

Centers For Disease Control and Prevention
National Conference on Health Communication, Marketing, and Media
Subject: Closing Plenary
Date: Thursday, August 30, 2007

CENTERS FOR DISEASE CONTROL AND PREVENTION
NEWS CONFERENCE
SUBJECT: Nat'l Conference on Health

SPEAKER: Glen Nowak, Chief, Media Relations Office of Enterprise Communication
Office of the Director Centers for Disease Control and Prevention

Date: 1:30 PM ET; Thursday, August 30, 2007

THIS IS A RUSH TRANSCRIPT AND TRANSCRIPTION ERRORS MAY APPEAR.

>>> GOOD AFTERNOON.

I GUESS WE'RE GOING TO TRY TO GET STARTED HERE, GIVE EVERYBODY 15 SECONDS TO WRAP UP THAT LAST-MINUTE CONVERSATION.

THANK YOU, FOLKS.

IT'S BEEN A TERRIFIC CONFERENCE, AN AMAZING DAY AND A HALF.

I KNOW JAY IS PROBABLY RELIEVED THAT WE'RE AT THIS POINT.

A TERRIFIC JOB BY ALL THOSE FOLKS INVOLVED.

THIS IS THE CLOSING PLENARY.

IT'S GOING TO FOCUS ON -- AS WE SAW YESTERDAY'S OPENING PLENARY, A LOT OF OUR EFFORTS FOCUS ON CONSUMERS AND PEOPLE -- WE'RE FORTUNATE AND HONORED TODAY FOR THIS CLOSING PLENARY TO HAVE EXPERTS.

FORTUNATELY FOR ME, ESTHER HAD A CLASS AT THAT TIME AND I TOOK THAT CLASS.

THAT'S HOW I FIRST MET ESTER.

FORTUNATELY, ESTER HAS HAD A GREAT INFLUENCE ON MY LIFE THROUGH COLLEGE.

I'M THANKFUL FOR THAT.

THE SECOND SPEAKER IS DR. ROBERT SPECKMAN, THE PROFESSOR OF BUSINESS ADMINISTRATION AT THE UNIVERSITY OF VIRGINIA.

HE IS AN INTERNATIONALLY RECOGNIZED AUTHORITY ON BUSINESS MARKETING, SUPPLY CHAIN, CHANNELS MANAGEMENT AND STRATEGIC ALLIANCES.

HIS CONSULTING EXPERIENCE RANGES FROM MARKETING RESEARCH AND COMPETITIVE ANALYSIS TO STRATEGIC MARKET PLANNING, SUPPLY CHAIN MANAGEMENT AND CHANNELS OF DISTRIBUTION.

IN ADDITION TO TEACHING MBA COURSES, HIS EXECUTIVE PROGRAM INCLUDES GENERAL MARKETING STRATEGY, SALES FORCE MANAGEMENT, CREATING STRATEGIC ALLIANCES AND BUSINESSES TO BUSINESS STRATEGY. HE HAS EDITED AND WRITTEN BOOKS.

I WELCOME THEM HERE TODAY.

THEY'LL BE PRESENTING AND HAVE QUESTION AND ANSWER AFTERWARD.

THANK YOU.

ESTHER?

[APPLAUSE]

>> GOOD AFTERNOON, EVERYBODY.

I'M GLAD TO BE HERE AND LIKED TO SAY THAT GLEN WAS NOT THE ONLY ONE IN THAT SEMINAR BY ACCIDENT, ACTUALLY.

I'D LIKE TO ACKNOWLEDGE MY CO-AUTHOR THIS PRESENTATION, A COLLEAGUE OF MAIN AT THE UNIVERSITY OF MISSOURI.

WE HAVE BEEN WORKING FOR QUITE SOME TIME ON LOOKING AT THE IMPACT OF THE DIGITAL REF OF LUGS ON CHANNELS OF COMMUNICATION PARTICULARLY IN THE UNITED STATES BUT ALSO IN THE WORLD.

AND A LOT OF RESEARCH I'M GOING TO REPORT TO YOU THIS AFTERNOON WE COLLECTED FOR THE NATIONAL ASSOCIATION OF NEWSPAPERS, NAA, AND THERE'S A NEWSPAPER OF PRESENTATIONS OF OUR WORK ON THIS WEBSITE. OR IF YOU JUST GOOGLE NEWSPAPER ASSOCIATION OF AMERICA YOU CAN FIND ALL THAT STUFF.

ALSO, THIS PRESENTATION AND THIS LARGE BIBLIOGRAPHY THAT I'VE NOTED HERE ON THE SLIDE THAT WE ANNOTATED IN PREPARING FOR THIS RESEARCH WILL BE AVAILABLE ON THE CDC SITE AT SOME LOCATION WHICH SOMEONE WILL PROBABLY TELL YOU ABOUT IN THE FUTURE.

WE ALSO WERE ABLE TO USE A WONDERFUL DATA SET FROM DDB, A LARGE ADVERTISING AGENCY, AND THEY PROVIDED US WITH LIFESTYLES INFORMATION WHICH THEY COLLECT YEARLY BUT WE BOUGHT '95, 2000 AND 2005 FROM THEM BECAUSE THAT ENABLED US TO TAKE A CLOSE TEN-YEAR LOOK AT THE MAP OF AMOUNTS OF BEHAVIOR CHANGE THAT PEOPLE HAVE EXHIBITED TOWARD THE MEDIA.

SO WHAT I'M GOING TO TALK TO YOU ABOUT THIS AFTERNOON VERY BRIEFLY IS BASICALLY AN ORIENTATION TOWARD UNDERSTANDING IN A FAIRLY GLOBAL FASHION JUST WHAT THIS DIGITAL REVOLUTION IS DOING TO US IN TERMS OF OUR LIFESTYLES, IN TERMS OF OUR MEDIA CHOICES, AND IN TERMS OF HOW WE'RE SATISFYING OUR BASIC HUMAN NEEDS. SO I AGREE WITH KURT LOWEN, THE FAMOUS PSYCHOLOGIST, WHO SAID MANY YEARS AGO WHO SAID THE VERY MOST PRACTICAL THING IS A REALLY GOOD THEORY.

THAT'S THE APPROACH I'M GOING TO TAKE.

NOW, FOR THE NEXT COUPLE OF MINUTES I WANT TO TALK TO YOU ABOUT EIGHT HUGE CHANGES IN OUR CULTURE THAT WE ARGUE HAVE BEEN CREATED BY THIS DIGITAL REVOLUTION.

THE FIRST ONE OF THEM IS THIS INCREASE IN MEDIA CHOICES.

IT'S HARD FOR THOSE OF THAT ARE OLD LIKE GLEN AND ME -- WE REMEMBER WHEN THERE WEREN'T MANY CHOICES AND THE WORLD WAS LIKE THIS.

THIS WAS HOME MEDIA CAPACITY IN 1975.

WE CAN SEE THERE WERE VERY FEW ROUTES TO GET INTO THE HOME.

THEN ONCE YOU GOT INTO THE HOME, THERE WERE VERY FEW DISPLAY OPPORTUNITIES FOR YOU, AND THEN IN TERMS OF STORING THAT INFORMATION, YOU SEE THERE WERE VERY FEW ALTERNATIVES.

NOW THIS IS TODAY.

THIS IS AN UGLY SLIDE, AND I APOLOGIZE FOR THAT.

BUT THE POINT HERE IS THAT THERE HAS BEEN THIS MASSIVE INCREASE IN THE NUMBER OF ALTERNATIVES MEDIA CAPACITIES.

AS YOU KNOW, IF YOU READ THE PAPER OR LOOK AT TELEVISION OR, YOU KNOW, LISTEN TO THE NEWS ON YOUR IPOD, THIS NUMBER IS CONSTANTLY INCREASING.

NOW, THE SECOND REALLY BIG CHANGE IS THIS INCREDIBLE DESIRE THAT WE HAVE ALL DEVELOPED IN THIS NEW ENVIRONMENT TO CREATE OUR OWN MEDIA CONTENT.

YOU SEE THAT IN ALL KINDS OF WAYS.

FOR EXAMPLE, THIS GROWTH OF MYSPACE AND FACEBOOK.

I REMEMBER IN THE PAPER A COUPLE OF DAYS AGO 37 MILLION PEOPLE ARE NOW ON FACEBOOK.

FLICKER, YOUTUBE, OF COURSE, BLOGS ARE EVERYWHERE.

AND NOTABLY ENOUGH, THE MEDICAL -- ENVIRONMENT IS PHENOMENALLY HUGE.

ALL OF THESE THINGS ARE BASICALLY OPPORTUNITIES FOR PEOPLE TO TELL THEIR OWN STORY THROUGH THE MEDIA CONTENT AND THEY'RE VERY MOTIVATED TO DO IT.

THE THIRD REALLY BIG CHANGE IS THIS MASSIVE MIGRATION TO THE INTERNET.

YOU KNOW ALL THE STATISTICS AS WELL AS I DO.

ONE OF THE THINGS I THOUGHT WAS VERY, VERY INTERESTING THAT I LOOKED UP LAST WEEK IS THAT IF YOU LOOK AT THE NUMBER OF U.S. ADULTS WHO HAVE EVER GONE ONLINE TO LOOK FOR HEALTH INFORMATION, LOOK AT THAT CHANGE FROM 2006 TO 2007.

136 MILLION UP TO 162 MILLION.

EXPONENTIAL INCREASE IN THE AMOUNT OF ACTIVITY ON THE INTERNET. AND MOST OF THE RESEARCH THAT'S OUT THERE INDICATES THAT PEOPLE ARE PRETTY PLEASED WITH WHAT THEY'RE FINDING OUT THERE.

NOW, AS YOU AND I KNOW THERE'S ALL KINDS OF STUFF, SOME GOOD, SOME BAD, SOME INDIFFERENT.

BUT FOR THE MOST PART, PEOPLE ARE PRETTY PLEASED WITH WHAT THEY'RE FINDING OUT HERE.

THESE ARE SOME DATA THAT LOOKED AT THE CHANGE FROM 2001 TO 2006, I GUESS THAT IS.

THE ANSWERS TO THE QUESTIONS, THINKING ABOUT HOW THE INTERNET AFFECTS YOU OVERALL, HOW MUCH IF AT ALL HAS THE INTERNET IMPROVED THESE VERY THINGS?

NOTICE HEALTH INFORMATION IS INCREASING IN TERMS OF PEOPLE THAT SAY, YES, IT'S HELPING ME A LOT, BUT NOT AS MUCH AS JOB INFORMATION, HOBBIES, AND SHOPPING.

WHICH IS PROBABLY A MESSAGE FOR US THERE.

THIS IS THE SHARE OF AMERICANS ONLINE BY AGE.

THE INCREASE FROM 2000 TO 2006.

WHAT'S NOTABLE HERE IS THE ONLY FAIRLY SMALL GROUP IS THE AGE 65 PLUS. EVERYBODY ELSE IS MASSIVELY MOVING ON THE INTERNET.

SO AN IMPORTANT LESSON HERE IS THE DIGITAL ENVIRONMENT IS NOT JUST FOR THE YOUNG.

IT'S FOR ALL OF US.

AND HERE AGAIN THERE'S JUST SOME MORE DATA ABOUT THE PERCENT OF PEOPLE WHO HOOK ONLINE FOR VARIOUS KINDS OF INFORMATION AND WHAT YOU SEE HERE IS THAT BOTH IN TERMS OF PEOPLE WITH DISABILITIES AND PEOPLE WITHOUT DISABILITIES, THERE'S THIS VERY GREAT RELIANCE ON THAT INTERNET ENVIRONMENT.

THE FOURTH REALLY BIG CHANGE --

AND THIS IS VERY SCARY FOR THOSE OF US IN THE NEWS BUSINESS -- IS A DECREASED RELIANCE ON THE LEGACY MEDIA FOR INFORMATION.

I'M GOING TO SHOW YOU JUST A COUPLE OF EXAMPLES OF THAT.

WHEN YOU ASK PEOPLE, AS DDB HAS DONE FOR I THINK 47 YEARS NOW, HOW TRUE IS IT?

I NEED TO GET THE NEWS, NATIONAL, INTERNATIONAL, AND LOCAL, EVERY DAY.

ACROSS ALL AGE GROUPS, THAT NUMBER IS GOING DOWN.

AS YOU PROBABLY KNOW, THE NEWS AUDIENCES FOR NETWORK AND LOCAL TELEVISION NEWS ARE DOWN.

CIRCULATIONS IN BOTH ELITE AND LOCAL NEWSPAPERS IS PLUMMETING.

SO THERE IS JUST A LOT OF PROBLEMS IN TERMS OF RELIANCE ON THE LEGACY MEDIA FOR NEWS.

AND SIMULTANEOUSLY, THERE'S THIS RELIANCE ON INTERNET.

SEE HERE, AS YOU PROBABLY REALIZE, OUR MOST QUALITY NEWS IN THE UNITED STATES COMES FROM THE PAPER.

THEY HAVE LARGE STAFF -- AT LEAST THEY HAD.

THEY USED TO HAVE LARGE STAFF AND THEY WERE ABLE TO REALLY INVESTIGATE PIECES.

NOW IT'S JUST PIECES THAT PRODUCE A LOT OF EDITORIAL MATERIALS, REALLY IN-DEPTH LOOKS AT IN SUNDRY TOPICS THAT WE NEED TO KNOW ABOUT IN ORDER TO PARTICIPATE IN OUR DEMOCRACY.

LOOK HOW LOW THOSE NEWSPAPER SCORES ARE ON TRUSTWORTHINESS, UP TO DATEDNESS AND SO ON AND SO FORTH.

IF YOU CONTRAST THAT WITH THE INTERNET, LOOK HOW WELL THE INTERNET DOES.

29% THE PEOPLE SAY UP TO DATE.

41%, EASY TO USE.

AND 49% IT PROVIDES NEWS ONLY WHEN I WANT IT.

SO A MOVEMENT AWAY FROM THE LEGACY MEDIA TOWARD THE INTERNET.

THIS -- THERE'S ALSO GROWING DEMAND FOR PERSONALIZED INPUT.

I DON'T WANT YOUR NEWS.

I DON'T WANT YOUR MUSIC.

I DON'T WANT TO HEAR FROM YOUR FRIENDS.

I WANT MINE.

AND THERE ARE THE EXAMPLES OF THAT WHICH ARE A MYRIAD.
WE COULD TALK ABOUT ALL OF THOSE THINGS.
THEY GET THEIR OWN NEWS, OWN PERSONALIZED PLAY LIST.
THE IPOD HAS REALLY LED US TO BE A NATION OF PEOPLE WHO DO OUR
OWN RADIO PROGRAMMING.
CUSTOMIZE ONLINE COMMUNITIES OF ALL TYPES.
TIVO.
I CAN WATCH WHAT I WANT WHEN I WANT TO WATCH IT.
PERSONALIZED RING TONES.
RING TONES IN AMERICA IS A \$3.5 BILLION A YEAR INDUSTRY.
THAT'S JUST SO THAT YOU'LL KNOW WHO'S CALLING YOU WHEN YOUR
SPECIALIZED RING TONES GO OFF.
THE SIXTH BIG CHANGE IS THIS HUGE FOCUS ON CELEBRITIES.
THERE'S A BIG LITERATURE OUT THERE IF YOU LOOK AT OUR
BIBLIOGRAPHY, YOU'LL SEE LOTS ABOUT THIS.
IT'S VERY IMPORTANT -- SOME PEOPLE ARGUE IT'S A FORM OF DUMBING
DOWN OF OUR CULTURE.
OTHERS ARGUE, NO.
THIS TREMENDOUS INTEREST IN CELEBRITIES REALLY IS COMING BECAUSE
WE HAVE THE TECHNOLOGY TO FOLLOW THEM ALL THE TIME SO WE KNOW
EXACTLY WHAT LINDSAY LOHAN IS DOING THIS AFTERNOON.
AND BECAUSE WE CAN KNOW, WE WANT TO KNOW.
SO PARTICULARLY GLEN, HE'S ALWAYS ASKING ME, WHAT IS LINDSAY
LOHAN DOING THIS AFTERNOON?
SEVENTH IS, YOU KNOW, THE MOST ANNOYING GENERATION OF ALL TIME,
WHICH, OF COURSE, IS THE BABY BOOMERS, ONE OF THEIR ADDITIONAL
ANNOYING ATTRIBUTES IS THEY REFUSE TO AGE.
SO ANYTHING THAT A 15 YEAR OLD OR A 25-YEAR-OLD IS DOING, A
55-YEAR-OLD HAS TO BE DOING AT THE SAME TIME.
IN OTHER WORDS, THEY ARE NOT --
THERE'S NO DELAY CURVE AS THERE HAS BEEN IN THE GENERATIONS THAT
CAME BEFORE THE BABY BOOMERS.
I LOVE THIS PARTICULAR SLIDE.
YOU CAN LOOK ON HERE AND SEE WHAT YOUR ACTUAL AGE IS AND THEN HOW
OLD YOU THINK YOU ARE, OKAY?
RIGHT.
ACTUALLY, I'M OFF THIS CHART.
BUT, ANYWAY, I AM A BABY BOOMER.
NOT ONLY DO BABY BOOMERS ACT YOUNG, WE ACTUALLY THINK WE ARE
YOUNG.
THAT'S VERY IMPORTANT.
GLEN'S TRYING TO FIGURE OUT HOW OLD HE IS.
THIS IS REALLY -- THIS IS SO IMPORTANT BECAUSE THAT MEANS THAT
HUGE PORTION OF OUR POPULATION MUST BE DEALT WITH NOT AS OLD
PEOPLE BUT AS YOUNG PEOPLE BECAUSE THAT'S THE WAY THEY PERCEIVE
THEMSELVES TO BE.

AND CONSISTENT WITH THIS BABY BOOMERS ARE GOING ONLINE FOR THEIR HEALTH RESOURCES JUST LIKE EVERYTHING EVERYBODY ELSE IS DOING. TREMENDOUS MOVEMENT IN THAT DIRECTION.

THAT'S SOMETHING YOU HAVE TO KEEP IN MIND WHEN YOU ARE CONSIDERING USING YOUR LEGACY MEDIA TO COMMUNICATE WITH THESE PEOPLE.

NOW, THE LAST BIG CHANGE I WANT TO MENTION TO YOU IS ALSO A VERY SCARY ONE.

WE KNOW, FROM A VARIETY OF DIFFERENT SOURCES, CERTAINLY DATA ALLOWED US TO LOOK --

FASHION, THAT MORE AND MORE PEOPLE ARE SPENDING MORE AND MORE TIME IN THE MEDIA.

MEDIA TIME IS UP IN SOME GROUPS -- AND THAT'S GOT A LOT OF HEALTH IMPLICATIONS, OBVIOUSLY.

THAT'S GOT A LOT OF IMPLICATIONS ABOUT HOW TO -- BUT IT ALSO HAS -- IT HAS A REAL IMPORTANT DOWNSIDE.

THAT IS, IF YOU LOOK AT THE PORTION OF TOTAL TIME SPENT TRYING TO GET INFORMATION VERSUS TRYING TO BE ENTERTAINED, ENTERTAINMENT TIME IS EATING INFORMATION TIME.

SO BASICALLY PEOPLE ARE MORE AND MORE AMUSING THEMSELVES TO DEATH, PERHAPS SOME WOULD SAY.

SO WE'VE SEEN EIGHT REALLY IMPORTANT CHANGES.

THERE ARE OTHERS, BUT THESE ARE REALLY, REALLY IMPORTANT ONES.

SO WHEN WE THINK ABOUT THEM, WHAT DO THEY TELL US IN TERMS OF WHAT WE NEED TO BE DOING TO COMMUNICATE EFFECTIVELY WITH PEOPLE? IMPORTANT MESSAGES.

AND IT'S THE BOOMING, BUZZING CONFUSION OUT THERE.

IT'S REALLY NOT CLEAR.

ADVERTISERS ARE SCARED TO DEATH.

NEWSPAPER PEOPLE ARE SCARED TO DEATH.

TELEVISION PEOPLE ARE SCARED TO DEATH.

NOBODY REALLY KNOWS.

SO WHAT WE WANT TO DO IS SUGGEST A VERY SIMPLE MODEL TO YOU, AND A MODEL THAT WE THINK WILL HELP YOU THINK IN A VERY INSIGHTFUL WAY ABOUT HOW TO DEAL WITH REACHING THOSE YOU WISH TO REACH IN THIS NEW ENVIRONMENT.

AND THE FIRST PLACE WE'RE GOING TO START IN TALKING ABOUT THIS MODEL IS FOUR BASIC HUMAN NEEDS.

YOU CAN ARGUE -- THESE ARE COMMUNICATION NEEDS.

THERE ARE A LOT OF DIFFERENT NEEDS IN THE WHOLE WIDE WORLD.

WE'LL KEEP IT SIMPLE AND SAY THERE ARE FOUR OF THEM.

THEY ARE CONNECTIVITY, INFORMATION, ENTERTAINMENT, AND MY PERSONAL FAVORITE, SHOPPING.

NOW, EVERY INSTANCE OF MEDIA USE IS OBVIOUSLY MOTIVATED BY A COMMUNICATION NEED, AND SOME MEDIA USE IS MOTIVATED BY MULTIPLE COMMUNICATION NEEDS.

SO IT'S CRITICAL WHEN YOU'RE TRYING TO FIGURE OUT WHAT MEDIA ARE PEOPLE GOING TO USE WHEN TO ACCOMPLISH WHAT THAT YOU ASK WHICH OF THOSE FOUR NEEDS THEY ARE ATTEMPTING TO SATISFY.

NOW, ONE OF THE REALLY INTERESTING THINGS THAT'S GOING ON HERE IS THAT MORE AND MORE CONNECTIVITY IS BEING ACCOMPLISHED WITH THE MEDIA.

WE PUT TOGETHER THIS LITTLE CHART WHICH I THINK IS KIND OF COOL. IF YOU LOOK AT INDIVIDUALS AND THEIR RELATIONSHIP TO THEIR CLOSEST OTHERS, THEIR INNER CIRCLE, YOU CAN SEE THERE THAT FACE-TO-FACE INTERPERSONAL COMMUNICATION IS BIG, BUT NOTICE HOW LARGE THE PROPORTION OF TIME IS THAT THEY'RE ACTUALLY DOING THAT IN THE MEDIATED FASHION.

IF YOU HAVE TEENAGERS AND YOU SEE PEOPLE SITTING AROUND TALKING TO EACH OTHER, I MING EACH OTHER OR OTHER PEOPLE, THAT'S A PERFECT EXAMPLE WHERE THAT COMMUNICATION IS WINNING OUT OVER FACE TO FACE.

THIS BECOMES MORE INTENSE WHEN YOU GO TO A FARTHER AWAY COMMUNITY, NEIGHBORS, LOCAL GROUPS AND SO ON AND SO FORTH. AGAIN, YOU HAVE LESS FACE TO FACE AT THAT POINT AND MORE MEDIATED. OBVIOUSLY, WHEN YOU GET TO YOUR EXTENDED COMMUNITY HERE, YOU HAVE

HUGE AMOUNTS OF MEDIATION.

SO CONNECTIVITY IS MOVING IN A VERY RAPID FASHION FROM BEING A FACE-TO-FACE NEED SATISFACTION THAT WE HAVE TO BEING A MEDIATED ONE.

NOW, THIS IS KIND OF GROSS, ACTUALLY, BUT THE CONNECTIVITY NEED IS REFLECTED VERY HEAVILY IN HOW HAD PEOPLE ARE OPERATING IN THE DIGITAL ENVIRONMENT TO CONNECT WITH EACH OTHER IN HEALTH.

IF YOU GO ONTO YOUTUBE AND TYPE IN "SURGERIES" -- I DID THIS LAST WEEK -- 27,000 PEOPLE SEARCHED FOR SURGERY OR CHILDREN'S SURGERY. THERE'S -- WHY ARE THEY PUTTING IT OUT THERE?

THEY WANT TO SHARE.

THEY WANT TO CONNECT WITH OTHER PEOPLE.

NOW, THIS IS MYSPACE.

THIS IS BABY CALEB WHO HAD SURGERY.

THERE IS A VIDEO OF HIS SURGERY.

THERE IS AN INDIVIDUAL PICTURE, ET CETERA, ET CETERA.

AGAIN, CONNECTIVITY IS THE MOTIVATION THAT'S DRIVING THIS.

THAT'S VERY, VERY IMPORTANT TO SEE.

NOW, LET'S LOOK AT INFORMATION NEEDS.

HERE WE SEE, YOU KNOW, AGAIN THE INTERNET COMING IN AND BEING THE MAJOR PLAYER.

AND THE FUNCTION WITHIN THAT IS SEARCH.

YOU CANNOT OVERESTIMATE THE IMPACT OF SEARCH.

INSTEAD OF PEOPLE JUST MARKING THEIR FAVORITE BOOKMARKS FOR VARIOUS INTERNET LOCATIONS, THEY DON'T DO THAT AT ALL.

THEY -- THEY DO IT A LITTLE BIT.
WHAT THEY TEND TO DO IS SEARCH FOR EVERYTHING.
SO WHAT'S OUT AT THE END OF THAT SEARCH IS BECOMING CRUCIAL
BECAUSE THAT'S THE WAY YOU REACH PEOPLE.
NOT ADVERTISING BUT BEING OUT AT THE END OF THAT SEARCH PROCESS.
HERE I HAVE IS SOME DATA ABOUT THIS TREMENDOUS AMOUNT OF SEARCH
ACTIVITY THAT IS RELEVANT IN THE HEALTH COMMUNICATION AREA.
AGAIN, HERE'S JUST MORE DATA.
CAREGIVERS ARE PEOPLE WHO WHEN ASKED IN A SURVEY -- THE PEW
FOUNDATION ASKED PEOPLE, HAVE YOU HAD A MAJOR HEALTH PROBLEM
YOURSELF OR IN YOUR FAMILY IN THE LAST YEAR?
PEOPLE WHO SAID YES AND/OR ONLINE THEN RESPONDED IN THIS WAY.
YOU CAN SEE THAT THERE'S AN INCREDIBLE RELIANCE NOW ON DIGITAL
SOURCES OF INFORMATION ABOUT WHAT YOU NEED TO DO WHEN YOU HAVE A
LOVED ONE OR HAVE AN ILLNESS YOURSELF.
THEN THERE'S THE ENTERTAINMENT NEED.
MORE AND MORE WE SEE PEOPLE USING, FOR EXAMPLE, CELEBRITIES AS
MODELS FOR THEIR OWN BEHAVIOR, CELEBRITIES AS BRINGING UP THE
TOPIC OF VARIOUS IN SUNDRY KIND OF SYNDROMES THAT THEN BECOME
VERY, VERY HEAVILY COVERED IN THE NEWS AND SO ON.
THIS IS NEVE CAMPBELL.
I'M NOT SURE EXACTLY WHAT THE PHENOMENA IS.
THIS CAMPAIGN WAS USED VERY, VERY HEAVILY.
I CAN'T REMEMBER WHAT CONDITION IT IS.
AT LEAST SHE'S ACE CELEBRITY THAT SHE CARES.
THIS IS LEANN RIMES.
SHE HAS ECZEMA.
I DON'T KNOW IF YOU SAW THIS.
VERY, VERY EFFECTIVE USE OF CELEBRITIES TO TALK ABOUT HEALTH ISSUES.
SO THEN YOU REALLY MARRY THAT ENTERTAINMENT MOTIVATION WITH THE
EFFECTIVENESS OF THE INFORMATION.
THEN THERE'S THE PURCHASING NEED.
OBVIOUSLY, PURCHASE -- THERE'S NOT TOO MUCH IN THE WAY OF ONLINE
PHARMACIES SO FAR, BUT THERE'S A TON OF PRE-PURCHASED RESEARCH
THAT'S GOING ON OUT THERE.
THERE'S A LOT OF GATHERING INFORMATION AND SO ON AND SO FORTH.
SO IN THE WHOLE PURCHASE AREA, YOU DON'T SEE AS MUCH ACTIVITY IN
THE HEALTH FIELD AS YOU DO IN SOME OF THE OTHERS, BUT SOMETHING
LIKE 60% OF ALL THOSE WHO PURCHASE CARS IN THE LAST TWO YEARS USE
THE INTERNET EITHER TO FIND THE CAR, TO DO COMPARISON SHOPPING OR
EVEN TO MAKE THE PURCHASE.
SO PURCHASE IS A HUGE NEED THAT'S BEING FILLED VERY EFFECTIVELY
IN THE DIGITAL ENVIRONMENT.
NOW, THE SECOND KIND OF VARIABLE THAT I WANT TO TALK TO YOU ABOUT
IN TERMS OF THE MODEL I'LL GET YOU TO IN A MINUTE HERE -- ARE FEATURES.
FEATURES ARE REALLY IMPORTANT TO THINK ABOUT BECAUSE, FIRST OF

ALL, PEOPLE HAVE ALWAYS CHOSEN THEIR IMMEDIATE NA BASED ON FEATURE. THE REASON SO MANY PEOPLE WATCH THEIR NEWS ON TELEVISION IS BECAUSE TELEVISION HAS BRIGHT COLORED MOVING IMAGES, AND PRINT DOESN'T.

IT'S EASIER TO UNDERSTAND TELEVISION STORIES THAN -- SO CHEERL THE FEATURES OF THOSE LEGACY -- NOW WITH THE DIGITAL REVOLUTION, WE HAVE SO MANY TO CHOOSE FROM.

WE HAVE -- WE CAN HAVE ANYTHING WE WANT, INFORMATION, ENTERTAINMENT IMMEDIATELY.

IT CAN BE PARTICIPATORY.

I CAN TELL YOU WHAT I THINK AND RESPOND BACK TO YOU.

IT'S MOBILE.

WELL, SURE, NEWSPAPERS ARE MOBILE, BUT IT'S MOBILE AND IMMEDIATE SO I CAN FIND OUT MOMENTARILY WHAT CINEMA IS SHOWING WHAT MOVIE AND I CAN FIND OUT WHAT THE WEATHER IS IN CINCINNATI.

ALL IMMEDIATELY AND BY SOME DIGITAL TECHNOLOGY THAT I HAVE.

EVERYTHING IS SEARCHABLE.

CUSTOMIZABLE.

IT'S JUST FOR ME.

RICH INSIGHT FOUND A MOVEMENT THAT -- VIDEO.

AND ON DEMAND.

THAT IS, I CAN TIME-SHIFT SO I CAN GET MY FAVORITE PROGRAMS WHEREVER I WANT THEM.

I CAN LISTEN TO MY FAVORITE MUSIC WITH MY OWN IPOD, SO ON AND SO FORTH.

SO FEATURES ARE REALLY, REALLY IMPORTANT TO TAKE TAI LOOK AT.

NOW, HERE ARE FEATURES DISTRIBUTED ACROSS THE MEDIA.

YOU CAN SEE WHAT'S HAPPENING WITH THE LEGACY MEDIA.

THEY DON'T HAVE THOSE FEATURES.

TV HAS MORE.

CABLE HAS MORE.

BUT LOOK AT THE INTERNET.

IT PROVIDES SATISFACTION ON EVERY SINGLE ONE OF THE FEATURES, AND THAT'S THE MAIN REASON THAT -- IN THE DIGITAL WORLD, HERE I'VE GOT SOME EXAMPLES OF HOW THIS IS SPECIFICALLY -- THE THIRD VARIABLE THAT I WANT TO MENTION TO YOU, THOUGH, IS REALLY IMPORTANT.

I'VE HEARD IT IN VARIOUS PRESENTATIONS SPOKEN ABOUT IN DIFFERENT WAYS.

BUT CLASSICALLY, IN THE MASS MEDIA WE HAVE THE AUTHORITARIAN VOICE. SOME PEOPLE CALL IT THE ADULT TO ADULT VOICE.

IT'S THE VOICE OF WALTER CONVICT KITE TELLING YOU, AND THAT'S THE IMPORTANT NEWS THAT YOU NEED TO KNOW TODAY.

BUT THE DIGITAL ENVIRONMENT, BECAUSE OF THOSE FEATURES WE JUST HOOKED AT, NOW ALLOWS US TO HAVE OTHER KINDS OF VOICES.

FIRST OF ALL, IT'S ALLOWED US, BY CABLE TELEVISION, TO HAVE

OPINIONATED VOICES EVEN IN THE NEWS.

IF YOU LOOK AT FOX NEWS, YOU ARE LISTENING TO THE NEWS THROUGH A PRISM OF A POLITICAL ORIENTATION AND THERE'S LOTS AND LOTS OF EXAMPLE OFS THAT.

IN FACT, YOU CAN GET ALL OF YOUR NEWS FROM YOUR FAVORITE POINT OF VIEW.

ANOTHER KIND -- YOU'RE, LIKE, OH!

THE OTHER KIND IS WHAT WE'VE BEEN CALLING CREATIVE NEWS.

I'M NOT TOO CRAZY ABOUT THAT TITLE, BUT THAT'S NEWS FROM PEOPLE LIKE YOU AND ME.

WHEN THE BRIDGE FELL DOWN IN MINNEAPOLIS, WHERE DID THE VERY BEST VIDEO COME FROM?

FROM THE PERSON WITH HIS CELL PHONE.

MORE AND MORE YOU SEE THAT KIND OF THING.

IT'S NOT JUST THAT.

IT'S ALL ABOUT BLOGGING, ALL THAT SOCIAL NETWORK ACTIVITY.

THAT IS NEWS AND INFORMATION THAT COMES FROM PEOPLE TO PEOPLE.

IT'S MANY, MANY -- AND THERE'S ALSO -- AND I DIDN'T HAVE TIME TO REALLY TELL YOU ABOUT THIS --

IF YOU HAVE A CHANCE, GO TO MINNESOTA PUBLIC RADIO BECAUSE THERE THEY HAVE THE MOST FABULOUS SYSTEM CALLED THE -- I FORGET WHAT THE DARN THING IS CALLED.

ANYWAY, THEY HAVE THIS PROGRAM BASICALLY, THE KNOWLEDGE GENERATOR, WHERE THE REPORTER ASKS QUESTIONS, HOW DO WE SAVE ALL -- AND PEOPLE COME BACK IN AND HAVE ALL KINDS OF IDEAS.

THEN THE REPORTERS SORT THROUGH IT AND THEN THE STORIES THAT ARE TOLD ON MINNESOTA PUBLIC RADIO ARE A COMBINATION OF THE AUTHORITARIAN WITH THE CREATIVE.

SO IT PARTNERS THE VOICE WHICH IS VERY POWERFUL AND I THINK WILL BECOME MORE AND MORE IMPORTANT AS TIME GOES ON.

OKAY.

MORE AND MORE PEOPLE ARE MOVING AWAY FROM THE AUTHORITATIVE.

A LOT OF RESEARCH IS BEING DAN ON THIS AND I THINK IT'S SOMETHING YOU AS PROFESSIONAL HEALTH COMMUNICATORS WANT TO THINK ABOUT VERY, VERY CAREFULLY.

PATIENT VOICES ARE CREDIT CHI IMPORTANT.

THIS IS A PIECE IN THE "WALL STREET JOURNAL" IN JUNE AND TALKS ABOUT THE COMING EMPOWERMENT OF PEOPLE'S VOICES ABOUT WHAT HEALTH

ISSUES ARE IMPORTANT TO LOOK AT, WHAT THEIR EXPERIENCE HAS BEEN, HOW NETWORKING TOGETHER THEY CAN MAKE THEIR OWN DISEASES, SYNDROMES, PROBLEMS, ET CETERA, ET CETERA BECOME MORE PAID ATTENTION TO, MORE SALIENT AND SO ON AND SO FORTH.

NOW, THE LAST CONCEPT I WANT TO MENTION IS ALSO -- UNDER A DIFFERENT NAME.

I CALL IT -- IT IS THE NOTION THAT PEOPLE ARE MORE OR LESS SU

SEPTEMBERIVE -- SUSCEPTIBLE TO --
NOW LET'S -- USING THE THEORY, I'M SURE YOU ALL KNOW IT --
SIMPLE, STRAIGHTFORWARD IDEA THAT PEOPLE USE THE MEDIA IN ORDER
TO FILL CERTAIN NEEDS AND IF THOSE NEEDS ARE GRATIFIED, THEY
CONTINUE ON USING THOSE MEDIA.
IF THEY'RE NOT, THEY -- OKAY?
SO HERE'S WHAT WE CALL THE MEDIA CHOICE MODEL.
I WANT TO TAKE YOU THROUGH IT VERY BRIEFLY.
THIS IS THE ONE THAT CAME BEFORE THE DIGITAL REVOLUTION.
SO YOU START OUT WITH YOUR NEEDS STATES AND THEY DRIVE
EVERYTHING.
ALL ASPECTS OF MEDIA CHOICE.
THEY INTERACT WITH INDIVIDUAL DIFFERENCES, OKAY?
YOUR GENDER, YOUR AGE, YOUR HEALTH, ALL OF THOSE KINDS OF
VARIABLES HAVE AN IMPACT THAT HAS TO BE RESEARCHED.
AND THERE'S APRIL ATUR.
WHAT IS THE TASK TO BE DONE?
WHAT TAME OF DAY, WHAT TIME OF YEAR, ET CETERA, ET CETERA.
THOSE VARIABLES GO TO LEAD YOU -- NOW, THIS IS IS THE LEGACY MEDIA.
THIS IS BACK IN THE OLDEN DAYS.
IT WAS ALL AUTHORITATIVE CONTENT -- TO PICK THE MEDIA FEATURES
WHICH ARE MY FAVORITE MEDIA FAERTS.
THAT LED TO YOUR MEDIA CHOICES.
IF THAT MEDIUM GRATIFIED YOU --
SO YOU WATCH THE NBC EVENING NATIONAL NEWS, AND IT MAKES YOU
HAPPY, SATISFIES YOUR NEEDS FOR INFORMATION, ENTERTAINMENT,
CONDUCTIVITY, ET CETERA, ET CETERA.
YOU STICK WITH IT.
AND IF IT DOESN'T, THEN YOU GO BACK UP HERE AND MAKE ANOTHER CHOICE.
BUT BACK IN THOSE DAYS, THERE WEREN'T MANY CHOICES TO MAKE.
NOW THIS IS THE CURRENT SITUATION.
IT'S AN OVERSIMILAR MRIF OCCASION OF THAT SITUATION.
NOTICE HERE YOU HAVE THREE DIFFERENT KINDS OF VOICES.
AGAIN, THERE ARE MORE AND IT'S MORE COMPLICATED THAN THAT.
BUT YOU COULD CHOOSE THE AUTHORITATIVE IF YOU DESIRE IT.
YOU CAN CHOOSE THE CREATIVE.
YOU CAN LEARN ABOUT DISEASES FROM OTHER PEOPLE INSTEAD OF
AUTHORITIES.
AND YOU CAN GET YOUR INFORMATION AND ENTERTAINMENT FROM
WHATEVER
PART OF THE OPINION CONTINUUM YOU DESIRE IT FROM.
NOW, NOTICE THAT THERE'S LOTS MORE FEATURES YOU CAN CHOOSE FROM,
TOO.
SO THIS MODEL HAS BECOME MORE COMPLEX, BUT IT BASICALLY WORKS IN
THE SAME WAY.
BEFORE YOU DO ANYTHING TO TRY TO FIGURE OUT WHAT CHANNEL SHOULD I

USE TO GET MY MESSAGE AACROSS, YOU WANT TO THINK THROUGH THE ANSWERS TO THE QUESTIONS ESSENTIALLY ASKED IN EACH OF THOSE BOXES. OKAY.

NOW, THIS IS A-YEAR-OLD, THIS DATA.

THIS COMES FROM THE FAMOUS BALL STATE STUDY, WHICH I HOPE MOST OF YOU HAVE SEEN.

THIS RESULTED FROM 430 PEOPLE WHO WERE FOLLOWED ALL DAY LONG FOR SEVERAL DAYS, AND IT JUST LOOKED AT THE NUMBER OF MINUTES THEY SPENT WITH EACH OF THEIR MEDIA, AND THEY LOOKED AT THE PERCENT OF PEOPLE THAT SPENT ANY TIME WITH THAT MEDIUM.

OKAY?

SO UP THERE IN THE RIGHT-HAND CORNER IS THE 900-POUND GORILLA, AND THAT'S TELEVISION.

TELEVISION IS STILL OUT THERE.

IT'S BIG, IT'S HUGE, BUT IT'S OFTEN A TALKING LAMP, OKAY?

YOU CAN'T -- PEOPLE AREN'T REALLY WATCHING THAT MANY MINUTES, OKAY?

NOW, YOU LOOK AT -- THIS WHOLE COLLECTION RIGHT IN HERE -- AND THOSE ARE MOSTLY YOUR DIGITAL MEDIA.

LOOK HOW THEY'VE COME TO DOMINATE.

AND THIS IS 18 MONTHS AGO.

WHEN THE BALL STATE STUDY COMES OUT NEXT SUMMER, I THINK WE'LL ALL BE SURPRISED AT HOW MUCH THIS HAS MOVED UP.

HERE ARE SO MANY OF YOUR LEGACY MEDIA.

ONLY 42% OF PEOPLE USE A NEWSPAPER AT ALL, AND THE MAIN NUMBER OF MINUTES PER DAY IS 12.

NOT A GOOD THING FOR NEWSPAPERS.

OKAY.

MAGAZINES, OTHER KINDS OF STUFF DOWN HEREMENT BUT BASICALLY WHAT THIS SHEES IS THAT -- SHOWS IS THAT THE MECHANISMS THAT DRIVE PEOPLE'S MEDIA CHOICES ARE CHANGING IN SUCH A WAY THAT YOU'RE GETTING THIS KIND OF DISTRIBUTION.

SO WHEN YOU THINK ABOUT WHAT CHANNELS WILL I USE?

WHAT WILL I BUY?

HOW WILL I TRAY TO IMPACT PEOPLE?

YOU WANT TO BE THINKING ABOUT HOW THESE THINGS HAVE IMPACTED -- SO WHAT DOES THIS MEAN FOR HEALTH COMMUNICATIONS?

WELL, FIRST OF ALL IT MEANS THAT YOU HAVE TO DO RESEARCH AND IT HAS TO LOOK DIFFERENT FROM THE OLD-TIME SEARCHES THAT WE USED TO DO.

I'M JUST GOING TO GIVE YOU A COUPLE OF EXAMPLES.

YOU NEED TO LOOK AT COMMUNICATIONS NEEDS.

YOU NEED TO ASK QUESTIONS LIKE THIS, AND WE HAVEN'T DONE THIS YET IN HEALTH COMMUNICATION, BUT WE'RE DOING THIS MASSIVELY FOR TELEVISION NEWS, FOR ADVERTISING, AND FOR NEWSPAPER NEWS.

GETTING HEALTH INFORMATION I CAN SHARE WITH MY FRIENDS, THAT'S THE CONNECTIVITY DRIVE, OKAY?

WE DON'T USUALLY ASK THAT QUESTION, BUT IT'S SO CRUCIAL WHEN YOU'RE TRYING TO FIGURE OUT WHAT CHANNELS TO USE.
GETTING HEALTH INFORMATION THAT MAKES ME FEEL SMARTER, THAT'S ALSO A CONNECTIVITY VARIABLE, INTERESTINGLY ENOUGH.
GETTING HEALTH INFORMATION, KNOWING WHO WROTE OR COMPILED THE HEALTH INFORMATION, THAT'S YOUR VOICE.
YOU'RE TRYING TO PICK UP, DO YOU WANT TO HEAR THAT FROM PEOPLE THAT ALSO HAVE THE SAME KIND OF CANCER YOU DO?
PEOPLE THAT HAVE THE SAME KIND OF TROUBLED PREGNANCY YOU DO?
ET CETERA, ET CETERA.
THEN HERE'S INFORMATION NEEDS AND SOME EXAMPLES OF ENTERTAINMENT, HEALTH INFORMATION ENTERTAINS ME, MAKES ME FEEL RELAXED, IS SUPPORTIVE OF MY POINT OF VIEW.
SO THOSE LOOK VERY DIFFERENT FROM THE CLASSIC KINDS OF RESEARCH QUESTIONS WE ASKED, BUT I THINK YOU CAN SEE HOW THESE QUESTIONS BECOME SO IMPORTANT WHEN YOU'RE TRYING TO FIGURE OUT MEDIA CHOICE OF YOUR TARGET GROUPS.
NOW, HERE'S QUESTIONS YOU CAN ASK ABOUT MEDIA FEATURES.
HOW IMPORTANT ARE EACH OF THE FOLLOWING IN YOUR CHOICE OF GETTING HEALTH INFORMATION?
GETTING HEALTH INFORMATION WHEN I WANT IT.
THAT'S A IMMEDIACY.
GETTING ONLY THE HEALTH INFORMATION I WANT.
THAT'S CUSTOMIZABILITY.
SO FOR EVERY SINGLE ONE OF THOSE VARIABLES I SHOWED YOU IN THE MODEL -- IS THAT ME?
OR IS THAT YOU?
ANYWAY, EVERY SINGLE ONE OF THE BOXES THAT YOU SAW IN THE MEDIA CHOICE MODEL SUGGESTS THAT YOU SHOULD ASK A DIFFERENT KIND OF RESEARCH QUESTION.
HERE'S AN EXAMPLE OF ASKING QUESTIONS WE DON'T USE NAERLY ENOUGH KNOWLEDGE ABOUT AP ATUR AS WE SHOULD.
WHAT TIME OF DAY DO YOU GET HEALTH INFORMATION?
STAY CONNECTED WITH THE HEALTH OF OTHERS.
THAT'S VERY MUCH TIME AND AP ATUR DRIVEN.
SO, IN CONCLUSION, WHAT HEALTH COMMUNICATORS CAN DO NOW, GET YOURSELF A USEFUL THEORY.
IF YOU DON'T HAVE A THEORY TO HELP YOU FIGURE OUT WHAT IS GOING IN THIS CRAZY, MIXED-UP, DIGITAL WORLD OF OURS, YOU WILL BE -- YOU WILL FAIL IN GETTING TO PEOPLE YOU NEED TO DO GET TO.
CONDUCT FEEDS, FEATURES, AND AP ATUR RESEARCH.
LIKE I'VE SUGGESTED HERE, AND ACT ON THOSE FINDINGS.
YOU'VE HEARD THIS OVER AND OVER AND OVER AGAIN, BUT BE STRATEGIC.
DO NOT BE TACTICAL.
THE CORRECT QUESTION IS NEVER --
WHAT YOU'VE GOOT TO DO IS START OUT AND FIGURE OUT, HOW ARE YOUR

TARGET GROUPS MAKING MEDIA CHOICES?

DEVISE A STRATEGY BASED ON THAT KNOWLEDGE AND THEN PICK YOUR TACTICS.

WHAT YOU'VE SEEN HERE I THINK ARE EXAMPLES OF ALL KINDS OF MEDIA SO DON'T GO IN SAYING, I'M GOING TO USE TELEVISION, OR GO IN SAYING, I'M GOING TO USE THE DIGITAL -- CELL PHONES.

NO.

SEE BE MEDIA AGNOSTIC UNTIL YOU DO THE RESEARCH.

I'VE LOVED TALKING TO Y'ALL.

THANK YOU VERY MUCH.

[APPLAUSE]

>> BE WITH YOU HERE IN JUST A MOMENT.

OKAY.

HERE WE GO.

I'M GOING TO TAKE MY JACKET OFF, IF YOU DON'T MIND.

I'M ALSO NOT A PODIUM SPEAKER SO I WILL BE MINGLING, IF YOU WILL, ALTHOUGH I'VE BEEN TOLD I -- I FOUND THIS SLIDE ABOUT AGE VERY INTERESTING.

I JUST TURNED 60 SO I'M ACTING LIKE I'M 47 1/2 OR SOMETHING.

THERE'S A STORY ABOUT AN 85-YEAR-OLD WHO GOES TO SEE HIS UROLOGIST, AND HE CHECKS IN.

THE RECEPTIONIST SAYS, MR. SMITH WALK UP THE HALL AND MAKE A LEFT. WELL, HE SHUFFLES UP THE HALL AND HE MAKES A RIGHT AND HE WALKS DOWN THIS LONG HALL AND ENDS UP IN A ROOM WHERE THERE'S HEART-SHAPED BEDS, MIRRORS ON THE CEILING, NURSES ARE WEARING HARDLY ANY CLOTHES.

AND HE SAYS, WHERE AM I?

AND THEY SAID, YOU'RE IN THE SUPERSEX ROOM.

HE SAID, I'LL HAVE THE SOUP.

WOULD YOU HAND ME THAT?

I DON'T KNOW IF HE WAS ACTING HIS AGE OR NOT, BUT, ANYWAY --

THAT'S A PHOTOGRAPH OF THE SCHOOL.

WE SPEND AN AWFUL LOT OF MONEY TO MAKE A NEW BUILDING LOOK OLD.

THE BONDING -- ANYWAY, LET ME MOVE ON.

I'M HERE TO TALK ABOUT A COUPLE OF THINGS.

I'M HERE TO TALK ABOUT MARKETING CHANNELS AND HERE TO TALK ABOUT STRATEGIC ALLIANCES WITHIN MARKETING CHANNELS.

I'LL START OFF WITH MARKETING CHANNELS AND THEN I'LL MOVE ONTO ALLIANCES.

BUT, BASICALLY, WHAT I HAVE HERE IS A DEFINITION OF WHAT A MARKETING CHANNEL IS.

THE KEY POINT FOR YOU TO REMEMBER IS IT'S AN INTERDEPENDENT SET OF ORGANIZATIONS THAT MAKE SERVICES OR GOODS AVAILABLE TO CONSUMERS.

NOW, I SAY INTERDEPENDENT BECAUSE MANY TIMES YOU DO NOT OWN THE ENTIRE CHANNEL OF DISTRIBUTION AND YOU'RE WORKING THROUGH

SEPARATE ORGANIZATIONS IN ORDER TO MAKE THINGS HAPPEN IN THE MARKETPLACE.

SO WHILE THE HEALTH CARE CONTEXT MAY BE SEEN A LITTLE BIT UNIQUE, I THINK THE SAME RULES APPLY.

I DO A LOT OF WORK FOR THE UNIVERSITY OF VIRGINIA'S MEDICAL CENTER, AND I LOOK AT THEM AS AN ORGANIZATION THE SAME WAY I WOULD LOOK AT TNG OR ANOTHER ORGANIZATION.

SO WHAT THEY'RE MAKING AVAILABLE IS VERY DIFFERENT.

THIS IS A RECENT EXAMPLE.

IN FACT, THIS MORNING WHEN I WAS RIDING FROM CHARLOTTESVILLE TO RICHMOND TO FLY HERE, THERE WAS A STORY IN MPR ABOUT P ADVANCED MEDICAL OBSTACLES WHO HAD INTRODUCED SOME WETTING SOLUTIONS FOR PEOPLE WHO WEAR CONTACT LENSES THAT THEY WERE RECEIVING FUNGAL INFECTIONS ON THEIR EYEBALLS AND WEREN'T ABLE TO FIGURE OUT WHAT WAS GOING ON.

SO ONE-FOURTH OF THE WEARERS WITH INFECTIONS NEEDED SURGERY TO CORRECT THAT.

A RECENT CDC SURVEY SHOWED THAT HALF OF THE PEOPLE DIDN'T EVEN KNOW OF THE RECALL.

SO WHOEVER WAS USING CHANNELS OF DISTRIBUTION TO REACH THESE CONTACT LENS WEARERS DID NOT DO A VERY GOOD JOB.

OKAY, SO WHAT YOU HAVE HERE IS THE RED IS THE FLOW OF THE GOODS, AND THE NAVY IS THE FLOW OF INFORMATION.

BASICALLY, WHAT IT'S SHOWING IS THAT THE INFORMATION MOVES THROUGH A SEPARATE CHANNEL OF DISTRIBUTION.

THEY WERE ABLE TO REACH PHARMACIES BUT FOR SOME REASON THE WEARERS OF THE CONTACT LENSES WERE NOT REACHED.

THERE WAS A STORY THIS MORNING WHERE THIS WOMAN WAS LIVING WITH A GENTLEMAN WHO WAS WEARING CONTACT LENSES, GETTING VERY BAD INFECTIONS, AND HIS DOCTOR COULD NOT FIGURE OUT WHAT WAS GOING ON. SHE HEARD THE STORY ON MPR, WENT INTO THE BATHROOM TO CHECK HIS WETTING SOLUTION AND, IN FACT, IT WAS MADE BY THIS COMPANY.

SO THAT'S AN EXAMPLE THAT IS VERY MUCH WITH US TODAY.

WHAT IS DIFFICULT IS THERE'S A POPULATION OF PEOPLE CALLED THE UNREACHABLE, AND THE QUESTION BECOMES --

THEY NEED THE HELP THE MOST, BUT THEY'RE NOT AVAILABLE TO YOU THROUGH ORDINARY CHANNELS OF DISTRIBUTION.

SO THE QUESTION BECOMES, HOW DO YOU REACH THOSE PEOPLE?

WE'LL SPEND A LITTLE TIME TALKING ABOUT THAT AS I GO ON.

OKAY.

SO WHEN WE TALK ABOUT THE CHALLENGES OF MANAGING CHANNELS OF DISTRIBUTION, BASICALLY, WHAT YOU'RE ATTEMPTING TO DO IS BE RESPONSIBLE TO CUSTOMERS, MINIMIZING THE COST, MAXIMIZING THE EFFECTIVENESS AS A WAY OF REACHING THE LEVEL OF COOPERATION WITHIN THE CHANNEL OF DISTRIBUTION.

IF YOU LOOK AT HUE HUE LET PACKARD, FOR EXAMPLE.

65% OF WHAT THEY SELL GOES THROUGH CHANNELS OF DISTRIBUTION THAT IT DOES NOT OWN.

THE PEOPLE SELLING THEIR STUFF ARE AUTHORIZED AGENTS, CERTIFIED RESELLERS, SOFTWARE ENGINEERS, ET CETERA.

AS A RESULT OF THAT, THEY ARE AT THE WHIM OF THEIR CHANNEL OF DISTRIBUTION IN ORDER TO MAKE SURE THAT THE MESSAGE IS TOLD, THE GOODS ARE DELIVERED, THE WARRANTIES ARE FULFILLED IN THE WAY THAT HEWLETT PACKARD WOULD LIKE THEM FILLED.

SO 65% OF THEIR CHANNELS ARE INDEPENDENT WHERE THERE NEEDS TO BE SOME LEVEL OF COOPERATION AMONG THEM IN ORDER FOR IT TO ACT AS THOUGH IT WERE VERTICALLY INTEGRATED.

WHEN I SAY VERTICALLY INTEGRATED, THEY MEAN IS OWNED THE ENTIRE LENGTH BY THE ONE COMPANY.

SO CERTAIN RULES THAT THEY'RE OBSERVING TODAY WITHIN THE CHANNELS THERE IS CONSOLIDATION.

IF YOU LOOK AT THE PHARMACEUTICAL INDUSTRY ALONE, BIG PHARMA IS CONSOLIDATING ALMOST ON A DAILY BASIS AND THERE'S SOME SPECULATION THAT THERE WILL JUST BE ONE AND IT MAY BE PFIZER.

IF YOU LOOK AT THE PHARMACIES, THOSE ARE CONVICT SAL SOL -- CONSOLIDATING.

I'M HAVING A MOMENT HERE.

I JUST CAN'T THINK OF SOME OF THEM.

YEAH, THERE'S A LOT OF CONSOLIDATION GOING ON WHICH MEANS THAT PEOPLE ARE GETTING MORE POWERFUL.

WITH THAT POWER COMES A LITTLE ARROGANCE SOMETIMES AND IT BECOMES DIFFICULT WORKING WITH THEM.

IF THE BUSINESS CASE DOES NOT MAKE SENSE, ALL ENGINES STOP.

WHAT I MEAN HERE IS YOU CAN MAKE DECISIONS TO GO THROUGH CERTAIN CHANNELS OF DISTRIBUTION, BUT IF IT DOESN'T MAKE SENSE FROM A BUSINESS STANDPOINT, WHY BOTHER?

YOU KNOW, NOW, THE WORLD THAT I LIVE IN, THE BOTTOM LINE IS, ARE WE MAKING MONEY OR NOT MAKING MONEY?

THE WORLD THAT YOU LIVE IN TYPICALLY IS ONE OF MAKING MONEY IS NOT SO MUCH OF AN ISSUE BECAUSE MANY TIMES YOU DON'T HAVE ANY. OR THE AMOUNT OF MONEY THAT YOU HAVE IS VERY LIMITED AND YOU'VE GOT TO USE IT VERY, VERY CAREFULLY IN ORDER TO MAKE IT HAPPEN.

PARTNER RELATIONSHIP MANAGEMENT IS OVERSOLD A LOT BECAUSE WHAT'S HAPPENING IS THAT MARKETERS AREN'T SPENDING A WHOLE LOT OF TIME ON CRM, CONSUMER RESPONSE MODELS, ET CETERA, AS THE WAY OF FORMING RELATIONSHIPS WITH THEIR CUSTOMERS.

THAT'S NOT WORKING AS WELL AS THEY'D LIKE.

IN FACT, FOLKS ARE SPENDING AN AWFUL LOT OF MONEY OUT THERE MANAGING SYSTEMS THAT ARE JUST NOT WORKING VERY WELL.

YOU'RE STARTING TO SEE CHANNELLING INTERIMMEDIATARIES, THE PEOPLE WHO SIT BETWEEN THE MANUFACTURER AND THE END USER.

LIKE WAL-MART, FOR EXAMPLE, HAVE AN EXTRAORDINARY AMOUNT OF POWER

IN A TIME -- MY FEELING ABOUT WAL-MART -- IS THERE ANYBODY FROM WAL-MART IN THE AUDIENCE?

FESS UP.

THEY SPEND MORE TIME LOBBYING WASHINGTON THAN THEY SPEND FIXING PROBLEMS, AND I THINK THAT IS A PROBLEM.

YOU KNOW, THEIR POWER IS SUCH THAT 15% OF ALL THE GOODS LANDED ON THE WEST COAST OF THE UNITED STATES FROM CHINA GO TO A WAL-MART STORE.

SO IF YOU THINK ABOUT THE AMOUNT OF POWER THEY HAVE IN THE MARKETPLACE, IT IS EXTRAORDINARY.

NOW, THE LAST POINT THAT I'LL MENTION HERE, HOW MANY OF YOU KNOW THE MONKEY LAW OF BUSINESS?

NONE OF YOU.

OF COURSE NOT.

BUT THE MONKEY LAW OF BUSINESS GOES SOMETHING LIKE THIS --

HAVE YOU EVER NOTICED WHEN A MONKEY IS SWINGING THROUGH THE VINES IN THE JUNGLE, BEFORE IT RELEASES THE REAR VINE ITS HAND IS FIRMLY PLANTED ON THE NEXT VINE?

IF YOU DON'T, HE'S GOING TO FALL.

THE POINT I WOULD RAISE HERE IS, IF YOU'RE GOING TO CHANGE CHANNELS THROUGH WHICH YOU SELL, MAKE SURE YOUR HAND IS FIRMLY ON YOUR NEW CHANNEL BEFORE YOU LET YOUR OLD ONE GO OR IN A WAY THAT YOUR BUSINESS.

ESTHER WAS TALKING ABOUT MOVING TO THE INTERNET AS THE WAY OF THE NEW MEDIA.

AS YOU START WALKING AWAY FROM YOUR OLD MEDIA, MAKE SURE THAT YOU

UNDERSTAND THE INTERNET AND THAU IT ENTAILS BEFORE YOU GO FULL BOOR.

THAT COULD BE A PROBLEM.

BUT WHAT WE HAVE HERE IS JUST A SIMPLE RELATIONSHIP BETWEEN END USERS, MANUFACTURERS AND INTERIMMEDIATARIES.

WHAT THE MANUFACTURER WOULD LIKE IS HIGH LEVELS OF SATISFACTION BETWEEN THE END USER AND HIMSELF, BUT VERY OFTEN THEY GO THROUGH THIRD-PARTY CHANNELS IN ORDER TO MAKE THINGS HAPPEN WHERE YOU'RE LOOKING FOR THE MOST EFFECTIVE WAY TO GREET THOSE PEOPLE.

AND SOME VERY STRANGE THINGS HAPPEN.

HOW MANY OF YOU HAVE HEARD OF AMS WAY?

WHEN I SAY AMS WAY, WHAT DO YOU THINK?

DO YOU THINK OF PYRAMID SELLING?

I DON'T HAVE VERY POSITIVE FEELINGS ABOUT AMWAY.

BUT FOR THE LONGEST TIME, THEY WERE THE BIGGEST SELLER OF -- IN THE UNITED STATES.

NOW, MY CONCERN WAS, IF PEOPLE SAY AMWAY AND YOU SAY PYRAMID

SELLING, HOW BADLY MIGHT THAT HAVE AFFECTED MCI'S REPUTATION?
SO BASICALLY YOUR RAEP TAIGS IS AS GOOD AS THE PEOPLE YOU HANG
AROUND WITH.

SO YOU'VE GOT TO BE VERY CAREFUL IN SELECTING CHANNELS OF
DISTRIBUTION.

SO WHEN YOU BEGIN TO DESIGN A CHANNEL, YOU START WITH THE END USER.
YOU ASK YOURSELF, WHAT SEFBSS DOES THAT -- SERVICES DOES THAT END
USER WANT?

A WOMEN'S FOUR-MILER THAT IS RUN ON SATURDAY IN CHARLOTTESVILLE,
WHAT UVA HOSPITAL DOES WHICH PARTLY SUPPORTS THIS, THEY SET UP
MOBILE MAMMOGRAM UNITS BECAUSE THEY'RE REACHING THE TARGET
POPULATION IN AN AREA WHERE THERE WILL BE LITERALLY THOUSANDS OF
WOMEN RUNNING.

AND IT SEEMS THAT AS A CHANNEL OF DISTRIBUTION, IN ORDER TO
SPREAD THE WORD ABOUT WOMEN HEALTH, THAT'S A VERY GOOD VENUE.
WHAT SERVICES DO THEY WANT?

HOW MUCH ARE THOSE SERVICES WORTH?

LOOK AT THE EXISTING CHANNEL OF DISTRIBUTION THAT YOU HAVE.

HOW DOES IT STACK UP?

AND BASICALLY YOU DO A SWAT ANALYSIS, A STRENGTH, WEAKNESS,
OPPORTUNITY KIND OF ANALYSIS AND YOU START TO ASK YOURSELF, IS
THE SEGMENT BEING FULFILLED THROUGH THIS CHANNEL OF DISTRIBUTION?
THIS IS DIFFICULT WITH THE POWERPOINT.

LOOK AT YOUR RESOURCE CONSTRAINTS.

LOOK INTERNALLY AND EXTERNALLY.

AND BASICALLY -- LET ME JUST ROLL THE WHOLE THING HERE --

WHAT I'M SUGGESTING IS YOU LOOK AT THE SEGMENT YOU'RE INTERESTED
IN SERVING, ASK THEM HOW THEY'D LIKE TO BE SERVED IN THE
MARKETPLACE.

LOOK AT EXISTING CHANNELS OF DISTRIBUTION TO SEE IF THEY'RE
FULFILLING THOSE NEEDS.

IF THEY ARE NOT, YOU START TO LOOK AT A NEW CHANNEL OF
DISTRIBUTION AS THE WAY OF REACHING THOSE NEEDS.

BUT NOTICE WHAT I'VE DONE HERE, WHICH MAY SOUND A LITTLE COUNTER
INTUITIVE TO YOU.

WHAT I DID IS STARTED WITH THE END USER, I'VE ASKED THE QUESTION,
HOW DOES HE OR SHE WANT TO BE MET IN THE MARKETPLACE?

AND I DESIGN A CHANNEL OF DISTRIBUTION AROUND THAT.

I DO NOT START OFF WITH THE CHANNEL OF OF DISTRIBUTION AND HOPE
TO REACH CONSUMERS.

JUST BECAUSE I HAVE AVAILABILITY DOES NOT MEAN I'M GOING TO REACH
THE PEOPLE THAT I'M INTERESTED IN REACHING.

LET ME SEE, IN THE INTEREST OF TIME -- SO WHEN YOU THINK ABOUT
DESIGNING A CHANNEL OF DISTRIBUTION, REALLY, WHAT YOU'RE
INTERESTED IN IS EFFECTIVENESS.

ARE WE MEETING THE NEEDS OF THOSE CUSTOMERS?

COVERAGE --

ARE WE REACHING THEM OR ARE WE WIDELY REACHING THEM?

AND WHEN YOU TALK ABOUT THE UNREACHABLE, THAT BECOMES A PROBLEM.

YEARS AGO WHEN I TAUGHT AT THE UNIVERSITY OF MARYLAND, WE HAD GOTTEN SOME MONEY FROM HEW AT THE TIME -- THAT'S HOW LONG AGO IT WAS -- TO DESIGN A CAMPAIGN TO SEE HOW TO GET MOMS TO GET THEIR BABIES INOCULATED FOR THEIR SHOTS.

WE WENT TO BECKLEY, WEST VIRGINIA.

I'M FROM NEW YORK.

THEY DIDN'T THINK HAD I SPOKE --

I SPOKE ENGLISH.

I CERTAINLY DIDN'T UNDERSTAND THEM.

THEY THOUGHT I WAS DEAF BECAUSE EVERY TIME THEY TALKED TO ME, I WOULD SAY, SAY WHAT?

NOW, WE WERE THERE FOR A DAY AND A HALF USING A CAMPAIGN, HUMOROUS CAMPAIGN, STRAIGHTFORWARD EDUCATIONAL CAMPAIGN TO SEE IF

MOMS WOULD COME IN TO GET THEIR BABIES INOCULATED.

MOST OF THE PEOPLE THERE LIGHT TELEVISION BECAUSE THERE ARE NO LOCAL STATIONS IN BECKLEY.

WE WEREN'T IN BECKLEY.

WEER WERE IN A SUBURB OF BECKLEY.

THEIR LOCAL TELEVISION CAME FROM MEMPHIS, AND A COUPLE OF DAYS EARLIER, SEVERAL BABIES HAD DIED FROM THEIR DPT SHOTS.

SO WE'RE THERE DOING AN EXPERIMENT TO GET PEOPLE TO COME IN FOR THEIR SHOTS, BUT WHAT DO YOU DO WHEN THAT HAPPENS?

IT'S A NATURAL EXPERIMENT.

YOU OPEN ANOTHER BOTTLE OF WINE.

AND YOU FOLD YOUR TENT, GO BACK TO WASHINGTON,S AND EXPLAIN WHY THEY SPENT THEIR MONEY WISELY BECAUSE WE COULDN'T DO ANYTHING ELSE WITH THE EXPERIMENT.

BUT YOU LOOK AT THE COST OF SUFFICIENCY.

YOU ALSO LOOK AT, CAN THE CHANNEL ADAPT TO MEET THE NEEDS OF A CHANGING AUDIENCE?

WE ALSO WORKED WITH WHIRLPOOL AND URBAN POOR.

THOSE ARE VERY DIFFERENT POPULATIONS.

SO WE HAVE TIMES WHEN WE NEED TO CHANGE CHANNELS OF IS DISTRIBUTION.

I CALL THIS, OOPS, WE HAVE A PROBLEM.

THE COSTS ARE GOING UP BUT SERVICE AND QUALITY ARE NOT WHAXT DO YOU DO WHEN THAT HAPPENS?

WHEN YOU'RE WORKING WITH LIMITED FUNDS, THAT BECOMES A REAL BIG ISSUE.

MARKET SHARES ARE FAILING AND OPPORTUNITIES HAVE DIMINISHED.

THERE ARE UNEXPLORED NEW CHANNELS THAT YOUR COMPETITION IS SUDDENLY MAKING THEMSELVES AVAILABLE TO.

AND THE COMPETITION IS ALSO FINDING NEWER WAYS TO GO TO MARKET. THERE'S GAPS IN COVERAGE, SYSTEMS ECONOMICS ARE FALLING APART, MEANING THAT MARGINS ARE NO LONGER THERE. SO THESE ARE THINGS THAT YOU WOULD LOOK AT IN ORDER TO UNDERSTAND WHAT IS GOING RIGHT OR WHAT IS GOING WRONG WITH THE CHANNEL OF DISTRIBUTION AND BASICALLY SAY, OOPS, WE HAVE SOME DIFFICULTIES. IT'S KNEW THAT WE BEGIN TO THINK ABOUT CHANGING CHANNELS OF DISTRIBUTION.

WHEN ESTHER TALKED ABOUT STRATEGIES VERSUS TACTICS, WHEN YOU LOOK AT THE TIME IT TAKES TO CHANGE A CHANNEL OF DISTRIBUTION, IT'S A WHOLE LOT LONGER THAN CHANGING THE PRIEGS.

I CAN CHANGE THAT IN A NEW YORK MINUTE.

WHAT I CAN'T DO IS CHANGE CHANNELS OF DISTRIBUTION.

WHERE IT BECOMES INSIDIOUS IS, DO YOU REMEMBER WHEN QUAKER OATS BOUGHT SNAPPLE?

THEY SPENT A COUPLE BILLION DOLLARS TO BUY SNAPPLE.

THEY THOUGHT SINCE THEY OWNED GATORADE THEY COULD SELL SNAPPLE THROUGH THE SAME CHANNEL OF DISTRIBUTION GATORADE WENT THROUGH.

THAT COST THE CEO'S JOB BECAUSE THEY BOUGHT IT FOR \$2 BILLION, SOLD IT FOR 600 MILLION, WHICH IS NOT THE WAY THE MATH IS SUPPOSED TO WORK.

THAT'S THE NEW MATH.

WHAT THEY DISCOVERED IS SNAPPLE IS MOSTLY SOLD THROUGH CONVENIENCE STORES, LIKE 7-ELEVEN.

GATORADE GOES THROUGH SUPERMARKETS WHERE QUAKER OATS HAD A PIPELINE, A CHANNEL OF DISTRIBUTION, THROUGH WHICH IT COULD MOVE ALL THAT STUFF.

AND IT JUST DID NOT WORK FOR THEM.

SO IF YOU'RE NOT INTERESTED IN LOSING YOUR JOB, PAY ATTENTION TO THE SNAPPLE EXAMPLE.

WHAT WE'RE GOING TO TRANSITION -- WE'RE GOING TO TALK ABOUT A CHANNEL OF DISTRIBUTION IN WHICH THERE'S HIGH DEGREES OF COMMITMENT WHERE PEOPLE ARE ENGAGED BECAUSE THEY BUY THE PROGRAM.

THEY SHARE VALUE.

THEY SHARE CORE NOTIONS OF HOW THINGS OUGHT TO HAPPEN.

MOST CHANNELS OF DISTRIBUTION, WHAT YOU HAVE IS YOU PAY ME, I WILL DO THINGS.

I REFER TO THAT AS, WELL --

BASICALLY, THE POINT HERE IS, WORKING WITH YOUR CHANNEL OF DISTRIBUTION, BE HONEST.

DO NOT LIE.

DO NOT WITHHOLD INFORMATION.

IF THEY TALK, THEY WILL KNOW.

I SPENT A LOT OF TIME WORKING WITH MANUFACTURERS AND INDEPENDENT RESELLERS WHO MARKET WHAT THEY SELL.

THEY TALK TO ONE ANOTHER.

THE RESELLERS AND DISTRIBUTORS TALK TO ONE ANOTHER.

AND IF YOU'RE LYING, THAT'S NOT A GOOD REPUTATION FOR YOU TO HAVE.

SO BE HONEST AND ACCURATE EVEN IF IT'S PAINFUL.

LISTEN CAREFULLY TO YOUR CHANNEL OF DISTRIBUTION.

NOT NECESSARILY DO WHAT THEY SUGGEST, BUT AT LEAST LISTEN.

AND IF YOU DON'T DO WHAT THEY SUGGEST, HAVE A REASON FOR DOING THAT.

IF YOU DON'T LISTEN, THEY FEEL THAT YOU'RE IGNORING THEM.

AND ANY CHANCE OF BUILDING A PARTNERSHIP BETWEEN THE TWO OF YOU IS JUST NOT THERE.

THAT WILL NOT HAPPEN.

LISTEN CAREFULLY THROUGH ANY POLICIES THAT YOU'RE GOING TO IMPLEMENT AS THE MANUFACTURER BECAUSE, AGAIN, THEY'RE IN CONTACT WITH EACH OTHER AND YOU NEED TO BE CAREFUL ABOUT THE NEGATIVE FALLOUT, WHAT WILL HAPPEN.

HAVE YOU HEARD OF A COMPANY CALLED SOLAIR?

THEY MAKE AIR COMPRESSORS.

SOMETHING I KNOW ALL OF YOU USE ON A DAILY BASIS.

BUT THEY SELL THROUGH AN INDEPENDENT CHANNEL OF DISTRIBUTION, AND I'M WORKING WITH THEM TO DEVELOP A CERTIFICATION PROGRAM FOR THEIR CHANNEL BECAUSE EITHER YOU'RE CERTIFIED OR YOU DON'T SELL THEIR STUFF.

THEY HAD A NATIONAL MEETING.

THERE WERE ABOUT THE SAME NUMBER OF PEOPLE IN THAT ROOM, AND I GOT TASKED WITH THE JOB OF EXPLAINING TO THEM WHY CERTIFICATION WAS A GOOD IDEA.

LUCKILY I MADE IT OUT ALIVE.

THEY WERE NOT A BUNCH OF HAPPY CAMPERS AS A RESULT OF THAT.

SO WHEN YOU THINK ABOUT WHAT YOU WOULD LOOK FOR IN SELECTING A CHANNEL, THESE ARE THE KINDS OF CRITERIA -- I'LL LEAVE YOU WITH THIS. I WON'T GO OVER THESE -- THESE ARE THINGS THAT YOU WOULD LOOK FOR IN SHEKTING CHANNELS.

REPUTATION BECOMES IMPORTANT, ACCESS TO THE RIGHT MARKETPLACE. SO IN A WAY YOU'RE ASKING NOW WHAT CAN YOUR CHANNEL OF DISTRIBUTION DO FOR YOU?

THERE MAY BE TIMES WHEN YOU NEED TO SUPPORT THAT CHANNEL BECAUSE, WHILE IT'S THE RIGHT CHANNEL OF DISTRIBUTION, IT DOESN'T HAVE THE CAPABILITIESMENT I DON'T DO ACCENTS, BUT THIS IS MUCH LIKE JOHN F. KENNEDY SAYING, ASK NOT WHAT YOUR COUNTRY CAN DO FOR YOU BUT WHAT YOU CAN DO FOR YOUR COUNTRY.

THIS IS WHAT YOU CAN DO FOR YOUR CHANNEL OF DISTRIBUTION IN ORDER FOR IT TO MEET THE NEEDS OF CUSTOMERS THAT YOU'RE INTERESTED IN REACHING.

LET ME MOVE ON TO ALLIANCES, OKAY?

I'VE BEEN STUDYING STRATEGIC ALLIANCES FOR ABOUT 25 YEARS.

THIS IS MY DEFINITION OR PART OF MY DEFINITION --

THE KEY WORDS THAT I WANT YOU TO LOOK AT ARE IT'S SOMETHING THAT IS DONE COLLABORATIVELY.

MEANING WE HAVE TO DO IT TOGETHER.

AND MUTUALLY COMPATIBLE MEANING OUR GOALS DON'T HAVE TO BE THE SAME, BUT THEY HAVE TO BE COMPATIBLE.

AND IT'S DIFFICULT TO ACHIEVE ALONE, OKAY?

THE WORDS IN RED, OPEN-ENDED CONTRACT, IT'S THE DIFFERENCE BETWEEN NAPOLEON ICK CODE AND ANGLO-SAXON LAW.

IN NAPOLEONIC CODE YOU COME UP WITH A REMEDY.

IF SOMETHING HAPPENS ON A TUESDAY AND IT'S RAINING, THE REMEDY IS.

IF YOU'RE UGZ OUTSIDE LEGAL COUNSEL TO DO THIS, IT BECOMES PART OF THEIR 401(K) BECAUSE THEY CAN COME UP WITH -- ALL AOVER THE MACE. SEPARATE FIRMS.

NOW, HERE'S THE ODD PART ABOUT STRATEGIC ALLIANCES.

TWO COMPANIES COME TOGETHER DO TOO DO SOMETHING JOINTLY.

EACH MAINTAIN THEIR OWN INDEPENDENCE AND THE DEFAULT OPS IS TO PRESENT YOU'RE OWN STR.

THAT'S WHY THEY FAIL AT THE RATE OF OF 50%.

MERGERS AND ACQUISITIONS, BY THE WAY, FAIL AT THE RATE OF ABOUT 80%.

ANOW, SHARED DECISION MAKING, WE DON'T LIKE TO SHARE DECISION MAKING WITH PEOPLE IN OUR OWN COMPANY, LET ALONE OTHER COMPANIES. THAT BECOMES AN ISSUE.

IN AN EARLIER LIFE I WAS A BIOLOGIST AND CHEMIST.

WHEN I SAY THAT TO MY YOGA TEACHER, SHE THINKS REINCARNATION.

I'M TALKING UNDERGRADUATE EDUCATION.

I OFTEN GO TO BIOLOGICAL ANALYSES TO HELP ME UNDERSTAND THE WORLD BECAUSE I HAVE COLLEAGUES WHO WORK IN JOINT VENTURES, VALUE ADDED RESELLERS, PURCHASING KIND OF OF ARRANGEMENTS.

WHAT THEY'LL SAY TO ME IS, YOU DON'T UNDERSTAND MY FORM OF ALLIANCE IS DIFFERENT FROM YOUR FORM OF ALLIANCE.

THAT CAN'T BE SO BECAUSE IF IT WAS A BIOLOGICAL ANALOGY -- AALL MAMMALS HAVE HAIR.

THEIR YOUNG ARE BORN LIVE.

THEY SUCK ELLE THEIR YOUNG.

THEY HAVE SEVEN BONES IN THEIR NECK.

OWLS HAVE 14.

THAT'S HOW COME AN OWL CAN TURN ITS HEAD ALL THE WAY AROUND.

THAT LAST POINT IS WORTH THE PRICE OF ADMISSION ALONE.

NOW, HERE IS MORE TO THE DEFINITION.

I'M NOT GOING TO TALK ABOUT THAT.

THIS WILL BE ON THE WEBSITE.

YOU CAN LOOK AT THIS FOR YOUR OWN EDIFICATION.

BUT FOR ME THESE ARE THE SEVEN BONES IN THE NECK, THE HAIR, SUCKLE YOUR YOUNG, ET CETERA.

I'M GOING TO SOUND A LITTLE LIKE WILLIAM SAPPHIRE BUT WORK WITH ME HERE.

OKAY?

OUR GOALS HAVE IS TO BE COMPATIBLE.

THEY DON'T HAVE TO BE THE SAME BUT THEY HAVE TO BE COMPATIBLE.

YOU NEED TO BE ABLE TO ACCOMPLISH YOURS.

I NEED TO BE ABLE TO ACCOMPLISH MINE.

RECOGNIZE INTERDEPENDENCE, OKAY?

WHAT I MEAN HERE IS THAT IF WE DON'T RECOGNIZE WE'RE DEPENDENT ON ONE ANOTHER, I WILL DO SOMETHING TO MY ADVANTAGE, YOUR DETRIMENT. WHY WOULD I HURT YOU IF HURTING YOU HURTS ME?

SO IT'S THE RECOGNIZED INTERDEPENDENCE BETWEEN US.

HIGH LEVELS OF COORDINATION.

LET ME GIVE YOU AN EXAMPLE.

MOTE ROLE LA MAKES BEEPERS IN THE SOUTHEAST PART OF THE UNITED STATES.

THERE ARE 10,000 VARIATIONS TO A BEEPER.

THEY CAN GO FROM MODEL 1 TO MODEL 500 AND NEVER HAVE TO SHUT PRODUCTION TO CHANGE MODEL MARKS.

THE ONLY TIME THEY'RE TOUCHED BY HUMAN HANDS IS WHEN THEY'RE TAKEN OFF THE ASSEMBLY LINE TO BE INSPECTED AND BOXED.

SO FAR NOT TOO SHABBY, RIGHT?

THEY ONLY CARRY 45 MINUTES WORTH OF INVENTORY.

WHAT I MEAN HERE IS IF THE GUY DELIVERING PARTS TO THAT FACILITY EATS LUNCH AT BOB'S BURRITO BARN AND LUNCH DOESN'T AGREE WITH HIM AND HE HAS TO STOP HIS TRUCK IN 46 MINUTES, THEY STOP PRODUCTION. NOW, WHAT THEY'VE DONE IS THEY'VE TAKEN THEIR VENDOR BASE FROM 1,500 DOWN TO ABOUT 300.

THEY WORK VERY COLLABORATIVELY WITH THEIR SUPPLY BASE.

AND I'M TELLING THIS STORY IN CHICAGO TO ABOUT AS MANY PEOPLE AND SOMEBODY SITTING OVER ON THE OTHER SIDE OF THE ROOM LOOKS AT ME AND I MAKE MY FIRST MISTAKE AND SAY, DO YOU WANT TO SAY SOMETHING?

AND HE SAYS, NO, THAT'S OKAY.

I LOOK AT HIM LATER, AND HE'S JUMPING OUT OF HIS SEAT.

I SAY, DO YOU WANT TO SAY SOMETHING?

HE SAYS, YES, I DO.

I SAID IS, GO AHEAD.

HE SAID, YOU'RE FULL OF SHIT.

AND I SAID, THAT'S VERY PERCEPTIVE OF YOU.

I'VE ONLY BEEN TALKING FOR 40 MINUTES.

BUT HE WAS A SUPPLIER TO THAT FACILITY IN THE YEAR BEFORE THEY WON VENDOR OF THE YEAR AND THEY GOT RID OF THEM FOR A 1% INCREASE IN PRICE.

THE POINT THAT I WOULD MAKE IS THAT SOME OF THESE PARTNERSHIPS ARE VERY FRAGILE AND THE BUYER CAN ALWAYS PULL THE PRICE CARD AND THEY CAN AND THEY WILL.

OKAY?

IF YOU DON'T HAVE COMMITMENT, IF YOU DON'T HAVE -- YOU DON'T HAVE ANYTHING, OKAY?

IF YOU'RE THINKING ABOUT ALLIANCES OR FORMING PARTNERSHIPS WITHIN A CHANNEL OF DISTRIBUTION, IF YOU DON'T HAVE THOSE TWO ELEMENTS, YOU DON'T HAVE ANYTHING.

SIMPLY, IF YOU'RE A PERSON OF YOUR WORD, IF I BELIEVE YOU'RE GOING TO SAY SOMETHING AND YOU'RE GOING TO DO IT, I DON'T NEED A CONTRACT.

ABSENT TRUST, THERE'S A CONTRACT.

I'M NOT SAYING SOMEBODY WAS JUST -- AND HIT MY HEAD BEFORE I HIT THE GROUND.

I'M IN FAVOR OF CONTRACTS BUT I DON'T LIKE THEM TO MOVE INTO THE FOREGROUND AND EFG ELSE MOVE INTO THE BACKGROUND.

SYMMETRY.

THERE ARE PEOPLE WHO I KNOW WHO DO WORK IN ALLIANCES WHO SAY BIG FIRMS SHOULD PARTNER WITH BIG FIRMS AND LITTLE WITH LITTLE FIRMS BECAUSE LITTLE FIRMS TRUST BIG FIRMS ABOUT AS FAR AS THEY CAN THROW THEM.

THEY'VE ALL SEEN THE MOVIE THE INVASION OF THE BODY SNATCHERS, AND THAT SUCKING SOUND IS THE INTELLIGENCE BEING SUCKED OUT OF THE HEADS OF THE SMALL FIRMS BEING LEFT ON THE SIDE OF THE ROAD. I'VE JUST SEEN THE MOVIE OH, OKAY?

WHEN I TALK ABOUT SYMMETRY, I TALK ABOUT SEVERAL THINGS.

I TALK ABOUT, YOU CAN'T GO INTO ALLIANCES WITH A BANKER'S MENTALITY.

HAVE YOU EVER NOTICED THAT A BANK TELLER CAN'T GO HOME AT THE END OF THE DAY UNTIL THE CASH DRAWER BALANCES?

IF YOU'RE LOOKING FOR BALANCE AT ANY MOMENT IN TIME, YOU'LL BE DISAPPOINTED.

YOU SHOULD LOOK FOR BALANCE OVER TIME.

BECAUSE AT ONE MOMENT IN TIME I'LL BE ADVANTAGED YOU'LL BE DISADVANTAGED.

AT ANOTHER POINT YOU MAY BE ADVANTAGED I'LL BE DISADVANTAGED.

THE OTHER THING IS, IF I PUT 15% IN, I SHOULD EXPECT 15% OUT, NO MORE, NO LESS.

OPEN AND -- LIKE IT OR NOT, INFORMATION IS GOING TO FLOW AND PEOPLE ARE VERY CONCERNED ABOUT UNINTENDED INFORMATION VERSUS INTENDED INFORMATION.

HOW MUCH TIME DO I HAVE?

I SPOKE ABOUT FOCUS ON JOINT DECISION MAKING.

WE DON'T LIKE TO SHARE DECISION MAKING BUT YOU'RE GOING TO HAVE TO DO THAT.

AND THERE'S CERTAIN ISSUES THAT NEED TO BE RESOLVED BEFORE THE DEAL IS MADE.

I HAVE A COLLEAGUE WHOSE TITLE IS SENIOR DIRECTOR OF GLOBAL STRATEGIC ALLIANCES FOR THE WHIRL POOL CORPORATION.

HE REPORTS DIRECTLY TO THE COO.
IF HE SAYS IT WILL HAPPEN IT HAPZ.
IF HE SAYS IT WON'T, IT WON'T.
HE USES MARRIAGE ANALOGIES TO TALK ABOUT ALLIANCES.
A LOT OF SENIOR EXECUTIVES I KNOW USE MARRIAGE ANALOGIES.
I'M NOT TERRIBLY COMFORTABLE FOR THAT FOR A HOST OF REASONS.
SOME OF WHICH MY EX-WIFE WOULD TALK TO YOU ABOUT.
BUT, ANYWAY, WHAT HE SAYS IS HE FINDS A PROSPECTIVE PARTNER.
HE INVITES HER TO LUNCH.
NOTICE IT'S NOT DINNER.
IT'S LUNCH.
WHEN THEY SIT DOWN AT THE TABLE, HE ASKS, SHALL WE GET MARRIED?
I THINK IT'S A LITTLE PRESUMPTUOUS AT THIS POINT BECAUSE IT'S
JUST A FIRST DATE.
BUT HE SAYS, UNTIL WE GET MARRIED, IT'S IMPORTANT TO ME THAT THE
KIDS BE RAISED CATHOLIC.
IS THAT A PROBLEM FOR YOU?
IF SHE SAYS YES, HE ASKS FOR THE CHECK AND THE MEAL IS OVER.
IF SHE SAYS, NO, THAT'S OKAY, A LITTLE LATER IN THE MEAL, AROUND
SALAD COURSE, HE SAYS, YOU KNOW, IT'S REALLY IMPORTANT FOR ME
THAT THE MOTHER OF MY KIDS BE A STAY AT HOME MOM.
IS THAT A PROBLEM FOR YOU?
IF SHE SAYS YES, HE ASKS FOR THE CHECK AND IT'S OVER.
THE POINT THAT HE'S RAISING THERE IS THAT THERE ARE CERTAIN
DECISIONS THAT MUST BE RESOLVED BEFORE THE DEAL IS CONSUMMATED
BECAUSE IF YOU WAIT UNTIL AFTER, IT'S TOO LATE.
LONG-TERM FOCUS.
PEOPLE THINK BECAUSE I HAVE AN ALLIANCE THAT LASTS FOR 18 YEARS
AND YOU HAVE ONE THAT LASTS FOR 18 MONTHS THE 18-YEAR IS MORE
EFFECTIVE THAN THE 18-MONTH.
THAT IS NOT TRUE.
LONGEVITY IS NOT A GOOD MEASURE OF SUCCESS, ALTHOUGH IT IS A
MEASURE OF SUCCESS.
LONGEVITY IS MORE A FUNCTION OF THE INDUSTRY.
IF YOU'RE TALKING ABOUT THE MINING INDUSTRY, LONG-TERM IS 30 YEARS.
IF YOU'RE TALKING ABOUT A JET ENGINE, JET ENGINES DON'T BEGIN TO
PAY BACK FOR 20 YEARS.
IF YOU'RE TALKING ABOUT THE INTERNET, THAT'S A -- SO, IN FACT,
SOME OF THE PEOPLE IN THE SILICONE VALLEY THAT DO STRATEGIC
ALLIANCES SAY, YOU KNOW YOUR ALLIANCE IS OVER WHEN YOUR PARTNER
STOPS RETURNING YOUR E-MAIL.
THINK ABOUT THAT.
LET ME MOVE ON BECAUSE I ONLY HAVE A COUPLE OF MINUTES.
WITHIN AN ALLIANCE, YOU ARE MANAGING THREE THINGS.
YOU'RE MANAGING THE BUSINESS.
YOU'RE MANAGING A RELATIONSHIP.

AND YOU'RE MANAGING THE SPIRIT OF THAT RELATIONSHIP.
AND WHEN I WORK WITH COMPANIES WHO RUN INTO DIFFICULTY IN THEIR ALLIANCES, I'LL START OFF WORKING WITH THEM AND SAY, OKAY, I SAY PARTNER SUSPECT.
WHAT DO YOU SAY?
I HAVE THEM RIGHT DOWN WHAT THEIR DEFINITION OF A PARTNERSHIP IS. INVARIABLY, THEY ARE NOT LOOKING AT THE WORLD FROM THE SAME SET OF LENSES.
WHEN THEY DON'T DEFINE PARTNERSHIP THE SAME WAY, THE SPIRIT OF THAT RELATIONSHIP IS THE SOCIAL CONTRACT, YOU WILL HAVE A PROBLEM. SO LET ME JUST -- WE TALK ABOUT THIS NOTION OF ALLIANCE COMPETENCE.
IF YOU'RE GOING TO BE GOOD WORKING WITH OTHER FIRMS, YOU NEED TO BE COMPETENT DOING THAT.
THE NOTICE OF COMPETENCE CONTAINS FIVE DIMENSIONS.
ALLIANCE KNOW-HOW, MEANING YOU NOW HOW TO MANAGE THROUGH THE VARIOUS STAGES OF ALLIANCES.
ALLIANCE MINDSET IS THE SPIRIT OF THAT RELATIONSHIP.
WHEN I SAY PARTNERSHIP, WHAT DO YOU SAY?
ALLIANCE LEARNING.
AND LEARNING IS THE GOOD OUTCOME FOR AN ALLIANCE, ALTHOUGH MANY ORGANIZATIONS ARE NOT LEARNING ORGANIZATIONS.
FOR EXAMPLE, IF YOU'RE RUNNING AN ALLIANCE AND YOU GO INTO YOUR BOSS AND SHE SAYS TO YOU, HOW IS THE ALLIANCE GOING?
AND YOU SAY, WELL, WE'RE OVERBUDGET, IT'S RUNNING SLOW.
I DO WORK WITH NASA SO YOU TALK ABOUT SPACE STATIONS, FOR EXAMPLE. OVER BUDGET, A LITTLE BIT SLOW, BUT I'M LEARN AGO -- LEARNING A LOT.
IF YOUR BOSS SAYS, PUT THAT ON YOUR RESUME AND START LOOKING FOR ANOTHER BOSS, THAT'S NOT A LEARNING ORGANIZATION.
BENCH STEP MEANS YOU'RE EDUCATING PEOPLE WHO WILL BE FUTURE ALLIANCE MANAGERS.
IF YOU'RE INTERESTED IN LOOKING AT ONE COMPANY WHO DOES AN EXCELLENT JOB, IT'S THE CORNING COMPANY IN UPPER NEW YORK STATE. THEY DO JOINT VENTURES VIRTUALLY BETTER THAN ANYBODY ON THE FACE OF THE EARTH.
BUT THEY HAVE TO DO JOINT VENTURES WELL BECAUSE IF YOU THINK ABOUT IT, THEIR BASIC EXPERTISE IS IN CERAMIC CHEMISTRY.
THE ONLY THING THAT IS MORE UPSTREAM THAN THEM IS DIRT.
BUT IT'S GOOD DIRT.
YOU KNOW, SO IF THEY'RE GOING TO BE IN AN ALLIANCE, THEY NEED HELP. THEY HAVE ABOUT 150 ALLIANCES.
UP IN THE OFFICES I'M EATING LUNCH WITH THE VICE CHAIRMAN.
HE SAYS TO ME, IF YOU HAVE A CHOICE, DON'T DO ALLIANCESMENT I SAYS, WAIT A MINUTE.
YOU HAVE 150 OF THEM.
HE SAYS, WE DON'T HAVE A CHOICE.

I GUESS THAT'S WHY HE'S THE VICE CHAIRMAN AND I'M NOT.

OKAY.

THIS NOTION OF STRUCTURE IN THE PROCESSES OF ORGANIZATION, THESE CAN GET IN THE WAY.

I'VE GOT A 20-ITEM SURVEY THAT I USE WITH COMPANIES.

I CAN TELL YOU BY HOW YOU ANSWER THAT WHETHER YOU'RE ALLIANCE STAFFED AS AN ORGANIZATION OR NOT.

LET ME P GO TO THE LAST SLIDE.

OKAY.

SO WHAT I'M SUGGESTING HERE IS THAT YOU NEED TO THINK STRATEGICALLY ABOUT CHANNELS OF DISTRIBUTION IF YOU'RE GOING TO DO THEM.

YOU MAY WANT TO CONSIDER PARTNERSHIPS BECAUSE BOTH ARE COMMITTED TO THE TASK AND REACHING END GOALS.

YOU COULD DO MUCH MORE EASILY THAN IF YOU ONLY HAVE KMRIENTS FROM YOUR CHANNEL MEMBERS.

SELECT ALTERNATIVE CHANNELS WITH A LOT OF CARE.

THINK ABOUT THE MONKEY LAW OF OF BUSINESS.

YOU NEED TO SUPPORT THOSE CHANNELS, DO A LOT TO HELP THEM.

MANAGE CONFLICTS BECAUSE THE ISSUE IS NOT WHETHER THERE IS CHANNEL CONFLICT.

IT'S HOW BAD.

THERE'S ALWAYS CHANNEL CONFLICT.

THE ISSUE FOR ME IS, DOES IT PASS THE FORD TAURUS TEST.

THAT TEST IS MOST COMPANIES CAR IS THE FORD TAURUS.

WHEN THEY VISIT THEIR DISTRIBUTORS, WHAT KIND OF CARS DO YOU SEE IN THE PARKING LOT?

YOU SEE LEXUS, BMW, JAGUAR, MERCEDES.

IT'S NOT A FORD TAURUS.

SINCE THEY'RE NOT THE SAME CAR, THE OBJECTIVE FUNCTION IS NOT THE SAME.

THEY'RE NOT IN IT FOR YOU.

HAVE FLEXIBLE INFORMATION SYSTEMS.

DON'T BE SLOW TO CHANGE CHANNELS WHEN THEY DON'T WORK AND SELECT CHANNEL PARTNERS CAREFULLY.

OKAY?

THANK YOU FOR YOUR TIME.

I WENT THROUGH THAT VERY FAST.

I APOLOGIZE FOR THAT.

[APPLAUSE]

[APPLAUSE]

>> THANK YOU VERY MUCH FOR BEING THE SPEAKER TODAY.

>> THANK YOU.

[APPLAUSE]

>> DOES ANYBODY HAVE A QUESTION THEY'D LIKE TO ASK EITHER OF OUR PANELISTS?

LATE IN THE DAY.

LATE IN THE CONFERENCE.

THAT'S UNDERSTANDABLE.

GOING ONCE, TWICE, THREE TIMES.

OKAY.

>> HI.

QUICK QUESTION.

JUST YOU MENTIONED YOU BOTH MADE REFERENCE TO IN ONE WAY OR

ANOTHER TO THE UNREACHABLES AND DIFFICULTY REACHING THEM.

MAYBE YOU BOTH COULD SPEND A BRIEF MOMENT COMMENTING ON THAT
BECAUSE THAT'S A CHALLENGE MANY OF US HAVE VERY FREQUENTLY.

>> I GUESS MY RESPONSE TO THAT IS YOU WANT TO FIRST OF ALL USE
YOUR RESOURCES WISELY.

TO ME, THAT MEANS YOU SET UP A STRATEGY TO GET THOSE PEOPLE THAT
YOU CAN GET AND ARE FEASIBLE TO GET.

THEN AND ONLY THEN DO YOU WORRY ABOUT GETTING PEOPLE WHO YOU
MIGHT CALL UNREACHABLE.

I GUESS THAT'S ABOUT KIND OF WHERE I WOULD GO, EXCEPT THAT IT
COULD BE IN THE NEW MEDIA ENVIRONMENT PEOPLE DO GET MORE
CONNECTED WITH EACH OTHER AND MAYBE THAT MAKES IT A LARGER
PROPORTION OF THOSE PEOPLE FINDABLE.

>> I TAKE A SLIGHTLY DIFFERENT SPIN ON THAT.

I THINK IT'S REALLY SUBURBAN HOUSEWIVES.

WE KNOW WHAT MEDIA THEY'RE TAPPED INTO.

WE KNOW HOW TO REACH THEM.

I THINK IF YOU'RE LOOKING FOR A SEVENTH OF THE POPULATION IT
WOULD CONSIDER OUT OF THE MAINSTREAM, WORLD POOR, URBAN POOR,
THEY'RE TOUGH TO GET AHOLD OF.

YOU NEED TO UNDERSTAND THE WORLD THEY LIVE IN.

YOU NEED TO KNOW WHAT INFLUENCES THEM, WHETHER IT BE CHURCHES,
WORD OF MOUTH, SCHOOLS.

BUT THERE'S GOT TO BE A WAY TO REACH THOSE OTHER FOLKS.

I THINK YOU'RE DOING PEOPLE A DISSERVICE IF YOU GO TO THE EASY
PEOPLE FIRST.

I THINK -- YOU KNOW, WHEN YOU SEGMENT MARKET, YOU MAKE DECISIONS
TO SERVE SOME PEOPLE AND NOT SERVE OTHERS.

I THINK DEPENDING ON HOW YOU EMPHASIZE YOUR MARKET SEGMENTS IT
WILL DEPEND ON HOW SERIOUS YOU TAKE THE UNREACHABLES.

>> WE HAVE A QUESTION IN THE BACK.

THEN HERE.

>> I TAKE A DIFFERENT APPROACH TO THE WHOLE ISSUE OF UNREACHABLE
POPULATION.

I DON'T THINK ANYBODY IS UNREACHABLE IF IT'S YOUR DESIRE AND
INTENT TO REACH THEM.

SO I'D LIKE TO ENCOURAGE US IN THE BUSINESS TO TRY AND DISMISS
THAT WORD BECAUSE, PARTICULARLY WHEN IT COMES TO THE ISSUE THAT

WE ALL STRUGGLE WITH, WHICH IS HEALTH DISPARITY, I THINK WE CONTINUE TO HAVE SUCH DESPERATE OUTCOMES AND DESPERATE POPULATIONS BECAUSE WE FRAME THE WHOLE CONTEXT AROUND THIS UNREACHABLE ISSUE.

AND I HAVE NEVER HAD A PROBLEM REACHING ANY POPULATION IN ANY OF THE WORK THAT I DO EITHER AS A PHYSICIAN OR AS A HEALTH EDUCATOR, HEALTH COMMUNICATOR, SOCIAL MARKETER IF, INDEED, I WANT TO GO AFTER A POPULATION.

I HAVE TO FIND THE INFLUENCERS, FIND THE CHANNELS THAT THESE PEOPLE USE, AND THEN GO AFTER IT.

IT'S JUST AS EASY AS GOING AFTER THE WHITE MIDDLE CLASS SUBURBAN HOUSEWIVES IF INDEED YOU WANT TO GO AFTER THE RURAL SMOKER.

>> THANK YOU FOR THAT.

QUESTION FOR ESTHER.

I REALLY ENJOYED YOUR PRESENTATION, PARTICULARLY SEEING THE USE OF THE GRATIFICATIONS USED.

BUT I HAVE A QUESTION HAVING TO DO WITH MOVEMENT AWAY FROM, AMONG OTHER THINGS, GATEKEEPERS.

PEOPLE THAT WANT TO ORGANIZE THEIR OWN TENT, CREATE THEIR OWN. GIVEN THE FACT THAT GATEKEEPERS MIGHT GET IN THE WAY OF THE PERCEIVED BENEFITS OF DIGITAL TECHNOLOGY, DO YOU SEE A DAY WHEN WE WOULD ACTUALLY BE MORE RELIANT ON GATEKEEPERS, FILTER TO ORGANIZE PARTICULARLY WHEN THERE'S SO MUCH JUNCTION OUT THERE PEOPLE HAVE A HARD TIME FIGURING OUT WHAT IS TRUE AND CREDIBLE VERSUS WHAT IS UNDETECTED ADVOCACY OR OTHER MATERIAL IN THE PIPELINE THAT IN FACT ACTUALLY SENDS PEOPLE DOWN SOME WRONG PATHS.

>> THAT'S A REALLY GOOD QUESTION.

I'LL TELL YOU, I WORK WITH A LOT OF PEOPLE IN THE NEWS INDUSTRY AND IN THE ADVERTISING INDUSTRY WHO JUST -- THEY'RE WEDDED TO BEING IN CHARGE.

YOU KNOW, THEY'VE BEEN THE AUTHORITARIAN VOICE FOR SO LONG THAT IT'S VERY HARD FOR THEM TO LET GO.

I THINK MY MESSAGE THERE IS YOU'RE GOING TO HAVE TO LET GO BECAUSE YOU JUST -- IN THE DIGITAL ENVIRONMENT, YOU CANNOT STOP PEOPLE FROM COMMUNICATING WITH EACH OTHER AND YOU REALLY CAN'T STOP THE FLOW OF INFORMATION.

AND MAYBE YOU JUST DON'T WANT TO.

SO TO THE NEWSPEOPLE I SAY, LET GO.

ENGAGE IN A CONVERSATION WITH YOUR READERS OR YOUR VIEWERS.

TO THE ADVERTISERS, I SAY, YOU KNOW, IF THEY WANT TO MAKE THE ADS FOR PANTYHOSE, LET THEM DO IT.

I THINK IT'S JUST GOING TO HAPPEN.

THE LONG-TERM QUESTION WILL BE, YOU KNOW, WE WILL CONTINUE TO NEED PEOPLE WHO CAN SORT THE GOOD FROM THE BAD AND SO ON AND SO FORTH, BUT THE -- HUMAN BEINGS, BECAUSE OF THAT DIGITAL ENVIRONMENT AND THOSE FEATURES I TALKED ABOUT HAVE BROKEN LOOSE

FROM THE CAGE.

SO I DON'T THINK WE'RE GOING TO BE ABLE TO PUT THEM BACK IN TERMS OF BEING THE GATEKEEPERS.

>> CAN I JUST FOLLOW UP WITH THAT?

I THINK ONE OF THE INTERESTING THINGS RAISED BY YOUR PRESENTATION IS THAT GOVERNMENT AGENCIES, WHETHER IT'S LOCAL STATE OR FEDERAL, ARE REALLY DESIGNED TO DO AUTHORITARIAN MODELS, PARTICULARLY IN TERMS OF DEVELOPING MESSAGES AND MATERIALS.

SO WHAT ZW DOES THAT MEAN FOR GOVERNMENT HEALTH AGENCIES IF YOU HAVE TO WORK IN AN OPINIONATED WORLD?

>> WELL, IT'S NOT EASY, BUT YOU ALL WORK UNDER SO MANY CONSTRAINTS THAT IT'S REALLY HARD TO SAY.

BUT I THINK WHAT'S REALLY CRUCIAL THERE IS TO GET ABOARD THE POWER OF THE PUBLIC AS OPPOSED TO CONTINUING TO THINK THAT YOU HAVE TO REIN IT IN, ESSENTIALLY.

BECAUSE, YOU KNOW, MASS MEDIA, AS WE HAVE CONCEPTUALIZED IT, YOU KNOW, SINCE THERE WERE MAGAZINES, I SUPPOSE, IN THE UNITED STATES IN THE 1850s, IS OVER.

YOU KNOW, ONE TO MANY?

IT'S OVER.

>> THANK YOU.

>> I'M MINDFUL THERE ARE PROBABLY GOING TO BE BUSES LEAVING THIS PLACE IN ABOUT 15 MINUTES.

I WANT TO GIVE DONNA GARLAND TIME TO BRING THIS TO A CLOSE.

DONNA GARLAND.

[APPLAUSE]

>> THANK YOU, GLEN.

AND THANK YOU, PANEL.

FINAL PANEL OF THE DAY.

IT'S MY PLEASURE TO CLOSE OUT THIS CONFERENCE, AT LEAST ALMOST CLOSE OUT THE CONFERENCE.

THERE'S ONE MORE SPEAKER AFTER ME.

ON BEHALF OF THE CDC, I WANT TO THANK YOU THE FINAL PANEL AS WELL AS ALL OF OUR PANELS AND PRESENTERS WHO TOOK THE LAST TWO DAYS TO TRULY, TRULY BRING US GROUNDBREAKING, INSPIRATIONAL AND INSPIRING THOUGHTS ABOUT HEALTH COMMUNICATIONS, MARKETING AND MEDIA RELATIONS.

SO THANK YOU TO OUR PANELS.

[APPLAUSE]

IT'S BEEN AN INCREDIBLE DAY.

ACTUALLY, TO THINK ABOUT THE DYNAMICS OF 20 BREAKOUT SESSIONS, MORE THAN 70 SPEAKERS, 60 POSTER SESSIONS AND MORE THAN 400 PARTICIPANTS IN PRESENT.

I ACTUALLY WAS RECEIVING NOTES FROM PEOPLE WATCHING US IN VISION AND THROUGH THE WEB EXTREMING SO THERE ARE MANY, MANY MORE OF US MULTIPLIED OUTSIDE OF THIS ROOM.

TALK ABOUT USING NEW MEDIA TO GET THE MESSAGE ACROSS.
SO WE'VE TRULY ACCOMPLISHED A LOT IN TWO DAYS AND SIX MONTHS
PLANNING.

AGAIN, THANKS TO THE CONFERENCE PLANNING COMMITTEE FOR
TREMENDOUS, TREMENDOUS WORK.

I JUST PARTICULARLY ENGAGING IN ONE OF THE PIECES THAT WAS
THREADED THROUGH THE LAST TWO DAYS WAS THE ADVANCE IN PUBLIC
WORKSHOPS.

CURRENT PROBLEMS LIKE OBESITY AND -- AND REALLY ENGAGED YOU IN A
DIALOGUE.

IT WASN'T JUST -- IT WAS THE DIALOGUE ABOUT HOW WE CAN APPROACH
THESE ISSUESMENT I JUST WANT TO LET YOU KNOW FOR THOSE WHO
PARTICIPATED IN THOSE DISCUSSIONS THAT THAT INFORMATION WAS
CAPTURED AND WILL BE SHARED THROUGH THE CONFERENCE WEBSITE, WHICH
IS IN YOUR PACKET.

SO PLEASE KEEP IN TOUCH WITH THAT SITE.

WE HOPE TO GET MORE OF THE INFORMATION FROM THIS EVENT THERE FOR
YOU TO TAKE HOME.

I ALSO WANT TO THANK ALL OF YOU FOR PARTICIPATING.

AGAIN, THOSE OF YOU WHO ARE HERE ON SITE AS WELL AS THOSE OF YOU
WHO ARE OUT IN THE -- THANKS TO YOU, QUITE FRANKLY, I HAVE BEEN
ENRICHED, INSPIRED, INFORMED, AND EMBOLDENED TO CONTINUE TO DPO
THIS WORK, THE WORK WE ALL DO ON A DAY TO DAY BASIS AND SOMETIMES
GET STUCK IN MIRE IN THE CHALLENGES OF MOVING FORWARD.

I HAVE TRULY GOTTEN MORE ENERGY IN THE LAST FEW DAYS THAN I'VE
HAD IN A LONG TIME AND I HAVEN'T HAD A VACATION IN A WHILE SO
THAT'S REALLY MEANINGFUL FOR ME.

I WANT TO THANK YOU ALL FOR YOUR ENERGY IN GIVING BACK TO ME AS I
CONTINUE MY WORK.

SO THANK YOU.

[APPLAUSE]

WE SET OUT YESTERDAY MORNING TO SHARE WITH YOU GROUNDED,
EFFECTIVE FINDINGS IN HEALTH COMMUNICATIONS MARKETING AND MEDIA.
WE WANTED TO SHARE NEW AND INNOVATIVE IDEAS AND RECOMMENDATIONS
THAT WE HAVE, THAT WE ALL HAVE, THAT MIGHT IMPACT HEALTH, REDUCE
HEALTH DISPARITY THROUGH THE SCIENCE OF THE COMMUNICATION
MARKETING AND MEDIA WORK THAT WE DO.

AND PROBABLY MOST IMPORTANTLY, TO MEET AND LEARN FROM EACH OTHER.
QUITE FRANKLY, I THINK WE'VE SUCCEEDED.

I'M GOING TO BRING IN A LITTLE POP CULTURE HERE BECAUSE FOR THOSE
OF YOU -- I'M LOOKING AROUND THE ROOM.

YOU PROBABLY REMEMBER '90s AR SEEN YOE HALL HAD A TALK SHOW FOR
ABOUT THAT LONG ON TELEVISION.

ONE OF THE THINGS HE DID LIVES IN POP CULTURE.

HE SAID, THERE ARE THINGS THAT MAKE YOU GO HMM.

THERE'S A GREAT SONG THAT I USED TO WORK OUT TO, FOR THOSE OF US

WHO USED TO WORK OUT.

DURING THIS CONFERENCE, A LOT OF AMAZING INFORMATION WAS SHARED BUT QUITE A FEW THINGS THAT MADE ME GO HMM.

I'M LIMITED BY THE TIME AND SCOPE OF THINGS THAT I HAD TO PARTICIPATE IN SO YOU ALL MIGHT BE ABLE TO ADD TO THIS LIST.

OF THE THINGS THAT MADE ME GO HMM WERE THAT PEOPLE WOULD MORE READILY TAKE ADVICE FROM THE LOVEABLE FOOLS AND COMPETENT JERKS. HMM.

IF WE ASK THE WRONG QUESTIONS, THE ANSWERS DON'T MATTER.

HMM.

A CONSPIRACY OF PASSIVE FAILURE -- THAT WAS A BIG HMM, BUT THAT'S A WHOLE DIFFERENT LINE OF CONVERSATION -- THAT WE ONLY REACT TO OR USE CAN -- DOWN FROM ABOUT 11 MILLION.

SO IF I MULTI-TASKING, DOES THAT NUMBER APPLY OR DIVIDE?

HMM.

GOOD NEWS RAISES AWARENESS.

BAD NEWS OR NEWS OF PROBLEMS INCREASES FUNDING.

WHAT DO WE REALLY WANT TO ACCOMPLISH?

HMM.

RING TONES ARE A MULTI-BILLION DOLLAR INDUSTRY.

STOCKS?

HMM.

SORRY.

DISTRACTION.

BUT PEOPLE WANT TO TAKE CHARGE OF THEIR LIVES.

I'M SITTING HERE THINKING, WELL, MY BOWS ARE IN CHARGE OF MY LIFE AND THEIRS.

THEY'RE PROBABLY RIGHT.

THOSE ARE JUST A FEW OF THE THINGS THAT MADE ME GO HMM DURING THE CONVERSATION.

YOU PROBABLY HAVE MORE TO ADD.

AGAIN, I ENCOURAGE YOU TO KEEP IN TOUCH WITH OUR WEBSITE AND CONTINUE THE DIALOGUE WITH EACH OTHER AND YOURSELVES ABOUT THE THINGS THAT MAKE YOU GO HMM HERE AND MIGHT LEAD US TO THE NEXT INNOVATIONS WE TALK ABOUT AT THE NEXT CONFERENCE.

AMONG THE THINGS WE'VE LEARNED DURING THE COURSE OF THE LAST TWO DAYS IS THAT DOING THE WORK THAT WE DO, EXERCISING THE SCIENCE OF HEALTH COMMUNICATIONS MARKETING AND MEDIA RELATIONS, IS AN EXERCISE IN HITTING A MOVING TARGET THAT THE HEALTH ISSUES AND THE CHALLENGES ARE ALWAYS CHANGING, THAT THE DIVERSITY OF THE CONSUMERS AND THE CHANNELS TO REACH THEM ARE ALWAYS CHANGE. BUT WE HAVE TO KEEP ON TOP OF OUR GAME AND KEEP ON THE CUTTING EDGE TO SUCCEED.

WE HAVE TO CONTINUE TO SHARE FINDINGS, TO SHARE BEST PRACTICAL IGSS AND NEW AND INNOVATIVE WAYS TO ACCOMPLISH THE WORK WE'RE DOING.

I'M KIND OF OLD SCHOOL, DON'T LET GO OF THE OLD STUFF BECAUSE IT SOMETIMES DOES WORK.

THAT'S THE CHANNEL -- SO UNTIL WE MEET AGAIN, I WOULD ASK YOU TO PLEASE CONTINUE TO EXPAND YOUR NETWORK, INCREASE YOUR KNOWLEDGE, AND ADVANCE HEALTH ON BEHALF OF OF THOSE OF US IN THE ROOM AND THOSE OUTSIDE OF THE ROOM THAT REALLY NEED THE WORK WE'RE DOING. SO AS A FINAL NOTE, I WOULD ASK YOU TO PLEASE JOIN ME IN THANKING AND APPLAUDING OUR CONFERENCE CHAIR, KATHLEEN McDUFFY AS SHE COMES FOR THE FINAL WORD.

[APPLAUSE]

>> I CAN ALREADY TELL WHY ALL THE COMMENTS THAT I'VE HEARD AND THE HOOKS ON YOUR FACE AND A NUMBER OF PEOPLE WHO ARE STILL IN THE ROOM THAT I THINK EVERYONE ENJOYED THIS CONFERENCE AND WILL PROBABLY WANT MORE OF IT.

BUT WHAT WE NEED FROM YOU IS FOR YOU TO TAKE OWNERSHIP OF THIS. I HOPE YOU FEEL THAT YOU WERE ABLE TO PARTICIPATE ENOUGH THAT THIS IS YOUR CONFERENCE.

AND IN IT BEING YOUR CONFERENCE, WE DEFINITELY WANT YOU TO FILL OUT THOSE EVALUATION FORMS.

BE HONEST.

GIVE US SOME DIRECTION, SOME IDEAS ABOUT THE NEXT STEP, THE THEN WHAT.

NO PROMISES THAT EVERYTHING WILL BE DONE, BUT CERTAINLY I THINK WE WILL RESPECT AND EXPLAIN TO YOU WHY -- MAYBE THERE'S ANOTHER WAY TO GET DONE WHAT IT IS YOU NEED TO GET DONE.

SO MS., PLEASE, PLEASE GIVE US THAT FEEDBACK.

I'M JUST GOING TO, FOR THOSE OF YOU WHO ARE THE OUT OF TOWNERS AND WHO WANTED TO TAKE ADVANTAGE OF THE BUS SHUTTLE SERVICES LEAVING HERE AND GOING TO THE AIRPORT, WE ACTUALLY WILL HAVE THREE OF THOSE.

ONE LEAVING PRETTY IMMEDIATELY AFTER THE CONFERENCE, 3:30, ANOTHER ONE 4:00, AND THE LAST ONE IS 4:30.

SO, YOU KNOW, DEPENDING ON YOUR FLIGHT -- I WILL SAY IF YOUR FLIGHT IS AROUND 5:00-ISH, YOU PROBABLY WANT TO BE ON THE FIRST SHUTTLE.

IN ADDITION, I JUST -- I MEAN, THIS IS BEAUTIFUL.

I'M JUST SO HONORED, REALLY, TO BE THE CHAIR OF THIS FIRST CONFERENCE.

I'M VERY HAPPY THAT EVERYTHING -- WE SORT OF MET OUR AIMS.

BUT PLEASE UNDERSTAND THAT THE CONFERENCE IS NOT ENDING.

WE ACTUALLY DESIGNED THIS CONFERENCE SUCH THAT IT WOULD CONTINUE BEYOND TODAY.

SO BE ON THE LOOKOUT FOR ALL OF THE PRODUCTS AND THINGS THAT WILL COME OUT BEYOND THAT.

WE WILL WANT FEEDBACK ON THAT, TOO.

OKAY, EVERYONE, YOU ARE DISMISSED.

SAFE TRAVEL.

AGAIN, AGAIN, PLEASE, PLEASE FILL OUT THOSE EVALUATION FORMS.

[APPLAUSE]