CHATTER MATTERS:
THE 2018 WORD OF MOUTH REPORT

BY JAY BAER & DANIEL LEMIN

"83% of Americans say that a word of mouth recommendation from a friend or family member makes them more likely to purchase that product or service."

~ Chatter Matters: The 2018 Word of Mouth Report

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WHY **CHATTER MATTERS**

Word of mouth—online and offline—impacts every business, organization, candidate, and cause. But specifically, how do online and offline recommendations impact purchase and voting behavior in America, and do those effects vary based on age, gender, and/or race?

These are among the most important questions we set out to answer in Chatter Matters: The 2018 Word of Mouth Report.

We found that on the whole, word of mouth is even more powerful and important than previously documented.

In many situations, word of mouth is far more persuasive than advertising, and not by a small margin.

But perhaps the most interesting aspect of word of mouth in 2018 is that its effects vary considerably based on purchase category and age.

This Chatter Matters report specifically probed the importance of word of mouth to Generation Z, and compared the efficacy of online vs. offline recommendations.

This report also looks at the impact of word of mouth, advertising, online research and other behaviors on voting patterns.

Chatter Matters also examines the role and power of celebrity recommendations on purchase patterns.
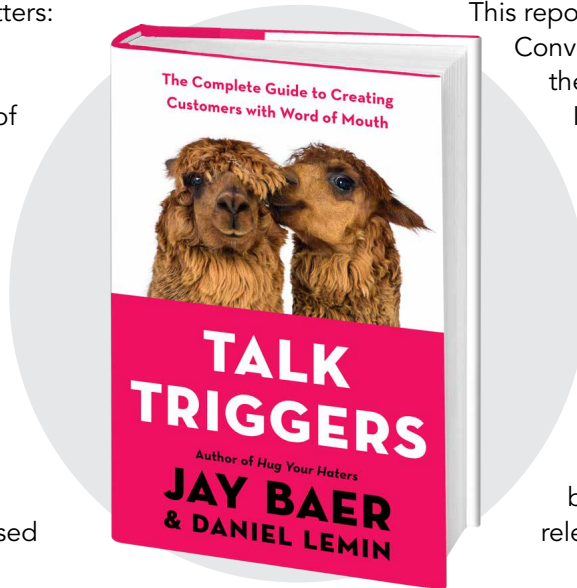
This report was produced by Convince & Convert Consulting, working alongside the research firm Audience Audit. It examines the word of mouth attitudes of 1,001 randomly selected Americans. The margin of error on this report is approximately +/- 3.1%.

Chatter Matters is a companion piece to the new book, *Talk Triggers: The Complete Guide to Creating Customers with Word of Mouth* co-authored by Jay Baer and Daniel Lemin, and released by Penguin Portfolio.

For infographics, executive summary, videos, and other Chatter Matter assets, please visit www.chattermattersreport.com

Thanks for your interest in word of mouth research.

Sincerely,

Jay Baer & Daniel Lemin
Co-authors

Very.

Word of mouth is, of course, the oldest form of recommendation and customer acquisition, and it may be more important than ever, according to our findings in this Chatter Matters report.

When receiving a verbal recommendation from a friend or family member, 83% of Americans are subsequently more interested in purchasing the discussed product or service.

And not only is word of mouth a powerful motivating force, it's actually the preferred mechanism for information when
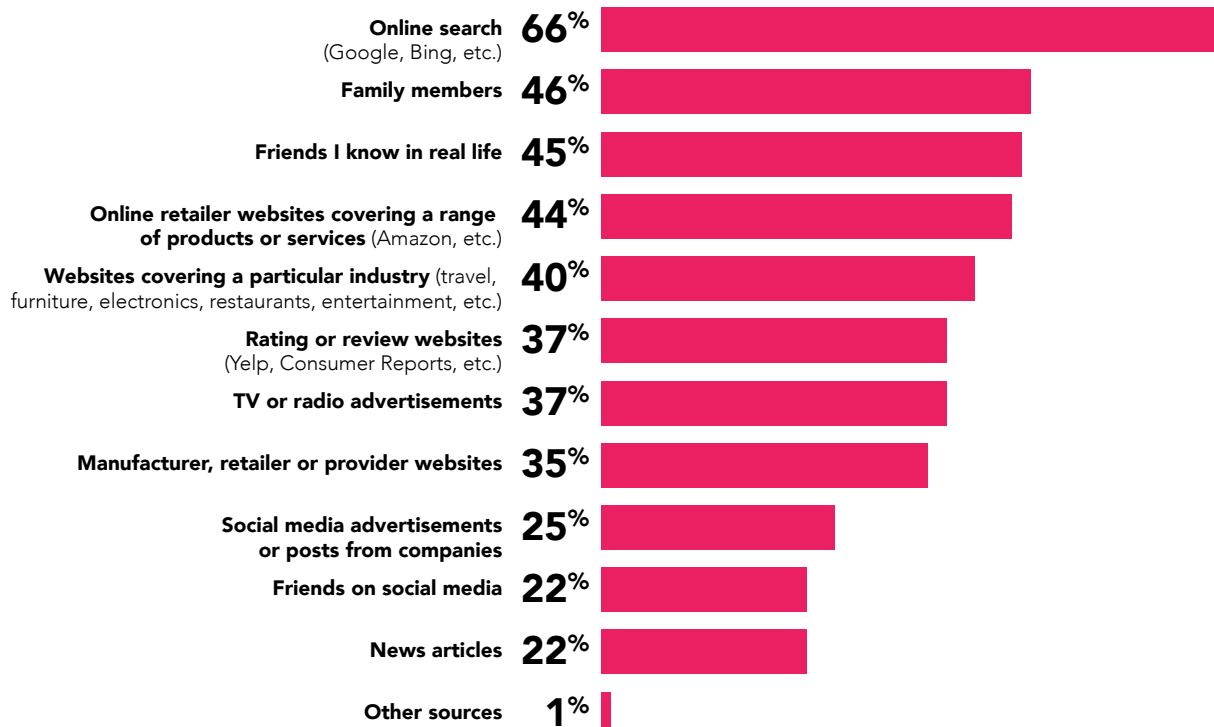
Americans are making purchases. Among all Americans ages 13 or older, word of mouth represents two of their three most popular sources of information when researching purchases (online search engines are the third).

50% of Americans would choose offline or online word of mouth if they had to pick one source of information.

Consumers rely extensively on word of mouth

. . . .

Where do you typically get information about the products or services you are considering buying?

Source	%
Online search (Google, Bing, etc.)	66%
Family members	46%
Friends I know in real life	45%
Online retailer websites covering a range of products or services (Amazon, etc.)	44%
Websites covering a particular industry (travel, furniture, electronics, restaurants, entertainment, etc.)	40%
Rating or review websites (Yelp, Consumer Reports, etc.)	37%
TV or radio advertisements	37%
Manufacturer, retailer or provider websites	35%
Social media advertisements or posts from companies	25%
Friends on social media	22%
News articles	22%
Other sources	1%

In addition, when forced to select just one source of information to rely upon when making purchases, half of all Americans would select online or offline word of mouth.

While word of mouth affects all genders, ages, and races it does not do so equally or evenly.

*Women rely on offline word of mouth from friends and family **22%** more than do men.*

Percent of women/men who rely on friends and family members for product/service recommendations

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Women **51**%

Men **40**%

*White Americans are **12%** more likely to try a product recommended by a friend or family member, in comparison to non-white Americans*

HOW AND WHY DO WE ENGAGE IN WORD OF MOUTH?

Bilaterally.

Word of mouth is equally popular among givers and receivers. It's a motivating factor in the purchases of more than four out of five Americans, and the same percentage have made a word of mouth recommendation to someone else.

While a large majority have engaged in word of mouth at some point in their lives, more than half of all Americans ages 13 and older make recommendations at least monthly.

83% of Americans have recommended a product or service to someone else.

Word of Mouth is Pervasive

. . . .

Have Ever Made a Recommendation
83%

Make Recommendations at Least Monthly
55%

Make Recommendations at Least Weekly
30%

Make Recommendations Daily
8%
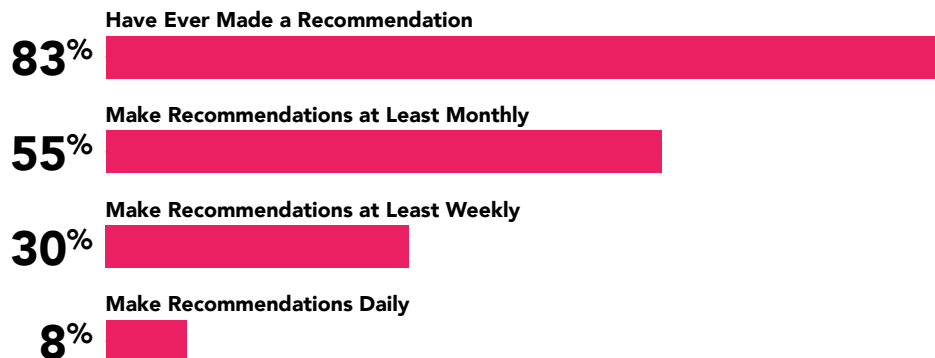
55% of Americans make product or service recommendations to others at least once per month.

The popularity of providing word of mouth recommendations varies by age. In fact, Millennials are the most likely to engage in these behaviors, with 77% of this cohort making at least one recommendation per month, compared to 55% of all Americans.

Why do people take the time to tell others about a product or service? 71% say "a great experience" spurs recommendations.

Having that great experience personally before discussing a product or service is more important for Generation X and Baby Boomers, whereas Generation Z and Millennials are 43% more prone to engage in "pass along" word of mouth, whereby they "heard good things" about a product or service and mention that to others, irrespective of their first-hand knowledge.

Younger Americans More Likely to Engage in "Overheard Word of Mouth"

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I've made a recommendation because I've heard good things about the product, service, brand, or company from a friend or family member.

Gen Z
48%

Millennials
41%

Gen X
38%

Boomers
38%
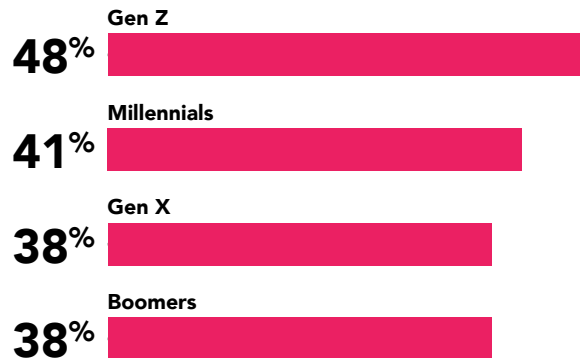
I've made a recommendation because I've overheard someone praising the product, service, brand, or company.

Gen Z
30%

Millennials
23%

Gen X
16%

Boomers
13%
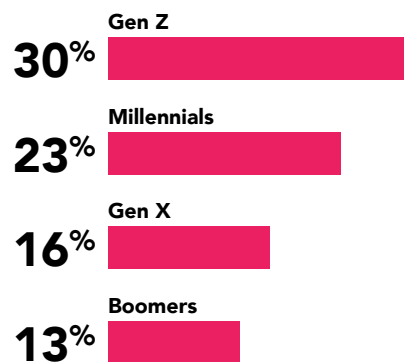
In addition to having a great experience, or hearing about a great experience, some consumer groups – especially women - are more likely than others to engage in word of mouth when they are exposed to a product or service that is distinctly different.

*Women are **49%** more likely than men to discuss products or services they perceive as "different" from the norm.*

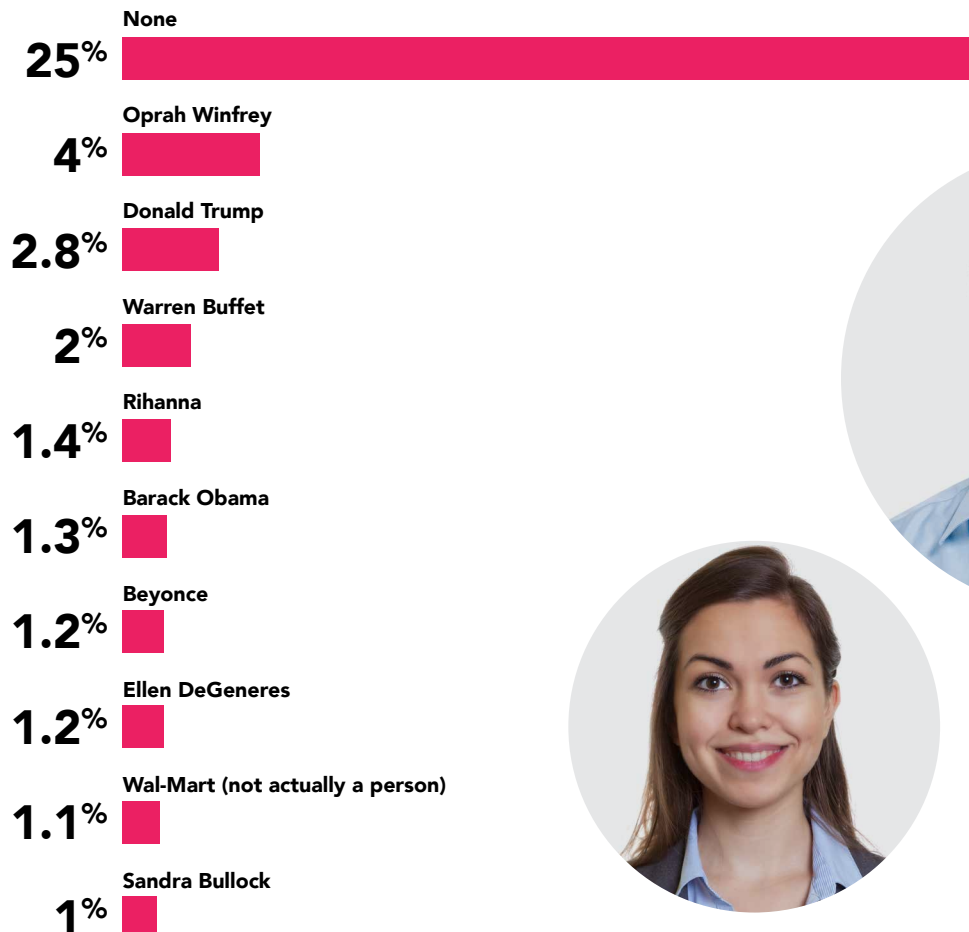**A very specific group. And not who you might expect.**

It's common for many brands to work with celebrities in an effort to increase exposure and gain trust among consumers. In the Chatter Matters research, we found that these efforts may be less than successful, because celebrity endorsers may not have the persuasive pull that companies imagine they do.

Businesses are spending more and more money on influencer marketing, hitching their promotional wagons to famous or semi-famous persons who will (in theory) increase exposure and drive consumer behavior. This report suggests those efforts may be in vain, at least with regard to top-tier, major celebrities.

We asked all respondents which celebrity or famous person they'd rely upon the most for recommendations. 25% said "none".

***25%** of Americans trust no celebrity or famous person to make recommendations.*

Among the celebrities mentioned, Oprah Winfrey was cited most, with 40 research participants saying they would trust recommendations from her. Note that this represents just 4% of the surveyed audience of Americans, 13 years old and older.

None
25%

Oprah Winfrey
4%

Donald Trump
2.8%

Warren Buffet
2%

Rihanna
1.4%

Barack Obama
1.3%

Beyonce
1.2%

Ellen DeGeneres
1.2%

Wal-Mart (not actually a person)
1.1%

Sandra Bullock
1%

Most Trusted Celebrities and Famous People

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A staggering 285 different famous people were mentioned by just one respondent, including interesting selections such as Abraham Lincoln, Bill Cosby, Cyndi Lauper, Keanu Reeves, and Steve Kerr.

Jesus Christ—not routinely known to be a big recommender of specific products and services—was named three times, but was edged out by John Wayne, who had four citations.

Given the relative weakness of celebrities as sources of recommendations, it is perhaps unsurprising that this study found that recommendations from people that take place offline carry more persuasive power than referrals from people in social media.

*Americans value word of mouth recommendations from friends and family **41%** more than social media recommendations.*

While we put more credence into word of mouth that comes from our offline circle of associates, circumstances can have a major impact on the trust quotient of any particular word of mouth engine.

For example, failed relationships can produce hurt feelings and bad outcomes, and they also greatly imperil word of mouth trust:

***66%** of Americans trust an anonymous, online review more than they trust a recommendation from an ex-boyfriend or ex-girlfriend.*

We also studied the impact of age on word of mouth trust, and a very clear "trust cycle" pattern emerged.

Up to approximately age 40, Americans trust people their parents' age and older. Once consumers cross that 40 year-old barrier, they begin to trust people their own age. This lasts until approximately the age of 60, when consumers begin to also trust the opinions of people who are the age of their children.

Clear Gender Differences

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In addition to this age-based word of mouth trust cycle, there is a clear gender difference in who we trust to make recommendations.

VS
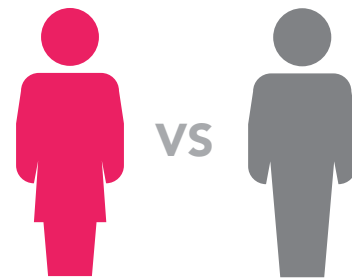
24%
Women are less likely to trust people their own age

116%
Men are less likely to trust people the age of their parents

WHAT DO WE RELY UPON WHEN MAKING SPECIFIC TYPES OF PURCHASES?

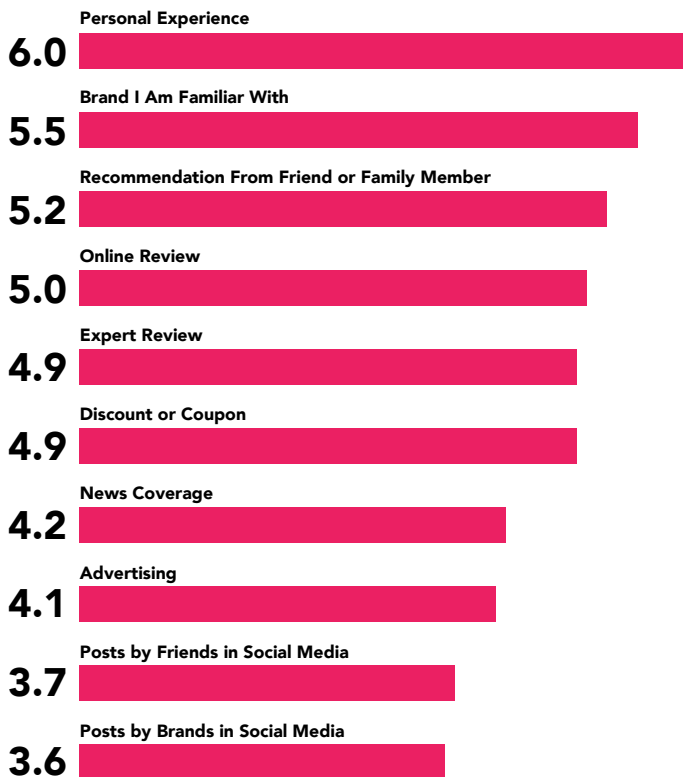**If it's big or it's food, we rely on each other.**

Advertising is often used to try to sway buying plans for major purchases like vehicles, homes, jewelry, electronics, and other high-ticket items.

However, this study finds that advertising is perhaps less effective than commonly believed, and is in fact the eighth most valued source of information when making substantial purchases.

*Recommendations from friends are valued **27%** more than advertising when making a substantial purchase.*

Most Valued Sources of Information When Making a Substantial Purchase

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(on 7-point scale)

Personal Experience
6.0

Brand I Am Familiar With
5.5

Recommendation From Friend or Family Member
5.2

Online Review
5.0

Expert Review
4.9

Discount or Coupon
4.9

News Coverage
4.2

Advertising
4.1

Posts by Friends in Social Media
3.7

Posts by Brands in Social Media
3.6

When a substantial purchase involves not just a financial outlay, but also a potentially long-lasting memory and reputational marker, word of mouth is even more important.

In this research, we asked respondents how they would select businesses to hire when planning a wedding, and friends and family members were the #1 and #2 most cited sources of recommendations.

*When planning a wedding, word of mouth from friends is **331%** more likely to be relied upon than is advertising.*

These findings make us question why most companies selling expensive goods and services do not possess a sound, repeatable word of mouth strategy. It would provide customers with a consistent story to pass along to the next group of potential customers.

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While friends and family hold sway on major purchases and major life events, the impact of word of mouth recommendations offline in comparison to word of mouth recommendations from a consumer's social media community on Facebook, Instagram, Twitter, LinkedIn, SnapChat and beyond varies by purchase category.

For instance, online word of mouth via social media is most important to consumers when buying goods and services in the electronics and home improvement categories.

Conversely, offline referrals are most powerful and persuasive when consumers are researching entertainment, children's products, and restaurants.

Restaurants, in particular, are a word of mouth hot zone. Several fascinating examples of effective word of mouth strategies among restaurants are included in our book; *Talk Triggers: The Complete Guide to Creating Customers with Word of Mouth.* This is especially relevant given the importance of word of mouth in restaurant selection.

*When choosing a restaurant, **50%** of Americans rely on recommendations from friends and family.*

As you might imagine, younger Americans use offline referrals when making a restaurant selection, but also rely heavily on word of mouth online, via social media and ratings websites.

*When choosing a restaurant, Gen Z and Millennials are **99%** more likely to rely upon social media and online reviews than are Gen X and Boomers.*
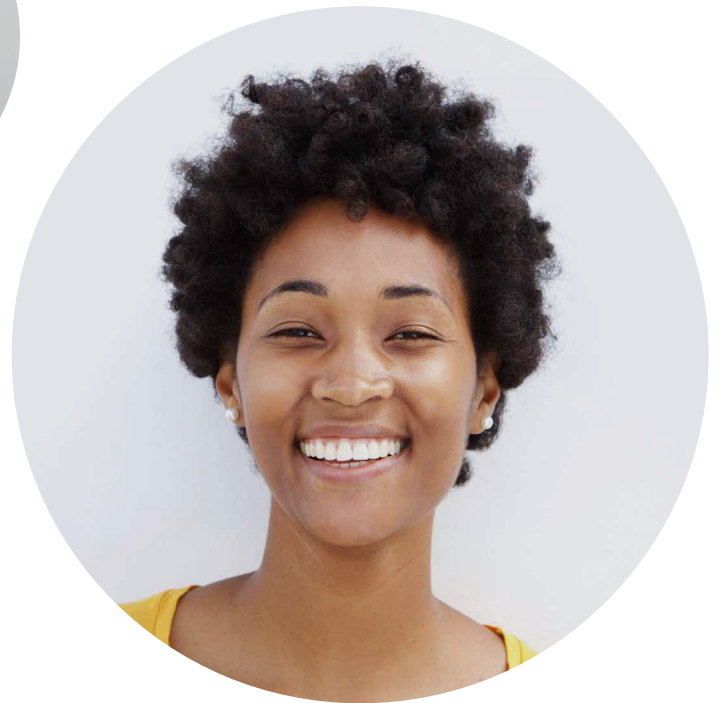
WHAT **INFLUENCES VOTING?**

News. And other voters.

According to research from Borrell, approximately $8 billion will be spent on political advertising in the United States in 2018. Our research finds that these dollars may not be particularly well spent, given how Americans make voting decisions.

*Advertising is the **seventh** most influential source of information for American voters.*

Across all age ranges, advertising lags behind other information sources as an influencer of voter behavior.

One group, however, where advertising is viewed more favorably is among Generation Z. In this study, participants 18-22 years old (Gen Z voters) say that advertising is tied for second as the most influential information source. This gives hope for the future to candidates and campaigns seeking to persuade young voters.

Among Millennial voters, however, word of mouth recommendations from friends and family take on far more importance.

*When voting, Millennials are **115%** more influenced by word of mouth than by advertising.*

News coverage is not terribly critical to the voting patterns of Gen Z and Millennials, with 30% or less of these cohorts describing news coverage as a top three influencer of their voting choices.

Among older voters, however, news coverage is indispensable.

__77%__ of Baby Boomer voters say news coverage is a top three influencer of their voting choices.

The difference between news' importance to older voters, and relative unimportance to younger voters is one of the starkest divides in this entire study.

News Drives Votes
(if you're 40 or older)

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News Coverage is a Top Three Influencer of Voting Behavior

Gen Z
30%

Millennials
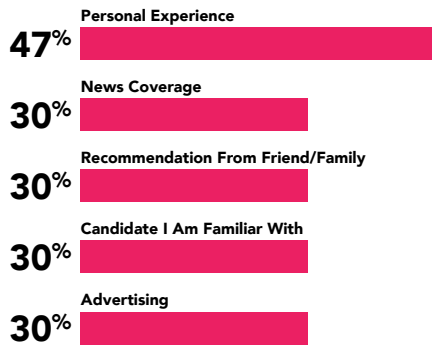**28**%

Gen X
63%

Boomers
77%
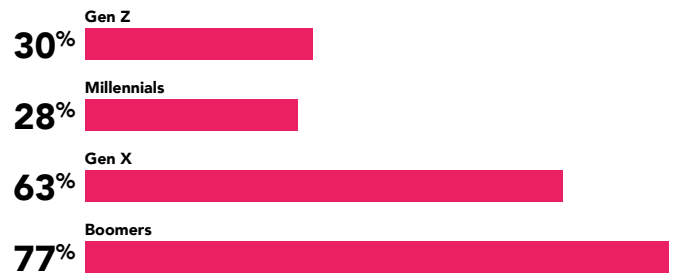
Much more so than purchases of products or services, the influence of different sources on each generation vary dramatically, making persuasion in politics one of the most difficult assignments in all of marketing and communications.
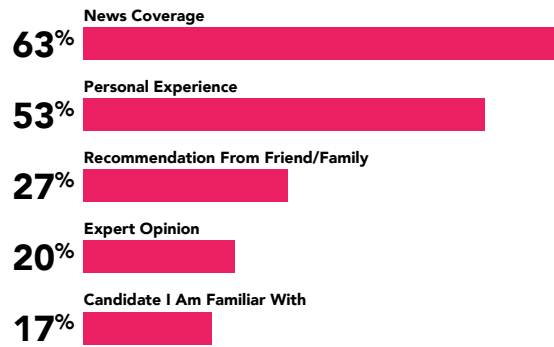
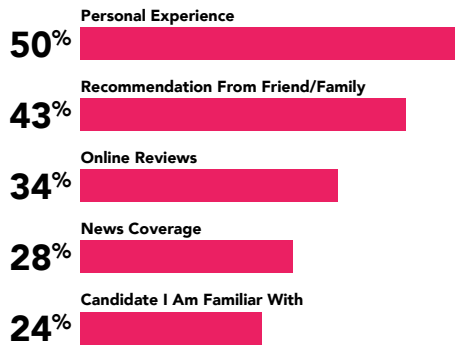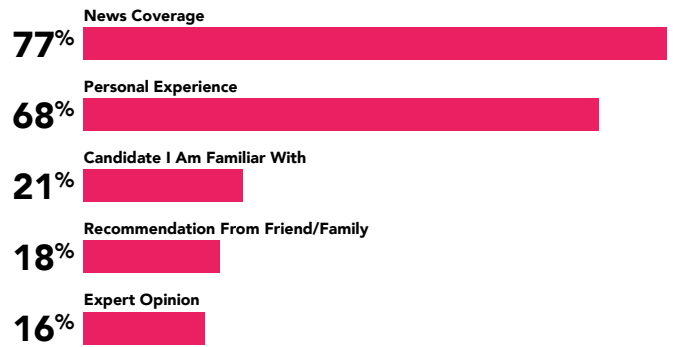# Top 5 Influencers of Voting Behavior, by Generation

Gen Z

Personal Experience
47%

News Coverage
30%

Recommendation From Friend/Family
30%

Candidate I Am Familiar With
30%

Advertising
30%

Gen X

News Coverage
63%

Personal Experience
53%

Recommendation From Friend/Family
27%

Expert Opinion
20%

Candidate I Am Familiar With
17%

Millennials

Personal Experience
50%

Recommendation From Friend/Family
43%

Online Reviews
34%

News Coverage
28%

Candidate I Am Familiar With
24%

Boomers

News Coverage
77%

Personal Experience
68%

Candidate I Am Familiar With
21%

Recommendation From Friend/Family
18%

Expert Opinion
16%

Talk Triggers is the definitive, practical guide on how to use bold operational differentiators to create customer conversations, written by best-selling authors and marketing experts Jay Baer and Daniel Lemin.

Word of mouth is directly responsible for 19% of all purchases, and influences as much as 90%. Every human on earth relies on word of mouth to make buying decisions. Yet even today, fewer than 1% of companies have an actual strategy for generating these crucial customer conversations. *Talk Triggers* provides that strategy in a compelling, relevant, timely book that can be put into practice immediately, by any business.

The key to activating customer chatter is the realization that same is lame. Nobody says "let me tell you about this perfectly adequate experience I had last night." The strategic, operational differentiator is what gives customers something to tell a story about. Companies (including the 30+ profiled in *Talk Triggers*) must dare to be different and exceed expectations in one or more palpable ways. That's when word of mouth becomes involuntary: the customers of these businesses simply MUST tell someone else.

Talk Triggers **contains:**

➡ Proprietary research into why and how customers talk
➡ More than 30 detailed case studies of extraordinary results from Doubletree Hotels by Hilton and their warm cookie upon arrival, The Cheesecake Factory and their giant menu, Five Guys Burgers and their extra fries in the bag, Penn & Teller and their nightly meet and greet sessions, and a host of delightful small businesses
➡ The 4-5-6 learning system (the 4 requirements for a differentiator to be a talk trigger; the 5 types of talk triggers; and the 6-step process for creating talk triggers)

Consumers are wired to discuss what is different, and ignore what is average. *Talk Triggers* not only dares the reader to differentiate, it includes the precise formula for doing it.

Talk Triggers is published by Penguin Portfolio.

www.talktriggers.com

About the Authors

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Jay Baer

Jay Baer is the president of Convince & Convert, an award-winning digital marketing and customer experience consultancy. He is the New York Times best-selling author of six books. He also contributes articles to Inc., Entrepreneur, and Forbes.com; writes the world's #1 content marketing blog; and hosts the Social Pros podcast.

Jay has been inducted into the Word-of-Mouth Marketing Hall of Fame and the Professional Speaking Hall of Fame.

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Daniel Lemin

Daniel Lemin is a respected authority on the reputation industry, a consultant for prominent Fortune 500 companies, a frequent public speaker, and an analyst with Convince & Convert. He is the author of Manipurated, and the co-founder of Selectivor, a food intelligence start-up.

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METHODOLOGY

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This research study was commissioned and led by Convince & Convert, LLC working alongside research firm Audience Audit.

The survey was administered to 1,001 US respondents. The sample was weighted to the current census data for region, age, and gender. The survey was conducted online in May, 2018 and has a confidence interval of +/-3.1.

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ABOUT CONVINCE & CONVERT CONSULTING

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Convince & Convert Consulting is an experienced, highly focused analysis and advisory firm that creates effective, best-in-class word of mouth and digital marketing strategies for the world's most interesting organizations. Your audience expects more from you than ever. And what is required to be remarkable continues to escalate. Are you certain you are meeting that demand today? Do you know how to get there specifically, and in what sequence of steps? We do. For more information on our comprehensive, research-backed strategic plans for word of mouth marketing, content marketing, social media marketing, email marketing and messaging, and/or website and online reputation, please visit ConvinceAndConvert.com/contact.

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