

The power of word-of-mouth marketing

 By Joseph Neusu 9 Sep 2014

When I first travelled to Ghana on a business trip, my colleague who had visited the country earlier referred me to a hotel where he had stayed and he also gave me tips on where to shop and how to hustle on the crafts market of Accra.

He gave me this information on the basis of the great relationship that we have. People talk about brands not for the brand sake but simply because they love their friends more. They also want them to enjoy the same experience they had or avoid if it was a nasty one.

Word-of-mouth marketing (WOMM) is an age old marketing technique that has stood the test of time to remain the most effective form of marketing. It retains its influential power on the purchase behaviour of customers because it is based on trust.



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Trust is a very important ingredient in all successful business relationships. Customers repeatedly buy products from a brand with whom they have a genuine and solid relationship and they avoid those on which they have negative perceptions.

Customers trust the recommendations made by their peers most of the time. In fact, research into customer behaviour has shown that peer-to-peer recommendations enjoy a trust rate of 94%. This confirms that customers' purchase decisions are not entirely their own as they represent responses to recommendations made by their friends. In my case, my friend's recommendation influenced where I stayed in Ghana.

WOMM has become much easier in the digital age due to the prevalence of social networking tools, increase in the number of internet enabled devices and the ubiquitous availability of internet coverage.

How can brands use social media to influence word-of-mouth marketing?

The social media revolution has added fuel to the fire of WOMM. Social networking platforms like Facebook, Yookos and Twitter are very effective in this regard. Social networking activities are driven by relationships between people with shared interests or common demographics as well as psychographics. This means the trust factor is largely present in their social interactions.

Conversations between these connections include social stories and their experiences with brands. When a social network user on Facebook for instance enjoys a pleasant shopping experience at a specific shop, he or she might like the shop's Facebook page and even upload pictures of the products they bought. This in turn is picked up by his or her friends on the social platform, thus influencing them to visit the shop too.

Considering the number of friends one has on a social networking site, the reach of the post goes to tens of thousands. It creates the cherished advocacy at the bottom of the marketing funnel that will result in increased brand awareness and lead generation for the brands.

Conversely, users can also share their negative experiences with a brand and this can lead to a catastrophe if the disgruntlement is not properly managed. A classic example is the "United Breaks Guitars" video protest song that was created by Dave Carroll after United Airlines had broken his guitar but refused to compensate him. The negative feedback caused by the Youtube video resulted in the Airline's shares dropping by over 10 percent.

However, negative feedback can actually be turned around and promote a product if it is handled with skill and timeously. Negative comments should not be left unattended for a long time.

Creative bond with clients

Given the power that word-of-mouth marketing has in generating high sales volume, marketers should add social networking platforms like Yookos, Youtube and Twitter to their marketing mix to create strong emotive bonds with their clients. These tools have the potential to foster customer satisfaction, trust and commitment which builds a strong foundation for word-of-mouth marketing.

Many people are accessing the internet via their mobile phones and social networking is their number one online activity. This has widened the target market that brands can tap into to make their businesses more profitable. Word-of-mouth marketing spreads like wild fire in these online networks.

It has also forced brands to pay more attention to their customers and satisfy their needs. This has made a positive impact on the quality of the products leading to happier shopping experiences.

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