

AN e-BURST OF INSPIRATION FROM THE BEST BOOKS

Barry Libert, Jon Spector

Foreword by Don Tapscott

CROWDSOURCING YOUR SALES

Let Your Customers Sell
Themselves (and Others)

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Crowdsourcing Your Sales

Let Your Customers Sell Themselves (and Others)

Barry Libert and Jon Spector

“Dollars alone don’t build a brand.”

—Robert J. Davis

Yes, Procter & Gamble (P&G) is in the business of turning out consumer products by the barrelful. As its Web site boasts, “Three billion times a day P&G brands touch the lives of people around the world.” But the company has another, very different line of business as well. It offers up the services of hundreds of thousands of moms and teenagers as word-of-mouth marketers—for its own product divisions and those of other organizations as well.

Donna Wetherell, of Columbus, Ohio, is one of those “mom connectors,” as they’re called. She’s employed at a customer service call center, where she’s known as “the coupon lady.” That’s because she’s always passing out P&G coupons and sharing news of new products with her 300 coworkers. They enjoy her visits, too.

All of us like to chat about the goods we buy and use. Each week, the average person mentions specific brands 56 times in the course of 100 conversations. And studies have shown that today’s consumers rely far more on what their friends and colleagues have to say about a product than on the ads they see on television. That’s why, whether in person, on the phone, or online, the messages carried by Donna

Wetherell and her connector colleagues are so often welcome. “We know,” says Steve Knox, chief executive officer of Vocalpoint, “that the most powerful form of marketing is an advocacy message from a trusted friend.”

P&G’s word-of-mouth operation has two distinct pieces: Vocalpoint and Tremor. The Vocalpoint unit focuses primarily on P&G products and boasts 500,000 mothers who have children under 19. The Tremor unit focuses mainly on products from clients other than P&G and includes 250,000 teenagers. Proprietary research techniques enabled the company to find teens and moms who are gregarious and rich in friends. The average teenager has 25 friends on her instant message buddy list, while teen connectors have 150 or so. Mom connectors talk to 25 or so people a day, versus 5 for the average mother.

When P&G set about introducing its new dishwashing detergent, Dawn Direct Foam, it hired Vocalpoint to organize a crowdsourcing campaign. This is how Steve Knox describes what happened next: “Our connector moms looked at this product and went, ‘Wow! That’s so cool. My kids would want to help.’” That reaction led Knox to establish the talking points for his word-of-mouth army. In discussions with friends and colleagues, they would offer some “helpful hints” on how to get kids to do more chores around the house.

After that, Knox explains, “Dawn became a natural part of the conversation.” The results: “We nearly doubled Dawn’s business in the test market.”

In 2005 the milk industry was preparing a national campaign to convince teenagers to forego sodas and drink milk as a way to reduce weight and body fat. Tremor’s piece of it was to use word-of-mouth marketing to get teens who were drinking one glass of milk a day to drink more.

Teen connectors were sent a mailer that listed the benefits of drinking three glasses of milk a day (“achieve the look you want”) and white “3X/day” bracelets to share with friends. In phone and e-mail messages, the connectors urged people to sign up for the 3X Challenge, offering them a chance to download a diary to keep track of their progress. Those who did received a cup and a bracelet by mail. The results: In no time, the effort had 1.5 million teenagers talking about milk. And according to Tom Nagle, senior vice president of the International Dairy Food Association, “We were able to measure big increases in consumption in test versus control markets.”

What started at P&G as a means to better peddle its own products has now become a profit center with clients ranging from cereal maker Kashi to cable channel Animal Planet to lubricant manufacturer WD-40. “We know,” says Knox, “that the most powerful form of marketing is an advocacy message from a trusted friend.” Or as P&G’s CEO A. G. Lafley likes to say, “The consumer has become the marketer.”

“Next to doing the right thing, the most important thing is to let people know you are doing the right thing.”

—John D. Rockefeller

P&G’s success with word-of-mouth sales is just one example—although an impressive one—of the role this revolutionary breed of crowdsourcing can play in a marketing program. We use *revolutionary* advisedly. After all, merchants have relied on their customers to “spread the word” about their goods at least since the earliest Egyptians bartered their grain for olive oil or honey in the markets of Memphis. It’s just that mobilizing huge numbers of people to take on

that task, and paying them nothing or next to nothing to do so, puts a whole new, directed spin on an old, spontaneous practice.

By far the majority of P&G's connectors are upbeat about its products, but, of course, there are no controls on what they actually say. Some comfort can be found in studies that show that when Americans talk about brands, positive mentions outnumber negative by 6 to 1.

Here is another example of the community as salesperson, along with some suggestions for how you can put all those people to work in your behalf.

M80

Back in 1998, Dave Neupert had an idea he thought would eventually be heard loud and clear in the marketing world. That's why he called his new company M80 Interactive Marketing, after the big-bang daddy of all firecrackers.

The story opens two years earlier, when Neupert was working at a record company in Los Angeles and eager to promote his clients through the Internet. He began setting up Web sites for bands, including one for the Deftones. It was the company's first with a chat room, and Neupert soon realized that a community of enthusiastic fans was forming around the site. Many of them complained that the band's music wasn't being played much on the radio. Neupert suggested they mobilize, using the Internet to spread the word. They did, and in short order, Deftones record sales started to rise.

Neupert got the message—and founded M80. Then, as now, the company followed a basic three-step formula:

- 1) Find rabid fans of the band, TV show, or whatever product he was promoting.
- 2) Convince them to push the product online, pretty much gratis.

3) Teach them how to go about it.

The fans he pursued were primarily young, and the products he asked them to push were those that had some cult popularity among the young. In an early interview, he described the crowdsourcing campaign he ran in 1999 to promote a new album for the band *NSYNC. The volunteer online crew consisted of 4,000 people, mainly teenage girls. “We build huge blitz teams, as we like to call them,” he says. They were urged to go onto Web sites where music fans congregated, including those of radio stations, to spread the word that a new *NSYNC album was due to hit the street shortly. “These fans are competitive in the boy-band community,” according to Neupert. “With communication costs decreasing, feedback has become significantly more cost effective. Hundreds of thousands of discussion groups, rating systems, e-mail threads, and blogs offer completely unsolicited complaints, comments, and advice for every product known to man.”

Then and now, M80 feeds its teams “inside” information about client tours or videos and the date an ad campaign is due to kick off. Knowing when radio stations are going to carry promotions for a band, for example, can spur a team to greater efforts. “We tell them, ‘Let’s drive the spins up,’” he says. Core team members are rewarded with T-shirts, tickets, and other items.

Since the early days, the company has spread its wings. It has helped some 150 clients including many outside the music industry, such as Comedy Central, The Gap, Tommy Hilfiger, Honda, Napa Auto Parts, Cingular Wireless, and Fox Broadcasting. Revenues rose to \$2 million a year.

Whether Neupert will be able to take his technique into the realms of less exotic products—toilet paper leaps to mind—remains to be seen. He’s optimistic. “Everyone is passionate about something,” he told the *Los Angeles Times*. “But we need to harness that enthusiasm.”

Meanwhile, he's not lacking for admirers in the marketing world. In 2006, WPP Group, the giant marketing and communications firm, acquired 51 percent of M80's stock. No price was announced, but the sale demonstrated conclusively that the leveraging of the online community for product sales had come of age.

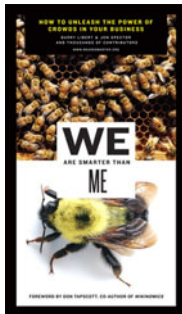
Know Your Fans

Chances are, you're not in the music business—or sports or film, for that matter—so your customers are unlikely to be so fanatic about your product. That means you will need to do some extra research to spot those you can inspire to become your new, auxiliary sales staff. Tap your marketing people to find customers who have called or written praising the product and those who have a long track record of purchasing it. Contact these customers directly with an invitation to join an elite club of advisor-connectors.

You can also issue a general invitation via your Web site.

Make Them Happy

The trinkets and other freebies that P&G and M80 hand out are not the major attraction for word-of-mouth volunteers. They like being able to get across their point of view to other customers and to the companies' management as well. They enjoy being on the inside. When M80 was hired to promote a new DVD of the TV cartoon "The Family Guy," which had recently been taken off the air, Dave Neupert learned that fans of the show objected strongly to its cancellation. "We're trying to persuade fans to help us promote, and they're trying to use us to talk to the show's producers," he says. Inspired in part by M80's findings, the network brought the show back to life.



If you liked this Element, you might like the book
by Barry Libert and Jon Spector, *We Are Smarter Than Me:
How to Unleash the Power of Crowds in Your Business*

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