Connected Marketing: The viral, buzz and word of mouth revolution

Piers Hogarth-Scott
We’ve coined the term **connected marketing** as the umbrella term for all **viral**, **buzz** and **word of mouth** marketing techniques, including all promotional activity that uses word of mouth connections between people, whether digital or traditional, as communications media to stimulate demand.

“The most powerful selling of products and ideas takes place not marketer to consumer but consumer to consumer.”
Malcolm Gladwell, The Tipping Point
The key takeaways are:

- Word of mouth advocacy drives brand growth
- Customer advocacy drives business growth
- Empowered involvement drives advocacy
- To create word of mouth advocacy, we need to deliver a brand experience that exceeds expectations

From the book "Connected Marketing: The Viral, Buzz and Word of Mouth Revolution" by Justin Kraby and Paul Marsden.
why is connected marketing so powerful?

Single grain of rice on square 1, doubling on each square to square 64...
How many grains on square 64?

9.3 million trillion grains = 500 years global rice production!
why it’s important

Marketing is perceived as least honest profession – except for car sales...

But...We trust our friends...

Gallup Survey 2002

 Connected Marketing puts credibility back into the marketing mix!
why it’s getting more important

1. Personal communications technology
2. Marketing literacy
3. Advertising Clutter
4. Media fragmentation
5. Ad blocking technology

1977: Valued more than traditional media
- Word-of-mouth: 67%
- Advertising: 53%
- Editorial: 47%

2003: The clear leader
- Word-of-mouth: 92%
- Advertising: 48%
- Editorial: 42%

Aggregate percentage of total public saving source is among best for ideas and information, averaged for eight consumer decisions (places to visit, brands of new cars, ways to save/maintain, restaurants to try, movies to see, ways to improve home appearance, clothes to wear/dine in/activities to try. Source: Proprietary Reports (Winter 2004)

Importance of Word of Mouth versus Advertisements

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word of mouth can drive demand
word of mouth can destroy demand
the power of word of mouth
Word of mouth influence drives brand growth

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word of mouth and sales growth

The single best predictor of sales is one simple question:

"On a scale of 0 to 10 how likely is it that you would recommend [company or brand X] to a friend or colleague?"

The Net Promoter Score (NPS): \%P - \%D = NPS -perhaps the ultimate question?

Fred Reichheld, Bain & Co
word of mouth drives growth

Overall Effect of Word of Mouth (Net Promoter Score) on 2004 Revenue Growth

Source: Marsden & Samson 2005
negative word of mouth destroys growth

Source: Marsden & Samson 2005

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show me the money!

» Positive word of mouth can accelerate growth by up to 400%

» Increase positive word of mouth by 7% = +1% extra growth

» Reduce negative word of mouth by 2% = 1% extra growth
word of mouth marketing

The Good News

The Bad News
the bad news

» You can’t create word of mouth!
  » Word of mouth is all about delivering experiences that exceed expectations
  
  » Experiences that exceed expectations = positive wom
  » Experiences that meet expectations = nothing
  » Experiences below expectations = negative wom

People only talk about experiences worth talking about!
### Connected Marketing Toolbox

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<th>Empowerment</th>
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You can’t create word of mouth, but you can stimulate it.
customer empowerment panels
P&G customer empowerment panels

Customer empowerment generates sales uplift of 10-30%
how to find influencers

Opinion Leaders make up 10% of any target market – they have a ‘3C’ profile: connected, credible and charismatic

1) Self Designation (opinion leader scales)
2) Key Informant
3) Professional Activity
4) Digital Trace

Opinion Leader Scale

How much do you agree or disagree with the following statements?
(1 = Strongly Disagree to 5 = Strongly Agree)

1. My friends/neighbors consider me a good source of advice about [category]
2. I tend to talk a lot about [category] to friends/neighbours
3. In the last six months, I’ve talked to a lot of people about [category]
4. When asked for advice about [category], I offer a lot of information
5. When discussing [category] products, I usually convince them of my opinion

“One person in ten tells the other nine how to vote, where to eat, and what to buy. They are the Influentials”  
Ed Keller, The Influentials

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tryvertising

aka intelligent product sampling

The Ritz-Carlton®

CROWNE PLAZA® HOTELS & RESORTS

... at launch product sampling/seeding

(i.e. targeting influential people and places)

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cause campaigns
aka sympvertising

... increasing advocacy by partnering with a good cause
brand ambassador schemes
turning brand adopters into advocates

... creating a volunteer sales force
(i.e. giving them materials to pass on)
advocacy zeitgeist
blog and stealth marketing

blog marketing
- Blogvertising
- Business Blogs
- Faux Blogs

stealth marketing
aka undercover, anonymous or covert marketing, i.e. Sony Ericsson T68i Fake Tourists

connected marketing: the viral, buzz and word of mouth revolution
referral programmes
rewarding customers for referrals

... but rewarding the referee rather than referrer, or both

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advocacy zeitgeist
buzz marketing

i.e. PR stunts like ‘Oprah’s Great G6 Giveaway’ that get on the conversational agendas of consumers & the media

... driving low cost brand awareness
(but do not necessarily create advocacy)
This risqué viral clip, called ‘Proof’, massively increased awareness for the small luxury boutique brand with over 100 million downloads.

... engaging exposure
(but danger of becoming means in themselves rather than means to and end)

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advocacy zeitgeist
viral marketing - alternate reality games

CNET: "... an obsession-inspiring genre that blends real-life treasure hunting, interactive storytelling, video games and online community ...

These games are an intensely complicated series of puzzles involving coded Web sites, real-world clues like the newspaper advertisements, phone calls in the middle of the night from game characters and more. That blend of real-world activities and a dramatic storyline has proven irresistible to many."

... ‘this is not a game’
(but time consuming so more of a brand touch-point for entertainment brands than mass market approach)
advocacy zeitgeist

viral marketing - advergames

Subservient Chicken clocked up **286 million visits**, creating double digit growth of awareness for Burger King’s chicken sandwich

... can give brands hours of proactive, undivided attention
Word of mouth advocacy drives brand growth
To create word of mouth advocacy, you need to deliver a brand experience that exceeds expectations.
Marketers have developed a Connected Marketing toolbox, designed to stimulate advocacy and unlock brand growth.
connect marketing

conclusions

Your product or brand should have a stand-out quality to create self-propelling WOM and customer recommendations.

If your product is not innovative, focus on creative executions that generate buzz.

You’ve also got to find, connect and collaborate with the people who influence your brand, lead opinions and spread WOM.
So marketing is no longer simply about trying to identify the 20% of your customers who represent 80% of your revenue, then keeping this group loyal and trying to acquire more who fit their profile.

With connected marketing, the aim is to connect and collaborate with those customers who represent the 10% of society that helps influence 80% of all purchasing decisions.
Connected marketing will become more strategic, with the focus shifting from promotion to innovation. ‘Advocacy rates’ and ‘sales uplift’ will become important parts of ROI metrics, displacing traditional measures such as campaign reach.

Managing and avoiding negative word of mouth will be an increasingly important area in connected marketing.

Techniques developed in connected marketing initiatives will be adopted for change management and internal communication.

Marketers will eventually be able to locate influencers by zip/post code, by which point they will be all chasing the same chosen few...

…prepare for another paradigm shift in marketing?
thank you

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