

An Introduction to **trnd WOM Marketing**.

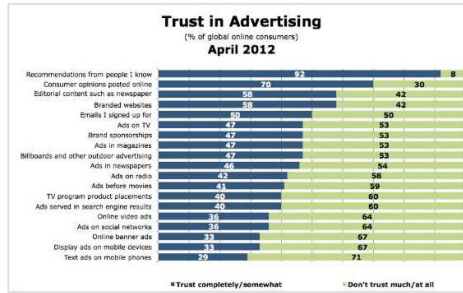


trnd has been leading the Word-of-Mouth Marketing revolution since 2005, and we have been able to collect a lot of experience and knowledge along the way. On the following pages, we want to go back to the basics and explain the underlying principles, to show where it all comes from and why and how it works.

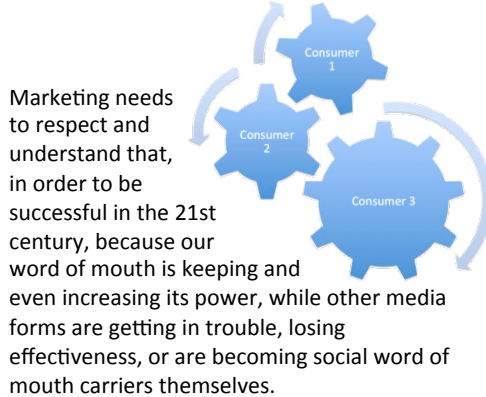
Why we talk:
It's In Our Genes.

Mankind survived because we were able to synchronise our actions. When our ancestors had to fight for survival with other animals, they didn't have the thickest fur, the sharpest teeth, or the fastest legs. But they had developed the ability to communicate and jointly plan their actions – and these actions almost always revolved around food and drink: where is a good source for water? Can we eat these plants? Should we hunt those animals?

As early humans synchronised their actions, they survived and outsmarted other species. Since it helped our survival, listening and talking to each other became part of our DNA. So today, it's hardwired in our brains - finding out from others where the good stuff is and sharing tips with others makes us human. Therefore, it is no surprise at all that Nielsen consistently finds word of mouth to be by far the most trusted form of advertising.*

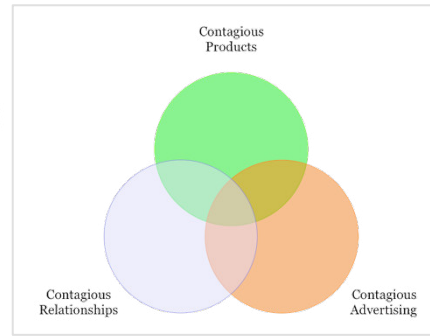


We, as consumers, synchronise. We act in concert with others. When we buy, we buy not only for ourselves – we buy socially. When we talk, we exert our influence on others, on what they buy. Our buying behaviour is not a "stand-alone" activity, it is inherently social; networked.



The Challenge:
So What Can Marketing Do About This?

So far, Marketing has developed three fundamental ways of working with word of mouth. Most any tactic, approach or campaign can be classified within the following system – either as a pure version of one of the three approaches, or as a combination. In the following paragraphs, we will briefly illustrate and explain all of them, because they provide a useful overview for categorizing approaches:



Contagious Products

The homerun of word-of-mouth marketing is word of mouth that's engineered into the product itself. Marketing agencies don't have all that much left to do when a company has built a truly "viral product."

One example are products that advertise themselves while they are being used. Take early digital cameras, for instance. What happened when people brought one of the early digital cameras to a party? They took a photo and ... directly showed the result to other party-goers on the little camera display. The effect? The other person received a full-on product demo, including this crucial piece of dialogue: "So what happens with the photo? How is it developed?" "No developing, it goes on my computer, I can even email it to you."

A product that provides its full benefit in a social setting is inherently viral. Which is why most of us learned about digital cameras not from advertising, but from our friends.



Another example are network effects. They kick in when a product becomes more useful for a user the more friends of hers use it. Take the person who owned the first telephone in a town. That telephone was not very useful for that person, initially. If only her friends had telephones, too! Then things would be so much more interesting! In other words, the product's qualities gave her a powerful reason to spread the word and get her friends and relatives to buy a phone, too!

The latest and most impressive case of these network effects is, of course, Facebook. Nobody has ever seen an ad for Facebook. Yet we're all on it – our friends invited us, because they wanted to make the platform more useful for themselves.



Contagious Advertisements

They are still the big thing with creative agencies around the world. Agencies have understood a while ago that if they make an ad entertaining enough, people will share it with their friends – the ad "goes viral".

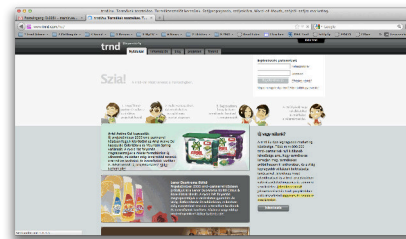
Here, word of mouth is used *not* to recommend a product, but to increase the reach of an ad. In terms of marketing effectiveness, that is not quite the same. The relationship between recommending an ad and people buying the product is definitely not as powerful as between recommending the product and people buying it. But it's definitely a good way to get more exposure for your ad message.

Two caveats, however: you must bear in mind that your ad content is competing against every other crazy idea, meme, blogpost, tweet and status update that is out there, contributed by the networked intelligence and creativity of millions. So in order for it to work, you need to invest in something truly special, and you need to be sure to put it in the right places for it to be noticed and spread. (Just *calling* your ad viral, by the way, is not enough. Many agencies and brands claim in their press releases that they have just published a viral ad. Sometimes that may end up a slightly premature assessment.)

Second, don't forget that you're in the advertising business. Brands and agencies can get carried away with super-funky ads that may indeed go viral. But are people buying the product in the end? Maybe the ad is so much fun that users forget what it was for? Maybe your ad spreads far and wide, but it leaves no noticeable trace under the bottom line? Some viral marketers have told us in secret that they love to rave about their campaign's viral spread, but won't say much about actual marketing effectiveness.

Contagious Relationships

This is the playground that we at trnd are at home in. And the underlying approach is not new – it's ancient.



Think of a marketer in the olden days. Someone in a medieval town who was selling fruit and vegetables on a market. He could have been a bit of an introvert, simply selling when someone stopped and wanted to buy.

But maybe he wasn't so laid-back? Maybe he was more involved, more interested, more interesting. He could have been the guy who really engaged a potential client in a deep conversation about, say, the onions he was selling. A woman may not have been so sure whether she really wanted to buy from him – his prices did seem a little high. But the stories he would tell! About where he was raising his onions, and how he had his special home-cooked fertiliser that he would use, and how carefully he would handle them and bring them to the market, and how that made them the best onions for miles around.

So in a brief conversation, she not only became an actual client, she also turned into an expert who had a story to tell about him – about this amazing farmer and about his methods, and how special his vegetables were. By reaching out to a person who was interested and willing to listen, and by sharing with her what makes his products special, he turned her into an evangelist, an ambassador, someone who could relate his stories yet to others, making them curious about his products, too.

Limited Relationships:
Dunbar's Number.

For the longest time, this approach had very limited reach, of course. Professor Robin Dunbar tells us why: he found out that we, as humans with the mental capacity that we have, can only keep track of and relate to some 150 individuals.* This is a roundabout average, some can do more, others can do less, but that's the ballpark number.

So building relationships over the counter, one person at a time, may work for the little corner shop in your street. But it's not going to work for megabrands who want to sell to millions of consumers.



And that is why word-of-mouth marketing hasn't been very popular for quite some time. The large advertisers needed to reach large audiences, and they couldn't be bothered with conversations. So they used mass media instead. Working with word of mouth was only for the little guys.

But now imagine what you can do when you strategically use all the tools that we now have on the Internet. Let's say you have a carefully organised email inbox, a LinkedIn account, a Facebook account, you're on Twitter, and you're writing a blog. All of a sudden, it becomes possible for you to keep track of ten times the Dunbar number – maybe 1,500 people. Maybe even more. If you've forgotten someone, and they write to you, you can just go and look up the last exchange you had with them, and boom, there you go, you can talk to them like you never forgot who they were.

So our modern array of Internet technologies actually enables us to scale up the number of people we can maintain a relationship with. And that means we can scale up the word-of-mouth-driving dialogue described above – the type of interaction that helps the vegetable salesguy get more word of mouth for his onions. One person can do it with 1,500 people, a group of ten can do it with 15,000.

And that is exactly what we do at trnd. Which is why trnd actually stands for "the real network dialogue."

Investing that type of dialogue effort into anyone doesn't make sense, of course. Selecting the right 10,000 participants into a campaign is a crucial element in the process. Word-of-mouth marketing works very differently from other marketing approaches, in that it only involves those who first demonstrate an active interest in what the brand has to offer. There is no spam in WOM Marketing, because you cannot actively engage participants who don't want to hear from you. In word-of-mouth marketing, things are really the other way around: the most interested, most motivated, most curious consumers are actively applying to the brand, in order to be considered for the campaign. That way we make sure that we're only working with people who really want to engage with a brand, and who won't get bored by the campaign.

Something most marketing people find difficult to realise: this type of interest and curiosity is not limited to the brands mostly considered "word-of-mouth brands", such as Apple, or some fancy car brand, which get a lot of media-related buzz and visibility. The potential for this type of engagement is available to most any brand. The only problem for our perception is that most marketing people think based on their own interests, and many of them simply don't take a lot of interest in the products they market. But there are millions of consumers who are deeply engaged with washing detergents, with coffee brands, or with a new flavour of toothpaste.

The task is to find the most motivated ones, and then to treat them as real marketing VIPs.

Five Stage Process

At trnd, we have developed a five-stage process which allows us to reliably run WOM campaigns for most any brand and marketing challenge: First, we **select** the right participants from the word-of-mouth marketing platforms that we run across Europe and South America. Based on millions of detailed member profiles and our proven recruiting and application process, we can find the most suitable participants for any campaign. Then we **connect** them with the brand in a way that's meaningful and engaging. This mostly involves real product experience (but it doesn't have to!). After that, consumers themselves **spread** the messages to their relatives, friends, and social circles. Interestingly, in 90% of the cases, they do this offline! In order for this to happen in the right way, we assist them throughout the campaign with our **support** system on our trndsphere platform which enables us to keep in touch with them, and engage them on an on-going basis. And finally, we **measure** the results that we have achieved in the campaign. We have been working with and perfecting this five stage system of select, connect, spread, support and measure since the beginning of 2005, and now know exactly how to operate it across different cultural settings and languages.

But they key question is, of course: what is the return on all this dialogue investment?

Not So Limited:
**Going Beyond
Dunbar's Number.**

But nowadays, mass media is getting increasingly complicated to use for advertising. We are facing an ever-increasing number of channels, platforms, websites, stations, publications, and we're getting less and less reach from each one of them. That's why marketers are thinking about word of mouth again. And rightly so – because the new world of internet communications enables us to go beyond the limits of Dunbar's number.

If we only have our little brains to use, it's easy to see that we cannot relate to more than 150 people. We just cannot keep track of that much information for too long. If someone drifts out of our lives, we tend to forget about them. And it is good that way – otherwise we would constantly be overwhelmed with useless information.

The Who Is Who:
**Selecting &
Engaging**

