



## ***Understanding WOM and Influencer Marketing***

The online world is shifting fundamentally. Once seen by marketers as vehicle for communication, the internet has rapidly become a platform for collaboration. Power is shifting from Marketers to Consumers; in this lies great opportunity and great challenge. Marketers looking for new methods of communicating and connecting with consumers are experimenting with integrating traditional marketing into this brave new world. This summary overviews the recent evolution and approach to Word of Mouth Marketing (WOM), a key practice being integrated into the marketing mix

### **WOM Marketing**

WOM (Word-of-Mouth) marketing is on the rise, projected to hit \$1.3B in 2008, up almost 33% from 2006.<sup>1</sup> Paul Rand, VP of WOMMA (Word of Mouth Marketing Association) concludes factors contributing to its growth primarily rest on the eruption of internet communication and acknowledgement of WOM as a unique and separate medium.

WOM is categorized as the act of a consumer creating and/or distributing marketing-relevant information to another. WOM interactions or episodes develop in many forms and fashions and are generally quantified in units. Examples of units include: face-to face conversations, emails, blogs, letters to an editor, etc. WOM has traditionally been considered valuable, yet uncontrollable, resulting in marketers shying away from the option. However, the potential impact can no longer be ignored. A recent study published by WOMMA concluded that 64% of consumers developed an increased trust level for a product when it was recommended by others.<sup>2</sup> The by-product of this has lead companies to develop authentic WOM strategies and programs.

### **The Importance of Influencers**

The key to any successful WOM campaign is to find and communicate to “Influencers” with relevant, valuable and (often) fun information that they will feel compelled to pass on. Influencers can be professionals, industry experts (e.g. bloggers), active online “conversers,” and peers who engage in WOM activity at a variety of levels and lifestyle touchpoints. Understanding why people talk is key:

- Help/educate
- Provide knowledge
- Find common ground with others
- Validate own opinion
- Pride in one’s own experiences
- Excitement and joy of sharing

Generating natural WOM rather than artificially producing is a delicate balancing act. It is important for marketers to utilize the tools readily available to bring a brand to the forefront; however, the overriding concern is having “uncoached” volunteers sharing opinions and shaping thoughts which could impact a brand negatively. It is becoming increasingly important in today’s advertising clutter to develop an emotional connection with your consumer and give them a platform to tell their story, share experiences and freely discuss the pros/cons of a product or service. This benefits both sides, as Influencers feel they are being given an opportunity to be inspirational and make a positive impact on others. Brands benefit by developing awareness and credibility among participants, as well as having an opportunity to obtain consumer feedback quickly to immediately combat issues/concerns.

A study conducted by Dr. Walter Carl, Assistant Professor of Communication at Northeastern University, set out to address several questions including if organized WOM programs can deliver natural WOM, and add value in the marketplace. The outcome revealed that of those consumers who choose to proactively engage on brand-related programs; almost half will include recommendations to their peers.<sup>3</sup>

## Reaching and or Developing Influencers

Techniques have been developed to facilitate WOM Marketing. Recently developed techniques include:

- **Viral Seeding:** seeding key information into communication points (blogs, forums, etc.). The objective is to have the message picked up and passed to others via additional forum posts, blog articles, messaging, etc.
- **Buzz Marketing:** Staging an event, contest or splashy demonstration to encourage people to talk about the brand.
- **Social Marketing:** Employing social networking sites (Facebook, MySpace, etc.) to build a brand connection with consumers. This can be done via building a profile at the sites and attracting “fans,” advertising at these sites, and/or building “widgets” that are posted to people’s profile, thus provide exposure to their friends and colleagues.
- **User-Generated Media:** This is the practice of allowing users to participate in marketing the brand through posting reviews, comments, videos, jingles, etc.

### *Viral Seeding*

Viral involves seeding the internet with tools, messaging and website links that build buzz and traffic. It offers the opportunity to generate awareness and increase rankings of a website on search engines. It can be activated by targeting community sites, forums, chat-rooms, social networks, message boards, video sharing, etc. It’s executed by identifying and engaging specific online communities receptive to a particular category (i.e. nutritional drink category - cancer support groups). For example, consumers can be sent product information, samples or service trials with the intent of having them start a dialogue on relevant forums using messaging which includes links back to the respective brand/service site.

This table presents a prototypical example of how a viral effort may take shape.

	1 to 1 Conversations	1 to Many Engagements	Pass Through Engagements 10X
<b>Social Networks</b>	2,400	15,600	180,000
<b>Message Board</b>	360	18,000	180,000
<b>Blogs</b>	150	7,500	75,000
	<b>2,910</b>	<b>43,500</b>	<b>435,000</b>

- **“One to One” Blogs/Message Boards/Forums Conversations** (postings and comments) create **“One to Many” Engagements**, based on an average of 50 views per conversation. Historically, this number is closer to 100 per, but we use a conservative model of 50.
- **“Social Network One to Many Engagements”** are based on the number of group members when we engage entire groups with a message.
- **“Pass-Through Engagements”** of 10x represent a conservative figure based on direct experiences (10x-17x) and Roper findings (8x-15x). Consumers drive the total impressions over time via pass along behavior.
- **Engagements** represent the number of people engaged in or becoming aware of product/brand related conversations.

### ***Buzz Marketing***

Buzz marketing has been around for a while in for form of events and demonstrations. Buzz marketing can be national in scope, but is frequently executed hyper-locally via street teams. The idea is a concept that is attention-getting and frequently outlandish, fun and/or funny that gets people (especially the media) talking about the brand and/or product.

### ***Social Marketing***

Another WOM outlet includes social networks whereby people build personal profiles on a site and link to other members with like interests. Social networking also fosters interaction through various “connection” models (groups, communities, etc.). Users can befriend other users, befriend brands and companies, join groups, post comments on their friend’s pages, participate in discussion forums, etc. Social networks are typically categorized by an application, interest, genre or activity. Popular examples include Facebook and MySpace (general), YouTube (video), ThisNext (social shopping), Eons (for Boomers), Flickr (Photo).

Key for marketers is that users spend significant amounts of time interacting via these sites (i.e. creating profiles, sending gifts, sharing information), thus it represents a creative platform for engagement. The drawback lies in that social networks have broken down the traditional barrier of professional and personal. Many adult participants are struggling with how to keep them separate (“not all friends are equal”). Fortunately, Facebook and MySpace—

the leaders in social networking—are about to release functionality to change this, which will facilitate Marketers' ability to find unique ways to engage and foster participation.

### ***User-Generated Media (UGM)***

While this is not exactly a WOM methodology, but rather a buzz-building technique, it bears discussing. More and more brands are allowing consumers to participate in marketing the brand via community features at their websites (e.g. blogs, forums, review areas, etc.). Another form of UGM is allowing brand advocates to develop and post marketing materials (e.g. video ads and jingles) to website. This is often accompanied by a contest or promotion to encourage participation.

## **WOM Considerations**

Several aspects require consideration from marketers to ensure the medium will fit its overall objectives:

- WOM is long-term strategy rather than a quick-hit tactic
- WOM applications should be woven into other marketing efforts to create consistency for consumers both on and offline.
- WOM metrics are an evolution and should be defined and developed according to the specific WOM practices being used; traditional media models mostly likely will not apply.
- WOM marketing requires “transparency,” which can be an uncomfortable prospect for traditional marketers.
- WOM creative is fundamentally different from traditional creative. In order to generate buzz and pass-along viewing, a WOM campaign must be engaging and have consumer value: emotional, fun, unusual/outrageous, sexy, exciting, undiscovered, shocking.

## **WOM Trends**

**Email Downsizing:** Email is beginning to fall by the wayside, it is being replaced with “messaging” through social networks and instant messaging services. For example, Facebook will send your messages to your mobile phone, allowing users to be constantly connected to friends and colleagues.

**Customer is now the Marketer:** Consumers can and will talk about your brand. Marketers must sacrifice some control of their brand messaging and enable consumers—through opportunities, leadership and education—to communicate to one another. One way to do this is to invite consumers to participate in the marketing of a brand via User-Generated Media.

**Reputation Management:** Because of the above, brands and companies must develop a sound WOM marketing strategy and policies. Negative comments will invariable surface, so it is vital for brands to monitor their online reputation and respond appropriately to these issues.

**Customer Value, Service and Quality are more important than ever:** The online world is shifting control away from brands and into the hands of consumers. Now more than ever it is critical that your value proposition is clearly

articulated, communicated and reinforced and that all elements of your brand from product through promotion support this proposition.

**Sources:**

<sup>1</sup> Brandweek, Outlook 2008: Word-of-Mouth Marketing, 2007,

<sup>2</sup> Word of Mouth Marketing: The Stats, Strategies and Trends You Need to Know, 2006

<sup>3</sup> The Value of Managed Word-of-Mouth Programs, 2005