

In with the mob... the power of word of mouth

By Aruna Natarajan, Planning Director, MindShare Shanghai
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The owner of the car announced his intention to smash his malfunctioning Mercedes on an online forum and invited public and media to witness the event

前天老牛拉昨天大锤砸 大奔烂了气就顺了?(图) - Microsoft Internet Explorer

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2001年12月26日上午11时整,随着武汉森林野生动物园总经理赵军“开始砸车”的一声令下,五名年轻力壮的员工挥舞着木棒、铁锤砸向这辆奔驰SLK230轿车,该款奔驰轿车从天津开回武汉没多久,车在行驶的路上就出现了故障,电脑系统紊乱,警示灯一直亮着,在随后的洗车当中,又发现方向机漏机油,而后,他们迅速和北京宾士汽车销售中心取得联系,在经过反复5次的修理过程都没有最终将奔驰修好,要求退车有被遭拒绝,于是为了引起奔驰公司的注意他们决定通过砸车来讨回公道。



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Post coverage of the event on news sites and online forums

A picture speaks a thousand words they say. What do you think this picture would say to a prospective customer about the Mercedes brand? A brand that has spent years and millions of dollars to build its image and assert its premium status in the automotive category. Not really the kind of testimonial that a brand hopes for, I would think. What makes the impact of this picture so much greater, is the fact that it is on the internet where it can be accessed by people across the world, and the fact that this is testimonial from a real consumer who has experienced the brand. There are numerous examples like this of strong sentiments being expressed by consumers about brands and products. It is true that the sentiments are not always negative. There are consumers who have good brand experiences which they share with others. But most of us who follow or participate in consumer forums, bulletin boards and discussion groups will agree that the negative comments usually far outweigh the positives and also have a lot more impact. There are many reasons for this and most of them can be attributed to human nature. We take a certain basic level of service or functionality of a product for granted, that's what we are paying for. So while the slightest inconvenience or malfunction of a product will arouse strong feelings of anger, frustration and resentment, it would take a truly delightful brand experience much beyond our expectations to arouse positive feelings of similar strength. Add to that the fact that ***negative energy requires an immediate and effective outlet, while contentment and even bliss we can quite easily live with.***

As marketers around the world constantly challenge their advertising and media partners to find new and more effective ways to communicate with their consumers, influence decision making processes and create favourable impressions about their brands, we fail to recognize the importance of a simple yet highly effective tool which we have close at hand, our own loyal and delighted consumers. Positive word of mouth shared by real consumers with prospects or other consumers can prove to be highly effective and credible when it comes to influencing opinions. With the growth

and tremendous reach of the internet, channeling positive word of mouth from real consumers to reach large prospective audiences with no barriers, geographical or otherwise, is quickly becoming a reality. This is especially true in a country like China where consumers are getting ever so active when it comes to sharing and expressing their opinions online. The growth and penetration of bulletin board services (BBS) i.e. discussion groups or online forums on specific topics and blogs is faster than the growth of the internet itself in China. And there is a simple reason for why this particular interactive facet of the internet is especially appealing to today's Chinese consumer. Discussion groups and blogs on the internet offer Chinese consumers freedom of expression which is mostly anonymous and hence safe, a freedom that they do not enjoy in many other spheres of their life even today.

Another reason to sit up and take notice of this trend in China is, as with many other things, the activities on discussion groups and online forums translate with amazing speed into tangible results. In many cases, opinions and interests shared by consumers in the online world, translate quickly into actual sales for manufacturers in the offline world. It's becoming fairly common in China for **consumers who are planning to buy high value products**, like automobiles, home furnishings or consumer durables, to **shop around online** not just for the best prices and deals on different websites, but **for other like minded consumers in discussion groups and BBS, planning to buy the same product. These consumers then form a group in the offline world and approach one dealer or retail outlet for a volume discount.** Even if e-commerce has yet to take off in China as it has in many parts of the developed world, consumers are using the internet in innovative ways to make purchase decisions and get the best deals.

And this brings us to the crux of this paper, the opportunity that exists for marketers and advertisers in China to **use online as a medium to consolidate and magnify positive consumer opinion which can then have a direct and immediate impact on offline sales.**

Evolution of Word of Mouth

Historically, word of mouth (WoM) has always been an important factor in influencing consumer purchase decisions. Whether it was relying on the salesman at the retail outlet for a professional opinion, asking friends and family who have had experience with a particular product or brand, or simply keeping up with the Jones, one to one passing on of information has always played a critical role, right from helping us identify needs that previously did not exist to making final brand choices.

For years marketers and advertisers have spent millions and billions of dollars in markets across the world to try and influence a person's decision making process. They have focused on a variety of areas right from traditional mass media channels like television and newspapers which consumers rely on for day-to-day information, to last minute efforts to sway brand choice like point of sale material. But in general WoM as an information channel for consumers has for a long time been left untouched by marketers. One of the primary reasons for this was because in the past WoM was extremely personal, one-on-one communication largely influenced by circumstances and the relationship between the giver and receiver of the advice. A salesman in a multi-brand outlet might have more credibility recommending one brand over another compared to a salesman in a single brand outlet putting down the competition. A neighbour raving about his latest high-tech gadget acquisition might influence the consumer to go for a slightly higher end model of the same, rather than merely being a copycat. With time however, WoM has also evolved along with other channels of information. Consumers with strong opinions have found larger audiences to share them with, through consumer forums and consumer groups, letters to the editor sections in newspapers and magazines and most recently through the internet.

The internet in particular has given WoM two critical features which puts it on

par with or potentially even gives it more power than mass media channels...scale and anonymity. Anonymity coupled with scale gives a channel of information more credibility in the consumer's mind. The information is not directed singularly at them, the credibility of the information giver is not tainted by personal biases and jealousies and twenty people across different parts of the world giving similar opinions about a particular brand can't all be off the mark. Add to this the feature of interactivity which the internet gives to WoM, and you have a channel of information which is now difficult to ignore.

China taking WoM a step further...mob shop

WoM as a channel of information is of critical importance in a country like China which has close to 150 million internet users currently and potential for 1.15 billion more to join this group. Of the 150 million current users, more than 50% frequent BBS and discussion groups and more than 25% read and post on blogs. These numbers have to be viewed in the context that the first online discussion forum in China was launched only in late 2002.

30 million internet users in China engage in e-commerce. While this number may seem small compared to developed parts of the world, this estimate doesn't take into account the latest online phenomenon in China, *tuangou* or team buying. Consumers go online to find others who are looking to buy similar products, discuss and agree upon the brand and model that is best for their needs, fix a time and place to meet and then walk into a retail outlet selling the product in question and demand a group discount. Bargaining is a way of life in China as in many other parts of Asia and the internet has allowed consumers to get much more organized. By combining the power of the internet with the stealth tactics of the flash mob, team buyers are driving hard bargains in the world's fastest growing economy. This phenomenon is so big in China that it has given birth to dozens of team buying websites like www.020tgw.com aiming

to capitalize on a trend that first started in discussion groups and online forums. These team buying websites host web forums to help consumers get together and then even organize 'shopping excursions' for their members to attack retail outlets as a group. Often these organizers have previously negotiated deals with the retail outlets to make things easier for their members. From the consumers perspective 'there is more power in a mob' because then vendors are less inclined to cheat them.



Team buying, a hot news topic in China and elsewhere



One of the more popular team buying websites in China



A store in Beijing where over 1,000 people bought over \$ 200,000 worth of electronics in a single afternoon thanks to team buying

Interestingly, marketers in China view team buying as a threat rather than an opportunity. A few small retailers are slowly but grudgingly getting on board and agreeing to deal with team buying websites to pre-negotiate discounts. But at a corporate level, no brands seem to be taking advantage of this phenomenon in an organized and systematic manner. Given the innovative ways in which Chinese consumers are using the internet to share experiences, discuss brands and products, and form action groups, the opportunities for marketers and advertisers to capitalize on this growing trend are immediate and numerous.

Using online WoM to reach consumers – current trends

The ways in which marketers and advertisers in China are currently capitalizing on this growing trend of virtual WoM can be broadly divided into four categories:

- ◆ *Listen & learn*: a few companies in China have started to offer services which enable marketers to listen in to what consumers are saying about their category, their brand and their competition online, and take learnings for the future from the same. The service offered by these companies involves a team of people monitoring relevant discussion groups and BBS and providing their clients with regular reports which encapsulate the tone and mood of what consumers are saying. This service is slowly becoming more sophisticated with customized software being developed to search online forums and discussion groups for key words. The software also categorizes links and posts based on pre-decided criteria which can then be easily put into report templates to provide to clients.
- ◆ *Correct negative perceptions*: this takes listen & learn one step further. If you go through the BBS monitoring reports that these companies provide, there is usually a combination of positive and negative feedback which is out there. In most cases it is the negative comments that prompt quick responses and damage control from marketers, while the positive comments are simply feel good factors.

The same companies which are monitoring the online world for consumer feedback then get into the arena themselves armed with facts and clarifications from their clients to correct the misguided perceptions of ignorant consumers. This is a slightly tricky task given that many marketers and advertisers have divided opinion on whether these corrections should be posted as official responses from the company or simply as 'fellow consumers' who know better.

- ◆ *Active online posting:* some companies use online groups and forums as a testing ground posting product information and ideas and inviting consumers to give their feedback. These discussion groups can also prove to be a useful resource when it comes to recruiting early adopters or well informed consumers for focus groups or product testing.
- ◆ *Agent & responder model:* some marketers go even further and pro-actively start participating in online discussions. Teams based on an agent and responder model are set up and the agents post comments online posing as real consumers while the responders respond to these comments also pretending to be real consumers. In this manner they try to guide the entire discussion online and set the tone and subject for the entire group.

As marketers and advertisers attempt to get more and more involved in what is happening among consumers in the online space, they run the risk of crossing a fine ethical line and causing more damage than having a positive impact. Marketers or their agents posing as normal consumers may not necessarily be an offense, but activities like this are clearly in the ethical grey area. Given the amount of time that some consumers spend online these days and their familiarity with online forums and discussion groups, unless done with extreme care and precaution, smart consumers can quite easily pick out posts and responses from 'fake' consumers. This could simply put consumers off a particular discussion group or forum, or it could have a much more serious impact of negative perceptions about a brand trying to cover up its weaknesses or mislead its consumers.

Crossing over into the consumers' online world might actually prove to be quite easy given the anonymity of the internet but could have serious fallouts if not handled correctly by marketers.

However, even some of the less intrusive methods like simply monitoring online consumer discussions which are fairly simple to implement, are not yet widely used in China. Reasons for this are multiple. Some advertisers hesitate at the inability to quantify the results or effectiveness of these methods. While others like some of the more mundane FMCG categories, who are still among the largest advertisers in the country, fail to recognize the importance of WoM as an influencing factor in the purchase decision making process. The most critical reason however, as to why even marketers who recognize the importance of this channel are wary of getting involved in it, is the ethical issue. It is well known that in China, MNCs are held to higher standards than their local counterparts and both the government bodies and consumers will not hesitate to point out the slightest error or oversight or non-disclosure of information. Recent incidents of Sudan Red dye found in KFC preparations, Iodine in Nestle infant formula, a wrong microprocessor in Dell laptops and a disputed claim by a famous shampoo brand on its ability to strengthen hair, have shown that multinationals have to be extra careful in how they work in China and how they respond in crisis situations. In all these cases, the actual defect in the product or the claim was quite inconsequential to the actual functioning of the product and still made the products in questions far superior to many of their local counterparts. But the fact that these are all multi-national brands offering a certain brand promise and brand value to Chinese consumers made these errors unforgivable. And the role of the internet in precipitating these crises is unmistakable. What started out as one consumer unhappy with the way his complaint was handled by a customer service executive at Dell, ended up as a class action suit against the company in the US, thanks to the internet.

The power of the internet is such that it can create a crisis even when there is no one

at fault and no rules have been broken, especially in China. Starbucks which has so far done an excellent job of selling the coffee experience to a nation of tea drinkers is currently facing what is arguably their biggest crisis in China. They are up against a formidable opponent, national sentiment, and this crisis started with one man's blog. Rui Chenggang wrote on his blog that the presence of a Starbucks outlet in the Forbidden City in Beijing is equivalent to 'trampling Chinese culture'. With that one comment he has started a nation-wide campaign against the coffee chain and the Forbidden City museum authorities are considering redoing the entire design plan of the area which could involve 'reassignment' of space for certain establishments.

That consumers are harnessing the power of the internet to be heard and to express their opinions is without doubt. That marketers and advertisers are invariably at the receiving end of this power being unleashed is also undisputable. **The choice** in this situation lies with the marketers as to **whether they should stay in the sidelines** and allow things to take their natural course, **or get into the digital arena and try to harness this power**. What tactics they adopt to do this and what boundaries they draw for themselves **will make the distinction between success and failure in this attempt**.

Ford's foray into online WoM in China

In 2006, one of MindShare's key MNC clients, Ford, launched their first completely online campaign in China to introduce a new vehicle, the Ford Focus 5dr. Apart from regular online advertising options, this campaign incorporated other critical online elements like discussions groups, blogs and viral content to give the brand a comprehensive presence in the online environment. The results of this campaign gave us some interesting insights into the importance of WoM as a communication channel and effective ways and means in which advertisers can capitalize on the same. This project included multiple elements – a team of agents and responders

were set up to monitor and infiltrate the online world of consumers, a video log written by a Ford endorsed corporate spokesperson was launched giving consumers information and updates about the new nameplate that was about to enter the market, and a genuine consumer with a credible online history was located and incentivised to start writing a blog on the new Ford Focus. This campaign lasted for a period of 6 weeks and was aimed at creating buzz in the market for the impending arrival of a new vehicle from Ford, the Focus 5dr. Given the low investment that the campaign required, the results were quite impressive and we generated a large number of enquiries and over a thousand pre-orders for the new vehicle even before it was available in dealerships.



Dr.Car's video log



Blog homepage of Master Focus

The key learnings from this campaign can be applied across product categories and clients, and can provide an interesting basis for developing future WoM campaigns.

- ◆ Simply monitoring the online environment to see what consumers are saying about your brand and competition is of no news unless the client is willing to take consumer feedback seriously and act on it. Positive comments need to be built upon and incorporated into marketing strategies and communication plans. Marketers spend millions of dollars on research to understand what consumers think and what they want. The internet provides us with a random sample of real consumers with strong opinions just waiting to be heard and yet we don't do enough with it.
- ◆ How a company responds to negative comments about a brand or product is even more critical. In the case of Focus, the vehicle was well received once it was unveiled at the auto show but the pre-launch price that was announced was considered too high for a hatchback model. As this information came back to us from the teams monitoring online forums, a full scale PR effort was launched to address the issue and factual information on the design, technology, the new colours in which the 5dr was being made available, and other factors which contributed to the high price of the vehicle was released on the corporate website

and to the media. The agent responder teams then helped to seed this information into the online forums and discussion groups. There is a thin line between rumblings from a few dis-satisfied consumers and a nation wide crisis. The authority and efficiency with which a company deals with a situation like this will determine which side of the line they fall on.

- ◆ Following a few of the popular product based consumer forums will give you a fairly good idea about what consumers believe are the strengths & weaknesses of different brands. A well thought through strategy of how to build on strengths and how to address weaknesses which can be turned around quickly, can work wonders in a short period of time. We forget that consumers complain because they want to be heard. And if we take timely action to show them that we have heard them, understood them and are willing to address their concerns, they can be quite forgiving. In the example of the man with his Mercedes, you can just imagine his frustration with the dealership which sold him the car, the after-sales service team and the company itself, for him to have taken such drastic action. If any one of those parties had addressed his issues a little bit earlier, an embarrassing situation for the brand could have been averted.
- ◆ Many young, affluent consumers of today have a complete ritual of online activities. They use different aspects of the digital world for different purposes and spend a significant amount of time online, day-in and day-out. Many of the active participants in online discussion groups, forums and blogs, have been indulging in these activities for quite a while now and even as new people join these groups they soon become regulars. A marketer or an advertiser who hopes to use the online environment to interact with consumers and influence their opinions so that they in turn can influence others, has to have a well thought through, holistic online strategy. Their online advertising has to be in sync with their BBS monitoring activities, corporate blogs, online PR and even their official website. The effort needs to be a strategic on-going initiative rather than a tactical one-off in order to reap results.
- ◆ Consumers are getting smarter by the day so give them that credit. If you want to

use blogs and BBS to disseminate brand information, be upfront about it. Do it the official way and make it fun and it can still have the desired impact. The corporate blog that was launched for Focus was written by an official Ford spokesperson, a model hired to pose as a sexy female mechanic, Dr. Car. Dr.Car's blog was quite a success as far as corporate blogs in China go, with 150,000 plus page views in under 4 weeks. While all the information on the blog was factual, the manner in which it was presented was fun and entertaining. Dr.Car appeared in a series of viral videos in attractive Ford branded outfits giving consumers tips on how to maintain their cars. All the videos of course featured the Focus 5dr. Keeping the content on the blog fresh and fun ensured a repeat audience even if it was clearly a corporate blog.

- ◆ Real consumers who are brand loyalists and enthusiastic advocates of the brand can prove to be extremely convincing influencers. The other blog was written by a real consumer who we then called Master Focus, a Focus enthusiast who we found online and then approached offline to help with the campaign. The blog written by Master Focus generated over 80,000 pageviews in about 4 weeks. Given the fact that we didn't have to invest in costumes or videos or professional writers for him, the results were still pretty impressive. Our involvement in his blog was kept at a minimum. We gave him a sneak peak of the Focus 5dr before it was officially available in dealerships and an opportunity to test drive the car with his girlfriend. We gave him passes to attend the China Circuit Championship motorsports races in which the Ford Focus participates. Apart from a few special privileges and 'money can't buy' experiences like these, we gave him a free hand to write his blog. While overall Master Focus might have had a smaller following, he soon gathered a bunch of loyal visitors who started to frequent his blog and interact with him on a regular basis. Over a longer period of time Master Focus was able to maintain a core group of followers for much longer and with much more regularity.

Gathering positive energy

There are many ways in which the internet can be utilized to interact and communicate with our consumers. One of the most effective ways could be to gather existing loyal consumers, give them exceptional brand experiences and then provide them with a platform and incentivise them to share their experiences with others. The omnipresent nature of the internet and the fact that internet penetration is fairly high among the top 20% of consumers for most high-end multinational brands in China, makes an initiative like this easy and cost effective to implement, while at the same time giving it the potential to have wide spread impact. In a world where people are only too willing to criticize and complain, simply building a base of loyal, delighted consumers is no longer enough. Marketers need to have a strategy in place to keep track of this group of consumers, add to their brand experiences and then facilitate them to share their opinions with larger groups. A little bit of push and incentive are required because people in general suffer from inertia. Initiative is hard to find and when it does exist, usually in small proportions, we utilize it to vent negative energy.

And as we are currently witnessing with the team buying phenomenon in China, one consumer who has got a good deal or had a good experience with a particular brand, can quite quickly with the help of the internet, gather other consumers in the market for the same product and almost immediately guarantee a certain number of sales. Imagine if marketers were to start taking advantage of this opportunity and co-operate with team buying sites to post exclusive offers for group purchases. Consumers interested in buying your brand would be actively out there looking for and convincing other consumers to buy your brand as well, all in the interest of getting a better deal for themselves.

The rapid spread of the internet, consumers growing dependence on the medium for various aspects of daily life and the phenomenal growth of consumer power could prove to be the winning combination that marketers are looking for.