

# Boosting word-of-mouth marketing

By John Shattock, APR, FPRINZ

When owners and managers of established service businesses are asked how they generate most of their business, the response is invariably "word of mouth".

In many cases, they report as much as 60 per cent of new business is generated in this way.

Yet most have only a vague idea of how word-of-mouth works. Most think it is just a matter of doing good work and providing excellent service.

Certainly those are essentials, but there's much more to success than that.

Despite the importance of word-of-mouth marketing, few make any commitment to monitoring, leveraging, and giving a helping hand to the various mechanisms at work.

How can service businesses consider spending quite significant sums on other marketing methods, while ignoring the area they already admit holds the greatest potential?

To be fair, this is mainly due to a belief word-of-mouth is something which "just happens" and nothing can be done to boost the process.

Obviously, it can and does occur without assistance. But much more is possible

when all the building blocks are in place and a pro-active approach is taken.

Imagine a situation where your name and the reputation of your business has become widely known. People want to use your services because of the recommendations they receive from others.

Doing good work and providing excellent service is essential, and you may already be doing this and attracting the occasional customer or client referral.

But what I'm talking about is developing the same mechanisms to the level where they provide around two-thirds of your business' work flow.

This is possible, but only with persistence, commitment, and consistent application of specific communication strategies.

Some of these are outlined in a detailed special report on word-of-mouth marketing which is available free on request - just visit [www.shattock.net.nz/OrderWord.html](http://www.shattock.net.nz/OrderWord.html)

One of the key points it makes is the need to allow word-of-mouth sufficient time in which to work.

If a service business has an average sales cycle of six months, it seems unreasonable to expect word-of-mouth (or any marketing strategy for that matter) to begin working any sooner.

In practice, word-of-mouth tends to take longer, mainly because the processes at



work are more indirect and not totally under the business' control.

At first glance, results appear to be random, until you delve into contributing influences. Then a pattern emerges of problem recognition, information gathering, third-party endorsement, recommendation and referral.

It is this pattern which is utilised in managed word-of-mouth marketing.

The process is particularly relevant for service businesses (including business-to-business and professional services), less so for retailers and consumer product businesses.

With the right approach, you can help prospective clients and customers recognise their problems (the ones you solve), provide them with the information they are seeking, have influential endorsements and testimonials available when they are most effective, and actively encourage recommendations and referrals.

While well-established service businesses often develop word-of-mouth into a significant business-generation tool over many years, even relatively recent start-ups can catch up if they commit to consistent application of key principles.

**About the author:**

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