

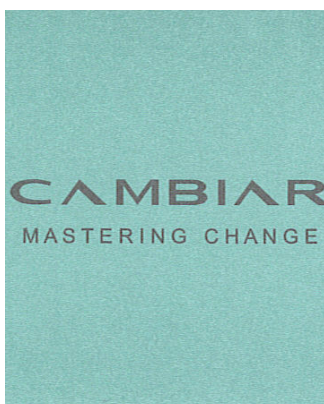
Word of Mouth: The Next Big Thing, or Just a Buzz?

By:

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For:

**Research 2006: The MRS Annual Conference
London, England
March 23, 2006**



About the Authors

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By:

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Simon Chadwick, Partner, Cambiar LLC¹

Introduction

The marketing community – especially in the US, and increasingly in other parts of the world – is buzzing about word of mouth marketing. The Word of Mouth Marketing Association (www.WOMMA.org), founded in late 2004, now boasts more than 250 members, including not only small word of mouth agencies but also major marketers: Kimberly Clark, SC Johnson, Kraft Foods, Nestle, Citi Cards, Microsoft, General Motors and Discovery Communications are a growing number of major companies that are WOMMA members. Joining this list of marketers are also a number of the major PR firms such as Burson Marsteller, Edelman, Ketchum, and Fleischman Hillard, as well as ad agencies such as Starcom MediaVest Group and DDB. The most recent WOMMA conference, held in January 2006 in Orlando, Florida, was attended by approximately 450 marketers and garnered a full ad column in *the New York Times* (January 23, 2006) under the headline “Advertising is Obsolete; Everyone Says So”. This is the same type of coverage typically afforded larger, more long standing conferences by organizations such as the American Association of Advertising Agencies, the Association of National Advertisers, and the Advertising Research Foundation. It is a testament to the interest in word of mouth marketing that *the New York Times* would cover such an event. The Executive Editor of *Advertising Age*, Jonah Bloom, also covered the conference prominently in his column (January 30th, 2006), declaring word of mouth is not just the “next big thing,” but “a big thing right now.”

The marketing trade press in the US has been giving word of mouth marketing increasing coverage since the fourth quarter of 2005. Take *Advertising Age* as just one example of the accelerating coverage being afforded to word of mouth and word of mouth marketing. In its November 28, 2005 edition *Ad Age* ran a story under the headline, “In era of consumer control, marketers crave the potency of word-of-mouth.” The story reported, “One thing that certain is that buzz, or word-of-mouth, is on the tip of the tongue of every marketer that’s skeptical about just how effective its ad dollars are, particularly now that the age of interruption marketing has come and gone. The new era of consumer control . . . is well-suited to take advantage of ordinary conversation, the kind of discourse that’s actually heard above the din of competing marketing messages.”

¹ The authors would like to express their deep appreciation to Becky Wu, Research Director at Luth Research, for her invaluable contributions to this paper, including her design and analysis of some of the original research cited; also to Luth Research itself for donating access to its SurveySavvy online panel for the purposes of original research on the WOM phenomenon.

Ad Age reported in its December 6, 2005 issue that word of mouth marketing firms are poised to be the next big target of acquisitions by the major advertising holding companies, writing “The ad industry’s next acquisition binge is raring up,” and “word of mouth shops [are] the new hot targets.” *Ad Age* then devoted the entire December 2006 issue of its monthly magazine, *The Point*, to the topic of word of mouth. The editor’s introduction to the issue declared, “Suddenly, word of mouth has taken center stage as a critical part of the marketing mix.”

The question facing the marketers is whether this growing “buzz” about “buzz” is warranted, or whether it’s merely a reflection of the desire for marketers – and the trade press that covers marketing – to glom onto a new story. It is the thesis of this paper that the growing interest in word of mouth is warranted – it’s not just hype – and that, indeed, the emerging interest in word of mouth is an appropriate – and critical -- response to the changing dynamics of the consumer landscape.

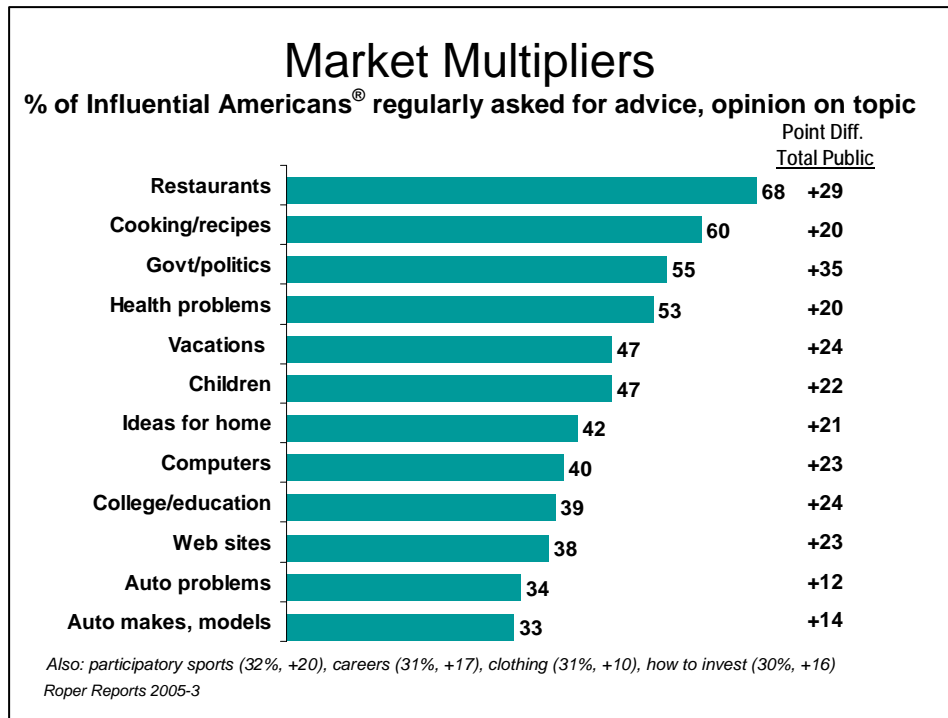
The Context

The authors first became involved in word of mouth marketing in the year leading up to the publication of *The Influentials: One American in Ten Tells the Other Nine How to Vote, Where to Eat, What to Buy*² by Keller and his co-author Jon Berry, and in the 3+ years since the book’s publication. The major thesis of *The Influentials* is that “when Americans make decisions today it’s a conversation. Marketers need to reach the people starting these conversations – the people who exercise influence and control the levers of change in America.”

The people who exercise such influence, say the authors, are not the most affluent, nor the best educated people in America. They are not the elected officials, nor the CEOs of major corporations. Rather, they are the 10% of Americans who are most actively engaged in the social and cultural dynamics of their local communities. They have a wide social network – one that is not only large, but also cuts across many different types of people. They are well informed, and trusted for their opinions.

As a result, Influentials are sought out by their friends, family and members of their network, and asked for their advice and opinions on many different facets of life, including those that relate to products and services. In fact, Influentials are twice as likely as the average American to be asked for their advice and opinion on products and services, as well as matters of lifestyle and politics; and they are more than twice as likely to offer recommendations, as well. In this regard, they can be seen as “market multipliers”: If an Influential responds favorably to, and decides to pass along a marketer’s message, it goes further than the same message carried by someone who is not as influential. In short, Influentials are of critical importance to marketers because they are the people “in the center” of the nation’s conversation.

² Keller, Ed and Jon Berry, *The Influentials: One American in Ten Tells the Other Nine How to Vote, Where to Each and What to Buy*. New York: Free Press. 2003



Source: “Influentials Training” presentation by Ed Keller and Jon Berry to the Word of Mouth Basic Training Conference, Orlando, FL, January 20, 2006

The importance of word of mouth, while garnering a lot of attention lately, is in fact not a new phenomenon. It has long been important to consumers. *Personal Influence*, published in 1955 (and recently reprinted)³, is a seminal book in this field, investigating the relationship between mass media and interpersonal influence. Written by Columbia University sociologists Paul Lazarsfeld and Elihu Katz, the research that forms the basis of the book found that the power of word of mouth was seven times greater than newspaper or magazine ads in terms of their ability to motivate brand switching.

In the late 1970s, when the Roper Organization asked consumers where they get most of their information about new products and services across a wide variety of category areas, more people mentioned information from friends and family (cited by 67% on average) than mentioned advertising (53%) or editorial content from either print or electronic media (47%). So even in the late ‘70s, when mass media was thought to be the dominant means by which people received information in America, word of mouth held a distinct advantage.

³ Katz, Elihu and Paul F. Lazarsfeld, *Personal Influence*. New Brunswick, New Jersey: Transaction Publishers. 2006. Originally published in 1955 by The Free Press.

The WOM Opportunity: Decisions Today are Conversations

1977: Best sources of ideas, information



Today: What's changed? W.O.M.



Source: "The State of WOM, 2005, The Consumer Perspective" presentation by Ed Keller to the Word of Mouth Marketing Association, March 29, 2005

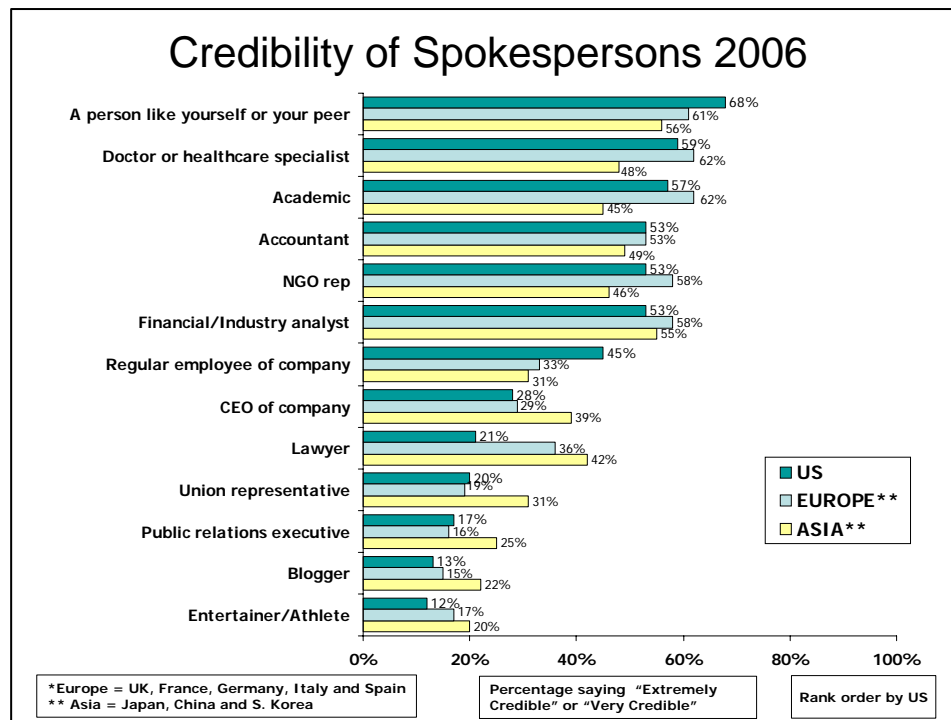
In the intervening two decades, editorial and advertising have each remained almost as important to consumers as they were then, with advertising slipping very slightly (to 50%), and editorial slipping a bit more (to 40%). During this same period, however, word of mouth has sky rocketed forward in its importance, and is now mentioned by 92% of consumers. As a result, the relative importance of word of mouth today is far greater than other sources of information. It is now 1 ½ times as important to consumers as it was twenty five years ago, and approximately twice as important today as editorial or advertising. So word of mouth is not new, but in today's environment its importance stands out heads and tails above the other options.⁴

In virtually every area tracked by Roper – from which are the best brands, to where to get the best deals to investments, cars, restaurants, movies, travel destinations, hotels, the home and more – the growth in WOM occurred during the mid 1990s. This coincided with a period during which consumer had lost trust in large institutions – large government, large business, large brands – and turned instead to family and friends as trusted sources who would offer advice based on their own personal experiences or pass along what they had heard from other personal contacts, and not based on “marketing spin” or “hype.”

This loss of trust by consumers remains a major problem for business, and rather than getting better the problem has in fact accelerated in recent years. And it's not just a

⁴ See “The State of WOM, 2005: The Consumer Perspective” by Ed Keller, presentation to the Word of Mouth Marketing Association, March 29, 2005. Available at the WOMMA website (www.womma.org).

problem in the US, but rather is a problem expressed by consumers around the world. Research by the global PR agency, Edelman, underscores this point. Edelman’s Annual Trust Barometer⁵, which tracks the attitudes of nearly 2000 “opinion leaders” around the world, found that the most credible source of information about a company is now “a person like me,” a perception that has risen dramatically to surpass doctors and academic experts for the first time. In the US, trust in “a person like me” increased from 20% in 2003 to 68% today. Further, opinion leaders consider rank-and-file employees more credible spokespersons than corporate CEOs (42% vs. 28% in the U.S.).



Source: Edelman Annual Trust Barometer, Jan 06

According to Richard Edelman, CEO and President of Edelman, “We have reached an important juncture, where the lack of trust in established institutions and figures of authority has motivated people to trust their peers as the best sources of information about a company.” As a result, concludes Edelman, “Companies need to move away from sole reliance on top-down messages delivered to elites toward fostering peer-to-peer dialogue among consumer and employees, activating a company’s most credible advocates.”

⁵ The Edelman Annual Trust Barometer tracks the attitudes of nearly 2,000 opinion leaders around the world – which institutions, companies, sources of information they trust, what drives that trust, and the credibility of institutions. The seventh survey was conducted through 25-minute telephone interviews among nearly 2000 opinion leaders: 400 in the United States; 750 in Europe; 150 each in the United Kingdom, France, Germany, Italy and Spain; 200 in China; and 150 each in Canada, Japan, Brazil and South Korea. All interviews were conducted in October 2005 by StrategyOne. Opinion leaders are defined as being between 35-64 years, college graduates with a household income of more than \$75,000 or equivalent, and reporting a significant interest and engagement in the media, and in economic affairs and policy issues. There is no tracking data for Italy, Spain and South Korea, which were added this year.

“Person Like Yourself” Since 2003

TOP 4 BOX (6-9)	2003	2004	2005	2006
	%	%	%	%
US	22	51	56	68
Europe	33	51	53	56
Canada	NA	NA	55	59

* Europe = UK, France, Germany

Source: Edelman Annual Trust Barometer, Jan 06

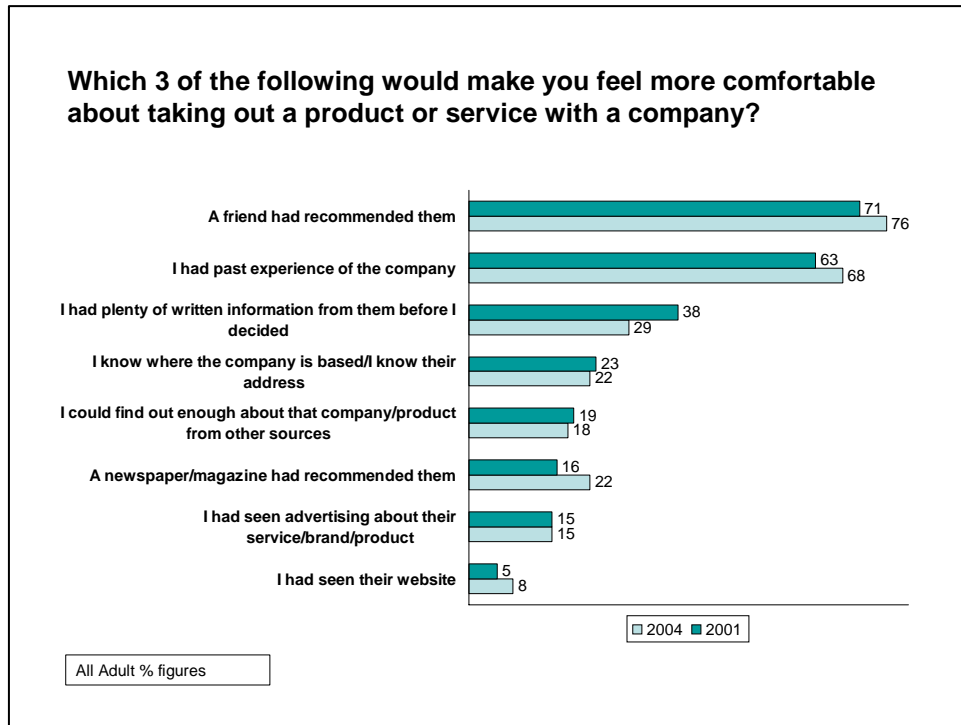
WOM is a Global Phenomenon

Perhaps because the loss of trust is a global issue, research finds that word of mouth has become a global phenomenon. Not only is word of mouth one and a half times as important as it used to be in the US and twice as important to American consumers as other forms of information (as discussed above); but it is critical to consumers in just about every country in the world.

In the UK, a prominent study on word of mouth was conducted in 2004 by MediaLab, the research division of mediaedge:cia UK. This report, entitled “Where’s Debbie,”⁶ summarizes some of the previous research about word of mouth and reports on new research conducted by MediaLab to understand better the nature of word of mouth.

One of the previous studies cited is research by the Royal Mail, conducted in 2001, which asked consumer which of a range of information sources would make them “more comfortable” with a product or service for a company. At the top of the list (71%) was a friend’s recommendation, surpassing even their own past experience (63%). Advertising was mentioned by only 15% of the population. When MediaLab updated this research in 2004, it found that word of mouth had grown in importance to 76%, still 8 percentage points higher than the number who cite past experience (68%).

⁶ “Where’s Debbie: How Consumers Influence Each Other and Practical Steps Brands Can Take to Understand and Harness Word of Mouth.” MediaLab, mediaedge:cia UK. 2004



Source: “Where’s Debbie,” Media Lab, mediaedge:cia UK, 2004

“Where’s Debbie” then goes further to develop a new typology of the group it calls Transmitters, those who are: (a) involved in a particular product category, (b) expert, (c) responsive to communications, and (d) accessible in depth. “Word of mouth is within the reach of marketers,” say the authors, but “a different strategic approach is required.” In particular, they suggest the need for a shift in perspective, whereby “word of mouth needs to become a philosophy – part of everything rather than a stand alone activity.”

“Where’s Debbie” is an interesting and important report on word of mouth. What is particularly relevant to this paper, is that it provides evidence that word of mouth is not merely a US-based phenomenon, but rather is found to exist in the UK as well. Further, it reinforces the concept that successful word of mouth marketing should not be based on a scatter shot approach, but rather that identifying and communicating with a more targeted group of consumers who are the most active in word of mouth will lead to more efficient and effective word of mouth marketing. Finally, “Where’s Debbie” introduces the concept of targeting word of mouth leaders based not on a generalized definition of “Transmitters,” but to do so within a category context.⁷

Further evidence of the global nature of word of mouth comes from studies conducted in markets around the world by Integration - IMC. Integration[®], founded in 1994, is an

⁷ For an additional perspective on research that combines the concept of influencers with a category perspective, see “The Category Influentials Segment: Targeting the Optimal Word of Mouth Leaders for Your Category” by Brad Fay, published in Measuring Word of Mouth: Current Thinking on Research and Measurement of Word of Mouth Marketing. Chicago, IL: the Word of Mouth Marketing Association. Summer 2005.

international consultancy firm dedicated to developing tools and processes to measure and improve the effectiveness of Integrated Marketing & Communications. Its core product is the Market ContactAudit™ (MCA™). Through the MCA, Integration provides marketers with a common currency to compare the clout and the cost-effectiveness of the different communication channels: mass media, one to one (i.e, word of mouth), point of sale, point of consumption, sponsorship, etc. Over 6500 brands have been studied via the MCA in 54 countries and 27 languages. In each study, approximately 35 different points of consumer contact with the brand are measured to determine the relative influence of each.

Across a variety of consumer products and services, and across geographies, Integration confirms the importance of word of mouth. Word of mouth is globally reported among the most influential contacts audited through Integration's MCA methodology. It scores 1.5 times more influence than the average contact across all categories and markets. For example, when studying a luxury consumer durable within the US, "speaking with family, friends, colleagues and other [product] users" ranked 4th in importance to consumers out of 36 different contact points measured, placing it well within the top quartile. In the case of a personal care product, also studied within the US, "the recommendation of a friend or relative" was considered the most important by consumers, tied with a free, in-store sample – out of 38 different contact points.

Moving to the UK and in a study about travel services, "word of mouth from friends, family and colleagues" ranked third out of a 27 different contact points, once again placing it well within the top quartile of all forms of consumer tract with the brand. In a study about a personal hygiene product in France, recommendations from friends ranked 7th in importance out of 35 consumer contact points, once again placing word of mouth in the top quartile. The only forms of contact considered more important by consumers than word of mouth in this instance were a variety of different types of free samples that were measured, along with coupons and advice from a professional. And in a study about a luxury personal care product conducted in Germany, Integration found that recommendations from friends/relatives were the 6th most important form of consumer contact out of 35 – again, placing word of mouth in the top quartile; a variety of different types of free samples or "free gift with purchase" were the only items that were mentioned more frequently.

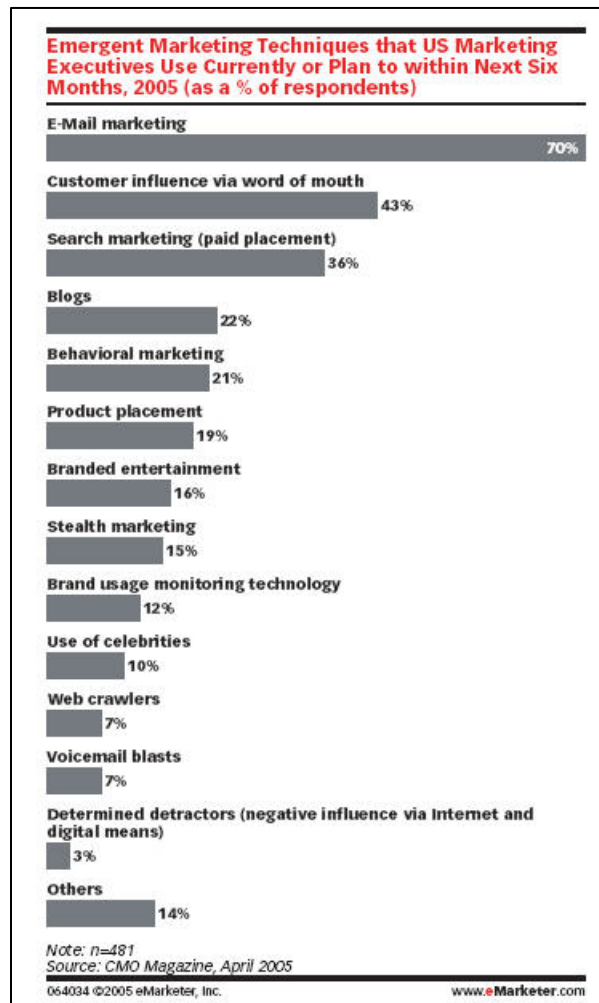
The combination of these studies all lead to the same conclusion expressed by the authors of "Where's Debbie": "word of mouth is a strong driver of marketplace influence"; to which we would add, in almost every market and every product category in which it is studied.

Marketers Waking Up to the New Reality

This growing, global reliance on word of mouth by consumers coincides with a growing recognition on the part of marketers that consumers are now truly in control, and that marketing practices which worked well in the past (or at least were believed to work), no longer do. As a result, a growing group of prominent marketers, such as P&G's CMO

Jim Stengel have now declared “Today’s marketing world is broken.” Says Stengel, “We must accept the fact that there is no “mass” in mass media any more. We must always remember the consumer is Boss. . . . Consumers today are less responsive to traditional media. They are embracing new technologies that empower them with more control over how and when they are marketed to. They are making purchase decisions in environments where marketers have less direct influence,” including, Stengel says, word of mouth. “We need new channels to reach consumers. Brands that rely too heavily on mainstream media, or at not exploring new technologies and connections, will lose touch.”⁸

CMO magazine conducted a 2005 survey of CMOs about emergent marketing techniques that they are currently engaged in or expect to be within 6 months. Almost half of respondents – 43% -- mentioned word of mouth marketing, placing it second on the list. Only e-mail marketing was mentioned more frequently (70%). Meanwhile, word of mouth finished ahead of such much talked about and touted techniques as search marketing (36%), product placement (19%) or branded entertainment (16%).



⁸ Speech to the American Association of Advertising Agencies, Media Conference and Trade Show. February 12, 2004, Orlando, FL.

Good WOM Ethics = Good Outcomes

Word of mouth marketing, to be successful, cannot be controlled by marketers, as most other marketing is. But there is a growing body of evidence that suggests companies can engage successfully with consumers in such a way that consumers will seek out information from marketers, and pass it along to their friends and family, thereby creating the type of positive word of mouth those marketers seek.

One of the cardinal rules of word of mouth marketing is that it must be authentic, and that while a marketer can give ideas to consumers about things that might be new, interesting, and worth talking about, they cannot tell consumers what to say, nor require them to say only things that are positive. This would undermine the power of word of mouth, whose power stems from the fact that it is authentic and honest. Word of mouth marketing can seek to amplify and facilitate trust in consumer opinion, and can seek to inform consumers who are interested and willing to speak about a product or category area, or a specific brand.

It is for this reason that WOMMA has focused its early efforts on the creation of an ethics code for word of mouth marketing. One of the key tenets of the code is “the Honesty ROI: Honesty of Relationship, Opinion and Identity.” The key elements of this part of the ethics code are as follows:

Honesty of Relationship

- We practice openness about the relationship between consumers, advocates, and marketers. We encourage word of mouth advocates to disclose their relationship with marketers in their communications with other consumers. We don't tell them specifically what to say, but we do instruct them to be open and honest about any relationship with a marketer and about any products or incentives that they may have received.
- We stand against shill and undercover marketing, whereby people are paid to make recommendations without disclosing their relationship with the marketer.
- We comply with FTC regulations that state: "When there exists a connection between the endorser and the seller of the advertised product which might materially affect the weight or credibility of the endorsement (i.e., the connection is not reasonably expected by the audience) such connection must be fully disclosed."

Honesty of Opinion

- We never tell consumers what to say. People form their own honest opinions, and they decide what to tell others. We provide

information, we empower them to share, and we facilitate the process -- but the fundamental communication must be based on the consumers' personal beliefs.

- We comply with FTC regulations regarding testimonials and endorsements, specifically: "Endorsements must always reflect the honest opinions, findings, beliefs, or experience of the endorser. Furthermore, they may not contain any representations which would be deceptive, or could not be substantiated if made directly by the advertiser."

Honesty of Identity

- Clear disclosure of identity is vital to establishing trust and credibility. We do not blur identification in a manner that might confuse or mislead consumers as to the true identity of the individual with whom they are communicating, or instruct or imply that others should do so.
- Campaign organizers should monitor and enforce disclosure of identity. Manner of disclosure can be flexible, based on the context of the communication. Explicit disclosure is not required for an obviously fictional character, but would be required for an artificial identity or corporate representative that could be mistaken for an average consumer.
- We comply with FTC regulations regarding identity in endorsements that state: "Advertisements presenting endorsements by what are represented, directly or by implication, to be "actual consumers" should utilize actual consumers, in both the audio and video or clearly and conspicuously disclose that the persons in such advertisements are not actual consumers of the advertised product."
- Campaign organizers will disclose their involvement in a campaign when asked by consumers or the media. We will provide contact information upon request.

At first blush, it might appear to marketers that compliance with an ethics code that requires full and complete disclosure might undermine their ability to market successfully through word of mouth. But early research findings suggest the opposite is the case: That openness and honesty are respected by consumers, and make the word of mouth more believable, not more suspicious.

At a WOMMA conference in March 2005, Keller presented a paper on "The State of WOM, 2005: The Consumer Perspective." One of the key findings of that paper relates to this issue, and underscores that if the individual who is spreading word of mouth has trust and credibility, then the messages they pass along will be trusted even if they are talking about a product they were given by a company that wanted to create buzz. Asked, "If someone you know and trust recommended a product he or she had been given by a

company that wanted to create buzz,” fully 76% of American consumers said they would “trust the person wouldn’t recommend the product unless he/she thought it was good,” whereas only 19% said they “wouldn’t trust the recommendation because he or she had gotten the product for free.”

This theme was explored in further depth in a paper, “To Tell or Not to Tell? Assessing the Practical Effects of Disclosure for Word-of-Mouth Marketing Agents and Their Conversational Partners,” by Walter J. Carl, PhD, Assistant Professor in the Department of Communication Studies at Northeastern University. The study was released in January 2006⁹.

Similar to the finding reported in the Keller paper discussed above, the Carl study found that for approximately 75% of conversational partners (“the people who whom the word of mouth marketing agents engaged in word of mouth communication”), it did not matter that they were talking to someone affiliated with a marketing organization. Instead, says Carl, “what mattered was that they trusted the agent was providing an honest opinion, felt the agent had their best interest at heart, and was providing relevant and valuable information.”

Further, the Carl study found “that none of the key outcome measures (credibility, inquiry, use, purchase, and pass along/relay) were negatively affected by agents disclosing their affiliation.” And in perhaps the most surprising aspect of this study, Carl found that the pass-along/relay rate (defined as the number of people a person told after speaking with a word-of-mouth marketing agent) actually *increased* when the conversation partner was aware they were talking with a participant in an organized word of mouth program. More specifically, when agents disclosed their affiliation to their conversational partner, the pass-along/relay rate was 70% higher than for those episodes where the conversational partner did not know about their affiliation. (The pass along rate averaged 2.02 people for episodes where the conversational partners knew they were talking with a word-of-mouth agent, versus a pass along rate of 1.18 people on average in instances where the conversational partners did not know they were talking to an agent.

Thus, concludes Carl (in part):

1. Participation in an organized word-of-mouth marketing program does not undermine the effectiveness of word-of-mouth communications. And,
2. Disclosure has practical benefits

New Research on Word of Mouth Pass Along

Building on the research that has been presented so far in this paper, and building on the idea presented in Carl’s paper on the size of the pass along, we wanted to learn more about the drivers of word of mouth: Who is the ideal WOM agent for such a marketer? How do you identify them? And what actually influences a WOM agent actively to

⁹ Visit <http://www.waltercarl.neu.edu/downloads> to download a copy of this report or to view the summary report online.

promote your product or concept? Does it rest on whether they are an influential-type of individual alone, or does the category matter? To what extent does brand loyalty play a part? Does it matter whether this is a high-involvement category or a low-involvement one (i.e. does WOM only work in certain segments or in all)?

To find out some of the answers to these questions, we commissioned original research using one of the United States' prominent online panels. Our objectives in this research were as follows:

- i) we wanted to know the degree to which WOM effectiveness varies by certain key criteria:
 - a. the “influential” nature of the WOM agent himself or herself
 - b. whether or not the WOM agent is influential only for certain categories
 - c. the existing brand loyalty of the WOM agent
 - d. the WOM agent’s involvement in the category as a whole
 - e. the relevance of the category to the WOM agent
 - f. the degree to which the concept is actually liked by the WOM agent
 - g. the pre-existing tendency of the WOM agent to recommend the brand in question
 - h. the importance of the brand experience to the WOM agent
- ii) we also wanted to know whether the intrinsic decision involvement of the category made any difference to whether WOM is relevant as a marketing tool – i.e. is a high-involvement decision category likely to see more WOM activity than one that is inherently low-involvement?

To find out the answers to these questions, we collaborated with Luth Research on two projects where a WOM concept was introduced into a sample of online panelists and the degree to which these panelists then passed on the concept to their social networks was measured and calibrated.

We chose to use Luth Research – and their SurveySavvy panel of 3 million consumers – for a very specific reason: SurveySavvy panelists are recruited and rewarded on a patented “member-get-member” basis. Panelists are recruited through recommendation by other panelists and they are then in turn encouraged to nominate people from their own social set for recruitment. If a panel member takes a survey, not only will he or she receive rewards, but so will the person who recommended them. In this way, the SurveySavvy panel is one big social network and, as such, we felt that it might well be fertile ground for assessing the spread of word of mouth.

In order to measure the degree to which the intrinsic decision involvement of the category made a difference to the degree of WOM activity measured, we inserted two different concepts into the panel:

- *The Big Moo*, a business book, edited by Seth Godin, was introduced to panel members who had previously been identified as having an interest in business

books (see below) – we therefore had pre-identified this as being a “high-involvement” category. (This project was designed by Luth Research and donated by them to the authors of this paper)

- a concept for a new gas station/convenience store was introduced to all panel members living in a particular region of the United States where the new concept would soon be rolled out in test market – this we hypothesized would be a relatively “low-involvement” category.

Luth Research had, prior to this assignment, segmented their panel in terms of their influence potential and had arrived at a five-segment solution:

- panelists who were “pure” influentials in all walks of life. (5% of the panelists who were administered the segmentation questionnaire fell into this category.)
- those who were influential in social and political affairs, but not necessarily in their business lives (12%)
- those who were influential in the context of their business lives and careers (13%)
- moderately social influencers (30%)
- non-influencers (40%).

This segmentation had been derived by Luth through a battery of questions which assessed:

- ever influenced in social and political life (16 attributes) – example attributes include:
 - ever contacted any politician at the state, local or national level
 - ever served as an officer for an organization for social or political purposes
 - ever participated actively in a Blog or online forum/community
- first-time social and political influencers, using the same 16 attributes as above, but this time in the context of the last year only
- business influence – 9 attributes, including:
 - published articles related to business in a magazine or newspaper
 - served on a committee related to the business or industry you work in
 - organized or initiated a group or organization for a business purpose
- subjects of interest on which the respondent shared opinions – 45 subjects, including:
 - restaurants
 - websites
 - consumer electronics
 - raising children
 - politics
 - sports
 - business ideas
 - career choices

- Self-selected areas of knowledge (same 45 subjects)
- Active participation - 13 activities, including:
 - city you live in
 - community around your residence
 - volunteer group for a social cause
- Self-description attributes, e.g.,
 - I usually keep my opinions to myself
 - People tend to ask me for advice or opinion
 - When I have a strong opinion about something, I like to offer my advice or opinion even when people do not ask
 - I only offer opinion or advice on subjects that I am knowledgeable about
 - I am not afraid to share my opinion even if other people disagree with me
 - I like to share what I think regardless of the topic
- Propensity to buy a product or service
 - I would be one of the first people to buy the product or service
 - I would wait until at least some people have tried the product or service to buy
 - I would wait until most people have tried the product or service to buy
 - I would wait until the market for the product or service has been well-established and the price has dropped significantly
- Demographics and number of people referred to the panel.

This segmentation provided an interesting method by which to assess the extent to which each of the concepts had been “passed on” by our respondents to their respective social networks. In addition to this, results were analyzed by the following variables:

- whether the respondent had been asked to pass on the information contained in the concept (amplified) or left to their own devices (organic)
- relevance of the concept to the respondent
- level of involvement required by the category
- like or dislike of the concept
- degree of research done to decide whether or not to buy
- usage frequency
- familiarity with the brand
- impression of the brand
- tendency to recommend the brand
- importance of the overall usage experience
- brand loyalty.

In the final analysis, 325 responses were received from people who were exposed to the gas station/convenience concept, while only 64 were received for those who were sent a copy of “Big Moo” (the latter involving a much more select audience). We have therefore tended to concentrate our findings on the gas station/convenience store concept but have used “Big Moo” to provide directional comparison. There were four main findings that emerged from this study:

1. Involvement in the category outranks all other WOM effects

Our results tend to suggest that if you are already involved in a category – and if that category pre-supposes a high-involvement purchase decision – then WOM effects will be nearly 5 times as intense as in low-involvement (or “everyday”) categories. “Big Moo” respondents – who were chosen for their predilection to business books – on average told 6.92 other people in their social network about the book. Respondents exposed to the gas station convenience store concept, on the other hand, were more restrained, telling an average 1.46 people about it.

2. In a low-involvement category, focus on those for whom the decision is important

People for whom the choice of a gas station convenience store was a high-involvement decision (16% of our sample) were more likely than any others to pass the concept on – in this case to an average of 3.71 people, or 2 ½ times the WOM activity for the sample as a whole. This transcended even their tendency to be an influential, even on the broadest level.

3. High level influentials are still a good bet

In the gas station concept, people who could be counted as “influentials” at all levels – social, political, business – talked to almost twice the number of people than was the case for the total sample. This relationship also held true for the “Big Moo” sample – broadly and highly influential respondents told over 12 people about the book as against nearly 7 for the sample as a whole. This ratio of influentials being about twice as likely as the population as a whole to give advice and recommendations is very consistent with the levels reported by Keller and Berry in *The Influentials*.

4. Brand loyalty also counts significantly

Where the gas station convenience store concept was concerned, those who considered themselves “very loyal” to the brand told twice as many people about the concept than those who did not. Similarly, those who were already predisposed to recommend the brand to others told over twice as many about the concept. This would suggest that not only is a general predisposition to “influence” important, but also the pre-existing attitudes of the WOM agent to the brand. If you want people to advocate your brand or concept, look for those who already like you!

Fig. 1. Number of people to whom concept was communicated via word of mouth

Factor	Gas Station (n=325)	Big Moo (n=64)
Total Sample	1.46	6.92
High involvement decision	3.71	6.55
High level influentials	2.75	12.24
Very loyal to brand	2.40	n/a
Would recommend	2.38	8.46
Service experience very important	2.13	n/a
Concept relevant to me	2.01	8.19
Research the buying decision	1.85	10.70
Like the concept	1.73	8.20

What our research also shows clearly is that potential WOM agents should:

- Feel that the concept is relevant to them
- Like the concept
- Have at least a favorable (or at least neutral) impression of the brand already
- Be frequent users of the brand
- Have influence within one's social, political and business network

In this regard, this research is consistent with other studies about word of mouth conducted previously in the US and the UK. What we have attempted to add to the research is actual, quantifiable results about the size of the word of mouth pass along and differences in actual WOM behavior among different types of people.

Our research also confirms that when these criteria are addressed, then there is a strong desire and willingness on the part of people to pass along information, whether that information is about a product of relatively high value and high involvement (i.e., the Big Moo book), or more of an everyday and potentially low involvement category (i.e., the gas station/convenience store concept). And in contrast, failure to conform to these norms will result in an almost zero spread of the message.

Six Ideas for WOM Success

To end this paper, we share here six elements of best practices for WOM practioners that have been derived from our research over the years¹⁰.

1. **Start with the leaders – the people at the center of the conversation:** Whether it is research about Influentials as discussed by Keller and Berry in their book by the same name, or the Transmitters as reported on in “Where’s Debbie,” or the research we conducted as part of this paper and reported above, or other research about “influencers” as reported on in conferences such as the January 2006 Word of Mouth Basic Training sponsored by WOMMA¹¹, there is a growing body of evidence to suggest that not everybody is created equal when it comes to word of mouth: Some people are turned to more frequently than others when people seek information from their friends, relatives, or colleagues. While different organizations may go about defining this “group in the center” differently, there are commonalities that generally hold true:
 - a. they are people who are more likely than others to keep up with new information, and therefore will learn about things before the rest of the population;
 - b. they know a lot of different people, and as a result are in a better position to learn and to transmit to others the things they have learned; and,
 - c. people seek them out for their opinions.

Therefore, the conversation leaders should be the first people you engage in word of mouth marketing programs.

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. Businesses that launch word of mouth marketing programs generally recognize that consumers engage every day in 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 Influentials 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. Marketers should follow the lead of Influentials, listening first -- which will let you know what’s relevant to the consumer, where there are information gaps you can fill, where there are innovation opportunities, and where there are complaints that should be

¹⁰ A more complete discussion of these “six ideas for WOM success” see “Influentials Training: Learnings from a 3-year journey into WOM,” presented by Ed Keller and Jon Berry at the Word of Mouth Basic Training Conference, January 20, 2006. The complete presentation is available at the WOMMA website at <http://www.womma.org/wombat/index.php>.

¹¹ A complete list of speakers and papers from the Word of Mouth Basic Training Conference, held on January 19-20 in Orlando, Florida, is available at <http://www.womma.org/wombat/index.php>.

addressed. 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.** Influentials, Transmitters, Influencers – 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. Sometime 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 know 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 retransmit, they will do so gladly.
- 4. Know what else turns them on.** However you decide to define influencers, it is likely they will have interests that extend beyond a single category. So even if category involvement is central to your definition, be aware of the multi-dimensional interests of your influencer group because those interests can provide additional hooks for your conversation with them. And, it provides a pathway for cross promotions. So, for example, if you’re trying to create word of mouth about food, and the group of influencers you’re talking with (and listening to) are also interested in travel, try to create the linkages to satisfy both of their interests. You’ll become a more valuable conversational partner for them, and they’ll be able to spread the word more widely on your behalf.
- 5. It’s all word of mouth – traditional ads as well as buzz marketing.** There is often a mistaken notion that word of mouth needs to stand in stark contrast to traditional forms of advertising. But this is not the case. Many things start word of mouth. Often word of mouth is triggered by someone’s personal experience, but in many cases traditional forms of media serve as conversation starters and are the basis for people talking about a product or a service. As the authors of “Where’s Debbie” note, it is a misconception to think “that those with peer to peer influence are impervious to anything but the most understated and tailored of communications.” Their research finds Transmitters tend to respond positively to marketing, and are more likely to notice radio ads, notice press ads, notice outdoor ads, think TV ads are interesting to talk about, and claim that “ads help me chose.” In short, they conclude: “far from being advertising aloof, transmitters respond positively across a range of communications channel.” This is consistent with research we have conducted and presented at various conferences – WOM should not stand in isolation from the rest of the marketing strategy and tactics, but rather it should be central to all marketing. And, across all your marketing

there should be a focused effort to insure that it increases the word of mouth about your product or service.

- 6. Don't wing it: Good research = good WOM.** The discipline and practice of word of mouth marketing is relatively new. Many programs are small, and experimental. This is the perfect time to be introducing research into the mix, because good, creative and insightful research will lead to better WOM planning, which in turn will lead to better WOM outcomes, and better outcomes will help make the case to management for a bigger investment in WOM in the future. Further, we believe that just as WOM should not be an isolated function that sits in a silo, divorced from the rest of your marketing activity, WOM measures shouldn't be isolated to your WOM-specific activities. Rather, we would suggest that WOM measurements should be included in all your research about branding, marketing communications, 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. It not just buzz, it's central to your business success.