

White Paper

# **Growing Your Business Using the Untapped Power of Word-of-Mouth Marketing**

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**The content in this White Paper applies primarily to  
the following SMPS Domains of Practice:**

Domain 1: Marketing Research  
Domain 2: Strategic/Business/Marketing Planning  
Domain 3: Client and Business Development



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## Introduction / Executive Summary

Word-of-mouth (WOM) marketing is one of the most underused tools in the professional services industry. A/E/C marketers have attempted to harness the power of WOM for years. These attempts include familiar measures such as using client references, featuring client testimonials, and speaking at conferences or seminars as an expert to generate WOM activity. Despite this, few fully utilize the transforming power of WOM.

In the consumer world, companies have learned how to harness and measure WOM to grow businesses quickly. Numerous books, articles, blogs, and stories exist on the subject, but few relate to professional services. An early research paper that addressed WOM in professional services pointed out that “WOM has been shown to play a more significant role in customers’ selection processes for professional services than for other services...because many decision makers lack the training to evaluate such services.”<sup>1</sup> Given this, it is crucial to carefully consider how to influence these decision makers.

WOM is effective because it is unbiased, spontaneous, independent, and unsolicited. It does not come directly from the company selling the product or service. Therefore, it is considered more trustworthy and honest. By definition, both the message and the medium are independent, giving it credibility.

Because WOM can be positive or negative, it is easy to think that it cannot be controlled. Few A/E/C firms consider it when planning or budgeting for marketing efforts. Understanding how WOM is generated, who is likely to generate it, and how to provide information for constructive WOM is essential. With a defined strategy, WOM can be controlled just as well as other marketing tactics.<sup>2</sup>

Studies have shown that a satisfied customer is likely to tell 3 people, while a dissatisfied customer is likely to tell approximately 11 people. Those people in turn tell another five each. That is 55 pieces of information from one disgruntled customer.<sup>3</sup> People quickly forget a satisfactory experience because it is expected, but an unresolved negative experience is unexpected and results in a strong emotional response that energizes WOM.<sup>4</sup>

Our industry has overused the term “exceeding customer expectations,” stripping it of meaning. Do not be satisfied with *satisfied* customers. Aim to make them so happy that they *want* to tell everyone they know. *Architecture* magazine reported that a 1994 Roper organization survey showed that of the key factors influencing a client’s decision to hire an architect, design ranked seventh. Clients expect good design. People are not going to talk about a level of service that they have come to expect.

Firms that successfully use WOM understand their own strengths, give people something good or exciting to talk about, and focus on customer service. Firms with a special expert on staff, or providing an exceptional customer service experience can set themselves apart.

Building a WOM marketing campaign should touch every aspect of your business. Every direct contact with a client is an opportunity to initiate a WOM event. The focus should be on creating value for your client by giving the client a positive memorable experience that fosters a desire to engage in WOM.

# Background

## ***Background and Problem Statement***

WOM is nothing new. Marketers in the A/E/C industry have relied on it for years. The very nature of what we offer clients—an intangible service—begs for outside confirmation. Does the architect under consideration for your project have the right expertise, or the best skills? We naturally seek out references to answer these questions—someone who can share his or her own experience.

What has changed is the importance WOM plays in our world. We are bombarded daily with hundreds of messages. By the time you arrive at work, you've been inundated with television commercials, radio promos, billboards, signs, bus billboards, and newspaper ads. With these nonstop messages, we are drawn to information that can help sort it. We turn to friends who know electronics to recommend the best flat-screen TV. We call a neighbor to find out who painted his house. We e-mail a peer for a restaurant recommendation. WOM creates qualified pre-awareness of a service provider or product.

When it comes to finding an architect or an engineer, we look to the experience of others to help us make a decision. A research team from the University of Connecticut and Northeastern University wrote one of the earliest research papers on WOM marketing. It found that because of the structural differences between professional services and other services, WOM plays more of a significant role in customers' selection process for professional services than for other services.<sup>5</sup> The same paper suggested that professional services providers would benefit by a renewed emphasis on a systematic approach to WOM that reflects the specific situation. For example, a small firm may be more reliant on referrals and testimonials because it lacks the resources for more expensive marketing tactics.

In the consumer-based world of marketing, Fortune 500 companies have embraced the concept, using it to launch new products, research new markets, and actively solicit customer feedback. The Word of Mouth Marketing Association (WOMMA) is a nonprofit organization focused on addressing this industry. In light of the research done by WOMMA and others, it is clear that WOM has the power to transform our industry as well. The question we are left with is how do we meaningfully apply this to our industry?

### ***What is word-of-mouth marketing?***

WOM marketing in its simplest form is information communication by a third party. It is informal communication about products, services, or ideas between people who are independent of the company providing the product or service; in a medium that is independent of the company.<sup>6</sup> It is unscripted, spontaneous, and honest. Because WOM does not come directly from the company selling the product or service, it is considered more trustworthy.

Public relations is one form of WOM. It includes, but is not limited to, testimonials, referrals, references, evaluations, blogs, or news stories. It is not advertising. Advertising originates directly from the company providing the product or service using a biased, intentional script over a paid or rented medium. In contrast, WOM comes from a third party that is free to say whatever it chooses on a spontaneous basis.

### ***How can word of mouth be encouraged to grow your A/E/C business?***

Embracing WOM can make businesses stronger and more profitable. WOM marketing is gaining recognition as the single most effective means of communicating your message. For most A/E/C firms, WOM is something that *happens*, not something that can be *controlled*. It is not, therefore, planned or budgeted as a viable tactic. It can, however, be applied strategically to enhance marketing initiatives and create opportunities for client participation.

WOM is effective because it is considered an unbiased, trusted source of information. Although it is third-party based, you can still generate and influence WOM. By clearly understanding your strengths, identifying key people who are likely to influence others and focusing your marketing message on this group, you can impact your bottom line through this influence. WOM does not replace traditional marketing tactics. It should complement and make them more effective.

The key ingredients to a WOM campaign are:<sup>7</sup>

- Giving people a reason to talk about you.
- Making it easy for people to share information about you.
- Engaging and energizing those people to initiate WOM.

### ***Why is WOM so powerful?***

WOM is thousands of times more powerful than conventional marketing.<sup>8</sup> The average person is exposed to 200 to 2,000 advertising messages every day. When it comes to a purchasing decision, a testimonial from someone you trust can help you make the decision much more quickly. It provides a way of experiencing the product or service without taking risk personally.

In *The Anatomy of Buzz: Creating Word-of-Mouth Marketing*,<sup>9</sup> Emanuel Rosen suggests that WOM marketing works best with products that are:

- Exciting
- Innovative
- Relate to personal experience
- Complex
- Expensive
- Observable

In *The Secrets of Word-of-Mouth Marketing*,<sup>10</sup> George Silverman identifies other reasons why WOM is the most influential, powerful, and persuasive marketing medium:

- It is completely customer-driven.
- It is an experience-driven mechanism.
- It is independent, therefore credible (no sales pitch).
- WOM becomes part of the product itself (think American Idol).
- It is custom-tailored, and relevant to a specific situation.
- It can originate from a single source, or a relatively small number of sources (like Oprah).
- It is extremely dependent on the nature of the source.
- It saves time and is efficient.
- It is often negative, which can actually be a positive by helping the buyer make a faster decision.
- It can be very inexpensive to stimulate, amplify, and sustain.

WOM is the only marketing medium that feeds on itself. Once the message is started it can travel to millions of people quickly. If 10 people have 10 experiences each, that represents 100 experiences. If they each tell 10 people about their experiences, then that number balloons to 1,000 indirect experiences. If each of these 1,000 people tell 10 more people, and then they each tell 10 more people, and so on, the “experience” can quickly reach one million people. With the internet at our fingertips, this reality happens every day. Word of mouth is literally unlimited.<sup>11</sup>

Product WOM thrives on the buyer’s *desire* to talk about the product *after* he or she made a purchase. For services, similar principles hold true and are even more important because there is not a tangible product to observe or test. However, WOM instead arises from a buyer’s *need* for pre-awareness—information *prior* to purchase.<sup>12</sup>

Given this need, identifying the type of people who will share information can represent an excellent opportunity to expand WOM marketing opportunities. Both Malcom Gladwell, in his book *The Tipping Point*, and George Silverman in *The Secrets of Word-of-Mouth Marketing* identify three types of people who talk and their motivations.<sup>13</sup>

Connectors: Know lots of people and enjoy making social connections. Part of this process involves being helpful and sharing information.

Mavens: Enjoy accumulating information and using it to their best advantage. Once they’ve spotted a good deal they are highly motivated to inform others about it too.

Salespeople: Positive thinkers and highly persuasive when they believe they’ve discovered a good thing.

In September 2005, Desmond Lam and Dick Mizerski released a research paper on *The Effects of Locus of Control on Word-of-mouth Communication*. The study results found that people who believe they can control their own behavior and environment tend to be risk-takers and very action oriented. Because of their nature and craving for information, these people were more likely to engage in WOM marketing with a wide variety of people. People who believe their lives are dominated by external forces such as fate, luck, or powerful others, are more likely to engage in word-of-mouth with only their closest friends and family.

Developing awareness of these types of people represents an untapped WOM opportunity. For example, educating a firm partner who is actively involved in civic activities—a “connector”—on a new service provided by the company presents a natural way for sharing this information as it taps into that individual’s natural inclination to be helpful.

Likewise, if you have a natural “salesperson” that is a company cheerleader, providing opportunities such as trade shows and conferences gives that person a natural outlet to share via WOM his or her enthusiasm for the company’s services.

## Considerations

Before initiating a WOM campaign, several factors should be considered. Research indicates that an excellent “product” and the ability to focus on customer service are essential to a successful WOM campaign. Key challenges and considerations include:

***Complaints and the rumor mill*** – An effective WOM campaign offers the allure of growing a business quickly. However, it also comes with the risk of negative discussion. The rumor mill is quick to note poor service, inconsistent quality, or lack of follow-through. For WOM to be effective, services must be of the highest quality. The speed at which you resolve the problems is of paramount importance, as negative talk spreads much faster than positive WOM.

Complaints represent an opportunity. A dissatisfied customer is likely to tell approximately 11 people. Those people in turn tell another five each. 55 pieces of information are generated from one disgruntled customer.<sup>14</sup> People quickly forget a satisfactory experience because it is expected, but an unresolved negative experience is unexpected and results in a strong emotional response such as anger or frustration, which energizes WOM.<sup>15</sup>

With a reliable means of identifying and resolving dissatisfaction, you can quickly turn the situation into a positive and equally memorable experience. On Jan. 26, 2007, a home building contractor was contacted by a customer whose house was 13 years old and well past the warranty stage. The customer was trying to sell his home and during an inspection, issues arose estimated to cost over \$10,000 to repair. The owner’s angry e-mail said “At one time, I thought [your company] was an excellent home builder. I no longer believe that, and I will make a point to advise family, friends, and associates not to select you as a home builder!!!”

Instead of writing this customer off, the contractor’s warranty department met with the homeowner to help develop solutions. On February 8<sup>th</sup>, just 13 days later, the same homeowner wrote the following e-mail. “I want to personally thank you folks for your support regarding repairs to our home. This means a great deal to us! We plan on building with your company in [our new town] once we are established in jobs, etc. Now it appears, our youngest daughter and her family will be making the move there in April or May, and they have indicated they too wish to build with you folks.” The company moved from a negative WOM position to a position of multiple positive WOM experiences.

It is not that an experience was negative that creates the buzz, but the fact that it was a special situation that was handled in an extraordinary way. Research shows that of those customers whose complaints are resolved, 83 percent will remain loyal and each will recommend you to five others.<sup>16</sup>

***Satisfied customers*** – Having satisfied customers is simply not enough anymore. We must aim for customers that are so happy with you that they want to tell everyone they know—spontaneous WOM. Ken Blanchard calls these people “raving fans” because they cannot stop *raving* about you.<sup>17</sup>

Research from [www.consumer.com.my](http://www.consumer.com.my) shows that half the customers who tell you they are “fairly satisfied” will not come back again. They have confirmed that it costs between 6 and 10 times as much to gain a new customer as it does to keep an existing one. Because less than 4 percent of unhappy customers complain, management thinks all is okay. However, 96 percent of customers do not complain when they have a problem; they just don’t come back. This has a significant impact on profits and demands serious attention to maintaining client relationships.

**Ethics** – An entire industry has risen out of the concept of WOM marketing. The Word of Mouth Marketing Association was founded by an impressive list of Fortune 500 companies. Recognizing that there are unscrupulous companies that could easily manipulate this medium, it developed a Code of Ethics that was published Feb. 9, 2005. This basic Code of Ethics protects the rights of consumers.

### **WOMMA Code of Ethics**

1. Consumer protection and respect are paramount.
2. The Honesty ROI: Honesty of Relationship, Opinion, and Identity.
3. We respect the rules of the venue.
4. We manage relationships with minors responsibly.
5. We promote honest downstream communications.
6. We protect privacy and permission.

WOMMA provides guidelines for bloggers, assessment toolkits for businesses to check their marketing programs against, and much more. This comprehensive toolkit provides excellent guidelines for A/E/C businesses as they embrace WOM. Visit <http://www.womma.org/ethics/> for the full Code of Ethics.

## **Solutions**

### **Focus on the customer experience**

For WOM to be effective, everyone in the company must understand how their role affects the client. The truth is that the lowest paid people in companies are typically the employees *actually* meeting customer needs.<sup>18</sup> Since they *are* the business to the customer they must be well trained so that every interaction counts. They need to understand their role in delivering the product to the client, in listening for better ways to meet the client's needs, and in being the public face of your company.

Many companies have conducted client surveys only to come away with mixed results. We ask about quality, responsiveness, and service. Asking these average questions will get average results. To get to the heart of the matter there are only two questions that matter:<sup>19</sup>

1. How did you first hear about us?
2. Would you go out of your way to recommend us to a friend or colleague?

The first question helps measure your WOM, level of repeat work, and marketing effectiveness. The second tells you how excited they are—the “buzz” factor. If they are not willing to go out of their way then you've lost the “buzz” factor. It will require work to recapture their attention.

### **Give people something special to talk about**

It is the *extraordinary* experience that people will remember and talk about. The following, though not all appropriate for a professional environment, are six things that get people talking:<sup>20</sup>

1. The taboo (think bathroom humor, sex, lies).
2. The unusual (think David Letterman's Stupid Human Tricks).
3. The outrageous (something no one expects but can relate to you).
4. The hilarious (comedy works well, but is the hardest to do).
5. The remarkable (“did you hear what Simon said on American Idol last night?”)
6. Secrets (both kept and revealed).

Your attention-grabber must be honest, transparent, and real. A civil engineering and surveying company in Oregon was considering geographic expansion. Asked by a client to open an office in a new city, the company was looking for ways to grow its client base in the area. Research by the office manager found that contractors were the key to accessing developer clients in the region. He also found that the contractors were very frustrated when they could not reach anyone to answer questions early in the morning. They were losing several hours of productivity while they waited for someone to answer the phone at the local surveyor's office. The office manager promised every contractor in town that someone would be in the office at 6:30 a.m. every workday morning to answer questions. The strategy quickly paid off as they won the confidence of the contractors who then began suggesting the use of this new firm to developers. This simple customer service strategy was unusual because no one else was doing it and it prompted people to talk. Twenty years later, this office serves nearly every large private developer and contractor in the growing Central Oregon region.

Clients may need encouragement in expressing WOM. MCI's "Friends and Family" network results in a better deal if your friends and family join. The same idea can be applied to A/E/C firms. If you are a referral-only practice, a delighted client will tell his friend about the house you designed for him because he knows his recommendation is the only way his friend can get your expertise. He is a hero in his friend's eye and he is proud of his association with you.

Referral programs and other kinds of incentives or recognition make people feel like they are part of something special—they become part of your marketing program. One architectural firm identified a way to connect with clients, with the side benefit of improving employee morale. Every employee in the firm was invited to submit design entries for the holiday greeting card. A select group of clients were invited to judge entries. The winning card recognized the jurists on the back. Over a year after the cards were published, a firm principal visited both a prospective client and a jurist in separate meetings and was delighted to find the holiday card prominently displayed. The company continued the program for a number of years. Clients enjoyed being part of this marketing endeavor so much that they requested to be invited back.

### **Educate people about your services**

Education begins internally by ensuring everyone in the company understands all your services, not just their own specialty. Train staff to listen for opportunities relevant to your firm with existing clients, potential clients, colleagues, subconsultants, and friends. Use monthly brown bag meetings, intranets, e-mail, blogs, and newsletters to give them appropriate materials for initiating WOM "touch points."

Educate your clients. Your long time client may not realize you recently added another capability. Provide them opportunities to learn about new developments on an ongoing basis. Rethink your website, newsletters, direct mail campaigns, and other tactics to provide useful and relevant information. Invite clients to join employee brownbag lunches to learn about your services or latest innovations.

For example, a land surveying company's website could be informative to the general public about the different types of surveys. A blog could address questions about particular situations. Providing relevant information that real estate brokers, developers, landowners, architects, and others can rely on will, in turn, cause these people to share this resource via WOM.

### **The internal rumor mill**

Recognize that there are WOM traps such as negative talk in the workplace that can affect the office and clients. For example, Paddi Lund, a dentist from Australia, found that he improved morale and eliminated gossip by instituting a few simple politeness rules.<sup>21</sup> First, he insisted that everyone say “please” and “thank you.” He and his staff found they often neglected these pleasantries because they were too busy. Adopting this policy proved very difficult. The higher level a person is in a company, the harder it is for them to follow this simple rule because they are used to getting what they ask for when they ask for it. After some practice, patients and staff found the atmosphere in the office to be much more relaxing and enjoyable. Secondly, he insisted that if you were speaking about someone who was not in the room, you had to use their name every time you mentioned them. He found people suddenly became much more cognizant of what they were saying about each other and the nasty rumor mill came to a screeching halt. Patients immediately noticed the results and commented on how pleasant it was to visit the office because everyone seemed so happy to be working together.

The same politeness principles can also be applied to the A/E/C industry where deadlines prevail. Stress and undercurrents among team members can be apparent to clients during interviews and meetings through body language and how team members treat each other. For example, one engineering firm recently went to an interview knowing it was competing against another well-qualified team. The team decided to emphasize the polite, non-threatening atmosphere and genuine caring of the entire staff as a way to differentiate their team. After being awarded the job, the client said that the deciding factor was the inviting, caring nature of the firm that was talked about and demonstrated in the interview.

### **Rethink your marketing plan**

Review your marketing plan through the WOM lens to ensure it is aimed at generating, encouraging, and amplifying every WOM possibility. A WOM campaign will include things you are already doing, like referrals, public relations and newsletters, but also provide additional opportunities. Questions to get you started include:<sup>22</sup>

- Are all of your communications sending the same, simple message?
- Is your service positioned as part of a general class? Think of ways to differentiate yourself.
- Are you going to extraordinary lengths to satisfy clients?
- Are your examples outrageous enough to be repeated? Why should people talk about you?
- Have you identified your most enthusiastic and influential clients and given them a reason to refer you to colleagues?
- Do you sprinkle your materials with success stories from real people?
- Do you have a means to collect documented referrals and testimonials?
- Are you using experts fully, in ways that are objective but effective?
- Have you created systems so that people can follow up on the WOM they hear?
- Have you made the decision process easy for your clients?
- Have you created events and systems so that once someone hears about you, it is easier to use you than to stay with their current situation?
- Can you offer useful information such as a booklet, brochure, CD, or tool that may help a client, prospect, employee, or potential employee?
- Do you have a referral system in place?
- Are you making use of the positive WOM of your most successful project managers in order to motivate your less successful project managers?

- Are you taking advantage of WOM opportunities at trade shows and in making presentations?
- Do you have a system that allows you to collect and respond to complaints?

**Provide tools for people to use** – Support WOM by giving clients and employees access to tools that support WOM activities. Do not assume they will represent your firm accurately, in an exciting manner, and be able to answer questions about you. Tools supporting WOM will make it easier for them to communicate accurate information.

- Print options
  - Examine printed marketing materials for intended audience and purpose.
  - Create business card sized “cheat sheets” that provide key information about your firm (services, locations, contact info).
  - Develop specific pieces for each purpose so that the information is appropriate and useful, such as a brochure or CD for recruiting.
  - Include real-life examples of how you have solved a problem and provided outstanding service.
  - Reorganize collateral materials from a client’s perspective. For example, if your company is architectural, begin with a section addressing the unique design issues for that market segment, then provide your relevant experience and firm profile.
  - Provide clients and employees with the ability to access preprinted materials on the website.
  - Create scripted e-mail or letter templates that can be customized to tell a friend about a particular aspect of your service.
  - Ask readers to submit their favorite case study for inclusion in future marketing materials.

The largest residential developer in Southwest Washington provides homeowners with several online print tools. These include the warranty request, service request, list of emergency subcontractors, and the Home Owner’s Manual. The goal is to encourage return visits to the website and encourage positive WOM through repeated positive experiences.

- Electronic options
 

E-mail was the first practical application of the internet for most people. It was the first word of mouth accelerator as it enabled people to connect with family and friends instantly, frequently, and at little cost.<sup>23</sup> Many more electronic options are now available:

  - Add answers to frequently asked questions or client testimonials to your website.
  - Create a video for potential customers that features client testimonials.
  - Provide tutorials on your website for the complex areas of your services.
  - Participate as an expert in discussion boards hosted by others.
  - Start a blog for clients to use.
  - Develop podcasts highlighting new services or new projects.
  - Join a social networking site such as LinkedIn.

Social media (such as blogs, podcasts, and websites) is rapidly increasing in every industry and are becoming more common in the A/E/C circle. However, these options have not proven to be direct income generators as they simply work on people’s desire to communicate.<sup>24</sup> For the A/E/C industry, WOM operates in a

different time schedule since the people most likely to want WOM are engaging in it to develop “pre-awareness,” They need the WOM encounter to occur *before* they have selected their consultant.

An application for our industry could be a client-only section on a website to allow potential clients to blog with existing clients. Another example would be creating a podcast demonstrating how to use a new piece of technology. For recruiting purposes, a company may consider establishing a social networking site or “friends” network of past employees as a source for referrals, rehires, and other opportunities.

A construction company recently analyzed marketing and sales data. It discovered that the percentage of contracts signed upon presentation was significantly impacted by whether or not both spouses were available during the presentation. When only one spouse actually heard the presentation, the closure rate went down. To address this, actual clients were interviewed to determine the top issues and concerns. Satisfied clients were then filmed talking about their experiences and their high degree of willingness to recommend the company to family and friends. This example demonstrates how technology can be used to capture and regenerate WOM.

Forty percent of all social networkers who use sites like MySpace, Facebook, or LinkedIn, said they use social networking sites to learn about brands or products they like.<sup>25</sup> Some sites allow viewers to add a brand or company as a “friend” and use the brand’s images, logos, sounds, and videos to personalize their profile. Companies are seeing a huge benefit from the “momentum effect” of added exposure from people sending messages along with the brand message to everyone in their network. It begs the question: Are you making it easy and desirable for your employees to use your brand on every piece of correspondence they send?

As these electronic tools gain acceptance in the industry, and as the younger generation who relies so heavily on these tools become decision makers, it will be important for firms to regularly monitor what is being said. WOM has a much greater influence on people age 18-34 and 35-54 as it relates to purchases in their personal lives such as cars, electronics, and apparel. Adults 55 and older, who represent a significant portion of the decision makers today in our industry, are still influenced by WOM, but not to the same degree as the younger generations.<sup>26</sup> As the younger generations step into positions of authority, recognize that the way they seek and use information will change.

- Other alternative media - Traditional media such as advertising has never gained full acceptance in the A/E/C industry. Instead, we have used alternative means to spread our message:
  - Selectively sponsor community events.
  - Speak at seminars.
  - Sponsor client-focused industry seminars and events.
  - Issue press releases regularly on new hires, new capabilities, new projects, groundbreakings, and other newsworthy items.
  - Write articles on your areas of expertise for local, national, and internet publications.
  - Provide leads to clients about potential projects.

Alternative media is now the fastest growing segment in marketing. According to PQ Media, alternative media is expected to grow in 2008 despite the slowing economy.<sup>27</sup> By 2012, one out of every four dollars spent on advertising and marketing will be earmarked for alternative media. It has grown at a compounding annual rate of 21.7 percent from 2002 to 2007, according to the report, "Alternative Media Forecast: 2008-2012." Now is the time to identify the new tools we can use that can be applied to our industry.

- Other ideas – Consider other avenues to spread your message and get people involved. Set yourself apart of your competitors by using your creativity to come up with unique ideas:
  - Host a special client event that provides value, such as a reception featuring a speaker on the economy, a seminar on earthquake preparedness, or how to improve the energy efficiency of your home.
  - Hold fun and creative events to bring current and prospective clients together (think "speed dating" for clients).
  - Start a "fan club" of your enthusiastic supporters to create a sense of exclusivity or membership.
  - Hold workshops to encourage people to share their knowledge.
  - Host a teleconference between clients.
  - Form an advisory panel of clients and solicit them to help direct the future of your company.
  - Include a satisfied existing client in every discussion with a potential client.

**Research** – For effective WOM you need people to talk about you, and you need to know what they are saying. You need to find your supporters, detractors, and those that have no real opinion. Your goal is to be the first to know what people are saying so that you have an opportunity to respond in a constructive way.

For example, if your firm is going through ownership transition you will want to attend networking events keeping an ear open, watch newspapers for rumors, and search blogs to be sure that information hasn't leaked to the public. Once you are ready to announce your change, you can carefully craft your message with the appropriate positive emphasis. If rumors of the change were to leak in advance, you would want to be ready with a response based on the correct information that can be sent directly to clients and appropriate media. Constant monitoring of what is being said before, during, and after the ownership transition is a great example of the importance of ongoing research of word of mouth.

There are several ways firms can monitor word of mouth:

- Ask employees to be your eyes and ears and provide an easy way to pass on information they find.
- Search blogs using an aggregator. This is a collection of web pages personalized based on topics or key words you choose. Services like [www.bloglines.com](http://www.bloglines.com) are free.
- Set up a Google alert to notify you anytime your name (or your clients') comes up.
- Monitor on-line publications with key word searches.
- Create a private, industry-related community to monitor issues relevant to your markets.

Effectively tracking WOM to show quantifiable results has been an ongoing quest. One of the most significant efforts was undertaken by Intelliseek. The company was founded in 1997 by Entrepreneurial Chairman Mahendra Vora, and computer scientist and Chief Technology Officer Sundar Kadayam. Their goal was to successfully measure and interpret WOM in online

communities. They monitored various online communities like usenets, discussion boards, and blogs. They collected and organized the data into quantifiable “early warning” information for companies interested in keeping their brand’s image under control. They were able to provide a richer understanding of the nature of the discussion to companies they were tracking. Through their efforts, not only did they prove the power of WOM, but also the quantifiable information that can be collected and used to measure the results.

For our industry, tracking WOM is undertaken by the individual company. Online tools that consumer-based marketers use simply cannot be used in this industry at this point. Until more sophisticated tracking tools for service-based sectors become available, we must continue to rely on percent of repeat business data, survey results, and other measures of quality and quantity of referrals.

According to Charlene Li and Josh Bernoff of Forrester Research, tracking or listening “...is perhaps the most essential neglected skill in business...In the era of groundswell, listening is easy. Not listening, on the other hand, is criminal.”<sup>28</sup> As marketers engage in private communities or engage a company for brand monitoring research, their role is elevated in the decision making structure. Marketers now have the opportunity to not only develop and deliver insights; they are “actionable insights” that become the basis to change your company.

## **Tips / Visuals / Examples**

### **Twenty-Four Ways to Integrate Word Of Mouth into Your Professional Services Business**

1. Ask for testimonials from clients. Use them in all of your marketing materials.
2. Ask an existing client to join you in a discussion with a potential client.
3. Ask clients who they think would most benefit from your services.
4. Create a roundtable for clients to talk about issues in their industry.
5. Speak at seminars.
6. Add a “tell a friend” link to your website.
7. Create a CD of a useful or educational tool your clients and employees can use.
8. Require employees to get involved in the community.
9. Selectively sponsor events in and outside the industry.
10. Start a blog for clients.
11. Create a referral program that includes an incentive.
12. Start a clients-only user group that provides helpful information and news about your business, as well as a way to connect with each other.
13. Hold engaging special events for your clients.
14. Establish a complaint hotline to your top executive for your clients.
15. Develop handouts or brochures for different uses (e.g., potential clients, recruiting).
16. Hold monthly educational sessions for employees to provide insight on your company, clients, and special capabilities. Invite clients.
17. Share success stories of your best project managers to motivate others.
18. Ask employees who they think would most benefit from your services.
19. Sponsor a booth at a client-focused trade show.
20. Be sure all of your signage is consistent and on everything from the front door to e-mails.
21. Write an article and get it published in a client-focused publication.
22. Develop a solutions-based direct mail campaign.
23. Include materials on your intranet for employees to learn more about your company history, customer service philosophy, and services. Enable them to easily forward it or print it out and give to others.

24. Give clients access to your marketing materials so they can easily share them with others.

### Suggested Reading List

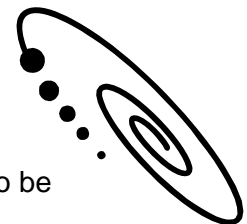
Before you plan your WOM campaign, review resources written for the consumer-based world. These provide valuable insights that will give you a better understanding of the topic. Helpful and thought-provoking sources include:

- ***The Secrets of WOM Marketing***, George Silverman, Amacon, 2001  
George Silverman has become one of the leading authorities on word-of-mouth marketing. He has spent 30 years conducting over 6,000 focus groups, word-of-mouth sessions and experts sessions, and has designed countless word-of-mouth marketing campaigns. This book takes readers through the background necessary to understand WOM and equips them with good tools to apply.
- **Paddi Lund, *The Happiness-Centered Business***, Solutions Press, available only at [www.solutionspress.com.au](http://www.solutionspress.com.au), 2007  
Prepare to change your perspective on professional services marketing. Paddi Lund is a dentist in Australia who successfully transformed his business into a referral-only practice. His business has a locked front door, no signage, and an unlisted phone number. He has mastered how to get people talking about his business by completely rethinking every aspect of his business.
- **Mark Hughes, *Buzzmarketing: Get people to talk about your stuff***, Portfolio, 2005  
Get better results from your marketing by creating buzz. Mark Hughes is known for his outrageous marketing campaigns that get people talking, including renaming a town in Oregon to Half.com. He describes the key elements needed to get people talking.
- **Emanuel Rosen, *Anatomy of Buzz: How to Create Word-of-Mouth Marketing***, Doubleday, 2000  
This is the most rigorously documented of any book on word-of-mouth marketing. There are hundreds of examples and solid suggestions on how to implement a word-of-mouth campaign.

### Application for the A/E/C Industry

Cultivating *permission-based and relationship-focused WOM* is essential to a successful WOM campaign for A/E/C firms. Six steps can be followed to cultivate WOM and create additional work opportunities. The result is an ever-expanding network of WOM-based relationships.

1. Provide clients with **exceptional service**, creating the desire to express and share their positive perceptions and experience.
2. Capture and **record the WOM** expression with permission. (Testimonial, video, blog, reference, etc.)
3. **Identify opportunities** for these clients to initiate WOM. (Invite them to be quoted in articles on your company or a new service.)



4. Initiate relational-based WOM by **engaging the clients** in a marketing endeavor (using testimonial, asking client to participate in conference call with potential client, take a client along on an interview, etc.)
5. **Reconnect with the client**—creating a secondary positive experience.
6. **Create a new client** with exceptional service, fostering in them the desire to express and share their position perceptions and experience.

## Conclusion

WOM represents a significant opportunity to mold or capture marketplace position in the A/E/C industry. To take full advantage of this opportunity, companies must relate WOM to every aspect of their marketing program and customer service. Then they need to identify and develop opportunities for clients to initiate WOM on behalf of the firm.

Success hinges on understanding the importance of client service and creating value. Research from the consumer-based sector clearly demonstrates the value of WOM. Numerous electronic, print, and alternative media opportunities are available to support WOM efforts. Marketers have a unique opportunity to assist their firms to take advantage of this opportunity. Creating a defined strategy to capture and measure WOM improves the marketer's value to the company while improving the company's competitive advantages.

## Word-of-Mouth Marketing

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Clarity Marketing Ltd. is a small marketing company in Northgate, Nottingham. Francine Pickering is a member of the Chartered Institute of Marketing, the leading international body for marketing and business development. The firm offers cost-effective marketing packages for small businesses.
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## Author Biographies

**Julie Olson, FSMPS**, founder of Godwin Olson LLC, has more than 25 years of experience in marketing communications, public relations, research, and firm management. Prior to starting Godwin Olson LLC, she was a partner and director of project services for a regional architectural firm with multi-state offices. She has worked with a wide variety of client types in the public and private sectors including retail, education, architecture, engineering, construction, developers, legal, accounting, and non-profits. She began her career with three terms as a legislative assistant and constituent liaison in the Oregon legislature, as well as working in the House Majority Office and serving as campaign manager on several house races. An Oregon native, Ms. Olson received degrees from Judson Baptist College and Oregon State University.

**Renee Godwin** is a partner in Godwin Olson LLC, a marketing and management consulting firm. With over 20 years experience, Renee is known for her integrated approach to marketing communications and management. Renee spent the bulk of her career with a Northwest engineering firm leading a multi-state marketing team through ownership changes, company restructuring, and rapid growth. She established streamlined systems, process improvements, and customer service policies based on her business-within-a-business philosophy. Her background includes project and event coordination, training, writing, data management and organization, public relations, marketing materials development, website development, and strategy development.