

Grapevine

Why Buzz Was a Fad
but Word *of* Mouth
Is Forever

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PORTFOLIO

Introduction: Welcome to the Grapevine

Like every other marketer in the world, I thought I knew what word-of-mouth was all about.

Word-of-mouth? Sure. That's the uncontrollable thing that happens after a brilliant marketing campaign. Those humble little consumersglom onto the marketing messages and, pretty soon, BOOM! word starts spreading like wildfire. It's like taking aim at a target and throwing a dart at it. When you hit the bulls-eye, a million other darts somehow get triggered and they're all flying through the air—and thumping into other targets, which let loose a million more darts. Darts are flying, people are talking. Your product's on everybody's lips, and it takes hardly any effort on your part. Sweet!

That's what I thought. That's what I'd been told for as long as I could remember. Yes, there were those few instances when a product would generate spontaneous word-of-mouth without a brilliant marketing campaign to get the darts flying. But those, everybody thought, were anomalies and accidents, or the result of

just the right customer finding out about just the right product at just the right time.

Then one day in early 2001, I was sitting in a meeting at an ad agency. I ran a promotional marketing firm at the time, and I was there as a member of the launch team for a new car model. We were about to view the rough cut of a thirty-second TV spot that would be the crown jewel of this big, fat, expensive, national marketing campaign. Before rolling the commercial, the advertising account exec leaned over to the car company client and said, with a wink, "This spot is gonna be viral. It's gonna create buzz. It'll be better than word-of-mouth."

At the time, there was a lot of chatter about the "end of marketing as we know it" and the "death of the thirty-second spot," and all kinds of new and "alternative" methods of marketing were popping up. Everybody was yammering about viral marketing, buzz campaigns, seeding, shill marketing, guerrilla marketing, and street teaming. And word-of-mouth.

But it was totally obvious that the client, as well as most of us in the room, had no idea what the ad agency exec was saying. We didn't really know what *viral* meant or what buzz really was. We didn't have a clue about their connection to word-of-mouth. But, DAMN, everybody really liked the sound of those words. They knew they were just what the product needed if it was ever going to reach its audience.

"Sounds GOOD!" the client said. "Let's roll it!"

The spot came on with all its hipness and coolness and hotness and in-ness. After it ended thirty seconds later, everybody clapped and smiled and gushed. The client bought the spot. The car company launched its big, fat marketing campaign. And when the commercial aired, not a single customer bothered to tell anyone else about it. It buzzed itself into oblivion.

That's when I began to realize that I wasn't much different

from the car company client. I was essentially clueless. I too was blathering about buzz and viral and shill and word-of-mouth and lumping them all together into one big pot of stuff that I pretty much defined as "nontraditional marketing."

There was nothing particularly wrong with that TV spot. It didn't fail because TV advertising had completely lost its mojo. It didn't bomb because everybody was blocking it with their dreaded TiVos or watching HBO or playing video games. In fact, it didn't really fail at all. It created awareness for the car. Many more people knew that this new car existed after seeing the spot and the print ads and the Web banners and the billboards than had known before. How could they not?

But they didn't talk about it. There was absolutely nothing to say. People were talking about plenty of other products, however. Why hadn't this ad generated word-of-mouth?

That's when it occurred to me that the conventional wisdom about word-of-mouth was fundamentally wrong. Generally, people thought of word-of-mouth as the byproduct of a brilliant marketing campaign or as a reaction to some unexpected occurrence. The marketer generally thought of word-of-mouth as coming about in a sequence: (A) Conduct brilliant marketing campaign. (B) Word-of-mouth will follow. But the experience of the car campaign, the TV spot, and all the stuff I had been listening to and thinking about made me realize that the traditional image was all wrong. It wasn't that the marketing dog was wagging the tail of word-of-mouth. No, the great big bushy tail of word-of-mouth was actually wagging the miniature poodle of marketing.

I thought to myself, word-of-mouth is this amazingly powerful force that everybody knows about but nobody really understands. It's rarely caused by marketing. It's not driven by marketing. Word-of-mouth is a fundamental human activity of

immense depth and power. Marketing can only tap into it. Maybe.

That's when I decided to become a word-of-mouth pilgrim. To set off on a journey of discovery. Just as some people set out in search of truth, adventure, or the perfectly frothy head on a glass of beer, I decided to try to understand the most powerful marketing force in the world: word-of-mouth.

I sold my marketing services agency. I took a little office in a shared space in downtown Boston. I spent my days reading everything I could get my hands on about word-of-mouth and social networks and storytelling and consumer engagement and marketing measurement and string theory, and, when I couldn't read anymore, I played backgammon.

One day I was contemplating lunch when one of my office mates, Eric Puterbaugh, came flapping into my office, interrupted my ponderings of roast beef, and started yammering on about a book he had been reading, *Butterfly Economics* by Paul Omerod, a British economist. "He writes about how economic theory has changed in the past few decades," Eric said, as if he had just had a revelation. "His key point is that the impact of an economic event can be determined by the power of individuals." My first reaction was to wonder if Eric might have an extra bag of chips handy. Roast beef without chips seemed somehow flawed. But, instead, I said, "This is news? Of course, people have an impact on events."

Eric persisted. "Omerod is saying that all the standard theories about how economics work are wrong. They don't take into account how people perceive an economic event, which is ultimately what determines the outcome. No longer can you lower interest rates and know exactly what will happen to development of new housing, for example. You have to take into account what people think about the change in interest rates. How they com-

municate with each other about it. You have to watch their behavior, listen to their dialogue, and then—and only then—will the outcome become evident."

Was this as interesting as Eric seemed to think? Possibly. But not as interesting as roast beef and chips. I thanked Eric and he moved on.

That night I was watching TV, flipping through the channels, and thinking about what Eric had said. Who actually watches commercials? I wondered. How do they communicate about what they've seen to others? Could Omerod's ideas about economics also apply to TV ads? Maybe it's how people communicate with each other about the ads that determines the results of the messages in the ads, more than the ads themselves?

Then a simple but provocative idea hit me. It wasn't *what* Eric had said to me that was so interesting. It was that he had said it to me at all. What made Eric decide he had to interrupt my lunch musings to tell me about this particular book? What was it that made him want to go out of his way to share his opinion with me, to take time out of his day to share an experience? What was it about our social fabric that allowed, or even demanded, that this dialogue take place?

I hopped into the shower. I do my best thinking there. As I shampooed, it struck me there must be a connection between the marketing messages people receive, their individual reactions to them, the interactions they have about them with other people, and how they act on those messages.

I grabbed the loofah, wondering if there might be some way to tap into that dialogue. What if a company could be created that would help accelerate and augment those interactions and exchanges? A company that would somehow connect the little marketing dog with its great big word-of-mouth tail?

I spent the next few months working on the idea and trying it

out on investors, friends, and just about anybody else who would listen. I would rave on about *The Tipping Point* and *Anatomy of Buzz* and Pattie Mae's studies of word-of-mouth algorithms and ant theory. "What if we could tap into the power of people's opinions?" I said over and over. "What if we could help companies somehow become a part of the everyday conversation about their products?" That was the drumbeat. "What if we could create a company that would be the real-people part of the marketing process?"

Most people I spoke with didn't get what I was talking about. People with marketing backgrounds, in particular, couldn't get past their idea of the consumer as the target of the marketing process, not as a part of it. "Companies don't want to buy word-of-mouth opinions," one potential investor told me. "What they care about is the number of impressions. You'll never be able to reach enough people through word-of-mouth networks to make a difference in sales." (Needless to say, he didn't pony up any cash.) Fortunately, their objections did not deter me.

Today, BzzAgent, the company I founded, is the world's leading word-of-mouth services provider. We have more than four hundred thousand real, every-day people in our volunteer community, and manage many other volunteer word-of-mouth communities for some of the biggest brands in the world.

Consumers join communities like ours because they are fascinated by products and services and the companies that create them. They want to get involved with them. They want to talk about them and engage in dialogue with others about them. With their involvement, we have created campaigns for clients, large and small, for-profit and not-for-profit, in all kinds of endeavors.

Within three years, we have grown from nothing to a major new force in marketing. We've made some money. We've attracted lots of attention. We've been the subject of a cover story in the *New York Times Magazine*.

Most important, I learned much more than I bargained for on this journey of discovery. About what word-of-mouth is, why we engage in it, how it proliferates, and what it can and can't do for products and services. That's why I decided to write this book—to share the knowledge. I didn't want it to be *The BzzAgent Story*, but I did want to write from the point of view of a word-of-mouth practitioner rather than that of the theoretician. I've spent three years deep inside this sometimes crazy word-of-mouth community. I've read thousands of reports from our volunteers—everybody from paroled felons to practicing nuns—about how and why they engage in word-of-mouth. I've talked with hundreds of clients about how they think about and use and measure word-of-mouth. And I've become obsessed with observing the workings of word-of-mouth in everyday situations, from baby classes to overseas business flights. So, although BzzAgent serves as the model for the book and the source of a great deal of what I know, the book goes way beyond the story of the company.

Here's the CliffsNotes version for you. (If you want, you can read the next two pages, put the book down, and tell everybody what it's about. Most of us do that with books anyway. But, of course, you won't really know what the book is about if you do that.)

- *Everybody talks about products and services*, and they talk about them all the time. Word-of-mouth is NOT about identifying a small subgroup of highly influential or well-connected people to talk up a product or service. It's not about mavens or bees or celebrities or people with specialist knowledge. It's about everybody.
- *Word-of-mouth is fundamentally different from other "alternative" forms of marketing*. Word-of-mouth marketing is not the

same as buzz marketing or viral marketing and it has nothing to do with shill marketing—which involves people being paid to recommend a product without disclosing their relationship with the marketer. (Ugh.) Word-of-mouth is the honest, genuine sharing of real opinions and information about products and services. It can be stimulated and accelerated, but it can't be controlled. Marketing mediums are not the same as real word-of-mouth.

- *Word-of-mouth proliferates in unpredictable ways.* It ripples out in generations. It crosses from network to network. It takes many paths. It does not proliferate within demographically defined communities. It does not move in a predictable sequence.
- *There are limited word-of-mouth windows.* People will generate word-of-mouth only for certain periods of time, usually when the product is new or has gone through some change or when something noteworthy or ridiculous has happened to make it worthy of talk. (Paris Hilton's T-Mobile Sidekick gets hacked into. President Bush is seen riding a Trek bike.) Individuals also have limited word-of-mouth windows, during which they are interested in generating and exchanging word-of-mouth on a particular topic. If you miss the window, nobody talks.
- *Word-of-mouth is product storytelling.* It is not about people passing along marketing messages. People tell stories about products. The stories are made up from their own experiences and those of others. The marketing messages get woven into the word-of-mouth stories, but they get changed in the process. Everything about the product—the marketing of the product, and the company that offers it—is storytelling material.
- *Word-of-mouth does not have to be positive to be good.* This is not the same as "All PR is good PR." Products are never perfect

and people accept that. Negative word-of-mouth can be weirdly powerful. It can add credibility to a product. If the company responds positively to negative word-of-mouth, it can turn detractors into loyalists. Negative word-of-mouth can often bring out the quiet advocates—who can be even more powerful than everyday fans.

- *Word-of-mouth is the basis for a new approach to marketing.* WITH marketing is about companies allowing everyday people into their process, giving them more interaction with the product, recognizing them more, and listening to them better. (As opposed to the traditional AT marketing, which treats consumers like targets and messages like darts.) Word-of-mouth is a source of tremendous product knowledge and marketing power. It's time to close the gap between word-of-mouth and marketing-speak and get a dialogue going between the two.

I would never have been able to come to my current understanding of word-of-mouth (as incomplete and imperfect as it still is) without the members of the BzzAgent community. So, when it came to writing the book, it was obvious and natural that they would be involved with it. Not only do their stories figure heavily in the text (and in the special chapter at the end), they have offered their help and opinions about the ideas in the book, its structure, its title, and even the cover design. This is their book as much as it is mine.

When I thought about how to translate our collective knowledge into a manuscript, however, I knew I faced a little problem: I don't know how to write a book. I can write, but that's not the same as writing a book. Besides, I had a business to run. So I found John Butman, one of the geniuses behind *Trading Up: The*

New American Luxury. In addition to book writing, he spent many years in the world of marketing communications, working with clients all over the world to develop messages, create media, and run campaigns. So he is more than just a writer, he is a thought partner and collaborator, which is why his name is on the cover with mine. (But below mine, because I'm an egomaniac.)

There was one other problem to overcome. As I said, I wanted this book to be more than just the musings of an armchair theorist. I wanted the reader to see the whole evolution of a word-of-mouth campaign, from consumers' first moment of awareness, to their word-of-mouth interactions and storytelling, to their decision to buy (or not), to their transformation into loyalists.

Seeing the whole arc of the process is critical to understanding the philosophy of word-of-mouth and to recognizing how we've captured the most honest form of marketing and learned more than we ever bargained for.

But no story of a single real campaign or any single agent would do the trick. So, we created a fictional narrative (although based on real campaigns) that features a character named Bardo (loosely based on a real BzzAgent), a fictional product called SparklyPerfect (please, do not look for it in stores), and a made-up marketer named Andie. (Hello, clients! She is not you unless you want her to be.) The narrative is contained in minichapters that alternate with the main ones. It allows us to get inside the heads of the consumer and the marketer and to understand what each one goes through during the course of an entire campaign.

The bulk of the book, however, is composed of stories of real consumers, real marketers, real products, and real campaigns.

This is, simply, the story of word-of-mouth.

The grapevine of marketing that connects us all.

Bardo, Your Average Unique Consumer

Bardo is your average American consumer.

He is a man of well-defined demographics. Male. 34. Middle manager of the dairy department for a grocery chain store. Lives in a desirable second-tier city with his wife, Megan, 33, a freelance graphic designer. Daughter Lily, age 7, attends 2nd grade. They own a home with 4 bdrms, hot tub, large yard with gas grill and outdoor oven. Household income \$76,000. They own a pet skink (a trendy reptile) named Fifi.

Is this man an influential? A maven? A transmitter? Doesn't matter.

One thing is certain: Bardo lives and breathes products and services, and talks about them every day. In fact, this midmarket, middle-income, dairy department middle manager thinks of himself as a bit of a trendsetter. The Cayce Pollard (see *Pattern Recognition* by William Gibson) of the supermarket set. No, he's not into metrosexual fashion, flavored vodkas, or self-help books. But he is very big on beer, camping gear, household gadgets, freezer mits, and social trend books.

One day, things get a little crazy in the dairy department, what with a Mexican cheese promotion and trouble with a leak in the low-frost freezer units, and Bardo is late leaving work. He stashes his new HotFinger™ freezer mitts—the ones with the double-welded fingertips, chainmail wrist guards, waterproof shell, and felted purple lining—and dashes to his two-year-old sport truck with the cold-weather package, on which he'd gotten a fantastic, end-of-season deal.

Dinner is over, but Megan has saved a plate of pasta for him. Bardo pops it in the microwave (the one with the autobrowning feature) and snaps open the fridge to grab a beer. He is delighted to discover the six-pack of the new handcrafted amber ale he had picked up the day before. A guy at work had recommended it to him, and the shelftalker at the liquor store had pushed him over the edge to try it. Bardo studies the label, thoughtfully pours the beer into the glass. Examines the color. Takes a swig. Primo.

With pasta and beer at hand, Bardo clicks on the TV (he hasn't gone flat-screen yet, but is working up to it) and surfs the channels. A spot for the amber ale catches his eye. It features an animated moose who, for some reason, lives in an igloo. The beer, which Bardo is just sipping, suddenly tastes a bit like fur.

Megan calls to Bardo that it is time to say goodnight to Lily.

"How was school?" Bardo asks his daughter, as he sits beside her.

"Dad, can we get a SparklyPerfect?"

Bardo flinches. SparklyPerfect? What could that be? Could it be the new Barney? Will he soon be spending a

fortune on the SparklyPerfect equivalent of purple dinosaur merchandise?

"Why do you want a SparklyPerfect?" Bardo asks, as he tucks her in.

"You know that girl Kendra at school?" Lily murmurs. "Yes."

"Her dad got one."

"But you hate Kendra, don't you?"

"Yeah. But she's smart and she has good taste in this kind of thing."

"What kind of thing?"

Lily has fallen asleep.

Later, Bardo Googles SparklyPerfect, and finds his way to sparklyperfect.com.

"SparklyPerfect," he reads. "The new household wonder that adds culinary sparkle to the kitchen and is perfect for the patio and garden, too! Beyond Awesome!" Lily and Kendra were talking about kitchen gadgets? You never know.

Although the site is a little long on cool and a little short on info, the product looks interesting. Bardo and Megan are planning their annual spring neighborhood barbecue and SparklyPerfect might be just the thing. Every year he likes to have some new gadget to show off to his friends.

Bardo bounces around the Web, but can't find much about SparklyPerfect on the techie or consumer goods blogs. There are a couple of goofy articles, obviously PR placements, from regional newspapers about how SparklyPerfect will change your lifestyle and sense of self-worth.

"Hey, Megan!" Bardo calls to his wife, who is in the bath with a glass of her favorite new wine, a California ver-

mentino. "Have you heard anything about this Sparkly-Perfect thing?"

"I hear it's expensive!" she replies, above the sound of the bathwater starting to gurg down the drain.

"Himm." But Bardo decides to enter his email address to get more information and receive a special promotional offer.

As he falls asleep that night, Bardo goes over the arrangements for the coming barbecue. Slow-roast chicken sausage. Tasting of seasonal lagers and ales. Tricks by Fifi the skink. (She can balance a potato chip on her nose and flip it into her mouth.)

And maybe a new gadget to show off: SparklyPerfect.

2

Who Talks about Products and Why?

Everybody talks about products, all the time.

I mean everybody. That's the key to the word-of-mouth phenomenon. Everybody talks to everybody else about products every day. From the anticonsumerist PhD to the teen in baggy sweatpants, flipped hat, and ultrajammin' ride, everybody speaks the language of products and services.

When we started BzzAgent, however, we didn't understand this. We thought that word-of-mouth was created by in-the-know, early-adopting, technically focused, 18-to-24-year-old, coastal hipsters. That's what all the word-of-mouth experts said. Our plan was to build a network of these supercool or superconnected people and get them involved in creating word-of-mouth campaigns for paradigm-smashing clients who had bleeding-edge new products and services to introduce to the world.

So, we created this thing called BzzAgent and invited people to join, expecting that we would soon be electronically high-fiving with the hippest dudes and dudettes on the planet. That's not how it happened.

We were lucky enough to make the decision that we should let absolutely anyone be a BzzAgent. In our desire to build a net-

work as fast as possible, we figured we shouldn't prohibit anyone from signing up. Besides, it would've cost money and time to build a filtering system. So, all kinds of people signed up to be BzzAgents. They weren't all young—50 percent of them were over twenty-five, 35 percent were over thirty-five. Plenty of them were downright elderly. And I don't mean fifty. I mean eighty-plus. They weren't all coastal. They lived in places all over the United States and Canada. They weren't predominantly guys, as we first expected. Seventy percent of them were women.

Most important, they were not all graphic designers or technogeeks or marketing mavens or Web junkies or glad-handers and networkers. They were housewives and students, senior-level executives, teachers, and dairy department managers. We really do have a paroled felon. Teenage stoners. People with large butts. Religious zealots.

What connects them? Why do they take part in the BzzAgent community? "I do it mostly for fun," BzzAgent Kyrie, a university administrator, wrote, "but also because it makes me feel like I am sharing something I believe in with the people with whom I associate." BzzAgent Angboy, a hospital psychologist, wrote, "I do it mainly to see and try out new products, and to have some impact on the products, whether through sharing with those around me or providing my own feedback to companies."

What does a BzzAgent actually do? A client, like Kellogg's or Energizer or Ralph Lauren or Anheuser-Busch, partners with us to create a word-of-mouth campaign for a specific product or service. To overly simplify the process, we ask for volunteers from the BzzAgent community to participate in the campaign, and create slots for a certain number of them, based on the criteria we've established with the client. The agents are provided with materials that help them understand and experience the product (usually including a free sample or coupons to purchase

samples at a store) and then they talk about, or "Bzz," the product when and where they see fit. They don't hide the fact they are BzzAgents. In fact, they often talk about being a BzzAgent as much as they talk about the product itself. Whenever they have a word-of-mouth interaction about the product, they send us a report. We analyze the reports and share our results with the client.

For a client, the ultimate goal of a word-of-mouth campaign may be to increase sales of its product or to change perceptions or raise awareness. Whatever else it is about, a word-of-mouth campaign is always intended to generate credibility. But we quickly realized that there is value in what can be learned from the reports about how products are being viewed and used by all kinds of people in all kinds of situations. It is information that is far richer and more real than focus group findings, survey data, or even shop-alongs and in-home interviews.

What's more, the thousands and thousands of reports we have gathered provide an amazing window onto the behaviors and attitudes people have toward word-of-mouth and products in general. They have given us a remarkable understanding, with incredible proof, of just how much of our everyday conversation is about products and services. We really do talk about products and services all the time. "Unless you have managed to separate yourself from people completely," BzzAgent SkeletonKey wrote, "you probably Bzz several times a day without even realizing it."

Try it for yourself. Take a day and listen carefully to your conversations and interactions. Take note of how many times you talk about products in your word-of-mouth interactions. The mentions don't have to be brand names. Just products in general. You'll be amazed at how many references there are to foods, books, electronics, cars, spas, airlines, medicines, shampoos, clothes, restaurants, furniture, and God knows what else.

When I first started working with Butman on this book, he

said that he didn't think he talked about products that much. Early on, he sent me an email saying, "I was at a baseball game today, then went to a wedding. Nobody talked about products at either event. Hmm."

I wrote back, "What?" I wondered if John lived in some sort of social bubble. "Seriously," I wrote, "I can't believe no one talked about any products or services . . . but I've been wrong before."

A little later he replied, "Actually, I'm totally wrong. At the baseball game, we talked about folding canvas chairs with built-in cupholders (it was my son's game, where you bring your own chair to sit on the sideline), baseball uniforms, bottled water, cars (I showed some friends how my hardtop convertible roof folds down), and restaurant food. At the wedding, we talked about adventure vacations, cameras, wine, tuxedos, shoes, movies, books, real estate, boats, and other stuff I've probably forgotten."

In 2005, we developed a joint word-of-mouth study with Walter J. Carl, a PhD and assistant professor in the Department of Communication Studies at Northeastern University. We surveyed a sample of BzzAgents and of "everyday people." The results showed that, for both groups, it is very common for people to have interactions that include one or more product references. Everyday people (those not associated with BzzAgent) reference a product, brand, or service in about 14 percent of their interactions each week. BzzAgents are an even more product-oriented bunch—over 25 percent of their weekly interactions make reference to products, brands, and services. In the study, we also learned there are no major differences in the amount of word-of-mouth engaged in by people according to sex, age, income, or other demographic variables.

And what's comfortingly old-fashioned about these word-of-mouth interactions is that the vast majority of them take place face-to-face. Even with about forty million blog readers in the United States and trillions of emails sent a year (one estimate is

that more than one hundred billion are sent each day), 80 percent of word-of-mouth occurs off-line. That's right, 80 percent of word-of-mouth is real time; real people talking to each other in the real world.

Why Do We Talk about Products?

What motivates people to spend so much time talking about haircuts and hotels and cell phones and grocery stores?

At least once a day, I ask someone why it is they have just told me about a product or service. What made them decide to get all wild-eyed and excited about a good book, to sneer at the price of a handbag, to recommend a pair of snowshoes, or to mention to me the fascinating fact that printer cartridges are now available in separate colors. Usually people respond to my question by saying something like, "I just wanted to tell you," or "I thought you'd be interested," or "It's such a great product, I just had to share it." But I never let people off the hook with these stock answers. I ask again, "No, really, WHY?" And I keep asking until the person gets irritated, confused, a little self-aware. (It's annoying, but it has to be done.) Ultimately, the person I'm talking with admits she isn't quite sure what made her share her opinion.

My admittedly nonscientific research has led me to the conclusion that there are six main reasons why we create word-of-mouth about products. Here they are:

Helping and Educating

This is the reason that most people would like to think they engage in word-of-mouth interactions about products and services.

It's the motivation that's easiest for people to feel good about. We all like to believe that our intentions are well meaning and unselfish. And very often they are. There are plenty of people, in plenty of situations, who really do create word-of-mouth because they want to help others make good decisions.

Helping and educating is a major reason that people get involved in the BzzAgent community. Agent daisyfay13 wrote, "Since becoming a mother, it seems that I talk about products and services with other mothers through email, on the phone, at child activities, and during pick-ups and drop-offs, and yes, even at parties. With everything to buy, watch out for, and manage, I think about goods and services all the time. I am not interested in showing off my information, but I am happy to share my information."

Proving Knowledge

But many people are very interested in showing off what they know. In our constant battle to keep up our self-image, and to ensure that others see us in the way we would like to be seen, we share information as a way of proving our worth.

For example, take my brother-in-law. Whenever he comes to visit for an evening, he always picks up at least three different rare cheeses and spends a half hour at the wine shop debating with the staff which varietals and vintages will make the best pairings for the perfect tasting. But he doesn't just bring the wine and cheese. He has to talk about it at length, describing the provenance of the cheeses and the terroir of the wines, and explaining how the two go together. By doing so, he proves to me that he truly is an expert, a maven, about cheese and wine (or, at least, more of an expert than I am). I appreciate it and certainly benefit

from it, but it really does more for him than it does for me. I'm happy with a decent cab and a slab of aged gouda with saltines.

BzzAgent DontheIdeaGuy is certainly one of those who likes to demonstrate his knowledge and he's up-front about it. He most fits our original idea of the BzzAgent profile, an out-there cool guy. Don wrote, "I like the access to cool new stuff. I fancy myself a trend-watcher, so seeing the items (whether I participate in the campaigns or not) that are up for Bzz campaigns lets me add another connection to the bigger picture I am observing. I take all these bits of data and use them to create new ideas for business proposals, product and service ideas, and fodder for my writing. You just never know where a new idea will come from, and I want to make certain all my antennas are 'up.'"

Finding Common Ground

Very often, engaging in product-related word-of-mouth is an easy and efficient way to establish common ground between individuals. When you meet someone new, it rarely takes more than a few minutes to stumble onto some product or service you both can discuss. It's a low-stress way to find similar likes and dislikes, as well as a way of filling holes in the conversation. Establishing similar views is more easily done about a movie than it is about, let's say, your religious beliefs. Products and services are a handy shortcut in relationship building.

BzzAgent gprindle, a business executive, wrote, "I am one of those people who genuinely enjoys talking to people. It doesn't matter who it is. In many ways Bzzing also complements what I do. I work on deals that normally result in very large fees. I look at the opportunity to Bzz as a low-risk type of influence opportu-

nity. Small talk is the oil of any relationship, and when I remember that a client is interested in photography (for example) and then bring up how he might want to consider Energizer®²⁰ lithium batteries, it improves our relationship.”*

Validating Our Own Opinion

Often, we create word-of-mouth to validate an opinion we already have formed. We bring up the product just to check to see if we've missed something or if our information is correct. We want someone else to confirm that we're right.

Butman flew with his family to Florida for a few days. He called me after they'd checked into their hotel and we chatted about the trip. “We flew Song,” he said, “and it was a pretty good flight. Nice entertainment system. Decent food with several menu choices. A 757. The aircraft with the best safety record of all. Have you ever flown them?”

“Why did you just tell me all that?” I asked.

“Um,” Butman said, possibly annoyed. “Because you're interested in products and services.”

“Why else?”

“Because I know you travel regularly. You might like to know about this airline.”

“So you're sharing and educating?”

“Yes.”

“No, you really wanted to validate your own opinion, didn't you?” I said. “To make sure that I didn't think you were an idiot for flying Song.”

*Energizer®²⁰ is a registered trademark of Eveready Battery Company, Inc.

“Maybe. My brother flew American. My sister flew Delta. They had never heard of Song.”

“Consider yourself validated,” I said.

Pride

We also create word-of-mouth because we're proud to be associated with a particular product or brand. I wasn't sure that this was a widespread motivation at first, but I have been surprised at how many people feel proud about the brands and products they have included in their lives. And it's not just that they're showing them off, like status symbols, and basking in their reflected glory. No, they are genuinely proud about their choices. Patagonia wearers, Harley drivers, *Guns, Germs, and Steel* readers, Acura drivers, and wearers of Johnston & Murphy Lites. It can be any product for any person. If it feels like we've made a good decision, we're proud. Sometimes we're proud that we were able to navigate through the maze of choices and come out with a winner. Sometimes we're pleased that we made a purchase that makes our family feel safe or look good to others.

Pride is a major motivation for BzzAgents. As BzzAgent daisyfay13 wrote, “I feel an incredible sense of excitement when I see a product that I have Bzzed being sold in a store. I feel a huge sense of pride when a product that I have Bzzed wins an award, or reaches a spot on a best-seller list. To feel that you have contributed to the success of a product is a wonderful feeling.”

BzzAgent gprindle wrote, “Back in high school I took one of those interest tests that is supposed to tell you what profession you would enjoy. Mine suggested I should become an ambassador, and, in many ways, being a BzzAgent allows me to be an ambassador for products.”

Sharing

Finally, people create word-of-mouth because they like to share ideas, opinions, and information. There is no self-serving motive or expected result. When a product or service really makes us feel good or bad or angry or mystified, it's natural to want to share that feeling with someone else. "If I weren't a BzzAgent, I'd still Bzz about things," wrote BzzAgent SkeletonKey. BzzAgent Tatorswife put it most simply: "I love to talk, and Bzzing about products is a great way to communicate with people."

After the first Word-of-Mouth Summit in April 2005, my flight from Chicago to Boston was seriously delayed by weather. Matt McGlinn, our director of research, and I hung out at O'Hare's K2 Lounge, waiting for the thunderstorms to pass. Matt started talking about a David Foster Wallace story he was reading in *The Atlantic*. He went on and on about how no one really reads David Foster Wallace but people like to say they do. I started the process: "Why did you tell me that?" Matt is quite used to this, even though he likely still finds it annoying. After some needling, I realized that Matt did not have any particular agenda. He wasn't trying to educate me or prove how smart he was. He was just plain excited about the story, about Wallace's footnotes, and his amazing originality. He was bubbling over with the enjoyment of it, and he just wanted someone else to be part of that. We're social animals. We talk simply to connect and engage and share. It's too bad Matt chose me to talk to about the story. Instead of an interesting dialogue about David Foster Wallace and why people like to say they read him, even when they actually don't, all Matt got from me was a never-ending loop of whys.

Often the reasons we create word-of-mouth are intertwined. There are usually multiple variables at play. One reason may be

dominant in one situation but not others, or at one time and not others. Listen and watch closely to your word-of-mouth interactions and you'll start to see the patterns. Be careful, though—the more aware of these motivations you become, the harder it gets to turn off.

The fact that people have personal motivations for creating product-related word-of-mouth, and that those motivations are sometimes self-serving, does not make the interactions any less genuine and honest. That's why word-of-mouth is so incredibly valuable, so real and tangible, and it's what makes it so successful in building products and services: it's honest and natural. Conversation about products is as fluid and complex and varied as conversation about anything else in the world, from global warming to sex.

A New Kind of Loyalty Program?

We hadn't figured out any of these motivations when we started BzzAgent. Sure, we read as much as we could on the subject, but most previous subject matter was about the types of people who might create word-of-mouth, and most researchers were focused on data and analysis. So, when we launched, we thought people would join the community, not just because they liked to talk, but because they could get free stuff.

That's why the original plan was for our business to be a new kind of loyalty program. Instead of receiving a credit card and spending to get airline miles, we'd get the BzzAgentis involved in a word-of-mouth campaign for a client, they'd report back to us about what they were saying and hearing about the client's product or service, and we'd give the agents brand-associated rewards in return. Perks for communications.

So, we created a rewards system. The agents would receive a certain number of points for each word-of-mouth activity they reported to us. The points would accrue in their accounts. They could redeem them when they wanted to for a variety of types of swag or additional brand-associated products.

With the system in place, we were ready to go.

Our very first BzzCampaign for a living, breathing, honest-to-God client was for the Penguin Group, the publishers. (In the interest of full disclosure, let me say here that Portfolio, the publisher of this book, is part of the Penguin Group.) I had been making the rounds to every company that would listen to me, trying to get someone to believe in using our system. I called Hillary Schupf, an old friend of mine from college, and she set up a meeting with some of her colleagues at Penguin. I pitched BzzAgent to a room full of people, trying as hard as I could to avoid mentioning that we had just launched the business, had zero clients, not too many BzzAgents, and basically had no idea what we were doing. Hard to imagine, but they didn't immediately seize the opportunity to pay us vast quantities of money. At last, I offered to run a word-of-mouth campaign for them for free. Rick Pascocello, a VP of marketing at Penguin, agreed to give us a shot. The campaign would be for a book called *The Frog King*, a novel by Adam Davies.

We launched the campaign for *The Frog King* in the summer of 2002. Jon O'Toole (Jono, our communications director and the only guy who would agree to join the company . . . but only after he asked if I was sure it was legal) and I had worked for weeks creating our first BzzGuide. The BzzGuide was (and still is) a document that describes the product and outlines communication points that are intended to help BzzAgents share their opinions more effectively. We had no template to follow, no idea if any agents would actually read the thing. We didn't want it to be

salesy, but it had to contain enough information so the agents could talk knowledgeably about the book. We weren't really sure what the agents would need to know to help them engage in word-of-mouth interactions. So, we mentioned several parts of the book that we thought were particularly funny or memorable that the agents could talk about. The BzzGuide was just a laser printout, stapled together. Watching it ship out of the office, I felt like a kid handing in a paper to my ninth-grade English teacher.

When the first *Frog King* report came in, we knew we were really onto something. It came from BzzAgent Jewel in Brooklyn, New York: "While leaving a friend's apartment, we were in the elevator and joking about the normal stuff. My friend Laryn asked for a book that she had loaned me. I told her I'd return the book, but then I thought about *The Frog King*. I told her it's about living in New York and had sex and a lot of drama. She laughed and said she wouldn't mind reading it because it might reflect her since she had drama when she moved to New York. When the elevator got to the third floor Laryn's cousin Keisha got on. Before I could say anything, Laryn started telling Keisha about *The Frog King*. Keisha keeps up with the latest books. She said she never heard of it but if it's about living in New York it must be a good book. They asked me where I heard about it and I told them it was the latest buzz!"

Jon and I were dizzy with joy. This was amazing. We were so excited that we wrote back a detailed response: "This is great reporting. You definitely get a big high five for this! Although we are not rewarding BzzPoints for *The Frog King* BzzCampaign just yet, we definitely wanted to show our admiration and reward you with some points. If this is any indication of the future of your BzzActivities, these will be a drop in the bucket. Keep up the awesome reporting!"

For the first few months, Jono and I answered every *Frog King*

report personally, with a sense of pure enjoyment. Every report we received was another sign that the system was working.

But, shortly after we launched, we realized that things weren't going as we had planned with the reward system. Something, in fact, was seriously wrong. People were earning and accumulating points for sending in reports and sharing their opinions, but they weren't redeeming the points. They weren't claiming their rewards. We thought this might be because there weren't enough agents yet and the sample size was too small, so we ignored it. Besides, everything else about the business model was working well. Our agents were going out into the world, talking about the products, writing up reports, and sending them in. Our clients were pleased with the effect our campaigns were having on their products and businesses.

The Frog King campaign was a success. The book did well, and BzzAgent was able to attract more clients and involve more people in the network. But still our agents didn't redeem their points. We struggled to figure it out. We had heated debates, painted complex strategy maps on our whiteboard, and tinkered with the system. We sweated the details. We had middle-of-the-night epiphanies and conference calls at dawn. We finally had a hypothesis: our rewards must suck.

So, we changed the types of rewards and restructured the redemption process to make the free stuff even easier to get. We increased the number of points that an agent could achieve for each report. We lowered the total number of points needed for each reward. We changed the size of the image of the rewards on the Web site. We put up big road maps all over the Web site to point people to the rewards section. "Click [HERE](#) for rewards." "This way to [REDEEM](#) your points!" "Thanks for reporting Bzz, now get some damn [REWARDS!](#)"

Please?

Nothing changed. Finally, during a casual chat over a game of backgammon, someone had the bright idea that we should ask the agents themselves just what was going on. We talked to a number of them directly and ran a survey on our Web site to accumulate as much data as we could. When the answers came in, we thought they must be wrong. We revised the survey questions. It didn't make any difference. No matter how we asked the questions, we always got the same types of answers. The majority of agents were telling us that they were taking part in a BzzAgent word-of-mouth campaign for reasons that had nothing to do with our rewards or prizes.

They said things like:

"I do this because I'm getting personalized feedback from brands I talk about."

"I'm finally getting appreciated."

"I like to be the first to know about things."

"It's cool to get involved with thousands of other people around the country."

DontheldeaGuy says there are two reasons why people become BzzAgents:

1. To get cool stuff first. I think the idea of BzzAgent appeals to people who are already early adopters of new ideas. BzzCampaigns enable them to become even EARLIER adopters—to try and beat out their other early adopter friends in the unofficial game of "look at the cool thing I found before you did."

2. A sense of being "in the loop." Not so much for a sense of "belonging to a group"—which is what I would have originally guessed—but more along the lines of being on the inside of some great stock tip or knowing about a horse race or something.

Don's observations have been echoed by many, many other agents. Being involved in BzzAgent is not so much about getting the free stuff as it is about getting the free stuff before other people have it. More important, it's about being involved in a group that has inside information about all kinds of things.

But there are also agents who don't care about being first or in-the-know and have no involvement in marketing or business at all. Here's what Maria1234 says about her involvement:

"I am daring, well-educated, and opinionated. I convinced 10 friends to jump off a 50 foot bridge with me into a river. I have been to every major art museum in Europe. I drove cross country three times and saw the World Trade Center, the Grand Canyon and the largest McDonalds in the western hemisphere. I dedicated a full year of my life to community service and worked with AIDS patients after I graduated from college. I have lived on the East Coast, in the Midwest, and on the West Coast. I read banned books. I am 28 and live with 300 19-year-olds who are only slightly crazier than I am. The irony involves the amount of influence these folks have on me and on one another. When I moved to LA from Chicago, I found my optometrist, my hair salon, the local hot spots, great restaurants, and local shopping hubs by word-of-mouth. Some of my favorite bands, movies, books, clothes, and toiletries were brought to my attention by friends, colleagues, and complete strangers. I too have passed valuable information on to others without compensation. I am new to this site. However, the opportunity to read new books, try new jeans (that I really do love!!) and pass on the information that would occur naturally seems too easy. Why am I a BzzAgent? Everyone is a BzzAgent in theory. I am just lucky enough to benefit from the practice."

To this day, more than 75 percent of the BzzAgents accumulate points but never redeem them. Less than 0.4 percent have redeemed more than ten rewards in total.

The Real Rewards

In those early campaigns, we also began to realize that our responses to the agents' reports were every bit as important to them as the Bzz activities themselves. Most of them were surprised that we actually read the reports, delighted that we took the time to reply, and amazed at how much detail we put into our responses. For the first year, a good 10 percent of our agents would email us as soon as they received the first response back from us, saying something like, "Oh my god, I can't believe you actually read my report. That's so cool." Or, "I am so impressed. I thought I'd get an automated response from a machine."

We also noticed that the communication would change once the agent knew that there was a real person in our office whose job it was to read her reports. A first report might be simple and very short. Here's one from BzzAgent marju95, who was in a campaign for Johnston & Murphy Lites: "I spoke of these shoes to my dad (who travels a lot also), and then he went out and got a pair for himself."

But then, when the same agents received our responses, they would open up and the reports would become more like Jewel's story of her elevator ride. They would describe their feelings, tell their stories, and relate their experiences. It seemed that the "realness" of the dialogue between us and the agent was the driving force.

The more convinced we became that our responses were absolutely crucial to the success of the system, we made a rule: every report had to be answered within forty-eight hours of receipt and within twenty-four hours if possible. We wanted to show the agents how meaningful their reports were to us and that they were, in fact, the lifeblood of our business.

By early 2003, reports were coming in at a steady clip. We would have hundreds of them in queue waiting to be answered. Even with another communications guy, Aaron Cohen, we couldn't handle the volume of reports. Jon was whining every day. He couldn't keep up. We laughed at him. But we weren't ruthless. We enlisted the entire staff (there were a total of five of us at the time) and made a rule that everybody in the company had to answer at least ten reports a day. Not only would that enable us to better handle the volume, it would mean that everybody on staff would have a finger on the pulse of the business.

Some days we'd work until 8 or 9 p.m. in the office, then go home and spend another two or three hours answering reports. For months, I was having IM (instant messaging) discussions with co-workers late into the night, imploring them to keep going. There would be complaints. Mini-mutinies. Breakdowns. But we all agreed that this was the core of our system, even though we hadn't realized it at first. It was the engine that made everything else succeed.

As the system grew, it became blindingly clear that what the agents really wanted was interaction and communication. They would have continued communicating without the freebies. In fact, they did. In the beginning, we ran out of rewards quite often. But when we ran out of stuff, we saw very little difference in the level of activity and reporting. Agents might complain that there were no more rewards, but that didn't stop them from reporting. They continued to share their experiences and to engage in the dialogue. The tangible rewards were nice-to-haves, but they weren't what really motivated people to participate.

We found that even people who did come to our site in search of freebies often stayed because they liked the interaction. Early on, our campaigns started showing up on "freebie boards" (Internet sites where people post info and links to free offers, coupons,

and other swag that is available on the Web). Amazingly enough, people who came to BzzAgent from the freebie boards apparently had a change of heart when they found out what kind of community we actually were. They came in looking for the special deal or handout, and found a different kind of passion. Just because they had a freebie-seeking side, that didn't mean they were all bad. They also had honest opinions to share. We responded to them just as we responded to everybody who communicated with us. They liked getting the response so much, their goals changed. Many of these would-be pirates emailed us to confess to their wicked ways. They admitted that they had originally joined us because of their free-stuff addiction, but ended up sticking with us because they found something much better: being involved. No, they didn't go so far as to suggest that we get rid of the points system or dump the rewards. But that aspect of the system wasn't the most important thing to them anymore.

Now that we've accumulated a vast amount of data, we know that this shift of goals is typical. About half our agents join with the intention of getting as many rewards as they can. They hear about us from a friend who got a free pair of jeans, for example, or from a posting on a freebie board or some other conversation on the Web. But once these folks get involved in the process, they realize that the product is just a small component of the bigger picture, and that the more meaningful rewards they receive are about learning, sharing, and being aware of the impact of their opinion about those products.

Over time, we got the hang of this new way of incentivizing. We learned as much from the agents as they did from us. We stopped trying to figure out how to make the reward system better and more robust. We worked, instead, to make the communications more satisfying, to make people feel even better about their involvement in the network.

We began to think of our network as one big cocktail party. Sometimes you get involved in a conversation at a party and you know immediately that the other person is just aching to move on to somebody else. Their eyes wander. They keep glancing at the buffet table. They shake the cubes in their glass. They look for an opening to say they think they'll refill their drink. But then there are other kinds of conversations. You get into a dialogue that's pure enjoyment. It's satisfying to both parties. There's laughter, no awkward moments, no scanning the room for someone to rescue you. In these types of conversations, there's a mutual respect. Something clicks, and the conversation just works. That is what we set out to create.

A new twist on a very old network: the social grapevine.

Andie, Attack Marketer

Andie is the marketing director of GlobalGajitz, a major consumer products company. She's professionally hot. Over the years, her campaigns for consumer products have generated (by her own modest estimate) six hundred million impressions. She has been featured on the cover of *Marketing Mojo* magazine. She gets a call from a headhunter at least once a week.

Andie is in charge of the launch of a promising new product, SparklyPerfect. Management has high hopes for SP, as they call it around the office. It has breakthrough features for the kitchen category. Crossover potential into the barbecue/patio segment. Could even find applications in sports/leisure and gardening/garage. It has slick Euro design with good old American ease of use.

Still, SparklyPerfect is no slam dunk. There's no product quite like it on the market, so it needs some explaining. The price point is a tad high. The big-box retailers aren't exactly sure which department to stock it in.

Nevertheless, so far, so good. Andie has completed focus groups and a limited pilot program. There have been in-store demos in selected retail footprints in three second-

tier cities. A teaser Web promotion. Advertising in local weeklies and kitchen monthlies. At the stores, the limited stocks of the product have sold out. Real-time spot interviews with consumers attending the demos have shown high purchase interest.

Now the national launch is just weeks away. It promises to be a masterpiece of integrated marketing, a brilliant sequence of carefully crafted communications. It will include off-shelf displays to build awareness and trial. Market prep through national and regional lifestyle features. A burst of TV and coordinated radio. A blitz of co-op ads, outdoor and in-store events. A barrage of direct mail and couponing.

As confident as she is in the campaign, however, Andie is always pushing for that extra element, that marketing special sauce that will break through the clutter, capture the consumer, and win her more personal recognition. That's why she has placed her extra bet on a potentially breakthrough medium: taxi toppers. In cities across the country, cabs will be streaming through the streets, their roofs adorned with signs glowing with internal light. They will flash on and off as they cruise along, with each blink revealing one of three visuals in sequence: a drop-dead gorgeous product photo, followed by the twinkly SparklyPerfect logo, followed by the tagline BEYOND AWESOME!

One rainy Tuesday not long before launch, Andie meets with her boss, C. C. Farman, SVP of marketing for Global Gajitz. The agenda: review the data they've gathered in a series of nationwide focus groups.

Andie fires up her laptop and goes to the first slide of her presentation. "SP shows high, or extremely high (in Boston, WICKED high) positives across an unusually wide

range of demographics," Andie says to Farman, pointing to the multicolor bar chart. "Adults 24-49. Men. Women. Homeowners. Apartment dwellers. Suburbanites. Metropolitanans. Singles. DIWKS. DINKs. Tweens dig it. Seniors want it."

"Great. But who's the PTC?" Farman asks. (PTC is Farman-speak for Perfect Target Consumer. PTC is the consumer who is most likely to buy. The consumer they must aim their message darts at. The consumer they must capture and keep.)

Andie is well prepared for the question. She advances to the next slide. "PTC is a 32-year-old female. Married, 1.3 kids. Full-time or part-time worker. Household income \$50K+. Single family home on 10,000+ square-foot lot. Garage. Hot tub. Barbecue. Has visited a hair salon within the past month."

"How do we get to her?" Farman asks.

"She will have to be seriously ill, probably in a coma, or living in a hut in Death Valley to miss every element of our campaign," Andie says with great confidence.

"OK, but I mean how do we make sure she doesn't TiVo past the TV. Sirius around the radio? Put the print ad in the kitty box?"

Andie has a momentary panic attack, which she conceals by moving quickly to the next slide.

"We draw her in with the lifestyle features," she says with icy calm. "We shove the product in her face with end cappers and shelf danglers. We run a banner right through her home page." Meanwhile, she thinks: What the hell does the man want? This is a full-out campaign, as close to a sure thing as marketing gets.