

***Communications in an Era of Consumer
Control: How to Become a Part of the
Consumer Conversation***

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Just about 2 years ago to this day – on May 12, 2004 – I received a call at my office in New York City from a friend asking me if I had seen the front page story in the Washington Post that referenced my book, *The Influentials*. I hadn't seen it, but I quickly tracked down a copy and was fascinated by the story. Some of you may remember it.

The article was about the Bush-Cheney campaign and its strategy for winning in Ohio, which as we all know turned out to be the key battleground state in the 2004 election. The headline read, "In Ohio, Building a Political Echo." The subhead read, "Campaigns Rely on Word of Mouth to Spread Message." And above the headline it said, "Swing State: The Influentials."

The reason my friend called me was that not only did the headline reference "The Influentials," but the text also said that my book was one of the favorites of Ken Mehlman, the campaign Chairman who is now the head of the Republican National Committee. Mehlman said he found *The Influentials* to be particularly helpful as he grapples with the challenge of political communication in a world crowded by the proliferation of cable networks, talk shows, and websites.

It is flattering to know that the Chairman of a presidential campaign organization – someone, by the way, I had never met and with whom I had no connection at the time – would think so highly of my book. But more interesting to me was the description of how the campaign was using the principles of word of mouth – and our book -- to run the campaign. It's also highly relevant to the topic of this symposium today, The Future of Communications, so I'd like to spend a few more moments describing what they did, why they did it, and what the principles are that I think we all need to be focused on as we think about how to communicate in today's environment.

The article began as follows:

"Christa Criddle is not the sort of person who springs to mind when political operatives talk about "opinion leaders." She does not have a column, or talk show, or Web site. But if someone wants to influence opinions in her patch of Ohio suburbia, this 35-year-old mother of three is a good place to start.

"There are many reasons. Criddle has time, she is just fine with strangers, and she has friends, a bunch of whom gathered in her living room the other night for a party to support President Bush's reelection. Most of all, Criddle has strong views – lots of them."

While the Democrats were highly focused in 2004 on using the internet to raise money – and were highly successful in doing so – the Bush-Cheney campaign was basing its strategy on this observation of Ken Mehlman's: "You have a world where a wealth of information creates a poverty of attention. It's almost a

cacophony of information. The way people get through is by turning to people they trust.”

So what the Bush-Cheney campaign focused on doing was to create the “political echo” referenced in the headline. They recognized that people increasingly turn to those they know personally – to trusted friends, relatives, and colleagues – for information and advice. And, they wanted to create a situation whereby, when people hear from official campaign spokespeople on the Sunday morning talk shows, or the evening news, or read what they’re saying on the internet, they will have already heard similar messages from the people they know and trust, thereby giving added credibility to the official messages.

They did this by organizing face-to-face get-togethers, of the type Christa Criddle had in her home. Or, when you went to the Bush-Cheney website you could do more than just get information about how to donate money, or get added to a mailing list. If you wanted to write a letter to the editor they made it easy for you to do so by giving you the address of the local newspaper, or tips on how to get a letter to the editor published. The same type of information and assistance was provided to people who wanted to call talk radio.

The idea of “echo politics” is to create a bottoms up communications flow that would echo – and maybe even be louder than -- the top down official messages of the campaign.

What’s the relevance of all this to our discussion today about the future of communications?

First, it’s a recognition that we live in an era where word of mouth from friends, family and people you know and trust is of paramount importance. It’s the primary way people make decisions today about everything from consumer purchases and lifestyle choices, to voting in elections and formulating their opinions on national and local issues.

While word of mouth has long been an important force in the marketplace, and in that regard it is not new, what is new is that over the past several years the importance of word of mouth has skyrocketed -- it is dramatically more important than it’s ever been before and far more important to consumers than traditional sources of information such as advertising, or editorial content in media of any type.

The reason we’ve seen the value of word of mouth rise so much in importance recently is the confluence of two factors: One, the American people have lost trust in large institutions of all types, and therefore don’t trust official sources of information the way they used to. And two, consumers feel overwhelmed by the limitless amount of information and media choice. This is the “cacophony of information” that Mehlman referred to. It is the “paradox of choice” that Professor

Barry Schwartz of Swarthmore College talks about in his book of the same name. Since most of us can't or don't want to sift through everything in order to make decisions, we talk to people who we know have done the work and whom we trust, and ask them what they think we should do. The people who play this role are the Influentials, the "one American in ten" who, as we say in the subtitle of our book, "tell the other nine how to vote, where to eat, and what to buy."

The second reason the story about the Bush-Cheney campaign is relevant to our discussion today is because they recognized – correctly, in my view – that while technology, in general and the internet in particular, is a powerful new force to tap for outreach and communications, it cannot and should not replace face-to-face and personal contact with your consumers or constituents.

There is a statistic that is widely quoted among people who are active in the word of mouth marketing arena -- that 80% of word of mouth takes place offline, not online. And as much of our symposium today is going to focus on blogging, podcasts, e-democracy, consumer generated media, and other forms of communications enabled by new technology, I want to make sure we don't lose perspective about the dominant way that most Americans share and receive word of mouth recommendations.

And indeed, while this 80% number is widely quoted though seldom sourced, my company has just this week released new research that finds the percentage is even higher – over 90% of word of mouth takes place offline.

Our information comes from a new daily tracking study we launched on April 3, which we call TalkTrack™. Every day of the year we interview a cross section of Americans about the conversations they were a part of the day before. We ask them to recount for us specific areas of conversation about just about all marketing-relevant topics, such as food and beverage, financial services, travel, technology and telecommunications, cars, health care, and shopping, among others. We also ask about their conversations as they relate to public affairs. We measure the number of conversations they have, who the conversations are with, where the conversations take place – and that's where we learn whether they were offline or online – and we then ask about specific brands or companies that are part of their discussions -- followed by a whole host of questions about the nature of the discussion regarding those specific brands or companies.

The first thing I will tell you about our results is that Americans talk, and they talk a lot! The average American has over 100 marketing-relevant conversations per week, and more than 50 brands or companies are talked about each week by the average person. Brands, products and companies are a large part of America's conversation currency. It certainly behooves us as marketers and communicators to understand what's being talked about, and learning how to become a part of that consumer conversation.

The second thing I will tell you is that when conversations take place, nearly three quarters of the time they take place face-to-face, and another 21% of the time they take place over the phone. So when we add those two up, we get to the 90+% figure I just mentioned. Six percent of America's word of mouth conversations take place online, whether via private e-mails people send to each other, or instant messaging, or in online chat rooms or as part of blogs.

The third thing I want to tell you about from this new, just released research is that word of mouth conversations are far more likely to be positive in nature than negative. Many companies worry about the loss of control they have over their message when it is consumer generated. And there is no question; word of mouth is controlled by the consumer, not the brand. They talk, and they decide what to say. But our research finds that in about 60% of conversations about specific brands or companies, the discussion according to consumers was mostly positive; only 10% of the time was it mostly negative. And by a very similar 6 to 1 margin, consumers are far more likely to give recommendations to buy, or at least consider a product, rather than to avoid it.

And whereas the conventional wisdom is that bad news travels further than good news, our research indicates that the American people find positive word of mouth to be more credible or believable than negative word of mouth; and they are much more likely to pass along what they learn during positive conversations than what they hear during conversations that are negative. So while there is no guarantee that all word of mouth will be positive, there is a far greater likelihood that it will be than not.

One final piece of insight from TalkTrack that I want to share with you today is that, in a large number of instances when Americans talk about brands or companies, they reference things they have read, heard or seen as part of a media or marketing message. About 60% of the time there is no media or marketing reference; but 40% of the time there is. I think that's a very large number. It means that not only has someone seen something on TV or in print or on the web; or gone to a company's website; or seen something of interest at the point of sale; or received a promotion of some type from a company, but they have actually talked about it to others during a conversation. That's impact. And, it creates a lot of opportunities for us as marketers and communicators to become part of the daily conversation, if we have the right message, and we attract the attention of the right people, and we can successfully encourage that person to pass the message along.

Now, I've talked a lot so far about the importance of personal communication as it relates to word of mouth. I don't want to leave the wrong impression. I'm not here to say that technology is unimportant or irrelevant. There is no question in my mind that technology enables word of mouth to go farther, faster. Many of the panelists who will be talking after me will share with you important information and insights about how you can harness technology to your advantage.

And in fact, our research shows that the internet is referenced more than any other medium -- including television -- when people talk with others about brands and companies. (I would also note, by the way, that the company's own website accounts for a lot of the discussion that references the internet, so as you think about how to use the internet to your best advantage, don't forget to make sure the company website is a compelling source of content that consumers can pass along easily to others.)

How many people here remember John Naisbitt's best seller from the mid 1980s, *Megatrends*? In that book, Naisbitt talked about a powerful concept he called High Tech/High Touch. The idea is that the more technologically advanced we become as a society and as consumers, the more we will desire -- and demand -- "high touch" moments as well. It's a concept Naisbitt is revisiting in an upcoming book, and in commenting recently on people's need for balance between "high tech" and "high touch," he says, "The accelerated pace of technology is tipping the scale. So we seek instinctively and sometimes even desperately to regain our equilibrium. As a result, people feel a little left behind; they feel overwhelmed, even disoriented or alienated."

This need for balance between "high tech" and "high touch" holds for word of mouth marketing. As you think about new technologies and ways to harness them, please remember the need for high touch as well. Most word of mouth takes place face-to-face with people we know. Consumers are embracing high touch, even as they bring more and more technology into their lives. You need to keep your strategy in balance, as well.

I'd like end my talk today by sharing 5 insights, drawn from my research over the years as well as our new research, about how you can succeed in becoming part of the consumer conversation.

1. **Find your influencers.** In virtually every community in America, about 1 in 10 Americans are actively engaged in civic affairs, socially connected, eager to listen and learn about new things, and then share their opinions. Others seek out them out for their advice and recommendations. They are at the center of the American conversation. They are the people who find your website or blog, show up at meetings, write letters to the editor, and post messages on the internet. They call your customer care centers. You can also find them among the readers of thoughtful publications and websites, and viewers of particular types of TV shows. And there are sophisticated ways to identify them in large databases. However you find them, it is worth expending considerable resources seeking them out and developing a dialogue with them, because each one has a lot to say, and significant influence over many others.

2. **Before you talk, listen.** Word of mouth marketing represents a very different approach from traditional marketing. It cannot be based on one way communications from the marketer to the consumer. As we have discussed already, consumers engage every day in lots of marketing-relevant conversations. The key to word of mouth marketing is to be invited into those conversations, and to contribute to them by providing the consumer with interesting and relevant information that he or she will want to share with others. Research among influencers has found that before they talk (and make recommendations to others) they almost always ask questions and listen. Only then, when they have learned from their discussion with others and feel they have something valuable to offer, do they talk and make suggestions which they feel will be helpful and relevant.

We should follow their lead, listening first -- which will let us know what's relevant to the consumer, where there are information gaps we can fill, where there are innovation opportunities, and where there are complaints that should be addressed. So once you have identified your best conduits for word of mouth, set up mechanisms to listen to them first and only then should you seek to engage them in helping to spread your message.

3. **Arm them with ideas to make the case, and make it easy to pass along.** Influentials, Influencers, Connectors – whatever you want to call them and however you choose to define them – all share a common characteristic: they are information-seeking creatures. Learning is a core value for them. Sometimes the information they seek provides them with practical benefits for use in their own lives. Other times they are seeking information, not on their own behalf, but to provide help to others.

Once you have listened to them and understand what they want to know, and on whose behalf they want to know it, provide them with information that's new, differentiated, and easy to understand and retransmit, and they will serve as an information conduit for you. It needn't be masked. Marketing – if it's relevant – is not a turn off. And don't be bashful about asking them to spread the word on your behalf. If it's valuable information, expressed in "every day language" rather than marketing jargon, and easy for them to pass along, they will do so gladly.

4. **It's all word of mouth – integrate your offline and online communications.** I've talked about the fact that offline conversations dominate America's word of mouth, and that the internet facilitates and accelerates it. As you listen to the panels that will follow my talk address some of the new, technology-driven channels that are available to communicators today, I urge that you take a step back and make sure that your communications online are in sync with your communications using offline channels, so they work together and are not in conflict with each other. Word of mouth marketing should not stand in isolation from the rest

of your marketing strategy and tactics, but rather it should be central to all your customer touchpoints. And, across all your marketing communications there should be a focused effort to insure that it increases the word of mouth about your product or service or company.

5. Last, but not least, **don't wing it: Good research is critical for good word of mouth.** The discipline and practice of word of mouth marketing is relatively new. Many programs are still small, and experimental. This is the perfect time to introduce research into the mix, because good, creative and insightful research will lead to better word of mouth planning, which in turn will lead to better word of mouth outcomes, and better outcomes will make everybody happy.

And just as word of mouth should not be an isolated function that sits in a silo, divorced from the rest of your marketing activity, word of mouth measures shouldn't be isolated to your word of mouth-specific activities. Word of mouth measurements should be included in all your research about branding, marketing communications, PR, and CRM. In each of these areas, you should be asking whether people are talking about your product or service, and are they recommending it (positively or negatively) to others. And from this research, you can make sure that you are listening, and learning, as much as possible about how to create positive word of mouth.

Most of all, I hope you will leave today's symposium believing that all the talk about the power of word of mouth is not just buzz, it's central to your business success.

Thanks for your time and attention.

ABOUT ED KELLER

Ed Keller, CEO of the Keller Fay Group (www.kellerfay.com), is a highly regarded market research executive and widely recognized as a leading authority on word of mouth marketing.

The Keller Fay Group is a full-service market research firm, focused exclusively on word of mouth marketing. The firm offers marketers a unique blend of groundbreaking syndicated research programs, custom research services, and research-based consulting, serving brands, agencies, media, and non-profit organizations through strategy development, testing, evaluation and continuous feedback systems to maximize the effectiveness of word of mouth campaigns. Keller Fay has recently launched TalkTrack™, the first comprehensive tracking study of America's word of mouth conversations.

Prior to launching the Keller Fay Group, Keller spent nearly 20 years (1986-2005) at the renowned market research firm, Roper (and successor companies). At the time of his departure, he was the CEO both of RoperASW and of NOP World Consumer, NOP World's largest vertical sector. (NOP World was Roper's parent company from 2001-2005.)

Keller is an acclaimed author of the award winning book *The Influentials* as well as numerous articles, a highly regarded speaker on word of mouth marketing, and a sought after source by the national and international media. *The Influentials* was selected as one of five finalists for the 2004 Berry-AMA Book Prize for Best Book in Marketing, an honor that recognizes books "whose innovative ideas have had significant impact on marketing and related fields." E-marketer said in 2005 that the publication of *The Influentials* was "a seminal moment" in the development of word of mouth.

An active leader in the marketing research community, Keller serves on the Board of numerous marketing research industry organizations, including:

- President of the Market Research Council, 2005-06
- Member of the Board of Advisors of the Word of Mouth Marketing Association (WOMMA) and co-Chair of WOMMA's Research and Metrics Committee
- Board of Directors of the Advertising Research Foundation and past Chair of its Research Advisory Committee
- Board of Directors of CMOR (the Council on Marketing and Opinion Research);

Keller earned his BA magna cum laude from the University of Pennsylvania in 1977, and his MA in Communications from the University of Pennsylvania's Annenberg School for Communication in 1979. He is presently a Lecturer at the Annenberg School, and has lectured on marketing and research at the University of Pennsylvania's Wharton School and the Columbia Business School.