



## **2007: A Turning Point for Word of Mouth Marketing**

Welcoming Remarks to WOMMA Summit  
Las Vegas, NV  
November 14, 2007

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Good morning. I'm Ed Keller, CEO of the Keller Fay Group and President of the Board of the Word of Mouth Marketing Association. It's my privilege to welcome you to the third annual WOMMA Summit, the #1 word of mouth marketing event of the year. We're delighted that you're here with us.

To those of you who are with us for the first time, you're in for an excellent two days, which I am absolutely certain, will be not only highly informative, but inspiring as well. And to those who are here for a return visit, welcome back – I believe you'll find that this event builds on the success of our previous WOMMA Summits, and takes things to a new level.

In the few short years since WOMMA was founded in 2004, our industry has moved along at what seems like break-neck speed. More and more marketers – big and small companies alike – have come to recognize the power of word of mouth, and as a result they have begun to embrace word of mouth marketing as a critical element in their marketing strategy and their marketing mix. I believe we will look back at 2007 as a year of dramatic growth and broadening support for word of mouth marketing.

### **Word of Mouth is Ubiquitous: 3.4 billion WOM Conversations Per Day in America**

Why this change? Well, for one thing, word of mouth is truly ubiquitous. According to research that my firm, the Keller Fay Group, has published, there are 3.4 billion word of mouth conversations and products and services each and every day in America. 3.4 billion. When you stop and think about it that is a truly staggering amount of word of mouth. If any individual brand can garner an additional share point or two of that conversation, based on word of mouth marketing techniques, it would add up to a lot of additional conversations.

And we know further from our research that a very large percentage of the people who receive advice and recommendations via word of mouth are highly motivated to buy the products and services that are being discussed. The results are clear: word of mouth has tremendous credibility, and impact. For those of you who want to keep up on the latest research but weren't in attendance at yesterday's WOMMA Research Symposium, I strongly encourage you to read

the proceedings that WOMMA has published. There is a lot there that you will find to be of value.

In today's marketing environment, where traditional approaches are coming under intense scrutiny, word of mouth is emerging rapidly as an attractive alternative. In the words of Mark Zuckerberg, the CEO of Facebook, when he announced Facebook's new ad targeting model last week, "Pushing your message out to people is no longer good enough. You have to get your message out to the conversations." Commenting on the Facebook platform, The CEO of WPP's Group M Interaction Rob Norman said, "The more you enable person-to-person communication, the more opportunities there are for individuals to influence each other. . . . This phenomenon already existed. [Mr. Zuckerberg] just poured gas on the fire."

### **WOM is Moving to the Mainstream**

As just one illustration of how front and center WOM has become, let me quote for you part of a recently released report by the consulting firm of Booz Allen Hamilton. This study of the *Marketing and Media Ecosystem 2010* was conducted on behalf of the Association of National Advertisers (ANA), the Interactive Advertising Bureau (IAB), and the American Association of Advertising Agencies (AAAA). The project was the first cross-industry initiative of its kind.

The report identifies 6 key trends that are reshaping the marketing ecosystem. Do you know what the number one trend Booz Allen highlights is: Marketing as Conversation. "Listen, facilitate, and create advocacy," the report says. "The balance of power has shifted – consumers are the new marketers . . . This shift in control makes traditional strategies, channels, relationships, and metrics less useful, and in some cases irrelevant." This comes not from WOMMA, although it is a view I am sure almost all of us share, but from Booz Allen on behalf of the nation's largest marketers and ad agencies.

This is just one indication of the seriousness with which the marketplace is now embracing what we do, and as the people on the front lines of word of mouth marketing we're the ones who are going to help our organizations to capitalize on these trends, creating the new strategies, channels, and metrics that will insure marketing success for our companies, and our clients.

Here is further evidence: Last month *Advertising Age* named Nintendo as its Marketer of the Year, and singled out for particular praise the company's word of mouth programs. "It was word of mouth marketing that started at the grass roots and then spread digitally," noted *Ad Age*. "With Alpha Moms, Nintendo did more than ring sales. Aside from converting a bunch of non-gamers into customers, it created fans and advocates for Wii gaming." I am virtually certain that this is the first time a Marketer of the Year honor was bestowed on a company for its word of mouth marketing prowess, and where an advocate-based strategy was singled out for such praise.

Another symbolically important indication that word of mouth made major strides this year came in July, when Wal-Mart began posting consumer ratings and reviews about every product sold at Wal-Mart.com., a step that received tremendous trade press coverage. The #1 company on the

Fortune 500 list embraced word of mouth, and Andy Sernovitz, whom we'll hear from tomorrow as our luncheon keynoter, labeled it "A landmark moment for consumer empowerment and word of mouth."

If this is the year that word of mouth marketing is beginning to take a proverbial seat at the marketing table, then it's certainly appropriate that tomorrow – at this conference – we will hear the results of the *Word of Mouth Marketing Forecast 2007 – 2011*, where for the first time we will have analytics on the size, structure, and growth of the word of mouth marketing industry. PQ media is the leading provider of alternative media econometric data and the fact that they have chosen to publish an independent report on the size of the WOMM marketplace is an important indication that word of mouth marketing is taking its rightful place against other new, emerging media forms. The release of this report has the potential to be one of the most important events in the WOMM industry this year – because these financial data, trends and forecasts are the basis upon which advertisers – and investors – make their most important media and marketing decisions. The release of this report is a very significant "coming of age" moment for word of mouth marketing.

To me, and to my fellow members of the WOMMA Board, none of this year's developments are surprising. We all have a deep seated passion for WOM. We know that word of mouth marketing enables and sustains the conversations among consumers and customers that drive brand growth. Many of us, like many of you, have chosen to devote our entire careers to word of mouth marketing. It is extremely encouraging, therefore, to know that others are beginning to see the world the way we see it.

### **WOMMA: Advancing the Discipline of Word of Mouth Marketing**

As the trade association for the word of mouth marketing industry, our role at WOMMA is to advance the discipline of word of mouth marketing. We promote the growth and recognition of word of mouth marketing as a distinct marketing discipline. We educate the marketing industry about the powerful results that word of mouth marketing can drive. And we provide a rich, evolving resource for best practices and professional training for word of mouth specialists. In short, WOMMA is here to help you be a more effective marketer.

Starting here today, and continuing over the coming months and years, we intend to build on the enormous strides that have been made in word of mouth marketing – and in the process, to help make each of you and your organizations marketing superstars. We look forward to working together with each of you, as active WOMMA members.

And thanks again to all of you for being here. I am looking forward to a great conference, and to talking with as many of you as possible over the next two days.