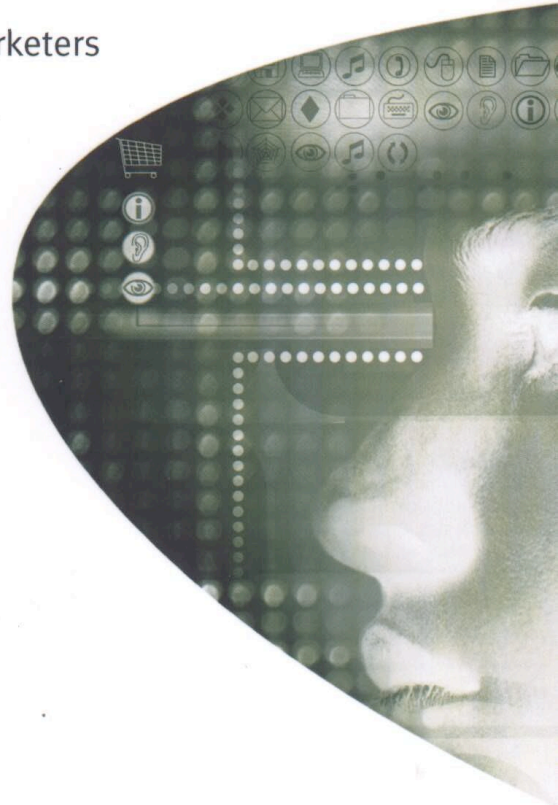


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Young Consumers

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Practitioner perspective

Word of mouth, youth and their brands

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Abstract

Purpose – This paper aims to describe the ways word-of-mouth (WOM) can operate in social network platforms such as Facebook

Design/methodology/approach – Using Headbox, a research and seeding community for 30,000 16-25 year olds who share their thoughts, their opinions and their ideas and get rewarded for it, consumer insights on brands and how positive and negative WOM are described.

Findings – The paper finds that the importance of co-creation is vital in diffusion. Co-creation implies that marketing happens with young people rather than it being directed at them.

Research limitations/implications – Results are limited to technological societies where the web has permeated and is accessible as a means of general communication

Practical implications – Managerial implications suggest a new mindset toward marketing and greater emphasis on the active role of social communities in the youth market

Originality/value – A new approach to marketing using social networking and a very large sample suggests that we are near to a clearer understanding of the complexities of diffusion by WOM.

Keywords Youth, Brands, Personal communication networks

Paper type Viewpoint

Regular readers of the research and marketing press will be familiar with PWOM and NWOM but as I discovered recently during a conversation with an alarmed looking friend, people outside the world of marketing tend to think these acronyms describe the latest smart bombs on SPOOKS.

However, brands are rapidly getting to grips with positive word of mouth (PWOM) and negative word of mouth (NWOM) phenomenon. So much so that a marketing association, called WOMUK, has been launched to help marketers and agencies understand better how to embrace this type of marketing and the newly empowered consumer.

A number of academics are also examining WOM most recently, Robert East, Professor of Consumer Behavior at Kingston University Business School whose study "Good news about bad news" gives some interesting insights, for instance people who gave more NWOM tended to give more PWOM and that new customers rather than existing customers were more likely to spread word of mouth (this contradicts Frederick Reichheld's findings).

Our own series of youth reports Tech Tribe 05, 06 and the latest, TechTribe 07 highlights significant factors in social diffusion and what this means for marketing. It is why we started developing Headbox back in March 2006 and launched the site earlier this year to invite 10,000 young consumers into the marketing process who will listen, collaborate and co-create with brands in order to accelerate word-of-mouth.

But before we get too excited, PWOM and NWOM are not new – it is just those damned acronyms that make it sound that way. Marketers have been trying for decades to encourage

the process of recommendation by one person to another. So what is all the fuss about? We all know that the process of WOM has been amplified by the second generation of websites such as Facebook and Myspace which has meant that both positive and negative brand recommendations can spread very quickly amongst existing and potential customers.

The really big change is the belief consumers now have in their own voice, in their own creativity and in their own ability to express themselves. They no longer see themselves as passive respondents in their relationship with brands but active "equals" who have the confidence to come into your space whether you have invited them to or not. For brands, their lack of control over this new order is worrying and the solution to it even more so – how do you engage consumers so that you can stimulate more natural conversations in specific communities in a credible way?

From a youth perspective we have been working with Unilever, Google and other leading brands who have found the answer to this – co-creation. They have decided it is time to stop marketing at young people, and instead market with them. And that means sticking to a few basic but important principles.

First, to co-create with young people effectively it is essential to identify youth advocates and how to engage with them. This means that brands need to find out the "10%ers" (Tech Tribe 07 shows that 13-14 percent of young people create and upload their own content and 8 percent write regular blogs) of their customer base who are prepared to co-create with them. Within this there is a 1 percent who will go the extra mile and co-create with you in very intimate ways. They are not as hard to find as you may think as 17 percent of 16-25 year olds already have brands as their friends on their social network profile pages.

The second principle begins with the need for brands to start looking outside of themselves more. They need to worry less about what their advertising does to this generation of digital natives and much more about understanding what these digital natives do with their advertising. This means understanding what is important to them; what their passions are and what gives them a sense of identity/community. Tech Tribe 07 shows a generation where "creativity" has huge social currency; friendship groups are defined by it; social standing is enhanced if you create and share content amongst your friends. At the heart of this is a generation who has found new avenues for self-expression, making and sharing their own films, music, websites, games, photos, blogs and art. It is not just about music and fashion anymore.

Getting the most out of this creativity brings us to the third key principle – the need for a structure. We have developed a simple six step co-creation process for Unilever called "Helix" to help turn insights and concepts into something real and tangible that their consumers want to buy. It lets consumers come up with their own ideas and product designs as well as ways to make them happen and bring the product to life in the market place. It involves the consumer much earlier in the innovation and marketing process and keeps them involved for much longer. This has injected fresh and different ways of thinking and has been incredibly disruptive, producing ideas that they and their agencies had not considered. We have just completed a co-creation program for one of their major brands where 18 "headboxers" (16-25 year old members of Headbox) have designed the product and the activation plan for a 2009 launch. The journey started in Alicante with a three-day workshop and finished in London with final presentations given to senior Unilever stakeholders – and all done in just four weeks!

Co-creating with your consumers not only disrupts your thinking but helps to create a buzz around your brand. It starts generating some PWOM. After the Alicante project our 18 Headboxers enthused for days on their Facebook pages about how brilliant their Unilever experience had been. The combined number of friends who would have read or engaged with these exchanges was over 10,000 (one Headbox member had over 1,500 friends on Facebook). If you are able to create this much enthusiasm for the brand after engaging consumers in one project then just think what you could achieve if you engaged them 24/7, 365 days a year.

The opportunities are there for brands to do this – to embrace the consumer into their world on a continual basis through a range of new Web 2.0 “research” and “co-creation” tools. We are already doing this for Google and Microsoft, encouraging their consumers to engage with them in similar ways to how they engage with each other. And the results are clear in the Tech Tribe ratings tables for top brands – those that engage, win, those that do not lose.

About the author

Andrew Needham is the Founding Partner of Face Group (www.facegroup.co.uk). Headbox is a research and seeding community for 30,000 16-25 year olds who share their thoughts, their opinions and their ideas and get rewarded for it. Techtribe 07 is the third annual comprehensive study of the UK's 16-25 year olds. Andrew Needham can be contacted at: andrew@facegroup.co.uk

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