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COVER STORY

**Buzz Marketing**

**Suddenly This Stealth Strategy Is Hot--but It's Still Fraught with Risk**

Frequent the right cafes in Sunset Plaza, Melrose, or the Third Street Promenade in and around Los Angeles this summer, and you're likely to encounter a gang of sleek, impossibly attractive motorbike riders who seem genuinely interested in getting to know you over an iced latte. Compliment them on their Vespa scooters glinting in the brilliant curbside sunlight, and they'll happily pull out a pad and scribble down an address and phone number--not theirs, but that of the local "boutique" where you can buy your own Vespa, just as (they'll confide) the rap artist Sisqó and the movie queen Sandra Bullock recently did. And that's when the truth hits you: This isn't any spontaneous encounter. Those scooter-riding models are on the Vespa payroll, and they've been hired to generate some favorable word of mouth for the recently reissued European bikes.

Welcome to the Summer of Buzz. This season, it seems, marketers are taking to the streets, as well as cafés, nightclubs, and the Internet, in record numbers. Vespa importer Piaggio USA has its biker gang. Hebrew National is dispatching "mom squads" to grill up its hot dogs in backyard barbecues, while Hasbro Games has deputized hundreds of fourth- and fifth-graders as "secret agents" to tantalize their peers with Hasbro's new POX electronic game. Their goal: to seek out the trendsetters in each community and subtly push them into talking up their brand to their friends and admirers. By orchestrating a *tsunami* of chatter, marketers are hoping to replicate the pattern set by such overnight sensations as independent film *The Blair Witch Project*, the Harry Potter book series, and Razor kick scooters. In each case, buzz that seemed to come from out of nowhere transformed what otherwise would have been a niche product into a mass phenomenon.

This is the new world of buzz marketing, where brand come-ons sometimes are veiled to the point of opacity and where it is the consumers themselves who are lured into doing the heavy lifting of spreading the message. Sure, generating great buzz for their products has been the holy grail in marketing circles since P.T. Barnum learned to work a crowd. But the art of generating word-of-mouth has grown far more sophisticated since the early days of simple publicity stunts. Marketers are learning to turn their brands into carefully guarded secrets that are revealed to a knowing few in each community, who in turn tell a few more, who tell a few more, and so on. Rather than blitzing the airways with 30-

second TV commercials for its new Focus subcompact, Ford Motor Co. (**F**) recruited just a handful of trendsetters in a few markets and gave them each a Focus to drive for six months. Their duties? Simply to be seen with the car and to hand out Focus-themed trinkets to anyone who expressed interest in it. "We weren't looking for celebrities. We were looking for the assistants to celebrities, party planners, disk jockeys--the people who really seemed to influence what was cool," says Julie Roehm, who implemented the program as Ford Div. car-marketing communications manager and is plotting other buzz forays since moving to a marketing job at DaimlerChrysler (**DCX**).

The slightly subversive, slightly underground techniques that form the basis of buzz marketing have been building in popularity for a few years. But now a confluence of factors has helped to make buzz more attractive than ever. For one thing, buzz is cheap. There are no national media buys and no expensive creative components. In a period of budget chopping, cheap is good. Then there's the rise of the Internet, which means marketers can reach just about anyone in almost any guise they care to assume. Finally, buzz marketing attempts to make each encounter with a consumer look like a unique, serendipitous event. That's appealing to the desired twentysomethings, who remain skeptical of traditional mass advertising.

So how does it work? In a successful campaign, each carefully cultivated recipient of the brand message becomes a powerful carrier, spreading the word to yet more carriers, much as a virus rampages through a given population. "We're arming consumers with the tools or knowledge they can take back to their peer groups so they'll be perceived as being in the know," says Scott Stern, senior vice-president at Bates USA, who developed a buzz campaign for Lucky Strike cigarettes. "Ultimately, the brand benefits because an accepted member of the social circle will always be far more credible than any communication that could ever come directly from the brand."

The initial contact may look spontaneous, but it's anything but. Buzz campaigns are meticulously planned and the results carefully measured. Marketers are even attempting to quantify how often their message will be passed along and how many downstream consumers they need to influence before a fad is born. VF Corp. last summer contacted 200,000 carefully selected Web surfers in the opening foray of a buzz campaign for its Lee Dungarees. Within four months, 436,000 visitors had made their way to a specially created game site.

**FAKE SHOPPERS.** Buzz marketing, with its heavy dose of theatricality, was honed by Hollywood studios, liquor companies, and other marketers whose products were either outlawed in traditional media or simply had too short a shelf life for a full-blown ad campaign. From Vespa's scooter-riding *poseurs* to chat-room infiltrators to actors-pretending-to-be-shoppers who erupt into song in the supermarket aisle, the technique's dramatic roots show. But these days, as traditional media fragments and cynicism about advertising grows, even the most blue-chip marketers--right up to Ford and Procter &

Gamble Co.--are trying their hand at buzz.

Often buzz marketers cover their tracks, at least initially, as Vespa is doing with its biker impersonators. Other times, though, it's immediately clear who the sponsor is, as when Lucky Strike sent out teams to bring iced coffee and beach chairs to exiled smokers trying to catch a smoke outside urban office buildings. Either way, the gambit essentially is the same: to slip into the conversational pathways of those who heavily influence their peers. That way, instead of coming from a faceless and distrusted corporate conglomerate, the marketing message seems to emanate from the most powerful endorser possible: your coolest friend.

But for companies used to carefully controlling their message, buzz marketing can put them on unfamiliar and risky ground. Measuring the reach of a buzz campaign has nowhere near the precision of AC Nielsen Corp. ([ART](#)) ratings or cost-per-thousand magazine subscribers. And while buzz may work for products with a heavy dose of fashion, there's skepticism that it will translate to more prosaic categories such as paper towels and breakfast cereal. Whether it works for a broad array of products or not, there is also the risk that buzz will simply be overdone, losing its power to capture attention by becoming too familiar. This summer's profusion of buzz efforts certainly will test that proposition.

Sometimes the tactics can be downright dangerous. Given the essentially uncontrollable nature of buzz, there is always the risk of a backlash. "Our clients have to know that if you are trying to be subversive and you are found out, it can be dangerous," says Scott Leonard, CEO of ADD Marketing Inc., an agency that uses street teams and chat-room "cyber-reps" to spread hot, not-always-flattering gossip about client company recording artists. Staid IBM ([IBM](#)) ran afoul of the law in April after one of its agencies stenciled wordless images of a peace symbol, heart, and penguin on Chicago and San Francisco sidewalks to build buzz for its "Peace Love Linux" effort behind the open-source software. True, the resulting avalanche of media coverage did more than expensive paid ads could have to bring attention to IBM's Linux effort, but Big Blue's portrayal as a corporate vandal may not have been the image it was looking for.

Indeed, some critics of advertising are decrying buzz marketing as a form of cultural corruption at a time when advertising already pervades the landscape. "It's a much more insidious kind of development, because now, all of a sudden, marketers are creating culture on the grassroots level, on the streets and in the places people live," says Kalle Lasn, editor of *Adbusters* magazine and an orchestrator of "media democracy" protests against multinational marketers.

Despite the risks, more and more major marketers are trying their hands at the technique, unable to resist the chance to imbue their brands with an aura of cutting-edge cool. When DaimlerChrysler wanted to generate some prelaunch buzz for its PT Cruiser, it seeded the

striking-looking roadsters in rental-car fleets around trendy Miami Beach, then let the grapevine do its work. Beer importer Guinness Bass Import offered a precious handful of custom-designed "Kegeerator" home-tapping systems to Hollywood stars like George Clooney and Brad Pitt, hoping they would drop hints of their Guinness Stout habit to their friends and hangers-on.

Even packaged-goods colossus Procter & Gamble has been plotting buzz-marketing forays--which it refers to as "diffusion marketing"--as part of a broader push to reinvigorate its stable of staid brands. It sought to get Canadian consumers talking about Cheer detergent by having brightly outfitted "shoppers" break into impromptu fashion shows in supermarkets, with nary a hard sell for the detergent. (The actors did mention that their duds were washed with Cheer.)

**ONE STEP AHEAD.** Building a successful buzz campaign hinges on finding the right carriers for the message: influencers who are obsessed with staying one step ahead of their peers. That was Ford's strategy last year when it sought to interest a new generation of buyers in its humdrum but well-established Escort with a new \$13,000 version of the subcompact called the Focus. Ford executives figured a word-of-mouth foray might position the Focus as a hip, young person's car and help it win what Ford Div. President James G. O'Connor styles the "buzz war" against the small-car leader, Honda Motor Co.'s Civic.

To kick-start the buzz, Ford (**F**) tapped New York youth marketing boutique Fusion Five to help it identify 120 influential young consumers in five key markets: New York, Miami, Los Angeles, Chicago, and San Francisco. Each of the 120 people was given a Focus to drive for six months and was asked to keep a record of where they took the car and what they did. The gambit worked on Joe Regner, a 21-year-old operations engineer in Miami. Regner spotted a yellow Focus in the parking lot as he cruised by hip-hop radio station WEDR 99 Jamz and he pulled over to get a closer look. It turned out to be a loaner to Jill Tracey, one of Regner's favorite deejays. "It was so cool, I took pictures and really checked it out," he says. While waiting to order a special, high-performance version of the Focus called the SVT that's due out this fall, Regner persuaded his girlfriend, Eli Dominguez, a legal assistant, to scrap plans to buy a Civic in favor of a Focus ZX3. With enthusiasts like Regner as an unpaid sales force, Ford was able to get the Focus off to a brisk start, selling 286,166 units in its first full year, 2000--and outselling the Civic in some recent months.

Of course, the kind of person marketers look for to ignite buzz depends on the product. ConAgra Foods' Hebrew National unit searched 12 cities for 250 PTA presidents, Hispanic community leaders, and, yes, Jewish mothers to serve on its "mom squads" this summer. The recruits are driving around in sport-utility vehicles emblazoned with a Hebrew National logo, hosting backyard hot-dog barbecues, and passing out discount coupons at community events. "I used to think only outrageous products were worthy of

viral marketing," says Mark Kleinman, vice-president of sales and marketing. "But even a loved American food like the hot dog can generate a lot of discussion and a viral build."

It's not hard to see why major marketers are open to experimentation. Expensive, conventional approaches such as network-TV ads seem less and less able to move the needle. That's particularly true when it comes to younger consumers, who because they are still forming their brand preferences, are coveted by marketers. They spend less time planted in front of the tube and are more skeptical about the messages they receive there. Besides, some products or services are so complex, it's hard to get the message across in a 30-second commercial.

While traditional ad campaigns have lost some of their punch, examples of quirkier campaigns that have generated huge grassroots followings for their brands with laughably low marketing expenditures abound. *Blair Witch*, the independent film phenomenon of two years ago, was one of the biggest, but there have been others. Anita Diamant's *The Red Tent*, a novel of female empowerment in a Biblical setting, languished for two years until Diamant had the inspiration of blanket-mailing free copies to hundreds of female Reform rabbis. That unleashed a storm of word-of-mouth buzz, and *Tent* soon landed on best-seller lists. Then there was the obscure Taiwanese import, Razor scooters, that deftly worked the online and offline grapevines to become a must-have toy among both kids and grownups.

Is it merely lightning striking? To some extent, yes: Each item was the right, unique property at the right time. What has fascinated marketers, though, is how the consumers who are first to climb aboard become ardent proselytizers. "It's sort of like a good word-of-mouth movie. It's the only way to get something going with that kind of acceleration," says Razor USA LLC President Carlton Calvin.

But buzz is no longer a hit-or-miss proposition used exclusively by fringe marketers. These days, plenty of big players are trying hard to systematize buzz techniques. Their efforts got a big theoretical lift from Malcolm Gladwell's book *The Tipping Point: How Little Things Can Make a Big Difference*, which brought home how a small number of consumers--if they're the right ones--can turn a grass fire into a conflagration. Gladwell traced how a handful of hipsters patronizing the thrift shops of Manhattan's Lower East Side were able to "tip" Wolverine's Hush Puppies shoes into a national revival.

**FICTIONAL AUTEURS.** Now even ad agencies that are heavily invested in traditional brand-building techniques acknowledge that buzz marketing has become a phenomenon. "Everybody's read *The Tipping Point* and is trying to figure out what are the underground streams to reach consumers," acknowledges Edward H. Meyer, chairman, president, and CEO of Grey Global Group Inc. ([GREY](#)). "Everybody is experimenting with it."

Even one of the more freewheeling and influential efforts to date, the one behind Lee

Dungarees, was driven by the most pragmatic considerations and was meticulously planned. VF, of Greensboro, N.C., had managed in recent years to renovate the image of its stodgy Lee jeans brand among younger consumers but felt it could do more to convert that cooler image into traffic at teen-toxic retailers like J.C. Penney ([JCP](#)) and Sears Roebuck ([S](#)), its biggest outlets. Working with ad agency Fallon McElligott, VF came up with a solution that played on the weakness for video games and computers of its target customers, males 17 to 22. First, VF culled a list of 200,000 "influential" guys from a list of Web surfers and zapped them a trio of grainy video clips that were hilarious in their apparent naivete. They purported to be ultralow-budget flicks, meant to draw visitors to the Web sites of auteurs such as open-shirted Curry, a 23-year-old race-car driver. To the high school and college-age Web surfers who received them, the clips would have seemed like delicious examples of the oddball digital detritus that litters the Web. So not many of the recipients who eagerly zapped the quick flicks to their friends would have guessed that they actually were abetting an elaborate marketing campaign orchestrated by Lee.

The "stupid little films," as agency President David Lubars describes them, intrigued their recipients enough to be forwarded to, on average, six friends apiece, according to VF research. (Fallon executives say they knew firsthand that the effort was igniting when they started receiving the viral e-mails themselves from friends who had no idea that Fallon was involved with the effort.) Despite virtually no advertising, some 100,000 unique visitors stormed the fictional auteurs' Web sites the week they went live, crashing the server. As with other such viral efforts, "we created a little community: You either knew about it or not," says Lubars.

The marketing connection only became clear a few months later, after a TV and radio ad blitz finally revealed the three characters to be fictional antagonists developed as part of an online computer game. And that was a key to the program: To play the game at an advanced level, participants had to snag the product identification numbers--er, the "secret code"--off Lee items, which of course required a visit to a store. Ultimately, the effort drove thousands of kids age 17 to 22 into the stores and helped propel Lee sales upward by 20% last year.

Of course, if the viral effort had just been a lead-in to a conventional ad barrage for Lee Dungarees, not much would have been accomplished. After the covert come-on, an ad blitz might even have created a backlash. Instead, VF kept the commercial aspect to a bare minimum. The most overt connection with the brand was in structuring the game so that participants had to go to retailers to snag the code off the pants. "You have to be careful not to sell too hard because that's a total turn-off to young adults," explains Kathy Collins, Lee Jeans' vice-president for marketing.

But the line between being clever and being deceptive can be a hard one for marketers to navigate. Sony Pictures Entertainment ([SNE](#)) generated the kind of publicity you

wouldn't especially want to have when a couple of recent buzz strategies backfired. First, it turned out that Sony had fabricated quotes from a fictitious film critic praising movies such as *Vertical Limit* and *The Animal*. Soon after, two supposed moviegoers who gushed about *The Patriot* in Sony commercials were unmasked as studio employees. Rather than delighting or surprising, the ham-handed efforts merely confirmed consumers' worst suspicions about marketers. "It can turn into a horrible public-relations nightmare if it turns out you're deceiving people," says Christopher Ireland, CEO of Cheskin Research, which explores youth culture for clients such as PepsiCo Inc. ([PEP](#)) and Motorola Inc. ([MOT](#)).

**"ENORMOUSLY BELIEVABLE."** Some of the most successful practitioners of buzz marketing include alcohol and tobacco advertisers. Long excluded from mass media, they have an obvious interest in making any sort of buzz work. Consider Lucky Strike, an all-but-dead brand that's hemmed in by ever-tightening restrictions on cigarette advertising, merchandising, sampling, and promotions. Brown & Williamson Tobacco Corp. and its ad agency, Bates, decided to add buzz to Lucky Strike's equation. The result was the Lucky Strike Force, attractive couples working trendy neighborhoods such as Miami's South Beach, New York's Soho, and Santa Monica, Calif., proffering hot coffee and cell-phone calls to shivering smokers in winter or iced coffee and lounge chairs in spring and summer. "Send up a smoke signal, and we'll be there," local teaser ads urged. The Strike Force has helped the onetime icon edge back toward broad availability. "As a marketer, you hope to have your consumer do your marketing for you," explains Sharon Smith, director of Lucky Strike. "It is credible, less expensive, and enormously believable."

A buzz campaign for a quirky, narrow-market car like the Focus or a moribund cigarette brand is one thing. Using the viral strategy in more humdrum categories is something else altogether. P&G's strutting shoppers aside, buzz marketing still seems to work best for the relatively narrow range of products and services that consumers care deeply about, whether because of their physical intimacy, technical complexity, or status-enhancing potential. "The bad news is that [buzz marketing] only works in high-interest product categories," says Peter Sealey, a former Coca-Cola Co. ([KO](#)) marketer who is an adjunct professor at the Haas School of Business at the University of California at Berkeley. "For the next BMW or Ford's reintroduction of the Thunderbird, I absolutely would use buzz, because there's going to be a cult following. For laundry detergent or the next flavor of Snapple, not a chance."

Indeed, the growing popularity of buzz marketing could well spell its downfall. After all, buzz is inherently exclusive, not inclusive. Once everyone does it, it's no longer buzz, it's simply obscure--and annoying--advertising. "The biggest problem with buzz marketing in the next 24 months will be the glut of people trying to do it," says Jonathan Ressler, CEO of Big Fat Promotions, which worked on the Lucky Strike effort. By then, marketers looking to break free from the herd will have to resort to something more unusual. Super Bowl ads, anyone?

By Gerry Khermouch in New York, with Jeff Green in Detroit