

CHAPTER ONE



EVERY MARKETING PROBLEM IS A PEOPLE PROBLEM

Before we dig into understanding *why* word of mouth (WOM) matters, we want you to change your mind about the business you're in. Odds are you think you're in the marketing business. We're going to help you *unlearn* your marketing mindset and convince you that it's way more exciting and fun to be in the *people* business.

DITCH YOUR TITLE

First of all, shake the cobwebs from your brain and give yourself a new title.

Think: Chief People Officer. Chief Inspiration Officer. Chief Love Officer. Senior Manager of People Problems. Passion Conversation Facilitator. *Come on.* You can give back that Senior VP of Marketing title or that Brand Manager title as quickly as you received it. Or how about letting go of that social-media-something title? *You don't need it.* And if you are a CEO or a business owner and you hire marketers, make sure you are looking for people who love people. If you're in marketing, you're in the people business—and if you don't believe that core tenet, then stop reading. *Now.*

FORGET *MARKETING* PROBLEMS

**Companies face all sorts of *marketing* problems.
If they would reframe those issues as *people*
problems, their perspective would change.**

Reevaluating *your role* in solving these people problems makes it even more interesting. Consider the following people problems that leaders face:

- A company is suffering from sluggish sales growth because not enough people are buying.
- A business is experiencing low retention rates because not enough people are buying *repeatedly*.
- A brand reeling from poorly conceived products and programs doesn't have enough people truly interested in what they offer.
- An organization dealing with low engagement hasn't been able to make its cause relatable to people who can help them sustain support.
- A business hurting from unsatisfactory customer service must confront the problem of too many unhappy people.

If every marketing problem is a people problem, then every marketing solution must be people-based, right?

Oh, yeah. That's right.

EVERY MARKETING SOLUTION MUST FOCUS ON PEOPLE

The reasons are obvious: People buy products and use services. People make an unknown brand known. People work together to turn causes into crusades. It's *people* who form communities, talk,

and share—and who fuel the engine of business. It's people who have the mouths that *word of mouth* refers to.

Steve Knox, former CEO of Tremor, Procter & Gamble's WOM marketing division, and currently a Senior Advisor with Boston Consulting Group, puts it well:

I passionately, passionately believe that the world of marketing is moving to a relationship-based world. We in marketing have been trained to think about the consumer at arm's length . . . in an almost non-human way. And the new world of marketing is so much more about true relationships with people, which means there must be dialogue, and . . . conversation.

Steve is a leader in the WOM marketing industry, and we all need to listen when he talks. We take Steve's passionate words a step further and say:

IF YOU DON'T LOVE PEOPLE, GET OUT OF MARKETING—PERIOD

We're not saying you have to be the kind of charismatic people person who makes friends with total strangers in elevators, but you do have to believe in and see the good in others. You have to believe this wonderful Earth of ours is full of amazing, beautiful people you'd love to know better. You should feel honored to spend time with your customers, not see them as a bother. You should feel driven to get to know them as people, not demographics or target markets.

We deal with marketing problems every day, which means we deal with people problems every day. Or perhaps a better way to say it is: We deal with people *opportunities* every day.

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Anytime Fitness came to us with their problem: Not enough people are exercising at their gyms. The National Center for Family Literacy sought our guidance because not enough people understand that literacy goes way beyond reading and writing. DeVry University used our help to connect with its people (in their case, students) on 90 campuses and in over 70,000 homes. And Foundations Recovery Network (FRN) turned to us to help eliminate the stigma people associate with addiction. Those are very evident and *wonderful* people opportunities.

We've made a name for ourselves by igniting powerful, sustainable word of mouth movements for businesses and organizations of all sizes and design—big and small, for-profit and not-for-profit. These people-powered movements inspire people to buy, give, innovate, act, share, and most importantly, *talk*.

Our first book shared 10 lessons we learned about making movements happen. Since that book was published, we've connected with thousands of readers in person, over the phone, and, of course, online. We've had passionate debates about the ideas and real world case studies that our first book brought to life. We've continued to learn how to humanize a brand to spark deeper, more meaningful conversations between *people*.

These debates, discussions, and deep dives have led us to wholeheartedly believe that solutions to marketing problems are rooted in finding shared passions, igniting conversations, and creating community. You must have community before you can *ever* even begin to dream of a movement. And you know what moves conversation within a community to *advocacy*, the fuel for movements? *Passion*.

So, if you are ready to be in the people business—if you are ready to spark meaningful passionate conversations and find your advocates—repeat this mantra:



People are amazing. They form tribes. They create communities and social change. They make great discoveries. They struggle. They fall in love. They are social and emotional. They love to help others. They want to be a part of something bigger than their own lives. They want to change the world. As marketers (or *Chief Love Officers*), we'd be crazy not to tap into those strong desires. Connecting people through shared passions can lead to great things.

Okay, let's get back to the task of understanding WOM marketing by going back in history and getting to know a swell guy named Ernest Dichter.

LET'S REVISIT THE FUTURE OF WORD OF MOUTH MARKETING

The future of marketing happened way back in 1966 when Austrian-American psychologist Ernest Dichter published a

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long over-looked seminal article in the *Harvard Business Review*. Remarkably, this article was titled “How Word-of-Mouth Advertising Works,” and its advice is just as relevant today just as it was back then.

Steeped in his in-depth research on consumer motivations, Dichter’s article explained that consumers reject advertising messages because they are “more a sales tool than information and guidance.” However, he contended, if people perceived a brand as a friend—and if the brand could project a voice to match—consumers would consider it to be more authentic and trusted, and the brand would be received with more enthusiasm.

Hmmm. Where’d that knowledge go for the last half-century?

Imagine how much further along we’d be if more marketers in 1966 had taken note of Dichter’s smart findings on the importance of humanizing brands.

And just so you know, Ernest Dichter wasn’t a fly-by-night shrink spewing cockamamie ideas. He’s known as the “father of motivational research.” According to a 1998 *New York Times* article, he “was the first to coin the term focus group and to stress the importance of image and persuasion in advertising.” His pioneering research techniques and analysis changed the way that giants like Chrysler, Procter & Gamble, Exxon, General Mills, and DuPont sold products to consumers.

Dichter’s advice to humanize the brand to connect better with people wasn’t psychobabble. It was indispensable marketing advice then, today, and tomorrow, no doubt.

Dichter’s personal story began on August 14, 1907, in Vienna, where he was born to a family of Polish and German immigrants. The Dichters were dirt-poor, and Ernest would always recall the poverty and starvation of his formative years and credit it with sharpening his awareness of the pleasures and comforts to be found in even the most basic and essential material goods.

According to the Ernest Dichter papers, from the age of 14 the budding psychologist and marketing guru “concentrated on earning money.” He began by picking wild mushrooms and berries in the countryside, and selling them to grocery stores. He first became interested in marketing when he worked in his uncle’s department store. He even introduced music into the store in an effort to soothe customers while they shopped. (*Think about that as you’re listening to the background music playing while you walk through the mall!*)

Following university training in psychology and informal training in psychoanalysis, he moved to New York in 1938. In 1939 he sent a letter to six corporations in which he offered his understanding in psychoanalysis as a way to radically improve their marketing strategies. He got his first gig at Ivory Soap. The Ernest Dichter papers report that after conducting a slew of one-on-one in-person interviews, he learned it was not the smell or price or look or feel of the soap that mattered to consumers. Rather, it was something else that made a person choose one soap over another; to use Dichter’s word, it was the product’s “soul.” He came to understand that every product has an image and that people buy products not merely for the purpose they serve, but also for the values the products seem to embody.

Dichter explained that our possessions are extensions of our own personalities and serve as a “kind of mirror which reflects our own image.” (This quote comes from a 2011 article in *The Economist*.) Dichter showed a photograph in his 1947 book *The Psychology of Everyday Living* of a woman applying lipstick with the accompanying caption:

Cosmetics provide psychological therapy.

Dichter is absolutely right. Cosmetics *do* make women feel better about themselves. Why else would American women spend

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\$7 billion a year on makeup?*

Why else would they talk to their friends, read countless online articles, and have conversations on social media about one product's superiority over another?

Even back then, Ernest grasped a simple truth we have come to understand even better today: In a world where technology has made it possible to connect more deeply and stay engaged with your customers, the focus should not be on a product's features and benefits. It's not about facts and figures. It's about understanding how a product (*or an organization*) fits into a person's life—and understanding how it makes them *feel*.

IT'S ABOUT THE PASSION CONVERSATION

After digging around and unearthing more about Ernest Dichter, we believe he would have agreed with us on this statement: It's not about the product conversation; it's about the passion conversation.

Still not convinced your marketing department is in the people business?

MARKETERS DO NOT DECIDE WHAT GETS TALKED ABOUT—PEOPLE DO

Marketers wanting to tap into the power of WOM marketing to increase brand awareness, preference, and purchase eventually learn a fundamental truth. As Chief Inspiration Officers, you want to *inspire* others so they will talk passionately on your behalf. And studies clearly indicate word of mouth is the most powerful form of marketing. According to research from McKinsey &

*www.thegloss.com/2009/05/01/beauty/how-much-do-you-spend-on-makeup.

Company, word of mouth is responsible for up to 50 percent of all purchase decisions. Studies also indicate there are seemingly endless ways to spark conversations using word of mouth. Word of mouth research firm Keller Fay Group has been tracking the conversations people have about brands since 2006. In fact, they are the only firm that regularly monitors both offline as well as online word of mouth about products, services, and brands. According to their findings, advertising only prompts 22 percent of all conversations people have about brands, products, and services. However, the vast majority of word of mouth conversations, 78 percent of them, are sparked by something else. Which means that the playground for triggering word of mouth from customers about brands is *huge*. Even answering the phone can present a huge opportunity to create a talk-able, sharable experience. Call 864-676-9663 if you want to see for yourself. (Don't be scared; it's just us.)

Anything and everything a customer can interact with is an opportunity to spark a conversation. Every customer touch point is a possible talking point, and since people (*not marketers*) decide what gets talked about, it's up to Chief Love Officers to give people something to potentially talk about at every customer touch point.

Products alone will neither spark nor sustain conversations. Nor will programs, campaigns, services, and so on. It has always taken and will always take people.

CONVERSATION LEADS TO CONSIDERATION

When a brand, cause, organization, or product is a part of the conversation, then it's under consideration. Stats galore back that up. Not to overwhelm you, but we know marketers like data, and even though we are trying to convince you to jump over to the

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people business, we are going to share a few more of our favorite WOM marketing stats.

- The Keller Fay Group has found that Americans will mention specific brand names about 60 times every week in conversations with others. In a year, that translates to over 3,100 mentions of brands by the typical American.
- A Harris Interactive report reveals 71 percent of us believe reviews, opinions, and conversations from family members or friends have a “great deal” or “fair amount” of influence on our purchase decisions.
- From McKinsey & Company: The reliability of the impact word of mouth marketing has on business is based upon the irrefutable fact that recommendations from family, friends, and friends of friends have greater influence over our purchase decisions than any other form of marketing.
- Study after study confirms this irrefutable fact, including the 2011 Experian Digital Marketer report which tells us: “Despite consumer reliance on digital devices and Internet-provided information, the most influential element driving purchase decisions today is still word of mouth, followed by information from a website.”

PEOPLE BELIEVE PEOPLE THEY KNOW AND TRUST

So you have to give people something to love and something they love to *talk* about. Here is one more nugget we repeat often

about word of mouth: According to the Keller Fay Group, 90 percent of word of mouth conversations about brands happen *offline*.

Here's how Keller Fay's Ed Keller explains this to us: "Despite the tremendous attention people are paying to social media, and the meteoric rise in the number of people using it, the overwhelming majority of word of mouth (WOM) for brand-related conversation still takes place the good old fashioned way—face-to-face."

A brand-related WOM conversation is one where at least two people mention a specific brand name during the discussion. It might involve an outright recommendation like, "Sharpie make the best markers. You should buy one." Or, it might simply involve a mention of the brand by name: "Did you know Sharpie now makes a hot pink marker?"

SOMETIMES YOU WANT TO BE INVISIBLE AND INDESCRIBABLE

Word of mouth marketing can be invisible to the human eye, but not the heart. While you can't necessarily see when it happens, you can definitely *feel it*.

John knows Whole Foods Market. He once served as their director of national marketing. Although the grocery chain does not have a full-blown WOM marketing program, they're highly successful thanks to ongoing word of mouth from customers. And what Whole Foods Market does at the store level to get customers talking is invisible to most shoppers.

Shoppers do not feel like they're being marketed to because Whole Foods presents food as *theater*. While a trip to a conventional grocery store is a chore, a trip to Whole Foods Market is a chance to explore. Whole Foods *emotionalizes* the grocery

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shopping experience by appealing to all the senses. Its stores are spotless, merchandising displays are dazzling, and the smells are beyond compare. Shoppers are often encouraged to taste and sample. Whole Foods Market celebrates food like it is a theatrical production.

They also make it a point to educate their customers on the role natural and organic foods can play in helping them live happier, healthier, and more rewarding lives. The company believes it can cultivate loyalty by educating shoppers on the natural and organic difference. They use every opportunity to communicate that good food *feels* good.

The best word of mouth isn't a marketing tactic. It isn't a tweet, a status update, a viral video, or anything else you can find on a social media website. Nor is the best word of mouth a publicity stunt or something a company does to get some buzz for a day. The best word of mouth is how a company does business *every single day*.

The goal of any business should be to make word of mouth marketing operationally invisible. That is, it should be how a business does business not just one day, but every day.

On-going, long-lasting word of mouth is very difficult to incite and maintain. This is because too many marketers treat word of mouth as an output. In other words, they try to sustain and manage the conversation rather than treating it as an input—*starting and sparking* the conversation.

Whole Foods Market and a handful of other businesses understand that the best, longest-lasting word of mouth happens when a business operationalizes this approach by making it invisible to the customers' eyes—but not their hearts, minds, or wallets.

And they also get the notion of love and shared passions. Whole Foods loves their employees. All the way down from the

C-level to the front line, they hire people who love what they love. The store experience they've built is one they actually love themselves and in the process, they have attracted customers who love and share their same passions. Because of this, loving their customers is as easy as loving themselves.

Now, let's talk about how Whole Foods and another people-powered business, Starbucks, use social media *conversation* tools.

PROVIDE *MORE*; PROMOTE *LESS*

The brands that are nurturing meaningful relationships with customers online aren't interrupting them with promotional messages on Twitter or Facebook. Instead, brands like Whole Foods and Starbucks are using these platforms to provide customers with more information about products/services. The vast majority of Starbucks's and Whole Foods's tweets are directed at someone (starting with the @ symbol), which means that they're responding directly to a comment. These brands' Facebook pages aren't littered with promotional status updates. Instead, they're taking a moment to *make a connection* with customers by providing them specific information. This might not be the sexiest way to use social media, but it's been a very effective way for these companies to develop evangelical customers.

While we're on the topic of Facebook friends, now's a good time to mention that real friendship is a little bit magical. The other day a friend of ours who is new to our town made a simple observation about making new friends that got stuck in our hearts: 90 percent of a having a friend is being a friend.

We have a lot of discussion around here about engagement—what exactly does that mean, and how do you really measure *true* engagement within a community? So many brands and

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organizations still feel the number of Facebook fans or twitter followers is a sign of promising engagement. *They really do.*

The other day John stumbled on an interesting study by the Ehrenberg Bass Institute for Marketing Science at the University of South Australia, “Facebook Fans: A Fan for Life?” He sent the entire team this quick summary:

The authors studied the “People Talking About This” (PTAT) measurement from Facebook between October and November 2011 to determine how many fans are engaging with the brand after the initial “like.” Their findings reveal less than 0.5 percent of Facebook fans engage with the brands they are fans of during any week.

Of the 200 brands they studied, only one had 2 percent of their fans engage with them during a seven-day period. (*Included in these 200 brands are “passion” brands, names like Nike, Chanel, Harley-Davidson, Jack Daniels, Louis Vuitton, Tiffany & Co., etc.*)

Just 20 brands reached the 1 percent level of engagement from fans on any given week.

The authors close by writing, “The real question is how cost effective is it for a brand to attempt to drive engagement if the most they can reasonably expect is that 1 percent of fans will engage?”

This makes us think that maybe we have it all backwards. Perhaps the thing we should be measuring is our own effort to *be* a friend? This is something the community management team takes very seriously at Brains on Fire. As brands and organizations, we need to ask: Are we putting 90 percent of our energy to being our customers’ friends?



FROM ED KELLER

CEO of word of mouth research firm Keller Fay Group and co-author of *The Face-to-Face Book*

"It was interesting to learn that some of the best 'word of mouth marketers' don't actually think that's what they are doing, per se. We talked to companies like MillerCoors, General Mills, Kimberly-Clark, and Zappos, as well as agencies like Crispin Porter + Bogusky, Starcom MediaVest, and Universal McCann. Generally, we chose to do these interviews because their brands were having success at improving consumer word of mouth based on our own data from our ongoing TalkTrack® surveys. Yet few of the marketers believed they were actively doing 'word of mouth marketing.'

"The epiphany came for us when we realized that word of mouth marketing is really another term for 'great marketing.' Products and campaigns that stimulate conversation tend to be successful; those that don't tend to fail. In our view, all great marketing is in fact 'social marketing' because social influence is the key to driving behavior change."



So we've just talked about two big companies, Whole Foods and Starbucks, who both understand the power of loving people, talk-able touch points, and word of mouth. But what about the smaller companies, the ones that far fewer people have heard about?

MEET URSA MAJOR

“*Ursa Major*?” you might wonder. “What kind of name is *that*?” For starters, it’s a name that sparks a conversation and tells a pretty cool story. Oliver Sweatman and Emily Doyle named their company, one that handcrafts super, natural skin care products for men, after the “Great Bear” constellation for a simple reason: When they moved from New York to Vermont they became “fixated with the idea of bears.” A lot of people questioned the name. But as Oliver explains, “The term, Ursa Major has some cool history around it. Ptolemy referenced it, as did Homer and Shakespeare. It’s impossible to miss on a clear night in the northern hemisphere. It’s been used by all kinds of folks over the ages as a way to find true North. We have a big attachment to the outdoors; it’s one of the reasons we moved to Vermont. I think people like us who have this affinity with nature find something a bit mysterious and alluring about the name. It’s kind of romantic. We like to think the name appeals to modern-day explorers—people who actually enjoy digging into a brand and learning its back stories.” Oliver and Emily are glad they trusted their instincts to venture to Vermont and name their brand to reflect their passions.

Geno Church is a big fan of products that are made in America. He’s crazy-passionate about it, really. In fact, this book would’ve likely focused *entirely* on made-in-America brands had Geno been the sole author. Geno is also the ultimate modern-day explorer, constantly searching for new products and brands. He discovered Ursa Major one night while sitting in front of his laptop at his kitchen table. He ordered some of the products, and they arrived a couple of days later in a hand-painted gift box. Inside there was a *real* handwritten note thanking him for the order. Ursa Major is a high-touch, emotional brand, and according to Geno, Ursa Major’s products also do a great job helping his skin stay happy

and hydrated. Geno shared his latest find with everyone in the office loudly and proudly.

KITCHEN TABLE PASSION

Oliver told us that he and Emily answer every single email they get *personally*, often staying up late at night sitting together at the kitchen table to make that happen. It might take them a couple of weeks, but they answer them all. “It’s funny because many times we wish we had a restaurant or a café or retail store. We like engaging with people and we like making them feel happy.” But they don’t have a café or retail store; they do most of their business remotely over the Internet. Still they longed to bring “some of that hands-on love,” like the kind you get in a little café or small retail shop to what they were doing. And answering email and sending handwritten thanks is part of how they do just that.

Oliver and Emily are branders and marketers and explorers and business owners. They’re in the people business and they are definitely putting in the 90 percent effort to be a friend to their customers. And they’re growing a business through sparking word of mouth in the process.

