



## What's the buzz?

...successful word-of-mouth marketing  
for your business

## Why is Word-of-Mouth marketing important?

When your potential customers are ready to buy they will seek information about your products from a range of sources. Whilst the relative importance of these different sources varies with the type of product and the type of consumer, generally speaking they will receive the greatest amount of information from commercial sources – that is the promotional messages you put out.

But the information that they place the greatest value on is that from personal sources: family, friends, colleagues and acquaintances. Individuals whose opinion on that purchase they respect.

These sources of information reduce the perceived risk of the purchase, reassuring the buyer that they will get value for money. This kind of recommendation not only provides a credible third party endorsement of your product or service but also offers the kind of valued, detailed experience of using it that goes beyond the opinions offered beyond that offered by unbiased press coverage.

Word-of-mouth, of course can be negative as well as positive. Typically, whilst one satisfied customer will tell five other people about their experience, a dissatisfied one will relate their unhappiness to as many as nine others. Either way, the impact on your sales could be significant.

### Word-of-Mouth for Products

In his book *The Anatomy of Buzz: Creating Word-of-Mouth Marketing*, Emanuel Rosen proposes that stimulating word-of-mouth is ideal for products that are:

- Exciting – the purchaser's reaction is "I just fell in love with it",
- Innovative – people talk about the ingenuity of a novel product,
- Related to personal experience – a new car would be the perfect example,
- Complex – talking about technological products helps people to understand them,
- Expensive – talking about the product help reduce the risk of a high-value purchase,
- Observable – clothes, cars, mobile phones: people talk about things they can see.

Is it sufficient to simply create a product that can be described as one of the above and trust that people will talk? Maybe, but why leave it to chance.

By understanding the motivations of people who like to talk, we can better decide how to encourage them to do so.

## Who talks – and why?

Malcolm Gladwell, in his book *The Tipping Point*, identifies three types of people who talk and their motivations.

**Connectors:** who know lots of people and who enjoy making social connections. Part of this process involves being helpful and sharing information.

**Mavens:** who enjoy accumulating information and using it to best advantage. Once they've spotted a good deal they are highly motivated to inform others about it too.

**Salespeople:** who are positive thinkers and highly persuasive when they believe they've discovered a good thing.

### **Word-of-Mouth for Services**

So if exciting products are ideal candidates for word-of-mouth marketing, what about services? Can the same principles apply?

Mangold, Miler and Brockway investigated the issue and published their paper *Word-of-mouth communication in the service marketplace* in *The Journal of Services Marketing*. They have found that word-of-mouth is just as important to service companies as to product producers.

Significantly, they found that the most important factor to initiate word-of-mouth is a potential buyer's need for information rather than an existing customer's need or wish to talk about the service. They also found that issues of quality and value were far more relevant to these conversations than pure cost.

But if one school of thought says that buzz is the domain of the exciting product, how does word-of-mouth become significant for service providers? Whilst buzz is easier to generate for tangible, observable products, the personal recommendation is extremely important in trying to assess the suitability of a service which, by its very nature, *cannot* be seen or touched.

The risk involved in purchasing a service is increased by the fact that there is no physical evidence of its quality so the buyer can only really tell how good it is once the service has been experienced (and the money handed over). Whilst word-of-mouth might not be as exciting and "buzzy" as for a new product, it is no less significant to your customers.

## Stimulating Word-of-Mouth marketing

Although word-of-mouth recommendation is an important part of a buyer's decision making process, it is not the only, or the first, step. Understanding the process by which your customers gather their buying information will help you decide where in this process you should try to encourage word-of-mouth.

### **Give people something to talk about**

If you are very fortunate your product or service might take on a life of its own, thriving on the buzz of its champions. Or it might suffer at the hands of detractors. For every [www.starbuckseverywhere.net](http://www.starbuckseverywhere.net), there's a [www.ihatestarbucks.com](http://www.ihatestarbucks.com). Remember, word-of-mouth can be bad as well as good. The only answer is to influence your word-of-mouth in a positive direction. Try:

- “Seeding” your product into networks of influential decision makers or grassroots enthusiasts,
- Being a little bit outrageous to get people talking and make your product more visible,
- Holding events to bring current and prospective buyers together,
- Starting a clubs to create a sense of membership,
- Running workshops to encourage enthusiasts to share knowledge,
- Encouraging people to pass on the word through incentives and viral marketing techniques,
- Nurturing your brand to create brand advocates.

Clarity Marketing Ltd. provides marketing strategy services to small and medium sized businesses. If you would like some help developing your marketing strategy, contact us on 0115 964 8222 or [enquiries@clarity-in-communication.com](mailto:enquiries@clarity-in-communication.com).