

chapter 1

What's a Brand Advocate, Anyway?

Justin Dorfman, a 26-year-old support engineer from Encino, CA, has bought thousands of dollars in computer gear over the past five years from CDW, an online IT retailer. But Dorfman is much more than a fiercely loyal CDW customer (see Figure 1.1).

He's also one of their best marketers.

Dorfman, a self-described "hard-core CDW Advocate," has helped the retailer sell hundreds of thousands of dollars in products by evangelizing the company to his colleagues and peers.

Dorfman, who uses the line "Making Websites Fly, One Customer at a Time" on his LinkedIn profile, recommends CDW on Twitter (@jdorfman, where he has 507 followers as of January 2012); by re-tweeting CDW's content and deals; talking them up on his blog and on his personal website, Frugal IT; and on Spiceworks, an online community for IT professionals, where he created an "I ♥ CDW" icon.

He's even become Facebook friends with CDW Senior Account Manager Matt Cipolla. "We even know each other's girlfriend's names. You're just not going to get that from other companies," says Dorfman.

CDW has never paid Dorfman for his advocacy. They've never given him discounts, T-shirts, or online badges. Dorfman advocates CDW because of the company's responsive, personalized service. "I put my reputation on the line for CDW and they've stood by me. They deliver every time," says Dorfman.

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Figure 1.1 Justin Dorfman
Source: Courtesy of Justin Dorfman.

Justin Bieber, the teen heartthrob, may have a perfect Klout Score, a measure of social media influence. But when it comes to IT purchase decisions, it's Advocates like Justin Dorfman—not Justin Bieber—who have the real clout.

THE POWER OF BRAND ADVOCATES

Justin Dorfman is a Brand Advocate for CDW. He goes out of his way to evangelize CDW to his peers and colleagues without cash or coupons, payments or perks. CDW didn't buy Dorfman's advocacy. They earned it.

Brand Advocates are also known as "Customer Advocates," "WOM Champions," "Customer Champions," and "Customer Evangelists." The terms "Brand Advocates" and "Brand Ambassadors" are often used interchangeably. But since companies often pay or give special incentives to Brand Ambassadors to tout their brands and products, this doesn't meet my definition of a Brand Advocate.

Advocates like Justin Dorfman are your best marketers and salespeople, and your most loyal, engaged, enthusiastic, and valuable customers. In today's world, it's Advocates like Justin Dorfman—not advertising's "Mad Men"—who have the power.

Brand Advocates catapulted Barack Obama into the White House. They stood by Apple a few years back when people like Michael Dell

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were calling for Apple to sell itself and return the money to its shareholders. (To which Steve Jobs famously replied: "Fuck Michael Dell.") They turned the Dave Matthews Band into a cult. Advocates are helping Starbucks regain its lost brand soul. They drove the success of SuccessFactors, which SAP recently snapped up for a cool \$3.4 billion. They turned Method, an eco-friendly soap and cleaning products company, into a movement. They led Ford's resurgence and they're helping revive GMC and Detroit itself.

Advocates for decency and civility on the air waves banded together to get advertisers to stop buying ads on Rush Limbaugh's show when the right-wing radio host called a Georgetown law student a "prostitute" and "slut." A generation earlier, many of those same Advocates would have marched in Selma for civil rights or demonstrated in Washington to end the Vietnam war.

Zappos, Trader Joe's, Amazon.com, Method, Red Bull, The Body Shop, Google, and SodaStream all built their brands without advertising. Their Brand Advocates are their marketing department. "We've built this entire business, and an entire category in fact, on the power of our Brand Advocates," says Kristin Harp, U.S. marketing manager at SodaStream, which turns tap water into sparkling water and soda.

In fact, the three most powerful social media companies—Facebook, Twitter, and LinkedIn—never spent a dime on advertising or paid people to recommend them. They didn't need to. Advocates used social media to recommend them to their friends.

You may spend millions of dollars on elaborate marketing campaigns. But there is nothing more powerful than a trusted recommendation from a Brand Advocate.

BILLIONS OF BRAND ADVOCATES

Advocates like Justin Dorfman are not a tiny segment of consumers; they're not part of some weird brand sect or lunatic brand fringe.

About one in four U.S. adults online are Brand Advocates, studies show. There are tens of millions of Brand Advocates in the U.S. alone and billions worldwide, a vast, highly influential, and powerful marketing force. Over the past three years, my company has asked more than 2 million consumers and business buyers the Ultimate Question for customer loyalty: How likely are you to recommend this company or product?

The results are stunning: On average, about half of the customers say they're highly likely to recommend the companies they do business with or products they've purchased.

While our surveys are not scientific, the results align closely with the formal polling. For example, Symantec, a leading security software

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company, has consistently found that 60 to 65 percent of its surveyed customers are highly likely to recommend its products to others. Symantec has more than 50 million customers worldwide, meaning it may have an Advocate Army of over 30 million enthusiastic customers.

ADVOCATES ALL AROUND US

Clearly, some people proactively recommend brands and products more frequently than others. They're habitual recommenders.

But nearly everyone recommends brands and products these days. We're being invited by brands and others to "tell us your story," "share the love," and "rate and review our products." We've become a nation of armchair critics, product experts, and Brand Advocates.

There are hundreds of millions of reviews and consumer comments about brands and products in total on Amazon.com, TripAdvisor, Yelp, plus on social networks, blogs, online communities and elsewhere online. Plus, there are billions of brand and product recommendations offline.

And Advocates don't just recommend cool products like iPhones, movies, and cars. In a recent Zuberance survey, 70 percent of Advocates said they recommend both consumer *and* business brands and products.

CONSUMERS TRUST ADVOCATES, NOT ADS

The biggest reason Brand Advocates are so powerful is a single, five-letter word: Trust.

Nine of 10 online consumers say recommendations from friends and family members are the most trusted form of advertising worldwide. Only about 2 of 10 trust online ads.

Paying for Referrals Backfires

People trust Advocates because they know they don't have anything to gain personally from their recommendations. If you give people cash or freebies to get them to recommend your brand or product, you destroy that trust.

In fact, people are less likely to buy a product if they find out that the recommender is being paid for the referral, according to a study by ETH Zurich, "Social Sharing Behavior Under E-Commerce Context."

Advocates Drive Sales

Advocates' recommendations are the number-one influencer of purchase decisions and brand perceptions in nearly every product category

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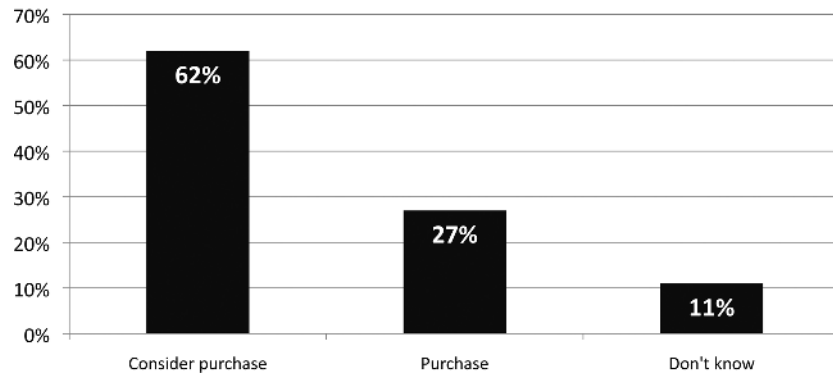


Figure 1.2 Advocates Impact on Friends' Purchases

from smartphones to software, hotels to housewares, cars to computers, financial services to fitness memberships.

In a recent Zuberance survey, 89 percent of Advocates said their friends buy or consider purchasing the products and services they recommend. Many consumers and business buyers ignore, skip, and TiVo out ads, but when Advocates recommend something, consumers will go out of their way to buy it (see Figure 1.2).

I saw this in action the other day. When my friend Vanessa needed new tires for her SUV, she ignored the TV and print ads. Instead, she relied on a personal recommendation from a friend.

As she drove across town to the tire dealer her friend recommended she passed five other stores that sell tires. It didn't matter that these stores all offered the same brand of tires. Nor did it matter that these stores were running sales promotions. (Aren't tires always on sale?) All that mattered to Vanessa was that a friend she trusted recommended a particular tire store. So she drove out of her way on her worn-out tires to the tire store her friend recommended.

That's the power of authentic advocacy. You may forget or ignore ads. But when you get a trusted recommendation, it sticks in your head. And the next thing you know, you're driving clear across town to get to that tire dealer, florist, restaurant, hair salon, or whatever an Advocate has recommended to you.

DIFFERENT FROM FANS AND FOLLOWERS

Many people use the terms "fan," "follower," and "Brand Advocate" interchangeably. But these are different types of people.

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Fans and followers may like you but not all of them recommend you. In fact, until recently, Facebook required that you “Like” a brand in order to write on their wall, even if you wanted to complain about the brand.

Jordan Berlingeri, an AT&T customer, has liked AT&T on Facebook, but that doesn't mean he actually likes AT&T. Berlingeri posted this on AT&T's wall on August 6, 2011:

...I only “Liked” you on FB to let you know, and to hopefully rally others around the notion that, if we want better, sometimes we have to go somewhere else. I ended my contract... WAKE UP PEOPLE!!!

AT&T has 1.6 million fans. Wonder how many are really AT&T Advocates?

MONEY CAN'T BUY ADVOCATES' LOVE

Fans and followers have different motivations than Brand Advocates.

The top reason people like a brand on Facebook is “to receive discounts and promotions” (40 percent), followed by “to show my support for the company to others” (39 percent); “to get a freebie” (free samples, coupons); “to stay informed about the activities of a company” (34 percent); and “to get updates on future products” (33 percent) (ExactTarget, April 2010).

Brand Advocates, on the other hand, are motivated by good experiences and a desire to help others. Over the last three years, Zuberance has powered over 30 million Advocate actions. We've never paid or provided an incentive to a single Advocate for their recommendation. And no Advocate has ever been given a freebie if their friends buy something.

In a recent Zuberance survey, 49 percent of Advocates listed good experiences with a product or service as the primary reason why they recommend. Forty-one percent of Advocates recommend because they want to help others, including assisting them to make smarter purchase decisions. Only 1 percent of respondents said receiving incentives and rewards was the primary reason they recommended brands, products, and services (see Figure 1.3).

Think about this. The last time you recommended a restaurant, hotel, movie, book, employee, or anything, did someone pay you for your recommendation?

Of course not.

There are 3.5 billion recommendations offline each day in the United States, according to word-of-mouth researchers Keller Fay. The vast majority of those recommendations are unpaid.

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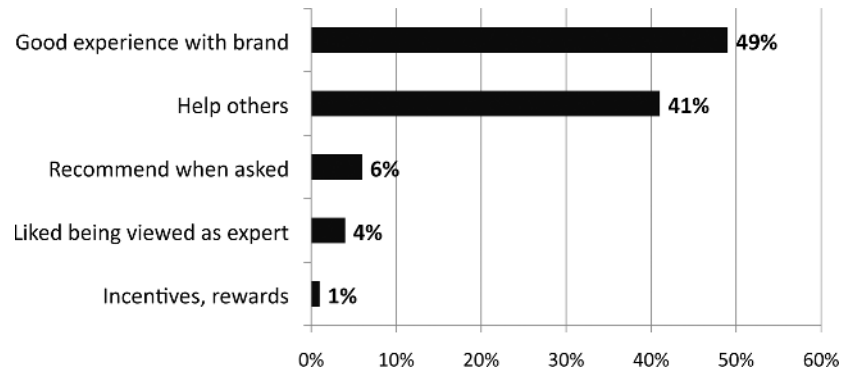


Figure 1.3 Primary Reason for Recommending

Source: Zuberance, Brand Advocate Research, January 2012

BEYOND LOYALTY

Loyal customers (customers who buy from you frequently or over a long period of time) aren't necessarily Advocates.

The best example of this is the airline industry. You may fly the same airline regularly because it has more flights to a certain city you visit often; or because your company says you have to; or because you're hooked on the points. But that doesn't mean you're an Advocate of that airline. You're what loyalty experts call a "trapped customer."

Mike J. Morgan of Norman, Oklahoma, is a Premiere Executive in United's loyalty program. The title of one of his recent posts: "United—Why I Hate the Airline I Love."

Our research shows that 1 in 5 loyal customers are Detractors. They go out of their way to criticize your company and products, hurting your revenues and reputation.

SOCIAL MEDIA AMPLIFY ADVOCATES

In the old days (pre-social media), Advocates' reach was limited to their immediate circle of family and friends. Recommendations were made over the water cooler at work or over dinner with friends. Now, empowered by social media (Facebook, Twitter, LinkedIn, YouTube, blogs, Foursquare, online reviews, and more), Advocates collectively reach millions of buyers with trusted recommendations.

According to one market research firm, each time a consumer posts something on the social web it reaches a minimum of 150 people. There are about 500 billion word of mouth impressions on the social web each year in the United States, rivaling the reach of ads, the company says.

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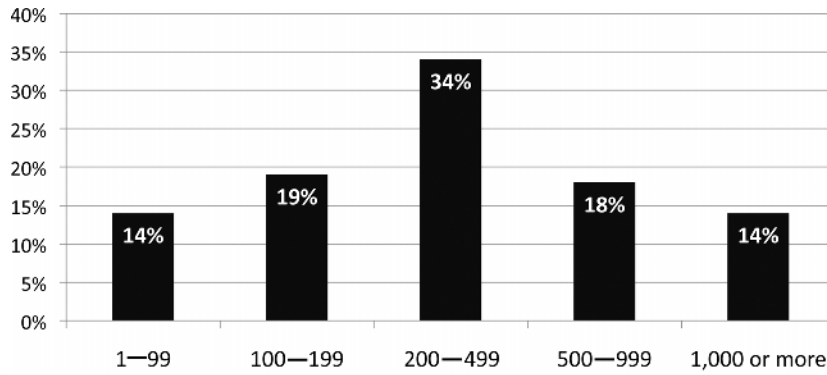


Figure 1.4 Number of Contacts in Social Network

Source: Zuberance, Brand Advocate Research, January 2012.

But some firms may be underestimating Advocates' reach. Our research shows that on average, Advocates have between 200 to 450 people in their social networks. The social networks among Advocates who recommend online is even larger. They have between 300 and 600 people in their network (see Figure 1.4).

Consumers who write reviews on TripAdvisor know how many readers they're reaching. When my Zuberance colleague Lynn Svitenko published a review on TripAdvisor recently, the site gave her an online chart stating she had reached 1,770 readers with her three reviews. That's an average of 590 readers per review.

If your travel company gets 1,000 Advocates to publish reviews on TripAdvisor, you may reach 590,000 readers on that one site alone. This doesn't include the thousands of other people Advocates can reach via Facebook posts, tweets, e-mails, plus publishing positive reviews on other hotel sites, your website, and other targeted venues.

TOP 10 THINGS ADVOCATES WILL DO FOR YOU

Brand Advocates will promote, support, and defend your brand and products in 10 key ways and over many years. These highly loyal customers will:

1. Give you referral leads and help sell your products and services, serving as a virtual sales force.
2. Write highly positive reviews of your products or services, boosting your online ratings.

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3. Create glowing testimonials about their experiences with your company or products.
4. Answer prospects' questions, overcoming buyers' objections and reducing shopping cart abandonment rates.
5. Share your content and offers with their social networks, driving referral leads, clicks, and sales.
6. Help you launch new products.
7. Create better ads than your high-priced ad agency and more compelling copy than your most skilled wordsmith.
8. Defend your cherished company and brand reputation from detractors.
9. Alert you to competitive threats and market opportunities.
10. Give you profitable ideas and product feedback.

Brand Advocates will do all of this and more, and many are already at work.

ADVOCATES FOR LIFE

When you create and engage an Advocate, you've identified a renewable marketing asset you can leverage for years.

Advocates' love for you isn't fleeting. This isn't a summer romance or a brand fling. I know Advocates who've evangelized Apple since the days of the Apple IIE. Same thing with Advocates of brands like Harley Davidson, Sony, and Starbucks.

Even when your company goes off track or does something dumb, Advocates have your back. I have experienced this many times with Apple; its Advocates forgave the company's missteps like its failed early experiments with PDAs (anyone remember the Newton?) or its ill-advised foray into enterprise computing.

But don't take Advocates for granted. Target, the discount retailer, incurred the wrath of many of its Advocates when they learned that the company donated money to an anti-gay candidate in Minnesota. Target is known in Minnesota for donating to public school programs, food pantries and the annual Twin Cities Gay Pride Festival. Still, its support for the candidate angered Advocates.

PROACTIVE RECOMMENDERS

When Advocates find a brand or product they love, they Yelp, tweet, blog, text, or Yahoo! about it.

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Compared to other people, many Advocates:

- Have larger social networks.
- Are heavier users of social media.
- Are more prolific content creators and active social sharers.
- Are more brand-conscious.
- Tend to adopt innovative products and services earlier than other customers.
- Are more charismatic, optimistic, outgoing, and adventurous.
- Tend to skew younger than the general population.

While many Brand Advocates fit this description, there are other Advocates who don't match this profile. Some Brand Advocates may not be heavier users of social media than other consumers, but recommend offline every chance they get.

Since women are thought to be more social than men, people often assume that most Brand Advocates are women. Actually, it depends on the product category. If it's cosmetics, clothes, or baby products, Advocates are more likely to be women. For snow blowers, beer, or tires, Advocates are more likely to be men. Of course, there are exceptions. I know dads who are raving Advocates of Stokke baby strollers, the Rolls Royce of baby strollers.

And while many Brand Advocates are very influential in a couple or three types of products, this influence doesn't extend across all categories. Many of my friends know I love tennis and wine and that I'm the founder/ CEO of a venture-backed company. So I get asked a lot for my recommendations for tennis, wine, and venture capital firms. (My answers are Babolat, Silver Oak cabernet, and Emergence Capital, Canaan Partners, and Correlation Ventures.) But I don't get asked about other categories like fly-fishing, cosmetics, or adult diapers (at least not yet.)

MOST PASSIONATE ADVOCATES

Some Advocates evangelize your brand and products with the fervor of a Sunday morning TV minister. I saw this at Apple, where we had fanatical Advocates.

Shelley Symonds, CEO at start-up Honored Citizens, is a passionate Lexus Advocate. Shelley, who has owned four Lexus cars, doesn't just talk about Lexus. She gives you her car keys and insists that you drive

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her new Lexus car. Shelley's even taken colleagues and friends to the local Lexus dealer so they can see the lineup of new Lexus models.

As a result of her advocacy, 14 of her friends and colleagues have bought Lexus cars, generating over \$700,000 in sales for Lexus. "I'm not just a Lexus lover," says Shelley. "I'm a Lexus salesperson," she laughs.

Awhile back, Shelley sent a letter to Lexus's CMO. In the letter, Shelley told the CMO about her passion for Lexus and offered to help the car company spread the word. She never got a response.

OFF-THE-CHARTS ENGAGEMENT

Brand Advocates are deeply engaged with your brand. They're the first to connect with you on Facebook or Twitter; create reviews and testimonials; respond to customer surveys; attend customer events; participate in online communities, focus groups, beta programs, and more. Need a customer case study, video testimonial, or reference for a hot prospect? Advocates are eager to help.

HomeAway, a vacation rental site, has empowered its Advocates to answer questions via e-mail from other vacation home owners considering listing their homes on the site. One HomeAway Advocate included his personal phone number in the e-mail. "If you'd like to know more about why I recommend HomeAway, feel free to call me," the HomeAway Advocate said in his e-mail.

Only One Percent of Fans Engage on Facebook

Only about one percent of fans of the largest brands on Facebook engage with the brands, according to a study by the Ehrenberg-Bass Institute, an Australian-based marketing think tank that counts Procter & Gamble, Coca-Cola, and other major advertisers as its clients. In other words, 99 percent of fans aren't engaging.

Disney recently got about one-quarter of one percent of its Facebook fans to share a photo. This was considered an exceptional overall engagement rate. That's Mickey Mouse compared to Advocates.

25 Percent of Advocates Engage with Brands

On average, 25 percent of Advocates powered by Zuberance create or share content. That's 25 times greater than the average engagement rates for the largest brands on Facebook and about 100 times greater than Disney's engagement rate for the photo-sharing campaign.

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Like or follow you? Heh! That's kid stuff for Brand Advocates. These enthusiastic customers and others go out of their way to *advocate* you, putting their personal reputations on the line.

VISIBLE ADVOCATES

You can see some of your Advocates. If you own or work for a small company, you may even know these Advocates by their first names. I call these Visible Advocates.

These Advocates may have recommended you by participating in a customer testimonial or success story. They may be referring prospects to you now or participating in a Brand Ambassador program. You also may see some of your Advocates online. They're recommending you on Yelp, TripAdvisor, Amazon.com, Facebook, Twitter, and elsewhere.

HIDDEN ADVOCATES

But Visible Advocates are the tip of the Advocate iceberg (see Figure 1.5). Depending on the size of your customer base, you may have hundreds, thousands, or even millions of hidden Advocates. These Advocates are talking you up in meetings, recommending you over coffee and dinner, and evangelizing you on e-mail, texts, or over the phone.

By giving these Hidden Advocates tools that make it easy to recommend you, you can amplify their voices and turn them into Visible Advocates.

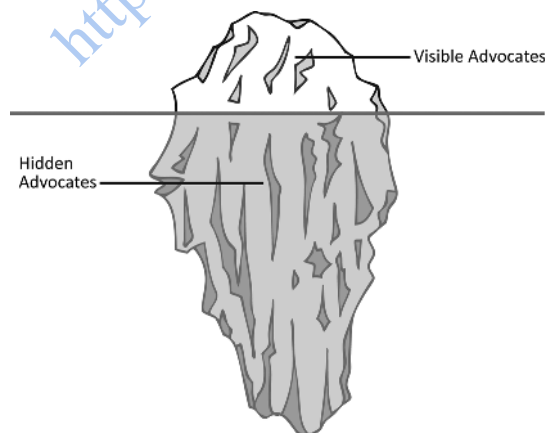


Figure 1.5 Visible Advocates Are the Tip of the Iceberg
Source: Zuberance.

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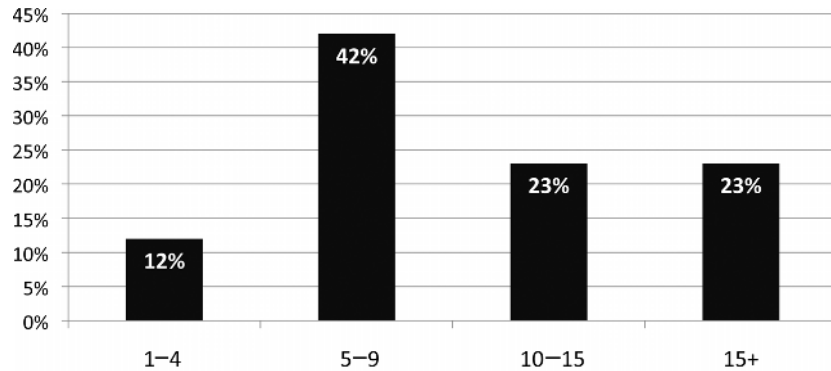


Figure 1.6 Number of Brands, Products, and Services Recommended in One Year

Source: Zuberance, Brand Advocate Research, January 2012.

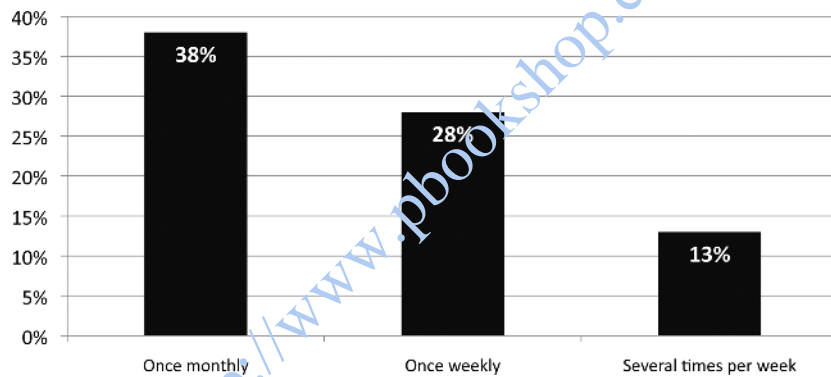


Figure 1.7 Frequency of Recommendation

Source: Zuberance, Brand Advocate Research, January 2012.

ACTIVE ADVOCATES

Brand Advocates don't just recommend one or two brands or products. Forty-six percent of Advocates recommend ten or more brands, products, and services per year, a Zuberance study found (see Figure 1.6).

And Advocates are habitual recommenders. On average, surveyed consumers said they recommend brands, products, and services about 26 times per year (see Figure 1.7).

BRAND ADVOCATES ARE PLAYERS (IN A GOOD WAY)

How are Advocates different from fans and customers? Joe Bunner, a former colleague of mine at Zuberance and a rabid University of Texas

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Figure 1.8 Brand Advocates

football fan, uses a football analogy to describe what makes Brand Advocates different from fans and loyal customers. (See Figure 1.8.)

- A *fan* sits in the stands, cheering for his favorite team.
- A *loyal customer* attends every home game, rain or shine.
- A *Brand Advocate* goes onto the field and plays in the game.

The chart below summarizes the key differences between Brand Advocates and these other groups:

Table 1.1 What Is Different about Brand Advocates?

| Segment | Defining Behavior | Key Motivation |
|-------------------|--|----------------------|
| Brand Advocates | Recommend your company, brand, products, or services | Help others |
| Fans, Followers | Like your Facebook page or follow you on Twitter | Get discounts |
| Loyalists | Purchase frequently | Savings, convenience |
| Community Members | Ask and answer technical and other questions | Learn |

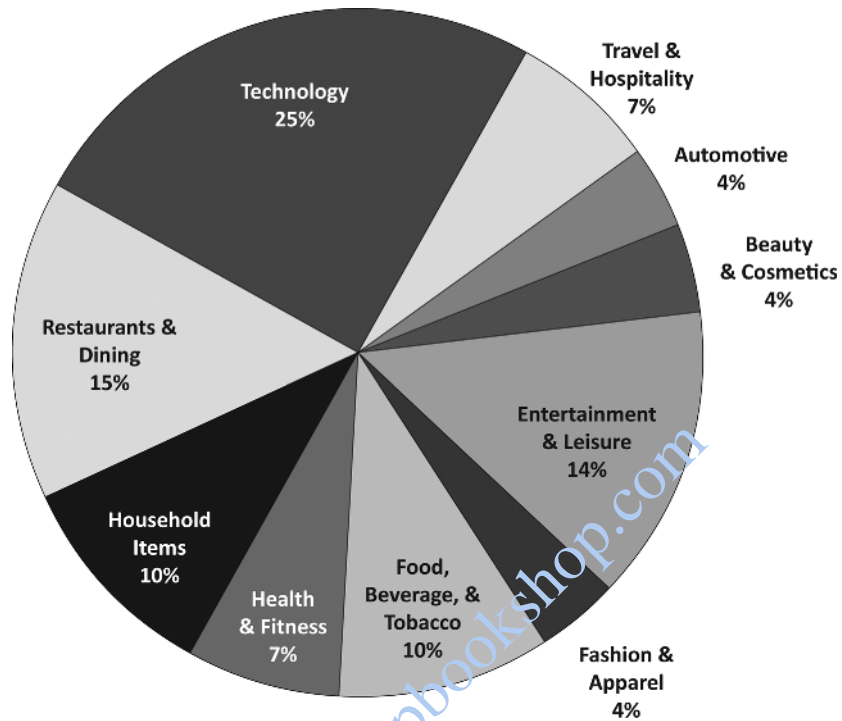


Figure 1.9 Category Breakdown of Recommendations
Source: Zuberance, Brand Advocate Research, January 2012.

CAN'T KEEP A SECRET

Brand Advocates would make terrible CIA operatives. They just can't keep a secret. And it's not just one or two categories of products they recommend. Advocates recommend lots of different types of products.

Figure 1.9 illustrates consumer responses to the question: What categories of products do you make the *most* recommendations?

ADVOCACY MOVES ONLINE

Remember the old Fabergé shampoo commercial featuring a 20-something Heather Locklear? "I told a friend and she told a friend, and so on and so on..."

While offline is by far the most popular communications channel for Advocates, they also work online via personal networks and third-party shopping and review sites that recommend brands and products, a Zuberance study showed (see Figure 1.10).

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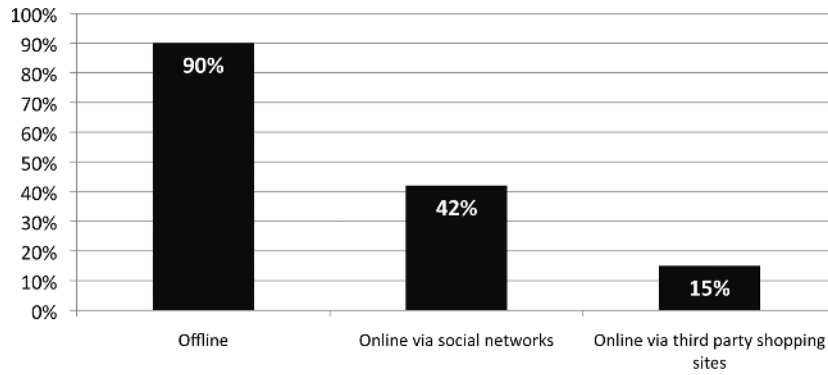


Figure 1.10 Methods of Recommendation

Source: Zuberance, Brand Advocate Research, January 2012.

And over half of consumers use online tools such as e-mail to make recommendations; about one-third (35 percent) use Facebook (see Figure 1.11).

YOU DON'T NEED TO OWN IT TO RECOMMEND IT

You can have bought a product only once—or even not at all—and you can be an Advocate of that product or brand.

You may recommend Virgin America because you admire (or secretly wish you were like) the company's swashbuckling founder, Sir Richard Branson. Or you may recommend the brand because it supports social causes important to you. I've recommended The Body Shop because they don't test their cosmetics on animals. But I've never set foot in The Body Shop.

Ever found yourself saying, "I recommend Sony TVs. I hear they're the best." Then you go home and flip on your Panasonic.

Influencers versus Advocates

Some marketers lump Brand Advocates together with influencers such as professional bloggers. But Brand Advocates are a different category than influencers. Here's why:

1. *Many influencers see their role as being independent from brands.* They get a lot of their street cred from this independent perspective. Many don't care about your brand. Brand

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Advocates, on the other hand, are passionate about your brand. They wear their love for your brand on their sleeves, or tattooed on their arms.

2. *Influencers' advocacy is fleeting.* Influencers will tout a product for a brief period of time, like during a launch. But Brand Advocates' devotion to their favorite brands and products can last a lifetime.
3. *Influencers boost buzz but not necessarily sales.* A favorable post by an influential blogger can cause a spike in awareness and interest in your brand and products. But Advocates' recommendations get your cash registers to ring.
4. *There are more Advocates than influencers.* A senior marketing exec I know called Advocates a "subset" of influencers. In fact, many companies have tens of thousands of Advocates.
5. *You don't need to pay or provide incentives to Advocates for their recommendations.* Many companies offer free products, free meals, and trips to cultivate Influencers. Your Advocates don't ask for this.

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