

Mention-Me.com
The Referral Marketing Series

Report: Customer advocacy in 2019

About this report

The findings from our research offer insight into customer advocacy; arming you with the knowledge needed to be successful at referral. The importance of trust and credibility for referral remain consistent for the second year running. There are also three key trends revealed in this year's study.

Mention Me's second annual survey into customer advocacy and referral trends was completed in November 2018. We surveyed a panel of 2,000 UK consumers via One Poll. The study looks at what motivates UK consumers to share products, and investigates which sectors and brands are most referable, and the qualities a brand should possess in order to maximise recommendation. In this second study we included two new questions on attitudes to communication channels, and one drilling into environmental and ethical issues.

In the era of fake news never has trust been so important in marketing. As a business, Mention Me's ethos is to challenge the status quo. By encouraging and supporting this movement towards trust marketing, we want to help marketers harness word of mouth. We are shaking up the way the world's best and brightest retailers and ecommerce businesses think about customer advocacy.

This research was conducted to discover how customers feel about referral in real life. The insight provides marketers with the tools needed to run a successful referral programme, to fully engage their existing customers, and help drive customer acquisition.

The survey also drills down into factors that have a negative impact on referral, and the brand attributes that could be a barrier to recommendation.

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Highlights

Trust is vital for brands who wish to activate customer advocacy. Increasingly factors like attitudes to sustainability and social responsibility matter too.

The survey reveals for the second year running that trust is an increasingly important theme across all elements of society and marketing is no different. Consumer trust in social media platforms, advertising and even in the promises and values that brands promote, is at an all time low. At the same time influencer and celebrity endorsements are reportedly reaching saturation. Referral instead, offers a way for brands to develop their relationships with existing customers, while new ones are introduced in an authentic way which maximises the potential for future trust.

In this report we discuss the growing significance for consumers of the ethics and social purpose of a brand. This is reflected in festive marketing campaigns towards the end of 2018. Black Friday was accompanied by press coverage questioning excessive and unnecessary spending with brands we don't already have a relationship with, fuelling an unsustainable throwaway production chain.

The Christmas retail battle for hearts and minds also grabbed headlines this year after Iceland's decision to partner with Greenpeace, for a campaign designed to raise awareness of the use of palm oil.

This apparent culture shift in the minds of the consumer appears to be having an impact on the types of brands that we would be happy to refer to friends or family.

The survey results support the hypothesis that we are becoming more conscious consumers, less willing to engage with brands who do not fulfil ethical codes of conduct.

Echoing Emily Bryce-Perkins reflecting in The Evening Standard, that "if they really want to connect with consumers, brands need to stand for something - their values are often as important as the product or service itself", (ES, 20 Nov 2018).

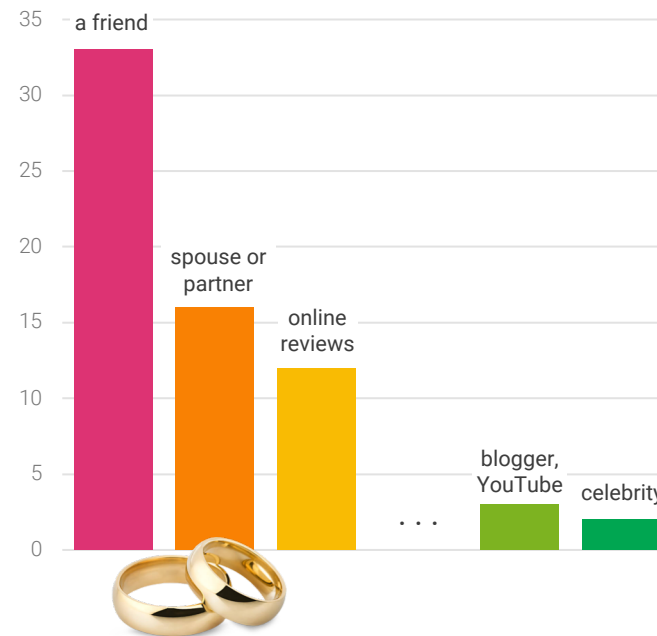
The results

Friends are most trusted

Despite all the coverage devoted to influencer marketing, friends are the most trusted source of product recommendations across all the ages and demographics

The research revealed that UK consumers value and trust their friends opinions more than anyone else (including their partners). With 33% of those questioned trusting a friend's referral most, double those that would choose their spouse or partner's (16%). Other sources of advocacy were much less trusted; 12% choosing online reviews and just 2% trusting a referral from a celebrity and 3% a blogger or Youtuber.

Whose referral would you trust?



Expert Commentary

What we see in our survey data is the blending of factors that influence customer advocacy. On the one hand customers want brands to get the basics of great customer service, fair pricing and quality right. These are table stakes for brands wishing to activate customer advocacy.

This is important because at the heart of referral and word of mouth there is a human interaction which carries some psychological baggage. Shoppers won't risk their social standing with friends by sharing something that doesn't align with how they want to be seen.

Once businesses have the basics in place then there is potential to tap into some of the trends we've identified. Articulating brand purpose, ethics, social responsibility and respect for data and privacy all have the potential to boost sharing – but not if they are just advertising slogans. UK consumers are a smart bunch and trust and brand credibility are vital to the formula for referral success.

COURTNEY WYLIE
VP Product & Marketing,
Mention Me

**WINNER: Industry Shaper
Award, Women in Marketing**



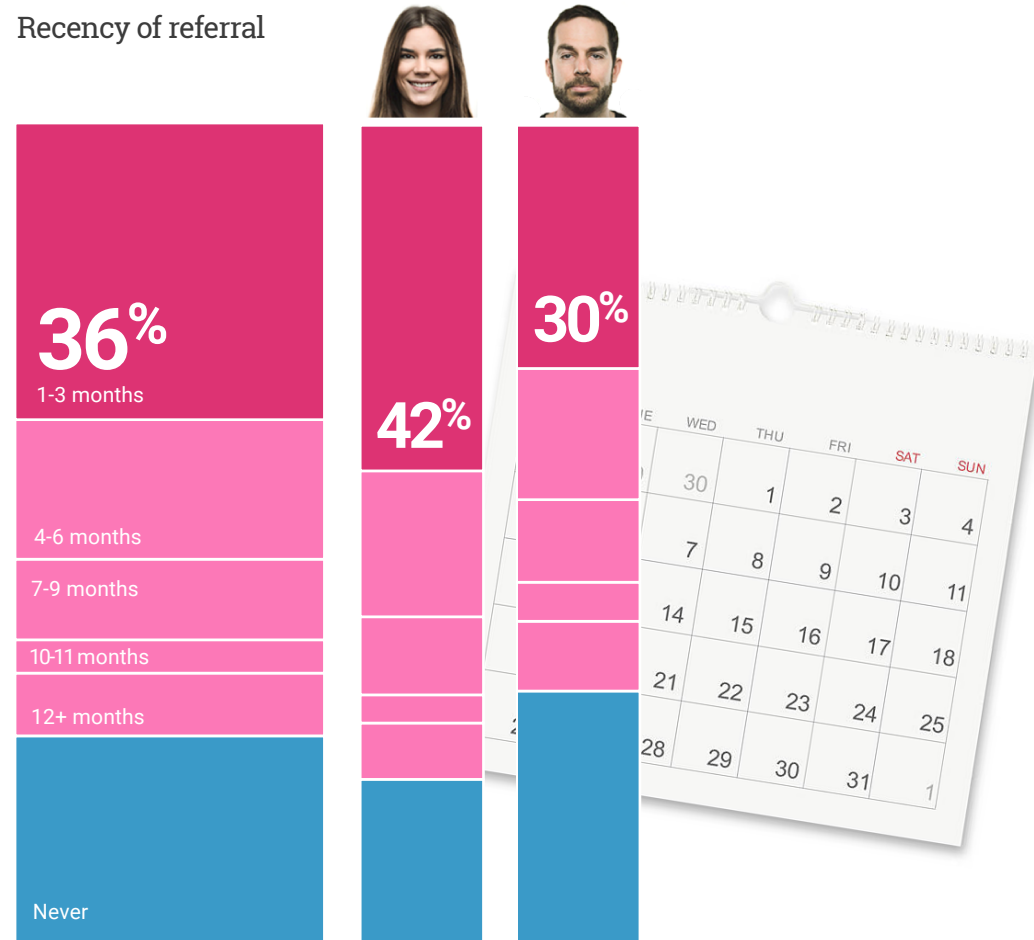
The results

Sharing is natural and frequent

The survey reveals that referral is a natural and frequent interaction amongst friends. This dynamic means marketers can activate the channel quickly with minimal effort.

The results of the research highlight that UK consumers are still very likely to actively advocate for, or recommend brands to friends and family. Of those questioned, 36% had recommended a brand in the last 3 months, and a further 27% had made a recommendation in the past 4-9 months. Of these, women are slightly more involved with 42% having referred in the past 3 months compared to 30% of men.

Recency of referral

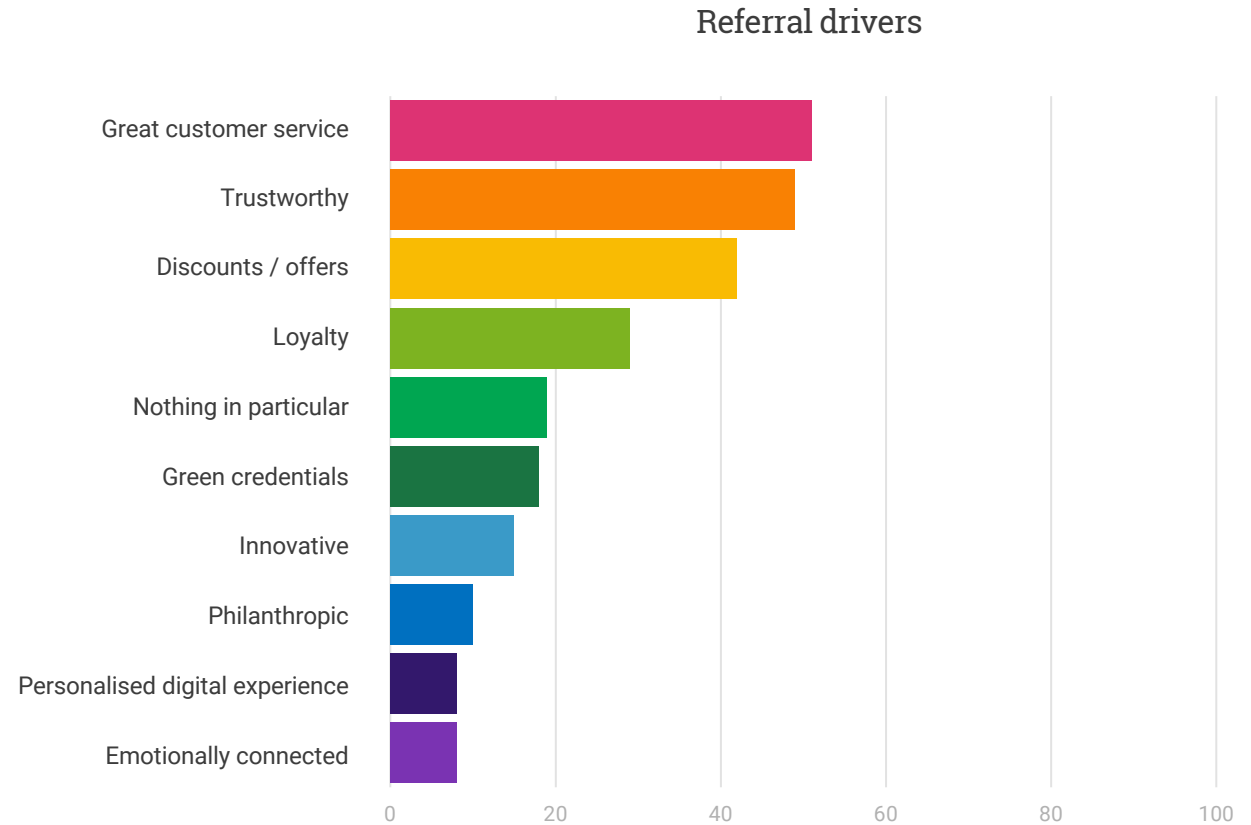


The results

Some brand attributes promote sharing more than others

Psychology overrides deep discounts when it comes to activating customer advocacy. Customers simply will not share a brand that might put their reputation at risk. So what brand attributes help make a brand referable?

The top three attributes that a brand needs to have to make them referable according to those questioned are unchanged from 2017; great customer service (cited by 51%), being trustworthy / credible (cited by 49%) and offering good discounts / referral offers (cited by 42%).



The results

Brands and sectors we love to refer

Some sectors inspire more sharing than others, with travel and holidays topping the list. However businesses can successfully capture advocacy regardless of sector if they focus on their core audience, deliver a great experience and understand what their customers value.

The top three referable sectors remain the same as last year's survey. Of those questioned 58% were most likely to refer holiday and travel businesses, 46% a technology brand and 45% home and furniture. The other sectors where customer advocacy is strongest are: financial services (42%), women's fashion (42%), beauty (40%), sports clothing and equipment (36%), men's fashion (35%)

The most referable brands according to the survey are Amazon (with 28% of those questioned), Marks and Spencer (with 18% of those questioned) and John Lewis (with 17% of those questioned). These results perhaps reflecting the vital connection between great customer service and recommendation behaviour.

Holidays & Travel



58%



Technology



46%



Home & Furniture



45%



Financial Services



42%



Women's Fashion



42%



Beauty



40%



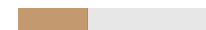
Sports Clothing & Equipment



36%



Men's Fashion



35%



New trends

Trend 1: email gets complicated

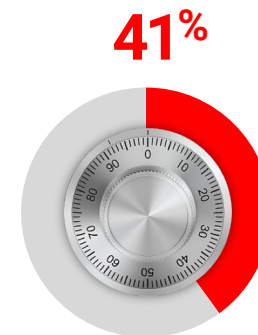
“it’s complicated’ is probably the best way to describe our survey respondents feelings for email post-GDPR. While the channel still has enduring appeal, consumers appreciate more than ever brands who treat their inboxes with respect.

The survey asked which were people’s preferred channels for being communicated to. The results were surprising, with almost half (46%) of those questioned choosing email. Other channels came out with very low preference scores, with 9% preferring face to face communication in store, 7% the phone and 4% through Facebook or other social channels.

This goes against the claim often made that email is dead, and should be reassuring for brands cautious of using email marketing campaigns post GDPR.

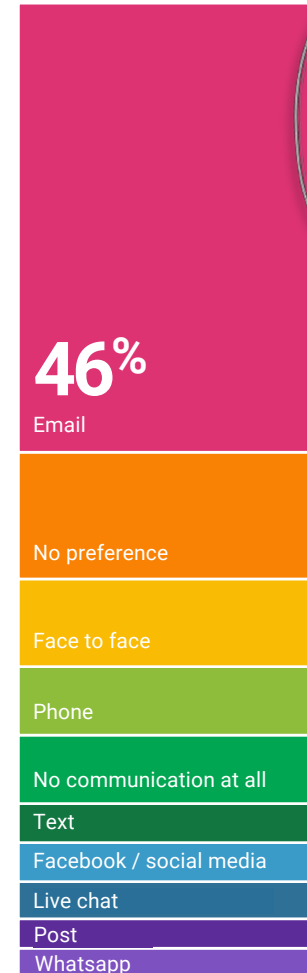
Attitudes to data privacy and security were also probed in the study. 41% of those questioned stated that they would be more likely to refer a brand if that brand promised to ensure their data was stored securely and not shared.

Taken together these results hint at a new flavour of sentiment: customers still like to be communicated with via email, as long as the content is relevant and targeted and their data is carefully stewarded by the brand involved.



are more likely to refer when assured their data won't be shared

Favourite communication methods with brands



New trends

Trend 2: ethics take centre stage

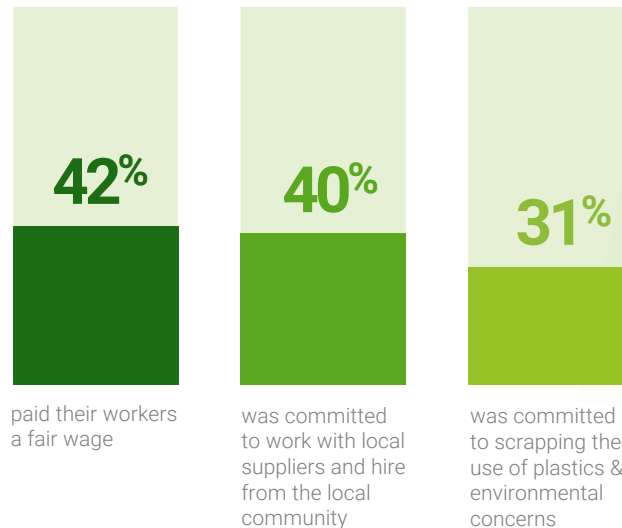
'Single-use plastic' was the word of the year in 2018 according to The Guardian and The Independent. The importance of brand ethics featured dramatically in our survey this year.

The survey then delved deeply into more specific brand promises that are important for people to refer.

According to the ethical consultancy Ethical Consumer's 2017 Report, the market for ethical products and services has grown by more than £40bn since 2008.

This trend is echoed in our results, which reveal that for those questioned, the following brand promises would make them more likely to refer a brand to a friend or family:

People are more likely to refer a brand, if it...



New trends

Trend 3: advocacy could boost Black Friday

Black Friday polarises shoppers, with some opting-out while others, especially the young, show continued enthusiasm. Customer advocacy is not top of mind for marketers at this time of year but our survey indicates it can ground the shopping frenzy with some much needed trust and credibility.

The survey also looked at consumer shopping habits on Black Friday. For those questioned, over half (53%) stated that they weren't planning to shop on Black Friday at all.

While marketers may feel an ever increasing focus on the event, only 9% of consumers surveyed stated they held off making purchases as up to two months before in order to take advantage of discounts.

This number down from 11% in 2017 - perhaps showing a plateau in consumer interest in the shopping event.

Of those who did plan to shop, 16% based their purchase choices on the brands with the biggest discounts, up from 9% last year. Of these, younger shoppers appear to be most ruled by price with a fifth (20%) of 18-24 year olds focused on the biggest discount, compared to 12% of those over 55.

8% of consumers state they would buy from brands that had promoted their Black Friday sales on their social channels, up from 4% last year. Younger shoppers are most influenced by social media, with 14% of 18 - 24 year olds purchasing from brands who have promoted their Black Friday sales through their social channels, compared to only 4% of those aged 45 and older

17% of consumers use online reviews before shopping on Black Friday, and 11% take recommendations from friends and family. These two channels are just as important as social media or discounts when it comes to influencing Black Friday shoppers.

So, what role can customer advocacy play during Black Friday? The answer is a surprising one. While most brands would probably not include reviews and recommendations in their Black Friday promotional planning, these two channels can bring some much needed trust and authenticity to marketing at this time of year.

Conclusion

Mention Me conducted this research in order to better understand both the motivations, and the blockers for referral and word of mouth. Repeating the research annually produces insight into trends, highlighting how the external social environment has impacted consumer behaviour within referral.

Trust has been a recurrent theme in the results, reflecting its rising importance in culture and media over the past 24 months. The data highlights that consumers don't want to be sold to by influencer marketing, or by celebrities, but instead value and trust a personal recommendation. 33% of those questioned would trust a friend's referral the most, which is twice as much as the next most trusted source of referrals: a spouse or partner.

Another strong theme that emerged this year is a concern about the ethics and social purpose of the brands we choose. The research reveals that brands now need to think carefully about their proposition and values. If they get these right, and win loyal support, customers can prove to be their best advocates and become a driver for growth through referral.

The elements of trust and proof are core to the ethos of Mention Me. Our referral platform enables robust AB testing of referral campaigns, ensuring we can deliver the best results. This type of empirical thinking influenced our desire to conduct this research; producing useful insights for all marketers into what it takes to create the best conditions for referral programme success.

Mention Me helps businesses unlock referral as a leading marketing channel. Our world class platform has unique features to deliver referral success and our team work alongside clients to maximise the potential of the channel.

We back ourselves to make it work for each business we work with by charging on a cost per acquisition basis, rather than a license fee.

Find out more

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