
Shoppers Say the Nicest Things

As the holiday season approaches, here are some glad tidings for retailers: When consumers are talking about them in their everyday conversations, they're 14 times more likely to say something nice than nasty.

And nearly half of this positive word-of-mouth for specialty and discount stores includes a recommendation and often compels consumers to visit the stores.

These results from TalkTrack, the Keller Fay Group's (www.kellerfay.com) measurement program for word of mouth (WOM) marketing, underscore the need for retail brand and marketing managers to harness the power of everyday conversations. Other findings from this first-of-a-kind program, which weekly monitors the marketing-relevant conversations of thousands of Americans, include:

- People talk about an average of six retail brands per week, and 70 percent of this conversation is positive compared to just 5 percent that is negative.

- Retail brands have more positive WOM on average than other product and service categories, with specialty stores receiving the most positive and least negative WOM, followed by discounters and department stores.

- The top retail WOM brands by category are:

- Discounters (Wal-Mart, Target, K-Mart)

- Department Stores (Sears, JC Penney, Macy's)

- Specialty Stores (Old Navy, The Gap, Victoria's Secret)

- WOM, especially for discount stores, leads to higher purchase intent than WOM in other industries (i.e., auto, consumer electronics, telecom and high-tech).

- Conversations often are driven by a brand's media and marketing activities

-WOM about discount and department stores is heavily influenced by newspaper advertising

-In specialty retail, the Internet and the stores themselves are key influencers

Earlier this year, a TalkTrack survey of 4,608 participants found that both Wal-Mart (#5) and Target (#6) were among the top 10 brands to qualify as Word of Mouth All-Stars based on a ranking system that measured net positive references (i.e., positive WOM minus negative WOM).

The TalkTrack retail survey included 6,172 respondents 18 years of age and older whose marketing-relevant conversations were monitored between June and August of this year. The TalkTrack program is an ongoing study designed to quantify which brands Americans are talking about, what they are saying and the where, how and with whom these conversations are taking place.

"Retailers may be pleasantly surprised by these results. But they also should realize that all this positive consumer talk about brands represents a prime opportunity to leverage the untapped value of high-quality customer advocacy and word of mouth recommendations," said Ed Keller, founder and CEO of the Keller Fay Group and co-author of *The Influentials*, called the "seminal moment in the development of word of mouth."

Since its launch in spring 2006, the TalkTrack program is the first to closely examine marketing-relevant attributes of actual consumer conversations, whether face-to-face, by telephone or over the internet. It also has already debunked much "conventional wisdom" about WOM marketing. For example:

- While viral marketing and blogs garner most of the publicity when it comes to WOM, the overwhelming majority of consumers talk about brands and products - 90+% -- take place face-to-face or over the phone.
- WOM is not just for breakthrough concepts with a high "buzz" quotient, but can also be effective in many categories at various stages in the product lifecycle.
- Since nearly half of all word of mouth conversations refer to ads, or promotions, or something seen or heard in the media, well-planned and executed traditional marketing programs can complement and stimulate WOM.