



TenStep Supplemental Paper

9 March 2005

Spread the Word

Promoting a product through word-of-mouth advertising has been around ever since human beings started buying and selling things, but it's only been in recent years that marketers have woken up to its enormous potential. Now marketers are treating word-of-mouth promotion of products as a specific advertising tactic. It has even found a place in marketing lingo - "buzz marketing."

The arrival of buzz marketing as a conscious advertising strategy has broadened the scope of advertising beyond reaching the masses through media ads and commercials. Marketers are now actively directing the person-to-person verbal promotion of products and measuring its success.

Creating a buzz!

The impact of seeing an ad for a new product on TV is likely to be lesser than the influence of seeing someone you know using the product. Rather than the media review of a new movie or a new book, it is the opinion of a friend whose taste and judgment we are familiar with that influences us more. Buzz marketing leverages this difference to become more effective in promoting products, and buzz marketing is more personal, which makes it more powerful.

To take advantage of this, marketers are now getting people to try out their products and talk about them to other people. For example, Vespa promoted its scooters through buzz marketing by actually getting people to ride the scooters around town and create hype about how cool they were. Similarly, Ford tried to make its Focus cars highly visible by launching them through buzz agents who would make personal recommendations about the cars.

Buzz marketers identify particular categories of people to promote their products. One approach is to harness the trendsetters who initiate what is 'cool' and influence others to follow them. For example, P&G used scores of teenagers (natural trendsetters) to talk about its products. The success of P&G's initiative motivated them to use mothers in their next campaign for creating a buzz. Another approach in buzz marketing is to use people with huge contact lists spread across different social circles. This helps to spread the word faster.

The sudden spotlight

Apart from the power of a personal marketing message, the declining effectiveness of mass media is making buzz marketing all the more significant. According to a survey conducted by CNW Marketing Research, viewers ignore more than half the ads that are aired on TV. Moreover, viewers that use TiVo skip 95% of fast food ads, 68% of car ads and 94% of financial product ads. These alarming figures imply that a lot of money is wasted in using traditional methods of mass marketing.



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Buzz marketing, on the other hand, is different. You might argue that even buzz marketing is a form of micro marketing, but when the buzz is positive, the product definitely catches attention of a very large crowd.

Buzz marketing is also cheap. According to Chantal Chretien, marketing manager of Adidas, buzz marketing involves one-tenth of the cost of traditional marketing campaigns. Since there is no big spending on expensive creative components or in buying up media slots, quietly creating awareness through buzz marketing is an attractive advertising option.

Buzz marketing also scores over traditional mass media in making consumer interaction seem like an unpremeditated event, and thereby attracting the attention of consumers who tend to view direct media marketing with some amount of skepticism. Psychological research has proved that consumers are more easily influenced when they are unaware of any marketing tricks being played on them.

A few qualms!

Of course, there are critics of buzz marketing who view this kind of deceptive interaction with the customer as unethical since the marketer doesn't reveal his intentions to the customer. There are others who disagree with this view since the person to whom the company gives the product is free to air his or her independent opinion about the product to the consumer. In fact, this is likely to make companies focus on creating better products.

The risks involved

Even if people buy a product under the influence of a social acquaintance, they're unlikely to make a repeat purchase if they're not satisfied. Thus, promoting a product by word-of-mouth is risky unless the quality of the product is really good. A bad word about a product can virtually devastate the product's reputation and of course, its market.

Buzz marketing is not suitable for products and services that are not influenced by social opinion. Products that involve being *in the know*, like clothes, books, movies, and restaurants, are right on target with buzz marketing because social interaction invests them with value. However, one would hardly care whether one's friend or neighbor likes the same breakfast cereal.

At the same time, too much buzz too can be ineffective. To preserve its effectiveness, buzz marketing needs to be used wisely. Marketers have to remember that overuse can breed ennui in the target audience. The consumer will begin to get immune to buzz marketing if it starts to annoy him / her by becoming too intrusive (like email or pop-up ads, which were initially interesting).

Buzz marketing has proved its usefulness as a marketing tactic. However, rather than relying only on this approach, companies need to use it as a part of the entire marketing strategy along with other marketing approaches. Rather than proving to be a temporary fad, it's only then that buzz marketing will create a buzz for a long time.