

How to Start with Word-of-Mouth Marketing? Just Ask Your Supporters to Spread the Word.

By Fredrik Olovsson, M.Sc. in Engineering, Industrial Engineering and Management, Lund University. 18 August 2015.

“When people really love something, they’ll tell their friends about it, and you’ll see organic growth.” This is the promise of word of mouth, as described by Sam Altman, President of Y Combinator, in the opening lecture of the “How to Start a Startup” class at Stanford University in fall 2014. Having customers that spontaneously talk about your product is great, but marketers might ask themselves what they can do to generate more word of mouth.

Word of mouth is one of those marketing buzzwords that get thrown around a lot. In essence, it refers to communication about a product, service or brand between a receiver and a communicator whom the receiver perceives as non-commercial (Arndt, 1967, cited in Nyilasy, 2006, p.166). With the emergence of the Internet, word of mouth has expanded from oral, person-to-person communication to also include written, one-to-many communication.

So, now we know what it is. Is it also worth bothering about? Well, a 50-year review of research on word of mouth concluded that word of mouth has been proven more effective than advertising (Nyilasy, 2006). This is great, but the problem is, more research is needed to identify what organizations can do to generate word of mouth (Nyilasy, 2006).

Back in 1966, Dichter identified four motivations for sharing word of mouth:

product-involvement, self-involvement, other-involvement and message-involvement.

To test these motivations, the author (Olovsson, 2015) ran an email experiment including 25,000 people, who were subscribed to a marketing newsletter from a nonprofit organization. The population was split in five groups, each group getting an email attempting to trigger one of the four motivations or a quasi-control message that imitated the organization’s standard marketing copy.

The recipients were surveyed one-and-a-half week after receiving the email campaign. It turned out that overall, 21.2% of respondents had shared word of mouth about the organization after receiving the email.

This result was robust across all email variations, with the word of mouth communication rates per group ranging between 19.4% and 22.8%. While it is unknown how many would have shared word of mouth anyway, without receiving the email campaign, the campaign probably generated additional word of mouth.

Hence, it seems that marketers can get started with word-of-mouth marketing, without sweating too much about crafting the perfect message, because simply asking customers and supporters to spread the word could get 20% of them talking.



References:

Dichter, E., 1966. How Word-of-Mouth Advertising Works. *Harvard Business Review*, [e-journal] 44(6), pp.147–166. Available at/through: <<http://www.lub.lu.se/>> [Accessed 31 January 2015].

Nyilasy, G., 2006. Word of mouth: What we really know - and what we don't. In: J. Kirby and P. Marsden, eds., *Connected Marketing: The viral, buzz and word of mouth revolution*. [e-book] London: Butterworth-Heinemann, pp.161–184. Available at/through: <<https://www.researchgate.net/>> [Accessed 21 January 2015].

Olovsson, F., 2015. *Word of Mouth Marketing for Nonprofit Organizations—Theory and Field Experiments*. M. Sc. Lund University.

