

Using word-of-mouth can pay off

By [Tshepiso Seopa](#)

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The global economic recession is putting strain on a lot of purses, thus demanding that we as individuals stretch every rand further. The same applies to companies, which is why businesses are looking at adding tools that offer budget cuts and also boost revenues in a cost-effective manner.



Jason Stewart: Looking for extraverts.

HaveYouHeard is an agency that aims to help brands reach target audiences using word-of-mouth as a medium to relay messages.

The agency relies on influencers from different age groups and demographics to initiate brand conversations and to share information on brand experiences with their peers.

HaveYouHeard profiles the influencers using a software programme that has been developed internally to facilitate the effects of a campaign as well as gather product information from a network of pre-qualified influencers. "One of the key factors that enables a person to be regarded as an influencer is that an individual needs to have 'mini authority'; people must look up to them and trust them based on trustworthiness. We look for people who are extroverts, people who are able to relate with anyone. There are no incentives for influencers as this is a way of making sure that they remain genuine and enthusiastic, because if you pay people they might end up treating a campaign they working on as a job, and that loses its credibility," says Jason Stewart, co-founder of HaveYouHeard.

"Your market is so much more predisposed to buying products if it comes recommended by someone they know. This is particularly evident today as only 14% of the population says they trust advertising versus 92% who say they trust word-of-mouth. It begs that question of the credibility of a medium a brand uses and what the end result of that communication is," he adds.

He says that US billings for word-of-mouth campaigns topped the US\$1bn mark in 2007; “Word-of-mouth is fast becoming a globally accepted and measurable alternative to gain brand equity in a space dominated by PR and advertising. The Millward Brown study* shows that South Africa is the world's leader in spreading positive stories about brands. The study found that 86% of South Africans are extremely likely to recommend a brand to another person. In the United States, 43% of US companies plan on using the word of mouth as a marketing medium this year,” says Stewart.

Stewart says that of utmost importance to marketers operating within ever-tightening consumer spending categories, particularly FMCG, is the need to measure the effectiveness of campaigns and conserve marketing spends. “This is where word-of-mouth could probably offer the greatest return on investment and measurement, allowing marketers to produce campaigns that evoke action from the consumer, leading to increased sales, which is what we all want - especially in the current economic climate.”

*The Millward Brown study is called *Effectively Measuring the Impact of Consumer Comment* - view or download it [here](#).

ABOUT TSHEPISO SEOPA

Tshepiso Seopa was a junior journalist at Bizcommunity.com

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