

WHITE PAPER

It's What They Do

Profiling

Word of Mouth Volunteers

By the Keller Fay Group
in Cooperation with BzzAgent

March 2007



INTRODUCTION

The best place for companies to find consumers to spread the word for their products and services may be right under their nose. **Research by the Keller Fay Group on BzzAgent’s volunteer consumer network suggests that large numbers of the “hand-raisers” who volunteer for word of mouth marketing programs are the prized consumers whom marketers want** — people who tell more people when they feel strongly about a product, and tell them in such a convincing fashion that the listeners buy the product.

Research on BzzAgent’s consumer volunteers shows they are disproportionately:

- **Viral:** Spreading word of mouth comes naturally to them. It’s “what they do.” Comparisons to the total public show BzzAgent’s consumer volunteers are twice as likely as the total public to regularly recommend products and services to others, with the typical agent doing so in 10 categories of products and services.
- **Tuned in:** When they talk, chances are they have something to say. The surveyed volunteers are twice as likely as the average consumer to keep up with a broad range of products and services. The average agent keeps up with 12 categories of products and services. The result gives them a steady stream of new insights to share.
- **Networked:** They further have broad social networks to spread the word in. The surveyed volunteers are twice as likely as the average person to keep up with six or more very close friends and six or more neighbors and acquaintances.

- **Leaders:** The combination of these behaviors makes for a disproportionately influential set of consumers. Six in 10 agents qualify as Conversation Catalysts™, the Keller Fay Group’s proprietary segmentation for identifying word of mouth leaders. That is four times the level of Catalysts in the public as a whole.

There is bottom-line benefit to having these word of mouth characteristics. Shifting the focus to the consumer volunteers’ most recent campaign shows that agents who evince more of these word of mouth traits are more persuasive. They spread the word to more people than other agents, and spur more people to buy the product.

The study is based on a survey of 3,235 of BzzAgent’s consumer volunteers, with comparisons to the total public through Keller Fay’s TalkTrack™ tracking study of consumer word of mouth.

The new research points to several conclusions:

(1.) Demographics shouldn’t drive word of mouth marketing. Marketers’ traditional reliance on demographics (e.g., “Get me urban 18-34 year olds”) can lead them astray in word of mouth marketing. **In word of mouth, “what you do” should be the starting point – not who you are.** Among the BzzAgent consumer volunteers – a group rich in viral, tuned-in, networked consumers – demographic markers like income and education create little or no additional lift. Agents with less education or household income tell as many people, with as much impact, as agents who are more educated and have higher incomes. Demographics can be useful in word of mouth campaigns – for example, to target prospects who can afford the product. But the critical piece is getting messengers you can count on to *spread the word*.

(2.) Finding consumers who can be counted on to spread the word is not as hard as some marketers think. Combined with previous studies on word of mouth leaders, the new research suggests that putting out the call for consumer volunteers – on companies’ web sites, on social networking sites, on consumer-review sites, in companies’ customer databases, or through consumer evangelist networks like BzzAgent – should yield disproportionate numbers of viral, tuned-in, networked consumers. For such consumers, volunteering in word of mouth marketing campaigns gives them access to new developments – products, marketing initiatives, ideas, etc. – that will make their advice more valuable to their networks.

This white paper is the third in a series by the Keller Fay Group, in cooperation with BzzAgent. The goal of the initiative is to identify best practices in the growing field of word of mouth through studying the word of mouth media network’s 250,000 consumer volunteers, who evaluate and spread the word about products and services for the firm’s clients.

DISCUSSION

With the growth of word of mouth marketing, there has been increasing interest in the consumers who volunteer to participate in WOM campaigns. Who are they? What are they like? To answer these questions, the Keller Fay Group surveyed 3,235 BzzAgent volunteers on a variety of topics, ranging from their demographics to their word of mouth behaviors to agents’ most recent word of mouth marketing campaigns. Where possible, results were compared to the total

population findings in TalkTrack™, the Keller Fay Group's tracking study of consumer word of mouth.

The resulting research shows that, **in terms of standard demographics**, the BzzAgent volunteers stand out in certain ways. They are more educated: 46% are college graduates, compared to 24% of the adult population. They are younger – the largest numbers are between 18-39 years old – and a larger than average proportion is women. But participants come from across the demographic segment – young and old, affluent and not, educated and not.

The most significant differences between the agents and the total public are in their word of mouth behaviors. In many ways, they are the “regular people” who are continually learning new insights and sharing what they know with the people in their personal networks, described by BzzAgent CEO Dave Balter in his book *Grapevine* and Keller Fay CEO Ed Keller in his book *The Influentials*. In particular, they are:

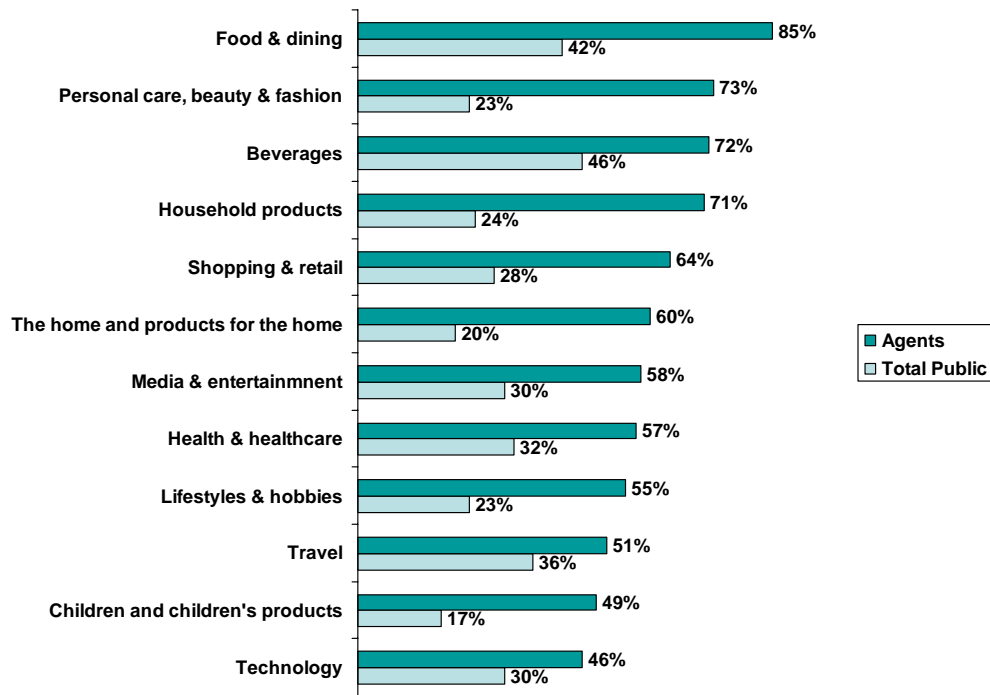
1. Viral. Spreading the word is not a new behavior for BzzAgent's consumer volunteers. They are highly involved in word of mouth. Virtually all of the agents surveyed for the study (99%) say they “frequently give advice, suggestions, and ideas” to people, including friends and family in at least one category. **Most do so in multiple categories:** half or more agents evangelize in 10 of 16 categories. **BzzAgent's average consumer volunteer is about twice as likely as the average consumer to regularly recommend products and services across 16 surveyed categories (53% vs. 28% for the total public).**

Their virality is evident across a broad range of categories, from everyday purchases to higher-ticket items. Almost nine in 10 of the consumer volunteers regularly make recommendations on food and dining, the number one

category, compared to just over four in 10 of the total public. More than seven in 10 do as well on personal care-beauty-fashion, beverages, and household products. More than half spread the word as well in categories from shopping and retail, the home, media and entertainment, health and healthcare, lifestyles and hobbies, travel, children’s products, and technology – all at substantially higher levels than the public as a whole (see chart).

More Engaged in Recommending

Percentage of agents and the total public who frequently offer advice and suggestions on products and services to others

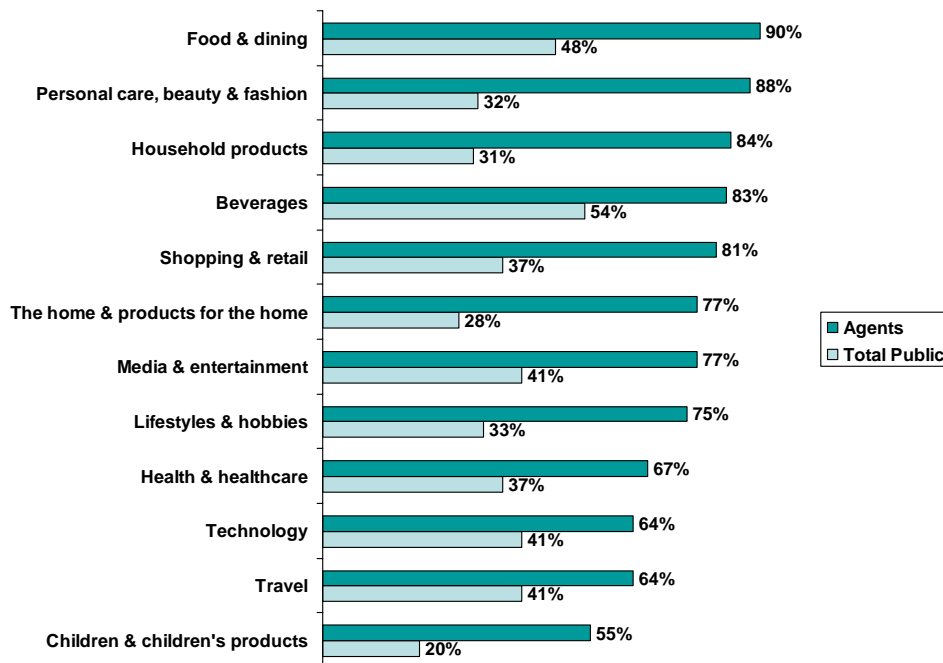


Top 12 of 16 categories

2. Tuned in. The consumer volunteers not only talk more – they take in more information as well. They are actively engaged in learning about products and services. **An average of two in three agents (65%) say they “closely follow” products and services in the 16 surveyed categories for new products, new styles, new brands, and other developments. That is about twice the rate of the total public (35%).**

More Involved in Keeping up with What’s New

Percentage of agents and the total public who say they follow closely products and services for new products, styles, brands, etc.



Top 12 of 16 categories

Fully nine in 10 agents keep up with the news in food and dining. More than eight in 10 do so in personal care, fashion, and beauty; household products; beverages; and shopping and retail. Three in four follow home-related topics, media and entertainment, and lifestyles and hobbies, and about two in three in health and healthcare, technology, travel, and children's products. The agents are far more likely to keep up in these and other areas than consumers as a whole. They are armed with information when they engage in word of mouth.

3. Networked. Further, the BzzAgent volunteers have large personal networks to disseminate their opinions. **The typical agent has twice the network of friends, neighbors, and acquaintances as the total public.** More than six in 10 (63%) are regularly in touch with six or more "very close friends" (not including family), compared to only one in three of the total public (32%). One in three agents (32%) are in regular contact with more than 10 close friends, roughly triple the rate of consumers generally (12%). Similarly, seven in 10 agents (71%) keep up with six or more neighbors and acquaintances, not including close friends or family. That is about 2½ times the level of consumers generally (29%).

Agents are more plugged into groups as well. They are 1½ times as likely as the average person to belong to at least two clubs, social or professional organizations, religious groups, or community groups (71% vs. 46%). They're almost twice as likely to belong to three or more groups (47% vs. 27%).

4. Leaders. These traits combine to create a disproportionate number of word of mouth leaders. Six in 10 of the surveyed agents qualify as Conversation Catalysts™ – Keller Fay's segmentation for identifying consumers who spread the word in multiple categories and have broad personal networks.

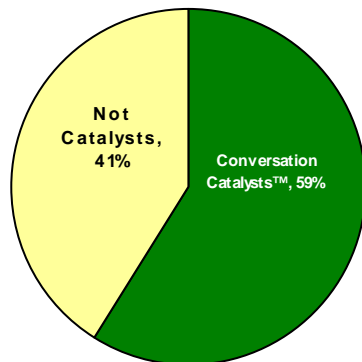
BzzAgent’s volunteer evangelists are four times more likely to be Conversation Catalysts™ than consumers as a whole (59% vs. 15%).

This is a key point. Volunteers in word of mouth programs are more likely to be word of mouth *leaders* – people who *are* influential – than word of mouth followers, people trying to *become* influential. Taking into consideration prior research, this is a logical finding. Studies have shown influencers are much more likely to contact companies when they have complaints with a product; to be more willing to participate in word of mouth marketing initiatives like passing along information and inviting friends to events; and to engage in word of mouth in other ways, like blogging.

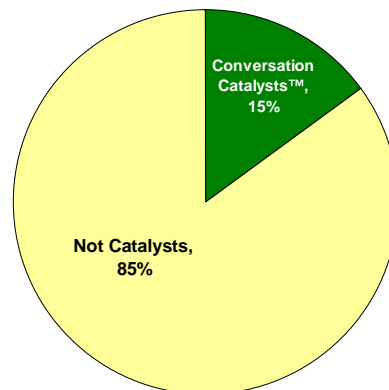
Agents Are Much More Likely to be Catalysts

Percentage of agents and the total public who qualify as word of mouth leader Conversation Catalysts™

Agents



Total Public



Persuasive. Perhaps most important, though, is the impact that consumers with these traits have in word of mouth campaigns. **Shifting the focus to the consumer volunteers’ most recent campaign for BzzAgent reveals a**

high correlation between word of mouth traits and word of mouth success.

BzzAgent consumer volunteers who have more word of mouth qualities – like recommending, learning, networks, leadership – produce more impact than the average agent.

Consumer volunteers who are most persuasive, for example, convincing six or more people to buy a product, have broader word of mouth networks than the average volunteer. Almost nine in 10 talk regularly to six or more neighbors and acquaintances (87% vs. 71% of all agents). The consumer volunteers who inspire more purchasing are also more likely to be Conversation Catalysts™ (76% vs. 59% of BzzAgent volunteers generally).

Similarly, BzzAgent consumer volunteers who are particularly successful at getting out the word for products, telling 11 or more people about the product in their most recent campaign, have broader networks than the average. Almost eight in 10 connect regularly to six or more “very close friends” (79% vs. 63% of all the consumer volunteers). These agents who tell more people are also more likely to be Conversation Catalysts™ (73% vs. 59% of all agents).

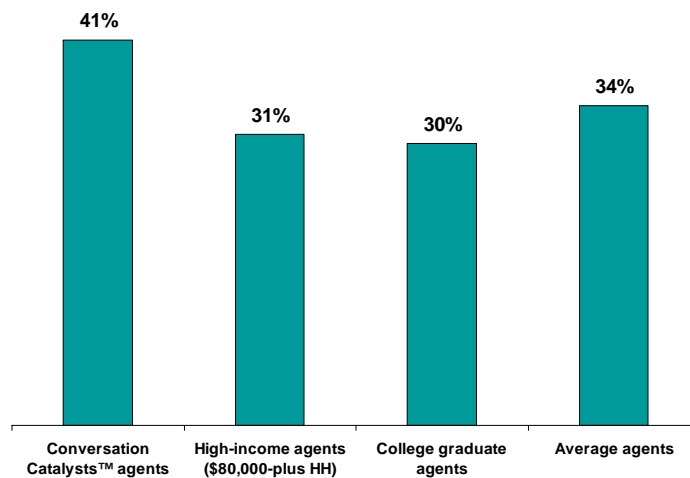
Word of mouth leadership is a particularly strong indicator of persuasion: 41% of the consumer volunteers who are Conversation Catalysts™ inspired three or more people to buy the product they promoted, 1½ times the rate of other agents (24%). Catalyst agents also outperform agents in \$80,000-plus households (31%) and agents who are college graduates (30%). Conversation Catalyst™ agents told an average of 10 people about their product, three more than non-Catalyst agents.

In contrast, demographic distinctions between agents did not substantially change impacts. Volunteers in lower-income households (less than \$40,000 per

year) recommend products and services to almost as many people as volunteers in higher-income households (\$80,000 per year) – eight vs. nine. Similarly, volunteers with a high school diploma or less tell the same number of people as volunteers who are college graduates – eight.

Agents Who Are Catalysts Are Most Persuasive

Percentage who prompted three or more people to buy the product in their most recent campaign



Implications

What kinds of consumers are volunteering for word of mouth marketing programs? Based on this analysis, they are the kinds of consumers that marketers want. They are experienced and adept in recommending products and services, are continually learning new insights to share with others, have broad networks to spread the word in, are word of mouth leaders, and produce results.

Marketers starting volunteer-based word of mouth marketing initiatives like brand evangelist, ambassador, or influencer programs, should screen the “hand-raisers” who enlist with them for word of mouth behaviors. But, based on this study, it is likely they will attract a disproportionate number who are highly engaged in word of mouth.

Once companies have enlisted these volunteers, they should cultivate them. The high levels of interest in learning about products and services we see in this study suggest that consumer volunteers are interested in getting access to product news. A previous white paper in this series showed that learning is central in the motivations for becoming a BzzAgent consumer volunteer: The two leading reasons for being an agent are to learn about the latest product and to be one of the first to know about products. They should solicit them for their opinions as well: giving feedback to manufacturers is the fourth-cited reason, after enjoying sharing products with others (see “The Steak Is the Sizzle,” available at www.kellerfay.com).

Moreover, companies should look beyond straight-forward demographic profiling. They should actively seek out the influencers in their ranks, from their customer databases and from outside resources, online and offline.

Consumers engaged in word of mouth likely would be happy to get good new sources of ideas and information. Based on what we see in this and other studies, if companies offer something of real value, that is worth sharing with others, these consumers will be happy to pass it along.

About this White Paper: This white paper is the third in a series on word of mouth marketing written by the Keller Fay Group. It is based on an online survey of 3,235 participants in the word of mouth marketing and media firm BzzAgent’s network of volunteer consumer evangelists. The survey, conducted by Keller Fay Group with the cooperation of BzzAgent, was conducted in May-June 2006 and consisted of about two dozen questions. Copies of the previous papers, “The Steak Is the Sizzle” and “The More, the Better,” on product and campaign drivers of word of mouth success, respectively, are available at www.kellerfay.com.

About the Keller Fay Group: The Keller Fay Group (www.kellerfay.com) is the first full-service market research company focused exclusively on word of mouth (WOM). Using a full suite of best-in-class research techniques, the firm measures WOM trends and campaign effectiveness; tests concepts, ads, and messages to maximize WOM potential; and offers a complete array of custom research and advisory services related to WOM. Its TalkTrack™ service is the first continuous study of consumer word of mouth, both offline and online. For more information, please call (732) 846-6800 or contact us at info@kellerfay.com.

About BzzAgent, Inc.: BzzAgent, Inc. is a word-of-mouth media network that helps companies to organize and manage honest, real-world conversations among everyday consumers. BzzAgent’s innovative process, platform and programs enable the acceleration and measurement of word of mouth as a marketing medium. BzzAgent’s clients generate awareness and shape perception about their products and services via the company’s growing community of more than 250,000 trained consumer volunteers. In 2006 alone, BzzAgent participants spread honest word of mouth to more than 10 million friends and family members. For more information, visit www.bzzagent.com.