

# Word of Mouth – Creating “Buzz”



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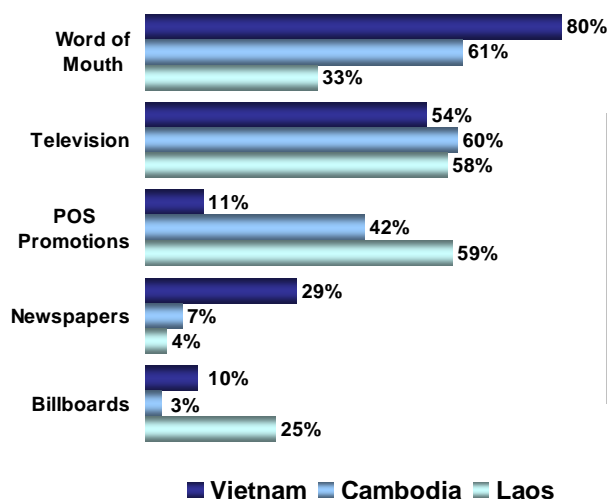
**Word of Mouth marketing is gaining recognition as a powerful force in the marketplace. In this edition of Indochina Research's I-TRAK™, we measure impact and the contribution of Word of Mouth as part of the marketing mix.**

I-TRAK™ Research Design: Random selection of 600 respondents aged 18-45 in 2 age segments: 18-29 year olds and 30-45 year olds, split evenly between males and females. Survey was conducted in March 2008 among residents of Hanoi & HCMC (Vietnam), Phnom Penh (Cambodia) & Vientiane (Laos).

## Word of Mouth and the Marketing Mix

Word of Mouth or informal communications about a product has emerged as a key influence in consumer purchase decisions, particularly in Vietnam and Cambodia. Traditional media such as television and POS marketing still play an important role, though the “chatter” generated by Word of Mouth is a primary method for creating “buzz” about certain products and services.

**Influences on Purchase Decisions**



## Who Is Creating the Buzz?

People tend to make purchase decisions on the advice of those they know and trust. Family and friends play the most prominent role in creating buzz about a product. Co-workers also influence purchase decisions in the Vietnam market.

In addition, the internet or other digital sources have yet to emerge as key sources of Word of Mouth owing to lack of access or low usage levels. The exception is Vietnam where internet usage stands at about 20%. Internet vehicles such as blogs and social networking sites will increase their relevance for generating Word of Mouth with improvements in usage and knowledge of internet offerings.

**Sources of Word-of-Mouth**

	Vietnam		Cambodia		Laos	
	Spont.	Prompt	Spont.	Prompt	Spont.	Prompt
Family	45%	39%	48%	34%	49%	36%
Friends	46%	50%	45%	45%	30%	51%
Co-workers	4%	45%	2%	11%	2%	14%
Media	4%	30%	6%	7%	4%	15%
Internet	0%	16%	0%	1%	0%	2%
General Public	2%	7%	1%	2%	16%	27%

## Word of Mouth and Purchasing Reality

Word of Mouth has not just created awareness of products but has influenced actual purchase decisions. In Cambodia, 90% of consumer said they had purchased a product based on Word of Mouth in the past 12 months. This was also the case of 58% of those in Vietnam and 42% in Laos.

The impact of Word of Mouth was also influenced by category type. Key categories where Word of Mouth plays a role in purchase decisions include:

- Food Items 58%
- Household Furnishings 47%
- Financial Services 45%
- Apparel 45%
- Personal Care Products 42%

## How Much Buzz is Needed?

The amount of buzz created by Word of Mouth does act as an important purchase trigger. However, the experience and advice of others you know or trust can play either a positive or negative role in purchase decisions.

### Will have a positive influence on purchase decision

- Positive opinion from one person 45%
- Positive opinion from many persons 65%

### Will have a negative influence on purchase decision

- Negative opinion from one person 24%
- Negative opinion from many persons 46%

As such, companies must recognize the power of Word-of-Mouth and realize how the opinions of one or many can sway product imagery and usage. Any marketing mix that leads to positive Word of Mouth will also make a product or service more relevant to the Indochina consumer.



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