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The Seven Principles of WOM and Buzz Marketing

Crossing the Tipping Point

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To
Georgios and Dimitris

Preface

In his best-selling book, *The Tipping Point*, Malcolm Gladwell has popularized the concept of social epidemics, the social changes brought about by sudden changes in human behavior caused by products or ideas that disseminate and spread like infectious diseases and shape history. "If we understand the way in which social epidemics, such as crime waves and fashion fads, reach critical mass – what epidemiologists call the *tipping point* – we can shape history. . .".[i]

The term "tipping point" refers to the moment of critical mass, the threshold, the boiling point. The right word, at the right time, in the right "socially promiscuous" ear can change the world, says Gladwell. "Look at the world around you. It may seem like an immovable, implacable place. It is not. With the slightest push – in just the right place – it can be tipped."[ii] This push, Gladwell argues, often comes from a few people that can spread sticky messages to others. In 1984, for instance, the push to reduce New York City crime came from one man, Bernard Goetz, when he shot at the teenagers who harassed him in the subway. From that time on, would-be criminals had to think twice before they harass citizens. As a result, crime declined significantly.

Gladwell touches upon a special case of social epidemics, consumer epidemics, i.e., the rush of consumers to buy certain products and services, like sneakers, Hush Puppies, and fiction books, emphasizing the importance of Word-of-Mouth (WOM) campaigns launched by a few "special gifted" people, market mavens, connectors, and salespeople who create a consumer buzz and hype. Sometimes, consumer epidemics spread in spite rather than because of their creators' intentions. The extraordinary growth in sales of Hush Puppies in 1995 and 1996 came despite – rather than because of – the efforts of the manufacturer. The preppy brushed suede shoes became a fashion item when style gurus, such as Isaac Mirashi, wore them in Manhattan bars and clubs, with WOM spreading their fame across the US and beyond. *Divine Secrets of the Ya-Ya Sisterhood*, a modestly reviewed novel,

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[i]Malcolm Gladwell (2002), *The Tipping Point*, p.12.
[ii]Malcolm Gladwell (2002), *The Tipping Point*, p.12.

became a bestseller as book-reading groups recommended it to each other on the grapevine. WOM also helped catapult the Harry Potter books, the film *The Blair Witch Project,* Pokemon and Charles Frazier's *Cold Mountain* to success.

Gladwell's work on consumer epidemics has drawn the attention of professional marketers looking for low-budget-high-buzz WOM campaigns, as an alternative to traditional high-budget mass-media commercials. A number of books, including Mark Hughes' *Buzzmarketing* and Emanuel Rosen's *The Anatomy of Buzz,* discuss how companies can create buzz and hype for their products by outsmarting rather than outspending the competition. In *What Sticks*, Rex Briggs and Greg Stuart discuss the failures of conventional high budget mass media advertising and the successes of modern low-budget buzz advertising campaigns. In *Grapevine*, Dave Balter and John Butman discuss the "Art of Word-of-Mouth Marketing," the connection between the "marketing dog" with its "tail," WOM: the "what," "why," and "how-to" of WOM campaigns. In *Anatomy of Buzz*, Emanuel Rosen describes how companies can launch and manage buzz for their products by taking a close look at the person-to-person communication process. In *The Change Function*, Pip Coburn discusses how the product user's "pain" affects the chances of a product to take off or, instead, to crush and burn.

According to George Silverman, WOM is 3–10 times more effective sales promotion vehicle than traditional marketing for both nig and small start-up brands.[iii] WOM is of particular importance in service industries, such as banking, insurance, and among complex technology products, such as cellular phones, where people rely on the experience of others to gain tacit information about the product or the service.

Still, a number of questions remain unanswered. Why WOM campaigns are effective for some products, helping them cross the tipping point while fail for others? Why, for instance, LCDs took off and DATs did not? Why Nitendo's Wii Radiating Fun game console eclipsed Sony's PlayStation 3 in the 2006 Christmas season? Why Iridium and Goldstar, the first global cellular phones, flipped, while Blackberry took off? Why Apple Computer's personal computer Lisa and personal organizer Newton failed, while McIntosh and i-Phone succeeded? Why the VHS videocassette player succeeded, while the BetaMax failed? Why are people eager to try hair restoration products like Rogaine, but slow to adopt laser surgery for correcting myopia? Which group of consumers should be the target of a WOM campaign, the innovators or the early adopters? How WOM turns into buzz?

Addressing these questions, this book is a theoretical and a practical guide to launching an effective WOM and buzz campaign that helps products cross the tipping point, reaching the mass market, in the form of seven simple principles: (1) Begin with the consumer; (2) Be innovative; (3) Target the right group; (4) Create the right message; (5) Find the right environment; (6) Launch a WOM campaign; and (7) Turn WOM into Buzz.

[iii]Silverman, George (2001). *The Secrets of Word of Mouth Marketing: How to Trigger Exponential Sales Through Word of Mouth*, AMACOM.

Acknowledgments

Contents

Chapter 1
Introduction: How to Cross the Tipping Point

On November 2, 2006, Electronic Arts reported a 50% jump in profits over the same period the previous year. Revenue soared 16% to $784 million. Electronic Arts' robust performance can be attributed to the introduction of new products like "Madden NFL 07" and "2142 Battlefield" that created an epidemic among electronic game players.

On October 31, 2006, branded apparel, footwear, and accessories maker Under Armour Inc. announced a 90% jump in quarterly profits and a 48% jump in net sales. The company's stellar performance can be attributed to the introduction of its new "gearline products," every athletic individual- especially teenagers- must have. One line of such products includes HeatGear designed for warm to hot weather temperatures, ColdGear designed to absorb moisture from the body in cold temperatures, and AllSeasonGear which is designed for changing temperatures.

On October 18, 2006, Apple Computer reported quarterly net earnings of $546 million, a 27% jump over the $430 million in the same period last year. Revenue soared 32% to $4.84 billion. Apple's October 2006 robust earnings report is part of a stream of earnings reports propelled by strong demand for a collection of one of its products, i-Pod, a slick pocket size music player, which has created an epidemic among the 37 million consumers who owned one by September 2006.

Electronic Arts "Madden NFL 07," Under Armour's gearline products, and Apple Computer's i-Pod are typical examples of products that have crossed the tipping point, reaching mass market, turning into "consumer epidemics."[1] Drinks from Snapple Inc. and Red Bull, Barbie Dolls from Mattel, rose Champaign from France,

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[1] Coming from epidemiology, the term "epidemics" has a negative meaning. It refers to the rapid spread of infectious diseases like the Black Death in the Middle Ages, cholera and typhoid fever in the nineteenth century, and AIDS in the twentieth century that claimed the lives of millions of people. When applied to the consumer, the term has both a negative and a positive meaning. On the negative side, consumer epidemics refer to diseases that may spread through the consumption of spoiled or contaminated products, like the legionaries' disease spreading from contaminated hotel water, and *Escherichia coli* spreading from contaminated food. They also refer to the spread of consumer health problems that arise from certain food intakes, like obesity and diabetes associated with food rich in saturated fat and sugar. On the positive side, consumer epidemics refer to a contagious, a herd-like consumer behavior in the form of fashion and faddism that quickly turns demand for certain products and services into a cascade, an approach taken by economists and marketers.

Table 1.1 Tipping Points for Selected Products

Product	Year Launched	Year of Tipping Point
Barbie Dolls	1959	1964
SUV's	1993	2003
Cell phones	1979	1991
McIntosh	1980	1986
Red Bull	1984	1987
Snapple	1987	1994
Microwave ovens	1985	1987
Atkins Diet	1992	2000
Pokemon	1995	2000
Jurasic Park	1995	2002
Starbucks	1995	2003
Tickle Me Elmo	1996	1996
Furby	1998	1998
i-Pod	2001	2005
Rose Champaign	2002	2006

and cell phones have all created their own epidemic among consumers (see Table 1.1). In all cases, success has come rapidly almost as a surprise to their creators: like a virus affecting millions of people, these products reach a tipping point where nothing could stop them, rewarding their creators beyond what they have imagined when they launched the product. Within 7 years after its launch, for example, Snapple ringed billions of dollars in sales, valuing the company $1.7 billion; that's the price Quaker Oats paid to acquire the company in 1997. Apple Computer's i-Pod sales reached $2.4 billion, just within 4 years from its launch. "Madden NFL 07" sold 5 million copies in just 5 weeks since its release in August 2006! Nintendo sold 74 Pokemon games within 4 years from the time they were first introduced. Mattel's Tickle Me Elmo dolls sold 250,000 units in the first 24 h after their release. For the period 1993–1999, Dell Computer's stock soared by 5,000%. In 2007, footwear maker's Crocs stock gained 286%, which followed a 54% gain in 2006. The Harry Potter series turned its author, J.K. Rowling, into the richest woman in Great Britain.

Consumer obsession extends beyond products to services like hairstyling, dining, cosmetic surgery, tattooing, coffee shops, movies, amateur video, and management fads. Fast food was a big fad among the younger generation of the 1960s and the 1970s; management practices like re-engineering and outsourcing, the subject of scores of business books, was a big fad among business executives in the 1980s and the 1990s. James Champy's *Re-engineering the Corporation*, the movement's manifesto – published in 1993 – sold 250,000 copies in its first 3 months. By 1994, 68% of British companies were re-engineering. Jurasic Park totaled $2 billion in sales. Between 2001 and 2004, i-Pod sales increased by 1,500%. Between 1981 and 1991, McIntosh sales soared by 9,000%. In the 1990s and the early 2000s, Starbuck's coffee shops became a fad among middle-aged baby-boomers. By 2006, the company has opened over 12,000 coffee shops worldwide. A $1,000 invested in the company's IPO in 1992 was worth $65,000 by the year 2006.

Consumer obsessions with certain products and services are not a new phenomenon. Consumers have always been influenced by WOM campaigns that make products popular, especially as the spread of transportation and communication technologies created an integrated world market where information and commodities flow quickly from one market to another. In the 1850s, for instance, New Yorkers lined-up at the city's port for Charles Dickens novels. In the 1870s, people lined up to solve Sam Loyd's Fifteen Puzzle, and collect the $1,000 prize that came with it. In the 1920s, people gathered around radios to hear favorite talk shows like Death Valley Days, filled dance halls for swing dance, and craved for Peter Pan Peanut Butter. In the 1930s, Argentinean women rushed to smoke a light cigarette developed by late ship-tycoon Aristotle Onassis, while Americans developed a taste for the Monopoly game, gambling, and stamp collecting. Three things are new, however. First, a high degree of connectivity among people that gives consumer epidemics a new spin and twist, accelerating the speed at which consumer epidemics spread and defuse. Thanks to the Internet and WAP, communication travels instantly both locally and globally, spreading the word to friends and family, colleagues and even distant strangers. "Buzz travels faster on the Internet in part because it combines local and non-local communication. The students who adopted Hotmail talked about it locally at the dorms and classrooms, but they also spread the word, by using Hotmail, to their friends and family back home and to their bodies at other schools."[2] Connectivity further makes consumer preferences more interdependent and interwined than ever. Each consumer affects, and is affected by, others. At times, they all move together, like a herd, copying and imitating the spending pattern of each other. Second, the democratization of mass media, which has shifted the media power from corporate marketers to citizen journalists and everyday consumers. Third, a broader geographic expansion that makes consumer epidemics far more rewarding than those of the past. Thanks to open markets, brought about by globalization, products quickly cross national borders capturing every consumer market around the world. But how consumer epidemics begin and spread to reach the "tipping point," the critical mass? What makes the difference between success and failure?

For technology culturalists, successful marketing campaigns begin on the supply side of the market, i.e., the producers, their R&D facilities and their factories which create and churn innovative products that gain in popularity among consumers as volume expands and prices fall. Gordon Moore and Andy Groove, in what has come to be known as the Moore-Grove Law, argue that every eighteen months or so, improvements in technology cut price of new products in half for the same level of performance. This means that new products become more affordable to a larger mass of consumers. Continuous innovation creates new consumer needs, while lower price eventually help innovations reach the "tipping point" and become affordable to the masses. The diffusion pattern of electronic products, such as transistors, TVs, PCs, computer games, and Cellular phones is consistent with this approach. Rapid price declines allow these products to reach what marketers

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[2]Rosen (2000, p. 22).

The Cultural Technologist ⟶ Consumer Epidemics begin on the Supply Side

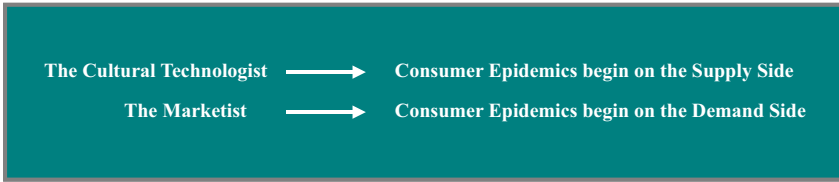The Marketist ⟶ Consumer Epidemics begin on the Demand Side

Fig. 1.1 How Consumer Epidemics Begin: Two Approaches

call early majority sooner than later, accelerating the pace of product diffusion. Playstation3 is a good case in point. The product had a shaky start early as was retailing at $599, well above its kin competitor, Xbox360. It took two price cuts of $100 each to have sales take off (Fig. 1.1).

For marketers and business strategists, successful marketing campaigns begin on the demand side of the market, i.e., the consumers, their emerging needs, their wants, and desires, their quest for a better life; and binding constraints that determine their decision to buy a product. This means that epidemic candidates must display a much broader range of attributes-product characteristics- than just innovation and affordable pricing: They must "seduce" the consumer's mind, address genuine consumer anxieties and emotions and be innovative, but not necessarily in terms of the technology that goes to develop them, as technology cultural technologists often understand it, but in terms of the value the product adds to consumers, the advantages it has over conventional competing products and the gap it fills in their lives. In the early year 2000, i-Pod turned into an epidemic because of a number of distinct advantages over a Walkman player, as was the case with an LCD TV set over a traditional CRT TV set. In the 1990s, Starbuck's coffee-shops turned into popular places by providing consumers with a "third place," a place away from home and work, where they can enjoy quality coffee a sip at a time with friends and neighbors. In the early 1960s, fast food turned into an epidemic because it addressed the tight consumer income and time budgets of young baby-boomers who could not spare the time and the money for dinning in conventional restaurants and to working families who had little time for home-cooking. Which side is right?

Certainly, cultural technologists are right when it comes to high-tech products, especially in the 1960s and the 1970s, when the market for such products was dominated by a few large corporations and many technologies were at their infancy, but not in the 1980s and the 1990s as markets became more competitive and many technologies turned mainstream. In the electronics industry, for instance, further improvements in microchip performance are limited by the use of semiconductor technology and Moore's Law is reaching its natural limits. Additional investments in enhancing semiconductor performance yield incremental improvements in technologies that may have reached a plateau. The majority of the time new technologies are commercialized by companies *outside* the threatened industry,[3]

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[3]Cooper et al. (1976).

suggesting that it is difficult for industry incumbents to be imaginative in envisioning new technologies. Established firms have come to realize that all products have performance limits; as an existing technology approaches its limits, it becomes more expensive to make improvements.

The balance tipped to the demand side- to consumers and their "pain," i.e., the time and effort committed to learning how to use new products – The Change Function, which states that "users change habits – which might include adopting new technology-if and only if the pain of their current situation is greater than their total perceived pain of making the switch to a proposed solution for their pain."[4] Digital Equipment's business computer is a case in point. The company's mini-computers fit the taste of its engineers, but not those of its customers who found it difficult to go through the "pain" of using them. By contrast, Microsoft's software turned into an epidemic by easing computer complexity, making computers easier to understand for everyone. Apple Computer's personal organizer Newton and Sony's Betamax video-player are two additional cases in point. Management of the two companies rushed to bring to the market what seemed to be a perfect machine for their engineers but not for their customers. Both products were too complex to reach beyond innovators to early adopters and the early majority.

Today, successful marketing campaigns are consistent with a compromising view, i.e., the interplay of both supply and demand, between the costs and the benefits that determine the rate of adoption and the tipping point. When a new product comes out, expected benefits are low and expected costs are high, so the adoption rate is low; only a few people, that marketers call innovators and early adopters, buy the product out of emotion and curiosity rather than out of a reason. As the time goes by, and consumers become more familiar with a product's attributes, the product's expected benefits rise and its expected costs fall. The tipping point is reached when expected benefits equal expected costs; and the "early majority" joins the early adopters in buying the product. But what determines the pace and speed at which different products reach their tipping point?

Contagious behavior, a herd-like mentality, whereby consumers influence, and are influenced, by other consumers, rushing to imitate and replicate the behavior of each other. This sort of behavior is supported and re-enforced by two factors, product controversy and product coolness that stir interest and desire in the product that eventually turns into hype among a critical mass of consumers, racing to buy "cool" products (Fig. 1.2).

Product controversy begins with a catalytic event, a product pro-announcement, an artificial shortage, and a positive or negative featuring of the product in the mass media, a wisper in the cyberspace vine that stirs up interest in the product that eventually has everyone talking about it. Snapple Tea sales, for instance, took off as some blamed the company of being a supporter of KKK. Sales of Dan Brown's novel *The Davinchi Code* took off as it stirred up religious controversy. Michael Moore's low budget movie *Fahrenheit 9/11* became a hit after Disney's refusal to

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[4]Coburn (2006), p. 156.
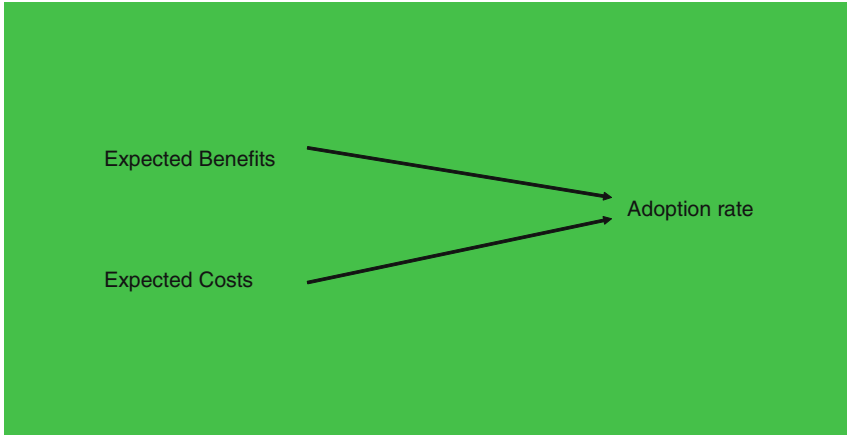
Fig. 1.2 A Compromizing View

distribute it fueled an intense controversy among civil liberties groups. Product coolness is about certain unique product features that create distinct feelings among a product's owners that set them apart from the non-owners of the product. "What makes consumer desire attach to a particular object is not so much the object's particular characteristics as the consumer's own hopes for an altered state of being, involving an altered set of social relationships."[5] Coolness turns products into culture status symbols for certain groups of consumers, willing to try new things and assume the calculated risk associated with such a choice. Red Bull drinks became the status symbol of the young and energetic people; RAZR cellphones became the symbol of the high-tech literate individuals. I-pod became the symbol of portable music lovers. Everyone reached to grab one, and show it off around to their peers.

Contagious behavior is sensitive to WOM and Buzz campaigns that "seduce" the mass consumer mind, stir-up interest in the product that eventually turns into desire and passion, a "must have," obsession. Batler and Butman in their book define WOM as "the honest, genuine sharing of real opinions and information about products and services. It can be stimulated and accelerated, but it cannot be controlled. Marketing media are not the same as real word-of-mouth." Batler and Butman further emphasize the distinction between WOM for the product message and WOM for the product itself, arguing that it is the later rather than the former that makes the difference between successful and failed WOM campaigns. Emanuel Rosen defines buzz as "all the word of mouth about a brand. It's the aggregate of all-person-to-person communication about a particular product, service, or company at any point in time."[6]

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[5]Belk et al. (2003, p. 348).
[6]Rosen (2000, p. 7).

While every customer can begin spreading the word about the product, some customers are more efficient and effective than others in getting the message across to a critical mass of consumers. WOM and buzz do not usually begin and spread out of nowhere, but through customers of exceptional abilities to influence other customers, sticky messages, artificial product shortages, exploitation of powerful icons, and the nurturing of consumer communities. Malcolm Gladwell, for instance, argues that successful WOM campaigns share three important characteristics: First, a "sticky" message. Stickiness is a certain quality of memorability; the hamburger chain Wendy's 1984 slogan "Where's the Beef?" McDonald's "You deserve a break today," and Burger King's "Have it your way" are three cases in point. Second, a helping hand, a WOM campaign from a few people, "mavens" (i.e., pundits, information brokers), "connectors" (i.e., people who know a lot of people) and "salesmen" (i.e., persuaders) spread the message and infect the cultural mood of the crowds. Third, the context, the fertile environment that accommodates the spread of the message to a critical mass of consumers. As people like to join a majority of cultural ascendancy rather than a minority of dupes, human nature will take care the rest.

McConnell and Huba argue that WOM campaigns are more effective if they involve many "consumer evangelists," people who believe in the product and consider it a mission to spread the word about it rather than a few mavens, connectors, and salesmen. Consumer evangelists give a spin to WOM by adding their own emotions and convictions to the product message. "The lessons from the original evangelists-the religious believers who roamed the backstreets of the world to spread the word of their faith-teach us that beliefs are based on emotional connection, deep seated convictions, and the promise of a better way. Strongly held beliefs compel many of us to tell others. The root of the word *evangelist* is based on 'a bringer of glad tidings.'"[7]

Believing in a product is one thing, however. Spreading the word efficiently and effectively is another. It requires certain qualities, such as natural charm, and charisma to seduce the mass consumer mind, qualities only a few people are gifted with. Moreover, launching a WOM campaign is one thing; turning it into buzz is another. Emanuel Rosen argues that Buzz does not just depend on how customers feel about products, but also whether and how they are connected to the company that launches the product and to other consumers. This network approach to marketing means that Buzz campaigns should target relations between the company and its customers, as well as, relations among consumers rather than consumers per se. "Looking at networks helps in creating tactics that a company can execute to accelerate adoption."[8]

In recent years, the spread of the Internet and the wireless text messaging have given a new spin and twist to buzz and WOM campaigns to include "viral campaigns." With such campaigns consumers are persuaded to pass on a product

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[7] McConnell and Huba (2003, p. 2).
[8] Rosen (2000, p. 33).

message to other consumers, magnifying the potential for exponential growth in the message's exposure and influence. Cyberspace messages circulate instantly, often from one consumer to thousands, even millions of consumers, helping products reach the tipping point faster than ever. Even less known products can gain visibility in chatting rooms that may eventually create buzz and hype for the product. The spread of the Internet and WAP has further fueled the "democratization" of mass media that have empowered consumers, letting them cast their votes efficiently and effectively for different products. "The Internet has democratized the flow and dissemination of information, equalized the balance of power between those who have knowledge and those who want to have more knowledge, and created across-the-board party-pricing parity, performance parity. If consumers do not know the answer, then can damn find it out in a matter of seconds –a simple Google search can reveal it all."[9]

Information and communication is no longer concentrated in the hands of a few TV networks and major national or international newspapers, but they are spread and diffused among millions of people who are able to raise their opinions in popular blogs, chat rooms, message boards, and amateur video sites. The Internet and the WAP have become the media of spreading messages efficiently and effectively in a network of consumers. They allow consumers to talk not just to friends and relatives, but to distant strangers, sharing their product experiences and influences their decision of what to buy, when to buy, and where to buy.

In short, a product's tipping point is determined by the interplay between its costs and benefits that determine its rate of adoption. This process is supported and re-enforced by certain product characteristics that fuel controversy in the media and create a feeling of coolness among the owners of the products that stirs up anxieties and emotions among a larger number of consumers rushing to copy and replicate the behavior of innovators and early adopters. Controversy and coolness make consumer epidemics candidates susceptible to WOM and buzz campaigns that begin with a few consumers, willing to share their experience with other consumers; and continue with buzz campaigns that aggregate and accelerate product WOM that targets the right group of consumers with a right message in the right social context.

Drawing on the relevant economics and marketing literature, the remainder of the book outlines seven simple principles of launching an effective WOM and buzz marketing campaign, which helps products cross the tipping point:

Principle 1: Begin with the Consumer
Principle 2: Be Innovative
Principle 3: Target the Right Group
Principle 4: Create the Right Message
Principle 5: Find the Right Environment
Principle 6: Launch a WOM Campaign
Principle 7: Turn WOM into Buzz

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[9]Jaffee, J. (2005), *Life After the 30-Second Spot*, New York: John Wiley & Sons.

Chapter 2
Principle 1: Begin with the Consumer

A lot of people love music. Some people cannot have enough of it, especially young people who enjoy listening to music on the go. Apple's blockbuster product, i-Pod, offers them just that, music on the go from a slick device, half the size of a pack of cigarettes weighing 6.4 ounces, which can download scores of songs from Apple's i-tune music store. For some people, the i-pod offers more than just music on the go. It fills in a gap in their lives, making up for things they are missing; it lets them catch up with their peers, be part of a "cool" community.

A lot of people love to produce, post, and download amateur videos on the Web. Popular search engine YouTube accommodates this need by allowing video sharing for free! According to comScore Media Matrix, YouTube's audience zoomed from 2.8 million in August 2005 to 72.1 million in August 2006, spending 9,305 years watching the posted video.[1] YouTube further allows people to be part of an emerging community of "cool" people, being active producers rather than passive viewers of media content.

A lot of people love to amass quick energy after a long trip or during an extreme sport, without taking a prescription medication. Red Bull has the solution, being a soft beverage that stimulates the body and the mind. Drinking Red Bull has also allowed people to be part of a society of "cool," energetic people.

The cases of electronic products like i-Pod, YouTube, and soft drinks like Red Bull, underline and highlight the First Principle of launching an effective WOM and Buzz campaign:

> Begin with the consumer. Provide a product or a service that fills genuine consumer needs and desires. Provide a product or a service that stirs up consumer emotions. Meet, engage, employ, and even partner with the consumer. Treat consumers as communities that surround your business rather than as individual units to be surrounded by your business.

In a market system, the consumer is the center of the economic universe, the beginning and ending of every economic activity, the ultimate boss of every capitalist enterprise. This is especially the case in a digital global market system where consumer-controlled media allow each consumer to have more choices as to where, when, and for whom to buy products. For instance, search engines, like Google and MSN, allow consumers to find almost instantly who sells what and at

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[1] Henninger (2006).

what prices. Technology from TiVo allows consumers to choose what shows to see without commercial interruptions, turning "Prime Time" into "MyTime."

> DVRs such as TiVo began to transform "Prime Time" into "MyTime." Consumers have tapped into the time-shifting properties that allow appointment viewing to become truly on-demand viewing. Even valuable (meaning "targeted") ads are now, in effect, irrelevant (because they're never seen). Radio has seen the advent of satellite options (XM, Sirius) that offer consumers commercial-free experiences. Therefore, captive audience of drive time has been liberated.[2]

The Internet has changed the course of commerce history, giving consumers a "collective voice." "Throughout the history of commerce, consumers have been at the mercy of business. Consumers have traditionally had little information, limited access to one another, and few outlets for feedback and communication. But the Internet has changed all that. It's given consumers not only a collective voice but also a platform and a forum for those voices."[3] Consumers are constantly in touch with other consumers in chat rooms, message boards and forums, review sites, exchanging blogs and wikis, re-evaluating their preferences, affecting and being affected by others in everyday purchasing decisions. Some consumers have gone even further, setting up sites to provide personalized product recommendations to other consumers, like www.StumbleUpon and www.Quentin's (Table 2.1).

This sort of extensive interaction among consumers accommodates patterns of collective behavior, whereby consumers behave as a single integrated organization rather than as a collection of separate and scattered units. Some consumers are visionaries, curious, and open-minded, always ready to venture into the unknown and untested experience associated with new products and the risks they may save in the process. Other consumers are experimentalists; they like to try new things as long as they believe they can make their lives better. A third group of consumers are pragmatists; they are willing to try new things provided that they are already well

Table 2.1 Selected blog sites

Site	Description
www.StumbleUpon	StumbleUpon provides videos, photos, blogs with personalized recommendations about different products.
www.Wikia.com	Wikia offers free MediaWiki hosting for the community to build a free content wiki-based website.
www.Blip.tv	Blip.tv is the world's leading videoblogging and podcasting service.
www.Revision3.com	An Internet media company that churns its own entertainment content that includes comedy, music, and cooking.
www.Loopt.com	A "social mapping" service that uses mobile technology to let people know where their friends are at all times.
www.Quentin's	Provides information about New York apartments, jobs, and computer gear.

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[2] Jaffee, J. (2005), *Life After the 30-Second Spot*, New York: John Wiley & Sons.
[3] Blackshaw (2008, p. 4).

tested by other consumers. That's why they always seek advise; always move like a herd, hesitating to go ahead alone or be left behind.

Consumers are both rational and emotional animals. As rational animals, consumers decide with reason, they begin with the "Big Picture," the things that are important in their lives, setting needs ahead of desires. Before they pull out their wallet and head for the cash-register, they always ask three simple questions: Is the product right? Is the price right? What is the opportunity cost of the money spent on this product?

As emotional animals, consumers decide with desire, passion, and hype, they see the "Big Picture" upside down, often placing desires ahead of needs, they become impulsive, rushing to buy a product without asking whether they really need it in the first place, whether the price is right, and whether it is the best choice for their money; ending up subscribing to magazines they never read; joining health clubs they rarely visit; and buying shoes and dresses they never wear, tools and accessories they never use, and toys children never touch; and though spending money of this sort of things may be a waste for consumers, it is a bonanza for the marketers who push them. Emotionally charged consumers are more likely to get, remember, and spread the product message to other consumers than non-emotionally charged consumers, and become "product evangelist," an issue to be addressed in subsequent sections of the book.

To cross the tipping point, products and services must be genuine, appeal to consumer reason and emotion, satisfy a felt human need, seduce the fantasy and imagination of a critical mass of consumers, "awake a sense of need and discontent," fill in a vacuum in consumers' lives. "Corporations and politicians know that they cannot seduce their public into what they want them to buy, or doing what they want them to do, unless they first awaken a sense of need and discontent. Make the masses uncertain about their identity and you can help define it for them. It is as true of groups or nations as it is of individuals: they cannot be seduced without being made to feel some lack."[4] This lack could take the form of an unfilled need or an unfilled desire that display their own distinct characteristics that eventually turns into passion for the object, the product that fills it.

No corporation other than Apple Computer knows better how to seduce the fantasy and imagination of the mass consumer by stirring up consumer emotions through slick product designs that make consumers look smart carrying one around. "Apple has shown you can conquer the world with an emotional punch. Designing in the woa factor can produce a win-win situation: better business for the sellers and better products for consumers."[5] i-Pod's slick design satisfies the music needs of people on the go, while makes them look smart by carrying one around (see Table 2.2). Snapple Tea is a naturally brewed tea with healthy ingredients that serve the needs of health cautious consumers better than conventional carbonated products. Red Bull is an Asia-based energy drink adapted to Western tastes and

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[4]Greene (2001, p. 209).

[5]Wildstrom, S. H. (2007). Fine. But where's the wow? *Business Week*, Oct. 15, p. 22.

Table 2.2 Genuine consumer needs served by consumer epidemics products

Product	Genuine consumer need served
Snapple	Healthy non-carbonated drinks
Red Bull	Quick energy drinks
Barbie Dolls	Dolls for kids in a rush to grow-up
i-Pod	Music on the go
Pokemon	Entertainment and fun for little kids
Tickle Me Elmo	Entertainment and fun for little kids
Razor scooters	A fun sport for kids
Cell phones	Mobile communication
PC	Office, networking
Ethernet	Networking
SUV's	"Macho" driving
Starbuck's	A third place where people can share a cup of coffee and socialize with each other.
Atkins Diet	Low fat diet
Tomagotchi	A virtual pet for teenagers
Skateboards	Extreme sports
i-phone	Music, communication, networking

preferences of energetic individuals. Rogaine is a cure for some types of hair loss, appealing among those uncomfortable with thin hair or baldness. DVR is an electronic gadget that allows consumers to pause and rewind live TV, and to record and save a program on the hard drive–freeing the viewer from the networks' program of commercials, fillers, and rigid scheduling. i-Phone is a package of three different gadgets, cellphone, music player, and Webbrowser. But how can business identify genuine consumer needs and desires in mass markets? What does it take?

Sometimes, it takes face-to-face meetings with consumers in places that matters the most. In retail stores where they browse and test products; in the repair shop where they bring defective products for repair; in everyday life where consumers use the products; and in labs where products are designed. Sony Corporation, the electronics pioneer which has churned blockbuster products like the color TV, the VCR and the Walkman, has set up labs known as "antenna shops" inside retail stores where product engineers and designers spend their weekends talking to customers about the products they bring for repair. Samsung Electronics and LG Electronics routinely visit retail stores observing consumers browsing their products. It takes face-to-face meeting in places where consumers live and use products, as P&G management has been doing.. "It is always eye opening to spend time with consumers to understand why they buy or do not buy P&G products. And it is always inspiring to understand their lives and how we can help make their everyday household and personal-care experiences more satisfying."[6]

Other times, it takes the active engagement of customers in the product design process, where they are afforded the opportunity to define what is best for them.

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[6]Laffey, A.G., & R. C., *The game changer: how can you drive revenue and profit growth with innovation*. New York: Crown Business, 2008, p. 35.

> Cultivate consumers' right to choose. Compete ferociously against other brands to solicit consumer collaboration because, in the end, whatever the consumer says is true and what is true, sells. Consumers always have been our best consultants. It's only now, however, that they have come to realize their power and level of control. Allow consumers to define what is best for them and deliver on that expectation at a variety of price points and through a range of distribution channels.[7]

Would-be authors, for instance, engage would-be readers in blogs, where readers help them shape their manuscripts' characters and plot. Japan's bestseller fiction Train Man is a case in point. The book began as a blog about a young man rescuing a girl from a drunk person on a train, and shaped up as a chat between the author and the members of the chat group. Some members suggested that the hero takes the girl out on a date. Others suggested that he replaces his glasses with contact lenses and get a stylish haircut to make himself more attractive to the girls, and so on. Another "blook," "Demon Wife followed the same path." [8] Companies as diverse as General Motors, Wells Fargo, Microsoft, and Intuit, hire marketing consultants to track on-line consumer forums to improve their products.[9] Enterprise software-maker, Salesforce.com, works closely with the customer to develop enterprise solutions that cater to each customer's needs: incorporating consumer complaints and requests into upcoming software upgrades and, by monitoring software downloads, to determine which features are popular and which aren't. "As Salesforce.com makes clear, their responsiveness to customer complaints and feature suggestions, you might imagine that more customers will take the time to make their own suggestions, which will further help in codesign and codevelopment."[10]

P&G's web subsidiary Reflect.Com allows its beauty products customers to "voice their specific beauty needs and desires with a precision that has never been available before," that is, interact directly with beauty experts and researchers, coming up with products that cater to their specific needs. General Motor's web business unit, eGM, allows the company to connect online with dealers, and to tailor its car models to specific consumer needs. Google allows business to monitor the volume of different product queries. "Business are learning to use Web-based services from the Internet companies Yahoo Inc. and Google Inc. and other independent tools to evaluate the volumes of searches conducted on any given keyword. While few businesses say search data are their only source of product research or decision-making, some say it plays a useful role."[11] Popular puzzle company Nikoli that has developed SEDUKU, among other things, creates forums, whereby readers can submit new puzzle ideas.[12]

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[7]Nadeau (2006, p. 184).

[8]Kane (2006, p. B3).

[9]Kadet (2006, pp. 92–96).

[10]Coburn (2006, p. 159).

[11]Delaney (2007).

[12]Fackler (2007).

By now, it has become sort of a "standard practice" for companies to receive and study feedback on line from customers. This is especially common practice in the clothes retailing industry. Customer reviews on clothes are posted on big retailer sites such as Target Corporation's Target.com, Federated Department Stores Inc.'s Macys.com, and Sears Holding Corporation's Sears.com. Big retailers from other businesses and product categories have also added customer comments to their sites. They include outdoor retailer Cabela's Inc., Petco Animal Supplies Inc., Home Depot Inc., and Bass Pro Shops. Such comments help their designers determine which models will succeed and which will fail. "Some retailers use the reviews as a form of market research. When several customers recently posted negative reviews of a shoe sold by Macys.com, complaining of fit problems, the department-store behemoth's site responded by pulling the shoe."[13]

Food companies, like ConAgra Foods, Inc., use the Internet to identify declining and emerging consumer trends that may affect their product portfolio. "ConAgra Foods, Inc. got an early warning from chatter on the Internet that the low-curb craze was fading. The huge food company seized the chance to promote an alternative menu, its Healthy Choice soups, entrees and lunch meats."[14] Electronic gadget makers like Apple Computer solicit suggestions about the "Next Big Thing," through its website Applematters.com. Starbucks works closely with customers to identify their tastes and preferences for different drinks.

In a third case, it takes large scale surveys to reveal the product attributes that are most appealing to consumers. Asahi Brewery's hit, SuperDry beer, for instance, was the product of a large scale survey that revealed the product attributes the target consumer group valued the most. Hasbro's game hits are the product of on-line surveys of gamers as well as a close observation of children at play.

In a fourth case, identifying genuine consumer needs takes employment of "prosumers," i.e., consumers who work with producers to test out their products and make suggestions for new ones rather than just consuming the end product. "In other words, customers do more than customize or personalize their ware; they can self-organize to create their own. The most advanced users, in fact, no longer wait for an invitation to turn a product into a platform for their own innovations. They just form their own prosumer communities on line, where they share product-related information, collaborate on customized products, engage in commerce, and swap tips, tools, and product hacks."[15] Toshiba, for instance, hires psychologists with music hobbies to work side by side with engineers, having them perform as potential customers to test their products. Boston-based Karmaloop asks customers to submit new product designs that are evaluated by an internal design committee. The company gives discounts to customers who provide referrals. Educational promotion video-maker Tabula Degita teams up with school administrators to develop math games.

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[13] Covert (2006, p. B1).

[14] Levingston (2006, p. A01).

[15] Tapscott and Williams (2006, p. 126).

In a fifth case, it takes partnership, the sharing of the risks and rewards associated with the development of new products. Office supplies retailer Staples Inc., for instance, solicits new product ideas from consumers, whereby successful contenders receive lump-sum prizes and royalties. Neflix, a mail-order movie corporation, offers rewards to customers who will come up with ideas to improve service, while Electronic Arts pays $20,000 for the Best Short Digital animation. YouTube.com shares revenues with amateur video producers.

In a sixth case, it takes the shortening of the product supply chain to bring product designers and manufacturers closer to their customers. Handbag designer Louis Vuitton, for instance, has adjusted its product design and manufacturing system after that of Japanese automobile manufacturers, and most notably Toyota, to adjust efficiently and effectively to changing consumer demands.

In short, an effective WOM and buzz campaign begins with the consumer by identifying felt consumer needs, wants, and desires through a number of methods that reveal consumer preferences, especially methods that get the consumer engaged and involved early on, from the product design stage. In a rapidly changing interconnected world, this isn't easy, however, for two reasons. First, customer needs are a "shifting target," changing at an ever faster pace. This means that marketers must constantly monitor consumer behavior, investing in R&D that monitors their needs and priorities.

> Delivering customer value is not a onetime affair. Customer needs are a shifting target and you must monitor them continuously or the world will pass you by. World-class marketers continuously invest in marketing research to probe deeply into customers' needs, priorities and to feed these results into their product development process.[16]

Second, consumers are more powerful than ever, assuming a number of different roles at the same time, e.g., consumer, contributor, and creator, erasing the boundaries between corporations and consumers. The rise of citizen journalism and consumer-controlled media provides yet another example of how mass collaboration and co-creation are erasing the previous boundaries between companies and consumers. "In a world where all one needs is a camera phone to report on one's surroundings, it is no longer as straight forward to pigeon hole a person's role in the emerging presumption paradigm; a person can seemingly shift from consumer to contributor, to creator."[17]

The erasing of the boundaries between corporations and their consumers dictate a shift away from the traditional business paradigm whereby the corporation is a distinct and separate entity from its consumers, to a modern business paradigm, whereby the corporation is at the core of consumer communities (see Fig. 2.1). The corporation amasses and coordinates the product design and production in an ongoing dialogue with consumers. The target of the WOM and buzz campaign should be business-to-consumer and consumer-to-consumer relations; and the ways

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[16]Capon (2007, p. 37).
[17]Tapscott and Williams (2006, p. 143).
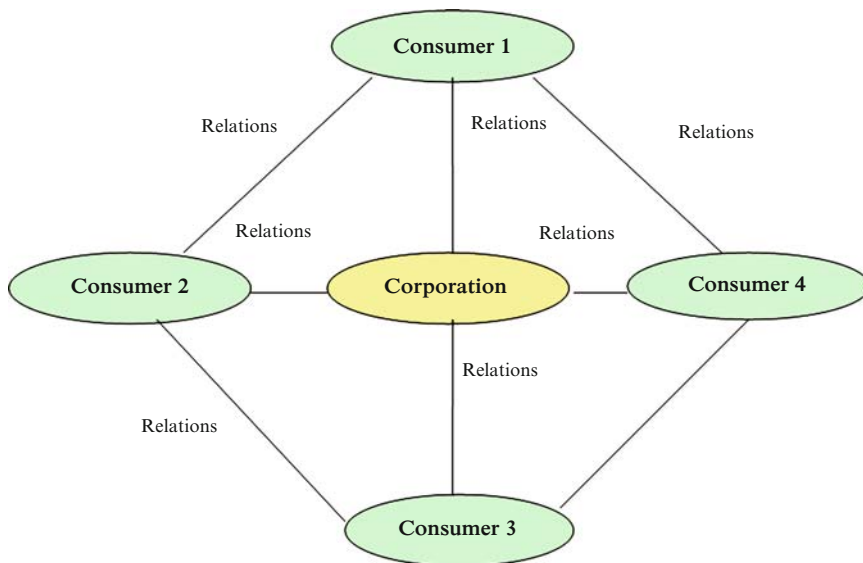
Fig. 2.1 The Corporation at the Core of Consumer Communities

they accommodate the spread of the product message rather than consumers themselves, an issue to be further addressed later on in the book.

2.1 A Case in Focus: Beginning with the Consumer the Under Armour Athletic Apparel Way

For years, football players were faced with a serious problem: soggy cotton under-shirts that led to heat exhaustion in summer months. Kevin Plank found a solution to the problem: replace cotton undershirts with moisture-wicked T-shirts, under the name Under Armour- the name of its start-up enterprise that eventually turned into a major brand name in the sports apparel industry.

In the beginning, Plank targeted fellow football players, then athletic equipment managers and sports enthusiasts, and eventually every sports person. Before long, T-wicked shirts came in different formats, branded in three categories, HeatGear, ColdGear, and AllSeasonGear.

HeatGear. The original microfiber blend T-shirt, worn in warm to hot tempera-tures helps the body stay cool, dry and light by wicking way moisture. HeatGear comes in a variety of tops and bottoms in different colors and styles for the gym or outside in warm weather.

ColdGear. A follow-up T-shirt, worn in cold temperatures, a single light layer beneath a jersey, uniform, protective gear or ski-vest helps the body stay dry and warm by wicking moisture away.

AllSeasonGear. A hybrid of the previous two brands, AllSeasonGear worn in changing temperatures keeps the body cool and dry in warmer temperatures and warm and dry in cooler temperatures.

Under Armour's sales zoomed, from $16,000 in 1996, to 55 million in 2002, and $507 million in 2006. Sales of men's, women's, and youth apparel products and footwear products represented approximately 60%, 20%, 7% and 6% of net revenues, respectively. The remaining 7% of net revenues were divided equally between license revenues and the sale of accessories. Under Armour markets its products at multiple price levels and seeks to provide all consumers with what the company believes to be a superior alternative to cotton and other traditional products.

A big part of the company's rapid success was the WOM campaigns which was propelled by endorsements from celebrity football players and athletic equipment managers as well as an endorsement from the National Football League (NFL). To stir interest in its football cleats and turn it into desire, Under Armour announced the product in the summer of 2005, eight months before its launching. The company further hired San Francisco 49ersVernon Davis to appear in the campaign.

Sources

Shannon, E. (2003). Tight Skivvies. *TIME Magazine 161*(2).
United Armour's 2006 Annual 10-K Corporate Report.

First Principle Checklist	
Does your company conduct face-to-face communications with the consumer?	Yes ☐ No ☐
Does your company engage the consumer?	Yes ☐ No ☐
Does your company conduct consumer surveys?	Yes ☐ No ☐
Does your company use prosumers?	Yes ☐ No ☐
Does your company partner with the consumer?	Yes ☐ No ☐
Does your company shorten the product supply chain?	Yes ☐ No ☐

Chapter 3
Principle 2: Be Innovative

i-Pod isn't the only product that lets people enjoy music on the go. So is a walkman player. Yet, i-Pod is an innovative product that has a number of distinct and separate advantages over a traditional walkman. It is a pocket size slick machine, the match of engineering craftsmanship and art design that can upload scores of songs rather than the songs of a single CD; and it is consistent with an emerging trend, people loaded with sleek high-tech gadgets that let them listen music on the go.

LCD TV sets are more expensive than traditional tube TV sets. But they are an innovative product that has a number of advantages over tube TV sets. LCD TV sets are elegantly designed; they take less space on the living room and can be mounted on the wall like painting art; and they are "cool" and "hot," they make people feel different; they make them stand out from the crowd.

Teenagers love computer games. They love the characters and the action; they love a large and high resolution screen; and they love to be masters of the hot new games. Microsoft's Xbox360 game console offers all that and much more: the ability to play on line against their friends. Xbox is further consistent with an emerging trend whereby the cyberspace has substituted the neighborhood as a playground for teenagers.

The cases of i-Pod and LCD TV sets underline and highlight the Second Principle of an effective WOM and buzz campaign:

Be Innovative. Develop products that seduce the consumer fantasy by delivering better consumer value than conventional products in terms of cost, performance or both; and are consistent with emerging individual and group values or beliefs. Make products simple and easy for consumers to observe their advantages vis-à-vis competitive products; let them try and experiment; introduce new enhancements to keep their interest alive.

One of the characteristics of every product that eventually crosses the tipping point is innovation, a number of distinct and separate features from those of conventional competing products that stir up emotion and desire, seducing consumer fantasy. Snapple is a naturally brewed tea with healthy ingredients that serves the needs of consumers better than conventional carbonated products, while Red Bull is an Asia-based energy drink adapted to Western tastes of energetic individuals. On the other hand, the digital audio tape (DAT) had neither advantage compared to CDs and DVDs and, as a result, never took off. The same is true for Motorola's

ROKR phone that tried to marry cellular phones with i-Pods. The devise was chunky and poorly designed, had no distinct advantages over competing models, and therefore, failed to stir consumer interest and desire.

Innovative products are further consistent with emerging lifestyles that give them a spin of "coolness." Snapple is further consistent with the emerging trend for healthy non-carbonated products, while Red Bull is consistent with the emerging trend for energy drinks. Barbie dolls were designed to look like adults rather than infants. Coolness makes innovative products fun to own. "Today the word (cool) means not only "excellent" but also suggests an element of being "fun" and even possessing a particular attitude even in the case of inanimate objects (such as products). For example, many people consider Apple's i-Pod to be cool. The Volkswagen Beetle is cool. Snowboarding, the Web, Linux, Pokemon cards – all are considered cool, in some way."[1] The same is true for Nike, Adidas, and Heely's footwear. Many people find Starbucks a cool place, a "taste of romance," an "affordable luxury," an "oasis," and a "place for casual interaction."[2]

Innovative products stir up intense controversy in the mass media or the cyber-space, increasing consumer awareness, creating an aura over the product that charges consumer emotions, turning interest into burning desire, seducing the consumer mind. Snapple tea is a good case in point. The company bottled the product into distinct glass containers that displayed a "circle K" on the label (indicating that the product is kosher-certified). In the early 1990s, not everyone thought so, however, as rumors spread that the K on the Snapple bottle is some kind of endorsement from Ku Klux Klan and Operation Rescue, drew a great deal of public controversy. The appointment of Wendy Kaufman as a spokeswoman (the Snapple Lady) and an endorsement from Howard Stern dashed these rumors, while creating an aura over the product. Sales caught fire turning the product into a cascade. The announcement of i-Phone stirred controversy over its name with Cisco Systems, claiming that it has used the name first. But how innovations come about? What does it take?

In some cases, product innovations come in a flush light, just from a simple observation of something new, something different. The creation of Barbie dolls, for instance, came as Mattel co-founder Ruth Handler observed her daughter and her friends express a preference of playing with adult-like rather than baby-like dolls. The creation of Red Bull came as its creator, Dietrich Mateschitz, observed how Thai beverage Krating Daeng gave energy to air travelers.

In other cases, innovations come after a prolong period of experimentation with different product ideas. It took Snapple creators Leonard Marsh, Hyman Golden, and Arnold Greenberg, for instance, fifteen years of experimentation with different types of apple sodas and seltzer water before they came up with Snapple tea. It took Pepsi and its Japanese partner Sunturi 2 years of experimentation with different fruits and vegetable juices to develop a Cucumber Soda for the Japanese market.

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[1] Gloor and Cooper (2007, p. 7).
[2] Schultz and Yang (1997, p. 119).

In a still different case, innovations are the product of "different thinking" that brings together art and technology. Apple's i-Pod, for instance, is the product of pioneering engineering and elegant design, as is the case with Motorola's RAZR cellphone.

Innovations could also be the product of collective efforts of different corporate departments and divisions.

> Understanding and catering to the needs of a new market is not just about marketing, it is also fundamental business challenge. Being open-minded and willing to listen and probe for insights about not just the product, brand, or advertising, but also distributions system, the supply chain, and other aspects of the new market, are crucial. This information is the raw material for innovation. Building an organization that can unearth and act on these insights provides the strategic and organizational agility to stay ahead in different markets.[3]

Innovations are the products of scores of engineers and marketers scattered within and without the boundaries of large corporations out of love for ideas and the personal and professional fulfillment that comes with success. "New ideas can come from anywhere. So many ideas come not from the individual inventor tinkering away in his garage, or even in the large corporate research laboratory, but from the collective efforts of groups of people. We see these groups of idea creators motivated by their love of the idea itself and by their devotion to a process of working with nothing more than the great feeling that comes with success."[4] Microsoft Windows, for instance, is the product of scores of teams of engineers and marketers contributing the different pieces of knowledge that pulled the product together and turned it into a huge success. Motorola's and Plantronics Bluetooth headsets are the product of cooperation between the two companies' engineers and fashion designers from consumer product designers like Okley and Dolce Gabbana. Hasbro's electronic game hits are the result of a global network of inventors.

In another case, innovations come by matching core corporate capabilities with emerging market opportunities. Corning's multibillion fiber optic cable and LCD are two good cases in point. The company matched its core capabilities of glass processing with the rise of the Internet in the first case and the need for smaller elegant computer and TV screens in the later case. In another different case, it takes the "striking of a new path," to quote J.D. Rockefeller, i.e., do something unconventional, like selling computers directly to consumers, as did Dell Computer, or selling books on line as Amazon.com did.

In a third case, innovations come through acquisitions. Hasbro's acquisition of the Tonka Corporation in 1991, for example, allowed the company to expand its product portfolio to include TONKA, PLAY-DOH, EASY-BAKE OVEN, NERF, MONOPOLY and a broad range of licensed properties such as Batman and Star Wars. Cisco Systems' strategic acquisitions allowed the company to expand its product portfolio. PepsiCo's acquisition of alternative drinks maker

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[3]Laffey and Charan (2008, p. 4).

[4]Gloor and Cooper (2007, p. 2).
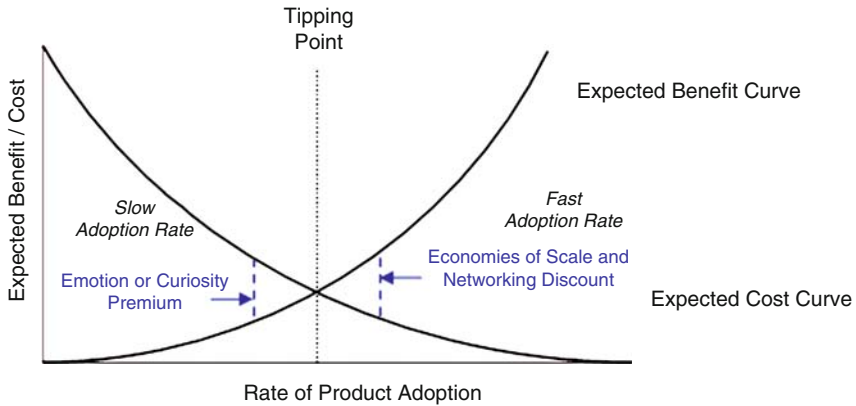
Fig. 3.1 The expected costs and benefits of innovation adoptions determine the tipping point

South Beach Beverage Company and leading sports maker Gatorade, Quaker Oats expanded the company's drink portfolio to competing products. But how do innovations spread?

As discussed in the first chapter, experts are divided on this issue, according to how consumer epidemics begin and gain momentum. Cultural technologists argue that consumer epidemics begin on the supply side, while marketers and business strategists argue that consumer epidemics begin on the demand side. The arguments of the two sides can be compiled into an expected cost–benefit framework that determines the rate of product adoption and the "tipping point" (see Fig. 3.1).

Expected benefits and costs are both a function of the rate of the product adoption. Specifically, expected benefits, i.e., the value the product adds to consumers, are a direct function of the rate of the product adoption. Expected benefits increase exponentially with the rate of adoption, for two reasons. First, economies of networking, i.e., the more consumers adopt the product, the greater the interaction among them, and the greater the benefit to each and everyone of them. Likewise, the more teenagers own an Xbox360, the larger the network of players, and the more valuable the game console becomes to each and every player. As more and more people, for instance, use Microsoft Word software, it becomes easier to exchange files, and therefore, the software becomes more valuable to each user. Second, the demonstration effect, i.e., the more consumers use the product, the more intimidated consumers are to buy the product. The more children, for instance, carry around an i-Pod, the more intimidated other children are to carry one around, too.

Expected costs, that is, the price the consumers pay to acquire the product, the time they spend to become familiar with it, and the perceived risk that the product fails to stand up to expectations, are an inverse function to the rate of the product adoption for two reasons. They decrease exponentially with the rate of adoption as

innovators pass-on the cost savings associated with a larger and larger production, while the risk of product failing to stand up to expectations decreases.[5]

Given these patterns of expected benefits and costs, adoption rates are expected to be slow in the beginning as costs exceed expected benefits, and consumers buy the product out of emotion and curiosity rather than reason (i.e., curiosity gap). On the contrary, adoption rates are high when expected benefits exceed costs (known as the procrastination discount). The "tipping point" is reached when the expected benefit is equal to the expected cost, an issue to be further addressed in the next section of the book (Principle 3).

The adoption of disposable diapers is a case in point. In the beginning, the adoption rate was slow as their cost was too high and their performance low compared to conventional cloth diapers. In 1956, for instance, disposable diaper adoption rate was only 1 percent, as they cost 9 cents per unit and their performance was poor—due to leakage. Ten years later, disposable diapers cost 5.5 cents while their performance improved substantianly. The diaper market exploded, from $10 million in 1966 to $370 billion in 1973, with P&G dominating it.[6]

In short, the expected benefits and costs of the innovative products are a function of the product's adoption rate. Expected benefits rise exponentially with the adoption rate, while expected costs decline exponentially with the adoption rate. Expected benefits and costs are further determined by a number of product attributes that can improve consumer perception, simplicity, observability, triability, enhancements, and low perceived risk; boosting expected benefits while cutting expected costs, thus, pushing the tipping point forward (see Fig. 3.2).

Simplicity. The simpler the innovation, the easier it is for the consumer to understand and use it, and therefore, the lower the cost of adoption, especially for technology products that come with many functions and lengthy manuals that take time for users to go over before they begin to experience and realize their benefits. When the first VCR model, for instance, came out, it had a few functions; it was easy for the consumer to understand and use; and that contributed to its rapid adoption. Subsequent models had several functions, however, which made it difficult for consumers to understand and use, therefore, slowing the pace of their adoption. Specialized blogging software is making an otherwise complex task easy and fun. Blockbuster puzzle SUDUKU owes part of its success to the simplicity of its rules that make it easy for players to understand. By contrast, early personal organizes like Apple Computer's Newton and Palm's Zoomer failed because they were too complicated for the average user.

Observability. The more explicit, the more observable the benefits of innovation are, the faster the pace of its diffusion. Cell phones, for example, have a number of visible advantages over conventional phones, and most notably portability that allows callers to make and receive calls everywhere. Therefore, cell phones have

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[5]For instance, as their production size increases, companies strengthen their bargaining power with suppliers.

[6]Markides and Geroski (2004, p. 4).
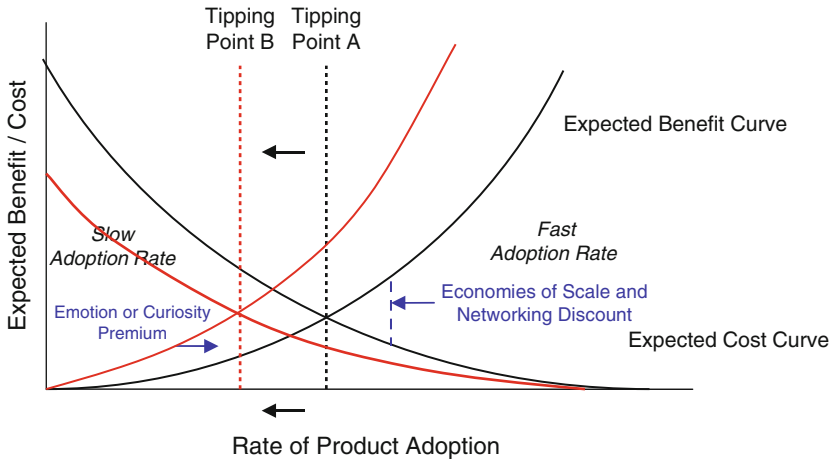
Fig. 3.2 Changes in other factors shift the tipping point. Certain product attributes, such as simplicity observability, and triability, can improve consumer understanding of the product, raising expected benefits and lowering expected costs, speeding up the rate of adoption and the tipping point.

quickly gained acceptance among consumers. Observability further makes it easier for consumers to share their experience with other consumers and eventually talk them into buying the product. While less visible, laser eye surgery may be a frequent topic of conversation. On the other hand, new headache remedies are less obvious and generally less likely to be discussed.

Trialability. The easier it is to have a low-cost or low-risk trial of the innovation, the more rapid its diffusion is. The diffusion of products, like laser eye surgery, has been hampered by the difficulty of trying out the product in a realistic manner. This is much less of a problem with low-cost items such as headache remedies, or such items as camera phones, which can be borrowed or tried at a retail outlet. Triability further creates a sense of virtual ownership that fuels an emotional attachment of the consumer with the product. The longer consumers experience the product, the more they feel that the product belongs to them, the more likely is to end up buying it.

To accommodate observability and triability, technology companies, such as SONY, Motorola, Apple Computer, AT&T and Verizon, have set up company model shops where consumers can become familiar with product attributes, while the long time direct marketer Dell Computers began selling low-end models in Wallmart stores. Sirius and XM Satellite radios offer a year subscription to new subscribers.

Enhancements. Innovations can have a lasting effect, if they come in families of products that expand and re-enforce the product and corporate brands. i-Pod, for example, comes in different versions, which cater to different market segments' needs. Snapple tea comes in different flavors, e.g., lemon, peach, etc.

Barbie dolls come in different series, Bars Lars Coco, Tooth Fairy, Irish Dance, Lady of the Manor, etc. iMac came in different shapes, e.g., egg-shaped, pear-shaped, and gumdrop-shaped. i-Pods come in different storage capabilities and colors: The i-Pod Nano comes in four and eight gigabytes, and in four colors (pink, blue, silver, and black). The i-Pod video comes in 30 gigabytes, and in two colors, black and white. NFL introduces new teams and has developed the NFL Network cable channel.[7] Jurasic Park was followed by three sequels, The Lost World, Jurasic Park 3, and Jurasic Part IV. Nitendo churned out ten different Pokemon games, and Tickle me Elmo was followed by TMX (Tickle Me Extreme).

Low perceived risk. Buying and using new products is associated with financial, physical, and social risks that constrain the diffusion of innovation, especially among risk-averse consumers. Perceived risk is a function of three variables: (1) the probability that the innovation will fail to stand up to consumer expectations; (2) the negative consequences of such failure; and (3) the ability (and cost) to reverse any negative consequences. Some consumers, for instance, may feel a need for the benefits offered by laser eye surgery and assign a high probability for its success, and therefore, to undergo such surgery. Conversely, other consumers may perceive the consequences of failure as being extreme and irreversible and, therefore, not adopt this innovation. Thus, any effort of the innovator to lower the perceived product risk through guarantees could accelerate the product acceptance and adoption.

In short, products that turn into consumer epidemics are innovative. They add value to consumers' vis-à-vis traditional products; they are consistent with emerging trends and beliefs; and they stir controversy that often turns them into cultural status symbols, attracting the interest of a critical mass of consumers. Some are innovative products that are developed by accident, while others are a result of a prolong experimentation, and still others are developed by matching technology and art. Their adoption rate depends on the expected benefits and costs. In the beginning, as expected costs exceed expected benefits, adoption rates are low. Eventually, expected benefits exceed expected costs, and adoption rates accelerate. Product attributes, such as simplicity and observabilty, can speed up the rate of adoption, provided that they target the right consumer group.

3.1 A Case-in-Focus: Mastering Innovation the Apple Way

From McIntosh, iMac, to i-Pod and the i-Phone, Apple Computer is certainly a master of innovation-second to none in electronics gadgets. How Apple does it?

By paying close attention to every aspect of the product supply chain, from design and branding to manufacturing and sales. "A key to Apple's success is the attention it showers on every detail, from the overall design to the appearance of

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[7] Silkos (2004).

Table 3.1 Selected advantages of i-Pod over Zune

Product	Screen size	Song access	Song library
i-Pod	2 in.	Touch sensitive; click-driven	large-Apple-iTune store
Zune	2.5 in.	Click-driven	Small Microsoft store

Table 3.2 Selected advantages of i-Phone over Blackburry

Product	Screen size	Music capabilities	Keyboard	GPS map
i-Phone	Large 3.5 in.-touch-sensitive	4 or 8 Gb	Virtual touch-sensitive	Yes
BlackBerry	Small-not-touch Sensitive	None	Physical button-operated	No

components such as power cords."[8] For some of its products, Apple Computer maries art and technology to outsmart the competition. i-Pods and i-Phones marry art with technology, having a number of distinct advantages over their close competitors, Zune and Blackburry, respectively. The i-Pod has a bigger screen than Zune that is friendly to the users' eyes; it is wheal rather than button operated; and provides access to a larger library of songs (see Table 3.1). The i-Phone has a larger screen than BlackBerry, a better (virtual) keyboard, a GPS map, and a unique configuration of Internet, phone, i-Pod, and calendar tool (see Table 3.2).

Apple's marriage of art and technology in product design has transformed the company from a computer maker into a branding machine that creates an aura over its products that turns consumer interest into passion and desire that spins out into a contagious behavior and hype that quickly reaches consumer majority. Reflecting such emotional response, iMac, for instance, has been described by consumers as "funky," "snazzy," "extremely friendly," "glowing," "accessing," "electrifying," "a revolution in the box," "an icon," while the i-Phone has been described as "tantalizing," and "Jesus phone."[9]

Check the Second Principle	
1. Are your company's innovations simple for the consumer?	Yes ☐ No ☐
2. Are your company's innovations' benefits observable?	Yes ☐ No ☐
3. Are your company's innovations triable?	Yes ☐ No ☐
4. Does your company follow-up with innovation enhancements?	Yes ☐ No ☐
5. Is the perceived risk of innovation adoption low?	Yes ☐ No ☐

[8] Wildstrom (2007) and Silkos (2004, p. 22).
[9] Fishman (1999).

Chapter 4
Principle 3: Target the Right Group

In the late 1980s, Patricia was a young professional lady, very cautious about the things she consumed, especially drinks. She always searched for non-carbonated health drinks, examining carefully the label on the bottle, looking for natural ingredients. The problem, however, was that most health drinks did not fit her taste. One day, she came across a new drink, a naturally brewed tea, Snapple, Kosher-certified and of a great taste. From that time on, Snapple became the drink of her choice, and the choice of her friends, co-workers and neighbors after she talked them into trying it. An endorsement from controversial radio-host Howard Stern made her feel better for her choice. She was, after all, among those "cool," smart consumers who found an alternative to carbonated products that tasted good and was healthy at the same time.

In the mid 1990s, John was an energetic teenager who loved extreme sports. In the winter, he would not miss the chance to race down the slopes of Colorado Mountains with his friends. In the summer, he would spend a couple of weeks in Hawaii, surfing against the wavy sea of the volcanic island. To improve his performance, John has been searching for an energy drink in the local delis and health food stores, sampling new drinks. One day, he tried a new drink in a silver and blue can with the label "Red Bull" that made him feel great. Red Bull provided John the much needed energy to out-perform his competition in wind-surfing. He soon chatted with his friends on-line about this new drink, and before they knew it, they all became part of a new class of consumers shedding traditional carbonated drinks for Red Bull.

Patricia and John represent a special breed of consumers, the early adopters. They are people within target markets, who are always in search for something new and different that adds value to their lives; and are willing to take the risk for adopting it. Their stories underline the Third Principle of consumer epidemics:

Select the market segments most interested in your product. Then, within each segment, target early adopters, people who tend to be opinion leaders in local reference groups – successful, well educated, somewhat younger than their peers, well socially integrated, willing to take a calculated risk on an innovation but who are concerned with failure. Early adopters also use commercial, professional, and interpersonal information sources, and they provide information to a larger group of consumers, the early majority.

As the innovation gains acceptance, shift focus to the early and the late majority.

As discussed in the previous chapters, products that become epidemics are innovative; they add consumer value *vis-a-vis* existing products, to the target market groups; and they stir up emotions. Even within these groups, innovations do not appeal equally to all consumers, however. Some consumer categories are more susceptible to new products, because they are curious by nature, always on the look-out for something new, something different to excite their lives. Others are more susceptible to new products because they can better understand the advantages of innovations vis-à-vis existing products, and are willing to assume the various risks associated with the innovation adoption. A third category is comprised of consumers who are less susceptible to new products because they are pragmatists, they are looking for proof that the new product is better than the one they already use. A fourth group is less susceptible to new products either because the consumers in it lack curiosity or because they feel fully content with their lives, and therefore, they are the wrong marketing target.

Depending on the speed at which different consumer groups adopt innovations, marketing experts classify consumers into five adopter categories, i.e., innovators, early adopters, early majority, late majority, and laggards. Each group has its own distinct characteristics that make it more or less susceptible to "mass seduction" product campaigns.

Innovators. They are usually the young and restless, the better educated, venture-type, the risk-lovers, the most mobile and uneasy consumer group, always in discontent with their environment, always in search for something new, something different to *excite* their lives. Innovators are consumer leaders, informed about new trends as featured in mass media and industry publications. They are "adventure shoppers," shopping for products that add adventure and excitement to their lives, something to show-off to their peers, like the kids who started wearing old Hush Puppy Dukes and Columbias they bought in N.Y.C. thrift shops in the early 1990s and fueled a subsequent sales increase of 950% by the peak of the fashion in 1996.[1]

In the IT industry, Goffrey Moore refers to innovators as *technology enthusiasts*, people enchanted with technology per se, they are not price sensitive, and are bdetermined to address their glitches, flaws, and malfunction collaborating with the company's technical people to troubleshoot problems. Technology enthusiasts are the "Gadget Guys." "The Gadget Guy was the first one on the block with a broadband Internet connection, and he leaves a digital trail everywhere. If some cool new digital toy comes out, he is either the first to buy it or the first to know how to use it."[2]

Technology enthusiasts, for instance, love to show-off i-Phone's touch-on screen, and to download songs from i-Tunes and video from YouTube.

Innovators are the most susceptible group to mass marketing campaigns. The problem, however, is that they are usually a small group, accounting for 2.5% of the target product population (see Fig. 4.1). They are, however, well connected to

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[1] Gladwell, Malcolm (1997), "Annals of Style: The Cool Hunt," *New Yorker*, March 17, pp. 78–80.
[2] Blackshaw (2008, p. 55).
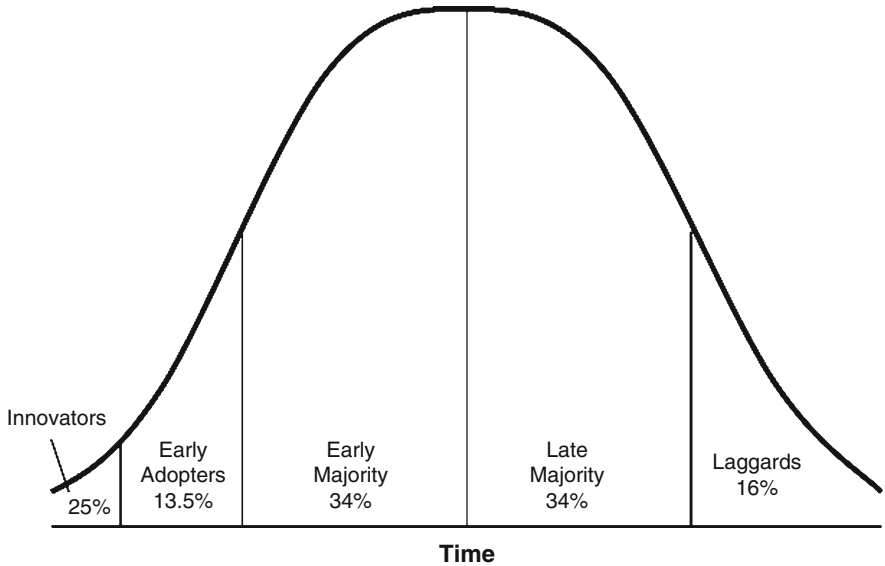
Fig. 4.1 Adopter categories: the Rogers curve.
Source: Adapted from Everett M. Rogers (1983), *Diffusion of Innovation*, 3rd edition. New York, N.Y.: The Free Press

other consumer groups. Marketers must, therefore, reach at this group not for its size, but for its lead purchases and in their extensive networking that makes them an important bridge to reaching the next market group, the early adopters. This is especially the case in the IT industry, where technology enthusiasts are connected with consumer bloggers and on-line communities, which makes them agents of influence for spreading the word about the product.

> But enthusiasts share one characteristic pretty universally: they know a lot of people who blog about a product, particularly if they do so regularly, and they are more likely to be knowledgeable and engaged than other customers. They are also more likely to influence other people around them, whether by word-of-mouth or through the medium of bloging.[3]

This makes enthusiasts the "cream crop" of customers, but using them to stimulate sales, is not easy because they are motivated more by sharing technology rather than influencing others to buy it.

> Enthusiasts are a vast and tantalizing opportunity for marketers because they present the cream of the crop of the company's customers. But they are also a difficult group to figure out. While some enthusiasts produce a stunning volume of output, their motivation is often driven by the desire to share rather than to influence markets or make more.[4]

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[3] Gillin (2007, p. 35).
[4] Gillin (2007, p. 34).

Early Adopters. Early adopters are also the young and restless, the better-educated, the uneasy group of the society, always in discontent with their environment, always in search for something new to *improve* rather than to excite their lives. Early adopters are also consumer leaders, following industry and product trends; they are "ideal shoppers," shopping for new products to keep up with emerging trends.

In the IT industry, *early adopters* are *visionaries* in their market, who see technology in ways others do not, as has been the case with many legendary entrepreneurs, from Andrew Carnegie to Bill Gates. They use new technology to achieve a *revolutionary* breakthrough to gain sustainable competitive advantage in their industries. Early adopters are attracted by high-risk, high-reward projects, envisioning great gains in competitive advantage from adopting new technology. Early adopters, for instance, use the i-Phone to track sales and inventories and stay in touch with customers and suppliers rather than download songs. This sort of attraction to technology makes early adopters little sensitive to the product price, provided that they can receive personalized solutions and quick-response, highly qualified sales and support.

Early adopters are also an important marketing target for three reasons. First, they are a larger group than innovators, accounting for 13.5% of the target population (see Fig. 4.1). Second, they are trend setters. Early adopters are opinion leaders within local reference groups; they provide early insights about a product, which makes them important to identify since they influence others within their social network.[5]

> The Early Adopters provide significant insights into overall consumer acceptance and are the most likely candidates to determine a new product's success. Early Adopters tend to communicate their likes and dislikes with others and they adopt new products quickly. Feedback from Early Adopters helps marketers address business opportunities and fine-tune strategies early in the process in order to achieve maximum success in the marketplace. New products have the opportunity to be new with the consumer only once, which is why an early understanding of consumer adoption is critical in driving business optimization. Given the leadership that Early Adopters represent, they often act as a barometer and are critical to a brand's long-term viability and success.[6]

Early adopters' choice for a product signals that the innovation has entered the growth phase. Relative to the opinion-leading Japanese *yamanba* and *amazonesu* female youth tribes, the Taiwanese *hazitsu* are an example of early adopters. The *hazitsu* ape everything Japanese from the latest hairstyle to the cut of their trousers.[7] Finally, early adopters provide the initial revenues for a new technology. Fourth, early adopters are an important group to spread the WOM to the next group, the early majority.

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[5]Rogers (1983).

[6]Wilkie and Sorvillo (2007, p. 1).

[7]"Advances of the Amazonesu," *The Economist*, July 22, 2000, pp. 61–62.

Early Majority. Early majority is the middle age, the less educated, the less uneasy group of society, socially active but seldom leaders. They are the deliberative decision makers, who adopt an innovation sooner than most of their social group but only after the innovation has been tested successfully with others. Early majority is the "value shoppers," looking for high quality products at reasonable prices. This means that to reach this stage companies must mass produce the product, gaining economies of scale and the costs and price savings associated with them.

In the computer and technology industries, *the Early Majority* consists of the *pragmatists* motivated by *evolutionary* rather than revolutionary changes to introduce new technologies in their firms; they are averse to disruptions in their operations and; and they want proven applications, reliable service, and results, in the adoption of the new technology.[8] Pragmatists tend to pick up the same vendor, which determines which technology product would become the industry standard and which corporation would become the industry leader.

Early majority is a crucial group in every marketing campaign for three reasons. First, they are on of the largest groups, accounting for 34% of the total market. This means that reaching to this group is very important for achieving exponential growth sales. Second, early majority consumers are often part of interlocking personal networks that can be mobilized to facilitate the spread of innovations. For example, the diffusion of IUD birth control devices in the Philippines was accomplished by reaching interlocking circles of middle-income housewives.[9] Third, early majority consumers are imitators. They copy and replicate the behavior of other consumers in a homogeneous-herd-like behavior, that is, they all move together at the same time in the same direction, which can explain why the adoption rate changes so rapidly once it reaches this group. Yet, it is a difficult group to seduce, especially in the computer industry, where early adopters are pragmatists, not likely to buy a new high-tech solution product without a reference from a trusted colleague, another pragmatist, not a visionary or enthusiast who has a different view of technology, which poses a real catch-22 to selling to this group: how to get just one pragmatist to buy, when the first will not buy without another pragmatist's reference.

Late Majority. Late majority group members are skeptical about innovations. They often adopt more in response to social pressures or a decreased availability of the previous product than because of a positive evaluation of the innovation. They tend to be older and have less social status and mobility than those who adopt earlier.

The late majority is the second largest target group, representing another 34% of the adopting population (see Fig. 4.1). This means reaching to this group is important for maintaining and accelerating sales momentum. Late majority consumers may be inclined to adopt in response to social pressures rather than as a

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[8] Moore (1995).
[9] Liu and Duff (1972).

result of the perceived benefits of adoption; that is, they are vulnerable to *band-wagon effects*, whereby exposure to novel information can lead to rapid shifts in mass consumption behavior,[10] which spins and accelerates contagion. Consumers adopt a product simply because "everyone is doing it," and the failure to adopt might provoke a loss of status or self-esteem.

In the IT industry, late majority consumers often exhibit characteristics opposite to those of early adopters, consisting of conservatives, risk-averse and technology-shy, very price sensitive expecting completely preassembled, bulletproof solutions. Early majority buys technology just to keep up with the competition and often rely on a single, trusted adviser to help them become familiar with the technology. Microsoft's introduction Bob software targeted the skeptical computer nonuser with what the firm claimed to be a user-friendly product.[11] Bob failed, but organizations are always looking for ways to overcome the natural skepticism of consumers, both about products and about promotional efforts.

Laggards. Laggards are usually the older, the less educated, the most conservative, the risk-averse consumers, who are always complacent and fully content with what they have. They tend to be relatively dogmatic and oriented toward the past. Laggards tend to be traditionalists, locally oriented in terms of networks and social horizons, and relatively dogmatic in beliefs and values. Laggards adopt innovations only with reluctance. Amazingly, 40–60% of customers at savings banks in New York City might be considered laggards. They still use passbook savings accounts that earn below market interest. Older consumers who recall the Depression of the 1930s, young technophobes, and recent immigrants belong to this group.[12]

Laggards account for 16% of the product market (see Fig. 4.1). Laggards may not begin to purchase until the product enters decline phase. In this period, organizations may begin to minimize their promotional efforts and expenses. Competition may be reduced, as some firms choose to exit because sales and profitability levels decline. However, the firms that do remain in the decline phase may still prove to be profitable, as long as they continue to satisfy customer demand. In some instances, a declining product may be restimulated. Indeed, a good example of this phenomenon is designer jeans, revived by the trend toward casual business dress. Fashion items often display this cyclical product life cycle pattern, rather than the S-curve.

In the computer industry, *laggards* are technology *skeptics* who want only to maintain the status quo. They tend not to believe that technology can enhance productivity and are likely to block new technology purchases. The only way they might buy is if they believe that all their other alternatives are worse and that the cost justification is absolutely solid.

In short, different consumer groups have different attitudes toward innovations (see Table 4.1). Innovators and early adopters are the most open groups to

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[10] Abrahamson and Ronsenkopf (1993), Bikhchandani et al. (1992), and David (1994).

[11] Pfeffer and Salancik (1978).

[12] Foderaro (1998) and Rogers et al. (1996).

Table 4.1 Selective characteristics of adopter Categories

Adopter group	Characteristics of adopter categories
Innovators	The young, restless, and curious consumers, always enchanted with the new and the exotic, as well as the adventure new products bring to their lives. A small but easy to be seduced group.
Early Adopters	Also young, restless, and visionaries, always willing to try products that would better their personal and business lives; a larger and easy to be seduced group, the bridge to reach the early majority.
Early Majority	Older, cautious, and deliberate decision makers, who are reluctant to assume the risks associated with the adoption of new and innovative products. Although one of the two largest groups, it is hard to be seduced.
Late Majority	Older, skeptical consumers-the second largest group; very hard to be seduced.
Laggards	Older, complacent consumers-almost impossible to be seduced.

innovations, but they account for the smallest segments of the target market. Early and late majority are less open to innovations, but they account for the two largest segments of the target consumer market, while laggards are the least open to innovations.

The attitudes of different consumer groups determine the sequence and the pace of innovation diffusion. Innovators and early adopters are the first groups willing to adopt the innovation and pay the "curiosity premium," i.e., the gap between the expected benefits and expected costs of innovation (see Fig. 4.2). The earliest adopters of electric cars in California, for instance, paid nearly 25% more to lease their cars in 1998 than did people who leased their cars a year later; and were willing to put up with the "hassle factors," such as the recharging batteries and the limited mileage range (90 miles between charges) for the psychological and substantive benefits they received.[13] Early majority is the next group of consumers to adopt the innovation followed by late majority and the laggards, receiving the "scale and networking" discount. Late majority may be thought of as skeptical consumers, doubtful of the benefits of adoption. Lower prices that reduce risks stimulate late majority purchases, as when the cost of PCs fell below $1,000 and nudged up the U.S. penetration rate of PCs from 40 to 60%.[14]

While each of the five consumer category groups is to be found in the diffusion process of every new product, it is not the same group of people across product categories. To be specific, people who are part of the innovators group in one product category may be part of the early adopters or even the early majority in another product category. People who are innovators in the electronic gadget product category, for instance, may be part of the early majority in a new medical procedure. The probability distribution of these groups is not always a bell-shaped curve. In open societies, the innovation adoption curve is expected to be skewed to

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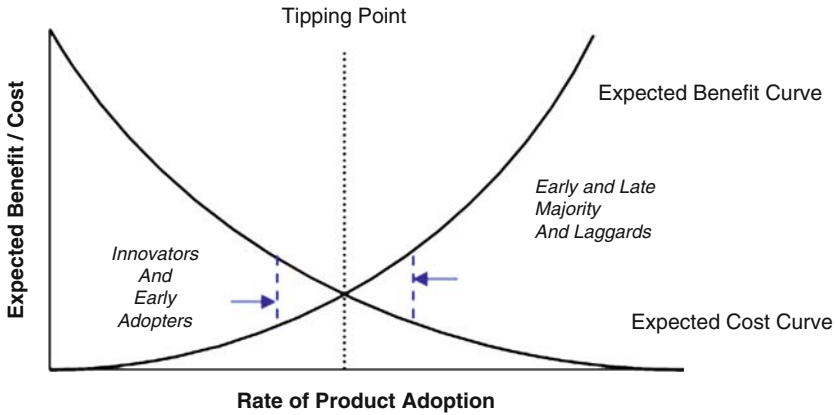[13]McKim (1998).

[14]Burrows et al. (1998).

Fig. 4.2 Innovators and early adopters are willing to pay a premium for innovative products, while late majority and laggards join in later, only at a discount. Different consumer groups have different attitudes toward innovations, which determine the sequence at which each group adopts the innovation. Innovators and early adopters are the first to adopt, willing to pay a premium, while late majority are the last to adopt, only at a discount

the right, while in close societies it is expected to be skewed to the left, an issue to be further addressed in the next section.

The pattern of innovation adoption process further determines the pace at which innovations spread and defuse. Everett Rogers argues that adoption by an individual consumer proceeds in five stages: (a) *Awareness*, the initial consumer exposure to the innovation that draws the attention of a small consumer group, the innovators; (b) *Interest*, the consumer begins to inquire more about the innovation, which draws the attention of a larger consumer group, the early adopters; (c) *Evaluation*, the consumer determines the usefulness of the innovation, which draws the attention of one of the largest consumer groups, the early majority; (d) *Trial*, the consumer tests the innovation, which draws the attention of the second largest consumer group, the late majority; and (e) *Adoption*, the consumer decides to continue using the innovation.

This means that the spread of innovation is a multi-stage process. In the beginning, product awareness is low and the rate of diffusion is slow as innovators, the smallest group of the population, adopt the innovation (see Fig. 4.3). Then, the rate of diffusion picks up as consumers in contact with those consumers adopt, and so on and so forth, until the innovation possibly spreads throughout the network, also reaching the more conservative consumers (or "followers"). That is what Coburn calls the "point of idiocy," where peer pressure has a catalytic effect on individual consumer decision-making, far stronger than conventional advertising.

Eventually, the diffusion reaches the early and late majority, creating a *cascade*, galloping sales growth, which is associated with the commercial success of the new product. If an innovation does not succeed in completely taking off, the firm may decide to file the product as a failure.

Cumulative Rate of Adoption
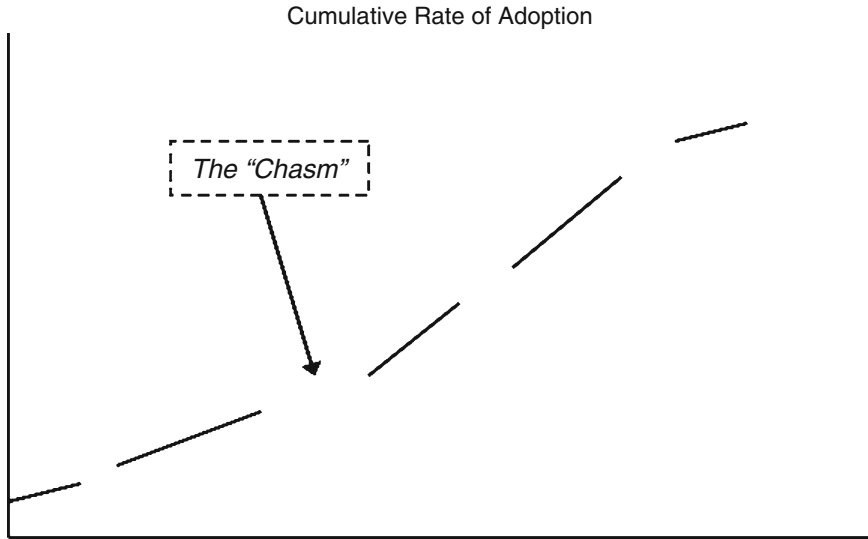
Fig. 4.3 The chasm: from early adopters to early majority.
*The chasm represents the gulf between two distinct marketplaces for technology products

This means that products that eventually cross the tipping point follow the S-shaped or sigmoid curve, as observed in the diffusion of new durable products, whereby demand begins with a small group of consumers understanding the merits of adoption, and spreads to larger and larger groups until it reaches a cascade. The spread of microwave ovens is a case in point. Demand grew from 35,000 ovens in 1987 to 650,000 in 1995.[15] Other products follow the exponential curve, as observed in the sales of pharmaceutical products, like Viagra. Sales grew slowly first as a few people could overcome the "user cost," i.e., the risks associated with the yet to be known side effects of the medication, accelerating once the risks become known and larger and larger groups of consumers are willing to try the product.[16]

The speed of innovation diffusion depends on the kind of change the product brings to consumers lives, the ways it affects their attitudes and feelings. Products that bring major changes are accepted at a slower pace, while products that bring minor changes are accepted at a faster pace.

> The time it takes from introduction to wide-spread acceptance depends, in part at least, on the kind of change involved. The adoption of a new product can be viewed as a special case of attitude change. Almost by definition, such a change encounters resistance. The new product or method usually alters or replaces something which is already part of the individual's pattern of thought. If the change under consideration is a really major one, it is quite likely that the attitudes and feelings associated with the old way are strongly held

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[15] Arnould et al. (2004).

[16] Floortje and Castaldi (2005), Brock and Durlauf (1997), Bernheim (1994), Banerjee (1992), Bikhchandani et al. (1992).

and will account for a great deal of resistance. On the other hand, if the change is trivial, the associated attitudes may be taken easily.[17]

The innovation diffusion process is not smooth, however. Transition from one group to another takes time that creates adoption gaps in the marketplace, especially when it comes to the transition from the early adopters to the early majority[18] (see Fig. 4.3). The largest gap between categories of adopters is between the early market (i.e., innovators/early adopters) and the mainstream market (i.e., early majority, late majority, and laggards). This deep and dividing schism is the most formidable and unforgiving transition in the adoption and diffusion process.[19] The *chasm* is the gulf between the visionaries (i.e., early adopters) and the pragmatists (i.e., early majority, mainstream market) and derives from critical differences between the two (see Fig. 4.3). Visionaries see pragmatists as pedestrian, whereas pragmatists think visionaries are dangerous. Visionaries will think and spend big, whereas pragmatists are prudent and want to stay within the confines of reasonable expectations and budgets. Visionaries want to be first in bringing new ideas to the market, but pragmatists want to go slow and steady. The chasm arises because the early market is saturated but the mainstream market is not yet ready to adopt. Hence, there is no one to sell to.

What contributes to this chasm, and how can it be bridged? The nature of a firm's marketing strategy in selling to visionaries is very different from the marketing that is required to be successful with pragmatists. Many firms do not understand this difference and are unable to make the necessary shift in strategies in order to be successful, an issue to be further addressed in subsequent sections of the book. But, which group should be the target of the marketing campaign?

Some marketers target innovators because they are the easier group to reach. This strategy is not effective, however. Innovators can help create a market nitch for the product, but they cannot help the product reach the mass market. Early adopters are the best and more effective opinion leaders (much more so than innovators who may not be opinion leaders at all) because they are well socially integrated!! As for laggards, they are not worth the effort and investment of resources; by the time they decide to adopt the (new) product, the (old) product is in its decline stage and about ready to be substituted by a new product. Although, under most circumstances, a firm would likely target the innovators in a new-product launch; in some cases it might be more worthwhile to target the majority directly instead of the innovators.

Early adopters are not necessarily concentrated in a single target market, but in several markets. This means that, in most cases, marketers should target more than one market at the same time (see Fig. 4.4). For example, research on adoption of agricultural innovations among farmers has shown how complex the early adoption profile can be. In one Mexican farming community, the wealthy farmers who were secure in their social status and the wealthiest of poor farmers, being anxious to

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[17]Boone (1977, p.387).

[18]Moore (1991).

[19]The majority of the information in this section is derived from Moore (1991).
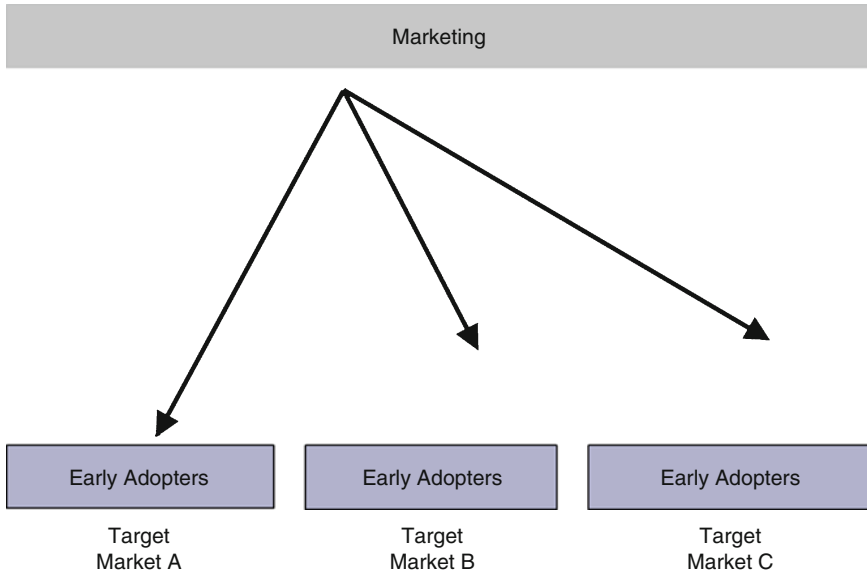
Fig. 4.4 Marketing targets

improve their standard of living, were both found to be more likely to engage in innovative behaviors than the poorest farmers and those in the middle of the social hierarchy.[20] For i-Pod, early adopters are teens of ages 12–17, coming from wealthy families. For Red Bull, early adopters are people of ages 17–24. For Cold Stone ice cream Japanese market, the early adopters are the fashion-cautious "office-ladies-" young professional females.[21]

Marketing experts further argue that since earlier purchasers of an innovation differ from later purchasers of the same innovation, firms should adopt a "moving target market" approach. That is, after selecting a general target market, the firm should initially focus on those market segments of individuals within the target market most likely to be innovators and early adopters.[22] Since this group of consumers is frequently very involved with, and knowledgeable about, the product category, marketing communications may be able to focus on the new technical features of the product and rely on the audience to understand the benefits these features will provide.

As the innovation gains acceptance, the focus of attention should shift to the early and the late majority, which often require different media. In addition, message themes should shift away from product innovativeness to product acceptance and performance track record, an issue to be further addressed in the next chapter.

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[20] Cancian (1967).

[21] Chozick (2007), *The Wall Street Journal*.

[22] Mahajan and Muller (1998).

Targeting early adopters may not always work, however, for several reasons. First, this may not work when word-of-mouth (WOM) effects are low. Second, when marketing in consumer products industries (versus marketing in B2B situations). Third, when the ratio of innovators to majority users is low. Fourth, when profit margins decline slowly with time. Fifth, targeting early adopters may not work when the time period for market acceptance of a new product is relatively long.

In these cases, companies will find it worthwhile to target the early majority directly.[23] AOL's late 1990s marketing campaign is a case in point. While sophisticated computer users deride AOL as the "Internet on training wheels," these "digerati" are vastly outnumbered by more traditional users. Rather than focusing on cutting-edge technology, AOL focused on finding easy ways to let people perform on-line the things they normally perform off-line – e.g., communicate, get information, shop, and socialize. For AOL, the key to success is that their service must be easy to try and to use.[24]

In short, different consumers have different attitudes towards innovative products and that determines the pattern and the speed at which innovative products spread and diffuse in the marketplace. When radically new innovations appear in the marketplace, they appeal to the "visionaries" in the market (or innovators and early adopters), who are willing to adopt the new technology, despite the often high price tag such items carry. This process is not smooth, however, because pragmatists comprise the majority of the market, and they require a different set of benefits and inducements to adopt. Visionaries are quick to appreciate the new development, but the pragmatists need more "hand-holding". The transition between these two markets can be rough at best, with many high-tech firms never crossing the chasm. Many high-tech firms are reluctant to abandon their "technie" roots and talk to this group in customer-friendly terms. The inability to predict whether or not, and the degree to which, the mainstream market will adopt, and the rate of such adoption, given the presence of the chasm, makes it extremely difficult for manufacturers to estimate the size of the market.

To be effective, WOM and buzz marketing campaigns should focus on early adopters who are opinion leaders in their local group, that is early adopters, normally younger, better educated, and more socially mobile consumers than their peers, willing to assume the risks associated with the new and the unknown, provided that the product message is right.

4.1 Case-in-Focus: Why TiVo has yet to Reach the Tipping Point

Launched in March of 1999 as the first Digital Video Recorder (DVR)-a video-tcassette recorder that records TV shows onto a hard drive instead of a tape, TiVo

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[23] Mahajan and Muller (1998).
[24] Gunther (1998).

has a state-of-the-art technology. With the push of a couple of buttons, cable and satellite TV viewers are able to control the content of their TV sets, moving content forward, skipping commercials and moving content backwards, recalling content they missed, the news or their favorite episode series. This means that TiVo places viewers rather than broadcasters on the driver's seat; they can watch what they want, when they want it.

Yet, the product has failed to reach the tipping point. Though its subscriber base was growing by more than 20% each quarter, reaching 380,000 customers by 2002, it trailed by far initial estimates. A substantial drop in the price both in the unit and the service price in early 2003 added another 90,000 customers by the middle of the year but failed to bring sales up to expectations, or mirror the general population. The typical TiVo customer was a relatively affluent single male, between 25 and 44 years old, and with at least a college education.

As has been the case with other technology products, TiVo failed to reach a tipping point for several reasons. One reason was price; early versions were too expensive for the average user. Another reason was complexity; earlier versions were difficult to install and use. This means that TiVo failed to pass by the innovators and early adopters and reach the early majority. A third reason, and perhaps more important, was market targeting; TiVo targeted the wrong group, i.e., TV viewers rather than cable and satellite TV service providers and professional marketers, media specialists, and ad agencies, adding value to their product offerings. By bundling TiVo into their hardware, TV service providers, for instance, can expand their revenue base by making it more likely for viewers to subscribe to channels like HBO and Playboy. TiVo can help advertisers enhance their ads by providing detail information about the profile of the viewers. "TiVo is able to give advertisers detailed information on how many people watched the ad, for how long, which parts of the country they live in, and how old they are. It is a marriage of brand image advertising and direct marketing, bringing consumers closer to closing the loop with a purchase than a traditional commercial can."[25]

Recognizing TiVo's potential in this area, major advertising agencies, like Publicis and Interpublic, have already teamed up with TiVo to monitor viewers' habits and identify which ads viewers skipped and which they did not.

Check the Third Principle	
Does your company target:	
1. The innovators?	Yes ☐ No ☐
2. The early adopters?	Yes ☐ No ☐
3. The early majority?	Yes ☐ No ☐
4. The late majority?	Yes ☐ No ☐
5. The laggards?	Yes ☐ No ☐

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[25] Donaton (2004, p. 77).

Chapter 5
Principle 4: Create the Right Message

In 2005, 1.3 million viewers watched a short online video for Budweiser that featured the brewer's famous ad characters Frankie and Louie the lizards. To create the minifilm, Anheuser-Busch enlisted Santa Monica, Calif.-based JibJab Media Inc., the creative force behind the widely circulated Web cartoon "This Land Is Your Land," which poked fun at President George W. Bush and Senator John Kerry.[1]

A 2005 Super Bowl ad for McDonald's showcased a French fry shaped like Abraham Lincoln, and after the game, thousands of people went online to find out more about it. The site (www.lincolnfry.com) had fake blogs and a real-life Yahoo! Auction of the Lincoln Fry, with proceeds going to the Ronald McDonald House charity.[2]

Budweiser and McDonald's commercials have several things in common. First, they are humorous, and even people forward them to their friends. Second, they have a clear and direct message about the product they promote. Third, they use familiar characters to deliver the message, making it easier for consumers to remember and recall it when they find themselves into a situation to decide whether to buy the product.

Budweiser's and McDonald's commercials highlight the Fourth Principle of an effective WOM and buzz campaign:

Create the right message that conveys the product attributes to prospective consumers. Make the message appealing, clear, credible, transparent, direct, and sticky using characters and stories that consumers are familiar with and can easily memorize and recall the moment they make their purchase decisions.

Adjust the message to appeal to different target groups. Message themes should generally move away from a focus on radical newness that appeals to innovators to a focus on the product's proven performance record that appeals to the early and the late majority. This shift in the message focus frequently requires the use of different media.

Everyday, consumers are exposed to scores of radio, TV, and newspapers commercial messages that keep their mind engaged, and, at times, confused. They further participate to off- and on-line WOM campaigns. They are exposed

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[1] Vranica (2006).

[2] Vranica (2005).

to the images of everyday life. Your product is just another image competing for attention. Most of these messages, either never come across to consumers, or do not make a lasting impression on them. Your product message may be one of them, for two reasons. The first reason is insufficient corporate and product brand credibility, the failure of the product to stand-up to the promises, claims, and assurances made in the message, most notably, the failure of the product to add significant value to products already in the market.

> Companies often commit the same mistake. They launch "new and improved" items everyday in an effort to get their products noticed and to appeal to a wider consumer base. Yet, more often than not, these efforts fail simply because the item in question is not really much improved. Would-be customers do not see enough of difference and stick with their current brand; current customers are unimpressed and, as a result, product loses credibility. Few things are more valuable than representing the integrity of the company's brand- and articulating overblown promises as a result of undisciplined language can be an incredibly dangerous game to play.[3]

False promises are the "kiss to death" for a new product.

> Anything less than the promised experience, whether promised by advertising, marketing, or word-of-mouth, is the business "kiss to death." The net result of an authentic experience, however, is the bliss that occurs when consumer's expectations are met or exceeded, which can lead to repeat business, positive word-of-mouth, and explosive growth.[4]

> In a society overwhelmed by ceaseless marketing messages and unremitting hype, consumers have become wary of unfulfilled promises that dash their expectations. Companies have learned this lesson in various hard ways.[5]

Apple's personal organizer Newton, and Sony's Betamax are two cases in point. The products failed because they performed only 25% of the promised tasks.[6] This means that the development of an efficient and effective message begins at the drawing board where products are designed rather than at the media room where the message is launched, which goes beyond intuition to science and data. "In the end, messaging is critical to any success. In many campaigns, it is the difference between any success and failure. In today's world, it is not good enough to use intuition and talent alone. As in car racing, a marketer should use science and data to complement talent."[7] Science and data must seduce the consumer mind, reveal a felt consumer need, a gap in consumers' lives to be filled, something they have been missing, an image to capture and hold their attention.

Another reason that messages do not come across to consumers is the failure of marketers to make it an integral part of the storyline of the program, not just an ad, as relevant studies confirm; and be rationalized within the shows narrative.

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[3] Luntz (2007, p. 9).

[4] Guertin and Corbus (2007, p. 30).

[5] Denove and Power (2007, p. 8).

[6] Rosen (1998).

[7] Briggs and Stuart (2006, p. 147).

In short, the results revealed that we have no memory of the brands that do not play an integral part in the storyline of a program. They become white noise, easily, instantaneously forgotten. When we see a commercial showing *Idol* contestants merrily sponging down a Ford at a car wash, or crowding into a vehicle like lunatic 1950s teenagers, we pay practically no attention to the product, because it is clearly "just" another ad.[8]

What is more, in order for product placements to work, the product has to *make sense* within the show's narrative. So if a product is not a good match with the movie or TV show in which it appears – if the latest Bruce Willis shoot-'em-up has product placements, say for cotton swabs, strawberry-flavored dental floss, or the Body Shop's new scented lotion – viewers will tune it right out. But if the same movie features a scene of our hero at the gym mastering a new brand of exercise equipment or downing a Molson before he takes on two bullies in an alleyway single-handedly, viewers will respond more positively.[9]

A third reason is the failure of the message to accommodate the three process of human memory, encoding, storing, and retrieval, that is, to display six characteristics (i.e., appeal, clarity, directness, stickiness, credibility, and transparency).[10]

Appeal. Appeal is a way to attract one's attention to the message. People are more likely to pay attention to the things they appeal rather than the things that do not appeal to them. And attention is a quality of memory, the filter that accommodates information encoding, determining which information will be stored and for how long. People are more likely to remember and recall things that they do pay attention to rather than the things they do not. But what does it take to make a message appealing?

The message must be interesting. Whether flipping the pages of a newspaper, watching TV or surfing the Internet, consumers are attracted to commercials that they consider interesting.

One way to make messages interesting is to engage and reward consumers with some sort of a prize, a free product sample, a ticket to a movie, a free trip and so on. Book publishers and authors, for instance, routinely distribute books for free. Cosmetic companies distribute free product samples, and soft drink companies promote their products by distributing free drinks.

Another way is to make consumers feel good, using humor or entertainment, using familiar real life or fictitious characters. In the 1960s, for instance, the makers of Virginia Slims used characters from the popular movie "Flintstones" to promote the brand. More recently, insurance companies like Aflac Insurance use AFLAC Duck, a white-spoke bird, to convey its message about the importance of disability insurance. Geico Insurance is using lizard Geko to tell people about its low insurance rates.

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[8] Martin Lindstrom (2008, p. 50).

[9] Lindstrom, Martin (2008),

[10] Human memory is made up of three information stores: sensory memory preserves a large amount of information in its original form for a brief time, usually only a fraction of a second that allows for a selective portion to be stored for longer time; short-term memory has limited capacity and unless aided by rehearsal, its storage duration is brief. Long-term memory can store large qualities of information for long periods of time.

A third way to make the message interesting is to convey it in a form of a story, an everyday Aesop-style fable that caries the message that even children can understand and recall; a tragedy or a legend that excites imagination. Classical Greek tragedies, for instance, continue to be popular even after the passage of centuries, because they carry out sticky messages that are hard to forget even years after you were exposed to them. Classical and modern films also carry their own sticky messages that move people, like Michael Moore's movie *Sicko*, featuring stories of Americans dying because insurance denying to pay for new therapies.

A fourth way to make the message interesting is to appeal to consumers' emotions and motivations, money, power, and prestige; and convictions, fears, passions or resentment for something that improves attention and concentration to the message attributes. It takes a great deal of effort and incentives, for instance, for people to concentrate in performing complex tasks, they have no feelings about.

> Concentration requires more effort when it goes against the grain of emotions and motivations. A student who hates math will have a hard time focusing attention on a calculus textbook long enough to absorb the information it contains, and it will take strong incentives (such as wanting to pass the course) for him to do so. Usually, the more difficult a mental task, the harder it is to concentrate on it. But when a person likes what he does and is motivated to do it, focusing the mind becomes effortless even when the objective difficulties are great.[11]

The root causes of these problems are to be traced in the way human mind is wired to be more sensitive about people rather than abstract things.

> We are wired to feel things for people, not for abstractions. Sometimes the hard part is finding the right emotion to harness. For instance, it is difficult to get teenagers to quit smoking by installing in them fear of consequences, but it is easier to get them to quit by tapping into their resentment of the duplicity of Big Tobacco.[12]

Think about your favorite popular performances and events. Football games, rodeos, rock concerts, and chamber music, all sport their own uniforms for belonging. Fans are especially attuned to supporting their team by sporting the right colors, as evidenced at a college football game. In the 1930s, women cheered American Tobacco message "torches of freedom" because it was consistent with the female liberation movement that called for the equality of sexes. Most notably, products must appeal to customer conviction, that by buying the product, they belong to a special class of people, as reflected in Apple Computer's i-Pod message: "Apple does not sell MP3 Players, it sells life style framing your life."

Concentration is easier when messages are consistent with emerging trends, an issue to be addressed later in the presentation and discussion of the next Principle.

Clarity. Clarity is a quality of both reasoning and memorability that has to do with simplicity and layout. People are more likely to understand and remember a simple story told in a logical order rather than a complex story told in an illogical order, especially when it relates to their own lives. Clarity is also about separating

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[11]Csikszentmihalyi (1997).
[12]Health and Health (2007, p. 18).

the core message from the background noise, the irrelevant things that suppress, obscure and distort the message. "It's hard to make ideas stick in a noisy, unpredictable, chaotic environment. If we're to succeed, the first step is this: Be simple. Not simple in terms of 'dumping down' or 'sound bites.' You don't have to speak in masonry tables to be simple. What we mean by 'simple' is finding the core message."[13] The core message is the "Big Picture," the primary goal sought to be reached and achieved by marketing campaign, that is, the product attributes and the difference it makes to consumer lives.

Directness. Directness is another quality of reasoning and memorability. People are more likely to understand an explicit rather than an implicit message, especially in western societies where directness is considered a virtue. One way to make the message direct is to use catchy phrases, symbols and icons that people understand. President Reagan's legendary phrase, "Mr. Gorbachev, tear down this wall," referring to the Berlin Wall and the dismantling of the ideological divide between democratic and communist countries is a case in point. Red Bull's message, "Red Bull stimulates your body and mind, gives you wings," is another case in point. Research in Motion's message for Pearl Blackberry: "Small, Smart and Stylish" is the third case in point. Another way to make the message direct is to find the right medium or the right model to deliver it directly to the people–a brochure, a town meeting, a business conference, a model outlet, or a "showcase" bus. Ray Kroc, for instance, used his model Des Plaines, Illinois, restaurant as a show-model to deliver his fast-food restaurant concept to prospective franchisees. Rich DeVos and Jay Van Andel used their "showcase bus" to deliver their direct marketing concept to other consumers. Starbuck's Howard Schultz used his show-case coffee shop in Seattle's Pike Place Market and his first coffee bar in downtown Seattle to deliver the "third place" concept to his followers.

Stickiness. The human memory is like wax block, Socrates once argue on which some images do stick, while others do not. Stickiness is a quality of memorability; it attracts and holds attention. People find it easier to remember things that make a lasting impression on them, things that "stick" into their minds, such as the right word, the right phrase, especially when spelled out by the right character. "Naturally sticky ideas are full of concrete images-ice-filled bathtubs, apples with razors-because our brains are wired to remember concrete data."[14] The hamburger chain Wendy's 1984 slogan "Where's the Beef?" is a good example. McDonald's "You deserve a break today" and Burger King's "Have it your way" are other cases in point (see Table 5.1). The 1984 Apple Computer's McIntosh commercial is a third case in point. "On January 24, Apple Computer will introduce McIntosh. And you will see why 1984 won't be like Nineteen Eighty-Four." People also find it easier to remember unexpected, vivid, momentary events, such as car accidents on the way home, earthquakes, hurricane, etc. that bring about "flushhub" memories.

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[13]Health and Health (2007, p. 27).
[14]Health and Health (2007, p. 17).

Table 5.1 Selected examples of sticky messages

Company	Message
AIG	In claims management, size and strength matters
Anheuser Busch	This Bud's for you
American Express	Make life rewarding
Metropolitan Life	Get Met; it pays
Apple Computers	Apple does not sell MP3 Players, it sells life style framing your life.
Wendy's International	Where is the beef?
Burger King	Have it your way
McDonald's	You deserve a break today
Under Armour	I think you hear us coming
Target	Fast, fun, and friendly

"Unexpected ideas are more likely to stick because surprise makes us pay attention and think. That extra attention and thinking sear unexpected events into our memories. Surprise gets our attention."[15] People are more likely, for instance, to remember an unexpected event, a car accident they saw on the way home, an earthquake that shook their home, and so on.

Credibility. Credibility is about reality that makes the message believable. Get real, everyday people to share their experience, the way the product has changed their lives; let them add emotion rather than being coached in front of the cameras by professional marketers. "Sticky ideas have to carry their own credentials. We need ways to help people test our ideas for themselves-a 'try before you buy' philosophy for the world of ideas."[16] Often the message is more credible if it is supported and re-enforced with a pledge of services. To convince consumers that their cars are of good quality, for instance, Korean automakers provide extended repair guarantees.

Transparency. Transparency is about honesty, being forthright with consumers. Messages should not convey attributes that are not part of the product attributes and should not use phony characters to create WOM. "Without transparency, these attempts to create word-of-mouth are failures. Over time, the consumer gets hip to them and is able to easily spot the phony Vespa driver, like tourist, or paid theater singer. The press finds it less and less interesting as a new takes on marketing, and will gradually find more news value in the negative results."[17] Messages should not convey unrealistic promises, either. In 1996, in an attempt to expand the number of subscribers to its services too quickly, AOL's management introduced a flat monthly rate for unlimited use but failed to provide the capacity that would allow all these users to sign on at the same time. The result? Customer complaints, lawsuits, and negative press publicity.

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[15] Health and Health (2007, p. 66).

[16] Health and Health (2007, p. 17).

[17] Bulter and Butman (2005, p. 56).

In short, to be effective, consumer epidemics campaigns should include a product message that is appealing, clear, direct, sticky, credible, and transparent (Table 5.2). Conveying this message to different consumers is not easy, however. As discussed in the previous chapter, different consumers have different attitudes towards innovations. This means that the theme of message should not be universal, but adjusted to address the attitudes each consumer group has towards the product.

Innovators, for instance, are enthusiasts, seeing new products for what they are, newer and more different than those they have experienced before; something to excite their imagination, something to make them look "smart" and "cool." This is especially the case for technology products that often have an exotic touch that creates mystery and curiosity, which-like vice-attracts the enthusiastic mind. Innovators, for instance, see the Blackburry and the i-Phone as exotic gadgets, enjoying showing to their friends and associates the wizards technology can do with palm-held devices, as they do for the GPS in their car. This means that messages to targeting innovators must stir up their enthusiasm, emphasizing the newness of the product *vis-a-vis*, hinting on the thrill, the excitement, and the adventure it will bring to the user's life (Table 5.3).

In the technology industries, early adopters are visionaries, seeing new products for the ways they can change their lives, willing to accept minor problems with new technology for the benefits they receive. Early adopters, for instance, look at the Blackburry and the i-Phone, not in terms of the technology per se, but in terms of what technology can do to improve their personal and professional lives, as they do for the GPS in their car. This means that messages to this group should emphasize the product uses, especially messages for technology products.

Marketing to this group requires customized development and technical support for each customer. Due to this, the high-tech firm is often pulled in multiple market directions, which can be costly. However, because of the importance of the early

Table 5.2 Effective message characteristics

Message Attributes	Description
Appeal	The message must be interesting.
Clarity	The message must be separated from the background noise.
Directness	The message must convey the product attributes.
Stickiness	The message must make a lasting impression.
Credibility	The message must be believable.
Transparency	The message must be honest.

Table 5.3 Message focus by target group

Target group	Message focus
Innovators	Product newness and innovativeness, functionality, vis-à-vis competing products
Early adopters	Product uses and performance/quality/company brand
Early majority	Proven product performance/brand reliability
Late majority	Simplicity, ease of use, availability, convenience, affordable pricing, extended warranties
Laggards	Price discounts

adopters group in reaching the mainstream market, and the firm's need for cash flows, marketers face pressure to meet the needs of these customers, and often release products early to this group. The firm must pay close attention to cultivating its reputation at this stage.

Early majority are pragmatists willing to adopt evolutionary changes in their operations in order to gain productivity enhancements. They are averse to major changes and disruptions, and therefore, tend to be willing to adopt only proven products with a track record of success and reliable service. They tend to choose a solution that has been recommended by a trusted colleague – from within their own industry. Messages should focus on the company brand name rather than the product itself.

In order for marketing to be effective in reaching the early majority, the firm must develop a complete, end-to-end solution to the customer's needs. This is known as the "whole" product, and includes all necessary hardware, software, service, training, and infrastructure to make a product functional. A firm typically cannot develop all these requisite components alone, and hence, must work closely with partners. Moreover, pragmatists often require simpler, rather than more complex, features, and a high degree of customer service. These skills are often the opposite of what great engineers offer. Often the message should be supported and re-enforced by implicit and explicit pledges of services and guarantees.

Late majority are conservatives, risk averse and very price sensitive consumers. They expect "bullet-proof," integrated solutions and are motivated to purchase new technology simply to keep up with their competitors. Messages directed to this group should emphasize the simplification, convenience, reliability, and pricing.

Laggards are skeptics. They do not believe that technology can enhance productivity and are extremely reluctant to purchase new technology. Messages to this group should emphasize price discounts.

In short, the focus of the product message should be adjusted from featuring the product newness that appeals to innovators, to product uses that appeal to early adopters, and the product discounts that appeal to laggards. This requires different media for the message diffusion. Messages to innovators should use technology journals and magazines. Messages to early adopters should use industry publications, while messages to early and late majority should use mass media.

To be effective, WOM and buzz campaigns should include a message which is appealing, clear, direct, sticky, credible, and transparent, using characters and stories that consumers are familiar with and can easily memorize and recall the moment they make their purchase decisions. The theme message should be adjusted to appeal to different target groups. Messages directed to innovators should emphasize the newness of the product; messages directed to early adopters should emphasize the usefulness of the product; messages directed to the early majority should emphasize product performance and brand reliability; messages directed to the late majority should emphasize the product simplicity, convenience, affordable pricing, and extended guarantees; while messages to laggards should emphasize price discounts. This shift in the message focus frequently requires different media, and the right social context.

5.1   A Case-in-Focus: Making Flying as Affordable as a Pair of Jeans – £29 One Way: Conveying the Message as Easy Jet Does

In 1995 EasyJet was launched as Britain's first "no-frills" airline. EasyJet was the first "agent-free" airline company, selling tickets directly to travelers rather than through travel agents, initially on the telephone from their own office, and then through the Internet. Nowadays, EasyJet sells more than 90% of the tickets through its corporate website. Cutting travel agents of the booking equation, resulted in knocking 25% off the cost of the ticket. In the beginning, even some members of the staff feared the business would not even last for 6 months. They had a good reason to be concerned. Many of the first EasyJet flights from Luton to Edinburgh and Glasgow carried only a handful of passengers; some none at all. But the bright orange airplanes continued to take off. EasyJet though managed not only to survive but to define and transform the travel industry in Scotland, and eventually across Europe.

Easyjet inspired and revolutionized a new generation of low-cost airlines. Looking for the cause of its "epidemic" success, one can refer to the charisma of company founder Stelios Hajiioannou, and the pioneering way of conducting sales through the Internet, or the effective distribution system he organized. But underneath all these, one key success lies: the fact that EasyJet managed to create and convey the right message.

Conveying the right message is the first concern in every interaction with the company. The air hostesses abandoned their short skirts and heels for black jeans and EasyJet orange polo shirts. Passengers had to pay even for a bottle of water.

In return, they would have the privilege of flying from London to Scotland for the price of a £29 pair of jeans. Their advertising campaign "Making flying as affordable as a pair of jeans – £29 one way" was definitely an effective way to communicate the main attributes of EasyJet's product offering. The ad was scripted, designed, voiced and animated on desktop PC, keeping production costs and time to a minimum. The ad was about a young charmer walking around and carrying a pair of jeans, while telling people that they cost £29, the same price as a London to Scotland EasyJet flight. Appeal, clarity, directness, stickiness, credibility, transparency are all incorporated in EasyJet's ad. The low price was definitely the most appealing attribute that EasyJet meant to communicate with this ad, and although it might have been difficult to be believable, the message was indeed honest. The appealing price-wise product offering along with the clarity, the directness of the message and the fact that it was quite an intensified campaign "forced" consumers to stick it in their minds. The "easy" brand was developed consistently and thoroughly by placing emphasis in each and every element of the brand.

In 1999, Stelios was voted the "London Entrepreneur of the Year," at the London Electricity Londoner of the Year Awards. EasyJet was voted as a Superbrand along with Virgin, Coca-Cola and Manchester United and the launch of EasyJet was

described by *Marketing Magazine* as "one of the 100 great marketing moments of the 20th century".

Check the Fourth Principle	
Is your product message:	
1. Appealing?	Yes ☐ No ☐
2. Simple?	Yes ☐ No ☐
3. Clear?	Yes ☐ No ☐
4. Sticky?	Yes ☐ No ☐
5. Credible?	Yes ☐ No ☐
6. Transparent?	Yes ☐ No ☐

Chapter 6
Principle 5: Find the Right Context

My Greek Fat Wedding – a low budget movie – was not expected to be a hit among New Yorkers. But it was! For weeks, people lined up outside theaters to see it. What made this movie a success? The movie was certainly entertaining and had a sticky message, that "love transcends cultural and racial boundaries." But so did another movie, *Brides*, introduced a few years later. But that did not succeed. What made the difference? The social context where the two movies were released. The first movie was released the right time in the right place. The time was the aftermath of September 11 and the place was New York City. At that point, New Yorkers were turned off by violent movies; they were looking for simple and entertaining movies. *My Greek Fat Wedding* offered just that, and much more. A topic to talk other than the tragedy of the Twin Towers, which fostered a WOM campaign that re-enforced the people's urgency to see the movie. The second movie was released in the wrong time and the wrong place. The time was 2004, the place was Athens, Greece. At that point and time, Greek people were still excited about the success of the 2004 Olympic Games rather than pre-arranged marriages across the Atlantic. *Brides* offered some vivid memories to the older generations but failed to foster a WOM campaign beyond Athens, and never made it to the Big Screens around the world.

The success of *My Greek Fat Wedding* and the relative failure of *Brides* underline the Fifth Principle of an effective WOM and buzz campaign:

Find the right social context, the right place that nurtures innovators and early adopters and the right time, to let these groups spread the message. Adjust your message to reflect changes in the context.

As is the case with the spread of infectious diseases, the spread of consumer epidemics is "sensitive" to the social context, the "condition and the circumstances," in the places and the times they emerge. The context is like the magnifying lens that lets consumers zoom at something, seeing it in ways they never saw or paid attention to it before. Consumers can imagine things they never imagined before, longing for goods they never longed before, stirring up emotions and schemes of actions that create a passion for one product or another.

People are always able to produce imaginations of good (or better) life, imaginations that motivate them to actions that attempt to flesh out that imagination... We take desire to be such passionate imagining. But such motivations and the schemes of action are always social, that is, they are shaped by, and expressed in, a given social context. In modern

societies, this fleshing out of desire often takes the form of consumption; hence, the notion of consumer societies and consumer desire.[1]

The same message can make a different impression under different *conditions* and *circumstances* in different *times* and *places*. "Epidemics are sensitive to the condition and circumstances of the times and places in which they occur. In Baltimore, syphilis spread far more in the summer than in the winter. Hush Puppies took off because they were being worn by kids in the cutting-edge picnics of the East Village-an environment that helped others look at the shoes in a new light." [2]

Condition is about certain socio-geographic characteristics of a place that make it ideal for promoting product awareness, igniting WOM and buzz that feed into a "contagion," the copying and mimicking of the behavior of others. "People pass on all kinds of information to each other all the time. But it is only in the rare instance that such an exchange ignites a word-of-mouth epidemic." [3] One such characteristic is *reputation*, the things for which the place is broadly known (see Table 6.1). Certain cities, for instance, have a reputation as trend-setters: Paris, Milan, Florence, and Tokyo (the Harajuku and Omotesando districts), Rio de Janeiro, in apparel fashion, New York City in finance, publishing and advertising, Hollywood in movies, Silicon Valley and San Francisco in computers, Akihabara (Japan) in consumer electronics. This makes each of these places ideal for launching and spreading epidemic campaigns in the corresponding industries. Fashion houses from Abercrombie & Fitch to H&M Hennes, and Zara, for instance, showcase their new creations in Paris, while setting up stores in Japan's fashion districts to identify new trends and launch new products.[4] Apple Computer showcases its new products during the Mcworld conference in San Francisco.

The second factor is *visibility*, i.e., the degree of attention the place draws by the general public and the media. Some cities are more cosmopolitan than others, drawing the attention of both the innovators and the mass media. Within cities, some places are more visible than others, especially places with well-known

Table 6.1 The characteristics of the ideal places for launching a consumer epidemics campaign

Characteristic	Explanation
Reputation	The things the place is broadly known for.
Visibility	The attention the place draws by the general public and the media.
Population density	The number of people living per square mile.
Frequency of interaction	The number of times people interact with each other in a certain time frame.
Social structure	The prevailing social norms, rules, and relations.
Geography	Landscape and climate.

[1] Belk et al. (2003, p. 329).

[2] Gladwell (2005, p. 139).

[3] Gladwell (2005, p. 32).

[4] Rowley (2007, p. 46).

landmarks, drawing the attention of scores of visitors, spectators, and the mass media. New York City's Time Square, for example, is more visible than any town square around the country, drawing scores of visitors, especially on New Year's Eve when the mass media cover the drop of the New Year Ball. The Statue of Liberty and the Golden Gate Bridge are also American landmarks that draw both spectators and the media. The Eiffel Tower and the Louver Museum are two of France's landmarks that draw their own visitors and media coverage, as is Acropolis in Athens, Greece, the Collosseum in Rome, the Taj Mahal in India, the Great Wall in China, and Christ's Statue in Brazil. This makes each place ideal for launching product epidemic campaigns. New Age music composer Yiannis kicked off a successful concert campaign by performing next to world landmarks such as the Acropolis, the Ancient Olympia and the Corinth Isthmus in Greece, the Taj Mahal in India, and the Great Wall of China. Red Bull has used sponsored sky-diving from almost every major world landmark, including Christ's statue in Brazil, and the Charles Bridge in the Czech Republic.

A third characteristic of an ideal place is high *population density*, i.e., the number of people living per square mile. Some countries are more populated than others, as are some cities and neighborhoods, workplaces, schools, and shopping malls. The more densely populated a place is, the more likely it is for new ideas to proliferate quickly, for people to become aware of new products and mimic and replicate the behavior of others. According to Paul Marsden, a research fellow at the University of Sussex, who also runs Brand Genetics, a consultancy, "You have people densely packed together, so ideas proliferate ... very quickly. Things suddenly catch on and become part of the script." Hence, management fads, he suggests. Asian cities like Tokyo, Hong Kong and Seoul, and Central and Latin American cities like Mexico City and Sao Paolo, for instance, are more densely populated than Australian and Central European cities. This makes these cities more conducive to launching and spreading consumer epidemics.

Work places are also densely populated areas where people spend a great deal of their time, regularly interacting with colleagues, customers, and suppliers, exchanging all sorts of information, sharing their product experiences, accelerating the spread of the message.[5] The work place is further more susceptible to "viral ideas" than other parts of life, as are crowded public places like shopping malls attract their own crowds, and consumer corporate giants have capitalized on it. Consumer products giant P&G, for instance, has set up kiosks for shopping malls to display and sell its new products, offering discounts to customers who join its "Innovator's Club." In New York malls, Verizon Communication has set its own kiosks promoting FiOs, its broadband package.

A fourth characteristic of places conducive to epidemic campaigns is *frequent and close interaction*, i.e., the number of times people interact with each other, within days, weeks or months. In today's highly connected world, frequent interaction may be carried in the cyberspace in chat rooms and social forums that allow

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[5]Overell (2002).

thousands and even millions of consumers to share their product experience with each other.

The more frequent and closer interaction among people, the more likely it is to talk about products and share experiences, moralities and preferences, mimicking one another's behavior.

> Mimetic desire also underlines the deeply social and cultural character of desire, where consumer desire is the affirmation of belonging in a globalizing consumer culture. Hence, our data suggest the importance of specific cultural contexts for desire objects (e.g., desiring life in nature vs. metropolitan life) and the specific cultural and social contexts for incorporating global consumer culture through different moralities (e.g., transgression vs. sin and guilt) and seduction mechanisms (e.g., external media, friends, and repeatable experience).[6]

The more frequently people interact with each other, the more they affect, and are affected by the behavior of others, the more uniform and synchronized their moves are. In his book *Beyond Culture*, Edward T. Hall explains how frequent interaction among people nurtures synchronous collective behavior. Sometimes this sort of behavior develops in barely perceptible ways, in other times, it develops as if people were under the control of a master choreographer. Further studies suggest that synchronous collective behavior is an innate instinct, but the rhythms, locomotion, sitting, standing, reclining, and gesturing are culture specific.[7] In one study, for example, Hall identified 15 walking patterns between whites and Pueblo Indians of the American Southwest.

A fifth characteristic of places conducive to epidemic campaigns is *social structure*, the prevailing social norms, social rules, and social relationships.[8] Social norms are the standards of acceptable and unacceptable behavior in different places. In the US, for instance, it is a virtue to be straight and forthright in business dealings, telling people a straight, yes or no. In Asian cultures, and most notably in Japan, it is rude to say a flat no, because it hurts the other side's feelings. That is why Japanese have 40 different ways for saying no.

Social rules are about "specific" guidelines that define the conduct under specific circumstances, in the workplace, at school, in stadiums. It is acceptable, for instance, to stand-up and scream, but not in a classroom or a business meeting. Some rules are strict, supported and re-enforced by sanctions for failing to follow them, while others are loose, and there are no penalties for failing to follow them. Failing to show up for work, for example, may result in a pay cut or even a dismissal, while failing up to show to a social gathering creates just sour feeling among the guests.

Social relationships are relations among people, in the neighborhood, at work, in public places. Some relations are formal, defined by explicit contracts, like relations in the workplace. Other relations are informal, re-enforced by an implicit

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[6]Belk et al. (2003, p. 347).

[7]Hall (1959, 1977, 1990). See also Graham et al. (1988).

[8]Hartley (1993).

understanding and tradition that define the acceptable and unacceptable behavior, as discussed earlier. Some relations are long-lasting, like relations among families, while other relations are transient, like brief encounters in a trip, a theater, or a conference.

Social structures are further shaped by culture, the sharing of experiences and morality that supports and re-enforces mimetic behavior. Some cultures are open while other cultures are closed. Open cultures allow for social mobility, treasuring individual initiative and experimentation that nurtures early adopters and innovators, while others limit social mobility, treasuring conformity that nurtures laggards and imitators. The US and most European countries, for instance, have more open social structures conducive to the birth of new ideas and innovative products, while Japan and most Asian countries are less open societies, and therefore, less conducive to the birth of new ideas and products.

> This openness of culture (and sometimes even a preference for diversity) creates a vacuum. It is within these "optional" areas that many of the fads and fashions studied by sociologists appear. Cultures vary with respect to the breath of their "zones of tolerance," and the extent to which entrepreneurs seek to generate novel behavior. In a market economy, such as the United States, with elaborate product differentiation and channels for diffusion, fads are very common. Another area of cultural silence involves giving persons discretion over elements such as the timing of an activity. While a well developed normative system seeks to control commercial transactions, individuals are usually left considerable options with respect to buying and selling or taking money out of, or putting it into a bank.[9]

Japan and Asian countries have more closed social structures, and therefore, are less conducive to new ideas and fads. Yet, Japanese and Asian societies are more group oriented societies, more prone to herd behavior and, therefore, are more conducive to the spread of new ideas and innovations, once they become accepted. This means that Asians have a steeper and negatively skewed rather than a normal adoption curve. "The innovation curve among Asians is, therefore, steeper and negatively skewed. Thus, Asian consumers have smaller percentages of innovators, early adopters, and laggards, and a larger percentage of early and later majorities, reflecting the early hesitant state to try new products and rush to switch brands once new products are accepted."[10] It is not an accident, therefore, that most consumer epidemics begin in the US, but they spread like a wild fire once they gain acceptance in Asia.

A sixth characteristic of condition is geography, i.e., the landscape and the climate at different places and times that exaggerate or suppress needs and desires. A hot weather, for instance, makes people thirsty for cold drinks, while a cold weather stimulates the desire for something hot. This means that the right weather is ideal for launching campaigns for such products. When companies like Red Bull, for example, give out samples, they make sure that the product is chilled when served.

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[9] Marx and MacAdam (1994, p. 120).

[10] Ling et al. (2004, p. 376).

In short, *condition* is about certain attributes of a place, such as reputation, visibility, frequent interaction, population density, and social structure that make it ideal to launching consumer epidemics campaigns. These parameters are not independent from one another, however. Visibility and reputation, for instance, are closely connected with each other. Places that enjoy a reputation, such as Times Square and the Eiffel Tower, also enjoy a high visibility. Population density and dense and frequent interaction are also closely connected with each other. Both Times Square and the Eiffel Tower are located in densely populated areas that accommodate the close and frequent interaction among consumers. Some schools and universities that enjoy a high reputation are also located in highly visible and densely populated city districts, and that makes them ideal places to launch consumer epidemics campaign that target student populations. For example, when Hasbro, the US toymaker, launched Pox, a pocket video game, it shied away from an advertising blitz. Instead, the company adopted the model of an epidemic, "infecting" the most popular children in Chicago schools by giving them the game and letting WOM do the rest.

While *condition* is about certain attributes that make a place accommodative to consumer awareness, *circumstances* are about the prevailing ideology at the time the epidemics campaign is launched, the prevailing trends and controversies that stir interest and desire into the products and services, seducing the fantasy of a critical mass of consumers, fueling a contagion, a herd-like mentality that has consumers rushing to get hold of the product. The popularity of Charles Dickens novels like *Great Expectations* and a *Tale of Two Worlds*, for example, was supported and re-enforced by the spread of the industrial revolution in the mid nineteenth-century Europe that created a tale of two worlds, an affluent world for those prepared to take advantage of the opportunities and efficiencies created by new technologies and the dismantle of feudalism; and a world of poverty and misery for those who failed to do so, those left behind at the whim of exploitation in factories and swat shops. The spread of the IT revolution accommodated the success of direct marketers, such as Dell Computers and virtual bookstore Amazon. com. The aggressive expansion of the Japanese trade and investment in the 1980s, especially the acquisitions of American trophies by Japanese companies, gave rise to bestsellers like Michael Chrighton's *The Rising Sun*, and Hammer's and Champy's *Re-engineering of the Corporation*. *Re-engineering of the Corporation* became popular at a time American and European companies searched for strategies to fend off the "Japanese challenge," the rising market shares of Japanese manufacturers in the emerging global economy. The movie *"The 300"* became an instant hit because it addressed an emerging conflict between East and West. American viewers saw in *The 300* brave Spartans, the fight of Western civilization against evil empires that threatened their livelihood and system of values. *God Isn't Great* became a bestseller at a time when the clash of civilizations and religions replaced the clash of ideologies.

Consumer epidemics are further sensitive to the **change** in the social context, the emerging ideologies that create new controversies and new trends that "tip" an epidemic. "But the lesson of the Power of the Context is that we are more than just

sensitive to changes in context. We are acquisitively sensitive to them. And to the kinds of contextual changes that are capable of tipping an epidemic are very different than what we might ordinary suspect."[11] In some cases, change comes with time and is gradually brought about by emerging technological and demographic changes that create new conditions and circumstances, breeding new ideas and values, accommodating the rise of new fads and consumer epidemics. The popularity of Barbie dolls in the early 1960s, for example, was supported and re-enforced by the first wave of the postwar baby-boomers, searching for innovative toys for their children. The rapid spread of fast food service restaurants like McDonald's, was assisted by the rise in the labor force participation of women that made home-cooking too costly. Blackburry awareness and acceptance accelerated in the 1990s as people used it to get quotes of a booming high-tech market, while the maturing of baby-boomers gave rise to SUVs. The success of teenage retailers like Pacific Sunwear, Abercombie & Fitch, Aeropostale, Zumiez, and American Eagle Outfitters in the 1990s and the early 2000s rode the growing popularity of action sports following the introduction of X Games.[12]

In other times, change that comes with time may also be suddenly caused by some catalytic event, like a natural disaster, or the beginning or the ending of a war. The end of World War I, for instance, made people think that life is short and must be enjoyed, accommodating the rapid spread of fads, such as swing dancing in the 1920s. The end of the Great Depression in the 1930s made people think that life is a gamble (see Table 6.2).

Every consumer epidemic has its time and place in history. Consumer epidemics campaigns are sensitive to the context, the place and the circumstances in which they are launched. Reputable and highly visible places, like city-landmarks, attract the frequent attention of mass media, and therefore, are the ideal places to launch consumer epidemics campaigns, as are crowded places where people come in close contact with each other and places where people spend a great deal of time together, like school and the workplace. The circumstances are about the prevailing ideology and the controversies, anxieties, and convictions that stir up in and desire for certain product and services that address their outcomes. Consumer epidemics are further sensitive to the change in the context, the emerging ideologies and controversies, the frequent subject of WOM campaigns.

6.1 Case-in-Focus: McDonald's and Starbucks Capitalize on Emerging Social Trends

McDonald's is an older corporation, while Starbucks is a younger corporation. They operate in different businesses. McDonald's is in the fast food business, while Starbucks is in the coffee shop business. Yet, they both share two things in

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[11]Gladwell (2005, p. 140).
[12]Kelly (2007, p. A11).

Table 6.2 Each fad had its own timing

Period	Major Event	Prevailing Ideology	Fad
1850s	Spread of Industrial Revolution	Society is a tale of two worlds.	Dickens' novels
1920s	End of World War I	Life is short; enjoy it.	Dancing, Doughboy statues
1930s	The Great Depression	Life is a gamble	Games, gold fish swallowing
1950s	The spread of baby boom	Conservatism/Anticommunism	French fashion
	Rise of Consumerism	Quest for prosperity	Barbie dolls Blue jeans and poodle skirts Rock 'n' Roll
1960s	Vietnam War	Liberalism	Fast food, Drive-in theaters
	"Age of Affluence"	Equality of sexes	Consumerism Big cars TVs
1970s	Energy Crisis Economic slow-down	Conservativism	Smaller cars, Pet Rocks
1980s	Middle Age Baby Boomers/Collapse of the Soviet Union	"Anything Goes" Globalization	Minivans, Pac-Man, asymmetrical haircuts, Rubik cube and cabbage paten dolls
1990s	Maturing Baby Boomers X-Games/Spread of the Internet	Globalization	SUVs, pagers, cellular phones, Bigger and more elaborate homes
2000s	Terrorism, Aging Baby Boomers Wellness, empty nests	Stay healthy and young Green Energy	Razor scooters, i-Pod, i-Phone, LCD TVs, Harry Potter books and movies, Pokemon

common. First, they experienced phenomenal sales growth propelled by a faddism-like consumer behavior that received "epidemic" proportions. Second, they both owe their success partly in the right context, the riding of emerging social trends that allowed each company to turn a market niche into a mass market.

McDonald's rode the baby-boomer trend in the 1960s, the growing ranks of teenagers and the rising labor force of participation of women, offering fast and inexpensive food. Their introduction of the "Speedee Service System" in 1948 established the principles of the modern fast-food restaurant. The successful expansion of McDonald's internationally transferred the American way of Life to many countries around the world. Still, McDonald's needed to adapt to the social context of each country, which was accomplished by franchising to locals in many different countries.

Nowadays, McDonald's makes an effort to restore its corporate image by launching the "Simple, Bold" retail identity campaign. This is an effort to adjust McDonald's product offering to the current trends of the society. It involves the

"fast" and "convenient" elements of the McDonald's concept, augmented by the "healthy" and "more natural" element which is a primary demand by consumers today. Although McDonald's primarily sells hamburgers, french-fries and soft drinks, it has added salads, fruits and carrot sticks to its menu. Photographer Leigh Beisch, photographed real ingredients in natural light in order to convey McDonald's commitment to "fresh tastes." The objective of the store was to have consumers entering a MacDonald's restaurant, to feel that they enter the brand itself. The menu items are shown in a much more natural state compared to the artistically crafted food items that dominated before. The objective was to achieve a branded, updated and more natural look and feel at the restaurants.

Starbucks also rode the baby boomer trend in the 1990s and the Internet revolution that fuelled the need for public places to fill in the gap of the missing interaction. "Other trends of the 1990s also nourish the growth of such gathering places. More and more people are working from home offices, telecommuting by phone and fax and modem with distant offices. They go to coffee stores for the human interaction they need on regular basis."[13]

Starbucks offered baby-boomers and ailing telecommuters a "third place," an "affordable luxury," where they could share and enjoy a cup of coffee with friends and colleagues, away from work and home. Despite the addictive, almost epidemic, qualities of coffee, Starbucks does not owe its "epidemic" growth to the magic bean. The chain has inserted itself into the American urban landscape more quickly and craftily than any retail company in history – and has forever changed the way Western companies market themselves to consumers. Sure, Starbucks is no McDonald's – which serves 50 million customers a day at its 30,000 restaurants – but it has come close to it.

Starbucks would not have worked twenty years ago (The Right Place and Time). People were not drinking coffee; and the demographics were not just right. Starbucks offered an antidote to an overworked culture: somewhere to just hang out. It eased the problem of social disconnection, while offering an item that made people feel coddled and tranquil. It became America's version of the British pub (Adjustment of the Message to the Context). Starbucks filled America's need for a public gathering spot – what sociology Professor Ray Oldenburg called a "third place," with home and work being places one and two. This became Starbucks community rallying cry: It wasn't a coffee company, but a place for bringing people together through the social glue of coffee (The Right Social Context).

The secret behind Starbucks magnetic pull lies in the extraordinary amount of control it exercises over its image. At Starbucks, nothing is accidental. Everything the customer interacts with, from the obsessively monitored store environment down to the white paper cups, is the product of deliberation and psychological research. The coffeehouse as we know it is a calculated creation, tweaked and refined in large part by Howard Schultz – Starbucks charismatic, Brooklyn-born chairman – and his army of designers. In an age when homogenous ad campaigns

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[13] Schultz and Yang (1997, p. 121).

cover every surface that can be bought, Starbucks chose a novel marketing approach: It became an ad for itself. Stores became billboards, cups and bags mobile brand beacons. No longer would consumers just grab coffee; they would come for the "Starbucks Experience."

Check the Fifth Principle

When choosing a place to launch a marketing campaign, I consider its:

1. Reputation	Yes □ No □
2. Visibility	Yes □ No □
3. Reputation	Yes □ No □
4. Population density	Yes □ No □
5. Frequency of interaction	Yes □ No □
6. Social structure	Yes □ No □
7. Geography	Yes □ No □

Chapter 7
Principle 6: Launch a WOM Campaign

> "Did you hear about the Sears specials this week, Helen?" Kimberly said on the other side of the line. "Kenmore vacuum cleaners are 40 percent off! Kenmore is a good brand name, you know. I got mine seven years ago, and I never had a single problem. Kenmore. . ."
>
> "I will go have a look," Kimberly interrupted Helen who was ready to go over the details of the offer.
>
> "Ah, I forgot to tell you about a new scooter, called 'Razor'," Kimberly continued. "Every child must have it."
>
> "How much is it?"
>
> "It is listed for $120, but Angela got one for Mike for $90 last week from Sharper Image. Still, I don't think it is a good deal."
>
> "Did you find a better price somewhere else?"
>
> "I got one from Son Patrick for $70 on the Internet. Add $10 for shipping and handling, and that's certainly the best deal. I will e-mail you the site name."

Conversations like the one between Helen and Kimberly typify what marketers call WOM, where consumers talk with other consumers about their product experience. This means that consumers are potentially good will or bad will agents of influence, and they can exponentially influence other consumers' decisions about whether to buy a product. This is especially the case in a connected world where WOM travels faster than ever, reaching consumers beyond local and national boundaries. A number of brands such as Starbucks, Red Bull, Krispy-Cream donuts, and Trader's Joe, JetBlue, and Under Armour were built through WOM rather than elaborate mass-media campaigns.

WOM does not happen by accident, however. Consumers do not talk to other consumers about every product, but rather about the products that carry a value proposition, a genuine way to satisfy their needs, to fill in a gap in their real or imaginary world, within the right context, as discussed in previous chapters. Some consumers are further more effective than others in spreading the product message, and eventually convincing them into buying the product.

In either case, WOM is sensitive to marketing campaigns that identify and enlist the right product messengers, people who will influence other people, adding the next piece of the puzzle, the Sixth Principle of a WOM and buzz campaign.

Identify the "agents of influence," i.e., consumers who are more effective in influencing others, or be influenced by others, and therefore, spread the product message, tell their neighbors, their friends, their co-workers and fellow club-members. Target, support and re-enforce your campaign with viral marketing.

Karen Post summarizes the basic principles of WOM in four propositions, which apply to both B2C and B2B challenges: (1) a happy customer is the greatest endorsement; (2) give customers a voice; (3) listen to consumers; and (4) engage the community.[1] Information can be transmitted via WOM in several ways, including: an email, a letter to the editor, a conversation concerning a referral, a comment on a message board, a post on a blog, and so on.

WOM can be positive (PWOM), endorsing a product, or negative (NWOM), criticizing the product. According to a study published in the *International Journal of Research in Marketing*, PWOM is more evident than NWOM, because people are more likely to participate in positive rather than negative WOM campaigns. The study further finds that PWOM is mostly about current brands, while NWOW is for previously own brands.[2] NWOM further spreads faster than PWOM, as angry customers are more anxious to share their experience with other customers than satisfied customers.

WOM is of particular importance for the marketing of complex products such as automobiles. One study, for instance, finds that WOM was the most influential factor in automobile purchases, affecting 71% of the consumers, while only 17% was affected by TV advertising.[3] WOM is also important in the marketing service products, such as banking, insurance, and among complex technology products, such as cellular phones. According to a 2003 and 2004 London School of Economics survey, WOM had a significant effect on bank, mobile networks, supermarkets, and car sales. Specifically, companies like HSBC and Honda that enjoyed a higher level of WOM experienced a faster sales growth; a 7% growth in positive WOM is followed by a 1% additional sales growth; a 2% reduction in negative WOM is also followed by a 1% sales growth; companies with above the average positive WOM and below the average negative WOM grow four times as much as their peers.[4]

While some people are more effective in influencing others, some people are more likely to be influenced by others. People in discontent with their lives, for instance, are more likely to be influenced by other people than fully content people. People who value private information, like rumor and gossip, more than public information are more likely to be influenced by WOM, as is the case with financial market traders who can profit more from private information than public information. If information is already fully disclosed and discriminated among traders, the impact is limited, since asset prices already reflect such information, which makes *rumor* and *gossip* worthless; there are of value because of hearing something others

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[1] Post (2006).

[2] East et al. (2007, p. 181).

[3] Halliday (2003, p. 8).

[4] www.lse.ac.uk/collections/preassAndInformationOffice, 1/31/2007.

would like to know but do not. "For the rumor-monger there is also the social prestige of showing that they are worth knowing. Moreover, a willingness to share gossip shows trust and is one of the most potent ways of bonding and delineating a person's true allegiances."[5]

Company sales can be seriously affected by rumors and hoaxes, as has been the case with P&G's Wash&Go combined shampoo and conditioner. After a very successful launching of the product, Wash&Go on the Danish market in January 1990, where the product reached a market share (value) of more than 20% in September that same year, a negative rumor caused a significant damage to P&G. First, hairdressers complained about problems performing colorings and perms. Procter & Gamble denied the complaint, but did not dispel the rumor and soon had to deal with a second rumor; that the Wash&Go caused significant loss of hair, eroding the market share of the product from 20% to 5%.[6] Several marketers in Indonesia, including Nestle, have been damaged by rumors that their foods contain pork, which is prohibited to the 160 million Muslim consumers in that country. Islamic preachers, or mullahs, responded to these rumors by warning consumers not to buy products that might be tainted with pork fat. Nestle spent more than $250,000 on an ad campaign to counteract the rumors.[7] The Egyptian subsidiary of Coca-Cola had to get an edict from Egypt's mufti (top religious authority) certifying that the familiar Coca-Cola script logo does not in fact say "No Mohammed, No Mecca" in Arabic after a rumor spread about hidden messages. This problem echoed one experienced a few years earlier by Nike, which recalled 38,000 pairs of shoes because its flaming air logo resembled the Arabic script for Allah.[8]

Most rumors have some "kernel of truth", and it is very important for the company facing the rumor to detect it. The silicon in Wash&Go actually did cause problems for certain perm or coloring products, but this was not immediately acknowledged. Instead, the denial of the first rumor without producing substantial factual documentation led to spreading of the second rumor, perhaps as an attempt to "get even with" the "aggressive" marketer. Large foreign companies are often targets of such negative WOM.[9] Procter & Gamble first tried to ignore the rumor by denial, then to refute it with reference to their own research, a source of information which had little credibility and probably strengthened the rumor rather than weakened it. Only when they asked the state environmental agency to conduct independent tests could Procter & Gamble disprove the rumors and slowly begin to regain the lost market shares.[10]

WOM campaigns are nothing new. Consumers have always been sharing their experience with different products and services, to help and educate; to provide

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[5] Donath (1998), Orenstein (2001), Dobele et al. (2005).

[6] Jan (1993).

[7] Astbury (1989).

[8] Ghalwash (2000).

[9] Sherry (1984), see also Richins (1983), East et al. (2007), and Samson (2006).

[10] Jan (1993).

knowledge; to find common ground; to validate our own opinion; to pride them-selves of associating with a group of product users; to share ideas and informa-tion.[11] "One of the most fascinating elements of word-of-mouth is that we are constantly seeking to share information. We like to know. We like to be known for knowing. We like to have an opinion. This is why we sometimes share information about products that we have no firsthand knowledge about at all." [12] Research in the 1950s confirmed the importance of WOM campaigns in shaping consumer preferences for major household products. WOM was eleven times more important in shaping consumer choices than newspapers and magazines, four times as important as personal selling, and twice as important as radio advertising in influencing consumers to switch brands.[13] This trend was particularly evident in air conditioner ownership in Philadelphia, which confirmed the existence of a network of consumers, exchanging information "across backyard fences," and "over the clothesline."[14]

Today's WOM campaigns are far more effective than traditional campaigns in influencing and shaping consumer preferences, because of the degree and the speed of connectivity among consumers that let them share their product experience faster than ever. One does not have to ride a horse like Paul Revere in 1775, the man who spread the news about an impeding English attack on the Americans. Today's WOM campaigns travel much faster and involve a much larger consumer popula-tion. Fixed and mobile e-mail and instant messaging allow people to communicate efficiently and effectively with each other. Online forum, chat rooms, bulletin boards, and Web sites can potentially magnify the effect of WOM. Happy custo-mers can now share their product experiences with hundreds, thousands, even millions of people with the click of a mouse. A disgruntled customer can tell other people about good and bad consumption experiences in person but he can also tell thousands of people with the click of a mouse.[15]

> Now more than ever, we can spread word-of-mouth faster and wider. Most importantly, though, word-of-mouth used to travel in unique settings where a conversation could never be heard again. Now with the Internet, a permanent history of word-of-mouth stays recorded forever. Bad or good, the Internet has transformed word-of-mouth from a sin-gle-engine dog-fighter to an F-16. It's now become fast, powerful, long range, and dangerous if you can't harness it. It can be your biggest asset in today's marketing world, or it can be your biggest nightmare if you can't control it.[16]

A prospective business student can find information about the social life in different universities by visiting blogs put up by current students in those schools rather than visiting the campus, as traditionally has been the case.

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[11] Bulter and Butman (2005, p. 19).

[12] Bulter and Butman (2005, p. 73).

[13] Katz and Lazarsfield (1955).

[14] Whyte (1954).

[15] Rigby (2005, 2006).

[16] Hughes (2005, p. 35).

Table 7.1 Advantages of WOM campaigns over traditional advertising

Parameter	Traditional marketing	WOM
Consumer Engagement	No	Yes
Marketer Domination	Yes	No
Budget	High	Low
Message Delivery	Impersonal	Personal
Consumer Trust	Low	High

> Nowadays, however, prospective applicants turn to blogs for a no-holds-barred understanding of what life at a certain business school is like. For the most part, these blogs tend to centre on the social lives of the average MBA-discussions about which extracurricular clubs throw most of the most fabulous parties are prevalent. But they also contain candid posts about a school's administration, policies and atmosphere, which offer insights into how a school operates.[17]

WOM campaigns have a number of distinct advantages over traditional advertising (see Table 7.1). First, they engage consumers by letting them share their product experience with each other, gaining both explicit and implicit information about the product attributes and the ways in which the product has added value to their lives. This is especially the case for the early and the late majority that need some re-assurance from early adopters before they jump on the bandwagon.

Consumer engagement further creates a positive attitude as described by the Hawthorne Effect. "It is this Hawthorne Effect, harnessed by seeding trials, that transforms opinion leaders into loyal adopters and powerful word-of-mouth advocates. By turning opinion-leading target buyers into product or service evangelists using the Hawthorne Effect, a brand can create a powerful volunteer sales force."[18]

Second, WOM campaigns are consumer-rather than marketer-dominated, and therefore, more efficient and effective to reaching ad-allergic consumers, who now have further the technology to keep commercials off their TV sets. "Slowly and steadily over time, interruption marketing has managed to annoy a great many people who have become resistant to it. They have installed mental and technology filters to avoid exposure to marketing noise. Their senses have become deaf and blind to marketing intrusions. They use antispasm software and TiVo to block out as much advertising as they can. They use broadcast marketing time to run to the refrigerator, make quick calls or check e-mail."[19] WOM campaigns, especially viral marketing, have become every marketer's dream. It is an efficient and effective way to reach the "ad allergic" consumer. "These days, creating a successful viral campaign-that addictive, self-propagating advertisement that lives on web sites, blogs, cell phones, message boards, and even in real – world stunts – is the dream of

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[17]Knight (2007, p. 11).

[18]Marsden (2006, p. 7).

[19]Scoble and Israel (2006, p. 32).

every marketer and shop. It is a way to reach an ad-allergic audience and get it not only to notice your brand but to physically interact with it, to *live* it."[20]

Third, WOM campaigns are low budget, especially viral campaigns. Viral campaigns are relatively cheap, compared with traditional advertising forms. Marketers usually can expect to spend from $50,000 to $100,000 on a viral marketing project, says Mr. Stefan Tornquist at Marketing Sherpa. "Even something at the higher end of the range compares so favorably to TV commercials," he says. According to the 2004 Television Production Cost Survey, conducted by the New York-based American Association of Advertising Agencies (AAAA), the average cost of producing a TV spot in 2004 was $338,000 – a figure that does not include the cost of air time.[21] Hotmail, the free e-mail service, spent a mere $50,000 on traditional marketing.[22]

Fourth, in WOM campaigns the message is delivered personally, from one consumer to another, rather than impersonally in a magazine or a TV commercial. This makes the message vivid, that is, easier to remember, especially when it is spread by someone who is a product expert. [23] An interesting example of the vivid quality of WOM information concerned the movie *The Crying Game*. This little-fanfare, no-big-movie-star movie was described as "the most-talked-about, least-told-about movie in memory."[24] The film gradually drew larger and larger crowds through WOM endorsements, but the WOM itself was not very revealing. Many viewers figured out that by giving out the twists in the film, some of the thrill would be lost. As a result, people would enthusiastically endorse the movie but refuse to reveal the details. Another interesting example is Hotmail's message "Get your private, free Web based e-mail at http://www.hotmail.com" to every message sent by a user. As these messages pass from user to user, consumers became familiar with the way e-mail works, which helped Hotmail attract 10 million users in its first year.[25] Hotmail became world's leading e-mail provider almost instantly, with 75 million users.

Fifth, WOM campaigns involve a great deal of consumer trust. Consumers tend to trust other consumers who have nothing to gain by promoting a product more than professional marketers who have everything to gain by promoting the product. This is especially the case for information received from people we know or talk to directly, e.g., our relatives, our friends, our neighbors, our coworkers. Information from such sources is usually more reliable and trustworthy than information received through the media. "This is the new landscape of personal opinion, where trends can be praised or laid to waste, and where movies are hailed or trashed before they even make it to their opening weekend. Those who read these opinions

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[20] Sacks (2006, p. 89).

[21] Vranica (2006).

[22] Kharif (2000).

[23] Herr et al. (1991).

[24] Lowery (1993).

[25] Haig (2001).

are more willing to believe their peers than any newspaper ad, because those who write such comments are not being paid to do so. The power has shifted to the people, and the people have more ways to share their opinions with the masses.[26] People have grown skeptical and suspicious over traditional marketing campaigns and the professional marketers behind them. "We live in a time when most people do not trust big companies. Headlines gush with tales of malfeasance, abuse, and old fashioned plunder, but that is part of the problem. There is a general perception that large companies are run by slick lawyers and book-fixing accountants who oversee armies of obedient, drone-like employees. Companies are perceived as monoliths without souls. In short, we see no humanity."[27]

Whether new or old, WOM campaigns have a number of advantages over

traditional marketing that make them a more efficient and effective vehicle in reaching the targeted consumer markets that must be weighted against a number of disadvantages.

First, WOM is hard to monitor and evaluate. For all the buzz and hype, experts warn that marketers should tread carefully with viral campaigns. For example, marketers have a rough time figuring out how viral-marketing efforts translate into sales. Moreover, measuring viral efforts poses a problem because a lot of viral marketing is not completely divorced from traditional media. Because many campaigns are part of larger efforts that include print, radio, or even television ads, it is hard to know which part of the mix played the biggest part in any sales increase.[28]

Second, WOM campaigns can often be used in reverse, as a vehicle of lamentation, especially on-line WOM, the perfect medium for spreading rumors and hoaxes in the form of e-mail chain letters promising all sorts of rewards for passing a certain message to a dozen of other people. A popular site, for instance, promised a free trip to Disneyland for those who will try Microsoft products. Nike received several hundred pairs of old trainers a day after the rumor spread that you would get a free pair of new shoes in exchange for your old, smelly ones. Procter & Gamble received more than 10,000 irate calls after a rumor began spreading on newsgroups that its Febreze fabric softener killed dogs. In a pre-emptive strike, the company registered numerous website names such as febrezekillspet.com, febrezesucks.com, and ihateprocterandgamble.com to make sure that angry consumers did not use them. That is why companies monitor regularly the Web to find out what consumers have to say about their products. For example, Ford uses special software to track online messages and find out what consumers are saying about its cars.[29]

Third, WOM campaigns are hard to reverse. Once virals are seeded, they cannot be recalled or banned like a poster ad and, therefore, can have an unprecedented impact. "Social media is far from being all cupcakes for business, however.

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[26] Guertin and Corbus (2007).

[27] Scoble and Israel (2006, p. 9).

[28] Vranica (2006).

[29] Donath (1998) and Orenstein (2001).

In expressing and funneling the ever-changing will of the people, it remains a fiercely independent and mutating beast. Chevrolet's foray into user-guaranteed marketing backfired in March because it misread its audience and lost control over its own campaign. Chevy offered up a Web contest to create an ad for the Tahoe, but the entries that got passed around, blogged about, and eventually covered in the mainstream media were all about the SUV's abyssal gas mileage and melting polar ice caps."[30] This is especially the case when it comes to negative experiences. Estimates on the power of negative WOM communication are especially compelling, suggesting that when consumers are dissatisfied, almost 60% tell at least one friend or acquaintance.[31]

Fourth, creating a viral campaign is not any easier than creating a traditional campaign. It takes the mastery of both media and creativity. "Creating a viral campaign is not like filming a 30-s spot and then sitting and letting it run. It is like a marathon, one that takes mastery of numerous media, and the creativity to spin out a form of open-end, multilayered, living entertainment that will keep on an audience engaged for as long as possible."[32]

Fifth, many WOM messages often fail to connect, that is, turn into robust sales, either because the message fails to stimulate sufficient WOM or because WOM does not turn into sales (see Fig. 7.1). Viral campaigns must be supplemented and augmented by actual campaigns. This means that traditional marketing and modern marketing are not substitutes but complements with each other. But what sort of consumers are good candidates for spreading the word about a new product?

Every consumer is a good candidate for spreading the word about a product, but some consumers are more motivated and better communicators than others; they are better messengers, and therefore, more effective in reaching a large audience and get the message across. "In epidemics, the messenger matters: Messengers are what makes something spread."[33] Following through on a late 1940s Columbia University study, Gladwell argues that successful campaigns begin with a "few" individuals or special individuals who can spread the word efficiently and effectively to the early majority. "The Law of the Few" says that there are exceptional people out there who are capable of starting epidemics, and therefore, they rather than the individual customer should be the target of the marketing campaign. All you have to do is find them."[34] These few are people of a "rare set of social gifts," whom Gladwell classifies into three categories:[35] Connectors, Mavens, and Salespeople (see Table 7.2).

Connectors' rare gift is the mastery of relations. They know a lot of people that can often influence and bring together. Connectors are present in every industry,

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[30] Kamenetz (2006, p. 2).

[31] Richins (1983).

[32] Sacks (2006, p. 89).

[33] Gladwell (2005, p. 92).

[34] Gladwell (2005, p. 132).

[35] Gladwell (2005, p. 33).

Degree of
Consumer Engagement

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The Two WOM
Campaign Failures
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Viral   Message   Product
Campaign   WOM   WOM
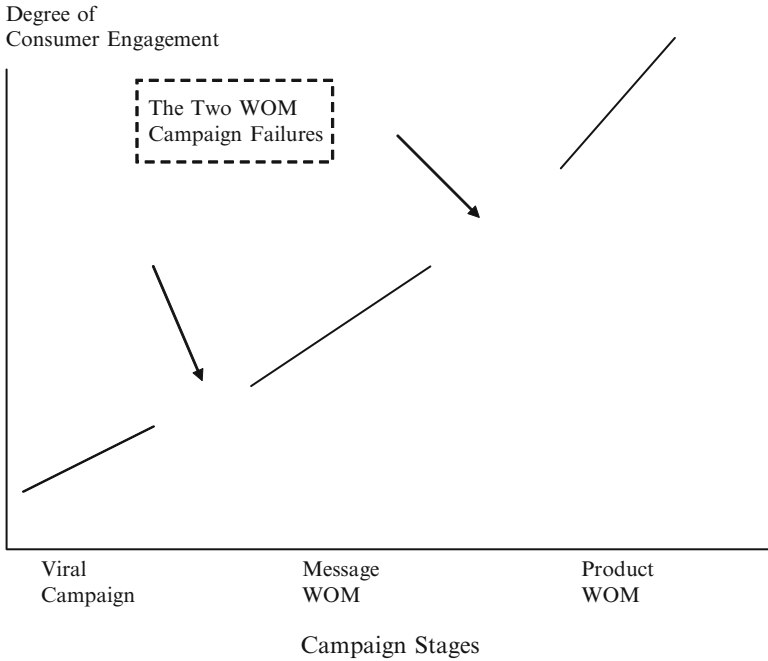
Campaign Stages

Fig 7.1 Consumer engagement and campaign failures

Table 7.2 The profile of the few: connectors, market mavens, and salespeople

Category	Description
Market deals mavens	Information masters; they know about the best product in town; and are willing to share this information with other consumers. They often solve their emotional problems by trying to solve the emotional problems of others.
Connectors	Well-connected individuals, finding jobs for people and brokerage business partnerships and deals. They amass a portfolio of favors that can cash at the appropriate time.
Salespeople	Highly persuasive individuals; deal masters. They are motivated by financial rewards and perks that come with the achieving of certain sales goals, as well as, the satisfaction of closing the deal.

Source: Adapted from Gladwell (2005)

helping people find jobs, and brokerage business deals and partnerships. "Every industry has them, and you probably know a few in your own sector. They are professional connectors, people who know everyone and have their finger on the pulse of what's happening. They help people find jobs, make deals, and form partnerships. They know about new products and services before they are publicly introduced."[36] Connectors are also professionals, who by the nature of their work,

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[36] Scoble and Israel (2006, p. 66).

meet and chat with many people, such as taxi-drivers, hairstylists, and coffee-shop managers.

Market mavens have the rare gift of mastering of information. "Mavens seem to anticipate and use information in social exchanges. Perceived competence in a particular situation by the potential helper has been found as an important anteced-ent to engaging in helping behaviors. Market mavens have a much greater tendency to seek information about the marketplace than non-mavens, thus providing them with certain competence."[37] They know many things about different products and are good with data. They are "value shoppers," always in search for the best deals in town, products of superior quality at discount prices, always anxious to beat the system, and share their "victory" with other consumers. "The critical thing about market mavens though, is that they are not passive callers of information. It is not just that they are obsessed with how to get the best deal on a can of coffee. What sets them apart is that once they figure out how to get that deal, they want to tell you about it."[38] This is especially the case in the high-tech industry where market mavens consider it a mission to relieve fellow users from the pain and suffering associated with the use of complex technology products.

Salespeople are the masters of the deal. They know how to convince people about buying different products. Successful salespeople often combine the skills of connectors and market mavens, that is, they are good with people and good with market data.

Marketers also argue for the "few," but take a Platonian approach. They also talk about people with special abilities, but focus on the "innovators" to light up the WOM torch and "early adopters" to carry the torch to the early majority, which will turn the torch into a fireball. But who are the innovators and the early adopters?

Innovators and early adopters are the opinion leaders of an industry, i.e., knowledge masters whose opinions and charisma are highly regarded and tend to influence the choices of others. Opinion leaders are a diverse group of individuals like columnists, commentators, artists and scientists who shape opinions (see Table 7.3). Opinion leadership tends to be category specific.

What we know about opinion leaders, apart from their connected and respected profile, is that opinion leadership tends to be category-specific. Opinion leaders in off-road quad-bikes may or may not be opinion leaders in cosmetics beauty products. We also know that key correlates of opinion leadership are "category involvement" (interest, knowledge and activity) and "strength of personality" (persuasiveness and personal charisma). These categories have enabled reliable opinion leadership scales to be developed in order to be used by business for screening existing and target buyers.[39]

McConnell and Huba argue for "consumer evangelists," unsolicited product believers, recommending them "passionately" to other consumers, giving them as

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[37]Walsh et al. (2007, p. 112).

[38]Gladwell (2005, p. 62).

[39]Marsden (2006).

Table 7.3 The profile of typical opinion leaders

- Technically competent and experts in their field.

- Pre-screened, evaluated, and synthesized product information in an unbiased way, thus possessing knowledge power.

- Socially active and highly interconnected in their community.

- Slightly higher in terms of status and educational attainment than those they influence, but not so high as to be in a different social class.

- Similar to the consumers that they influence in terms of values and beliefs.

- Early buyers of new products.

Table 7.4 The profile of product evangelists

Familiar with the target audience.
Anxious to share their product experience with other consumers.
Know where and how prospective consumers live.
The most vocal and the most communicative consumers.
They are good in translating product messages in a language that other consumers can understand.
They add a great deal of conversation.

Source: Adopted from McConnell and Huba (2003)

gifts (see Table 7.4). Consumer evangelists believe in the product and consider it a mission to spread the word about it rather than a few mavens, connectors, and salesmen. "Customer evangelism is a philosophy about customers. Inside a business thriving with customer evangelists, everything is designed to keep customers coming back. These companies deliver memorable experiences that compel customers to share their knowledge with others."[40] Product evangelists add emotional controversy to WOM that helps prospective consumers understand the product attributes and overcome procrastination.

Consumer evangelists are the "ultimate salespeople:" They are familiar with the target audience; they can identify other consumers to share their beliefs; they know where and how prospective customers live; they can translate the product message in a passionate language that turns simple arguments into compelling arguments other consumers can understand.[41] According to Rosen, product evangelists are "medium loyals." They are the ones who would add conversation to WOM, find convincing arguments, handle objections, and therefore, are more effective to spreading the message than opinion leaders. "The medium loyals are the true brand evangelists, people who are the most vocal and communicative about the brand. They like to be the first to know. Evangelists add a great deal of conversation. These are the experts who often know more about the product than most people in the product's company do. They are the people who develop

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[40]McConnell and Huba (2003, p. 11).
[41]McConnell and Huba (2003, p. 14).

convincing ways to talk about the product that are different from the official marketing messages. They know how to "sell" it in a genuine fashion and handle other people's objections."[42]

As Balter and Butman explain in the Rock Bottom story: "The lesson is that the most influential communicator for an established brand like Rock Bottom will probably not be the person you would expect it to be. It is not the heavy user or the passionate loyalist. Not is the recognized "opinion leader" – the influential – the pundit, reviewer, or expert. You can buy a celebrity product placement if you want someone "cool" to be seen using your product. But creating real dialogue? Leave that to the real folk. The most influential person in a word-of-mouth campaign like the one we did for Rock Bottom is the person who takes interest in the product and is positive about it but does not feel so personally attached to it (or even personally defined by it) that he cannot share."[43]

In short, some people either because of their social status or because of special skills are more effective in influencing others. They are the market mavens, connectors, salespeople, opinion leaders, and product evangelists, who should be "the chosen" messengers to spread the word about the new product to other consumers (see Fig. 7.2).

These groups are not completely separate and independent from each other, however. Market mavens, for instance, may be well connected and may end up being salespersons. Opinion leaders are often product enthusiasts and passionate enough about the product to turn into product evangelists. Also, some consumers
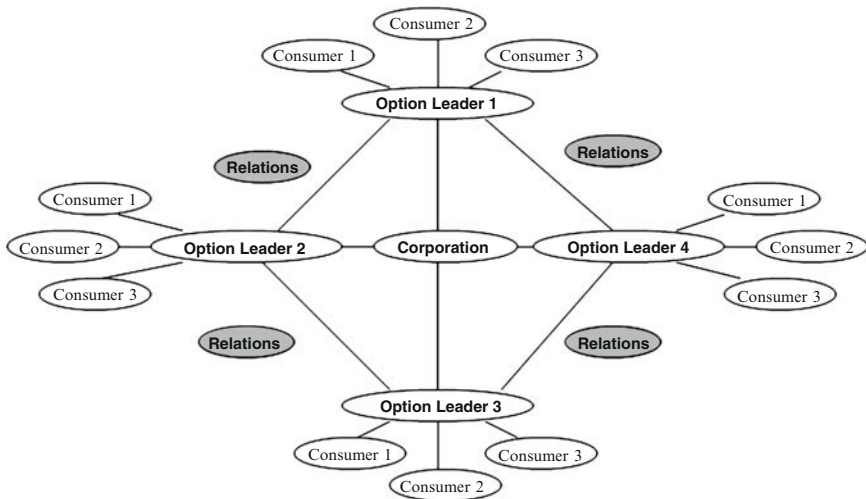

Fig. 7.2 How to create WOM: target the chosen

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[42] Rosen (2000, p. 99).

[43] Balter and Butman (2005, p. 109).

are easier to be influenced by others and, therefore, should become the target recipients of the message. But how can marketers identify these special individuals? What does it take? Paul Mardsen identifies five ways to identify opinion leaders: self designation, ask opinion leader candidates to fill a questionnaire that helps determine whether they are indeed the right persons for carrying out the WOM campaign; professional activity, evaluate the professional status of opinion leader candidates; digital trace, identify opinion leaders by surveying relevant blogs and sites; solicit the opinions of key informants; use sociometry to identify and map hubs of influence.[44] Steven Rusticus proposes the use of a customer referral system whereby companies reward customers for referring other customers to the company, like MCI's "friends and family" program which was launched in the early 1990s. Each group has its own advantages and disadvantages, however, in starting and sustaining a WOM campaign. While connectors, mavens, and salespeople are effective in beginning a WOM campaign, they may not be as effective in executing it and convincing consumers to buy the product, for a simple reason: lack of credibility.

Consumers tend to be suspicious to people who have a reputation of deliberately trying to influence others or trying to sell them something. "Customers are increasingly cynical about promotional messages. They would rather believe their friends and colleagues. Then, there is "noise." With hundreds of thousands of product launches every year, many with higher budgets than yours, it is difficult to make yourself heard."[45] Likewise, connectors lack credibility because of the reputation for doing what they are doing, that is connecting people, in exchange for favors. Mavens often lack credibility because they have the reputation for talking to people just to show off rather than help them out to make choices. Salespeople are, perhaps, the less capable because they try to sell consumers something, often what pays the most commission, rather than what is best for their clients."[46]

Similar arguments can be made for opinion leaders. A recommendation from someone who is familiar with you is often more useful than the experts or critics opinions. For example, John Grisham, Tom Clancy, and Danielle Steel write blockbusters; but for works by lesser-known authors, WOM can turn sleepers into hits. Sales start slowly: A friend tells a friend, and the author, actor, or some other key figure does an interview that a broad audience hears, who then passes it on to their friends. The book *Divine Secrets of the Ya Ya Sisterhood* and the movie *Snow Falling on Cedars* are examples of hits that followed this pattern.[47]

Nevertheless, consumers have grown suspicious to expert opinions, especially when their product endorsements are the result of company or industry sponsored research. Specific opinion leaders are hard to identify, and undercut by social journalists and citizen activists that set up their blogs to disseminate information and opinion. Product evangelists are also hard to identify and enlist to their

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[44]Marsden (2006, pp. 9, 10).
[45]Ruth (2003, p. 2).
[46]Bulter and Butman (2005, p. 98).
[47]Gladwell (1999).

Table 7.5 Selective WOM campaigns

Company	Campaign	Purpose
Microsoft	"I'm making the difference"	Attract instant message users
P&G	"Tremor"	Identify "connectors" for its Products
	"VocalPoint"	Create controversy for its products among its female customers

campaigns. So, which group is more effective? What does it take to enlist them to the campaign?

It depends on the nature of the product or service. For simple products and services, like local bars and restaurants, consumer evangelists could be the best bet. For complex products, such as high-tech gadgets and medical services, opinion leaders could be a better choice. For simple products, such as consumer staples, connectors would be the best choice. P&G, for example, uses connectors who are identified through its on-line Tremor program (see Table 7.5). For complex and obscure products, such as water filters, alarm systems, home appliances, whole life and universal insurance, salespersons are the best bet. For technology products, consumer evangelists are the best bet.

WOM campaigns are about enlisting the good will ambassadors, people who can spread efficiently and effectively the word about your product to other consumers, the market mavens, the connectors, the salespersons, the opinion leaders and the product evangelists. While WOM is the necessary condition for an epidemic, it is not sufficient for maintaining it, for helping the product cross the "chasms," and turning it to buzz.

7.1 Case-in-Focus: The Simpsons Family is Getting Big through a WOM Campaign

The Simpsons Movie is a 2007 animated comedy film based on the animated television series *The Simpsons* and directed by David Silverman. A teaser trailer for the film was attached to the film *Ice Age: The Meltdown*. A series of trailers appeared during the episodes of *The Simpsons* and on The Sun newspaper's website. The final theatrical trailer was released through Yahoo! Movies on June 21, 2007. OgilvyOne that designed and developed the online campaign of the movie, has used e-mail marketing and video banners in popular websites that guide the fans to the Simpsons Family to the website of the movie (www.simpsonsmovie.com). Users can participate in a competition in order to win a limited edition *Simpsons Movie* Xbox 360, designed by Microsoft, they can watch the trailer of the movie, and participate in a number of games. The website is highly interactive and is dominated by animation features and makes the user feel like he/she belongs to *The Simpsons' Family*. "The Real Life Simpsons Intro" is among the hottest video going around the world. It depicts the introduction to the Simpsons TV show with real-life actors.

Within a few days, since its upload online, millions have watched and forwarded it to friends, causing an epidemic to spread.

In the field of retailing, eleven 7-Eleven stores in the United States and one in Canada were transformed into Kwik-E-Marts. These twelve stores, as well as the majority of other North American 7-Elevens would be selling "Squishees" (a fictional frozen drink from *The Simpsons* TV series), "Buzz Cola" (a brand of cola that the Simpsons drink in the movie), "Krusty-O's" Cereal (a brand of breakfast cereal endorsed by Krusty the Clown), "Pink Movie Donuts," and other Simpsons-themed merchandise.

In Dorset, an image of Homer was painted next to the Cerne Abbas giant, causing outrage amongst local Pagans who performed "rain magic" to see it be washed away. Homer himself later performed a special animated opening monologue for the July 24, 2007 edition of *The Tonight Show with Jay Leno*, as part of another promotion.

The epidemic spreads over and appears everywhere. A number of companies have tie-in deals to promote the film. Samsung released a *Simpsons Movie* phone, which is a Limited Edition Simpsons mobile, designed to keep the technology geeks happy. Microsoft released a limited edition of *Simpsons Movie* Xbox 360, which is a video game console that allows players to compete online and download arcade games and content such as game demos, trailers, TV shows, music videos, or rented movies. Online users were presented with the opportunity to download free animated and static content for use within their Windows Live Messenger conversations. Ben & Jerry's released a *The Simpsons* themed beer and donut flavored ice-cream, entitled "Duff & D'oh-Nuts". Burger King produced a line of *The Simpsons* toy figures that were given away with children's meals, and ran a series of *Simpsons* themed television adverts. JetBlue held a series of online sweepstakes with the top prize being a trip to the film's Los Angeles premiere; also, their plane's inflight entertainment system included a channel dedicated to *The Simpsons*. This Simpsons Harper's Bazaar spread, where Linda Evangelista is featured with the Simpsons, was designed to delight the fashionistas. Twelve artists inspired limited edition Simpsons Vans in order to please the sneaker freaks. And finally, the Limited Edition Donut Packaging for The Simpsons Movie soundtrack. The Simpson's epidemic is all around, in haute couture, in mobile phone, on sneakers, on coffee mugs, even on the package of donuts.

Check the Sixth Principle	
When you launch a WOM Campaign, you use:	
1. Market mavens	Yes ☐ No ☐
2. Connectors	Yes ☐ No ☐
3. Salespeople	Yes ☐ No ☐
4. Opinion leaders	Yes ☐ No ☐
5. Product evangelists	Yes ☐ No ☐

Chapter 8
Principle 7. Turn WOM into Buzz

Angela was the first 10th grader in to buy an i-Pod and bring it to her class. Her mother had to wait for hours outside a Best Buy store to get it. Tiffany and Kimberly were next. Their mothers had to travel to another city to get them. As other girls gazed at this new slick machine that could download hundreds of songs on the go, WOM spread like wild fire throughout the school and on the cyberspace, creating hype among schoolmates rushing to mimic one another. Some had to wait a couple of weeks, others longer, raising and magnifying the hype. A third group hesitated first, preferring to stick with their traditional walkman. In the end, they joined the herd, carrying around their own i-Pods. By that time, Angela's, Tiffany's, and Kimberly's mothers were lined up outside Best Buy for the next i-Pod version. The hype was still on.

The i-Pod shortage is not an accident, but part of a calculated campaign by its creator Apple Computer, to nurture and foster hype about the product that fuels a contagious, a herd-like behavior that aggregates and speeds WOM, turning it into buzz, accelerating the expected benefits while lowering the expected costs, and helping the product reach its tipping point earlier than later.

> We are only really excited by what is denied us, by what we cannot posses in full. Your greatest power in seduction is your ability to turn away, to make others come after you, delaying their satisfaction. Most people miscalculate and surrender too soon, worried that the other person will lose interest, or that giving the other what he or she wants will grant the giver a kind of power. The truth is the opposite: once you satisfy someone, you no longer have the initiative, and you open yourself to the possibility that he or she will lose interest at the slightest whim.[1]

> Human beings are immensely suggestible: their moods will easily spread to the people around them. In fact, seduction depends on mimesis, on the cautious creation of a mood or a feeling that is then reproduced by the other person. But hesitation and awkwardness are also contagious, and are deadly to seduction.[2]

I-pod is not Apple's only innovative product that has followed such a pattern of diffusion. The i-Phone shortage had thousands of fans camping outside Apple

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[1] Robert Greene (2003, p. 71).
[2] Robert Greene (2003, p. 65).

Computer stores days ahead of its release, drawing the attention of the mass-media and magnifying consumer hype. In 2006, LeSportsac's large casual nylon handbags became a trend after fashion stylists first used them in the Tokyo's fashion district Omotesando, followed by high school girls who soon mimicked them.[3] New clothes, shoes, drinks, toys, game consoles, cell phones, scooters, and automobiles have followed a similar path, creating explosive demand for their products. Beanie Babies, the VW Beetle, the movie *The Blair Witch Project*, and ICQ (an Internet chat service) were also able to generate WOM hype that resulted in explosive consumer demand. Volkswagen sold 2,000 Reflex Yellow and Vapor Blue Beetles online, and *only* online.

These stories highlight the Seventh Principle of an effective WOM and buzz campaign:

> Turn WOM into buzz. Stir up interest and desire in the product that fuel hype and contagion. Turn hype and contagion into herd-like consumer behavior that helps products cross the "chasms," especially the chasm between early adopters and early majority.

Buzz campaigns are not new in marketing. Marketers have always tried to aggregate and speed up WOM. Fashion apparel makers have been participating in fashion shows, showcasing their new creations, stirring up consumer interest and eventually turn it into hype. Auto makers have been sponsoring major events like the Olympic Games, car races, etc. Publishers and authors have been trying all kinds of tricks to get their book titles to the bestseller lists, bookstores favored places for picking up titles to fill their stores' shelves up.

Today's buzz campaigns differ from traditional buzz campaigns in a number of ways, however (Table 8.1). First, today's buzz campaigns are broader, they spread in many different parts of the world, like Pokemon card game and TV show, and Harry Potter books and movies, children's crazes, the hottest that have ever swept the globe. A surprisingly large portion of the U.S. economy, more than two-thirds, is at least partially affected by buzz – *word-of-mouth promotions that can lead to explosive, self-generating consumer demand.* [4]

Second, today's buzz travels faster through broadband high-speed Internet services. The spread of IT technologies, the proliferation of brands, and the rising

Table 8.1 Modern vs. traditional buzz

Parameter	Modern	Traditional
Scope	Broad	Narrow
Speed	Fast	Slow
Medium	Social journalists	Professional journalists
Focus	Relations	Consumer

[3]Rowley (2007, p. 47).

[4]Dye, Renee (2000), "The Buzz on Buzz," *Harvard Business Review*, November-December, pp. 139-146; and Malcolm Gladwell (2000), *The Tipping Point: How Little Things Can Make a Big Difference*, New York, NY: Little Brown.

incomes worldwide enable a broader participation in buzz. For example, 35 million people received an e-mail containing a picture taken in Disneyland. On closer attention, one could see the iconic figure of Donald Duck lying prone in front of the famous Cinderella Castle. The title: "Bird flu has hit Disneyland." It was another joke made in the face of global events, understood by all of us. Like life on Mars, the bird flu epidemic is newsworthy and has the potential to attract an enormous amount of attention to any brand that might, for whatever reason, associate itself with it. Online services like Radar, Twitter, and Jaiku allow people to share their live stories using their wireless gadgets, the same way as regular websites like MySpace.[5] Numerous websites encourage customers to post blogs, sharing their lifetime and shopping experiences with friends and strangers, providing personalized information to consumers for making wise choices. "Consumers have always had plenty to say about companies; in the pre-Web days, they simply opted not to express themselves because it was much more difficult, and time consuming, to share their message with a large audience. Now, speaking out is nearly as easy as breathing, and that fact is changing the rules of business around the globe."[6] Consumers, for instance, can check out Digg's website for an example of technology and science recommendations, Reddit for general stores, and Epinions. com allow consumers rating electronic products (see Table 8.2).

The important feature of blogs is that they are much more conversational than face-to-face communications. They allow scores of people to instantly converse with each other, something that is not the case with face-to-face communications.

> The most important aspect of the blog is that it is conversational. While nothing beats face-to-face meetings, the realities of global business and relationships make it impossible to have such meetings with every consumer prospect, or potential investors. Phones, faxes, e-mails, SMS, and IM all extend the conversation, as do on line forums, bulletin boards, and chatrooms. But none of them lets one person converse with many people in multiple locations from any point where he or she has a computer and Internet access-not until blogging.[7]

Table 8.2 Selected social sites

Sites	Description
Digg.com	User generated content with emphasis in technology. The most frequently "digged" pieces are posted to the front page
Reddit.com	User-generated content of general interest
StumbleUpon. com	User-generated video content of general interest
Del.icio.us.com	User-generated content with emphasis in science
Newsvine.com	News reporting, and user op-eds
Epinions.Com	On-line shopping network that allows consumers to grade products.

[5] Stone and Richtel (2007, p. C1).

[6] Pete Blackshaw (2008, p.10).

[7] Scoble and Israel (2006, p. 27).

This sort of instant multi-conversiality makes blogs an efficient and effective way in overcoming the two WOM failures, the failure to spread the message and the failure to turn the message into product demand.

While some websites help consumers make informative decisions, other sites help firms create ads without the use of agencies, by letting them choose clips from films and mass customize them for their own campaign.

> Several companies are offering automated ad creation over the Internet, and in some cases, ad placement services that all advertisers can use to more tightly focus their marketing. Advertisers use the new sites to select scenes from commercial films and customize campaigns with a few clicks of the mouse and little human interaction, often for a low flat fee.[8]

The use of video, music and games in viral marketing accelerates pass-along rates. It is common to see viral campaigns that reach 30% pass-along rate, that is, roughly 1 in 3 people forward the campaign message to someone. It is estimated that 90% of Internet users use e-mail, and about 50% of them use it daily. The term *Viral Maven* applies to frequent e-mail users. One viral maven, for example, forwarded an e-mail about the band Nsync to 500 of her friends because it contained exclusive video messages.[9]

Third, today's buzz campaigns are created by "citizen marketers," "filters," and "fanatics." "Citizen marketers are everyday people who have now assumed the 'ownership' of companies and brands. Citizen Marketers is the story of how amateurs and professionals commingle to assume new forms of ownership in companies, brands, products, and people they closely follow, disrupting the traditions of the existing cultural filters and promoters."[10] In this way, citizen marketers have become the "marketing content." "Citizen marketers create what could be considered marketing and advertising content on behalf of people, brands, or organizations. Often they invite others to participate in the marketing work." [11]

"Filters" are also everyday people, but of a different mission. They aggregate and package information scattered in blogs and podcasts to make it easier for readers to get the product message. "Filters are human wire services. They collect traditional media stories, blogger's rants and raves, podcasts, or fan creations about a specific company or brand and then package this information into a daily or near-daily stream of links, story summaries and observations."[12]

"Fanatics are at the core of true believers discussed in the previous chapter. Fanatics do more than filtering of brand information; they analyze it and come up

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[8] Story (2007, p. C1).

[9] Joseph E. Phelps, Regina Lewis, Lynne Mobilio, David Perry, and Niranjan Raman (2004), "Viral Marketing or Electronic Word-of-Mouth Advertising: Exaamining Consumer Responses and Motivations to Pass Along Email," *Journal of Advertising Research*, December, pp. 333-348.

[10] McConnel and Huba (2007, p. ix).

[11] McConnel and Huba (2007, p.4).
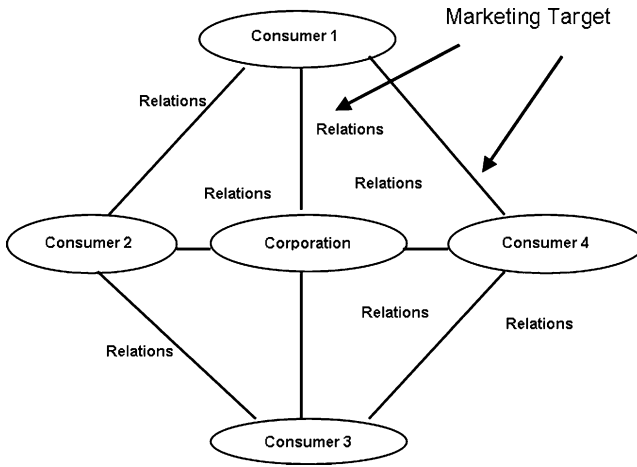
[12] McConnel and Huba (2007, p. 5).

Fig. 8.1 How to create buzz: target consumer relations

with recommondations. Fanatics are true believers. Their roles as citizen marketers may include filtering work, but they love to analyze the daily or weekly progress of a brand, product, organization, or person and prescribe the courses of action."[13]

Fourth, modern buzz marketing targets relations, between the company and consumers and among consumers rather than individual consumers, to spin and accelerate their interaction and communication (Fig 8.1). This means that consumers are part of the marketing process rather than the end of it, especially consumers connected with blogs.

> Blogs are built on buzz, and they build buzz. Marketers are increasingly aware of this and are recognizing the genuine power certain blogs have to generate positive or negative talk about brands. By targeting blog owners, marketers are simply engaging in a specialized form of influencer marketing.[14]
>
> Looking into networks helps in creating tactics that a company can execute to accelerate adoption. As an entrepreneur or a marketing manager, thinking in terms of categories or types of adopters can point you in the wrong direction. If, instead, you think about networks, understanding that early adopters are sprinkled throughout society, you might think of ways to bring your product to them.[15]

In short, today's product buzz is created by social rather than commercial media, it is broader, and travels faster than conventional media. But how can it be measured?

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[13] McConnel and Huba (2007, p. 10).

[14] Schuyler Brown (2006, p. 217).

[15] Rosen (2000, P. 19).

Pete Blackshaw proposes eight measures of product buzz: *volume*, the aggregation of comments posted in the cyberspace (how many people talk about the product); *reach*, the depth and the width of the comments (how people talk about the product); *issue*, the theme of the comments (what are the main points); *sentiment*, the positive or the negative tone of the comments; *emotions*, consumer feelings about the product (are people happy, angry?); *dispersion*, the degree of diffusion of the comments (how far has buzz reached); *source*, the place where the comment originated (where is the buzz); and *author*, the credibility of the writer of the comment (who is the writer?).[16]

Volume and sentiment are, perhaps, the most important and the most applied measure. Blackshaw suggests that volume can be measured with the use of content-mining engines like Technorati, BlogPulse, and Google that aggregate, index, and categorize buzz.

> Like search engines, content-mining engines crawl the ever-growing online content, index and categorize that content, and neatly rank, organize, and present the results. In addition to measuring the sheer volume of buzz, content-mining tools can identify key phrases, words, and concepts; analyze links; detect the nature and strength of sentiment in text; and analyze relevant messages from a variety of online resources (Fig).[17]

Whether old or new, buzz is about aggregating and spinning WOM by adding to it hype and contagious behavior so as to fuel a herd-like mentality among a critical mass of consumers:

$$\text{Product Buzz} = \text{WOM} + \text{Hype} + \text{Contagion} = \text{Herd Behavior}$$

Hype adds emotion to WOM that turns interest into desire, and desire into passion, have consumers crave about the product, pushing it on the top of their shopping list. Contagion adds "infectious" behavior to WOM, whereby consumers copy and imitate the behavior of each other. Children are rushing to buy i-Pods and RAZR phones because other children have them. Adults are rushing to buy popular cars because they see others driving them; LCD TVs because it happened to see them in their friends' house; and buy clothes and shoes their peers are wearing. Adults are joining their peers in having a cup of coffee in the nearby Sturbucks, and dine in restaurants where their friends and neighbors dine.

Hype and contagion are not independent from one another. Emotionally charged consumers talk about their product cravings to other consumers with passion, trying to rationalize their choices, and get other consumers follow suit. Likewise, contagion stirs up emotions, stimulating and magnifying hype, seducing the mass consumer mind, fueling a herd-like behavior, and having consumers rushing to join other consumers in getting hold of the product on the premise that if others think that the product is good, it must be good.

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[16]Pete Blackshaw (2008, p. 70).
[17]Pete Blackshaw (2008, p.63).

Hype and contagion makes product buzz similar to a political seduction process whereby political parties try to seduce a critical mass of voters into their platform by stirring up anxiety and discontent with competing platforms that eventually turns into hype and contagious political behavior. This means that marketers can learn and apply a number of policies and tactics applied by popular politicians to seduce a critical mass of consumers into buying their product (Table 8.1).

8.1   Carefully Select the Target(s)

Choose carefully the target or targets, the consumers most susceptible to adopt theproduct, the innovators, and the early adopters, as discussed in previous chapters. Monitor their relations and interactions with their company and with each other in blogs and chat rooms; join the conversation, digging into the "collective wisdom," which will help them develop better products and cost-effective marketing campaigns. "If you choose to join the conversation, your company will be better for it, and your customers will be happier. You will develop better products and services by enjoying their collective wisdom, and you will save a ton of money by dumping expensive marketing tactics that not only do not work, but annoy the people they target."[18]

Listen to their anxieties and concerns about the company's brand, the competition, and life in general to show that you care about your business reputation. "If you ignore the *blogsphere*-the term used to describe the global network of postings – you would not know what people are saying about you. You cannot learn from them, and they would not come to see you as a sincere human who cares about your business and your reputation."[19] This means that marketers must have somebody who would monitor popular consumer blogs and sites to "listen," "engage" and "converse" with consumers. "Marketing organizations really ought to have somebody on board whose job is to listen to, converse with and ensure the company is engaging with its customers, where they are on blogs, MySpace, YouTube, whatever."[20]

Seize the opportunity to plant and promote your product message into everyday consumer interactions, as did McDonald's with "Life found in Mars." The company capitalized on the old curiosity, whether there is life in Mars, to promote its brand through e-mail showing the Martian surface with a McDonald's sign planted in the dusty earth and, nearby, the title, "Life found on Mars."

Make a positive connection with them; let their voice be herd as Starbucks have been doing in promoting its "third place." "Customers are not looking for best friends; they just want a positive connection, and they want their needs to matter.

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[18] Scoble and Israel (2006, p. 2).

[19] Scoble and Israel (2006, p. 2).

[20] Steinberg (2007, p. 3).

Table 8.3 How to seduce the mass consumer mind: the five steps

1. Choose the right targets
   – Monitor consumer relations and interactions
   – Listen to consumers' anxieties and concerns
   – Seize the opportunity to plant and promote ideas about your product
   – Make a positive connection
2. Stir up interest in the product
   – Flood consumers mind with thoughts about the product
   – Expose them into controversy
   – Enter their spirit
3. Transform product interest into desire and passion
   – Instill and nurture feelings of emptiness created by the product absence
   – Make consumers aware of the excitement and adventure the product offers
4. Hire mass seducers
   – Naturals
   – Charmers
   –Charismatic
5. Keep the hype alive with hints of product sequels

They resent being treated as if they were just wallets with humans attached. In order for a connection to occur, a person has to feel heard (Table 8.3)."[21]

8.2   Stir up Interest in the Product

Stir up interest in the product by capturing consumers' imagination, slowly detaching and separating them from their sanctuaries. Flood their minds with thoughts about your product, the difference it makes in their lives, especially in the lives of innovators who are more open into trying new things, through pre-announces, sneak-previews, and artificial shortages that create frenzies that stir-up emotions that enhance desire.

> It is easy to feel properly warned against scarcity pressures, but it is substantially more difficult to act as part of the warning. Part of the problem is that our typical reaction to scarcity hinders our ability to think. When we watch something we want becoming less available, a physical agitation sets in. Especially in those cases involving direct competition, the blood comes up, the focus narrows, and emotions rise. As this visceral current advances, the cognitive, rational side retreats. In the rush of arousal, it is difficult to be calm and studied in our approach.[22]
>
> Just as interpersonal passion depends on yearning for the sensations of smell, touch, and the sight of the other, the sensory anticipation of consumer objects fuels the imagination and enhances desire. Sensation and imagination feed each other, increasing the titillation of longing."[23]

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[21] Michelli (2007, p.25).

[22] Cialdini (2007, p. 267).

[23] Belk et al. (2003, p. 345).

To stir up interest into new models, automakers, game consol makers, electronic gadget makers, and book publishers routinely pre-announce the release of the new models. Apple Computer, for instance, pre-announced "The Jesus Product," the i-Phone 6 months before its release, "cleverly dip-dripped product information to market tantalizing consumers and journalists alike, everyone hanging on to learn about the next nifty feature. A big bright touch screen! A real web browser! A finger-flickable interface! I gotta get one!"[24] Scholastic, the publisher of Harry Potter series fueled a similar hype by pre-announcing each new book. To stir up interest in its Pepsi Nex series, a new product line for the Japanese market, Pepsi introduced a limited edition Cucumber Soda, which withdrew from the market once certain marketing targets were reached. "Pepsi believes Ice Cucumber helped rekindle interest in Pepsi Nex, a sugarless cola managers hope will have staying power."[25]

To stir up interest in their watches, upscale Swiss watchmakers participate in auctions, bidding up and eventually buying their own watches. "Through the auctions, Swiss watchmakers have found a solution to a challenge shared by makers of luxury products from jewelry to fashion: getting their wares perceived as things of extraordinary value, worth an out-of-the-ordinary price."[26]

For consumers who might be more resistant or difficult, like the early and the late majority, the marketer should try a slower and more tacit approach, by exposing them into controversy that stirs up their curiosity and eventually turns into hype, a "must have" mentality. One way to accomplish this task is to push the "six buzz buttons." As explained in Chap. 13 of Hughes' *Buzzmarketing*:

– The taboo (sex, lies, bathroom humor)
– The unusual
– The outrageous
– The hilarious
– The remarkable
– Secrets (both kept and revealed).

A third way to stir-up interest in the product is to give free product samples and deep price discounts. Freepies and discounts evoke an emotional consumer response. "Zero is not just another discount. Zero is a different place. The difference between two cents and one cent is small. But the difference between one cent and zero is huge. If you are in business, and understand that, you can do some marvelous things. Want to draw a crowd? Make pat of the purchase FREE! Want to sell more products? Make part of the purchase FREE!"[27]

A fourth way is to nurture virtual ownership, by letting consumers try and experience the product for a period of time. To stir up interest into their cars,

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[24] Kedrosky (2007, p. A15).

[25] Hall (2007, p. 42).

[26] Meichtry (2007, p. A13).

[27] Ariely (2008, p. 54).

automobile companies let people test-drive their cars, make them feel like owners and the emotional attachment associated with it. "Virtual ownership," of course, is one mainspring of the advertising industry. We see a happy couple driving down the California coastline in a BMW convertible, and we imagine ourselves there. We get a catalog of hiking clothing from Patagonia, see a polyester fleece pullover, and – roof-we start thinking of it as ours. The trap is set, and we willingly walk in. We become partial owners even before we own anything."[28]

A fifth way is to enter the consumers' "spirit," their secluded world and "plant" the message by forming a grass-root organization. "A virus catches on only if it forms a community where none existed. The infection feeds on fascination."[29] Social networking is seen as a very powerful tool for Rupert Murdoch's News Corp. executives. News Corp. acquired MySpace for $580 million, considering it to be a new channel for media (i.e., social networking). Besides MySpace being an ad revenue generator and a great source for new ideas and tastes worldwide, it is a great buzz-building machine for all kinds of brands.[30]

To "plant" the campaign for its Mountain Dew soda, Pepsi affords kids the Cool! opportunity to buy a Motorola pager for $35 provided that they submit proof of 10 purchases of the product, while Mountain Dew reserves the right to beep them with product-related messages – a reminder that Mountain Dew is the donor of this cool gadget.[31]

Georgia-Pacific sent a blast of e-mail messages to consumers who had signed up for newsletters from www.allyourrooms.com, a Georgia-Pacific site that provides information on decorating, entertaining, and cleaning. Site visitors run a section of tongue-in-cheek "Innocent Escapes" videos in which a strong but sensitive Brawny Man offers compliments like, "By the way, you look beautiful today – something about your eyes." Visitors not only discovered a "play" button next to the ad, but also a "send to a friend" button that yielded millions of impressions with the added value of recommendations by friends.[32] Major record labels like Hollywood Records releases promising young singers records on YouTube.[33]

Honda U.K. developed a successful viral marketing campaign that started with "cutting-edge" creative in the form of a 2 min advertisement called "The Cog." The ad aired in the U.K. during the Brazilian Formula 1 Grand Prix to hit likely opinion leaders and was available on Honda's Web site. That's when the viral kicked in as people "wowed" by the ad e-mailed it to friends and acquaintances around the world. Honda had record sales in the U.K., and buzz spread to America where Web

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[28] Ariely (2008, p. 136).

[29] Danielle Sacks (2006), "Down the Rabbit Hole," *Fast Company*, November, p.89.

[30] Kamenetz (2006, p. 68).

[31] Raport (1996, p. 68).

[32] Nat Ives (2005), "Interactive Viral Campaigns Ask Consumers to Spread the Word," *The New York Times*, February 18.

[33] Smith E. and P. Lattman (2007), "Download This: YouTube Phenom has a Big Secret, The *Wall Street Journal*, p. A1.

traffic and sales jumped. Honda, Volvo, and Gillette are among a growing list of companies using viral techniques.[34]

To promote its new model Altima 2007 featuring a push-button ignition system, Nissan tried a more bold campaign. It deliberately "lost" 20,000 keys in bars, concert halls, stadiums, and public places in seven markets. Each key set carried a tag that declares, "If found, please do not return, because the Altima has intelligent Key with push-button ignition, and I no longer need these."[35] Anheuser Busch tried a more subtle approach, setting up its own interactive TV channel, Bud.TV, to cultivate a warm and fuzzy feeling about its Budweiser beer brand and cement customer loyalty.

> Bud.TV may be a marketing venture at heart, but it is marketing sotto voce. The shows' plots would not revolve around the quest for the perfect beer and a beautiful woman to share it with. Characters would not declaim the virtues of Budweiser's freshness at every opportunity. The site would not be cluttered with banner ads. Anheuser–Busch executives are banking on a more subtle connection. Attach a brand name to something cool, something entertaining (and that elusive young man and to a lesser extent, young woman) may check out Bud.TV's offerings again and again, send them along to friends, even take a stab at creating one's own mini-film for the site. Cultivate that warm, fuzzy feeling about Budweiser, and the company may cement the loyalty of the existing customer, or better, woo the uncommitted or hard-to-reach drinker to a Bud Light or a Michelob or a Peels malt-liquor beverage.[36]

A third way to enter the consumer spirit is to "surprise and delight," as Starbucks baristas often are doing by offering customers free samples of new beverages, creating a party-like atmosphere, giving away free drink samples. "Rather than encouraging trite customer service sayings like "Have a nice day" or other scripted communications, successful leaders help staff look for genuine opportunities to do the positively unexpected." [37]

8.3 Transform Product Interest into Desire and Passion

Transform product interest into something stronger, desire, by instilling and cultivating feelings of emptiness of something missing inside the targeted consumers that need fulfillment: make consumers aware of the excitement and adventure, the difference the product makes in their lives vis-à-vis existing products. That's where the "power of the context," the conditions and circumstances the product is consumed discussed in previous chapters, comes into play. To turn interest into desire, Red Bull, for instance, supports extreme sports that are covered by mass media, such as Formula One, sky-diving, and snow boarding-free falling. The company

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[34] Paul Marsden in Kirby and Marsden (2006, p.8).

[35] Elliot (2007, p. C5).

[36] Lorne Manly, "BrewTube," *The New York Time Magazine*, pp. 51-56.

[37] Michelli (2007, p. 91).

further gives out samples of its products in places where the message of its product as the drink for the active mind and body is most sticky, in places where people observe extreme sports. Interest can be also turned into passion through artificial shortages, by bringing limited quantities to the market. Everyone who watched on TV two ladies fighting over the last piece of *Tickle Me Elmo* doll would understand what shortages for popular items can do to consumers. Even pharmaceutical companies, like Glaxo Holdings, have tried to stir up interest in their new product Requip, a treatment for restless-leg syndrome or RLS, launched a pre-announcement blitz with ads in medical magazines and journals well before receiving FDA approval; Novartis has used similar tactics over the Internet for its attention deficit disorder.[38]

8.4 Hire Mass Seducers to Infiltrate the Ranks of Consumers

Hire mass seducers to infiltrate the ranks of consumers, mastering their values, indulging them into the pleasures the product saves for them. Mass seducers may have some of the characteristics of market mavens, connectors, opinion leaders, but also something more, i.e., they attract and magnetize people, they gain their trust and admiration that makes them more efficient and effective communicators of the product message; they can present the product as something they are lacking in their lives, as legendary politicians like Napoleon and John F. Kennedy presented their banner values to their constituencies. Napoleon offered French people pride. Kennedy offered American people a sense of adventure and risk.

> Mass-seducers such as Napoleon or John F. Kennedy offer their public just what it lacks. When Napoleon came to power, the French people's sense of pride was beaten down by the bloody aftermath of the French Revolution. He offered the people glory and conquest. Kennedy recognized that Americans were bored with the studying comfort of the Eisenhower years; he gave them adventure and risk. More important, he tailored his appeal to the group most vulnerable to it: the young generation. Successful politicians know that not everyone will be susceptible to their charm, but if they can find a group of believers with a need to be filled, they have supporters who will stand by them no matter what.[39]

Kennedy, in particular, seduced an entire nation by "aiming" at its "collective insecurity," the sense that the world is not as good as it looks, by making them aware of the time lost and the things still missing even in a prosperous world.

> Part of John F. Kennedy's 1960 election strategy was to make Americans unhappy about the 1950s. JFK did not mention the nation's economic stability or its emergence as a superpower. Instead, he implied that the period was marked by conformity, a lack of risk and adventure, a loss of American values. To vote for Kennedy was to embark on a collective adventure, to go back to ideas Americans had given up. But before anyone joined his crusade they had to be made aware of how much they had lost, what was missing.

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[38]Whalen (2006, p. B1).
[39]Greene (2001, p. 174).

Table 8.4 The profile of the mass seducer

Seducer	Description
The natural	A person who has preserved an innocent, a child-like look, which makes him/her trustworthy.
The charmer	A person who is a good listener, enticing other people to reveal their tastes and preferences.
The charismatic	A person who magnetizes and attracts other people.

Adopted from Robert Greene (2003)

> A group, like an individual, can get mired in routine, losing track of original goals. Too much prosperity saps it of strength. You can seduce an entire nation by aiming at its collective insecurity, that latent sense that not everything is what it seems.[40]

Robert Green classifies mass seducers into three categories, i.e., naturals, charmers, and charismatic (see Table 8.4). Natural seducers are people who have preserved the innocent look of a child that makes them trustworthy to other people. "Natural seducers are people who somehow avoided getting certain childish traits drummed out of them by adult experience. Such people can be as powerfully seductive as any child, because it seems uncanny and marvelous that they have preserved such qualities. They are not literally like children of course; that would make them obnoxious or pitiful. Rather, it is the spirit that they have retained."[41] It is this spirit that attracts people, creating almost instant trust.

Charmers are good listeners that entice people into revealing their preferences, making it easier to "individualize attention," and to target their "flatteries into their insecurities." Charmers fade into the background; their targets become the subject of their interest. To be a Charmer you have to learn to listen and observe. Let your targets talk, revealing themselves in the process. As you find out more about them – their strengths, and more important their weaknesses – you can individualize your attention, appealing to their specific desires and needs, tailoring your flatteries to their insecurities."[42]

The charismatics are people of rare qualities that attract and magnetize other people, their mystery, beliefs, and boldness, which attract crowds without much effort. "Charisma is seduction on a mass level. Charismatics make crowds of people fall in love with them. The process of making them fall in love is simple and follows a path similar to that of a one-to-one seduction. Charismatics have certain qualities that are powerfully attractive and that make them stand out. This could be their self-belief, their boldness, their serenity. They keep the source of these qualities mysterious. They do not explain where their confidence or contentment comes from, but they can be felt by everyone; it radiates outward, without the appearance of conscious effort."[43]

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[40]Greene (2001, pp. 209–210).

[41]Greene (2001, p. 55).

[42]Greene (2001, p. 81).

[43]Greene (2001, p. 97).

To infect one of its target markets, university students, Red Bull has recruited "Red Bull Ambassadors," student brand managers, on a part time basis, who talk about the product, organize events, where Red Bull is served as the drink of choice. Vespa, the Italian motor scooter manufacturer recruited models to hang out on scooters outside trendy nightclubs and cafes in Los Angeles. Other companies have used the cyberspace, where mass seducers are everyday people who submit scores of blogs about different products in popular sites like Newswire and Digg. A *Wall Street Journal* survey of more than 25,000 blog submissions in six major sites confirms that "substantial number of submissions originated with a handful of users." [44] This means that ordinary people rather than market mavens like a mother from New York who posted stories about genetically-modified foods on Newswire; an English teacher from Osaka, Japan, writing on Digg site about Apple Computer; and a photographer from Seattle who surfs the net to identify the coolest political stories to post on the Digg/Netscape site."The opinions of these key users have implications for advertisers shelling out money for Internet ads, trend watchers trying to understand what's cool among young people, and companies whose products or services get plucked for notice. It's even sparking a new form of payola, as marketers try to buy votes."[45] Nescafe Café con Leche (Nestle Argentina) paid 50 of the drink's target consumers who were "big" e-mail forwarders and asked them to forward a spot for the product to at least 15 people each. In the month after the product's introduction, the spot and link were forwarded 100,000 times, and 15–20% of visitors to the site answered a four-question survey.[46]

8.5   Keep the Hype Alive

Fifth, keep the hype alive by providing hints of the next product to come, and the pleasures it saves for consumers. For example, best selling authors, keep their readers' hype on for their next hit story, as they are game consol makers, toy makers, automakers, and so on. J.K. Rowlings keeps children's interest by churning out the one book after another. Apple Computers has kept interest in its products by churning the one blockbuster product after another.

In short, buzz is about aggregating and accelerating WOM campaigns by adding to them hype and that stirs up consumer emotions, and contagious behavior whereby consumers are rushing to copy and replicate the behavior of one another, in a herd-like mentality that is a function of the number of people that adopt

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[44] Warren and Jurgensen (2007, p. P4).

[45] Warren and Jurgensen (2007, p. P4).

[46] Charles Newbery (2005), "Nescafe Builds Buzz via Viral e-mail Effort," *Advertising Age*, May 2, p. 24.

the product.[47] As more consumers adopt the product, consumers inclined to buy the product look smart, while consumers who decline are considered idiots.

> The point of idiocy reached is when one's day-to-day interactions with humans become a stronger influence on oneself than any print, screen, or radio advertising. My emphasis on the point of idiocy is not to suggest that consumers do not also find merit of using one new technology or another, but rather that the peer pressure helps put the issue at the top of the agenda when it might not have otherwise gained much attention. In the 1990s, the point of idiocy showed up at cocktail parties when folks "needed" to pull out a PDA or mention their day-trading habits in order to fit in.[48]

Increasingly, the product makes it to every consumer's shopping list, and the question is not whether, but when and under what circumstances consumers would buy it. In this sense, herding behavior is like a communication system whereby participants perform a dual role, as users, and as agents of influence, maintaining, repairing or even transforming the system.

> Everybody who participates in a communication system is part of the system. His participation maintains it or repairs it or transforms it or, sometimes, helps to cause it to wither away and collapse. People who pass along tips on the stock market or the horse races, where-to-get-it-wholesale, what movies to see or what restaurants to patronize, how to avoid getting caught, whom to date, and where to go for help, are simultaneously involved in two related activities. They are transmitting particular information over the network; and they are exercising the network.[49]

In the case of WOM and Buzz marketing, a herd behavior implies that not only the expected benefits increase exponentially with the rate of adoption, but that the entire benefit curve rotates upwards, as more and more consumers revise upwards their perception of the product benefits (see Fig. 8.2). Likewise, herding implies that not only the cost of product adoption decreases exponentially with the rate of adoption, but the entire cost curve rotates downwards, as more and more consumers revise downwards the costs of adopting the product. This means that herding helps a product reach the tipping point much faster than otherwise, from A to B.

Buzz is the seduction of the mass consumer through the proper targeting, stirring up consumer interest in the product, by exposing consumers into controversy, by instilling and cultivating feelings of emptiness, by hiring mass seducers, and by providing hints of the new products to be released. Buzz adds to WOM hype and contagion that fuels a herd-like behavior that helps products overcome the marketing chasms and WOM failures, reaching the tipping point earlier than later.

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[47] Herd behavior can be rational or irrational. Joining the herd minimizes the risk of being an outcast, and suffer the consequences. When chased by lions, for instance, a herd of deer, the outcasts run a higher chance to be captured and killed than the ones in the middle of the herd. Joining the herd can be part of a compulsory behavior based on an innate instinct to imitate one another.

[48] Coburn (2006, p. 108).

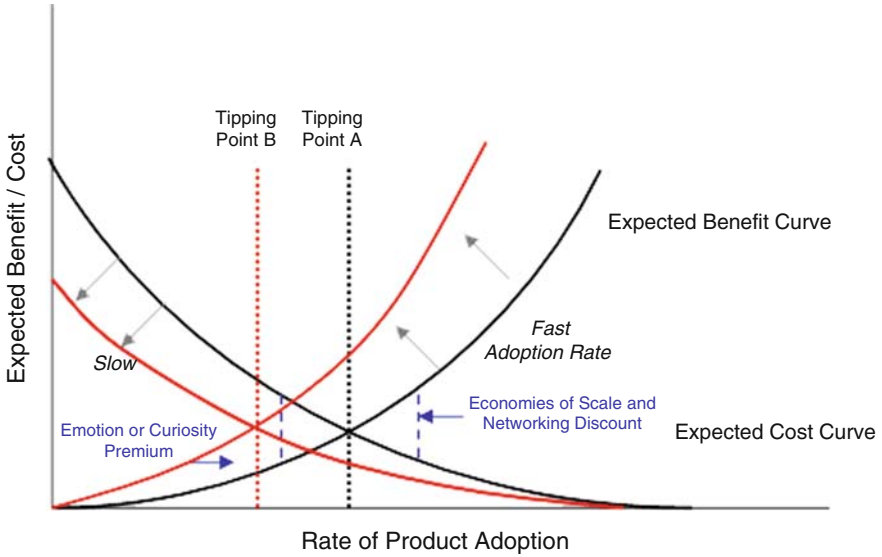[49] Thomas C. Scelling (1978), *Micromotives and Macrobehavior*, W.W. Norton & Company, p. 40.

Fig. 8.2 Consumer herding moves the rate of adoption forwards

8.6 A Case-in-Focus: Using Buzz and WOM to Build Craft-Beer Brands

8.6.1 The Craft-Beer Market

Traditionally, craft beers are the high-quality, premium-priced products of small, independent breweries which produce fewer than 2 million barrels of beer annually. However, most of craft beer labels are produced by the large brewers. The U.S. craft beer segment accounts for about 3.5% of the volume and about 5.5% of sales (estimates-year 2005, Brewers Association).

8.6.2 The Consumers

Craft beer consumers are in general more affluent, younger and more educated than typical beer drinkers.

8.6.3 Craft-Beer Brands

The three largest national brewers in the U.S. are:

1. Anheuser-Busch Co.
2. Miller Brewing Co.
3. Molson Coors Brewing Co.

The largest craft brewers in the U.S. are Boston Beer Co. (based in Boston), Sierra Nevada Brewing Co. (based in Chico, California), and New Belgium Brewing Co. (based in Fort Collins, Colorado).

Anheuser-Busch Co. is the brewer of several craft-beers, including Rolling Rock, Wild Hop Lager, and Stone Mill Pale Ale. The last two are brewed by Crooked Creek Brewing Co. and Green Valley Brewing Co., respectively. Molson Coors Brewing Co. produces the Blue Moon craft-beer label, and so on.

8.7   The Case of Rolling Rock: Buzz Through Viral Marketing

Anheuser–Busch's (A–B) Rolling Rock brand of craft-beer ranks 36th in terms of U.S. sales. A–B relies on buzz in order to increase sales of Rolling Rock. It utilizes the power of Internet video-sharing. In late 2006, for example, it posted on YouTube a humorous ad for Rolling Stone beer which had an ape starring. In a period of one month, the spot drew on YouTube more than 1 million page views and became the most linked video, according to rankings by YouTube. In parallel, in order to induce consumers to look for the ape spot, A-B also run a TV ad, which pretended the ape spot had created controversy. The ad campaign was part of a larger Web marketing effort by A–B, which was to increase the share of its advertising budget going to the Web to about 10% for the year 2007. This trend of putting more emphasis on Web advertising was followed by other brewers, as well; e.g., SABMiller designed an Internet-only ad campaign for its Foster's brand.

8.8   The Case of Blue Moon: Using WOM to Build the Brand

Molson Coors Brewing Co.'s (MCB) Blue Moon beer is a Belgian-style wheat beer made in Canada. It is the third or fourth largest craft brewer in the U.S. It has become one of the fastest-growing brands in the national market, with a growth rate that is greater than Coors Light, MCB's key brand.

MCB relies on a "stealth" marketing campaign, which rejects the "macho" TV ads that offend many of the craft-beer loyal consumers. Blue Moon has used WOM in order to build the brand. It relied on bartenders and waiters, people whose opinions beer drinkers seek, i.e., opinion leaders. MCB suggested that bars should serve Blue Moon "with an orange slice garnishing the rim of the glass." An orange slice in the beer created interest in the brand by the prospective consumers who would easily want to try one. MCB used certain other tactics along WOM. These tactics are normally followed by other craft-beer producers; they include: avoiding

TV ads; playing down the connection of the craft-beer to its corporate parent; targeting key accounts using distributors who know how to sell smaller brands.

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Check the Seventh Principle

When launching a buzz campaign you:
1. Choose the right targets	Yes ☐ No ☐
2. Stir up interest in the product	Yes ☐ No ☐
3. Transform product interest into desire and passion	Yes ☐ No ☐
4. Hire mass seducers	Yes ☐ No ☐
5. Keep the hype alive with hints of product sequels	Yes ☐ No ☐

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Dr. Siomkos has been presented his far ranging research at many international conferences around the world and consulted with several Greek and multinational companies.

Epilogue

WOM and Buzz Marketing is an efficient and effective way to create fashion and faddism for a product; help a product cross the tipping point, reaching a critical mass of consumers – the dream of every marketer. For some marketers, the dream comes true; it becomes reality. For other marketers, it remains just a dream. The difference between dream and reality is in the seven principles discussed in this book:

1. *Begin with the consumer*: No matter how good is a marketing plan, it will not succeed unless the product launches addresses genuine consumer needs and desires. Provide a product or a service that fills a genuine consumer need. Meet, engage, employ, and even partner with the consumer. Treat consumers as communities rather than as individual units.

2. *Be innovative*: The product launched must add consumer value vis-à-vis competitive products.

Develop products that seduce consumer fantasy by delivering better consumer value than conventional products in terms of cost, performance or both; and are consistent with emerging individual and group values or beliefs. Make products simple and easy for consumers to try and understand their costs and benefits.

3. *Target the right group*: Some groups are more receptive to innovative products than others; they should be the target of the marketing campaign. Select the market segments most interested in your product. Then, within each segment, target early adopters, people who tend to be opinion leaders in local reference groups. They are successful, well educated, somewhat younger than their peers, well socially integrated, willing to take a calculated risk on an innovation but are concerned with failure. Early adopters also use commercial, professional, and interpersonal information sources, and they provide information to others. As the innovation gains acceptance, shift focus to the early and the late majority; use the appropriate media.

4. *Create the Message*: The marketing campaign should have a clear and transparent message that conveys the product attributes to the target consumer group Create the right message that conveys the product attributes to prospective consumers. Make the message appealing, clear, credible, transparent, direct, and

sticky using characters and stories that consumers are familiar with and can easily memorize and recall the moment they make their purchase decisions. Adjust the message to appeal to different target groups. Message themes should generally move away from a focus on radical newness that appeals to innovators to a focus on the product's proven performance record that appeal to the early and the late majority. This shift in the message focus frequently requires the use of different media.

5. *Find the right social context*: Launch a WOM campaign; enlist to your campaign a selective group of consumers who will carry efficiently and effectively your product message to other consumers. Adjust your message to reflect changes in the context.

6. *Spread the message*: Launch a WOM campaign; enlist to your campaign a selective group of consumers who will carry efficiently and effectively your product message to other consumers. Identify the "agents of influence," i.e., consumers who are more effective in influencing others, or be influenced, by others, and therefore, spread the product message, tell their neighbors, their friends, their co-workers and fellow club-members. Target, support and re-enforce your campaign with viral marketing.

7. *Turn WOM into Buzz*: Add emotion and hype to the campaign to speed up the spread and the diffusion of the message to a critical mass of consumers. Stir up interest and desire in the product that fuel hype and contagion. Turn hype and contagion into herd-like consumer behavior that helps products cross the "chasms," especially the chasm between early adopters and early majority.

Simply put, helping a product crossing the tipping point is not just a marketing an issue. It is an issue of the entire organization, from R&D to production, and marketing. This is a book for professionals and for students of marketing, advertising, sales. It helps them develop a comprehensive idea of how WOM and Buzz helps products cross the "tipping point," reach a mass consumer market.