



Marketing, strategy and communications for an educated world

Word of Mouth and Influencer Marketing Literature Review Summary

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1 Introduction

All those reading this that work in a college or university will appreciate the value of word of mouth (WoM) in generating enquiries, conversion and building reputation. WoM is particularly relevant to education given its human and social dimension because reputation in education sectors is shaped by what others say about us, not what we say about ourselves.

Dye, investigating the marketing practices at more than 50 companies found that buzz (self-generating demand) impacts about two-thirds of the US economy including a number of sectors not dissimilar to higher and further education: hotels, investment products, publishing and healthcare.

Marsden (2005) says that research shows that word of mouth (WoM) is at least twice as powerful as traditional marketing communications in influencing sales, and given the rise of electronic word of mouth (mobile and internet), word of mouth is now some 50% more influential than it was 30 years ago.

This is supported by Edelman, who found that trust in 'a person like me' tripled in only two years to 68% and a Nielsen survey showing the most trusted form of advertising was 'recommendations from other consumers', being cited by 78% of respondents. Furthermore, the third most trusted form of advertising (behind adverts in newspapers at 63%) was 'consumer opinions posted online' which was trusted by 61%.

According to Burmaster (2008) prospects are now generally more likely to trust these sources than your website or your advertising. Brand Association Maps (BAM) that plot language, attributes and issues around a topic show that, for 'advertising', attributes like "false", "deceptive" and "misleading" are highly associated. The fact is that customers are seeking out opinions because they don't trust marketing as much and thus independent influencers become more influential than ever before.

But WoM is not just about referrals to achieve sales, it also adds credibility to a message. A friend or family member talking about a brand or product, or an independent commentator writing about it, tend to be believed more readily than commercial advertisers talking up their own brands.

One of the leading writers in this field, Silverman, places great emphasis on the credibility and independence of the source of the WoM message. A "credible and "independent" source will provide prospects with an *indirect experience* of a university or college (prospects experience the institution "vicariously" without taking the risks involved in enrolling). Word of Mouth, primarily because it provides a timely and credible vicarious experience, is also thought to speed up the decision to purchase or enrol (it short-cuts the consideration stage and enables prospects to crystallise choices by confirming their own pre-disposition towards a particular provider).

If a trusted friend tells you how good a product is, you are much more likely to act on that recommendation more quickly than if you saw an advertisement. This is because your friend is a source you can believe and trust and the "indirect experience" they have provided has made your decision to purchase easier.

The same principle applies when selecting education, except that, because the decision is so much more complex and important and because your prospect's involvement in the decision is so much higher, the "word of mouth" recommendation is potentially much more powerful.

The data may vary but the core message is clear i.e. word of mouth is powerful and increasingly so. Research also shows that word of mouth is widespread amongst all ages and social groups, revealing it to be a major communications opportunity

2 Terminology

It will come as no surprise that this is another minefield of terminology and definition. Here is a quick run down!

Online word of mouth is called **viral marketing** and was coined as long ago as 1996 by Rayport at Harvard. Viral marketing describes any strategy that encourages individuals to pass on a marketing message to others, creating the potential for exponential growth in the message's exposure and influence. It is also defined as "an alternative marketing strategy supported by research and technology that encourages consumers to dialogue about products and services".

The standard viral-marketing model is based on an analogy using the spread of infectious disease. It assumes that one starts with a seed of individuals who spread a message by infecting their friends, where the expected number of new infectious people generated by each existing one is called the "reproduction rate," or R . When R is greater than 1, each person who gets the message will, on average, spread it to more than one additional person, who then does the same thing, and so on, leading to exponential growth in the number of people who receive it; an epidemic.

The first viral marketing campaign was the Hotmail launch in 1996 and it grew faster than any other company in history. Within 18 months it had over 12 million subscribers

Offline is where the majority of WoM actually occurs and has the strongest impact and there are a number of terms that are used:

Word of mouth (the emphasis here is on personal, relationship related and spontaneous communication)

Advocacy marketing (most often relates to social and voluntary sectors)

Public affairs (a well worn phrase associated with political influence)

Referral marketing (a classic business-to-business method)

Mutual marketing (the co-creation of products and services by producers and users, but also used in public affairs to describe joint activities between two or more organisations with a common cause)

Influencer marketing (influencing the mass of prospects or other groups through the influence of a few and/or identifying those with influence and engaging, or when a marketer identifies, seeks out, and engages with influencers in support of a business objective. Influencer marketing can be traced back to 1950s when Lazarsfeld and Katz introduced the concept of the *two-step* communication process and personal Influence. They stressed that some people have a disproportionate degree of influence on others and can be effective communications channels.

90-10 marketing (reaching 90% of prospects through the influential 10%)

Big-seed marketing (combines viral-marketing tools with old-fashioned mass media, using advertising as the talking point)

The Word of Mouth Marketing Association (WOMMA) has created a framework that helps marketers to better define WoM activity. For example, a WoM episode involves four components:

- **Participants** – the creators, senders or receivers who can be measured based on their propensity to act, demographics, credibility, and reach.
- **WoM Unit** is a single unit of (media-agnostic) marketing-relevant information.
- **Actions** are what participants do to create, pass on, or respond to a WOM unit; actions can be measured on velocity, distribution/spread, and source diversity.
- **Venue** is the medium or physical location where the communication takes place - venues can be measured on total potential population vs. actual audience received.

A single “episode” achieves one in five outcomes, each of which serves as a “trackable” event:

1. **Consumption:** The receiver absorbs the information but takes no action.
2. **Inquiry:** The receiver seeks additional information.
3. **Conversion:** The receiver completes a desired action
4. **Relay:** The receiver redistributes the unit to another person
5. **Recreation:** The receiver creates a new unit.

3 Measuring Word of Mouth

The literature on measuring word of mouth can be grouped into three areas:

1. Measures of the intermediate impact of activities designed to stimulate or amplify WoM (often used by agencies and marketers to prove the worth of their actions).
2. Lagging measures that relate to the value and importance of WoM to sales (the value of a referral, the value of a lifetime advocate, the proportion of sales stimulated by WoM, etc).
3. Metrics and methods designed to measure the levels of advocacy amongst stakeholder groups as a leading indicator of future referral activity.

3.1 Intermediate Measures

The methods and metrics used to measure specific activities (campaigns) tend to relate more to online activity as this is easier to measure cost effectively and many of the metrics are borrowed from traditional media and brand monitoring approaches including:

- **Velocity** (how quickly a message about the brand travelled across the target group).
- **Share of voice** (how much talk online was related to the brand relative to others).
- **Voice quality** (what was said and the extent to which those comments were positive or negative).

- **Sentiment** (how meaningful the comments were).

Using technology such as Natural Language Processing (NLP) and heuristics, you can scan large volumes of postings to determine the content, tonality and sentiment of your coverage.

Other typologies of evaluating viral activity online, particularly blogs, includes:

- **Dominance/visibility:** How deeply does the posting discuss the brand? Is it just a passing mention or does the blogger go into the subject in depth with numerous links?
- **Type of interaction:** Was the posting designed to solve a problem, compare different brands, or simply to allow the author to rant?
- **Nature of discussion:** Was it a true dialog with an extensive exchange of ideas, or was it just bantering back and forth?
- **Tone:** Did it portray your brand in a positive or negative light?
- **Messaging:** Did it contain one or more of your key messages?

WOMMA uses the following:

- **Topicality:** The degree to which the marketing message was included.
- **Timeliness:** Whether the WoM unit arrived in time to be relevant
- **Polarity:** The positive versus negative content.
- **Clarity:** did the receiver understand the message as it was intended.
- **Depth:** The amount of visual, written, or verbal information included presumed to increase message persuasiveness.

Dr Walter Carl, assistant professor at the Department of Communication Studies of Northeastern University has proposed various measures for the “credibility” for WoM. This relies on both pre and post research and is tricky to administer unless you know who has been exposed to WoM.

Credibility effect	Whether the information provided by the conversational partner made information heard from another source (such as the media) more or less believable
Thinking change	Whether the episode resulted in a change of thinking or ideas about the product or service and the action a person plans to take
Inquiries	The likelihood that a person will seek additional information after a WOM episode, such as visiting a Web site
Purchase likelihood and behaviour	The likelihood of the participant to purchase or use the product or service
Pass-along likelihood and behaviour	The extent to which the participant will tell other people about the product or service
Relationship consequences	Whether the WOM episode has an effect on the participant's relationships when they engage with their friends and family, etc.

Research by Burden and Rowe found that WoM recall was twice that for TV advertising and that advertising recall was increased if there was also evidence of WoM for the brand (this can increase recall by 60%)

However, they stress that WoM is a varying metric influenced by the brand, rather than a constant presence governed by the category. So, the level of WoM is a good measure of the value of the brand. They found that brand experience is the main topic of WoM content.

3.2 The Value of Word of Mouth

Rosen calculates that the worth of a believed and trusted source making a recommendation has been calculated as \$600, but such values are really meaningless as they will vary by sector and country due to product value and culture. What the figure does suggest is that WoM is likely to have a significant financial value for a college or university given the yield from each enrolment. Development directors will also appreciate the value of WoM and affinity as the cost per £1 raised is likely to be lower and many use the peer-to-peer technique to raise funds.

According to Kumar et al the value of any one student or client does not reside only in what that person buys (transactional value) but in how they feel about you and what they are prepared to tell others about you (relationship value), as this influences enrolment or sales in a multiplied way.

Kumar et al polled customers at both a telecom firm and a financial services firm on their referral intentions and then tracked their behaviour and the behaviour of the prospective customers that the referring customers brought in over time. The number of both companies' customers who said they intended to recommend the firms to other people was high, but the percentage that actually did so was far, far lower.

Overall the analysis showed that for every 100 customers a third actually referred (40% of the total said they would do so) and of those individuals referred to, about 40% responded and made a purchase; of which about 3 in 10 were deemed good customers (subsequently positive and profitable). So overall, the referral activity led to 4-5 new customers per 100 pre-existing on the customer database – but the reputational impact of the third that referred was not measured.

The authors conclude that the value of the customer referrals dwarfed the average customer's lifetime value (the sum of episodic transactional value). They also showed that the most loyal customers (repeat users) were not the most valuable ones (those who repeat buy are NOT the most likely to refer to others).

Most attempts to measure the power and value of WoM do so by asking customers whether their choices had been influenced by personal recommendations and thus a percent of market type score is derived. Ipsos MORI highlights that the proportion of consumers identifying word of mouth as their best source of ideas and information had increased from 67% in 1977 to 92% in 2005.

Depending on the category, up to 90% of people cite word of mouth as their "preferred source of product information", and over 90% of consumers would try a product or service if recommended to them by a friend (Marsden 2005).

Research by Weber Shandwick with 4,000 consumers in Germany, UK, Spain and Italy, across five product categories found that over a third said that a positive recommendation had driven them to try a brand and that word of mouth was five times more influential than advertising in their buying decision. 50% of European consumers felt that their own positive endorsement of a brand had driven a friend to try it. Research by the agency Forrester

revealed that 77% of online shoppers now seek out ratings and reviews when making a purchase.

The importance of WoM will vary by sector and the nature of the service. In one study 42% of respondents reported recommending a restaurant in the past 30 days compared with 3% that had recommended a day nursery. The point is that restaurant recommendations happen more often than nursery recommendations because many more people have to decide on which restaurant to go to every month, than where to send their children to pre-school. So, the frequency of recommendation is related to the frequency that choices are made. Education is an infrequent purchase so percentage measures such as this may be relatively low. Burden and Rowe also found that WOM is slightly less positive for service brands (probably due to greater variability in delivery).

A recent Canadian survey of international students at 20 language schools asked the usual question: "how did you find out about your programme?" and the results were equally typical with word of mouth recommendation coming top with 43% compared with 17% that found it on the Internet and 6% that saw it advertised. This result is consistent with those from so many surveys.

3.3 Measuring Advocacy and Loyalty

The **Net Promoter Score** (NPS) is a management tool that can be used to gauge the loyalty of an organisation's customer relationships. NPS is an alternative to traditional customer satisfaction research. Introduced by Reichheld (2003 Harvard Business Review: The One Number You Need to Grow) this loyalty metric is thought to be easier for employees to understand and act on than satisfaction metrics or indices.

Organisations obtain their Net Promoter Score by asking a single question on a 0 to 10 rating scale: "How likely is it that you would recommend our organisation to a friend or colleague?" Based on their responses, customers can be categorized into one of three groups: Promoters (9-10 rating), Passives (7-8 rating), and Detractors (0-6 rating). The percentage of Detractors is then subtracted from the percentage of Promoters to obtain a Net Promoter score. A score of 75% or above is considered quite high. The NPS question can be varied for non-customer groups such as employees (would you recommend this college or university as a place to work), suppliers and other stakeholders.

There has been a debate about whether the NPS is a valid measure of loyalty and a predictor of business growth or affinity growth.

Hayes (2008) found that there is no scientific evidence that the "likelihood to recommend" question is a better predictor of business growth compared to other customer satisfaction questions. Alternatively there have been calls for the higher education National Student Survey to use the NPS as the summative question. Independent research confirms the fundamental claim of a relationship between Net Promoter Scores and growth rates within competitor sets. Similarly, research in Australia by Mark Ritson also supports the conclusions.

Marsden and Samson at the LSE undertook the most compelling research that supports the NPS method. This paper has been widely debated and presented and is based on UK research across several sectors. They concluded that word of mouth, both positive and negative, is a powerful component in driving UK business performance. Critically they assert that word of mouth can also be used to predict sales growth; the higher the net-promoter score, the industry standard measure of word of mouth, the higher the growth.

They compared the results of a telephone survey on a random sample of 1,256 adult consumers in the UK against the 2003 and 2004 sales data from banks, mobile phone networks, supermarkets or car manufacturers. They found that both word of mouth advocacy (as measured by NPS) and negative word of mouth were *statistically significant predictors* of annual 2003-2004 sales growth:

- Companies enjoying higher levels of word of mouth advocacy (higher net-promoter scores), grew faster than their competitors
- Companies suffering from low levels of word of mouth advocacy and high levels of negative word of mouth grew slower than their competitors
- 7% increase in word of mouth advocacy unlocks 1 per cent additional company growth; 1% increases in word of mouth advocacy equated to £8.82m extra sales.
- 2% reduction in negative word of mouth boosts sales growth by 1 per cent. 1% reduction in negative word of mouth for the average company resulted in £24.84m in additional sales.
- Companies with above average positive word of mouth and below average negative word of mouth grow four times as fast as those with below average positive word of mouth and above average negative word of mouth.

The researchers conclude that three simple questions could predict overall business performance:

- Likelihood that customers would recommend a company or brand to friends or colleagues - Net-promoter score as a predictor of sales growth
- Likelihood that investors would recommend investing in a company to friends or colleagues - Net-promoter score as a predictor of share performance
- Likelihood that employees would recommend working for their company to friends or colleagues - Net-promoter score as a predictor of productivity

There are some methodological issues to consider in administering and evaluating NPS:

- Environmental factors may exert an influence on customers' response. For example students that have just got a great job are likely to be more likely to recommend that those who are still job searching.
- Comparing results across sectors is not thought to be applicable (e.g. those with social stigma versus education and those with varying levels of service interaction).
- When the survey should be delivered and who should be included. For example should it be restricted to current customers or recent and current customers? What about those students that have dropped out or failed; they are likely to have less positive attitude but if they are excluded this would create artificial scores?

Benchmarking NPS scores between countries is not valid due to cultural differences. Whereas in the USA 10 may be quite frequently awarded, in Belgium for instance, people will only seldom give a 10, not because they may not be pleased, but because this is culturally engrained (10 means perfection). These differences have been used to argue for

the 9-10 scores for advocates being extended in some domains to include 8 but the Marsden research suggests that the original scoring framework applies in the UK.

The point is that advanced nations have moved to an experienced-based economy. Service is where the vast majority of value is being created even in manufacturing sectors. This leads to customer experience as a differentiator and why NPS is important. The point is that value creation is becoming harder and harder.

Below is an adapted NPS grid on which to plot individuals that are surveyed. The original grid had “profitable” on the vertical axis but how valuable individuals are to your wider goals is more applicable in education that purely financial returns. The shaded areas indicate the groups of stakeholders that you should then engage most i.e. the detainees who are important but unsupportive and the Angels who represent your most important supporters.

The NPS Grid

High Mission Critical	Detainees	Angel Candidates	Angels
	Insurgents	Agnostics	Missionaries
Low	Detractors 0-6	Passives 7-8	Promoters 9-10

4 Influencer Marketing

According to the annual marketing management survey run by the magazine PR Week, 69% of marketing managers in the US now include the targeting of influencers as part of their strategy.

Despite the hype surrounding online viral marketing, it is claimed by WOMMA (the UK trade association) that 85% of WOM activity takes place offline and that offline WoM is more powerful because here communicator is usually known to the recipient and thus the communication has added trust power. A similar figure is reported from the US where according to the Keller Fay Group 73% of marketing-related conversations take place in person, and only 10% happen online. So, the focus of your WoM or influencer marketing strategy should be face-to-face (mouth not mouse), rather than *mouse-to-mouse* communication

Central to most strategies designed to amplify WoM is the notion of influencers, which put simply means targeting those who have the greatest viral impact rather than engaging the masses. However, the theory that there are influencers that have disproportionate impact is not universally accepted, as we shall discuss later.

The Word of Mouth Marketing Association defines an influencer as *a person who has a greater than average reach or impact through word of mouth in a relevant marketplace*. Malcolm Gladwell, a New York Times journalist and the author of ‘The Tipping Point’, first stressed the importance of the so-called “influentials”. He categorises influentials into three different categories:

1. **Connectors** are the people who link us to the rest of the world.
2. **Mavens** are the 'information specialists' who accumulate and share knowledge.
3. **Salesmen** are the 'persuaders' who possess the powerful negotiation skills.

Keller and Berry in their book "The Influentials" categorise influencers by reference to the nature of their influence:

- **Social** influencers (meta trends)
- **Category** influencers (in a sector or product area)
- **Brand** influencers (which brands are in and which are not)

Below is a summary categorisation of influencer types, ranging from formal to informal. Researchers and marketers have developed names for the various influencer types some of which are trademarked. It is likely that every university and college can identify influencers that fit into this typology and they should be integrated into both your reputation management plans and included in any reputation perception research.

Category	Who	Label	Channel of Influence
Formal Authority	MPs and Councillors Civil servants Chambers of commerce leaders RDA and GO officials LSC and HEFCE	Opinion leaders	Laws, policy and regulation Funding Directives Permissions
Experts and Advocates	Academics Sector analysts NGO leaders User activists (NUS)	Experts Mavens Analysts	Social media Specialists publications and journals
Media Elite	Journalists and commentators	Talking heads and columnists	Traditional and social media
Cultural Elite	Well-known individuals in your location or sector (might be sports stars or musicians, designers etc that appear to move young people).	Trendsetters "Fashionistas"	New and social media
Socially Connected	Neighbourhood leaders Members of community groups Online networkers Business networkers	Alphas Connectors Hubs	Personal relationships Social gatherings Email lists Social networking

More recently, Rohit Bhargava at the agency Ogilvy has proposed a categorisation for new media influencers that revolve around content creation, consumption and sharing:

- Content **creators** (bloggers)
- Content **consumers** (go online, they browse, they read things and email. But they are not creators or bloggers)
- Content **sharers** (find interesting content and save it, add it to a list or pass it on)

Not all academic and commentators support the assumption that there are a small number of key players in each market or stakeholder group that influence the majority. Duncan Watts says that trends in public opinion are driven not by a few influential players influencing everyone else but by *many easily influenced people influencing one another*.

Watts stressed that the theory was neither supported by empirical evidence, nor in sync with accepted theories of interpersonal influence. His research (with Dodds) used simulation

models to show that under many circumstances influentials at best have a modest impact on public opinion change relative to other individuals. He concluded that when word of mouth is successful it was due to the structural properties of the social network (how connected those in the audience is) and the importance of interpersonal influence in that social group.

So the first decision to make in any influencer strategy is whether to identify the easily influenced amongst your prospect or stakeholder audiences and/or to develop relations with those whom you believe are the key influencers. Developing relations with influencers is not simply designed to promulgate good news about your college or university (“influentials” are also invaluable eyes and ears and can provide invaluable feedback on your ideas and plans) but also, because they are well connected, they can advise you how your brand is perceived.

Of course the purpose of this paper is not about sales but about reputation. The literature of influencer marketing is largely centred on influencing prospects to buy, whereas influencers and advocates are central to reputation regardless of whether the contacts they have subsequently go on to purchase or enrol. They may simply add to the increased circle of people who have positive attitudes and voice them to others (advocacy multiplier).

5 Influencer Strategy

Influencer programs are, by definition, long-term, multi-year commitments designed to build a relationship; they are not marketing campaigns.

The first steps are to identify amongst your key stakeholder groups both the easily influenced (after Watts) and the influentials (after Gladwell). Both approaches have merit and are not mutually exclusive.

5.1 How to identify the easily influenced

Many colleges and universities ask new students or business clients who they spoke with or what they read or browsed before enrolling or contracting, but fewer ask specific questions about what or who influenced them and why. It is important to identify who influenced whom rather than merely who communicated with whom. Such questions on your induction or joiner surveys can help to reveal the connected and trusted sources (the influencers) but also this can reveal who was influenced by word of mouth or personal recommendation and the analysis of this cohort may help to locate the most likely to be influenced in the future. However, the evidence is that all demographic groups are likely to recommend and be recommended to and influenced, so simple analysis based on demographics is unlikely to be very revealing. Any preparatory research also needs to map out a timeline of influence, as education markets are cyclical and seasonal. It is critical to know when influence will be most impactful as that is when you should stimulate chatter.

How to identify influencers

According to Brown influencer marketing is about changing a scatter-shot approach into a rifle-shot one. You target specific influencers, not generic prospective customers.

The research and the experiences of specialist professionals delivered the following insights as to whom influencers are likely to be. However the key is that influencers are both visible and connected to those you want to be influenced. So if you want to influence small business owners you need to identify those who are trusted, visible and connected with this group. However identifying “influentials” will be at best a crude approximation.

The many professional commentators stressed the following:

Influencers are interested in engaging in a two-way dialogue with brands. So they are likely to already be known to you; they complain, they join user groups, they are the students that participate in whatever is happening.

Influencers naturally populate online communities; so you can locate them by monitoring these and engaging with them.

Influencers are service and segment specific and come from all walks of life. They are not always professional intermediaries but are often peers.

In business or professional markets the reason why specific professions are influential is because they are vocal and because of the number of people who read or access their work. So those who write blogs or columns in the local media etc become mini celebs.

Influencers like to help others connect and serve as a bridge, connecting people.

Influencers tend to have had a genuine experience of the service

Keller and Berry 2003 have distilled published research into a simple screening profile for identifying connectors (influencers), recently estimated by NOP to make up 10% of a target audience based on their **ACTIVE** profile:

Ahead in adoption
Connected (socially and electronically)
Travellers
Information Hungry
Vocal
Exposed to media

There has been UK research to test the ACTIVE profile, albeit on a product some distance from education. In 2003 Marsden et al tested the idea that connectors are socially infectious in a field experiment. To do this a student connector was recruited using a simple screening questionnaire based on the ACTIVE profile plus two additional criteria based on research about the psychology of influence (Cialdini 2001):

- Elevated social status among peers
- Physical attractiveness

The connector then administered 100 street corner questionnaires to investigate student opinion on the UK government's plans on university fees. Whilst administering the first 50 questionnaires, the connector was instructed to be visibly drinking a can of Coke and for the final 50 questionnaires, a can of Pepsi, although no mention of this or the brands was to be made. At the end of each interview, the connector offered a free can of Coke or Pepsi to participants as a thank you for participation. The results supported the connector hypothesis as they clearly influenced the choice of incentive whereas a control using a non-connector interviewer did not.

It would be possible, using either judgement based on prior relationships or some form of screening research (e.g. using prospect or client/student/alumni databases) to identify those in your key publics that fit the ACTIVE profile.

5.2 Components of a Word of Mouth Strategy

Marsden's review of the evidence surrounding methods for optimising word of mouth advocacy identified eight distinct techniques and these are discussed in more detail in the final section.

- Referral Programs
- Tryvertising (allowing influencers pre public access to your draft promotions)
- Empowered Involvement (staff and consumers)
- Ambassador Programs
- Causal Campaigns
- Influencer Outreach
- Advocacy Tracking
- Innovation (in services)

We have also reviewed the professional and academic literature and the following guidance on effective components of a WoM strategy in consumer markets appear to be widely supported.

Delivering customer experiences that exceed expectations is the key to what makes a customer recommend to a friend or colleague. According to Meyer and Schwager, customer experience is the internal and subjective response customers have to any direct or indirect contact with an organisation. Direct contact generally occurs in the course of purchase, use, and service and is usually initiated by the customer (this is of course not so in education). Indirect contact most often involves unplanned encounters with representations of a company's products, services, or brands and takes the form of word-of-mouth recommendations or criticisms, advertising, news reports, reviews, and so forth.

A good advocate or influencer is typically someone who has had a genuine experience of the product or service (or has been told about it by someone they know or trust) and whose opinion is trusted by at least one other person. To make a difference on a large scale a strategy needs to plan to:

- Bring these advocates together in one place.
- Trigger their advocacy through active involvement.
- Create more opportunities for them to influence the more easily influenced

Clearly therefore any strategy designed to stimulate positive WoM needs to start with a **better understanding of customer expectations** as well as the more traditional customer needs, and measuring customer experience not only in terms of passive customer satisfaction, but active customer recommendations. Using research, colleges and universities need to reveal what the expectations of for example, prospective clients and students are, and what their expectation priorities are (the elements of the whole service and experience they give most value to). The evidence is that these vary by sector and brand category so the expectations/priorities of those considering Russell Group or Post 92 universities and perhaps sixth-forms in schools and FE colleges will be different.

Using the NPS question and evaluating the results (see more in depth discussion of the NPS) will reveal who your strongest advocates are, and stage-two qualitative research will reveal why they are so positive. Early in their relationship with the college or university advocacy is, as the research above emphasises, due to some unexpected WoM factor.

The role of market research in word of mouth management is not limited to data collection. Market research can actually create word of mouth by listening to, involving and

engaging customers in the development of new products and services really worth talking about. Of all the communication channels in marketing, only market research is based on listening, i.e. a dialogue rather than monologue. The best-known example of research as advocate stimulator is the Hawthorne Effect.

Researchers from MIT and Harvard were commissioned to test new working conditions for employees at Western Electric's Hawthorne Works and assess any impact on productivity. The test involved inviting small groups of employees at the Hawthorne Plant to trial these new working conditions and to feedback on them. To the researchers' surprise whatever new initiative was tested (e.g. brighter lighting, dimmer lighting, etc, shorter hours, longer breaks, etc), participant feedback was positive, and systematic increases in productivity were recorded. The researchers realized that respondent advocacy and the increases in productivity had nothing to do with what was being tested, and everything to do with running research trials that gave participants a sneak preview of something new, and a say in how it was to be rolled out.

So any reputation strategy that includes word of mouth advocacy as a strand needs to consider more and new ways of involving staff, students, clients, alumni and other stakeholders with evaluating, designing and testing new services, strategies or facilities – e.g. “designing” prospectuses or websites, courses, environments, events, service standards, processes, etc. Customer-centricity means marketing with users not to users. Make sure you always close the loop as failure to do this (i.e. asking for feedback but not communicating back how this has been used), substantially diminishes the value of listening in the first place.

Mirroring the Hawthorne Effect research by Oetting at the ESCP-EAP European School of Management found that the key to stimulating word of mouth was '**Empowered Involvement**'. The findings were also consistent with HR studies that showed that empowerment in the workplace was the key to morale. The research found that people involved in a marketing project produce significantly more, and more positive, word of mouth, than other consumers if they felt:

- They could have an impact on its outcome
- The project was meaningful to them
- They were competent to make a contribution
- They had a choice in the way they participate.

, There is genuine benefit in viewing your most important consumers and your staff as partners whom you want to truly empower within your marketing process.

It is important to realise that most influencers are motivated to help other users to make good or better choices, not to help your organisation directly. So thanking them for helping your college or university may make them feel uncomfortable, unless you are sure that they are active supporters. **Gifts and rewards are no substitute for an ongoing, committed connection.** Paying influencers is not recommended because it changes the relationship and makes advocacy less authentic. Furthermore, the evidence is that customers pulled through by advocates who were incentivised are more likely to become detractors (because their expectations were badly shaped) thus causing long term damage.

Increasingly, student ambassador programmes in higher education are formalised and students trained and paid. Given the advice NOT to incentivize advocates my experience in higher education leads me to recommend that when recruiting student ambassadors not only should the ACTIVE plus approach outlined above be used to screen them, but also, if the students are to be paid (not unreasonable in the specific circumstances) then they should only be selected from those students who indicated they were completely satisfied with the

college or university in the most recent satisfaction survey (or scoring 9/10 using the Net Promoter question). In this way you can be sure that their advocacy is genuine and not a function of needing a job.

That said, research with prospective students exposed to ambassadors supports the findings in other sectors that your best influencers may not always be positive about your organisation. Your biggest fans may at times be your harshest critics. The fact they are sometimes negative will make them far more credible to their networks. This is why student ambassadors that go off message and say it “as it is” are much more credible and influential than those who are scripted and edited. So the guidance is to select advocates but do not overly manage what they say and encourage them to give a rounded truthful message.

Derbaix and Vanhamme found that the **element of positive surprise** is the key trigger of word of mouth. This has been summarised as “WOW triggers WoM.” This research, which used the critical incident technique, brought to the fore the emotion of surprise and its influence on word-of-mouth. The results showed that the intensity of surprise is significantly correlated with the frequency of subsequent WoM and that this relationship is not completely mediated by subsequent positive or negative emotions. This relationship is explained in terms of social sharing of emotions.

Linked to the element of surprise, others emphasise the need to give people something to talk about i.e. information that can be shared or forwarded, publicity that encourages conversation. **Increasingly the media can become the message.** Traditionally TV, radio or press adverts and direct marketing directed the viewers/readers to a website or a free telephone number. But now advertising can become a big seed for viral marketing. If the advertising is compelling enough, consumers (typically those familiar with the brand) will share it via email as they forward it to their friends. This not only widens it’s reach, as recipients are far more likely to listen or view, it also deepens existing relationships if the release of the advert to say connector alumni or students or staff or applicants is prior to broadcast and publication, and if it has been the subject of design or pilot feedback from your internal community (see earlier references to the work of Burden and Rowe that showed a 60% uplift in advertising recall when associated with WoM).

Moments of truth relating to **service failure** are important. According to Reichheld (2003) a negative experience decreases loyalty to a greater extent than a positive experience increases loyalty. According to Samson (2006) satisfied people are likely to tell five people about their experience whereas those with a bad experience told eleven. However, where there is an error, how you respond has a powerful and lasting impression.

Provide opportunities for influencers to **meet the people who create and deliver the service**. This is a form of social currency and provides a connection to your college or university. Ways to engage influencers on a personal basis include allowing them access to closed parts of the website, attending special master classes, getting close to your research, etc.

Encourage communication because **influencers generally like to connect to one another**; facilitating this online, but more usefully through personal contact, is recommended. Online can facilitate scale and connects more broadly, but offline creates more powerful and trusting relationships. Commentators urge creating user groups and fan clubs and support for independent groups that form around your product. Universities have been doing this for many years by facilitating the creation of alumni groups and reunions both in the UK and especially overseas where WoM is a central process in institutional and country choice.

With some possible exceptions your influencers should be the group that you are most transparent with. They can be your early warning system for both good ideas and bad ideas.

Consider a non-disclosure agreement as part of your process. **Bringing influencers closer to your inner circle** on longer-range plans (new programme design or college or departmental strategy) is the key to building loyalty and affinity. Create forums and feedback tools.

Berry and Bendapudi introduced the concept of **evidence management** (an organized, explicit approach to presenting customers with coherent, honest evidence of your abilities), with the example of a North American clinic.

Nobody likes going to the hospital they say, so when we're considering a medical facility, most look for evidence of competence, caring, and integrity; processing what we can see and understand to decipher what we cannot. In the US, the Mayo Clinic doesn't leave the nature of that evidence to chance. By carefully managing a set of visual and experiential clues, Mayo tells a consistent and compelling story about its service to customers. It offers patients and their families "concrete and convincing evidence" of its strengths and values.

The result is exceptionally positive word of mouth and abiding customer loyalty, which has built a national brand with very little advertising.

Berry and Bendapudi stress that evidence management is particularly applicable to organisations that deliver intangible or technically complex products or services as their customers naturally look for clues that can help explain what they don't understand or see. The clues emitted by people and things (humanics and mechanics, respectively, as introduced to the management literature by Lewis Carbone and Stephan Haeckel) tell a story to customers or potential customers.

The key elements of this approach include:

- Research that aims to reveal the source of positive user attitudes: a trail back to experience episodes that can be used as exemplars and amplified.
- Employees at all levels take note of customer preferences and are empowered to solve problems on the spot, continually tailoring the experience to each person.
- That employees communicate a strong, consistent message to users cannot be left to accident. The Mayo explicitly and systematically hires people who genuinely embrace the organization's values. The clinic emphasizes the importance of those values through training and ongoing reinforcement in the workplace. Hiring managers are also trained in behavioural interview techniques, and they are expected to use them to elicit an applicant's values.

Borrowing from Dr Ralph Wilson who offers some guiding principles that can be applied to viral marketing, other possible components of a WoM strategy could include:

As research has shown those with direct experience of the service more powerfully transmit word of mouth, Wilson advises **giving services away free** to extend the number of people with direct experience of your brand. Most studies show that customers or students are more positive about a provider than those who remain mere prospects. This is particularly true for B2B services. The key though is FREE means just that and not subsidised and or requiring a complex application processes to determine eligibility for the reclaiming the fees.

Make your message easy to transmit. Email is a simple tool and the use of signatures can help your staff or students to circulate a consistent message about your college or university without having to do anything (a tactic used by e.g. the Sunday Times University of the Year

for example, proudly promoted with every email). It helps if the message relates to an independent validation of your reputation.

Take care not to **simulate levels of demand for services that you cannot deliver** otherwise a successful campaign may damage your reputation not enhance it. Most education institutions would like this problem though and as other findings show, being selective (excess demand) is a major driver of reputation in mainstream full-time education.

Use **common motivations and behaviours** as a basis for a campaign. For example parents, students and alumni want to be associated with success and want to be seen to have made the right decision in enrolling at your college rather than elsewhere (self validation). So they need to evidence to reinforce their own decisions and tell others about it.

Encourage people to **spread the word among their existing networks** i.e. the people they know well (friends and family – typically 10-12 people) rather than a wider network of acquaintances (their Facebook friends). Through the principal of 6 degrees of separation the word will spread organically.

Supply **content to, and create links with, the websites** known to be used by the audiences you want to engage. For example, get specialist lecturers to write pieces for trade or business websites. The content will establish their credentials and experience (and yours) and because it is published on an independent site this adds to its perceived veracity thus building reputation (implied endorsement). Grant permission for every reader to reproduce the material but embed a link back to your website in the copy.

6 Education related case studies

Adrienne Jerram writing originally in *Education Marketing* magazine of the **University of Sydney** offers some useful advice on word of mouth or advocacy marketing for education institutions.

- Use experts (for example advisory groups of agents, professional association representatives or careers counsellors) in your marketing. Those on your advisory groups will become your biggest supporters and will be willing to tell stories about their experiences.
- Find your other key influencers and provide them with an experience of your university they can talk about (and then encourage them to talk about it).
- Use peer selling (your students!) whenever possible in your campaigns to provide the indirect experience:

“Our biggest success has been our student ambassador program. We use a team of currently enrolled students in every aspect of recruitment. We train them in the basics but then give them free reign over what they say, ensuring that the stories they relate are authentic. One component of this, our “Email a Student” program, has been extremely successful, but the most successful elements of the program are ideas that students come up with themselves”.

- Use your events to get prospective students together to talk about your university, and to give them an experience worth talking about
- Make use of the Internet for emails forums, chat rooms etc

- Proliferate true stories that are simple and easy to repeat.
- Never forget the importance of internal staff in talking about you and providing a “virtual experience”.
- Actively but ethically influence rating guides i.e. ensure that your institution is rated to its true potential.

Jerram goes on to emphasise another truism in this field i.e. that if you provide students with a bad experience they will talk about this before they talk about any of their good experiences. This may be true to a point but it is likely to be less so with students than other consumer groups because students act more like investors than consumers, they have a vested direct interest in their college or university’s reputation. Having said that, students tend to expect and generally have a good and productive experience so negative experiences stand out.

Using students in your marketing is now widespread but is often very restricted in its scope and there remains a debate about whether they should be volunteers or employees. Jerram gives the example of an exchange student who decided to make a five-minute digital video on his experience.

It was really rough and the sound quality was poor but prospective students loved it and it gave them a story to tell to their other school friends.

The programme worked for Sydney (albeit a university with a history and an established reputation); it had good evidence that student-to-student marketing effectiveness allowed advertising spend to be reduced. The impact was also effective with Aboriginal students after they returned to their communities to talk about their experiences.

Jerram also cites an example of a school that dramatically improved enrolments primarily by keeping the local shopkeepers up to date with the latest happenings at the school and inviting them to participate in school events. They then spread the word to their customers – the local parents who often chatted at the checkouts.

A second case study comes from the car producer Porsche, which produces 10% as many cars as BMW or Mercedes-Benz but beat both in developing and launching a revolutionary ceramic brake system due to its links with higher education.

Porsche has open collaboration as a distinctive characteristic of its academic alliances. Every year it brought nearly 600 masters students into its R&D facility. An annual budget of up to \$30 million pays for internships and also supports external university research or research-institute-based studies conducted exclusively for Porsche. This arrangement allows the manufacturer to employ just ten staff specialists in basic research, compared with about 200 each at rivals as a student costs 15% of a full-time employee. Although the students focus on basic R&D, they participate in every stage of product development. Toward that end, students help Porsche identify new suppliers for the technologies they develop, and they collaborate on production techniques that combine the latest research from their universities with the suppliers’ real-world experiences. Many of the students stay on and become the new generation of employees. Those not asked to stay become part of an alumni network that provides advice on research and technology. Alumni meet several times a year, sometimes for a weekend at a top venue where they enjoy early test-drives of the company’s latest models. Porsche’s university alliance offers two lessons:

- When hiring people always value creativity and passion over technical ability as defined by academic or professional qualifications; students who love the product or the industry generally perform best.
- Engaging people, even when they have not converted (in this case to employees), can have a major reputational and WoM value

7 Referral Marketing

Word of mouth (or referral marketing) has been a long established means of generating business in **B2B and professional markets**. Here there tend to be fewer customers and transactions tend to be larger. Customers often need a customized service or price, the usage of the service determines its value, and brands mean very little to customers. Moreover, selling is a long and complex process and the target of the sales pitch or message may not be the end user of the service.

In the B2B environment, word of mouth historically has manifested itself through conferences, representative visits and special-interest communities. In the technology sector, customer reference programs are common, where potential clients are introduced to existing clients they can grill about how well the product works and meets their needs.

A referred business prospect is likely to be highly qualified, predisposed to appreciate your product or service and thus easy to convert. The result is a high return on investment and a low acquisition cost. However businesses tend to wait for referrals to come to them without any effort. They believe that just because they satisfy a customer with their service, that customer will give them a referral but they tend to be “satisfied but silent” unless they are stimulated to act.

The advice from B2B professionals is consistent with the concept of a connector i.e. that some business contacts are more predisposed to make referrals because of their character or visibility or connectedness in their sector or location.

In these sectors incentives are thought to be effective, but these are perhaps best not in the form of monetary rewards but discounts for both refer and referee (this also makes the refer look good in the eyes of their contacts) and opportunities to get closer to your service design.

The professional literature points to the following as being effective components of a word of mouth or referral B2B strategy. Most of the actions would also support broader reputation management and repeat business goals.

1. Seek to win the business of businesspeople or organisations that are known to be well respected in their community or sectors. Association builds your reputation and these organisations tend to have a wider range of connections and well-established supply chains.
2. Keep current customers satisfied by ensuring the service fulfils the claims you make. Dissatisfied customers do not refer. Serve every customer as though your only goal is to generate a referral from him or her. Now you're not a sales person, you're a service person. Make referrals a KPI and use this as a test of service not just satisfaction scores.
3. Deliver a bit more than you promised as this leaves an indelible impression (really understand what they value). If you have done a really good job for them, business

owners and managers have a vested interest in referring you to their clients and customers as that will make them look good, or to their suppliers if your service will improve their quality.

4. Impress customers with your business relations (contact that is neither sales nor delivery related; keeping in touch on a systematic basis)
5. Know how your customer's business is faring and what their issues are so you can communicate empathetically.
6. Ask for referrals from those you know you gave good service to. However tell your client what sort of business you want and what sort of organisations you do your best work for as that way you get qualified referrals that you are more likely to do a good job for and thus your reputation is extended.
7. The most effective tool you can give your referral partner is knowledge about your services and plans. Give them hard evidence that your service is valued and that it creates value for those who engage with you as this reduces the risk for them when referring you to others they know.
8. Provide satisfied customers with some marketing collateral to pass on – business cards, a leaflet, and an invite to an event on campus.
9. Tell customers how you will follow up any referrals and ease concerns that their contacts will be pestered. How will you respond?
10. When you acquire a lead, make sure that you act upon it quickly and make sure that you keep the communication open with your referral source. If the referral converts, thank the source immediately.
11. Ask if the business contact that was referred to you could be met initially at the source's workplace as that would allow the opportunity for three-way engagement and allow the referrer to show their contact the benefits of the service they received first-hand (by demonstrating new processes or engaging trained staff).
12. Feature satisfied businesses in your newsletter or website emphasising their, and subtly, your contribution to their success with links to their website.

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