

WORD OF MOUTH THE #1 INFLUENCE ON BUSINESS BUYING DECISIONS; FACE-TO-FACE KEY FACTOR

*Person-to-person information sharing the biggest factor in B2B
purchase decisions, new study shows*

Face-to-face marketing the key channel to leverage word of mouth influence

New York, NY, May 14, 2007 — Word of mouth is the #1 influence on business purchase decisions and is best leveraged through face-to-face marketing efforts, according to a new study of US and UK executives conducted by market research firm the Keller Fay Group and sponsored by experiential marketing agency Jack Morton Worldwide.

Word of mouth—one person sharing marketing-relevant information with another person—is far more influential for business executives than other communication channels. Fifty percent of business executives report they are highly likely to buy a product or service based on word of mouth; 49% pass on what they've heard to others. Executives report that word of mouth has more than twice the influence of advertising, direct mail or press coverage on purchase decisions.

Business decision-makers most value communication channels that provide two-way dialogue. Top influences on their business purchase are: recommendations from a colleague or friend, interaction with a salesperson, participation at in-person marketing events, conferences and tradeshows and the internet.

The vast majority of executive word of mouth occurs “offline,” with over 75% happening in-person. Online and digital media account for only a small portion of executive word of mouth, with email comprising three percent, and IM/text messaging and blogs/on-line chat accounting for about one percent each. Face-to-face interaction predominates both at the office and at home--and defies conventional wisdom that word of mouth is largely electronic.

“The study provides clear directives about the influence of word of mouth in the BtoB space and the need to engage decision-makers face-to-face,” says Laura Shuler, Chief Strategy Officer and President (US) of Jack Morton Worldwide. “Marketers need to provide a hands-on experience with the brand in a setting that’s conducive to two-way dialogue.”

Personal experience with a product or service is the #1 catalyst for recommendation, with 86% of executives saying they recommend a brand or service based on first-hand experience. 60% of word of mouth conversations include advice to buy, try or consider a brand. Fewer than one in 10 conversations advise avoiding a brand.

The study also suggests that business executives are “super influencers” who are a prime target for both BtoB and BtoC marketing efforts, as they talk about and recommend brands at far greater percentages than the general public.

“BtoC marketers should take note,” adds Ed Keller, CEO of the Keller Fay Group and co-author of *The Influentials*. “They should reach out to business executives as influencers and ‘passionates’ for their brands and think of them as another channel for brand-building.”

When compared to others, business executives:

- **Have more word of mouth conversations and talk about more brands:** Business executives have 118 conversations about products and services per week, citing 102 brands—significantly more than the general public, who on average have 100 conversations per week, citing 77 brands.
- **Talk more about certain categories of products and services:** Executives have significantly more conversations each week about financial products and services, telecommunications and technology. They talk about many more brands in these sectors than the general public: 43% more financial products/services and telecommunications brands; and 56% more technology brands.
- **Keep current and make more brand recommendations:** Business executives are 32% more likely than the average person to keep up with the news across a range of work and more personal categories, including financial services, technology, telecommunications, automotive and travel. They’re also 28% more likely to make recommendations within these categories compared to the general public.

The study also leveraged Keller Fay’s TalkTrack™, the only continuous, syndicated research system to measure marketing-relevant conversations in the US, to identify the most talked-about brands among executives and the brands with the largest volume of positive word of mouth. Based on the findings, brands with the highest share of positive conversations or positive TalkShare™ among US executives are:

Financial Services	Technology	Telecom	Automotive	Healthcare
1 Bank of America	1 Dell Computers	1 Verizon	1 Ford	1 Tylenol
2 Citibank	2 Sony	2 Cingular	2 Toyota	2 Walgreens
3 JP Morgan Chase	3 HP	3 Sprint	3 Chevrolet	3 CVS
4 Fidelity	4 iPod	4 T-Mobile	4 Honda	4 Advil
5 Wells Fargo	5 Apple	5 Nextel	5 Dodge	5 Johnson & Johnson
6 Washington Mutual	6 Microsoft	6 Motorola	6 Lexus	6 Lipitor
7 American Express	7 IBM	7 Nokia	7 Nissan	7 Aleve
8 Blue Cross	8 Nintendo	8 AT&T	8 BMW	8 Tums
9 Visa	9 Canon	9 Comcast	9 Jeep	9 Claritin
10 Wachovia	10 Samsung	10 Time Warner	10 Acura	10 Merck

The research also established a Net Advocacy rating for individual product/service categories, with the average rating of 39 out of 100 points across all categories. Net Advocacy is defined as the percentage of positive talk minus the percentage of negative and mixed talk, with neutral conversations not shown.

- **Financial products and services:** Net Advocacy rating of 32, with investments scoring 52 and insurance scoring 10.
- **Technology:** Net Advocacy rating of 41, with computer hardware scoring 46 and computer software scoring 3.
- **Telecommunications:** Low overall Net Advocacy rating, ranging from Wireless Hardware at 31 to Telecom Service Providers and Cable Companies at 9.
- **Automotive:** Net Advocacy rating of 35.
- **Healthcare:** Net Advocacy rating of 52, one of the highest among executives.

The report, titled “**Driving Word of Mouth Advocacy Among Business Executives: The Experiential Marketing Connection,**” is based on online interviews with 700 executives in the US and UK conducted between March and April, 2007, combined with interviews with 2,188 executives participating in Keller Fay’s TalkTrack™ tracking study of word of mouth. In addition, 2006 Jack Morton research in Australia and China showed a strong link between experience, word of mouth and purchase influence. The lessons of the current study on executive word of mouth should hold true in markets where business culture is similar to the US and UK, and may be even more dramatic in markets where business culture more deeply emphasizes personal relationships, and therefore the value of recommendation.

A white paper reporting the study’s results can be downloaded at www.jackmorton.com.

CONTACT: Liz Bigham / liz_bigham@jackmorton.com / 212-401-7212

Note to editors: interviews, photos available

###

Leading experiential marketing agency Jack Morton Worldwide creates multidimensional experiences that inspire brands’ key stakeholders to act and advocate. Jack Morton engages consumers, business customers, the sales channel and employees through live events, branded environments and interactive media. Jack Morton has a staff of 600 employees throughout the United States, Europe and Asia-Pacific, and is part of the Interpublic Group of Companies, Inc. (NYSE: IPG). More information is available online at www.jackmorton.com.

The Keller Fay Group is the first full-service market research company focused exclusively on word of mouth (WOM) marketing, using a full suite of best-in-class research techniques. The company measures word of mouth trends and campaign effectiveness; tests concepts, ads and messages to maximize their WOM potential; and offers a complete array of custom research and advisory services related to WOM. Its TalkTrack™ service is the first continuous study of consumer word of mouth, both offline and online. More information is available at www.kellerfay.com.