

MARKETING

I SOLD IT THROUGH THE GRAPEVINE

Not even small talk is sacred anymore. P&G has enlisted a stealth army of 600,000 moms who chat up its products

BY ROBERT BERNER

PROCTER & GAMBLE CO. couldn't ask for a better salesperson than Donna Wetherell. The gregarious Columbus (Ohio) mom works at a customer service call center unaffiliated with P&G, where she knows some 300 co-workers by name. Lately, Wetherell has spent so much time at work talking about P&G products and handing out discount coupons that her colleagues have given her a nickname. "I am called the coupon lady," Wetherell says.

Multiply Wetherell by 600,000 to calculate the size of P&G's new advertising army. That's the number of moms P&G has enrolled in Vocalpoint, a so-called word-of-mouth marketing program it has developed to pitch its own and other companies' products. By crafting product messages mothers will want to share, along with giving them samples, coupons, and a chance to share their own opinions with P&G, the Cincinnati consumer-product giant is using personal endorsements to cut through advertising clutter. "We know that the most powerful form of marketing is an advocacy message from a trusted friend," says Steve Knox, Vocalpoint's CEO.

The program is a state-of-the-art method for reaching the most influential group of shoppers in America: moms. At a time when companies need to find creative ways to get their message across to consumers, it's likely to be widely studied. But Vocalpoint also raises a serious ethical issue: Should the person spreading the product message disclose her affiliation? P&G says it's up to such "connectors" to make that decision on their own. But this puts the company at odds with the recently formed Word of Mouth Marketing Assn. (WOMMA), which mandates full disclosure.

TEEN TEAM

IN JANUARY, THE Federal Trade Commission discussed the disclosure issue with P&G. While Knox says the agency is fine with P&G's stance, another person knowledgeable about the situation says the matter isn't resolved. "There are a lot of word-of-mouth programs in play now, many of which are unsavory," observes Pete Blackshaw, a WOMMA founding board member. "As the leader in the industry, P&G has a higher obligation to set the right standard."

Indeed, no major corporation has embraced word-of-mouth marketing as aggressively. P&G is the only such company to

have developed its own in-house business units devoted to it, and it has the nation's largest legion of connectors. The effort started in 2001, when P&G launched Tremor, a word-of-mouth program also headed by Knox that is aimed at teens. Tremor now has enlisted 225,000 teens. But a downside to Tremor has been that most of P&G's products target adults. That's why 80% of Tremor's work has been for outside clients, such as music and movie companies.

About a year ago, P&G began developing Vocalpoint to market directly to moms, which it defines as women with children ages 19 or under. After doing tests in three cities—Columbus, Tulsa, and Buffalo—the program went national in March. Ultimately, P&G plans for half of Vocalpoint's business to involve its own brands. Already Vocalpoint has done campaigns for three P&G products: Dawn Direct Foam dish detergent, Febreze Air Effects air freshener, and Millstone coffee. It has completed one national outside campaign for ABC's new show *What About Brian*, and in June it will launch another for WD-40 Co.'s No-Mess Pen.

P&G concentrates on finding women who have large social networks. Vocalpoint moms, who range in age from 28 to 45,





Yakety-yak, Get Something Back

P&G's Vocalpoint marketing program enlists mothers across the country to spread the word about new products to friends

NUMBER OF MOTHERS: 600,000

CORE AGE: 28 to 45

KEY REQUIREMENT: Big social networks. The Vocalpoint mothers generally speak to 25 to 30 other women during the day, while the average mom talks to just five.

HOW P&G FINDS THEM: Through banner ads on Internet sites, such as iVillage.com, and referrals.

WHAT THEY DO: Talk to their friends about P&G brands, such as Dawn and Febreze, as well as push other companies' products, such as a new ABC TV show, *What About Brian*.

WHAT THEY GET IN RETURN: Product samples and a sense of empowerment.

EFFECTIVENESS: Unit sales of Dawn in markets where Vocalpoint was tested were double those in other markets.

Data: Company reports, BusinessWeek

generally speak to about 25 to 30 other women during the day, where an average mom speaks to just five. P&G has found many of these connectors on the Internet with banner ads on sites such as iVillage.com. Those nabbed from Net ads are linked to a site that gives them more information about Vocalpoint and asks them screening questions.

What's Vocalpoint's allure to the women? For one thing, they receive a steady stream of product samples. That's not all. They also get "a voice that is going to be heard by other companies," says Knox. Vocalpoint does this via a weekly e-mail newsletter it sends connectors called *The Inside Track*. A recent edition asks for the women's opinions on everything from the design of the newsletter itself to express mail options.

Where P&G has made the greatest gain since starting Tremor is in understanding how to make word-of-mouth marketing more predictable. Usually, Knox contends, it creates buzz with little control

over influencing product sales. The solution to this problem: finding a strong reason why a connector would want to share product information with a friend. "We do tremendous research behind it to find the reason to care," Knox says.

THE KID ANGLE

THAT MESSAGE IS always different from the one P&G uses in traditional media. In traditional ads for Dawn Direct Foam, for instance, P&G stressed its grease-cutting power. But Vocalpoint moms were mailed packets showing the detergent and a smiling girl on the outside with these words in big letters: "Mom, can I help?" A pamphlet inside explained that the soap is so fun to use that kids would want to help out with the dishes. To reinforce the point, the packet included a little sponge in the shape of a child's foot, plus a dozen \$1.50 coupons. "We have to enable a conversation to take place," Knox says. "Kids not doing enough chores is a conversation taking place among moms."

BUZZ SOLDIERS
Harrington and her daughter, Nia, talk the talk

Wetherell, the Vocalpoint connector in Columbus, says she talked about Dawn Direct Foam with

about 100 female co-workers at the call center. "There are a lot of women there who have kids," says Wetherell, 51, who has a daughter, 17. "We were all interested." Adds Lavonda Harrington, 28, another Columbus connector: "My daughter loves the foot-shaped sponge." That kind of buzz may explain the explosive sales results in the three test markets from the campaign last October. Dawn unit sales in those locations were double those of markets without a Vocalpoint effort. And sales for the Vocalpoint campaign last July on Febreze Air Effects were 17% higher. Knox says more than 10 P&G brands are working on national Vocalpoint campaigns.

The method is also causing controversy. Last October consumer group Commercial Alert filed a complaint against Tremor with the FTC, criticizing P&G's policy of not requiring that connectors disclose their affiliation with the marketer. Without such disclosure, Commercial Alert Executive Director Gary Ruskin sees the danger of the basic "commercialization of human relations," where friends treat one another as advertising pawns, undercutting social trust.

Vocalpoint's Knox argues that P&G is taking the "high road" by not requiring disclosure from its connectors because it puts them fully in charge of what they want to tell friends. "We have a deeply held belief you don't tell the consumer what to say," he says. He also notes that all the coupons that connectors hand out clearly say they are from Vocalpoint. But Roshan D. Ahuja, a marketing professor at Xavier University in Cincinnati, believes P&G is concerned that disclosure would undermine the credibility of its connectors, an assertion the company denies.

The FTC, meanwhile, is likely to respond to the Consumer Alert complaint in the next several months, says Thomas Pahl, the agency's assistant director of advertising practices. He says the agency called P&G in to its offices in January to discuss the complaint and adds that word of mouth is such a new form of marketing that the agency hasn't yet developed a disclosure policy. Even without an FTC ruling, Walter J. Carl, a communications professor at Northeastern University in Boston, says P&G's disclosure stance could ultimately backfire if consumers wind up feeling betrayed. As he notes, word of mouth works equally well with criticism. •