Digital Word of Mouth
And Its Offline Amplification
A Holistic Approach to Leveraging And Amplifying All Forms of WOM

INTRODUCTION

Word of mouth (WOM) long has been recognized as a powerful driver of consumer behavior. Not until digital social networks such as Facebook and Twitter emerged, however, did marketing researchers have a simple, electronic way of keeping count and measuring its impact. With digital media, it was possible to see what people were saying and to trace that conversation all the way to a final purchase.

Despite the popularity of digital social media, however, marketers should not be led astray into believing that digital WOM has replaced consumers' offline communications. Smart marketers should view WOM marketing holistically and leverage both digital and offline channels to communicate with consumers in the most appropriate manner and then rely on an amplification of those communications via conversations that occur in the digital and offline worlds.

In particular, with their enormous reach and precise targeting capabilities, digital social media can be used by marketers to reach consumers efficiently and effectively with organic and paid brand communications that subsequently are amplified by influencers—both online and offline.

Digital Meets Offline

WOM is more than just digital. On average, WOM drives 13 percent of consumer sales—two-thirds of which derives from activity offline and one-third online.1 Other groundbreaking investigations about the manner in which WOM communications occur have revealed that

- Fully 90 percent of consumer conversations about brands and companies still occur offline, with three-fourths happening face-to-face.2 There also is evidence that digital and offline discussions involve different types of communications. With digital, consumers who post a comment about a brand seem inclined to do so to say something about themselves—behavior often called “social signaling.” In the offline world, meanwhile, the individual’s emotional feelings about a brand more often are the driver, which makes these types of communications particularly important to a brand.

- In the offline marketing ecosystem, many everyday people are influencers, and their influence is significant.3 Some researchers believe that these influencers can be identified through a series of survey questions that identify three important criteria for being an influencer: having the means, motive, and opportunity to influence other people. Using this approach, it was found that nearly one in 10 Americans—or about 20 million people—qualify as influencers, and these people drive a disproportionate share of brand conversations. These findings indicate that it is important for marketers not only to reach consumers directly with brand messages but to be able to target influencers and to then have these influencers amplify the message—especially via offline means.

Although influencers certainly can be reached using both traditional and digital media, the authors of the current research focused on

- the creative use of certain digital social channels that have powerful targeting capabilities, and
- which of these channels have an impact on consumers in uniquely persuasive ways.


The Digital WOM Funnel
When considering WOM events occurring in the digital environment, social media immediately come to mind. They have become the place where people tend to congregate to express their thoughts and opinions, but not all social-media platforms are alike. And they tend to work in very different ways in terms of influencing consumer behavior. In addition, given the enormous reach of many social networks and the detailed information they have on their users, social-media platforms can be used to reach influencers in a very efficient and targeted manner.

At its essence, a digital WOM event is like a media impression in that it may activate the consumer at a different phase of the purchase funnel. Specifically,

- the top of the funnel is about driving awareness and interest;
- the middle of the funnel is about consideration; and
- the bottom of the funnel is about purchase intent with the objective of driving conversion.

Consider the various venues where digital WOM occurs within the context of this framework (See Figure 1):

- Mass-broadcast social-media vehicles, such as Facebook and Twitter, tend to create WOM events that stimulate awareness at the top of the funnel;
- social-commerce channels such as Pinterest tend to engage consumers mid-funnel when they may be at a point of active consideration; and
- product-review sites engage users at the bottom of the funnel, when they are close to the point of purchase.

Top-Funnel WOM
At the top of the funnel are social channels—most notably, Facebook and Twitter—that function in much the same way as a broadcast medium. They can be used to target a brand’s influencers or to reach directly other segments of consumers at scale. Many users have large numbers of friends or followers to whom they can communicate their thoughts and opinions—either online or offline.

Although many of the digital messages ultimately might not relate to consumer brands, products, or experiences, there definitely is a meaningful percentage that do. And, once an influencer has been reached via digital means, brands can benefit from the subsequent word-of-mouth communication that occurs offline.3

Earned-media impressions on Facebook have the potential to reach consumers and influence their behaviors.4 In the case of the impact of Starbucks earned-media impressions on latent purchase activity, for example, there was a 38 percent increase—from 1.54 percent to 2.12 percent—in in-store purchase incidence in the four weeks after exposure to that media (See Figure 2). Although the WOM event in this case is attributable to a brand, the foregoing example provides clear evidence that earned-media impressions can influence purchase behavior at retail.

Mid-Funnel Digital WOM
Pinterest is, perhaps, the most interesting digital WOM channel in the social space (See Figure 1). It enables its users to curate from around the Web visual content

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that they can share across the network. Although the types of content have almost infinite variety, some of Pinterest's more popular categories include “Fashion & Apparel,” “Home Furnishings & Décor,” and “Recipes”—the viewing of which may result in eventual purchase of various retail items or consumer goods.

Many Pinterest users are interested in discovery and are open-minded to the prospect of buying something that strikes their fancy or meets a need. Effectively, they are in-market for a potential purchase in a way that people browsing Facebook or Twitter likely would not be. Although Pinterest users may not know exactly what they want, they may be actively looking to be inspired by an image that will lead them to purchase. With this context, digital WOM can be very powerful because these users actually are asking for recommendations and inspiration when they do not already have a preconceived idea of what they are looking to buy.

Perhaps not surprising, then, is that in 2012, Pinterest drove significantly higher retail-site referral per engagement than any other social-media platform. Due to its massive scale, Facebook drove the highest overall percentage of retail referral at 54 percent, while Pinterest drove 30 percent.4 Factoring in that Facebook had approximately 60 times the monthly engagement of Pinterest at that time, however, meant that Pinterest was driving about a 30-times higher rate of retail referral per minute spent on the site—a clear indication that it was influencing consumers at a lower phase of the purchase funnel.

Bottom-Funnel Digital WOM
Digital WOM becomes critically important when consumers are near the point of purchase and looking for additional context for their purchase through product reviews. There are a number of Internet destinations that provide such reviews—among the most prominent, Amazon (for retail and media product purchases), Yelp (for restaurants and other local businesses), and TripAdvisor (for travel-related destinations and experiences).

When users consult reviews on these sites, they usually are at a key decision point in the purchase process. Indeed, these instances of digital WOM can make or break conversion if the consumer already has a purchase in mind. The quantification of digital WOM, through the use of ratings systems, not only provides a useful shorthand for determining the quality of a product or experience but gets incorporated into the sorting function. The result is that consumers are able to evaluate options that meet a certain level of quality.

Important is that only a relatively small percentage of users create a disproportionate amount of reviews. A 2011 Yelp blog post4 confirmed that its users follow the 1/9/90 rule, which says that approximately

- 1 percent of users create content;
- 9 percent of Yelp users participate in the conversation through rating, sharing, and other lower-effort activities; and
- 90 percent of Yelp users are strictly content consumers.

In other words, only 10 percent of the audience is creating any form of digital WOM. An even smaller percentage actually is creating the rich WOM experiences capable of significantly swaying other users. It is interesting to note that the percentage of Yelp users actively communicating and influencing other users (only 10 percent) is approximately the same as the percentage of the total population found by Keller Fay to be influencers in the offline world. This suggests that the need to identify and reach influencers with persuasive brand communications is every bit as important online as it is offline.

CONCLUSION
The Holistic Influence of Digital WOM
There are a number of different forms of digital WOM that tend to affect different phases of the consumer purchase process. They also can be targeted to reach influencers and, as such, their impact also can be felt powerfully via offline WOM as influencers communicate with others offline. These digital events help build awareness, interest, consideration, and purchase of a variety of consumer products and services.

Because the digital environment instantaneously can link large networks of geographically dispersed people, each WOM event has the potential to reach many people. In addition, because of the existence of social networks and other digital platforms that disseminate information, there is the potential for digital WOM amplification that can

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attract mass attention,
engage networks, and
overnight spur movements that are unparalleled by other means of WOM sharing.

This can result in both the benefit and detriment of consumer businesses. Consider how recent examples of poor customer-service audio recordings—such as was the case with a major cable company—quickly went viral via social media and caused brand damage. Conversely, many brands have gained hero status on social media for going above and beyond the call of duty in delighting a customer. Ritz-Carlton won plaudits for its playful customer service by taking a series of photographs of a stuffed giraffe, left behind by a young child, on its “extended stay” at the hotel, including its time lounging at the pool and being treated at the spa, before sending the stuffed animal back to its rightful owner.

Digital channels deliver scale and speed that make each WOM event potentially more influential than the events ever have been. Not all WOM events, however, are created equal, and the better a brand understands the ways in which each relevant channel can influence the consumer, the more likely the brand will harness its power.

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