

Contagious

Why Things Catch On

A HARVARD BUSINESS REVIEW WEBINAR FEATURING

Jonah Berger

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WHY THINGS CATCH ON

OVERVIEW

Word of mouth is a powerful, authentic, and profitable way for both B2B and B2C companies to generate brand awareness. However, many organizations are unsure how to create information about their products and services that is contagious.

Over the past decade, Jonah Berger has researched what drives the variance in word of mouth, both online and offline. To succeed with word of mouth, companies must be aware of six factors: social currency, triggers, emotion, public, practical value, and stories. These elements can help organizations design messages and content that people will share.

CONTEXT

Berger shared insights from his research on word of mouth and outlined the six principles that drive things to become contagious.

KEY LEARNINGS

When organizations understand the science of word of mouth, their messages are more likely to become contagious.

According to McKinsey & Company, word of mouth generates more than twice the sales of advertising. Consumers don't pay attention to traditional ads. Word of mouth is more impactful for two reasons:

- People trust what their friends and colleagues say.
- Word of mouth results in more precise targeting by leveraging social networks to find people who will find the information most relevant.

Companies that turn customers into advocates generate a powerful source of marketing, as referred customers have 20% higher customer lifetime value than people who come off the street.

Many people believe that word of mouth is a business-to-consumer (B2C) phenomenon that doesn't apply to business-to-business (B2B) sales. However, 91% of new business leads in B2B markets come from existing customers. In reality, word of mouth may be a bigger factor in B2B markets than in B2C. Whether a company is B2B or B2C, the underlying communication is business-to-person (B2P). To succeed with word of mouth, companies must understand the psychology of why people talk and share information about products and services.

CONTRIBUTORS

Jonah Berger

Associate Professor of Marketing,
Wharton School, University of
Pennsylvania

Angelia Herrin (Moderator)

Editor, Special Projects and
Research, *Harvard Business Review*

Most word of mouth results from face-to-face interactions, rather than social media.

When organizations think about generating word of mouth, they typically think of online sources. However, only 7% of word of mouth originates online. Although social media is one channel through which word of mouth flows, most word of mouth occurs offline through face-to-face and person-to-person interactions. Companies may have many social media connections and spend a great deal on social media channels, but if no one shares their messages, it doesn't matter.

To generate more word of mouth, companies should pay attention to why people share information.

Word of mouth isn't random or lucky. There is a science behind why people talk about specific products and services. Berger's research has identified six key factors, or STEPPS, that explain what drives word of mouth, both online and offline. This can help organizations understand why products, ideas, and behaviors catch on. Berger discussed four of the six factors during the webinar; additional resources can be obtained from his [website](#):

1. **Social currency.** Individuals share information that signals their desired identities, and everyone wants to feel smart, special, and in the know. This gives them social currency. Berger discussed two ways to generate social currency and stimulate word of mouth:
 - *Make people feel like insiders.* If something is difficult to get, people want it and want to tell others about their experience. A good example is a "secret" bar in New York City called Please Don't Tell. It has no sign and it can only be accessed by going to a phone booth in a hot dog restaurant and dialing a certain number. Another example is personalized Coke. When the company put people's names on labels, it made customers feel special and different. In a B2B setting, a company might invite its 10 best clients to a webinar and ask each of them to invite a guest.
 - *Find inner-remarkability.* If products or services are surprising, novel, or interesting, they are more likely to result in word of mouth. This technique can even be used for products that seem mundane. Blender company Blendtec created a series of YouTube videos in which they put an iPhone in one of their blenders. The low-cost videos have generated hundreds of millions of views and a 700% increase in sales.
2. **Triggers.** Consumers may like a brand, but that doesn't mean they will talk about it. Unless something is top of mind, it is unlikely to be tip of tongue. Triggers are used to make brands top of mind and increase the probability of purchase. Usage is a trigger that drives word of mouth. Research shows, for example, that customers are most likely to talk about Cheerios in the morning, when they eat them.

"Only seven percent of word of mouth originates online. You may . . . spend a lot on social media channels, but if no one shares information about your products and services, it doesn't matter."

— JONAH BERGER

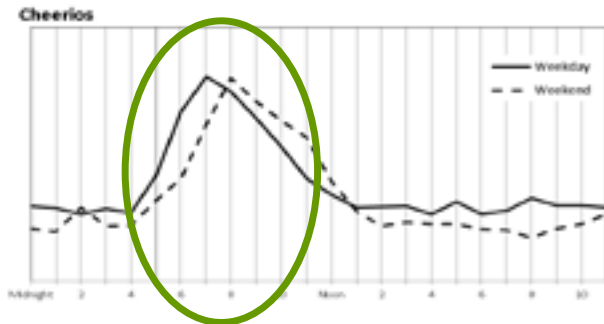


Figure 1
Word of Mouth Patterns Among
Cheerios Customers

In addition to usage, other word of mouth triggers exist. Companies should consider what will cause consumers to think about their brand and take action. For example, the slogan “Weekends are made for Michelob” intends to make customers think of Michelob when the weekend rolls around. Kit Kat started an ad campaign with the tagline: “Kit Kat and coffee: a break’s best friend.” Coffee is an effective trigger for Kit Kat purchases because people drink coffee frequently throughout the day. After this campaign, Kit Kat sales increased by \$100 million.

When thinking about triggers, companies should answer four key questions.

- Who do we want to be triggered?
 - When do we want them to think about us?
 - What is around them at that moment?
 - How can we link to that thing?
3. **Emotion.** When people care, they share. The more emotionally connected consumers are to a brand, the more likely they are to share word of mouth about it. High arousal emotions, whether positive or negative, drive sharing. The more fired up and activated people are, the more likely they are to share information.
 4. **Public.** Built to show, built to grow. The more public something is, the more likely people will imitate it.
 5. **Practical Value.** Practical value is all about useful information. The “rule of 100” suggests that numbers can be framed in ways that make them seem larger or smaller. This can influence the likelihood that people will purchase and talk about their purchase. For example, even though the discount is the same, consumers are more likely to buy a \$20 item if they see the sale price is 25% off, than if the retailer says the price is \$5 lower. On the other hand, consumers are more likely to buy a \$2000 item if the retailer says the sale price is \$500 lower, rather than 25% off.

“There’s a science behind why people talk and share. If we understand that science, we can craft contagious content, build more effective messages, and get our products and ideas to catch on.”

– JONAH BERGER

6. **Stories.** “Trojan horse” stories generate the most word of mouth because they are engaging, but they also carry a kernel of information about a brand. For example, Berger’s friend illustrated Maui Jim Sunglasses’ great customer service by describing how his dog chewed up his sunglasses and Maui Jim sent a replacement pair and a dog bone at no cost. Good content marketing is like a Trojan horse story because it has engaging content on the outside, but in the middle is a brand, attribute, or message that has come along for the ride. The key to success is developing stories that can only be told effectively by mentioning the brand. A good first step is for companies to identify their “kernel” which captures what they want people to talk about.

BIOGRAPHIES

**Jonah Berger**

Associate Professor of Marketing, Wharton School, University of Pennsylvania

Jonah Berger is a Marketing Professor at the Wharton School at the University of Pennsylvania and a world-renowned expert on word of mouth, social influence, consumer behavior, and how products, ideas, and behaviors catch on. He has published dozens of articles in top-tier academic journals, and popular accounts of his work often appear in places like *The New York Times*, *Wall Street Journal*, and *Harvard Business Review*. Berger is the bestselling author of multiple books including *Contagious: Why Things Catch On* (hundreds of thousands of copies are in print in over 30 languages) and *Invisible Influence: The Hidden Forces that Shape Behavior*. Berger is a popular speaker at major conferences and events and often consults for companies like Google, Coca-Cola, GE, Vanguard, Unilever, General Motors, 3M, Kaiser Permanente, and The Gates Foundation.

**Angelia Herrin (Moderator)**

Editor, Special Projects and Research, Harvard Business Review

Angelia Herrin is the editor for special projects and research at HBR. Her journalism experience spans 25 years, primarily with Knight-Ridder newspapers and *USA TODAY*, where she was the Washington editor. She won the Knight Fellowship in Professional Journalism at Stanford University in 1990. She has taught journalism at the University of Maryland and Harvard University.

Prior to coming to HBR, Angelia was the vice president for content at womenConnect.com, a website focused on women business owners and executives.

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