



## Word-of-mouth: Ready to grow from whisper to shout?

**By Carol Krol**

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Psst. Pass it on. Word-of-mouth marketing is hot. As momentum builds, a few leading-edge b-to-b marketers are poised to leverage that heat.

"Our experience is that dialogue and entertainment-based content are the most effective" way to induce word-of-mouth, said Darren Paul, managing partner at Night Agency, a New York-based interactive shop that created Safety Town.

The agency's client Symantec last month launched an online destination called Safetytown.com that features the world premiere of "Phished!" The movie, streaming video serialized into four parts and released over time, dramatizes the need to keep your PC safe. Actor Kevin Allison, best known for his role in MTV's "The State," plays the role of the phishing victim.

From the start, the "movie" is quirky and engaging; visitors get drawn in early by the lead character's plight. What's more, viewers have the ability to move around the virtual theater and even pick the direction of the story itself. The imaginative campaign has been picked up by at least two popular media blogs, [adrant.com](#) and [whatsnextonline.com](#).

Industry statistics reflect the interest in unconventional marketing techniques. Ad spending on blogs, podcasts and RSS will reach \$49.8 million in 2006, up 144.9% over spending on these user-generated online media in 2005, according to researcher PQ Media. By 2010, PQ estimates, total advertising spending on the category will reach \$757 million.

"It's still an infinitesimally small number compared to online marketing," said Geoff Ramsey, CEO of research aggregator eMarketer. He said eMarketer's latest estimate indicates 60% of U.S. Internet marketers will do something with word-of-mouth marketing in 2006, but traditional marketers aren't doing much. "We don't think the figure is that high among traditional marketers."

Word-of-mouth marketing is commonly defined as a media tactic, often online, in which a message is communicated by neutral parties to wider communities through channels such as blogs, social networks and e-mail forwards.

Up until now, the approach has been associated with b-to-c marketers, but there are a few b-to-b companies treading into the practice.

Take DuPont, for example. While the 204-year-old chemicals company isn't doing any word-of-mouth marketing campaigns yet, it is preparing for that day. "We're trying to put in place the foundation, so that when we're ready, we have processes in place to do that well," said Gary Spangler, e-business leader for the Electronics & Communications Technologies platform at

DuPont Co. "You need to make sure you don't abuse that channel, so you must seriously consider how you go to market."

Spangler is on the board of the Word of Mouth Marketing Association, a group formed in May 2004 to promote word-of-mouth marketing and identify best practices. WOMMA is currently drafting a Code of Ethics for word-of-mouth, and DuPont is the first marketer to endorse it. (See opinion column by Spangler on WOMMA's ethics code, page 15.)

DuPont is launching a pilot word-of-mouth marketing campaign this fall, although Spangler declined to discuss the details. He did, however, explain the company's rationale. "There's enormous trust in word-of-mouth versus traditional marketing," he said. "Marketers need to market as much who we are as what we make. People look to trust the seller as much as the product."

"We don't create the word-of-mouth," he continued, "but we can take the people who want to speak about our products and introduce them to a broader community through the Internet."

### **Old idea, new medium**

Executives agree word-of-mouth is nothing new, but the ability for buzz to travel rapidly and reach large audiences because of the Internet has accelerated marketers' interest in harnessing that channel.

"Word-of-mouth marketing has been around since cave people talked about the best wheel and the fastest way to make a fire," said Doug Strohm, chief strategist at Garrigan Lyman, a Seattle-based ad agency. "Because of technology, we have the opportunity to share information in an anonymous, peer-oriented way that is useful and authentic."

Strohm said word-of-mouth marketing is even more of an imperative in b-to-b because the stakes are higher. "In a business, if you buy the wrong phone system or invest in the wrong platform or printing press—all those million-dollar decisions—you could lose your job," he said.

Ramsey agreed. "If you are making a purchase of a piece of equipment worth hundreds of thousands of dollars, you are going to consult your peers," he said.

Max Kalehoff, VP-marketing at Nielsen BuzzMetrics, a company that measures word-of-mouth, said some b-to-b categories are more dynamic than others, citing open source software developers as one group that relies heavily on word-of-mouth.

According to KnowledgeStorm, 52% of b-to-b IT buyers cited word-of-mouth as an important resource informing purchasing decisions. Garrigan Lyman developed a hip viral marketing campaign for Microsoft Corp.'s SQL server and video studio launch earlier this year that used scenes from Buster Crabbe's "Flash Gordon" movie serials from the 1930s and '40s. The characters were dubbed with voice-overs in which they lamented about "DLL hell" and other IT developer woes. Microsoft renamed these 30- and 60-second snippets, which were posted on the Internet, with names such as "Repetitive Tasks of Doom" and "Change Orders of Death."

Visitors were able to view clips, and download ringtones and wallpaper. Microsoft posted the videos on sites such as Geek.com and other IT destinations. Bloggers picked up on the campaign, citing the download URL, which gave it further exposure.

### **Many ways to Safetytown.com**

Like Microsoft, Symantec Corp. wanted to create a complete environment with many points of entry. Safetytown.com enables users to download movie clips, MP3s of songs from the "Phished!" sound track, wallpapers and Symantec product demos. They can also fill in a request for more information and enter a sweepstakes. Response rates on the sticky site are astronomical: 20% to 25% of visitors who come to the site have "raised their hand" by downloading or requesting more information.

B-to-b marketer Novell said it is beginning to leverage word-of-mouth. The company currently maintains three strategic blogs-PR Blog, CMO Blog and CTO Blog-as well as numerous employee blogs, which Novell considers a form of word-of-mouth. "This is a conversation we can now have with the external world," said Phil Juliano, VP-corporate branding and communications. "We don't censor it, so it really is a true dialogue with the marketplace."

Therein lies one of the biggest risks of word-of-mouth. The feedback isn't always pretty. Strohm said that is one reason many marketers are slow to adopt it.

"You have to be brave and be willing to take the good with the bad," he said. Others agree most marketers are reluctant.

"One of our bigger challenges in working with a number of our clients and their agencies is that advertising people and marketers are loath to give up control," said Joe Chernov, director of PR at BzzAgent, a word-of-mouth marketing company. He said they need to get past that.

"The more you are able to surrender, the more effective your campaign will be." He also pointed out that word-of-mouth will happen anyway. "A marketer can expect it to come up naturally, and the idea is to augment and accelerate that," Chernov said. "They need to appreciate that that's going to happen with or without their involvement."

### **How to sustain trust**

Another challenge is sustaining a high level of trust. While credibility ranking for comments from friends and colleagues is significantly higher than any advertising, that could diminish over time, according to Ramsey.

"I think we'll start to see a dilution in the trust associated with any co-worker, friend or colleague" who passes on information. "As more messages are put out there, there's a higher chance that some of them will be corrupt. Marketers, in their eagerness to stimulate and accelerate viral activity, are going to want to provide rewards and incentives for people to pass messages along, and the more you do that, the more impact you have on the trust factor."

BzzAgent's business is built on online communities of volunteer "agents" who use products. Marketers get access to blocks of time with the agents, who use their products and provide feedback to Bzz-Agent whenever they have an interaction with another person about that product. Agents get points for reporting interactions.

That business arrangement with potential influencers is the problem PR exec Steve Lundin, chief hunter and gatherer at Big Frontier Communications Group, has with word-of-mouth marketing.

"We think the best word-of-mouth comes from having a good product or service in the first place and making sure people are aware of it," he said. "But as soon as you pay someone to talk about it, you throw ethics out the window. It's just as skulky and sneaky as any other form of marketing. It's lipstick on a pig."

