



# How to Capitalize on Word of Mouth

Brands can generate a positive buzz about themselves with highly enjoyable and involving marketing activity. But the generation of advocacy is harder and conversations with family and friends are more likely to be influential than other channels. The extent of these conversations varies considerably by category, but, as ever, excellent product quality can lead to recommendations.

Information on Web sites is more likely to be negative than that received from friends and family; but understanding how information passes from site to site can help guide marketing activity.

## Buzz and Advocacy

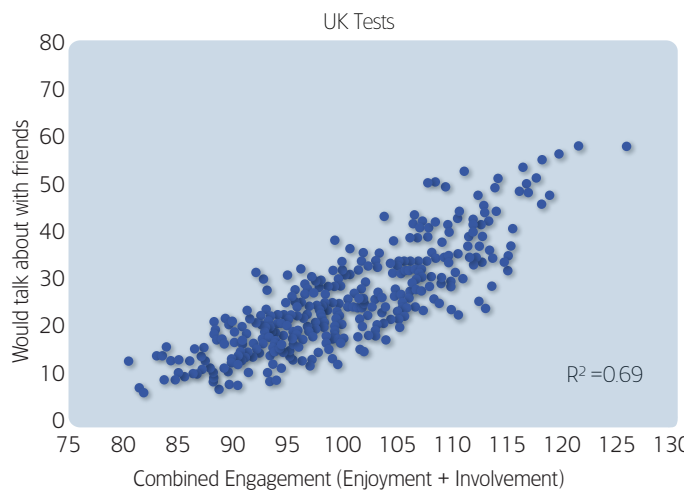
While Word of Mouth (WOM) refers to all the communication about brands that takes place on a consumer-to-consumer level, it is useful to separate these messages into two types, according to their content: Buzz and Advocacy. Buzz reflects interest in something new, cool, different, or provocative, and forms a social currency, encouraging “pass-along” from one person to another, especially when it comes from a trusted source.

Advocacy is word-of-mouth communication — positive or negative — focused on a brand and its merits. While Buzz may influence purchase among those who like to keep up with current trends, and helps maintain brand saliency, Advocacy is more likely to sway brand choice in the short term.

## Buzz

Buzz can help keep a brand salient and familiar, and advertising can be a useful source for generating buzz. Analysis of our Link™ database shows that the types of advertising that consumers are most likely to talk about are those that are considered enjoyable and involving.

Talkability: Enjoyment and Involvement



However, Buzz does not automatically generate sales. One recent ad in the U.S. for whisky was hugely enjoyed, and generated a lot of buzz, as it was designed to do. However, brand imagery was also meant to improve, but didn't. Search data from Google Insights revealed that the searches were to do with the ad, and the actress featured in the ad; searches for the brand itself were much lower.

Advocacy

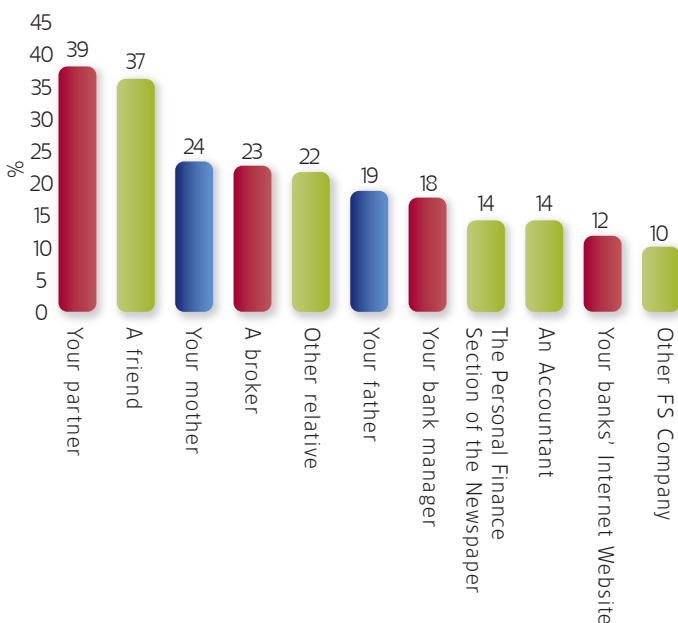
Word of Mouth is one of the key channels by which people absorb information about brands, along with more formal news channels and the Internet. In a study in the U.S. and the UK, covering six categories (digital cameras, mobile phones, holiday destinations, car insurance, cars and household cleaning products) one in four people reported choosing a brand solely because of a recommendation received from a personal contact. Similarly, after receiving negative comments about their original choice, up to 20 percent of shoppers changed their mind and bought a different brand.

Despite the rise in online activity, people are still much more likely to make use of brand recommendations from personal contacts such as friends, family or colleagues than online material. Data from the same research showed relatively few people (just 11 percent in the U.S. and 10 percent in the UK) used informal sources of online information (chat rooms, blogs, online message boards and online contacts) to guide their last purchase decision in these categories. The majority of shoppers (74percent in the U.S. and 63 percent in the UK) turned to friends, neighbors and colleagues for advice.

Even when it comes to saving money, consumers prefer the advice of friends and family over financial professionals.

Around the world, friends and family come before the experts...

Who would you turn to for advice or information about saving some money each month?

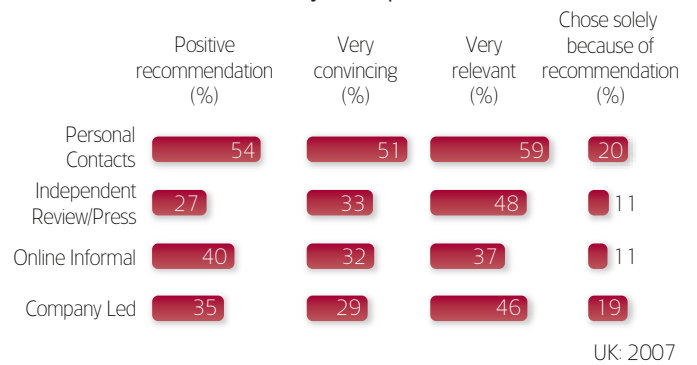


Source: Millward Brown / BrandZ  
\*Aggregate figure for France, Germany, Italy, Japan, Spain, UK, USA, South Africa

The reason for this is clear. Information from personal contacts is more likely to be trusted: it is considered more convincing and relevant than independent reviews or informal online sources.

Personal contacts are almost twice as likely to be given as the sole reason for purchase as informal online sources.

Personal Contacts are most likely to be found convincing and relevant – and are most likely to be positive.



So, although the Web is full of personal opinions and comments about brands, more traditional WOM sources continue to have a greater influence on the choices consumers make.

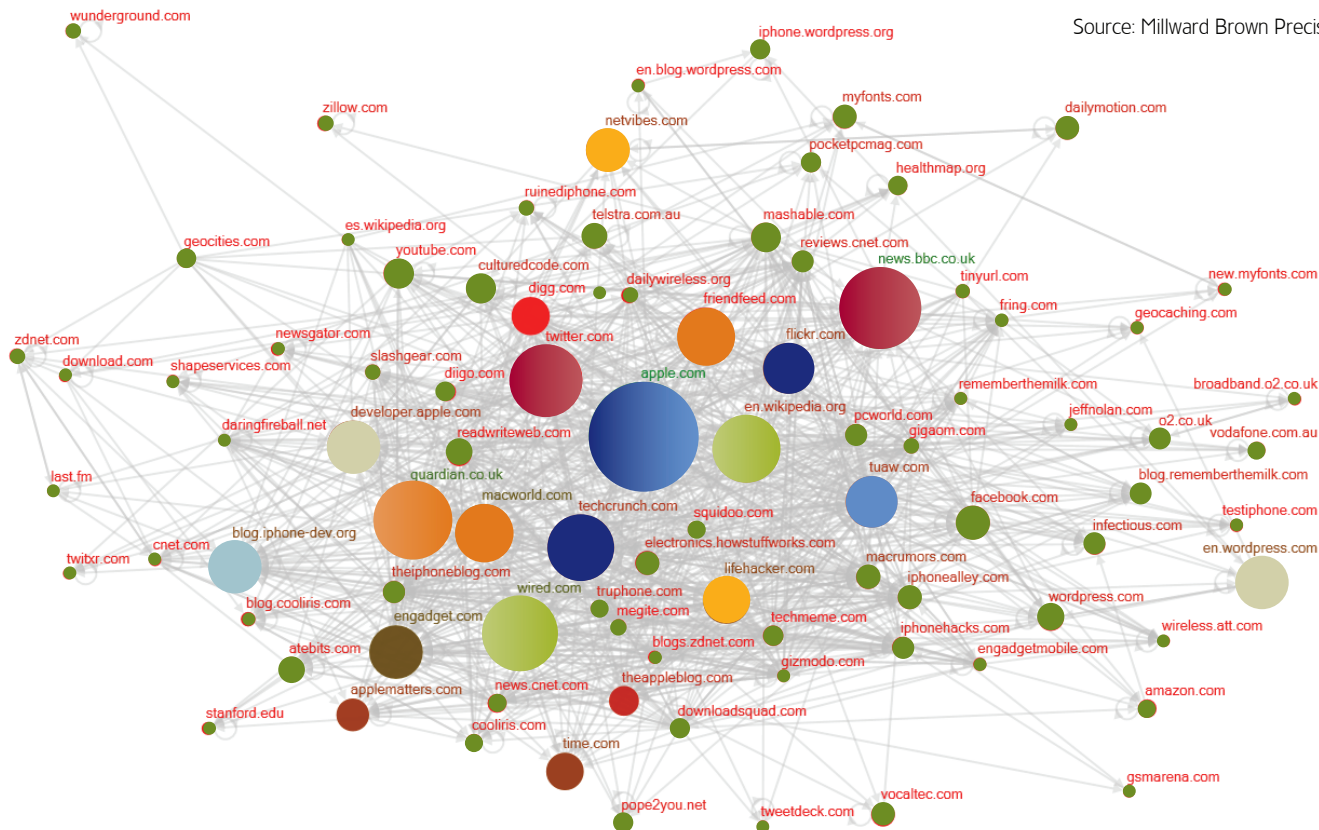
Nonetheless, online comment can be influential and often focus around a limited number of topics. An exploration of online news and consumer-generated content (such as blogs, forums and Twitter) about the UK energy sector revealed that conversations tended to gravitate towards a few broad themes, including discussions about the latest deals, venting anger about customer service, and discussing marketing activities.

The way stories get passed around is also of interest. The map on the next page shows online comments about the iPhone, showing how sites link to one another. The color of the nodes represents how many sites link into that site (red = few, green = many) — a measure of popularity. The size of the node represents how influential they are within the network; the extent to which they are conduits. In this example, the most influential sites are apple.com, news.bbc.co.uk, guardian.co.uk, wired.com, twitter.com, en.wikipedia.org., and techcrunch.com. Understanding this can be a powerful tool for marketing teams to understand which journalists to focus on.



The spread of information about the iPhone

Source: Millward Brown Precis



Differences by Category

The strength of influence of WOM will depend on the category you are operating in. In the U.S., when choosing car insurance, 64 percent of people discussed the decision with friends and family and 16 percent used informal online sources to help them make a decision. Whereas for household cleaning products, these figures drop to 39 percent and 4 percent respectively.

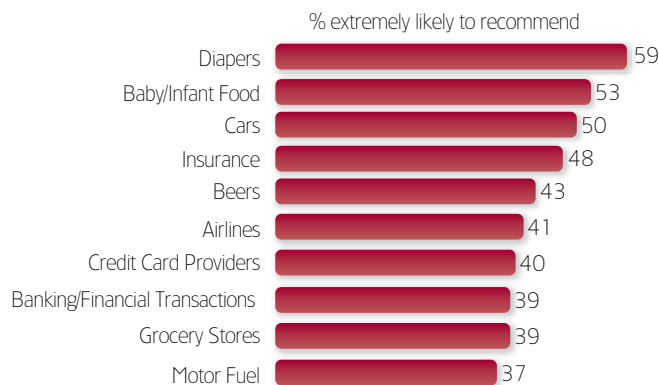
Some categories are inherently in a better position to capitalize on WOM. Baby products, such as diapers and baby food, are very likely to be recommended; as are soft drinks and beer. At the other extreme, credit cards and insurance are far less likely to be talked about.

Personal Contacts are most likely to be found convincing and relevant – and are most likely to be positive.

Q9. Thinking about the last time you were considering choosing a ..., from which of these did you receive advice of information?

	Personal Contacts (%)	Company Led (%)	Independent Reviews/Press (%)	Online Informal (%)
Digital Cameras	48	45	48	19
Holiday Destination	58	24	31	14
Mobile Phones	47	55	34	17
Car Insurance Led	64	40	18	16
Cars	60	41	41	19
Household Cleaning	39	9	16	4
OTC Medicines	21	8	11	6
Internet Providers	49	39	26	18

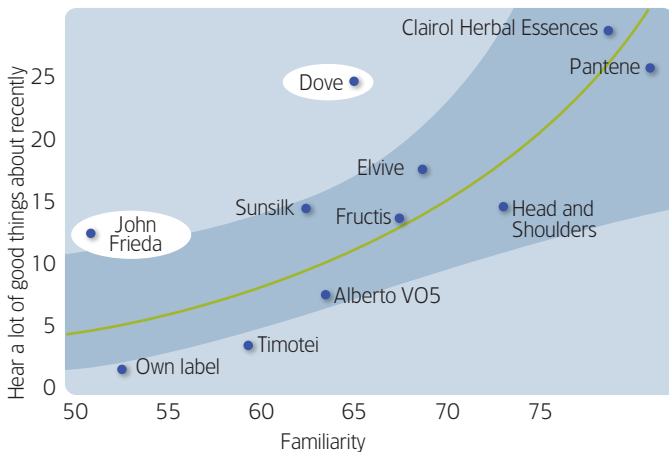
Diapers is the category with the largest global advocacy.





But even within categories, some brands are better able to leverage Advocacy than others. This example from the UK haircare market shows that the level of conversations about brands is related to the familiarity of the brands; but brands like Dove, with its Campaign for Real Beauty, and John Frieda, with products generating high levels of consumer satisfaction, received a disproportionate level of positive mentions.

Tracking data can show us which brands get more than their 'fair share' of positive consumer comment



### The Dark Side

While most marketers like to focus on the positive potential of WOM, it also has a negative side. Informal online sources are more likely, compared to others, to be seen as giving recommendations of which brands to avoid. People use internet forums as a means of venting their frustration over poor service or product quality. Of those who had used online communities, online contacts and blogs, 45 percent said they received negative brand recommendations from them. This compares to 28 percent who received negative recommendations from personal contacts and 30 percent from independent reviews. And a consumer is just as likely not to buy a brand as a result of a negative comment read online as a negative recommendation from a personal contact.

However, negative publicity does not always translate into negative conversations. Sometimes the story is not important enough; sometimes the category interest is too low. A large U.S. energy company had been in the news for a series of transgressions. When a more significant event took place this oil company received a substantial amount of negative PR on

a national basis. We quantified the conversations taking place among the key target audience, and found that they weren't as negative as the brand team had feared. Conversations around the brand actually netted out on neutral ground. Negative PR doesn't always overwhelm consumers' conversations — some conversations during these times can actually be positive. Our client was reassured, and rather than airing a campaign designed to address the criticisms head on, continued with their traditional advertising, reminding consumers of the good things about the brand.

Knowledge Points are drawn from the Millward Brown Knowledge Bank, consisting of our databases of 80,000 brand reports and 40,000 ads, as well as 1,200 case studies, 900 conference papers and magazine articles, and 350 Learnings documents.

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*What's the Word?*

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