

# CHAPTER 1

## The Need for Word of Mouth Information

Anyone living in the information society is exposed to an overwhelming number of marketing messages each day. The noise from branding bombardments mounts to new heights as consumers seek news or entertainment across hundreds of cable TV channels, radio stations, magazines, and newspapers. The sales pitches on television, radio, and in print advertisements are coupled with online advertisements, postings, and chatter.

The 24/7 Web mimics offline media with news and entertainment offerings, while pushing personal messages to consumers' homes and offices. The second consumers turn to search engines and click "Go!" they see lists of links along with advertisements paid by companies that want to be matched with certain key words. Dynamic and flashy content on Web destinations add to visitors' information pile. E-mail messages from companies and organizations fill up in-boxes and wait for their readers.

To manage message overload, consumers sift and drain information. They ignore messages that are out of context or immaterial. They seek products and services from trusted companies. They do their own research and they check up on the facts with people who are in the know. Before making a decision, consumers ask their peers' opinions and rely on the

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advice of authoritative, experienced people who have had firsthand experience with the product, service, or issue.

### Trust in Media

The public relations firm GolinHarris conducted a study asking consumers, ages 18 and older, the degree to which they use, rely upon, and trust various information sources, such as their own direct experience, word of mouth, and traditional and online media. Consumers indicated the information sources they trust today and what they envision themselves trusting in the future. The results culminate in the Trusted Media Index (TMI).

The study points to the significant role word of mouth plays in the mix of information sources consumers rely on and trust as they make everyday decisions. Among the resources consumers trust, traditional media channels such as TV, radio, newspapers, and magazines trail behind word of mouth.

As seen in Exhibit 1.1, word of mouth, direct experience, and online media have the lead among the most trusted sources. Meanwhile, traditional outlets such as television, newspapers, magazines, and radio are trusted less than the information sources that give audiences the opportunity to test, probe, and verify. Today's consumers are cynical about overt marketing

**Exhibit 1.1 Information Sources Consumers Trust**

Information Sources	Trusted Media Index Score (Average of Today and Future)
Word of mouth	59
Experiential	58
Dedicated online media	58
Radio	56
Television	56
Newspapers	56
Magazines	53
Consumer-generated media	52

Source: Trusted Media Index Study, GolinHarris, 2008.

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efforts. After dealing with institutions that fail to deliver on their promises, they do not readily believe professionally crafted messages or the messengers. Instead, they prefer to listen to candid reports from others and do their own research online and offline.

### The Rise of Social Media

The study distinguishes between two types of online content. It refers to dedicated online media as all Web-based properties that exist only on the Internet, without support from brick-and-mortar parent companies. The Web portal AOL, the online news and culture site Salon.com, and the health-care information site WebMD.com are examples of dedicated online media. Meanwhile, consumer-generated media refers to blogs, discussion board postings, and social network pages cybercitizens create.

When looking at the average of what consumers trust today and will trust in the future, consumer-generated media does not appear to be among the top choices for the general U.S. consumer population. However, when looking at the difference between today and the perceived future (see Exhibit 1.2), consumer-generated media picks up the most steam among sources the public indicates that they will trust.

**Exhibit 1.2 Consumer Trust in Media: Today and in the Future**

Information Sources	TMI Score (Today)	TMI Score (Future)	TMI Score (Variance)
Word of mouth	61	57	-3.8
Experiential	58	59	0.4
Dedicated online media	56	60	4.2
Radio	58	54	-3.6
Television	58	54	-3.8
Newspapers	58	53	-4.2
Magazines	53	52	-0.5
Consumer-generated media	48	56	7.9

## **Implementing Word of Mouth Marketing**

The rise of trust in consumer-generated media, otherwise known as social media, in the future underscores the changes taking place in the communication landscape. Consumers will become increasingly willing to trust online posts and add them to the mix of information they gather before they make decisions to buy, vote, or join a group. Therefore, companies and organizations that invest in social media today, by building an online presence and connecting with consumers who publish online, will surge ahead of their competitors. They will earn consumers' trust and be part of their conversations, online and offline, as audiences will rely on social media more to get their news.

### **Online Word of Mouth**

The information age has paved the way to the experience economy. Consumers either try products and services firsthand or seek recommendations from others who have already done so. Since it may not be feasible or economical for consumers to test all that they hear about brands via the media, they often rely on others' reports. They talk to their neighbors, e-mail colleagues, and read online customer reviews. In the absence of direct experience, word of mouth has become one of the most valuable sources of information about brands, products, and services.

To harness the power of word of mouth, organizations need to be part of consumer conversations. They need to be prepared for a future where differences between online and face-to-face conversations dissolve and consumers rely on Web-based information sources with as much ease and trust as they do offline sources. To be a leader in today's chaotic communication landscape and to be ready for the future, organizations need to identify and understand those who use the Web effectively to spread their opinions, make their own news, and shake up established institutions.