

USAWC CIVILIAN RESEARCH PROJECT

MARKETING AS AN ELEMENT OF STRATEGIC COMMUNICATIONS

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In 2005 U.S. companies spent roughly \$1 trillion on marketing and reaped \$12 trillion in revenue. A truthful, credible and repeated message earns customers. Positive experience and results with product brings these customers back wanting your product and not your competitors.

The United States Government markets Freedom, Democracy, Security, and Stability. We desire other countries of the world to “buy these products” for if they do, we believe, we will reap the benefits of a safer world, greater political freedoms and economic growth for all peoples, and a strengthened ability to defeat global terrorism. However, the United States is losing credibility world wide to the point that we have significant problems influencing actions of other peoples and governments. The American public doubts the message of the U.S. Government. Poor coordination between U.S. agencies exacerbates the problems. Customers do not want our product.

The United States Government and Department of Defense could reap the same benefits by applying industry accepted practices to our diplomatic, military diplomacy, and strategic communication activities. A corporate marketing approach to our military strategic communications can be effective and bring desired results. This paper considers how this can be accomplished.

Marketing as an Element of Strategic Communications

"...they (terrorists) get up in the morning, have committee meetings and think about how they're going to manipulate the world's press to their advantage. They have repeatedly proven to be highly successful at manipulating the world's media here in this country as well as elsewhere..."¹

"Develop and maintain a differentiated point of view that is credible and relevant to customers. Communicate powerfully, consistently, and empathetically with all external and internal stakeholders."²

Introduction

In 2005 U.S. companies spent roughly \$1 trillion on marketing and reaped \$12 trillion in revenue.³ A credible and repeated message earns customers. Positive customer experience with product or service, along with truth in the message brings customers back. Relationships are built; loyalties are developed. They will want your product, not your competitors.

Marketing campaigns are effective in business. We could use the same approach to build relationships and loyalties between the United States Government, the American people, and the peoples of the world. If the Department of Defense and the United States Government were to adopt a marketing based strategy for strategic communication and public diplomacy activities we would see a great payoff in terms of promoting the country's foreign policy objectives - objectives are mostly clearly laid out in the National Security Strategy.

A good marketing strategy is more than just having a catchy message, sound bites, and some themes. An effective marketing strategy is organized around the marketing campaign. Like all campaigns, marketing campaigns are planned in detail. The campaign is based on a solid intelligence estimate, seamlessly integrated with the operational plans, and tightly coordinated during execution. Most importantly, it requires unity of operations and a clear understanding of the "commanders' intent" for the campaign. If not, the attempt will fail.

The question remains, however, whether the United States Government “sells” products that we would want to market? I believe we do. Selling is the exchange of goods or services in exchange for some type of remuneration. The remuneration may be monetary or may take the form of some other good or service. What product does the Government sell and what do we expect in return for that product? I believe we sell Freedom, Democracy, Security, and Stability. These basic tenets are laid out by the President of the United States⁴ and reiterated by the Secretaries of State^{5,6} and Defense⁷. The United States desires other countries throughout the world to adopt democracy, to enjoy freedom, and to know security and stability in their areas of the world. If the United States can successfully sell these products to other non-democratic nations, the remuneration – the payment - will be greater security for the United States, a safer world with greater political freedoms and economic growth for all peoples, increased human dignity world-wide, and a strengthened ability to defeat global terrorism.

Is this “selling” aspect of strategic communications a Department of Defense (DoD) mission? The Chairman of the Joint Chiefs of Staff states it succinctly: “The U.S. military, in coordination with interagency and Coalition partners, will support a U.S. Government strategic communication strategy for the Global War on Terrorism.”⁸ This goal is also echoed in the National Defense Strategy and the Department of Defense Quadrennial Defense Review Report.⁹ Marketing techniques adapted from the commercial sector would provide unique tools and methodologies to satisfy this requirement and address some of the greater strategic problems the U.S. faces.

The goal of marketing is to influence the actions of a target customer. In the commercial sector marketing is done to sell product and increase revenue. The goal of the National Security Strategy is to influence actions of target groups and countries around the world in order to increase our own security. In the Department of Defense we can use marketing as a means to this end. Strategic communication is not sufficient; it is just the message. Marketing makes the message “actionable” and brings results.

This paper addresses how to adapt commercial marketing techniques to our strategic communication and public diplomacy activities. It will show why we must have a common messaging strategy, how that strategy can be analyzed and planned in detail, how and why the campaign must be synchronized with all other elements, and how to make the plan actionable.

The problems we face

The United States has lost credibility worldwide to the point that we have significant problems influencing actions of other peoples and governments. Consider for example these highlights from a few news stories and other public information sources:

- “Opinion surveys conducted by Zogby International, the Pew Research Center, Gallup (CNN/USA Today), and the Department of State (INR) reveal widespread animosity toward the United States and its policies...Data from Zogby International in July 2004, for example, show that the U.S. is viewed unfavorably by overwhelming majorities in Egypt (98 percent), Saudi Arabia (94 percent), Morocco (88 percent), and Jordan (78 percent).”¹⁰
- “Negative attitudes and the conditions that create them are the underlying sources of threats to America’s national security and reduced ability to leverage diplomatic opportunities.”¹¹
- “Critics (*of U.S. Middle East policy*) claim that the U.S. neither listens to nor understands what is being said about America in the Middle east region.”¹² This is called “Voice of the Customer”.
- “In Iraq, the U.S. fights an enemy it hardly knows. Its descriptions have relied on gross approximations and crude categories (Saddamists, Islamo-fascists and the like) that bear only passing resemblance to reality.”¹³
- “Today, there is a realization that strong negative public opinion about the United States could affect how helpful countries will be in the war of terrorism. Moreover, negative sentiment might assist terrorist groups in recruiting new members.”¹⁴
- “...the U.S. government’s voice is sometimes missing from local and international media.” “Military, embassy and other U.S. government personnel in the field face cross-cultural communication challenges everyday. It takes only one misplaced image, word or phrase to confuse or cause offense, and many more to repair the damage.” “At a time when terrorism is a worldwide threat, addressing anti-American sentiment abroad and engaging in the “war of ideas” are necessary supplements to traditional security measures.”¹⁵

- “Disparate missions and strategies among government agencies engaged in public diplomacy have resulted in inefficiencies in public diplomacy efforts.”¹⁶
- “Coordination of public diplomacy activities is hampered by the lack of a national communication strategy.”¹⁷
- Melvin Laird, former Secretary of Defense, writing about similarities to the on-going global war on terrorism and the Vietnam War, states that president Bush has done an uneven job of selling the message, particularly about operations in Iraq. He continues that the U.S. is losing the public relations war and that this is causing loss of support for the war by the American public.¹⁸ Recent polling data supports this statement.¹⁹
- Certainly the worsening state of partisan politics in the United States fuels this problem. Professor James Wilson, Pepperdine University, cites numbers such as 81% of Democrats but only 20% of Republicans thought the Iraq war was a mistake. 94% of Republicans approve of the president overall performance while only 18% of Democrats do. He cites similar deep divides over many other political and social issues: religion, abortion, schooling, firearms, and so on. His summary is right on the mark: “Sharpened debate (*caused by political polarization*) is arguably helpful with respect to domestic issues, but not for the management of important foreign and military matters...A divided America encourages our enemies, disheartens our allies, and saps our resolve—potentially to fatal effect.”²⁰
- The Congressional Research Service²¹ cites 29 separate reports, studies, and documents published between 1999 and 2005 that examine the structure, goals, and methods of U.S. public diplomacy. New article appear monthly covering similar topics. The problems are well documented.

Our message is not being believed. Our actions do not support our words. Poor coordination between U.S. agencies only exacerbates the problems. Worse, the American public doubts the message of the U.S. Government. You must have support from your followers to influence others.

Limited recognition of the problems

While our message is not being received, some recognition of the problems and steps towards addressing change do exist. Budgets supporting public diplomacy have risen

moderately from an all time low in 2001.²² Through her Transformational Diplomacy program Secretary of State Rice is building regional public diplomacy centers and redeploying career diplomats around the world to better coordinate public diplomacy efforts.²³ The Government Accountability Office (GAO) recognized the DoD's efforts to define its role in U.S. public diplomacy.²⁴ Recently the DoD agreed that the military will support the U.S. Government's strategic communication strategy through its public affairs, information operations, military support to public diplomacy, and military diplomacy.²⁵ More telling are current articles in military journals demonstrating that cultural understanding at the tactical level is required to effectively interact with local populations and conduct operations.²⁶ Strategic communications and public diplomacy are important at all levels of operations. An effective marketing campaign, as used in the corporate world, would provide us a methodology and valuable tools to support these missions and effectively sell our message.

What is public diplomacy?

If we are to understand how marketing applies to the discipline and how we might use it with to military operations we need to know what public diplomacy involves. State Department believes the goal of public diplomacy is to increase understanding of American values, policies, and initiatives and to counter anti-American sentiment and misinformation about the United States around the world. A slightly different definition appears in a congressional study (CRS1) defines public diplomacy as the promotion of America's interests, culture and policies by informing and influencing foreign populations.

Both of these definitions lack somewhat in substance. Where is the action? We want to do more than increase understanding, we want to affect behavior. As early as 1998 at least one military author, Lt Col Jim Riggins, USAF, argued for a more active approach to public diplomacy. He offered a definition of public diplomacy as a government's attempt to shape foreign public opinion through overt, structured dissemination of truthful information in such a way so as to support one's own national objectives, interests, and goals.²⁷ This more encompassing definition appears to be reflected now in the DoD's official definition: "Those overt international public information activities of the United States Government designed to promote United States foreign policy objectives by seeking to understand, inform, and influence foreign audiences and opinion makers, and by broadening the dialogue between American citizens and institutions and their counterparts abroad."²⁸ But times and conditions have

changed and we, as a nation and a military, have more to do. We want peoples of the world to buy into and embrace the concept of democracy. We want them to believe democracy and freedom will give them greater stability and security.

The link between strategic communication and public diplomacy

Strategic communication is a separate discipline. It describes a variety of instruments used by governments to understand global attitudes and cultures, engages in a dialog of ideas between people and institutions, advise policy makers, diplomats, and military leaders on the public opinion implications of policy choice, and influence attitudes and behavior through communication strategies.²⁹ As such, it informs public diplomacy. If public diplomacy seeks to promote foreign policy objectives it must understand global attitudes and cultures. It gives policy makers means to communicate their ideas and concepts.

Clearly, though, there is a two way link between the activities. The ability of strategic communications to influence attitudes and behavior is best accomplished through public diplomacy activities. The more people-oriented public diplomacy with its emphasis on personal connections is often better for communicating our strategic message. These two intra-related activities can be improved and made more effective with a comprehensive marketing strategy.

Why apply corporate marketing to strategic communications and public diplomacy?

Marketing is an Active activity. It is meant to accurately portray your company, your mission, and products. If done well, marketing achieves several goals:

- Proclaims your values to the customers
- Standardizes your message to the world
- Links products, actions, and words
- Creates desire; customers want your product and will line up to buy it
- Creates loyalty
- Demand will out-run supply

Marketing is also a proactive activity. It builds demand where none exists. Campaigns are designed to build public understanding of who you are, what you are doing, why you are

doing it, your future plans, and why the customer must have your product or service. You are making a promise to the customer.

DoD and the U.S. Government can use this approach to build a global marketing campaign to create demand for democracy, freedom, security, and stability. We can build a demand through accurate and truthful message linked to our actions and operations. By faithfully delivering on our promise we can earn repeat customers.

Not all commercial marketing campaigns are successful; the same factors that make those efforts fail will also break a U.S. Government or DoD marketing campaign. The critical parts are:

- The linkage of the message to your actions
- The coordination of the message, actions, and operations between all governmental organizations, non-governmental organizations, and partners
- Truthfulness
- The internal stakeholder – the American public – must believe the message

A disconnect between our actions and our message has caused a loss of confidence. If we institute a marketing plan and one element of the government performs different actions than another or we offer conflicting messages then credibility is lost and believers lose faith. If the message is false or contains discrepancies then a shadow is cast upon us making our actions suspect. If the inside employees - DoD employees, federal workers, our contractors, the American people – are not sold completely on the message and product then we can not ever hope to have the rest of the world buy in. If we are going to make a promise we had better fulfill it. If not, the customer has options. Hugo Chavez has a message and product he is selling that people are buying. Al Qa'ida has a message and a product that people are buying. The Marx/Lenin product is still being bought. We need customers to prefer our message and product.

How the marketing approach compares to traditional DoD endeavors

DoD has three functional areas that utilize tenants of a marketing campaign, but do not fill the same need. These are Public Affairs (PA), Psychological Operations (PSYOPS), and

Information Operations (IO). Public Relations manage public information, command information, and community relations activities directed toward both the external and internal publics with interest in the Department of Defense³⁰. They generally use a reactive method of communication designed to explain events after they occur, but not necessarily designed to influence behavior. They tend to focus on the media as its distribution channel, and is generally geared for the American audience, though it does have a sub-set audience of U.S. allies. Public relations do not necessarily direct their message toward neutral or hostile audiences.

PSYOPS is a proactive event. It is defined as planned operations to convey selected information and indicators to foreign audiences to influence their emotions, motives, objective reasoning, and ultimately influence the behavior of foreign governments, organizations, groups, and individuals. The purpose of psychological operations is to induce or reinforce foreign attitudes and behavior favorable to the originator's objectives.³¹ Generally, PSYOPS are used in tactical or operational level operations to sway the actions of enemy combatants and potential combatants and not directed to the general populace. Depending on the immediate need PSYOPS may or may not be truthful. As a result using PSYOPs anywhere other than the tactical battlefield could hurt us more than help. If the message is perceived as (or is) lies then we lose credibility. Even when it is the truth, it may not help our longer term objectives. For example, promising to drop a 10,000 pound bunker buster on an enemy formation in 24 hours unless they desert may be true, but does not win friends.

Information Operations are those actions taken to affect adversary information and information systems while defending one's own information and information systems.³² This is primarily a technical field that protects information stored on communication networks. IO may also have an offensive component to attack an enemy's information systems. IO does not look to influence decisions or "buying habits".

A marketing campaign is not propaganda. The Department of Defense received bad media coverage in recent years for issues like the Secretary of Defense Office of Strategic Influence and stories of the military paying to have positive articles written about operations and placed in Iraqi newspapers. Both of these events spun up reactive public affairs campaigns to counter the negative affects of the media coverage. A marketing campaign is completely open and acknowledged. It is not pushing doctrine, policy, or agendas. Rather, it is a straightforward attempt to build desire for a product and create a market for that product. In our case the

products are a more esoteric than a loaf of bread. None-the-less, they are products we want peoples of the world to taste and experience.

Corporate Methodology and Model

Goal

Marketing is the set of activities used to influence the thoughts and choice decisions of your target audience. A marketing plan is designed to capture the potential customer's attention, motivate them to want your product, move them to actually buy your product, convince them to buy again, and use their experience with your product or experience to influence other customers.³³

Diagram 1 presents a model of the Corporate Marketing Model to help envision the development of a marketing plan and how to apply that plan operations. It is important to note that this is not a serial process, but an iterative process that is continually refined. Even after a marketing campaign is launched refinement continues.

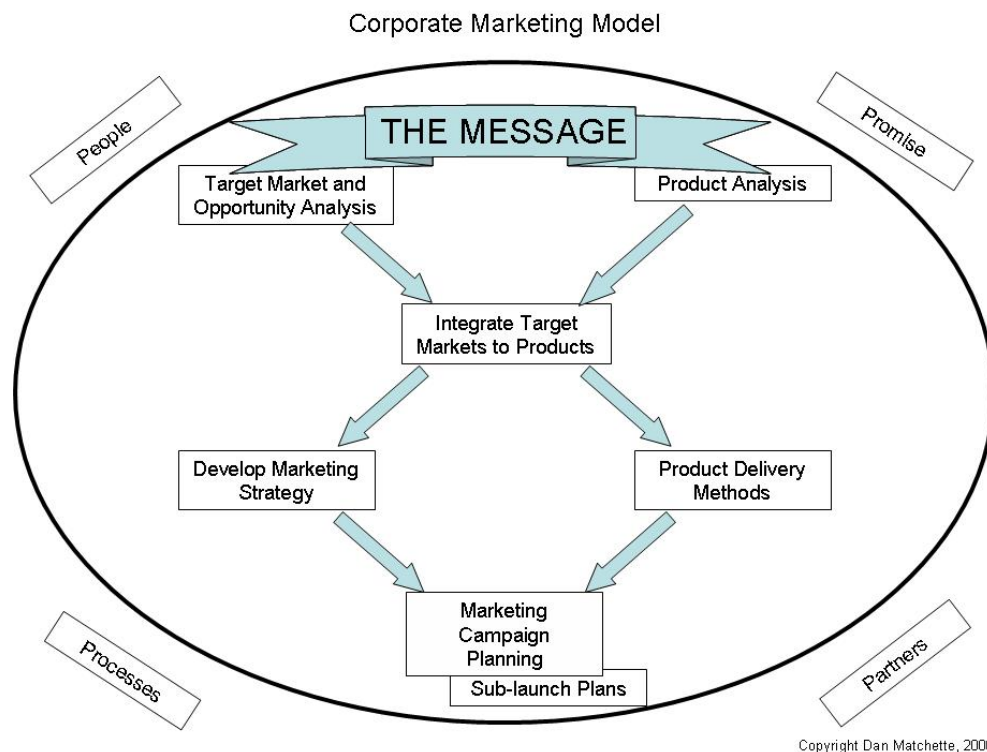


Diagram 1

The Message

This is the brand theme, the essence of the message you wish to convey. This may be developed iteratively and in fact benefits from refinement as the marketing campaign develops. The rest of the messaging will be based on this theme. It should be short and snappy; you want it remembered – something memorable. It may also include a logo.

For the U.S. and its efforts to sell democracy, freedom, security, and stability, one idea for a simple, unifying message is: Expect the rights of liberty. This would become the theme around which we would build all other messages.

The message must be an integrated. DoD cannot create its own separate message – it must be the U.S. message. Ideally this message would flow down from the President, with assistance and guidance from Department of State (DoS). DoS would be the owner of the message – our Central Marketing Office prehaps. DoS would then develop and refine the messaging for many different contexts and applications. Other Federal agencies, DoD, Department of Homeland Security (DHS), Department of Justice (DoJ), etc, would develop their own messaging based on the central themes developed and handed down from DoS. The U.S. government lacks a complete, comprehensive, and integrated communications strategy; we will be successful only when we get the message right. See further GAO-05-323 and CRS2.

Target Market Analysis and Opportunity Analysis

In this step you are working to identify your target market demographics. The idea is to segment customers, usually by behavior, with the idea to first target the people whose behavior is already amenable to your product – those people who already want it. Then, after a base is established, begin to work on converting other buyers. There will always be people who do not want your product and no amount of marketing will persuade them to buy. It is important to identify this group because you do not want to spend any amount of money trying to sell to them. Geoffrey Moore defines five general groups of people that will help categorize target customers³⁴:

- The Enthusiast – already on your side and wants your next release

- The Visionary – sees the value of your product and with little prompting will use it
- The Pragmatist – approaches with some caution, wants to see if someone else uses it first
- The Conservative – could live without your product and will only use it when it is clear there is no other real choice
- The Skeptic – will never voluntarily use your product

After identifying people in these groups, then target them in this order with unified messaging. Other demographics typically used to further segment customers include age, location, income, job, education, buying habits, methods used to gather information, and entertainment preferences. No money is spent on people and groups who will never be sympathetic to your product or service. The next step is to identify the markets where your product can be used. Where are the people you want to target?

With an idea of who the target customers and their markets, you must define their values. What is important to them? What drives them? What makes them select one product over another? Do not take your best guess about what they value, you must ask them. This is known as “Voice of Customer”. The only way you can be sure your product satisfies the customer’s needs is to ask. There are many ways to do this such as interviews, surveys, polls, customer feedback, and performance monitoring, i.e. buying habits. Companies are now spending considerable resources performing in-depth research of customers and markets. Market intelligence is a component of this research, and follows the same pattern as military intelligence and analysis. In fact, there are now companies that specialize in performing detailed market research, selling this as a service to other companies.

Finally, with a completed analysis, rank order the target customers and markets by revenue. In instances where revenue is not the driving factor you can rank order by the payoff or impact expected, such as how much one customer will influence other customers.

While this technique clearly works in corporate America, how would this method apply this to DoD? Clearly, a broad, world-wide messaging campaign would be needed. A global message is beyond the scope of this paper, however, we can look briefly at two regional markets - the United States and the Middle East. The United States (U.S.) audience probably does not need a targeted message, so we will use a broad, horizontal campaign. A horizontal

campaign generally restates your theme with more detail, but does not go into specific details about how a particular product will help a particular customer.

The Middle East group needs more analysis. How should they be segmented within the region? There are many ways to do this: tribe, clan, religion, age. DSB04 suggests there are two broad groups, those more inclined to support the U.S. and those less inclined. The Supporters can be divided into the Regime Elites, the Establishment Ulama (middle class), and the Technocratic Class (professionals). The Non-Supporters are divided into the Regimes, the Uncommitted (who prefer status-quo), the Sympathizers (to the Jihadis), the Islamists (indirect supporters of the Jihadis), and the Jihadis (radical change makers for a Salifist society). However, on one point I take issue with the Defense Science Board. By referring to the last group as Jihadis we may inadvertently give them legitimacy. Jihad is a holy war and Jihadis are holy warriors. In marketing words are important, so it is important for us to get our words right. Rather, let us refer to the last group as Mufsidoon – evildoers who are engaged in Hirabah – unholy war. In a small way this will help us undermine the insurgents’ legitimacy.

Recognizing not everyone fits into those categories, Dov Zakheim, former comptroller of the Secretary of Defense, argues well that most democratic change movements in the Middle East have come from the Regimes and Regime Elites.³⁵ We should therefore start with four groups: the Regime Elites, the Regime Leaders, the Establishment Ulama, and the Technocratic Class. The Regimes should be further segmented, targeting specifically Dubai, Kuwait, Qatar, Morocco, Afghanistan, and Iraq. Using Moore’s definition from above, most of our targets fall into the category of Pragmatists or Conservatives. There are few Enthusiasts or Visionaries to readily “buy” our products in the Middle East. Do not segment the customers by religion, but keep religion in mind, for it may affect the tailored message. As for the other groups – ignore them in terms of marketing to them. Neither our words nor actions will sway them. But we will keep their message in mind, for we will need to counter their message to our target customers.

What do these customers want? What is the voice of the customer in the Middle East? And what is the competitor’s message you may have to counter? No doubt these are complex questions, but there are some basic answers.³⁶ Table 1 provides some details.

Customer's Requirements	Competing Message
Honor and Islamic morality must be preserved	Defeat the occupier whose invasion is simply a continuation of the crusade to dominate Islam
Economic improvement and ability to earn a decent living	Remain pure from the corrupting influences of the world
Secular government if there is cleric oversight (juridical validation)	Sharia rule; longer term to re-establish the Islamic Caliphate. (While the Caliphate may be a romantic ideal, it is also unifying vision.) Democracy is a threat to Islamic values.
Security	Highlighting coalition missteps and resulting turmoil

Table 1

Our competition's message is becoming more standardized and credible; it is beginning to ring true with their customers. Our messaging must therefore de-stress the competitor's message by arguing better the benefits of our product. Our message must emphasize democracy tailored to their unique Islamic heritage and desires (see especially Zakheim), honor through freedom, and economic improvements derived from stability and security of a well-governed society. Place our emphasis on the benefits of our product and not on attacking the competitor's product (i.e. Islam or Islamic law). Though it will be necessary to undermine the competitor's credibility. ICG06 suggests that their actions be cast as dishonorable and Anti-Islamic, and that they perform monetarily motivated, criminally reprehensible acts (i.e. beheading captives). This is why it would be useful to refer to them as Mufsidoon.

With the customer now somewhat defined, it is time to analyze our products.

Product Analysis

The product is the good or service that you have to offer to the customers. Typical analysis criteria are:

- Product Description, in one clear sentence why your product is perfect for a specific buyer and what it does best

- Product Differentiation, why your product stands out in a credible and relevant way to the customers you are targeting
- Product Name, it is more important to be descriptive than creative
- Functionality, Features and Benefits, to understand the product from a customer's point of view, list the functionality, the features, and the benefits that product has; prioritize each for the target market
- Product Adaptability, to understand how adaptable your product is to your markets³⁷
- Price, the amount of money charged for a product or service or the value exchanged for the benefits of the product or service. A price too low will not be taken seriously, too high and the potential customer will not take the risk.³⁸ Price is not always monetary.

How would an analysis look for our customer sets? A horizontal campaign for U.S. customers will primarily sell the benefits of democracy. Remember, we want the greater U.S. populace to believe democracy, freedom, security, and stability are not only good for us, but good for others. For our Middle East customers? Table 2 shows what an analysis might look like.

Product Characteristic	Democracy	Freedom	Security	Stability
Description	To be represented by and to represent yourself to your rulers and be fairly judged by them	To make an honorable earning and a decent living for you and your family and to pray to the God of your choice	To work, worship, and live without fear. To have a reliable infrastructure for your homes, towns, and schools	To enjoy the benefits for your lifetime and your children's lifetime and their children's lifetime.
Differentiation	Your voice counts	You keep all that is good and holy	All are welcome, none need fear	It will last beyond your time as a legacy
Name	ديموقراطية	تحرير	نمأ	رأق تسرا
Functionality,	- Representation	- Openness	- Degrees of	- Prosperity

Features, Benefits	- Fairness	- Education	freedom - Schools	- Capital markets
Adaptability	Highly tailorable to your desires and needs and yet maintains your Islamic identity	You may grow it as much as you are comfortable with	Improves every environment	Once stable you will never want chaos again
Price	Courage; Time; Steadfastness; Giving up historical hatreds and tribal feuds			

Table 2

Integrate Target to Product

With the customer by and large defined and the products understood with regard to the target customer, it is time to match the rank ordered customer with the products that fit their needs. Another integration concern is product positioning - how the target market defines you in relation to your competitors. If the target market views your product as unique, you are in a good position. Being one of a kind means customers have a compelling reason to buy your product. Positioning also considers two aspects of the environment: the external marketing environment and the internal competitive advantage. What challenges does the DoD face in its markets? What unique advantage does the DoD have in advancing their product?³⁹

How are customers integrated to products in order to focus the marketing efforts? For the U.S. horizontal marketing campaign the goal is to unify as much as possible the American populace behind the benefits of spreading democracy. Therefore the horizontal message will stress the benefits of democracy, the role that political systems play in providing stability and security. How might it look for the Middle East target customers? Table 3 provides suggestions:

Customer	Product
Regime Leaders	- Democracy - Stability
Regime Elites	- Democracy - Stability

Establishment Ulama	- Representation* - Security - Freedom
Technocratic Class	- Freedom - Opportunity*

Table 3

*Representation and Opportunity are sub-themes to democracy.

Frankly, positioning will be a challenge. Given the widespread dislike of the United States and its policies, it will be difficult to convince even the – hopefully open-minded – target Middle East customer we have defined, that they want to do business with us or that we offer them any benefits. The external market environment ranges from ambivalent to outright hostile. Our internal competitive advantage is fractured and strident. We do, however, have one powerful advantage over our competitors who argue for other forms of governance. That advantage is the product itself.

Having some voice and representation before your leaders is desired. Many hope for a stable, secure life for themselves and their children. For this market, however, words and noble ideas will not be sufficient. Actions must demonstrate the concepts. To create a yearning for freedom we need functioning democratic institutions to characterize the principles. Representation must be fair and equitable. Representative bodies must apply civil liberties to all. The bodies must function with a degree of efficiency to accomplish the tasks of governance. We can build the desire for the product with our words, but only by following through with meaningful, functional mechanisms.

These desires among peoples of the world, if they can be built and sustained, are our position and our relative competitive advantage. It is also our differentiated brand promise for the customers. However, it will most likely help our cause to distance the product from the United States Government lest we taint the product.

With the customer environment and product differentiation now fairly well defined, we turn our attention to various marketing methods we will use to create brand awareness and, ultimately, sales.

Develop Marketing Strategy

Marketing strategy is primarily focused on the various components included in the message and a plan to get the message out. The usual objective is to move your target customer through the following phases: Unawareness > Awareness > Beliefs/Knowledge > Attitude > Purchase Intention > Purchase. To clarify, unawareness does not necessarily mean a lack of knowledge for your product, it can also mean the customer is unaware of your company, or unaware of why your product is preferred over another, or unaware of why your company is preferred over another.

What components go into the message? Usually these are the promotion, the offer, the call for action, and the promise. The promotion is the specific mix of advertising, personal selling, sales promotion, and public relations campaign used to pursue advertising and marketing objectives. The offer is a statement to the customer that tells the customer what is being offered: the value proposition, the problem the product of service solves, how the problem is solved, and product features. The call for action must challenge the target to do something based on the offer. Ask customers to take an action so they will learn more, test your product, or even buy the product. Challenge them to act and tell them what action you want them to perform. The promise is more than simply telling the customer about the benefits of your product; it is your guarantee of satisfaction. It is your personal vow the product will meet, even exceed, the customer's expectation. It is linked to your credibility, perhaps even your honor.

When crafting the message it is important to analyze the culture where that message will be delivered. Knowing about the culture is important to ensure the right words, right meanings, right inflections, and the right delivery method are used.

Metrics must be developed to measure the success of the message. Metrics are important for measuring the response to the message as different offers are tested and for tracking the results of the offer. Metrics take two forms, leading indicators and lagging indicators. Leading indicators are those factors that can be controlled before making an offer. They include metrics such as employee satisfaction, company performance indices, product differentiation, process efficiency, customer satisfaction, and customer advocacy. Lagging indicators are those that show the results for actions that have already occurred. These include

things such as revenue growth, market share, profitability, referrals, repeat purchases, sales, brand awareness, and return on investment⁴⁰.

Figure 1 shows all these elements included in a simple web advertisement for a Samsung™ LCD monitor.

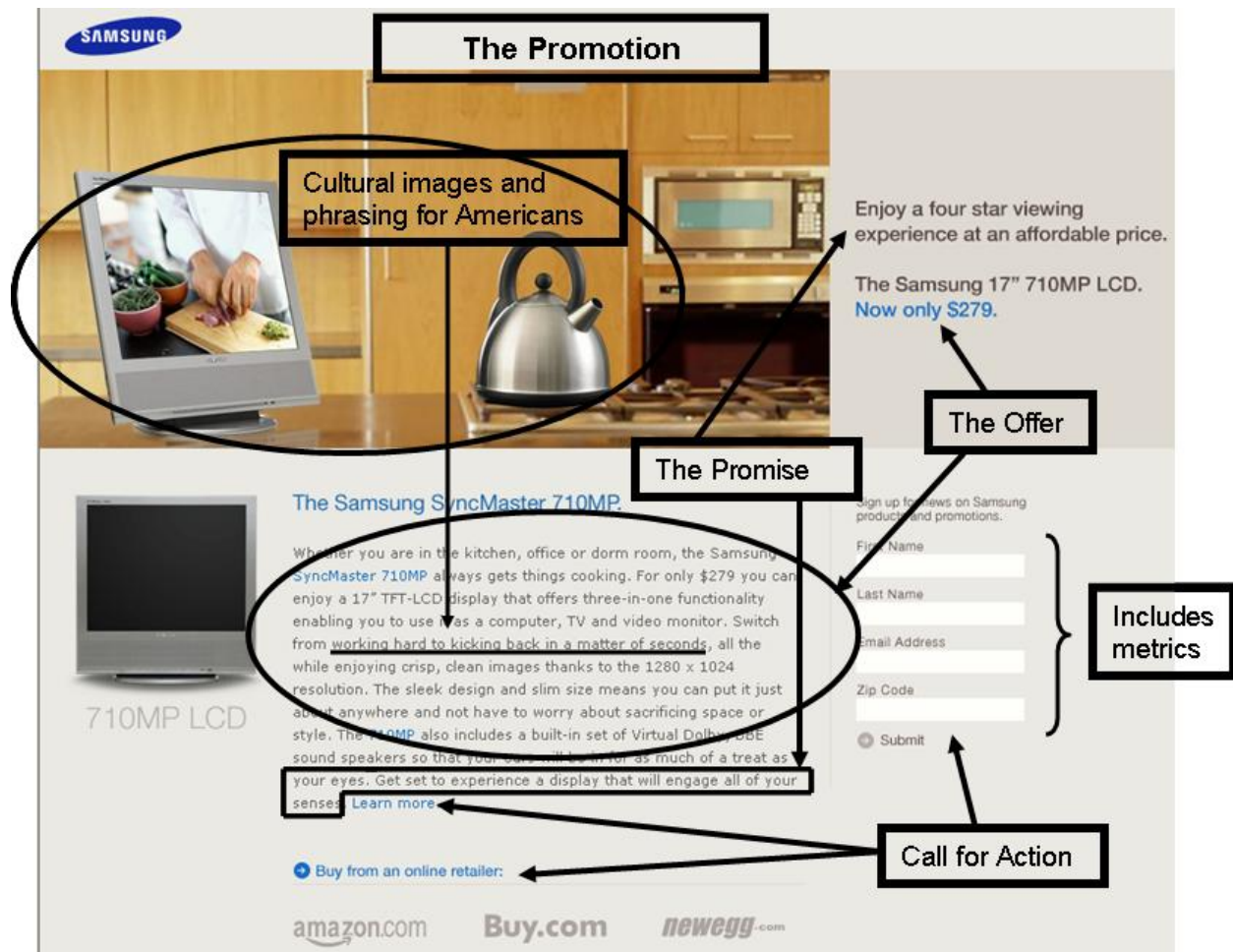


Figure 1

What resources are available for get out the message? There are many methods, from classic advertising to using the latest Internet media techniques. The challenge is to select those most appropriate to your customer and those that the customer will encounter. A partial list includes:

- World Wide Web: advertising, Web media, blogs, pop-ups, e-mail, chat, pod-casting, and webinars (web-based seminars)

- Direct Mail
- Classified Advertisements
- Press Releases
- Product Reviews, both in-house and second party
- Print media
- Broadcasting (radio and television advertising)
- White papers
- Events, such as trade shows, conferences, lunches, parties
- Collateral advertising with partners
- Public relations
- Lobbying
- Direct calls
- Conference calls

These are not all one-way communication tools. Two-way dialog is vital to companies and is used frequently. Interactive webinars, conferencing, public relations, and lobbying are critical techniques to inform customers and receive feedback.

For the two defined customer sets, the American public and the four Middle East targets, there should be different promotion strategies that offer tailored variations of the message. Before considering what these might look like, we need to consider that there are other resources available to the U.S. Government and the DoD for distributing the message that are not available to commercial firms. For the military these resources include:

- Recruiting
- Public interaction
- Troops on the ground who engage in face-to-face contact

Department of State has used a variety of methods, which include:

- American Corners
- Virtual Presence Centers
- Information Presence Centers

- American Presence Posts
- American Libraries
- Broadcasting, i.e. Voice of America, Radio Sawa, and Al Hurra television

The DoD can use all the resources available to commercial companies. They can also be tailored for our use. Collateral advertising, in particular, provides a unique opportunity. DoD can partner with other agencies, Non-Governmental Organizations (NGOs), other governments, and private businesses to do joint advertising. For example, establish a partnership with Médecins Sans Frontières (MSF) where DoD will actively advertise MSF as the humanitarian medical organization of choice and they will actively promote democracy as a means of establishing stability that will lead to better medical conditions.

There is one last thought about the message, which really gets to the heart of influencing behavior. We want to establish an emotional connection with the customer. This happens when a customer uses a product because it fulfills a deeper desire than just a need. This is a challenging goal that quickly delves into behavioral psychology and is highly dependant on culture. However, once a customer is emotionally attached to a product it is virtually certain they will use it for life.

The first goal is to move the target customers from unawareness to awareness and then beyond. For the American target customer the goal is to make them aware of the benefits of the product – simply that democracy is good, not only for us but for others and that for greater worldwide stability the U.S. Government wants democracy in as many places as possible. For the Middle East targets, the goal is to also drive the benefits of democracy, but in this case decoupled from the provider – we do not want the poor perception of the United States to distract from the good that can come from representative governance.

Table 4 provides some marketing strategy.

Marketing Element	US Customer	Middle East Customer⁴¹
Promotion	Primarily advertising	- Advertising - Indirect Sales - Public Relations

Offer	<ul style="list-style-type: none"> - Expect the rights of liberty - Your children's future depends on world stability 	<ul style="list-style-type: none"> - Expect the rights of liberty - To be fairly represented by and to represent yourself to your rulers - To make an honorable earning and make a decent living - To live without fear - Opportunity
Call to Action ⁴²	<ul style="list-style-type: none"> - Become more informed - Become more active in American democratic processes 	<ul style="list-style-type: none"> - Get more information to make informed decisions - Establish local democratic organizations - Call on your tribal leaders to demand representative government
Culture	<ul style="list-style-type: none"> - Beer drinking, NASCAR watching, red-state right wingers - Wine sipping, Volvo driving, blue-state left wingers⁴³ - TV-watching, worried about the job and rising medical costs, just-want-to-get-on-with-life mid-packers 	<ul style="list-style-type: none"> - Heavy focus on tradition - Tribal orientation and attendant authority and social status - Time as a non-linear concept - Long memory that does not encourage forgiveness - Face-to-Face communication and two-way relationships preferred and trusted - Important values: family, religious faith (and freedom to practice as you choose), social safety net, volunteerism, freedom of expression, universal reach of education, and economic prosperity - Rule of law - Personal and family honor
Metrics ⁴⁴	<p><u>Leading</u></p> <ul style="list-style-type: none"> - Economic measures that affect 	<p><u>Leading</u></p> <ul style="list-style-type: none"> - Marketing budget

	<p>quality of life (i.e. mortgage rates, costs of goods, medical costs, gas prices, tax rates, job rates, education rates, inflation)</p> <p><u>Lagging</u></p> <ul style="list-style-type: none"> - Unit cohesion at DoD and Joint levels - Partisan political strife/division 	<ul style="list-style-type: none"> - Global economic performance - Attitude towards democracy as an institution - US Intra-agency coordination - Percentage of Middle Eastern customers who prefer democracy to other forms of government <p><u>Lagging</u></p> <ul style="list-style-type: none"> - Relative economic improvement - Attitude towards the U.S. Government - Attitude towards Americans - Number of message “hits” - Increase in democratic institutions - Sectarian strife
Marketing Resources	<ul style="list-style-type: none"> - Television advertising - Recruiting messaging - Web based media, pop-ups, blogs, pod-casts, targeted e-mails - Coordinated intra-agency messaging (i.e. democratic messaging at national parks) - Event based presence (i.e. at annual Hollywood Oscar presentations) 	<ul style="list-style-type: none"> - Continued traditional Department of State activities⁴⁵ - Advertising in local print media - Advertising on local broadcast sources, especially Al Jazeera - White papers on the benefits of democracy, freedom, stability, and security - In depth face-to-face encounters and private debate at the diplomatic level down to the individual level - Partner-based messaging with NGOs and private business - Heavy web-based presence using all means

Table 4

With the marketing strategy developed, we must then consider how the actual product is delivered. There must be alignment between the product's message and the product's delivery.

Product Delivery Method

Product delivery includes the method or distribution channels used to make the product or service available to the consumer.⁴⁶ There are three general types of distribution channels: direct, retail, and partnerships. Direct distribution is when a company offers its products directly to the customer. This could be via on-line ordering, mail-order, or company store. Apple Computer™, for example, runs a number of stores™ to sell its products directly to the consumer. Starbucks™ coffee shops are direct distribution channels. Retail is the distribution of product through other companies whose mission is to sell a variety of products. Gillette™, for example, sells its razors through retailers, such as Wal-Mart and K-Mart. Partnerships are agreements between companies to sell the others products in part or in whole. Symbol Technologies may sell equipment directly to the customer, but prefers to sell through partners such as Dexterra and Adesso. As a means of incentivizing the partnership, Symbol Technologies offers better prices to customers who buy from partners.

But delivery of the product is not sufficient. The other elements of the company must be aligned one to the other and to distribution. Those elements include Sales, Human Resources (HR), Market Intelligence, Operations, Supply Chain, Information Technology (IT), Finance, and others. It is reasonable to say there is a many-to-many linkage between these elements; each element must be in perfect alignment. Marketing may generate demand, but HR needs to staff a sales force for the customer interface. That demand must drive the supply chain to ensure product is available. Finance must provide funding for all operations and HR. Market Intelligence informs marketing and operations about the market conditions and the competition. Operations integrates the actions. Supply Chain gathers new material and provides product to the distribution channel. Figure 2 represents the alignment notion. It is bad business for a company to successfully market a product and then fail to deliver that product. For example, Sony Corporation built a great deal of interest for its Play Station Three but failed to get it to the market; in the meantime they lost huge amounts of market share to Microsoft who successfully delivered its X-Box 360 to the market in time for Christmas 2005. It is a complex challenge to link all the elements of a company, but it must be done. The marketers's challenge is to link the message to the rest of the operations; to build the demand just in time to deliver the product.

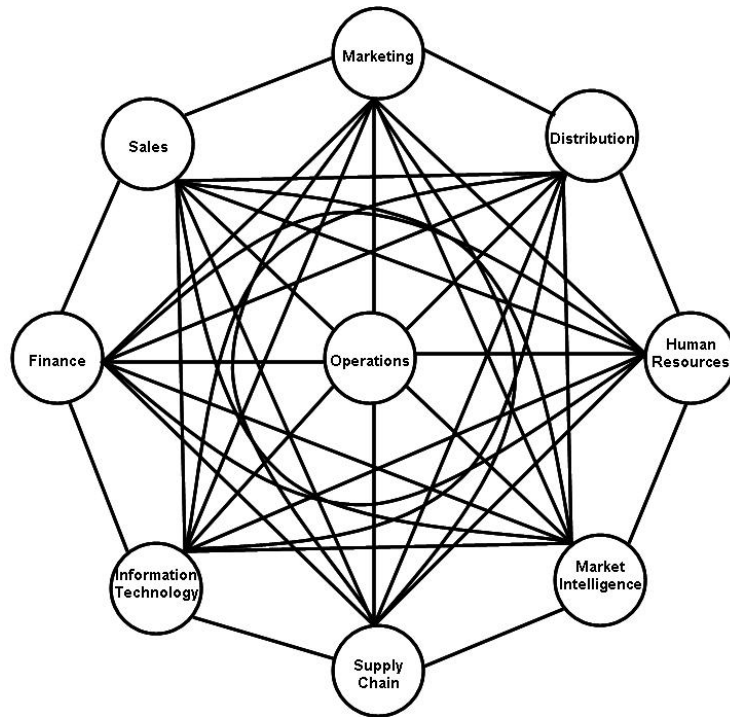


Figure 2

What does this mean and how could it be applied to U.S. Government and DoD strategic communications and public diplomacy activities? It means that if we are going to sell democracy then we better be prepared to deliver and have the mechanism to deliver. It also means the entire operation must be fully financed, all positions fully staffed, the competition is clearly understood, and the partnerships for delivery of democracy are in place and solid.

Regarding finance, how much should be spent on marketing efforts? An industry rule of thumb⁴⁷ suggests that 3.5% of revenue is required to maintain a market and 5% of revenue is required to penetrate a new market. Clearly penetration is what we are after. The Fiscal Year 2007 presidential budget request is \$13 Trillion, which means \$650 Billion should be dedicated across the federal government to the marketing effort. DoD's budget request is \$504 Billion, which means \$25 Billion should be dedicated to marketing. Big numbers, but a necessary investment to win.

Military Operations are one type of product delivery channel used in the DoD. The U. S. Military participates in numerous operations using a wide variety of operational types. The list of operations consists of the following:⁴⁸

- Offensive Operations (which now includes Defeat Terrorist Networks)
- Defensive Operations (which now includes Defend the Homeland in Depth)
- Stability Operations (which consist of Shaping Choices for Countries at Strategic Crossroads, Preventing Hostile States and Non-State Actors from Acquiring or using Weapons of Mass Destruction (WMD), Peace Operations, Foreign Internal Defense, Security Assistance, Humanitarian and Civic Assistance, Support to Insurgencies, Counterinsurgency, Counterterrorism, Support to Counterdrug Operations, Combating Terrorism, Noncombatant Evacuation Operations, Arms Control, and Show of Force)
- Support Operations (which consist of Domestic Support Operations, Nation Assistance/Building, Foreign Humanitarian Assistance, Relief Operations, Disaster Relief, Support to Domestic CBRNE Consequence Management, Support to Civil Law Enforcement, and Community Assistance)

Many of these operations are ideally suited for a marketing campaign. For the internal campaign directed towards the U.S. public, an aggressive marketing campaign integrated into operations associated with Defending the Homeland, Humanitarian and Civic Assistance, Domestic Support Operations, Relief Operations, Disaster Relief, Support to Civil Law Enforcement, and Community Assistance is needed.

Likewise, for the Middle East marketing campaign, maximizing the integration of the message into Shaping Choices for Countries at Strategic Crossroads, Peace Operations, Security Assistance, Humanitarian and Civic Assistance, Nation Assistance/Building, Foreign Humanitarian Assistance, Relief Operations, and Disaster Relief is necessary.

Linking the message with operations provides the greatest opportunity to “say and do” the same thing - to keep the message linked to our actions.

Finally, all the analysis and planning should be linked together into the campaign plan.

Marketing Campaign Planning and Sub-Launch Planning

The campaign plan is delivering the tailored message to the target customer using the chosen methods over a period of time with the goal of generating demand and ultimately selling product.

In corporate America, marketing campaigns typically span an 18 month timeframe. This is the amount of time needed to build visibility and create demand. It assumes a “buying” environment, one where the buyer is friendly to the company offering the product. The Apple Corporation, in 18 months, could generate much demand and revenue on its next release of the iPod. The W.R. Grace and Company would need much longer to convince the public to buy asbestos based ceiling tiles. In fact, the market would be so hostile to such a product that no marketing campaign could ever be successful at selling asbestos.

What is a reasonable estimate of time needed to change a market’s perception of a company or a product in a hostile environment? Bill Weldon, CEO of Johnson & Johnson stated anecdotally that it has taken five years worth of effort to turn public opinion about pharmaceutical manufacturers and that several more years of work is needed.⁴⁹ The direct implication is that, in the current hostile environment, it will take years of messaging and action to begin changing global attitudes.

As discussed earlier, there are two types of marketing campaigns, horizontal and vertical. Horizontal campaigns are broad and designed to generate general recognition of a product. Vertical campaigns are directed towards very specific markets. While everyone is likely to see a horizontal campaign, a vertical campaign is only for targeted customers to see. In 2005, IBM ran a broad horizontal campaign for their professional services that featured a help desk worker sitting at a desk in a number of un-likely settings. One such spot showed the worker solving traffic congestion on a freeway for a police officer. Millions of Americans saw these advertisements, which created broad recognition for IBM’s technical services. At the same time, IBM was advertising its Radio Frequency Identification (RFID) software in RFID Journal, specifically targeting retail companies to help solve their backend warehousing problems. There is a very good chance most Americans did not see this vertical advertising campaign.

What might a DoD marketing campaign plan look like? It could take any number of forms, but figures 3 through 6 offers one example tailored to the Establishment Ulama customer target.



Figure 3

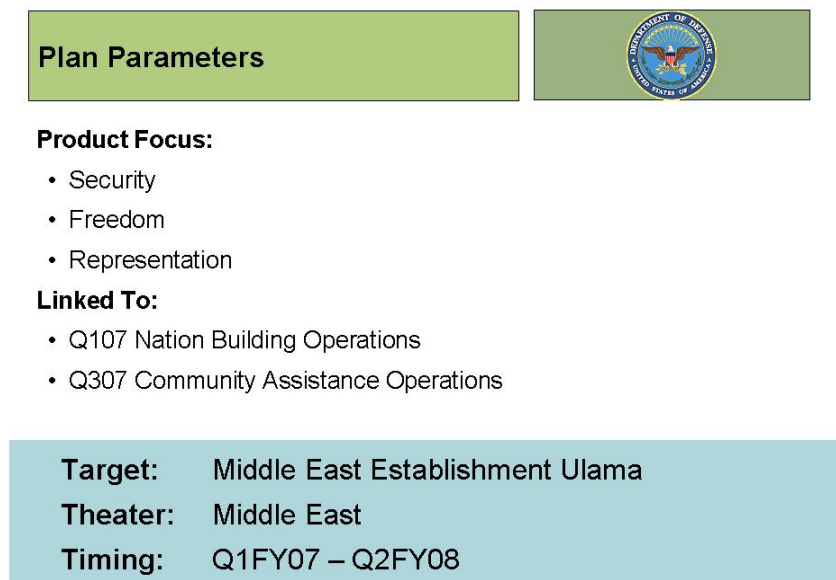


Figure 4



Figure 5



Figure 6

While recognizing this plan is incomplete, it offers the scope of planning required to reach just one market segment. Businesses expend much effort to put together comprehensive plans in an attempt to persuade customers to buy. Businesses have it easier than DoD

because they usually have a limited set of products and a limited customer set to reach. And most of the world isn't hostile toward them.

The challenge for the Federal government and the Department of Defense is much larger. For this reason we must have partners who will help sell our message, we must have an appropriate budget, and we must integrate messaging and advertising into all operations. It is a challenge, but one we must successfully take on if we truly desire to spread democracy to the rest of the world. An effort we believe will result in security and stability.

The Surrounders

The Surrounders are the four points around the exterior of the marketing model. All these points have been covered above, but they are so critical to overall success, that they must be called out and always be at the forefront of thinking and planning.

People – “It is becoming understood that brands that earn their customers's loyalty are characterized by employees who understand and identify with the brand.”⁵⁰ If the insiders do not believe then they will not sell the product or service. Employees of the DoD, military and civilian, must believe the message. Likewise so must employees of Department of State, Department of Homeland Security, Justice, and all the Federal agencies. They hurt the mission if they don't support the message. The American public is also considered an insider, which is why we must expand marketing dollars to win them over.

Processes – the internal processes must be aligned. The marketing strategy aligns to product aligns to sales aligns to distribution aligns to supply chain aligns to operations and on it goes. As one successful CEO noted, “Processes must be common across the company. Anytime a process is “tailored” or shortcuts are taken is generally when they have problems. Follow the process and projects work well. Process is very important; always looking to improve process, consistency, and speed.”⁵¹

Promise – our promise is linked to our idea of honor. The Middle East customers will understand this concept but if we fail to deliver we lose face and honor. What could be a better promise than to stake honor on the satisfaction your product will deliver?

Partners – we can not go this “long war” by ourselves, we need other organizations that will support and help co-deliver the message. These partners should be tightly bound to our processes and our promise. These partners include:

- Other agencies, starting with Department of State, Department of Homeland Security, and Department of Justice
- Non-Governmental Organizations
- Private business, particularly those that work abroad
- Other governments

Call to Action

Marketing is effective and with a serious investment offers serious returns. What then should we do? Ignore our problems and hope they go away? Declare that America is “right” and go it alone? Become even more so the world’s police force, setting up armed camps in every disruptive state? Or launch a campaign aligned with our people, processes, partners, and operations to build U.S. public support and confidence and slowly begin to build world-wide demand for greater security, stability, and democratic institutions? I believe the latter is the preferred choice.

There are several concrete steps to start this process:

- The U.S. Government develops a national communications strategy to start linking intra-agency processes with Department of State taking the lead
- The President and Congress increase funding for marketing to 5% of budget across the federal budget
- DoD applies 5% of its budget to marketing
- Create within the Department of State a Central Marketing Office that creates the U.S. marketing strategy and unified messaging, and which coordinates the marketing efforts of subordinate agencies such as the Department of Defense
- DoS, DoD, and other federal agencies hire an international marketing company to bring professional expertise to the marketing problem
- DoS, DoD, and other federal agencies hire a news wire service to distribute U.S. messaging

- DoD plans operations as part of our marketing campaign
- DoD plans marketing campaigns as part of our operations
- DoD incorporates marketing into our training
- DoS, DoD, and other federal agencies partner with business for more than just messaging. The government and DoD could encourage and incentivize U.S. and foreign companies to build and operate in the middle east and other areas around the world. These companies would use local employees, verses imported foreign employees. The company would support both local markets and the broader global market. Local employees would become invested in jobs and their success will help build the local infrastructure, grow markets, and build stability and security. The incentives for the companies must give them a legitimate business rationale to be in the country; we can not subsidize their operations. Subsidizing provides no incentive to perform and, worse, makes them American lackeys.

Conclusion

Does a marketing plan solve all our problems? No, only half our problems, the other half are solved by our actions. The words build the expectation and the deeds deliver the goods. The challenge is that despite any number of words, one misstep with our actions will end any credibility we may have created. The U.S. already has major credibility problems in areas of the world where we desire influence. It is time to start stepping carefully.

In the business world, all employees are involved in marketing - part of their job is to sell the company. Likewise, everyone in the military has some responsibility for strategic communication and diplomacy - part of our job is to sell the U.S. A corporate marketing approach to our military diplomacy, strategic communications, public diplomacy, and military operations along with new ways of thinking about the problems, will bring results. We must plan for and look towards the long term. We need to orient our people, align our processes, gather our partners, and deliver on our promises. Our own democracy, freedom, stability, and security require us to do so.

Table 5, Reference Abbreviation Cross-Reference

Abbreviation	Reference
CRS1	Epstein, Susan B. Congressional Research Service (CRS) Report for Congress, U.S. Public Diplomacy: Background and the 9/11 Commission Recommendations. Washington, D.C.: The Library of Congress, 5 October 2004
CRS2	Epstein, Susan B. and Lisa Mages. CRS Report for Congress, Public Diplomacy: A Review of Past Recommendations. Washington, D.C.: The Library of Congress, 2 September 2005
DSB04	Report of the Defense Science Board Task Force on Strategic Communication, September 2004
GAO-05-323	GAO Report to the Chairman, Subcommittee on Science, State, Justice, and Commerce, and Related Agencies, Committee on Appropriations, House of Representatives. U.S. PUBLIC DIPLOMACY, Interagency Coordination Efforts Hampered by the Lack of a National Communication Strategy, April 2005
ICG06	International Crisis Group, "In Their Own Words: Reading the Iraqi Insurgency", Middle East Report No. 50, 15 February 2006
JP 1-02	Joint Publication 1-02
Moore	Moore, Geoffrey A. <u>Inside the Tornado</u> . New York: HarperBusiness Books, 1995.
NDS05	The National Defense Strategy of the United States of America, Department of Defense, March 2005
NMSP06	National Military Strategic Plan for the War on Terrorism, Chairman of the Joint Chiefs of Staff, 1 February 2006
NSS06	The National Security Strategy of the United States of American, September 2002 and March 2006
QDR06	Department of Defense Quadrennial Defense Review Report, 6 February 2006
Rice06	Secretary Condoleezza Rice remarks at Georgetown School of Foreign Service, 18 January 2006
Smith02	Smith, Shaun and Joe Wheeler. <u>Managing the Customer Experience</u> . London: Prentice Hall, 2002.

- SNSETIR04 U.S. House of Representatives Subcommittee on National Security, Emerging Threats, and International Relations, Hearing Memorandum, 4 February 2004
- USACPD04 United States Advisory Commission on Public Diplomacy, Report for 2004
- VanOttten See for example VanOttten, Dr. George A., "Culture Matters", Military Intelligence Professional Bulletin, Jan-Mar 2005 and Charkowske, Sergeant Kevin M., "Practical Impacts and Effectiveness of Cultural Intelligence", Marine Corps Gazette, October 2005
- Wilson Wilson, James Q., "Divided We Stand, Can a polarized nation win a protracted war?", Commentary, February 2006
- Zakheim Zakheim, Dov S., "Blending Democracy, The Generational Project in the Middle East", The National Interest, Fall 2005

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- ¹ Secretary of Defense Donald Rumsfeld, Remarks at the National Press Club, 2 February 2006
- ² Smith, Shaun and Joe Wheeler. Managing the Customer Experience. London: Prentice Hall, 2002. (Smith02)
- ³ Various sources, US Department of Commerce and Blackfriars Communications
- ⁴ The National Security Strategy of the United States of America, September 2002 and March 2006 (NSS06)
- ⁵ Department of State Publication 11201, June 2005
- ⁶ Secretary Condoleezza Rice remarks at Georgetown School of Foreign Service, 18 January 2006 (Rice06)
- ⁷ The National Defense Strategy of the United States of America, Department of Defense, March 2005 (NDS05)
- ⁸ National Military Strategic Plan for the War on Terrorism, Chairman of the Joint Chiefs of Staff, 1 February 2006 (NMSP06).
- ⁹ Department of Defense Quadrennial Defense Review Report, 6 February 2006 (QDR06)
- ¹⁰ Report of the Defense Science Board Task Force on Strategic Communication, September 2004 (DSB04)
- ¹¹ *ibid*
- ¹² U.S. House of Representatives Subcommittee on National Security, Emerging Threats, and International Relations, Hearing Memorandum, 4 February 2004 (SNSETIR04)
- ¹³ International Crisis Group, "In Their Own Words: Reading the Iraqi Insurgency", Middle East Report No. 50, 15 February 2006 (ICG06)
- ¹⁴ Epstein, Susan B. Congressional Research Service (CRS) Report for Congress, U.S. Public Diplomacy: Background and the 9/11 Commission Recommendations. Washington, D.C.: The Library of Congress, 5 October 2004 (CRS1)
- ¹⁵ United States Advisory Commission on Public Diplomacy, Report for 2004 (USACPD04)
- ¹⁶ *ibid*
- ¹⁷ GAO Report to the Chairman, Subcommittee on Science, State, Justice, and Commerce, and Related Agencies, Committee on Appropriations, House of Representatives. U.S. PUBLIC DIPLOMACY, Interagency Coordination Efforts Hampered by the Lack of a National Communication Strategy, April 2005 (GAO-05-323)
- ¹⁸ Laird, Melvin R, "Setting the Record Straight," Foreign Affairs, November/December 2005.
- ¹⁹ For example, United Press International reported in January 2006 that 60% of Americans disapprove of the president's handling of the war. A February 2006 CBS News poll reports that 70% of Americans disapprove of the presidents handling of the war. While it may be possible to quibble over the actual numbers, sampling methods, or sampling population with any given poll, it remains a fact that widespread support for the war and/or its handling by political leaders has declined over the course of the last several years.
- ²⁰ Wilson, James Q, "Divided We Stand, Can a polarized nation win a protracted war?," Commentary, February 2006 (Wilson)
- ²¹ Epstein, Susan B. and Lisa Mages. CRS Report for Congress, Public Diplomacy: A Review of Past Recommendations. Washington, D.C.: The Library of Congress, 2 September 2005 (CRS2)
- ²² Based on current-year dollars. See CRS1
- ²³ Rice06
- ²⁴ GAO-05-323
- ²⁵ NMSP06
- ²⁶ See for example VanOttten, Dr. George A., "Culture Matters", Military Intelligence Professional Bulletin, Jan-Mar 2005 and Charkowske, Sergeant Kevin M., "Practical Impacts and Effectiveness of Cultural Intelligence", Marine Corps Gazette, October 2005 (VanOttten)
- ²⁷ Riggins, Lt Col Jim, A Strategic Assessment of Public Diplomacy, Washington, D.C., National Defense University Press, 14 September 1998
- ²⁸ Joint Publication 1-02 (JP 1-02)
- ²⁹ DSB04
- ³⁰ JP 1-02
- ³¹ *ibid*
- ³² *ibid*
- ³³ The discussion of marketing activities is based, in part, on descriptions found in <http://www.adinsite.com/marketing101.html> (verified 1 March 2006) and <http://www.determan.net/Michele/markethome.htm> (verified 1 March 2006)
- ³⁴ Moore, Geoffrey A. Inside the Tornado. New York: HarperBusiness Books, 1995. (Moore)

³⁵ Zakheim, Dov S, "Blending Democracy, The Generational Project in the Middle East", The National Interest, Fall 2005 (Zakheim)

³⁶ Most references above contain analysis information. Also based on an interview with Harold Rhode, Office of Net Assessment, 13 July 2005.

³⁷ Five factors measure how "adaptable" a new product is:

Relative advantage of the product: How superior is the product or service to those it was designed to compete against?

Compatibility: Does it fit with current product usage and customer activity?

Complexity: Will difficulty or confusion arise in understanding the innovation's basic idea?

Divisibility: How easily can trial portions of the product or service be tested?

Communicability: How likely is the product to appear in public places where it is easily seen and studied by potential users?

³⁸ Many other factors go into pricing. Other factors are:

Pricing Strategies, there are five general pricing strategies:

Product Line: Setting price steps between product line items

Optional Product: Pricing optional or accessory products

Captive Product: Pricing products that must be used with the main product

By-Product: Pricing low value by product to get rid of them

Product Bundle: Pricing bundles of products sold together

New Product Pricing, there are two new product pricing strategies:

Market-Skimming: Initially set high prices to "skim" revenue layer by layer from the market

Market Penetration: Set a low initial price in order to penetrate the market quickly and deeply to win a large market share

Price Adjustment, price adjustments can be made based on changing situations:

Discount & Allowance: reduced prices to reward customer responses such as paying early or promoting the product

Discriminatory: adjusting prices to allow for differences in customers, products, and locations

Psychological: adjusting prices for psychological effects. Ex: \$299 vs. \$300

Value: adjusting prices to offer the right combination of quality and service at a fair price

Promotional: temporarily reducing prices to increase short-run sales

Geographical: adjusting prices to account for geographic location of customer.

International: adjusting prices in international markets

³⁹ Other aspects go into positioning. These include:

Positioning Strategies, for the product

There are seven positioning strategies that can be pursued:

Product Attributes: What are the specific product attributes?

Benefits: What are the benefits to the customers?

Usage Occasions: When / how can the product be used?

Users: Identify a class of users.

Against a Competitor: Positioned directly against a competitor.

Away from a Competitor: Positioned away from competitor.

Product Classes: Compared to different classes of products.

Segmentation, there are three types of segmentation:

Mass Marketing or Undifferentiated Marketing

Product-variety Marketing or Differentiated Marketing

Target Marketing or Concentrated Marketing

Positioning Differences, the differences that are promoted for a product must be:

Important: The difference delivers a highly valued benefit to the target buyers

Distinctive: Competitors do not offer the difference, or the company can offer it in a more distinctive way

Superior: The difference is superior to other ways that the customer might obtain the same benefit

Communicable: The difference can be explained and communicated to the target buyers

Preemptive: Competitors cannot easily copy the difference

Affordable: Buyers can afford to pay the difference

Profitable: Company can introduce the difference profitably

⁴⁰ Primarily derived from Smith02

⁴¹ In reality we would look at our four groups separately, the Regimes, Regime Elites, the Establishment Ulama, and the Technocratic Class. For simplicity sake we are combining them together in this table.

⁴² The call to action would actually change based on the phase of the campaign. For example, in the awareness phase you may simply want the customer to get more detailed information. In a latter stage you may want them to take more aggressive action, i.e. establish an elected town council.

⁴³ Adapted from a Dave Barry article published December 18, 2004

⁴⁴ Like Call to Action, metrics will vary based on the stage of your marketing campaign

⁴⁵ See esp. DSB04, GAO-05-323, and USACPD04 for detailed State Department recommendations.

⁴⁶ There are eight main functions for distribution channels:

Information: gathering and distributing marketing research

Promotion: developing and communicating offers

Contact: communicating with prospective buyers

Matching: fitting the offer to the buyer's needs

Negotiation: reaching agreement on price and terms

Physical distribution: transporting and storing the goods

Financing: getting and using funds to cover the costs of channel work

Risk taking: assuming the risks the channel work.

⁴⁷ Based on conversation with Mr. Timothy Heffernan, Senior Director Government Marketing, Symbol Technologies, Holtsville, New York.

⁴⁸ There are multiple types of operations listed in various documents, not all of which agree. This list is compiled from Joint Publication 3-0, Army Field Manual 3-0, and QDR06

⁴⁹ Stated in conversation, 23 March 2006

⁵⁰ Smith02

⁵¹ Bill Swanson, CEO of Raytheon, Inc, stated in conversation 10 March 2006