

DM LOVES...

Word of mouth

Welcome to the first of six essays, commissioned by Campaign for Royal Mail. Here, Steve Barton reveals how word of mouth can be used to complement direct mail

Word of mouth marketing is more important than ever before. Why? Because each of us receives more than 3,000 messages a day. For example, there is as much information in a weekday issue of *The New York Times* as a 17th century man in England would have come across in his entire lifetime. From the moment we wake up to the moment we sleep, we are constantly being bombarded with messages trying to convince us of the best ways to spend our time and money.

This creates a feeling of information anxiety, with many of us now unsure of who to trust and what to believe. So what do we do? We turn to our friends and ask: "What do you recommend?" In fact, we are turning to friends for advice on new products and services five times more often than advertising, and we are turning to them more often – 92 per cent of the time today, versus 67 per cent of the time in 1977.

Interestingly, the internet plays less of a role here than you'd think. Yes, it's an important channel for the distribution of information that gets talked about – but it is not where advocacy is transferred. Rather, 71 per cent of advocacy is transferred face-to-face, 21 per cent via telephone and 3 per cent e-mail. Perhaps this is because you will only recommend something if you are prepared to put your reputation on the line. And this is still best done person-to-person.

So, you may well respond, what's new about that? And, yes, word of mouth has always existed. The difference, now, is that advertisers like Procter & Gamble, Masterfoods and GSK are using marketing investment to generate more word of mouth, faster and better.

Many brands now deliver campaigns specifically designed to generate advocacy – for everything from snack food to home refurbishment. And these word of mouth marketing (WOMM) campaigns are fundamentally different from traditional campaigns designed to create awareness of a message. A WOMM campaign targets an influencer, delivers content that friends and colleagues will talk about, and introduces an accelerator to give these influencers a reason to speak to more people, more often, more persuasively.

In any category, about 15 per cent of the users will be influencers. The other 85 per cent turns to these individuals for information about the category. Influencers are confident when advocating about their specialist category – they like to dig for information, make their own mind up. They watch less TV, read more books. And they are networked. They tend to speak more regularly with a larger number of people, send more e-mails and make more phone calls.

There is a difference between the messages we are prepared to receive in advertising and the messages we are prepared to talk about with our friends. L'Oréal has discovered, for instance, that customers tend not to talk with each other about the benefits of Vitamin B12 in hair colouring. However, they are interested in sharing views about what their hair would look like in a specific colour. This led to the development of a colour swatch where women could pull a tuft of their hair through a small opening and ask their friends: "Does my hair look good in this colour?"

So what's mail got to do with it? It's all about exclusivity. Influencers are less likely to talk about information that can be seen by everyone. For example, a financial services influencer is less likely to



THIS ESSAY IN 15 SECONDS...

As information overload continues to increase, we put ever more emphasis on recommendations from friends and trusted acquaintances – and the ones whose opinions we value most are the clued-up, networked people marketers call influencers. One of the best ways to influence the influencers – thus accelerating the word of mouth process – can be via direct mail.

Speak about a new savings rate from the Halifax if there are billboards dotted around the countryside letting everyone know about the new rate. It doesn't make our influencer special if he is telling me about information that anyone can see. Conversely, if he brings new information and insights to me about how best to save my money, then he becomes that little bit more impressive, and that little bit more valuable to me as a friend.

A key strength of mail has always been the capacity to deliver detailed information that gets read – as well as that all-important air of exclusivity. Take, for example, a recent campaign for Pringle's Rice Infusions, created by the WOMM agency Wildfire. Here, influential mums received an opt-in e-mail that allowed them to confirm interest in the programme, then they received a stunning mailing. This "first to taste" party pack tube included a product selection, a T-shirt, information material – and a real buzz. Delivery of the large tube started neighbours talking before it was even opened.

This is the accelerator at work. Speed up the interaction between

influencer and content and you speed up the dispersion and improve the quality of word of mouth. This can take the form of a party pack in the Pringle's case or, to take another example, being asked to report back through BzzAgent on your opinion of a new coffee machine from Nescafé, as well as the conversations you've had about it. What is critical, here, is that influencers are free to interact with the product, rate it, and talk about.

Does it work? Yes is the simple answer. A recent study by Dr Walter Carl, of Northeastern University in Boston, found that one unit of advocacy results in, on average, 62 conversations. In other words, if you target 1,000 influencers with a campaign, you will generate 62,000 conversations about your product or service. There are few media that can claim such an amplification rate.

Perhaps the best indicator of how well WOMM is working is the marketing budget that is pouring in – according to PQ Media, the WOMM industry was worth \$1.3 billion in the US in 2007. And it's beginning to take off over here. There is a vibrant WOMM industry emerging in the UK, with many of the leading practitioners coming together to form WOM UK, the word of mouth marketing association in the UK. You'll find us at www.womuk.org.

Steve Barton is the chief executive of Advokator, the word of mouth marketing company. He was elected president of WOM UK in 2007

This essay was commissioned by Campaign to a brief agreed with Royal Mail. Next week: DM loves... radio

Royal Mail and the cruciform are registered trademarks of Royal Mail Group Ltd. DM loves... Word of mouth advertorial © Royal Mail Group Ltd 2008. All rights reserved.

