



IN DEPTH: ADVERTISING & MARKETING

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Marketers forego advertising for buzz

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There are numerous paths to promoting your products or services. Many entrepreneurs believe that advertising is the best way; however, it can be the most expensive and least effective method.

People are drowning in a flood of advertising that cost companies \$225 billion - or about \$760 per American - in 2003. Advertising experts estimate that the typical American is exposed to approximately 10,000 commercial messages a week through radio, television, direct mail, telemarketing, newspapers, magazines, billboards and the Internet.

Consumers are finding many ways to escape from advertisers. The vast majority of homes are equipped with DVD or VCR recorders, allowing people to watch their favorite movies with no commercial interruptions. When they turn on their televisions, millions are tuning into HBO and Showtime where they can watch quality programming with no advertising.

Further complicating the life of marketers, consumers are quickly adopting digital video recorders such as TiVo and ReplayTV that allow them to record programs and watch them back while fast forwarding through commercials.

Additionally, XM and Sirius, satellite radio providers with commercial free programming, are quickly grabbing market share from commercial radio stations, signing up 2.6 million paid subscribers in less than three years of existence.

Consumers are hungry for information but realize that most commercials are not credible. When was the last time you purchased a product because of an advertised benefit? In contrast, can you recall picking a movie, choosing a restaurant, or buying a product because you read a favorable review, saw it featured on a television program, or a friend made a recommendation? Your answers to these questions give you a compelling reason to use buzz marketing techniques to promote your business.

Marketers have found that buzz travels through invisible networks that share some important characteristics. It's more than just person A speaks with person B who speaks with person C. Rather, buzz works in a hub-and-spoke format. Person A may speak with five or six people. However, person A's words really only get rapidly diffused when he or she speaks to a key influencer who shares the message with other key influencers. With multiple key influencers now sharing person A's message, buzz kicks into high gear and the message spreads like wild fire.

In recent years, diverse businesses have learned the value of buzz and launched a variety of interesting marketing campaigns. Italian motor scooter manufacturer Vespa hired attractive young people to ride their motor scooters around and park in high-visibility locations such as cafes and promenades.

When people started to talk with these Vespa riders, the conversation would invariably turn to scooters. The riders would then happily pull out a pad and scribble down an address and phone number - not theirs, but that of the local "boutique" where you could buy your own Vespa, just as (they would confide) the actress Sandra Bullock did.

Word-of-mouth is seen as the biggest element that drives buzz. Hebrew National hired "mom squads" to host barbecues in their backyards and extol the virtues of kosher hot dogs to friends and neighbors. Hasbro Games "deputized" hundreds of elementary school kids as secret agents to share the virtues of their Pox electronic games with friends.

Companies usually try to make their campaigns seem spontaneous, but this couldn't be further from the truth. Buzz campaigns are planned down to the smallest details and the results are carefully monitored.

Marketers have been carefully studying how many downstream consumers they need to influence before buzz is born. In 2000, apparel maker VF Corp. contacted 200,000 carefully selected Web surfers via e-mail with a link to a faux homemade video. Within four months, 436,000 visitors made their way from the video page to VF's Lee Web site that offered incentives to come into a store to try out its new jeans. That summer, marketers credited the buzz campaign with a 20 percent increase in the sale of Lee jeans.

Many successful brands were built with buzz and are now sustained with advertising. Starbucks, Wal-Mart, Newman's Own, Jet Blue, Viagra, Red Bull and Krispy Kreme started with buzz and little advertising. Once established, they switched to advertising to maintain their awareness levels with consumers.

Your company's ability to grow and prosper will depend upon your ability to embrace a whole a new way of communicating. Once your customers start buzzing about your business to friends and associates, you may wonder why you waited so long to respond to the buzz about buzz.

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