

How to stimulate brand recommendations



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Research organisations are constantly updating figures tallying how many branded messages are being pushed at consumers. In South Africa, we are currently being bombarded with around 900 branded messages per week. What is even more staggering is that only four of those messages break through the increasing advertising clutter to generate top-of-mind awareness.

However, those advertising messages that do break through generally create a lot of impact. 22% of all brand-related conversations are initiated through advertising. A great example being the Darth Vader VW ad, which now, due to social media, is the most watched ad in the country - with almost 60 million hits online and growing.

What starts brand-related conversations?

This article focuses on what starts the other 78% of brand-related conversations while looking at what we as brand custodians can do to further stimulate this area. It's a given that, on average, one out of every three recommendations will be acted upon. Theoretically then, for every three recommendations that you can stimulate, you could generate a new sale.

Say, for example, that you have a consumer base of 100 000 customers and 30% are real fans of your business, with each of the fans spreading a recommendation to a friend. Statistically, you should be able to generate 10 000 new sales. If the cost of the product is R100, that would then be worth R1 million in sales - purely based upon Word of Mouth recommendations. This is in theory, yet by tracking purchasing behavior, we are able to assign real Rand amounts to the value of a recommendation.

Recommendations are powerful

Recommendations should be the Holy Grail for marketers. They are infinitely more powerful than advertising messages, purely for the reason that they are trusted and people act upon trust. We have plenty of qualitative research backing this up and statistics show that 76% of consumers believe that companies are not telling the truth via conventional advertising. Consumers rate their trust in advertising at only 15% versus their trust in Word of Mouth at a draw-dropping 92%!

So measurement metrics should not only look at 'cost per thousand' or 'impression rates' but also include a value weighting according to the *Trust* in that message - showing the propensity for action that that message generates. This makes the measurement more robust, slightly more two-dimensional and can illustrate potential pull through to sales (similar to Facebook's Edge Ranking that looks at Weight, Affinity and Time).

How to stimulate recommendations:

- 1. Make sure your actions are worthy enough for someone to talk about your brand. This means that you need to exceed consumer expectations.
- 2. Ask for a Recommendation. Every brand has fans, yet they generally don't know who these people are. Your job as a brand custodian is to find them. They are the ones who are participating in your activities, advocating your product and responding to your communication. They will gladly share their recommendations and testimonials. In return, treat them like VIPs and give them kudos for their input.
- 3. Most importantly, however, there needs to be a culture of serving the customer and putting them first. Companies that do this always have higher Word of Mouth returns and higher sales. It is a simple mind shift but is also one of the most difficult to achieve based on old and existing cultures and behaviors that need to be changed. Companies that see themselves as 'being there first to serve the customer and secondly to sell them deodorant/beer/insurance etc." will always succeed. The more you make someone feel good, the more they will 'repay' you by telling others.
- 4. Look for unexpected and fun things to do with every possible customer touch point. A good example being Groupon's unsubscribe page 'www.groupon.com/unsubscribe' which has generated millions of impressions, conversations and re-subscriptions.
 - We also use a platform that is able to identify Advocates within a brand's community which then automates a process of pulling recommendations from this pool and broadcasting them across social media and other online platforms or sites. This has a multiplier effect resulting in major awareness and impact for a brand - simply by using what is already at the brand's disposal. It can generate up to 10x ROI.

Recommendations for your brand constitute your Holy Grail. They are easy to come by if you follow the above pointers. As research has proven over and over again, the more recommendations you can generate, the more sales you will see, the faster you will grow and the more you will succeed.

ABOUT JASON STEWART

Jason Stewart is the co-founder and MD of HaveYouHeard (www.haveyouheard.co.za), a communications agency immersed in culture to influence it. With 11 years' trading experience and offices in Johannesburg, Cape Town and London, Have You Heard uncovers unique insights to create innovative ideas that influence the audience by bringing the brands it partners with to the centre of culture.

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