

Debunking the Myths, Lies,  
and Misconceptions of

# WORD OF MOUTH MARKETING

Ted Wright

If you have ever tried to discuss word-of-mouth marketing, you've likely confronted the many myths and misconceptions that surround it.

It may be statements like “Oh, that costs too much” or “There’s technology that does that for you already,” or it may be a question like “Isn’t that just social media?” All of these people come from a place of wanting the best for your company. In the many years that I’ve been doing this, I’ve heard every single one of them. By now, I’ve gotten pretty good at responding. Maybe I can help you do it too.

## MYTH: It doesn't matter where you launch your word of mouth campaign. When it comes to sharing stories, all U.S. cities are created equal.

You could launch a word of mouth campaign about your handbag in Upper Darby, Pennsylvania. You could seek out technology influencers in Flagstaff, Arizona. But that would be doing it the hard way.

Much like the weather, conversation in America follows some predictable and largely immutable patterns. Conversations about new fashion trends don't start in Billings, Montana, then knock around the Midwest for a few years until they find their way to Manhattan. Conversations have a natural flow, and any good word of mouth campaign is going to piggyback on that flow. Resisting it is futile and expensive.

There are certain cities in America—six to be exact—that we consider leadership cities. Then there are six fast-follower cities. These 12 make up the majority of the word of mouth engine in the United States. What these cities are talking about today determines what the other cities will be doing (and buying) tomorrow. If you want to spread your story as efficiently as possible, you need to start with six of these cities. Once you've captured them, you are on your way to capturing the country.

The leadership cities are:

## **Cities 1 and 2 | New York and Los Angeles**

Nearly all conversations about trends, products, ideas, films, books, or anything else you can think of in the United States seem to start in one of these two cities. This is for reasons of geographic density, but also tradition. New York and LA have rich cultural histories in the arts, fashion, media, and ideas. They are also centers of immigration.

Taken together, these factors foster a culture that values identifying things early and sharing them with others. Each city has its particular focus, of course. But in any given area, they are mere milliseconds behind one another, conversationally speaking.

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### **City 3 | Dallas**

Yes, Dallas. Why? Unlike New York and LA, Dallas is a large, vibrant city built and centered almost exclusively on commerce and industry. Set in the middle of a desert, far away from any natural port or immigration hub, Dallas owes its very existence to private enterprise. Just try telling the history of Dallas without talking about Neiman Marcus, cattle, or the East Texas Oil Field. It would be like telling the history of Vegas without mentioning casinos.

Since its inception, Dallas has had a strong tradition of talking about things you can buy. It's always, "Hey, what's the new thing?" Combine that with the expectation that Everything Is Bigger in Texas, and you have the recipe for a great word of mouth town. All in all, Dallas is about half a second behind New York and LA.

### **Cities 4 and 5 | Chicago and Atlanta**

Both these cities serve as magnets for people in the surrounding states who want to do things a little bit differently or just to break out of their small towns. You want to be a musician, a chef, or a writer? Is your lifestyle simply a bit alternative? Maybe you just want to be different than your parents and grandparents.

If the answer to any of these is yes, and you were born in the American Southeast or the Midwest, odds are good you will end up living in Chicago or Atlanta. This fuels a natural obsession with what's new, with being slightly ahead of the place you came from. Chicago and Atlanta are about six months behind New York and LA.

## **City 6 | Take Your Pick**

The sixth city you target for your word of mouth campaign will depend on your product. Your choices are Seattle, San Francisco, or Miami.

**San Francisco:** If your thing is food, wine, chocolate, beer, or pretty much anything else you can eat or drink, San Francisco is your city. The City by the Bay has long been on the edge of all things culinary, and it is always looking for the new, new thing in that arena. Today, when people hear "San Francisco," they think "technology." Today, everyone either works at a startup or knows someone who does. The conversation in the city has changed accordingly. So if you can get people in San Francisco talking about your startup, you're in good shape to get the rest of the country talking about it too.

**Seattle:** Seattle is ideal for "immediately useful technology." Rather than focusing on technologies that enable you to do something you couldn't do before, Seattleites love technologies that make

something you're already doing easier. It's iterative rather than revolutionary. If you have a technology that is useful to everyday life, you want to have a presence in Seattle.

**Miami:** The vibe of Miami is about celebration, fun, partying, bright colors, music, and nightlife. Tell someone that a new kind of strappy sandal is the hottest thing in Miami nightclubs, and a week later it will be selling out of stores in a dozen other cities. Any word of mouth campaign having to do with music, clothing, or the beach belongs in Miami.

Whichever two cities you don't pick from those three will be added to your list of fast-follower cities. The other four fast-follower cities are Denver, Philadelphia, Houston, and what we call "New Detroit."

**Yes, Detroit.** You probably haven't heard much good news about the Motor City lately. But at the moment, scores of young, hard-working people who are short on money but big on ideas—let's call them artists—are flocking there, beckoned by cheap real estate and the chance to build something new. It's Austin in the 1980s; it might even be Orange County in the 1930s. These people don't have a lot of money, but they have friends in places like the Williamsburg section of Brooklyn, Silver Lake in LA, the cool parts of Philadelphia—all of whom are eager to hear their stories.

## MYTH: Word of mouth marketing is inexpensive.

It's not. In the beginning, word of mouth marketing will cost the equivalent of broadcast. But over time, if done right, word of mouth marketing can be substantially less expensive than broadcast.

As you know, the real cost in broadcast is not in making the ad (though that is expensive).

The real cost of broadcast comes in renting someone else's network. If you want to spread your message, you have to pay money to take up space or time on someone else's system, whether that's a network of TV stations, people, or cell towers. Do as much broadcast advertising as you want—the cost of renting those networks will never go down. In fact, it will more than likely go up. The concept is known as media inflation. "Hey, you're making a half a billion dollars on this thing you're advertising? Well, now it's going to cost you \$400 million to rent my network."

For word of mouth marketing, the main price of admission to the network of influencers is the quality of your story and your ability to fulfill against it, day in and day out. If you're offering a shareable brand promise, and your company consistently delivers on that promise, then people will be talking about you.

But word of mouth marketing is not viral videos or flash mobs either. It is not something you do once for \$2,000 and then walk away from it. In the beginning, it requires a real investment.

In today's dollars, a good word of mouth marketing program will cost \$450,000 per market, per year. There are only 12 markets in the United States that you need to be in, but the minimum number of states you should be in is three, and you need to commit to the program for at least 24 months. If you want to do it yourself, you can save about 30 percent.

These numbers sometimes surprise people. The good news is that there is no such thing as an \$80 million word of mouth marketing campaign. Because once you get those 12 cities we discussed, everybody else will follow. There is almost no limit to the amount of broadcast you can buy. And if you come to rely on broadcast, you may soon find yourself trying to buy as much as you possibly can in a futile attempt to recreate that first high. But in word of mouth marketing, a national campaign to make you the biggest thing in the world in just two years should cost no more than \$8 million. And the year after that, it will cost less. If you continue to fulfill on your brand promise, then people will continue talking about your brand. They will keep sharing your story as long as you stay awesome.

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## MYTH: Bloggers hold more influence than ordinary people.

Many marketers remain obsessed with kissing up to bloggers as if they hold some special power. If you are selling something a mother might find useful, someone is going to insist you send all manner of swag and invitations to a dozen or more mommy bloggers.

This is a waste of time and swag.

Can bloggers be influential? Absolutely. But simply being a blogger does not make a person more influential than anyone else. The tools facilitating person-to-person communication have been so democratized these days that anyone can have a massive reach, with or without a blog.

A blog is just another tool, and a blogger is just another person who may or may not have an influencer personality. In the context of word of mouth, focusing more on someone simply because he has a more public forum in which to express his views doesn't necessarily make sense. Plus, it can easily backfire.

Because marketers forget that bloggers are ordinary citizens, not journalists, they tend to try too hard when courting them, often by sending them all manner of free stuff in a very sales-pitchy way. And what do we know about true influencers? They don't react well to being bought.

Now you've gone and irritated a potential influencer with a public forum. Maybe this person will have no sway over others, but maybe he will. In my experience, it's just not worth the risk.

If you want to have a conversation with a blogger, then have a real conversation with her. Maybe you'll be interested in the same things, and then she'll share what you have to say with her audience. But bear in mind, when it comes to audiences, the only difference between a blogger and an influencer is that nobody is measuring how many people the influencer is talking to. Don't assume a blogger's audience is bigger just because she has stats.

## MYTH: Celebrities are influential.

When it comes to identifying influencers, the rules for celebrities are the same as for anyone else. Are they passionate about the product or service? Do they use it and talk about it in their everyday life? Do they love to share stories with others about it? If yes, then you may be looking at an influencer. But being a celebrity does not automatically make someone influential, especially not in our atomized, hyper-specialized culture.

When it comes to word of mouth, people aren't influential because they're celebrities. They become celebrities because they have so much influence.

One of my music clients is really, really into video games. So much so that his audience knows it. And there was one game in particular—an online game about music—that he liked so much and felt such an affinity with that he decided it should have a character based on him.

He contacted the company's leaders and proposed that they make such a character, and he would voice it. Naturally, they loved the idea—not because he was super-famous but because a lot of people knew he was into their game. Hence his involvement meant something. It was an actual endorsement, in the true meaning of the word. And naturally, the video game company assumed this musician would tell everyone about his involvement with the game, which he did.

We have other clients who are much more famous than this guy. But nobody knows or thinks about them as video game fans. Had one of them gone to this company and asked to become a character, and had he promised to share it with his millions of Twitter followers, it would have been essentially useless. Why should a hard-core gamer care what some non-gamer rock star thinks about a video game? It's not about the celebrity. It's about the passion.

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Whatever the category, I promise that I can name a dozen influencers who can help you move more product and help you get more stories out across the whole country faster than any celebrity. Why? Because people who are really passionate about those categories and involved in the communities surrounding them already know and listen to these influencers, and they do their best to stay informed about those categories. In turn, the people who follow them know they will not waste their time with useless, inauthentic information.

## MYTH: All adopters are influencers, and vice versa.

To the untrained eye, it is easy to mistake a smart, well-informed hobbyist for an influencer. The difference is actually quite stark. Huge portions of the population are smart, up-to-date, and well read. But, they don't feel compelled to share any of this information with other people.

This is why marketers often mistake early adopters for influencers. Just because you're among the first thousand people to use a computer program or a phone and you love it, doesn't mean you feel the need to tell anyone else about it. Many so-called early adopters are happy to keep information to themselves. Thus it rarely makes sense to target your message to the first 500 people on line to buy the new iPhone, for example.

They may be early adopters, but that doesn't mean they are influencing anybody. It doesn't mean they are sharing stories about their purchases. Early adopters and influencers may overlap, but they are not the same thing.

Steve Jobs knew the difference way back in 1983. That's the year that Steve Jobs hired Guy Kawasaki as his "chief evangelist" (a pretty progressive title for 1983). At the time, Apple already had good, innovative products that had attracted legions of dedicated followers. These people were very early adopters. But Jobs was ahead of his time, and he realized that these followers weren't necessarily spreading the word. They were just talking among themselves. What he really needed was someone with the technical knowledge of an early adopter who also got great joy from just sharing stories with people. Anyone who now follows Guy Kawasaki on Twitter, where he has more than a million followers, knows that this guy is a natural when it comes to sharing stories. Jobs put Kawasaki in charge of spreading the word, and because he had a good product and a great story, word spread pretty well.

So yes, influencers tend to be well informed, bright, and early to the trends. But that's not enough to make someone an influencer. It's the ones who are compelled to share their knowledge with others in an attempt to build bonds. That is the first and most defining characteristic of any true influencer.

## MYTH: Paying an influencer damages his credibility and robs your campaign of authenticity.

I know a guy who's been a working musician for 30 years, despite never being able to make a living from it. He has his day job, and then at night he gigs around town with a couple of different bands. He gets paid for these gigs, but according to him he's never in his life been paid to play music.

"You don't get paid to perform," he told me. "You get paid to load the van. Performing, that I do for free."

Likewise, people who think that paying an influencer robs him of his credibility don't really understand what motivates an influencer. They also don't grasp what it is you're actually paying him for.

You are paying an influencer not to talk about your brand but to file reports, stand around in the rain, get out of bed when he's not feeling well, and participate in a weekly phone call. All the grunt work that comes with word of mouth marketing. And yes, you are paying him to talk about your brand more often than he normally would. Or, more accurately, more often than he normally could because he would have to be doing something else to make his money.

Influencers love to share stories about things they are passionate about. Paying them to do that doesn't compromise their credibility. Instead, it enables and empowers them to spend more time doing something they really want to be doing.

If you're paying someone to say nice things about something he doesn't particularly like, then yes, neither your campaign nor your "influencer" will have much credibility. But true influencers won't take money to endorse a product they don't care for, particularly if it's part of a category they're passionate about.

As long as an influencer never tries to conceal the fact that he's being paid, there is no reason that the people he talks to should ever consider it a stain on his credibility. If you love a certain band, and you find out that someone you know is now being paid by the band to talk to you about it, why would you be anything but jealous?

I wish someone would pay me to talk about REM all day. And if ever I come across a forty-something husband and father who has that gig, I am going to beg him to sign me up. All my other REM-loving friends will be jealous, and none of them will suddenly think they can't trust what I have to say about the band. Quite the opposite: They will start calling me for the latest info because they'll know I am "with the band." To a true fan, what could be cooler than that?

## MYTH: Word of mouth marketing? You mean social media.

There is no doubt that social media platforms such as Facebook and Twitter have changed how word of mouth is spread. And any good word of mouth campaign is going to take advantage of those tools.

But social media and word of mouth marketing are no more exclusive partners than Match.com and romance. The vast majority of human interaction still takes place in person, and the stuff that happens face-to-face is far more impactful than anything taking place online.

I know it may not seem that way after your third consecutive hour scrolling through Facebook, but according to a 2012 study from Ed Keller and his company, Keller Fay, 75 percent of conversations in the United States—and even more in other countries—still take place face-to-face, while less than 10 percent take place online. That's not even close.

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The rise of social media has led to a reduction in e-mail conversations, according to Keller Fay, but it has had no discernible effect on in-person communication. What's more, "face-to-face conversations tend to be more positive and more likely to be perceived as credible, in comparison with online," Ed and his partner, Brad Fay, wrote in a 2012 USA Today column. "What people talk about online differs dramatically from offline. The former tends to be driven by what is perceived as 'cool,' while the latter tends to be about sharing real life experiences."

If your word of mouth campaign is focusing solely on social media, you are missing 90 percent of the conversations people are having every day, and an even higher percentage of the ones that matter. Online, the signal-to-noise ratio is practically deafening. Offline, people are still listening to one another. No word of mouth campaign today should be foolish enough to ignore social media. But, even more foolish is mistaking it for the whole shebang.

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## MYTH: There are now algorithms and technologies that can identify and rank influencers better and more efficiently than people can.

This may be the biggest whopper of them all.

There are several companies out there that claim to have solved the influencer mystery. Using an algorithm of their own invention, they can assign people an influencer “score” based on their online behavior, they say. The idea is that you can decide whom to target your marketing messages to based on these scores because you’ll know who is most likely to spread your message effectively.

Whether you are a company whose name rhymes with trout, or some close copy, the reality is that tech is not even close to producing a formula that can rank and sort influencers with the efficiency and accuracy of a human being. At the moment, the world’s greatest artificial intelligence (AI) can mimic the behavior of a being about as complex as a dragonfly. Maybe in a few years, AI will be able to mimic a frog and other small reptiles. But we are a long way off from technology that can understand, let alone mimic, the human mind. And that’s what it takes to figure out who is influential and who is not. (I won’t even get into the absurdity of trying to determine such a thing based solely on a person’s social media presence.)

Think about the technology that's used to serve advertising online. If you've spent the past five years saving your pennies for a trip to Fiji, you will start seeing banner ads for trips to exotic locations the day after you finally buy your ticket online. Yet never in your life have you been less likely to buy a plane ticket. This is about the best a computer can do when trying to understand human behavior.

Need further proof? Just check out the influencer scores of some people you know. For example, if you're reading this manifesto, you probably know who Bob Garfield is. If you don't, he is one of the all-time most respected advertising journalists and commentators. He has been a columnist for USA Today, the Washington Post magazine, and Ad Age. Today, he is probably best known as the cohost of NPR's On the Media. Any way you slice it, Bob Garfield is influential.

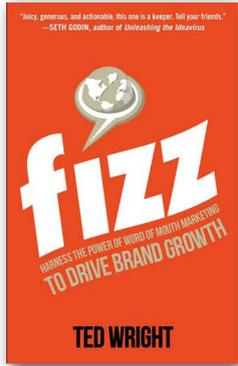
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Yet Bob Garfield and I usually have the same influencer score. With all due respect to me, that's just wrong. But there it is for all the world to see: Ted Wright and Bob Garfield, blood brothers in influence. Sorry, but anyone who creates a software program that says Garfield and I are equally influential has either not nailed how to measure influence or doesn't understand the term.

When it comes to analyzing a person's influence or knowing whether he's an influencer at all, there is not yet any substitute for the human brain, particularly one that has spent years working with influencers. Are there computer programs out there that can help? Sure. But by no means can they do the job. Not yet, at least.

If you start talking to your boss, your board, or your colleagues about word-of-mouth marketing, you will likely be confronted with several of these myths, lies, and misconceptions. Some of these stem from simple misunderstanding. Word-of-mouth marketing is relatively new, after all, and the concept can seem strange to traditional marketers. None of these questions are unsophisticated or stupid. Take the time to educate the person doing the asking. You never know. **He or she just might one day influence the way someone else thinks about word-of-mouth marketing.** 📌

# Info



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**ABOUT THE AUTHOR** | Ted Wright is CEO of Fizz, a pioneering, award-winning word-of-mouth marketing (WOMM) firm. Wright has been at the forefront of Word of Mouth Marketing since he helped re-ignite the Pabst Blue Ribbon brand in 2001. Over the past 13 years, Fizz has become the global leader in WOMM with clients on every continent. If you've ordered a PBR, ridden an Italian scooter in Asia, bought a 4G LTE device, used chocolate milk to recover after a tough workout, cleaned your carpets with a Bissell sweeper, or bought numerous other products because of a friend's recommendation over the past 13 years, then you may have been touched by the work of Wright and his team at Fizz.

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