



The **SECRETS** of **WORD-of-MOUTH** **MARKETING**

SECOND EDITION

**How to Trigger Exponential Sales
Through Runaway Word of Mouth**

GEORGE SILVERMAN

SECOND EDITION

The Secrets of Word-of-Mouth Marketing

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George Silverman

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A C K N O W L D E G M E N T S

I thank all those brave people who entered the field of Word-of-Mouth Marketing before it was fashionable or even safe, took all the flak, and still prevailed. They are too numerous to mention, but I'd be remiss if I didn't mention the founders of WOMMA (the Word-of-Mouth Marketing Association), Dave Balter, Pete Blackshaw, and Jonathan Carson, together with Andy Sernovitz, the first CEO. In addition, my fellow authors in the field of WOMM, who have done such a great job of bringing to life the amazing, magical stories that we've all learned so much from.

The rest of you know who you are, and I hope you know how grateful I am for your support.

Out of a sense of history and profound gratitude, I would like to acknowledge the people who contributed to the development of this book.

My father, Irving Silverman, in a sense taught me everything I ever learned about word-of-mouth marketing, particularly the idea of building businesses by a process he called "cultivating the customer." Because of him, I never had to make the troublesome transition of mindset from Traditional Marketing to the New Marketing.

I was fortunate to have had a series of mentors who have had a direct effect on this book. Each allowed me to study their greatness firsthand, and maybe even have a little rub off:

Ayn Rand, who is my favorite novelist, philosopher, and thinker, taught me in a series of provocative personal conversations over several years how to think both analytically and creatively at the same time, how to stay clear in the middle of confusion, how to form clear concepts and principles, and how to think in fundamentals. Her little-known book on epistemology¹ was the best practical guide to thinking clearly that I ever found. In 1969, I was privileged to attend a private seminar of 16 extemporaneous talks and Q&A sessions on nonfiction writing. It changed my thinking, writing, and whole approach to intellectual pur-

suits. It was a masterpiece that was finally published in 2001, edited from tapes made at the time.²

Hiam Ginnott (author of *Between Parent and Child*³), one of the greatest child psychologists of our time, taught me (I hope) how to communicate forcefully, but respectfully, and how to be a gracious expert.

Tony Slydini, my magic mentor, widely regarded by knowledgeable magicians as the greatest close-up magician of the twentieth century, inspired me to go beyond the limits of people's ordinary assumptions, to use playfulness, wonder, amazement, and astonishment constructively, and to seek a breakthrough level in everything, no matter how simple or ambitious. It turned out that those lessons weren't about magic at all. If you'd like to see him perform, Dick Cavett, a fellow student, posted Slydini's two appearances on his PBS show to his *New York Times* blog. Thanks, Dick.⁴

Parts of you all live on inside me.

My partners (in many senses of that word) also contributed immeasurably. My wife, Dr. Marla Silverman, is a constant source of love and encouragement, while being an uncompromisingly accurate and constructive critic, sounding board, and mirror. I also thank my children, Ilyssa and Eric. The three of you make it all worthwhile. I thank you particularly for putting up with my detachment and grumpiness during the writing process.

Ron Richards, President of ResultsLab in San Francisco, my former partner, turned me on to thinking about the possibility of actually harnessing word of mouth somewhere around 1971. At the time, word of mouth was thought to be an immutable force that was totally out of the control, sometimes triggered by good advertising. He had the vision to see that word of mouth is the driving force of marketing, and he has continually offered constructive suggestions and breakthrough ideas. He's the best designer of persuasion I've ever met.

Eve Zukergood, my former partner in Market Navigation, handled day-to-day operations, allowing me to think about and experiment with new approaches and ideas, and was also a great sounding board.

Several advisers have also made extremely important contributions. Robert Keiper, who consults on clear communication in both writing

and presenting, has rewritten some of my writings, and in so doing has taught me how to write more clearly and concisely. The challenges of his independent mind have forced me to clarify and simplify, over many decades, what I mistakenly thought was clear.

The late Bernadette Tracy, an expert on Internet trends, has also been a continual source of inspiration, encouragement, rethinking, and clarity. She was the one who would get me back to Earth when I was lost in Outer Space.

The late Bill Cope, a creative idea generation consultant, took the mystery out of creativity, but not the wonder. Both are missed.

Brad Boyer, president of Bradley Dean Associates, has continued to work with me on the clarity of my presentations. Marianna Maddocks, one of my first clients about thirty years ago and a close friend, expert in human resources, and so much more, is a constant source of positive energy, good will, and an occasional, well-deserved kick in the butt.

A lot changed when I read *Million Dollar Consulting*⁵ by Alan Weiss. His principles work. I know. I liked his books so much, I hired him as a consultant. It was he who got me to finish the first edition and see how to tie consulting payments to value, not work or time expended. I heartily recommend anything he is involved with.

Jay Abraham,⁶ entrepreneurial marketing guru, has also been an inspiration, an example, and an important source of validation. Aaron Altman has read and reread several incarnations of the first edition and his contributions have also contributed to many of the insights. Gay Botway, who helped me start Market Navigation, was also a constant source of encouragement. Anne Scordo single-handedly invited many of our experts and coordinated other word-of-mouth conferences.

Wendy Keller, President of ForthWright Literary Agency and Speakers Bureau, my literary agent, has been a continual source of inspiration, encouragement, optimism, and reassurance. It's very difficult to write and sell a book. It is an abstract enterprise that is fraught with crises of confidence. She seems to know just what to say to keep me in great spirits and raise my sights, while being brutally honest about what to expect. She is responsive, straightforward, and effective. She saw the potential of this book and the next book, long before others. She turned out to be

right on. I hope that she is also right about my next book, *Easy Choices: The Secret to Marketing to Overloaded People Who Aren't Listening*.

Which brings me to the folks at AMACOM. Its president, Hank Kennedy, is very forward thinking. I thank him for selecting this book twice and for permitting some modern marketing methods that seem to scare most other publishers. Ellen Kadin, my editor, has been most perceptive in selecting this book and has been very encouraging.

There are many people who will influence and contribute to the world of word-of-mouth marketing in the future, including—hopefully—you the reader. To you all, I thank you in advance.

Endnotes

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PROLOGUE

The Calf-Path

One day through the primeval wood
A calf walked home, as good calves should;
But made a trail all bent askew,
A crooked trail as all calves do.

Since then three hundred years have fled,
And I infer the calf is dead.
But still he left behind his trail,
And thereby hangs my moral tale:

The trail was taken up next day
By a lone dog that passed that way;
And then a wise bellwether sheep
Pursued the trail o'er hill and glade
Through those old woods a path was made.

And many men wound in and out
And dodged and turned and bent about
And uttered words of righteous wrath
Because 'twas such a crooked path;
But still they followed—do not laugh—
The first migrations of that calf,
And through this winding wood-way stalked
Because he wobbled when he walked.

This forest path became a lane
That bent and turned and turned again;
This crooked lane became a road,
Where many a horse with his load
Toiled on beneath the burning sun,
And traveled some three miles in one.
And thus a century and a half
They trod the footsteps of that calf.

The years passed on in swift fleet,
The road became a village street;
And thus, before men were aware,
A city's crowded thoroughfare.
And soon the central street was this
Of a renowned metropolis;
And men two centuries and a half
Trode in the footsteps of that calf.

Each day a hundred thousand rout
Followed this zigzag calf about
And o'er his crooked journey went
The traffic of a continent.

A hundred thousand men were led
By one calf near three centuries dead.
They followed still his crooked way,
And lost one hundred years a day;
For thus such reverence is lent
To well-established precedent.

For men are prone to go it blind,
Along the calf-paths of the mind;
And work away from sun to sun,
To do what other men have done.

They follow in the beaten track,
And out and in, and forth and back,
And still their devious course pursue,
To keep the path that others do.

They keep the path a sacred groove,
Along which all their lives they move.
But how the wise old wood gods laugh,
Who saw that first primeval calf!

—SAM WALTER FOSS, 1895

Introduction

Why This Book—and Word-of-Mouth Marketing Today—Is Different

My interest in marketing started one day in my father's drug store. I watched a Camel cigarette salesman repeatedly approach customers who had just bought a pack of the largest competing brand, Chesterfield. He had pushed a Camel and a Chesterfield cigarette through two holes in a 3" × 5" index card, so that the customers couldn't see the cigarettes' brand names. He asked them to take a few puffs of each and tell him which they liked better. Most of the Chesterfield smokers said that they preferred the taste of the one that turned out to be a Camel. He showed them that they had chosen a different brand, Camel, over their regular brand. They were shocked, much to my amusement. It looked to me, at about the age of 12, like a pretty good joke on them. But then came my turn to be shocked. He offered to exchange the cigarettes they had just bought for his brand, whose taste they had just proven they preferred.

Most of them stuck with their regular brand!

I saw another salesman do a similar thing with Breyer's ice cream. Same results. Even though they preferred Breyer's, they walked out with their regular brand. "Why?" I wondered.

At the same time, I was learning to practice the art of slight-of-hand. As I mastered more and more sophisticated magic tricks, I realized that people saw what they wanted to see, no matter what the evidence said. Why?

I was hooked.

I became a psychologist and professional-level magician and concentrated on understanding the secrets of why people made the choices they made—brand choices, beliefs, spouses, jobs, strategies—anything that involved decisions. Even my magic revolved around the choices people make about what to believe.

In 1971, I invented the telephone focus group, which became my laboratory for understanding and experimenting with the decision-making process. This is the work that led me to a systematic approach to stimulating word of mouth as is detailed in this book.

I came to understand when and why people changed brands and why they clung desperately to their Chesterfields.

It took about 40 years and more than 8,000 focus groups, word-of-mouth teleconferences, and experts sessions, as well as the design of countless word-of-mouth marketing campaigns, to accumulate the knowledge that's distilled in the following pages.

Not all of my clients will be happy that I'm divulging the secrets behind their record-breaking sales gains—without, of course, giving away any of their proprietary information. To all of my clients who recognized early on how important it was to harness word of mouth, let me extend a big *thank you* (even if you still won't permit me to talk about some details you know I'm dying to talk about).

In the first edition, published in 2001, I predicted the birth of the Word-of-Mouth Marketing industry. It's happened, supported by WOMMA (the Word of Mouth Marketing Association). When I stood in front of the overflow crowd of 450 or so people who attended the first WOMMA conference four years later in March 2005 (about 50 were originally expected), I was so choked up that I had to stand there, take it

all in, and compose myself before I could speak. I was overwhelmed by the thought that after decades of trying to convince people of the importance of word of mouth, this was the first audience I had ever stood before that was made up of people who actually thought that word-of-mouth marketing was important enough to attend a conference about! This made all the effort worthwhile.

I'm extremely grateful for the recognition, even though I'd prefer if they had called me the "Father," rather than the "Grandfather," of word-of-mouth marketing.

Before we get started, here are a few definitions that will help avoid repetition, confusion, and convoluted sentences. I learned the importance of defining my terms as explicitly as possible a long time ago from Ayn Rand, who once asked me to clearly define something that I told her confused me. I was shocked, "How can I be clear if I'm confused?" She said, "You can always be clear, even about your confusion. Try." I immediately answered my own question and resolved to never allow confusion to be an excuse for indulging in the vague approximations that are often such a tempting substitute for the effort of thinking.

Secrets

A teacher once observed a child having trouble zipping up his jacket. She said, "The *secret* is to put the straight part all the way in, hold it down with one hand, and pull on the tab with the other hand."

The child asked, "Why is that a secret?" By "Secrets," I mean *key principles*, not things people don't want you to know.

The central purpose of this book is to lay out the *secrets*—key principles—of word-of-mouth marketing, as distinct from all the details of the techniques, and to organize them into a systematic approach.

"Let's Go Up a Level of Abstraction"

This is one of my favorite phrases. It omits the distracting details, so we can focus on what's important. Thus, we do not get bogged down in the details, or the latest Bright, Shiny Object (BSO) that catches our attention.

Stupid Questions

I love “stupid” questions. Throughout this book, I’ll be continually asking them.

Stupid questions are inquiries whose answers seem so obvious that people are reluctant to ask them. They are concerned that they will be seen as dumb. However, I find that stupid questions often take us to another level of understanding by forcing us to rethink what is “obvious,” but untrue. I would name the ability to ask stupid questions as the secret to my success. Perhaps my tombstone should be engraved, “He asked wonderfully stupid questions.”

So we’ll ask such wonderfully stupid questions such as:

- “What’s word of mouth, really?”
- “Does it actually spread like a virus?”
- “How has the marketplace changed? Is the change something deeper and more important than the Internet?”
- “Why do people listen to their friends?”
- “Why do people trust their friends?”
- What’s trust, at its root, and how do we get some of that?
- “What gives word of mouth its power?”

Customer = Prospect unless Customer ≠ Prospect

To avoid awkward language, “customers” usually means “suspects,” “prospects,” and “customers,” as there is usually not a meaningful difference. When the difference is significant, I’ll be scrupulous about distinguishing them. So, although sometimes it’s important to distinguish suspects, prospects, triers, buyers, adopters, users, promoters, and evangelists, other times, “customers” or “users” will denote all of the above.

“Buy” = “Buy into” = “Adopt” = “Believe”
Also,
“Sell” = “Convince” = “Persuade”

I’ll usually write, “buy,” even when money is not involved. There’s always a price to pay.

Product = Service = Idea = Methodology

Most of the time, I use the word “product” to mean anything you are “selling,” that is, anything you are trying to get people to adopt, buy, or buy into. So, if I write, “selling them your product,” when you are trying to get people to adopt an idea, it means, “get them to buy into your idea.” If you are providing a service, it means, “getting them to buy your service.”

Word-of-Mouth Marketing Is NOT Word-of-Mouth Advertising

Pet Peeve: Please don’t ever, ever, ever speak of “Word-of-Mouth Advertising.” Ever. It’s a contradiction in terms that signals you’re an amateur. Word of mouth is communication that’s independent, unbiased, and lacking in vested interest. Advertising is the *exact opposite*. To put the terms together reveals either sloppiness of thinking or a wanton disregard for clarity. Often both.

The phrase is “Word-of-Mouth Marketing.”



The Systematic Approach to Word of Mouth

If you are paying attention to what is going on in marketing, you will almost certainly feel disoriented and overwhelmed. I want to offer some perspective, reassurance, and encouragement. You are not alone. You are feeling the way everyone does in a revolution. And, we are experiencing several revolutions simultaneously.

The Digital-Information-Knowledge-Transportation-Communications-Internet-Marketing-Word-of-Mouth Revolutions

I'll let you in on a little secret: No one fully knows what's going on!

As writings during other revolutions show, it's hard to see the significance of a revolution when you're in the middle of it. It's even harder to figure out what to do. History shows clearly that a significant number of people do nothing and get crushed by the people who panic, who are also crushed or, at least, badly injured. The ones who think and adapt usually survive. The visionaries prosper.

You cannot understand word-of-mouth marketing without the perspective of this broader context.

Some Perspective on Revolutions

There is a well-known pattern to attempts to gain perspective in the middle of revolutions, as shown in the following steps:

1. The insights, warnings, and predictions are ignored.
2. The predictors of the revolution are called ignorant, naïve, or crazy.
3. People in large organizations, who take the predictions seriously enough to investigate, are often fired.
4. The changes that start happening are denied outright.
5. The changes are said to be temporary signs of something else.
6. The changes are recognized, but they are called insignificant.
7. People say that the predicted changes were obvious and inevitable all the time.
8. People blame the experts for not seeing what was “obvious.”
9. The experts, of course, say that they knew it all along but no one would listen.

All of this rationalization and denial is compounded by some strong cognitive biases:

- We tend to underestimate the likelihood of what’s hard to imagine and overestimate the likelihood of what’s easy to imagine.
- We want to cling to the predictable, which is hard enough to cope with.
- A few people take the predictions seriously, investigate, see the opportunities, and profit hugely. They’re disparaged as exploiters.
- Great discomfort is caused by fundamental change and the necessity to rethink, relearn, repurpose, and reinvent that it inevitably causes. It may be exhilarating to some of us, but it’s also scary.

- It's much easier to stay the course. The status quo is a comfortable refuge and a pretty good strategy when change is slow and things are working. It's a terrible solution in the middle of a revolution, and a disaster in the middle of simultaneous revolutions.
- All of the above is why some people are still stuck in the old ways of marketing.

The Secret to Surviving and Prospering in a Revolution

I've learned that it's important to resist the false choice between clinging to the status quo and jumping into the sea of change. The better choice is to *fly above the sea of change*. Not so high that you get into the clouds, but high enough that every little wave isn't so distracting that you can't see what's ahead.

The most useful principle I've learned to cope with all the change and uncertainty from inside the revolutions is that *we learn at the edge of our own incompetence and ignorance*. We have to step right up to the edge of what we don't know and become involved, but not submerged. In doing this, people feel stupid and inept, but people who try to avoid ever feeling stupid and inept don't learn.

So, we'll ask a lot of "stupid" questions and struggle with partial, inadequate answers, try a lot of things that don't work out, and profit hugely from the few that do.

I'm reminding you of all this to try to immunize you. I hope you will embrace the struggle to understand a world that's changing on so many levels at the same time.

In the first edition of this book, I made the following predictions that sounded wild at the time:

- "I believe that this book is the beginning of a historic turning point in marketing, which will spawn an entire industry, the word-of-mouth marketing industry." It did: new communication tools, agencies, websites, and more—all functioning by different rules from conventional marketing.

- Word-of-mouth marketing would overshadow the traditional marketing media, which would go into decline. TV, magazines, direct mail, telemarketing, movie theaters—and many more marketing media—are declining in the shadow of Word-of-mouth marketing.
- Many major companies would stick with traditional marketing and be clobbered by much smaller companies using Word-of-mouth marketing. Many Davids would slay many Goliaths. The specific examples I gave (GM, the old AT&T, IBM) came true with uncanny accuracy.

The Word of Mouth Marketing Association (WOMMA) was founded. New techniques were exchanged. Stories of intentional stimulation of word of mouth became commonplace. Ethical standards were issued. Agencies were founded. And, sadly, many opportunists and con artists became attracted to Word-of-mouth marketing once they realized its power and potential for manipulation. In other words, the industry I predicted was formed.

When the first edition was published, limited media were available for implementing Word-of-mouth marketing. I had to search for examples, using more pharmaceutical industry and teleconferencing techniques than I would have liked because only that industry had embraced word-of-mouth marketing—and the industry used my teleconferencing techniques as its main tool.

Now the number of options is overwhelming, even to people in the new word-of-mouth industry. By the time you read this book, there will be hundreds of new social networks, mash-ups, websites, apps, platforms, categories, techniques, gizmos, communication channels, and other media.

The current Information Revolution compares in impact with the Renaissance. We're in the middle of an extended, expanding chain reaction, an explosion of technology that is feeding on itself, that shows every sign of continuing to accelerate unless society collapses from its complexity—one that allows us to build way beyond what we fully understand.

Instead, we need a *conceptual* approach, one developed from a perspective that doesn't get lost in details. We need a ***systematic approach to word of mouth.***

What Do I Mean by “Systematic”?

I’m going to lay out where to start, what questions to ask yourself, what’s important versus what might bog you down, where to find the answers, and how to proceed. The more complicated something gets, the more you need fundamental principles to guide you through the details—even those details that haven’t yet been invented!

We all want to get to the “nuts and bolts” right away because we want practical experience in the real world, and we have pressing things to accomplish. So, we jump right in before getting our bearings, before learning the key principles that are the secrets.

The Dot-Com Super Bowl

On January 31, 2000, at the height of the dot-com boom, about a dozen dot-coms aired 30-second commercials during Super Bowl XXXIV at a cost of \$2.2 million each, the entire marketing budget for some, in the hope that—with hundreds of millions of people watching—they would put their unknown companies on the map and establish a corporate identity. I was appalled and publicly called it the worst case of advertising agency malpractice I had ever seen. Either their ad agencies knew better or they should have. In either case, the agencies were, in my opinion, negligent.

The dot-com bubble burst soon after. The Super Bowl advertisers found that they could not establish a corporate identity in a 30-second TV spot. They found that they could get everyone talking about their quirky commercials all right, but that wasn’t the same as getting people to rave about their products’ benefits. With one or two exceptions, all of the advertisers on that Super Bowl went out of business.

It became known as the *Dot-Com Super Bowl* and, in many people’s minds, it not only marked the end of the dot-com bubble, it marked the beginning of the end of the Old Marketing, perhaps symbolized best by the pets.com sock puppet.

Fortunately, the “too big to fail” mentality hadn’t caught on yet, so the dot-coms were allowed to “creatively destruct.” What nobody real-

ized was that the dot-coms, ironically, were using the old media to sell the new media. Heck, they *were* the new media!

The New Media

The new media consists of more than technical improvements (i.e., the improved version of the old, like going from regular to high-definition TV). They are supplanting the old media because something is changing fundamentally.

It's hard to believe, but in the few short years since that fateful Super Bowl XXXIV, the media and contents listed in Table 1.1 emerged. They weren't even mentioned in the first edition this book because either they didn't exist or *hadn't caught on yet*. Table 1.1 *isn't a complete list, and the categories are fluid and overlapping*, but it does to give you a flavor of how many new media have hit us in the last ten years. **Note:** Don't get caught up in the details. No taxonomy has emerged. Some of these categories are new media; others new forms, packages, delivery systems of the old media. The point to understand is the staggering interconnected array of new "stuff" that has gradually hit all of us *in only the last ten years, since the first edition of this book*. The point is that we are flooded with new input—overloaded with new ways of getting content and overwhelmed by the content itself. Someone said we are trying to drink from the fire hose. No. We are blasted by dozens of fire hoses, and we are neither thirsty nor on fire.

Some of these categories have hundreds to thousands of individual examples: thousands of eBay merchants, rating sites, travel sites, mash-ups, and so on.

Remember when we all had AOL accounts, brick-like cell phones and dial-up modems, we used Yahoo as our search engine and asked our friends if they had e-mail? That was right around 1997.

Gone—or almost gone—are faxes and faxback, hotlines, pagers, classified advertising, newspaper stock listings, physical dictionaries, encyclopedias, thesauruses, physical recording media such as floppy disks, records/cassettes/CDs/DVDs (almost), PDAs, camera film, simple bulletin boards/forums, dial-up modems, printed maps, traveler's

(text continues on page 15)

Table 1-1
Emergence of New Media/Sources/Content/Forms, etc., Since 2001

New Media & New Content Forms Within Old Media	Examples, Comments
1. Web 2.0 2. Customer Generated Media (CGM)	All customer-provided content sites Google, Yahoo, YouTube, Flickr + THOUSANDS of other websites in which the customers, members, visitors generate the content
3. TV and Video 500+ Cable, Fiber Optic and Dish Channels Downloaded TV Episodes Web TV viewing Flat Screen TV, HDTV, 3-D TV and Movies Game Boxes Video Games	CableVision, Fios, Dish Network iTunes downloads Hulu, Network websites IMAX, home screens Microsoft X Box, Wii, Playstation Bigger than Movies and Music combined!
4. MP3 players 5. Smart Phones 6. Media Tablets 7. Mobile Apps 8. Shareware, donationware. 9. Blogs	iPods, Podcasting iPhones, Android Phones. iPad and others 350,000 and growing rapidly Variably priced, payment optional. The whole world of Twitter, WordPress, Technorati, Blogger, TypePad.
10. Rating and Review sites	Zagat, Yelp, Opentable, Tripadvisor, C-net, hotels.com.
11. Social Networking 12. Social Bookmarking 13. Mass Collaboration	Facebook, Twitter, LinkedIn, Myspace Digg, Diigo, Stumbleupon, Reddit Open Source Movement, Google Wave, Google Docs
14. Wikis 15. Remote Meetings 16. Webinars, Remote Courses.	WikiPedia, WikiHow, WikiNews GoToMeeting, Adobe Connect. University of Phoenix (current enrollment: 240,000+), 1000s of private courses.
17. Texting, Video Chat 18. RSS feeds, Newsreaders, News Aggregators, Mega News Sites	ICQ, iChat, Jabber "Reverse Browsing": Google Reader, Feedburner
19. Filesharing Protocols and Sites	Napster, LimeWire, Pirate Bay, BitTorrent, Magnet Links

(continued)

Table 1-1 Continued

New Media & New Content Forms Within Old Media	Examples, Comments
20. Video Boxes	TiVo, Apple TV, Roku, Slingbox
21. Portable, High-Capacity Drives	USB Flash Drives, Multi-TB portable drives
22. Music/Movie/Video Downloading Services	iTunes Store, Apple TV, NetFlix,
23. eBooks and Readers	Kindle, iBook, Sony Reader, Zook
24. Digital Cameras, Video	Complete conversion to digital from film
25. Digital Photos and Video	Picassa, Flickr, Lightroom
26. Web Apps	Google, Google Docs, Microsoft Office Web Apps.
27. Mass Collaboration, Hive Mind	
28. Voice Dictation	Dragon Dictate—people can now generate the written word as fast as they can talk.
29. Word-of-Mouth Agents and Agencies	
Auction Sites	eBay (in its comparative infancy on 2000)
Electronic Payment Systems Classifieds	PayPal Craigslist
30. Very Fast Broadband and Broadband	
Wireless	
App phones	iPhone, Android Hundreds of thousands of apps, many designed to locate products, review ratings, compare prices
VoIP (Voice over Internet Protocol)	Skype, Vonnage. iChat, Buzz
Ubiquitous Network Access	3G, 4G, WiFi, WiMax, VPNs
Cloud Computing: unlimited storage and processing on demand.	Amazon EC2, Google.
31. Netbooks	
32. Geotagging	
33. Google Earth	
34. Google (Google everything)	
35. Advocacy Networks	BzzAgent, Tremor
36. Content Management	WordPress, Drupal, Joomla
Information Management	
Information Architecture	
Knowledge Management	

checks, telegrams, travel agents, and pay phones. Soon to be obsolete (or nearly so) are paper-based books, brick-and-mortar bookstores, handwritten prescriptions, land lines, paper money, major broadcast TV networks, and cords connecting anything.

But their absence doesn't create a lot of room. Every one has been replaced by a multitude of more accessible new forms to flood our senses.

It all comes down to: OVERLOAD

Notice that the new arrivals almost all *increase our interactivity and connectedness*, and, thereby, our overload. They also increase our ability—actually necessity—to engage in word of mouth. These changes have totally transformed the marketplace and marketing. Marketers at first thought that the Internet was a cheap way of delivering a brochure. Some still do.



SECRET

Involvement and collaboration is what it's all about now.



SECRET

The new media have brought a level of overload that is unprecedented.

We went from the handwritten word to the printed word in centuries. Then, in a few decades, we moved from information scarcity and relative isolation to broadcasting. Now, we have moved from tuned-in to interactive and participatory in just a few minutes (OK, a few years that felt like minutes).

You will have an enormous advantage over other marketers if you fully understand the *fundamental* nature of these changes and approach them in a systematic way. These are not just a bunch of new, cool things. They change the way we spend almost *every waking moment*.

The New Challenges of Marketing

As a marketer, you know you can't stay in the Old Ways of mass media, intrusive bombardment, rude pushiness, and manipulative hype. The mass media is slowly closing up shop.

But you probably can't wrap your head around all the New Ways, either. People are paying less attention. They've turned from skeptics who ask tough questions into cynics who don't ask questions at all because they don't trust the answers. They're abandoning the old media and are only paying attention to one another. They are overloaded with too many choices through too many channels from too many "friends" as they multitask their way to the next viral tweet, email, or YouTube video.

Which brings us a very important secret of word-of-mouth marketing that even most word-of-mouth marketers don't know.



SECRET

Word-of-mouth marketing is not a bag of tricks that can be slipped into the standard marketing mix. You can't try a little of it and see if it works. It's a completely different way of thinking about marketing and doing business. It's incompatible with "marketing as usual."

This is both very good and very bad news. The good news is that while word-of-mouth marketing is no longer the new kid on the marketing block and everyone now is attempting to incorporate it into their marketing mixes, *almost everyone is missing this top Secret*. They are attempting to lay it in next to advertising, their sales force, their online marketing, and their PR. They post a few testimonials to their websites, put up a blog, start Tweeting, plant a few phony "reviews," give their best customers a few "bring a friend" coupons, run a contest, pull a few stunts that get them some press, and expect a miracle.

Why is this good news? Because while your competitors are wasting their time with tricks and stunts, or too little, too late, I'm going to help you do it right.

The bad news is that you need to change to a whole *new way of thinking*—and we all know how hard it is to see things from a different point of view. Then, you're going to have to convince your boss and your colleagues that the very things that got them their jobs and their promotions no longer work so well and that they have to change their thinking. It's seems easier to maintain the status quo.

But you can't continue the Old Ways, and you, your bosses, clients, and colleagues know it. You're all looking for guidance, but all you're getting are hundreds of tips, suggestions, methods, and techniques. You can't try them all, and you have no way of sorting them out.

It's easy: once you fully understand that word-of-mouth marketing is a completely different mindset that is incompatible with the old way of thinking, things will begin to become clear and surprisingly simple. Everything will fall into place. I promise.

This Book Has a New Purpose—Our Goals Have Changed

In the first edition of this book, my goals were to show readers:

- That word of mouth is more powerful than conventional marketing, and
- How to exercise some measure of control over what was then regarded as an uncontrollable natural force.

Mission accomplished. Marketers today don't have to be convinced that word of mouth is the most powerful marketing force and that it can be influenced.

My goals have changed because the game has changed: new rules, new players, new stadium, new everything. You now need to understand:

- Marketing has gone from something you did *to* customers to something you did *for* customers to something you do *with* customers.
- You can't avoid word-of-mouth marketing anymore. It isn't optional, a little sprinkling in the marketing mix.

- You need a different mindset and skill set to use word-of-mouth marketing effectively. It's a whole new way of thinking, approaching the customer, and developing products.

The emergence of word-of-mouth marketing has caused the greatest set of changes in the shortest time in the history of marketing and communication. Therefore, there is a new secret to word-of-mouth marketing.



SECRET

While traditional marketers had their noses buried in their newspapers and magazines, their customers hijacked marketing.

Customers took over the informational and persuasion functions, as well as a lot of the product development, distribution, and packaging. They did this right under the noses of the traditionalists, who did not even notice. Oh, traditionalists noticed the *effects*, such as new media and cynical customers increasingly unresponsive to sales and advertising, but they didn't notice the *significance* of the fundamental causes described below.

A Trip into a New Way of Thinking

To get some perspective, I'd like to take you and your colleagues on a little fantasy—a thought experiment. It's a quick tour of three very different universes.

Universe 1: The Universe of Our Grandparents

The first universe is the United States from the late 1800s until about 1920. It's a world without mass broadcast communications. People have little contact with those who are not physically close. They hunger for information. They eagerly await the latest news from newspapers and travelers,

including salesmen. They read advertising in newspapers and magazines eagerly. They mostly hear about new products from their friends and store clerks. The Sears, Roebuck and Company mail-order catalogue—a major source of information about new products—is the largest retailer in America by far. Tens of thousands of houses were built by people who ordered kits from the Sears Catalogue and built them with their neighbors' help. In fact, people can't even browse in stores for products; most merchandise is hidden away in drawers, under the counter, and in the stockroom. People have to know what they want and then ask for it. It was very difficult for businesses to inform people about new products. They placed very bland announcements in newspapers and magazines. Modern needs/benefits advertising, a revolution ushered in by Albert Lasker (1880-1952) by the phrase, "Salesmanship in Print," was yet to be invented.

It took days, sometimes weeks, to cross the country or visit other continents.

In summary, this was a world of people who were information starved, with limited contacts, limited communication and travel, and limited product choices. Word of mouth was the main way products became known, but it proceeded at a snail's pace. It took decades (sometimes centuries, in the case of printed mass books, for example) for a new product or way of doing things to reach full market share.

This was the world of some of our grandparents. And, it was not so long ago.

Universe 2: A New Era—The Universe of Our Parents and Our Childhood

Now let's visit a radically different universe, the United States from 1930-1999. It's been transformed by the introduction of mass communication. Within a short period of time, people went from local weekly to national daily newspapers; from news footage in movie houses to network radio and television in their homes; and from letters and telegrams to the widespread use of the telephone. Because these media have been part of most of our lives since birth, it's difficult to appreciate what a

radical change they were. But as a marketer, it's crucial that you appreciate the changes.

For the first time, communication reached everyone and was almost immediate. Like the Sears Catalogue, broadcast communication could reach almost everyone. But now, it was “live” or pretty close to it.

The whole country—even the world—could see and hear the same event (through three national television networks in the United States). They watched man walk on the moon and the immediate aftermath of the Kennedy assassination live. People could now stay in touch with friends, family, and colleagues by telephone. Advertising became entertaining, and people actually watched it. It was enormously effective, building gigantic brands quickly, even during depressions. Almost every product category was now filled with dozens of brands, makes, and models, because now manufacturers could communicate product differences to large numbers of people. As a result, more products could find a niche. There were more than 500 auto manufacturers in the United States alone! Many had several brands, so the list of brands of autos was in the thousands! A manufacturer could reach almost everyone in the country quickly.

The pace of information dissemination quickly became overwhelming—too much of a good thing. Media proliferated. Ads appeared on everything from matchbooks to blimps, construction site walls, and the sides of vehicles. People saw an average of 3,000 to 5,000 commercial messages a day. They became flooded with information, new products, and entertainment. They were drowning in choices.

Word of mouth was still the most powerful force in the marketplace, but now for a different reason. It was not so much for new information as for confirmation. Not as much, “Did you hear about X?,” as “What have you heard about how X *is working out* compared to Y?” or “Have you had any problems with X?” or “Can I trust this company?” In other words, they found out about new products increasingly through the broadcast media, but *confirmed the truth and relevance* through personal word of mouth. In fact, Packard Motors, the most prestigious U.S. auto manufacturer in the mid 1900s, used the slogan, “Ask the man who owns one.” Testimonial, endorsement, and “slice-of-life” advertising

became huge, as advertisers attempted to emulate real-world conversations. Arthur Godfrey, one of the most famous television and radio personalities of the 1950s, was as influential in recommending the products of his sponsors as Oprah was decades later.

The basic marketing model was mass market *broadcasting*: lure a huge audience to something they want to listen to or watch. Then, once they are hooked, rudely interrupt the event with your messages, and then—before they get too angry—return to the broadcast. Seth Godin calls it the “Interruptive Model.” I call it the “Intrusive Model” because advertising people used to proudly point to the “intrusiveness” of their ads and commercials—the ability to get attention through the noise.

This is the mass-media, broadcast, intrusive, go-for-the-close mental framework that most members of present management grew up in, were successful in, got their present jobs because of, and will not give up because they know from direct experience that this is the way the world works. People don’t easily shift from what bought them their houses, put their kids through college, and is the source of their professional pride. It’s going to be very difficult for the younger generation to understand where people who have this mindset are coming from, why they are asking the questions they are asking, and why they perceive what you’re telling them completely differently.

Universe 3: A Future Universe

Now, please join me in a universe of the *future*. Please watch your step as you enter the Time Machine.

This future universe is highly advanced technologically. Everyone is permanently hooked up with everyone else through multiple channels: video, audio, text, and many others that you present-day folks wouldn’t understand. Just about everything ever published, videoed, or now spoken is instantly accessible.

What’s most strange to marketers is that people with products and services to sell *can only contact prospective customers indirectly*. Oh, there’s no law against trying to talk to customers directly, but because so many channels are available, rarely can the “masses” be reached in one

place. They don't want you to broadcast to them. They want to *participate*—what marketers used to call “interactive marketing”—but at a whole different level. These people have a quaint ritual called “friending” one another. They have to be reached individually or in small groups by permission only. If and when outsiders can reach them, they are too overloaded and too cynical to listen. In fact, they go to great lengths to filter out commercial communications. They don't have the time for sales pitches. They have ad blockers, spam filters, Flash blockers, do-not-call lists, and caller ID. They are too busy with another quaint ritual that occupies them continuously: they call it *multitasking*. It seems to have something to do with the present-day expression, “A mile wide and an inch deep.” They don't know what it means either, because they can't concentrate long enough on any one thing to understand it with any depth.

This future universe is so advanced that customers have actually taken over the educational and persuasion functions of marketing. They can instantly find reviews and product comparisons from users anywhere on the planet. They can even communicate directly with these customers and ask them questions. If they can speak with people who are actual users of the products, why should they be interested in hearing what the manufacturers have to say? They even come up with their own advertising, which a lot of people actually watch because their commercials, advertisements, brochures, user manuals, and videos try to tell the truth. These people can do instant price comparisons, even when they are in retail stores, through “apps” on their media “pads.” About twenty percent of them actually find their spouses in a parallel universe called “On-Line.”

Notice, as we take our tour of this strange future universe, that marketers—since they are largely cut off from direct communication with their prospective customers—have to behave in a very alien way. They actually have to communicate *indirectly*, through their customers, infomediaries called “bloggers” and other “experts.” How could they possibly do this, and why would their customers cooperate, given the fact that their communication is so overloaded that time is their scarcest commodity?

This is what people from the present might have difficulty fully experiencing: People in the future universe have to create products and do business in a way that is so unusual, so extraordinary, so awesome, so amazing that their customers and the infomediaries want to go out of their way to tell their “friends” about it. They treat people so well that people actually trust them to act in their best interests, even when it might seem as if the company’s short-term best interest is to act otherwise. They admit mistakes and uncertainties. They tell people about their products’ disadvantages. They would never even think of a cover-up or of delaying a product recall. Most present observers think these companies just have better design or cooler people. But what they actually have is the elegance, ease, clarity, and simplicity of straightforwardness.

So, in a world where companies don’t badger, interrupt, and intrude on customers, but have to reach people indirectly, notice how they behave. See all those people wearing shirts with logos? They are the legions of loyal enthusiasts, people with whom these companies have done business for years—people with whom they have trusted relationships—people they call on for advice, feedback, product ideas, and constructive criticism. They have done right by these customers for years, and their customers are more than willing, in fact are eager, to do right by them. They not only enlist these customers in the development of products, but when it’s time to launch these products, they give these customers the means to spread the words, pictures, videos, samples, stickers, and t-shirts. They give other companies a free ride to piggyback on their products, thereby adding value, further spreading the word. Some of them even enable their competitors to cooperate with them.

As we tour some of these companies, it’s going to be hard for those of you in the present day to understand that a lot of these companies don’t even have advertising departments or salespeople as we know them. They have communications departments that resist hype in favor of genuine enthusiasm. Their evangelists are quite different from your “salespeople.”

Some of these companies reluctantly start to advertise, but their advertising somehow will look different than ours does today. Often,

they are just reminders to the current customers of how to use their products better or how to explain their products to friends.

A CASE IN POINT

It's worth mentioning that many of today's major brands were established without advertising. Some of them eventually started advertising; some still don't: Hershey's, Noxzema, and Apple only started advertising after they became very large. Google still rarely advertises itself. Amazon gives most of the money that would be budgeted for advertising to its customers as gifts, such as occasional free shipping. Starbucks doesn't advertise much. Many, like some pharmaceutical companies, engage in educational advertising only for their products. And, some products and activities, even harmful and/or illicit ones that are not allowed to advertise, such as alcohol, tobacco, illegal gambling, prostitution, and illegal drugs—have grown gigantic on the basis of word of mouth alone.

It's hard to imagine how people who are currently steeped in traditional direct marketing, salesmanship, sales promotion, PR, and advertising could possibly grasp the techniques of this future universe: genuine customer relationships, marketing through the “wow!” factor, partnering with customers and even competitors, creating openness and transparency by participating in social media, admitting difficulties and mistakes, behaving honestly, and getting their customers to do the talking for them, and engaging with (and even encouraging!) critics and competitors. They even give away huge amounts of their products for which people would gladly pay. They even put unfinished products out there and ask customers to refine them. They see themselves as guides, who help people make better choices by inventing new ways of doing things and by making information more accessible and informative. These techniques are preferred to persuading, confusing, tricking, and hyping potential customers. Their rental car companies and phone companies have no hidden fees or obscure pricing plans. That would be unthinkable! Oh, they make plenty

of mistakes. That's their plan. They know that nobody gets everything right. They need to work things out in the real world. So, they put up with some public ridicule. They call it "valuable feedback."

In fact, they rate themselves on the proportion of their customers who would recommend them to a "friend"!!! That's because they've found that companies with the most active net promoters are actually the most successful.

This future universe—as you've no doubt realized—is right here, right now, happening in parallel with the Old Ways. The people and technologies of "the future" are among us, like the Pod People in the *Invasion of the Body Snatchers* movies (made three times, in 1956, 1974, and 1994, so it most have struck a responsive theme).

Except now, they're not the Pod People; they are the iPod People. We see them, but most of us don't realize how different they are. Many of them have no landlines or TVs. They consider email passé, using social media instead. Sometimes, they're called Younger Folks by the Older Folks, but they're really the New, New Age customers, of any age, who are adaptable enough to participate in the changed world. They are the MacHeads whom the Microsofties think of as a cult. ("Why would one worship a company?" they ask.) Like in *The Body Snatchers*, the older Microsofties are quietly going over to the other side, as they tell each other that it's safe, easy—even fun—to swim in the gigantic pool of information and play with cool stuff.

As we finish our tour, notice all the once-effective practices that have become useless rituals as people cling to the comfort of the familiar with self-righteous intensity, avoiding the discomfort and uncertainties of learning.

Notice how publishers resist eBooks, and some customers say, "I'll never read a screen. I like the smell and feel of a book." Notice how the music and movie industries resist downloads, instead of inventing ways of using the new technology. Notice all the ads in declining media and the strange resistance to measuring their effectiveness. Notice the attempts of advertising people to manipulate word of mouth, now that they have finally acknowledged that that's what sells products.

Try to imagine yourself as someone who can make products so unusually beneficial, so easy to find, learn about, try, buy, fix and teach—so easy to talk about—with such clear communication—from a company that treated people (including their own) like adult friends: respectfully, fairly, like people for whom they can't wait to do a favor, people whom they trust and expect trust from.

Try to imagine coming over to the Other Side. Why would you ever need traditional, badgering, 1950s-style marketing methods?

CHAPTER 2

Dominating Your Market by Easifying the Customer Decision Cycle

hope your mindset is shifting to the new perspective. It's something you can't just get intellectually. You almost have to feel it in your bones, with every fiber of your being.

- Customers are overloaded; they're too cynical to listen to marketers.
- Customers mostly want to talk to their friends and trusted advisers.
- Customers have dozens of new ways to talk to friends and advisers with social media.
- Customers have dozens of new ways of getting product information and recommendations: review/rating websites, recommendation engines, and so on.
- The new media are fragmented, so masses are hard to find or attract. That's why the mass media are dying.

All of this adds up to one thing: You have loads of information to give customers, but they don't want your help. They aren't listening to you touting your product! You don't need "better messages

that push their hot buttons.” You don’t need to “refine your message.” You need to stop talking *at*, start listening *to*, and then do something *for* your customers that will make them say (or text), “OMG!”

Here are some of those “stupid questions” I promised you. So, is marketing needed anymore? Is there any reason for marketers to show up at work? Why write marketing messages when most people aren’t listening? How do you persuade people who only want to talk to their friends? Answer: Indirectly, *through* their friends.

“Even those deaf to the bragging cries of the marketplace will listen to a friend.”

—Paddi Lund (arguably the world’s most successful dentist. . . . More about him later)

SECRET

Indirect communication through word of mouth has now moved from highly desirable to crucial—the central tool of marketing.

But word of mouth is just the tool. You need a strategy, a systematic, organized way of using the tool.

Your competitive advantage will be gained by understanding the one thing you can provide that they will listen to. (And the more overloaded and overwhelmed they are, the more they will welcome it.) It probably isn’t what you think.

What do overwhelmed, information overloaded, split-focused, multitasking people want most? Since you’re also an overloaded customer, let me ask, “What do *you* want most?”

Let me take a guess:

Relief

In the form of:

Simplicity, Ease, and Fun



SECRET

Overloaded people want Simplicity, Ease, and Fun. In the Age of Overload, the Simplifier is King.

Isn't it interesting that—in the English language, at least—there's a word for making things simple (“simplification” or “simplify”), but no word for making things easy or fun. So, I hereby coin the words, “Easification” or “Easify” and “Funification” or “Funify.”

The Function of Word of Mouth

Overloaded people are always on the lookout for something that will make things simpler and easier. Instead of studying all about a product and going through a difficult decision process that they may not have enough knowledge to do well, they ask someone else. They always have, but now it's so simple and easy that *it's their main method*.

Why not let someone who has the skills do something far more efficiently and competently than we can do ourselves—and at a fraction of the cost? It's called division of labor. It's the age-old breakthrough that made it possible for us to move out of caves and rise to a level of sophistication, civilization, and wealth.



SECRET

Word of mouth's function is simply division of labor in the decision process. That's the root of its appeal and power.

We go to known experts, trusted advisers, and knowledgeable friends to get unbiased and personally tailored recommendations. We thus avoid the work, discomfort, and information overload of making decisions that are difficult for us, but easy for them, given their knowledge and skill sets. Even if we are a peer in the area, we can still save a lot of time and effort by piggybacking on the knowledge and experience of others.



SECRET

Word of mouth is the most effective way of making decisions easier and simpler in an overwhelmingly difficult and complex world.

I know of no word-of-mouth experts who talk about this. Yet, its implications can make you a fortune. Everyone talks about the greater credibility and persuasiveness of word of mouth. This is so dazzling that it has blinded everyone to some things about word of mouth that are even more important.



SECRET

Word of mouth is, first and foremost, an experience-delivery system.

By asking other people what their experiences were with a product and by asking them for their recommendations, we can access a vast amount of *experience* without having to spend time, money, or effort—or take the risks that we would by doing it on our own.

So, we not only ask what product is best, but we ask, “What was your *experience*?” What should we watch out for and what tricks and tips should we follow? How can we best try it, fix it, and teach others to use it? Who has the best prices and delivery? Who is honest? All of this saves a tremendous amount of time. We could never function in the modern world without sharing experiences through word of mouth.

What Is Marketing?

Because the marketplace has changed so profoundly in the ways that I’ve described, most Old Marketing is obsolete. Marketing used to be about making people buy your product. You would harangue them, either individually or en masse, until they either bought the product or walked away.

It felt unclean and sleazy.

It’s time we took a bold, fresh look at marketing itself.

The Nobility of Marketing

First, let me stand up unashamedly and be counted: I love marketing. Marketing is a noble profession. It helps people meet their needs. It introduces people to products that enhance their lives, that increase their enjoyment and well-being, that make them safer and more competent, and that save them effort. Marketing presents satisfying products in ways that excite people.

Too many marketers have allowed themselves to become intimidated by those who would have us believe that marketing is disreputable, money is dirty, business is sleazy, persuasion is manipulative, and promotion is deceptive. I'm sick and tired of hearing that marketing is hype.

Unfortunately, however, the disdain with which some people view marketing is understandable. There *is* a tremendous amount of hype and manipulation. Too many marketers still view the marketplace narcissistically, from the perspective of their own companies and products, not from that of the customer. They *think* they are looking from the customer's point of view, but they are really just looking *at* the customer. They are like the person who looks like he is intently listening to you, but you realize he's just waiting for an opening to make his point.



SECRET

Realize that your product is a valuable gift to your customers and that you are providing the noble service of helping them see that value.

If it isn't true, either you need to do what it takes to make it true or you can go to work with this attitude:

Don't tell my mother I work in advertising. She thinks I play piano at the local whorehouse.

—Jock Elliott, chairman, Ogilvy & Mather Advertising, United States and International, 1965–1982

**SECRET**

Marketing is an illusion.

Marketing and selling are illusions. Customers can't be *sold* anything directly. Rather, they *buy* things. Between your selling and their buying, they "check out" your product. They talk to others, surf the web, or engage in some other word-of-mouth process that's usually invisible to you.

**SECRET**

You can only create the conditions under which customers are most likely to learn or buy. You can't "sell" directly.

This may sound like splitting hairs in a semantics class, but it's a very useful distinction.

When you realize that you can't sell your customer anything—you can only create the conditions under which they are likely to buy—your entire outlook changes. You see things from a new perspective with a different framework. You can now get out in front of the decision process, anticipate what the customer needs, and see a clear path toward a series of positive customer choices that lead to purchase of your product.

Marketing changes by moving away from pushing, pulling, persuading, seducing, cajoling, interrupting, bombarding, nagging, and shouting, which are all things that you do *to* people. When you focus instead on how best to create the conditions under which they are likely to *sell a product to themselves*, you shift from doing something *to* people to doing something *for* and *with* people: helping, aiding, guiding, and advising. This is a lot more satisfying.

Lending someone a helping hand feels a whole lot better to everyone involved than does pushing or pulling a person down the path.

And, it's so, so, so much more effective. More than you've ever dreamed.

Marketing is *not* the process by which companies create customer interest in products or services, as it's sometimes defined. That's the Old Marketing.

This definition has it backward. It should be: ***“Marketing is the process by which companies create products or services that get people interested.”***

As we'll see, “interested” means getting people involved in everything from scratching the itch of curiosity to active investigation, trial, purchase, learning, teaching, advising, and recommending and fanatically evangelizing.

You can't create involvement and interest directly. You can only *create the conditions* under which people will become involved. And you do that by creating product attributes, materials, and events that get customers interested, excited, then fanatical. That's why they're called “fans.”

Semantics? I don't think so.

Marketers who practice the Old Marketing tend to focus on their materials: their ads, packaging, logos, displays, brochures, websites, and so on. They're trying directly to make people do things. But you can't make anyone do anything unless you force or con them to do it.

The New Marketers are clearing the path to their doors. They're finding ways to produce products and services that customers and other influencers will sell for them, much less expensively and much more effectively. The New Marketing recognizes that people aren't listening very much to commercial communication—and it turns that into an advantage. Conventional word-of-mouth marketing is getting people to say good things about a product through a wide variety of channels. In fact, they've built up much of an entire industry around that naïve view of word of mouth. Word of mouth is so much more than the transmission of praise and positive recommendations. Yes, that could double your sales. But I'm looking for a *tenfold* increase.



SECRET

Word-of-mouth marketing isn't just about getting people to praise your product publicly.

Let's learn how to generate word of mouth in a systematic way, while your competition goes fishing for praise.

How You Fit into the New Marketing

You are in the perfect position to exercise the new function of marketing: making decisions easier for your customers. You know the lay of the land better than anyone else. You also have a better perspective on what it takes to find, learn about, sort out, try, buy, and use your product than anyone else. You know best how your product fits into the marketplace. In fact, you could be the best guide through the burdensome decision-making process.

In this Age of Overload, that's exactly what the customer needs. The raw information she can get elsewhere. But what information does she need, when? What's the sequence? What are the best sources of information from a customer's point of view?

You are in the best position to figure that out.

Prospects, tryers, customers, and evangelists need a guide through the flooded river of information the same way a Mississippi riverboat captain engages a guide to take him down the river. He doesn't give up control of the ship, but he accepts that someone else knows this particular stretch of river "like the back of his hand." He needs a guide.

What customers want is the best product they can get with the easiest decision-making process. This is a trade-off. They don't want such a simple decision-making process that much better products are overlooked. But they also don't want a decision-making process that involves protracted evaluation, requires lots of resources, and takes many years before the absolutely best product is selected, when any the better products serve purposes just as well.

Some of the information customers want directly from you, the marketer of the product, includes Comparison Charts, Decision Guides, Product Specs, Tutorials, Manuals, User Guides (not the same as manuals), Training Courses, identification of the most informed infomediaries, and information on finding ratings and reviews.

As we've seen, customers don't want certain information directly from you, particularly in areas where you are likely to be biased, don't know local conditions, don't know about specialized uses—in short, areas where truth and relevance are subject to interpretation and bias. So, you'll have to point them to independent sources—in other words, word-of-mouth sources.

Focused word of mouth from the right sources in the right sequence at the right level in the right form at the right pace is going to lead them through a very easy-to-make series of decisions, without wasting time, effort, and money.

You can guide the process and not just because that's what the customer is receptive to.



SECRET

Marketing is a service that you do *for* and *with* the customer, not *to* the customer. Like any service, its value is to be found at the intersection of what you can do best for the customer and what the customer needs most.



SECRET

In this, the Age of Overload, the service that marketing provides is to make the decision process easier for the customer, every step of the way.



SECRET

Your new function is decision easification, which means easing the burden of the decision process in this overloaded world.

There is another thing to consider: The best product does not always win; the easiest-to-decide on product wins. I believe that ***this is the biggest marketing breakthrough in the last several decades***. In fact, it's why

all the other breakthroughs work. Needs/benefits selling, the USP, product positioning, sampling, coupons, market segmentation, discounts, testimonials, malls, money-back guarantees and a dozen other developments all work so well because they make some aspect of the customer decision cycle *easier*.



SECRET

The product that wins is not always the “best” product. It’s the product that makes the product decisions smooth, easy, fun, and fast.



SECRET

The “Easy-to-Decide-on” product wins because customers tend to follow the path of least resistance.

For most things, there isn’t time these days to do anything else.



SECRET

Your job as a marketer is to make your product the “Easiest-to-Decide-on” product in its field.

Next, let’s analyze the word of mouth part of decision easification so that you can do most of what you need to do.

Decision Speed

F.W. Woolworth, the founder of the largest retail chain of its time, said, “I’m the world’s worst salesman. Therefore, I must make it easy to buy.”

If you think this is just old-fashioned theory, notice how many of the most successful enterprises and products have a staff obsessed with ease and simplicity. The ones that come to mind are Apple, Google, Amazon, and Bose.

Why are ease and simplicity so powerful? Because ease increases the speed of the decision cycle. And why is that important? Because increasing decision speed is the most effective way to increase sales revenue.

But isn't sales volume (as well as frequency and price) the best way to increase sales revenue? For decades, marketing gurus have pushed the idea that there are only four ways of increasing sales:

1. Increasing unit volume (i.e., more unit sales to new or existing customers)
2. More frequent purchases
3. Larger orders
4. Higher prices

In other words, to increase sales revenue, sell more stuff to more people more frequently at higher prices.

That's what every business school in the country teaches.

But it's wrong because it's incomplete.

Many years ago, I asked the "stupid" question, "Is there something more fundamental that increases sales?"

I discovered that there *is* a more fundamental way of increasing sales that makes the other four things happen almost automatically: ***increase decision velocity.***



SECRET

To increase unit volume, frequency of purchases, sizes of orders, and prices, *increase decision velocity.*

How Decision Speed Multiplies Sales

Even if people don't decide your brand is better—"Brand Choice" is the focus of almost all of marketing—even if people make whatever decision they're going to make about your product in significantly less time, you will accumulate customers at a much faster rate and become the market leader.

Accelerated decisions are in a different class from other marketing program adjustments. While most marketing changes, at best, provide incremental market share increases (typically 10 to 30 percent), faster decision cycles can improve market share by orders of magnitude. In other words, faster decision cycles can increase sales threefold to tenfold, or more, faster

Why Speed Equals Multiplied Sales

Suppose there are five similar products competing in a new category. All things being equal, they will each eventually capture a 20 percent market share. Say the decision cycle time for these products is approximately one year.

Now suppose you find a way to make several of the time-consuming steps in that decision cycle easier for your prospects, thereby cutting the decision time in half. What happens to your market share and those of your competitors?

Obviously, if your product achieves its expected one-year market share in six months, it will have effectively doubled the market window of opportunity, giving you the time and resources to capture another 20 percent market share in the remaining six months. This would give your product a 40 percent share at year's end, with the four other competitors sharing the remainder, at 15 percent each.

But that's not the whole story. When you cut the decision time in half, you not only get customers sooner, but you turn those customers into zealous advocates for your product before competitors have a similar opportunity. Why would your user endorsements be any better than those of your competitors? Because they are not only available sooner, but they are also the result of the extraordinary support that you provided to shorten the decision cycle in the first place!

With this kind of decision support, the first marketing months can generate such evangelism among early adopters that a 40 percent market share is almost certainly too conservative a goal. A more usual outcome is a 60 to 80 percent market share for your product, a 10 percent

share for product #2, with the others splitting the remainder. This isn't pie in the sky. Most marketers will recognize that this is the pattern for most product categories.

Take the example of the iPhone (which wasn't the first smart phone) and the iPad (which was the first viable tablet computer). The iPhone was easy to learn about (it was on every TV station) and also easy to learn to operate (in comparison to clumsy smart phones of their day) when you played with it in the Apple or AT&T stores. In fact, you had a feeling of competence right away. In addition, it was so easy to sign up for service and get one's phone number transferred, to decide on a simple plan, to modify through iTunes, which almost everybody was using by then because it made it so easy to organize their music, to buy apps, to get delivery (automatic), and to rave about it and demonstrate it to your friends. On the downside, it had a long list of disadvantages and deficiencies, which the technophiles were quick to point out, and was even disparaged and ridiculed in some quarters. In fact, many predicted (difficult to remember) its failure. But the negatives had little impact, because the iPhone made every choice, every step of the decision process ridiculously easy, especially for a highly technical product. It even made its operating system invisible: it has no menus, no stylus, and only one button! That's the *ease of use* that everyone thinks about. But it has also made the other steps easy: It's sold by a company (Apple) that you trust will treat you right and fix any problems.

And it's the same with the iPad.

Word of mouth is even overcoming the barriers to switching from PCs to Macs, the difficulties of which Apple doesn't fully understand, but its customers do: (1) The enormous pain of learning all of the small changes and improvements that technophiles love, but average users hate. (2) The disorienting nature of new structures and new terminology. (3) The new look—pretty but disorienting. The new terminology. The worry that they will do something terrible that will cause their system to “blow up.” (I'm not kidding.) Ordinary people have trouble with a new toaster.

Your Decision Easification System

To make decisions easier, think of every aspect of your marketing program not as marketing communication, but as a Decision Easification System for your customers and prospects. Make it into something that people will want to talk about every step of the way.

To turn marketing into a Decision Easification System:

- Make the benefits, claims, promises, and value propositions so surprisingly clear and compelling that people will talk about them.
- Make the product information so balanced, honest and credible that people are shocked into talking about them.
- Make open comparisons with the competition that are meaningful in the real world. Invite head-to-head comparisons. Openly show where the competition is better and where you're better. Such open comparisons will get people talking about how confident you are and how you have nothing to hide. Act as if the truth matters. That's in itself so rare that people will talk!
- Easify and funify the process so that people will want to invite their friends to do it also.
- Make sure that the trial can be interpreted, that the evaluation period before and after purchase is supported in a way that makes people feel competent and cared for. Then, they will trust you to treat their friends right.
- Make the guarantees so ironclad and generous that they know that you believe in your product so much that you are willing to take a big chance on customer satisfaction.
- Make sure that the testimonials about your product are informative and worth reading. Don't hide them on a separate web page, but sprinkle them across the decision process at just the places where information is needed.
- If a customer can say something, don't you say it! Did you know that under the right circumstances, customers will write your manuals and training materials, and even do the training?

- Make sure the delivery, training, support, and everything else along the path to evangelism is filled with pleasant surprises, not the kinds of “Gotcha’s” that many banks, rental car companies, and phone companies use to fleece their customers.

In other words, go down the decision path and turn every possible stumbling block into a pleasant surprise, a little victory for the customer.

If you do it authentically from your new marketing mindset that declares customers are your appreciated friends and that you’re helping one another out, people will not only talk, they will evangelize! (By “evangelize,” I mean “zealous, proactive advocacy.”)

That’s why Apple—which pleasantly surprises customers even with its packaging—has fans that non-Apple customers can only scratch their heads over. That’s why the lines for its new products make the evening news. It’s not just about the products, which are dazzling. It’s not just the ease of use at the user interface. It’s that whole user experience at every choice point in the decision process makes the customer feel that Apple is looking out for them.

If you take the systematic approach I’ve been advocating, you can do it too.

When customers have information that makes a decision easy, they make it quickly. When a company makes it easy for people to decide on its product, not only do they buy the product, they also feel gratitude and a sense of loyalty to the company that gave them the easy choice. Full, balanced information about a product or service—including clear product comparisons, guarantees, and a commitment to support, all provided in the right sequence—enhances the value of the product and gives it a competitive advantage. That advantage is often called “honesty.” Stated another way, the product with the easier decision-support system often has the competitive edge, even if the product considered apart from that system is not superior. The fact that it’s easy to decide on becomes an actual feature of the product.

Everyone knows that “ease-of-use” and “customer experience” are product attributes that override almost everything. In fact, they are *sub-categories*, parts of the overall “*decision experience*.”

Imagine what would happen if you easified *everything*!

You'd be the Apple, Google, or Amazon in your category.

Woolworth's famous, self-deprecating quote, "I'm the world's worst salesman. Therefore I must make it easy to buy," mentioned previously, isn't just theory. It's a fact of life for every product or service, whether it's a simple consumer packaged good or the most complex medical, industrial, financial, or agricultural product. If you make the decision easier, more prospects can select your product more quickly and with greater confidence. Overwhelming market dominance is often the result. Not just market share increases of 10, 25, or even 50 percent, but 10, 25, or 50 times the expected market share. For the very few who have discovered it, it's the best-kept secret weapon in marketing.

Sometimes a product comes along that is so obviously superior that it seems to "sell itself." Even then you could say that it sold itself because the decision was so easy. But most buying decisions take time and effort. If the information provided by the seller is inadequate, we must go searching on our own to make up the deficits. At best, the days, weeks, or months lost by those delays cause confusion (a form of decision friction) and thereby slow the product's growth, making it share the market with all its competitors. Your advantages get lost in the shuffle. These friction points accumulate, causing prospects to drop out of the decision cycle, and often spell disaster for the product's success.



SECRET

The adoption decisions are much too important to leave to the customer.

You need to structure the decision process for customers and guide them through the twists and turns. Without active guidance, they will falter, flounder, and drown in a sea of information (and misinformation).

The marketer can make the decision road a superhighway or a neglected, pothole-strewn back road. If the road smoothes the way for

prospects, the speed limit goes up. The result: enormous market-share gains. This makes decision acceleration through decision easification the most critical element on the road to market success.

How to Do It

Go to some of the better websites, such as Amazon or Zappos. These websites are not only giving information, they are *guiding* people through the decision process. This means that they have different tracks for beginners and experienced users, they offer comparison charts and rating sheets, and they make the information easy to understand. They are models of simplicity and relevance. They have case studies and genuinely useful information from customers. They have discussion groups, toll-free numbers to get questions answered, ways to download trial software, application examples and help, and examples from industries like yours. Yet, they aren't complicated. They appear simple and friendly to the customer. Most other sites overwhelm you with a tidal wave of information, presented from their point of view, not from the struggling customers' perspectives. There are no signposts, no organizational help, and no easification. You need to stop spending your money on making your website Flashy and start spending your money on making your website simple—a very difficult task.

Now we are ready to look at word of mouth in a whole new light.

Instead of focusing only on word of mouth as the most credible form of marketing, we are going to take a different approach.



SECRET

Approach word of mouth as the best tool we have to make every choice at every fork on the road toward becoming an evangelist for your product easier than the other choices. In broad terms, word of mouth is going to make your product easiest to find, learn about, select, try, buy, and rave about.

Cut Decision Time in Half

It's difficult for most marketers to believe that you can dramatically shorten the time through the decision cycle because *speed* can rarely be addressed directly. Easification and simplification are the processes by which speed is accelerated. Almost everyone knows that almost everything can be simplified and made easier, once they realize its importance and put their minds to it. Everyone who's been in a traffic jam knows that multiple barriers slow things down, and the slowdowns compound until the cars are at a standstill. They also know that when multiple barriers are removed after the road has been repaved, traffic flies over the newly smoothed road.

The overwhelming probability is that every single step on your customers' decision path is needlessly rough, complex, and strewn with potholes. But you don't see how hard it is for customers because you have "Expert Blindness," the extreme form of "Knowledge Blindness," which means knowing everything about your product except one thing: *what it's like to know nothing*.

I believe that every future marketer will be an expert on the product/service/idea decision process, particularly in how to make it easier. In fact, I predict that Decision Easification will become an entire industry. And remember, I predicted the rise of the word-of-mouth marketing industry.

I believe that that's what you need to focus on now.



SECRET

Your job as a marketer is to help your customers make the best possible decisions in the easiest possible way and to make sure that your product is exactly that—the best possible product that's the easiest to decide on.

My experience is that every step can be made simpler, easier, and more fun. This has a dramatically cumulative effect.

Look at it backward: 100,000 people are interested enough in your product to open an envelope, click on a website, make a phone call or look at it in a store. One hundred actually buy. What's happened?

(1) Some decided it was too much trouble to learn all the things they needed to know to decide. (2) Others couldn't understand the brochures. (3) Others couldn't be bothered finding and looking at alternatives. (4) Others were afraid to try for a variety of reasons. (5) Still others couldn't figure out where or how to buy it or how to explain it to friends, spouses, or approvers. (6) Others left it in its shrink wrap, afraid and unwilling or unmotivated to use it. (7) Others became frustrated and stopped using it. (8) Others couldn't teach their employees or others how to use it. (9) Others couldn't get it fixed when it broke. (10) Others couldn't spread the word because they couldn't explain it to beginners and didn't have suitable materials or demos.

That's ten very broad stages. There are actually *many* more. How many customers do you lose at each stage of the decision cycle? My experience is that the closing rate for major steps of the decision process are usually 10 to 50 percent, *at best*. In other words, you lose between 50 and 90 percent of your customers at each stage.

For instance:

100,000 people hear about your product.

(1) How many people who find out about a product became interested? Let's say a ridiculously generous 50%. You're down to 50,000 people.

(2) How many people who become interested in a product actually follow up to get more information? Let's assume 50 percent. 25,000 people.

(3) How many people who send for information or click on product information on a website read it? 12000

(4) How many understand the information? 6000

(5) How many are interested enough to compare it with other products? 3000

(6) How many are able to sort out the conflicting information provided by competitors? 1500.

(7) How many pick you above your competitors? 750

(8) How many actually try or read about trials? How many people who read the first chapter of a book online actually buy it? How many people who buy a book, for instance, actually read it? At a generous 50%, we're down to 375.

(9) How many actually buy the product? 188

(10) How many actually keep it? 47

(11) How many actually use it? 24

(12) How many are happy? 12

(13) How many are so happy they tell others? 6

If you lost 50 percent (an insanely overoptimistic conversion rate for each step) of 100,000 people at each of the stages in this example, in the end, you would have only 12 happy, paying customers, and only 6 talking about it! From 100,000 to 6 in only 13 steps of an oversimplified decision-making process example. Your product has more steps, and you're not going to get anything near 50% conversion.

But if you eliminated steps—even whole sections—of the decision path, straightened it out and made it smooth, effortless, and downhill, sales would increase exponentially.

For example, let's say you have a shampoo that is so good that once people use it, most love it and switch to it. So your problem, your bottleneck, is getting people to try it. Is there a way to make it easier to try than not to try? The "obvious" answer is "No." It's going to take effort to get them to try even a free sample shipped to their doors. But let's think beyond the obvious. Could it ever be easier to try it than not try it?

Yes. When they are standing naked in the shower of a hotel and your sample is the only one that's sitting there! That's what I mean by easy. It's the trial equivalent of one-click ordering, which is the poster child of easification, so much so that Amazon has patented it and fiercely defends its patent.

You can easify, simplify, and unify every step. Every step should be "1-Click™ Simple." If you start with the biggest barriers and bottlenecks, you'll get amazing results. We're going to concentrate here on how to do it with word of mouth, the most powerful tool of all.

Can you really cut the decision time in half? Isn't that unrealistic? Yes. My experience has shown that this is too conservative. Usually, you can cut decision time by way more than half when you precisely map the customers' decision processes, reduce decision friction, and remove the bottlenecks by concentrating on the word of mouth that will really move people to action.

Here follow some examples, but keep in mind that people who have used decision acceleration and word-of-mouth campaigns are understandably secretive about them. Word of mouth—especially intentionally caused word of mouth—is an amazingly powerful weapon that people want to keep secret. In fact, because some people fear that intentional word of mouth can reflect poorly on their products and hurt their credibility, I have had to disguise most of the examples in this book.

A CASE IN POINT

Physicians refrained from prescribing a major new drug because they were worried about well-founded dangers if the drug was not used properly. The product had actually killed nine people because physicians didn't take its safety precautions seriously enough. Talk about a major decision barrier with a low conversion rate! To overcome this, we got users of the product as well as experts, who had used the premarket and the marketed version, to talk about its safety. They also stressed its potential danger if not used properly. It turned out that although the risks were high if it wasn't used properly, it was easy to take precautions and make it totally safe. As a result, physicians stopped waiting for their colleagues to use it and jumped to get its benefits immediately. Because the safety precautions were easy to follow, sales skyrocketed more than 700 percent!

A CASE IN POINT

In another case, an industrial machine's purchase price was more than 30 percent higher than the competition, but the overall costs of ownership were

much lower. Why? Because it had fewer and less expensive repairs, was supported by extensive training, and the company neither undersold nor oversold its products. Still, people could not justify the initial expense to their bosses. Some insisted on waiting until the manufacturer got around to “doing a study,” which could have taken years. The company turned years into weeks by getting some of its most enthusiastic customers to make their own studies public and serve as references. They even prepared a slide show template and sample spreadsheets that their prospects could modify to present to their bosses.

Choosing a product is not a single decision; it’s a complex series of decisions, often an extended series. Some choices along the way can be fast and easy to make, but many require time, attention, and effort in gathering and verifying information, weighing options, testing and evaluating results, and persuading others. I call this time, attention, and effort “decision friction.” The process of deciding is slowed by each of these time-consuming bottlenecks and friction points.

If you can identify and minimize just a few of those decision bottlenecks for your customers, you can reduce their decision time by more than half, thereby multiplying the sales and market share of your product or service. As a marketing consultant, I’ve seen it happen for products and services of every description, whether the decision cycle for the product was measured in years, months, weeks, days, or minutes.

It’s the secret weapon that smaller companies can use to defeat much larger companies that have the resources and large agencies to build decision blocks that the small companies can eliminate.

A CASE IN POINT

A complicated piece of machinery required extensive research before a decision could be reached to buy it; the process usually took approximately six months. The product then needed to be compared to the alternatives, which also took months. Then it had to be tried, which took about a year. Then it had to be rolled out gradually, with training. Another year. But the entire process was compressed

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into about eight weeks by holding a seminar/training program, followed by audio teleconferences. The decision makers were given the material (including the competitors') that would have taken them months to find, shown how to evaluate it, given extensive competitive materials, and encouraged to try one against the other—all in a carefully structured trial that kept several prospects in touch with each other and with customers, with a link to third-party experts. This word of mouth, applied to several critical bottlenecks in the decision process, cut the decision time by multiples, while at the same time showing that the company had nothing to hide.



CHAPTER 3

How to Use Word of Mouth to Easify the Decision Process

Word of mouth is one of those things that everybody thinks they understand, yet they soon realize that they are each talking about a different part of the elephant. Here's the bottom line: Not long ago, word of mouth meant oral communication. Then, the world got complicated.

I define word of mouth as “the exchange of information about a product or service among people who are independent of the producer.” Central to the concept of word of mouth is the idea that the producer of the product does not control the information, which is, accordingly, presumed to be more free of bias, more relevant, more complete, more trustworthy, and thus more accurate than commercial information.

Commercial communication or advocacy, such as advertising, is, in contrast, information from a source that has a vested interest in presenting the information in a particular way. Word of mouth and traditional advertising may both be considered forms of advocacy, but word of mouth is relatively free of vested interest and, therefore, bias.

These communications can be conversations or one-way testimonials. They can be live or recorded. They can be in person, by telephone, by email, on a blog, or by any other means of communication. They can be one-to-one, one-to-many (broadcast), or group discussions. But, the essential element is that they are from or among people who are perceived to have little commercial vested interest in persuading someone else to use the product—and therefore no particular incentive to distort the truth in favor of the product or service.

Word-of-mouth *marketing* is the deliberate attempt to encourage and facilitate the transmission of the above third-party communication. As we'll see, there are many different forms of word of mouth, from many different sources, delivered over many different kinds of media. There is even nonhuman word of mouth, such as recommendation engines!

In addition, there are an overwhelming number of word-of-mouth marketing strategies. If you approach them concretely, you will get overwhelmed. By identifying the key properties, or “Secrets” as I use the term throughout this book, it will become simple.

Property 1. Word of Mouth's Megapower

Just How Powerful Is Word of Mouth?

In 1775, as friction between the American colonies and England increased, a 48-page “treasonous” (according to British law) pamphlet with the working title, *Plain Truth*, was “Written by an Englishman” in support of independence. On January 10, 1776, the anonymous pamphlet was published first in Philadelphia. It sold what is variously estimated to be approximately 300,000 to 500,000 copies in its first three months, going through thirty-five editions in its first year. It couldn't be printed fast enough in several cities at the same time. Relative to the colonial population of less than 3,000,000, *Plain Truth* was proportionately the largest selling and most widely circulated book in American history. Excerpts published in newspapers were discussed and widely debated. Not everyone in the colonies favored independence from England.

Published as *Common Sense*,¹ its author, Thomas Paine, was quickly identified, but he was not well known. He had emigrated to the colonies from England and arrived in Philadelphia on November 30, 1774, sick with fever and with no more in his pockets than a few shillings and a letter of introduction from Benjamin Franklin, who considered Paine “a worthy young man” fit perhaps for a “clerk, or assistant tutor in a school, or assistant surveyor.”

Paine took a job with a printer.

As novelist Howard Fast wrote, “One of Thomas Paine’s great gifts was a sensitivity to currents of thought and action already present among the people. He could take the inchoate longings and aspirations of an inarticulate mass and make these beginnings whole and marvelously articulate. The superstructure of scholarship and experience upon his own poverty-defined beginnings enabled him to talk to plain and often barely literate people, to expound the most complex of political ideas in straightforward, understandable, and dramatic language. He did this without writing down; he simplified by going directly to the heart of the matter, to the crux of the issue, not by writing in Pidgin English.”

Common Sense, an unsigned work from an unknown author, sparked a word-of-mouth campaign that changed history. There was no Internet, no email, no telephone, no texting, no free eBooks. You can download it now as a free PDF file that’s better than a lot of marketing textbooks if you read between the lines. In those days, you had to pay for it and read it in hard copy or have it read to you if you were among the many who couldn’t read.

Yet some historians credit it with summarizing, in simple terms, the thinking of the supporters of independence in the divided Second Continental Congress, which was meeting at the time. (Thomas Paine was not a delegate.) *Common Sense* galvanized the less educated populace to understand and support the principles of the Declaration of Independence.

It’s hard to appreciate how radical these ideas were at the time, but they were never before tried: Small government severely limited by the consent of the governed; enumerated powers with unenumerated pow-

ers left to the states and the people; individual rights that weren't granted by the government, but resided naturally in everyone; self-sufficiency, freedom of speech, of the press and from the imposition of a state religion; co-equal, divided government, with no monarch, and many others. These ideas were radical changes.

It's certainly among the most persuasive documents ever written, judging by its success in changing minds, giving direction to vague aspirations, getting the "common man" to participate in the dialogue, and launching a word-of-mouth frenzy that got people to risk their lives.

Now, you can come to the conclusion that he just summarized the *zeitgeist*, the prevailing spirit and ideas of his more revolutionary contemporaries, in a way that gave voice to it. But, as someone once said (variously attributed), "A conclusion is the place where you got tired of thinking."

We will learn a lot of secrets of word-of-mouth marketing from what happened on the heels of *Common Sense*. And, much of it is contrary to conventional wisdom.

Here are some of them.

Before people "buy" your product, your product has to embody an idea that sets it apart. Then, people have to "buy" the *idea* of your product. What if you could write something or say something or embody in a YouTube video a message that could galvanize people to "buy" your set of ideas? What if you could write, or get someone else to write, something as powerful as *Common Sense*, but in your domain?

The good news is that *you can*. The even better news is that you don't have to. Your customers will do it for you, just as Thomas Paine did for the Continental Congress. He was not a member of that Congress. He was just another citizen, i.e., "customer." After all, he sold not only an idea, but a dangerous one that could get people hanged. Because, you see, his was one of the first pieces of Customer Generated Media, one that "Went Viral" (in today's terminology) and changed the world.

In 1791 and 1792, after he returned to England, he did it again. Paine published a two-part pamphlet in support of the French Revolution, called *The Rights of Man*. People pooled their money to buy it. It

became an underground sensation, a manifesto that was passed from hand to hand even though its possession was a crime in England. In fact, its possession was often used as evidence in treason trials. It earned Paine a death sentence in England, but he fled to France, never to return.

What lessons can we extrapolate from the story of Tom Paine:

1. “It’s not what you know, it’s who you know” is a mindless and simplistic load of bunk. It’s what you know, how you say it, at what level and in what sequence you say it, when you say it, and to whom you say it, even if they don’t know—or care—who you are or who your “fans” or “friends” are.
2. You probably can’t speak the language of your customers—not the way they speak it nor at their level. Neither can your ad agency. You give customers too much irrelevant information that you mistakenly think they need and not enough information about what you think is so obvious it doesn’t need explaining.
3. I guarantee that there are people out there who—like Tom Paine—can articulate the most dry, abstract, difficult, and complex ideas simply and passionately in a way that resonates in the hearts and minds of everyone. There are even flight attendants who can get you to listen to the safety announcements, until they get caught by their airline’s executives. I personally saw it happen. Twice. On Eastern Airlines, now long out of business, until they get caught and are forced back into mediocrity.

Poetic License Versus Word of Mouth

Paul Revere was not the only rider sent out to warn of the British attack. Another was William Dawes, whose mission was to warn John Hancock and Samuel Adams that they were in imminent danger of arrest by the British. Thus, Malcolm Gladwell’s description of the parallel rides of Paul Revere and William Dawes in *Tipping Point*,² which alleges that Dawes failed and was ignored because he wasn’t a famous “Connector”

is, at best, questionable. And, it wasn't that he didn't know whose doors to knock on. That wasn't his mission. There were many riders, most unknown, all personified into Paul Revere in Longfellow's historically inaccurate poem.

This poetic license on the part of Longfellow sparks our imagination, but it doesn't illuminate our understanding. If Dawes's mission had been to knock on doors, he only needed to alert a few homes in each town, as everyone would have known which neighbors to contact. If Dawes had failed, it would have been because he was not believable for a variety of reasons, but fame and connectivity would not be among them. He was actually very believable, and he accomplished his mission, even evading a British patrol with considerable cleverness through a daring ruse.³

If your message is as powerful as "The British Are Coming," believe me, your message will be heard and it will spread explosively, too, without special connector-type people.

The Power of Word of Mouth

Word of mouth is much more powerful than even the experts think it is.

Everyone realizes that word of mouth is the most powerful force in the marketplace, but almost no one realizes just how powerful it really is. Consider the following scenarios.

All the critics love a particular movie, but the first wave of moviegoers hates it. Who wins?

Apple keeps winning over Microsoft in new product introductions, with a fraction of the "marketing muscle."

Little upstarts called Amazon and Dell defeated established, fabulous companies that had 100 times the marketing budgets.

On several occasions, I gathered a very small band of medical experts (in one case only one expert) to promote the products of small pharmaceutical companies, and we defeated the products of companies that had sales forces two to ten times the size.

My Proof of Word-of-Mouth's Power

The average person is exposed to approximately 200 to 1,000 non-word-of-mouth communications each day in the form of television commercials; print ads; radio commercials; product packaging; billboards on buses, subways, roads, and buildings; phone calls; emails; blogs; phone app and browser banner ads; company newsletters; direct mail pieces; salespeople; Internet banners; brochures; airplane streamers; and blimps. If we read only a couple of magazines or newspapers or browse the web for a half hour, we may be exposed to hundreds of ads. A walk through the supermarket or mall exposes us to many thousands more.

Just how many of these ads do people actually *respond* to? Most people respond to a commercial communication once every few days, if that. That's once in *several thousand* exposures. And, the response is rarely to purchase. It's usually just to get more information.

Actually, 1,000 exposures a day is a very conservative estimate. (The consensus among researchers is approximately 3,500, alternating days at the mall and supermarket with days at the beach, but I find that people don't believe it.) So let's say 1,000. If you respond once every four days, that's one action per 4,000 exposures, by conservative estimate.

Now imagine that a friend calls you up to rave about a movie, book, or other product. You are likely to take her recommendation. You may not take *every* recommendation, but you'll probably take, on average, from one out of two to one out of five.

So, on the one hand, we have conventional marketing with one action out of 4,000 exposures. On the other hand we have word of mouth, with one action out of let's say an average of two, assuming a very good friend or trusted adviser. So, we have a ratio of 4000:2, which means that word of mouth is 2,000 times more likely to move someone, even using very conservative estimates.

Please don't focus on the actual numbers. Rather, look at the relative orders of magnitude. Go up a level of abstraction and get the idea

that a friend is at the least thousands of times as believable as a used car salesman.

In other words, customers are thousands of times more likely to act on a recommendation of a friend, colleague, or trusted adviser than they are to a commercial communication. And this action is often to make a purchase, not just to get more information!

That's why, in my examples above, an expert or two can defeat an army of salespeople. If David has experts (and word of mouth) on his side, he has the advantage over Goliath. He has the clout. Size doesn't matter.

Reminder: What makes us listen to friends and advisers is more than credibility and trust, which provide the truth. It's the tailor-made delivery of experience and the customized answers to questions that provide *relevance*, which is just as important. And, in the Age of Overload, *relevance is as important as truth*.



SECRET

Word of mouth is thousands of times more powerful than conventional marketing.

When I went through the little mathematical exercise above and realized the power of word-of-mouth marketing—although I'm not suggesting that the events are comparable in importance—I knew what Enrico Fermi felt like when he and his colleagues had achieved the first controlled nuclear reaction. He described staying up all night in awe that nothing would ever be the same, asking, "What have we done?" When I completed my mathematical exercise, I also stayed up most of the night in awe of the knowledge that mankind would never be the same. I knew, in that instant, that as soon as people realized that word of mouth is actually 1000 to 5000 times as powerful as the rest of marketing combined, and that it, too, could be controlled and harnessed, everything would change. It has.

Now, we're going to look at a property of word of mouth that's just as amazing as its power: its speed and the mythology about how it spreads.

Property 2. The Speed of Word of Mouth

Okay, so word of mouth is thousands of times as powerful as conventional marketing. That would make no difference if people were isolated and not talking to one another.

How is it that Facebook, as of the summer of 2010, signed up *half a billion* people in only six years? This on a planet of approximately 6.8 billion people, billions of whom have no Internet or mobile phones. Similarly, what accounts for the fantastic growth of Twitter, eBay, PayPal, Amazon, and similar sites?

The answer is word of mouth. So, how fast can word of mouth spread, what determines its speed, and what can we do about it? Most marketers don't have a clue, so their time estimations are way off—sometimes too high, sometimes too low.

The Viral Marketing Myth: Mea Culpa

Our understanding was helped somewhat by comparing the spread of ideas to the spread of infectious diseases, specifically viruses.

Until word-of-mouth marketing, all marketers knew that advertising, salespeople, and the rest of traditional marketing based on the broadcast model increased exposure of their product or service arithmetically. If 1,000 people a day were exposed to the product, after 22 days, 22,000 people would have been exposed. Exposure was, and still is, measured in cost per 1,000.

Richard Dawkins,⁴ Malcolm Gladwell,² Seth Godin,⁵ myself, and many others popularized the idea that word of mouth spread new ideas like a viral epidemic. It seemed to explain the sudden, often overnight, spread of ideas. It caused a paradigm shift.

Here's how we thought it worked: "Carriers" are at relative equilibrium, with about as many people getting "infected" as recovering from the disease. So, let's say 1,000 people have the flu. They come in contact with 100 people a day, but they because they don't touch or sneeze on all of them, they infect only 1%. So, another 1,000 people come down

with the flu, which runs its course with the original 1,000, who are now cured (or dead) and cease to infect anybody else. However, the disease then finds its way to a denser or faster moving population. As a result, people are coming in contact with 200 people a day, so the spread of the infection increases to 2%. Now 1,000 people infect 2000 people, who infect 4,000 people, and so on. At that rate, if you do the arithmetic, the whole world will be infected in 22.5 days. At only a 2% infection rate!

It turns out that 75 percent of the world's population would become infected on just the last two days! Even more amazing, on the last day, as many people will be infected as on all of the preceding days put together. So, at the end, the spread of the disease appears explosive, as though it came from nowhere. Thus, an increase in the rate of infection from one to two percent can cause an infection to go from little growth to worldwide impact in 22 days! This leads us to believe, by analogy, that if you can get people to spread the word just a little more, the message will spread like a virus and take over the world. This idea of "Ideaviruses" reaching "Tipping Points" and spreading like infections was very compelling. This idea itself "went viral" and infected (actually poisoned) our thinking.

It obviously seemed to solve the mystery behind a common phenomenon of modern life. It fit the narrative. It explained the sudden adoption of ideas, trends, products, practices, and news that seemed increasingly to come out of nowhere to suddenly appear everywhere. The idea of the exponential, or geometric, growth model, and its relatively low initial numbers that seem to explode at the end of the cycle seemed oddly compelling. It would certainly seem to explain what is happening.

In fact, it's a pretty powerful fantasy. As my friend Bill Cope used to say, "It's approximately true." In other words, it's false.

The word of mouth pioneers—myself included—almost got it right (which is a nice way of saying we were wrong). Looking back on that heady period, I now realize that we were held hostage to our own viral metaphor. If we escape from the trap of thinking of word of mouth as spreading like a viral infection, we will unlock some pretty

amazing secrets that will take us to the next level, much to our practical advantage.

My Advanced Experimental Design professor, Herbert Birch, MD, PhD, used to say, “Unless you understand the underlying mechanisms, you will think the light switch turns on the lights. It does not. The light is produced by the heat produced by the resistance to the electricity flowing through the filament. The switch doesn’t turn it on or off. It just breaks that circuit or recompletes it. Look for the mechanisms underneath what you’re seeing.”

The virus is like the light switch. It’s just a metaphor for a mathematical pattern, exponential growth—one that makes the pattern real to us. I thought it was a pretty compelling metaphor at the time. Most marketers still do.

So, let’s try to look at several issues here. How fast does word of mouth spread? How fast *can* it spread? By what mechanisms and patterns does it spread? Where does the viral analogy break down and obscure our understanding? How can we trigger word of mouth? How can we slow it down when it’s undesirable, or speed it up to our advantage? What can we do to intervene? (That last one is the purpose of all books on word-of-mouth marketing, indeed, the whole word-of-mouth industry.)

First, the Pattern

Consider the following.

Step 1: 1,000 people hear about a Cool New Thing.

Step 2: Each, in turn, tells 25 other people. Now, we’re up to 25,000, plus the original 1,000.

Let’s make it real. These aren’t viruses, after all; these are people and ideas.

Nor is this higher mathematics. If even I can understand it, you can follow along. We know that sneezing does not spread word of the Cool New Thing, so we must ask: Who are these people and whom have they called, texted, Tweeted, emailed, or buttonholed at work or at school to discuss the Cool New Thing?

First, the initial thousand are probably an assortment of people who are at the front of the adoption curve. They are the innovators and early adopters. Some are probably *influentials* whom the company spent a lot of money identifying. But others are slower to adopt; they are the people who just happened to hear about the Cool New Thing by accident. Maybe it was shown to them by their daughter's boyfriend or a seat-mate in an airplane or the aunt of an employee who came to dinner. Still others are experts, mavens, infomediaries, newsies, and people with very large numbers of so-called "friends" on Facebook and Twitter. Others are neither plugged in nor particularly influential. These days, even a hermit (perhaps especially a hermit?) has 25 people he wants to email or Twitter about the Cool New Thing. Everyone focuses on these initial 1,000 transmitters. But there isn't a lot to learn from them except their variety.

Let's look at the 25 people *they each tell* about the Cool New Thing. Now, first of all, 25 is not a lot of people. Who are these 25 people? This is important. They aren't random, as are viruses. These are people. They are the people whom the original people *chose* to tell about the Cool New Thing. No disputing that.

"Why that person and why that product?," you ask. You know just as well as I do because you do it all the time. They've made two choices here.

1. The product is Cool enough and New enough to tell people about.
2. The particular person is someone who should hear about it.

Set aside for a moment how something crosses the "cool-enough-to-talk-about" threshold. The original people are going to tell people with whom there is a "fit." Whom would you tell? People who would benefit from hearing about the Cool New Thing and who would probably appreciate hearing about it. People who may benefit from your natural inclination to be helpful to others; people who will think all the better of you for having told them; and—I think most important—people for

whom the act of telling them will make you feel good about yourself. You're not going to share your new information with people who have no use or appreciation for it, people about whom you don't care or people who won't appreciate your informational generosity.

I'm trying to make as real as possible the obvious "Secret" here: you share with people for whom the information is relevant and who will appreciate your telling them. And, you don't share with people for whom the information is irrelevant, unless you're a crashing bore.

Okay, so there is a good match between the Cool New Thing and the handpicked 25,000 people who hear about it. In fact, the match is probably a little better than it was for the original 1,000, who found out about it accidentally, randomly, or impersonally.

So, now you have 25,000 people who are probably a little more interested and excited than the original 1,000. They have a better understanding and appreciation of the Cool New Thing. They're likely more knowledgeable. It will benefit them more, so there are more emotions around it, more excitement, admiration, and amazement.

The result: their message about the Cool New Thing is probably more articulate and emotionally engaging than the original message they received.

So the old game of "telephone" (AKA "Whisper Down the Lane") you may have played in psychology class or with your friends taught you something that was misleading. You played it with an inconsequential message that was needlessly detailed. The message disintegrates when it's a meaningless rumor. But when it has focused, simple, relevant, involving content that the person is interested in getting right, the receiver asks questions actively. In "Whisper Down the Lane," people are passive.

So, the content of the information tends to build in quantity and quality and is expressed more articulately, emotionally, and enthusiastically. It reaches and is spread by people who care about the content. Now, what's going to happen? These people are probably going to tell more than 25 other people and tell it more clearly, more meaningfully, more passionately, and more persuasively.

**SECRET**

The quality, relevance, and enthusiasm of the information passed on through word of mouth can, under some conditions, actually improve through successive iterations of transmission. In addition, the ability of people to transmit it to the right people often improves.

**SECRET**

Word of mouth is what I like to call a self-improving system. Treasure it. There aren't too many in this world.

Here's what happens next in our quality and quantity journey,

Step 3: Now suppose each of these people pass the information to 50 people, on average. Don't forget, they are much more motivated to do so. They will embellish and improve the message, perhaps adding video. Certainly they will apply their own accumulated experiences, thereby offering more than abstract facts.

Do they know a large enough number of people to select 50 for whom the message is most relevant? Of course they do. These are the people at work or at their special interest clubs, who are reading comments on websites, in their schools, from their email contacts, on their forum, and so on. None of them are hermits. Maybe they spread the word by writing articles in their association's newsletter or on a blog or other news sources. When we say these 50 are self-selected, it means that they respond to a headline because they see *Cool New Thing does awesome stuff* in the headline. They're really jazzed. They're abuzz. Maybe they're frenzied, like people outside an Apple store the day of a new iCoolNewThing launch, reinforcing one another's enthusiasm. (Full disclosure: I've done this twice. Embarrassing, but true.)

Those 25,000 people have now each told 50 people. Wait, while I get out my calculator. That can't be right, but wow, it is. The improved message has now reached 1,250,000 *handpicked* people in only three steps.

Step 4: If these 1,250,000 improve it and each pass it along to 75 people, the total number of people who have now received the message is 62,000,000.

Step 5: If these 62,000,000 spread it to 100 people each, the total is now a staggering 6,250,000,000.

This is more than the adult population of the world!!!

A more accurate metaphor to word of mouth than viral growth is the exponential growth of a nuclear chain reaction. Both word of mouth and a nuclear chain reaction need to start with the right conditions, that is highly refined fissionable material. They need critical mass, sufficient density, and a jump start. Both have an *accelerating* growth rate and are self-sustaining reactions that feed on themselves. Both have growing energy, change form in the process, and permanently alter things. If not, it's a dud.



SECRET

Word of mouth isn't like a virus and doesn't spread like one. It's a nuclear explosion or a dud.

I know that there are several false assumptions made for the purposes of easification. But, when you take them into account, it strengthens the case.

In fact, one person will tend to get many different exposures to the same message, from many different perspectives, and from many different people. It's not like the same advertisement repeated endlessly as it interrupts her favorite TV program. So, a lot of people hear all of their friends raving about their experiences with the Cool New Thing or see it being used (the most persuasive way of "telling" someone about a product, since actions speak louder than words.) When multiple friends pile on the message, people are tens of multiples more likely to purchase. That's why the Zune never had a chance against the iPod, even if it had been well designed. iPads, iPhones, iWhatever's are Apple's to lose, not for another company to take away.

Adding a Killer Ingredient: Network Effects

“Network effects” is a term in economics. It means that some things are made more valuable if more and more people use them. Not that the items have more uses, but rather that more people are using them.

For example, your neighborhood park is made *less* valuable as it becomes more and more crowded. But some things become *more* valuable. I learned of this effect firsthand around 1975 when I purchased our company’s first fax machine, the “Xerox Facsimile Telecopier.” Although it was an unwieldy, rotating drum that enabled the transmission of low-quality copies of documents, it made projects so much easier. A client made us get the machine, and it made our workflow so much more efficient that we practically required our clients to get it. The point here is that it’s of no use unless both parties have one. And, it’s so valuable that you want everyone else to get one. That, in turn, increases its value to you. So, you have a strong motivation to “push” its adoption. This isn’t just a Cool New Thing that you’d like other people to have, a situation where it may make no difference to you if they get it. This is a case where if they get it, your life (and theirs) is improved.

It doesn’t do me any good if I throw an auction and nobody comes. So, I’m going to tell everyone who’ll listen about eBay, and I’ll even help them sign up. The same is true about PayPal, LinkedIn, Twitter, Facebook, email, blogs, and the next twenty things that manage to build in network effects.

That’s the Network Effect. It’s now called the “Viral Feedback Loop,” newly discovered by the technology sector, but it’s been known for a long time. So, now we have word of mouth passing along information selectively in a highly motivated manner.

So, mathematically, we have something that appears to be more powerful than exponential growth, which is a population multiplying by a constant factor. We have a multiplying factor that is increasing, maybe even multiplying *itself*. I don’t know if there is a mathematical name for this phenomenon; non-mathematicians call it an *explosion*.

Even if I'm wrong and it's "only" an exponential growth rate, it's still amazing. I prepared Table 3-1 when I believed the growth rate was exponential. It always gets audible gasps. And, this is *underestimating* the rate. Table 3-1 shows the results of 25 people telling 25 different people, who do the same, in turn, six times. Here's the result

Table 3-1
Exponential Growth Rate

1st Wave	25 people tell 25 each =	625	Neighborhood
2nd Wave	$625 \times 25 =$	15,625	Town
3rd Wave	$15,625 \times 25 =$	390,625	City
4th Wave	$390,625 \times 25 =$	9,765,625	NY City
5th Wave	$9,765,625 \times 25 =$	244,140,625	Approximate U.S. adult population
6th Wave	$244,140,625 \times 25 =$	6,103,515,625	Approximate world population

From 25 people to the entire world in six steps! As we'll see, people have a much higher talking and listening threshold, so information spreads faster than viruses. If they do not think something is worth talking about, they talk about something else. Economic theory is something I like to talk about, but teenage girls like to talk about clothes and boys. There's little danger of any of my memes infecting them. But try to stop each of them from texting 100 people a day about the latest clothing fad, with videos included.

So, word of mouth tends to be either explosive or unworthy of conversation. If it doesn't explode, it will likely fizzle. Given the table above, in which the 25-people multiplier is probably a serious underestimation, the recently reverified "six degrees of separation" shouldn't be a surprise. You really can get from just about any person to any other person on the planet in six steps or less.

Therefore, let's stop using the term "to go viral" as a synonym for "runaway word of mouth."

What This Means

Realize what it means for you to have something in your hands that is potentially more than a thousand times as powerful as the rest of marketing put together. Word of mouth spreads explosively under its own highly motivated power and becomes progressively more potent. This is as different from conventional marketing as dynamite, measured in tons, versus nuclear power, measured in megatons. This means that:

- One or two experts can negate the power of your much larger competitor's entire sales force, without you even having a sales force.
- One celebrity endorsement can invalidate all of your competitors' advertising.
- A few enthusiastic evangelists for the product of a tiny company can come up with a YouTube video and other materials and events that are more effective and thousands of times larger than the advertising of the top three automakers.

Apple can win against Microsoft. Amazon can win against Barnes & Noble, Waldenbooks, and Borders combined. Little Toyota, with its silly name, can become larger and more profitable than GM, Ford, and Chrysler. Then, hobbled by its own complexity, significant, profitable parts can be picked off by smaller companies like Hyundai. Or, it can get so big that it becomes unresponsive to customer complaints and gets into the recall trouble it had in 2009, saved by the word of mouth of its loyal customers.

Property 3. Independent Credibility

If you ask most people why word of mouth is so powerful, they will tell you that it's because of its objective, independent, "no ax to grind," and "no vested interest" nature. Why is that so important? Because a decision maker is more likely to get the whole, undistorted truth from an

independent third party than from someone who has a vested interest in promoting the company point of view. It is this credibility that gives word of mouth much of its power.

But this also explains why word of mouth is often negative. When people ask someone about a product, they are likely to ask, “Have you had any trouble with X?” They know that they are likely to get a straight answer from an independent source.

Another reason that word of mouth is often negative is that people are three to ten times more likely to tell others about a negative experience than a positive one. Many studies have shown that a satisfied customer is likely to tell approximately three people about a product, whereas a dissatisfied customer is likely to tell approximately eleven people. This is often because the positive experiences are expected and soon forgotten, but the unresolved negatives get people angry and frustrated, provoking word of mouth. Studies have also shown that unexpected extraordinary service also causes strong positive word of mouth. In fact, some of the strongest and most frequent word of mouth is caused when dissatisfied customers are turned around by an extraordinary response to their expression of dissatisfaction.

So, as we have seen, word of mouth can be a powerful positive force because of its credibility, but it can also be destructive because of its negativity.

Property 4. The Hidden Advantage of Word of Mouth: Experience Delivery



SECRET

Experience delivery is the most powerful property of word of mouth.

Experience delivery is the key to most of the power of word of mouth and the key to channeling word of mouth in the right direction.

It is truly a secret of word-of-mouth marketing, since, to my knowledge, no one has ever identified this as the central reason for word of mouth's power. Why? Because they are so focused on its credibility and viral nature.

When a person is deliberating about purchasing a product, he reaches a point where he wants to try the product. Ideally, he wants to get low-risk, real-world experience using the product. Up until then, everything is informational, abstract, and somewhat removed from the real world. He has to know how the product “actually works in the real world.” In other words, he needs *experience*.

There are only two ways to get experience: directly or indirectly. Now you would think that direct experience—actually trying the product—is the best teacher, but it is often the most costly in time, money, and risk of failure. In addition, most people don't have the resources to try new products fully in a large number of situations. So the sample—or “experience pool”—might not be big enough.

For instance, when I'm buying a new car, I find that all models feel as if they handle great. I don't know what to look for. I'm not a car expert. I have no idea what I'm “trying.” The experience gathering is not only useless; it sets up decision barriers: confusion, uncertainty, doubt, feeling like an idiot, etc. Tire kicking is notoriously counterproductive. Testing a camera, however, is an entirely different experience, because I'm at a professional level. I can feel and hear the differences in quality. I know what button combinations are going to be clumsy in a real shooting environment. I know what the features mean, and which ones are important to me. I know which deficiencies I can live with and which ones I can't.

For cars, I have to rely on others who are tuned into inexperienced consumers like me (aka, “dummies”) to interpret the experience. They can broaden my experience in a meaningful way.

Indirect Experience



SECRET

Indirect experience—that is, hearing about other people's experience—is actually much better than direct experience in many ways.

With indirect experience, someone else is footing the bill and spending the time. You can pool the experience of several people to have a greater sample. If the trial fizzles, their reputations are damaged, not yours. All in all, vicarious experience is often a safer, better deal.

This sharing of risk—talking with others about the product, comparing experiences, and helping one another sort it all out—is the most powerful form of this most powerful marketing force. It happens at the point of maximum involvement, just when people are trying the product, just when they are making their most crucial decisions about the product: What else should I try? Will it work in my situation? Should I make a major commitment here? How should I interpret any negative experiences?



SECRET

What gives word of mouth most of its power is the fact that it is an experience-delivery mechanism. And it is successful experience that triggers full adoption behavior more than anything else.

Another way of saying this is that a lack of positive experience with a product is usually the single greatest factor holding it back from greater and faster acceptance. The faster you deliver that experience, the faster people will feel comfortable enough to adopt of your product.

A CASE IN POINT

Let's say a new drug is approved for sale in a given country. It holds considerable promise for alleviating the symptoms of a disease. Physicians read the

studies and talk to the salespeople from the drug company. That's how they know the drug holds promise. But drugs often work out very differently in real-world conditions than they do in scientific studies. So, how do physicians know how it will work in actual practice? They try it on a few refractory patients who haven't responded well to existing drugs. These, of course, are the patients on whom the drug is least likely to be effective, but it is easiest to justify trial in these cases. ("I was justified in trying it because everything else failed.") Suppose that after trying a new drug on five of these "refractory patients," one gets better, one stays the same, one gets worse, one has other possibly unrelated complications, and one moves to Florida. This is a very common mixed-results outcome in the real world. These results are not interpretable by the individual physician, so physicians have to wait for five more patients in low-risk situations on whom to try the drug. This usually goes on for years, until enough word of mouth accumulates for physicians to be able to talk among themselves and share success stories, tips, and suggestions for coping with problems and gradually piece together the picture. This expands the "experience pool" enough to enable physicians to form reliable opinions. Then, and only then—often after a few years have elapsed—the chain reaction reaches critical mass and explodes into enough word of mouth to cause the drug to go rapidly to full usage, sometimes in a matter of months.

The pattern of product acceptance seen in this example is similar for most business-to-business, industrial, high-tech, and professional products. It even holds true for many consumer products, especially ones that are not easily tried or that are costly or risky to try. The time frame and other details may be different, but what is the same is that the time it takes to accumulate enough favorable experience—and to communicate that experience—to make a reasonable decision that determines a product's success and the speed with which it is accepted. It is the content, speed, and sources of word of mouth that mediate the process and act as the accelerator or the brake on the speed of adoption.



SECRET

The quicker people can get experience under their belts, the quicker they will adopt the product. Word of mouth determines the speed of experience gathering. Therefore, word of mouth determines speed of product adoption.

Other Reasons Why Word of Mouth Is a Powerful Persuader

Even though you already know many of the other properties that make word of mouth so effective, summarizing them in one place is useful.

Property 5. Word of Mouth Is More Relevant and Complete

Word of mouth is “live,” not canned like most company communications. When a friend tells you about a book, movie, or other product that she thinks you would like, she is telling you because she thinks that *you*—not some anonymous stranger—would like it. She wouldn’t tell you about it if she thought you weren’t interested in it. The point here is that word of mouth is custom tailored to the people who are participating in it. When someone recommends a product to a colleague, she isn’t giving a pitch. She is responding to questions, the most important questions, the ones the decision makers themselves are asking. Therefore, customers pay more attention to it because it is perceived as more relevant and more complete than any other form of communication.

Property 6. Word of Mouth Feeds on Itself

Word of mouth is like a breeder reactor. It is self-generating and self-contained, and it wastes nothing.

Further, it is amplified by fountainhead and leveraged influencers powerful enough to spark a chain reaction. Why don’t they tell a few

people about the product only to have the whole process peter out? Because they are luminaries, infomediaries, experts, gurus, and mavens, and because each has a sphere of influence that may be worldwide, national, or local in nature. Their spheres of influence may number from the dozens to the hundreds of millions. Oprah can sure move books.

Property 7. Word of Mouth Itself Becomes One of the Product's Attributes

It's also important to note that the recommendation by experts, whether an unsolicited testimonial or a paid endorsement, becomes one of the product's attributes or features. Your favorite movie star or director may come out with a new movie. That's one plus. But now if it's recommended by your favorite reviewers, that becomes part of the product itself. It's now "two thumbs up" from this reviewer and four stars from that reviewer (plug in your favorites). These endorsements and testimonials may be even more important than who stars in the movie. Now if, in addition, three friends who share your tastes and who have successfully recommended movies you have liked in the past also loved it, you are going to see it. Notice that testimonials are a major part of most movie ads.



SECRET

The "recommended by" becomes one of the product attributes, often the most important one.

A CASE IN POINT

[The following paragraph is unaltered from the way I wrote it in 1999. Some "I-told-you-so's" are so sweet that they can't be resisted!] At this writing, the publishers of Zagat's Restaurant Guides took an interesting gamble by giving away their complete listings free on their website. If their hard copy books keep selling, they will probably continue to give away their ratings on the website. If they don't,

they will probably charge [update: they have] or make up revenues through advertising. If they are as smart as I think they are, they will build in word-of-mouth components, such as a forum, as well as a simple way to get people to send ratings of recommended restaurants to their friends [update: they have]. For instance, make it “one-click simple” to invite friends to dinner, using the Zagat ratings: “Would you like to join me at Restaurant X? (There actually is such a place, and it’s great by the way!) Here is the Zagat description and rating. Click here to go to the Zagat site for the menu, driving directions, more Zagat ratings, or to suggest alternative restaurants.” [update: they have] One could also add collaborative filtering, an amazing form of “electronic word of mouth.” All of this could drive people to the website and to the restaurants.

[Added in 2010] This has all come to pass, except that Zagat’s apps on the phone and iPod are even better, more popular, and ten times as useful. They are paid apps. They now can use the GPS in your phone to recommend a restaurant near you. They are an investor in Open Table, so I’m sure you will be able to make a reservation with a click or two, and it will go right into your calendar. And, of course, there’s Yelp, Urban Spoon, and many others.

Summary:

Properties of Word of Mouth

The following properties make word of mouth the most powerful marketing tool:

- **Credibility:** Its independence makes it the most powerful, influential, and persuasive force in the marketplace (the most obvious reason).
- It is an experience-delivery mechanism (the most important and overlooked reason).
- It becomes part of the product itself.
- It is custom-tailored, more relevant, and complete.
- It is self-generating, self-breeding, and grows exponentially, sometimes explosively.

- It is virtually unlimited in speed and scope.
- It can originate from a single source, or a relatively small number of sources.
- It is extremely dependent on the nature of the source.
- It can be tremendously time saving, efficient, and labor saving.
- It is often negative, but the negatives can actually be positive.
- It can be very inexpensive to stimulate, amplify, and sustain.

We have looked at the attributes, properties, and characteristics of word of mouth to see why it's so powerful. In order to harness it, we now need to take advantage of these properties by looking at:

- What is the content of the word of mouth?
- Who is originating the word of mouth (its sources)?
- Who is receiving it?
- What are the channels through which it travels?

When we understand the answers to these questions, we'll be ready to look at how to trigger a chain reaction leading to an explosion: how to get it started, how to amplify it, how to channel it, and how to cause it to go in our direction.

Without understanding these areas, my telling you how to trigger word of mouth will be like playing with nuclear power without knowing how to control it or how to take the appropriate safeguards. Without a clear understanding, it will either fizzle or blow up in your face.

Notes

1. Thomas Paine and American Imprint Collection (Library of Congress), *Common Sense : Addressed to the Inhabitants of America, on the Following Interesting Subjects : I. Of the Origin and Design of Government in General, with Concise Remarks on the English Constitution. II. Of Monarchy and Hereditary Succession. III. Thoughts on the Present State of American Affairs. IV. Of the Pres-*

ent Ability of America, with Some Miscellaneous Reflections (New York: Philadelphia printed, New-York, Reprinted and sold, by John Anderson . . . 1776).

2. Malcolm Gladwell, *The Tipping Point : How Little Things Can Make a Big Difference* (Boston: Little Brown, 2000).

3. <http://www.wmdawes.org/ride.html>

4. Richard Dawkins, *The Selfish Gene*, New ed. (Oxford; New York: Oxford University Press, 1989).

5. Seth Godin, *Unleashing the Ideavirus; Stop Marketing at People! Turn Your Ideas into Epidemics by Helping Your Customers Do the Marketing for You* (New York: Hyperion, 2001).



CHAPTER 4

The Decision Process

A major goal of this book is to help you speed up the decision process by using word of mouth to make it easy for your customers to navigate the decision path. So, we'd better understand the steps in the decision process, where people get blocked, and how to encourage the kind of word of mouth that will remove these specific blocks.

Almost all marketers think of their industry as specialized and their products and customers as special. They are right. But underneath the profound differences in products, customers, and industries, there is an underlying structure to how word of mouth influences the decision process. By understanding this structure and adding the particular qualities of your industry, you can encourage the word of mouth that will be most effective with each type of customer at each stage of the decision process. If your customers are primarily at one particular stage of the decision process, you can concentrate on encouraging the type of word of mouth that will have the most impact on them.

I discovered the similarity between vastly different customers one night when I ran a telephone focus group of physicians fol-

lowed by a group of farmers, all exploring why they chose to adopt a particular product—a drug in the first case and an herbicide in the second. They followed the same sequence, asked the same questions and followed the same process, using different specifics.

I believe that every marketer should know this pattern in his sleep. This structure is a powerful tool to help you spot the blocks and surgically remove them by aiming word of mouth directly at them.

The Decision Process—Overview

Let's walk down a typical decision path.

Stage 0: Predecision or Status Quo¹

Let's say you have an average interest in photography and an average knowledge about it. It's not a hobby. You're mainly interested in the pictures, not the process, and certainly not the specs for the cameras. You're happy with your full-sized camera, until one day you get sick of lugging it around.

Stage 1: Deciding to Decide. So, you decide to “look into” a new camera. You would now say, if asked, that you're “in the market” for a pocket-sized camera. You know you are going to have to make some trade-offs. No camera has everything, and this type of camera will not have all of the features of your bulky single lens reflex (SLR) camera.

Stage 2. Information: Selecting Between Options. You start gathering information from a variety of sources that fit your shopping style. You quickly discover that there are 3,311 “digital point-and-shoot” cameras listed on Amazon (which there are, as of this writing). Using a variety of strategies, you narrow them down to a few—an overwhelming process involving a lot of finding, studying, and weighing of information.

Stage 3. Trial. You then try some of them out, again using a variety of strategies, from actual hands-on taking of pictures in a camera store to vicarious trial by reading reviews on websites. You have a lot of contradictory experiences to sort out. You come down to two or three choices and decide to let price and availability be the final criteria.

Stage 4. Adoption. You make your final choice. You then have to choose a vendor, as well as payment and delivery methods. (This is an entirely separate decision process if you haven't already selected a preferred vendor.) You now have the camera, but you don't know how to use it, and you hate reading the manuals. So, rather than being thrilled by your new camera, you have a new burden—learning how to use it, while dealing with your feelings of inadequacy, confusion, and frustration.

Stage 5. Expanding Use and Recommending. You have finally more or less mastered the camera and have taken some sensational pictures. Yes, you. Who would have thought? So you show the pictures to your friends, put enlargements up on your wall, and start a Flickr or Picasa gallery.

Oh, and you recommend the camera to anyone who will listen, and to some who won't.

That's a brief overview of the process I've spent my life studying.

Summary: The decision process takes place in five broad stages.

Stage 1. **Deciding to Decide.** Going from disinterested status quo to active investigation. Becoming aware of the product category or specific product. Deciding to find out more.

Stage 2a, b &c. **Identifying, Studying, and Weighing Information.** Gathering and sorting the flood of information.

Stage 3. **Trial:** Observing the product in actual use and evaluating its performance for your situation.

Stage 4. **Adoption: Purchase, Implementation, and Ongoing Usage.** Becoming a customer.

Stage 5. Expanding Use and Recommending. Moving beyond intended use and becoming a product advocate. Teaching others. Dealing with problems.

Your job as a marketer is to sell your product by helping people move from status quo to stage 5. Now, let's look at these stages in more detail.

Predecision: The Status Quo, or "Ignorance Is Bliss," Stage

Even if you have the greatest product that ever came along, you still have to get the attention and active interest of your prospect. Otherwise, your product will be largely ignored.

Stage 1. Deciding to Decide

Separating your message from the clamor is crucial. You need to make a claim or promise so penetrating, exciting, and relevant that it gets through the filters. The main purpose of a filter is not to keep things out, but—a fact usually overlooked—to let the right things in.

How do you come up with the right claim or promise? You listen to the word of mouth of customers in interviews and in focus groups, particularly when they are successful in getting their friends or colleagues interested in the product.

The customer's perspective is different from yours, so what they think is important isn't what you think is important. For example, one camera manufacturer has come out with an advanced 3-D feature in a regular camera. The company isn't telling customers about it in its ads because people may think "complexity" when the company is trying to stress simplicity. On the advanced features page of the camera's website, it explains the 3-D feature and how it works. Assuming that the manufacturer has tested this out with actual people, it's a brilliant example of resisting the shiny new feature that the company is excited about in favor of what will sell the product.

At this point, most marketers make the mistake of thinking that their customers are making a decision about whether to buy their product. No. They are making a decision about whether to make a decision. They're deciding whether they even want to expend any of their precious time and attention on the product category or your claims.

But you don't want only their attention. A clown can get their attention. And you don't want only their interest. A cute kid, an animal, or a celebrity can attract their momentary interest. You want them to be *receptive and involved*, actively interested in what you have to say about what your product can do for them.

That's why I don't like "stunt marketing."

That's why I'm so up on intrinsic word of mouth and down on extrinsic word of mouth, no matter how "viral" it gets. If everybody is talking about your contest to buy a ticket for a flight to the moon, and it has nothing to do with the product, it's a big waste of time. It may even signal to some, as in this actual example of a Windows Vista contest, that the product is inferior since you have to resort to an irrelevant contest to get people talking, instead of showing your killer benefits

Removing the Blocks to Stage 1: Deciding to Decide

If your blocks are clustered around people not interested in entering the decision process, people who are not even paying attention to your product category ("Who needs a tablet computer?") or they are not interested in your particular product, I'll tell you a little secret or two. The best way to get people actively interested in that promise is to get other people to deliver it via word of mouth.



SECRET

The best way to get people interested is to make a credible promise (product claim) to give them information about how to get the benefits that are highest on their list. Of course, make sure your product delivers it.

The kind of word of mouth that moves people at this stage of the decision process centers on the claim, the promise, and the expected benefits, not the details. It's all about possibilities, hopes, and dreams. (That's the way Barack Obama sold young nonvoters on getting involved in the election.)

- “Have you heard about the amazing new things pocket cameras can now do automatically? Here are samples of the portraits, panoramas, 3-D pics, movies, and low-light shots I got with the push of one button. Me, who couldn't take a decent picture until now. . . . Have you heard of X? You really ought to look into it.”
- “What? You don't have an iPad, a Kindle (or whatever the current electronic must-have is)? How do you live without it?”
- “You live there and don't have a four-wheel drive? Wow!”
- “You really need to get a newsreader”
- “Did you hear that Professor A at Harvard says that any doctor who isn't using X is practically committing malpractice?”

The main message of this type of word of mouth at this stage of the decision process is “You'd better pay attention to this new development,” or “it's now [possible, easy, cheap, simple] to get X” rather than “This is the product to buy.”

Stage 2. Selecting Between Options

Your prospect is interested in either your product category (“I'm in the market for a new —”) or your product. Most people will not go ahead and act without doing three things:

- a. Identifying other options
- b. Studying information about these options
- c. Judging which of these options is most likely to deliver the expected benefits in their situation

The simplest way to think of it is as one stage with three parts: identifying, studying, and weighing options.

Removing the Blocks to Stage 2: Selecting Between Options

So, if your primary customer decision blocks are around sorting out the flood of information, here's the big secret.



SECRET

When they're trying to drink from the fire hose, don't increase the flow.

This is the stage during which marketing spends most of its resources in piling on more and more information, more and more intrusively. That used to work, more or less, before the start of the twenty-first century. People now need less information in smaller bites that is simplified, more relevant to their specific needs, and easier to understand—all in a form that's fun, not burdensome. That's a pretty tall order when they're multitasking and hostile to commercial communication.

Word of mouth that moves people at this stage centers on the simplification of information:

1. Finding options
 - “There are several possibilities for your specific situation.”
 - “Have you looked at X company? It has a great selection for your needs.”
2. Studying options (gathering information about options)
 - “Here's some information about the product, but what's really important is. . . .”
 - “Here's help in simplifying the info and sorting it out.”
 - “Here's what really seems to be working out best for most people like you, in your situation. . . .”
3. Weighing options
 - “The most important thing for you to look at for your situation is. . . .”

- “I’ve been using it in a situation like yours. What works out best for me is. . . .”
- “This product is the best in most circumstances, but not in yours. . . .”
- “The negatives the company and its salespeople aren’t talking about are. . . .”
- “Here’s the lowdown about the problems. . . . But here’s how to avoid them.”
- “The product looks good on paper, but in the real world. . . .”

An almost universal mistake is for a company to pile on more and more information, especially abstract, noncustomer-relevant information.



SECRET

The key is to provide custom-tailored information that cuts through and reduces the overall information burden.

Just about the only way to cut through the information overload is to provide real-time assistance through word of mouth. If not, customers will just get overwhelmed and flounder. They’ll say it’s other things (“I just don’t have time”) because most people don’t want to admit they’re overwhelmed by information, because they think doing so will make them look stupid.

Stage 3. Trial

Once the prospect has decided which of the options is most likely to be the best for him, he needs to *confirm that the information is true in his situation.*

**SECRET**

Experience is only one thing that will confirm the evaluations in the information stage. Experience confirms thinking.

Remember, there are only two ways to get experience: directly or indirectly (vicariously). And remember that direct experience isn't always the best teacher. Although direct experience has the advantage of often being gathered in the actual situation in which the product will be used, it does have many disadvantages.

When you try a product, you are inexperienced (that's why you're trying to get experience!). You are likely to use the product in an *unskilled* manner and have *negative* experiences with it. Of course, this applies not only to sophisticated products, such as electronics. Even buying a new car—or simpler products—can be stressful. So, these negative experiences are often risky, costly, or damaging to self-esteem and reputation.

- It is time-consuming to try new products.
- Trying new products yourself can be unsettling, confusing, disconcerting, embarrassing, and anxiety producing. Many people shun the uncertainty and ambiguity inherent in a direct trial, especially of a new product.

As a result, people are skittish about trying new things. They often prefer indirect experience. People can attend a demonstration, watch a YouTube video, make a site visit, or find some other way of observing the product in action. But the best source of indirect experience is word of mouth: talking with and getting reactions from people who are using the product. That way your prospects can learn from someone else's experience instead of learning in the school of hard knocks.

If your prospect observes and talks with people for whom the product worked and who may be *less* skilled or *less* intelligent than she is, then she can be pretty sure the product will work even better in her

hands. That's why experts are often not influential. Of course the product will work in their hands. But if it works for the dummy down the block. . . .



SECRET

At the trial stage, peers are more influential than experts.

Removing the Blocks to Stage 3: Trial

So, if your primary customer decision blocks are directed at getting people to try the product or getting them to be successful in their trial, see the secrets below. People are more interested in the opinions of peers than of experts. Peers might say:

- “The product works in the real world. Let me tell you a story.”
- “I had some trouble with it, but here's how to avoid the problem.”
- “The [best, safest] way to try it is. . . .”
- “I was more skeptical than you were, but I tried it and liked it.”
- “This product really exceeds my expectations.”
- “Wow! Was I surprised when I tried X.”
- “Try it, you'll like it.”



SECRET

While “experience is the best teacher,” indirect experience is the best of the best: the safest, most efficient, and most likely to be successful.



SECRET

It's also the easiest and cheapest for you to encourage, via word of mouth.

**SECRET**

Word of mouth that moves people at the trial stage centers around experience.

Stage 4: Adoption: Purchase, Implementation, and Ongoing Usage

Once the trial has been successful, the prospect has to inform others of her intention to implement its use. She has to deal with announcements, availability, delivery, service, guarantees, and training issues. In some cases, she has to decide where the product fits in with other products. In other cases, the purchaser has to tell her spouse, friends, family, or neighbors. With medical products, doctors have to explain the choice to staff, caregivers, parents, or spouses.

Removing the Blocks to Stage 4: Adoption

This is the stage of the decision process that most marketers neglect. I once worked at marketing an inhaled steroid. The major block to adoption for a large number of physicians was the anticipated reaction of the mother: “What!? You want me to give a steroid to my kid?” Most of the physicians didn’t have a simple and reassuring explanation, so they underprescribed the drug. The result was needless asthma attacks and even deaths. All it took to turn the situation around dramatically was a simple, twenty-one-word explanation from a respected expert that the doctor could use to explain the treatment in terms that undercut the “steroid phobia.” When they explained the difference between an inhaled steroid and a systemic steroid, the issue was answered before the questions arose.

A CASE IN POINT**It’s Hard to Get to the Real Blocks: Examples**

The manufacturer almost never discovers these kinds of issues because they are never reported in the right form by the customer - in this case the physician.

The physician just thinks that mothers have a “steroid phobia” due to a misconception about steroids that is resistant to rational explanation. What physicians don’t realize is that the problem is with their explanations, not the mothers’ understanding.

The same issues are true of most technical products. It’s not the difficulty of use and/or the difficulty of explaining it to others. It’s the often unvoiced and anticipated difficulties.

In another case, I worked with an online grocery service. A major block was women’s anticipation of their husbands’ reactions. Women thought they’d never be able to explain why they would pay slightly more for groceries ordered sight unseen over the Internet instead of “doing their job” by going to the supermarket to squeeze the vegetables and carefully select the meat.

When I asked actual online grocery customers—who said they had anticipated these same objections—how they convinced their husbands, they said, “Simple, I just explained that we would never again run out of beer and his favorite snacks.” We put those words into the mouths of prospects by directly telling them how other homemakers had explained it to their spouses. Sales shot up.

Notice that “Here are the words that worked for most other [homemakers, doctors, etc.]” is a case of indirect word of mouth, transmitted by the seller straightforwardly, directly, and nonmanipulatively. It gives people the words that work from other people like them. You are literally and openly putting words into their mouths.

After delivery, the product has to get unpacked and actually used. Often, others have to be trained in its use. Here’s where the training, support, service, and repair issues are paramount.

It might surprise you to know that when certain kinds of products are delivered, it’s a moment of panic, not a moment of thrill. It’s a moment of, “Oh, my God, now I have to unpack it and learn to use it.” “My friends are going to ridicule me.” “What if I unpack it and I can’t operate it?” “What if I lose interest, or get distracted, or find it’s not worth it after all? I don’t care about the wasted money as much as feeling like a fool.”

It might surprise you to know the astoundingly high number of products that are bought but remain in their shrink-wrap, never used, but never returned.

All of these are because the transition between purchase and actual use doesn't happen by magic. Up until now, marketing has spent all of its time bombarding people with too much irrelevant information, getting people into demos, samples, and trials, and then "closing" the sale. Marketers then think that their job is done.

Companies like Apple think the job has just begun. Apple knows the difference between customer support and technical support. The latter, in most companies, is really a euphemism for "troubleshooting." As such, they mistakenly think it's a cost center, rather than a marketing opportunity.

This stage is riddled with hidden blocks. The decisions and choices that the customer is making at this stage are, "Is this product easy to learn, implement, convince others to approve, teach, and fix? How easy is it to get questions answered?" Or, "Am I going to get my call outsourced to a foreign country, with someone who has never even used the product reading the troubleshooting procedure that I've already tried?"

At this stage, the word of mouth that moves people centers on the practicality of implementation.

- "It really was a smooth transition."
- "It didn't disrupt my operation."
- "It was easy to explain. All you have to say is, ''"
- "It was easy for my people to learn."
- "There was a minor problem that they fixed immediately."
- "Their support is amazing."
- "My people welcomed it."

Stage 5: Expanding Use and Recommending

Here is where the customer moves from implementation of the product to full usage and, ultimately, to full adoption and evangelism. I call this “full rational usage.” Most products are not one-shot deals, but are used over and over again. Even when someone is a “customer,” she still has a choice of whether to use your product as her product of first, second, or third choice. She still has a choice of how frequently to use your product. She still has choices of new circumstances in which to use your product. So, priority, frequency, and new uses can be as important as brand choice.

A good example of this issue was the slogan, “Reach for the Campbell’s. It’s right on your shelf.” It was determined that most people had Campbell’s soup on their shelves; they just didn’t think to use it frequently enough. This is a classic unrecognized marketing problem.

Avon’s Skin So Soft is another example of using an established product differently and strongly recommending it: It was a modestly selling skin softener whose sales went through the roof when people recommended it to their friends as a benign insect repellent, despite the company’s initial claims that it had no insect-repellent activity whatsoever!

Once a person feels comfortable regularly using your product, she will want to recommend it both as a self-justification and so that other people will benefit.

Removing the Blocks to Stage 5: Expanding Use and Recommending

It’s tragic. So many products almost make it. But they have mediocre sales because their otherwise satisfied customers never become advocates, promoters, and evangelists. Other people who would also love the product don’t hear about how good it is. The producer loses the sales it deserves. And the customer misses a chance to do a friend a favor.

The kind of word of mouth that moves people at this stage centers on new and expanded usage:

- “I’m using it all the time.” (Full adoption)
- “Have you tried it for X?” (Expansion of use)

- “I don’t know how I could live without it.”
- “I really think you should try it. I’ll help you learn to use it.”

I recently walked a computer-phobic, PC-using friend into an Apple store and insisted that he buy a Mac, or I’d never help him with his computer again. He thanks me weekly. This is about the fifth time I’ve done that. What made it possible was the existence of an Apple Store, a fabulous business manager at that store, the fact that I know my friends and colleagues will be treated right, the \$99 year-long lessons, Mobil-Me, and several other support systems.

The Adopter Types: How Word of Mouth Works for Different Types of Decision Makers

The decision process is literally an obstacle course, with the five stations above. But five different types of decision-makers go down that course.

Word of mouth affects those different types of decision-makers differently, depending on (1) what stage of the decision cycle they are in and (2) the kind of person they are and their style in making decisions in this area.



SECRET

If you don’t encourage the right kind of word of mouth for each type of adopter and tailor it to the individual’s stage in the decision process, you will be encouraging the wrong messages and turning people off.

As they stand at the beginning of the obstacle course, some are chomping at the bit. Some don’t want to be there at all. And some want to be first. Some want to be second or third, others in the middle of the pack, others want to hang back a little. Then there are those who were forced to be there and don’t want to participate. Let’s look at each group a little more closely.²

Why? Because you and your competitors are almost encouraging the wrong types of word of mouth, for the wrong types of people, at the wrong time of the decision process. Imagine what would happen if you stopped doing this and your competition didn't.

The **Innovators** want to be the first off the starting block and the first to cross the finish line. They want to be cutting edge, to stand out from the crowd, and to be the first to adopt the product. So, they want to hear that the product is unique and technologically advanced and that they can be the first to use it. They're the Alpha testers and the very first users. They are driven by the desire to be **outstanding**.

The **Early Adopters** tend to be visionaries, who appreciate the possibilities and potential of the product. They want to hear word of mouth about the power of the product and are willing to take chances on it for its eventual advantages. These people are driven by a desire to be **excellent**.

The **Middle Majority** tend to be people who are most concerned with the practicalities of applying the product. These people definitely do not want to be the first to try it, but neither do they want to be the last. They agree with Alexander Pope in his *An Essay on Criticism*, Part 2, "Be not the first by whom the new is tried; Nor yet the last to lay the old aside." They are not so much concerned with the far-reaching possibilities and uniqueness of the product as with immediate usability issues, such as quality, consistency, and ease of use. Even the later middle majority people are most concerned with the very practical nuts-and-bolts issues, such as delivery schedules, price, and availability. These people are driven by a desire to be **competent**.

The **Late Adopters** are most concerned with issues of self-protection. They want to avoid mistakes. They are not so concerned with the benefits of the products as they are with being right—not being criticized for their decision. They want to avoid undue risk. These people are driven by **success without risk**.

The **Laggards** will not use a product until virtually forced to do so. They are the kind of people who were told by their clients to "get an email account or I won't do business with you." They are extreme cynics, rejecting most attempts to change their minds. They want **safety**.

Summary

Please note that I've taken great pains to describe each adopter type in neutral terms, although if you are at one extreme, the terms describing people far from your mode of operation might seem disparaging. There is nothing inherently better or worse about any of them. They are just styles, preferences, and modes. Each has its benefits and drawbacks. I have to acknowledge that each has its function and advantages, even though I tend to lose patience when dealing with laggards. I'm sure my tendency toward extreme innovation drives them equally crazy.

So, we have five stations of the obstacle course, with five different types of people deciding in very different ways, from enthusiastically to reluctantly. In the communication-of-innovation literature, these are referred to as "Adopter Types." You may find it more practical to think of them as "Decision Styles." The important thing to focus on, that isn't stressed enough in that literature, is that these are relatively enduring ways of approaching the various stages of the decision process.



SECRET

Each type of decision-maker needs different types of word-of-mouth messages to encourage them through each station of the obstacle course.

Decision Styles—Putting Together the Adopter Types with the Decision Stages

The Innovator

Stage 1: Deciding to decide. Innovators need to hear that a product is new and unusual and that very few other people have heard of it. They need to hear things such as, "Did you hear that company X is coming out with a new . . . ? No one else has it."

Stage 2: Weighing information. Usually the innovator is willing to develop the information about the product himself. This is the kind

of person who is always trying the latest gadget. He is often turned on by the following kind of word of mouth: "There's very little known about this. We haven't even written the instruction manual, but if you want to get in on the ground floor, here is an opportunity to play with this product."

Stage 3: Trial. Innovators are turned on by the idea that they will be the first to try the product. "Be the first to try" is a powerful incentive to get involved in the product.

Stage 4: Purchase, implementation, and ongoing usage. This person is not at all concerned with smooth implementation. He is a technological leader and will leave refined operation to "lesser mortals." "Did you see the new iPad? I got one, and I'm having a ball trying to figure out what I can use it for."

Stage 5: Expanding commitment. An innovator is extremely interested in wild and crazy new uses for the product. He is willing to try almost anything. He can be moved by word of mouth such as, "Did you know that some people have suggested that X can be used for. . . ."

The Early Adopter

Stage 1: Deciding to decide. The Early Adopter is attracted to the possibility of making a major leap forward in effectiveness. This person wants to hear about the possibilities that may appeal to his visionary nature.

Stage 2: Weighing information. The early adopter is quite willing to ignore the fact that the major bugs have not been fully worked out. He is willing to accept incomplete documentation. He is willing to be on the initial part of the learning curve with the manufacturer.

Stage 3: Trial. At this point, the person is willing to try more for feasibility than for performance.

Stage 4: Purchase, implementation, and ongoing usage. This person is willing to implement to get the edge over his competition. He is willing to put in his own engineering and other resources that most other customers expect from the manufacturer to get the edge over the competition.

Stage 5: Expanding commitment. This type of customer at this stage of the decision process will often roll out very quickly. The purpose, again, is to stand out from the rest of the pack.

The Middle Majority

Stage 1: Deciding to decide. Wants to hear reassurance that the product is ready for “Prime Time.” Tested in the real world. Few glitches, gotchas, and “issues.”

Stage 2: Weighing information. Wants to know all about the practicalities of the product.

Stage 3: Trial. Trying not only for product superiority, but also for all of the other practicalities, such as price, delivery, service, and terms.

Stage 4: Purchase, implementation, and ongoing usage. Very concerned about agreement from colleagues, training, and support issues.

Stage 5: Expanding commitment. This individual is not likely to extend the product beyond usual, conservative uses until reassured by peers.

The Late Adopter

Stage 1: Deciding to decide. Often, the grabber here is that the person is losing more than he is gaining by not using the product. For example: “The time you will save by getting a smartphone will more than make up for the time spent in learning. Now is the time because you are losing a lot now.”

Stage 2: Weighing information. This person wants information that it’s a mature product, easy to learn, and easy to get serviced as well.

Stage 3: Trial. The late adopter is often trying to make sure he won’t get into trouble, rather than looking for any significant advantages. He knows he has to change, so he is focused on minimizing the risks of the inevitable change and is not interested in the company’s hammering away at the gains. He wants to hear that he won’t get into trouble and that it is easy get out of trouble. While the company is trying to hide the

problems, this customer wants to hear about the inevitable difficulties and how easy it is to cope with them.

Stage 4: Purchase, implementation, and ongoing usage. This person wants a very low-key implementation: Smooth, even invisible.

Stage 5: Expanding commitment. This person exhibits a slow and gradual expansion of use, but is very stable once he gets there. He wants to hear that a lot of people are using the product as their standard product in this area.

The Laggard

Stage 1: Deciding to decide. The grabber here is necessity. Everyone is doing it, so he has to do it or use it. Or, he may find that the previous product isn't available anymore.

Stage 2: Weighing information. He is looking for the problems and wants to be reassured that no problems exist.

Stage 3: Trial. This person won't try anything new. He wants reassurance that everyone else has tried it.

Stage 4: Purchase, implementation, and ongoing usage. He might try the product or dabble with it a long time, but will finally adopt the product only when he has to.

Stage 5: Expanding commitment. He wants reassurance that he is using it in the standard way.

Innovators \approx 2.5% of customers.

Early adopters \approx 13.5%

Middle Majority \approx 68% (Early Majority, 34%; Late Majority, 34%)

Late Adopters \approx 13.5%

Laggards \approx 2.5%

The Decision Matrix

The above is not an academic exercise. Study it carefully. Then go down one level of abstraction: Rewrite the general language above to the con-

crete reality of *your specific situation, with your different types of customers and your product.*

If you encourage word-of-mouth messages that tell the innovators that the product is “tried and true” or that tell an early adopter that the product is something “everyone is using” or that tell a late adopter that the product is “the latest and greatest,” you will turn them off. *It is crucially important to give the right people the right message at the right point of their decision cycle.*

The WOM Decision Matrix puts the whole decision process together. The idea of the Decision Matrix is to get your customers to the next stages of the decision process, using the messages in the right order from the right sources. For example, if you are going after early adopters, read across the early adopter row and get people’s word of mouth in the order prescribed.

You can use the Decision Matrix (Table 4-1) to focus on what messages you should be trying to develop and transmit. No one, to my knowledge, has ever laid out the stages of the decision cycle against the adopter types to see what messages are needed. I’ve used it for years as a secret weapon to figure out the messages that will have the most impact in marketing programs. I urge you to use this chart. Reproduce it and put it up on your wall (and refer anyone who asks you about it to this book, of course!). If it allows you to sharpen even one message, it could be worth millions of dollars in sales to you. The decision matrix allows you to zero in on marketing messages of all kinds, particularly in designing word-of-mouth programs. I’ll put it up as a .pdf file on mnav.com.

Table 4-1
Decision Matrix

	Deciding to Decide	Weighing Information	Trial	Implementing	Expanding Commitment
Innovator	Wants to be outstanding. Wants to hear how "far out" the product is. <i>It's so new and unusual that no one's even heard of it or tried it. It works on a totally new principle. Most people wouldn't even understand it.</i>	There is little information to gather. He will have to investigate the product first hand. <i>It's so far out that there is nothing to compare it to. It's in a different class.</i>	Wants to be among the first to try. <i>It is so new that no one has tried it yet. You would be the first.</i>	Wants to be the pioneer who will lead the way for other people. <i>Now that you've tried it successfully, you can help others learn about it.</i>	Wants to push the envelope to the limits. <i>Have you tried the wild new things it might be used for?</i>
Early Adopter	Driven by excellence. Concerned more about possibilities than actualities. <i>Think of the possibilities. If this product</i>	Looking not so much for "hard" information as for a vision of what might be. <i>Here's how I</i>	Doesn't care that it hasn't been used in his situation. Just cares that it might be applicable.	Knows there will be problems, wants to know what they are and how they can be handled.	Wants a major advantage for being at the beginning of the curve. <i>Here are the</i>

<p><i>really worked in your situation, it would change your life or give you a competitive edge.</i></p>	<p><i>envision using the product. The other products are more ordinary. This one has possibilities.</i></p>	<p><i>This product doesn't work all the time. But when it does, wow!</i></p>	<p><i>Here is how to get the most out of the product and minimize the problems.</i></p>	<p><i>additional possibilities that will give you a competitive edge.</i></p>
<p>Middle Majority</p>				
<p>Wants to be competent.</p>	<p>Concerned with practicalities. <i>This has been tried and really works in situations like yours in your industry.</i></p>	<p>Wants to verify that it will work in his situation without investing too much time or experiencing trouble. <i>The bugs have been worked out, and it is highly predictable.</i></p>	<p>Wants to know that there is an easy way out if it doesn't work out. <i>Training, support, and guarantees are in place and reliable.</i></p>	<p>Wants to know usage is getting pretty standard. <i>It is rapidly becoming the standard in our industry</i></p>
<p>Late Adopter</p>				
<p>Wants to reduce risk.</p>	<p>Promise a good deal on a tried-and-true product. <i>It has become virtually a com-</i></p>	<p>Trial tends to be not for product excellence, but centers around the support</p>	<p>Wants complete support for rolling out full usage of the product. <i>Company reps</i></p>	<p>Wants to use what everyone else is using and the way that they are using it.</p>

(continued)

**Table 4-1 Continued
Decision Matrix**

Deciding to Decide	Weighing Information	Trial	Implementing	Expanding Commitment
<i>modity, and this product comes at a better price, delivery, service, and training.</i>	<i>I've checked out the pricing and service, and it seems to be the best product.</i>	system. <i>Check out how wonderful the company is to deal with. Everyone can fix your problems.</i>	<i>will come in and do it all for you.</i>	<i>Everybody is using it for everything.</i>
Laggard				
Wants to be completely safe.	Wants reassurance that it is a safe product with which nothing will go wrong. <i>You'll get in trouble if you aren't using this.</i>	Basically won't try anything new. Needs reassurance that the product is the standard product used in his industry and situation. <i>Try it, everyone else has and likes it.</i>	Implements only when he has to. <i>Adopt this product, or else.</i>	Wants reassurance that he is using it in the standard way. <i>That's the way we all use it.</i>

Notes

1. I'll analyze the stages in much greater detail in my next book, *Easy Choices*, but I want you to get the general flow here. I've broken the decision process into 5 stages here for clarity and, especially, simplicity in the subsequent decision matrix. Elsewhere, and in *Easy Choices*, I've broken it down in more detailed stages.

2. The types of innovators comes from the work of Everett M. Rogers, *Diffusion of Innovations*, 5th ed. (New York: Free Press, 2003), a book I could not recommend more highly. It was applied to technology companies by Geoffrey Moore, who many people think invented these concepts. Geoffrey A. Moore, *Crossing the Chasm: Marketing and Selling High-Tech Products to Mainstream Customers*, rev. ed. (New York: HarperBusiness, 1999) and *Inside the Tornado: Strategies for Developing, Leveraging, and Surviving Hypergrowth Markets* (New York: HarperBusiness Essentials, 2004). The insight that these adopter types need different types of word of mouth for different stages of the decision process and summarizing this data as a Decision Matrix is my own.



CHAPTER 5

Six Ms to Live By

We need to look at what will make the message word of mouth worthy (WOM worthy). Who will transmit it through what channels and why? How will we know what will amplify the effects of the message?

The Six Ms

I find it helpful to think of the six Ms

- **Message** content
- **Mavens** transmitters
- **Means** via
- **Motivation** energized by
- **Measurement** results
- **Multiplication** amplification

So we have a *measured message* spread by *motivated mavens* using *multiplying means*.

**SECRET**

If you want them to talk about you, you have to give them something to talk about. But not just anything, no matter how positive.

**SECRET**

You want people's friends, colleagues, families, and trusted advisers to be saying exactly what will influence those particular people to move past any significant block they have come up against along the decision path.

So, how do you give people something to talk about?
Which of the examples below is the most effective?

Example 1

For a new product, blocks may include questions about the credibility of claims, qualms about its usefulness in or relevance to particular situations, and doubts about one's ability to learn a new way of operating. For instance, one might take a new technology product, such as a tablet computer and say.

"This is a great product! I'm completely satisfied with it and recommend it to everybody! Everyone loves it! They continually thank me for recommending it. It works great, it's better than the competition and it never ceases to amaze me. Buy it."

Or . . .

"At first it sounded too good to be true. Even if the amazing claims were true, I was skeptical about whether it would really be an improvement in my specific situation [describes situation]. Boy, did I underestimate everything. The claims are actually conservative [gives details], it fits this situation perfectly, and the learning materials were a fun game, not a dry manual. I even got into a little trouble with _____, and a friendly, knowledgeable person from this country got me out of it and gave me additional suggestions."

Example 2

A mature business product has loads of excellent competing products. So, the block is anticipated resistance to widespread implementation when it is introduced company-wide. People could say:

“This product is reliable and the company stands behind it. [More general statements about what a good company it is, and how nice the people are.]”

Or . . .

“At first I wasn’t convinced that the product should be introduced company-wide. Most of the products, frankly, looked comparable. But the manufacturer made the decision, well, easy. They have a whole roll-out program designed to “sell” the idea company wide. At first, it looked corny to me, but boy, did it work! It’s persuasion, games, contests, unique training, and other programs made me look like a hero who’d come bearing a gift, rather than the ogre that I anticipated they would view me as. They’ve obviously worked out their system in the real world. I’d go with them even if I found a marginally better product at a lower price.”

I think it should be obvious that the second example of each would be dramatically more effective.

Give Them Something to Talk About**SECRET**

You want personal word of mouth, testimonials, endorsements, and reviews that are specific—that are tailor made to destroy your product’s decision blocks.

By now, you should have a much more specific idea than, “I want them to say good things about my product.” You want them to say the *specific* good things that will *destroy the blocks*. If you don’t have a specific idea of what you want people to say, review the previous chapter and

write out your specific decision blocks detailing what people need to be saying to overcome them and send your product's sales through the roof.

While your competitors are focused on proving that they are better than one another, you can focus on the fact that you take care of the one or two things that customers are actually worried about.

Many years ago, I bought Dell computers because business colleagues were blown away by its telephone customer support, even though I could buy "better" computers. I left Dell when the company outsourced its customer service and the nightmares began. (What message are you sending when you outsource customer satisfaction?) I eventually left the whole Windows world—even though, at the time, it had better computers and more software, particularly voice dictation—when I realized that Macs needed much less maintenance, that I could get real people on the phone, and that support was just seven minutes away at an Apple store. I'm delighted that Apple's machines and software have actually surpassed the Windows world, but I'd still use them if they were slightly inferior because of its support system.

For me, word of mouth has to talk about the support system, the lack of viruses, the simple reliability, and the two Mac-only writers programs (Scrivener [Update: soon to be in a Windows version] and DevonThink) that so many authors (including me) can't do without. So, the way to sell authors and consultants like me is to sell Scrivener and DevonThink, plus the easier interface of the Mac version of Dragon Dictate, and better customer support. Lets look at a few more secrets about the message and how to design it.



SECRET

Generalized raves do almost nothing for you. Specifics addressed to the blocks are what you want. And, they don't have to be raves, just relevant and reassuring.

What Do People Talk About?

Okay, so you want people talking specifically about the blocks that are holding back your product. But, although that's what *you* want them to

say, it might not be what your customers want to say. They may not be interested in talking about your product at all. Or, they may want to talk about its advanced and challenging uses, when you want them to talk with reluctant triers about how simple it is to learn. So, we have to look into how to encourage customers to talk about your product in a way that will most benefit your product.

***What Do You Talk About?
(and, How Do You Talk About It?)***

When you're in your role of a customer, what do you, your friends and colleagues talk about? An astonishing number of these conversations are about products, services, and ideas. Most of the rest are about incidents, events, or other "happenings." Some are about future happenings, such as things you are going to do or things that you should do. These events—past, present, or future—often lead to recommended solutions (i.e., word of mouth). Some contain hidden questions, such as, "Did I do the right thing? Could I do better in the future?"

Some of these conversations are teaching stories, some are learning stories, and some are validation stories—the sharing of experiences. Most of what people talk about—for one reason or another—is expressed in the form of stories.

The rest tend to be largely discussions arguing a point of view. And, finally, a small number involve the mutual exploration of an issue that needs to be resolved. (These conversations were usually interspersed with stories.)



SECRET

People talk about things by telling stories. Give your customers unusual, specific stories, not generalities about how good your product is. You want to spread stories that specifically destroy the blocks that are holding back your product.

Why Is the Story Form So Powerful?

Because that's one of the most useful things we do for one another. When we share experiences with others, we learn from a broader range of experiences.

Say I'm going to Morocco. By listening to the experiences of others, I can travel forewarned and forearmed. Everything doesn't have to be a surprise. I can anticipate. The point is that I can be much more effective piggybacking on others' experiences.

What's important for our purposes is that stories—not abstract statements—are the teaspoons of sugar that help the lessons go down. When we hear a story, our guard goes down. We aren't in critical mode as much. We often don't even care if it's truth or fiction. After all, it's "just a story." Some Native American cultures, I'm told, end their stories with, "And that's the way it was. It may not have happened exactly that way, but it's still the truth."

Example

Suppose a customer is considering transitioning from a PC to a Mac. If the block is a mistaken belief about how difficult the transition will be, you need devastating stories about how easy and fun it was, particularly for people who are not computer savvy. Not bald assertions that it was easy and fun. Real, compelling, dramatic stories that give people the experience; stories that make people say, "I want that." If it isn't fun for these types of people, you need to make it easy and fun. I believe that one of the reasons that Macs are not even more successful than they are is that Apple doesn't fully realize how difficult and onerous the switch actually is.

If the block is that people don't see the value of the product or service you are offering, you need to circulate stories that show how someone underestimated the value, was shocked at the benefits, and became a hero.

More about stories later, when we talk about how people deliver indirect experience.

So, the Form Is Stories. What's the Content?

The content of a story can discuss:

- News
- Unique results
- Sex, passion, strong emotions
- Secrets (both “concealed knowledge” and “key principles.”)
- Helping others
- Anything, however trivial, that is *remarkable*

In the next sections, we will focus on the remarkable.

Remarkable

Remarkable means, “worth being remarked about, worth calling someone’s attention to.” I call it “WOMworthy.” It is the opposite of ordinary. People don’t talk about products that are ordinary. And, yes, that’s what your product needs to be in order to be a contender in the moment-to-moment contest called “Things I Want to Tell My Friends.”

Most people tell stories about what *to them* is extraordinary, surprising, astonishing, amazing, unusual, bizarre, remarkable, wonderful, and incredible. They also tell stories about what may be ordinary to you, but makes a difference in their lives. In those cases, the subject isn’t ordinary *to them*.

The ordinary, usual, predictable is **BORING!** This means that if your product is good, or even a little superior to that of the competition, but not remarkable, people won’t talk about it. (Sorry to be the bearer of such bad news.) In fact, they won’t even notice that it’s a little superior. My experience is that the “better” version of a product has to be 25% to 50% better for people even to notice the difference and to evaluate its superiority as meaningful. Think about that. Most improvements are in the 5% to 25% range, which means most people won’t notice or evaluate them as significant. For instance, a physician specialist can spend years

studying at the finest facility in her specialty, but that aspect of her training will not be noticed if she is only 20% better than most other doctors in her field. Clearly, very few people or products are dramatically better in ways that customers notice or in degrees they evaluate as significant.

Because these personally satisfying superiorities are hard-won, expensive, and time-consuming victories, we are proud of them and expect others to notice. Unfortunately, for the most part, they don't.

As an expert in your product area, you appreciate the superiority of a product, but most of your customers are not experts, gourmets, nor aficionados.

This may shock you. If you are selling smartphones, it might surprise you to know that most people don't care whether they have the "best."

Fill in the blanks and wrap your head around it:

I'm selling _____ s.

Most people don't care whether they have the "best" _____.

Satisficing

Most people *satisfice*, they don't optimize. That is, they pick the first product that will both satisfy and suffice, not necessarily the one that is best. In fact, they can't pick the one that is best because they usually don't have enough information, enough cognitive capacity and enough time. This is called "bounded rationality." (Herbert Simon, who originated these concepts, won a Nobel Prize in 1978 for work in this area of economic decision-making.) This is even true of high-end, advanced products for the extremely discriminating, because you and your competition are competing for the same extremely discriminating customers. So, even at that high end of the customer bandwidth, differences have to be very large to be noticed, and even larger to be appreciated.

There is one exception: We are good at discriminating among differences of kind.

**SECRET**

While we are not very good at discriminating differences of degree, we are extremely good at discriminating among differences of kind.

So, it takes big differences to make a difference along the same dimension. But a small difference makes a big difference when it's a *difference in kind*. One way of looking at it is that differences of kind are 100%. That's the difference between a cat and a dog, a hamburger and a chicken sandwich, or a motorcycle and a car.

A "better" dog will not get noticed very easily. But, if you take your penguin out for a walk, it's going to get noticed, and it's going to get talked about.

**SECRET**

It's more important to be different than better—or to be so extraordinarily better that you are completely different (very rare). It has to be unusual for it to be WOMWorthy—"worth talking about."

***It's More Important to Be Different Than Better:
Lessons from Patch Adams***

It's not that hard to be different in the sense of unusual. If you want to get noticed and talked about, dress up like a clown.

Obviously, unusual is not enough. Dressing like a clown isn't going to help you, unless you are like Patch Adams, the extraordinary pediatrician played by Robin Williams in the movie *Patch Adams*. He dressed like a clown because it was beneficial to the ill children who were his patients.

So, the secret to being talked about in a way that will help you is to concentrate on being different, unusual, and extraordinary in a way that is conspicuously beneficial to the customer. Not better, but *different*. And that's much easier than being 10% better in a world that's already very good. So, why don't more people and companies do it?

While it's simple, it isn't easy for most people to stick out "like a sore thumb," take chances, do things differently, buck the tide, and go against the crowd. It automatically makes you an oddball. It is inherently uncooperative and disruptive to the "natural" order of things. You will be ridiculed and criticized. It's excruciatingly hard for people who grew up in rigid environments and were trained to be team players.

Yet, the people at Google run around asking, "Why does it have to be done that way? Why can't we do the 'impossible' by doing it completely differently?" They have turned everything on its head and made breaking the status quo the norm.

People talk about them. A lot.

The Mundane

You say you're no Google? First of all, why not?

But if you really think you can't be, take inspiration from Claude Hopkins,¹ one of the pioneers of advertising.

A CASE IN POINT

Schlitz Beer was another advertising campaign that I handled for J.L.Stack. Schlitz was then in fifth place.

All brewers at that time were crying "Pure." They put the word "Pure" in larger letters.

Their claim made about as much impression on people as water makes on a duck.

I went to brewing school to learn the science of brewing, but that helped not at all. Then I went to the brewery.

I saw plate-glass rooms where beer was dripping over pipes, and I asked the reason for them. They told me those rooms were filled with filtered air, so the beer could be cooled in purity.

I saw great filters filled with wood pulp. They explained how that filtered the beer.

They showed me how they cleaned every pump and pipe twice daily to avoid contaminations. How every bottle was cleaned four times by machinery.

They showed me artesian wells, where they went 4,000 feet deep for pure water, though their brewery was on Lake Michigan.

They showed me the vats where beer was aged for six months before it went out to the user.

They took me to their laboratory and showed me the original mother yeast cell. It had been developed by 1,200 experiments to bring out the utmost in flavor.

All of the yeast used in making Schlitz Beer was developed from that original cell.

I came back to the office amazed. I said: "Why don't you tell people those things? Why do you merely try to cry louder than others that your beer is pure? Why don't you tell the reasons?"

"Why," they said, "the processes we use are just the same as others use. No one can make good beer without them."

"But," I replied, "others have never told the story. It amazes everyone who goes through your brewery. It will startle everyone in print."

So I pictured in print those plate-glass rooms and every other factor in purity. I told a story common to all good brewers, but a story which had never been told. I gave purity a meaning.

Schlitz jumped from fifth place to neck and neck with first place in a very few months.

That campaign remains to this day one of my greatest accomplishments. But it also gave me the basis for many another campaign.

Again and again I have told simple facts, common to all makers, in the line "too common to be told." But they have given the article first allied with them an exclusive and lasting prestige.

The situation occurs in many, many lines. The maker is too close to his own product.

He sees in his methods only the ordinary.

He does not realize that the world at large might marvel at those methods and that facts which seem commonplace to him might give him vast distinction.

That is a situation which occurs in most advertising problems. The article is not unique. It embodies no great advantages.

Perhaps countless people can make similar products. But tell the pains you take to excel.

Tell factors and features which others deem too commonplace to claim. Your product will come to typify those excellencies.

If others claim them afterward it will only serve to advertise you.

There are few advertised products which can't be imitated. Few who dominate a field have any exclusive advantage.

They were simply the first to tell convincing facts.

Hopkins' story gave Schlitz drinkers something to talk about, a story to tell that addressed the major decision block: why is this beer different from every other American beer?

If Hopkins could do it with beer, you can do it with your product.

Give them a story—an unusual one that addresses the major decision block(s).

***Some Things to Be “Beneficially Remarkable” About:
Get Yourself Thinking***

First, ask yourself, “Why is my product remarkable?” If it is not, then ask, “How can I make it remarkable?” Remember:

Customer service—at all levels—generates stories

One practical key to generating beneficial stories that will be extraordinary enough to get people talking about your product is customer service. Therefore, you have to train your people and give them the right incentives to encourage them to do things that are so constructively outrageous that people will talk about them. For instance, you might want to have a weekly or monthly reward for the most outrageously positive thing that one of your employees did for a customer.

Many wonderful books offer great tips on customer service, including how to encourage great, even outrageous, service. I recommend *Positively Outrageous Service* by T. Scott Gross.

Great customer service is not a policy or set of rules. It is an attitude that senior people and top management spread down in a series of actions that single out, communicate, and reward acts of extraordinary service. This is one of the reasons that word-of-mouth marketing can't be implemented in a company from the bottom up. Go gunning for particular stories that apply to your major blocks. People may all know about your benefits, but they need stories about the blocks. If your company does not have its own Nordstrom or FedEx story, you need to take immediate steps to make sure that such incidents take place, and that they are identified, communicated, and rewarded.

Take, for example, the story of an elderly lady who returned an automobile tire to Nordstrom. Because she did not have a sales receipt, the clerk simply asked how much she had paid. She told him, he took her word for it, and he cheerfully refunded her money. Nothing extraordinary so far, except that most stores would not have done even this much. What is really extraordinary is that Nordstrom does not carry automobile tires! Tom Peters popularized this story. The tire cost Nordstrom approximately \$29.00; the story was worth several million dollars in free publicity. In fact, it was the first time that many Easterners, including myself, had ever heard of Nordstrom. What do you think my attitude was when a Nordstrom opened 15 minutes from my house?

The FedEx story is about a package that was discovered left on the airport tarmac after a FedEx plane had departed from Alaska. An employee took out his credit card, rented a helicopter, and delivered the package personally. Again, this resulted in millions of dollars worth of publicity—all from a \$2,000 investment.

The point is that if you want people to talk about you, you have to give them something to talk about. It has to be the kind of thing they talk about, namely, the extraordinary, in the form they like to talk about, namely, an interesting story about something unusual that will make them feel “in-the-know,” “hip,” “cool,” up-to-date, current, and with it.

What to Be Unusual About and Some Suggested Stories

In my research, I've identified more than 450 decision blocks, so Table 5-1, which is a list of suggestions for matching blocks and stories, cannot even begin to be comprehensive. But, since this book is about how to think about word-of-mouth marketing, I hope the table will start you thinking. Remember, the story has to be true. So you may have to make some company or product changes before you can tell it. If you're not different, you need to decide how you are going to be different. Will it be price, terms, service, product materials, features, support, training, innovation, quality, or something else?.

Table 5-1
Maching Decision Blocks and Stories

Decision Block	Tell a story about:
People don't see the need for the product.	How people discover the need for your product.
Can't differentiate it from the competition	How you are unique. How your company is unusual? How do you do business? What is your philosophy, principles, founder's vision? The different attitude of your people. Post sales support.
Afraid to try	The surprising things that happen during adoption, learning, and usage. How you have delivered experiences vicariously.
Customers think they will never be able to master it.	Nontechnical dummies finding it easy.
Skepticism about the credibility of claims.	Initial skepticism that is dashed when the product exceeds expectations.

Examples of matching the decision blocks with the story:

A CASE IN POINT

How's this for a story about, "How the idea was born"?

I'd like to tell you WHY I invented SPARE AIR . . .



*Larry Williamson, Inventor of Spare Air
displays the HEED 3 and Spare Air in 1986.*

"One night I was lobster diving in the beautiful, clear cool waters off the coast of Catalina Island. After a short time, I realized I had failed to check my air supply. As I went to check it, I took a breath and discovered there wasn't one to be had. I panicked for a moment . . . got myself together and swam quickly toward the surface with the unnerving sense that it was too far away and I wouldn't make it! In this rush for the precious air far above at the surface, I began to black out . . . my only thought was. . . . If I only had one more breath of air.

For days after this experience I would awake in a sweat during the night. Then I began to notice a recurring thought I had . . . it was the last words I recalled as I blacked out. . . . If only I had one more breath. Why was this coming

back to me over and over again? Was I given a second chance to live for a reason? Then it dawned on me. There are others that didn't, don't or won't make it. . . . There are others blacking out and never waking up . . . if they only had one more breath of air!

So the story ends with the present. SPARE AIR was born, and out of it my commitment to educate the world about preventable drowning and safe diving. I feel diving is safe, but it can and should be made safer. You, too, can join the quest and become part of the story of SPARE AIR.”

Larry Williamson, President, Submersible Systems, Inc.

Your story probably isn't as dramatic. But it's there.



SECRET

You want to be unique in a customer-beneficial way that customers will talk about.

We've already talked about what customers will talk about. For more ideas, see *Purple Cow*² and *Blue Ocean Strategy*.³

Identify your unique and sustainable product features. In doing so, don't fall victim to the illusion that companies like Apple are successful because of cool feature mixes. They are not. The issue is about how you treat people.

So, ask yourself the following questions to determine how you can be remarkable.

- *What am I best at? What are my (my company's) sustainable advantages? What do I like to do?* (Example: Do you want to be the fastest? Cheapest? Highest quality (remember, this one is dangerous)? Best service? Best repair? Best variety? Best training?)
- *What can I do that is utterly "crazy customer beneficial" in this area?* (Example: a return policy extending up to four months for an exercise machine when everyone else offers two weeks and when the major decision block is, "Will I use it?")

- *How can I provide customer service that will get people talking?* (Example: Be sure phones are answered within three rings by a live person who is a native speaker and who doesn't say, "Hold on" and will do everything to make sure customers are satisfied.)
- *How can I demonstrate that I can be trusted?* (Example: Steve Jobs gives free cases and other guarantees for the iPhone 4 antenna problem.)
- *What are the overlooked reasons my product may be needed?* (Example: Submersible Systems lists "21 reasons you may run out of air. Bet you can't name six." If you're a diver and read those 21 reasons, you will either give up diving or get a Spare Air—and discuss it with your friends!)
- *What are the risks I can assume are big in the customers' minds, but that I know are not actually big risks?* (Example: See the exercise equipment example above.)
- *What are the unusual uses of the product (that won't marginalize it)?*
- *What are the unusual materials used in manufacturing the product that provide benefits and that are remarkable?* (Example: There is actually a sailboat made of concrete.)

Notes

1. Claude C. Hopkins, *My Life in Advertising* (New York, London,: Harper Brothers, 1917).
2. Seth Godin, *Purple Cow : Transform Your Business by Being Remarkable* (New York: Portfolio, 2003).
3. W. Chan Kim and Renée Mauborgne, *Blue Ocean Strategy : How to Create Uncontested Market Space and Make the Competition Irrelevant* (Boston.: Harvard Business School Press, 2005).



CHAPTER 6

The 2nd M: The Mavens

Delivering the Message

First we'll explore the Mavens, the transmitters, the people who will transmit the "word" to your prospects and customers. Then we'll look at how you are going to get them to say the word (the Motivation), the delivery channels (the Media), how to Multiply the effects, and how to Measure.

The Controversy: Influencers Versus Peers

Background

As soon as you address the "who," you are going to run into a bizarre controversy that's currently raging. I don't expect it to be resolved soon because there are too many vested interests and too much confusion.

Yet, as a marketer, you are going to have to make a lot of choices that are related to this controversy, way before it is ever resolved.

I'm not going to get into an exhaustive treatise on the issue. The following is to alert you that there is a swamp here that you have to traverse, that you are headed toward some quicksand on the way through, and that it's easily avoidable with some common sense.

Here's the controversy, in a nutshell:

Prior to the 1930s, the "hypodermic needle" model of marketing was used. According to this model, information is injected into the population directly, and people are directly influenced by the information. In other words, the mass media has a direct and powerful effect on large audiences. However, this model was shown to be invalid by the pioneers of the diffusion of innovation field, particularly Katz and Lazarsfeld.¹

They showed that the information mostly goes to "opinion leaders" who serve as intermediaries. They interpret the information and influence the masses. So, it's a two-step process, rather than a direct effect.

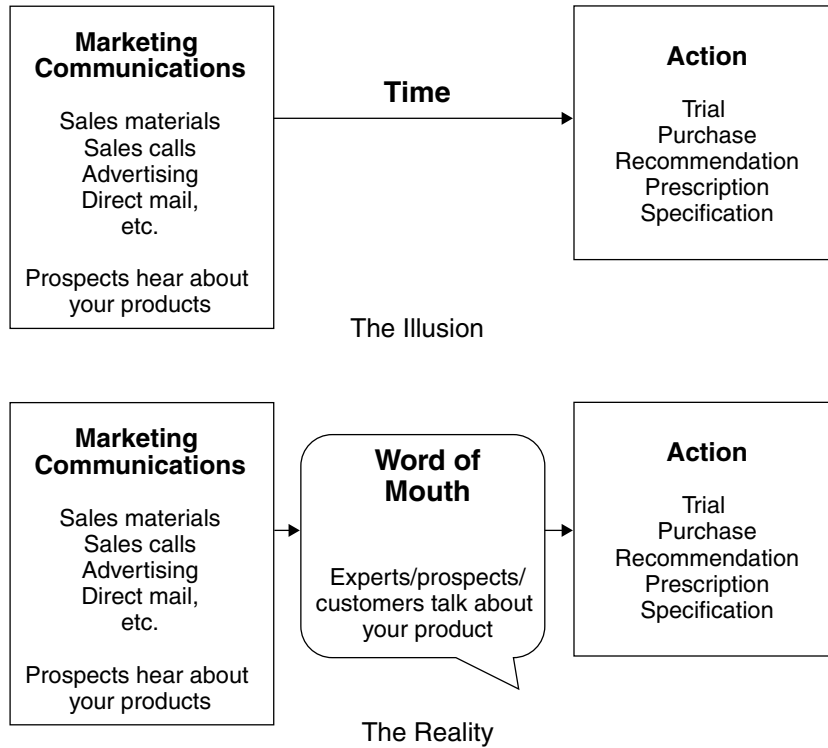
Many people in marketing, myself included, built on Katz, Lazarsfeld, and Everett Rogers' classic work (*Diffusion of Innovations*) by inventing marketing strategies, methods, and techniques that attempted to influence these opinion leaders directly.

The Controversy

For twenty years, many authors, including one of the best storytellers of our time, Malcolm Gladwell, popularized several types of influencers that I have been calling "experts," "leveraged influencers," "local influencers," and "infomediaries." They basically said, "Wow, these people really have a dramatic effect. We'd better pay attention to them, seek them out, and try to work with them."

In hindsight, some compelling events made for some amazing stories that seemed to fit the idea that there are individuals who can magically cause gigantic change in large numbers of people. All you have to do is find them and treat them nicely. They will then make your boring business "go viral."

Figure 6-1
What Causes Sales—Illusion versus Reality



Thus began an international obsession with “virality” and influencers. Gladwell spoke of Mavens, Connectors, and Salespersons. Godin spoke of Sneezers spreading ideaviruses.

Then, in 1998, mathematician Duncan Watts came along and provided the other side of the controversy. He showed the adoption of products through computer simulations that weren’t possible even a few years earlier. He then replicated them in the real world. First of all, he found that Milgram’s “Six Degrees of Separation” finding, which had been applied to “snail” mail 40 years earlier, was still valid in the age of

email. That is, you can get from anyone to anyone else in six steps or less. But he also found that the most recommended, winning songs and the like were not a function of people who were well connected and effective influencers, but of pockets of people who were easily influenced and who are prone to tell other people.

So, in one corner we have the camp that believes in several exotic species of influencer. All you have to do is influence them, and you're off to the races with a viral "hit" on your hands. In the other corner, we have the camp that believes that no special spark starts a forest fire. Rather, the *conditions* make it almost inevitable. If something has the right combination of things that people like, all you have to do is get it out there to a relatively small number of any kind of people. If there has been a long enough drought, any match anywhere will do, and several matches all over the place will make it a certainty that the product will spread like, well, wildfire.

Both sides have some pretty impressive data and analyses. They sure have cool stories. And, for the most part, in my not-so-humble-opinion, they don't know what they're talking about.

My take on all of this is that they are not talking about typical products under real-world conditions.

What to Do

Here's enough analysis to keep you out of the quicksand: They are often talking about recommendations on social media websites, such as Digg. They are also often talking about relatively lightweight "products," such as songs or cool websites. Or, they are talking about simple decisions of personal taste, not products that require thought and deliberation. They are usually talking about stranger-to-stranger word of mouth. And, they are usually talking about binary thumbs-up versus thumbs-down ratings.

In the real world, there is a little-talked-about continuum from products/services/ideas that are a matter of personal taste (such as songs, lipstick, and candy bars) to those that require considerable learning, thought, and deliberation (such as new pharmaceuticals, comput-

ers, business practices) In the middle are movies, cars, and other products for which both personal taste and rational thought are important. A lot of the word-of-mouth community addresses simple personal taste choices and thumbs-up thumbs-down choices, because they are relatively easy to research.

You are probably reading this book because you have a product, service, or idea that requires what I call *deliberative decision-making*, which is located on the upper end of the continuum, as opposed to products on the lower end, such as cosmetics, food, and songs. Most of the work I have done is with deliberative decision-making, where people actively select the people they are going to tell about the product, have to talk interactively about how the product may fit their needs, and render a detailed recommendation about benefits and drawbacks. This has involved everything from frozen pizza products to farmers deciding on what fertilizer/insecticide combinations to use, to physicians deciding on whether or when to use a newly approved drug. These can be enormously complex decisions that cannot be made without word of mouth as the decisive factor. Decisions for which conventional marketing is now almost irrelevant.



SECRET

Beware of confusing products that require deliberation versus products that sell based on personal taste in thinking about word of mouth. They require very different sales methods.

While this makes for cleaner research, it doesn't shed light on most of the real world. This is like the famous story of the drunk looking under the lamppost for his keys not because that's where he lost them, but because that's where the light is.

On the other hand, my experience isn't "scientific" in the sense of controlled experimental data tested statistically. It is based, however, on rigorous observation of and trial-and-error with thousands of groups of people going through the decision process and engaging in

word of mouth with one another. In study design circles, it is called “field research.”

What I said in the first edition about the importance of both experts and peers is even more applicable today and would have saved people a lot of controversy about whether to go to the “influencer” or the “Average Joe.” They are both important, depending on the product, the population, the stage of the decision process, and the nature of the content (e.g., good-bad, ratings, active pro-con analysis, etc.)

Sometimes, if you have the right product, at the right time, you can lob it over the fence to a few random people and it will explode and spread like wildfire, or the proverbial virus. But most of the time, you need to cultivate the experts carefully and provide the events, forums, and materials for them to express and transmit their opinions.

To imply that experts aren’t important in determining what new drugs will be adopted by practicing physicians is patently absurd. To imply that experts, critics, and other central influencers determine what songs and movies will be successful is also patently absurd. With these kinds of products, experts are overridden all the time.

Let’s see how and why you should decide on one or the other—or both.

Sources of Word of Mouth

There are three different kinds of word of mouth among customers (see Table 6-1):

1. Expert to expert
2. Expert to peer
3. Peer to peer

In some situations, experts are the most powerful sources of word of mouth. But in others, local influencers or peers can be more persuasive. Let’s look at the different roles of experts and peers to understand when to use which source.

Table 6-1
Sources of Word of Mouth

Source	Function	Content (what it provides) under the best circumstances
Company advocates	Information	The features, claims, promises
Experts	Confirmation	The upside potential in the best of circumstances
Peers	Verification	What to expect in the real world, in typical situations

The Power of Experts

Experts can be the most important and leveraged sources of word of mouth. When the experts in your fields are behind you and talk about your product, they will often start an unstoppable stampede toward your product.

Not all influentials are experts and not all experts are influential.

To be an “expert” usually involves not only knowledge, but also the judgment and skills to evaluate the information, thereby turning the information into knowledge and even wisdom. They are, therefore, usually enormously influential to certain kinds of other people in specific circumstances.

There are several different kinds of experts: Acknowledged leaders in a field, lesser-known leaders, local experts, subspecialty experts, or just very knowledgeable people, like your friend who always seems to know what restaurant to eat in. These experts play different roles, many of which have fuzzy borders and can overlap:

- *Super Experts.* The knowledge leaders at the forefront of the field. They often don’t know how to talk to ordinary people and often don’t care, although there are exceptions. In medicine, they are the scientists who don’t necessarily know how to treat real-life patients in real-world situations. They have the laboratory knowl-

edge, but not the clinical knowledge nor the people skills to deal with patients and families.

- *Super Specialists.* People at the forefront of knowledge and its application, who are not necessarily discovering the new information, such as clinical investigators in medicine, who usually also see patients, are the leaders of clinics or departments, and teach.
- *The Specialists.* People who have concentrated in a particular specialty. In medicine, they are the brain surgeons, infectious disease specialists, cardiologists, etc. They may overlap with other types of experts.
- *The Teachers.* People who, at all levels, translate information to other experts and to the general population (some are also *super experts* or *super specialists* who teach).
- *The Infomediaries.* People who like to accumulate large amounts of information, sort it out, evaluate it, and make recommendations to others. They are often called *Mavens*, which is Yiddish for “one who understands.” They are interpreters of the information, its applications, and the broader trends. They are often the ones who get to say what’s “cool” or are certainly the first to spot what’s “cool.”

There are other types, but by now your head is probably spinning. The important secret about understanding experts is:



SECRET

Experts are people who are perceived to have more knowledge and better judgment. It's important not to lump influencers and experts together. Experts have many roles.

Every industry has experts who are the prime opinion leaders. It's obvious in professions such as medicine, where there are recognized luminaries with whom physicians check before embarking on a new

treatment. They will not try a new drug unless these experts give it their approval for use in a particular situation or for a particular medical condition.

So, here the controversy about whether influentials are important is nonsensical. The important question is, “In what ways are they important and how do we leverage word of mouth through them?”

But even in consumer areas, there are magazine editors, popular trendsetters, and others to whom people look to know what’s “in” and what’s “out.” To construct effective word-of-mouth campaigns, you must understand the function of experts and their unique psychology.

The Expert Is a Different Breed of Cat

The first thing to understand about experts is that they are in the expert business. The expert business is like any other. Experts are continually seeking expert “jobs” (speeches, consultations, studies, for example) and other ways to bolster their status. In other words, experts are looking for ways to market themselves. They spend much of their time running websites, blogging, giving speeches, conducting seminars, and consulting. They are often prolific writers, which is usually their main marketing method. Their marketing orientation makes them very approachable, contrary to the common view of them as insulated and difficult to reach. But, they are often traveling and may be difficult to track down.

Some people think of experts as formal, pretentious, ivory tower-types—inaccessible stuffed shirts. Nothing could be further from the truth. I’ve worked with hundreds of experts, individually and in groups, in dozens of different fields. They are astonishingly easy to reach. Most are informal, friendly, and humorous. They tend to be open about what they know and surprisingly willing to admit what they don’t know. In other words, they tend to be intellectually confident and unthreatened by not knowing something.

They see themselves as visionaries, able to see beyond the horizon to future implications. They are the innovators and very early adopters of new products, ideas, and technologies. As such, they are more than willing to share their experiences and opinions about these new products.

But they do not suffer fools gladly, as the cliché goes. You need to be straight with them up front about what you want, the negatives as well as the positives, and why it's in their interest to cooperate. They love to puncture bubbles, expose frauds, and point out the inevitable flaws in products. They will often go to bat for you if your competitor is behaving badly.



SECRET

Experts are reachable, provided you have a legitimate reason. Be totally honest with them. Make sure your product can withstand and benefit from thorough, expert scrutiny.

Expert-to-Expert Word of Mouth

The world . . . is only beginning to see that the wealth of a nation consists more than anything else in the number of geniuses that it harbors . . . Geniuses are ferments; and when they come together, as they have done in certain lands at certain times, the whole population seems to share in the higher energy which they awaken. The effects are incalculable and often not easy to trace in detail, but they are pervasive and momentous.

—William James

He could just as well have been talking about experts. As a psychologist, I have been fascinated by the much-overlooked phenomenon alluded to in the James quotation above. I call it the *Experts Critical Mass Effect*: When a group of experts get together, they quickly reach a

psychological critical mass and create an explosion of new ideas. Their sudden agreement can move an entire industry, or an entire society.

Some of the more spectacular examples, which each revolutionized their field and shaken the world at the time, were the Continental Congress, the Manhattan Project, the Bauhaus School, Andrew Carnegie's "brain trust," the Vienna Circle, Xerox Parc, the MIT media lab, Disney, Pixar, Microsoft, and now Apple, Google, and Facebook.

Experts often tell me that the time they manage to squeeze in at conferences with other experts—in the hallways, lounges, or private dinners—are the most valuable parts of the conferences. The point is that experts don't get to speak with one another often enough, even though the process is immensely valuable.

Experts: Converting Data into Wisdom

The importance and value of experts will increase dramatically in the coming years. The increased abilities to generate and access information brought about by the Internet, telecommunication, and travel advances have generated an information overload. As this increases, experts will become even more important because they filter, distill, and synthesize vast amounts of data. Data has to be turned into information, which has to be turned into knowledge, which has to be turned into wisdom. Unfortunately, at this point of human development, wisdom is lagging far behind data. Experts are our main catalysts for converting data into wisdom.

Experts are part of the division of labor I talked about previously: Some people step up and say, "I'll learn all about that, and report back . . . and keep reporting" We're willing to pay for that.

As information increases, interactive groups of experts become increasingly necessary to cover each area. But experts groups are difficult to convene, since experts are so busy. This is the first time in human history that experts can easily be brought together: Web-based meetings have finally reached a high level of quality and convenience.

A clearinghouse is needed to bring experts together, harness their power, allow them to synergize and potentiate one another, and to

reduce redundancy (answering the same questions over and over). You have an unprecedented opportunity to “capture” these increasingly important people and have them work to your advantage.



SECRET

Change the opinion of a relatively small number of experts, and you'll change the marketplace.

How to “Capture” the Experts in Your Field

You have a tremendous opportunity for starting what I have been calling since 1986 an “Xperts Xchange” (no relation to the Experts Exchange on the Internet, which is a great idea) in your field of endeavor. It is an opportunity for you to get the experts on your team and have them participate in the development and launch of new products.

You can fund the exchange of new ideas in your field. Organize and fund the forum events that get the experts together. It can be surprisingly inexpensive for the payoff involved. You can get a preview of the cutting-edge thinking in your field, hear what the experts are recommending, and even influence their recommendations.

There are many ways to do this. For instance, you can hold a regular teleconference or web meeting of the experts in a given field, which you then make available to the rest of the industry. I have conducted many experts' sessions that I then sold to the entire industry. Another approach is to bring them together into a *private advisory group*.

The Private Advisory Group

Take the case of Previstar, which has online Emergency Management systems that enable Emergency Managers at every level—national, state, county, municipality, individual nursing home, etc.—to plan and coordinate activities and resources in any kind of imaginable emergency.

Previously, planning was done in word-processed and spreadsheet documents, only to gather dust on shelves. Previstar turned the pro-

cesses into a relatively easy-to-manage system. But there were decision blocks, that is, anticipated implementation difficulties and difficulties explaining exactly how it made the lives of emergency managers easier and their jobs more effective. This was particularly true at the municipal level and with chains of nursing homes, which needed a much simpler subset than those that had been developed by Previstar for the military.

We got some of the savviest emergency managers—some known in their industries and some not—together for conference calls and email list discussions. At first, we asked what their dream system would do. Then, we discussed what was most important in an initial system to be subsequently improved. We negotiated the best and most realistic system—one that customers would use and one that was still possible to design. Customers commented on the design as the system was being built. Then, the designers walked them through the first system on their screens at their desks and implemented it in their locations. Customers provided constant feedback on their difficulties and their successes. The system was tuned and tweaked. We asked the expert advisory group how they would explain it to their colleagues in other cities. We got a prestigious university involved on many levels.

We used the wording in promotional material, emphasizing the issues that we knew were most important, using the actual words—sometimes the exact wording—of the enthusiastic customers. Most important, the expert advisory group, all of whom led insanely busy lives, talked to their colleagues around the country and persuaded them to implement the system. Why wouldn't they? After all, with help from Previstar, they designed it!



SECRET

Experts who are treated right will participate in advisory groups. Set them up so that everyone wins, no one is exploited, and everyone is heard. Negotiate and build the best possible realistic system, and they will evangelize for you. But you have to do it with the highest levels of professionalism, honesty, and integrity.

Expert-to-Peer and Peer-to-Peer Word of Mouth

Experience gathering via word of mouth is a two-step process. First, people want to know the upside potential of the product. They speak of this as its “promise” or “claim.” Here, they look to the company to make the claim and to the expert to confirm it.

But that is not enough for the customer to reach a decision because the expert’s endorsement only says that the claims are true if the product is used under ideal conditions by an expert. Next, the decision maker has to determine *whether the promise will be fulfilled in the real world*—the more typical world—of her own situation. She also wants to know the local pitfalls. This process can only be achieved by hearing from peers on one’s own level or by direct experience.



SECRET

It often takes years to go from initial interest to trial to adoption, because it takes an inordinate amount of time to hear from enough peers and to gather their experiences.

People are waiting. That, every marketer knows. But exactly what are they waiting for? Why does it take so long for the full adoption of most products? Marketers don’t usually ask those questions because it seems “obvious” that people are waiting for more product information and for time to sort it all out. But they’re not! They are actually waiting for the more adventurous to get more experience and to share it via word of mouth.

In my experience, that’s what holds up most products. Marketers are giving people information, but people aren’t listening because they need experience, which doesn’t come from the marketer. It comes from experts and peers—experts to tell them the upside promise, and peers to tell them the real-world delivery.

The Catch-22 of Marketing

People are caught in a dilemma. Most people, especially the middle majority (67% of the market), will not use a product unless they have confidence in it, but they will not get that confidence in a product they haven't used. It is this process of expert and then peer experience-sharing that can compress this into a much shorter time period.

Delivery of Word of Mouth

The most persuasive combination in marketing can compress a many-year process into a few weeks or months. The flow of this combination is:

- Initial information from an expert
- Followed by organized trial
- Followed by a means of pooling peer experience (to multiply it, put it into context, and incorporate practical tips and suggestions)

This flow is the way to accelerate the experience gathering and evaluation that people need to adopt your product. But this flow rarely happens naturally. If it does, it often takes many, many years.

How to Deliver This Potent Combination

It is possible to accelerate “natural” word of mouth by creating events and materials that stimulate, amplify, and deliver word of mouth. This flow of experts' endorsement, trial, and peer experience pooling can be delivered in many ways, such as audio teleconferences, printed roundtables, podcasts, audio downloads, and specialized websites. For instance, you can run seminars in which people share what they know, then go out and try the product, then report back and share their experiences, thereby broadening those of the audience.

This kind of approach, in contrast to the promotional “sit them down and make them listen to a sales pitch” approach, only works with

products that can benefit from objective scrutiny. But when it does work, it is the most spectacular, honest, responsible, and lasting means of increasing sales! With the right type of product, you may be able to cut your advertising, sales time, and all other promotion to the bare minimum. You might be able to cut these activities and costs entirely.

The Care and Feeding of Champions

Champions are customers, influencers, recommenders, or prescribers who are actively trying to get other people to buy and use your product. They are the prime movers of your word of mouth.

After you create the Vice President of Word of Mouth position, you may want to consider installing a Director of Champions. You should be aggressively identifying and tracking your champions.

While most companies have a procedure for logging complaint letters, there is often no procedure for logging letters of praise. These letters, as well as all similar communications to your company, should be logged and acknowledged. Special steps should be taken to give the authors of these letters special treatment. I know some companies that invite their champions to genuinely valuable events with a video crew on hand to tape individual testimonials out in the lobby (with permission, of course).

Identify these people through marketing research, sales research, and any other means you can. Don't stop short by just finding out that "a friend" recommended your service to a new customer. Find out, specifically, what friend and what did he say; and reward that person as well. But don't offer the reward up front. That rarely works because then the person feels that she may be perceived as having been bought.

When you find several people who are getting other people to become your customers, contact those people. Interview them either individually or in focus groups and find out exactly what they have said. After all, they have actually sold your product to other people! It's very useful if you can interview the champions and the people they persuaded, in a group discussion. That way, you can hear what people actu-

ally said and hear what was going through the minds of the new customers, particularly what “grabbed” them and what changed their minds.

You should be in continual contact with these people. Get specific testimonials from them that are needed to overcome identified blocks in your prospects’ decision process. Get them to serve on advisory boards. Get them to serve as references. Let them beta test your products. Give them preferential treatment in any way you can. Hire them, when you can.

Note

1. Elihu Katz, Paul Felix Lazarsfeld, and Columbia University, Bureau of Applied Social Research. *Personal Influence: The Part Played by People in the Flow of Mass Communications* (Glencoe, IL: Free Press, 1955).



The 3rd M: Motivation

We might as well face it: You can't *directly* motivate anyone to do anything without force or deception. You can only *indirectly* set up the conditions under which they are most likely to motivate themselves. These conditions are called *incentives*.

So, how do we create these conditions or incentives where people will motivate themselves? The good news is that you don't have to. You need to create the kind of company, product, and service that people want to talk about for the reasons already given. If you do that, they don't need any additional motivation. Opportunity, yes. Motivation, no.

But people are always asking me, "Why would people recommend my product? What would get them to talk to others about it?" While I am tempted to answer, "If you have to ask, they won't," it does deserve an answer.

The huge amount of research on this subject has revealed many nuances and subtleties. The bottom line is that it's a self-esteem issue. People want to feel good about themselves. They jump at the opportunity to demonstrate how smart, well informed, and "with it" they are. They also enjoy helping other people. Not

everybody, but most people. Those who don't? Well, they don't count. There are more than enough who do.



SECRET

People don't have to be motivated to engage in word of mouth. They naturally pass along things that are interesting, unusual, and fun. Don't worry about it. Worry about making your product remarkable. Then give people help with the channels.

It's as simple as that. I feel like there is a lot more that I should be saying, because human motivation is a deep and complex subject. But, it really is just that simple.

Beware of a Trap: Intrinsic Versus Extrinsic Word of Mouth

In an effort to “get the buzz going” about their product, many marketers do things that are external to their products, like running irrelevant contests, creating outrageous videos, and engaging in what I call “stunt marketing.” Other companies create products that are so remarkable that they don't have to come up with these kinds of external stunts. I call the first line of approach “extrinsic word of mouth” and the latter “intrinsic word of mouth.”

A few years ago, at a Word-of-Mouth Marketing Association meeting, a product manager for Windows Vista described a clever contest to give away tickets to a future trip to the moon in conjunction with the product launch. It was a dead giveaway to me that the operating system had little to offer and, in fact, was going to be a dud. Why? Because given the problems with Windows XP, people were clamoring for Microsoft to release a very reliable and user-friendly operating system that allowed easy search, but wasn't vulnerable to viruses. Angry people were switching to Macs in increasing numbers or postponing new computer purchases. Humorous emails circulated saying, for example, that if Micro-

soft made cars, they would crash twice a day for no reason. Another quipped that every time Microsoft repainted the lines on the road, you would have to buy a new car. Other satiric remarks followed. I challenged the product manager, rather publicly, to come up with a single reason why anyone should advise a friend to switch to Windows Vista. He didn't have one. The rest is history.

On the other hand, a lot of people were marveling at the new features of the Mac operating system. Apple didn't need artificial contests.

Viral videos, like the Subservient Chicken for Burger King and other external stimulators of word of mouth, are controversial. The advertising agencies that create them earn a lot of money. I know that there was a tenuous connection between the Subservient Chicken and "Have It Your Way," the Burger King slogan. But I don't think that many people made the connection or, if they did, that it contributed significantly and persistently to sales.

Like advertising that calls attention to itself rather than to the benefits of the product, I think that such word-of-mouth efforts are ineffective at best and counterproductive at worst. They sure are creative and entertaining. But is that what you want to pay for?

All marketing efforts should be measured by their ultimate bottom-line contribution to sales, not their entertainment value, ratings, visits, or recalls.



SECRET

Creating a "buzz" isn't nearly enough, even if the buzz goes "viral." Concentrate on what you have to do to get people talking about the remarkable things that remove the decision blocks of the product.

The Secret Exception

The creation of genuinely valuable educational materials can sometimes differentiate a product and give people something to pass along to their friends even though they do not necessarily find you or your product worth talking about.

For example, I bought my water softener from a local vendor who had a website so informative that it taught me everything I needed to know about choosing a water softener. The subject proved more complicated than I thought. His materials guided me out of the woods, so I naturally ended up on his doorstep.

“Marketing through education” is becoming a major means of stimulating word of mouth and of making decisions easier for the customer.

Another Trap

Offers of cash, coupons, or other incentives rarely work because it makes people feel as though they’re prostituting themselves. If it’s not worth telling their friend about, it’s not worth telling their friend about for money.



SECRET

Don't try to bribe people.

CHAPTER 8

The 4th M: Means or Media

You now have a remarkable product—remarkable to real customers, not just to you as the marketer. You have stories that people want to tell. You have identified the leveraged influencers who will tell the stories, as well as the first users. You have a way of rolling out the product so they will try it and tell their friends. These are naturally motivated people, so you don't have to motivate them.

But you can help them. After all, word of mouth is too important to leave up to your customers!

If you leave word of mouth up to your customers, you are assuming that the customers are able to represent your product accurately in an exciting way. You are assuming that your customers are able to figure out to whom they should talk. You assume that your customers are able to answer questions that they might not have had when they made their decision. In other words, you are assuming that your customers will be able to do a job that your salespeople can barely do. You are incorrectly assuming that enthusiasm confers articulateness.

You spent a lot of time and money (at least I hope you did) figuring out just how to describe your product in exciting, persuasive ways. You've conducted word-of-mouth research to hear your most persuasive customers convince others. Only a small handful of your customers can be this persuasive. (By the way, these are usually not the customers who sound the best to you. They are the customers who actually refer the highest number of eventual customers.) Even this handful could be a lot more persuasive if they had a little help, which they would welcome. After all, they want their friends to benefit from your wonderful product and will welcome any reasonable help in bringing the information to the right people, who will then appreciate their recommendation of your product.

The vehicle for this is what my friend, colleague, and former partner Ron Richards calls the Word-of-Mouth Toolkit. Here is the way he describes it:

Assume that you are a website owner who has allies who would like to talk about the site, community, or product, but they are missing a whole bunch of tools. The word-of-mouth toolkit gives them everything they need to be word-of-mouth allies on a silver platter, and removes the need to reinvent the wheel. The non-Internet version is a folder that has useful booklets, checklists, and worksheets that help cut through the overload and help in making the decisions. It even has toolkits within the toolkit. For instance, it contains things such as:

- A list of the kinds of people you might want to contact about it. Instead of saying, friends,

colleagues, or relatives, say things like, “Probably the best people to tell about this are (in the case of a digital camera) “your friends, colleagues, and relatives who are interested in digital photography but want ease and simplicity to photograph children.”

- The brief description of the product: Why reinvent a description that is clear and compelling? Include a description that people have actually found makes the product clear.
- Questions and answers (really answers to qualms).
- Do’s and don’ts: almost sales training. Don’t use the words “sales training,” but assume that people want to persuade their friends, and be open about it.

This approach helps people start successfully. That’s very important, because if a person doesn’t receive a positive reaction in the first try or two, she will turn off and stop trying.

Ron further points out that the Word-of-Mouth Toolkit should contain an additional bonus, aside from the worth of your product. It should contain some news, some new learning, some urgent or critical information that your customers and the people with whom they are talking will find exciting.

Ron and I have both constructed Word-of-Mouth Toolkits that have caused multifold sales increases. Any product that doesn't have this material designed specifically to facilitate customers communicating with their friends or colleagues is operating on a fraction of its marketing power.

Additional Ideas

Have a separate path on your website for customers to use so people can demonstrate your product to their friends. A demo with a friend is radically different from a solo demo. Design it accordingly. For instance, it might have simplified screens, since a knowledgeable user is going to be operating it. Or, it may have prompts such as, "At this point, you may want to ask your friend to show you how he has applied this."

- Do the same thing with a brochure: Create a brochure that your customers can give their friends that is designed to facilitate word of mouth. For instance, it has places where your customer can demonstrate or talk about his own experience.
- Give samples that friends can give to friends, but don't pay them to do it.
- Give special offers that can be honored only through the friend. Here, you're treating the customer as a trusted insider, which he is and should be.
- Make it clear to the person being referred what the referrer is getting. In general, people don't want to make money off of something that a friend does. But if there is a general incentive, such as an improved product due to a larger user base (not true of all products), greater standardization if one product is accepted, or just helping a deserving product succeed, then it tends to be accepted. Also, it is more persuasive when a friend is making a recommendation without monetary incentive.
- Give people the ability to access (via website or any other means) preprinted materials, such as emails, that people can modify them-

selves to use as a base in communicating. For instance, Microsoft regularly produces PowerPoint™ slide shows so that MIS people can use them to persuade top management to upgrade to a new program or operating system. Knowing that MIS people are not necessarily professional communicators, Microsoft gives them a framework of a presentation, including how to construct a financial analysis of what they are proposing, so that people can have a start.

- Certainly have “Tell-a-friend” links on every web page. Make them link to a filled-out new mail in the customer’s native mail client, so that she can quickly use groups or look up individual addresses. If you do it on a web form, customers have to remember their friends’ addresses, so this will cut down on your pass-along. This is much trickier to do, but worth it.
- If you have a website that sells a wide variety of products, put in ratings with comments, and a recommendation engine to help your customers make decisions. Remember that making decisions easier is your main job as a marketer.

Search Engine Optimization

Make sure that you follow the simple rules for search engine optimization. This means getting your website to rank high in the findings listed by search engines. This is a major subject, but don’t get caught up in it. Just follow a few simple rules that make a big difference. As with everything else, create genuine value and don’t try to scam the system. Don’t use the tricks that you’ll see for outsmarting Google. Google is smarter than you are, at least in this area. In fact, Google issues guidelines. Follow them. Use keywords, careful descriptions, page titles, page summaries, xml site maps, and the other things that are recommended. But the most important thing is to create value. Put up genuinely useful information that people will link to. Links to you are a form of word of mouth. Things like: The top 10 ways to. . . Guide to. . . A short course in. . . You get the idea.

Getting Involved

You have to get the broadcast model out of your head. You even have to get the interactive model out of your head. This is now the age of involvement.

Gone are the days when you could just launch a product by pushing it out there. You and your people have to get out into the marketplace and participate. That's the only way that people will get to know and trust you.

Of course, you have to be trustworthy, just as your product has to be WOMworthy. We'll get into trust in a later chapter.

Web 2.0

Fortunately, it's relatively easy to participate.

There are websites in which the content is primarily from customers, such as rating and comment sites. You can also participate using Facebook, MySpace, Twitter, Amazon's reviews, Craigslist, eBay, YouTube, Flickr, TripAdvisor, and others, not to mention blogs, podcasts, forums, listservs, and amateur videos.

For example, create a Facebook fan page. Participate in your industry's equivalent of Amazon comment sections. Put up YouTube video demos that are genuinely helpful and noncommercial. There are a whole variety of these websites in your industry. If you don't know them, find them—and keep finding them, because new ones are always being launched.

You must have a high-level person on those sites, who acts responsibly and nondefensively. People welcome comments from the manufacturer (it shows you care), as long as you are straight with them. You have to be conspicuously honest and fair. You have to admit mistakes, correct them quickly, admit uncertainty, and take criticism constructively, even when it isn't constructive criticism. You will get abuse. You will get negative word of mouth. But, your customers will quickly come to your defense. You have to be able to let your customers handle most of the negatives because anything you say will be perceived as

defensive. You can, however, provide factual information that your customers don't have. Understand that some of the prodding that comes your way is testing to see if you are being honest and nondefensive. In other words, they are tests to see if you can be trusted to tell the truth and do the right thing. Don't get on these websites unless you are worthy of that trust.

You also have to realize that there are a lot of immature, malicious social misfits on the Internet. You have to react like a mature adult and be above the baiting and insults. You don't have to answer every speculation, accusation, and insult. Go up one level of abstraction and talk to the issues, not the specific little points. If you're not sure, bounce things off trusted friends and family members, particularly your children. If it does nothing else, it will delay your response so that you can calm down.

What will help you the most is to maintain the perspective that you are there to help the prospects, customers, and other site visitors. You are also there to let them see you for what you are: a real person, or real people, not a faceless corporation trying to limit your liability, which is what the corporation was legally created to achieve. If you are coming from a genuine desire to do right and be helpful, just about everything else will take care of itself.

I hope I haven't scared you off. Participating with your customers is an enormous opportunity to increase word of mouth, among its many other benefits.

The New Media

Then, there are:

Blogs, Podcasts, web aggregators, social bookmarking (Digg, Reddit, Del.icio.us, Diigo, StumbleUpon), rating services, and so on. In addition, you can conduct word of mouth by texting, VOIP, webinars, screencasts, and other newer methodologies. Oh, and there are several new ones popping up each day. like Whac-A-Mole. Needless to say, you can't keep up. There's no way I can provide a comprehensive guide, but here are some suggestions:

- Jump in. Get information, tolerate the confusion and overload, take notes, keep thinking, and eventually you will sort it out for your industry, products, and kinds of customers. You can't do everything, but you should get started.
- Find out where your customers hang out on the Internet. Go there regularly.
- Find out from your customers where they get their information, ratings, and recommendations. Keep asking because it changes constantly. Participate in these where and when you can but not as a skill. Do it openly and honestly.
- Monitor your online word of mouth. Google “[YourProduct-Name] sucks,” substituting your *product or brand* name in the brackets, and other derogatory and complimentary phrases. Find out where they are badmouthing you, where they are praising you, and where it makes a difference. Oh, and think hard about whether it is true. If the bad stuff is true, fix it publicly. Subscribe to various monitoring systems that send you mentions of your product on websites.
- Set priorities. Don't get caught up in the details and lose perspective.
- Make someone responsible for managing your presence on the web.

Negative Word of Mouth

The most important thing to ask is, “Is it true?” If it is, you need to be very careful to avoid the blindness and poor judgment that defensiveness causes. Your lawyers are understandably trying to protect your legal interests, so they want you to say nothing, evade the issue, deny it, or put a positive spin on it. I can't give you legal advice. And they can't give you marketing advice.

You need to weigh the consequences of what they are saying versus a demonstration of your openness and honesty by telling the truth. The truth is going to come out anyway. Here is an opportunity to demon-

strate your commitment to the customer's well-being, which is the basis of trust. We've all seen companies destroy their reputations and trust through childish stonewalling, crude evasions, and bald-faced lies. We've also seen the other side: Watch how P&G and Apple handle negative word of mouth.

My advice is to own up and fix it.

But what should you do if you are being accused of things that aren't true?

Monitor for Negative Word of Mouth

I do not need to go to great lengths to tell you how destructive negative word of mouth is. Please consider this a friendly reminder to make sure that you have a way of *encouraging* complaints, monitoring them, and fixing their underlying causes, pronto! As Dick Cavett once said, "It's a rare person who wants to hear what he doesn't want to hear."

You want to find out about it fast. Just as you should put special attention on creating, identifying, and communicating positive stories that illustrate your company's greatest strengths, you should have a special system to identify actual and potential negative word of mouth.

Retailers retain "mystery shoppers" who shop at their stores and report on the experience. Similarly, you should retain a service to check on how your phone calls and other interactions are handled.

Have one of your top executives return complaint calls. Give her the authority to make things right not only with that customer, but to institute procedures that will keep the problem from happening again.

The most important thing to know is that customers will come to your defense. Usually, they will do spontaneously. If not, ask them to. You'll be pleasantly surprised.



The 5th M: Measurement

The Silverman Uncertainty Principle: You can't measure your word-of-mouth campaign with a conventional control group design, because the purpose of word of mouth is to set off a chain reaction of second-order word of mouth that reaches everyone quickly. In experimental design, it is called "contaminating the control group." You can't use a pre/post design because you can't control for the other variables without a control group, which you can't use. Also, the second order effects are much more powerful than the initial exposures. Your boss is going to hit the roof over this.

The Problem

Word of mouth is the only marketing method that can't be measured accurately. Even more disturbing is that the more effective the program, the more likely any attempted measurement is going to be invalid. That's a serious problem, because most companies now require that you show a substantial return on investment (ROI) for any marketing method you use.

Don't get me wrong. You can plot the number of mentions of your product on the social media when compared to your competition, but that's not the same as measuring the bottom-line effectiveness of a particular word-of-mouth campaign. That campaign isn't the only thing that's happening in the world. You can't use a control-group design, for instance, to measure the purchases of people who attended your webinar. The major effects may be on friends of friends. In most cases, that can't be tracked back to its source.

This unmeasurability goes contrary to common sense. Everything else is measurable, so it seems obvious that word of mouth must be measurable.

The Difference Between Measurement and Research

While it is possible to observe and research word-of-mouth campaigns in ways that I'll discuss in detail, the ROI of a given word-of-mouth campaign can't be measured in any accurate and meaningful way at this time—not that I'm aware of, despite all the claims that it can.



SECRET

Word-of-mouth campaigns can be researched and understood and the effects can be crudely tracked, but they can't be measured validly by control group methods.

Note: There are a lot of technical issues here that are not appropriate to this book. I'll post the rest of what I have to say on this subject on my website, and we can have a discussion. Go to mnav.com/WOM-measurement.htm.

How to Research Word of Mouth

As I said, there is a big difference between *measurement* and *research*.

It is extremely important to understand your customers' individual opinions, attitudes, and emotions because these are what drive their

behavior. But it is not enough. In some ways, it is even more important to know your prospects' issues, concerns, and questions, and how your customers respond in real-life word of mouth.

Why? Because after they hear your sales pitch or see your advertising, your prospects will start talking about your product. Word of mouth is what stands between your marketing input and the prospects' actual purchase.

Your customers' private opinions about the product influence their own behavior, but what they say about the product influences the behavior of their friends and colleagues. This starts a ripple effect that ultimately determines the direction and speed of the marketplace.

Most companies spend huge amounts of money researching advertising, sales aids, and other promotional materials. Yet, companies spend virtually no money directly understanding word of mouth. The following indispensable questions often go unanswered:

- What are the users willing to tell the nonusers?
- Exactly how do your customers describe your product?
- What are the nonusers willing to ask the users? What are they too embarrassed to ask?
- What are the things they need to know, but are unwilling to ask?
- What happens when these issues are raised?
- Exactly what do your prospects have to know to trigger a purchase?
- Exactly how do your customers answer the objections, concerns, and qualms of your prospects?
- How did your customers actually persuade others to use your product? What worked, and what failed?
- How do your customers suggest they initially get to know (try) your product?
- What warnings, safeguards, tips, and suggestions do your customers suggest to your prospects?
- Are your sales messages, positioning, and important facts about your product getting through and surviving word of mouth? Most

important, what messages do you need to inject into the marketplace in order to turn the tide in your favor, and how will you deliver them?

The only way to research word of mouth is to research it directly.

How to Design Word-of-Mouth Research

The usual way of researching word of mouth is indirect. People are asked to recall their word-of-mouth interactions—in surveys, for instance. But the best way to observe and hear the actual word of mouth in progress is through focus groups. The focus group is a way of causing word of mouth to happen; it is not just a simulation of word of mouth. You can actually get customers talking with prospects in the process of convincing them. Dyads and triads also can be useful.

A popular method now is to access ongoing online public discussion groups about your product or to set up such groups specifically for that purpose. While it's eye-opening to follow discussions about your products in online discussion groups, it is a biased sample and can be misleading. There is nothing that beats the skillful probing of a first-rate qualitative researcher.

The Basic Research Model and other research designs are described in detail at mnav.com/WOM-focus-groups.htm.

Telephone Focus Groups

The best way to conduct focus groups is on the telephone, a technique for bringing together hard-to-research people into group interviews from their own homes or offices anywhere in the world. (This advice will come as no surprise to those of you who know that I am the originator and developer of the telephone focus group. However, I'm not recommending telephone groups for researching word of mouth because I developed them. I developed them because I needed a way of researching word of mouth!)

There is a wealth of free information, manuals, training programs, etc. on telephone focus groups at <http://mnav.com/H2ResWom.htm>.

Online Focus Groups

I have a detailed analysis of face-to-face, telephone, and online focus groups on my website, at mnav.com/online.htm. So, I'll just state for the record that I don't use online groups primarily because text doesn't reveal enough emotion. (An emoticon is not an emotion ;-). You just can't read people from text alone.)

For more on this, go to <http://mnav.com/online-focus-groups.htm>

What to Do If You Don't Have "Users"

In the case of a new product, word of mouth can—and should—be researched well before the launch. Even before a product is introduced, there are often expectations about it. Many people, particularly innovators and early adopters, may have heard about the product and may be discussing it. It is crucial that you know what they are asking and saying. If people have not heard of your product, tell some so that you can hear not only their reactions, as is so commonly done in focus groups, but also how they would explain the product to colleagues. Often, they come up with simple, elegant descriptions, metaphors, or analogies that people who are too close to the product cannot do in fewer than several pages.

With new products, instead of users and nonusers, you want to put people who are favorable to the product idea together with skeptics.

Other Research Designs

There are many other research designs at <http://mnav.com/focus-groups.htm>.



CHAPTER 10

The 6th M: Multiplication

We have now completed our overview of 5 of the six Ms of word of mouth: Message, Mavens, Motivation, Media, and Measurement.

The last one is special: Multiplication. Word of mouth, as we have seen, unlike a virus, can feed on itself and multiply at an ever-increasing rate, even beyond its much-ballyhooed exponential growth. At its extreme end, it can reach most of the entire population of the world in a matter of hours!

Some perspective: In marketing, magazines were a great breakthrough because they have a “pass-along” rate. So, one person reads it, then often passes it along to others. Some copies aren’t passed along at all. Other copies are in doctors’ waiting rooms and may be read by hundreds of people. How many times the magazine, with its included advertisements, are passed along *on the average* is the pass-along rate—typically 2 to 3 times. So the potential exposure of an ad can multiply 2 to 3 times. Most other media don’t have such a pass-along rate.

Except for word of mouth. A YouTube video, with its views fueled by word of mouth, can get millions of viewings.

This is the same as asking how you encourage, harness, influence and amplify word of mouth itself. So, the short, glib answer is: Do the things in the rest of this book and word of mouth will multiply because that's what it does when it doesn't fizzle out.

But there are a few more issues that will help word of mouth multiply because they cut across all of the Ms.

The next chapters cut across all of them. But, first, I want to say a bit more about trust.

Let me remind you of a secret that you already know: People don't buy from people they don't trust, unless they have to. If your product is the one they trust, you are going to get the business.

What Is Trust?

Okay, let's ask another of the "dumb questions" I promised you at the beginning of this book, a question whose answer is so "obvious" that people don't ask it because they don't want to appear stupid: What is trust?

So let's ask a Stupid Question: What is trust?

The definition of trust seems obvious, but it isn't. I've asked this question of thousands of people in focus groups. The context is what do they mean when they say they "trust" the marketer of a product or the product or company. Stop for a moment and ask yourself what *you* mean when you say that you trust a product, manufacturer, vendor, or company spokesperson.

What people usually mean, if you probe deeply enough is:

Will the company will tell the truth, stand by its product, and make things right? Will the company not only tell the truth, but take into account the *relevance* of the information *to me*, realizing that the truth applies differently in different circumstances? So, will the company be clear about how the truth applies in *my* situation.



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In the marketing context, trust comes down to the expectation that a person or group will act in the best interest of the customer, even if that action is not in the short-term best interest of the company.

For messages, trust is the expectation that the person is communicating with my best interest in mind, for my benefit, even if it isn't in her best interest at that moment. It is likely to be true and relevant because it is relatively free of the bias introduced by a vested interest in the product. So, people trust statements made by third-party sources much more than by a company source, such as a salesperson. But they will trust statements made by *trusted* vendors, because the vendor has *demonstrated* that he can be trusted—that he will consistently work in the best interests of customers, even if he takes a temporary hit. He is more interested in keeping customers happy than in the immediate sale.

The key word is “demonstrated.” You have to earn trust by actions. There is a profound truth to the cliché “actions speak louder than words.” It has earned its cliché status.

This provides a major opportunity for you, the marketer. In general, people advocating a product, service, or idea tend to be so defensive, so willing to bend the truth, so deceptive, and so prone to engage in spin, “little white lies,” hype, omissions, distortions, outright big lies, and a disregard for the interests of others that if you treat them the way *you'd* want to be treated, they will talk about you, loudly. In fact, they will shout it from the rooftops!

I'm sure you've heard all the clichés about reputation. They're all true.

Further Secrets of Trust

Your reputation is the set of expectations that people have of you from indirect experience. In short, what they've “heard” through word of mouth about whether they can trust you and whether they can expect you to act in their best interest.

All you have to do is treat people right and go the extra mile to do things that are unexpectedly generous, helpful, thoughtful, and kind. They will tell their friends, because, sadly, it is so rare.

Or, you can be like the large banks, auto rental companies, phone companies, car dealers, and insurance companies that hit people with hidden charges, confusing prices, poor service, explanations that are gibberish, and undeserved penalties. It's called “Confusion Marketing.”

Can you name one of these organizations you trust? Would you switch if one of them acted decently? Would you tell your friends?

But trust is not only about not exploiting people. Manufacturers of trusted products go a few steps further. They take the time and trouble to get out of their own heads and make sure that the whole decision process—not only the product user interface—is simple, easy, fun, and fast. They ensure that the product relieves the customer of every possible burden.

Or, you can be like certain technology companies that never seem to miss an opportunity to make something complicated. If you found a technology company that made things just as effective, but simple and user friendly, and also treated people like people instead of machines or engines, would you switch?

Oh, you've found Apple, Google, 37Signals, Amazon, and Zappos? I rest my case.

CHAPTER 11

(Almost) Everything I Learned About Marketing, I Learned in My Father's Drugstore. Let Me Share It With You.

I went to work in my father's drugstore as a stock boy when I was nine years old, progressing to cashier, clerk, and pharmacist's assistant. Retailing is a high-feedback environment in which you can quickly see the effects of what you are doing. You count the money at the end of each day, count the prescriptions, and see the faces of customers. I later became a psychologist and a marketing consultant, but realized that what I had learned in my father's drugstore, particularly about word of mouth, applies to every business and every product—not exactly in the form I learned it, but translated into a form appropriate to the particular circumstances.

Treat this section as allegorical. If there is a lesson that follows that you think is irrelevant to your product, your business, or your job, I urge you to pay particular attention to it: It is likely to be one you are neglecting at your peril.

I like to think my father would have been proud that the lessons he taught were put to good use. He was a brilliant marketer. I grew up in his various drugstores and watched as he turned stores that he had picked up for a song into successful businesses. He owned the largest volume drugstore in Brooklyn, New York, and later the largest independent drugstore in Manhattan, both of which started out as small stores. He would typically buy a store that was filling about ten prescriptions per day and, in a few months, that store would be filling hundreds, then thousands of prescriptions per day.

He did it almost exclusively through word of mouth.

He used all of the six Ms in the previous chapters, so the example will show how they all tie together.

The first thing he did was to give customers something worth talking about. After all, a drugstore is a drugstore. They all have more or less the same merchandise, and certainly their prescriptions are absolutely standard. When a physician writes a prescription, it should be filled in exactly the same way by every drugstore in the United States. At least this was true years ago when there were very few generic drugs and when substituting drugs was illegal.

So the first thing my father did was to provide an extraordinary level of service. For instance, he was free with advice and recommendations for new and superior products. And he would go to any lengths to get an unusual item that a customer requested, instead of saying that he didn't carry the item. "Never let them walk," was a phrase of his that is still ringing in my ears. He bought in large quantities, sometimes pooling buying power with pharmacist friends in other parts of the city, passing the savings along to customers. He always priced his prescriptions substantially lower than any drugstore in the neighborhood, remembered his customers' names, treated them with respect and courtesy, made them feel special, and, in general, catered to them in a way that went beyond their immediate financial worth to him. To him, they *were* special.

The first customers to come to a new store were especially favored. He would ask them where they were from and where they worked. He would explain how his store was different now that it was under new

management. (It's now called differentiating your product, making it WOMworthy. He was always ready with some kind of convincer—a special deal or a free gift—that he had up his sleeve (he was also a magician). He'd ask them what medications they were taking and quote them a good price (privately he called it a “come-back price”). This was especially true if he saw a word-of-mouth opportunity. For instance, if the person worked for a large company or lived in a large apartment building, he would give them a special price on their medications and tell them that he was doing so in the hope that they would pass the good word about the store to their friends.

He would even be willing to lose money on a customer who brought him many other customers.

Here are the secrets—the key principles—that we can draw from my father's example.

Key Secrets from My Father's Example

Cater to Your Initial Customers Shamelessly

Cater especially to those customers who are major potential sources of word of mouth, the Mavens. It doesn't matter if you lose money on them; it is the word-of-mouth stream, and thereby the revenue stream they create, that is important. These first customers are the early adopters. Their direct revenues may not be particularly great in and of themselves, but these first customers could lead to hundreds or thousands of other customers. Spare no efforts in cultivating them.

Give Them Incentives to Engage in Word of Mouth—Motivation

If there are rewards and incentives (not bribes) to encourage them to engage in word of mouth, they are much more likely to be willing to tell their friends about your product or service. Give them a reward, discount, or other incentive for bringing in a friend. Give the incentive to both the referrer and the referred. Surprise them, delight them.

Ask for Their Word of Mouth

The best way to get people to do something is to ask them, but don't ask them to do you a favor. Rather, ask them to do their *friends* a favor by recommending you. Most direct requests read like this: "Please tell your friends about our wonderful service." But better phrases are: "Please do your friends a favor by recommending us" or "Who else do you know who could benefit from our extraordinary service?"

More Secrets from My Father's Example

Rule one: The customer is always right. **Rule two:** In the rare cases where you know the customer is really wrong, refer to rule one. Then follow the secrets below.

Don't approach the customer with the intention of selling something. Instead, politely ask, "How can I help you?"

Always tell the truth, and tell the whole truth. Never withhold the disadvantages of a product, even one you are enthusiastic about. There's always a way to tell the truth, even if the Board of Pharmacy or the FDA won't let you. For example, there was a law against advertising lower prescription prices, and my father was discounting prescriptions. He was frustrated that he couldn't put a sign on his window telling customers that his prices were lower. I suggested that he put up a sign with the text of the relevant law, together with a statement of his disapproval of the law, figuring that the customers would get the message. He had a better idea: He put up a sign, "Let us price your—and your friends'—next prescription. The Board of Pharmacy had a fit, but they could do nothing to prevent him.

Always surprise the customers by giving them more than they expected. It's the pleasant surprises that they tell their friends about.

Give them a reason to buy, or many reasons to buy, not only in your place of business, but from you personally. Make them come back and refuse to be waited on by anyone other than you.—Motivation.

Make eye contact. Say it with a smile, even over the telephone, but make sure it's a real smile.

Find a lot of little ways to make doing business with you a little better: Give a warmer greeting and provide a nicer floor, better lighting, a better bag, extra matches, faster service, free delivery, lower prices, and a larger selection. There are scores of ways to increase value. Write them on little scraps of paper. Your pockets should be bulging from them (my father's were).

Never be annoyed when a customer asks you to change a large bill, or brings in a bag of pennies to be changed into paper money, even if he doesn't buy anything. Someday he will. Always check to make sure that you give the correct change.

The customer is not an annoyance taking you away from your real work. He is the reason you are there!

Get a mental picture of the customer walking past your competitor to come to you. Never take him for granted, never rely on habit, because one day he will go in to try the competitor (if for nothing more than variety) and never come back. Always ask, "What have I done for him lately?"

Always dust off a dusty bottle or box, but never let the customer see you do it.

Never, ever, in any way embarrass a customer, especially by making him feel ignorant.

Never answer a question with a desire to show how smart you are. Answer the question, but answer from a desire to help the customer make the best decision. Make him feel smart for asking the question.

When you don't know, say so. Never make things up and don't speculate about what the answer might be. Find out the answer on the spot or promise to find out. Do whatever you have to do to find out, no matter whom you have to ask, whom you have to call. Call the president of the company if you have to, and don't let him off the hook either.

Every customer is special. Get to know them. They're fascinating. Call every customer by name. If you don't know the name, ask for it again and again if necessary, with a self-deprecating joke. They may think you have a bad memory, but they will never think you don't think they are special.

Never let customers walk, for any reason. Meet any price. So what if you have to fill their prescriptions at cost. Maybe that's the price you have to pay to sell them their cosmetics.

Don't let known shoplifters into the store. Shoplifters want stores in which the clerks neglect them. So, don't neglect customers.

Act as though every moment a customer is waiting, he is thinking bad thoughts about you. Don't ever let two clerks or pharmacists talk when a customer is waiting. The worst thing you can do is to count your money while keeping a customer waiting. Nobody has so much money that they can't afford to lose count and start counting over again—after the customer leaves.

Remember that no matter how much they like you, they buy the product because they want it or need it. They pay you money because what they are getting is worth more to them than the money they give you. If you can suggest something better, without pressuring them, they will probably be grateful. Giving them a sample may cost you a present sale, but it's worth it. Sometimes it's helpful to ask a simple question such as, "We've been selling a lot of X lately, and people have been coming back for more. I'm curious, have you tried it, and what do you think?" Always respect the fact that it's their choice. But always try to make the choices easy.

Never pressure anyone into anything. The best that you can do under those circumstances is to make the sale at the risk of losing the customer.

Never knowingly give bad advice. In fact, generally stay away from giving any kind of advice. Just help people come to the right decision.

Personally visit any store a customer compliments, particularly competitors' stores that are beating your prices. Do so even if it's an hour's ride across the city. That storeowner is probably doing a whole bunch of things that you can do even better. If the competitor knows you, send in other people to report back to you. (I didn't know this was called ethnographic marketing research. These were my first marketing research assignments.)

Hire a shopping service to prepare periodic reports on the pricing and inventory of your competitors, as well as on how your people are treating customers (mystery shopping services).

If you hear of a store where the management is insulting customers, buy it. You'll buy it for a song, since the management will be in trouble due to negative word of mouth. Just putting up an "Under New Management" sign will increase sales dramatically. Then, if you don't want it, sell it based on the increased sales. (My father bought and sold dozens of stores.)

Look where the leverage is. One physician or office nurse who is convinced you are better brings hundreds of customers and their friends through word of mouth (I didn't know at the time to call them leveraged influencers).

Always look for ways to build the business. Start with finding ways to "make a stranger a customer." There is an old adage that the three most important things in determining the success of a store are location, location, and location. On the other hand, don't forget that most people, even wealthy people, will walk several blocks to save a few bucks, or see a smile, or be treated right.

Always run a sale or a promotion or an offbeat event. Make them talk about you. Make them keep coming back, even if for nothing else than to see what you are up to next. (This was way before RSS feeds.)

Use the best sign-maker (or web designer) you can find and pay her more than anybody else. Plaster your windows with her signs, but not before you check her spelling. Clarity is more important than artistry. It's the message that attracts the customer, not the artwork. (Like me, my father would have hated Flash animation.)

Correct any dissatisfaction, no matter how small, and ask customers to send their friends. Nothing beats word of mouth. If someone is mad at you, they will tell everyone who will listen for as long as they are angry, maybe even longer. If they are satisfied, they have better things to talk about.

Treat your employees and vendors the same way you treat your customers. When filling a prescription or doing anything else that could have terrible consequences if a mistake is made, don't make mistakes. Ever. Put in a zero error system. Figure out a way to make it foolproof. With a prescription, the person filling it is never the one to put it away. The bottle is left on top of the prescription. Someone else checks to see

that they match before putting the bottle back on the shelf and putting the prescription in the file. Occasionally, put the wrong bottle on the prescription to make sure it is caught. (My father claimed that he never misfilled a prescription in his entire career.)

Always measure your performance. In a drugstore, make a chart of the number of prescriptions filled per day and the gross volume (in dollars, not people) of the store per day. Keep a running average. No matter how good a job you think you are doing, if these two measures are not going up significantly, you are doing a lousy job. (On web sites, it isn't hits, visits, or eyeballs. It's dollars.)

Always ask the customer to "Come back soon." If customers say they are moving away, offer to fill their prescriptions by mail.

Make it fun. Make jokes. Lots of them. Only a serious person can make good jokes. (As Zero Mostel said, "Humor is just a funny way of being serious.")

That's all. As my father would say, "Come back soon."

CHAPTER 12

Constructing the Ultimate Word-of-Mouth Campaign

We are now ready to construct word-of-mouth campaigns. Every campaign will be unique, depending on the kind of product, the industry, the customers, and the nature of the competition. To succeed with a word-of-mouth campaign, you need:

- A superior product or a product that is superior for a particular kind of person or situation. If you don't have product superiority, you need to create it. It's a lot easier to modify a product to be superior than it is to create word of mouth for a "me too" product. And, there is no such thing as a parity product.
- A way of reaching the key influencers and the easily influenced first users in your marketplace.
- A cadre of experts who are willing to go to bat for you—and/or a large number of enthusiastic customers who can attest to how wonderful your product is.
- A way of reaching the right prospects.

- One or more compelling stories that people will want to tell to illustrate your product's superiority.
- A way to substantiate, prove, back up, or otherwise establish that your claims are true and will work out in the *real world*.
- A way for people to have direct, low-risk experience with your product, such as a demo or a way of sampling.
- A way of reducing overall risk, such as an ironclad guarantee.

At this point, many people say, "If I had all these things, why would I need word of mouth?" Because having these things means only that you possess the raw ingredients of a successful marketing campaign. They by no means guarantee a successful product.

Word of mouth is the most powerful way of delivering the truth. When the truth is on your side, the evidence is on your side. That means that people will have mostly positive experiences and, therefore, mostly positive things to say about it. Even the negatives will be put in context and balanced against the positives.

But it is up to you to organize, trigger, and harness word of mouth.

The First Word-of-Mouth Programs

I'd like to give you an inside look at a technique that applies to high-ticket or high-volume products. Even if you don't have these kinds of products, it's still instructive to look at this form of word-of-mouth campaign because, unlike most word-of-mouth marketing programs, its elements are visible. It gives us a rare look at what we are trying to simulate for other kinds of word-of-mouth campaigns, most of which will not be under as much control or as visible.

As I describe the program, I'll extract the secrets that we can learn along the way.

How I First Harnessed Word of Mouth

TeleSessions

Let's start with the story of how Ron Richards and I created word-of-mouth "TeleSessions," the useful secrets we discovered along the way, and some of the dramatic results they achieved.

This way of harnessing word of mouth was developed in the pharmaceutical industry, but don't think for a moment that it applies only to physicians. In some ways, the pharmaceutical industry is the most difficult in which to operate. As the saying goes, "If you can make it here, you can make it anywhere." This model has in fact been extremely effective in a wide variety of industries, with a wide variety of people.

As I describe it, I'll go back and forth between the history and the present-day lessons. Since I don't know your specific situation, I'll have to talk in general terms. This is going to make for some awkward language, and it will be necessary for you to read very actively to apply these methods to your situation. So, when I'm describing telephone audio conference calls, you need to be thinking about webinars, forums, listservs, social networking sites and events, webcasting, and the dizzying array of other options that are now available. But, you must first understand the broad landscape and the fundamental secrets, or you will get hopelessly lost in the overwhelming multiplicity of options available today that weren't available then.

The First Secrets of Word of Mouth Came from Focus Groups

Around 1970, I needed to find out how physicians discussed new drugs among themselves. So, they had to be interviewed in groups. But these were leading experts, high-level specialists, and department heads who were scattered across the United States and, sometimes, the world. I hit upon the idea of doing it by conference call, leading to the development of the Telephone Focus Group around 1971.

To make a long story short, we had to develop our own, custom-made telephone conferencing equipment, and we had to learn how to

persuade physician specialists to participate and how to get them to engage in the kind of active examination of newly introduced drugs that they usually do privately.

With the Telephone Focus Group as a tool, the marketing research community now had a new capability. We could get hard-to-reach, geographically dispersed, high-level people of all kinds into focus groups—leading medical experts, company presidents, chain-store buyers, magazine editors, famous economists, and other high-level opinion leaders—all of whom had previously been impossible to research in groups. We were deluged with requests from the leading companies—particularly pharmaceutical companies—and their advertising agencies.

It turns out that the combination of highly accomplished people and the psychological safety of the telephone caused them to behave quite differently than ordinary consumers in ordinary focus groups. Because they were so knowledgeable and confident, and because they respected one another, a great deal of experience sharing and, ultimately, persuasion went on.

And, I got to listen! I had a large, convenient fish bowl. I gradually developed the knowledge and skills to take a much more active role in probing for the information, encouraging them to share their experiences, and stimulating active persuasion among them.

I gradually learned what questions to ask, and in what order, for people to stay constructive.



SECRET

Under the right circumstances, with the right kinds of invitations and the right moderation, high-level people will actively participate with one another in discussions.

One of the most useful things we did was to put the first few enthusiastic users of a product together with skeptics to hear the actual word of mouth while the users attempted to convince their less enthusiastic, skeptical peers. We could then watch to see what wording, experiences, emotional appeals, and rational arguments would actually get the sket-

pics to buy or actively consider buying. In those days, lacking word-of-mouth media, their wording, appeals, and sequencing could then be used in promotional materials.



SECRET

Put the right kinds of people together and listen to the word of mouth directly. Don't speculate about it and don't ask people to describe what convinced them because they don't remember and they "spin" it.

When we listened to people convincing other people, we heard an amazing thing. Even when skeptics vastly outnumbered the users, the users almost always persuaded the skeptical nonadopters to try, or retry, the product. Often just one or two could convince 10 or 12! Was this real, or were they just being polite? We followed up and found that most skeptics had in fact tried and then adopted the product!



SECRET

Tiny minorities can consistently sway much larger majorities.

Most people have noticed this rapid opinion shift in focus groups, and much has been written about it, mostly in the form of criticism of the focus group technique—the old “one person can bias a whole group” criticism. However, we quickly discovered something profound. Opinion shift was not a disadvantage of focus groups. Rather, it was its greatest strength.

When people change their minds, *you have a highly significant event*. People don't change their beliefs easily. It's important to understand exactly what got people to change their minds because whatever it is (a rational argument, an emotional appeal, a story, a belief, experience, opinion, fear, hope, etc.), it's either an opportunity or a threat. If it turns out predictably to turn people toward your product, you have an opportunity. If it sways people against your product, you have vulnerability.

You want to know why and how it was done, so that it can be duplicated or defused.

I kept looking at this group-persuasion phenomenon and made two additional discoveries:

- It only happened under certain circumstances, and
- Not only could the minority sway the majority, it was virtually always one way: adopters, no matter how few, convinced non-adopters, no matter how many.

There was an extraordinary amount of constructive, respectful experience sharing going on rather than abstract discussion, disagreement, or debate. It was as if the nonadopters wanted to be convinced.

Ron and I realized that there was a powerful force at work. We quickly rejected the idea that it was “peer pressure,” because the minority was swaying the majority and *peer pressure is the opposite*. Usually, the pressure of the majority crushes the minority. This force was working despite peer pressure. In one of our discussions late into the night, we had an epiphany: (1) The force that was causing this amazing phenomenon to happen was word of mouth. (2) We had found the Holy Grail of marketing. ***We had inadvertently harnessed word of mouth.***

It gradually dawned on us that we were observing, then facilitating, word of mouth *in vivo*, not *in vitro*, that is, with real live people rather than by an artificial questionnaire or an after-the-fact interview. We were hearing the actual words that people were using to persuade one another to adopt products, services, practices, methods, and ideas.

Although it wasn't our original intent, we had developed the world's first, maybe only, word-of-mouth laboratory. We learned a lot about what worked and what didn't. We learned so much that we found we could do it predictably. We realized that when you can do it predictably, it's not a laboratory anymore. It's Media, the Third M.

We learned that what made it work was that people were in an open situation in which they were free to learn from experts and peers, safe from and uninfluenced by outside forces. Since “you can't argue with success,” even one successful person would sway a whole group! Since

the person didn't have a vested interest in persuading anybody, they would all jump at the report of success and ask, "How do you do it?" The main difference between what we were doing and ordinary word of mouth was that we had caused it to happen, predictably, on a budget and on a schedule. We had turned it into a medium. We had harnessed word of mouth!

From Telephone Focus Groups to Word-of-Mouth TeleSessions

There were other differences between what we were doing and ordinary word of mouth. Studies have shown that most word of mouth is negative. Our moderators, while not injecting information and not exerting influence, could bring up important points that the participants might have left unexamined or turn the conversation in a more constructive direction by asking for solutions to problems. If the moderator at any time lost neutrality and took even a mild advocacy position, the entire atmosphere of the group was poisoned and the objective examination and experience sharing stopped.



SECRET

Word of mouth must come from truly independent sources. Any hint of a commercial interest will instantly poison it.

Of course, once the research was completed, it would not have been ethical to run more groups to increase sales under the false pretense that it was research. So, we went to Roche (one of our clients), from whose focus groups we had developed many insights, and explained the problem. We proposed a very simple solution: full disclosure. We would invite physicians to groups in which no reference to marketing research was made. The sessions would be described as exactly what they were: open discussions in which physicians could discuss the drug in question with other physicians who had had success with it, sponsored by the manufacturer of the drug, in the hope that once physicians heard how other people were using it effectively, they would also use it effectively.

Roche agreed to fund a large number of telephone conference sessions on Laradopa^(R), its brand of L-dopa, an anti-Parkinson's disease drug that was a very difficult product to market. (It was the drug whose story was dramatically told in the movie *Awakenings*.) On introduction, its sales had skyrocketed, only to disappoint because of its many side effects. Sales tumbled. The difficulty in using it was finding the ideal dosage that would correct the symptoms that persisted with too little medicine, while avoiding the side effects brought on by too much medicine. For most patients, there was a mixture of symptoms and side effects. Many physicians had tried it and dropped it out of frustration. As one physician put it, "The symptoms of Parkinson's disease are blamed on God. The side effects of the drug are blamed on me."

We scheduled many telephone conference sessions, each with a combination of well-chosen people: eight primary care physicians who treated large numbers of Parkinson's patients without L-dopa, a couple of physicians who treated with L-dopa, and a neurologist who was an expert in using the drug. Notice that we had both peers and experts.

Sales increased six-fold almost immediately. It was clear that the about-face in the doctors' prescription choices was due to our sessions. It was a stunning success by any measure. This was the first use of deliberate word-of-mouth marketing that I know of, in the sense of directly causing a situation in which all of the word of mouth elements came together that would not have happened spontaneously—causing a predictable, replicable result, plus a huge return on investment

Success Stories of Word-of-Mouth Sessions

We conducted thousands of groups of people in the process of deciding on products and services: executives, physicians, managers, salespeople, agents, distributors, farmers, and ordinary consumers. So, I've heard tens of thousands of people in the process of engaging in word of mouth as they decided on an incredibly wide variety of products. In addition, I've either conducted or listened to thousands of expert sessions, customer seminars, advisory groups, sales groups, "peer influence"

groups, and other sessions in which I could hear word of mouth in action. I've conducted groups of product enthusiasts, rejecters, skeptics, and ex-customers.

These sessions have been both a fishbowl and a laboratory. It's been a way to observe and to experiment with how word of mouth speeds up and influences the customer decision process. Several of these word-of-mouth campaigns resulted in record-breaking sales increases. To this day, some of my clients still won't give me permission to talk about them because they regard my techniques as a secret weapon. I can, however, reveal the insights into how to use word of mouth to accelerate the customers' decision process and how to influence it to go in your favor.



SECRET

To increase sales, throw out everything that you know about the effectiveness of conventional marketing, where sales increases of 50% are extremely rare in a campaign. Word of mouth can increase sales more than tenfold.

In the pharmaceutical industry alone I have seen sales increases of 300 to 1,500 percent and more in dozens of programs. One product had a 1 percent market share that was flat. It seemed that nothing could sell it. A year later, through a word-of-mouth campaign, sales jumped to a well-deserved 36 percent market share, and it eventually dominated the entire market. (Notice the phrase "well-deserved" above. You can't hype this kind of result with word of mouth. You have to have the goods.)

Another product's sales jumped from a little less than \$100 million to more than a \$1 billion in a year and are still climbing. This happened after doing only ten sessions with the critical opinion leaders. The entire marketplace was just waiting for permission to use the product, which the sessions provided, triggering what many consider to be the biggest word-of-mouth avalanche in pharmaceutical history.

Word of Mouth Is Now a “Medium”

We realized that we had turned word of mouth from an out-of-control force into a promotional medium that could be included in the promotional mix. It could be budgeted, delivered on schedule, and predicted. In a lot of ways, it was more measurable than other media because we knew who had participated and could measure subsequent prescriptions. Because it was done by telephone conference, we could reach people worldwide and include experts from anywhere.

Before the Internet, we actually measured our effects against control groups. For example, we would typically hold aside two isolated states such as Nevada and Montana. Those days are long gone.

We also realized that we had tapped into something that was more than just another promotional gimmick. It is as basic as salespeople, advertising, and sales promotion. Each major element of the promotional mix delivers something that customers need to make their decisions. The basic need that advertising meets is to reach large numbers of people efficiently. Salespeople deliver custom-made messages interactively. Peer word-of-mouth sessions delivered the experience needed for verification and confirmation. Now, a properly executed word-of-mouth campaign can deliver more and is faster than advertising, salespeople, and special promotions—the old, conventional, traditional approaches—combined!

Word-of-Mouth TeleSessions: A Solid Marketing Tool

In the early 1970s, we took ads in *Business Week* and the *Wall Street Journal* with the headline, “How to Harness Word of Mouth.” (I appreciate the irony. We had to use old media because most of the new media mentioned in Chapter 1 weren’t yet invented!)

Word-of-mouth sessions became a major promotional item in many products’ budgets. In some cases, this caused deep slashes in the amount of money spent on salespeople, advertising, direct mail, and sampling. The sessions were measured to be the most effective selling method for many products—again, more effective than traditional methods. When

done right, they were the most professional, honest, and persuasive means of communicating with high-level people, such as physicians, executives, and other hard-to-reach and hard-to-influence people.

Making Word-of-Mouth More Valuable

During the 1990s and the early 2000s, “Peer Influence” or “Peer Selling” groups grew enormously. Most of them were conducted face to face in the mistaken belief that people prefer them. Although some people indicate on surveys that they prefer face-to-face sessions, they more frequently *accept and show up* for telephone sessions, provided that certain conditions are met. Now customer seminars, webinars, forums, and many other formats can deliver these same things.



SECRET

The key to successful word-of-mouth programs is promising and delivering real, practical educational value for people to take part in an experts and/or peer-sharing program.

To create a successful word-of-mouth program, you need to find out, through client discussions and focus groups, what customers and prospects need to learn and then decide on to use the product effectively. Then ask, “How will they best learn these things?” and “Where are the blocks?” You can’t just give people the information directly, because telling is not teaching, and teaching is not learning. For people to change their minds, they have to believe the information and its sources are true and relevant. Sorry to keep repeating this point, but very few people seem to get it. If you get it, you will have an enormous competitive advantage.



SECRET

When you have identified the decision steps, particularly the blocks, then, and only then, are you ready to design and structure a word-of-mouth program.

Whether you are designing webinars, audio conferences, interactive video conferences, text-based discussions, or anything else, you must figure out what the participants need to learn, in what sequence, from what sources, and in what form. And, where they are going to get tripped up. You can design study materials for review before the sessions and handouts during and after the sessions, through a private site on the Internet or mailings to people beforehand. Sometimes the events have to contain experts and sometimes only peers. Sometimes, a follow-up session is needed. Much of this is governed by keeping in mind the basic function of word of mouth: accelerating the spread of experience and getting beliefs taken seriously. Pay particular attention to what experience has to be shared, and what will be the most efficient and meaningful way to do this. Sessions for different types of people have to be built in, with flexible, but well thought-out agendas.

The Power of Follow-Up Sessions

With the TeleSessions, we found that the most important step after telephone word-of-mouth sessions was a follow-up session. Participants needed a way to reinforce their learning, put their experiences in context, correct mistakes, and explore other issues. Single-session programs were effective, but when participants were offered the opportunity to apply their experience and come back to a follow-up session, their product usage *multiplied*.

Remember that the major function of word of mouth is to broaden one's base of experience. After the initial event, there is experience going on that isn't shared. With two events—the second one following up the experience gained from the first session—there is a multiplication of the confidence gained by the shared additional experience. This translates into increased usage. In several studies, the participants in the initial sessions increased usage threefold, but the usage of people who had participated in both the initial sessions and follow-up sessions increased an average of tenfold.



SECRET

Word of mouth isn't a one-shot deal. It's a commitment to a new way of thinking at all levels of the organization.

Build ongoing programs, events, and resources such as websites. In that way you can support the different phases of the decisions as they are being made over time.

How to Move the “Late Adopters”

Self-described late adopters, or even laggards, are often among the *first* to try a product when they have the support of this kind of system. Often people are slow to adopt because it is their personal policy to wait to see the experience of others, but when they are offered the chance to try the product under low-risk conditions and are allowed to evaluate their trial in the context of others' experiences, they frequently jump at the chance. So it is naïve to pigeonhole people rigidly as innovators, early adopters, middle majority, late adopters, and laggards. These are useful categories, as we have seen, but people can break out of their category if given the right support system. If you know how to create the conditions that give people the right support, you can get people who would ordinarily have taken three to five years to adopt a product to adopt it in a matter of a few weeks or months.

The Decline of Peer Word of Mouth Sessions

Candidly, I'm very worried about the future of this medium. Experience has already shown that there have been abuses, just as there have been abuses of other media. However, peer word-of-mouth sessions are in some ways more vulnerable to abuse. No one expects a salesperson or an ad or a brochure to be objective. After all, they are advocacy sources. That's why word of mouth is needed, to give fair balance. So, anything that compromises fair balance and objectivity strikes at the heart of

what people are looking for and will backfire in word-of-mouth sessions. It is very easy to lose objectivity, to play down one issue and emphasize another. The moderator can forget his or her role as the guardian of fair balance, openness, and thorough examination of the evidence. The expert can become overly enthusiastic. The moderator can give a sales pitch. There are many ways to lose the sense of being a disinterested party, and all of them hurt the program, the product, and the medium. All of them can ultimately backfire, and all of them make it less likely that the person will participate in the future.

Fortunately, in another sense, word-of-mouth sessions are the hardest medium to abuse. It is live. People can and will object if statements are biased, and they will bring things back on track. It's hard to hide the truth in an open forum. Word-of-mouth events, properly run, are the most honest form of marketing, but there is a delicate ecological balance, and the well is easily poisoned.

Since the first edition of this book in 2001, two interesting events occurred in the word of mouth world.

1. The pharmaceutical successes encouraged a lot of competitors who treated word-of-mouth marketing as just another form of conventional marketing, and advocacy replaced objectivity (the hallmark of word of mouth). Some companies that didn't understand word of mouth introduced biased experts, shills, and deceptive practices, including fraudulently inviting people to marketing research focus groups that turned out to be sales groups, with a "moderator" who was actually a salesperson. Group discussions became group selling, in various thinly disguised forms. The terms "Sugging" (Selling in the Guise of Research) and "Frugging" (Fund-Raising in the Guise of Research) came into being.

2. The U.S. Food and Drug Administration issued guidelines—or forced the industry to issue "voluntary" guidelines that prohibited companies from hiring independent experts whose reputations for objectivity were unimpeachable to deliver seminars without preapproved "scripts" or to answer questions spontaneously. Along with the bad guys, this shut down a lot of the good guys and increased the costs of marketing drugs.

Fortunately, it has become much more cost effective to bring word-of-mouth programs to all kinds products, even small-ticket ones. Word of mouth has become, for me, a part of my consulting and writing about the Decision Easification approach to marketing.

Situations That Benefit from Word-of-Mouth Programs, Events, and Sites

There are many marketing situations that don't respond well to conventional approaches, no matter how creative. The following situations can usually benefit from word-of-mouth marketing.

- When there are credibility problems. If people don't believe your claims, they usually don't believe your evidence either. Word of mouth provides believable independent corroboration.
- When there are breakthroughs. Breakthroughs require departures from present thinking and practice. Most people wait for other people to provide this key validation.
- When there are marginal improvements (when people are reluctant to use something new for only a little improvement). Here, peers can tell stories about how some seemingly small differences make a big difference in the real world.
- When the product has to be tried in large numbers or over time. The process can often be accelerated by word-of-mouth seminars, where there are trials and experience is collected and shared.
- When there is high risk in trying the product. The risk can often be reduced, shared, or put into perspective by talking with peers.
- When older or mature products have a new story that people tend to ignore. Again, peer discussion can get people to take a new view.
- When unfair competitive practices exist, such as spreading rumors or telling lies about your product. This is uncontrolled word of mouth at its worst. The right combination of experts and peers can set the people straight.

- When there are governmental or other restrictions on what you may say or claim directly. Experts can often say things that you may not say or claim directly.

Products With Which You Should Avoid Word-of-Mouth Events

- “Me-too” products, for which a seminar, webinar, or other event would not provide meaningful added value.
- Products that can’t be tried and where there is no consensus among experts.
- Clearly inferior products, without a compensating superiority for a particular application.
- Products that are so much a matter of personal taste or emotion that rational discussion or experience sharing is irrelevant to the decision.
- Products for which the decision value is so small (low price/low volume) that the medium will not be cost effective. On the other hand, high price/low volume or low price/high volume products are often ideal. The principle here is that there has to be enough value in the decision to justify what the program will cost. However, there may be times when the program is not justified by the amount that the participants can purchase, prescribe, or directly recommend, but where they are influential enough to start a word-of-mouth chain that more than justifies the program.

CHAPTER 13

Six Steps to Harnessing Word of Mouth

Here is a systematic approach to constructing your word-of-mouth campaign. This is an overview to get you oriented. Then, an example follows, and then more detail. Don't try to get it all from the summary.

Constructing Your Word-of-Mouth Campaign

1. Figure out why someone should buy your product, given his or her values and priorities. With the decision blocks in mind, design the product and its peripheral issues, such as service, delivery, etc., so that you can truthfully and credibly get people to say things that will destroy the blocks.
2. Identify the predominant adopter types you need to be going after—innovators, early adopters, middle majority, late adopters, and laggards—in your various markets.
3. Identify the crucial decision stages needed for adoption of your product. Design the motivation, materials, and means to facilitate the multiplication of the word.

4. Combining 2 and 3 above, use the WOM Decision Matrix™ to identify the content—the actual words, the word of mouth—that you will need to accelerate the decision past each decision block. Write out the word of mouth messages that you need at these different stages of the decision process, for the different types of decision-makers.
5. Identify, design, and create the sources and delivery mechanisms of word of mouth that will be most persuasive and motivating.
6. Create and implement the word-of-mouth campaign.

An Example of the Six-Step Process

Market Navigation, my company, once worked with a drug that was selling very well, but our client believed it was selling at only a fraction of its potential. It had a strong warning about possible side effects that were based on some laboratory rat studies, but which had never been observed in humans even though it had been used millions of times throughout the world.

Step 1: Identify Why They Should Adopt

After conducting a series of focus groups, we determined that physicians had no doubt about the drug's efficacy and that most had tried it successfully. In fact, the more knowledgeable ones were extremely eager to prescribe it more aggressively, but were worried about the warning. It became clear that they were looking for justification to use it.

Step 2: Identify Adopter Types

The middle majority, however, was holding back. They were asking for reassurance from long-range studies that would take years to conduct. Even if these studies were conducted, the suspicion would remain, since it's difficult to dislodge a negative impression.

Step 3: Identify the Crucial Decision Steps

The bottleneck was in going from trial to implementation. The drug worked, but the critical step was to provide credible assurances that it was safe.

Step 4: Identify the Actual Words They Would Need to Hear

Physicians needed to hear that it would be safe in their hands, in their situation, with their kinds of patients. They also needed to hear exactly why they would be on safe ground if they were sued for damages resulting from the use of this drug.

Step 5: Identify the Most Motivating Word-of-Mouth Sources

We found out that the most respected experts of the specialty involved were extremely favorable toward the drug. Even the next tier of leaders were favorable, and many were using it. We verified that this was a situation where physicians were willing to listen to the practical suggestions of the experts.

Step 6: Create and Implement the Word-of-Mouth Campaign

Among the various word-of-mouth elements was a teleconferenced seminar program that coincided with some compelling new uses of the drug. In these sessions, experts talked about how to use it, the dubious science upon which the warnings were based, the fact that there were no cases worldwide of what the non-adopters were worried about, and the studies that they could cite to justify its use. They also expressed the opinion that physicians were doing much more harm by not using the drug more widely. We focused on all of the things that would give physicians the justification to use the drug based on what our research told us they needed to hear (obviously, that was also true). After a relatively small number of sessions that concentrated on the opinion leaders of

each major city, the use of the drug increased about twelvefold, making it one of the top three best-selling drugs in the country at the time.

Summary

The point of the above example is that this was a carefully constructed program involving extensive word-of-mouth research that was followed by a program that covered absolutely everything the physicians needed to accelerate their decisions.

Interestingly, the client was not sure that our program was the major factor in the sales increase. After all, the client was conducting many other promotion programs. It didn't look to any of us that such a simple, focused program could have made such a large difference, even if every physician in our program switched to our client's drug exclusively. It caused us to look at past programs and discover the pattern of multifold increases mentioned before. It also caused us to analyze the underlying dynamics and mathematics of word of mouth. What we had failed to account for was the second-order effects of word of mouth, which are often more powerful than the primary effects. Second-order effects mean that colleagues tell colleagues, who tell more colleagues, and so on. The word spreads at an ever-increasing pace until it reaches critical mass, and everyone is talking about it.

Put simply, conventional marketing proceeds at an arithmetic pace. Repeated exposures and hits cause people to gradually become more curious, informed, and comfortable. People then begin to desire the product. On the other hand, word of mouth, when it gets going, proceeds not at an arithmetic pace (growing at an additive pace) and even faster than exponential pace (i.e. something that multiplies at a constant rate). It becomes a chain reaction more characteristic of an explosion than of a tortoise and hare race, or viral growth. It can quickly blast through all resistance, allowing people to give up part of their personal and laborious information search. It can also trigger the pent-up demand, as in the case above. It only takes one rock to start an avalanche, or one match, plus plenty of airborne embers, to start and accelerate a forest fire.

In summary, you need to be brutally honest with yourself about the actual and perceived merits of your product, then figure out precisely—with as much rigor as you would construct an ad, mailing, or sales campaign—what the customer needs to hear from word of mouth, from whom (e.g., from experts or peers). Then, you need to create situations and events that will cause the word of mouth to start, then spread like a wildfire, or explode like a nuclear reaction. Everything in the rest of your marketing should fan the flames.

The Process in Detail

1. Figure out why someone should buy your product, given his or her values and priorities.

Look at things from your customers' points of view and figure out why each market segment should buy your product instead of your competition's product. If you can't, you are not ready for a word-of-mouth program. You need to do additional work on the product and/or the offering.

Figure what's WOMworthy about it. What is remarkable enough about it that people will want to talk about it? Be ruthlessly honest with yourself. Are you sure it's enough for real people to want to talk about it? If it's absolutely the same, and you can't distinguish it, then you have to distinguish it through service, support, delivery, payment, and/or educational options. For instance, they may not want to talk about your "me-too" product, but they will pass along useful educational material, events, videos, etc.

2. Identify the predominant adopter type(s) you need to be going after—innovator, early adopter, middle majority, late adopter, or laggard—in your various markets.

Each of your markets will have a predominant adopter type, given where you are in the product life cycle. A recently launched product will be aimed at the innovators and the early adopters. At some point the leap must be taken to the middle majority and then the late adopters. Identify where your efforts need to be and concentrate on that type. For instance, don't waste time going after the large, tempting, lucrative mid-

dle majority before you have made substantial headway with the early adopters, because it is the early adopters whom the middle majority look to in order to confirm that the product works.

3. Identify the crucial decision stages needed for adoption of your product.

Map out what a person will have to go through to make the decision to try and adopt your product. What will get them to engage in the decision process? What information will they need? What will they have to learn or be convinced of to further their decision?

The decision process is really a series of stages that lead up to full adoption. Usually one or several of these steps will constitute bottlenecks. If there were no bottlenecks, your product would be soaring and your factory would have trouble keeping up with the demand.

Identify the stages that word of mouth can handle best. For instance, the information about your product may be best handled by direct mail or by salespeople. But confirming that your product really works and is safe in a certain kind of situation may be able to be handled only by direct experience—which the customer is reluctant to risk—or more safely through the experience delivered via word of mouth.

4. Combine steps 2 and 3 above, using the WOM Decision Matrix™ to identify the content—the actual words, the word of mouth—that you will need to accelerate each problematic step.

Each kind of adopter goes through a different set of steps to arrive at a decision. You need to gear your program to address the exact concerns of the adopter type and the particular stage this type is going to get stuck on.

For instance, you will probably need different programs for Innovators and Early Adopters who are stuck on the technical details of a new technology versus the Middle Majority who don't care about the technical details (they just want to be assured that it works in their situation and they can get it fixed).

The WOM Decision Matrix™ is a chart of the kinds of concerns that the different types of adopters have at different stages of the decision

process and the specific words that these people need to hear and that you need to stimulate in order to convince them to take the next steps.

5. Identify, design, and create the sources and delivery mechanisms of word of mouth that will be most persuasive and motivating.

Now that you have identified precisely what the communications need to be, construct programs that address precisely the issues that you have identified. Construct the program in a focused way to zero in on exactly what will do the most to accelerate favorable decisions about the product among the widest number of people.

6. Create and implement the word-of-mouth campaign.

Make sure that all steps of the decision process are handled for all types of adopters, with the media that are most able to do the job right. For instance, advertising may create awareness among the largest number of people fastest, but salespeople may be able to qualify the people who are ready to buy and tailor the message to the right people. Incorporate exactly the word-of-mouth elements into all media that are most needed, such as verifiably persuasive studies quoted in ads, or references to local opinion leaders' usage by the salespeople.

But little will happen until you take the next step: Create the events that will directly spread word of mouth to confirm and verify that the claims are true, that it works in the customer's situation, and that it is otherwise OK to use the product. We'll see how later.

Craft the word-of-mouth campaign in a variety of media because different people have different preferences, ranging from live meetings, teleconferences, networking events, audio or video webcasts, dedicated websites and discussion groups.

Choreograph all of these elements to accelerate your prospects through their decision process.

Product Seeding

First, you need a group of product enthusiasts. If you have them, you need to take steps to identify exactly who they are. If you don't have them, you must create them. Here's how.

Seed the Market

Get the product into the hands of both key influencers and other people who are eager to try and relatively easy to persuade any ethical way you can. This might include giving away your product to a first wave of customers. Manufacturers whose products do not have high per unit manufacturing and delivery costs can give away their basic product or sell it at a very low price. They can then charge for the premium features, the advanced version, or the add-ons. For instance, many software products, websites, and others give away their basic product, often with considerable functionality. Netscape gave out its Navigator program to millions of people to become the market leader. Then Microsoft's Internet Explorer took it away by using the same methods, followed by Safari, Firefox, and Google. (This practice is not limited to tech companies; it's done in many other fields as well.)

Stealth Seeding

In fact, Google gives away so much that it's mind-boggling to anyone brought up in the old marketing model. They advertise virtually none of their products or services except their phones and Google Docs to large corporations. Instead, the company relies on customer self-discovery and word of mouth. It even sneaks in surprise major features not only without fanfare, but without comment! The company leaves it up to bloggers and other infomediaries to discover them and bring them to the rest of us.

That's the way I heard of the precursor to Google Voice, Grand Central, which is a cluster of telephone services around a central phone number that rings all the phones you want it to reach (adjustable on the fly), announces the caller, takes a recorded message, and emails you the message, plus much more. It's what the phone companies would do if they were in the twenty-first century and were looking out for customers.

But Google didn't send me an email about this spectacular service. It let the technology writers in on the initial beta testing and made the rest of us beg to be let in on the beta test.

I recently counted the different and discrete Google services that I use. Many people have only heard of the search engine. But I use more than 14 of its other services, and most of them were just natural extensions of other things I was doing or were recommended as solutions to problems I, yes, Googled. Most were not conscious decisions about anything I was in the market for. They just sort of happened. So, I synchronize my contacts, email, and calendar with Google Synch. When I change anything on any one of four devices, they are updated almost immediately on the others. And, they are accessible from just about any computer in the world.

All of this is spread by word of mouth by the simple act of asking, “Why does it have to be done this way?” and by creating extraordinarily useful products, an obsession with speed, transparency, ease and simplicity, and letting customers in on the process. And, I might add, a sense of ethics that is simply astounding.

This business of “putting it out there before it is ready” leads to some colossal “mistakes” and false starts. But Google is open about what it is doing and nobody has to participate who doesn’t want to. It launches a lot of products that are quietly dropped, but it does some insanely amazing things, like photographing every street in America, from the ground and the air—and trying to digitize every book.

People who value human ingenuity and technological creativity want to follow what Google is doing and talk about it. A visit to Google Labs is always dazzling. The company sure gets a lot of word of mouth from the technology infomediaries to whom they *do* reach out (bloggers, e-zines, newsletters, tech reporters, and podcasters).

Or, Do the Opposite

Apple does the opposite—with equally amazing products that it keeps under wraps (even from their own employees!) until they are unsealed the morning of sale in the Apple stores. The company only releases Apple-polished versions. It has mastered the art of getting it mostly right the first time and are forgiven for secrecy, occasional missteps, and

charming arrogance. This causes a massive rumor mill. These kinds of rumors are the good side (of the bad side) of marketing.

Rumors, gossip, and hearsay are word of mouth whose truth is unverified and/or speculative. It's usually very destructive to its originators, spreaders, and recipients.

But with Apple, it fuels a vast, churning cauldron of publicity that builds to a frenzy at many of its product announcements, which are covered as national media events, in much the same way as the new auto styles were treated in the 1950s and 1960s. Except, now there is live blogging of private events and on-the-spot reporters breathlessly summarizing what they've just heard! It's a thrilling spectacle to us word-of-mouth aficionados.

Notice that this is one of those rare situations where both extremes work spectacularly.

And, in fact, it's where the middle ground doesn't work at all. The middle is called mediocrity. There are spectacular examples of mediocrity all around us, but customers don't talk about them, except to compare them with the Apples and the Googles of the world.

Now, you are probably not an Apple or a Google. I hope, nevertheless, that you can take some inspiration from their examples into your own company's endeavors. Please, please, please ask yourself, "*What would Google or Apple do?*" Give us something to talk about, in a way that creates suspense, drama, surprise, or anything else that creates involvement, even participation.

Don't just give us the Cool New Thing that's wildly useful. Give it to us in a way that makes us want to be involved in shouting it from the virtual rooftops.

Unless you actually stand out, you are not outstanding enough to talk about. If you do stand out, there are many strategies available to you. Even turtles only make progress by sticking their necks out.

Very Expensive Products

You can even seed expensive products, in the form of loaners, test sites, etc. I've seen it done with medical devices that cost tens of mil-

lions of dollars and cannot be given away. You can put the product out for indefinite loan or demo, perhaps on a rotating basis, or set up permanent test sites at key locations, and use them for R&D, but you must find some way of getting the product into the hands of key influencers.

For financial products, what do you do? After all, you can't give away free insurance policies or free mutual fund shares! But you can give away planning kits, tracking services on a website, and so on. When you can't give away product samples, seed the market with useful surrogates that will showcase your product. Or build a useful tool, like the financial planning websites have done.

The Secrets of Planting the Word-of-Mouth Seeds

Get experts and key influencers fired up about your product. The key influencers do not have to be luminaries or well-known experts. They can simply be the people who tend to use products first and who tend to influence their peers.

Then, provide a means of transmission for the pent-up word of mouth that these people have. They want to talk with their colleagues and friends about the product. But when they see their friends and colleagues, your product is not only competing with the competition, it is competing with the latest disaster, scandal, political mess, or sports event.

Testimonials and Endorsements

You can capture testimonials and endorsements and put them in your promotional materials. This is an extremely powerful device that is used often, but not often enough (except in the front of every paperback book, where it is used too much), and not often enough in a manner focused on the blocks. How many times have you seen an actor in an ad saying things that would be so much better said by an actual customer?

A CASE IN POINT

The Customer Referral Selling System

Another way to deliver word of mouth is to develop a customer referral selling system. You can get referrals from your initial customers. Again, the power of referral selling is well known, but it is neglected in many more instances than it is used.

The methods previously mentioned are powerful and underused, but they are still well within the boundaries of conventional marketing, and you might already be using them. (Still, you are probably not using them frequently or creatively enough.) But now let's push the envelope a little:

1. Form an ongoing advisory group that you bring together once a year at a resort, once a month by teleconference, and, possibly, daily by listserv.
 2. Form an ongoing group of typical customers.
 3. Create events that bring users together and invite nonusers. Saturn, Harley-Davidson, and Lexus have been particularly successful with this approach.
 4. Make audio and video clips featuring enthusiastic customers talking with other enthusiastic customers.
 5. Conduct seminars in which customers and/or experts talk with interested prospects. These can be done face-to-face at industry events or by webinar. The seminar is the most powerful method of harnessing and delivering word of mouth. It is truly a medium: It can be scheduled, budgeted, managed, and predicted better than most other media. It is particularly relevant for products where people consult trusted advisers, such as doctors, lawyers, financial advisers, or accountants.
 6. Develop a referral selling system.
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Put Principles into Action

Imagine you own a ski sporting goods store. The object of your word-of-mouth campaign is to get people talking with their friends about what a

wonderful “shop” you have. Here is what a word-of-mouth program might look like:

- An affiliation program. Form a ski club or find another way to make people members of an inner circle of preferred customers. Issue cards or stickers and give people member benefits mostly centering on word-of-mouth referrals. Memberships would entitle them to discounts and various events. Get the equipment companies to use selected customers as beta testers.
- Events. Hold a seminar on how to ski better. Use video showings, speakers, and demos in the store and on the slopes. Give priority to word-of-mouth referrals.
- Put a specific word-of-mouth appeal in every communication. Put handouts into bags and pass out flyers that mention the kind of store you have, what you stand for (again, what in the world *do* you stand for?), and why you are different from all other stores. Make a direct appeal to tell a friend. Offer special incentives to tell friends, such as a discount for both the customer and the friend.
- Testimonials. Use endorsements from well-known skiers.
- Internet. Set up an Internet site that’s loaded with useful information—forums, ratings, and an “ask the expert” (you) Q & A session. In addition, instead of overwhelming people with products, build a decision-making tool that will help them narrow down their choices before going into the store.
- Be outrageous. Do at least one outrageous thing each day that could generate word of mouth. Send some of these items to the local paper. For instance, a restaurant gives away all food during the main dinner hour on a random Monday, its slowest day. But no one knows which Monday! Why not cut \$300 off your ad budget and give away a random set of skis every month?
- Empowerment. Empower employees to do over-the-top things, especially to turn around a dissatisfied customer.

- **Advisory group.** Form an advisory group of particularly plugged-in customers. Meet with them for a half hour to an hour by conference call every month or two. They can advise you about what new products they have seen or what promotions you can run.
- **Network.** Use your own word of mouth to network with other ski store owners on a regular basis. Set up a regular conference call or Internet discussion group with noncompetitive forward-thinking industry peers in other cities. You can tell one another what new products are hot or brainstorm ideas for bringing in new customers and selling more equipment to current customers. Don't underestimate the power of your own peer word of mouth.
- **Special sales.** Run sales for preferred customers only, but allow those customers to bring a friend. Therefore, the entire sale is by word-of-mouth referral only.
- **Testimonials.** Enclose testimonials from real customers in all ads and promotional materials.
- **Referrals.** Ask for referrals. Ask people for the names of their friends to add to your mailing list. Base the appeal on the notion that by telling them about limited special offers not generally advertised, they are doing their friends a favor.
- **Script.** Tell people exactly what to talk about in their word-of-mouth communication. For instance "Tell your friends about our superior service."

How many businesses actually implement a word-of-mouth-driven marketing program with even some of these obvious elements? None of these ideas is particularly hard to implement. None of them alone will have a dramatic effect. But when many of them are put together, critical mass is reached, and the store will have an explosion of new business in a surprisingly short amount of time. Every skier in the area will hear about your store from many people and sources. They may not even be conscious of how many times they have heard of the store. But when

they pass by, or when they are about to purchase equipment, the name will pop into their heads, along with the thought that “I’ve been hearing good things about that store, I think I’ll try it.”

Build these kinds of word-of-mouth activities into your business. Many of these are the sorts of things that are basic, known to be powerful, and almost always neglected. As a bare minimum, every business should try to:

- Find out where every lead comes from.
- Ask every customer and prospect, “Who else could benefit from our services?”
- Institute a formal referral system.
- Actively collect testimonials and use them.
- Create a customer advisory group.
- Identify and maintain contact with the opinion leaders.

Internal Word of Mouth

Every employee of your company should be actively spreading word of mouth about your products.

When people inside your company tell their friends “inside information,” it is particularly credible. When they tell their friends that the obsession with quality you are advertising is actually true, people tend to believe them. Even though they might be employees of the company, they are not paid spokespeople. They have no particular reason to be telling you these things unless they are true. In fact, many people tend to complain about the companies for which they work. So, when employees of a company express great enthusiasm about it and its products, they are extremely persuasive.

How do you get this going? It takes many years to build up the kind of employee attitudes that are widespread at Procter & Gamble, Merck, Apple, and Google. You have to demonstrate values at the top that become pervasive throughout the organization. Frankly, most CEOs and presi-

dents of large corporations don't have these attitudes and will never get their employees to wage a positive word-of-mouth campaign on their behalf.

Mission statements have been popular for some time now. However, most people recognize that these statements are just empty words unless they are lived every day, particularly by top management who set the example.

Some corporate cultures are more fertile grounds for internal word of mouth than others. In a company that has the right conditions—meaning a company that is genuinely outstanding, that has a strong sense of ethics, and that treats its people like adult friends—internal word of mouth can be a very powerful tool.

How to Spur Internal Word of Mouth

- First of all, ask for it. Ask people to pass the word about important company news and product developments.
- Find every example of what you want to promote, such as superior customer service, and spread the stories, since word of mouth tends to be spread by stories.
- Give people a common mission and make their rewards dependent on the accomplishment of that mission.
- Most of all, give internal word of mouth the attention that it deserves. Research it, and make it a priority.

Word-of-Mouth Campaigns With High-Ticket, Professional Products

Word of mouth for products that sell to business people and professionals (such as physicians, pharmacists, architects, and financial advisers) is very different from word of mouth for relatively low-ticket consumer products. The more expensive and complicated a product is, the more word of mouth comes into play. This is true because these products are more risky in terms of time, money, and potential damage to professional repu-

tation. High-ticket products are not as easily tried as simple consumer products. People have to rely on other people's experience to substitute for all or part of the experience they would get in a trial. What follows is what a word-of-mouth program might look like for such a product.

Experts' Word-of-Mouth Sessions

First get the experts on your side by bringing them into conferences, seminars, advisory groups, and the like. Use the people who helped develop and test the product to spread the word among these people. For instance, with a new medication, the clinical investigators should be put together with other experts and medical specialists. The investigators can describe the clinical studies and their personal experiences in the real world with the drug before it hits the market. They can also explain things in relevant and powerful terms, far beyond what the experts can get by reading clinical studies.

Spreading the Word

Now that the experts are on board and solidly behind your product, you want them to spread the word to the next tier of influencers. Encourage them to write articles and papers, as well as grant interviews and the like, to spread the word. Give them slide shows. You also want to include them in seminars, workshops, symposia, and forums. Increasingly, various forms of teleconferencing and online services are being used for this, although the simplest, most convenient, and most personal medium is still the basic audio teleconference.

Experts' Roundtables

Another way of getting expert opinion across to the early adopters is to distribute experts' roundtables through print, videotape, or audio-cassette. They can be printed in industry journals, or made into stand-alone reprints. The easiest way to produce an experts' roundtable is by audio teleconference.

After conducting countless focus groups to try to determine which of these modes people prefer, I have come to the conclusion that it is a matter of personal style and learning preferences. No one method is superior. You should produce materials in a variety of modes. For instance, many people with long commutes like to listen to audiotapes. Giving them a video tape might be completely useless. Some people don't like to participate live with other people, so they may refuse invitations to audio teleconferences, symposia, and dinner meetings.

You want to make your advertising and sales efforts support, encourage, and piggyback on the word of mouth. Put endorsements, testimonials, and references to papers into your advertising. Have your salespeople mention what other customers have been saying about the product. Have them put customers in touch with satisfied customers. Get people's permission to use them as references. Most people won't call, but the mere citing of a reference is extremely powerful in itself.

CHAPTER 14

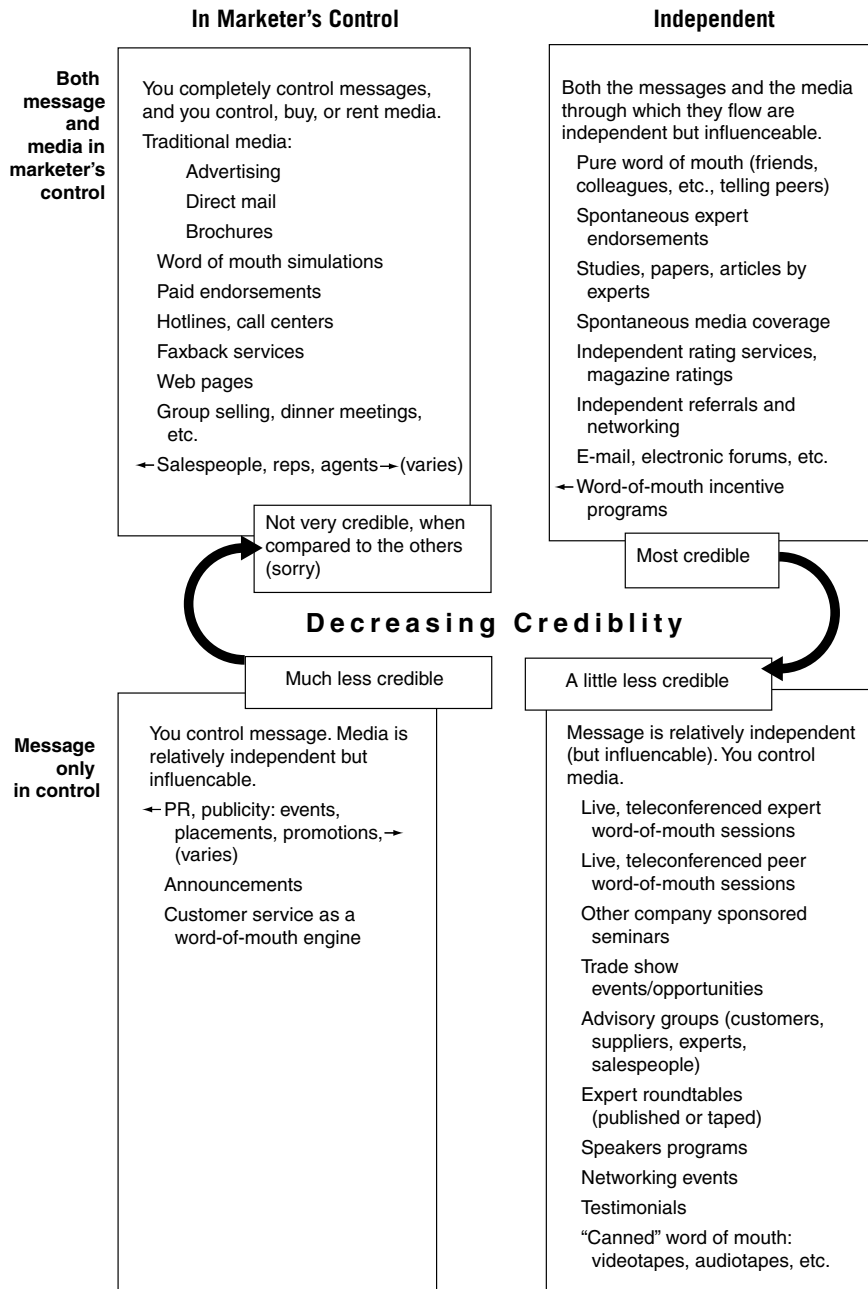
Which Methods Work Best for What? A Word-of-Mouth Checklist

Sources and Delivery Mechanisms

By “method,” I mean sources and delivery mechanisms, which often cannot be separated. As you have probably guessed, no one particular word-of-mouth method works best in every circumstance. Some of the least effective in one kind of situation work spectacularly well in other circumstances. Often, the least effective applicable word-of-mouth method can create more sales than the best of the other marketing methods. Word of mouth is simply in a different league from advertising, sales, or promotions. Figure 14-1 illustrates the relative credibility of word-of-mouth delivery methods.

This is a necessarily partial list, since new methods are being invented almost daily. They are often up one level of abstraction, ranked roughly from generally most to least effective. Remember that we are talking about a word-of-mouth *campaign* here. Since you should be using as many of these elements as you can, ranking

Figure 14-1
Relative credibility of word-of-mouth delivery methods



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may be irrelevant. In decreasing order, with the most influential method listed first, they are:

- A trusted adviser recommending that a person use the product
- A top rating by an advisory or rating service
- A friend telling a friend (in person, by phone, and increasingly by email)
- People giving you a reference, referral, or otherwise networking
- Expert/peer word-of-mouth seminars
- Experts' roundtables
- Experts and customers quoted in articles recommending the product (PR)
- Influencers' blog posts, speeches, papers, studies, and other endorsements.
- Podcasts of experts and peers endorsing a product (infomercial style)
- Advisory groups
- User groups—Listservs, forums, other social networking, etc.
- Networking at conferences, association meetings, or seminars
- Product seminars conducted by a nonsalesperson at a company
- Events—such as dinner meetings, swap-meets, barbecues, or rallies—mixing customers and prospects
- Conspicuous usage by supercompetent people, product placement.
- Quotes from real customers in print ads, mailings, brochures, or commercials
- Quotes from experts in print ads, mailings, brochures, or commercials
- The company president talking to you in a commercial
- Celebrity endorsements
- Actors portraying customers in ads
- Actors portraying experts (such as doctors) in ads

Word-of-Mouth Checklist

To help determine what are the most effective, simple things that can be done to increase your word of mouth and ultimately increase your sales, ask the following questions:

- Are all of your communications sending the same simple message? It can't generate and survive word of mouth unless it's simple and unless it's a compelling story.
- Is your product positioned as part of a general class, then differentiated on the basis of its most needed attribute? That's the way people hold things in their heads: "The dandruff shampoo that doesn't dry your hair," "The cereal that adults have grown to love," "The luxury 4-wheel drive." If you can't state your product's core essence in such succinct terms, chances are your customers will not be able to describe your product either. And if your product can't survive word of mouth, it probably can't survive at all.
- Are your examples outrageous enough to be repeated? Is there any earthly reason for people to repeat your story?
- Do you sprinkle your materials with success stories from real people?
- Are you using experts fully in ways that are objective but effective?
- Have you created mechanisms so that people can follow up on the word of mouth they hear: simple and multiple ways of inquiring, investigating, ordering?
- Have you made the decision process—i.e., the collection of information, confirmation, trial, and rollout—so easy that your customer does not have to exert any effort?
- Have you created events and mechanisms so that once your prospect hears about your product, it is easier to try or buy than to stay with the frustration and uncertainty of unfulfilled desire?
- Advertising: Do you have success stories from real people in at least some of your ads? How about quotations from customers

and experts? Have you tried giving information that people can rip out and give their friends? How about offering useful booklets or invitations to events such as seminars? There are dozens of ways of increasing word of mouth through advertising if you make it a primary objective, not an afterthought or a non-thought!

- Sales: Have you trained your salespeople how to get referrals, recommendations, and testimonials? Do you know how to “work the booth” at trade shows? Do you have a program that teaches your salespeople how to master these activities? Do you have a referral system in place—a rewards system for getting and making referrals? Are you making use of the word of mouth among your sales force? What are they telling one another? Are they getting turned on? Turned off? Are you making use of the positive word of mouth of your most successful salespeople in order to motivate your less successful salespeople? Are you taking advantage of the word-of-mouth opportunities at trade shows?
- Direct mail: Are you asking for referrals from your customers? Have you identified your most enthusiastic customers and offered them special incentives to refer their colleagues? Are you taking advantage of the other opportunities mentioned above, particularly customer stories, case studies, and the like? Are you offering customers something genuinely valuable, such as a useful booklet, and getting their colleagues’ names to add to your recipient list?
- Internet: Are you taking advantage of the myriad opportunities for networking, interactive information, and other word-of-mouth opportunities offered by this medium—the most important word-of-mouth medium ever invented?
- Service: Are you viewing customer service—which is much, much broader than fixing broken product—as a branch of marketing, as an opportunity center instead of a cost center? Are you going to extraordinary lengths to satisfy people, so that they will talk about how well you took care of them?

- In general: Is your entire marketing program oriented toward generating, encouraging, and amplifying every word-of-mouth opportunity possible? It's easy to get people to talk about the outrageous, and it's easy to be responsibly, professionally outrageous.

If you are not yet looking at your entire marketing program from a word-of-mouth perspective, you have a megaopportunity to impact your sales dramatically, quite possibly to levels several times beyond their present numbers.

CHAPTER 15

Word-of-Mouth Marketing for Specific Audiences and Circumstances

Most of the ideas in this book can be applied directly or adapted to professional practices, but there is natural reluctance for some professionals to apply “commercial” or “product” ideas to their areas. Understandably, professionals are so turned off by “crass commercialism” that it can be difficult to take product ideas and hold them in mind long enough to adapt them to the kind of extremely individual, personalized service inherent in a professional practice. So, let’s directly address “building a practice” through word of mouth.

Let’s take a very broad definition of professional practice, which includes the following:

- Formal professions, such as physicians, lawyers, psychologists, accountants, or architects
- Consultants in management, marketing, marketing research, finance, or time-management
- Agents, such as real estate agents, literary agents, or theatrical agents

- Tradespeople, such as a plumbers, carpenters, or appliance repairers
- Various other “practices” in which an individual or small group gives personalized service of a highly individual and often idiosyncratic nature.

The following applies to virtually any service or the practice of any idea, so don't take everything literally. Instead, apply it to your situation.

These types of endeavors are almost totally dependent on word of mouth, even more than the other businesses mentioned in this book. Why? Because, in a professional practice, your “products” are usually intangible services. They are the *results* you create. And the results you create—your value—are a direct result of your personal competence, so they reflect on you personally.

In contrast, the value of most other products is the result of a complex interaction of teams of people designing, manufacturing, delivering, and servicing the product. The focus is appropriately on the company, the product, or the service. These products are often more easily evaluated directly because they are known beforehand. They are often standardized and predictable. In a practice, people are buying *you*—your knowledge, experience, competence, ethics, and personality—not some specifically predetermined output, product, or even service. Usually, they are buying your ability to diagnose problems and create solutions.

Sometimes it's as vague as some of my recent consulting assignments, which amounted to, “Find my best opportunities to make my customer decision process easier and figure out what I need to do.”

This is an inherently more uncertain process than one with products. This extreme uncertainty means that prospects and customers need extreme amounts of reassurance and vicarious experience—the kind that conventional marketing cannot deliver. After all, how do you test out a surgeon or a life insurance agent? In the first case, you can't let several surgeons cut “a little bit” and then pick the winner. And, in the case of life insurance, dying to see if the policy will pay off isn't practical. The only way to try is vicariously, through someone else's experience.

The sharing of experience—as we’ve seen earlier—is often an overlooked function of word of mouth.

An additional reason that these practices are so dependent on word of mouth is that it is often prohibitively expensive to advertise, it’s considered unethical (or at least frowned upon), or it’s impossible to put into an ad or brochure what you really want to say. Remember, you are selling *you*. How do you say in any credible way that you are the most caring, smartest, most ethical, most responsive, most clever, most creative, most knowledgeable, and just plain nicest person on the face of the Earth, or at least in your profession? It’s pretty hard to do without either boasting or putting your competitors down. When you say it, it’s empty bragging. But when your customer says it, it’s a testimonial.

So, how do you get to the top of the heap in your profession, craft, trade, cottage industry, or consultancy? You get there by creating what Ken Blanchard calls “raving fans”—in your case, “raving clients.” Satisfied clients are not enough. They have to rave about you in order to spark a word-of-mouth explosion. How do you create that? The same way as I’ve advocated in the rest of this book: by being outrageously remarkable in a focused way and by making sure that people know it and communicate it.

How to Develop a WOMworthy Differentiation in a Practice or Profession

I’ve consulted with a lot of professionals in building their practices. They are almost totally focused on being better, not on being different. Above all, you need to give people something—preferably outrageously remarkable—to talk about.

Differentiate Yourself

They are invariably more differentiated than they realize: different in their skill sets, different in their practice preferences, different in preferred clientele, and so on. Often, they try to be generalists—even within a specialty. They try to take on all clients.

I have them step back and fantasize. What would your practice look like if you could wave a magic wand and do things the way you would really like? What kind of clients would you have (the people, the tasks, the severity, the time frame, etc.)? Would you emphasize diagnosis, treatment, teaching, writing, etc.? Where would you practice? What kind of fee structure would you have? You must get in touch with these things without listening to the part of you that says, “But that’s not practical.” First identify what you want, then modify or dial it back until you can make it happen.

It’s through a process like this (which can take an hour or a year) that you get to change your practice into something worth talking about. Identify the areas in which you can distinguish yourself, such as service, responsiveness, friendliness, or expertise. Then take these areas several outrageous steps beyond where you are now, in the direction of what you most like to do and what you get most passionate about. If you’re the most knowledgeable, write articles, give speeches, and chair committees. If you’re the most personable, make videotapes, network, and have phone hours or live seminars. Make sure everything you do in your area of distinction is surprisingly beyond expectations.

In case you think you are not able to distinguish yourself, you need to realize that most people—even in the highest level professions—are satisfied with being average, despite what they say. If you make yourself one of those very few people who try to be the best they can be in a different kind of way, you will quickly put yourself beyond most of your competitors. And you don’t have to be beyond everybody. If some people are raving about you, and other people are raving about someone else, you will both have more business than you can handle. All you’re trying to do is keep your practice filled easily, at high enough fees so that you can also have the time to enjoy the rest of life, both on your terms.

Here are some specific suggestions and examples, to be modified according to your circumstances, your clients, and most of all your personal style and abilities. For instance, if you speak well but write terribly, stress speaking, get writing coaching, or hire a writer who can pull the information out of you and put it into writing.

First of all, get a copy of Dr. Paddi Lund's *Building the Happiness Centred Business*. Yes, "centred" is spelled correctly if you live in Australia, which Paddi does. He is a dentist who hated dentistry and his life. He spent all his professional time causing pain and dealing with staff and clients who didn't bring him satisfaction. He was literally about to commit suicide when he realized that he needed to make some major changes. So he rethought dentistry. I don't want to give away too much of his book (if you are in a professional practice, you have to read it), but in summary here's what he did.

He talked to his patients and his staff to find out what they didn't like. Then, he totally rethought all of the assumptions about how a dental practice was supposed to operate. He replaced the reception area and its counter with individual lounge areas where "care nurses," who were responsible for all aspects of patient care could interview the patients. He actually took a chain saw to the counter one weekend.

He realized that most dental procedures could be accomplished in one several-hour visit instead of several one-hour visits. So, he takes only one or two patients a day. Instead of taking weeks to work on most people, he takes less than a day!

People told him that the thing that they most hate about dentistry (aside from the pain) is the smell. He experimented with everything he could to mask the smell, and the only thing he found was the smell of fresh baking. So, he hired a baker, who meets people with baked goods that they prefer and offers to bake anything they want, since they'll be there several hours.

He has "fired" all his patients who were headaches and won't keep an employee who is not having fun. He has a referral-only practice. There is no sign on his door, except one that says that it is a referral-only practice and that someone in need of care who has not been referred will be happily referred to another dentist. He has an unlisted phone number!

He works about 23 hours a week, and makes three times more money than his most successful colleagues. People fly to him from all over the world! Read the details in his book. His website is www.solutionspress.com.au.

Paddi is successful because he is totally focused on his customers, team's, and own happiness. How could people not talk about him? How could patients not refer people to him? Yet, I've told this story to thousands of physicians, dentists, and other professional practitioners. Instead of asking me to tell them how to get his book and dropping everything to find out more, most of the time their eyes glaze over and they change the subject or, if it's in a speech, they start fidgeting and stop taking notes.

I think it's because most people don't have the guts to do the things that will make them stand out. In fact, we disparagingly say, "stick out like a sore thumb." People are afraid to stand out above others in the pursuit of excellence. We all know that if we stand out, many people won't like us. You may even have to rise above strong cultural norms. If you're reading this in Japanese, you have surely heard the expression, "The nail that sticks up gets hammered down."

Read about Paddi Lund, adapt his methods to your situation, and then be prepared for all the grief that happiness brings you.

On a more modest scale, one of the country's leading ophthalmologists, Robert Snyder in Tucson, has been a guest expert on many of my word-of-mouth teleconferences. He has advocated to thousands of other ophthalmologists that they call every surgical patient the evening of their surgery. He does it and reports that patients are bowled over. They are amazed. They never had a doctor call them and express concern. Although he's world renowned, he says that it is the best practice builder he has ever discovered. His patients don't care as much about his international reputation as they do about this simple expression of concern. They tell their friends. It takes eight minutes a night, but his practice has a big backlog. And, I might add, it's not a manipulation. He really cares, and it shows.

The most amazing thing about it is that he tells me that very few ophthalmologists have taken his advice. I don't think it's because they are lazy. I think it's because they just don't want to be outrageous. They don't realize that they can be constructively outrageous!

Then, there's Alan Weiss. He is the author of *Million Dollar Consulting*, *Money Talks: How to Make a Million as a Speaker*, and many

other popular books. He's an extremely busy consultant and speaker. Yet, he returns phone calls within 90 minutes. (So he says, but he's always returned my calls within 30 minutes!) He gives his clients unlimited access to him, even on weekends. Yet, he manages to live a balanced life, working at his pool and having plenty of leisure time. How? He realized that people don't waste his time. They have better things to do. He has learned to have efficient conversations. In fact, they don't call him on weekends, even though he has given them permission to call if there is an emergency. (I've always done the same thing, and in 30 years I've had one Sunday call, from a client whose product was going to be attacked on "60 Minutes" that night!) People don't make him travel to their offices more than is reasonable because they can't afford to spend the time. When you call him, you reach him. He does many other surprising things that are too numerous to mention. Read *Million Dollar Consulting* if you are a consultant. I was so impressed that I hired him myself as a consultant. The unusually valuable things he does make people recommend him, as I am doing now.

Always focus on value: What can you give people that will make what you do more beneficial to them? Give seminars. Write useful booklets. Write newspaper articles. Put up a genuinely useful website. Give, give, give in the area you are concentrating on. You love it, so give, give, give some more. If not, get out.

Get continual feedback from your customers on how you are doing. Do surveys, have other people do phone interviews. Ask people how you are doing. People who complain actually care. The others walk. Ask for suggestions. Reexamine all of your assumptions. Why do you do business the way you do? Do you really have to? What if you didn't accept the constraints that you think you have to accept?

Another example: There are a growing number of physicians and psychologists who are opting out of so-called managed care (it's actually "managed cost"). They were forced to practice in a suboptimum way dictated by cost considerations. Their professional judgment was co-opted by people whose standard was not best care, but cost-effective care. Some physicians are accepting a flat rate to take care of

people's routine medical needs, charging a fee for additional service. Some are making a little less money, but enjoying their profession more. Others are actually making considerably more money. It doesn't take much to perform the wildly extraordinary service that gets people to talk about you. It is now called "concierge medicine," with a USA Today television program called "Royal Pains." Incidentally, since USA Network has no vested interest in the adoption of concierge medicine, that program itself qualifies as word of mouth. It's sort of like a product placement, but without the product and without the placement.

You might consider a "referral-only" practice like Paddi Lund's. You pretty much have a referral-only practice anyway. Why not weed out the people who don't give you satisfaction and ask the others to refer to you the kind of people for whom you will provide loving care?

Give people genuinely useful materials that they can give their friends. That way, they will communicate with their friends about you while giving their friends something that is genuinely useful.

I once talked with a group of ten patients who had been among the first to get bifocal intraocular lenses implanted. We totaled up the estimated number of people that these folks had talked with. It was more than 4,000! How? Several of them spoke at various AARP meetings and other clubs and organizations. The particular surgeon whose patients they were did a number of interesting things. He had these patients literally hold the hands of other patients who were undergoing cataract surgery (people are fully conscious during such surgery). The patient assistant was trained to talk the person through what was going on, so that the surgeon could concentrate on his surgery. They also gave presurgery talks and seminars. You bet both the hand-holders and the hand-holdees talked to everyone they could.

Be Outrageous

Are there unconventional ways that you can involve your patients, clients, and customers in your work? Don't be so quick to say no. Give it some creative thought.

Above all, do what's constructively outrageous, unexpected, surprising—whatever will make a good story for people to tell. I'm not advocating coming to work as a clown, although come to think of it, it worked for Patch Adams. Most people live routine lives. Everyone wants a good story to tell. Give good stories to people, and they'll tell them.

Instead of waiting three days to perform a five-minute task or follow-up, you can blow someone away by doing it now. Send someone whose business you value a crazy gift. Hold a party for your patients or clients. Give them a free seminar. I once distributed a list of my best competitors for the times when I was completely booked up. Funny thing. Almost everybody waited. Those who didn't wait came back. Give business and know-how to your "competitors." Not, of course, competitors whom you consider unethical or incompetent, but those who are better than you in some respects, so that everybody wins. It sends the message that you are not afraid for people to find out about your best competitors. Only the best could be that secure, which is exactly what a client said to me! They'll be a source of word of mouth, referring people back to you. I get more business now, from people whom I considered competitors 20 years ago than from almost any other source.

My wife has a psychotherapy practice, with a concentration on couples therapy. She gives lectures and demonstrations, particularly to other therapists, because her strength is in teaching informally and spontaneously through demonstration, thereby drawing principles and techniques from experience. This is a rare ability. Writing is more difficult for her, so she goes with what she is spectacular at, in her own quiet, self-confident way. She is focused on expanding the skills of therapists in the couples' area, not on getting patients. What happens? Therapists come to her for therapy themselves and for supervision. They send clients to her, particularly couples that they think they can't handle. They even send their own patients as couples, when they feel they need someone else to work with them as a couple. Maybe someday she'll do videos, or webclasses, or something else. The point here is that you have to put yourself out there, in your style, using your best strengths, but without hype.

Maybe you want to quietly fill a practice, without being obtrusive. Maybe you don't want people to notice you. Maybe you don't want to attract attention. Maybe you think I have some advice for you if you fit this profile. I don't.

There are probably ten things that you can do regularly that suit your style and skills. Send me examples of the ones that worked best at grs@mnav.com and you may see them on our website.

Secrets of Word-of-Mouth Marketing for Specific, Special, or Narrower Circumstances

What follows is some very general, but important, advice that is particular to narrower circumstances. To avoid repetition, I've included only those not included elsewhere and those that I believe need special emphasis.

Word-of-Mouth for Large Companies

Take advantage of the opportunity to contradict the expectations that people have of large companies: large, slow moving, unresponsive to individuals, uncaring, only responsible for maximizing shareholder value, and so on.

If you contradict these real, but not necessarily true, expectations, people will talk. But it takes a genuine commitment from the top, and, sadly, there almost never is. You know the exceptions because everyone is talking about them.

Admit mistakes, and make things right. Show transparency, and don't say it unless you not only mean it, but live it.

Give people way down in the organization the power to make it right. Don't let the accountants calculate your costs of doing this unless they are astute enough to find a way to evaluate the word-of-mouth benefits. Study Nordstrom and FedEx. And, of course, Apple and Google. Don't put buttons on your employees—as one large chain does—that says, “I'm empowered” while making them go to their supervisor to change a \$50 bill.

Study BP's 2010 Gulf oil disaster for how to do everything wrong. While you're at it, study as *negative examples*: banks, rental car companies,

mobile phone companies, and insurance companies (for starters). This will teach you how to lie by omission (i.e., learn by their negative example. Do the opposite). Study how Microsoft manages to be an extraordinarily open company, although it falls far short in other areas. Study Dell's turn-around in this area. Study Procter & Gamble for how to do things right.

Another time large companies fall short dramatically is when they engage in communication that is almost gibberish to nonlarge-corporate types or to people who are not in the industry. I think this is a function of size, as it occurs in companies where people are several layers removed from real-world customers, the trials and tribulations of the decision process, and much of the rest of reality. Or, they are so compartmentalized that they don't see the broad picture. This is easily remedied if given attention. Believe me: straight, informal, vernacular talk would be talked about. And I don't mean *leavin'* off the "g's" in words *endin'* in "ing." Leave that to phony politicians.

The bottom line is that there is an opportunity to treat people so contrary to expectations, as a way of life, that you will set the tongues wagging.

Word-of-Mouth for Smaller Companies

The large, modern corporate enterprise is the most efficient organization in the history of the human race in marshaling huge amounts of resources and squeezing every last drop of efficiency out of them, but they are unresponsive, slow and clumsy.

Smaller companies tend to be more agile, innovative, closer to the customer, self-correcting, experimental, and human than larger companies. Oh, and did I mention agile? That's why most of the new smaller companies create jobs and innovative products. This means that you, as a marketer, particularly as a word-of-mouth marketer, can run circles agilely around your larger competitors.

I few years ago, I was using a marvelous program called Devon-Think (still do). I had a problem and when I accessed the help menu there was a button that said something such as, "Speak to a live person." I clicked on the button and found myself speaking with "Eric," who not only answered my questions, but also made a bunch of suggestions and

then asked me some astute questions about my use of the product as a writer's tool. It turned out that I was talking to Eric Boehnisch-Volkman, the president of Devon Technologies, in Germany, via Skype! I had never heard of Skype, and it was my first Skype call.

He eventually had to take down the time-consuming voice link, but he maintained his customer service. He and the rest of his people remain just as responsive as they were years ago, when the company was much smaller. Almost everything that I suggested to Devon Technologies was quickly built into the program. I eventually became a beta tester. A software giant could never offer this level of service.

I've blogged about this software, and continue to be a raving fan. While it's a great example of how to turn a casual inquirer into an active influencer, broadcasting word of mouth into blogs and books, my point is that you should use your advantages as a small company, one that's close to the customer, to gain some amazing advantages.

But you have to stay in the game, participate with customers in forums, in a personal way.

What about turning around negative customers? They are potentially your biggest fans, because they care enough to criticize.

A CASE IN POINT

I wrote a lot of the first edition of this book in Dragon NaturallySpeaking, a voice dictation program. I then switched to a Mac. I tried MacSpeech iListen, which turned out to be terrible. After I posted a blistering series of comments about it on my blog, MacSpeech's customer evangelist called me and spent a lot of time trying to get it to work. I gave up. A year or two later, I broke my arm skiing and, by sheer coincidence, MacSpeech's evangelist sent me an email a couple of days later, saying, in effect, that he knew I was a major skeptic and he had a totally different program the company would like me to beta test. Instead of regarding me as an enemy—which I was for iListen at least—the company knew that if it could satisfy me, it could satisfy anyone. I was in too much excruciating pain to use a keyboard, so I agreed, and my exposure to MacSpeech Dictate began. It turned out to use Dragon's speech engine, but, in my opinion worked better in a

Mac environment. I became a raving fan and remain so to this day. Much of this book was written on it. I've blogged about it and will support its efforts any way I can. [Update: They have been bought by Nuance, Dragon's owner.]

A large company could not have given me that degree of attention. I would have fallen through the cracks as a "hostile" in the quantitative research numbers game of a large company.

Don't ever, ever, *ever* complain that you are too small to compete, in marketing at least, with the larger companies. Word of mouth, particularly through the use of the Internet, has not only leveled the playing field; it has tipped it in your favor.

With YouTube, blogs, podcasts, and other social media—and even good, "old-fashioned" email—you can more than compete with the "big boys." That, together with your greater responsiveness, agility, motivation, entrepreneurial spirit, and creativity, gives you the advantage.

Yes, "David and Goliath" was an unfair fight, for Goliath! David had the advantage all along.

Word-of-Mouth Marketing for Small, Local Businesses

The same applies here as for companies in the previous section, they have the additional advantage of being local. Take advantage of it.

Word-of-Mouth in Business-to-Business Marketing

Think you're different—from a word of mouth standpoint—than other companies? You're not, except that you probably have a more defined and reachable potential client base. I just hate to call them "targets." That's no way to talk about friends. Find ways to partner with them. Enlist their help. Find ways to help them. They understand you. I've always gotten more business from my "competitors" than anywhere else.

The special secret to B2B marketing is to approach them as colleagues and partners, not customers, and ask them to do their colleagues and customers a favor by recommending you, then make it easy for them to do so with affiliate programs, special web pages and other modern aids.

High-Ticket Items

As I've mentioned, the markets for high-ticket items are not easily seeded, sampled, or demoed. You are at the mercy of word of mouth, so seize the day.

Remember to work with the experts and other influencers. Most will be thrilled to participate, and will use their platforms—and yours—to shout your uniqueness to the world.

To you, it's a product. To them, it's a tool, a unique set of capabilities that advances their beloved field. Why shouldn't they shout it from the hilltops? Give them the opportunity.

Other Intangibles, Such as Ideas

A strong case could be made that Barack Obama was the first Internet president and could not have been elected without it. There isn't room in this book for a detailed account of all of the dozens of things his team did. You might want to study the well-documented accounts of how his team members used the Internet to create involvement, participation, and a sense of belonging to a cause.

I'll confine my comments to doing my job, which is to identify some of the secrets we can learn from his campaign, rather than chronicling the details.

President Dwight D. Eisenhower once said, "Motivation is the art of getting people to do what you want them to do because they want to do it."



SECRET

To sell an idea, you must find out what people want most, down deeply, under the concrete. Then, show them how getting it is more important than clinging to and defending their cherished beliefs.

You can't find out what people want it by asking them and accepting the first answers. You have to probe. As Henry Ford once said, "If I'd have asked people what they wanted, they would have said faster horses."

Yes, but it would have given him the opportunity to ask a “dumb question,” “Yes, but what would faster horses do for you?” You have to identify the *actual* desire.

That’s how Obama sold Hope and Change. Those people who were willing to take a chance on him did so because they so desperately wanted something different, almost anything different.

People are willing to change their beliefs when a basic need—in this case financial security—is threatened. In this case, when presented with a clearly repeatable solution, they also received the social, that is, word-of-mouth support that would only have been possible in a country this large in the Internet Age.

So, for Obama, it was a central person who was unique and spectacularly articulate enough to spark a word-of-mouth firestorm over a couple of simple words that summed up their frustrations and aspirations.

Additional Tips, Techniques, and Suggestions

The following tips will aid you in coming up with even more new ideas. Each requires a special expertise and skill set. They are listed to give you a vision of what is possible.

Remember that word of mouth is like playing with fissionable materials. Although it is potentially the most powerful and effective thing that you can do, it can also be very dangerous. It is potentially poisonous, explosive, and corrosive. Be careful, or leave it to the professionals.

Referrals

A CASE IN POINT

Two days after President Richard M. Nixon announced his wage/price controls, I ran a teleconference with eight of the country’s leading economists to predict what would happen. Milton Friedman, the Nobel prize-winning economist, voiced skepticism about whether the conference would be productive, given the informal

nature of it, the polarized points of view, and the fact that people would not be face to face. Nevertheless, he was willing to participate, which he did from his vacation home in Vermont. When I called him the next day, he said that it was the most productive roundtable discussion he had ever participated in—much more orderly and informative than if it had been conducted face to face. (Remember, this was in 1972, long before the conference call had been widely accepted.) I reminded him of his previous skepticism and asked if I could quote him as a service to other people who might also wonder if such a discussion could be orderly, open, and informative. He enthusiastically agreed, giving me a powerful tool to overcome skepticism about conference calls among potential participants and clients.

The secret is that simple: Ask for endorsements. But ask as a service to other people who may benefit from what you offer, not as a favor to yourself.

When you ask if you may quote them, send them three quotations from which to choose. One is an outrageous rave. One is an extremely positive one, and one is just positive. Obviously, make them relevant to the persuasion step that you are trying to accomplish. Make it clear that you are sending these options for their convenience and out of respect for their time. Obviously they should feel free to make any changes or to submit a complete rewrite. Make boxes so that they can check and initial the selection for which they are giving permission. Often, they will select the one in the middle, which is more than good enough since the top rave might lack credibility. [I'm indebted to Wendy Keller, my literary agent, for this suggestion and have been using it with great success.]

When using testimonials, make sure you have permission, of course. Use full names and company affiliations if people will permit it. If not, use full names and city. Less effective is using initials, but if that's all you can get, do it. If people won't let you quote them by name, use their quote anyway, without attribution, which can still be extremely powerful.

Set Up a Referral Selling Program

Make sure all your people, particularly salespeople and service people, are trained and get practice in referral selling. Give them incentives for getting referrals, endorsements, and testimonials. Make sure they are tracked visibly. Make sure you have a mechanism for immediately following up on the referrals.

Referred customers are at least ten times more likely to buy from you than prospects who come from cold calls. A referred prospect who calls you as a result of being referred by a friend is about a hundred times more likely to do business with you. Treat them like old friends, and thank and/or reward the referrer.

How to Get Referrals

Basically, you have to ask your enthusiastic customers, “Whom should I be talking with about my services? Who would benefit most?” Again, present it as a service to the potential referee, not as a favor the referrer is doing for you. Ask people to pass along your literature. I know, it’s obvious, but people just don’t do it enough.

In addition, give people incentives for passing along names to you. Give them a free product or a free month of service. You get the idea.

Give people samples and literature to pass along to their friends.

Look at it as an entire “Referral Selling System”

You should have a steady stream of prospects coming to you directly from your customers. Customers should also be sending you a steady stream of names of qualified prospects so that you can pursue them. Most companies don’t. But if they did, those companies could at least double their sales by building a customer referral system. Isn’t that worth some major resources? Isn’t that worth a few focus groups of people who referred several other people to find out what motivated them and what they said and did that was successful? Isn’t it worth a few focus groups to talk with people who were actually referred and who followed up and became customers? What motivated them? What triggered their initial interest? What barriers did they have to overcome? What clinched the sale?

Write materials specifically designed to stimulate customer referrals. These need to be carefully constructed according to the same rigorously applied persuasion principles as other materials: the right content, from the right people, in the right sequence.

Do you have materials designed to help friends refer friends? Different materials for advisors referring less sophisticated clients? Wives to sell husbands? Creative types to sell financial types? You get the idea.

Using the Traditional Media

With all the attention on the new media, we tend to forget that the traditional media can also be used to generate word of mouth.

Customer Service as a Word-of-Mouth Engine

Several books have been written about using customer service to generate word of mouth. FedEx was built on this idea. Once again, read *Positively Outrageous Service* by T. Scott Gross.

PR: Placements, Events, and Promotions

If you don't have an aggressive PR program in place, put it in place. Remember that PR is not just about getting your name in publications. Hold word-of-mouth generating events and promotions.

Ads, Sales Brochures, and Direct Mail

Again, how many times have you seen people who are obviously actors playing the part of real customers, when real customers would be much better? Put your customers in your ads, brochures, and direct mail pieces. Have them tell their stories. A customer can almost always say it better and more credibly than the polished words of a salesperson or ad agency.

Salespeople

Word of mouth among your salespeople can make or break your product. Salesperson programs, sales stars, and peer training can all be used to help generate word of mouth. Our company does a lot of word-of-mouth research among salespeople, and there is no question that if the salespeople aren't sold, your product doesn't stand a chance. They have their own grapevine. You can get the best salespeople to teach the other salespeople how to sell your product better. Get the success stories of the salespeople and the customers transmitted to all the salespeople.

CHAPTER 16

Tips, Techniques, and Suggestions That Will Make It Easier

Who Can Help You Construct Word-of-Mouth Campaigns?

Although they were once the mortal enemies of word-of-mouth marketing, advertising agencies have now gotten on the bandwagon, and say that they are Internet marketers who are into “viral marketing.” I’m sure there are exceptions, but I’m highly skeptical and believe that claim is usually hype, which they *are* good at.

Traditional advertising agencies tend to understand mass media, not interactive one-on-one marketing, and certainly not out-of-control word-of-mouth campaigns. PR agencies tend to understand how to get stories inserted into media, but most lack the specialized understanding needed for word-of-mouth events.

Educational companies tend to be able to put together seminars and conferences, but with little understanding of and regard for the subtleties of word-of-mouth marketing. Seminars have to be built from a deep understanding of word-of-mouth needs, not only from what would be interesting educationally. Word-of-

mouth marketing is a separate discipline that involves working with live, highly influential, people.

There is a need for word-of-mouth agencies or consultancies that construct word-of-mouth campaigns. I predicted in 2000 that a whole new set of agencies was going to spring up, populated by people who understand interactive marketing and who understand the dynamics of word of mouth. They have, but they are a mixed bag, many in infancy, childhood or, sometimes worse, adolescence. Too many of them lack a mature understanding of the fundamental principles and are creating superficial, external stunts, with great creativity, but little insight into the values that ultimately drive word of mouth.

They will mature, as will the social and other new media. The best, hopefully, will rise to the top. They will stop chasing the latest BSO (Bright, Shiny Object) and develop the perspective needed to get customers to talk about the unique value of your product.

In the meantime, it's mostly up to you. (I'm available for consultation.)

Word-of-Mouth Fraud and Other Shady Practices

“When people realize that WOM is 1000+ times as powerful as all of conventional marketing *combined*, every sleezeball in the world will come out of the woodwork and ruin this medium.” I said that in a speech at a WOMMA conference many years ago.

Since then, there have been many examples of phony WOM, which disturb me so much that I will avoid chronicling them. You can look them up.

But I do want to issue a warning to scammers, spammers, shills, conmen (conpersons?), lowlifes, and other word-of-mouth hustlers. WOM is extraordinarily easy to fake momentarily, but also extraordinarily self-correcting. People have what Hemingway called a “BS Detector.” The truth comes out quickly. Sites like Amazon, eBay, and others have developed highly sophisticated methods of detecting fraudulent word of mouth. It will always be a cat and mouse game, and nothing I can say will deter the hard-core scammer.

But if you, the otherwise honest reader, are tempted to try using shills, fake testimonials, or gaming the rating systems, may I respectfully suggest that you put the energy and creativity into improving the things that will earn you honest word of mouth. Believe it or not, it's easier and much more satisfying than faking it.

The negative reactions to those who do are much stronger because word of mouth is seen as a refuge from the hype, omissions and lies of people with vested interests and hidden agendas. They expect some hype in ads and from salespeople, but if they even suspect anything phony in word of mouth, they go through the roof.



EPILOGUE: LET'S TALK

This book is clearly not the last word on word of mouth. There's much more to discover, learn, distill, and invent. I welcome hearing your questions, successes and setbacks. I find that the most useful yet hardest things to find are good examples.

I'd particularly like to hear how you have applied something in this book to enrich your life, so that we can share it with others. Your story may be just the thing that resonates with and motivates someone in a way that one of my examples did not. Your story may be just the thing that triggers a life-changing event for someone. Please don't deprive them of the experience.

Please write to me and I'll do my best to respond to you and bring others into the conversation. In these ways we can all build on each other's ideas and enrich each other with new experiences and perspectives.

I also love challenging questions, especially the ones that I don't know the answers to—yet. So, send me your questions, especially if there is an issue, problem, or question that you are positive no one has the answer to. These mysteries often provide the springboard for extraordinarily fruitful adventures, whether or not they eventually get solved.

I look forward to hearing from you.

E-mail: grs@mnav.com

Website: <http://mnav.com>

Blog: <http://mnav.com/blog>

You can find additions, corrections, and modifications to this book at <http://mnav.com/womsecrets>.



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RECOMMENDED READING

There are thousands of books on general marketing, thousands on personal selling, thousands on advertising, and hundreds on PR. There are only a handful of books on word of mouth, which is more powerful than all the other media put together! Word of mouth is so powerful that anything you learn about it that works for you can multiply your sales. On those grounds alone, you should read every book available on word-of-mouth marketing. There aren't that many. There will be more. I'll post them on our website, www.mnav.com, I applaud my fellow authors and hope that all of our work synergizes one another's.

Cafferky, Michael E. *Let Your Customers Do the Talking: 301+ Word-of-Mouth Marketing Tactics Guaranteed to Boost Profits* (Chicago: Upstart Pub., 1996).

This book is almost entirely on the tactical level, based on an overwhelming number of ways to get people to talk about you. The author says explicitly that "scientists" do not know why word of mouth works. "It just does." I hope that you have learned in this book why it does. Otherwise, Cafferky's book is a great shopping list of useful methods to complement the more systematic approach that I have taken. Recommended.

Gladwell, Malcolm. *The Tipping Point: How Little Things Can Make a Big Difference*. (Boston: Back Bay Books, 2002).

A wonderfully readable book from America's best business storyteller. Attempts to explain why nothing may seem to be going on with a product or idea, but then everything "tips" and suddenly everybody is talking about it. However, Gladwell is woefully inadequate in his fundamental understanding, preferring sensational stories to insight. He even says that no one understands why this "tipping point" happens. He got the

mathematics of how fast word of mouth can spread wrong and over-glamorizes the different types of influencers. This book will not give you any practical insight into how to engage in word-of-mouth marketing. But he sure can write!

Godin, Seth. *Unleashing the Ideavirus*. (New York: Hyperion, 2001).

Brilliant, as is everything Godin does. He seems to be the only person who really understands low-friction marketing. What I call experts, leveraged influencers, and opinion leaders, Godin labels “sneezers.” His marketing has been as interesting as the book. He has given away about 250,000 books on his website, with an estimated pass-along rate of four times. That’s 1,000,000 free books. Then he self-published at a high price (\$40). His first printing of about 25,000 sold out! Highly recommended.

Harris, Godfrey. *Don’t Take Our Word for It! : Everything You Need to Know about Making Word-of-Mouth Advertising Work for You* (Los Angeles: Americas Group, 1998).

Aside from the fact that I object to the term word-of-mouth advertising (it’s a contradiction in terms), this book is filled with excellent suggestions. There are many new ideas. You would have to be unconscious to not be able to find several things that will dramatically boost your sales.

Katz, Elihu and Paul Lazarsfeld. *Personal Influence: The Part Played by People in the Flow of Mass Communications* (Glencoe, IL: Free Press, 1955).

This is another must-read classic. And just because it’s out of print doesn’t mean it can’t be found. Inquire on the Internet or try bookstores that carry used books.

McConnell, Ben, and Jackie Huba. *Citizen Marketers : When People Are the Message* (Chicago: Kaplan, 2007).

———. *Creating Customer Evangelists : How Loyal Customers Become a Volunteer Sales Force* (Chicago: Dearborn Trade, 2003).

Great examples, great advice. Very readable. Highly recommended.

Misner, Ivan R. *The World's Best Known Marketing Secret: Building Your Business with Word-of-Mouth Marketing* (Austin, Bard Press, 2000).

This book is mostly about networking and referral selling, a small part of word of mouth. It mostly talks about building networking organizations.

Rogers, Everett M. *Diffusion of Innovations*, 5th ed. New York: Free Press, 2003.

I cannot recommend this book more highly. It is must reading for anybody interested in word of mouth. Everett Rogers was a sociologist who has done the definitive work on word of mouth, and his book summarizes thousands of studies and draws principles from them. Reading his first edition decades ago set me on the road to applying what has been learned in a major branch of sociology, called diffusion theory, which is almost totally neglected by marketers, but which should be required reading. I only hope that I have added a few new ideas, and added to the practical application of Dr. Rogers' ideas. Brilliant! Bravo!

Rosen, Emanuel. *Anatomy of Buzz: How to Create Word-of-Mouth Marketing*. New York: Crown Business.

The most rigorously documented of any book on word-of-mouth marketing. He has extensively documented many of the examples that I mention (plus many more), so it serves as a wonderful complement to my book. *Anatomy of Buzz* is not only strong on examples, it is also strong on how to implement a word-of-mouth campaign. Rosen's term for my leveraged influencers and Godin's sneezers is "network hubs," and he analyzes their characteristics extensively. Highly recommended.

Sernovitz, Andy. *Word of Mouth Marketing: How Smart Companies Get People Talking* (New York: Kaplan, 2009).

Former President of WOMMA. Very plugged into the latest and greatest. Very strong on great examples. Very practical nuts-and-bolts handbook. Not as strong on theory. Excellent complimentary book to this one. Highly recommended.

Wilson, Jerry R. *Word-of-Mouth Marketing*. (New York: John Wiley, 1991).

This excellent book is much more strategic than Cafferky's and nicely complements that book as well as my own. However, it is also centered only on methods for getting people to talk about you and methods of getting publicity. There is little focus on identifying exactly what word of mouth is needed to blast through the bottlenecks and on ways of delivering word of mouth, other than publicity generating methods. It does not focus on the different kinds of word of mouth needed for different types of people in different stages of the decision process. It does not mention the Internet, the most important word-of-mouth delivery mechanism in history. It does not mention customer seminars and other events that directly put customer enthusiasts together with skeptics.

One last remark: There is a remarkable degree of unanimity among word-of-mouth authors. Some define word of mouth more narrowly, some more broadly, but all agree on the basic points about the power of word of mouth, the need to reach influencers, and most of the means of reaching them. The main difference in my book is that it is the only systematic approach to constructing word-of-mouth campaigns and it offers unique descriptions of word-of-mouth seminars and expert management.

Again, if you are in marketing, you should read them all.

A P P E N D I X

What follows is a list of all of the Secrets of Word-of-Mouth Marketing from this book, collected in one place.

1. Involvement and collaboration is what it's all about now.
2. The new media have brought a level of overload that is unprecedented.
3. Word-of-mouth marketing is not a bag of tricks that can be slipped into the standard marketing mix. You can't try a little of it and see if it works. It's a completely different way of thinking about marketing and doing business. It's incompatible with "marketing as usual."
4. While traditional marketers had their noses buried in their newspapers and magazines, their customers hijacked marketing.
5. Indirect communication through word of mouth has now moved from highly desirable to crucial—the central tool of marketing.
6. Overloaded people want Simplicity, Ease, and Fun. In the Age of Overload, the Simplifier is King.
7. Word of mouth's function is simply division of labor in the decision process. That's the root of its appeal and power.
8. Word of mouth is the most effective way of making decisions easier and simpler in an overwhelmingly difficult and complex world.
9. Word of mouth is, first and foremost, an experience-delivery system.

10. Realize that your product is a valuable gift to your customers and that you are providing the noble service of helping them see that value.
11. Marketing is an illusion.
12. You can only create the conditions under which customers are most likely to learn or buy. You can't "sell" directly.
13. Word-of-mouth marketing isn't just about getting people to praise your product publicly.
14. Marketing is a service that you do *for* and *with* the customer, not *to* the customer. Like any service, its value is to be found at the intersection of what you can do best for the customer and what the customer needs most.
15. In this, the Age of Overload, the service that marketing provides is to make the decision process easier for the customer, every step of the way.
16. Your new function is decision easification, which means easing the burden of the decision process in this overloaded world.
17. The product that wins is not always the "best" product. It's the product that makes the product decisions smooth, easy, fun, and fast.
18. The "Easy-to-Decide-on" product wins because customers tend to follow the path of least resistance.
19. Your job as a marketer is to make your product the "Easiest-to-Decide-on" product in its field.
20. To increase unit volume, frequency of purchases, sizes of orders, and prices, *increase decision velocity*.
21. The adoption decisions are much too important to leave to the customer.

- 22. Approach word of mouth as the best tool we have to make every choice at every fork on the road toward becoming an evangelist for your product easier than the other choices. In broad terms, word of mouth is going to make your product easiest to find, learn about, select, try, buy, and rave about.
- 23. Your job as a marketer is to help your customers make the best possible decisions in the easiest possible way and to make sure that your product is exactly that—the best possible product that’s the easiest to decide on.
- 24. Word of mouth is thousands of times more powerful than conventional marketing.
- 25. The quality, relevance, and enthusiasm of the information passed on through word of mouth can, under some conditions, actually improve through successive iterations of transmission. In addition, the ability of people to transmit it to the right people often improves.
- 26. Word of mouth is what I like to call a self-improving system. Treasure it. There aren’t too many in this world.
- 27. Word of mouth isn’t like a virus and doesn’t spread like one. It’s a nuclear explosion or a dud.
- 28. Experience delivery is the most powerful property of word of mouth.
- 29. Indirect experience—that is, hearing about other people’s experience—is actually much better than direct experience in many ways.
- 30. What gives word of mouth most of its power is the fact that it is an experience-delivery mechanism. And it is successful experience that triggers full adoption behavior more than anything else.
- 31. The quicker people can get experience under their belts, the quicker they will adopt the product. Word of mouth deter-

mines the speed of experience gathering. Therefore, word of mouth determines speed of product adoption.

- 32. The “recommended by” becomes one of the product attributes, often the most important one.
- 33. The best way to get people interested is to make a credible promise (product claim) to give them information about how to get the benefits that are highest on their list. Of course, make sure your product delivers it.
- 34. When they’re trying to drink from the fire hose, don’t increase the flow.
- 35. The key is to provide custom-tailored information that cuts through and reduces the over-all information burden.
- 36. Experience is only one thing that will confirm the evaluations in the information stage. Experience confirms thinking.
- 37. At the trial stage, peers are more influential than experts.
- 38. While “experience is the best teacher,” indirect experience is the best of the best: the safest, most efficient, and most likely to be successful.
- 39. It’s also the easiest and cheapest for you to encourage, via word of mouth.
- 40. Word of mouth that moves people at the trial stage centers around experience.
- 41. If you don’t encourage the right kind of word of mouth for each type of adopter and tailor it to the individual’s stage in the decision process, you will be encouraging the wrong messages and turning people off.
- 42. Each type of decision-maker needs different types of word-of-mouth messages to encourage them through each station of the obstacle course.

- 43. If you want them to talk about you, you have to give them something to talk about. But not just anything, no matter how positive.
- 44. You want people's friends, colleagues, families, and trusted advisers to be saying exactly what will influence those particular people to move past any significant block they have come up against along the decision path.
- 45. You want personal word of mouth, testimonials, endorsements, and reviews that are specific—that are tailor made to destroy your product's decision blocks.
- 46. Generalized raves do almost nothing for you. Specifics addressed to the blocks are what you want. And, they don't have to be raves, just relevant and reassuring.
- 47. People talk about things by telling stories. Give your customers unusual, specific stories, not generalities about how good your product is. You want to spread stories that specifically destroy the blocks that are holding back your product.
- 48. While we are not very good at discriminating differences of degree, we are extremely good at discriminating among differences of kind.
- 49. It's more important to be different than better—or to be so extraordinarily better that you are completely different (very rare). It has to be unusual for it to be WOMWorthy—"worth talking about."
- 50. You want to be unique in a customer-beneficial way that customers will talk about.
- 51. Beware of confusing products that require deliberation versus products that sell based on personal taste in thinking about word of mouth. They require very different sales methods.
- 52. Experts are people who are perceived to have more knowledge and better judgment. It's important not to lump influencers and experts together. Experts have many roles.

- 53. Experts are reachable, provided you have a legitimate reason. Be totally honest with them. Make sure your product can withstand and benefit from thorough, expert scrutiny.
- 54. Change the opinion of a relatively small number of experts, and you'll change the marketplace.
- 55. Experts who are treated right will participate in advisory groups. Set them up so that everyone wins, no one is exploited, and everyone is heard. Negotiate and build the best possible realistic system, and they will evangelize for you. But you have to do it with the highest levels of professionalism, honesty, and integrity.
- 56. It often takes years to go from initial interest to trial to adoption, because it takes an inordinate amount of time to hear from enough peers and to gather their experiences.
- 57. People don't have to be motivated to engage in word of mouth. They naturally pass along things that are interesting, unusual, and fun. Don't worry about it. Worry about making your product remarkable. Then give people help with the channels.
- 58. Creating a "buzz" isn't nearly enough, even if the buzz goes "viral." Concentrate on what you have to do to get people talking about the remarkable things that remove the decision blocks of the product.
- 59. Don't try to bribe people.
- 60. Word-of-mouth campaigns can be researched and understood and the effects can be crudely tracked, but they can't be measured validly by control group methods.
- 61. In the marketing context, trust comes down to the expectation that a person or group will act in the best interest of the customer, even if that action is not in the short-term best interest of the company.
- 62. Under the right circumstances, with the right kinds of invitations and the right moderation, high-level people will actively participate with one another in discussions.

- 63. Put the right kinds of people together and listen to the word of mouth directly. Don't speculate about it and don't ask people to describe what convinced them because they don't remember and they "spin" it.
- 64. Tiny minorities can consistently sway much larger majorities.
- 65. Word of mouth must come from truly independent sources. Any hint of a commercial interest will instantly poison it.
- 66. To increase sales, throw out everything that you know about the effectiveness of conventional marketing, where sales increases of 50% are extremely rare in a campaign. Word of mouth can increase sales more than tenfold.
- 67. The key to successful word-of-mouth programs is promising and delivering real, practical educational value for people to take part in an experts and/or peer-sharing program.
- 68. When you have identified the decision steps, particularly the blocks, then, and only then, are you ready to design and structure a word-of-mouth program.
- 69. Word of mouth isn't a one-shot deal. It's a commitment to a new way of thinking at all levels of the organization.
- 70. To sell an idea, you must find out what people want most, down deeply, under the concrete. Then, show them how getting it is more important than clinging to and defending their cherished beliefs.

