

The Most Talked About Brands in America: How to Become One of Them

Ed Keller, CEO, The Keller Fay Group
ANA Masters of Integrated Marketing Conference
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The Goal

“I want one.”

“My partner wants one.”

“My friend just got one and he was
telling me all about it.”

“I LOVE mine.”



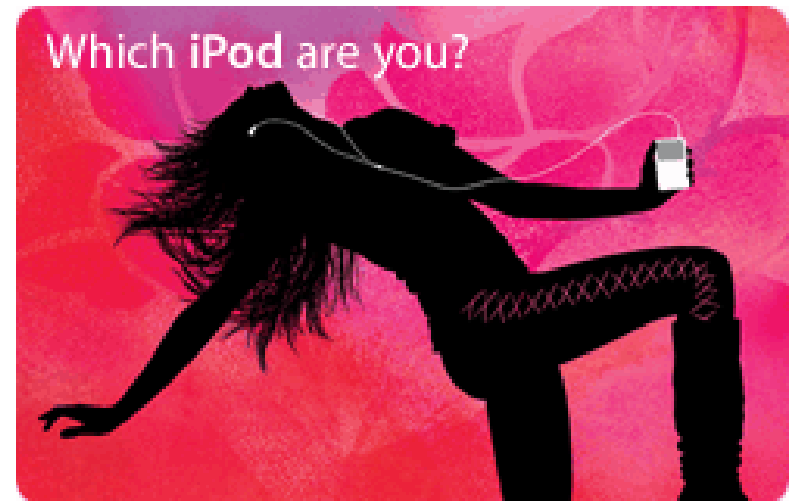
The Brand

“My friend went to the gym and wanted to borrow my iPod video.”

“My husband wants his own iPod.”

“My grandpa is getting me an iPod Nano.”

“So many people have iPods now.”



TalkTrack™: A New, Continuous Study Monitoring All Word of Mouth

“Average Joe talks brands 56 times a week, says study”

- Diary-assisted reporting of past 24-hour conversations
- Representing Americans 13-69
- All modes of conversation
 - Face to face
 - Telephone
 - Online
- Weekly online data collection
 - 700 respondents
 - 5,600 brand mentions
 - 11,000 marketing-relevant conversations



Word of Mouth: Chain Reaction

WEEKEND
FINANCIAL TIMES

14 OCTOBER 2006 10.00AM

Marketers talking to mother

By Gary Silverman

Advertisers searching for alternatives to television commercials might want to consider an old-fashioned home remedy – talking to their mothers.

Research conducted on behalf of Procter & Gamble, the US consumer products company that is the world's biggest advertiser, suggests British mothers are gaining influence as marketers at the very time TV commercials seem to be losing impact.

P&G reckons that a mother who is moved to talk about a product sets off a chain reaction that will eventually involve 1,000 mothers in the discussion. At the start of the decade, it assumed that such a conversation would only involve 200 mothers.

Gianni Ciserani, P&G managing director for the UK and Ireland, says: "I think it is largely because of the availability of technology. In the past, you had to go to the park and find another mom and tell her. Now they go into a chat room or copy an e-mail to a list of friends."

P&G is becoming more interested in finding ways to compare the impact of different marketing activities because of fears that television commercials are losing their punch.

Working with a company in Cyprus called Integration, P&G has found that "word of mouth" is gaining influence at a faster rate in Europe than most other marketing tools. In other words, people are influenced increasingly



Mum's the word: research suggests word of mouth between mothers works better than telev

by the things they hear from other people as opposed to the things they learn from advertisements.

The word-of-mouth effect is more pronounced in the UK because people here are so opinionated, says P&G. Mr Ciserani says people in the UK are five times more likely than people in other parts of the Europe to call a company to express their views.

"We can confirm that UK consumers, and therefore UK mums, are the most vocal in expressing their happiness or disappointment

with brands and companies," he says. "They talk to plenty of people once they have a positive or negative experience."

P&G is employing targeted marketing efforts in the UK that focus on winning the affection of people to whom other people pay attention – what it calls "ambassadors".

"If you get to the early adopters they can become spokesmen for you," Mr Ciserani says. "You have to find out who are these ambassadors, who is willing to be an ambassador and you have to contact them."

One example approach has been play recently in cities around the UK – an experiential tour that gives visitors a chance to learn about how babies sleep. The exhibit is sponsored by P&G's Pampers brand nappies, which has been trying to forge connections with mothers by helping them with childcare issues.

"We look at things through the eyes of a baby," says Paris Kafantaris, P&G's vice-president for baby care in western Europe. "The whole idea is how is the

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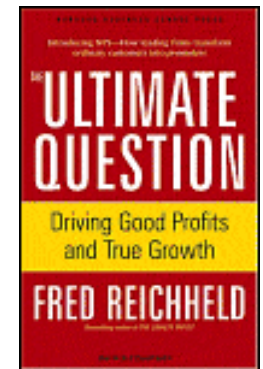
Another way P&G targets "ambassadors", Mr Ciserani says, involves collaboration with retailers. Before launching a product, the company asks them what kind of consumers might be interested – an approach that works well in the UK because of data collected in club-card programmes.

P&G then sends a letter and samples of the product to consumers in the hope they will like P&G's wares and talk about them, becoming ambassadors.

Word of Mouth: Drives Growth

“On average, a twelve-point increase in [advocacy] leads to a doubling in the company’s rate of growth”

-Fred Reichheld, *The Ultimate Question: Driving Good Profits and True Growth*



GE agrees: Advocacy “is the best customer-relationship metric I’ve seen.”

- Jeff Immelt, CEO, General Electric

America's WOM Conversation:

Insights from TalkTrack™

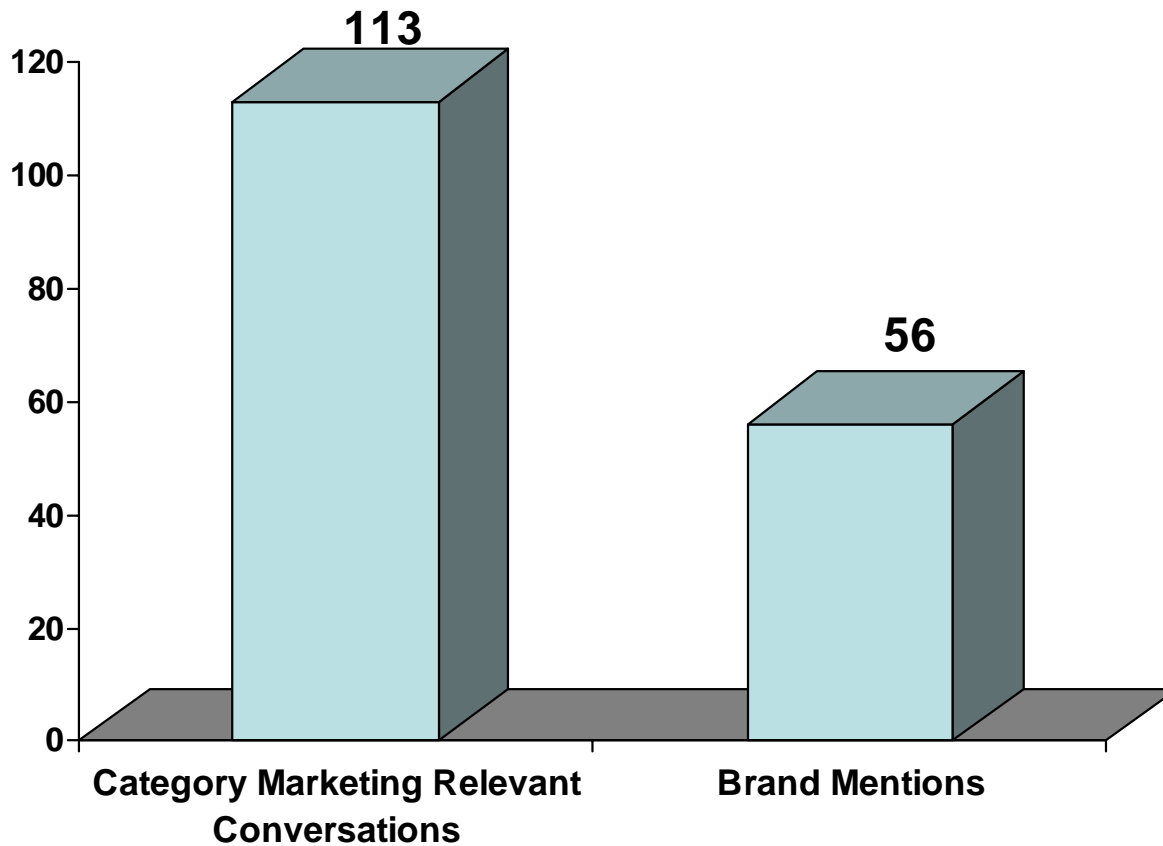
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There's a Lot of WOM Today

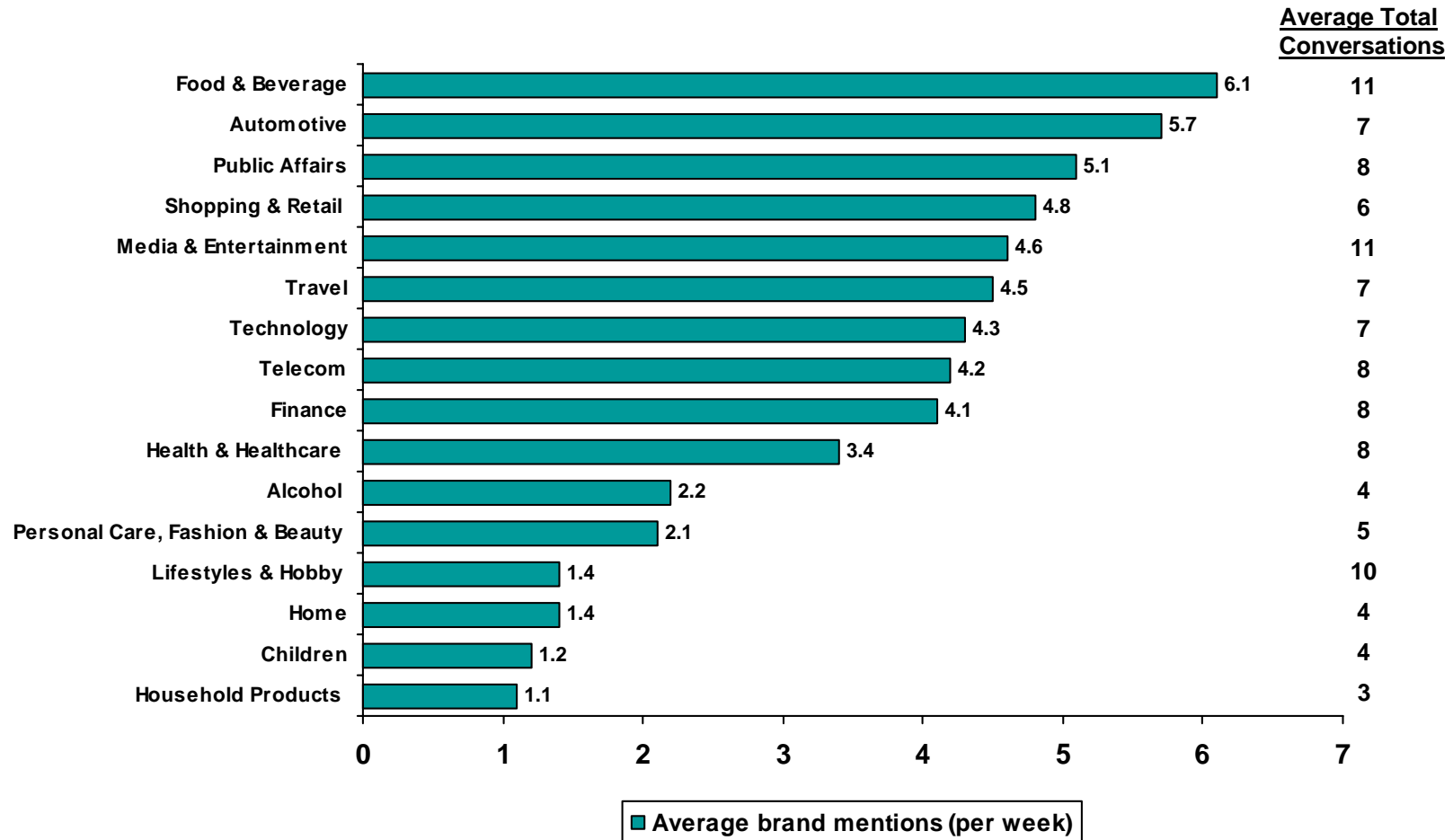
(Average weekly conversations and brand mentions per person)



Base: 3,592 respondents

From Autos ... to Media ... to Telecom ...

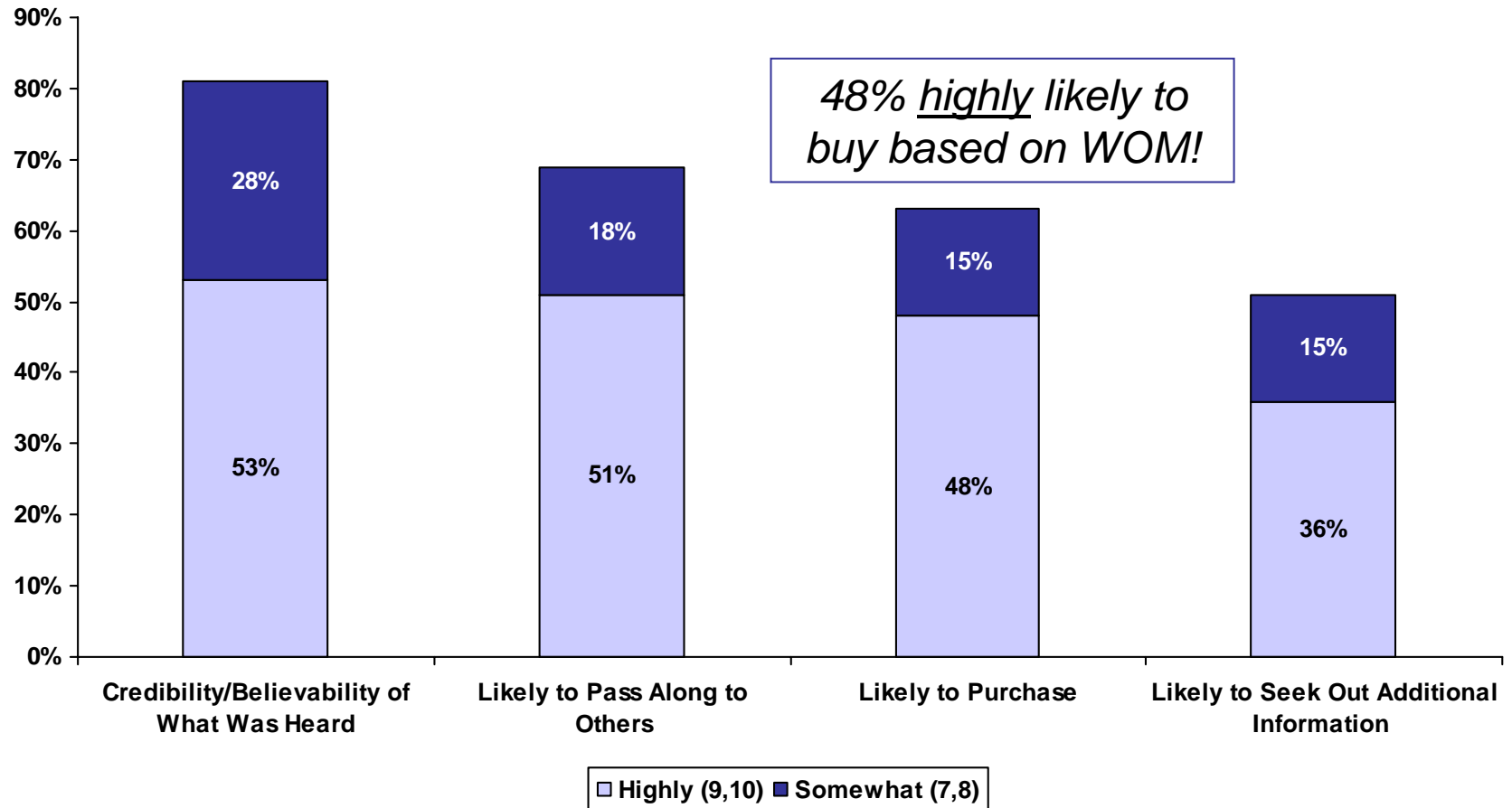
(Up to 11 conversations per week and 6 brand mentions per category)



Base: 1,507 respondents

What Consumers Say Makes a *Big* Difference

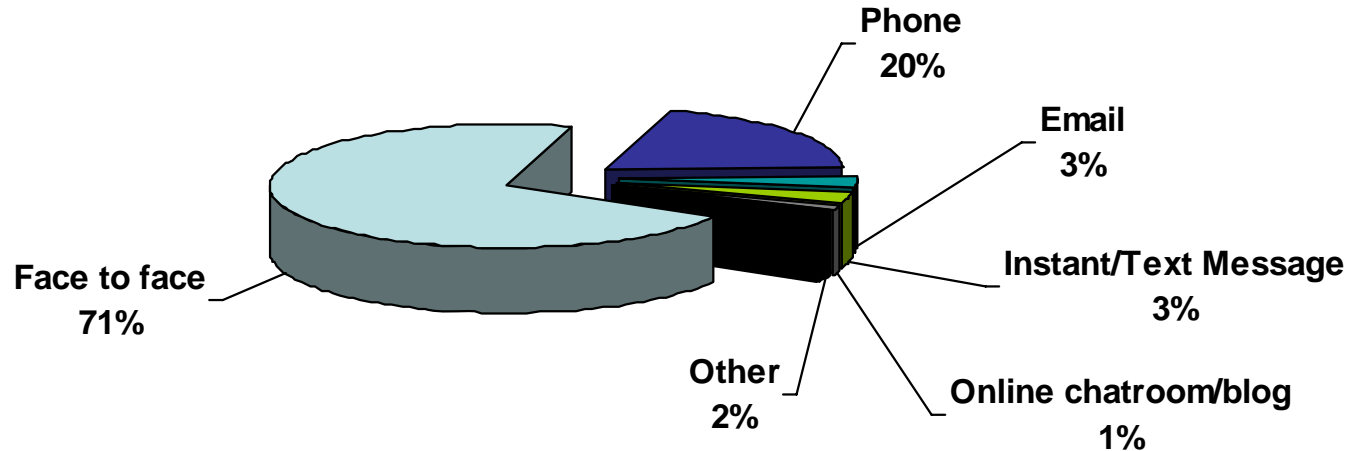
(Receiver's Reaction to WOM Episode on a 0 to 10 scale)



Base: 9,990 brand mentions where someone else entirely or equally provided advice

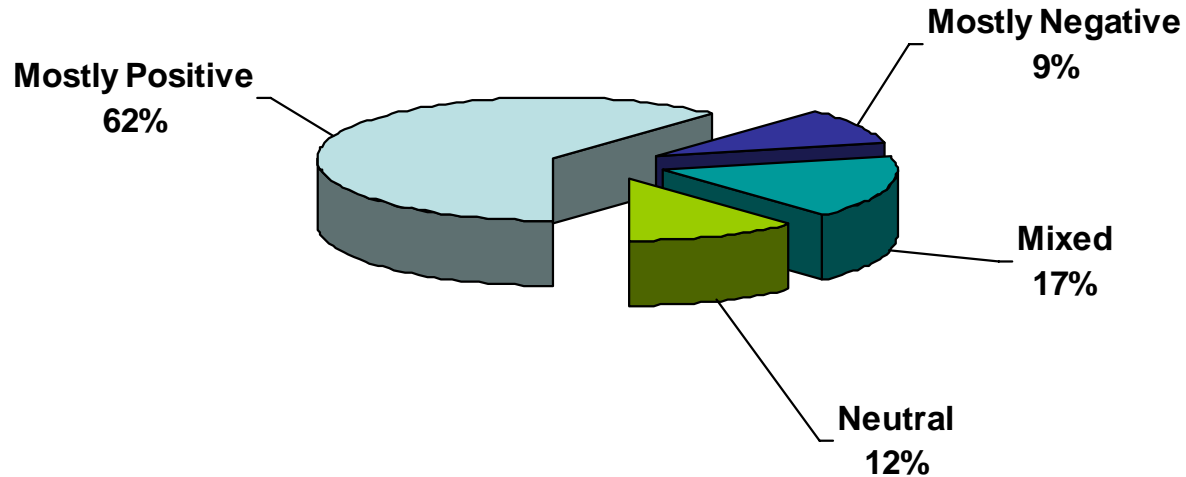
*Highly represents percentage scoring "9" or "10" out of a 0 to 10 scale; Somewhat represents percent scoring "7" or "8"

Most Conversations Are Face-to-Face



Base: 25,506 conversations

Word of Mouth Is Mostly Positive

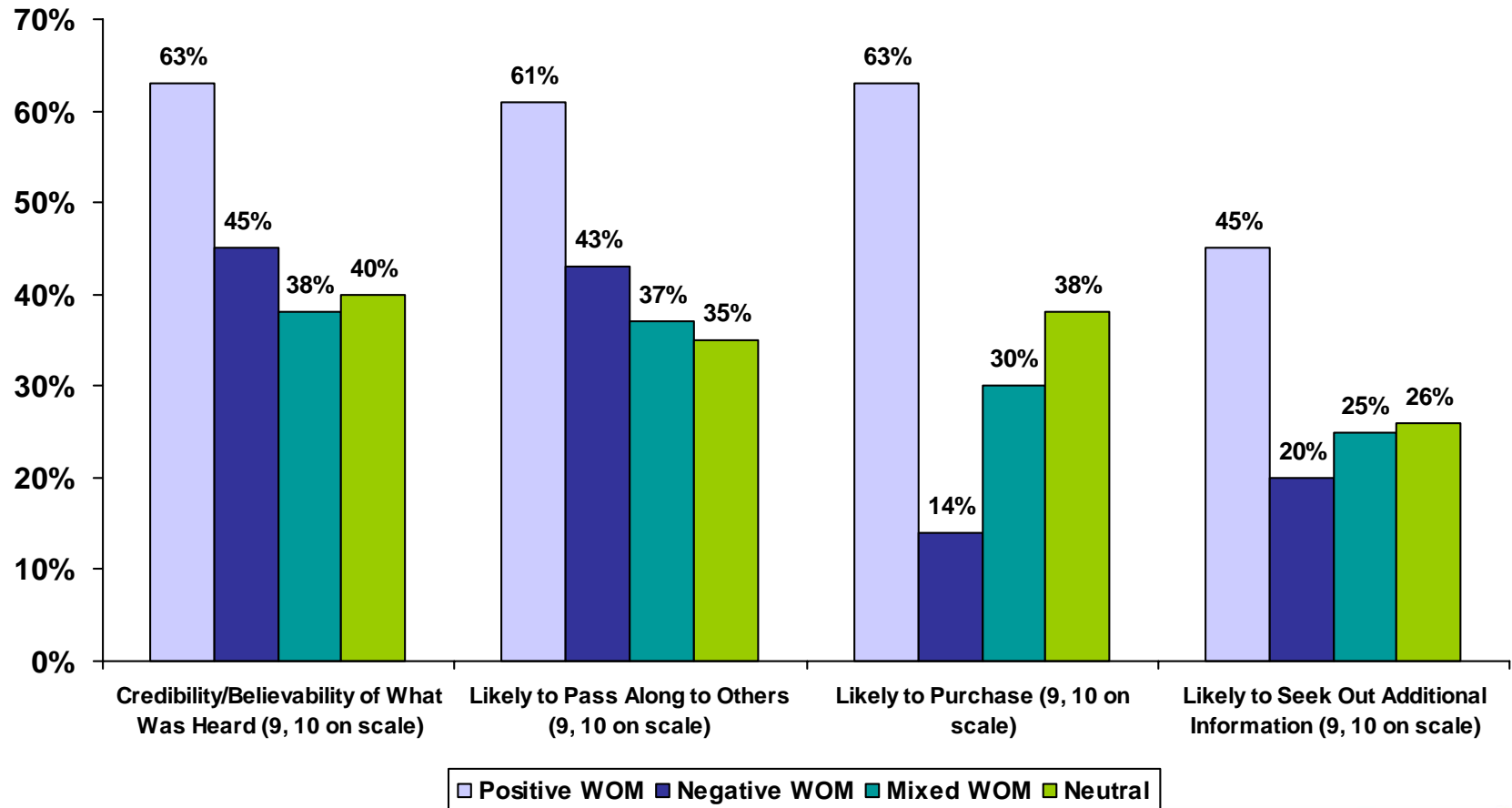


Base: 16,436 brand mentions

Credibility, Pass-along, Purchase Decisions

Positive WOM Has the Most Impact

(Reaction based on 0 to 10 scale)

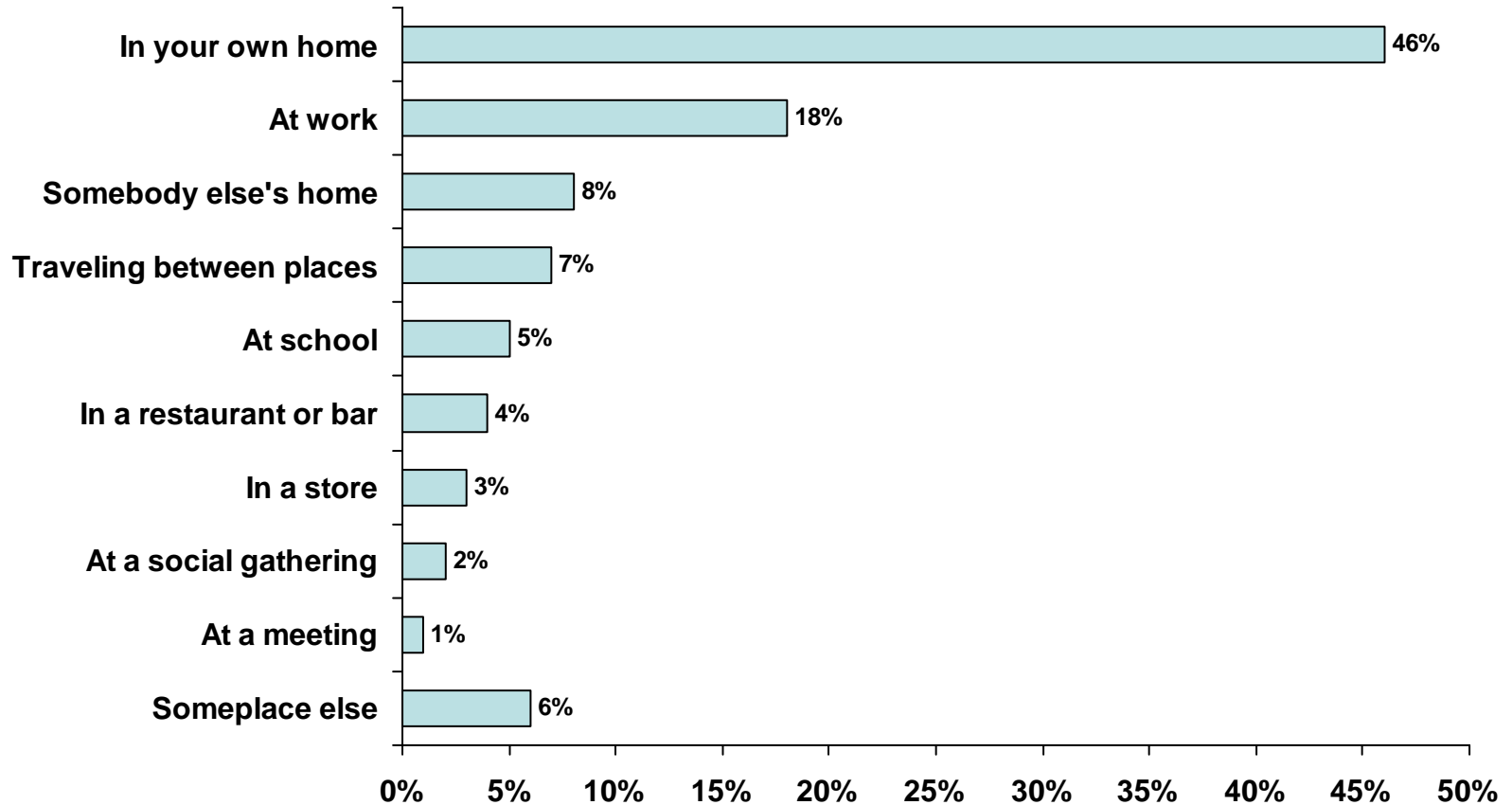


Base: 9,990 brand mentions where someone else entirely or equally provided advice

*Percentage scoring "9" or "10" out of a 0 to 10 scale

Home Is Leading Site for WOM ...But Half of It Happens Elsewhere

(Where marketing-relevant conversations have taken place)



Base: 25,506 Conversations

Where Conversations Occur Can Vary Widely by Category

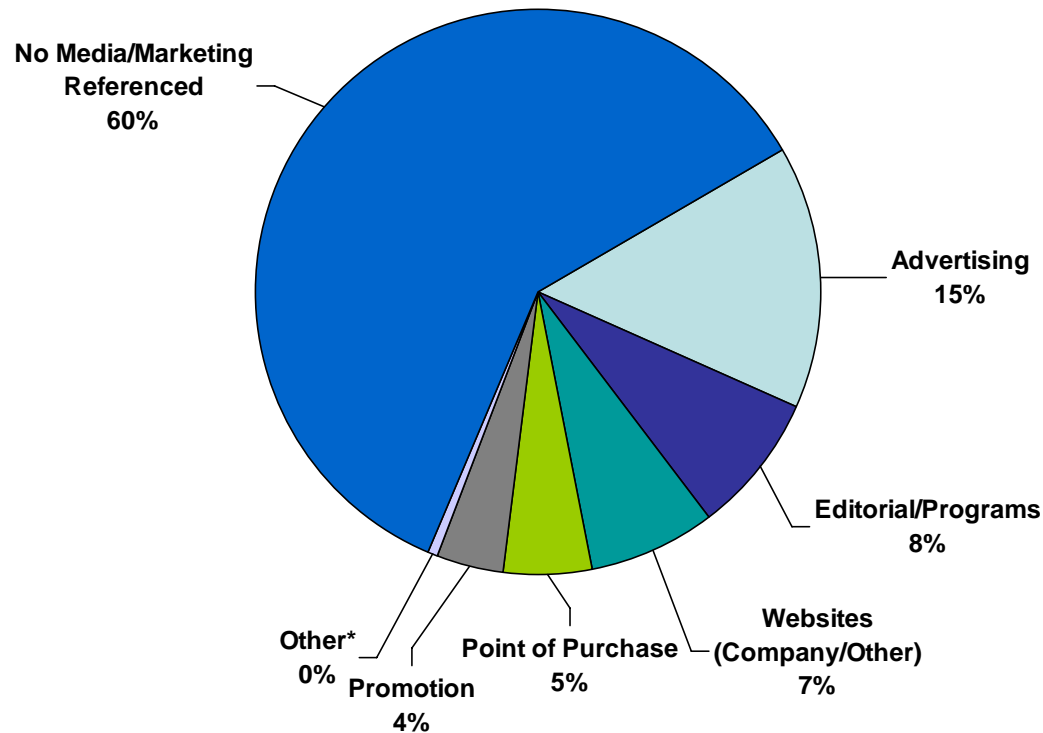
- **Beverages** are more likely to be talked about in restaurants & bars (12%, +8 from average)
- **Personal care, fashion & beauty** are more likely to be talked about in stores (10%, +7) and school (10%, +5)
- **Automobiles** are more likely to be talked about at work (25%, +7 from average)
- **Lifestyles & hobbies** are more likely to be talked about in non-traditional settings (10%, +4)
- **HH products** are all about the home (72%, +26)

*Are you spending your marketing dollars
where your conversations are?*



Marketing & Media Feed WOM

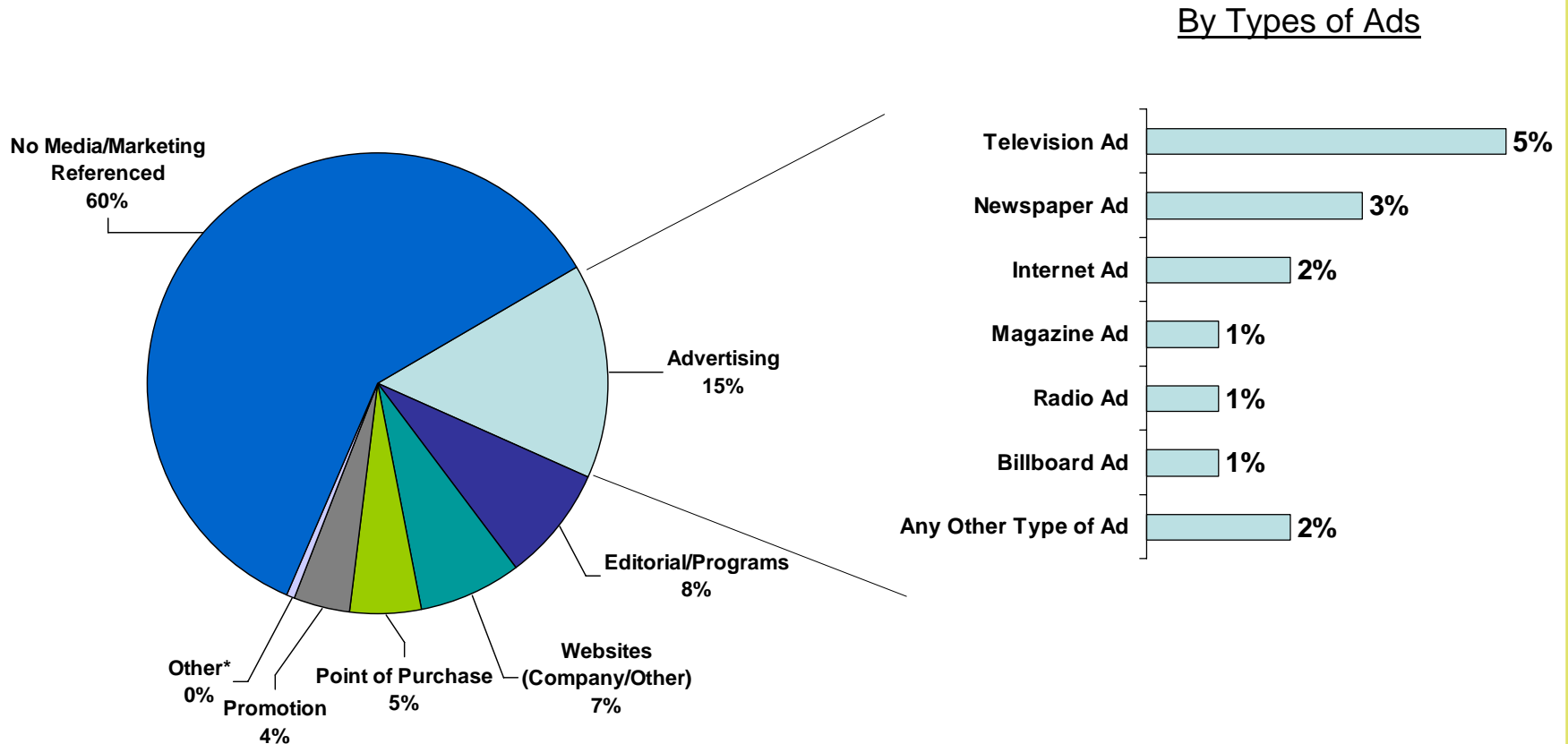
4 in 10 brand conversations refer to brand marketing or media



Base: 16,436 brand mentions

* Other includes movie theater, sports arenas and video games

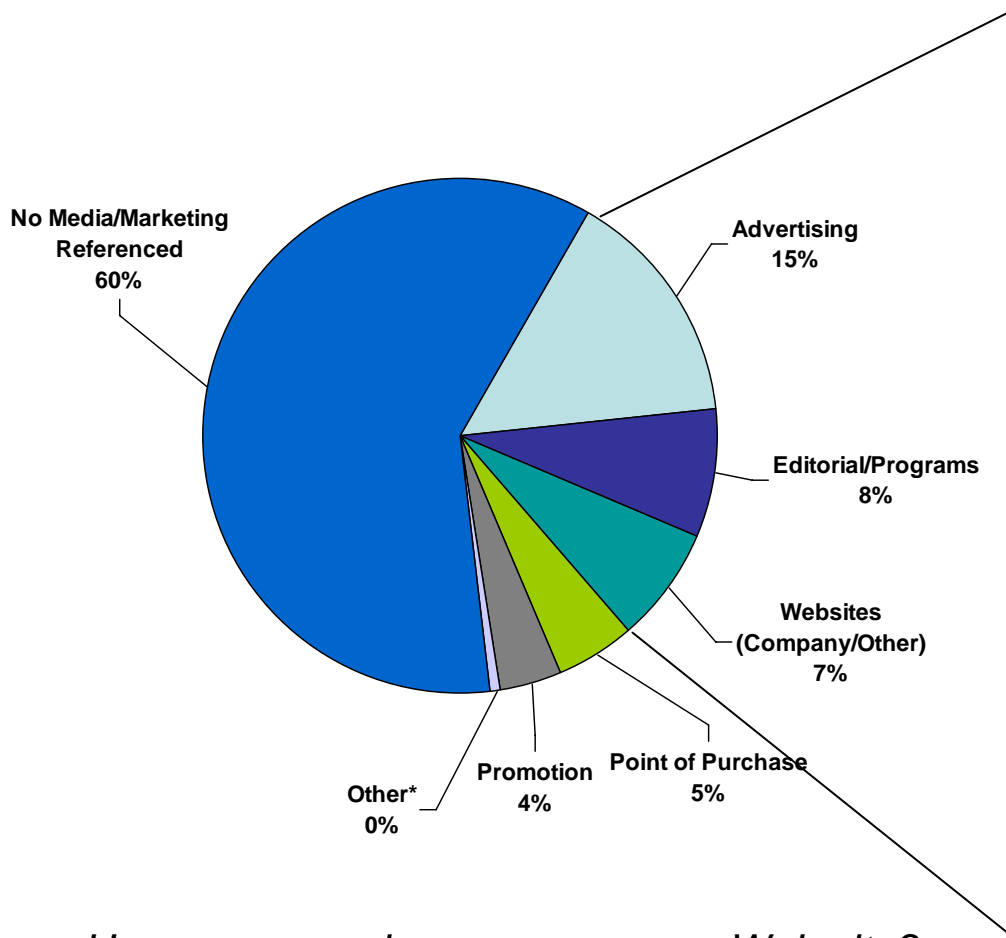
Advertising Definitely Plays a Role In Brand Conversations



Base: 16,436 brand mentions

* Other includes movie theater, sports arenas and video games

Internet: #1 Medium in WOM Conversations



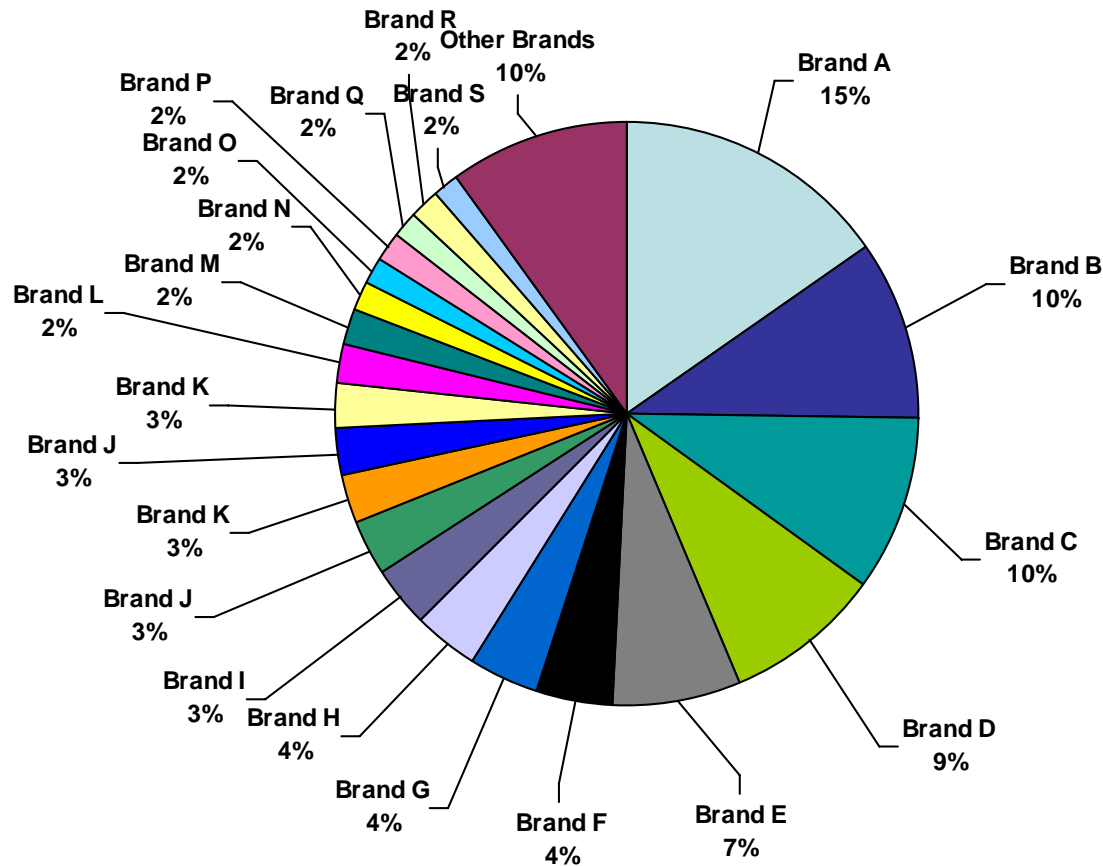
By Media Channels	%
Internet (Net)	11
Company Website	5
Internet Ad	2
Online Consumer Reviews	2
Other Website	2
Internet blog/chatroom	*
Television (Net)	7
Ad	5
Program	2
Newspaper (Net)	5
Ad	3
Article	2
Magazine (Net)	2
Ad	1
Article	1
Radio (Net)	2
Ad	1
Program	1
Billboard Ad	1
Any other Type of Ad	2

How are you using your company Web site?

Base: 16,436 brand mentions

* Other includes movie theater, sports arenas and video games

TalkShare™ and Market Share Can Vary Greatly



TalkShare™ vs. Market Share:

	Talk-Share	Market Share
Brand A	15%	18%
Brand B	10%	19%
Brand C	10%	15%
Brand D	14%	13%
Brand E	12%	9%
Brand F	4%	6%
Brand G	2%	3%
Brand H	4%	2%
Brand I	2%	2%
Brand J	7%	2%
Brand K	1%	1%

Base: Conversational brand mentions ("Category Y" account for 962 brand mentions).

And the Most Talked About
Brands in America Are...

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The Most Talked About Brands

(Brands with the most conversation mentions in TalkTrack™)

1. Ford
2. Verizon
3. Dell
4. Cingular
5. Wal-Mart
6. Chevrolet
7. Toyota
8. Coke
9. Honda
10. Apple/iPod

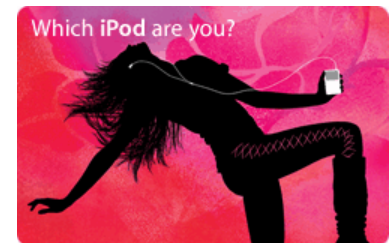


Every conversation is a marketing opportunity!

Word-of-Mouth “All-Stars”

(Brands with largest ‘net positive’ WOM mentions in TalkTrack™)

1. Toyota
2. Wal-Mart
3. Honda
4. Apple/iPod
5. Chevrolet
6. Target
7. Sony
8. Home Depot
9. BMW
10. Verizon



Insights on Two WOM “All Stars”: iPod & Toyota

Keller Fay GROUP

Word of Mouth Research & Consulting



1. Winning WOM Breaks Down Barriers

Example: iPod breaks gender barrier in technology

55% of consumers talking about it are women

Most tech brands skew male (Apple is 65%)

iPod's other key demographic: youth

59% of its buzzers are 13-20 years old

Apple is building foundation for future



2. Winning WOM Taps Many Sources

Example: iPod's multimedia marketing strategy

57% of iPod conversations mention marketing
(+ 17 points from average for all brands)

The most-cited channels:

1. In-store displays and video
2. TV ads
3. Company's Website
4. Online consumer reviews
4. Newspapers



3. Winning WOM Has Multiple Hooks

iPod conversation drivers...

- The device itself: Talking about how to use iPods
- Entertainment sales: Talking about new songs, videos to download; comparing notes on what they have
- More accessories: “I like the iTrip attachment”
- More personalization: “I want the green or silver one, with my name on the back, in case it gets stolen”
- ...even related products: “We were listening to an iPod, and got onto the subject of Windows and how it has more viruses than Macs”

Verbatims from TalkTrack
Question: conversation topics



4. Winning WOM Has USPs That Are Simple, Compelling, Easy to Talk About

Toyota's talk is highly associated with its unique selling propositions...

...Quality, Reliability, Fuel Efficiency

"[Our Toyotas] have been great"

"Toyota's a good company"

"High quality, low maintenance, very reliable"

"[With] how high gas is, driving a Toyota may help my pocketbook."



5. Winning WOM Addresses Weakness

Toyota's new Camry generating buzz *for its design*

"The new Camry is good looking. It looks like a BMW from behind, but without the price tag"

"[We were] remarking on the nice design of the new Camry"

"...showing my friends my new '07 Toyota Camry"



6. Winning WOM Is Future-Focused

It's about staying ahead of consumer needs...

Toyota's hybrids are generating a lot of talk

“Teresa asked me about hybrid cars. I said Pam had a Toyota hybrid and loved it”

“The new Toyota Prius [is] a fuel-efficient car”

“Thinking about a Highlander hybrid when the time comes to replace our car.”



7. Winning WOM Has Clear Bottom Line

Example: Recommending Toyota

70% of conversations about Toyota include
a recommendation to at least consider it
(+ 11 points from auto industry average)

Including 42% say to buy or try a Toyota (+13)

...and those recommendations have an impact

48% of recipients are very likely to purchase a Toyota
based on brand-related WOM (9 or 10 on 0-10 scale)
(+15 points from auto industry average)



Mastering Your Word of Mouth

- Today, WOM is not just “nice to have”
- It’s critical to your business success
 - Word of mouth drives growth!
 - Customers will do the selling for you
- The “masters of integrated marketing” can also be the masters of word of mouth marketing
 - WOM should not be in a silo
 - All forms of marketing can/should drive WOM
- Don’t wing it; good research = good WOM
 - Before you talk, listen

Bottom line: join the conversation.
You, too, can be a winner!



Thank you!

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