

# IS ALL THE BUZZ ABOUT WORD OF MOUTH JUST A LOT OF TALK?

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by Lon Zimmerman, Zimmerman Marketing Research

WORD OF MOUTH MARKETING is a term used in the marketing industry to describe activities that companies undertake to generate personal recommendations for products and services. It includes techniques such as viral marketing, blogs, online communities, loyalty programs, and others that can encourage customers and other stakeholders to talk about and promote your products. Word of Mouth Marketing is highly valued by marketers because people are more inclined to believe word of mouth

promotion than other forms because the communicator is perceived to have no ulterior motive.

Recently the St. Louis AMA conducted a roundtable discussion on Word of Mouth Marketing with eleven local area Chief Marketing Officers. This discussion was the fifth in a series sponsored by the AMA. During the session, the marketing executives discussed their experiences with and suggestions for how to be successful with Word of Mouth Marketing.

## PARTICIPANTS INCLUDED:

*Mr. Mike Bauer*  
Director of Marketing  
Joseph C. Sansone Company

*Mr. Jeff Cleveland*  
Marketing Manager  
Empire Comfort Systems

*Ms. Laurie Coffey*  
Marketing Manager  
Hortica Insurance

*Ms. Jennifer Hojnacki*  
Marketing Director  
Manna Pro Corporation

*Mr. Mark Engel*  
Director of Global Mktg  
Communications  
Solae, LLC

*Ms. Lisa Frederick*  
Executive VP & Chief Admin Officer  
Heartland Bank

*Mr. Mike Hartmann*  
Director of Marketing  
Sara Lee Bakery Group

*Mr. John Salozzo*  
Director of Marketing  
Craftsmen Industries

*Ms. Melissa Keim*  
Vice President of Marketing  
Roho Group

*Mr. Steve Kutheis*  
Dir. of Communications & Marketing  
St. Louis Children's Hospital

*Mr. Steve Pona*  
Global Communications Director  
Thermadyne Holdings Corporation

*Mr. Kurt Seelbach*  
Vice President, Marketing  
Hortica Insurance

## The Roundtable discussion was held May 12, 2006 and was moderated by Mr. Lon Zimmerman of Zimmerman Marketing Research.

### EXPERIENCE WITH WORD OF MOUTH MARKETING

Initially, many of the participants didn't feel they had much experience with implementing Word of Mouth Marketing programs. Many seemed to think of Word of Mouth Marketing only in relation to such cutting-edge techniques as viral videos and various online activities such as blogs and user groups. The more the marketing executives talked, however, the more aware they became that they had in fact used Word of Mouth. Among the examples cited were the following:

*At Manna Pro, we have a formal ambassador program with an odd segment, the rabbit breeders. We outfit them with jackets or wearables, things with the brand name that you know they will wear.*

*Sara Lee and Earth Grains have done a lot of word of mouth particularly with our IronKids brand in the past. We have supported IronKids Triathlons. We have mobile marketing pavilions that we would send to soccer tournaments and things like that*

*At the Roho Group we initiated what we call the Familiarization Tour. We invited key editors and publishers from all the trades in the medical business. We have them visit us, do a tour, meet our corporate staff, have one-on-ones with our CEO. We wanted to become a resource for them. We wanted to build a personal relationship beyond them just calling me and asking for ad space. I probably had eight different pubs in over the last two years come. They meet the people that are building the product and they see the passion of the people of people who are hand crafting and hand checking a product. It makes a huge difference. As a result I get calls all the time. Reminders to be in buyers guides. I get calls for quotes. I get calls for so and so is having this issue, what do you guys recommend. I put them in touch with our training and education department. I've got tremendous success that had just sort of unfolded beyond that initial cost of just bringing them here and having them meet a couple of key folks in my organization. Plus I got a half an hour with these people to pitch editorial ideas. Some have panned out and some haven't. But we have become friends and we have become a resource for them.*

*At Children's Hospital we are finding that the more sick people are, the more their parents have a need to go out and find*

*folks that are experiencing the same thing. So we are actually seeing a lot of blogs. People will blog about their hospital stay from beginning to end. Or they will blog about their illness. They will blog about every aspect of it and we are finding that people are going out and searching for other communities of people that are going through the same thing and wanting to talk to them.*

During the Roundtable, considerable discussion arose over whether Word of Mouth Marketing is appropriate only for consumer products marketing or whether it is also useful for services and for B2B. Initially, the consensus was that it was most appropriate for consumer products. However, it soon became apparent that virtually any product or service that people can get emotionally involved with, can utilize Word of Mouth Marketing.

Not everybody can do a word of mouth program. It's not applicable for everybody. There are other marketing campaigns one can do. When I think of Word Of Mouth, I think of something viral. I think of somebody or people who are so passionate about something, they are emotionally tied to it. They might not even be able to tell you why. They can just talk about it in a general sense. But you have done something or given them an experience. It really is about an experience. You've touched them.

While some products are more sexy than others, within each product category there are people who are passionate about that category and that product. We did some work for a manufacturer of tools for professional electricians. When we talked with them about why they used their particular tools, there was this passion about certain brands. My life is on the line when I'm using that tool so I only want Fluke, I only want Greenlee. You wouldn't expect to find that kind of passion from professional electricians about the tools they use. So I think in every industry you may be able to get below the surface.

I think about myself personally and I think I'm more likely to share a testimonial or whatever about a service than a product that I've experienced. Maybe it's because I'm dealing with a person.

## Successful Implementation of Word of Mouth Marketing

Companies seeking to implement Word of Mouth Marketing efforts can increase their likelihood of success by following the recommendations offered by these Chief Marketing Officers in the recent AMA Roundtable.

### 1. Develop True Market Insights

Roundtable participants agree that it is critically important to devote sufficient time and money up front to understanding the category, brand, customers and other stakeholders. It's especially important to identify what customers love most about your product or service. Marketing efforts based on true customer insights provides the greatest opportunity for success.

*Have you done any work to understand the deep emotional component of what is driving this emotion? If you were to look at the Harley owner, there are some deep rooted kinds of things going on there. Then if you look at what they've done to create word of mouth. They build on what that is. So it's very relevant. And it just happens naturally. So if you contact some of these people and you can kind of develop a deeper understanding of what emotion is it evoking. What is it driving. That is going to lead you to ideas. They may not be computer savvy people so blogs may not work. But they may have another thing that they do that is common in their life. If you look at psychographics. What are the things that are common across them? That may lead you to some things that are very rich and deep and very meaningful. I think if you've done that homework it will really open up a bunch of ideas.*

*People say one thing and they do another. People say cereals for breakfast in the morning but you know what they are eating them at dinner because it's quick and it's easy. Well when you have that kind of stuff and you are attuned to looking for that, that is the greatest opportunity. When someone says something and does the other. And most companies won't spend the time or money to do this deep probing but when you do you can get at the essence of all this. It provides competitive advantage. It helps you with your positioning. I mean it's everything. But people don't know how to do it or they don't want to spend the time or money.*

### 2. Identify and Select Partners to Help Spread the Word

The marketing executives also agree that it's important to identify the key influencers or stakeholders that can help you spread the word. These influencers can be any group of people who have the

enthusiasm and connections to rely your message to the target audience you want to reach. It may be someone in your distribution network or even an installer. Allocate time and money based on the value these key influencer/stakeholders bring to your program.

*In each of your industries, identify who your lead users are and then decide how you can get them to talk about your product or service.*

*I think you need to look at your key stakeholders and figure out who has the greatest influence and where your marketing dollars are going to be best spent. The consumer may just be a really long burn.*

*I think it comes down to understanding who is the key influencer on the consumer buying that product. It's probably not the consumer. It may be the salesman or the rep.*

*You have to look at your key stakeholders. Your salesperson is one but that installer may be another. If you've got something that one person can install versus two, it saves them money and they are going to tell people. Or your contractors, it's easier to install. I'm going to save you money on the install. If they can install it in an hour instead of three, that is a savings for them.*

### 3. Develop a Community of Passionate Partners

Marketers need to utilize the various tools available to them to develop a community of passionate partners who endorse your product or service and persuade their friends to try your brand. These tools can be high tech and include viral videos and blogs or they can be more low tech and include activities that formerly might have been considered PR.

*I would definitely plant the seed with editors and publishers in certain magazines that you would like to infiltrate with that kind of information. That kind of word of mouth to use our buzz word is certainly editorial worthy. If they can capture even two column inches on it, it will service you very well.*

*Encouraging your customer. They will love that. People like to see their name in print. You could encourage your customer to contact your trade pub. Give them the editor or publisher. Encourage them to speak on your behalf.*

*We actually have a formal program that if you work for any of our dealers or distributors and you want to buy any of our*

*products, you buy it basically like an employee, so you take the list price and multiply it by .22 and that is your price. The goal being that these guys can take this home and they are more likely to talk about it.*

#### 4. Provide Partners with a Clear Message They Can Relay

Messages that spread well in Word of Mouth Marketing meet the needs of the key influencer and are easy to pass on to potential purchasers. Marketers should first think about the reaction they hope to achieve. Then they need to give people a clear, simple idea that they can relay successfully.

During the Roundtable, discussion focused on two viral videos: one for Rawlings and the other for Honda. The message for Rawlings was clear and connected well with those viewing it. The same was not true for the Honda video. A number of the marketing executives agree that the Honda video might have been more effective if a key selling message for the Honda had been successfully communicated by the execution.

*Have you all seen that email chain that went through for Rawlings. It's an outstanding demonstration of this exactly. This was a video where it opens up with this dad who is hosting a birthday party for his kid. He's like under stress. There is piñata up there. These kids are just having trouble and the parents are getting frustrated. Come on we have to get the party going, we can't get the piñata. They bring out this bat. Apparently this new Rawlings bat. He hits it and it explodes and it's really funny because the parents are oh thank God. It's finally working because of this bat. Parents, when you see it, you sort of react to it because you have hosted a birthday party or you know what that tension is like when you are trying to plan the perfect party for your kids. It was a great way to get this new product introduced without them doing anything other than creating this initial video.*

*People keep sending me that Honda video that I don't get. Have you guys seen this thing where it's like a mouse trap game where a tappet hits a screw, hits a thing, and then something turns on a car. But I've gotten like five copies but I don't get it. I don't think of that as word of mouth marketing. I think of that as an ad that somehow or another people are convinced to send to their friends.*

*... it failed because he didn't get the brand message or the product message. So unless you can make that connection, it's*

*not really marketing, it's just word of mouth.*

*But it costs them time and money to make it and they could have used that time and money to make something that was going to ring true for the car. For example, if Honda cars last a long time which I think we would all agree they do, why couldn't they do something that kind of hit that home. It seems like they might have missed it here.*

#### 5. Measure the Impact

Finally, the executives agree that it's important to identify ways to measure the impact of their Word of Mouth Marketing efforts. While there are many new firms that specialize in providing metrics for companies utilizing Word of Mouth Marketing, they seem to be used most often by major market players. Marketers with smaller budgets, however, can use sales as a proxy for their Word of Mouth efforts. Several of the executives in the Roundtable cite this as a possible solution.

*The only way we are able to measure that is through sales of particular products. I have no measurements, updates or methodology for tertiary results. I don't know that you can measure in a specific program like blogging or from an electronic standpoint.*

*One of the things that we are thinking about is doing a program in just one little market and then measuring the results in sales from the distributors that are involved in that market. Then saying this worked here, this didn't work there and then trying to roll those things national. So while you won't have direct measurement, you would have sort of an extension.*

*I guess that is kind of what we are doing too. Doing these little micro markets where we are demo'ing and then extrapolate that over time. But then if your sales cycle is long, you can't really attribute the effect to it.*

## Is Product Placement a part of Word of Mouth Marketing?

Most agree that product placement is part of Word of Mouth Marketing. The Marketing executives are divided over how effective product placement has been for them. Some believe it has been very effective. Others, much less so.

*We have placed product with editors in the motorcycle market. And we encourage them to do a cross country to a rally and then write about it. That has been a big project. It's been really successful.*

*I can tell you how much we have missed out on product placement opportunities and how it's affected us. Everybody has seen Orange County Choppers. Everybody has seen Monster House and Monster Garage. That has given a real new sex appeal to welding and cutting. It's really spiked our competitor's sales. We just missed out on it.*

*We've done our share. We have gotten the Sara Lee brand. We have gotten our frozen desserts. We paid somebody in LA to get us on some shows and we got on a few of the sitcoms. I think we were even a prize on the 'Price Is Right' one time. They are nice clips to show at employee meetings because they see we were in Catch Me If You Can, the movie with Tom Hanks. But at the end of the day, it's hard to show what we got for it.*

In discussing product placement, the Marketing executives agree that while any product placement can be good, for it to really make a difference, there must be a good fit and the product must be placed in an appropriate milieu.

*It's really going to depend upon on how implicit... you look at the stuff like on Trump's show, The Apprentice. I don't know how much. Those guys are spending a lot of money to get their product. But a lot of times it just seems a force fit.*

*You are right. Obviously there is big difference between the example of getting your product just in some random product placement and having it ... right across the country. That is a huge difference.*

*If you can get your product into some type of production where it makes sense, then that is the golden nugget you are trying to find.*

**For more information about this or future AMA St. Louis Roundtable Discussions, contact the Roundtable Chairman:**

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