The Power of Advocacy

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Loyal and satisfied customers are your biggest advocates.

Peer recommendation from advocates carries more weight than any other form of advertising.

Their genuine and authentic reviews lead prospective customers to trust the brand for which they are advocating.

Tony Wheble CEO, Feefo



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## Introduction

History is littered with examples of advocacy successfully changing established norms, beliefs, or thoughts. From Emily Pankhurst advocating for women's suffrage in the last century to Malala Yousafzai campaigning for education for girls in Afghanistan, advocacy is a powerful tool. And, increasingly, advocacy is an important part of any organisation's toolkit - whether that's an artisan coffee shop, a national retailer, or a lifestyle business selling through an online marketplace.

With the advent of Al-generated content, the noise and volume of information around us continues to increase, as does consumer anxiety about its provenance and accuracy. We're seeing a backlash against the generic, the fake, the inflated, and the unbelievable. More than ever, customers are desperately looking for honest, helpful guidance when it comes to making choices about where to shop, what to buy, and where to travel.

Authenticity is key for consumers of all ages, no matter the value of the purchase. And with well over 70% of shoppers reading online reviews before making a purchase, creating brand advocates is something any smart marketer or business owner should have high on their list of priorities.

Consumer advocates can:



- Provide invaluable social proof
- Increase sales
- Protect your brand
- Generate invaluable insight

Building and maintaining a relationship with your most engaged customers empowers them to do much of your marketing work for you. Their word-of-mouth recommendations - both on and offline - create a positive ripple effect, expanding out from your core advocate to generate new business, as well as cross-selling and up-selling opportunities.

And by providing a clear brand message that resonates with customers, businesses can build communities of advocates. These communities increase the positive ripple effect further, as advocates will defend brands against criticism, seeing that as an attack on their personal values.

Beyond the obvious reviews and star ratings and the impact these can have on sales, advocates are an invaluable source of insight for brands. Insights can improve products, highlight gaps in service, and deliver sustainable, organic growth.

#### Why wouldn't you want to harness the power of advocacy for your business?

over

online reviews before aking a purchase

# What is advocacy?

## Advocacy

noun

The act of promoting or supporting a cause or idea. An advocate can be an individual or an organisation that works on behalf of another to promote their interests and get their voice heard.

Often we find advocacy at work when there are individuals or groups of people that are under-represented or disadvantaged in some way. For example, a parent may advocate for their child's interests at school, or a charity could advocate for improved conditions for under-represented groups in the workplace. In a legal context, this is the rationale behind the meaning of the term 'advocate', i.e. someone who represents a client, speaks for them, and helps them to navigate a complex legal environment.

And we've long seen advocacy in a political arena, where lobbyists - often working on behalf of powerful individuals or business groups work to advance a set of particular ideas or interests.

But what does advocacy mean in a business context?

Here, advocacy refers to the act of promoting a brand, product, or service through word-of-mouth marketing. Advocates are customers who are passionate about a brand - both positively and negatively and are willing to share their experiences with others.

Some companies – particularly in the health and beauty, retail, and eCommerce spaces – employ brand ambassadors who actively reach out to others. Social media has encouraged this with the rise of 'influencers' who are paid to promote goods and services to their followers.

Other companies create customer referral programmes, where individuals can build up benefits by introducing others.

To some extent, all employees are also brand advocates. Done well, employee advocacy can be extremely powerful. For larger organisations, there are potentially hundreds of individuals working towards common goals whose authority can be harnessed to promote the products and services that they are working on via their own social media channels, individual networks, and word-of-mouth interactions.

However, influencers, brand ambassadors, and employees are nearly always receiving financial or other rewards for their advocacy. Authenticity is therefore critical, even if that word has become almost ubiquitous in recent years.



Put simply, the most powerful and authentic voices are the ones that advocate for you simply because they want to. Your most important advocates are your customers.

# The quest for authenticity

In today's digital age, the average consumer is bombarded by a bewildering array of information from multiple sources through a wide range of channels. It is estimated that the average consumer encounters between 6,000 to 10,000 ads every day on an ever-expanding internet with 6.18 billion indexed pages, alongside hundreds of news outlets, commentators, influencers, social media channels, TV, radio, and more.

In response, consumers are increasingly savvy when it comes to filtering out the noise. They are looking for high-quality products and services, as they always have, and this increasingly combines with a wish to work with brands that align with their values and beliefs. But this doesn't mean brands can fake it. One of the fastest-growing issues facing businesses today is the desire that consumers have for authenticity.

Generation Z are digitally literate in a way that no cohort has been before them. And informed consumers across the generations are increasingly cynical about the motivations behind brand messaging, particularly when it comes from companies or individuals with their own agendas.

It's hardly surprising when we are surrounded by fakes. We can alter our physical images with everything from Botox to Photoshop. Social media channels like LinkedIn and Instagram allow us to carefully curate our online presence to showcase an idealised image of our best selves to the world, whether that's personal or professional.

At the same time, scams continue to hit the headlines, with fake reviews a regular feature. Consumer champions Which? recently highlighted the existence of <u>'fake</u> review generator groups' on Facebook, where it's possible to purchase reviews for Amazon, Google, Trustpilot, and others.

Add into the mix the fact that Feefo's own research shows that 40% of SME owners have been negatively affected by fake reviews, with knock-on effects for their businesses, and the quest for authenticity takes on additional urgency.



of SME owners have been negatively affected by fake reviews

### **Backlash against fakes**

Last year's big hit in the app store was the French photo-sharing app, BeReal, where users received a prompt at random times of the day to take a photo of themselves and what they were looking at. BeReal was Gen Z's antidote to the heightened reality of a curated Instagram feed. Although the monotony that it generated – lots of pictures of teens looking at laptop screens – has subsequently led to a loss of popularity. Maybe BeReal got too real.

There is also growing anxiety around the production of AI-generated creative works and their identification and use by respected news outlets. Amnesty International recently removed an AI-generated image of a Columbian protester following widespread criticism. And a fake image of former UK Prime Minister Boris Johnson being arrested circulated widely on UK networks after being posted on Twitter as a warning not to believe everything you see.

This heightened awareness of fakery affects consumer behaviour too. Feefo's research shows that over a quarter of consumers (27%) have been misled by fake reviews. And the resulting loss of trust in the information that businesses serve to consumers leads to increased hesitation at the point of purchase.



In this world of digital trickery, consumers are searching for genuine guidance. Sourcing and displaying unique user-generated content and hearing real consumer voices provides invaluable social proof to others. This is why micro-influencers can gain far more traction than big names, who may have no genuine connection to a product or service that they're promoting.

Rather than paid advocates, shoppers want to hear from people like them. In fact, more than 70% of customers claim to read online reviews before buying a product. And they're not just looking for positive reviews either - Feefo's research shows an absence of negative reviews can make shoppers suspicious.

It's more important than ever for companies to focus on building relationships with their consumers and opening up clear channels of communication, with customer advocates the key to providing authenticity.

This is where reviews and rating platforms come into their own, especially platforms that collect reviews from verified customers – that is, individuals who have had genuine interactions with or have purchased from a company. Verified reviews help businesses deliver genuine, authentic feedback to others.

# The benefits of advocacy

## Increasing consumer trust

Trust is central to brand success. A 2022 Harvard Business Review study showed that trusted companies outperform their peers by up to 400% in total market value. And 88% of consumers are more likely to buy again from a brand that they trust.

Peer recommendation from advocates carries more weight than any other form of advertising. Their genuine and authentic reviews lead prospective customers to trust the brand that they are advocating for.

Customer trust matters because it helps companies both attract and retain loyal customers. Many businesses focus on customer acquisition, but retention is equally important. Acquiring new customers can cost five to seven times more than retaining existing ones, depending on the industry involved. Research by Frederick Bain, the inventor of the Net Promoter Score®, found that increasing customer retention rates by 5% increases profits by 25% to 95%.

We've seen this in action at Feefo, where our clients report increased sales and conversion rates following the implementation of independent, verified customer reviews. William Russell, an international insurance provider, found prospects were more engaged and confident about buying once they could see over 700 positive reviews from existing customers.

This confidence boost translated into a 71% increase in average daily conversion rates online. Adding reviews to product pages helped improve William Russell's visibility in Google's search results and increased click-through rates by 170%.

Read more about William Russell and Feefo here.

This is far from a unique experience. Employing the customer voice to advocate for brands reaps rewards across a wide range of products and sectors.

## Reduced costs for maximum returns

Consumer advocacy is an efficient and cost-effective marketing tool. It's common knowledge that the cost of living crisis has placed additional pressure on consumer spending, with <u>household incomes not expected to return to 2021 levels in real terms until 2027</u>.

Continuing geopolitical instability and high energy prices mean that consumers are sticking to purchasing essentials and either choosing or being forced to cut back on discretionary spending. This challenging economic situation puts additional pressure on a range of businesses, particularly those providing non-essential goods and services.

When times are tough, marketing spend is often one of the first areas to take a hit. <u>Marketing Week reported</u> that almost nine in ten consumers (85%) expect brands to cut down on their marketing spend to combat rising costs rather than pass those increases on to them. And marketing teams are being asked to do more with less across the board.

Turning to consumer advocacy is a cost-effective method of brand promotion, as once you've won over your customers, many of them are willing to advocate on behalf of a product or service for free. Much as fans of a sports team or musician will leap to the defence of their chosen idols if they are subjected to online criticism, engaged consumer advocates will discuss their preferred products or services, providing a stream of fresh content.

Verified consumer ratings and reviews can be used across a wide range of promotional material – everything from above-the-line advertising, digital advertising, emails, newsletters, social media, and more. They add an additional dimension to core marketing messaging and have the added benefit of authenticity.

Many brands now look to create <u>communities of advocates</u> where engaged users can swap tips and discuss the merits of a product or service. This relationship building is a great way to nurture their engagement and increase their loyalty.

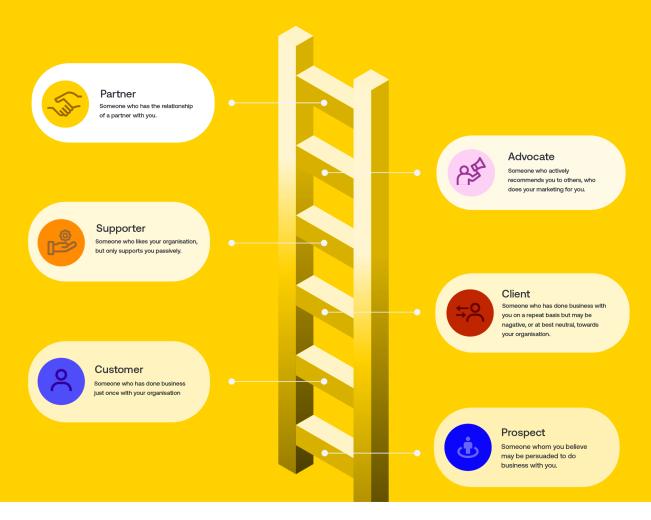
## A long-term solution

The loyalty ladder demonstrates how customers' loyalty levels increase as they move up the rungs of the ladder from prospects.

At its simplest, the loyalty ladder theory is that as a brand exceeds customer expectations at every interaction, a customer will move up the ladder – gradually becoming more loyal and engaged. It forms the basis of customer loyalty strategies, such as reward programmes, and customer retention communications, such as newsletters and information about special offers or new products or services.

Advocates are found at the top of the ladder as the most engaged and loyal customers a brand can have.

## Five Stages of Customer Loyalty Ladder



But how do you gauge where your existing customers sit on this loyalty ladder?

Customer loyalty can be measured <u>via surveys</u> or with a widely-recognised tool like the <u>Net Promoter Score</u>, which provides you with an instant snapshot of how your customers feel about your brand. Machine-learning analysis of reviews can also provide customer sentiment insights in the form of identifying themes and common topics of conversation – all of which can support businesses to identify how their customers are feeling.

As the loyalty ladder demonstrates, making a purchase is fairly low down on the pathway to becoming an advocate. Your advocates will be loyal customers, who will continue to promote your brand long after they have made a purchase.

But how do you reach that level of loyalty and engagement?

Engaging customers via a request to leave a review is a great way to start, as it automatically extends the relationship beyond the point of purchase and opens up a conversation. Creating advocates is a long-term strategy, as while there will be some customers that engage immediately with a product or service, the strongest connections will form over time, via repeated interactions, all of which serve to strengthen the bond between the customer and the brand.

## Social proof, recommendations, and reviews

Harnessing the power of social proof involves using psychology to market your product or service. People are influenced by the actions of others when it comes to making decisions. The bandwagon effect and confirmation bias are common examples of this.

This means that people look for reviews of products or services to understand how others have experienced them before they commit to buy themselves. Consumers use other people's choices as validation.

Why? Well, humans are social animals, and when we find ourselves in unfamiliar situations, we look to the behaviour of people around us and to some extent, mimic it, to ensure that we stay within social norms. This is known as 'informational social influence'. We find it reassuring when we see that others have used and enjoyed a product or service before we try it.

Advocacy provides social proof for a brand.

McKinsey states that word of mouth is the primary factor behind 20% to 50% of all purchasing decisions. When consumers see others recommending a brand, they are more likely to trust and purchase from that brand.

Most people trust their friends and family to provide word-of-mouth recommendations. According to Sprout Social, around <u>four in five consumers will</u> recommend a brand they follow on social media to their friends and family. And 43% of consumers are more likely to buy a new product when learning about it from friends on social media.

But our friends and family can't always provide us with the information that we need. This is where brand advocates can play a significant role in influencing purchasing decisions.

As a core function, ratings and review sites exist to fill this need for social proof. As consumers, we all want reassurance that we're making the right decisions when it comes to our purchases. So reviews matter. But verified reviews matter more.

The numbers bear this out. Without reviews in place, consumers feel they are making a leap of faith - with <u>92% stating they'd hesitate before making a purchase</u>.

## Increased engagement

Brand engagement is all about creating an emotional connection or resonance between a consumer and a product or service. It's about customers tapping into and sharing the values of the brand – advocates believe that the brand reflects their personal identity, whether that's how they see themselves or how they would like others to see them.

Loyal advocates are more likely to engage with a brand than other customers. Highly engaged customers will welcome communications from your brand because your product or service answers a specific need for them. It is these advocates who will read your newsletters, look out for your offers, and respond to your surveys.

A study by Rosetta polled 4,800 US customers on their experience with 83 marketleading brands. The study showed that engaged customers buy 90% more frequently, spend 60% more per transaction and are five times more likely to buy from the same brand in the future. All of this engagement delivers significantly higher value to the brand.

A strong engagement strategy on social media supports the growth of your community of advocates on a platform where they can engage directly with the brand. Nurturing this community with regular positive interactions shows prospective customers the way that your brand treats its most loyal customers and motivates them to step up and advocate for your brand in turn.

Advocacy creates a virtuous circle of engagement, where the feedback you receive from your advocates supports your brand to improve. Your advocates increase the reach of your brand, sharing their enthusiasm with their networks. And they lead the way in responding to any initiative that your brand undertakes, which encourages others to follow their lead - in a further extension of the power of social proof.

This increased engagement can help improve the overall quality of the brand's marketing and in turn leads to more trust from potential customers.





Your current customers have the power to become your closest ally in the constant battle to attract new business, with 79% of businesses that create customer advocates seeing an increase in cross sell and up sell figures. They know your product, have experienced your brand and are more likely to buy again. And, when given the opportunity, they choose to share this experience with others.

Kerry Leighton-Bailey Chief Marketing Officer, Feefo

# How advocacy can affect marketing strategies

Advocacy can have a significant impact on marketing strategies in today's business environment. Here are a few examples:

**Influencer marketing** has become a popular marketing tactic in recent years. By partnering with advocates, brands can leverage their reach and influence to promote their products or services.

Unpaid brand advocates will always have a more powerful impact than paid influencers because their feedback is altruistic, prompted by a genuine connection with the brand. This is the strongest form of social proof and resonates widely with other potential buyers.

**User-generated content** has become an essential part of marketing for businesses. By encouraging customers to share their experiences with a brand, companies can create a library of content that can be used to promote their products or services.

When consumers are vocal about their experiences with a brand or product, businesses have the opportunity to learn from that feedback and improve their offerings. By paying attention to what consumers are saying and responding to their concerns, businesses can build stronger relationships with their customers and ultimately improve their bottom line.

**Reputation management** is critical in our digital world. Empowered consumers have the ability to make or break a brand's reputation. Consumer advocacy can take many forms, including social media campaigns – and in negative cases, boycotts and public protests. When consumers organise and advocate for their own interests, they can have a powerful impact on businesses.

When consumers have a negative perception of a brand, it can be difficult for that brand to maintain its market share and attract new customers. On the other hand, when consumers have a positive perception of a brand, it can be much easier for that brand to build a loyal customer base and achieve long-term success.

By creating advocates, businesses can improve their online reputation through generating positive reviews and ratings.

# Turning loyal customers into brand advocates

In today's highly competitive marketplace, building a loyal customer base is essential for the success of any business. But what if you could go one step further and turn those loyal customers into brand advocates, who not only love your products or services but also actively promote them to others? They can be a powerful force in driving new business and building your brand's reputation.

## Understand audience needs

Step one is to actually understand your audience fully. What are their needs and their pain points? Build your strategy in response to their hopes and aspirations, so that they will want to return to your product or service.

Create a great product or service that accurately responds to their needs. Your customers should identify with it and feel that it reflects them on a personal level to really generate the engagement that you're looking for.

### Increase engagement via great content

Add value to your customers by providing them with engaging content that builds their connection with your brand. The greater the engagement you provide, the more connection they will feel.

Again, you need to think back to their needs and aspirations and look to answer those with the content you provide, via social media, newsletters, blogs, and podcasts. How do you make them feel that they're part of the overall experience of your brand?

## Provide first-rate customer service

When customers are treated well, they are more likely to stick around and recommend your business to others.

And if things go wrong, customers need to feel heard. <u>Feefo's research</u> demonstrates the power of responding swiftly and effectively to reviews, with 44% of people who leave a negative review happy to use a business again if they receive a satisfactory response.

When handled appropriately, unhappy customers can be turned into advocates, with 40% of consumers posting positive comments on social media about businesses that handle their complaints well.

#### Offer excellent online and offline experiences

Make it easy for your customers to share your products or services with others. Include social sharing buttons on your website and email newsletters, and consider creating content such as videos or infographics that customers can easily share with their networks.

### Continue engagement post-purchase

Create a sense of community around your brand by engaging your customers on social media and via review channels. Encourage them to share their experiences and connect with each other. By building a community of loyal customers, you can create a sense of belonging and foster brand advocacy.

### Motivate loyal customers

To encourage your loyal customers to become brand advocates, consider offering incentives for referrals or social media shares. Whether it's a discount code, a free product, or a chance to win a prize, incentives can be a powerful motivator for customers to spread the word about your business.



Highlight your loyal customers by sharing their success stories on your website, social media, or other marketing materials. This not only shows your appreciation for their business but also provides social proof to other potential customers.

Ultimately, the key to building brand advocates is to continuously improve your products and services. Listen to customer feedback and make changes based on their suggestions. By demonstrating that you value their opinions and are committed to providing the best possible experience, you can build base of a loyal customers that will become your biggest brand advocates.

# A final word

Advocacy presents a real opportunity for businesses to build stronger relationships with their customers by paying attention to their concerns and responding to their feedback. It is important for C-suite leaders to recognise the power of consumer advocacy and take steps to incorporate it into their overall marketing strategies.

Focusing on building relationships with their customers and creating advocates helps businesses to improve their trustworthiness, cost-effectiveness, and engagement with their target audience.

Understanding audience motivations and presenting a clear and coherent brand which will resonate with consumers is the first step towards creating advocates. This needs to be followed up with consistently positive brand experiences both on and offline to build that relationship. Like any long-term relationship, there may be ups and downs, but it's important to keep communication channels open. This means having a strong social media engagement strategy and incorporating reviews into the relationship with the customer.

Advocates are worth their weight in gold to any business. Are you doing enough to engage with yours?

The Feefo platform enables you to harness the power of advocacy for your business. Through the collection of ratings and reviews from verified customers, we can help you derive meaningful insights to nurture and engage your advocates, to sell more and ultimately grow your business. Via feedback collection, display tools, sentiment analysis and more, the Feefo platform enables the use of social proof to encourage customer purchase decisions – an investment that can provide immediate returns, as our clients have already seen.

If you'd like to find out more about how Feefo can work for your business, get in touch and one of our team will be happy to talk you through the benefits of the world's largest verified customer ratings and reviews platform.



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