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# Harnessing the Power of Advocacy Marketing



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# Harnessing the Power of Advocacy Marketing

**Steve Knox, Anthony Pralle, Kate Sayre, and Jody Visser**

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## AT A GLANCE

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Word of mouth is a gift that keeps on giving, as advocates beget advocates. In addition to promoting products, digitally integrated advocacy programs can generate ongoing conversations between companies and customers, contribute creative ideas for new products, and deepen customer relationships.

### **THE POWER OF ADVOCACY**

Robust advocacy-marketing programs are achieving significant revenue gains—for both consumer and business-to-business companies.

### **CREATING AN ADVOCACY ADVANTAGE**

The secret to a winning advocacy strategy is to find the right people and get them talking about the right things in the right places.

### **SUSTAINING RELATIONSHIPS**

Developing deeper and more lasting relationships will take work. We've incorporated the best practices into a simple mantra: Interact, listen, and respond.

### **MAKING IT WORK**

Although there's no single approach that will work for all companies, we've developed a checklist for companies committed to making advocacy a key capability.

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*This Focus report, covering advocacy and word-of-mouth marketing, is the third release in BCG's Marketing in the Digital Economy publication series. The series examines a variety of marketing topics, including the evolution of the media landscape, digital listening, organizational capabilities, and multichannel implications.*

**M**ARKETERS ARE ON THE frontlines of a communications revolution. Three decades ago, their task was relatively straightforward: deliver a compelling message to consumers through the mass media. Now the market has splintered into a kaleidoscope of competing channels, and the public is tuning out the cacophony of “buy me” messages bombarding it from all sides. In survey after survey, consumers say that they trust recommendations from friends, colleagues, and people they know, as well as online consumer opinions, more than corporate marketing messages. (See Exhibit 1.)

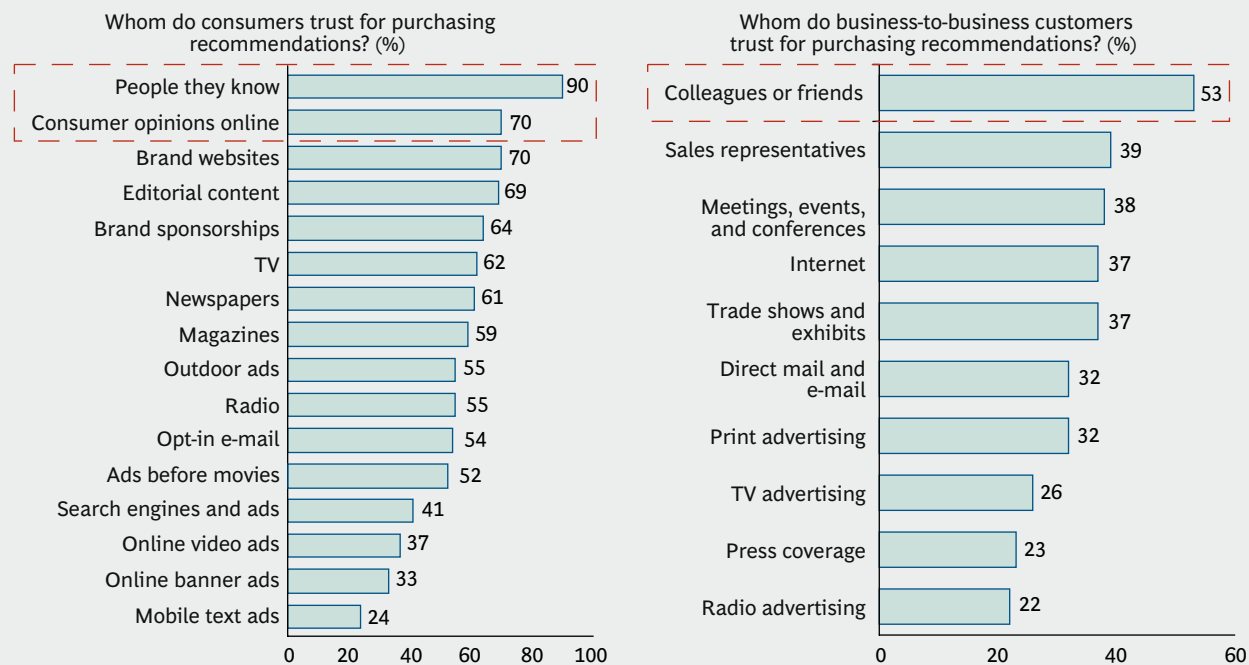
There's no denying the enormous influence of advocacy, but how do you control it? The answer is, you don't. But you can manage it to create long-lasting competitive advantage in which recommendations lead to rich relationships. In addition to promoting products, an advocacy program can generate ongoing conversations between companies and customers, contribute creative ideas for new products, and facilitate real-time feedback. Cultivating advocates has become a critical part of deepening customer relationships.

## The Power of Advocacy

Advocacy is a gift that keeps on giving in at least three ways. First, there's the snowballing effect of recommendations. Whereas advertising can drive consumers down the “purchase pathway”—from category interest to brand awareness, brand consideration, and finally brand purchase—word-of-mouth advocacy turns that one-way street into a roundabout, as customers who purchase the product encourage new customers to enter the virtuous circle. In other words, advocates beget advocates—and, over time, the cost to acquire new customers plummets.

Beyond recommendations, advocacy marketing can establish a platform for dialogue with a company's most committed customers, thereby generating immediate feedback on products and messaging. A good example comes from Procter & Gamble, a pioneer in advocacy marketing. It has established an advocacy division called Tremor, one of whose key features is Vocalpoint, a community of more than half a million mothers who receive early access to new products and share their opinions about them. Such an approach can provide product development teams

## EXHIBIT 1 | People Prefer Trusted Sources for Purchasing Advice



Sources: National Association of Broadcasters; Nielsen, “Global Advertising: Consumers Trust Real Friends and Virtual Strangers the Most,” April 2009; Keller Fay Group, *Driving Word of Mouth Advocacy Among Business Executives*, 2006; BCG analysis.

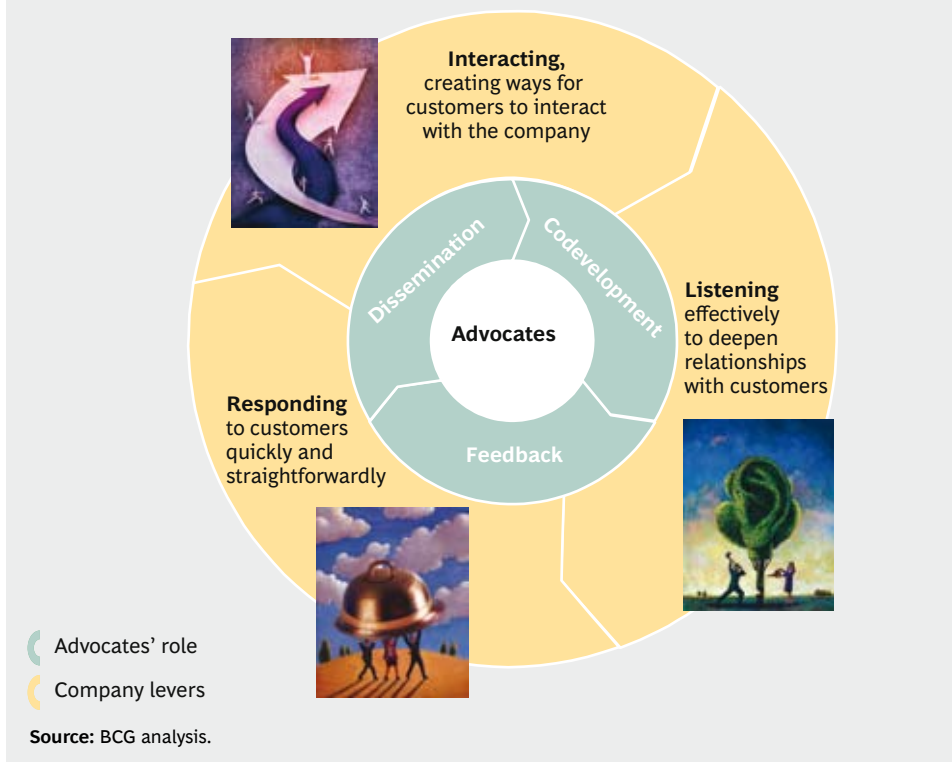
with a critical-feedback loop, as well as engage advocates’ enthusiasm for meaningful business improvement. (See Exhibit 2.) When companies use that feedback to serve customers better, they strengthen the potential for advocacy marketing in the future.

Finally, thanks to the digital revolution, companies can enlist advocates in two-way conversations with large groups of customers. Historically, companies have tried to jump-start water cooler talk about their products with one-way “push” advertising campaigns. But today, they can actively manage conversations and engage directly with consumers and advocates through social networking, blogs, forums, and mobile applications.

It’s no wonder that robust advocacy-marketing programs are achieving significant revenue gains—10 to 20 percent for established products and up to 100 percent for new products, according to BCG’s research. Consumer goods companies and retailers have taken the lead in this field, but business-to-business companies are also beginning to make their move by establishing relationships with advocates as potential advisors and recommenders.

Not all products lend themselves to advocacy marketing, however. It can’t rescue an inferior product or service, for instance. But a product is a prime candidate for advocacy if it stands out from the competition or is new, if it gives customers something positive to talk about, if its product line is regularly updated to offer a

## EXHIBIT 2 | Smart Companies Engage Advocates in Three Simple Steps



fresh subject for discussion, and if its target customers are likely to seek recommendations before purchasing.

## Creating an Advocacy Advantage

The secret to a winning advocacy strategy is to find the right people and get them talking about the right things in the right places. Our approach to a successful and sustainable advocacy program is based on three key capabilities: customer insight, message creation, and an integrated program of online and offline outreach.

### CUSTOMER INSIGHT

There are no shortcuts when it comes to identifying advocates. You can't simply go out and hire the nearest celebrity or expert to promote your product. There's the complex issue of trust to consider. It depends not only on an advocate's perceived qualifications and degree of influence but also on how your targeted segment of customers will relate to those factors in a particular context at a particular time.

Therefore, to identify the right advocates for your purposes, you need the best customer insight and market segmentation that money can buy. That means going out and talking to customers, finding out whose advice they most respect, and discovering where they go for their information and what they are looking for. You might discover your best advocates among your current customers or among people who have never tried your products. And bear in mind that people can be

influenced by different advocates at different points in the purchase process. Advocates come in a variety of types. Our list includes:

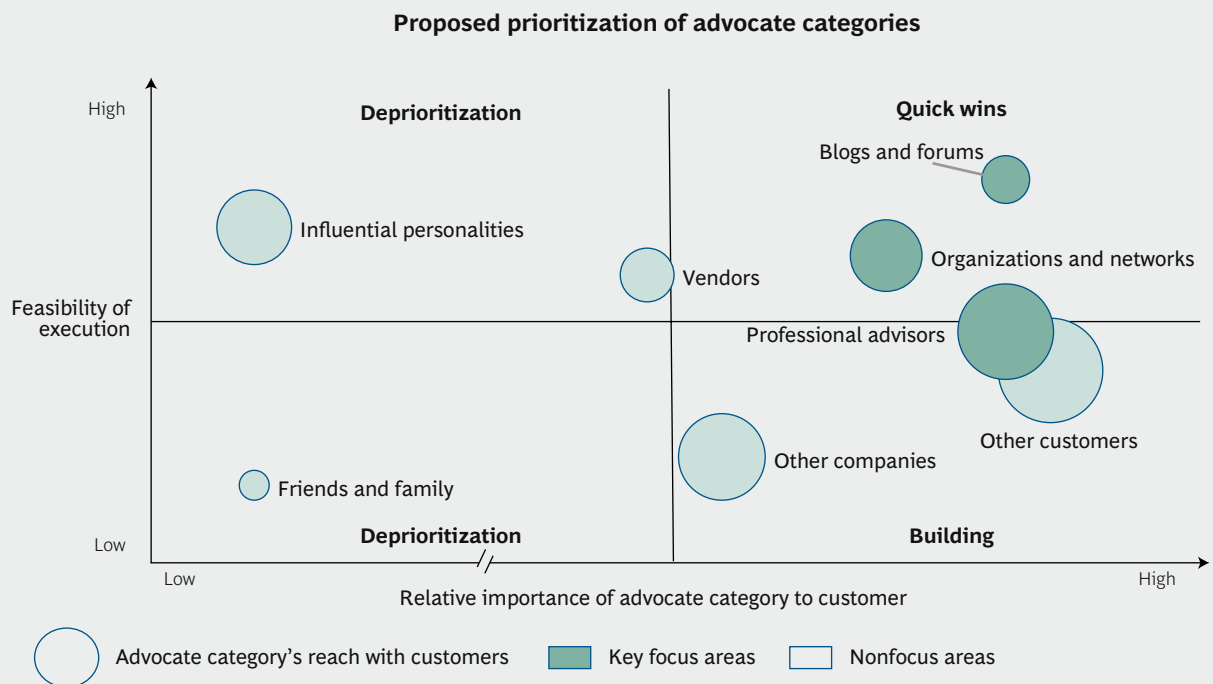
- *Connectors*. Active participants in broad social networks
- *Communities*. Groups of people with a common purpose
- *Mavens*. Enthusiasts who rate and review products in a specific category
- *Experts*. People with credentials and technical knowledge in a specific field
- *Endorsers*. Celebrities whose charisma enhances the brand

Not all categories of advocates are worth going after. You'll want to prioritize the advocates according to the feasibility of attracting them and the relative importance of the advocate category to your customers. Working with one business-to-business client, we discovered that blogs, forums, and organizations and networks were fairly high on customers' lists of valued information sources. As it was relatively easy to engage with these advocates, they became our first priority. (See Exhibit 3.)

### MESSAGE CREATION

Advocacy marketing is actually grounded in cognitive science. It turns out that our brains aren't designed to think all of the time. Instead, we develop mental models

## EXHIBIT 3 | Insights About Customers Determine Segmentation Strategies



Sources: Segmentation strategy for a BCG client; BCG interviews; BCG analysis.



about how the world works in order to save processing power for when we really need it. But every once in a while, reality fails to conform to our model, and we're pulled up short. Say you automatically offer a seat on the bus to your 85-year-old neighbor because, according to your mental model, old people are frail. But when she whizzes past you in a marathon the next day, you are dumbstruck. Your model has collided with the real world, giving you an uncomfortable feeling. So what do you do? Most people have to talk about it: on their blogs, around the coffee machine, at dinner with friends. Significant disruption calls for significant conversation—and that's the secret of advocacy marketing.

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Significant disruption calls for significant conversation—and that's the secret of advocacy marketing.

The surest way for marketers to get people talking about a product is to have a message that runs counter to a mental model. Consider Secret Clinical Strength antiperspirant and deodorant, a line of innovative new products from P&G. Its deodorant properties are activated by normal perspiration, so its message is “The more you move, the better you smell.” Of course, that flies in the face of our assumptions about physical activity: that the more active you are, the more you sweat, and the *worse* you smell. It was that disruption of a commonly held notion that got people talking about—and buying—Secret Clinical Strength.

There are a couple of caveats to this strategy, however. Your disruptive message should never stray too far from a brand's core identity. A while back, Las Vegas decided to market itself as a family-friendly destination, but consumers couldn't reconcile this idea with the traditional Sin City brand image, and the campaign failed.

You also want to avoid “buzz marketing”—sending a superficial message that gets people's attention but has little to do with the actual product: people remember the commercial for being funny, but they forget the brand it promotes. The objective is to surprise people while remaining true to the brand.

### INTEGRATED OUTREACH

The erosion of consumer confidence as a result of ad clutter has been a big factor in the recent surge of advocate power. Another equally powerful driver has been the rapid spread of digital media, which serve as a booster shot for the viral transmission of messages. Word of mouth used to travel at a human pace, from one person to another. But thanks to digital connectivity, a single referral can almost instantly attract vast networks of potential customers. Advocacy marketers should be prepared to leverage this tool.

Microsoft provides a good example of how an integrated advocacy-marketing program can tie online and offline activities together. When it launched Windows 7, the company mobilized its online community to set up more than 40,000 launch parties in 12 countries. Each host invited at least ten friends to try the new system and then share their experiences online. Within eight weeks, 64 percent of U.S. partygoers and 42 percent of the consumers who engaged in online discussions with the partygoers had bought the product.

Digital technology has given everyone unprecedented access to better information for all aspects of the purchase process. When your customers use it to seek out

product reviews, price comparisons, and ratings from trusted advocates, you want to be ready for them.

## Sustaining Relationships

Because relationships among companies, customers, and advocates are founded on trust, some marketing organizations might need to revisit their assumptions about communicating with the world outside the company. Developing deeper and more lasting relationships will take work. We've incorporated the best practices into a simple mantra: Interact, listen, and respond.

**Interact.** Marketing communication now goes both ways. An advocacy-marketing program should provide tools for real-time feedback, testing, and dissemination to enable advocates to reach potential customers. It should also nurture an engaged and active community, whether founded on a standalone website or on an online hub within the company's website. Some companies use combinations of internal and external social media by linking pages on Facebook, Twitter, and external blogs to their websites. Others establish an online community of "advisor" customers who take part in surveys and live chats with company executives.

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Make sure to tell your feedback providers that their contributions are valued.

American Express's Small Business Saturday campaign in New York City illustrates the benefits of interacting through social media. Through a Facebook page, American Express donated \$1 to the nonprofit Girls Inc. for each of the first million visitors who clicked its Like button. After just one week, the Like button had been clicked 200,000 times, and that number had grown to 1.2 million within the month. The company also awarded \$100 Facebook-advertising credits to 10,000 small-business owners who signed up. The page became the second-most "liked" page of a financial institution.

**Listen.** Marketers must resist the urge to control the dialogue. Instead, they should allow advocates to express honest opinions, even if they aren't positive. Listening may require new systems that help monitor the Web for comments about the brand and facilitate real-time feedback on product use and ideas for improvements. Companies should communicate both comments and feedback throughout the organization—to product developers and customer representatives, as well as people in operations and marketing.

**Respond.** Not long ago, a company would designate a single spokesperson to respond to external inquiries (usually after consultation with the legal department). But advocacy marketing requires faster and more personal responses. Be willing to add resources for developing the capability for rapid customer response. Corporate-speak comes all too easily, but it leaves Web-savvy customers cold: the online community is quick to criticize cover-ups, omissions, and cheats. Make sure to tell your feedback providers that their contributions are valued.

## Making It Work

Advocacy marketing will play an increasingly critical role in many businesses as a complement to, rather than a replacement for, current marketing programs. Giving

the new advocacy program the resources it needs, while simultaneously embedding it within traditional marketing functions, will be an important challenge. Although there's no single approach that will work for all companies, we've developed a checklist for companies committed to making advocacy a key capability.

**Develop an explicit goal for the advocacy program.** Advocacy can create awareness of a new product, disseminate an attention-getting marketing message, contribute to product development and innovation, or drive active engagement and loyalty in the core customer base. Each of these benefits calls for a slightly different approach. Setting a clear objective up front can ensure a focused program design.

Consider Monsanto's advocacy program in India. The program was aimed at building long-term customer relationships with local farmers. A leading producer of hybrid seeds and technology, Monsanto recognized that progressive farmers are critical influencers in the seed and technology purchase decisions of their fellows. So, in major corn and cotton districts, the company established clubs in which farmers are educated in how to choose and harvest the best seeds. Over the past eight years, farmers' production of corn has risen by 50 percent, and cotton production has doubled, thanks to Monsanto's seeds.

**Maintain transparency.** The practice of hiring someone to pose as a loyal customer in online forums or post positive reviews has proved disastrous for companies that have tried it. Instead, there are several fair and open ways to help nurture potential advocates. For example, companies may offer guided product demonstrations and provide advocates with materials to share with prospective customers. In some cases, incentives for participation and posting might be appropriate—as long as companies comply with requirements for full disclosure.

The Walt Disney World website is very clear about its Moms Panel volunteer advisory board: "Panelists will receive a trip with up to three family members to the Walt Disney World Resort...for their participation on the Walt Disney World Moms Panel. The views expressed in the Panel are those of the panelists, who are independent contractors. These views...have not been reviewed or approved by Walt Disney Parks and Resorts Online prior to posting."

Most people recommend products for personal reasons—the simple desire to help, to establish a network, or because they like to see themselves as advisors. A marketer at Intuit explained, "We pay them by implementing the features they ask for."

**Develop tools to track and measure success.** Advocacy efforts must be tracked and measured. We recommend focusing initially on engagement metrics that track program enrollment, influencer activity, and word-of-mouth referrals by measuring such factors as member retention, e-mail open rates, survey response rates, and information forwarded outside the community.

Once referrals take hold, you can start tracking business impact by measuring lead generation, conversion and usage rates, customer retention, and relative return on investment. Several vendors offer social-media and Web metrics to identify advocates, measure activity, and test program effectiveness.

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**Align the advocacy program with current marketing processes.** Consistency of messaging and branding is critical. The advocacy program must be integrated into the overall marketing organization and its strategy. It should neither be put in a separate silo nor outsourced entirely to a third-party agency. To ensure that the program is taken seriously by the whole organization, a senior manager should visibly “own” the program.

**W**HAT IF YOU declared victory not when you made a sale but when you created an advocate? Advocates are the new authorities in town. Advocacy marketing can bring companies and customers much closer together in ways that will benefit both parties. Consider embracing this powerful source of advantage rather than risking millions on less effective approaches.

## About the Authors

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