

The Word of Mouth Revolution: How Newspapers Can Join and Lead

A Presentation to the NAA
January 31st, 2007
By Ed Keller

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Word of Mouth Research & Consulting

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Word of Mouth Has Taken Off!

Word Of Mouth Is Valued

1½ times more today
by consumers than in the
1970s

2 times as much as
traditional media

*One American in ten
tells the other nine
how to vote, where to
eat, and what to buy.
They are*

The Influentials



ED KELLER AND JON BERRY

The New Imperative: Getting Into The Conversation

Leading Marketers Are Getting on Board

“Procter & Gamble CEO A.G. Lafley urged marketers to ‘let go’ of their brands and bow to consumer wants and needs in his kickoff to the Association of National Advertisers conference here today.”



Source: Ad Age



Many assume WOM growth = Growth of blogs, social media, viral

- Blog growth is impressive



- So is growth of social media



“MySpace, which has accumulated 67 million members since its launch in 2004, is currently growing by an average of 250,000 new members daily, said Dani Dudeck, a MySpace spokeswoman. That phenomenal growth rate has pushed its ranking among popular sites to a par with such notable players as Yahoo.”

And yet . . .

- There are **3.5 billion** WOM conversations per day in America*
- Do you know how many take place offline versus online?
- And do you know what actually fuels WOM?



*Source: TalkTrack™, Keller Fay Group

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TalkTrack™: A New, Continuous Study Monitoring All Word of Mouth

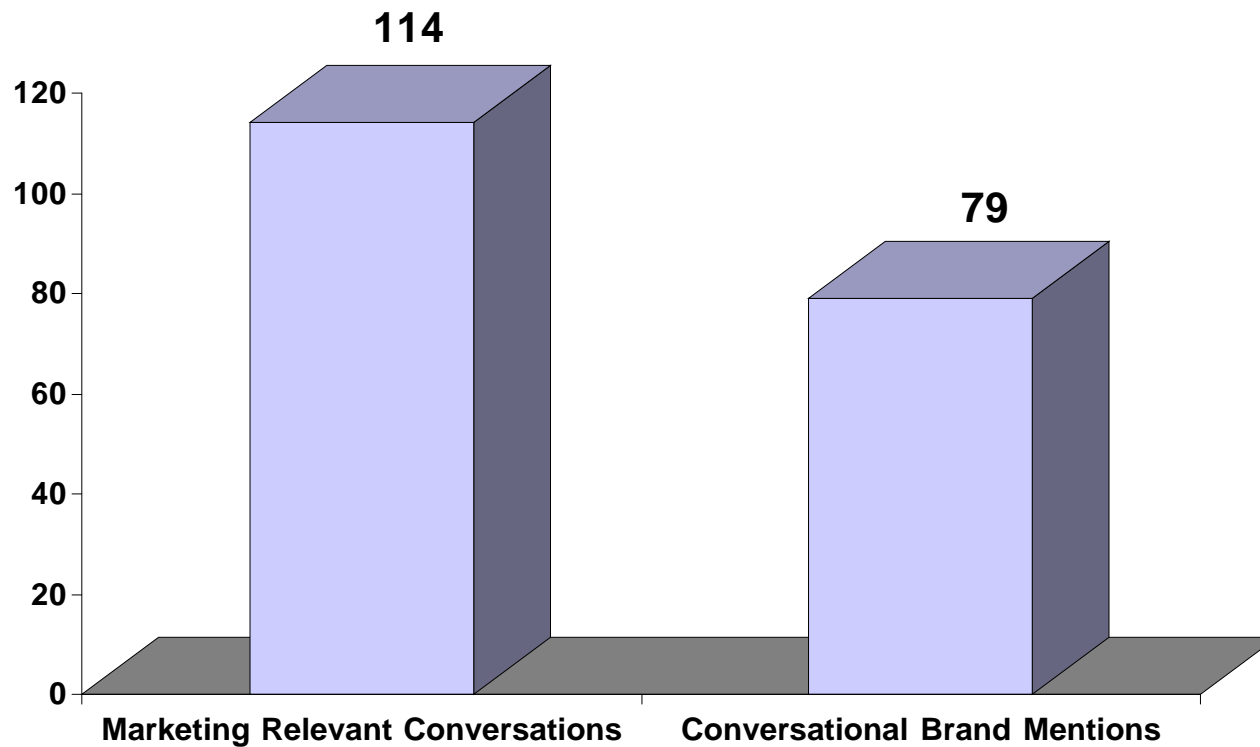
“Get used to it: It’s not you selling to them, it’s you and them selling together.”

- Diary-assisted reporting of past 24-hour conversations
- All modes of conversation
 - Face to face
 - Telephone
 - Online
- Weekly online data collection
 - 36,000 respondents per year
 - 400,000 brand mentions
- Representing Americans 13-69



There's a Lot of WOM Today

(Average weekly conversations and brand mentions per person)



Base: 7,230 respondents

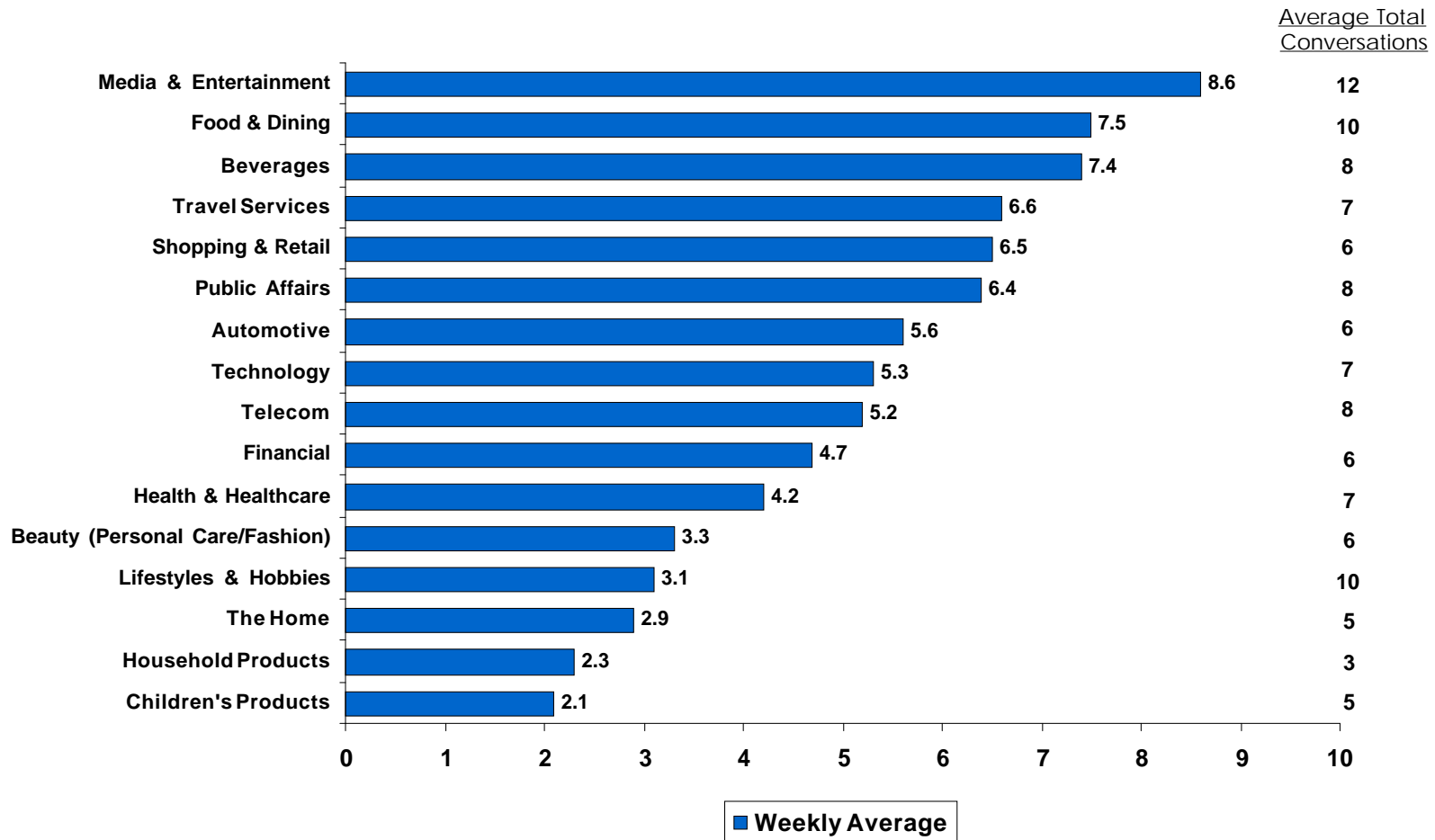


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From Media ... to Food ... to Finance ...

(Up to 12 conversations per week and 8 brand mentions per category)



Base: 7,230 respondents

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WOM Is Mostly Positive

62% of brand references in marketing-relevant conversations are “mostly positive”



...six times the “mostly negative” references (10%)
...while 17% is mixed

Base: 38,878 brand mentions



WOM Has a Real Impact

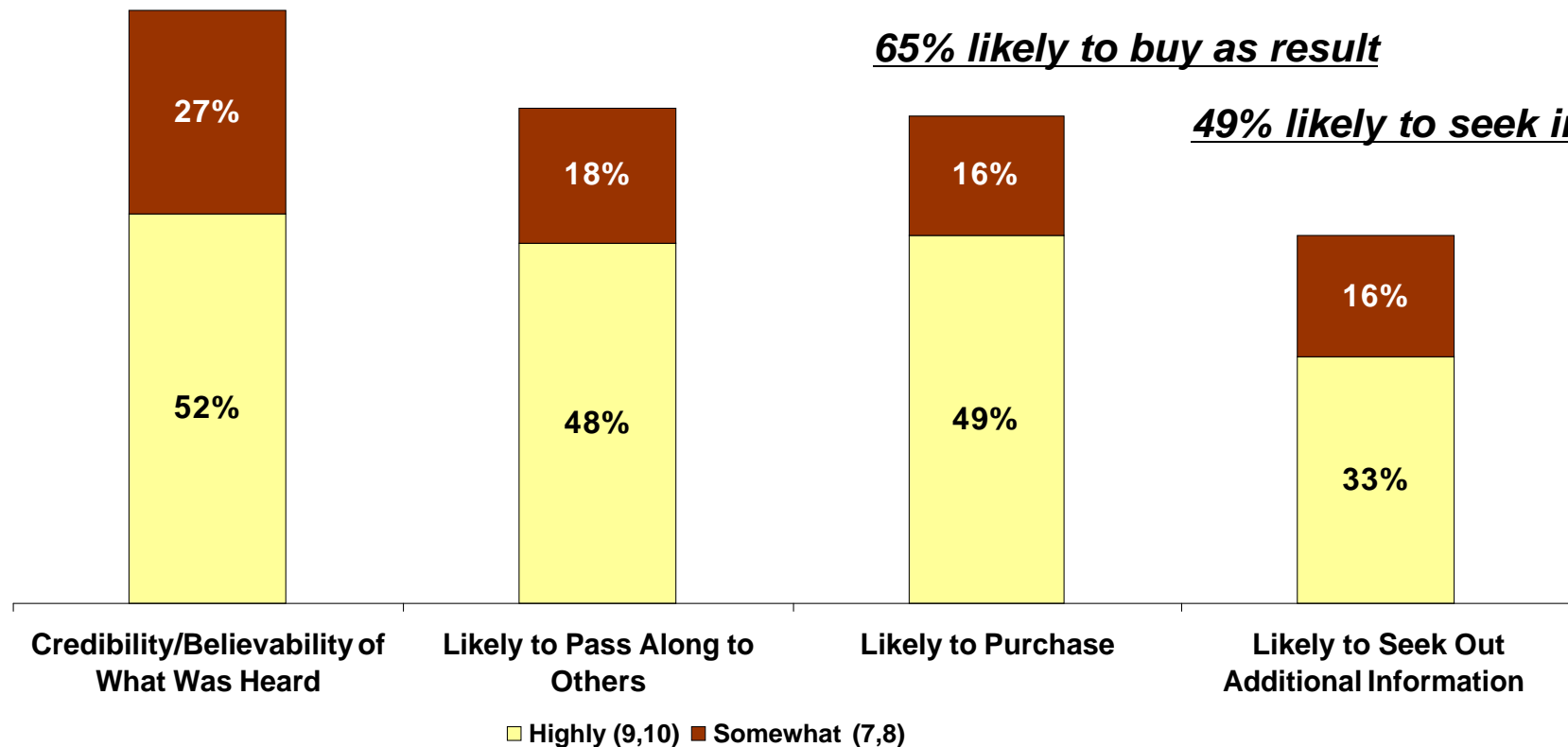
(Receivers' reactions to WOM episodes)

79% find WOM credible

66% likely to pass it along

65% likely to buy as result

49% likely to seek info



Base: 23,887 brand conversations (where respondent was a receiver of advice from somebody else)

*Highly represents percentage scoring "9" or "10" out of a 0 to 10 scale; Somewhat represents percent scoring "7" or "8"

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Most WOM Is Face-to-Face

72% of marketing-related conversations
take place in-person

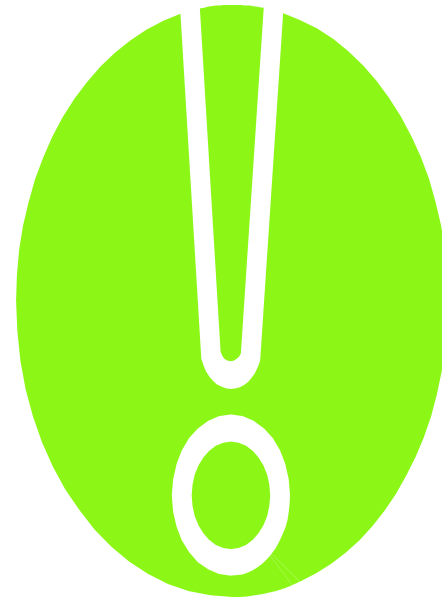
The remainder are:

1. Phone (18%)
2. Email (3%)
3. Instant or Text Message (3%)
4. Online chatroom or blog (1%)
5. Other (3%)



So. . . Don't Overlook Opportunities in Offline WOM

- There are **3.5 billion** WOM conversations per day in America
- There are tremendous opportunities for offline WOM, as well as online
- > 3.1 billion take place offline
- ~ 245 million take place online

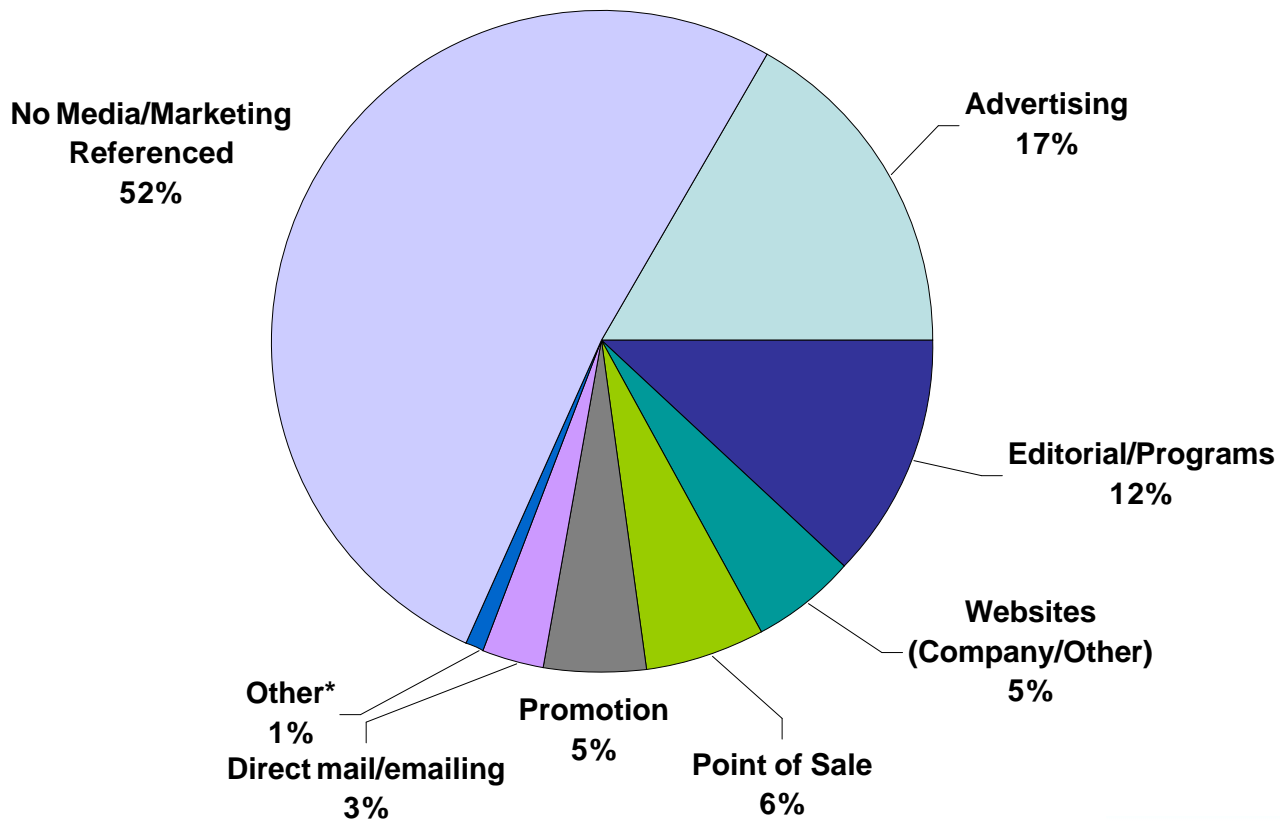


*Source: TalkTrack™, Keller Fay Group
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Marketing & Media Are Key Part of WOM

Nearly 1 in 2 brand conversations refer to brand marketing or media



Base: 38,878 brand mentions

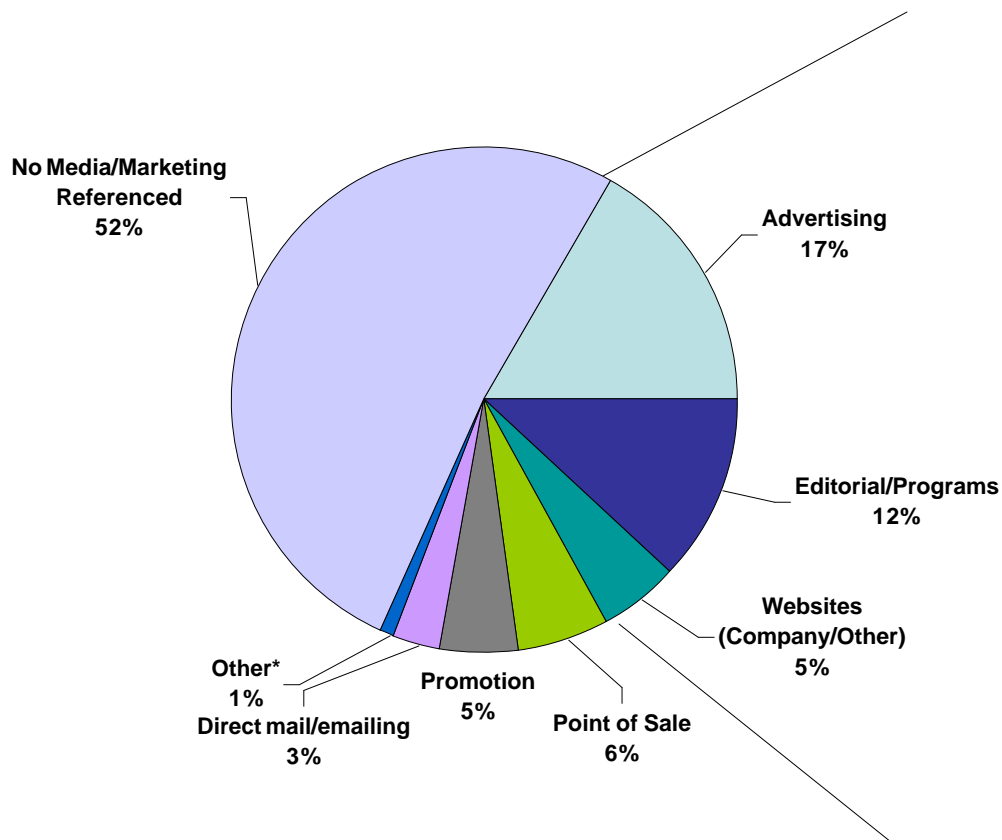
* Other includes sports arenas, concert arenas and events

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Media & Marketing Are Key Part of WOM



By Media Channels	%
Television (Net)	11
Ad	6
Program	5
Internet (Net)	10
Company Website	4
Internet Ad	3
Online Consumer Reviews	1
Other Website	1
Internet blog/chatroom	1
Newspaper (Net)	5
Ad	3
Article	2
Magazine (Net)	3
Ad	2
Article	1
Radio (Net)	2
Ad	1
Program	1
Billboard Ad	1
Any other Type of Ad	2

Base: 38,878 brand mentions
Other includes sports arenas, concert arenas and events

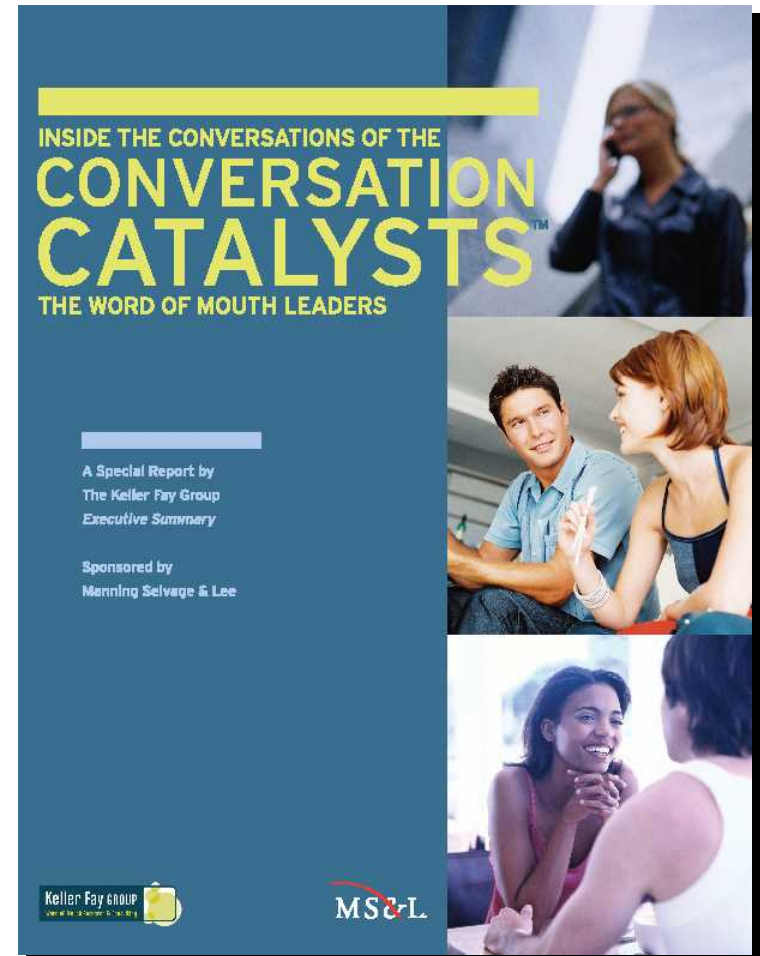


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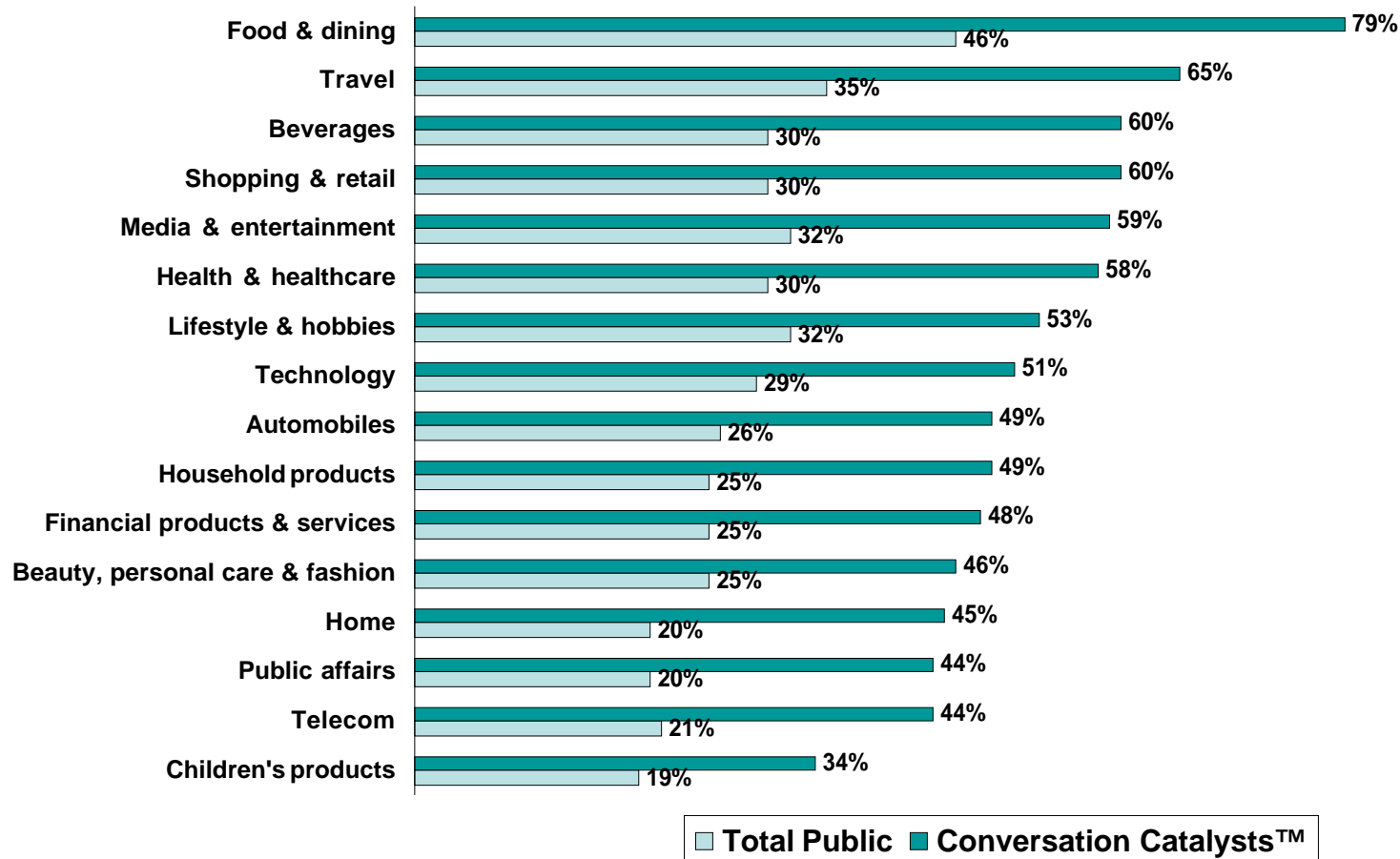
Print: Particularly Important to the Conversation Catalysts™ – the WOM Leaders

- 15% of the population, accounting for 1/3 of all WOM!
- Identification based on
 - Recommending behaviors
 - Size & breadth of social network
- Tracked regularly by Keller Fay
- Subject of recent report sponsored by MS&L



Recommending Across Categories

(Percent saying they often offer advice to others on categories)



How to Reach Conversation Catalysts™:

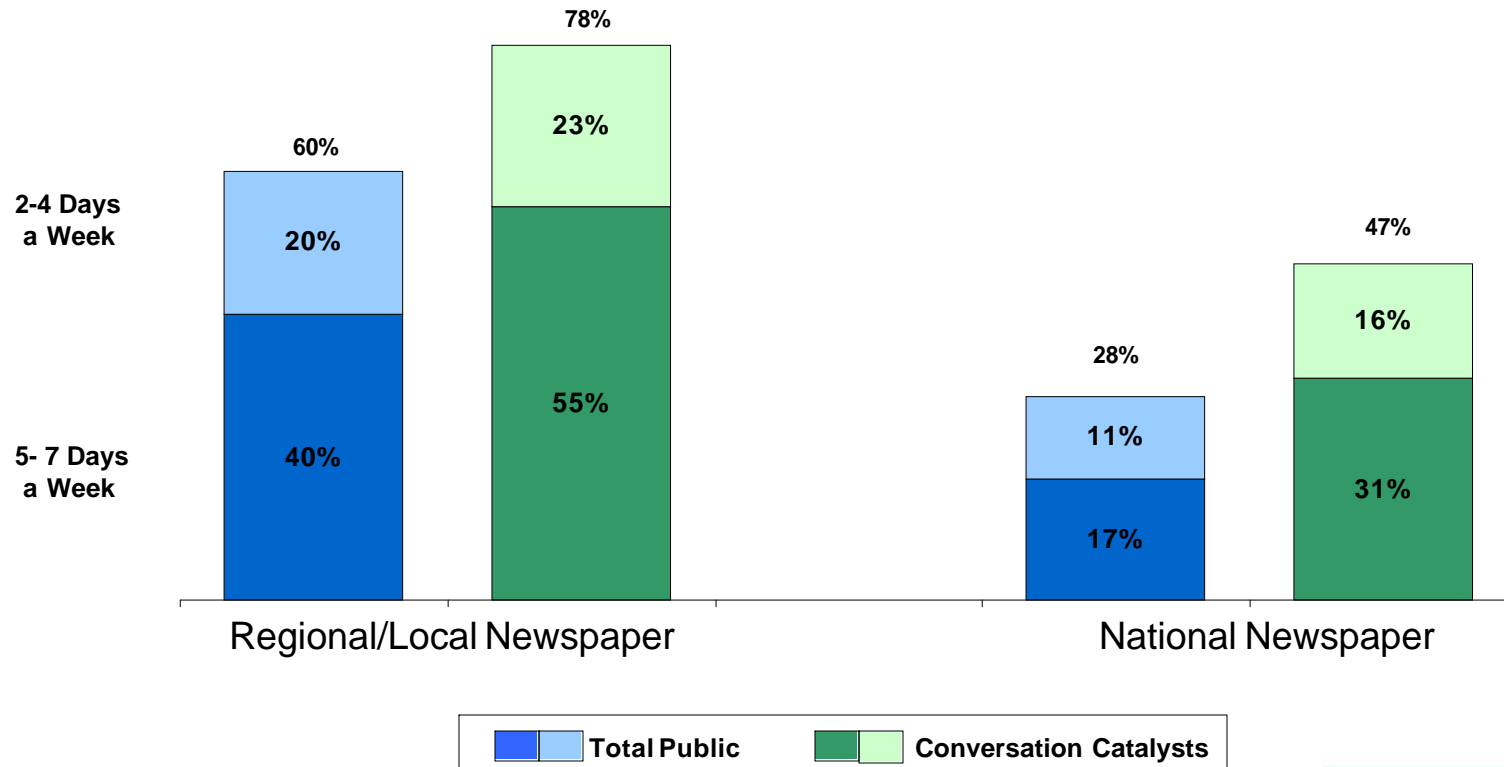
(Media Usage Habits of America's Consumer Influencers)

- Conversation Catalysts™ are avid consumers of media
- Much more likely than the average person to:
 - Read newspapers, both national and local/regional papers
 - Read magazines, especially news/business/politics
 - Listen to radio, particularly music formats
- Conversation Catalysts™ are slightly ahead of other consumers in terms of their use of the Internet and television
- Conversation Catalysts™ are particularly heavy users of media during the morning
 - Newspapers
 - Magazines
 - Radio



Conversation Catalysts™ Read Newspapers Much More Often Than Average

- More than half (55%) of Conversation Catalysts™ read a regional/local newspaper five or more days per week, versus 40% of average consumers.
- They are also more likely to read a national paper five or more days per week (31% versus 17%).



Base: Respondents (Total, n=1,920; Catalysts, n=323)

Source: TalkTrack™, October 30th to November 19th

18

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Mastering Your Word of Mouth

- Today, WOM is not just “nice to have”
- It’s critical to business success
 - Word of mouth drives growth!
- WOM should not be in a silo
 - All forms of media and marketing can/should drive WOM
- Think offline, as well as online
- Newspapers can play a large role in WOM, especially among Conversation Catalysts TM

**Bottom line: join the conversation.
You, too, can be a winner!**





THANK YOU

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The Keller Fay Group

Bringing best-in-class tools to word of mouth strategy and measurement

