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Why Buzz Marketing is **Buzzing** Everywhere

From your lips to
the market's ear,
how word of mouth
is new again





How do you get people talking? Well, you advertise. You also send out surveys, generate

press releases, and ask clients to talk you up. You use the power of word of mouth. Duh.

The only problem? Everyone else is also advertising and surveying and press releasing. Constantly bombarded by slogans and taglines, consumers are increasingly wary of promotional promises and pitches. The tough sell has become even tougher.

This isn't to say that consumers have become completely jaded about market messages. On the contrary, they're still more than willing to listen to each other. And that's the driving force behind buzz marketing, which Drew Neisser, president and CEO of Renegade Marketing Group, defines broadly as "any marketing activity that gets people or the press talking about a particular client's product or service."

Buzzed In

Industry experts tend to nitpick over the precise definition of buzz, but most agree that buzz marketing falls under the umbrella of word of mouth. "The notion of word of mouth is that people have conversations every day with each other,

"Everybody's talking about word of mouth," Balter remembers thinking.

"But no one has really built anything to capture it, harness it, understand it."

and certain people, between 20 and 25 percent, relate in some way or another information about brands," says Ed Keller, CEO of Roper ASW and co-author of *The Influentials: One American in Ten Tells The Other Nine How to Vote, Where to Eat,*

and *What to Buy* (Free Press, 2003). "Word of mouth marketing is the desire on the part of marketers to increase the chances that their brand or

message will become part of those conversations."

How is that different from advertising? Hard to say, exactly, but buzz is rooted in the power of personal experience. On one hand, any event or experience intended to get people talking can be considered buzz. But Dave Balter, founder and CEO of BzzAgent, Inc., says that's not the whole story. "That spicy Paris Hilton ad [for Carl's Jr.] got people talking, not because they were interested in hamburgers, but because it was Paris Hilton," Balter explains. "There's a huge disconnect in this space. It's about how you get real people sharing real opinions."

The world got a taste of buzz marketing, when, in 2002, Dave Balter's fledgling company organized a campaign for a comic novel, *The Frog King* (Riverhead Trade, 2002). Written by first-time author Adam Davies, no one was expecting *The Frog King* to generate a firestorm of media attention (or any attention at all). Balter

offered to do the buzz campaign for free. Having nothing to lose, the publisher agreed.

After acquiring a network of agents, Balter encouraged them to talk up the book among friends, post online reviews on Amazon.com, call

bookstores and ask if they had to book in stock, and read the book in public with the cover on prominent display. The results indicated that buzz had

great potential: According to *The New York Times Magazine*, local author readings "drew larger-than-expected crowds of 100 or 150 people," and the book ended up selling in just three months what the publisher expected it might sell in a year. The novel was officially a success. So was BzzAgent. *The Frog King* project was the company's first and last freebie; today a 12-week, 1,000-agent book campaign would run nearly \$100,000.

See Jane Buzz

Getting regular, ordinary people to promote products of their own will, for no compensation, is a simple but revolutionary concept that Balter stumbled onto by serendipity. Balter had spent nearly ten years working in affinity and loyalty marketing in the Boston area. Tired of the corporate grind, Balter co-launched two promotions agencies, sold them, and in October 2001, found himself wondering what he was going to do next. The economy was in the dumps, and human resources offices across town considered him an unlikely prospect.

"I'd go to an interview and they'd say, 'Oh, you've run companies; you don't want to do this,'" Balter told *Marketing Matters* newsletter in 2005.

Around this time, Balter started reading books about marketing theory, including *The Tipping Point: How Little Things Can Make a Big Difference* (Little, Brown Adult, 2005), *Unleashing the Ideavirus* (Hyperion, 2001), and *The Anatomy of Buzz: How to Create Word of*

Mouth Marketing (Currency, 2002). Paul Omerad's *Butterfly Economics* (Pantheon, 1999) struck Balter as particularly intriguing. If quantitative val-

ues can affect qualitative factors (for example, if perceptions about interest rates can actually determine whether rates go up or down), why couldn't you convert personal opinions into a mathematical equation? "Everybody's talking about word of mouth," Balter remembers thinking. "But no one has really built anything to capture it, harness it, understand it."

By founding BzzAgent, Balter did just that, but he also learned a few surprising things along the way, some of which flew in the face of traditional marketing theories. For one, "agents" didn't need to be hand-selected. "The irony was that we thought we wanted to build a closed system," Balter says. "Everyone said people driving word of mouth were trend-setters or alphas, or whatever, but we didn't have enough money to do that. So we just let anyone sign up and thought we'd kick people out later. But we're so lucky we didn't do that. The influentials and trendsetters were no more effective than average people."

Another surprise: People wanted to buzz for the love of buzzing. No one was really interested in Balter's original idea about a points-for-rewards system, whereby agents could earn points by buzzing and cash them in for prizes. Sure, they liked the free samples, but


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what hooked them was the feeling of being an insider. The only thing they liked more than being the first to know about new products was getting to pass judgment on them. Buzzing gave ordinary citizens a voice and made them feel both connected and triumphant: "These people want my opinion." What I say matters. As of spring, 2006, more than 135,000 people had signed up to be buzz agents. BzzAgent does no advertising

can try to engage them in meaningful conversation, but you can't tell them what to say."

Bottom line: It's better to have honest feedback than phony opinions that might make consumers feel duped. "This is honest, ethical opinion-sharing," stresses Balter, whose policy is to ask volunteers to disclose their status as buzz agents. "This isn't skill marketing where companies hire actors to fool consumers, it's not people hanging out in chat

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or marketing to find these volunteers. On average, 2,000 more join the hive each week.

Have You Heard This?

Consumer opinions are valuable commodities—even if those opinions are negative. In fact, if Balter's agents hate a product, they're encouraged to say so. Buzz can do wondrous things, but it can also rapidly bring an expensive promotional campaign to its knees.

At first, bad buzz was understandably distressing to clients

who had hoped their campaigns would generate fireworks, not flames. But buzz experts say that honesty is far more important than pushing products that consumers don't really like, want, or need.

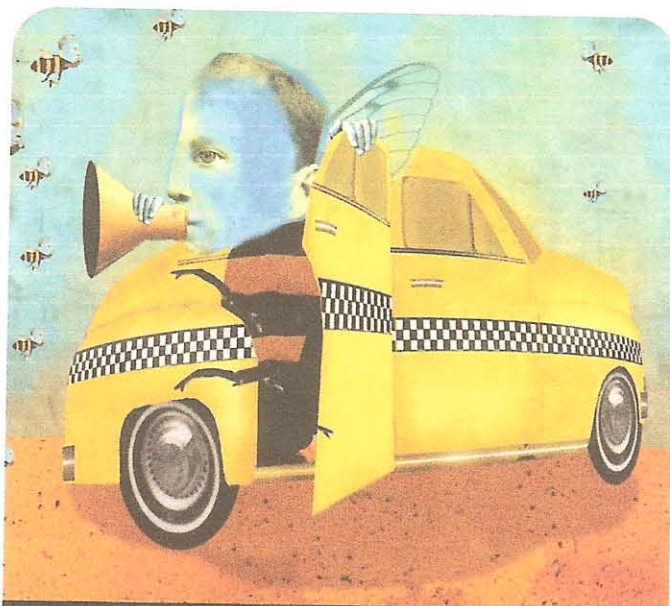
"One of the big messages about word of mouth is that businesses cannot control communications the way they used to," says Keller. "You have to understand, appreciate, and ultimately be comfortable with the notion that the average consumer is out there talking. You can try to join in and you

rooms online and talking up products they know nothing about. That creates backlash."

Ideally, only companies ready to put their best foot forward should seek buzz. BzzAgent largely avoids bad buzz through careful screening; Balter says they reject at least 80 percent of the products they see, mainly because they're not up to snuff.

"Buzz should be the byproduct of any well-conceived, well-executed marketing program," says Neisser. "At the core of buzz is a product or service that delivers on its promises. Although you can generate buzz about a bad product, it will only serve to hasten that particular brand's demise. If you have a product problem, fix it first."

Balter, who says he loves getting people to engage with companies in new ways, believes buzz is the dawn of a new era of marketing and advertising. "This is a focus on true opinions as opposed to marketing hype and companies' presentation of their materials. Everybody should be pretty proud of what's getting built here. This is going to be remembered for a long, long time." •



BUZZ CASE STUDY:

The Checker BankCab Campaign

When HSBC decided to convince consumers that it was indeed "the world's local bank," Renegade Marketing decided to take the message to the streets. Via taxi. The campaign kicked off with one classic New York Checker cab (dubbed the "BankCab") that roamed the city giving free rides to HSBC customers. They left the cab saying, "I love my bank," and then told four or more people about the experience. Currently passengers can ride around in two Checker BankCabs, a London Cab, and a VW Microbus and "feel like they just won the lottery," says Drew Neisser, president and CEO of Renegade.

As part of the campaign, Renegade conducted a search for the most knowledgeable cab driver in New York. "The contest generated over 20 million PR impressions," Neisser says. "And our market surveys show that HSBC customers who are aware of the BankCab program are twice as likely to recommend the bank to a friend and half as likely to switch to another bank."

All in all, the campaign was a home run — not only did it boost sales, it also increased customer loyalty and improved employee morale. Even Neisser's buzz marketing competitors are awed by the accomplishment. "It was an amazing idea," says Tina Wells, CEO of Buzz Marketing Group, a company she formed "organically" when she was still a high school student writing reviews of fashion and beauty products that ended up helping companies create buzz. Wells, who is currently studying marketing management at The University of Pennsylvania's Wharton School of Business, says Neisser and the Checker cab campaign are in her textbook. "It was so simple," Wells observes, "Yet it was also so out-of-the-box that it blew revenues for the bank out of the water."

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