

Buzz marketing usage on international market

Batjargal Amгаа

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Thesis Supervisor:

Ing. Michal Pilík, Ph.D.

Department of Management and Marketing

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Prof. PhDr. Vlastimil Švec, CSc.
Dean



L.S.



Doc. Ing. Anežka Lengálová, Ph.D.
Head of Department

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ABSTRACT

The aim of this thesis is to explain buzz marketing its importance and to describe how companies use buzz marketing as a promotional tool and analyze its usage on international market.

The bachelor thesis is divided into two parts –theoretical and practical.

The theoretical part outlines the theory of the buzz marketing its tools and target audiences of today's marketplace. The first section describes current situation of marketing, differences between traditional and buzz marketing and explains word-of-mouth. The later part introduces buzz marketing; how to implement buzz marketing campaign and what products can be used for buzz marketing and its tools.

The practical part deals with three most successful buzz marketing campaigns; how companies use buzz marketing to generate positive word of mouth about their products and reach its target market effectively.

Keywords: *buzz marketing, sceptical customer, advertising clutters, word-of-mouth, viral marketing, buzz agents, opinion leaders*

ABSTRAKT

Cílem bakalářské práce je vysvětlit pojem buzz marketing a jeho důležitost a zároveň popsat, jak firmy buzz marketingu využívají jako nástroje marketingové komunikace a analyzovat jeho využití na mezinárodních trzích. Bakalářská práce je rozdělena do dvou částí – teoretické a praktické. Teoretická část popisuje teorii buzz marketingu jako marketingového nástroje a cílové skupiny dnešních trhů. První část se věnuje popisu současné situace v marketingu, rozdílům mezi tradičním a buzz marketingem a vysvětluje pojem „šeptanda“ (word-of-mouth). Další část představuje buzz marketing, jeho implementaci a výrobky, které je vhodné propagovat touto formou marketingu a jeho nástroji. Praktická část práce se zabývá třemi nejúspěšnějšími buzz marketingovými kampaněmi, dále se zaměřuje na užití buzz marketingu k vytváření pozitivní „šeptandy“ o výrobcích a efektivní oslovení cílového trhu.

Klíčová slova: *buzz marketing, nedůvěřivý zákazník, přesycení reklamou, „šeptanda“ (word-of-mouth), virální marketing, buzz agent, názorový vůdce*

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DECLARATION OF ORIGINALITY

I hereby declare that the work presented in this thesis is my own and certify that any secondary material used has been acknowledged in the text and listed in the bibliography.

March 21, 2009

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INTRODUCTION

Buzz marketing is one of the most effective and powerful techniques to make people talk about products, services and brands. As for a company, it is very important that consumers are talking about the company's product and services positively. But today's customers are becoming sceptical due to marketplace with overcrowded products and seeing large amount of advertising in their daily lives. It is considered that buzz marketing tools perfectly suit today's marketplace with sceptical customers. Therefore, it is receiving more and more attention from marketers.

Even though buzz marketing is a relatively new marketing technique, many marketers and authors began to write about it in the last few years. There are few good books including Emanuel Rosen's *The Anatomy of Buzz*, Mark Hughes' *Buzzmarketing*, Andy Sernovitz's *Word of Mouth Marketing* and Lynn B. Upshaw's *New Rules for Marketing in a Sceptical World* that are used for research about buzz marketing. Moreover, many companies began to use buzz marketing to advertise their brands and products. According to a survey of 100 UK brands conducted by buzz marketing specialists, 65 percent of companies said they would use buzz marketing in their 2007 communication plan. (Stuart and Sarow 2007, 335)

However, buzz marketing has been used extensively; there is not enough literature about it. My thesis is intended for students who are studying marketing and marketers who want to generate positive word of mouth to get better insights into buzz marketing and its usage.

I. THEORY

1 BACKGROUND

This chapter aims firstly; to present declining efficiency of traditional marketing and growing demand for new marketing technique – buzz marketing; secondly, explain about word of mouth which is the base of buzz marketing and finally, try to explain the main reasons why people talk.

1.1 Today's marketplace

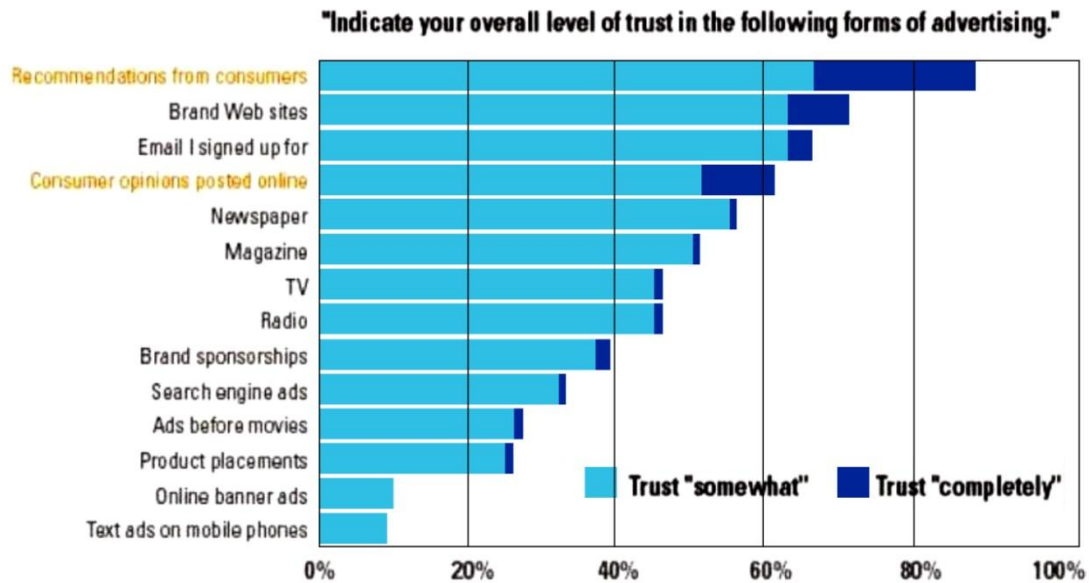
One of the biggest problems nowadays consumers confront is to find right products or services. Consumers face millions of choices on not only what to buy, but also on where to buy. For example, if a consumer needs to buy a laptop, how do they decide on what laptop and which shop is the best for them? There are hundreds of ways to buy a laptop such as buy from electronic stores, retailers and supermarket chains and buy from eBay, Amazon, etc. They are all hoping to wait you to fulfil your needs but consumers don't know which one to choose. These huge numbers of stores, advertisements and hundreds of choices confuse the shoppers.

During the past 10 years, marketplace has been changed significantly due to widespread use of internet and growth of electronic commerce. Customers spend much time for the internet instead of watching TV and reading magazines or newspapers. With the internet, the virtual marketplace is open for 24 hours and 7 days a week and accessible for almost anything, anywhere to anyone. Searching and buying a product from the internet becomes one of the easiest things. Therefore, buying products by online is growing much faster than overall retail sales. Moreover, in relation to the great use of internet, sharing information, giving and asking for advice is the simplest thing just by typing a sentence and sending it off into the cyberspace. Therefore, customers become more connected with each other without any geographic limitation.

In addition, customers are exposed to thousands of advertisements and commercials everyday. It is estimated that each American is exposed to well over 5,000 advertising messages per day; an average of 3 per minute. (Phillips and Rasberry 2008, 16) Yankelovich Partners' a survey discovered that around 65 percent of Americans felt constantly bombarded by advertising, and 61 percent thought advertising is "out of control". (Hota and Newlands 2009) Too many marketing messages compete for the attention of the customer. As a result of these advertising clutters, consumers became more sceptical and tired of watching and reading advertisement. When a commercial comes on, they change the channel until they find a TV program. They don't usually read

advertisements that written on magazines and newspapers. The idea of *I trust the opinions of real people like me* is becoming more and more noteworthy. Figure 1.1 shows which advertising form is the most trusted and which one is the least trusted among customers.

Figure-1.1. Trust in form of advertising



Source (Upshaw 2007, 127)

According to the graph, about 90 percent of consumers believe completely recommendations from other consumers and over 60 percent of them trust consumers comments posted online. On the other hand, the people who believe in newspaper, magazine, TV and radio advertisements were fluctuating between from 43 percent to 55 percent. Many marketers also tend to believe that a commercial before movies is the most efficient way to spread message. However, in reality, only over 20 percent of people trust completely advertisement before movies. As we can see clearly from the graph, customers rely on recommendations from customers and each others' comments instead advertisements.

As a result of these changes, marketers should consider other methods of getting customer attentions without interrupting customers. In the last decade, many new marketing techniques such as viral marketing, guerrilla marketing and buzz marketing created and proved to be more effective for today's marketplace. These new techniques seem an appropriate tool to avoid advertising clutter and therefore receiving more and more attention from marketing managers.

One of the most powerful techniques is buzz marketing which makes people talk about your product and services. Message communicated using buzz marketing can rapidly spread to thousands and even millions of customers. Because it became obvious that messages about the products which delivered by friends and family members are more trusted than messages that is communicated through traditional marketing.

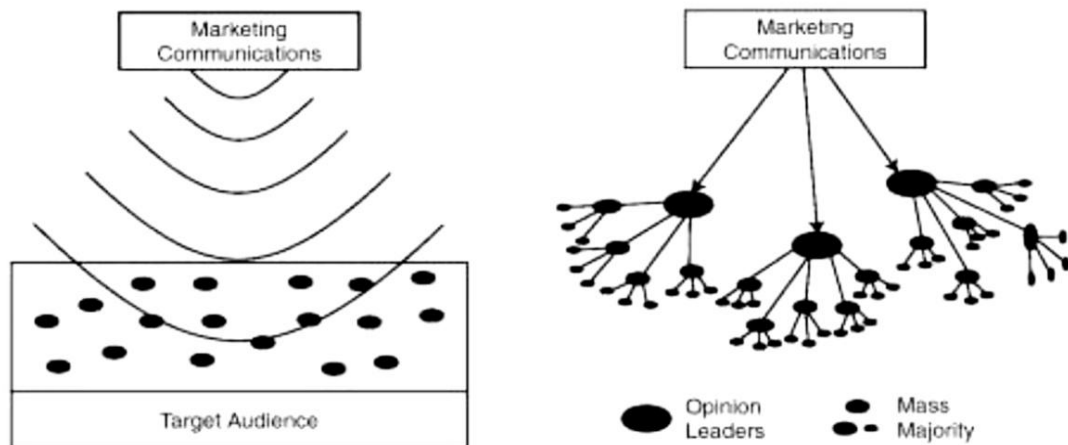
1.2 Comparison between traditional and buzz marketing

Traditional marketing is no longer *safe way* to go and it is becoming gradually less effective for many companies. According to the Dana Cooper, president of Contact consultant, “traditional marketing has a very outward orientation, while new marketing is much more inwardly focused”. (Evans and Stroll 2006) Traditional marketing has following few disadvantages compared with buzz marketing:

1. Traditional marketing requires a large amount of money, whereas new marketing however, can be cost effective way to reach its target market. Buzz marketing can inexpensively produce significant results.
2. Traditional marketing sees everyone as basically similar and practices mass marketing. (Cannon, Perrault and McCarthy 2008, 34) On the other hand, buzz marketing sees everyone as a different and practices target marketing.
3. Traditional marketing concept focuses on selling and what is being produced, while new marketing concentrates on quality of products what can be sold or consumed. (Evans and Stroll 2006) In other words, in traditional marketing advertising is a company’s major expense, whereas innovation and producing good quality product are the major expenses for buzz marketing. It focuses on making customer happy and gaining their trust and respect.
4. Traditional marketing advertisement is mostly one way company-to-consumer communication, (Perrault and McCarty 2005, 18) whereas buzz marketing is based on consumer-to-consumer communication. Moreover, traditional marketing doesn’t promote communication between consumers and ignores consumers’ circle of influence. As for buzz marketing, consumers can exchange their opinion and experience about the product.
5. Traditional marketing need to appeal to the mass media advertising to promote their product and targets by demographics. (Evans and Stroll 2006) On the other hand, buzz marketing targets only its target market and target by behaviour.

6. Traditional marketing advertising can be interrupting people to pay attention. As for buzz marketing, customers don't feel disturbed when talk to each other.

Figure 1.2 Traditional and new marketing model



Source (Kirby and Marsden 2006, 8)

Figure 1 illustrates main difference between traditional marketing and new marketing-buzz marketing.

However, there are still many companies gain opportunities such as growth and profits from reaching huge populations through traditional marketing techniques. Buzz marketing is shown to be more effective than traditional marketing, cost effective, and the message is stronger if it is coming from someone you trust. Therefore, many companies began to allocate nearly 15 percent of their overall marketing budget to non-traditional marketing. (Perrault and McCarty)

1.3 Word of Mouth

Before writing about buzz marketing it is necessary to explain about word-of-mouth (WOM). It is considered that more than two-thirds of all consumers buying behaviour are influenced by word of mouth. (Pelsmacker, Geuens and Bergh 2007, 248) Many marketers have noticed the importance of WOM. Thus it has been the target of research for many years. Mostly the research was about how important word of mouth is, and how it can benefit companies in their marketing activities.

Many people think WOM is the relatively new concept of marketing. But it is not new thing for us and it has been used since people exchange their surplus products with desired one.

There have been many marketers and researchers who wrote about word of mouth and tried to define it their point of view.

Word of mouth is the information transmitted by individual consumers on an informal basis. (Solomon, Zaichkowsky and Polegato 1999, 608)

Word of mouth is informal, person-to-person communication between a perceived non-commercial communicator and a receiver regarding a brand, a product, an organization, or a service. (Walker and Jean 2001)

Word of mouth is the art and science of building active, mutually beneficial consumer-to-consumer and consumer-to-marketer communications. (Word of Mouth Marketing Association)

Word of mouth marketing is giving people a reason to talk about your products and services, and making it easier for that conversation to take place. (Sernovitz, Godin and Kawasaki 2009, xv)

From these definitions, the question will arise whether word of mouth is just communication between real people or is it a marketing technique. It is highly controversial because many marketers believe that WOM is independent marketing technique but others believe WOM is natural and honest communication between people.

In my opinion, WOM is informal information, especially recommendations about product. In other words, it can be understood as *words from the mouth*. Also it can be a result of marketing activities - buzz marketing. WOM used to refer only face to face oral communication. But in relation to rapid change of communication technology, WOM has evolved considerably over the years. Nowadays, it is any type of human communication such as telephone conversation, text messages, websites, blog posts and emails.

Globally, the most trusted information source was friends, with 42% of those surveyed saying that they trusted word-of-mouth recommendations. (eMarketer)

Table 1.1 Most trusted media according to internet users, 2008

	USA	Canada	UK	France	China	Japan
Recommendations by friends	48%	46%	45%	31%	56%	31%
Online news	38%	42%	40%	28%	47%	43%
Newspapers	34%	44%	23%	28%	49%	50%
TV news	33%	43%	38%	24%	50%	45%
Product comparison site	31%	26%	30%	29%	43%	35%
Industry websites/expert reviews	29%	32%	27%	29%	49%	20%
Company websites	27%	29%	20%	23%	34%	33%
Industry magazines	24%	30%	22%	35%	41%	21%
Wikipedia	23%	26%	24%	28%	26%	30%
User forums/reviews	20%	19%	20%	23%	43%	16%
Company brochures	18%	21%	15%	17%	22%	25%
Free papers	15%	22%	16%	17%	19%	17%
Private blogs	9%	7%	6%	8%	24%	9%

Source (eMarketer 2009) refer appendices

As we can see from the table, about 50 percent of customers trust their friends' recommendations. However, the responses percentages were different depending on the countries, internet users held similar attitudes toward the media. There is a general tendency for people to believe recommendations and information from friends. Therefore, recommendation from friends is an effective way of advertising method compared to the other advertising forms.

There is an old rule of thumb that says a happy customer will tell two people about a positive experience but an unhappy customer will tell ten others about a negative experience. Today it increased to ten people for a good experience and three hundred for a bad experience. (Solomon, Zaichkowsky and Polegato 1999, 606) In the past frustrated customers could have told his family and friends about his bad experience. Nowadays customers can easily spread negative WOM to a huge number of people, without any geographical limits by using media and internet. They can share their frustration with thousands, even millions of other people in following way:

- ✓ Can contact to media and give interviews about bad experience
- ✓ Can take revenge through litigation which affect badly company reputation
- ✓ Can email their thoughts and bad experiences to all of their friends
- ✓ Can publish the information on their own blog and website
- ✓ Can leave comments on the website of that company
- ✓ Can create a protest website dedicated to that company, etc. (Rosen 2000)

As we all know news about inadequate service, poor quality products and packages which cause health problems spread quickly and even more quickly on the internet. Consumers are even more likely to talk about a negative experience than a positive experience. (Perrault and McCarthy 2005, 396) Customers are now very cautious about poor quality products and services thus they tend to transmit bad news to help and warn about it. The consumer rage survey that conducted by consumer care alliance found that 84 percent of dissatisfied consumer shared their bad experiences with friends and 50 percent of them decided not to do business with the company again. (Customer rage study 2005)

Other survey result shows 67 percent said they would not shop at a store after being told about someone's negative experience there. (Retail customer dissatisfaction study 2006) Therefore, it is important for a company to be aware of negative WOM about its products. According to the above surveys, it is clear that dissatisfied customers and negative word of mouth has a significant effect on the attitude and probability of purchase of potential customers.

The word of mouth can be divided into 2 types:

- Organic WOM occurs naturally when people become advocates because they are happy with a product and have a natural desire to share their support and enthusiasm. (Sernovitz, Godin and Kawasaki 2009, 4) This typically happens when customers are very satisfied or hated with products or services and they can't stop talking about it to others.
- Amplified WOM occurs when marketers launch campaigns designed to encourage or accelerate WOM in existing or new communities. (Sernovitz, Godin and Kawasaki 2009, 4) Basically marketers help to start talking about their stuff.

Recently, as a result of widespread use of the internet, new term "Word-of-Mouse" appeared in marketing concept. Word of mouse is electron version of word of mouth. Word of mouse is often described as viral marketing.

1.3.1 The reasons people talk

We talk because we are programmed to talk. (Rosen 2000, 30) Talking and sharing information with others is a pattern that is coded in our genes. Nowadays consumption is a major part of our lives, thus products and services present always good conversation topics. People like to talk about shopping and products. According to a study, the average American discusses specific brands in ordinary discussion 56 times per week. (Keller Fay Group 2006)

Of course, there are hundreds of reasons why people talk but it is important to know how customers get into a conversation about product related topic. If a consumer loved the product or that product made easier do to something then consumers begin to talk about it. Customers may generate negative word of mouth when they are dissatisfied. It is obvious if a consumer doesn't like or hates the product, she/he will talk to reduce frustration or warn others about it. It means negative word of mouth is more contagious than positive messages.

People talk to connect with others and to establish alliances. (Rosen 2000, 30) By talking about something, people can establish and maintain social ties. Moreover, some people usually like to express themselves by what products they use or what they wear and they are very knowledgeable about that. People like to talk and share information what they know well. They want to feel important and help other people to make them feel good. People like to look newsworthy, smart and feel important.

We talk to reduce risk, cost and uncertainty. Consumers who are less experienced have a higher risk to make a wrong decision. Customers are scared of making a bad purchase therefore they discuss and ask about the product each other since they feel it is a good way to reduce this risk. (Rosen 2000)

2 BUZZ MARKETING

The aim of this chapter is to provide detailed information about buzz marketing and its tools. The chapter starts by defining buzz marketing and its implementation. This is followed by explaining what products can be used for buzz marketing campaign, target markets and opinion leaders how to identify them. Finally, it explains how buzz can be kept alive for long time and ethic issues surrounding buzz marketing.

Therefore, from this part we will be able to understand what exactly buzz marketing is and how to use it.

2.1 Definitions of Buzz marketing

During the theoretical research, I found out that the term “buzz marketing” is relatively new and has not been standardized yet. There many different definitions of buzz marketing and word-of-mouth exist. Many marketers and marketing associations tried to define and explain it at their own point of view.

Emanuel Rosen defines buzz marketing as *“the sum of all comments about a certain product that are exchanged among people or any given time”*. (Rosen 2000, 7)

Mark Hughes, the author of Buzz marketing, views buzz marketing as *“it captures the attention of consumers and the media to the point where talking about your brand or company becomes entertaining, fascinating and newsworthy”*. (Hughes 2005, 2)

“Buzz marketing is planned and executed word of mouth sharing about a brand, product, service or company”. (Upshaw 2007, 126)

From these definitions, buzz marketing can be understood as involving customer themselves to disseminate the information about a product or service.

Many authors use the term buzz marketing and word of mouth marketing synonymously. In fact, it seems quite different. So what is the difference between the term word of mouth and buzz marketing? As mentioned earlier, word of mouth is personal, informal communications between customers. Word of mouth is not strategy. It is the result of a strategy. Buzz marketing is either a planned event or activity that is to excite, fascinate customers and media to talk about a product. Moreover, buzz marketing encourages potential customer to tell others positive word of mouth and those others to

pass the messages more others. Therefore, buzz marketing can be understood as planned and executed techniques, which is based on word of mouth communication. It is clear that the more people talk about your product and pay attention to the product, the more brand awareness is high.

Buzz marketing is aimed at spreading the message through the personal network of consumer. (Pelsmacker, Geuens and Bergh 2007, 248) One of the biggest reasons why buzz marketing is powerful and effective is because people believe each other. Messages spread through the personal network doesn't customers make to feel disturbed and influenced by commercial. Therefore, it is designed to seem highly personalized. The essence of buzz marketing is the fact that the spontaneous network that make up our society constitute the most effective way to meaningfully reach people and influence consumers. (Pelsmacker, Geuens and Bergh 2007)

Even though buzz marketing is now widely accepted as marketing tool, there are many different definitions exist in marketing. The problem is which marketing encompasses variety of subcategories. For example: Rosen stated that buzz marketing comprises a number of different marketing techniques such as viral marketing, word of mouth marketing, product seeding, event marketing, etc. Word of Mouth Marketing Association suggested that buzz marketing, viral marketing, product seeding, influencer marketing and cause marketing should be the part of word of mouth marketing. On the other hand, Justin Kirby, the author of the Connected Marketing created the new term Connected marketing is the umbrella term for viral, buzz and word of mouth marketing. Furthermore, buzz marketing is often referred as stealth marketing and deceptive marketing due to the issue of customers are not aware of being marketed to.

Consequently, it is time to put all of these terms into the proper category with appropriate definition.

2.2 Implementing buzz marketing

It is clear that success for a product in the marketplace depends on an effective marketing strategy. It is considered that the most important thing is to create a great and high quality product, but without effective marketing strategy, the product won't be accepted in the marketplace.

The basic elements of a marketing strategy consists of the target market and marketing mix variables of product, distribution, promotion and price that satisfy the needs of the

target market. (Boone and Kurtz 2006, 44) Depending on the target audience and product, buzz doesn't for work all businesses in same way. Therefore, before generating buzz marketing campaign marketers should ask themselves following 7 questions:

1. Is the product suitable for generating word of mouth?
2. Who are our target audience?
3. Who are the opinion leaders or influencers?
4. Which technique is more efficient for our product?
5. Which communication channel is suitable for our campaign?
6. What do people say when they recommend your product?
7. Which messages/word of mouths is more important?

From these questions, marketers have to consider firstly, examine carefully whether a product is suitable to generate word of mouth or not, secondly, identify opinion leaders and target audience its characteristic and decide which buzz marketing tool and communication channel is suitable for the product, finally, depending on all these steps, consider the message about the product.

Mark Hughes, the author of Buzz marketing, suggested that to get people to talk, the message about product should be entertaining and fascinating. He suggested six "buzz buttons" that start conversations.

- ✓ The Taboos
- ✓ The Unusual
- ✓ The Outrageous
- ✓ The Hilarious
- ✓ The Remarkable
- ✓ The Secrets

As mentioned above, the message what people talk each other can be planned by marketers. Especially bring a story with a special angle giving people something to laugh about that make them enjoy and talk. (Hughes 2005, 38) It is obvious talking stories about something extraordinary, unusual and hilarious is more likely to spread quickly than ordinary ones. Thus these six "buzz buttons" can be linked with the product or brand somehow.

Finally, to make it more successful it should be combined with other forms of marketing and a message about the product has to be attractive.

2.3 Products

Consumer buy satisfaction, not parts. (Cannon, Perrault and McCarthy 2008, 236) Talking satisfied consumers to help others who are trying to find right product is the core idea of the buzz marketing. Buzz doesn't work for all the products in the same way. People normally don't talk about products such as paper cliff, an eraser, salt, flour, etc. Then the question to ask is what the products people are like to talk and what kind of products can generate word of mouth?

Before write about the products that can be used for buzz marketing campaign, it is necessary to understand what is a product and its classification. Product is defined as anything that can be offered to market for attention, acquisition, use or consumption and that might satisfy a want or need. (Kotler and Armstrong 2006, 232) In addition, product is not only tangible goods it also includes services, events, places and ideas. As written in Principles of marketing, consumer products divide into 4 groups, based on the way people buy products.

- Convenience products
- Shopping products
- Specialty products
- Unsought products

Convenience products are product that the customer usually buys frequently, immediately and with minimum comparison and buying effort. For instance: soap, detergent, flour, sugar, milk, bread, newspapers. Even though convenience product is low priced but customers usually don't talk about it because it is nothing new, we use it almost everyday and not so fascinating. Therefore, it requires widespread distribution and mass advertisement. (Kotler and Armstrong 2006)

Shopping products are less frequently purchased consumer products and services that customers compare carefully on suitability, quality, price and style. In order to find a right product, consumers usually compare the product's quality with other similar products and gather information from friends and opinion leaders who know about it more. Moreover, people tend talk about shopping products to evaluate and compare own opinion with others' and ask each other from more information about it. Therefore, shopping products can be suitable for generate buzz marketing to promote the products. Examples: furniture, car, clothes major appliance and electronics. (Kotler and Armstrong 2006)

Specialty products are products with unique characteristics or brand identification for which a significant group of buyers is willing to make a special purchase effort. They carry high prices and many represent well-known brand. For instance, specialty products include Tiffany jewellery, luxury cars, Gucci's goods and Rolex watches. Buyers normally don't compare specialty products. The more unique characteristics and new information attached to a product, the more people talk about the product.

Unsought products are products that the consumer either doesn't know about or know about but doesn't normally think of buying. Consumers don't know whether those types of products exist in the marketplace or not. New unsought product can be understood as innovative product. To convince consumers to accept innovative product, marketers usually use mass advertising and promotional activities. Buzz marketing, however, is the best way to make consumers adapt the new innovative products. (Kotler and Armstrong 2006)

How much new information is attached to a product, or to whole product category, is key to predicting how much buzz it will get. (Rosen 2000, 25) Marketers usually use buzz marketing when they want to advertise and promote exciting and innovative products. Emanuel Rosen defined the products that stimulating word-of-mouth is ideal for products that are:

- *Exciting products* can be products such as books, record and movies. We don't know how many consumers make a purchasing decision after hearing about something exciting and fascinating product from your friends.
- *Innovative products*: Based on observation, innovative products are highly affected by word of mouth. People talk about them because these products may provide new benefits and because people are impressed by the ingenuity of the creators. Innovative products don't have to be high technology breakthrough products. Though it must offer a meaningful benefit to the customer.
- *Personal experience products*: When personal experience is needed to assess the product or the service the product or the service, buzz can be expected. According to Rosen, hotels, airlines and cars fall under this category. It is obvious that people tend to talk and ask an advice from others who has experienced and used the product before.
- *Complex products* like software or medical devices. Talking about complex and technological product helps people understand them.

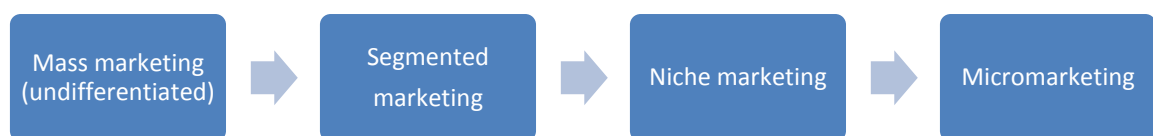
- *Expensive products* such as computers or consumer electronics. Talking about the expensive product reduce the risk of high value purchase.
- *Visible products* such as clothes, cars and cellular phones. If a product is invisible, customers are less likely to discuss it. It is obvious that people talk about the things what they see, use and wear.

2.4 Target market

One of the most important factors is target market. As defined in Basic Marketing, a target market is a fairly homogeneous group of customer to whom a company wishes to appeal. (Cannon, Perrault and McCarthy 2008, 33) In other words, it is customers who share common needs or characteristics that the company decides to appeal to serve. Buyers have unique needs and wants and companies need to understand that specific feature of target market. Depending on the nature of product and capability of production limit, a company can choose which target marketing to appeal.

Target marketing is divided into 4 groups, depending on the extent to which the customers are broadly covered. Figure shows a company can target very broadly–mass marketing to very narrowly.

Figure-2.1. Target marketing strategies



Source (Kotler and Armstrong 2006, 210)

As for buzz marketing, it works among fragmented audiences because it embodies a flexibility and creativity that thus far have eluded many traditional practitioners. (Salzman, Matathia and O'Reilly 2003, 16) In other words, buzz marketing is suitable for target market from differentiated market to niche marketing. In relation to their lifestyle and the community feature, customers have different wishes, needs and talk different things. Therefore understanding your target audience's specific feature is essential for success.

More importantly, age can play key role in buzz marketing campaign. Because young people, who tend to socialize more and be more influenced by peers than their elders, seem to talk more about products. Young people are more active, more connected each other and like to share fascinating and exciting information. Thus marketers tend to appeal young generation, which presents 18-35 year-old customers. (Rosen 2000)

2.5 Opinion leaders

There are many different terms exist in marketing concept that describe people who can influence others decision making process. For example, influencers, opinion leaders, hubs, mavens, connectors, sneezers, alphas, etc. Marketers know the importance of personal recommendations by opinion leaders. Opinion leaders those people who are knowledgeable about products and who are frequently able to influence others' attitudes or behaviours with regard to a product category. (Solomon, Zaichkowsky and Polegato 1999, 374) By reaching these buyers early in the product's development or introduction, marketers can treat these opinion leaders as testing and evaluating a new product and spreading the word of mouth.

Therefore, large numbers of studies have conducted to identify the general characteristics of opinion leaders. These pioneer customers tend to be younger, have higher social status, are better educated and enjoy higher incomes than other consumer. (Rosen 2000, 98) If opinion leaders reject the product, it may never succeed in the marketplace. When a consumer wants to buy something and needs information about one particular product, she/he doesn't ask just anyone for advice. They will most likely to seek advice from a friend who knows a lot about that product. Everyone knows people who are knowledgeable about the products and whose advice is taken seriously by others. Furthermore, opinion leaders are socially active and highly interconnected in their communities. (Solomon, Zaichkowsky and Polegato 1999)

Many experts agreed that the percentage of opinion reader on the average in the population is about 10 to 15 percent. Silicon Valley marketing guru, Regis McKenna stated that "if a company can reach the critical 10 percent, it will indirectly influence all the others. The WOM message will grow like a snowball rolling downhill, as the critical 10 percent pass the word to others". (Rosen 2000, 98)

It is undoubtedly true that identifying opinion leaders is vital to a product's success. Opinion leaders are likely to be innovators and early adopters. A number of studies about the adoption of new product have identified five categories of purchasers based on relative times of adoption.

Figure-2.2. The adoption curve

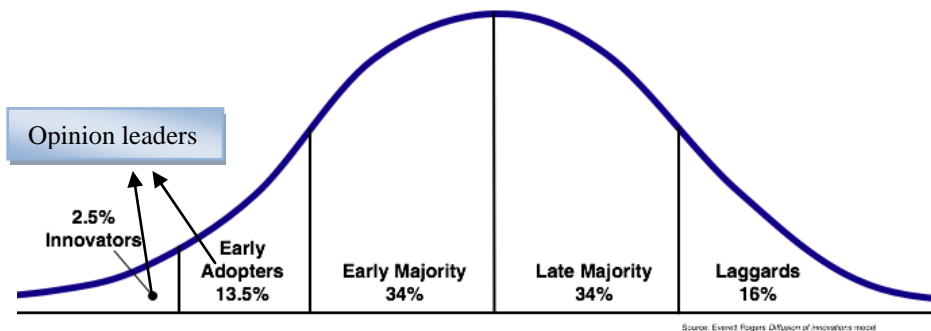


Figure 2.2 shows typical process by which new goods or services are accepted in the marketplace. According to the graph, innovators make up the first 2.5 percent of buyers who adopt the new product; early adopters are 13.5 percent and the rest of 68 percent is early and late majority.

The innovators are the first to adopt. They are eager to try a new idea and willing to take risks. Innovators tend to be young and well educated. They are likely to be mobile and have many contacts outside their social group and community. They tend to rely on impersonal and scientific information sources or other innovators rather than salespeople.

Early adopters are well respected by their peers and often are opinion leaders. They tend to be younger and more mobile and more creative than later adopters. But unlike innovators, they have fewer contacts outside their own social group. The next group, early majority, look to the early adopters for guidance. The early adopters can help the promotion effort by spreading WOM information and advice among other consumer. It is considered that if marketers reach innovators and early adopters, they can convince easily rest group of customers.

Early majority group avoid risk and wait to consider a new idea after many early adopters have tried it and liked it. The early majority have a great deal of contact with mass media, salesman, and opinion leaders. To buy new product they rely on heavily opinion leaders and peer group's advice.

Late majority are cautious about new ideas. Often they are older and more likely to follow their peer group. They tend to be more toward other late adopters rather than outside sources they don't trust. Laggards prefer to do things the way they have been done in the past and they are very suspicious of new ideas. It is almost not possible to make them accept new products. (Cannon, Perrault and Jerome 2008)

Moreover, innovators and early adopters influence others' purchase decision greatly and others take their advice seriously.

2.6 Buzz marketing tools

Each individual product and target market may require a different strategy and different technique. There are many tools used by marketers to generate positive word-of-mouth about their company's product and brand.

Product seeding

A seed unit is an actual product or a representative sampling from the product that you are trying to promote which you place in the hands of seed customer. (Rosen 2000, 153) In other words, product seeding is to give *opinion leaders* a sample product and after testing the product if *opinion leaders* like it, they will spread word of mouth about the product to their network. Product seeding accelerates the adoption process of product in the marketplace. Therefore, it is the most frequently used tool to enter a new market with a new product and promote product sale.

Based on the results of the seeding campaign, it is more likely be successful the products like books, DVDs, electronics, high tech products, fashion and a software package. It sometimes is achieved by giving away sample products or at discounted price. For example: The book, "Cold Mountain", was sent to more than 4000 authors, bookstore assistants and opinion leaders to spread the word of mouth. Also, the DVD, "Harry Potter and prisoner of Azbakan", was delivered to fewer influential teenage bloggers and opinion leaders interested in cinema and Harry Potter. (Rosen 2000) Lately, many marketers began to use the term "Influencer marketing" which refers product seeding.

Scarcity and mystery

When you want someone's attention, just "whisper". (Laermer 2003, 10) We often hear "don't tell about it anyone or it is a secret". But in reality the "*secret*" spreads more quickly than regular news. It seems that people like to hear mysterious stories and mystery make people more curious and make them talk. Some companies deliberately protect information about their products to arouse curiosity.

It has to do with not only spreading the word but withholding information and releasing it gradually over time. (Rosen 2000, 172) The best way to spread buzz is distribute unevenly secret information and the message should be look like *secret knowledge*. For instance: Blair Bitch Project. Shot like a documentary, Blair Witch is a

movie about three students who investigate the mysterious tale about a witch. People are still confused whether it was documentary or just horror movie and the main actors really dead or not. Also marketing team intentionally limited the number of theatres in which it debuted, spurring demand and sustaining solid buzz. The Blair Witch movie itself is full of mystery and releasing limited number of information make the movie more attractive. (Kelly 2007)

Buzz agents

When consumers are not motivated to spread the word, buzz agents help marketing managers to get conversation started. Buzz agents usually called as street team. Agents receive product samples and information. If buzz agents like the product, they are urged to pass the word. (Cannon, Perrault and McCarthy 2008)

From this the question will raise what is the difference between buzz agents and opinion leaders. Opinion leaders those people who are knowledgeable about particular products and well respected members of community. People tend to follow opinion leaders' advice due to their credibility. On the other hand, buzz agents can be considered as professional word of mouth spreaders. They aren't really necessary to be knowledgeable about certain products. Buzz agents could try out any kind of product sample, which need positive word of mouth and spread it.

Viral marketing

Viral marketing is the internet version of word-of-mouth marketing-email messages or other marketing events that are also infectious that customer will want to pass them along to friends. (Armstrong and Kotler 2005, 500) The internet has become the hottest medium for viral marketing because video clips or games containing advertising can be passed rapidly from user to user. (Boone and Kurtz 2006, 329) It is also the cheapest way to advertise products.

The message spreads like virus. The downside of viral marketing is once the message spreads, it is almost impossible to keep control over the messages. If information is from a friend, we usually open and read it. According to a recent survey, 81 percent of those who receive viral messages pass them on to at least one other person, and almost half of those receivers are likely to pass the message along to two or three other people. Nowadays, many companies use viral marketing to advertise their products and services. For example: Johnson & Johnson used viral marketing to promote its Clean and Clear skin care products.

Johnson & Johnson created a pop-up micro site from which teens could send a talking postcard to their friend. The site helped visitors design own greeting card with voice message. Friends receiving the e-mail greeting, they were invited to click on a button called skin analyser linking them Clean and Clear's main website. Also classic example can be Hotmail offered a free email account to anyone who signed up. Each email sent by a hotmail subscriber included the simple tag at the bottom of each message "Get your free private e-mail at <http://www.hotmail.com>". (Armstrong and Kotler 2005)

Using celebrities

Celebrities spread information to more people than 'normal' influential people but it is mainly a one-way interaction. (Boone and Kurtz 2006, 524) Messages delivered by attractive or popular sources achieve higher attention. That's why marketers usually choose celebrities to generate buzz. Celebrities are likely to be more effective when they personify a key product attribute. (Kotler et al. 2003, 606) Millions and millions of people look at celebrities' everyday. People are always curious about celebrities' personal life such as what they are wearing, eating and like to talk about them.

The most frequently used method to generate word of mouth is to get celebrities to wear and carry the product that going to promote and then get them exposure in some activities. Also can take the photos of them and publish it in fashion or women's magazines and in the internet. Therefore, celebrity endorsement is more likely to work products like clothes, accessories, cars and pharmaceutical products. (Yaverbaum et al. 2006) Japanese marketers have recently started using celebrities' personal blogs to promote products. In this case, marketers make advertisement more natural like celebrities are just sharing their opinion about a product with others after using the product.

Events

Event marketing refers to the marketing of sporting, cultural and charitable activities to selected target markets. (Boone and Kurtz 2006, 20) Marketers organize events to bolster their image by linking their brand and its product to the events. Event is frequently used tool to raise awareness, promote, advertise and improve an image of company and its product.

By creating a unique event is that people talk about what they do and if they do or see something unique, it is most likely to be mentioned. (Rosen 2000) In order to prompt customers to spread comments, events should provide some memorable and fascinating

moments and the message should be fascinating and newsworthy. So that participants will talk about the events to their networks.

Blogs

The advent of the internet has given marketers new channels through which they can create buzz. Blogs allow marketers to build personal, long-lasting relationship with customers that foster trust. (Gardner 2005, 29) Blogs can be used for many purposes such as for special campaigns, brand recognition, informing about new product, educating customers, etc. Therefore, over the past few years, companies began to create blogs to generate buzz about their brands and products.

Blogs are really flexible and well suited to creating own market. Depending on target audience's specific features and interest, it can be created differently. For example: if a marketer wants to target on teenagers, then blog's design should be more attractive like games, movies, the latest songs, news about celebrities, etc can be included in blog. It doesn't matter who is your target audience; blogs enable to reach that target audience more effectively. Moreover, blogs give customers to get personalized treatment, advice and opportunities to communicate freely. For a company, creating blog about your company's product is also the cheapest way to reach the target.

2.7 Keeping buzz alive

Buzz gives people excitement and when the freshness fades, buzz disappears quickly. Keeping buzz alive is difficult because we can't force people to always talk about the same thing. As written in *The Anatomy of Buzz*, there are three ways to keep buzz going over time.

- ✓ *Customer involvement*-in order to keep continuing buzz, a company has to organize constantly activities like contest, events and establish clubs to create involvement and make people talk. The more customers are involved in activities and the more they will think and talk about the product.
- ✓ *New customers*- a company has to expand their business the place where the product hasn't been exposed yet. A company also can appeal the other generation.
- ✓ *Innovation* – introducing constantly creative and exciting improvement is the best way to get people keep talking about the product.

2.8 Ethics of buzz marketing

Ethical issues must be raised to spread artificial or fake WOM deliberately. In 1930s “professional rumour mongers” were hired to organize WOM campaigns to promote clients’ products and criticize those of competitors. (Solomon, Zaichkowsky and Polegato 1999, 374) As we all know, rumours about unsatisfactory products or services usually effect noticeably on sales. Few companies generate negative WOM to spread false information about their rivals and products to defame their competitors’ reputation. Also in order to attract many customers in short time, some companies spread exciting but fake word-of-mouth.

Artificial word-of-mouth marketing is dishonest and ineffective. Word-of-mouth marketing must be based on the honest opinions of real people. (Word of Mouth Marketing Association) In other words, it must be a real voice of the satisfied customer not made-up or fake stories. To satisfy customers buzz marketing forces a company to have good products.

Many companies recruit buzz agents and opinion leaders to spread positive word of mouth about their products. But opinion leaders and buzz agents usually are not allowed to disclose their affiliation with a company. As a result of that, buzz marketing is strongly criticised for exploiting intimate relationships to make a profit. Many customers felt that it makes people treat each other objects of manipulation. Moreover, some tradesmen create a blog to promote their products and then they act like a regular customer who is just sharing positive word of mouth about the product with others.

As a result of the above issues, some cases of buzz marketing have become illegal in the UK since May 2008. According to the consumer protection from unfair trading regulations, falsely claiming that the trader is not acting for the purposes relating to his trade or falsely representing yourself as a regular consumer is a criminal offense.

(Werle 2008)

II. ANALYSIS

3 CASE STUDIES AND ANALYSES

The aim of this practical part is to discuss the most successful buzz marketing campaigns and explain why it becomes successful and what buzz strategy tools they choose to reach its target audience and how was the result of campaign.

3.1 Case study 1

Apple Inc launched its new innovative mobile phone iPhone in the USA on June 29, 2007. The Economic Times wrote that “Apple Inc.'s campaign to build excitement about its iPhone may be the most successful marketing effort ever, surpassing the drive to promote Ford Motor Co.'s 1964 Mustang and Microsoft Corp.'s Windows 95”. It is considered that the launch of the iPhone was the best ever launch of any product. Even bloggers, customers and media began to refer to iPhone as the *Jesus phone*.

Product

iPhone combines three products in one device which includes a revolutionary phone, a widescreen iPod, and a breakthrough Internet device with rich HTML email and a desktop-class web browser.

The key features of iPhone:

- Screen size: 3.5 in (89mm)
- Screen resolution: 480×320 pixels
- 2 megapixel camera
- Memory: 128 MB DRAM
- Operating System: iPhone OS
- Wireless: Quad band GSM/GPRS/EDGE/Wi-Fi/Bluetooth
- Weight: 135grams
- 4GB and 8 GB model. (Apple)

It has many advantages and benefits compared to other smart phones in the market. To mention briefly some of the important features; the buttons were replaced by a multi-touch screen and operating system iPhone OS is much easier to use than other mobile phones in the market. Safari browser in the phone allows the complete and constant access of internet, regardless of what network used. iPhone comes with iTunes and Google Maps as well as two search engines, Google and Yahoo. Music player-iPod, GPS, huge memory card and Wi-Fi were completely innovative compared to other smart phone. The key

attraction of iPhone is its extreme ease of use. Steve Jobs announced at the Macworld conference that Apple had filed for more than 200 patents related to the iPhone.

Target Audience

The phone costs either \$499 or \$599 depending on the memory size and buyers must also make a two-year contract with AT&T that will cost them minimum 59.99\$ per month. Thus iPhone is a not cheap product and not everyone is able to afford it. Aimed at the high-end, tech-savvy consumer, who is often a business user, the iPhone is marketed to a sizable, fast-growing market. (Mickalowski, Mickelson and Keltgen 2008) In other words, Apple's target audience is middle and upper income professionals, entrepreneurs and tech-savvy customers. Professionals and entrepreneurs need one portable device to coordinate their schedules, communicate with colleagues and check and send email or instant messages while they are going. As for tech-savvy customers, the phone performs many functions such as iPod, phone, video, GPS, and internet without carrying multiple gadgets.

Marketing strategy

Steve Jobs, Apple's Chief Executive, unveiled the iPhone at the annual Macworld Expo in San Francisco on January 09, 2007. Apple didn't give the product to the press, so they had to write what they had seen in the conference until to the launch date. Apple refrained initially using any promotional and advertising campaigns as expected of a company entering a new market with a new product. Instead they ran a teaser advertisement. The teaser commercial aroused people's idle curiosity to find out about the product.

The first commercial for iPhone which titled "Hello" aired during the 79th Academy Awards on February 25, 2007 on ABC. TV commercial starts with an old fashioned black phone ringing until it is answered by Lucille Ball. The commercial continues many famous actors such as Marilyn Monroe, Audrey Tatou, Dustin Hoffman, Harrison Ford, Elma, Cameron Diaz, Sarah Jessica Parker and Mr Incredible answering phones and saying "Hello". At the end iPhone appeared briefly and followed by the word "Hello" and "Coming in June". The commercial otherwise told consumers nothing about the product and no new spots ran over the coming months.

After the unveiling, only few details were released about iPhone. Releasing the limited number of information raised the expectations greatly. Between five months until the announcement of launch surrounding Apple's product created a great excitement and fascination among the customer especially, Apple's fans created enormous amount of buzz

regarding to the phone. On the internet, there were lots of discussion about iphone in blogs, chat rooms and newspapers. (Rao 2008)

Moreover before the launch, Apple introduced a service plan which consists of three price plans. All three plans include unlimited data, Visual Voicemail, 200 SMS text messages, roll-over minutes and unlimited mobile-to-mobile calling. Around this time, the company released four more commercials that announced the launch date and provided customers with more information about its features and functions. (Apple)

As the launch date approached, buzz about the mobile phone reached its peak. Until the launch, Apple's iPhone has been the subject of 11000 printed articles and search for iPhone in the Google Inc search engine resulted in 69 million hits. (Pogue 2007) A survey conducted by M:Metrics, the measurement found that 56 percent of British and 64 percent of American mobile phone users were aware of the iPhone. In the U.S., where the device will launch first, 14 percent of those who had heard about the iPhone reported they would be highly interested in buying one. (M:Metric press release) The buzz surrounding the phone was great and it was not only restricted in the USA other countries such as European as well as Asian customers were eagerly awaiting for the release of iPhone.

Results

As a result of successful marketing campaign, Apple sold 1,389,000 units just within 2 months after the launch. According to a report released by Canalys, Apple has captured 17.3 percent of the smart phone market, placing it second in the world only to Nokia, which controls 38.9 percent market share. (Hickey 2008) iPhone becomes top choice among customers who planning to buy a new phone.

Apple's success can be clearly seen from its increase of stock price in the stock market from the announcement date to January 2008. The graph shows how Apple's stock price has been increasing since the iPhone's unveiling day. The share price of Apple's stock more than increased from 86\$ to 179\$.

Figure-3.1 Apple's stock price



Source (Mickalowski, Mickelson and Keltgen 2008)

Analysis

According to Emanuel Rosen, products such as mobile phones, computers and electronics are highly affected by buzz. Apple created a very strong overall marketing strategy for the iPhone. The aim of the marketing strategy was to appeal target market by creating excitement, fascination and buzz. In order to reach the target market, Apple used event marketing and run teaser advertisement.

First of all, it is necessary to mention the phone itself was very innovative and revolutionary enough product that evokes strong excitement.

Secondly, Apple chose very effective ways of generate word of mouth. Steve Jobs' announcement was an example of the intelligent use of an event to create buzz before the launch. During the announcement, Job focused on its key features and benefits and his presentation style was unique and impressive. After the announcement about the phone, iPhone was at the core of the media attention. Moreover, events are great way to position yourself as a thought leader within the industry. (Saget 2006, 12) The event demonstrated clearly Apple is leading the technology revolution with their innovations.

Thirdly, the mysterious teaser commercial and releasing information small by small aroused a lot of curiosity among the people. Apple released information unevenly that raised expectation more and ensured the continuing spread of buzz. It is clear that mystery made people talk and built interest.

The product's benefits and visibility helped to stimulate word of mouth. A customer who bought iphone just after launch said "We've been looking forward to this for so long,

been talking about it, thinking about it, reading about it” and “I'm going to run home and ring people just to say 'guess what, I've got an iPhone, bye!'”. (Smith-Spark 2007)

Finally, iPhone's target audience can be opinion leaders in their network. Upper income professionals and tech-savvy customers tend to be knowledgeable about particular products and they are also highly influential in their community. The main feature of opinion leaders is willing to buy innovative products and try new ideas at any time. Probably the main idea of Apple's marketing strategy was if they could appeal opinion leaders, then rest of early majority and late majority will be easily followed.

3.2 Case study 2

Red Bull is widely acknowledged as the producer of energy drink and known for its sponsorship of extreme sports like Formula one racing, mountain biking, water kayaking, hand gliding and wind surfing. It is considered that the company has a 70 to 90 percent market share in over 100 countries worldwide. (Gschwandtner 2006) The product itself doesn't have any extraordinary qualities compared with other energy drinks, even most of customers say the taste of Red Bull is too sweet and not drinkable.

Product

Red Bull is an energy drink with unique combination of ingredients. The major ingredients of Red Bull are sugar, taurine, glucuronolactone, and caffeine. It is proved that Red bull helps to increase mental and physical exertion by up to 25 percent. (Red Bull GmbH) Red Bull's retail price is 2 USD per can and it sold for up to 6 USD in bars, much higher than competing soft drinks. As written its website, Red Bulls benefits are:

- To increase physical endurance
- To improve concentration and reaction speed
- To improve vigilance and stimulate the metabolism.

It is highly appreciated by large range of people from blue collar workers, students, and sportsman to professionals. The idea of Red Bull energy drink was originated in 1983 and four years later it was launched in Austria. It then expanded rapidly into neighbouring countries Hungary, Slovenia, Germany and United Kingdom and other countries such as Asia, United States.

Target Audience

Red Bull's target audience are 18-29 year-old active students and busy urban professionals who need to get energy to work, to study and to have a party. (Gschwandtner 2006)

Marketing strategy

Instead of traditional marketing, Dietrich Mateschitz, the founder of Red Bull, relied on Buzz marketing's product seeding technique to entering new target market. In order to enter a new market, the company provided the most influential college and university students –“alpha bees” with free Red Bulls and encouraged them to throw a party. “Cool college students have become Red Bull's best ambassadors because they carry the most credibility with cynical consumers. It's almost as if brand have to be elected to be part of culture now” said Gobe (Rodgers 2001). The company carefully chose students who are most stylish, athletic and influential others to enhance its image in the market. Mateschitz also hired students to drive a car with a big Red Bull can strapped on top. They drove around campuses and offered free samples at parties. This strategy was extremely successful and allowed Red Bull to gain immediate acceptance among the students.

As a result, it gave reputation as a party drink for people who needed the energy to party all night. In addition, Red Bull used Guerrilla marketing to raise brand awareness. In order to raise brand awareness, they hired “consumer educators” who were the company's sales representatives gave away free samples of beverage and often left empty cans on tables in bars to make the people saw and got familiar with it.

One of other most important Red Bull's target audience is young urban professionals who work long hours in stressful condition. They are offered free energy drinks at their organization and place where they work.

Once Red Bull established a foothold in the market, Mateschitz began to sponsor and organize extreme sporting activities like kayaking, hand-gilding, mountain bike for free-ride, motocross freestyle rallies and skateboarding. Nowadays he supports close to 500 daredevil, world-class athletes who come to invitation- only events from all corners of the world. Sponsoring extreme sport became the company's core marketing strategy. The idea behind sponsoring these activities was to reinforce Red Bull's image as a beverage for energetic people.

The company began sponsoring several racing events as well as teams around the world. Consequently, Mateschitz acquired Jaguar Racing Formula-1 team in November 2004 and renamed it Red Bull Racing. Soon after the purchase, Red Bull GmbH acquired

another team Minardi, an Italy-based Formula One team for an undisclosed amount and renamed it Scuderia Toro Rosso Racing. Formula-1 is considered that the one of the world's most glamorous and expensive sport. It helped to enhance Red Bull's image as a trendy drink. (Gschwandtner 2006)

Results

As a result of successful marketing strategy, Red Bull become one of biggest manufacturer of energy drink in the worldwide and holds about 70 percent of market share. In the U.S., where Red Bull enjoys a 47% share of the energy drink market, sales are growing annually at a 40% clip. (Dolan 2005) In 2008, the firm sold 4.016 billion Red Bull cans in over 130 countries and its sales reached 3.335 billion Euros. (Red Bull GmbH profile) Even though, many Red Bull's competitors had introduced energy drinks in multiple tastes due to Red Bull's bitter and tangy taste. The company is still in a stronger position in the market and it is likely to grow year by year.

Analysis

In order to promote the product, Red Bull used two buzz marketing techniques which are product seeding and event marketing. Firstly, Red Bull used product seeding technique and influencers to reach new target group and to accelerate the adoption process of product in the marketplace. Especially, providing free red bull for highly influential trend-setting students and encouraging them throw a party was highly effective to reach its target market. Red Bull chose target market and influencers very sensitively. Because young people who tend to socialize more and be more influenced by peers, seem to talk more about products. It is clear that youth likely to imitate their peer groups and take their advice seriously. Therefore, Red Bull appealed initially college students and youths. Once the product was tried by the target group, it would be easier to establish market.

Secondly, sponsoring extreme sports wisely linked with the unique features of Red Bull. Emanuel Rosen pointed out that an original and memorable moments are likely to pass on. It increased brand awareness.

As for a product, people don't discuss much an energy drink as intense as a new mobile phone, car, good movies and books. But the product itself is highly beneficial for people who need energy to do something. After drinking Red Bull, people can clearly see and feel real differences. Therefore, its benefits such as improving concentration and increasing mental and physical exertion helped to spread word of mouth quickly.

Finally, Red Bull is highly controversial product due to its side-effects and use as mixer with alcohol. Many experts argue that drinking too much of Red Bull a day or mixing with alcohol may also lead to heart damage. Even though, Red Bull lost many customers in relation to the issues of health threats. But Red Bull is still stronger position in seems to remain stronger due to its powerful marketing strategy.

3.3 Case study 3

As of 2008, Procter and Gamble is the 8th largest corporation in the worldwide and markets more than 300 brands in nearly 130 countries. The purpose is to provide branded products and services of superior quality and value that improve the lives of the world's consumer for now and next generation. (Procter&Gamble) It has main five operating division that organized by product category. They are paper product, food and beverage, beauty care, health care and laundry and cleaning.

Tremor and VocalPoint

In 2001, P&G started Tremor, buzz marketing programme that aimed at teenagers. Tremor members were very carefully chosen and selected based on their response to a survey questionnaire. P&G looked to recruit individuals with three qualities: inquisitiveness, connectedness and persuasiveness. Tremor's members "connectors" have social networks 5 to 6 times larger than normal. For example, an average teenager has 25 friends name in her messenger list, while a typical connector will have 150-200 names on her messenger list. Tremor programme is a network of 250,000 carefully screened American teens, 70 percent of whom are between 13 to 19 years of age, and 65 percent of whom are female. (Blake 2006)

Tremor programme was so successful thus P&G launched new word of mouth campaign geared for moms called VocalPoint in May 2006. The reason why P&G chose moms is they are most influential group of shoppers in the worldwide and its products are targeted to mainly women and moms. The VocalPoint is a network of 500,000 mothers who have children under 19, 78 percent of whom are between 25 and 44 years old. P&G was looking for people who are talkative, like to share information with others and the drive to actively seek new news and above all, must be highly influential. Participants generally speak to about 25 to 30 other women during the day, whereas an average mom speaks to just five. In order to identify socially active and influential moms, P&G gave

weight to their involvement in social network group such as church, schools and play groups. (Libert, Spector and Tapscott 2007)

Target audience

Tremor programme's target audience are teenagers from 13 to 19 years old and their parents. VocalPoint's target audience are mothers aged between 25 and 50.

Products

The products to be talked about by P&G's connectors had to have 2 key elements – "advocacy" and "amplification". Advocacy has happened when connectors experienced a product and if they liked the product they tell and share about it with their friends. Amplification message is a product message that easy to be talked and mentioned casually everyday conversation. (Tremor Word of Mouth Marketing)

Tremor's teenagers were spreading message about P&G's products such as Noxzema and Pringles as well as external client's products. Tremor's problem was teenagers were mostly promoting products that designed for and targeted adults. Therefore, about 80 percent of the Tremor's campaign mainly focuses on external client's products such as Coca Cola and Dreamworks. (Bonello 2007)

As for VocalPoint connectors, P&G's products were suitable for them to spread word of mouth. The connectors are offered products such as pharmaceutical, home care and personal care products. Just like Tremor's members, moms have promoted P&G's products also other industries' products - fashion, music, food and beauty.

Marketing strategy

Both Tremor and Vocal Point's marketing strategies were quite similar except the products they were promoting. Vocal Point moms have been offered a sample of the latest P&G products and coupons that help to run their household efficiently and economically.

On the other hand, Tremor members have been offered exclusive information, latest DVDs and music CDs, sample kits, stickers and P&G's products. In return, after trying a sample product, they were expected to disseminate word of mouth about P&G's products with their friends, family, acquaintance and strangers regardless of whether it is positive and negative. (Holzman 2005)

Result

As a result of Tremor and VocalPoint programme, sales of the products that were promoted increased from 10 to 20 percent. For instance, a campaign conducted for CoverGirl's new lipstick led to a 14 percent of growth in sales after 8 weeks. Moreover, the connectors told an average 9 people about the lipstick and 65 percent of those people were planning to purchase it. (Francis 2006)

Analysis

P&G used buzz marketing's product seeding tool and buzz agents as well as traditional marketing techniques to promote its product. The main goal of P&G's buzz marketing campaigns was to reach target market more effectively, involve connectors in product developing processes and promote products.

In order to reach target market, P&G used connectors' broad and deep social networks and their persuasiveness. P&G also chose wisely its connectors particularly moms which are the most influential segment among buyers. As written in Marketing to women, women are responsible for 83 percent of all consumer purchases. (Barletta 2006, xiii) Buying domestic products has always been in the mom's domain and they usually like to talk about household related topics. In relation to these reasons, moms perfectly suit P&G to promote its household care, family care and beauty products.

Over the past few years, teenagers became a powerful force in the marketplace. Because teen population is expanding greatly and they have money to spend. According to a survey of US census, teen's yearly discretionary income increases from nearly \$1,500 at age 12 to 13 to nearly \$4,500 by age 16 to 17. They spent \$112.5 billion in 2003 alone. (Teen Market profile 2003) Teenagers spend in wide variety of categories including clothes, jewelleryes, CD's, video games, snacks, sodas, ice cream, etc. Moreover, parents tend to consult with teenagers about household for large and small purchases.

Furthermore, the issue could raise whether P&G's connectors are buzz agents or influencers. They could be opinion leaders, if they promoted only P&G's product. But they disseminate positive word of mouth about its products as well as other external client's products. Even though both Tremor's and VocalPoint's connectors don't get paid, in my opinion, they could be *professional word of mouth spreaders* – buzz agents.

Although the campaign was highly successful, these campaigns have been widely criticized due to the issue of "commercialization of human relationship". Many people felt that P&G's campaign is commercialising our daily life and devastating human relationship.

The problem is P&G's connectors are not allowed to disclose their affiliation with the company. People think they are talking with a regular person but in reality they are being marketed by their friends. Most of us already suffer from too much information and advertising clutter. On the one hand, it could be nice to getting the latest and reliable information about product or services from trusted friends. On the other hand, people feel betrayed when they know they are being marketed by their friends and acquaintances.

RECOMMENDATION

This recommendation could be my practical guidance to marketers who intended to generate buzz marketing campaign. Based on the theories and case studies that we discussed, following four steps of buzz marketing campaign/model could be arisen.

Figure 4.1 Steps of buzz marketing campaign



Firstly, marketers should examine whether the product is suitable for buzz marketing campaign or not. As I mentioned earlier, buzz doesn't work equally for various products in the same way. According to the above-described case studies, visible, exciting and innovative enough products are perfectly suited for buzz marketing campaign. Also beneficial products are easy to generate word of mouth. If a product makes something easier for customers to do what they were trying, customers talk about the product.

Secondly, determine which target audience to appeal and identify target audience's common needs, lifestyle and specific features. By knowing these specific features, marketers would be able to understand what do they talk about in daily life and what products are able to generate word of mouth.

Thirdly, before deciding which buzz marketing tool to apply to generate word of mouth, it is necessary to determine the marketing goal. Without clear marketing goal, it is difficult to choose right marketing tool. Depending on the marketing goal and target audiences, buzz marketing tool should be chosen differently. For example, opinion leaders and buzz agents can be good for reaching target audiences more effectively. Product seeding tool may be more effective for entering new market with a new product, etc.

Finally, depending on target audience, nature of product and marketing goal, marketers select which buzz marketing tool use to disseminate word of mouth.

The message about products or services should be extraordinary but must be simple and easy to remember. Easy and simple message spread across social networks more easily. And the messages must be relevant and newsworthy people to want to tell others about it.

Marketers have to consider ethic issues seriously when generating buzz marketing campaign. Spreading false and artificial word of mouth to manipulate customers is futile; conversely, it leads to negative buzz.

CONCLUSION

To bring the paper to a close, I summarize the main points here:

1. As a result of the issues of advertising clutter and sceptical customers, new marketing technique which can get customers attention without interrupting them is required to advertise and promote products. It is proved that buzz marketing is the most effective way to advertise today's marketplace.
2. During the theoretical research, I found out the term "buzz marketing" hasn't been standardized yet and the term of buzz marketing has been kept changing and enriching day by day. Most of marketers describe the term word of mouth and buzz marketing synonymously but in fact these two terms are different. Buzz marketing is planned and executed word of mouth. On the other hand, word of mouth is informal information and recommendations about products. But it sometimes doesn't happen naturally. In order to generate word of mouth, marketers use buzz marketing tools thus word of mouth can be the result of buzz marketing activities.
3. In relation to target audience and nature of a product, the effectiveness of buzz marketing can be different. Buzz marketing is not suitable for some products and target audience. More importantly, the features of buzz marketing require companies have a good quality product and satisfy customers.
4. Opinion leaders are either innovators or early adopters. These groups of people are usually knowledgeable about products thus they are frequently able to influence others' (early majority, late majority and laggards) to make decisions on purchasing products due to their credibility. Therefore, opinion leaders play an important role in buzz marketing campaigns.
5. The beauty of the buzz marketing is aimed at spreading the message through the personal network of consumer. There is no doubt how buzz marketing is powerful and persuasive marketing weapon because customers believe each others and they don't feel disturbed and influenced by commercial. But not allowing opinion leaders and buzz agents to disclose their affiliation with a company is highly questionable.

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P I Most trusted media according to internet users

Most Trusted* Media According to Internet Users in Select Countries in Canada and the US, 2008 (% of respondents)

	Canada	US
Recommendations by friends	46%	48%
Online news	42%	38%
Newspapers	44%	34%
TV news	43%	33%
Product comparison sites	26%	31%
Industry Websites/expert reviews	32%	29%
Company Websites	29%	27%
Industry magazines	30%	24%
Wikipedia	26%	23%
User forums/reviews	19%	20%
Company brochures	21%	18%
Free papers	22%	15%
Private blogs	7%	9%

*Note: *respondents who ranked the media an 8, 9 or 10 on a scale of 1-10 where 1="don't trust at all" and 10="trust completely"*
 Source: TNS Media Intelligence, "Digital World, Digital Life," provided to eMarketer, December 15, 2008

103521 www.eMarketer.com

Most Trusted* Media According to Internet Users in Select Countries in Western Europe, 2008 (% of respondents)

	Denmark	France	Germany	Italy	Spain	UK
Recommendations by friends	21%	31%	47%	30%	34%	45%
Online news	48%	28%	34%	41%	37%	40%
TV news	52%	24%	44%	24%	29%	38%
Product comparison sites	35%	29%	30%	36%	28%	30%
Industry Websites/expert reviews	21%	29%	31%	37%	34%	27%
Wikipedia	23%	28%	52%	45%	32%	24%
Newspapers	44%	28%	39%	32%	37%	23%
Industry magazines	17%	35%	28%	32%	41%	22%
Company Websites	24%	21%	18%	25%	16%	21%
User forums/reviews	13%	23%	26%	31%	20%	20%
Free papers	23%	17%	10%	19%	27%	16%
Company brochures	6%	17%	13%	16%	8%	15%
Private blogs	5%	8%	5%	14%	15%	6%

*Note: *respondents who ranked the media an 8, 9 or 10 on a scale of 1-10 where 1="don't trust at all" and 10="trust completely"*
 Source: TNS Media Intelligence, "Digital World, Digital Life," provided to eMarketer, December 15, 2008

103387 www.eMarketer.com

Most Trusted* Media According to Internet Users in Select Countries in Asia-Pacific, 2008 (% of respondents)

	Australia	China	Japan	South Korea
TV news	33%	50%	45%	43%
Product comparison sites	25%	43%	35%	42%
Recommendations by friends	46%	56%	31%	39%
Online news	36%	47%	43%	37%
User forums/reviews	16%	43%	16%	37%
Newspapers	31%	49%	50%	37%
Industry Websites/expert reviews	28%	49%	20%	35%
Company Websites	23%	34%	33%	24%
Industry magazines	24%	41%	21%	24%
Private blogs	7%	24%	9%	22%
Free papers	20%	19%	17%	20%
Company brochures	19%	22%	25%	16%
Wikipedia	25%	26%	30%	10%

Note: *respondents who ranked the media an 8, 9 or 10 on a scale of 1-10 where 1="don't trust at all" and 10="trust completely"

Source: TNS Media Intelligence, "Digital World, Digital Life," provided to eMarketer, December 15, 2008