

A Service of



Leibniz-Informationszentrum Wirtschaft Leibniz Information Centre

Meiners, Norbert H.; Schwarting, Ulf; Seeberger, Bernd

Article

The renaissance of word-of-mouth marketing: A new standard in twenty-first century marketing management?!

International Journal of Economic Sciences and Applied Research

Provided in Cooperation with:

International Hellenic University (IHU), Kavala

Suggested Citation: Meiners, Norbert H.; Schwarting, Ulf; Seeberger, Bernd (2010): The renaissance of word-of-mouth marketing: A new standard in twenty-first century marketing management?!, International Journal of Economic Sciences and Applied Research, ISSN 1791-3373, Kavala Institute of Technology, Kavala, Vol. 3, Iss. 2, pp. 79-97

This Version is available at: https://hdl.handle.net/10419/66627

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.





The Renaissance of Word-of-Mouth Marketing: A 'New' Standard in Twenty-First Century Marketing Management?!

Norbert H. Meiners¹, Ulf Schwarting² and Bernd Seeberger³

Abstract

In this paper the importance of word of mouth for marketing management in the twenty-first century will be discussed. After a short introduction, there will be a focus on the demarcations and problems of traditional marketing. Then, in the third section, word of mouth (WOM) and word-of-mouth marketing (WOMM) as a 'new' standard in modern marketing are described. The fourth section broaches the importance of word of mouth and word-of-mouth marketing from the point of view of business and consumers, and then in the fifth section their importance for the Internet is considered. Finally, in section six evangelism marketing is discussed as the most effective form of word-of-mouth marketing. Section seven concludes the paper with a short summary. The paper focuses on scholarly articles and current research so as to keep theory as close as possible to reality.

Keywords: word of mouth, word-of-mouth marketing, evangelism marketing, social media, internet marketing

JEL Classification: M31, M37

1. Introduction

Communication between suppliers and consumers has been characterized over the centuries by an intense personal dialogue, from which a mutual trust arose with the aim of building long-term customer relationships (Schmidt, 2009; Oetting, 2006b). But since the





Head of the Department of Business Administration & IT, FHWT - Private Fachhochschule für Wirtschaft und Technik Vechta (Private University of Applied Sciences), Rombergstraße 40, D- 49377 Vechta (Germany), e-mail: meiners@fhwt.de

² Lecturer at the FHWT - Private Fachhochschule für Wirtschaft und Technik Vechta (Private University of Applied Sciences), and Consultant at Ulf Schwarting Management Support, Kira-von-Preußen-Weg 5, D- 28357 Bremen (Germany), e-mail: ulf.schwarting@schwarcon.de

³ Head of the Institute of Gerontology and Demographic Development, UMIT - The Health and Life Sciences University Hall/Tyrol, Eduard-Wallnöfer-Zentrum 1, A- 6060 Hall/Tyrol (Austria), e-mail: bernd.seeberger@umit.at



advent of industrial mass production and mass media, and the transformation from a seller's to a buyer's market, marketing communication has fundamentally changed (Urchs and Körner, 2007; Oetting, 2006b).

In order to reach the large number of consumers eager to buy goods and possessing buying power, companies have focussed since the boom following World War II on a broad and rapid appeal addressed to the consumer through the mass media (Taylor, 1997; DeFleur and Dennis, 1996; DeFleur and Ball-Rokeach, 1989). Rather like the introduction of mass-produced goods, this developed a one-sided, uniform style of mass communication that functioned successfully for decades under contemporary conditions (Ramge, 2008; Oetting, 2007; Bruhn, 2005). At least since the 1990s, however, there has been an urgent need to adapt the existing communication model, for classical mass communication has become increasingly inefficient (Oetting, 2007; Urchs and Körner, 2007; Stevenson, 1994).

The present paper will discuss the development, importance and impact of word of mouth for marketing management in the twenty-first century. After a short introduction, the second section will focus on the demarcations and problems of traditional marketing. Then, in the third section, word of mouth (WOM) and word-of-mouth marketing (WOMM) are described as a 'new' standard in modern marketing. The fourth section broaches the importance of word of mouth and word-of-mouth marketing from the point of view of business and consumers, and then section five considers its importance for the Internet. Finally, section six discusses evangelism marketing as the most effective form of word-of-mouth marketing. Section seven concludes the paper with a short summary and future research. This paper is not intended to be a complete review, but rather a starting point for further discussion and investigation.

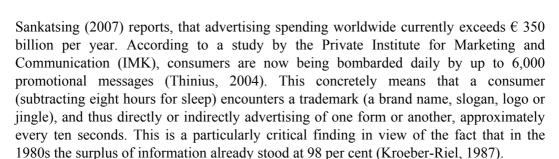
2. Demarcations of traditional marketing

The major change in the market that should be mentioned first is the ever increasing supply of communication channels. If there was still a fairly manageable number of media in the 1960s (TV, radio, magazine, newspaper), by the end of the 1990s the Internet and mobile communications had become two further media competing for the attention of the consumer (Markert, 2008; Röthlingshöfer, 2006). In addition, for years there has been an increasing fragmentation within the various communication channels (Rosen, 2009; Sankatsing, 2007). Since consumers' media addiction has not kept pace with this rise, however, the perception of communication and advertising messages within the individual channels has decreased dramatically (Egli and Gremaud, 2008). This development is also fostered by the fact that advertising messages are sent through communication channels that are now used by the corresponding target audiences to only a reduced extent. For example, advertising companies still use television as central medium of communication, whereas consumers – particularly the most sought-after target group between the ages of 14 and 49 – increasingly use the Internet (Egli and Gremaud, 2008; Urchs and Körner, 2007).

As a result, companies are faced by steadily growing mainstream media pressure, which frequently ends in consumers being inundated by a plethora of advertising.







In addition to the growing range of communication channels and increasing mainstream media pressure, the homogenisation of the offered services in particular has had a negative impact on the existing communication model (Sankatsing, 2007). Thus, the consumer is confronted more and more by homogeneous standard products, which considerably complicates his buying decisions (Markert, 2008). Especially in markets where brand profiling through product differentiation or innovation is barely possible any longer, it often comes, according to Bruhn (2005), to intensely competitive advertising amongst individual providers with the aim of achieving unique communication proposition (UCP), and so obtaining strategic advantage.

Moreover, the increasing globalisation of products from abroad and the many noname products that, along with traditional brands, have steadily expanded the range of products, foster the efficiency problem of classical marketing (Markert, 2008; Röthlinghöfer, 2006). A further factor is the increasing complexity of products and the resultant need for explanation. Neither the bewildering range of products nor the growing need for explanation can be satisfactorily dealt with by traditional marketing communication (Radic and Posselt, 2009; Heuer, 2008). As a result, traditional marketing messages are increasingly faced by credibility issues because of the commercial background and the frequently observed communication of faulty sales-related characteristics to the consumer (Egli and Gremaud, 2008; Markert, 2008; Kroeber-Riel and Weinberg, 2003). The commoditisation of products results in lower customer loyalty and so an increased propensity to switch products (Markert, 2008). Companies therefore labour under the constant necessity of acquiring new customers. The lack of customer dialogue and the below par customer relationship become clearly apparent for the first time under these new conditions. This in turn brings about a considerable increase of marketing communication and advertising pressure, resulting in a vicious circle of problems.

From this development we may infer that the classical sales approach has become more and more unpopular with consumers. They often feel harassed by the many advertising messages and read this flood of information either selectively or not at all. In addition, consumers no longer have the time or the interest to deal with the different messages and increasingly ignore them (Egli and Gremaud, 2008; Röthlinghöfer, 2006; Kroeber-Riel and Weinberg, 2003; Silverman 2001). In a countermove, they again give interpersonal communication a high priority and rely on their purchasing decisions more and more on recommendations from their social environment and from strangers on the





Internet (Harris, 1999). In this way, word of mouth is experiencing a 'renaissance' (Spinner, 2009; Egli and Gremaud, 2008).

3. Word-of-mouth (WOM) and Word-of-mouth Marketing (WOMM)

Defining word of mouth (WOM) precisely, however, has proven difficult (Carl, 2006; Nyilasy, 2005). Arndt (1967, p. 291) defines it as 'face-to-face communication about a brand, product or service between people who are perceived as not having connections to a commercial entity'.

Some forty years later, the American Word of Mouth Marketing Association (WOMMA), founded in 2005, defined word of mouth (WOM) very generally as '[t]he act of consumers providing information to other consumers' (WOMMA, 2008).

Both definitions conceive of word of mouth (WOM) as natural (that is, non-commercial), inter-personal communication about brands, products or services that may be either positive or negative (WOMMA, 2008). In this sense, word of mouth marketing (WOMM) is seen as the type of marketing that specifically promotes natural interpersonal communication in the most diverse ways. WOMMA describes it as: 'Giving people a reason to talk about your products and services, and making it easier for that conversation to take place. It is the art and science of building active, mutually beneficial consumer-to-consumer and consumer-to-marketer communications' (WOMMA, 2008).

In this definition, word-of-mouth marketing (WOMM) becomes a generic term, including tactics such as so-called 'viral marketing' or 'buzz marketing' (Sernovitz, 2007). Word-of-mouth marketing (WOMM) is accordingly not about generating conversations between consumers (these exist already), but rather to encourage these conversations and to anchor them in the overall marketing strategy (WOMMA, 2008; Sernovitz, 2007; Oetting, 2005a). The focus on overall marketing is important because the theory of communication practice often speaks of marketing when it means only marketing communication and not the entire marketing mix (with product, price and place) (Kotler and Bliemel, 2006).

The difficulty of defining the terms 'word of mouth' (WOM) and 'word-of-mouth marketing' (WOMM) also stems from that the fact that researchers fail to distinguish between inter-personal communication itself, the strategy of facilitating this communication and its use for marketing, and the strategy of generating interpersonal communication (Oetting, 2005a). Plummer (2007), for example, introduces WOM (devoid of marketing) as a 'new advertising discipline' with the aim of generating conversations about brands, and so refers to both the discipline and the desired result.

While McCarthy's (1960) 'four P's' offer a good basic framework for understanding the all-encompassing nature of marketing, they lack one key ingredient that has been made apparent by the 'consumer revolution' – the consumer's involvement in the process. In the new reality that companies faces today, the consumer has seized control, audiences have been shattered into fragments and slices, product differences may last for only a few minutes rather than years, and the new ecosystem consists in millions and billions of unstructured one-to-one and peer-to-peer conversations. Companies therefore need to re-







address the underlying models upon which marketing is based. James (2009) states the problem with the four Ps is that the first P is roughly ten times more important than the other three. And the Promotion part, which was never very important, has become very much less important now that the Internet provides instantaneous worldwide word of mouth. Fetherstonhaugh (2009) observes: 'We need a new framework. And a new tool kit. For starters, we need to throw away the Four Ps'. Furthermore, Navel (2009) says, that companies must add more P's to their marketing mix, such as People, Process, Physical presence, or – as word-of-mouth/social media representatives like to say – Participation.

Word of mouth (WOM) is not a new concept, but has for decades been considered a very important factor in the purchasing behaviour of consumers. For many years, however, companies and retailers have largely ignored it. Recently many companies have discovered its effectiveness by means of studies similar to those cited in the following literature review. This small and partial review of the literature on word-of-mouth communication will show the great development, importance and impact of this marketing method, which can help businesses effectively sell their products to customers.

The word-of-mouth field has been developed over forty years, with many research papers published in books, marketing-related and academic periodicals. Following the literature, we can identify three main periods of development of word-of-mouth communication: the mid-1960s, mid-1980s, and after the turn of the millennium.

Table 1: Most important research findings in the main periods of development of word-of-mouth communication

| First author | Year | Subject of paper |
|--------------|------|---|
| Brooks | 1957 | Word-of-mouth advertising in selling new products |
| Dichter | 1966 | How word-of-mouth advertising works |
| Arndt | 1967 | Role of product-related conversations in the diffusion of a new product |
| Arndt | 1968 | Selective processes in word of mouth |
| Richins | 1983 | Negative word of mouth by disssatisfied consumers |
| Gumpert | 1986 | Interpersonal communication in a media world |
| Richins | 1987 | A multivariate analyses of responses to dissatisfaction |
| Berger | 1988 | Word-of-mouth reputations in auto insurance markets |
| Gremler | 2001 | Generating positive word-of-mouth communication trough |
| | | customer-employee relationships |
| Bickart | 2002 | Expanding the scope of word of mouth: Consumer-to-consumer |
| | | information on the internet |
| Wirtz | 2002 | The effects of Incentives, deal proneness, satisfaction and tie strength on |
| | | word-of-mouth behaviour |
| Dellarocas | 2003 | The digitization of word of mouth: Promise and challenges of online |
| | | feedback mechanisms |
| Godes | 2004 | Using online conversations to study word-of-mouth communication |
| Brown | 2007 | Word-of-mouth communication within online communities: |
| | | conceptualizing the online social network |

Source: Author's illustration







In the 1960s the focus of research was on the correlation of the phenomenon of word of mouth and advertising and innovation (Brooks, 1957). One of the first empirical studies of word-of-mouth influence in marketing was conducted by Arndt (1967). He was able to monitor the adoption of a new food product under test market conditions and assess the impact of word of mouth on short-term purchasing behaviour. One year before, Dichter (1966) conducted in-depth interviews with 255 consumers in 24 localities in the U.S. and explored aspects of consumer psychology with respect to word-of-mouth communication. He also applied his research findings to the product advertising.

Twenty years later, in the mid-1980s, the relationship between customer satisfaction and word of mouth was the main theme of research, with special focus on the correlation of dissatisfaction and negative word of mouth (Richins, 1983), as used, for example, in-depth interviews and open-ended questionnaire surveys to explore the correlation between possible reactions of consumers to unsatisfactory experiences and defined consumer variables for dissatisfaction reactions. In his pilot study, Richins found that 85 per cent of customers who were dissatisfied with a clothing item reported their dissatisfaction to an average of five others consumers. Richins's (1987) replication study reported similar findings. He states that customers dissatisfied with a product spread negative word of mouth to eleven acquaintances, whereas satisfied customers may spread positive word of mouth to only three. And Berger (1988) found that the newly insured are willing to recommend their insurer and that these good 'word of mouth' recommendations offset the effect of poor recommendations.

In recent decades the Internet, by making it easier for individuals to share information, has been changing the way consumers share their positive and negative opinions. As Bickart and Schindler (2002) have argued, typical word-of-mouth communication consists of spoken words exchanged with one friend or relative in faceto-face-communication. By contrast, online word of mouth consists in the transmission of personal opinions and experiences through the written word. An advantage of this new kind of word-of-mouth communication – namely, the written word – is that people can seek information at home. Writing may also transmit the information in a more intact manner and make it appear more formal (Brown, Broderik and Lee, 2007). Furthermore, online communicators tend to be more willing to disclose personal information and to be more honest and forthcoming about their point of view (Roed, 2003). The new media technology has changed the form of classical interpersonal communication (sender – message - receiver) by introducing a new form of communicator, a forwarder or transmitter (Gumpert and Cathcart, 1986). After the turn of the millennium, many studies appeared on 'new', media based word of mouth; for example, Forbes, Kelley and Hoffman (2005), Godes and Mayzlin (2004), Xue and Phelps (2004), Dellarocas (2003), Wirtz and Chew (2002) and Gremler, Gwinner and Brown (2001).

The results of the these research papers indicate that word of mouth, both traditional and 'new' (online), is indeed a force that can influence the attitudes and predicted purchasing behaviour of consumers. Richins and Root-Shaffer (1988) claim that word of mouth has played a vital role in customers' buying decisions. It is therefore one of the most effective forms of communication in marketing management (File, Cermak







and Prince, 1994). Bill Bernbach, founder of the international advertising agency DDB Needham Worldwide and one of the most influential advertisers of the twentieth century, has been quoted as saying: 'Word of mouth is the best medium of all' (MacLeod, 2005). Later the equally renowned advertising genius David Ogilvy paraphrased this: 'The best advertising is word of mouth' (MacLeod, 2005).

4. Importance of word of mouth from business and consumer perspectives

Already in the late 1970s the growing importance of word of mouth in the realization of purchasing processes was empirically confirmed again and again. Thus, for example, for 67 per cent of the respondents in a study carried out by GfK Roper Consulting, recommendations from the social environment were the most important source of information, far ahead of TV-spots and print media, which were mentioned as a source of information by only 53 per cent and 47 per cent respectively (GfK Roper Consulting, 2006). Within the last thirty years the importance of word of mouth has increased substantially once again. According to an internet-based survey 'Trust, Value and Engagement in Advertising', repeatedly carried out by the market research institution Nielsen for the first time in 2007 and then in 2009, over 25,000 Internet users surveyed from 50 countries primarily trust in the recommendations of other consumers (90 per cent) and in consumer opinions published online (70 per cent). Traditional media such as newspapers (61 per cent), television (61 per cent) and radio (55 per cent) are mentioned, but they trail significantly behind inter-personal communication (The Nielsen Company, 2009).

Borand websites

Borand websites

Ads on TV

Ads in magazines

Ads in magazines

Ads in mewspapers

Ads before movies

Ads before movies

Ads served in search engine results

Ads some ads on mobile phones

Ads on mobile phones

Ads served in search engine results

Ads s

NB: Editorial content, billboards/outdoor advertising and online video ads not covered in April 2007 survey.

Figure 1: Consumer trust in advertising by channel (trust somewhat/completely) 2007 vs. 2009

Source: The Nielsen Company, 2009, p. 2







The results of the regularly conducted Edelmann Trust Barometer in 2009 also confirm that mass communication is losing its prominence as a source of information and trust. Thus 47 per cent of 3,400 respondents from 18 countries regard information about companies from a person similar to themselves as credible. Further, they classify the communication between friends and acquaintances to be by far more credible than company or product advertising (Edelman, 2009).

If you neard information about a company from each of these people, how credible would it be? 100 90 80 70 60 58% 50 47% 40 39% 30 30% 27% 20 10 An academic Financial or A person Non-profit Regular CEO of Government or expert on industry like you organization employee compnay official or or NGO analyst regulator that comany's of a industry or issues* representatie company *Asked as 'an academic' in 2008 2008 2009 Informed publics ages 35 to 64 in 18 countries 'Extremely credible' and 'very credible' responses only

Figure 2: Trust in nearly every spokesperson down; academics, industry experts most credible

Source: Edelman, 2009, p. 13

Customer trust and satisfaction are determinants of positive word of mouth and customer loyalty. 'Customers continue to purchase those products with which they are satisfied and in telling others about particularly pleasing products, they may influence the brand perceptions of those with whom they communicate' (Richins, 1983, p. 68). More and more people nowadays based their attitudes forming in the emotional factor created by the word of mouth, so this could be a further factor of word of mouth increase (Yu and Dean, 2001).





A key advantage of word of mouth in comparison to classical mass-marketing is individual consumer appeal and address. Instead of confronting the consumer with standardised and, for him, largely uninteresting advertising messages, passive or active recommendations are specifically tailored to the needs and interests of each recipient (Röthlingshöfer, 2008; Oetting, 2006b). This not only reduces the time the consumer needs to obtain necessary information, but also a reliable recommendation solves the problem of increasingly complex products and so the associated risk of making the wrong purchasing decision (Schüller, 2008; Marsden, Samson and Upton, 2005; Silverman, 2001).

Probably the most important characteristic of a recommendation, however, is its independence and credibility. Buying recommendations given by friends, family or acquaintances in particular appear to have more influence. The more positively the maker of the recommendation is rated, the more positively is his recommendation received (Röthlingshöfer, 2008).

Opinions published online concerning products, brands and companies are also increasingly gaining influence among consumers. Thus, the Allensbach Computer and Technology Analysis (ACTA) 2008 shows that 98 per cent of the approximately 40 million private Internet user regularly rely on the Internet for product search, primarily on price comparisons and information on the websites of the manufacturers and the valuation portals. Further, a total of 48 per cent of Internet users also consider the comments of other users and messages in forums in the process of deliberating a purchase, and these sources are assigned a much higher credibility than the websites of suppliers – again confirming the benefits of the word of mouth (ACTA, 2008).

5. Importance of the Internet for the word of mouth

The reason the Internet is so attractive and efficient for consumers, and consequently a vehicle for word of mouth, lies in the concept of the Internet itself. The Internet is characterized not only by a high degree of multimediality, but also by a high degree of interactivity, which especially in traditional marketing communication often exists to only a limited extent (Esch, Langner and Ullrich, 2009). 'Some of the medium's most significant characteristics are its 'always on', easy 24-hour access to the most updated information, its global coverage, an unlimited amount and source of information on products, brands or even competitors, its facilitating role in the ordering, customisation and payment for goods, and the medium's ability to target specific groups or individuals' (Sankatsing, 2007, p. 27). In particular, the development of Web 2.0, the so-called 'interactive Web' (Eck, 2007, p. 27), offers potential consumers numerous opportunities for obtaining information (for example, blogs, valuation portals, forums, communities) or participating actively in the word of mouth in the form of user-generated content (UCG) (Alby, 2008; Huber, 2008; Bauer, Große-Leege and Rösger, 2007). Not infrequently, fans of a product, brand or a company spend a great deal of time creating videos, photos or presentations on the Internet in order to show their appreciation for the item (Egli and







Gremaud, 2008; Eck, 2007). In addition, there is a high range and rate of diffusion, achieved by the strong and far-reaching network, which is not possible within the framework of traditional mass marketing. Consequently, the Internet has contributed significantly to the fact that word-of-mouth advertising is now again playing such a decisive role in consumers' purchasing decisions (Brown, Broderik and Lee, 2007).

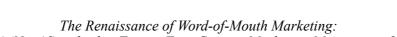
This is also confirmed by a ten-week study carried out in 2008 by the agency Komjuniti, which investigated approximately 1,400 consumers and three consumer brands. Four hundred (400) of the participants were active users of Internet brand communities; the remaining thousand (1,000) showed no affinity for social media and functioned accordingly as the control group. The results are clear and support the arguments already presented: social media activities produced in two out of three brands positive word-of-mouth effects and active members of the Internet community exchanged opinions about the relevant products with seventeen other people on average. By comparison, only two members of the control group spoke about the three brands advertised by traditional marketing methods. This word-of-mouth effect is also positively reflected by the sales: after traditional advertising showed a short-term higher impact during the first two weeks, from the third week on there was a 29 per cent increase in the sales of the products advertised through word of mouth, while only 5 per cent of the control group bought the products. The following weeks, too, showed a 14 per cent increase in sales based on recommendations, whereas the sales increase assisted by traditional advertising was a comparatively low 2 per cent.

Another key feature that became obvious during the study was that the customers' brand loyalty and willingness to repurchase was higher by 41 per cent in the case of consumers who had been acquired through word of mouth (Komjuniti, 2009). Given these advantages, it is understandable that, according to the study 'Tribalisation of Business 2009' carried out by the accountancy and consulting firm Deloitte, 94 per cent of the approximately 400 companies surveyed plan to invest more in social media in order to enter into a dialogue with customers, partners and employees (Deloitte, 2009). Only 6 per cent of all surveyed companies plan to reduce their investments in this regard.

Social Media and Web 2.0 activities are thus no longer only a matter of private leisure activity but widely recognized as an important factor in professional corporate communications (Huber, 2008). So far, however, leading German companies still have difficulties with implementing this concept. One survey conducted in 2009 by the communications agency PR-COM among the thirty internationally operating DAX–listed companies shows that the majority still do not quite know how to use the new communication possibilities. Of the 21 DAX-listed companies that participated in the study, 67 per cent are active in the area of social media on at least one platform. Thirty-three per cent of the companies surveyed are not present in social media, neither at German nor English-speaking platforms (PR-Com, 2009). In another study in 2010, PR-COM examined the web sites of 100 German IT and telecommunication companies that, based on the number of employees, belonged to the 150 biggest in this sector. The results of the study showed that precisely the IT industry, which sees itself as the vanguard of







innovation, largely refuses to make use of the opportunities offered by Web 2.0. The study identified only eight German-language blogs. Nineteen companies had blogs in English, and three blogged in both languages (PR-Com, 2010).

In the long run, there is hardly a way around a presence on social media for most companies, as current studies conducted by eMarketer (2009) und CMO (2009) confirm. Three quarters of all Internet users are active in these media, talking on Twitter, Facebook or other blogs about companies and their products. Companies that are not present on social media run the risk of not being in the position either to build a positive reputation or to correct negative comments, which spread very rapidly in the real-time media of the Internet. In America, where Twitter and Facebook play a far greater role than in Germany, a study by the Exhibitor Media Group (2010) has shown that about two thirds of all companies are represented on Web 2.0. It is therefore not surprising that in a study carried out by Wittmann, Werner, Krabichler and Stahl (2008) 28 per cent of respondents said they had recognised the potential of social media and Web 2.0 too late. The respondents were 76 experts in the German financial services industry.

6. Customer evangelism as the most efficient form of word-of-mouth marketing

In the course of time, evangelism marketing has established itself as the most efficient form of marketing communication as a means of word-of-mouth marketing, says Ben McConnell. Along with Jackie Huba, McConnell is co-author of Creating Customer Evangelists, a book documenting how companies such as Southwest Airlines and Build-A-Bear Workshop have used evangelism to increase sales (McConnell and Huba, 2003). Whereas means such as buzz-marketing or viral-marketing primarily emphasize various actions, and promote word-of-mouth advertising (see sections three and four), evangelism marketing focuses completely on the product, the brand or the company to be promoted. The word 'evangelist' comes from the Greek word euangelos, meaning 'bringer of good news'. Evangelism marketing means creating a mission and brand experience that are so inspiring to consumers that they become committed to a company - and share their enthusiasm with others. What makes evangelism so powerful today is how it weds the oldest form of persuasion, word of mouth, with the newest, social networking and Web 2.0 (Fetherstonhaugh, 2009).

The aim of evangelism marketing is to tie the company, systematically and on a long-term basis, to the cycle consisting of positive word-of-mouth advertising, successful brand management, the emergence of a loyal customer relationship and the promoters developing from engagement with ambassadors of the company and the brand, and thereby to achieve a permanent acquisition of new customers and sales increase (Langner, 2007; Bone, 1995). Many people, including marketing-managers, believe Guy Kawasaki, the former chief evangelist of Apple Computer, to be the father of evangelism marketing and one of the key people responsible for marketing the Macintosh in 1984. In his books How to Drive Your Competition Crazy (1995) and The Art of the Start (2004), Kawasaki states that the driving force behind evangelism marketing is the fact that individuals







simply want to make the world a better place. Evangelism, he says, is about selling your dream so that other people believe in it as much as you do. Those people, in turn, get even more people to believe – just as Jesus was an evangelist who recruited twelve more evangelists (Kawasaki, 2004; Kawasaki, 1995).

Evangelism marketing can be implemented only through the identification of a broad network of appropriate disseminators that are in a position to take a leading role in the active distribution of positive word of mouth. By targeted engagement of the selected disseminators, they can be trained as so-called 'customer evangelists' (McConnell and Huba, 2003). They are characterized, among other qualities, by loyalty, voluntary recommending and feedback, and consequently ensure a continuous reference program. If word of mouth is the skeleton, write McConnell and Huba (2003), then customer evangelism is the soul.

McConnell and Huba (2003) recommend six steps for creating customer evangelists:

- 1. Customer plus-delta: continuously gather customer feedback.
- 2. Napsterize knowledge: make it a point to share knowledge freely.
- 3. Build the buzz: expertly build intelligent word-of-mouth networks.
- 4. Create community: encourage communities of customers to meet and share.
- 5. Make bite-size chunks: devise specialized, smaller offerings to get customers to bite
- 6. Create a cause: focus on making the world, or your industry, better.

The companies have to take into consideration three main factors as requirements for the successful recruitment of customer evangelist. The first factor is the obligatory need of a good and successful product, because only well-known products that are characterized by positive and unusual features or which cause emotional reactions among consumers are in fact recommended. For example, winning an award or having the position as market leader can have an advantageous effect because they provide additional arguments for recommendation (Schüller, 2008; McConnell and Huba, 2003). The second factor that conduces to training customer evangelists and that companies should therefore strive for (Schüller, 2008) is to be a strong brand, one that establishes not only an emotional relationship with consumers but also has a brand community. The third and last factor is the realisation of open, transparent and conversational corporate and marketing communications and integration of customers into the marketing processes so as to gain their trust and thus generate long-term recommendation marketing (Zunke, 2008; Schüller, 2008; Röthlingshöfer, 2006; Bone, 1995).

The importance of opinion leaders as customer evangelists is the reason that more and more companies, such as Sun Microsystems, have even created the overarching position of 'corporate evangelist' or 'chief evangelist' who focuses on trumpeting core values and vision. Corporate evangelists are people in the company who maintain close contact and intensive exchange with the biggest fans of the brand. As contact persons,







they are available precisely to those people who already have a considerable interest in the company; they can continuously improve its reputation amongst hardcore fans because they provide the company with, so to speak, a human face and personality (Oetting, 2005b). Sun Microsystems is only one of the many companies, mainly in the technology sector, that have instituted such a position firmly in the corporate structure. Another company with a corporate evangelist is Google (Pethokoukis, 2005).

7. Conclusions

A key challenge for companies in the future is to procure authenticity, openness and credibility through individual customer dialogue (Stevenson, 1994). The modern communication mix can no longer be imagined without word-of-mouth marketing, which is now regarded as a decisive factor in the success of an enterprise (Schüller, 2008). Through tight integration into the corporate communications concept, word-of-mouth marketing can optimally develop its positive effect, providing companies with a long-term positive image and emotional customer loyalty while enabling the methodical recruitment of brand messages (Oetting, 2005a). Because of its methodical approach and long-term perspective, evangelism marketing is the most effective means of word-of-mouth marketing and will play a crucial role in companies' future marketing mix (Bone, 1995). This of course assumes that there is network of appropriate disseminators that are in a position to take a leading role in the active distribution of positive word of mouth.

Because of the rapid development of IT through the Internet, e-mail, cell phones, PDAs, text messaging and blogs, it has been suggested that future research should examine the influence of these new information technologies on word-of-mouth behaviour. Further research is needed to answer the following questions: What are the success factors of future word-of-mouth communication? Under which conditions do consumers recommend products and services to other consumers? Does word of mouth work equally well in all industries and with all products? To what extent do customers rely on electronic word of mouth? Does electronic word of mouth have the same effect on customers' buying decisions as does the traditional word-of-mouth method? And how valuable is online word of mouth?

References

ACTA, 2008, Veränderungen der Informations- und Kommunikationskultur, http://www.acta-online.de/praesentationen/acta_2008/acta_2008_ Information%2390EDC.pdf (accessed 4/6/2010).

Alby, T., 2008, Web 2.0 - Konzepte, Anwendungen, Technologien. München, Hanser. Arndt, J., 1967, 'Role of Product-Related Conversations in the Diffusion of a New Product'. Journal of Marketing Research, 4, 3, pp. 291-295.







- Arndt, J., 1968, 'Selective Processes in Word of Mouth'. *Journal of Advertising Research*, 8, 3, pp. 19-22.
- Bauer, H.H., Große-Leege, D. and Rösger, J. (Eds.), 2007, Interactive Marketing im Web 2.0+ Konzepte und Anwendungen für ein erfolgreiches Marketing-management im Internet, München, Verlag Vahlen.
- Berger, L.A., 1988, 'Word-of-Mouth Reputations in Auto Insurance Markets', *Journal of Behavior and Organization*, 10, pp. 225-234.
- Bickart, B. and Schindler, R.M., 2002, 'Expanding the scope of word of mouth: Consumer-to-consumer informations on the internet', *Advances in Consumer Research*, 29, pp. 428-430.
- Bone, P.F., 1995, 'Word-of-Mouth Effects on Short-term and Long-term Product Judgment', *Journal of Business Research*, 32, 3, pp. 213-223.
- Brooks, R.C. jr., 1957, 'Word-of-Mouth' Advertising in Selling New Products', *The Journal of Marketing*, 22, 2, pp. 154-161.
- Brown, J., Broderik, A.J. and Lee, N., 2007, 'Word of Mouth Communication within online communities: conceptualizing the online social network', *Journal of Interactive Markting*, 21, 3, pp. 2-20.
- Bruhn, M., 2005, *Unternehmens- und Marketingkommunikation: Handbuch für ein integriertes Kommunikationsmanagement*, München, Franz Vahlen.
- Carl, W.J., 2006, 'What's all the Buzz About? Everyday Communication and the Relational Basis of Word-of-Mouth and Buzz Marketing Practices', *Management Communication Quarterly (McQ)*, 19, 4, pp. 603-634.
- CMO, 2009, Highlights and Insights August 2009, http://faculty.fuqua.duke.edu/cmosurvey/survey_results/august_2009_reports/cmo_survey_highlights_and_insights_8-2009.pdf (accessed 4/6/2010).
- DeFleur, M.L. and Ball-Rokeach, S., 1989, *Theories of mass communication*, New York, Longman.
- DeFleur, M.L. and Dennis, E.E., 1996, *Understanding Mass Communication*, Boston, Houghton Mifflin.
- Dellarocas, C., 2003, 'The Digitization of Word of Mouth: Promise and Challenges of Online Feedback Mechanisms', *Management Science*, 49, 10, pp. 1407-1424.
- Deloitte, 2009, Tribalization of Business Study 2009, http://www.deloitte.com/us/2009tribalizationstudy (accessed 4/6/2010).
- Dichter, E., 1966, 'How word-of-mouth advertising works', *Harvard Business Review*, 44, 6, pp. 147-160.
- Dye, R., 2000, 'The buzz on buzz', Harvard Business Review, 78, 6, pp. 139-146.
- Eck, K., 2007, Corporate Blogs: Unternehmen im Online-Dialog zum Kunden, Zürich, Orell Füssli Verlag.
- Edelman, 2009, Edelman Trust Barometers 2009, http://www.edelman.co.uk/files/trust-barometer-2009.pdf (accessed 4/6/2010).





- Egli, A. and Gremaud, T., 2008, 'Die Kundenrevolution: Warum Unternehmen umdenken müssen'. Kaul, H. and Steinmann, C. (Eds.), Community Marketing: Wie Unternehmen in sozialen Netzwerken Werte schaffen, Stuttgart, Schaeffer-Poeschel, pp. 3-15.
- eMarketer, 2009, Social Network Marketing Expands Sphere, http://www.emarketer.com/Article.aspx?R=1007252 (accessed 4/6/2010).
- Esch, F.-R., Langner, T. and Ullrich, S., 2009, 'Internetkommunikation'. Bruhn, M., Esch, F.-R. and Langner, S. (Eds.): Handbuch Kommunikation: Grundlagen -Innovative Ansätze – Praktische Umsetzungen, Wiesbaden, GWV Fachverlage, pp. 127-156.
- Exhibitor Media Group, 2010, Exhibitor Media Group's Social Media in Marketing Survey, http://www.tradeshowinsight.com/wp-content/uploads/2010%20 Social %20Media%20in%20Marketing%20Survey.pdf (accessed 4/6/2010).
- Fetherstonhaugh, B., 2009, THE 4Ps ARE OUT, THE 4Es ARE IN, http://www.ogilvy.com/On-Our-Minds/Articles/the 4E -are in.aspx (accessed 4/6/2010).
- File, K.M., Cermak, D.S.P. and Prince, R.A., 1994, 'Word-of-Mouth Effects in Professional Services Buyer Behaviour', The Service Industries Journal, 14, 3, pp. 301-314.
- Forbes, L.P., Kelley, S.W. and Hoffman, K.D., 2005, 'Typologies of e-commerce retail failures and recovery strategies', Journal of Services Marketing, 19, 5, pp. 280-292.
- GfK Roper Consulting, 2006, Word-of-Mouth Phenomenon Spreads Across the Globe According to Worldwide GfK Roper Consulting Study, http://www2.prnewswire.com/cgi-bin/stories.pl?ACCT=109& STORY=/www/story/06-20-2006/0004383802&EDATE= (accessed 4/6/2010).
- Godes, D. and Mayzlin, D., 2004, 'Using Online Conversations to Study Word-of-Mouth Communication'. Marketing Science, 34, 4, pp. 545-560.
- Gremler, D.D., Gwinner, K.P. and Brown, S.W., 2001, 'Generating Positive Word-of-Mouth Communication Trough Customer-Employee Relationships', International *Journal of Service Industry Management*, 12, 1, pp. 44-59.
- Gumpert, G. and Cathcart, R., 1986, Inter/Media: Interpersonal Communication in a Media World, New York, Oxford University Press.
- Harris, G., 1999, Empfehlen Sie uns weiter: Mundpropaganda als Marketinginstrument, Wien, Signum Verlag.
- Heuer, S., 2008, Darf ich behilflich sein? http://www.brandeins.de/archiv/magazin/das-marketing-ist-tot-es-lebe-dasmarketing/artikel/darf-ich-behilflich-sein.html (accessed 4/6/2010).
- Huber, M., 2008, Kommunikation im Web 2.0. Konstanz: UVK Verlagsgesellschaft.
- Huges, M., 2005, Buzzmarketing: Get People to Talk About Your Stuff, New York, Penguin Group.

Volume 3 issue 2.indd 93 9/12/2010 10:13:38 πu





93



- James, G., 2009, The 4 P's of Marketing=Fuzzy Brain BS, http://blogs.bnet.com/salesmachine/?p=2306 (accessed 4/6/2010).
- Kawasaki, G., 1995, How to Drive Your Competition Crazy: Creating Disruption for Fun and Profit, New York, Hyperion.
- Kawasaki, G., 2004, The Art of the Start: The Time-Tested, Battle-Hardened Guide for Anyone Starting Anything, New York, Penguin Group.
- Komjuniti, 2009, Mundpropaganda durch Social Media steigert Kundenwert Studie vergleicht Auswirkungen von Werbung und Social Media auf den Kundenwert, http://www.news4press.com/Mundpropaganda-durch-Social-Media-steige 425046.html (accessed 4/6/2010).
- Kotler, P. and Bliemel, F., 2006, *Marketing-Management. Analyse, Planung und Verwirklichung*, München, Pearson Studium.
- Krambeck, L., 2008, Schicksal oder Chance Die Relevanz von User Generated Content für die Nachrichten. Eine Diskussion zur Zukunft des Journalismus, Saarbrücken, VDM Verlag Dr. Müller.
- Kroeber-Riel, W., 1987, 'Informationsüberlastung durch Massenmedien und Werbung in Deutschland', *Die Betriebswirtschaft (DBW)*, 47, 3, pp. 257-261.
- Kroeber-Riel, W. and Weinberg, P., 2003, *Konsumentenverhalten*, München, Verlag Franz Vahlen.
- Langner, S., 2007, Viral Marketing Wie Sie Mundpropaganda gezielt auslösen und Gewinn bringend nutzen, Wiesbaden, Gabler.
- MacLeod, H., 2005, Bernbach was wrong, http://gapingvoid.com/2005/10/23/bernbach-was-wrong/ (accessed 4/6/2010).
- Markert, G., 2008, Weiterempfehlung als Marketingziel: Analyse, empirische Prüfung und Managementimplikationen, Wiesbaden, GWV Fachverlage.
- Marsden, P., Samson, A. and Upton, N., 2005, Advocacy drives growth, Customer advocacy drives UK business growth, http://www.lse.ac.uk/collections/pressAndInformationOffice/PDF/ AdvocacyDrivesGrowth 5-9-05.pdf (accessed 4/6/2010).
- McCarthy, E.J., 1960, *Basic Marketing: A Global-Managerial Approach*, Homewood, IL, Richard D. Irwin.
- McConnell, B. and Huba, J., 2003, *Creating Customer Evangelists: How Loyal Customers Become a Volunteer Sales Force*, Chicago, Dearborn Trade Publishing.
- Navel, 2009, Are The 4 Ps Dead? http://navelmarketing.com/ (accessed 4/6/2010).
- Nyilasy, G., 2005, 'Word of mouth what we really know and what we don't'. Kirby, J. and Marsden, P. (Eds.): *Connected Marketing: The Viral, Buzz and Word of Mouth Revolution*, Oxfort, Elsevier, pp. 161-185.
- Oetting, M., 2005a, Was ist Word of Mouth Marketing ('Mundpropaganda Marketing')? http://www.connectedmarketing.de/cm/2005/04/was_ist_word_of.html (accessed 4/6/2010).







- Oetting, M., 2005b, Corporate Evangelists als Mittler für positive Mundpropaganda, http://www.connectedmarketing.de/cm/2005/12/corporate evang.html (accessed 4/6/2010).
- Oetting, M., 2006a, Was ist viral Marketing? http://www.connectedmarketing.de/cm/2006/01/was ist viral m.html (accessed 4/6/2010).
- Oetting, M., 2006b, 'Wie das Web 2.0 das Marketing revolutioniert'. Schwarz, T. and Braun, G., Eds., Leitfaden Integrierte Kommunikation: Wie das Web 2.0 das Marketing revolutioniert: mit 36 Fallbeispielen aus der Praxis. Waghäusel: Absolit Dr. Schwarz Consulting, pp. 173 -200.
- Oetting, M., 2007, Werbung ohne Unternehmen, http://www.connectedmarketing.de/cm/2007/02/werbung ohne un.html (accessed 4/6/2010).
- Pepels, W., 1994, Kommunikations-Management. Stuttgart: Schaeffer-Poeschel.
- Pethokoukis, J., 2005, Spreading the Word Corporate evangelists recruit customers who love to create buzz about a product. http://www.usnews.com/usnews/biztech/articles/051205/5eeevangelist.htm (accessed 4/6/2010).
- Plummer, J.T., 2007, 'Editorial: Word of Mouth A New Advertising Discipline?', Journal of Advertising Research, 47, 4, pp. 385-386.
- PR-Com, 2009, Dax-Unternehmen und Social Media: halbherzig und unfertig, http://www.pr-com.de/de/pressezentrum/presseinformationen/index.php?cat= mixed&qry=Dax-Unternehmen&srchtyp=simple&CustID=8a928893cc9b6cd d1e0972447e1f879c&ID=90d6a68d8e2aca1b852d13c27cca8a13&PageStart=0 (accessed 4/6/2010).
- PR-Com, 2010, No Blog deutsche IT-Unternehmen verweigern sich dem Web 2.0, http://www.pr-com.de/de/pressezentrum/presseinformationen/index.php?cat= mixed&gry=Corporate+Blogs&srchtyp=simple&CustID=8a928893cc9b6cdd1e097 2447e1f879c&ID=ce68c3ced18cb7aad7c3637b3d6439a9&PageStart=0 (accessed 4/6/2010).
- Radic, D. and Posselt, T., 2009, 'Word-of-Mouth Kommunikation'. Bruhn, M., Esch, F.-R. and Langner, T. (Eds.), Handbuch Kommunikation: Grundlagen – Innovative Ansätze – Praktische Umsetzungen, Wiesbaden, GWV Fachverlage, pp. 249-266.
- Ramge, T., 2008, Von Freund zu Freund, http://www.brandeins.de/archiv/magazin/das-marketing-ist-tot-es-lebe-dasmarketing/artikel/von-freund-zu-freund.html (accessed 4/6/2010).
- Rayport, J., 1996, The Virus Of Marketing, http://www.fastcompany.com/magazine/06/virus.html (accessed 4/6/2010).
- Richins, M.L., 1983, 'Negative Word-of-Mouth by Dissatisfied Consumers: A Pilot Study', Journal of Marketing, 47, 1, pp. 68-78.
- Richins, M.L., 1987, 'A multivariate analyses of responses to dissatisfaction', Journal of the Academy of Marketing Science, 15, 3, pp. 24-31.



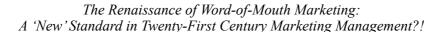




- Richins, M. and Root-Shaffer, T., 1988, 'The role of involvement and opinion leadership in consumer word-of-mouth: An implicit model made explicit', *Advances in Consumer Research*, 15, 1, pp. 32-36.
- Röthlinghöfer, B., 2006, *Marketeasing: Werbung total anders*, Berlin, Erich Schmidt Verlag.
- Röthlinghöfer, B., 2008, *Mundpropaganda-Marketing: Was Unternehmen wirklich erfolgreich macht*, München, Deutscher Taschenbuch Verlag.
- Roed, J., 2003, 'Language learner behaviour in a virtual environment', *Computer Assisted Language Learning*, 16, 2-3, pp. 155-172.
- Rosen, E., 2005, *The Anatomy of Buzz: How to Create Word of Mouth Marketing. Currency*, New York, Doubleday Publishing Group.
- Rosen, E., 2009, *The Anatomy of Buzz Revisted: Real-life Lessons in Word-of-Mouth Marketing*, New York, Doubleday Publishing Group.
- Sankatsing, Y., 2007, Implications of media fragmentation for the advertising industry with special attention to the Philips account strategy of DDB, http://essay.utwente.nl/57933/1/scriptie Sankatsing.pdf (accessed 4/6/2010).
- Schmidt, S., 2009, *Mundpropaganda als steuerbares Marketinginstrument*. Hamburg: IGEL.
- Schüller, A.M., 2008, Zukunftstrend Empfehlungsmarketing: Der beste Umsatzbeschleuniger aller Zeiten. Göttingen: Business Village.
- Schulte, T. and Pradel, M., 2006, *Guerilla Marketing für Unternehmertypen. Auf Abwegen zum Erfolg*, Sternenfels, Wissenschaft und Praxis.
- Sernovitz, A., 2007, Is viral marketing the same as word of mouth? http://www.damniwish.com/2007/10/is-viral-market.html (accessed 4/6/2010).
- Silverman, G., 2001, The Secrets of Word-of Mouth Marketing: How to trigger exponential sales through runaway word of mouth, New York, AMA Publications.
- Spinner, P., 2009, Virales Marketing: Paradigmenwechsel oder weiterer Trend im Marketing? Eine kritische Analyse, Hamburg, Diplomica.
- Stevenson, R.L., 1994, *Global Communication in the Twenty-first Century*, New York, Longman.
- Taylor, P.M., 1997, Global communications, international affairs and the media since 1945, New York, Routledge.
- The Nielsen Company, 2009, Trust, Value an Engagement in Advertising, http://de.nielsen.com/pubs/documents/NielsenTrustAdvertisingGlobalReportJuly09.pdf (accessed 4/6/2010).
- Thinius, M., 2004, Mehr als 6.000 Werbekontakte pro Tag sollen wir wahrnehmen die aktuelle IMK-Studie, http://www.presseportal.de/meldung/586040/ (accessed 4/6/2010).
- Urchs, O. and Körner, A., 2007, 'Mundpropaganda Marketing'. Schwarz, T. (Ed.), *Leitfaden Online Marketing*, Waghäusel, marketing-BÖRSE, pp. 672-680.







- Wirtz, J. and Chew, P., 2002, 'The Effects of Incentives, Deal Proneness, Satisfaction and Tie Strength on Word-of-Mouth Behaviour', *International Journal of Service Industry Management*, 13, 2, pp. 141-162.
- Wittmann, G., Werner, C., Krabichler, T. and Stahl, E., 2008, Web 2.0 bei Finanzdienstleistern Auf halber Strecke Richtung Zukunft, https://www.ibi-shop.de/inhaltsverzeichnis/Studie/Management_Summary_Studie_Web20.pdf (accessed 4/6/2010).
- WOMMA, 2008, An Introduction to Word of Mouth Marketing, http://www.womma.org/wom101/ (accessed 4/6/2010).
- Xue, F. and Phelps, J.E., 2004, 'Internet-facilitated consumer-to-consumer communication: The moderating role of receiver characteristics', *International Journal of Internet Marketing and Advertising*, 1, 2, pp. 121-136.
- Yu, Y.T. and Dean, A., 2001, 'The contribution of emotional satisfaction to consumer loyalty', *International Journal of Service Industry Management*, 12, 3, pp. 234 250
- Zunke, K., 2008, 'Schon gehört?', Acquisa, 11, 2, pp. 22-24.



