

# Nothing Compares to Word-of-Mouth Buzz

By Barry Blesser ©2007

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Consider that your current job gives you the feeling that your career is not advancing as fast as you expected and that it is time to consider other possibilities. You ask two friends to keep an eye out for interesting opportunities, and you hope that they will communicate with their friends. Or consider that as a program director, you try an experiment with a new program format and you hope that over time it will gain in popularity. Perhaps a few listeners will find it exciting and they will tell their friends. Or perhaps your son shows a real aptitude for being a sound engineer and he wants to begin his career by producing a CD with some exciting new songs. He asks his friends to keep an eye out for talented musicians who are looking for an opportunity to produce their music.

In each of these cases, success depends on word-of-mouth marketing and publicity. If you communicate with three people, and if each of them communicates with three other people, and if they also in turn communicate with three additional people, your network grows exponentially: 3, 9, 27, 81, 243, and so on. If the process continues for some time, eventually, your message or question would have been distributed to thousands of people. The power of word-of-mouth is well known. Advertisers recognize that it is one of the best and least expensive ways for distributing messages.

Like terrestrial radio and the Internet, word-of-mouth distribution is yet another form of broadcasting. Word-of-mouth is low-tech but potentially very effective. Moreover, as I have commented many times in past articles, terrestrial broadcasters must transform themselves into generic broadcasters using all types of information dissemination if they wish to survive. Word-of-mouth broadcasting should become another tool in the hands of information dissemination. The value of a service should not be linked to its technology.

The theory of word-of-mouth communications is so simple that everyone assumes that they understand its dynamics. But there are many examples where this type of marketing completely fails to achieve the desired result. Most of us have, at one time or another, experience failure in using this approach. You put the word out, and after a few months you notice that there are no responses. And more than a few companies have invested millions in an advertising campaign that produced nothing in return.

Dave Butler, in his book *Grapevine: The New Art of Word-of-Mouth Marketing*, examines the assumptions behind myths of this type of marketing. After having heard the concept of word-of-mouth used throughout his marketing career, he began to realize that nobody actually understood its assumptions and the resulting dynamics. The question is actually very simple. Why does a person bother to talk to someone else about an idea? Even though the answer is critically important, the answer is not obvious.

Dave quit his high paying job as a marketing executive in order to start a small boutique firm that would focus on first understanding the word-of-mouth dynamic, and then capitalizing on what he learned. His first task was to determine what motivates people to spread information? Since all of us have, at one time or another, inadvertently participated in word-of-mouth communications, we can ask ourselves what motives us to tell someone about something. Dave identified at least 7 motivations that includes helping others, providing education, demonstrating knowledge, creating a social connection, and validating one's own opinion.

If you want to use a grapevine to broadcast your message, then you must package it in such a way that it appeals to at least one of these motivations. Without some kind of emotional reward, nobody bothers to pass along a message. The package and its contents determine the coverage area of your personal broadcast.

Dave provided many anecdotes that clearly illustrated the power of motivation. As part of his marketing experiments, he used a large group of volunteers who were promised tangible reward for achieving certain goals. Even though these volunteers worked very hard and made a major contribution by submitting reports, they never bothered to collect their compensation even after Dave increased the value and made it easier to get paid. Strangely, they were not interested in any material compensation.

After much bemusement, Dave asked them why they ignored their rewards. The answer was simple, obvious, and hard to believe. Their reward was the feeling that they were making a difference and that their opinions were highly valued. In fact, Dave and his staff personally responded to each report, and that was the most important reward currency. People engage in disseminating messages if they feel relevant.

How does the concept of word-of-mouth apply to the broadcasting industry? Like many media industries, survival depends on letting the audience know that there is something of value that would be appreciated if known. While a broadcaster could do advertising and publicity, nothing compares to having an audience that does marketing for you. Not only is it free, but it is far more effective when a message is delivered within a personal context. Simple gimmicks, such as prizes and contests, are less effective than appealing to a real interest.

In an obscure article in the Wall Street Journal of July 12, 2007, "Pirated Music Helps Radio Develop Playlists," Sarah McBride describes how Clear Channel Communications currently uses marketing data about popular downloads from illegal file-sharing networks to determine how songs are propagating through the grape-vine. Visibility into this hidden community provides a means for broadcasters to piggy-back on which new songs are relevant to their audiences. Ms McBride observes the irony of using stolen music as a source of marketing data. Downloading is just another form of broadcasting. But unlike terrestrial radio, downloading is controlled by individuals who vote with their feet (or their mouse as the case may be).

Whereas radio could make a song popular in the 1950s, it is now following the dominance of this alternative form of broadcasting. Perhaps ironically, terrestrial radio, rather than creating buzz, now follows the smell of buzz. We can cry about the loss of radio's status, but we can also take pride in our ability to adapt to new realities rather than living in a dream world.

HD radio is another example of word-of-mouth marketing. Unfortunately, there is no evidence that it has created any word-of-mouth buzz. There are two possible explanations for the lack of market response. Either the message and package have been poorly constructed such that it does not appeal to one of the 7 motivations for spreading the word. Or, as some of speculated, it simply does not appeal to the market. If someone hears about HD radio and thinks I couldn't care less, then that person is very unlikely to mention to anyone, even at the dinner table or after a few beers. In either case, the final destiny of HD radio has little to do with technology.

In two previous Last Word articles ("The Tall Tale of the Long Tail," June 13, 2007, and "The Long Tail Wags Broadcasters," August 22, 2007) I focused on the importance of the long tail, which emphasized how groups of individuals can find obscure song that they want to hear. The hidden question is how do such groups find out about the existences of a particular song? If you are 30 years old, how would you know about the folk music in the 1960s? The answer might be that a friend played it for you, and you might play it for your sister, who plays it for her school friends. We can readily see how this form of information dissemination is identical to the word-of-mouth marketing used by advertisers. The principles are same. One plays a particular song for a friend because of one of the seven reward systems produce a payoff.

Broadcasters could use that same model that Dave used in constructing his BuzzCampaigns using BuzzAgents. Take the risk and let the market determine what and how to broadcast. Another important conclusion was that so-called experts had less knowledge than the BuzzAgents in the field who were talking to real people in natural settings. Do you really know who your audience? I suspect not. Terrestrial broadcasts can also create a Buzz broadcasting network that complements their traditional formats. Clear Channel Communications already figures this out.