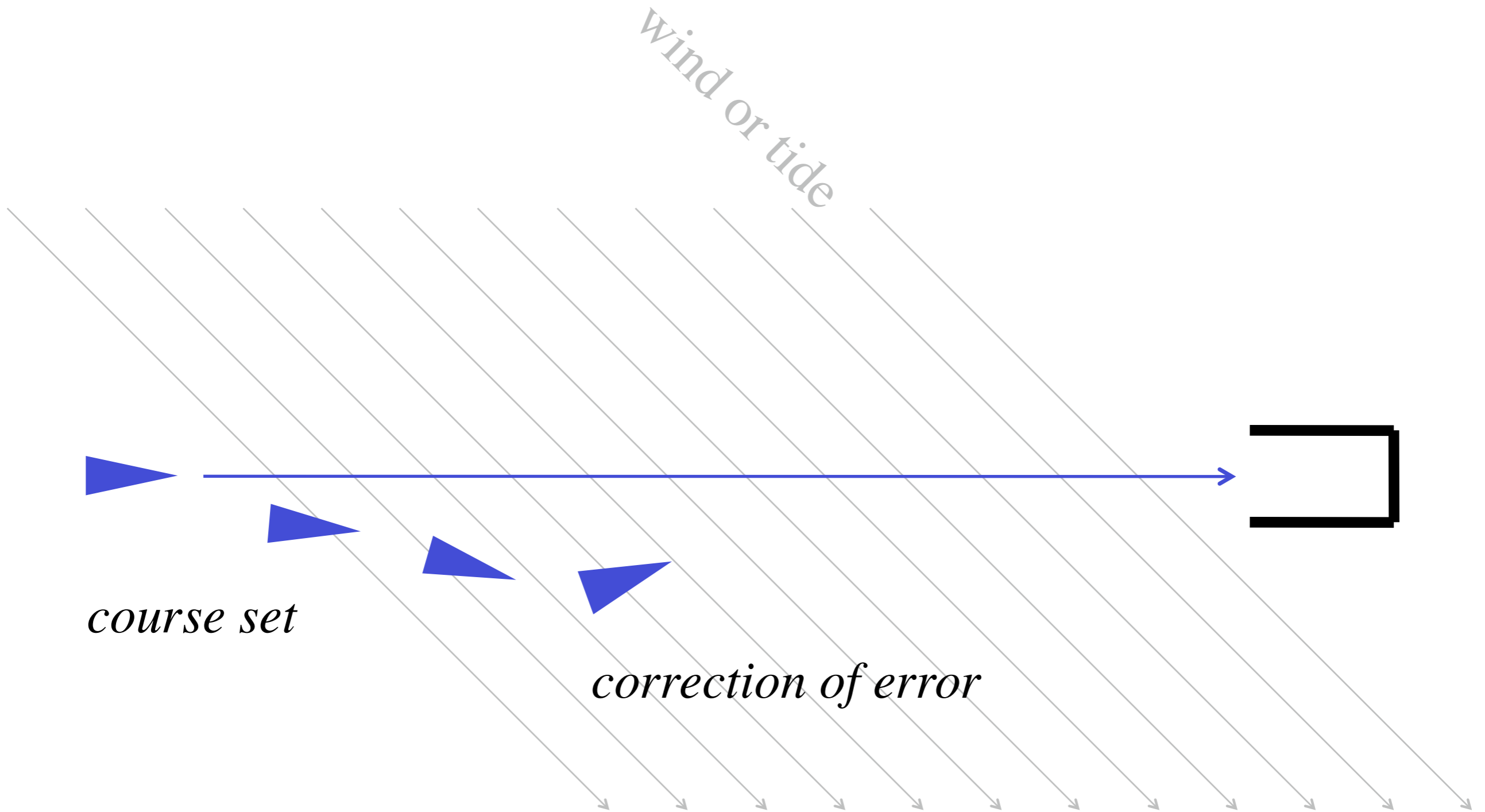




# the science of steering—getting blown off course

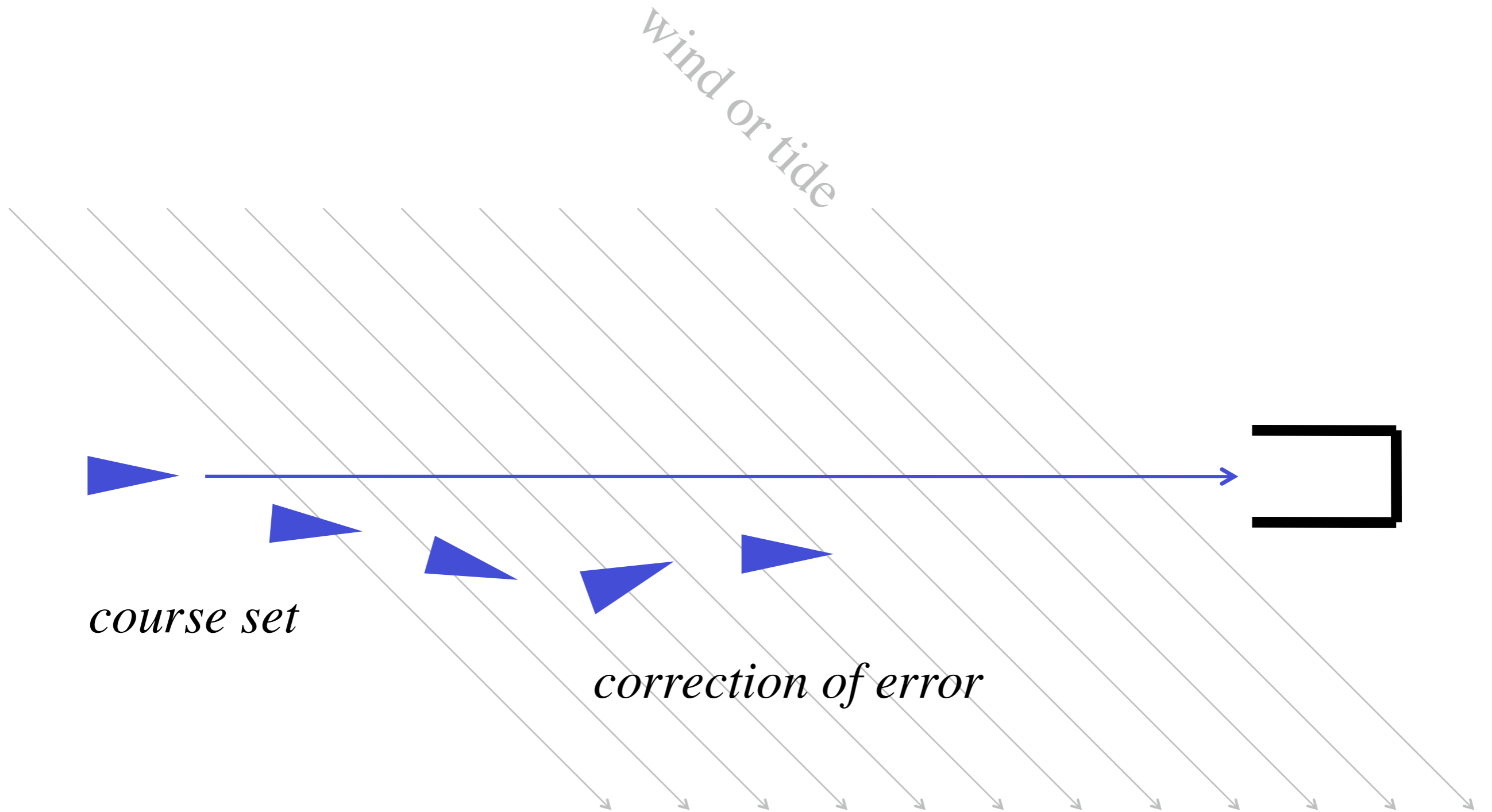


# the science of steering—course correcting

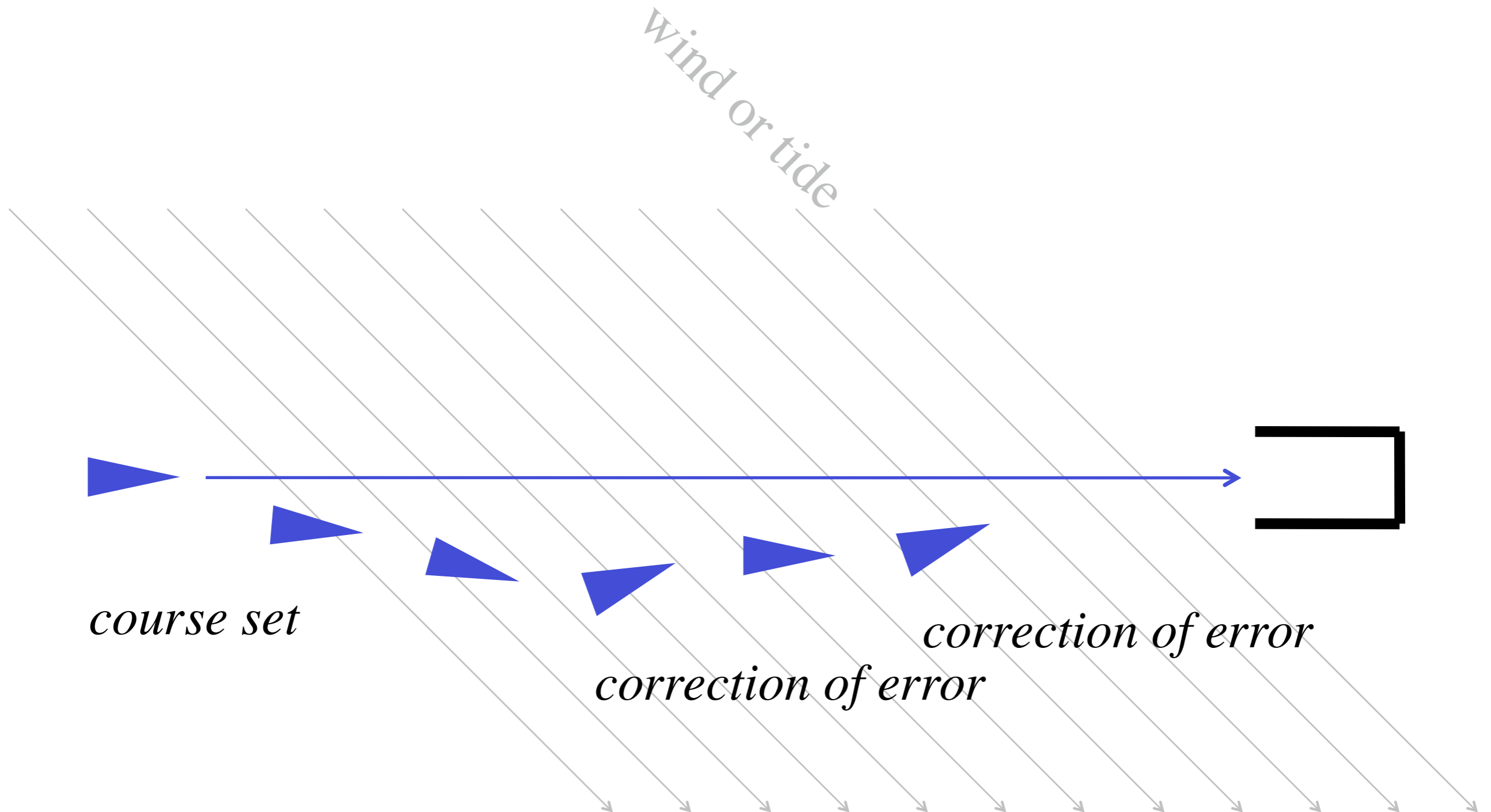




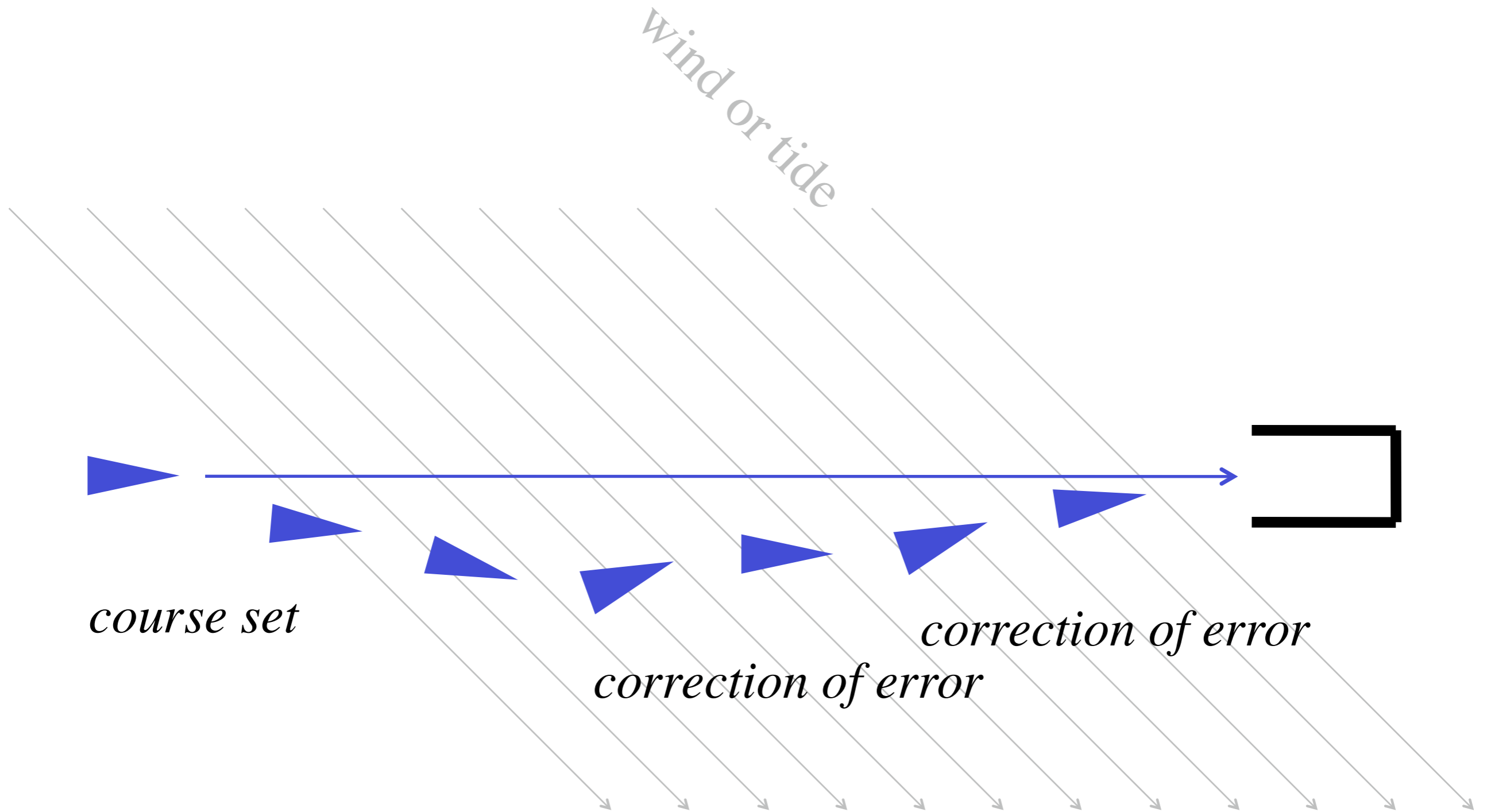
# the science of steering



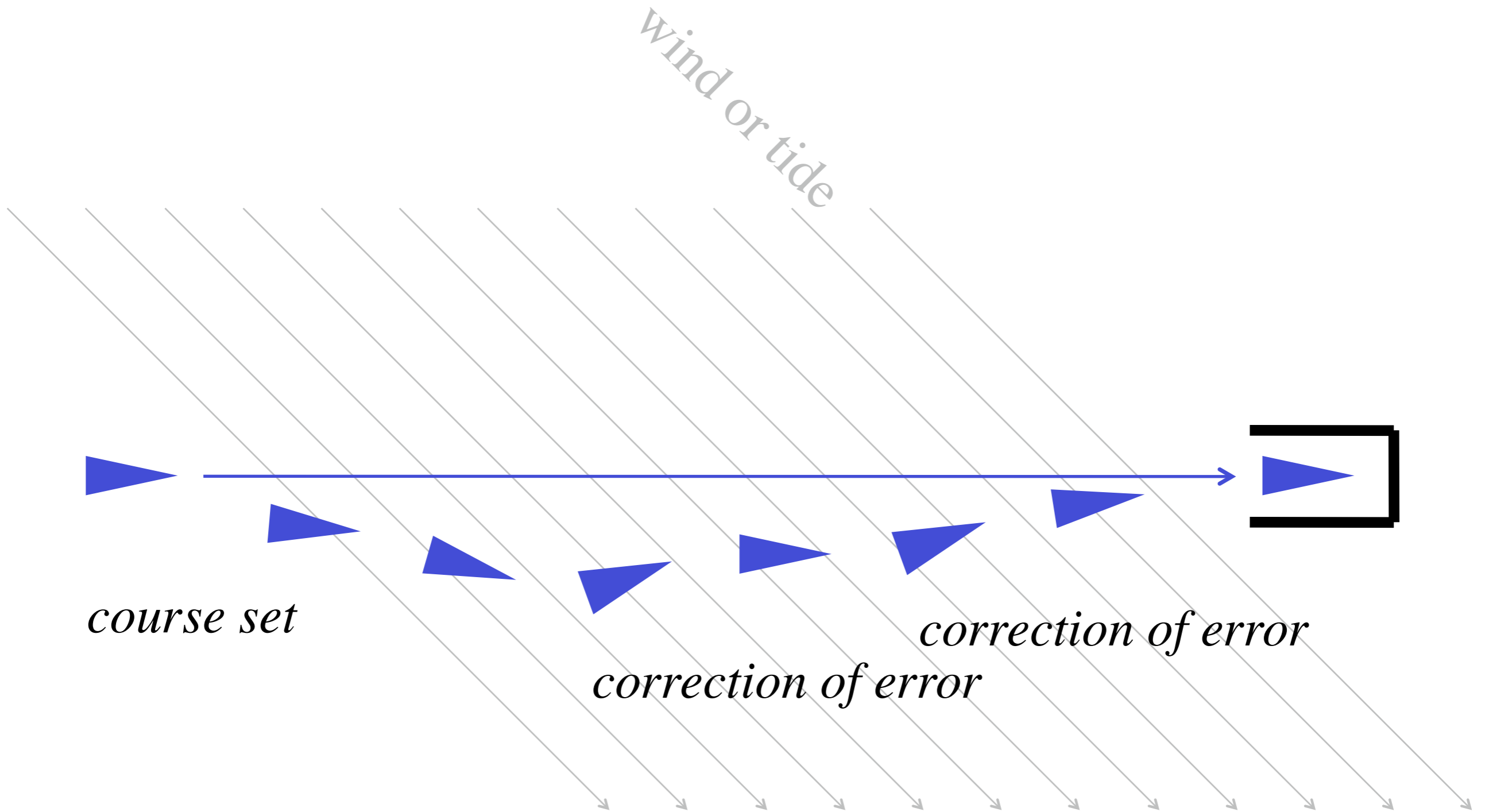
# the science of steering—constantly using feedback



# the science of steering



# the science of steering—achieving the goal



# How do we **design** for conversation?

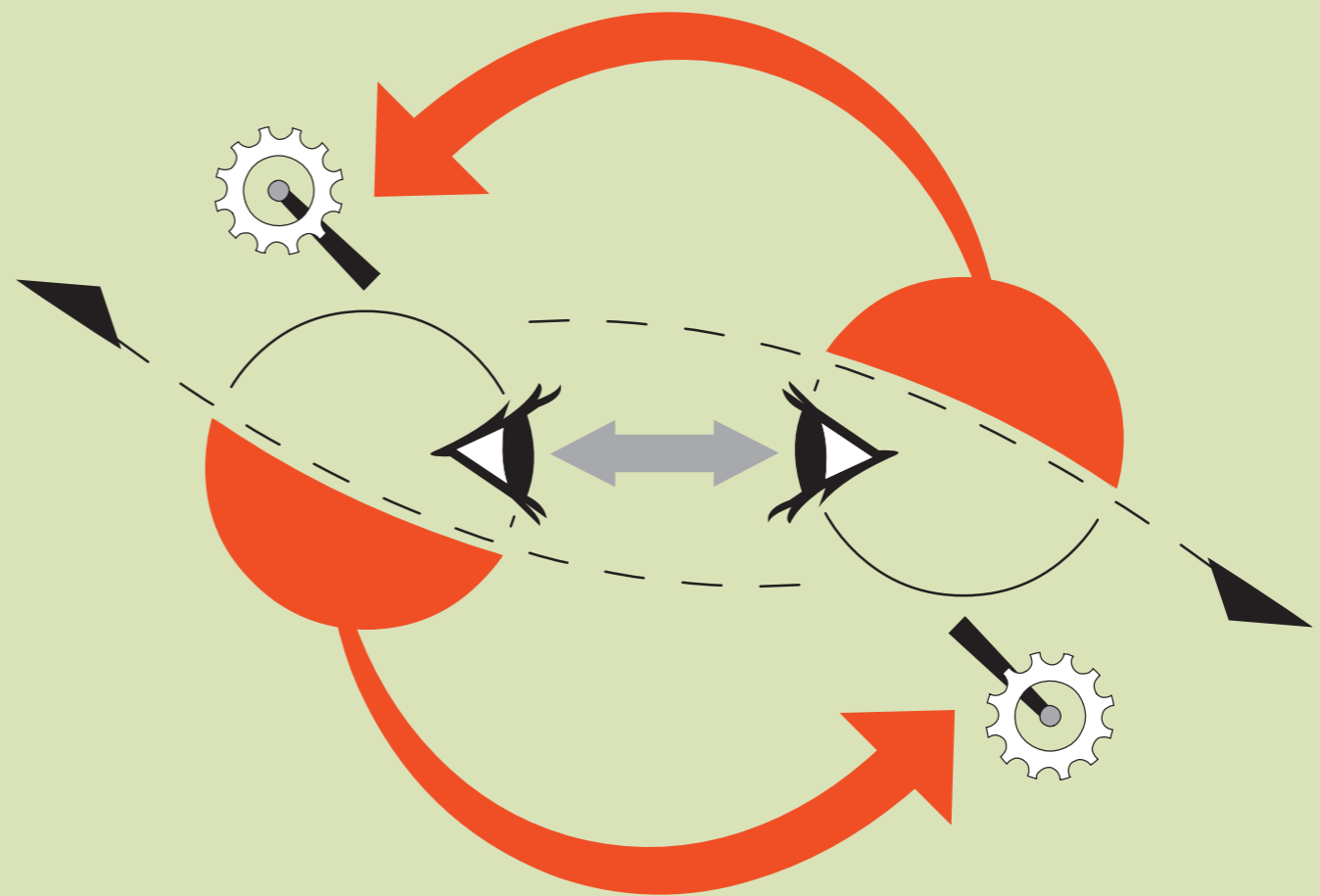
## by applying cybernetics

- ▶ science of “getting what you want”
- ▶ helps us to understand, navigate, and regulate complex systems
- ▶ encompasses individual, social, and technical aspects
- ▶ includes a branch called “conversation theory”.

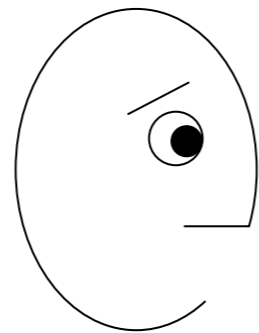
# How do we **design** for conversation?

by applying cybernetics of conversation

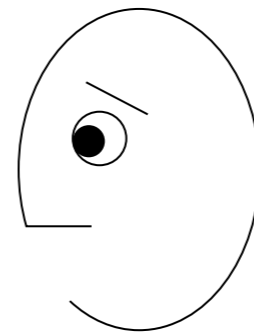
- ▶ what are the goals?
- ▶ how do we measure if we're on course?
- ▶ what are the levers?



# what is conversation?



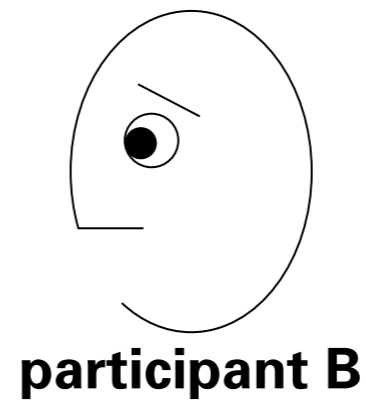
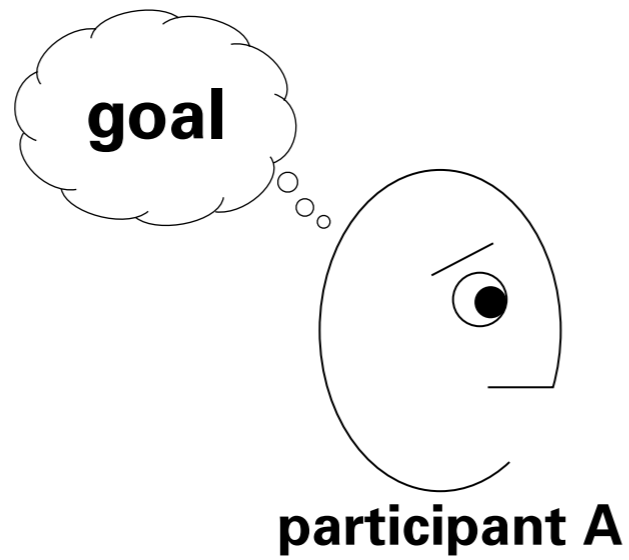
**participant A**



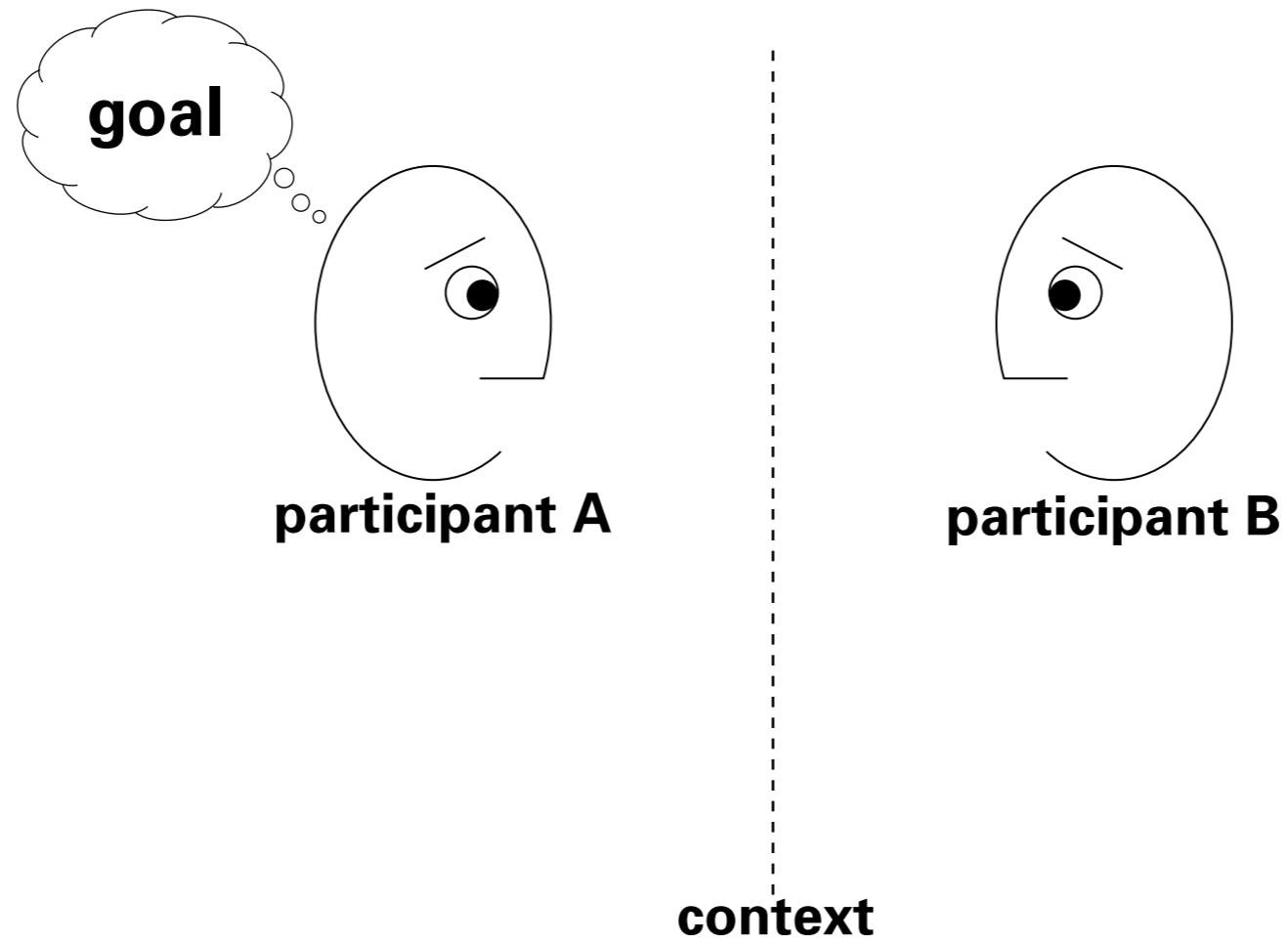
**participant B**



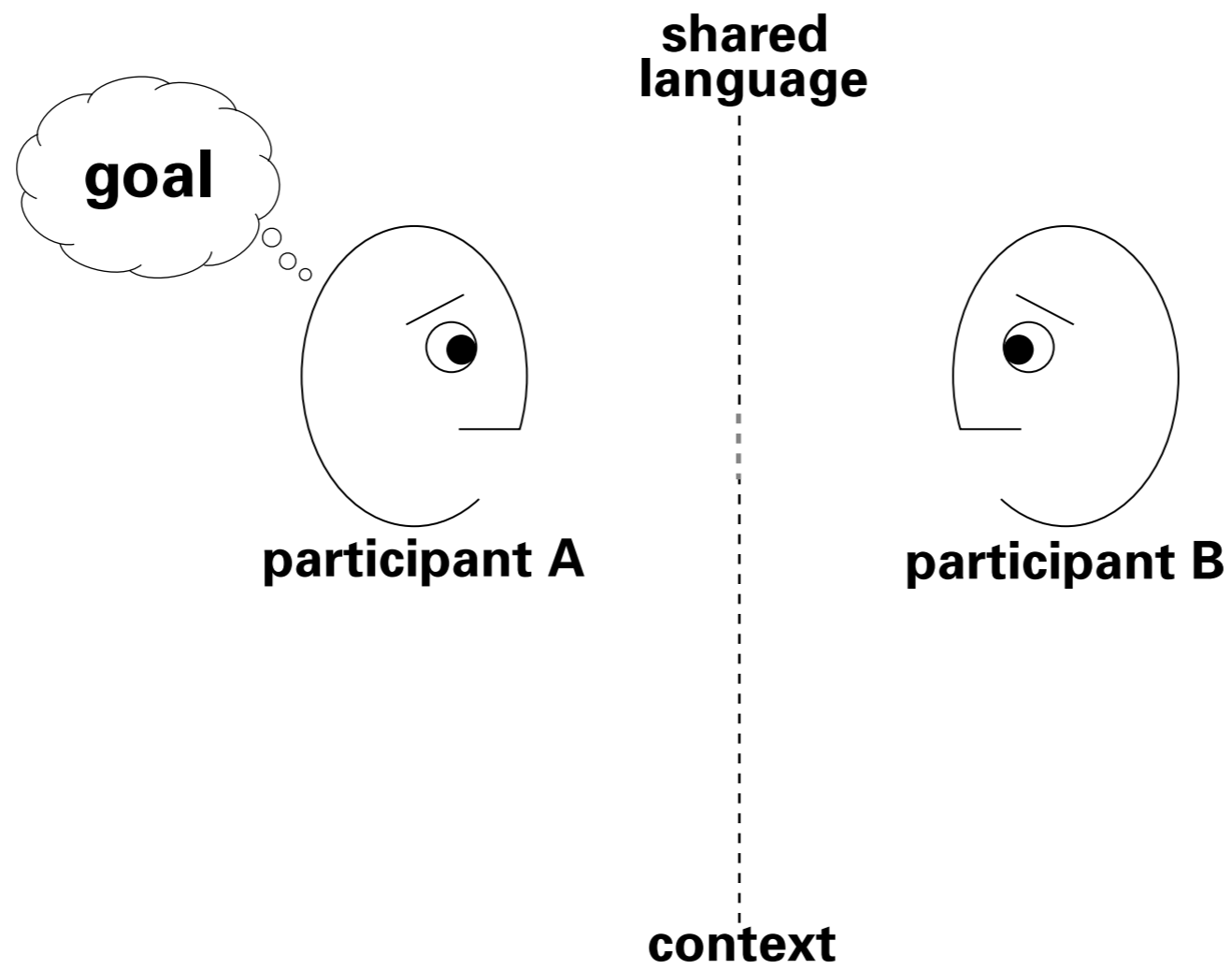
a participant has a goal



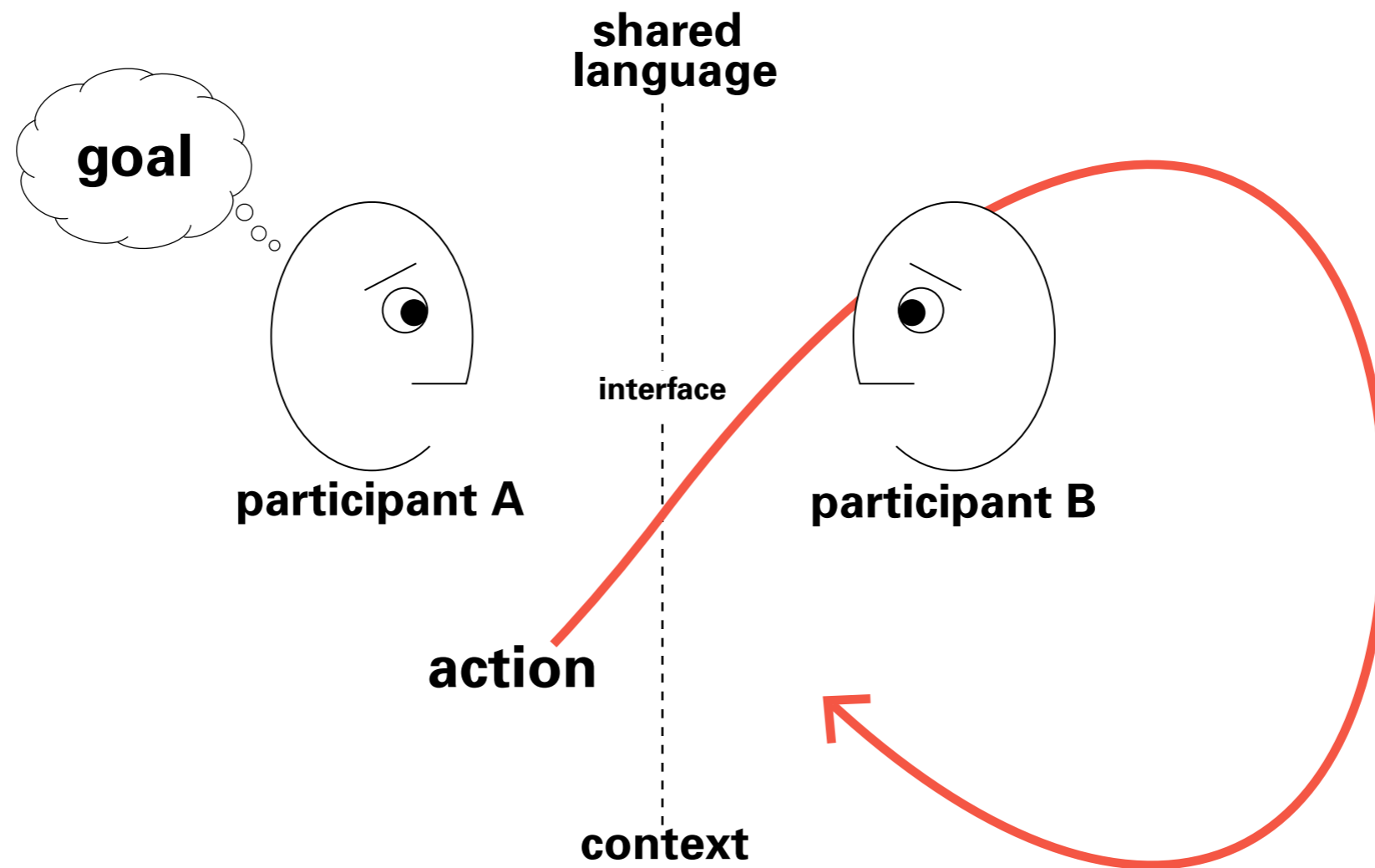
# chooses a context



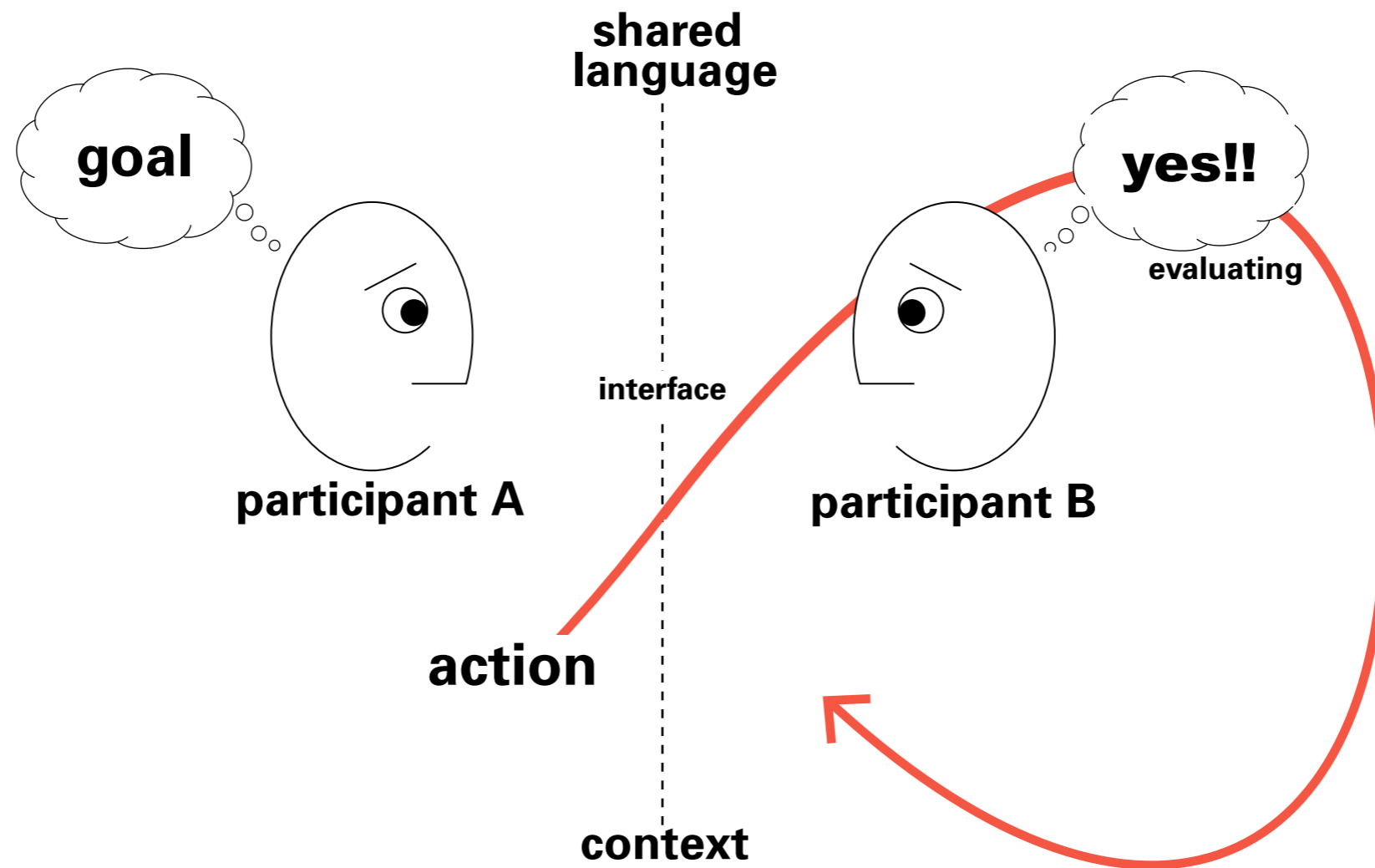
# chooses a language



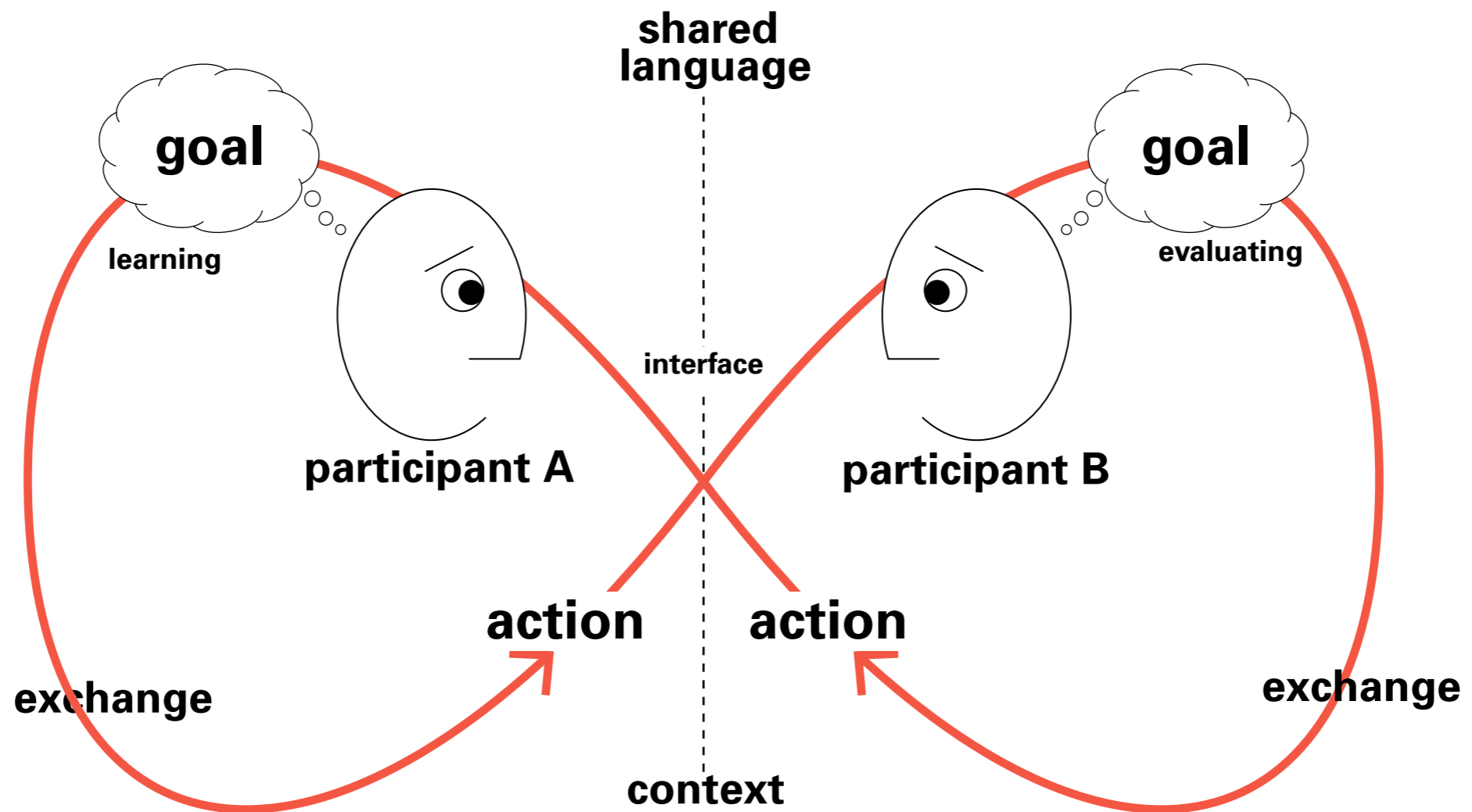
# begins an exchange



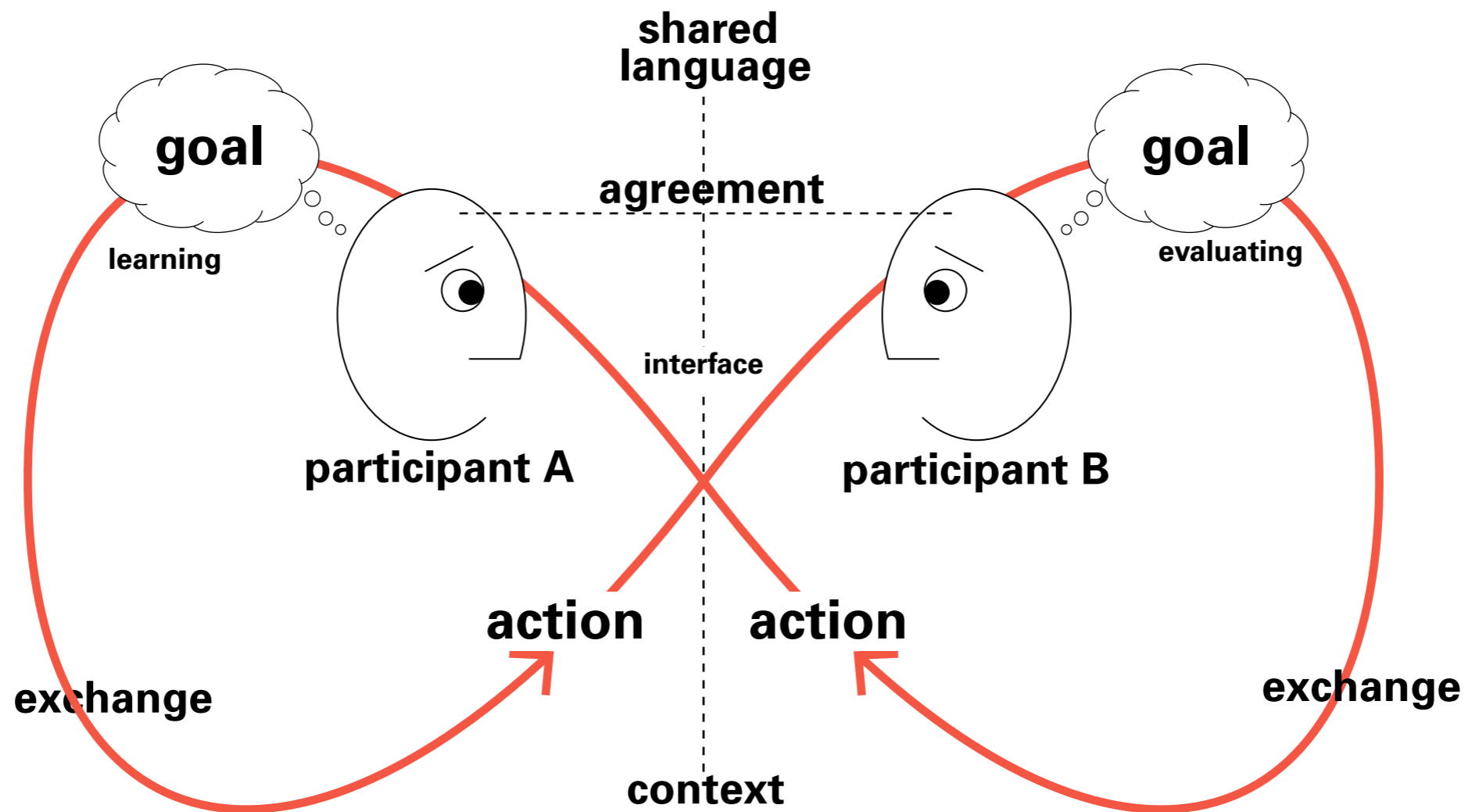
# evokes a reaction...



...that evokes a reaction

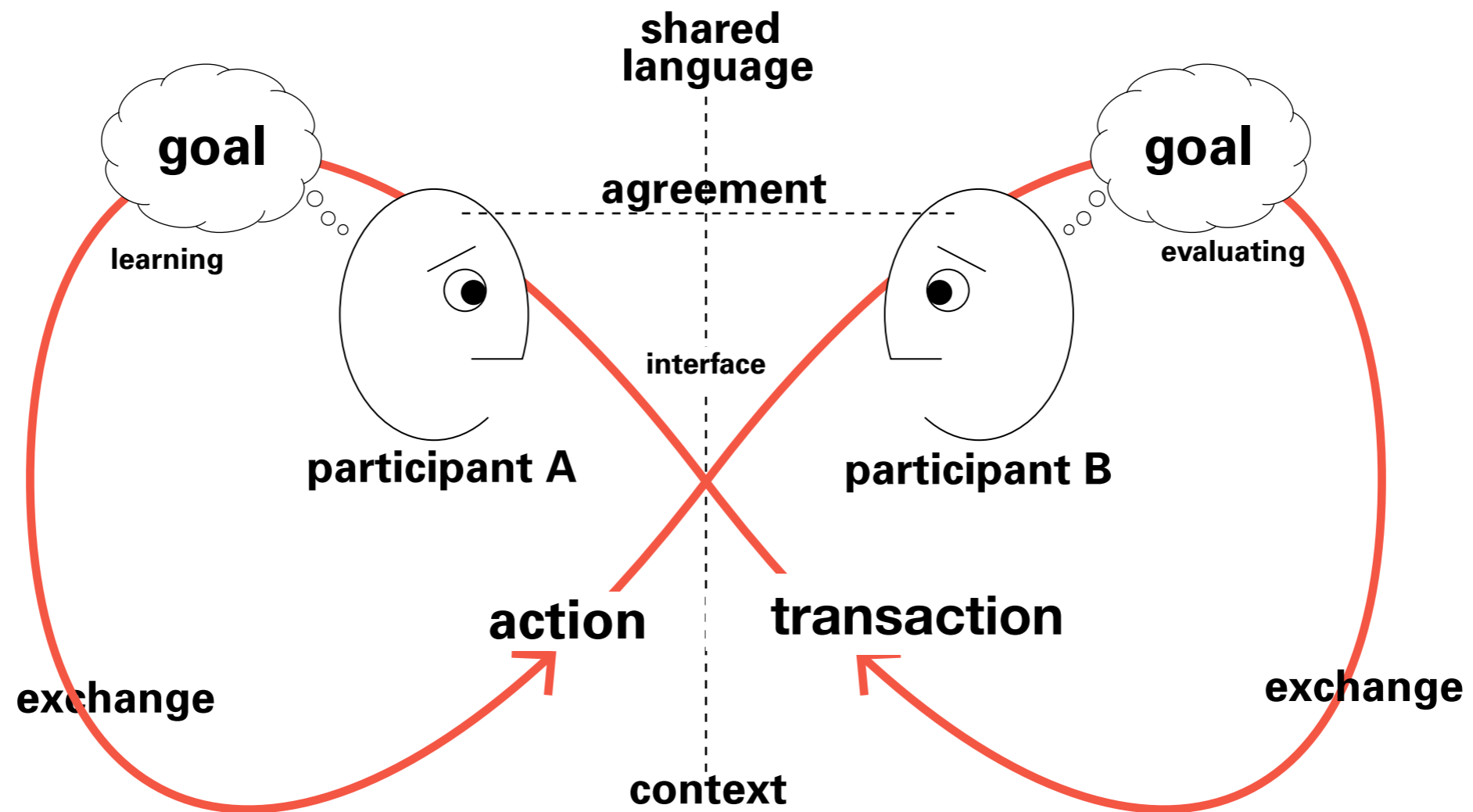


# agreement may be reached





# a transaction may occur

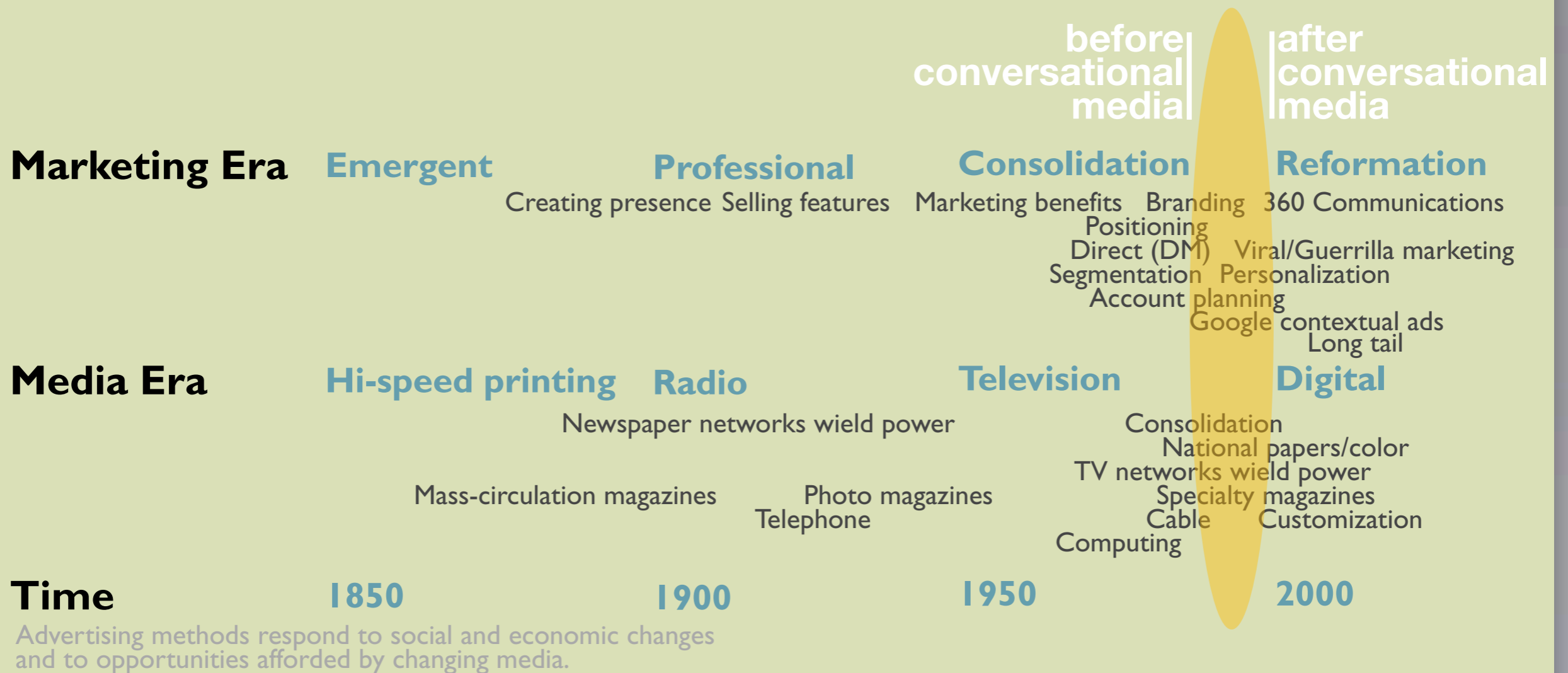


# so what? why is conversation important?

- ▶ brands want consumers to buy
- ▶ consumers need to **believe** that buying will get them what they want
- ▶ convincing consumers to buy = influencing what consumers believe
- ▶ conversation is the most effective means to influence beliefs.

**these fundamentals do not change—  
even as technology and marketing evolves.**

# how has marketing evolved?



# what changes?

before  
conversational  
media

mostly 1-to-many & 1-way

slow feedback—few consumers

main metric = sales transactions

marketers talk to consumers,  
control conversation

marketers are “brand stewards”

after  
conversational  
media

easily any-to-any & all-way

fast feedback—many consumers

possible metrics = every action

“consumers in control”,  
overwhelm marketing messages

marketers host brand conversations

# marketing is changed forever

▶ “consumers with voices”

▶ ignore at your peril



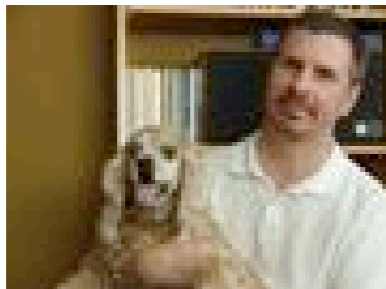
# marketing is changed forever

▶ “consumers with voices”

▶ ignore at your peril

## Amazon Follies Part 2 - Glitch or a lie?

Apr. 12th, 2009 at 8:49 PM



I've been contemplating how to respond to the statement from the Amazon [Publisher's Weekly](#). Of course, the knee-jerk reaction was – They're lying no I don't think they were. Amazon is undoubtedly embarrassed, and they

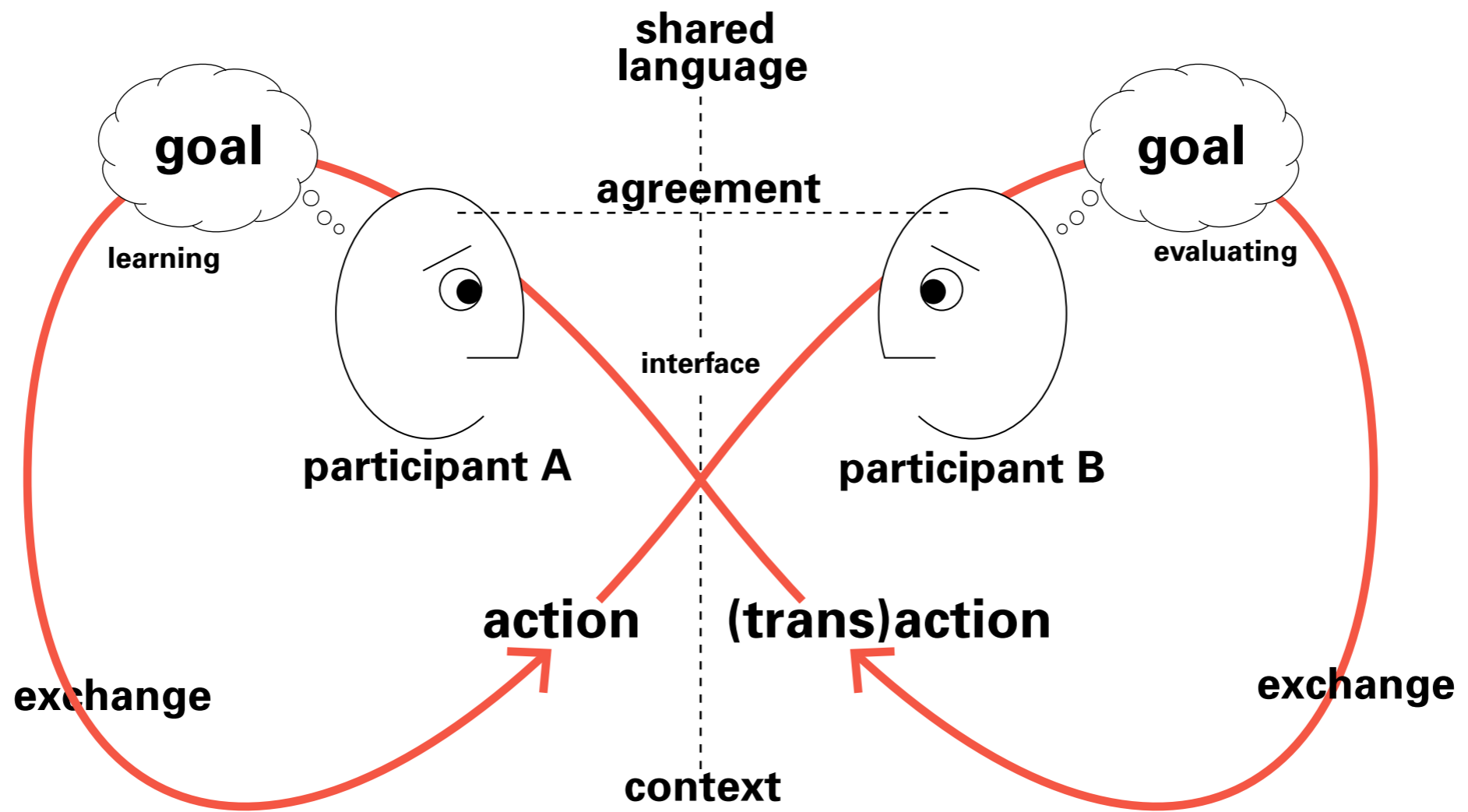
I quote Publisher's Weekly, "There is no new adult policy." A lie? The key sales ranking for adult material, a policy explained to me by the customer service rep, is actually a report from April 2008 that hints at the policy [www.businessinsider.com](http://www.businessinsider.com)

"A glitch had occurred in its sales ranking system" Is that the truth? Oh, you betcha. Though in that while attempting to find a lazy way to conform to the "old" policy of not ranking adult n

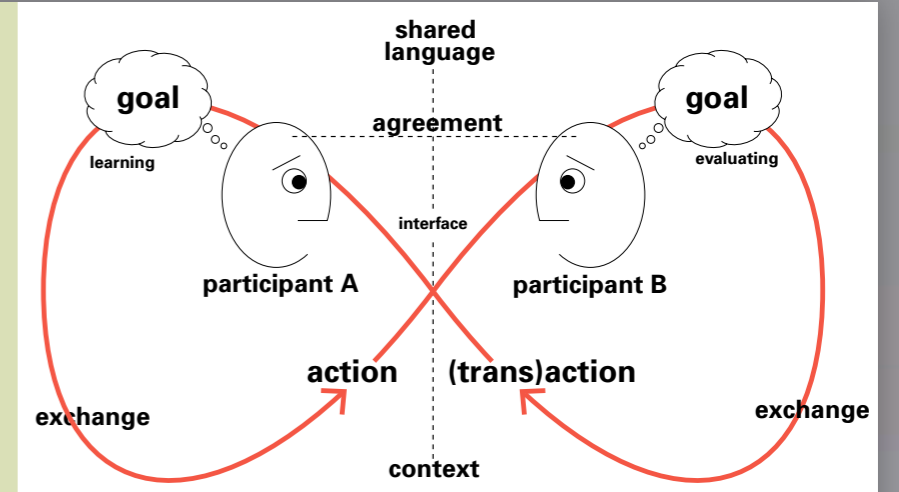
# what can we do?

- ▶ **join** the conversation with consumers
- ▶ **understand** which conversations can be influenced
- ▶ **facilitate** productive conversations





# I. Context



finding the right moment to open an exchange

- ▶ consumer must be receptive—when and where is “reasonable”?
- ▶ also means “moment in the market”—when a need is unfulfilled

digital media has created an explosion of contexts

- ▶ email
- ▶ search engine results
- ▶ web page banners, contextual ads
- ▶ mobile phones, geo-location, context-sensing
- ▶ ... plus, traditional media are “going digital”

cafe metro tweets

# I. Context

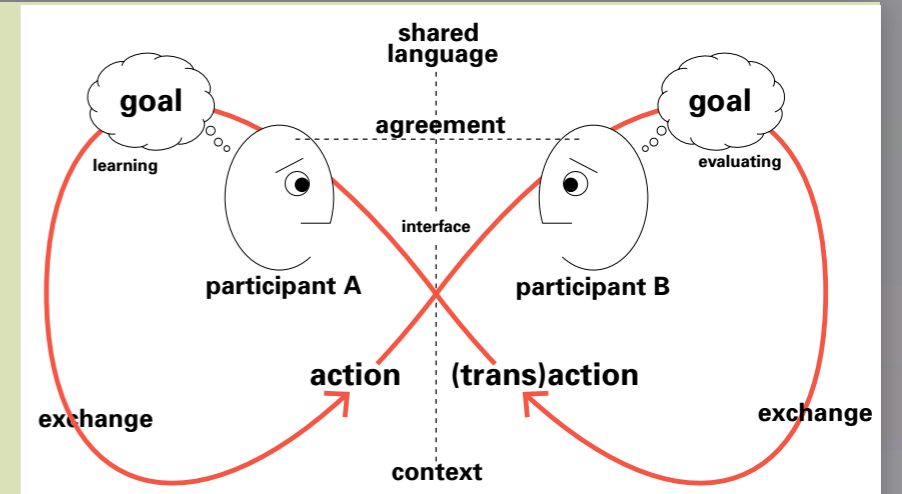




# I. Context



## II. Shared Language



defines what we can converse about

- ▶ starts with vocabulary and ideas that resonate
- ▶ speaks in customer terms
- ▶ tunes into consumer need-states, wants, and desires
- ▶ creates a “language system” that encourages a way of thinking that we want the consumer to adopt

## II. Shared Language





## II. Shared Language



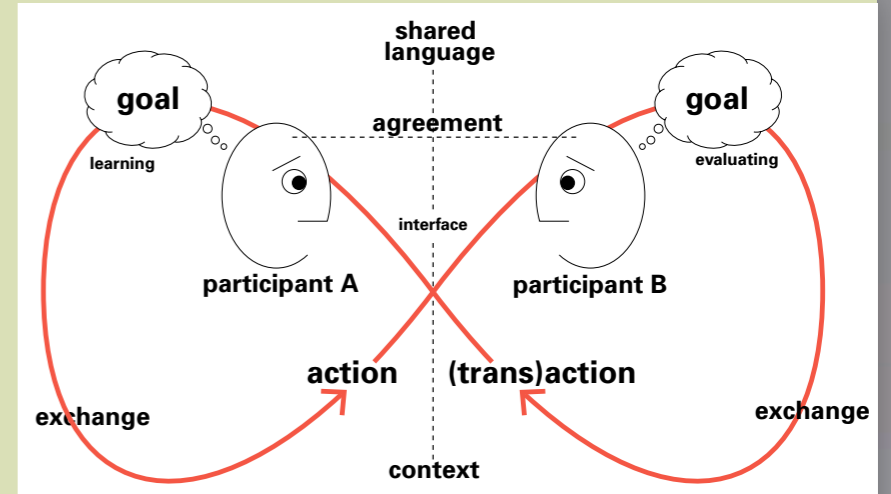


## II. Shared Language





# III. Exchange



## 2-way co-evolution of ideas

- ▶ should be what we mean by “interactive”
- ▶ must involve listening, offering, questioning
- ▶ must offer some value to keep engagement going
- ▶ may be broken off at any time (by either participant)

## useful to both sides in learning about the other

- ▶ consumer learns what is possible, whether to trust
- ▶ marketer learns what consumers think, feel, and want

iPod colors

# III. Exchange



The screenshot shows a Facebook interface for a CareWall. At the top, the Facebook logo and navigation links (Home, Profile, Friends, Inbox 22) are visible. Below the navigation, there are links for 'home | settings | about'. The main header area includes a profile picture of a human spine, the name 'The Pangaro Family Care Team' with a 'manage' link, and the name 'Jane Hernandez' next to her profile picture. A row of sharing options includes 'collaborate', 'fax', 'share by email', 'share by cell', 'activity', and 'documents'. The main content area is titled 'Jane Hernandez's CareWall' and contains a notice: 'Access to this wall is restricted to CareTeam members. [write](#) to Jane Hernandez's CareWall'. Below this, two posts are visible: one from 'Med Commons' at 6:02pm stating 'Jane is a MedCommons Demo Patient. You can care for her via this account until you whenever you want to focus on your own family members.', and another from 'Jerome Franklin' at 6:02pm stating 'We need to talk about Mom as soon as possible'.



# III. Exchange

Apple Retail Store. Come to shop. Return to learn.















































# III. Exchange



# III. Exchange

**ad:tech**

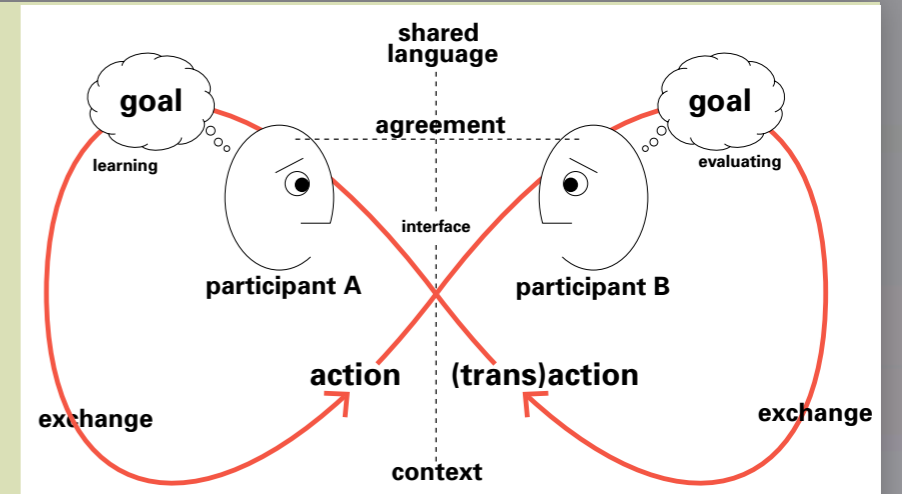
Select a Service:

 AIM	 FriendFeed	 Newsvine
 Ask	 Google Bookmarks	 Propeller
 Backflip	 Kaboodle	 Reddit
 BallHype	 KIRTSY	 Segnalo
 Bebo	 Link-a-Gogo	 SimpY
 Blogmarks	 LinkedIn	 Slashdot
 Delicious	 Live	 Spurl
 Digg	 Mister Wong	 StumbleUpon
 Diigo	 Mixx	 Tailrank
 Facebook	 Multiply	 Technorati
 Fark	 myAOL	 Twitter
 Faves	 MySpace	 Yahoo Bookmarks
 Favorites	 Netvibes	 Yahoo Buzz
 FeedMeLinks	 Netvouz	 Yardbarker

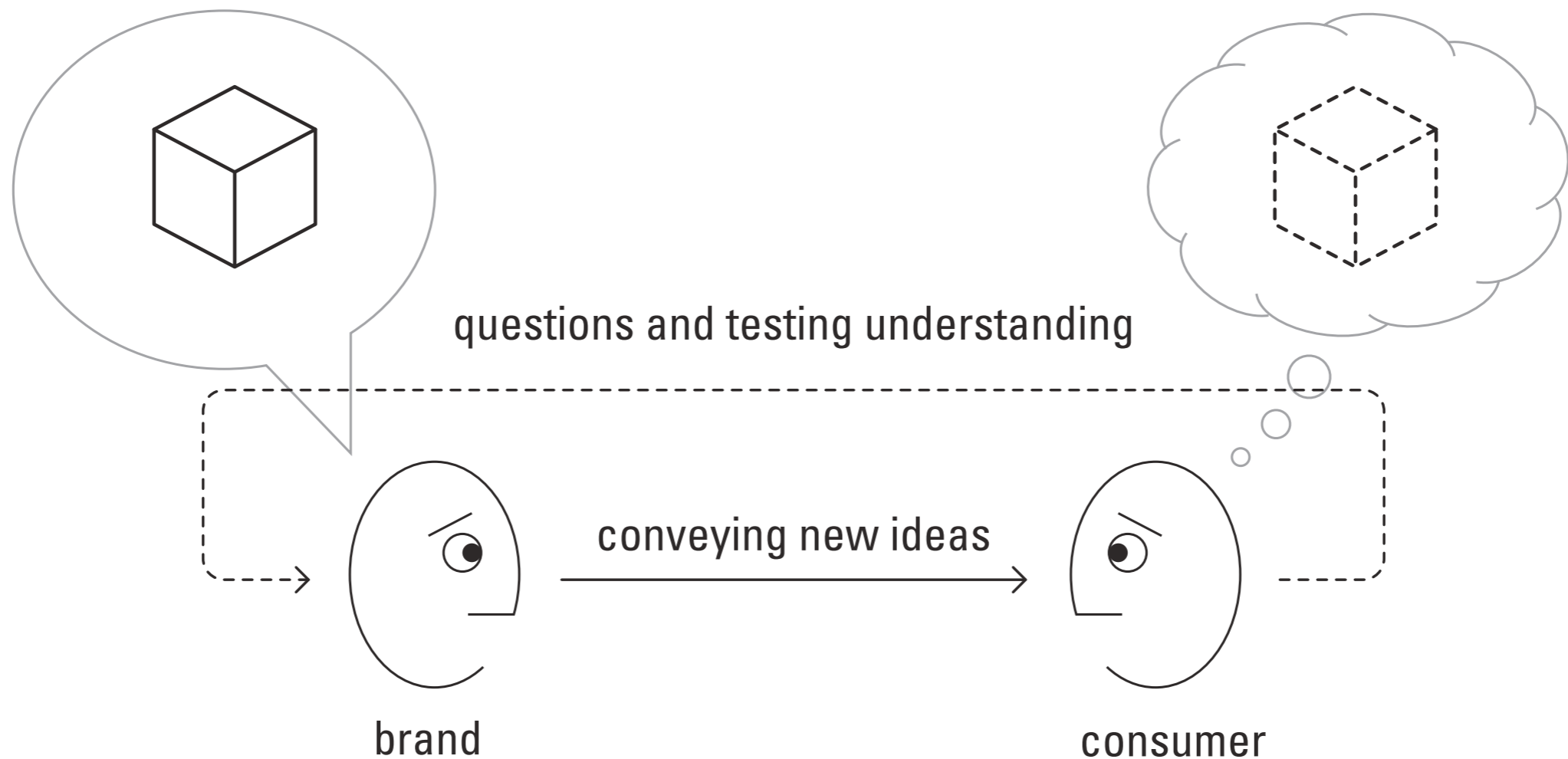
# IV. Agreement

shared understanding

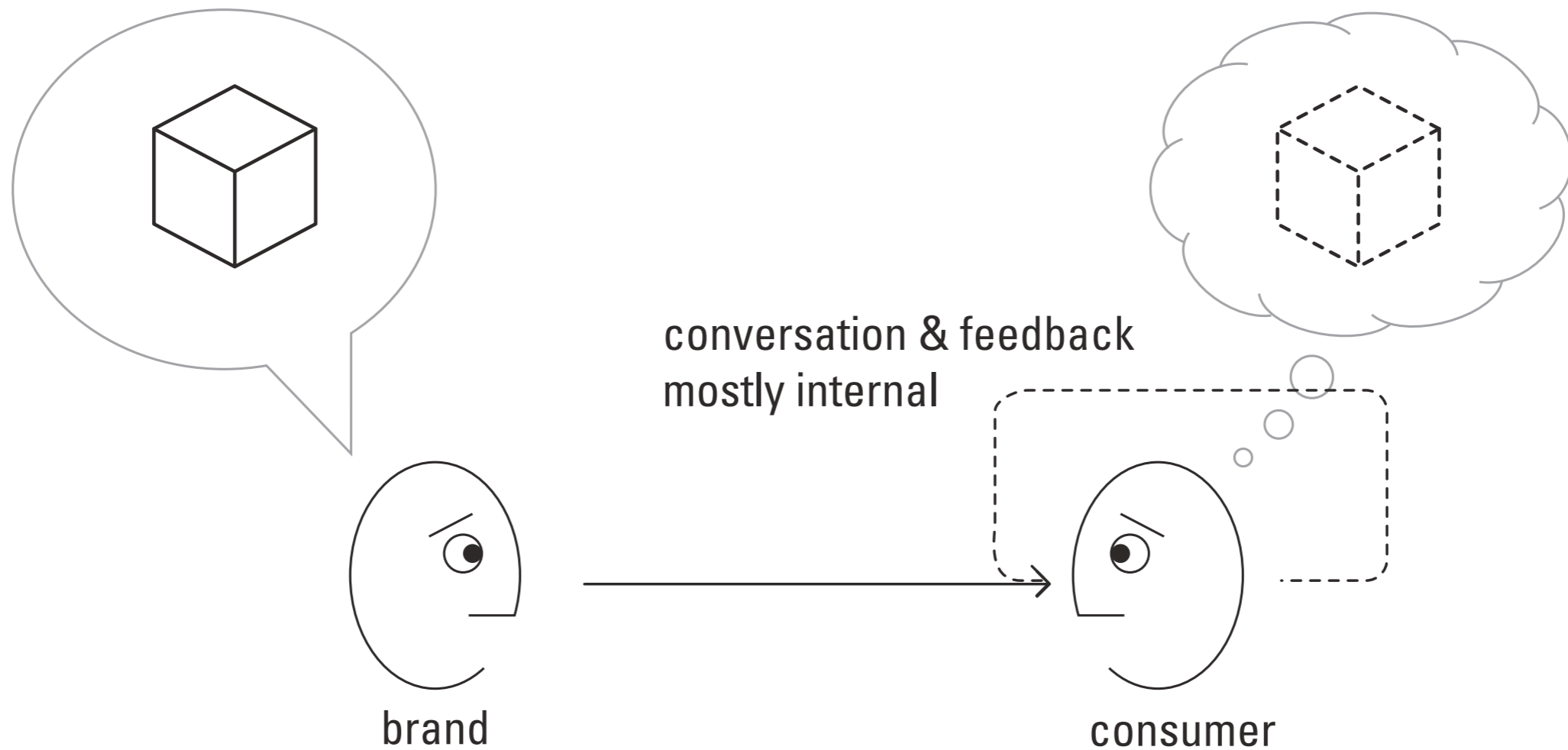
- ▶ common history is created
- ▶ trust is built
- ▶ beliefs are validated or changed



# changing beliefs requires conversation

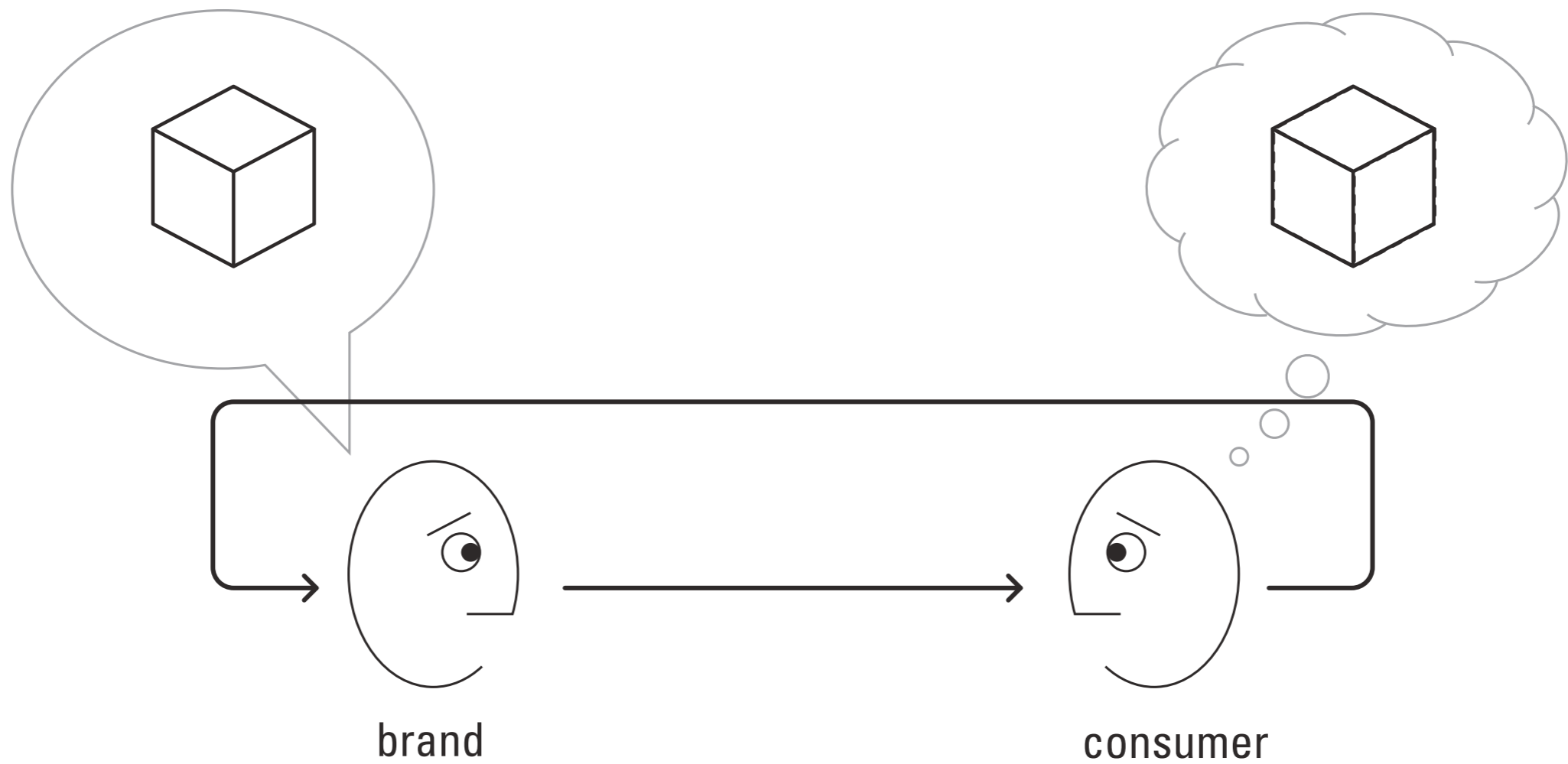


# a lot of conversation is internal

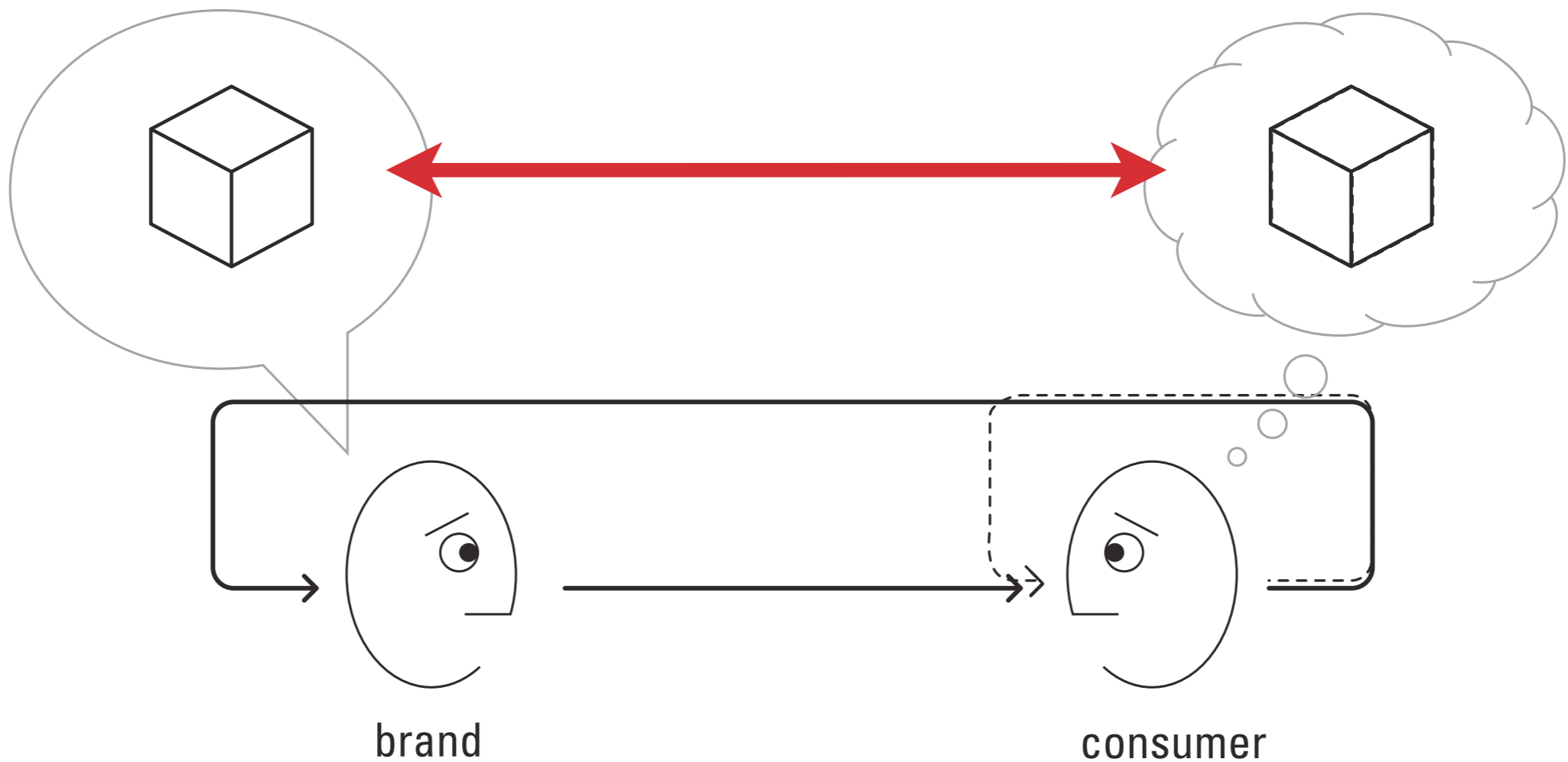




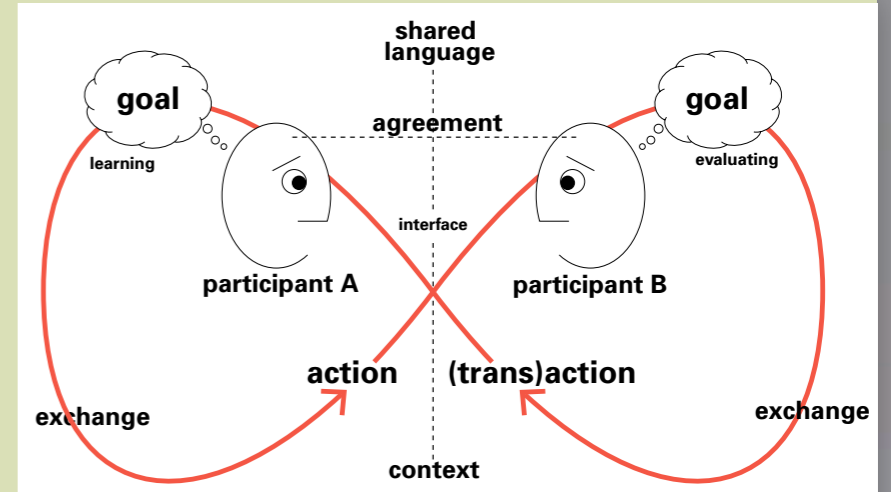
# p2p conversation is more influential



p2p + internal conversations are needed to ensure beliefs are shared



# IV. Agreement



shared understanding

- ▶ common history is created
- ▶ trust is built
- ▶ beliefs are validated or changed

trust is established (or not)

- ▶ history ensures compatible goals
- ▶ ... and sets expectations for future conversations
- ▶ **trust is powerful – it lowers risk and saves time**

# IV. Agreement

<b>AA</b> Advantage Account	My Information and Password	<b>Reservation Preferences</b>	My Emails and Fare Alerts
<b>Home Airport</b>			
New York, NY(JFK)			<a href="#">Edit</a>
<b>Preferred Ticket Type E-Ticket</b>			
E-TICKET EMAIL			<a href="#">Edit</a>
<b>Preferred Carrier</b>			
AA, American Eagle and AmericanConnection@			<a href="#">Edit</a>
<b>Preferred Credit/Debit Card</b>			<a href="#">Add New Card</a>
<input type="radio"/> pan amex	*****		<a href="#">Edit</a>   <a href="#">Delete</a>

# IV. Agreement

The screenshot shows the Amazon.com homepage for user Paul Pangaro. At the top, the Amazon logo is on the left, and a personalized greeting "Hello, Paul Pangaro. We have recommendations for you. (Not Paul?)" is on the right. Below the greeting is a navigation bar with links for "Paul's Amazon.com", "Today's Deals", "Gifts & Wish Lists", and "Gift Cards". A search bar is also present. Below the navigation bar, there are links for "Your Browsing History", "Recommended For You", "Rate These Items", and "Improve Your Recommendations".

The main content area is titled "Today's Recommendations For You". Below the title, a message says "Here's a daily sample of items recommended for you. Click here to [see all recommendations.](#)".

Three items are displayed in a carousel:

- Market Wizards: Interviews with Top Traders** by Jack D. Schwager. The cover features a "LOOK INSIDE!" banner and a photo of a person. It has a 5-star rating from 118 reviews and is priced at \$12.21.
- Brahms: Complete Piano Music [Box Set]** by Johannes Brahms. The cover features a "SCHLITERS COLLECTION" banner and a photo of piano keys. It has a 5-star rating from 7 reviews and is priced at \$29.98.
- Cloverfield** Video On Demand by Michael Stahl-David. The cover features a photo of the Statue of Liberty. It has a 3.5-star rating from 671 reviews and is priced at \$9.99.



# IV. Agreement



**ORGANIZING  
FOR AMERICA**

**"I'M ASKING YOU TO BELIEVE.**  
Not just in my ability to bring about  
real change in Washington ... I'm  
asking you to believe in yours."  
-BARACK OBAMA

GET EMAIL UPDATES

Email Address

Zip Code



PRESIDENT OBAMA

**THANKS YOU FOR  
HELPING TO GET  
THE BUDGET PASSED**

[READ HIS MESSAGE](#)



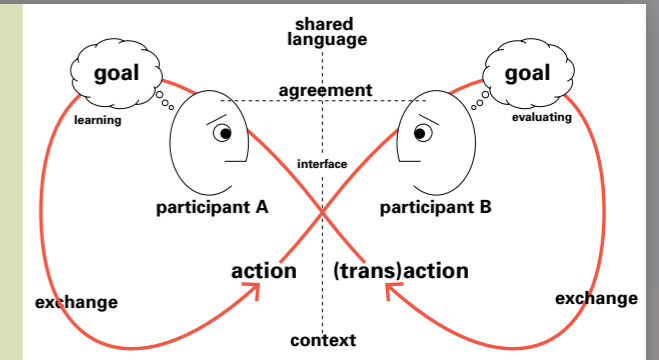
MY.BARACKOBAMA.COM

**ORGANIZE LOCALLY  
WITH OUR ONLINE TOOLS**

JOIN A LOCAL GROUP • BLOG  
FIND AN EVENT • FUNDRAISE

[LOGIN TO MyBO](#)

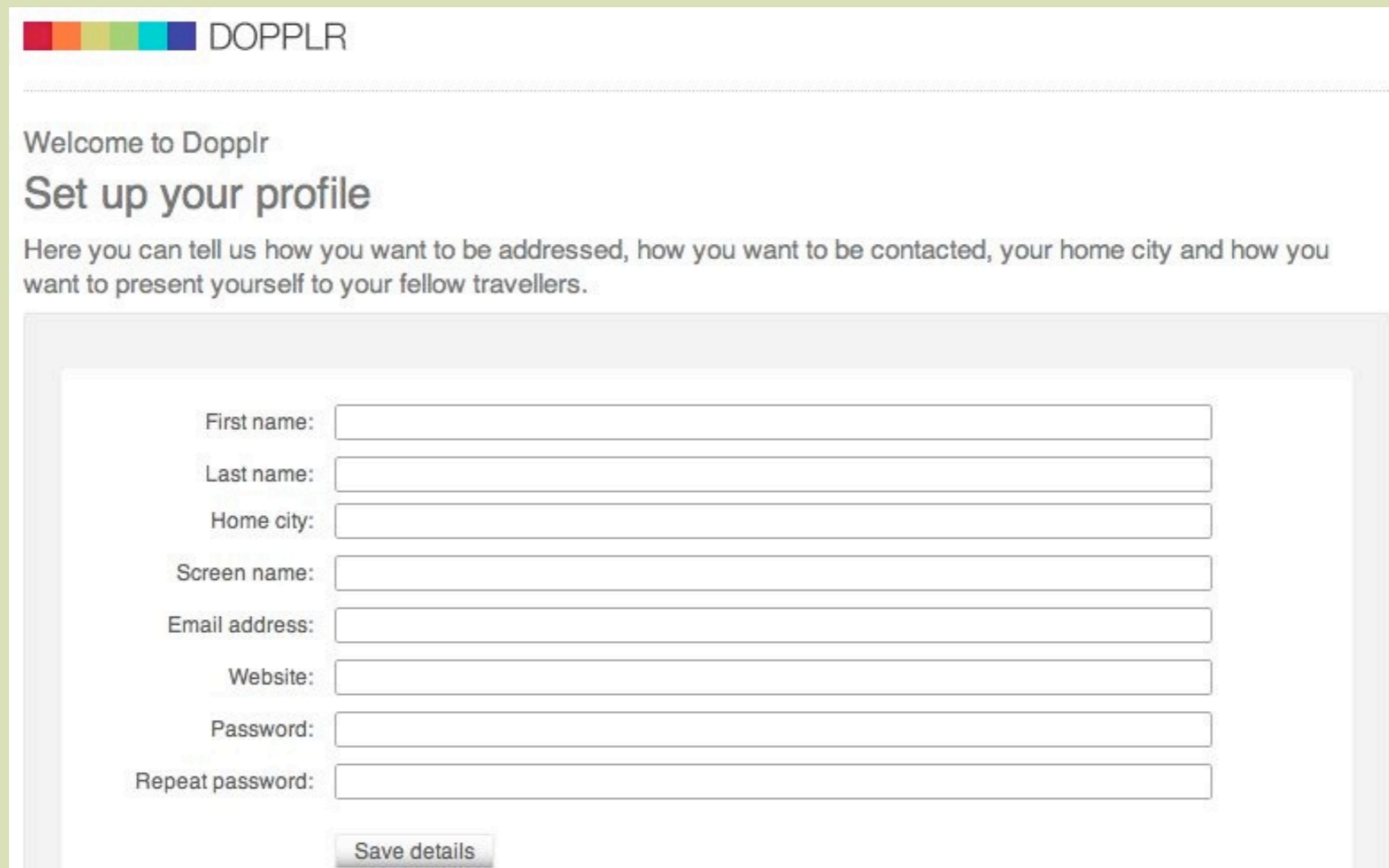
# V. Actions or Transactions




coordinate about shared beliefs and shared goals

- ▶ stay connected, continue the conversation
- ▶ participate in communities, social networks, real-world + f2f
- ▶ demonstrate commitment
- ▶ **BUY** product or service

# V. Actions or Transactions



 DOPPLR

---

Welcome to Dopplr

## Set up your profile

Here you can tell us how you want to be addressed, how you want to be contacted, your home city and how you want to present yourself to your fellow travellers.

First name:

Last name:

Home city:

Screen name:

Email address:

Website:

Password:

Repeat password:



# V. Actions or Transactions



The screenshot shows the Nike+ website's '2008 Rundown' page. The header includes 'NIKE.COM' on the left and navigation links for 'PRODUCT DOWNLOADS', 'REGISTER', 'MY ACCOUNT', and 'NEWSLETTER' on the right. A search bar contains the text 'Get connected to your running experience. Relive your runs. Track your progress.' To the right of the search bar is a 'NIKE+ USERS: Log In' button and links for 'blog' and 'forums'. The main content area is a teal box with a white border. On the left side of this box is a vertical label '2008 Rundown' and the Nike+ logo. The title is 'Nike+ Community 2008 Rundown' with a group of runners icon. Below the title is the text 'Our favorite time to run is NIGHTS especially on SUNDAY and our sweatiest month is AUGUST.' The statistics are arranged in a grid:

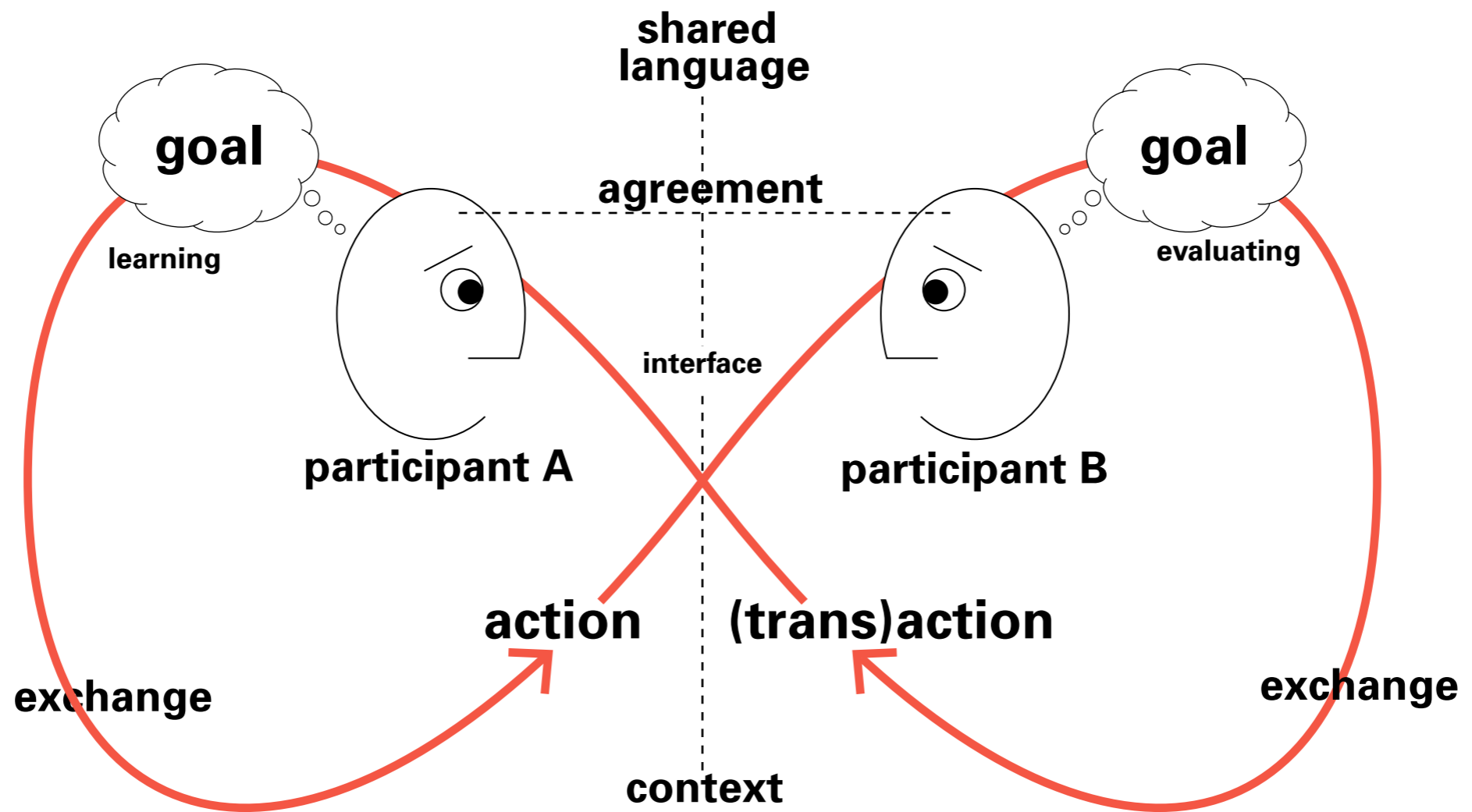
 134,979,939,800 Collective steps	 2,710 Laps around the world	 EYE OF THE TIGER Favorite PowerSong
 630 Households powered	 LUXEMBOURG Small next to Nike+	 2,544,684 Pounds burned

At the bottom of the teal box is the text 'See how you did in 2008' and a 'LOG IN TO VIEW' button. Below the teal box is a red banner with a shopping cart icon, the text 'Primer Reto', and 'Most miles over 30 days'.

# V. Actions or Transactions



# CONVERSATION REDUX



# CONVERSATION REDUX

- I. context
- II. language
- III. exchange
- IV. agreement
- V. transaction



context—language—exchange—agreement—transaction

**cleat** = conversational traction



conversation =  
infrastructure of commerce

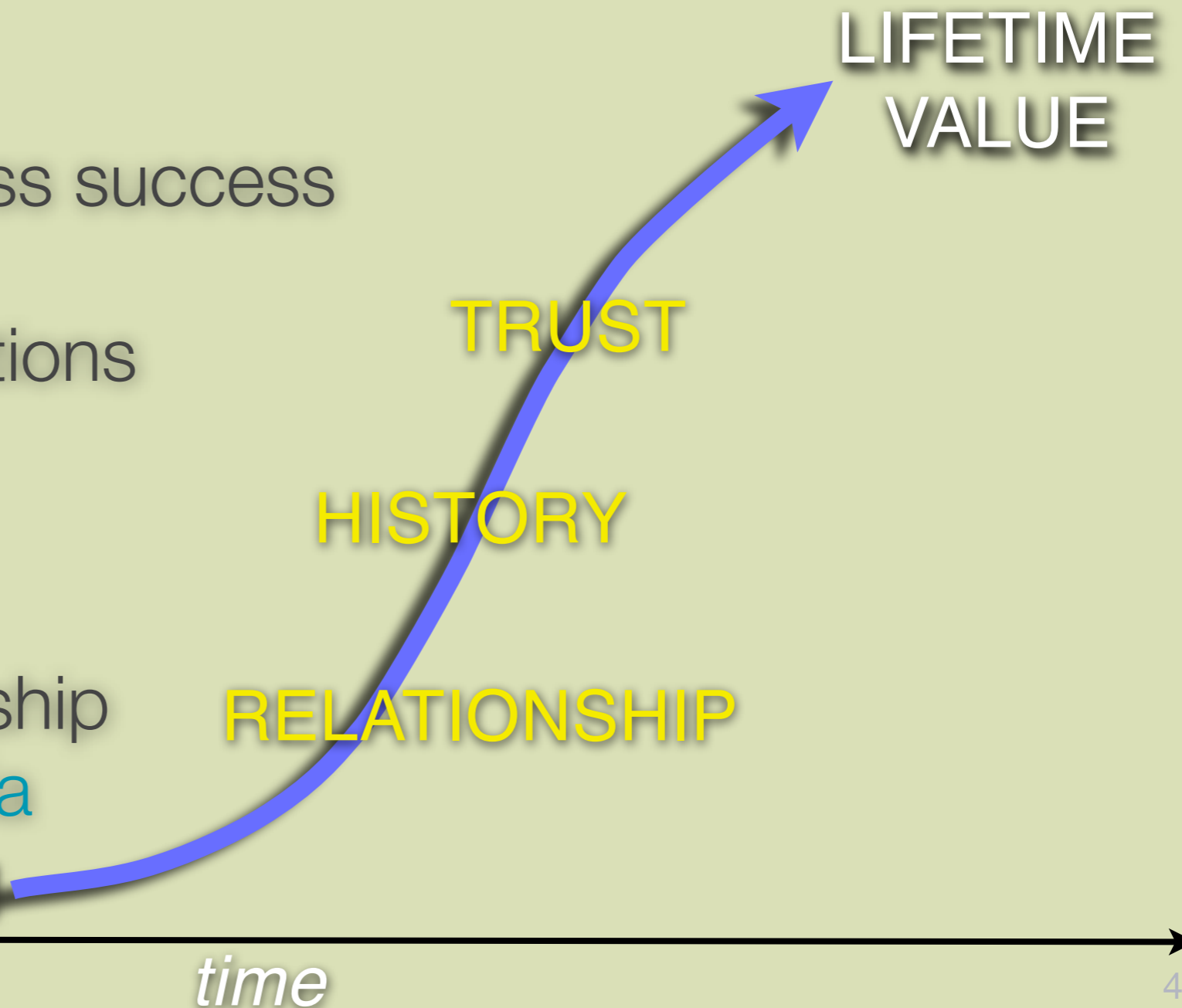
long-term business success  
requires

on-going transactions  
need

on-going trust  
is built through

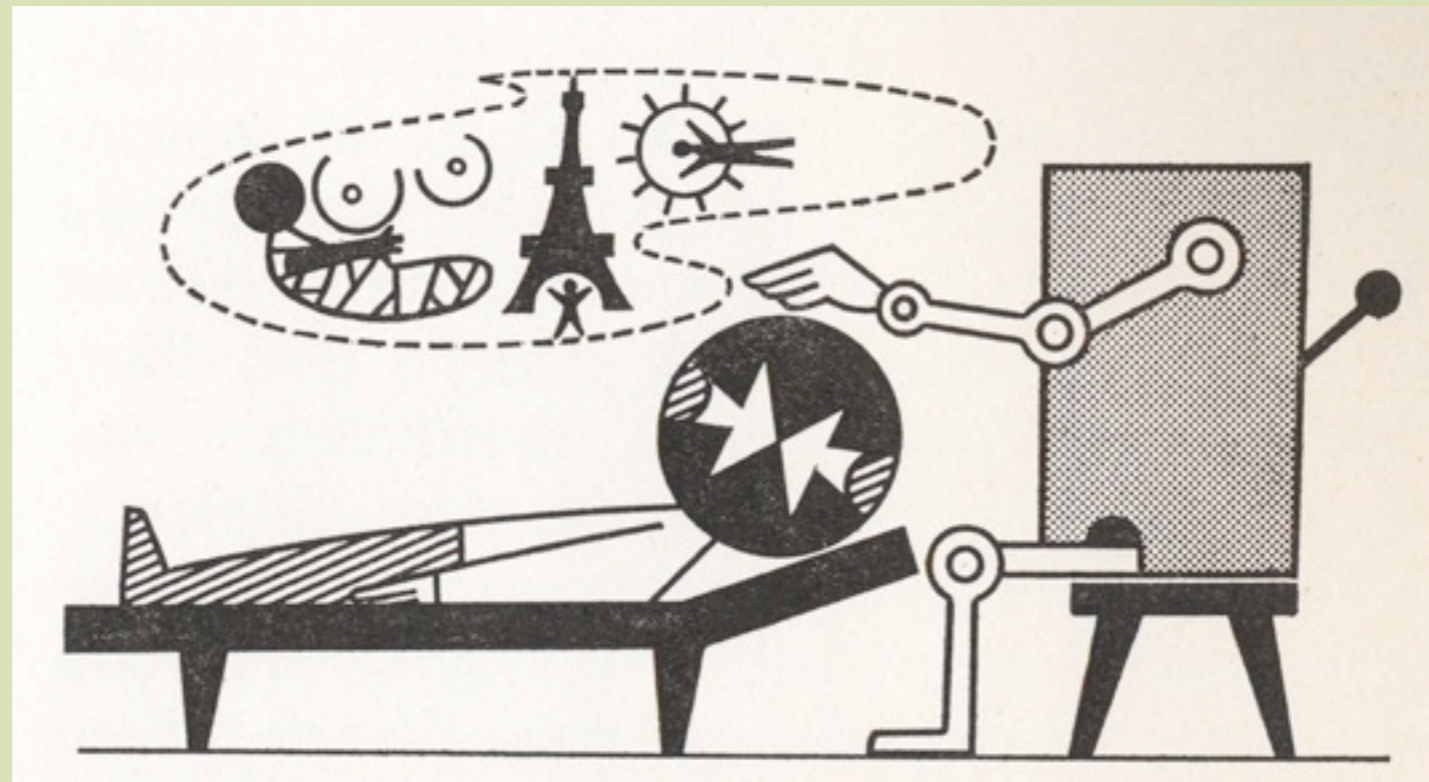
on-going relationship  
is possible only via

**CONVERSATION**



starting from...

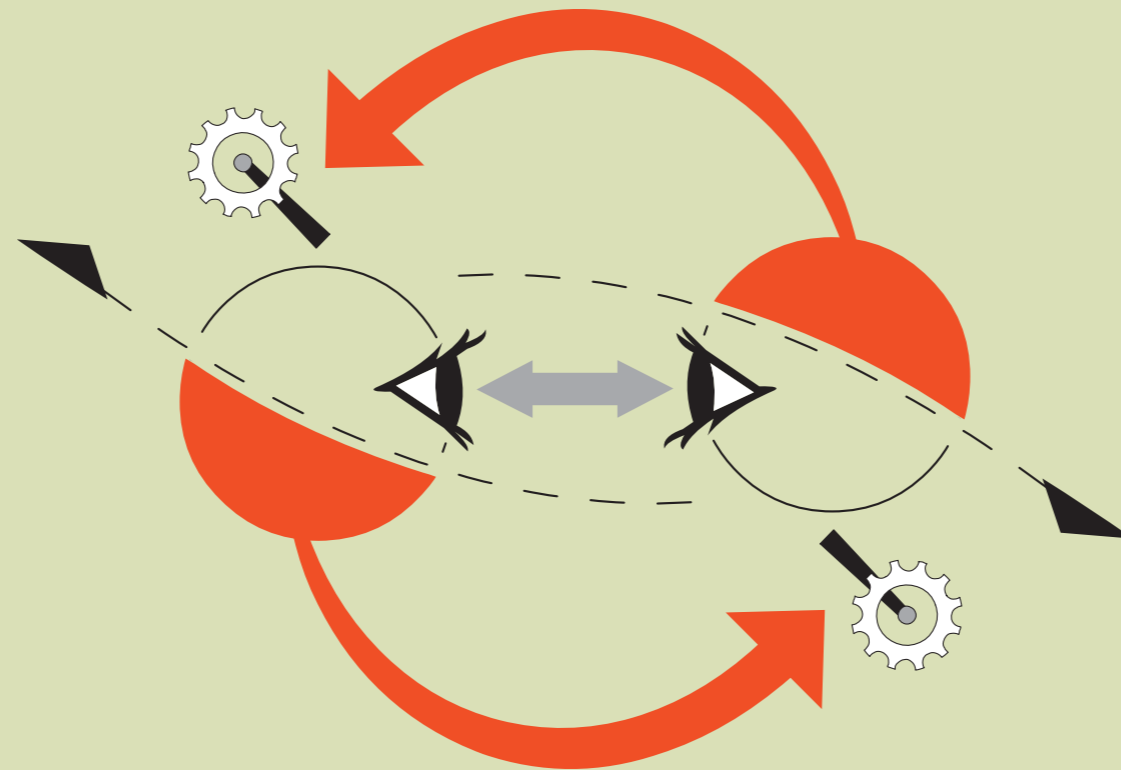
# CUSTOMER RELATIONSHIP MANAGEMENT





evolving to...

# CONVERSATION RELATIONSHIP MANAGEMENT



# putting conversation to work

	design for a campaign
context	
language	
exchange	
agreement	
transaction	



# putting conversation to work

	DOVE Campaign for Real Beauty
context	2% of women think they're beautiful
language	what is beauty? inner—natural—feeling so—feeling good about self
exchange	among women everywhere—for example, "tick" campaign
agreement	the world would be a better place if women were allowed to feel good about themselves
transaction	Dove sales increased by \$500M in 3 years

# putting conversation to work

	your campaign here
context	
language	
exchange	
agreement	
transaction	

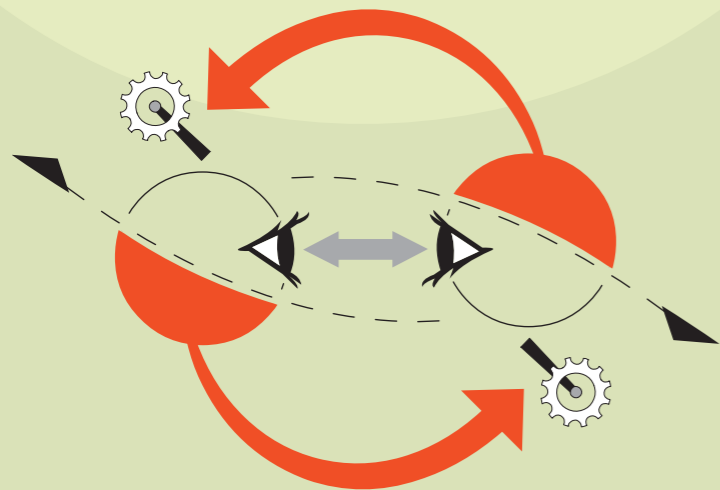
# summary

- ▶ changes in technology force us to evolve.
- ▶ all successful evolution is co-evolution—each participant must change in response to the other.
- ▶ conversation is the most efficient means to co-evolution.

**conversation always occurs—we have to be great at it.**  
**design for conversation = viability today and tomorrow.**

# Master Class Workshop Designing for Conversation

Paul Pangaro, Paul@CyberneticLifestyles.com



(c) 2009 Paul Pangaro.



## Appendix

# 1. invest in understanding conversation

- ▶ **evaluate prior campaigns** in terms of conversation
  - ▶ for C-L-E-A-T, how could the conversations have been improved?
- ▶ **look at each technology** in terms of conversation
  - ▶ what does a given technology do better?
  - ▶ less well?
- ▶ **think** in terms of conversation when developing new campaigns
  - ▶ what's the goal?
  - ▶ what's the best technology for each aspect of the conversation?

**can we design directly to increase trust?**

Appendix

## 2. track trends, tools, and technologies

...that will change marketing conversations in the next 5 years

- ▶ **beyond social networks**
- ▶ **beyond mobility**
- ▶ **context-awareness**



## Appendix

# 3. design for conversation

- ▶ embrace every **consumer as a participant**
- ▶ define **specific goals for each exchange**
  - ▶ for the brand
  - ▶ for the consumer
- ▶ work such that **conversation leads design**
  - ▶ context...
  - ▶ language...
  - ▶ exchange...
  - ▶ agreement...
  - ▶ transaction...

## Appendix

# 4. prototype the conversations you want

- ▶ **prototype conversations, not web sites or marketing campaigns**
- ▶ **instill continuous sensing and testing as a process for**
  - ▶ **understanding the market**
  - ▶ **defining and delivering the offering**
  - ▶ **increasing customer satisfaction.**

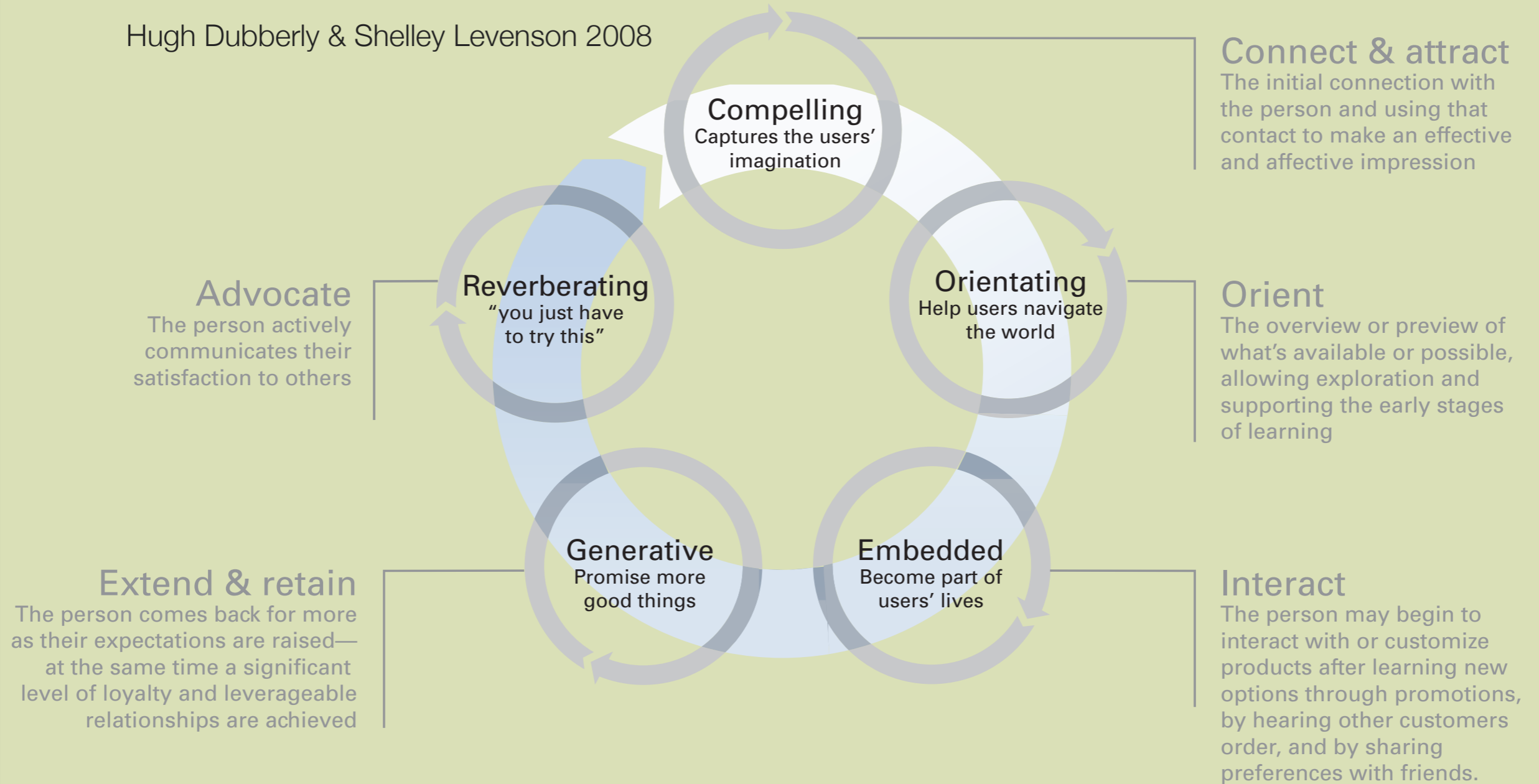
**remember that productive conversation is iterative.**

**it requires trial-and-error. it gets more efficient over time.**

# Appendix

## another model of consumer conversations

Hugh Dubberly & Shelley Levenson 2008



# << epilogue >>

**we know our world through conversation.**

**we constantly risk not being able to hear that which is outside of what we can talk about, outside of whom we talk to, outside of our language, our beliefs, our “truth.”**

**our proficiency for conversation enables and limits what we know —and, therefore, what we can do.**

**paying attention to conversation gives us the opportunity to go beyond our current limits.**