Six Reasons Word-of-Mouth Doesn't Work

by [Michael Antman](http://www.marketingprofs.com/authors/328/michael-antman)  |

July 29, 2008

Is there any form of marketing communications more compelling than word-of-mouth, the enthusiastic and genuine recommendation of a person you like and trust? It's no wonder that virtually every business-to-business marketer prizes this organic, spontaneous, and—perhaps best of all—practically cost-free method of bringing in business.

But some businesses, especially on the B2B side, rely far too heavily on organic word-of-mouth strategies and, specifically, on acquiring new customers primarily through referrals.

Why? Partially, it's a matter of pride—every new customer who comes through your door as a result of an current customer's recommendation is just one more validation that your business is on the right path.

And it's also a matter of convenience—advertising and other forms of marketing communications are expensive, agencies can be difficult to find and manage, and the very nature of mass communications vehicles means that the majority of impressions end up reaching unqualified targets.

Nonetheless, relying on organic word-of-mouth is practically a guaranteed way for a small or medium-sized business to stay small or medium-sized.

Here's why.

**1. Word-of-mouth is inherently subjective**

True, some business targets may place high value on recommendations they receive from colleagues and referral sources. But many companies, especially in the B2B environment, regard these recommendations as subjective and not fully reliable, especially when not accompanied by more-formal and more-objective measures of quality.

The B2B sales cycle is long, and positive word-of-mouth merely gets you in the door. After that, empirical measures of quality, case studies, and demonstrations of success are far more important.

**2. Word-of-mouth is uncontrollable** By definition, it isn't possible to control what others have to say about your services in a word-of-mouth context. Well-intentioned recommenders may still get your message entirely wrong or characterize you so narrowly that a potential client won't consider you for an enterprisewide solution.

**3. Word-of-mouth is limited in reach**

Particularly in a business-to-business context, referrals and word-of-mouth work only with people who know you, and the people who know *them*. Once you are more than two degrees removed from the source (i.e., people who know the people who know you) word-of-mouth and referrals rapidly fade as significant factors.

**4. Word-of-mouth is easy to subvert**

In the B2B environment, it is common for competitors, either at the corporate level or at the level of the individual salesperson, to spread negative word-of-mouth about a company's management, finances, ethics, service model, or commitment to quality. This is especially destructive where there are no formal marketing communications vehicles in place to counteract these negative messages.

**5. Word-of-mouth is limited, by definition**

Word-of-mouth success is usually based on an appreciation of a company's current competencies. It is very difficult to spread a message about new strategic initiatives and new competencies through word-of-mouth, especially when current customers know you only in the context of what you do for them now.

**6. Word-of-mouth is non-replicable**

There are no efficiencies of scale in word-of-mouth, referral, or relationship marketing, because everything takes place on a one-on-one basis. You will never reach vast swaths of players in corporate America who are not even aware of your existence.

\* \* \*

One way, in a business-to-business context, of overcoming these problems is to put into place so-called "amplified" word-of-mouth strategies—for example, creating online messages that can be easily disseminated by others, training and motivating evangelists, creating incentives for referrals, and finding influential industry figures to write about and talk about your company and its services.

None of this is quite as oxymoronic as it might appear at first glance—just because word-of-mouth is a grass-roots phenomenon doesn't mean you can't strike a few sparks to help your campaign catch fire.

But even amplified word-of-mouth suffers from the same shortcomings as the organic kind. Its reach, in the business to business world, just isn't extensive enough. That's why companies still need to expend time and money on case studies, sophisticated sales-support tools, and mass communications vehicles such as advertising, public relations and print and electronic collateral.

Expensive? Sure. And in the business-to-business world, it's unfortunately almost a given that these vehicles will be poorly executed. But that just means that companies need to pay more attention both to how they're selecting agencies and to how well those agencies are managing their marketing communications programs.

Once a company does manage to put into place a well-executed program, the word-of-mouth that might be generated by this program—and by the services, products, and reputation of the company itself—happens to be a nice bonus.

But that's all it is, and, if a business wants to grow, it would be making a mistake if it regarded it as anything more.