

Driving word of mouth advocacy among business executives

THE EXPERIENTIAL MARKETING CONNECTION

It's conventional wisdom among leading-edge marketers that driving word of mouth advocacy—inspiring people to talk about products and brands to their friends, family and colleagues—is critical to success today. The reasons are both quantitative and qualitative: consumers continually cite word of mouth recommendation as a top influence on purchase decision; they consistently say it's more trustworthy than other forms of communication. They also say it's twice as valuable as traditional marketing, according to the Keller Fay Group, a market research firm focused on word of mouth.¹

Marketers also instinctively recognize that brand relationships are emotional as well as intellectual—and that inspiring people to advocacy “counts more and costs less than awareness.”²

But amidst all the buzz, many marketers still grapple with how to inspire and track word of mouth. Others—especially those who market not to end-user consumers but rather to enterprise-level customers—wonder how to leverage word of mouth to drive results for business-to-business (BtoB) brands.

As part of an ongoing commitment to provide research-based insights to optimize success in a changing landscape, Jack Morton Worldwide has sponsored a new study by the Keller Fay Group that offers the first 360-degree perspective on executive word of mouth. The survey is based on online interviews with 700 executives in the US and UK conducted between March and April, 2007, combined with interviews with 2,188 executives participating in Keller Fay's TalkTrack™ tracking study of word of mouth. While data is not available for other countries, 2006 Jack Morton research in Australia and China showed a strong link between experience, word of mouth and purchase influence. The lessons of the current study on executive word of mouth should hold true in markets where business culture is similar to the US and UK, and may be even more stark in markets where business culture more deeply emphasizes personal relationships, and therefore recommendation.

Special attention was paid to the nexus of experience and word of mouth marketing. It's a common sense connection: for both consumers and executives, experience gives participants “something to talk about”—leading to word of mouth. Prior Jack Morton research has found that participating in a live marketing experience is the number one driver of word of mouth among consumers.³ The new study reached similar conclusions about business customers: fully 86% of executives' word of mouth recommendations are based on personal customer experiences—more than five times the proportion of conversations based on other factors.

For BtoB marketers, the study offers strong proof that engaging business audiences in multidimensional experiences is directly linked to their propensity to act and advocate on behalf of products and brands. Other key findings follow.

KEY FINDINGS

Word of mouth recommendation is the #1 purchase influencer for business decision-makers

Top influences after word of mouth are salesforce, events/conferences, tradeshows and the Internet

Word of mouth has twice the influence of advertising, press coverage and direct mail/email

Executives talk 18% more and about 32% more brands than typical consumers

75% of executive word of mouth happens face-to-face

86% of executive word of mouth is based on personal experience

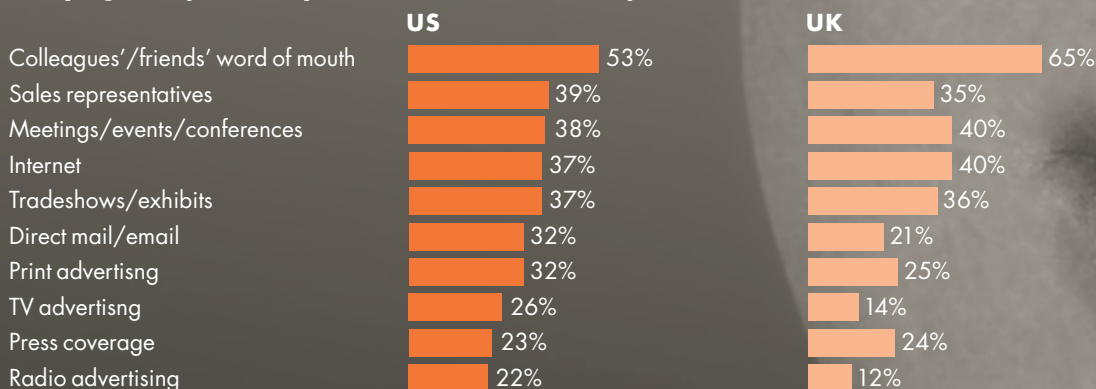
I have to share this experience with you...



Keller Fay GROUP
Word of Mouth Research & Consulting

PERSON-TO-PERSON INFLUENCE

% saying touchpoint likely to influence work-related purchases*



EXECUTIVES TALK MORE

Average number of word of mouth conversations weekly**



... ABOUT MORE BRANDS

Average number of brands cited weekly†



FACE-TO-FACE

Word of mouth conversations††



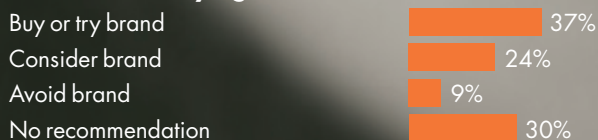
EXPERIENCE DRIVES ADVOCACY

Basis of executives' brand conversations‡



POSITIVE RECOMMENDATIONS

% executives saying conversation included recommendation‡‡



*
Base 288 interviews in US / 406 interviews in UK
Source Keller Fay Group Survey for Jack Morton Worldwide, March - April 2007

**
Base 2,188 executives / 15,225 total public
Source TalkTrack™/June - January 2007

†
Base 1,635 executives / 11,861 total public
Source TalkTrack™/ June - November 2006

††
Base Executives' Word of Mouth Conversations (All Categories, n=17,242)
Source TalkTrack™/June 2006 - January 2007

‡
Base Executives' Brand Conversations (All Categories, n=12,093)
Source TalkTrack™/ June 2006 - January 2007

‡‡
Base Brand conversations in which someone else provided advice to executives (All Categories, n=7,953)
Source TalkTrack™/June 2006 - January 2007

WORD OF MOUTH IS THE #1 INFLUENCER FOR BUSINESS DECISION-MAKERS

Executives participating in the survey rate word of mouth conversations as the number one influence on purchase. Word of mouth has twice the influence of advertising, press coverage and direct mail/email. Among US executives, word of mouth is cited by 53% as likely to influence purchase decision, followed by face-to-face touchpoints including sales representatives (39%), events and conferences (38%) and tradeshow (matching the Internet in influence at 37%). In the UK, executives identify word of mouth as even more influential (65%), with events and conferences tying the Internet as the number two influence (40%).

Why is word of mouth so influential for business executives? Consistent with the “trust factor” consumers assign to personal recommendations, executives perceive word of mouth as credible (57%), which in turn drives further action: purchase (50%), passing along the recommendation to others (49%) and seeking out more information (32%). Also important, the majority of executive talk is positive: 64% of references are mostly positive, 15% are mixed, 11% are neutral and only 10% are negative. This dynamic is important, for positive word of mouth inspires solutions-oriented thinking, and in turn keeps the conversation going.

EXECUTIVE “SUPER INFLUENCERS” TALK MORE OFTEN ABOUT MORE BRANDS

It’s not surprising that executives are word of mouth influencers. They have a strong impact on purchase: the majority of those surveyed (79% in the US, 74% in the UK) identified themselves as making or influencing purchase decisions on products and brands at work (as CEOs, presidents, vice presidents, owners, managers, etc.).

But they also talk—a lot—and engage in significantly more word of mouth than the typical consumer. They have an average of 118 conversations about products and services per week—18% more than the general public. And they talk about more brands: on average they talk about 102 brands a week, 32% more than the general public.

Much executive word of mouth is business-driven. More than four out of five talk about business or workplace-related products and brands; about 50% said they do so often. They talk substantially more than consumers about certain categories, conversations that carry significant brand benefits. In financial products and services and telecommunications—two of the categories with the largest gaps between executives and consumers—they talk about 43% more brands per week than the average person. In technology, executives talk about 56% more brands per week than the average person. Within these sectors, executives are also more likely to make recommendations and offer advice and ideas.

But executives’ conversations are not “all work”—they’re also stronger across a broad range of categories. Executives have more conversations, with more brand references, about categories including food and dining, travel, automotive, lifestyles and hobbies, beverages and health and healthcare. They’re more likely to keep up with news in these categories. The implication for BtoC brands is to seek out executives as influencers and passionate for their brands and to think of the workplace as another media touchpoint.

FACE-TO-FACE IS THE #1 FORM OF EXECUTIVE WORD OF MOUTH

There’s a common assumption that word of mouth primarily occurs through digital channels. This is disproved by the study, which finds that 75% of executives’ word of mouth conversations are happening in the most old-fashioned medium of all: face-to-face. Telephone conversations are next at 19% of word of mouth. By contrast, email (3%), IM/text messaging (1%) and blogs (1%) hover in the single digits. The in-person nature of executive word of mouth holds true whatever the physical setting for the conversation: contrary to perceptions that talk at work is online, three out of four of executives’ word of mouth conversations in the workplace are face-to-face. These findings about the in-person, offline quality of executive word of mouth align with earlier studies that have shown that 90% of consumer word of mouth occurs face-to-face or on the phone.

The study provides clear directives about the influence of word of mouth in the BtoB space, the need to engage decision-makers face-to-face, and the value of hands-on experiences that spur dialogue

KEY TOUCHPOINTS ARE EXPERIENCE-BASED

Consistent with the in-person quality of executive word of mouth, the study reveals that face-to-face, experience-based touchpoints are the strongest influencers of purchase. Again, 86% of executives' brand conversations are based on personal brand experience. Beyond personal experience, staged experiences such as events and conferences are critical. The majority of executives—two out of three in the US and UK—say they attend business or work-related events, conferences or tradeshows; one out of three say they do so often.

Business decision-makers say these face-to-face touchpoints drive action. In the US, after word of mouth, sales representatives and events and conferences are the number two and number three most influential purchase drivers. In the UK, events and conferences tie the Internet for number two. Tradeshows and exhibits tie the Internet for the fourth most influential medium in the US and are rated third in the UK.

Clearly, these experience-based interactions provide critical opportunities to gain insight and share knowledge—in other words, to have a conversation about products and brands, to educate and inform as well as listen and interact. This is truly the critical nexus of experiential and word of mouth marketing: the ability to engage in a conversation with customers and thereby build a relationship that will drive further advocacy.

APPLYING THE INSIGHTS: EXPERIENTIAL PLANNING AND MEASUREMENT

If nothing influences executive decision-making more than person-to-person conversation, the challenge for marketers is not whether but how to integrate experiential and word of mouth marketing. The "how" requires both planning—understanding objectives, clarifying the promise, developing an experiential platform of on-brand touchpoints and honing in on "passionates" most likely to act and advocate—as well as rigorous measurement and tracking. Tools such as Jack Morton's nGauge, which measures and indexes the success of the experience as well as the quality and quantity of resulting action and advocacy, are key. The study also points to some clear paths to engage business decision-makers:

Engage face-to-face: Marketers should create opportunities for real-time, in-person word of mouth; face-to-face is the critical medium of executive conversation.

Create experiences: Executives are inspired to talk by first-hand experience. Product demos, insight-driven experiences and hands-on interaction can drive advocacy.

Bring word of mouth thinking to the workplace: With executives more likely to engage in word of mouth at the office and more likely to be influenced by coworkers, BtoB and BtoC marketers should hone in on the workplace as a key channel.

Encourage give and take: Executives clearly prefer real conversation. Create opportunities for two-way dialogue, question-answer and other kinds of give and take.

Encourage advocacy and action: With executives' conversations mostly positive and highly likely to contain recommendations, marketers should make it easy for executives to carry the message to others.

OTHER FINDINGS from the study include the most talked-about brands in executives' word of mouth conversations, as well as net advocacy ratings for product/service categories. Contact Jack Morton for more information.

NOTES

- 1 According to the Edelman Trust Barometer, 68% of consumers trust other people like themselves, while Yankelovich has found that 76% of consumers don't believe companies tell the truth in advertising. Keller Fay Group's "Inside the Conversations of the Conversation Catalysts" offers insights into consumer word of mouth, many of which are cited here.
- 2 "Building Brands Without Mass Media," Harvard Business Review (1997).
- 3 Jack Morton Worldwide 2006 Global Experiential Marketing Survey.

Text © Jack Morton Worldwide 2007. Data and charts © Keller Fay Group 2007. All Rights Reserved. This report may not be copied or reproduced in whole or in part without the express written permission of Jack Morton Worldwide. TalkTrack™ is a registered trademark of Keller Fay Group.

○○○ JACK MORTON

Leading experiential marketing agency Jack Morton Worldwide creates multidimensional experiences that inspire brands' key stakeholders to act and advocate. Jack Morton engages consumers, business customers, the sales channel and employees through live events, branded environments and interactive media. Jack Morton has a staff of 600 employees throughout the United States, Europe and Asia-Pacific, and is part of the Interpublic Group of Companies, Inc. (NYSE:IPG). For more information about Jack Morton, please contact:

US: Liz Bigham
liz_bigham@jackmorton.com
+212-401-7212

Europe: Julian Pullan
julian_pullan@jackmorton.co.uk
+44-208-735-2000

Australia: Tara Back
tara.back@jackmorton.com.au
+61-2-8231-4500

Asia: Ben Taylor
ben_taylor@jackmorton.com.hk
+852-2805-1767

www.jackmorton.com

The Keller Fay Group is the first full-service market research company focused exclusively on word of mouth (WOM). Its TalkTrack™ service is the first continuous study of consumer word of mouth, both offline and online.

For more information, please call (732) 846-6800 or email ekeller@kellerfay.com.

www.kellerfay.com