

WOM: look before you leap



Justin Kirby, CEO of consultancy DMC, argues that fully understanding the complexities of word of mouth marketing is vital in order to decide whether or not to undertake even short-term tactical activity.

Wouldn't it be great if someone gave you a 'how to' book that guided you step by step through a definitive approach to solving all your marketing challenges? A simple approach that would work every time for every organisation in every category – the 'new marketing black' for 2008.

But for every 'how to' guide espousing a new approach there's always another eschewing it.

The point is that if anyone ever tells you they have a silver bullet for your marketing problems, or that their approach is more measurable, more contagious, more ethical, or simply more catch-all 'effective' than other approaches, get out your magnifying glass.

Marketing – from promoting the latest hatchback car, to raising awareness of a little-known social issue, to making one brand of toothpaste or one financial service stand out – is more complex than many practitioners (who are usually touting a specific solution) would have you believe.

You can also forget about looking at other brands' seemingly successful tactical marketing activities and trying to replicate them in a hit-or-miss gamble. Just because something worked once for one company in one sector, doesn't mean it will work for anyone else – or even work again for the original business.

There is no silver bullet.

So how to decide which approach to use?

The rise of WOM marketing

This year, take the time to challenge your current thinking and really investigate the alternative marketing approaches that have enjoyed a rise in popularity over the past few years.

Let's take a closer look at WOM marketing, which is believed by many to be the most credible alternative to the waning traditional advertising.

It's by no means certain that there is a separate set of techniques that are used only for generating WOM.

To be clear, WOM – like viral and buzz – is an outcome, not

a technique; it is the end result you are hoping to generate with your marketing activity. In the end, any marketing technique – even good old traditional advertising – can help kickstart WOM.

So the first thing to do is focus on the outcome you want to achieve, not what technique you use or what you call it. Hence the umbrella phrase 'connected marketing' has arisen to denote any marketing approach that helps ignite conversations in target markets that add measurable value to a brand.

The growth of digital media has helped turbo-charge the spread of WOM. The debate about Web 2.0 and consumer empowerment has also contributed to the rising interest in WOM. Some argue that this empowerment is really an illusion, but regardless of any philosophical criticisms, the increasing reliance of consumers on WOM recommendations from trusted sources – as opposed to claims from advertisers – presents some serious challenges for brands and their sales and marketing staff.

Buzz, WOM, or advocacy?

The key to generating WOM is to deliver experiences that exceed expectations, because people only talk about experiences worth talking about. But that makes it sound simple and it's not.

Recent research by Stanford University shows that people's expectations are set by their emotional connection with a brand, the point being that customer experience is not just about what happens when customers come into contact with a product; it occurs at every touchpoint with a brand. And it's this overall experience of a company, good and bad, that shapes an emotional connection.

So delivering customer experience is not just about getting customers to try your product, for example, and quantifying that activity; it's also about the qualitative aspects of their whole experience with the brand in question. That's why it's so important that your brand's story resonates with consumers, because this can help set expectations in the first place.

Once you start generating WOM isn't that great for business? ►

Not necessarily. Do not confuse buzz or WOM with advocacy – it's the latter that has been proven to drive business growth. WOM in itself is not the end goal. Everyone may be talking about the flu, for example, but it doesn't mean anyone wants it or is recommending it.

It follows that if someone has a great experience of your brand, if their expectations are exceeded, then they will advocate your business or product to their friends. Or does it? How can you be sure? Obviously, you can't manage what you can't measure, but what's best practice when it comes to customer advocacy metrics? Does measurement inform actions? And is the process the same for all businesses?

Clearly there's also a difference between someone's likelihood to recommend and an actual referral, and that leads us on to investigating if there's any follow-through difference that's dependent on who makes the recommendation.

The impact of influencers

In his bestselling book *The Tipping Point*, Malcolm Gladwell describes a small group of connectors helping spread the word in society. The idea is that some consumers are more equal than others, so the aim for businesses is to connect and collaborate with the 10 per cent of people who influence the remainder.

This theory has been challenged recently by academic and author Duncan J. Watts and others. It's another important debate in the WOM field between people with social psychology and market research backgrounds, versus scientists who specialise in network theory.

This may all sound like academic mumbo-jumbo, but it's very much relevant to business practice. Social network theory is already being used by businesses, for example in the mobile sector which can manage and measure churn and its effect on the bottom line – very clearly seeing how the actions of certain people affect a larger group.

Getting the most from WOM marketing

Part of the influencer debate takes into account the differences between people who influence others offline and people who influence others online – and how you as a business can communicate with them.

As a result, the lines defining which marketing partners brands work with (be it digital agency, PR company, specialist social media consultancy, etc.) are becoming blurred.

Regardless of who commissions WOM-related activity and what kind of third-party partner is asked to help, there is no doubt that customer and consumer conversations – online in particular, where communication is instant and globally visible – are having a significant impact on business, both positive and negative.

A basic practical way of getting to grips with the power of WOM is by listening to what your customers – as well as your colleagues, suppliers and partners – are already saying about your brand, and giving them the means to communicate easily with you.

Fortunately, the advent of social media makes listening quite easy. Have a look at what people are saying about your brand on weblogs and discussion forums for starters. Then consider igniting conversations yourself by giving people experiences that are

12 TIPS TO REMEMBER

- **There is no marketing silver bullet.**
- Take the time to understand the territory of any marketing approach you are not fully familiar with (read books for and against the new approach, consult experts, participate in workshops).
- **Marketing is matchmaking: marry the problem or opportunity you have with the most appropriate approach, which will not always be the simplest or most commonly used one.**
- Focus on the outcome you want to achieve, not what technique you want to use.
- **Any marketing technique, even advertising, can help generate word of mouth (WOM).**
- The key to generating WOM is to deliver experiences that exceed expectations, because people only talk about experiences worth talking about.
- **A person's overall experience of a brand shapes their emotional connection with that brand and comes from every touchpoint, not just product contact.**
- Make sure your brand's story resonates with consumers. It will help set their expectations in the first place.
- **Don't confuse buzz or WOM with advocacy.**
- Identify and connect with your brand's influencers.
- **Listen to your brand's stakeholders and ignite conversations yourself (though remember that noise is not the same as insight).**
- Enable key stakeholders to participate in creating product and service innovations at the heart of your business.

Founded in 1994, Digital Media Communications (DMC) are a leading consulting practitioner in the connected marketing arena. They provide expert strategic consultancy, educational workshops, and campaign planning and management services to major brands who need to: integrate a strategic consumer-centric approach within business operations or brand marketing; use connected marketing successfully at a project implementation level; extract the greatest value from current connected marketing initiatives on a sustainable basis. Find out more at www.dmc.co.uk

worth talking about and places (such as a brand blog) on which to communicate. However, remember that noise (WOM) is not the same as insight. You will need to analyse what is being said, by whom, to whom, in what context and more, in order to judge WOM's relevance when it comes to having an impact on your brand's bottom line.

At the end of the day, you're only in business for as long as you create something that people need or want. WOM marketing in its two-way guise could help you to determine what people need or want from your business on an ongoing basis, as well as inspiring them to advocate your brand.

I think this latter approach – influencer participation – is the most interesting aspect of WOM marketing at the moment. It encompasses mutually acceptable and mutually rewarding ways to involve consumers directly in product and service innovations and developments at the very heart of the business process, truly aligning demand and supply. **®**