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Word-of-Mouth Marketing -- You Can Make it Work for You!

By Dr. Joan Fulton, Dr. John Foltz, Dr. Alexander, Dr. Xu

Dr. Fulton is Professor, Department of Agricultural Economics and Center for Food and Agricultural Business, Purdue University. Dr. Foltz is Associate Dean and Director of Academic Programs, University of Idaho. Dr. Alexander is Assistant Professor, Department of Agricultural Economics and Center for Food and Agricultural Business, Purdue University. Dr. Xu is Assistant Professor, Morrisville State College, New York.

Read about how to make this tool work for you long after the buzz wears off.

When you hear reference to word-of-mouth marketing do you think “oh, that is the buzz that some firms get who are lucky enough to be in the right place at the right time and get everyone talking about their product,” like Cabbage Patch dolls in the 1980s or more recently ipods. This buzz is one aspect of word-of-mouth marketing and some companies have been able to successfully sustain that positive talk amongst their customers. Additional examples that come to mind are Saturn owners who are so excited about their car they plan their vacations around Saturn owners’ reunions, and Harley Davidson owners who not only travel extensively to owners’ reunions, but also spend large sums of money on Harley Davidson merchandise all of which serves to increase the talk between owners. While many of the word-of-mouth marketing examples are business to consumer (B2C), word-of-mouth is important in agriculture. The adoption and diffusion of hybrid corn was rapid, and word-of-mouth communication with farmers was an important factor in this adoption. The recently released results from Purdue University’s 2008 Large Commercial Producer Survey showed that farmers rate “other farmers” as the second most important information source.

Word-of-mouth marketing is so much more than just this buzz. We last visited with you on this topic in 2003 (see “Word-of-Mouth Marketing: Make the Buzz Work for You,” FEED & GRAIN, August/September 2003) and there has been a lot of work in the area since then.

There are many definitions out there for word-of-mouth marketing but one that we find useful is from Andy Sernovitz who defines it quite simply as “giving people reason to talk about your stuff and making it easier for that conversation to take place.” Sernovitz’s point is that people are already talking about your business and your product and service mix. Sernovitz published a book on this topic, which you may find useful — “Word of Mouth Marketing: How Smart Companies Get People Talking,” (2006) Kaplan Publishing. In this article we will explore how you can make word-of-mouth marketing work for you by determining how to get more people talking about your business in a positive way.

Two points about word-of-mouth marketing are key for you in the feed and grain business. First, it is important to realize that people are already talking about your business. Taking direct steps to ensure that word-of-mouth marketing is working for you is really a way of taking something that is already happening and ensuring that the outcomes are positive and effective (i.e., that your customers are talking about your business in a positive manner and you are getting the greatest possible benefit from this talk). Second, in this business environment of big box retail stores, multinational banking organizations and larger and larger conglomerate corporations — word-of-mouth marketing, effectively used, can help to level the playing field. You don’t have to be big to make effective use of word-of-mouth marketing. In fact small organizations can have an advantage here because management is closer to the

customers.

Putting word-of-mouth marketing into action — the Five T's

Sernovitz suggests using the five Ts as a framework for putting word-of-mouth marketing into action. The five Ts are: Talkers, Topics, Tools, Taking Part and Tracking. We will first explain each of these five T's and provide examples for the feed and grain business which illustrate their importance.

The “talkers” are your customers who are the most likely to talk about your business. These will be farmers who other farmers look up to — and are referred to as “Market Mavens” in the marketing literature. These may be successful producers, leaders in the community, or leaders of commodity organizations. Research has shown that these leaders are the ones who are most likely to talk to other producers through word-of-mouth and they are the people you want to focus your marketing initiative around.

Once you have identified the talkers you need to give them something to talk about and this is where “topics” comes in. Sometimes the topics are short-term in nature, such as promotions and other times may represent a long-term marketing strategy such as business planning or branding.

The third T is “tools.” Remember that word-of-mouth marketing is getting your customers talking about your business and putting things in place to make it easier for them to do that talking. Your job then is to figure out the tools to make it easier for your customers to talk. Some businesses are effectively using the Internet, via blogs and online discussion groups as tools, but if online blogs are not for you, there are many other effective word-of-mouth marketing strategies, which we will discuss in more detail.

An important part of a word-of-mouth marketing campaign is that you will be “taking part” in the discussions with your customers. It is OK for you to take part in the word-of-mouth marketing initiative, but be honest and open about your presence in the discussion. In fact, customers will appreciate the fact that you are part of the discussion because you can often answer questions and clear up misunderstandings very quickly.

Any good marketing program requires constant monitoring which brings us to the fifth T of “tracking.” Develop a mechanism for keeping track of all activity related to your word-of-mouth marketing initiative and monitor the information regularly. Of course, your word-of-mouth marketing program will only be effective if you continuously adapt your initiative to take advantage of this new information.

Putting the Five T's to work

In today's business environment your customers have a real and immediate need for not only marketing information but also the analysis and interpretation of that marketing information with respect to what it means for their farm operations. Most of your customers have access to the Internet and therefore they have access to an extensive amount of both information and analysis — and in fact that is the challenge. The amount of information and analysis available on the Internet is so large it's overwhelming. Here lies the opportunity for you to help make sense of it all. You can serve a need your customers have and word-of-mouth marketing can be an effective tool to use.

Your goal here will be to become the place that farmers talk about when the questions such as “What is the impact of the recent change in interest rates by the Federal Reserve on the agricultural economy?” or “How will recent changes in world oil prices impact us as farmers?” and others. You want to not only be the place that farmers talk about, but you want to be the place that farmers refer to as the place to get solid and useful answers to these questions.

Let's evaluate the critical components for this program using the five T's. As you implement a program like this you will learn these five T's are interconnected.

Talkers: In identifying the “talkers” start by identifying the leaders of both commodity organizations and community groups as well as your most productive farmer customers. These are the people you want to get participating in discussion about economic conditions and what actions are appropriate for farmers as a result. Make a list of these target “talkers” to use as you consider the other four Ts.

Topics: The “topics” for you will focus around the market reports and analyses of economic conditions and implications for farm operations. Remember, your goal is to have farmers, when talking about changing economic

conditions, refer to your business as the place to get solid and useful answers to these key questions. You may find from time to time you can take this one step further by introducing programs that are appropriate as the market conditions change, such as pre-payment options for inputs.

Tools: So, how are you going to do this? What “tools” are you going to use? Begin by identifying some market services and analysis that you find particularly helpful for your customers. Then identify the time the “talkers” you identified above tend to stop by your business. Now you have the information you need to initiate your word-of-mouth marketing program. Establish specific days/times when you and/or your marketing manager are in the lobby or meeting area along with your customers. Have hard copy print-outs of the market analysis noted above, as well as have the most up-to-date information on a computer screen for everyone to see.

Bring out the doughnuts and coffee and encourage your customers to participate in an information market outlook discussion. You can use another tool to keep the discussion going between the coffee and doughnut sessions. Keep key links to these marketing information and analyses sources updated on your business website. The “tool” you are providing is a screening and conduit to effective market information and analysis — which of course is closely related to “topics” noted above.

Taking Part: Be clear about the role that your business is playing here — “taking part.” During the coffee and doughnut sessions you and/or your marketing manager need to visit with the farmers. If you and your marketing manager wear a shirt with your business logo prominently displayed, everyone will know the role you are playing. If you have a new program, such as a prepayment for inputs, be clear that it is a program your business is offering and keep the information related to the program distinct from the market analysis information.

Tracking: Finally, be diligent with “tracking.” Keep a count of the number of farmers who participate each week. Of course the most effective count you can get is to physically count everyone and record that number. However, it may be awkward to actually count people, and even if you did count everyone, you might forget the number if you didn’t write it down immediately. You can also track the number of doughnuts used, or the amount of coffee consumed as a proxy for the level of participation. If participation falls, you then need to identify the reason. If you identify that participation has fallen off because it is planting time and farmers have become too busy, then an appropriate strategy for you might be to stop the sessions and resume them when the busy season has passed. Alternatively, if you find that economic factors have stabilized and that is the reason for the declining participation, an appropriate strategy might be to have sessions once a month compared to the weekly sessions you had originally. Regularly monitor the number of “hits” to your web site. The business that operates your website should be able to provide you with information about the number of people that access your website and the number that are linking to the market information sources you are highlighting. In addition, monitor comments farmers make when you meet with them. Also, keep track of how new customers come to you — take time to ask the question, “How did you hear about us?” This information is vital in understanding how your word-of-mouth marketing program is working.

Word-of-mouth marketing isn’t deception

The important thing to keep in mind with respect to word-of-mouth marketing is that your customers will “tell it like it is.” If your business is solid and you have a well positioned product/service mix, word-of-mouth marketing can be your most effective marketing tool. However, if you have areas where your business is not as strong and/or have weaknesses in your product/service mix, then the first order of business is to take care of those weaknesses and then begin the implementation of your word-of-mouth marketing plan. If you take heed of the following points, you will be well on your way to making your word-of-mouth marketing program work for you.

Word-of-mouth can’t be faked

We noted above the importance of getting the leaders and the best producers to be your key “talkers.” However, focus on those leaders who are known as your customers. If it is well known that a particular leader does not traditionally patronize your business, then getting him or her to talk about your business will not be credible.

Just be yourself

It can be difficult when you implement a word-of-mouth marketing program because you and your staff will find yourselves in the middle of the conversations (either in person or via Internet blogs) with your customers. Simply be upfront with respect to your presence.

As suggested above, wear a shirt with your business logo prominently displayed. When you are upfront with respect to your presence, you will find your customers will appreciate that honesty and before long they will be talking as openly and freely as if you were not there.

Honesty

Honesty in word-of-mouth marketing is so important that the Word-of-Mouth Marketing Association has adopted a code of ethics. This is really just common sense.

You need to be upfront with your customers so that they know what you represent and why you are doing that when you interact with them. Honesty will bring customer loyalty.

Just say no

It is a reality of life that situations will arise when you are tempted to do something that is deceptive and word-of-mouth marketing initiatives are no exception. Just say no. You will gain the long run respect from your customers. Remember gains from being deceptive are, at best, only short term in nature.

Conclusions

Word-of-mouth marketing can be an important tool for you, but at first it can seem difficult. We provided one example here, but there are many more ways you could use word-of-mouth marketing. Think of other ways to get your customers talking about your business in a positive manner.

Remember, they are talking about you anyway. Explore the ways your customers are currently interacting and identify places where you could interject useful information in the process. Then the five Ts can be an important framework as you develop the word-of-mouth marketing program.

Finally, as we noted above, there has been important work done to better understand word-of-mouth marketing in the past few years and we would like to share with you some of the resources that are now available in this area.

The Word of Mouth Marketing Association (www.womma.org) has useful information on its website. The following books may also prove useful for you: *The Influentials*, Ed Keller and Jon Berry, (2003) The Free Press.; *The Secrets of Word of Mouth Marketing*, George Silverman, (2001), American Management Association; and *Word of Mouth Marketing*, Jerry R. Wilson (1994) John Wiley & Sons.



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