

# THE BEST ENDORSEMENT MONEY CAN BUY

**Chris Grannell** explains how both consumers and brand owners can benefit from brand advocacy.

If you needed a builder, the chances are you would ask around before looking in the *Yellow Pages*. If you were considering changing your mobile phone network, you'd probably check which carrier friends and colleagues would recommend before to making a decision. If you were thinking about looking for a new job, you might discreetly ask trusted friends if they knew a good recruitment consultant before you plunged blindly into a Google search.

As consumers, we all depend heavily on personal recommendation. But as marketers or brand owners, we frequently overlook the role that other people can play in promoting our products and services. Sure, we say that referrals will be important to our brand, but major brands rarely plan for word of mouth within their marketing mix or measure advocacy in their performance indicators.

Of course everyone has experienced referral on a small scale, but few appreciate that its potential value extends beyond the consumer's requirement for information to the brand owner's requirement for sales.

There are three reasons why advocacy can be a powerful tool for a brand owner:

- it's compelling
- it can reach a lot of people, including those who are hard to get in front of by other means, and
- it is relatively low-cost.

On all of these counts, it compares very favourably to more conventional communication channels and, as a consequence, should merit more serious consideration by brand owners and marketers.

Let's look at these three factors in turn:

Firstly, the very nature of personal recommendation makes for a compelling way of transmitting a message. Lateral (as opposed to hierarchical) communications travel by the grapevine between consenting individuals with a right of reply. This makes them appear to have more impact because they appear unstructured and decentralised compared to broadcast or mass media. Referrals by definition tend to come from familiar or trusted sources. This means that consumers are less likely to view them through a filter of cynicism. To reach its destination, such information has passed through a powerful censor: the recipient's friend or colleague.

Second, reach. Small business owners often depend on their personal address book for new business leads, but this is unscientific and rarely extends beyond immediate contacts (the so-called 'first degree' of separation). All of us have a group of friends or colleagues with whom we share anecdotes and maybe even business opportunities, but the real power of advocacy doesn't stop there. Basic mathematics tells us that if we can reach our contacts' contacts, our sphere of influence rises rapidly and exponentially. And, although the precise extent of our interconnectedness is debatable, it's in tapping this human network by achieving a chain reaction of referrals that the real power of advocacy lies.

The proverbial 'six degrees of separation' theory tells us that the whole of humanity is interconnected through a relatively short chain of contacts' contacts. Recent research by Columbia University ([www.small-world.columbia.edu](http://www.small-world.columbia.edu)) shows that the number six is probably a little over-optimistic for the world population at large, but suggests that certain groups could have a higher level of interconnectivity than others. For example, while a short chain between you and a postman in Mongolia is unlikely, it is highly probable that you and I are less than six

people apart, since the marketing community in Australia is a small and well-connected one.

If harnessed effectively, this interconnectedness gives us an efficient means of reaching these people – and it doesn't require an expensive message distribution infrastructure. Which brings us to the third factor, cost. The human network doesn't have a rate card, but it would be wrong to think that using it effectively is free of charge. It does tend to have fewer immediate overheads than, say, a TV campaign, but to make good use of recommendations and referrals for a corporate message still requires investment, as we will see.

If brand owners and marketers want to make better use of advocacy, where should they start? A good place to begin is to remind ourselves that customers are not merely individuals, but members of an interconnected community.

Awareness that the members of a customer base are networked in this way puts paid to the temptation to think of audience interactions as isolated customer experiences. In particular, it demands that brand owners think seriously about the implications for both communications strategy and business behaviours more generally.

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When a friend or colleague mentions a relevant company or product in glowing terms, it's highly likely you will go on to investigate – or at least make a mental note to be retrieved at a later date. When the person passing on the story has pre-qualified your interest in the category (for instance, by establishing that you are planning on buying a new phone before telling you about their own provider) the likelihood of you taking proactive action will soar dramatically.

And here is the leverage point for the brand owner. Think what we could do to our awareness levels if we made it really easy for people to recommend us... Imagine how customer preference would favour our products if we made it really easy for people to promote our brand to each other.....

We've seen that advocacy stacks up well against conventional paid media channels and, consequently, that it should be considered as part of the communications mix. Unfortunately, it can also feel rather chaotic and random in a world where the accountability of promotional campaigns receives increasing attention. Indeed, terms like 'viral marketing' don't help matters since they suggest a lack of discernment (a virus infects anyone – regardless of who they are).

Advocacy on the other hand, suggests the involvement of a human agent. The idea that you simply throw the seed of a message in the general direction of your target audience flies in the face of targeted marketing theory, but that is not what advocacy is about.

In a recent edition of *Marketing*, Con Stavros talked about 'internet ad forwarders' being 'increasingly choosy'. The same thing is true offline as well as online – be it with a joke or with a piece of factual information. Advocacy is highly targeted, since the presence of a human filter at each stage of the journey means that messages will tend to be directed towards those to whom they are most relevant.

If, as a consumer, you hear a good story about a financial services provider, you will not shout from the rooftops about it. Nor will you compose an email or letter about what you have heard and send it to everyone in your address book. Rather, you will pass this information to those who might value it. And particularly if asked your opinion on a particular category or product, you are highly likely to dig out this information and share it.

Every marketer or brand owner should plan to capitalise on advocacy of this kind. But how? The first step is to agree with senior management that advocacy will be considered as a legitimate step in the customer journey. Then make sure that relevant business processes, communications strategies, database systems and marketing campaigns are reviewed for their impact upon advocacy. And, as with any marketing initiative, put measures in place to quantify (and if possible qualify) advocacy rates for tracking and monitoring.

With these bases covered, there are broadly two tasks:

- making advocacy easy, and
- giving it an incentive.

The internet (while not being the whole story) can help a great deal on both counts. We've all seen (and most probably used) the click-here-to-send-to-a-friend model. The fact that much of the population of the Western world spends its days slumped in front of an in-box has delivered an unprecedented rise in the immediacy of our interconnectedness.

Intuitively we are all aware of this. How often have you received the same forwarded video clip or anecdote via two (apparently) unrelated people in quick succession? And how often have you met two (seemingly) unconnected people for the first time and found they have seen exactly the same email?

I recently tried a very simple test to find out how powerful interconnectivity might be by signing up to LinkedIn ([www.linkedin.com](http://www.linkedin.com)). This is an online tool that aims to track not only your own contacts, but also your contacts' contacts and, in turn, their contacts too. And, sure enough, by the time that 14 of my immediate contacts had signed up, I had 138 people two steps away from me. But, most astonishingly of all, these people gave me access to 24,410 people in only three steps! Bear in mind that by this point many of my immediate contacts had only found out about LinkedIn from me, and hadn't yet registered any contacts of their own.

Suddenly the potential power of click-here-to-send-to-a-friend begins to become clear.

We've already noted that marketers sometimes feel uncomfortable talking about advocacy because it is far less tangible than conventional paid-for media and consequently can be harder to manage or predict. Fortunately, the internet has an important role to play in both facilitating referrals and creating some structure that can track (and even encourage) the recommendation of a product by one person to another. Most eCRM platforms can produce reports that detail various data concerning forwarding of information, and many websites and newsletters can be designed to make this no more complicated than a couple of clicks.

As for encouraging advocacy, the old model used to be all about money. In exchange for passing on a message or signing up a friend, the advocate would receive 10 dollars. But non-financial incentives are becoming increasingly popular – and again the internet has played an important role. The notion of creating (usually amusing) content for peer-to-peer distribution via email – accompanied by a promotional message, brand name or contact details – is particularly well-suited to using the internet as a delivery medium.

A friend of mine in the UK is currently using viral marketing of this kind to get a book concept introduced to a publisher. Fortunately the book idea is an amusing and visual one that lends itself to being circulated online. Alternatively he could offer people two dollars for every contact they passed his material to, but he would go broke before seeing a book deal and the financial incentive could lead to a prohibitive level of cynicism were the target group to find out about it.

Key to driving this kind of advocacy is to create promotional material that people want to share. One practical but easy step is to ensure that a web-friendly clip is created for TV or cinema use. But brand owners can still make use of advocacy as a communications channel without a video clip or funny anecdote. For example, a content-rich website, provides visitors with a way of telling their contacts about it can go a long way. Material with high perceived value (such as newsheets, white papers, access vouchers) may convince existing members to share them with selected colleagues.

It's worth reminding ourselves that advocacy predates the internet and, although email provides a seductive level of reach, it's often through word of mouth that messages are at their most compelling. Of course, offline advocacy is harder to manage and harder to track, but it's in casual conversation that people are often at their most relaxed – ready to listen and open to engage with a message. Advertisers pay a premium to reach people off guard in situations like these, and advocacy has the potential to unlock such opportunities.

Picture the following scene: at a barbecue, Mary says that she would like to get broadband installed at home. Susan explains that she has recently had a good experience and that she would like to recommend the company that she uses. Even when the product is internet-related, the first instance of advocacy (and the one with the most impact) is likely to take place offline.

In this scenario, simple, carefully-planted communication messages or unique customer experiences will make this advocacy more effective and more likely to happen. Then, if the company in question has made it easy for Mary to follow up by sending Susan further information on the product via the internet, Mary is much more likely to follow up on Susan's initial positive endorsement.

## WORDS OF WARNING

Advocacy enthusiasts may be tempted to suggest that if every customer became an evangelist for your brand, there would be no need to advertise. While there are certain circumstances where this might apply, there are limits. Advocacy involves ceding a substantial degree of your promotional activity to the control of your customers. And while this is powerful, wide-reaching and cost-effective, it risks lacking in direction. All brand owners should have a strong sense of their long-term target markets, and their existing customer base might not be sufficient to reach these people.

Service delivery routinely features prominently as a driver of customer opinion – and good experiences are consequently one of the most significant contributors to advocacy. But the reverse is also true: word of mouth frequently conveys horror stories about bad customer experiences.

If brand owners acknowledge the interconnected nature of their client base, they should also gain an enhanced appreciation of the potential damage done by a single unsatisfactory experience. Economic realities dictate that there will always be a trade-off between overall cost-effectiveness and the occasional instance of poor quality. Most businesses have a sense that

## MAKING THE MOST OF ADVOCACY MARKETING – CHECKLIST

1. Ensure that advocacy marketing is always considered as part of the marketing mix, and consider how its role and impact can be maximised and integrated with other activities.
2. Acknowledge that your target audiences are part of an interconnected community and that consequently customer experiences do not happen in isolation.
3. Accept that the information passed around is based on both product experience and communications.
4. Try to measure and track advocacy – make sure it features in key performance indicators.
5. View advocacy as a leverage point – aim to make advocacy easy and do things to encourage more of it, but don't fall into the trap of limiting your advocacy framework to the online world.
6. If possible use the internet to create a platform that will help. Make the most of other assets – e.g. TV commercials – which can be remade for internet distribution.

there is a tipping-point between the two, and that a small number of dissatisfied customers is an acceptable side-effect of meeting market demands at a price that can deliver decent shareholder returns.

Advocacy changes this value equation. An awareness of the impact of word of mouth reminds us of the broader context in which seemingly isolated experiences take place. A single instance of bad customer service or poor product quality is not only a missed opportunity for customer advocacy, but also a very real possibility that a negative story will begin to circulate.

Other advocacy enthusiasts say that 'our product is so good it will sell itself', and cling to recommendations and referrals as the means through which this will happen. If only reputation was built on meritocracy! Unfortunately advocacy is rarely a substitute for proactive promotion, but managed properly it should be seen as a potential profit centre and, as such, be resourced by both marketing and operations in a way that makes it easy and integral to product experience.

Most brand owners want to steer their own business rather than letting their customer decide who they are. Centrally-managed forms of promotion allow tighter message control and enable brand owners to ensure that messages are accurate and up-to-date. To go back to the mobile phone company example, if you'd heard from a friend that company X had some good offers, you would still probably check the latest rates online or in the retail store before signing up.

Of course, both centrally-managed marketing and advocacy marketing should form part of an integrated (that is, mutually supportive and reinforcing) marketing framework. But if we look deep into our marketing plans, we all know that this isn't happening.

Ask most consumers what they think is the most powerful driver to try a new product and they'll say 'personal recommendation'. Ask most brand owners and they'll still say 'a TV commercial'. In a small world of interconnected people, advocacy is a good thing. Both consumers and brand owners need more of it. ■