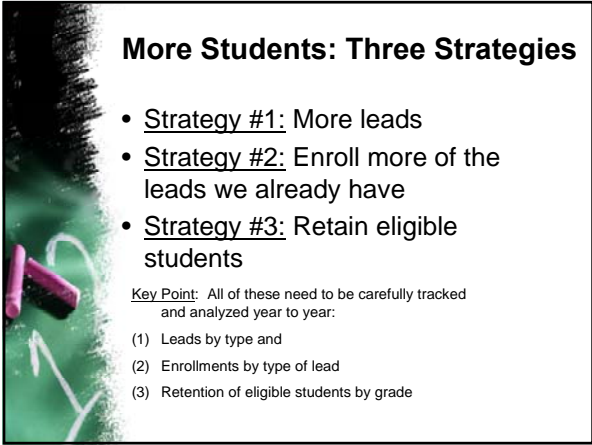


Word of Mouth Marketing

The Real Deal

Dan Krause
 President
 GraceWorks Ministries
 (719)278-9600 #100
 © 2008

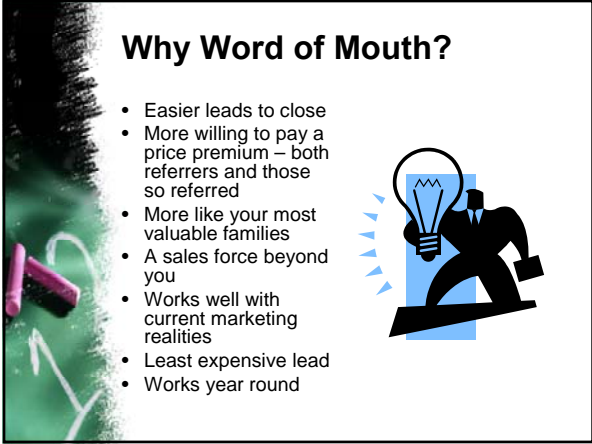


More Students: Three Strategies

- Strategy #1: More leads
- Strategy #2: Enroll more of the leads we already have
- Strategy #3: Retain eligible students


Key Point: All of these need to be carefully tracked and analyzed year to year:

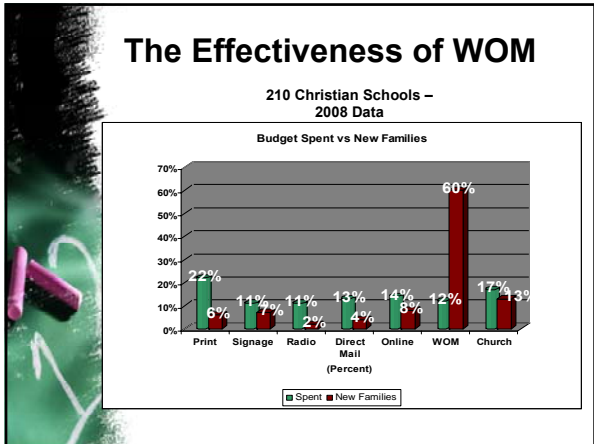
- (1) Leads by type and
- (2) Enrollments by type of lead
- (3) Retention of eligible students by grade



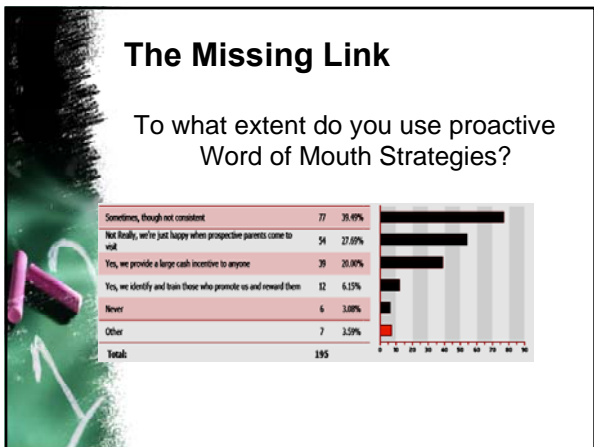
Why Word of Mouth?


- Easier leads to close
- More willing to pay a price premium – both referrers and those so referred
- More like your most valuable families
- A sales force beyond you
- Works well with current marketing realities
- Least expensive lead
- Works year round









WOM: Your Best Bridging Strategy 

Best answer for marketing problems like:

- How do I bring non-Lutheran into our school?
- How do I best convince new parents that combined classes are OK?
- How do I convince new parents that it makes sense for them to consider a school of less than 100 people?


WOM: The Real Deal

The What of It



WOM Applies to ALL Constituents

THINK BIG



- Current parents
- Past parents
- Volunteer leaders
- Staff (you hope!)
- Board members (you hope!)
- Donors
- Members of sponsoring church

WOM and Your Parents

- Promoters (Advocates)
- Passives (Apathetics)
- Detractors (Assassins)



Promoters / Advocates

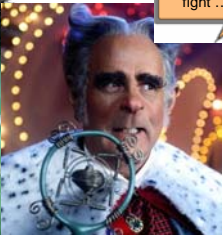
- Loyal in spite of screw-ups
- Proselytizers
- Volunteers
- Philanthropic
- Reach out to other school families
- Good church member prospect
- Willing to pay a price premium



What Promoters Say

- The teachers are awesome, the curriculum, the Christian teaching and environment are the best! Truly the best-kept secret in _____.
- I feel fortunate to be able to send our children to _____ School. The teachers are wonderful and my children have been growing in their faith, knowledge, confidence, friendships, and much more.
- 1. loving, dedicated teachers and staff 2. small number of students per teacher 3. excellent reading and math teachers 4. Christian environment 5. each child is valued, nurtured and loved unconditionally 6. children are respectful and are given respect as individuals

Passives / Apathetics




- Will not tolerate screw-ups
- Will consider your competition
- Consumer orientation
- Less involved
- WIIFM? (What's in it for me?)
- Not talking
- Price sensitive

What Passives Say

- Keeping costs down ... not being "nickle and dimed" to death with fees. No uniforms ... replaced with a strict dress code. Again ... to keep costs down. Greater spiritual depth and maturity in the upper school kids.
- A fundamentally thought-out and communicated philosophy that includes not only a classical pedagogy, but a long-term vision for location, community presence, and impact.
- Proven academic success in high school with high acceptance rate into major colleges and universities.

Detractors / Assassins

- Actively pursuing other schools
- Complaining to you
- Complaining about you
- Trouble makers
- Price? Even FREE is too much



What Detractors Say


- It was very disturbing to see a teacher with a nose ring and black nail polish at Back to School Night!
- Be more "across the board" in the rules instead of picking and choosing what is going to apply to only certain students. Making sure that the punishment fits the indiscretion.
- XYZ has a great lower grades school, but their high school lacks in academically preparing students for college. Their school enrollment drops drastically in high school proving this.
- Not enough concern to prepare students for college, low % of students going to and graduating from college after graduation from XYZ. Some students have had to take up to 2 years remedial courses when they enter college, no educational base to provide students with a good foundation to start college.

Research

Reichheld: *The Ultimate Question*, 2006
Powers: *Customer Satisfaction*, 2006

Reichheld & Powers

- 5 times more Passives than Promoters
- Detractors talking 50% more than Promoters
- 7 - 10 positives to overcome one negative remark
- Word of MOUSE



Another Important Finding

Teacher, Board, current parent level of satisfaction & willingness to refer often vary widely

There's the Pollyanna syndrome, too

Who me? A Detractor?

Really, I love kids!

I'm just having a bad day ... every day!



Word of Mouth Goals

First Goal
Turn Passives into Promoters

Second Goal
Minimize Detractors

Third Goal
Keep Promoters happy and promoting

WOM: The Real Deal

How do I determine Promoters

Who are my Promoters?

Method #1: Simply keep track of them


"Now who specifically referred you – we'd like to send them a thank you note"

"I may even write it down ...ha ha"

Method #2: Brainstorm Who

- 4-6 people who have been around awhile:
Who do we know has been making referrals?

(Note: don't exclude anyone who says "I will promote.")




Method #3: The Ultimate Question

- On a scale of 0 to 10, how likely is it that you would recommend _____ to a friend or colleague?

NA 0 1 2 3 4 5 6 7 8 9 10

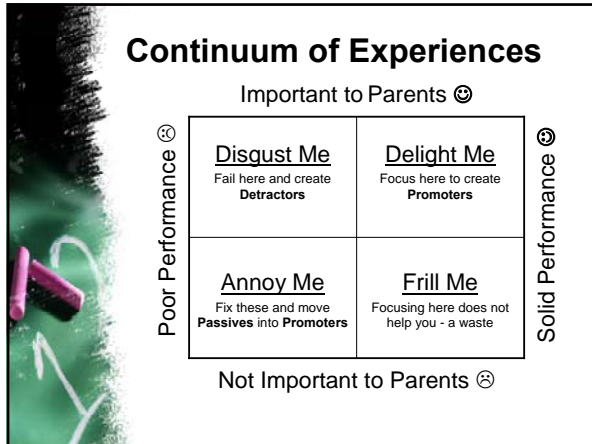
Disruptive

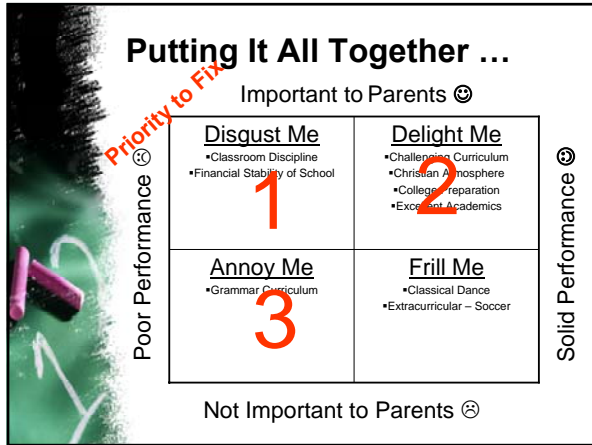
69% of your word of mouth has not come from people who score this question 9 or 10



WOM: The Real Deal


Increase Promoters & Give People Good Things to Talk About – How?





How Do I Determine Those?

- For the mechanics, see
- Secrets of Effective Parent Surveys
- www.gwmin.com/onlineseminars.asp
- Available 24/7 free



Understanding Satisfaction

We don't just need to fix our program

Heart ▼	<p>Relationships</p> <p>Principal</p> <p>Teacher</p> <p>Other Parents</p> <p>Board</p>	Experiences of Delight!	Promoter
Head Ⓢ	<p>Value</p> <p>Quality Program</p> <p>Benefits / Features</p> <p>Price</p> <p>Teachers / Curriculum</p>		

... we have to fix people problems & SET EXPECTATIONS properly

WOM: The Real Deal

What Can be Done to Increase the Number of my WOM leads?

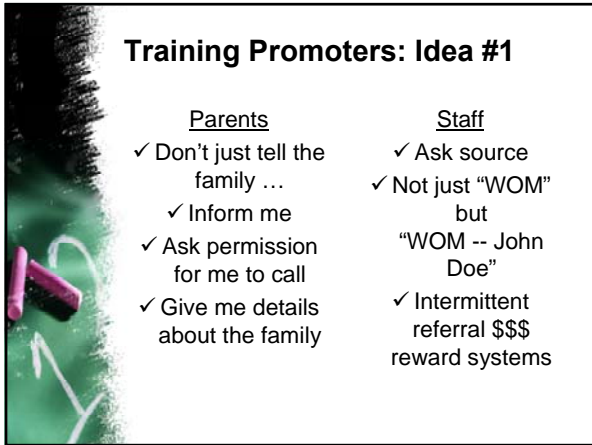
Two WOM Strategies

<p>Internal Combustion ...</p> <p>Drive referrals by identifying Promoters (Parents PLUS+++)</p> <ul style="list-style-type: none"> ● Train ● Reward ● Keep "top of mind" 	<p>Spontaneous Combustion ...</p> <p>Drive referrals with current parents (Promoters or not)</p> <ul style="list-style-type: none"> ● Keep satisfied ● Culture of referral ● Ask for referrals
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WOM: The Real Deal

Internal Combustion:
What We Do with Promoters



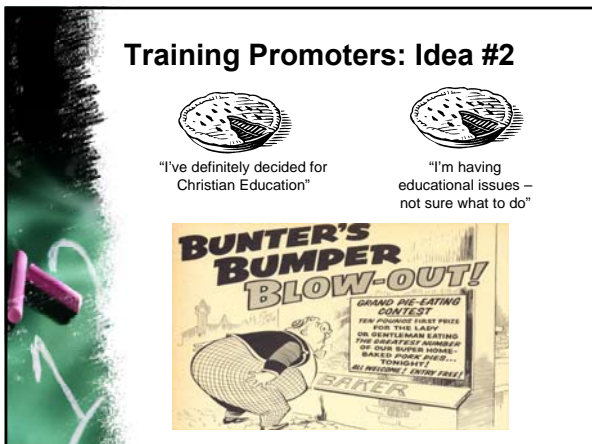
Training Promoters: Idea #1

Parents

- ✓ Don't just tell the family ...
- ✓ Inform me
- ✓ Ask permission for me to call
- ✓ Give me details about the family

Staff

- ✓ Ask source
- ✓ Not just "WOM" but "WOM -- John Doe"
- ✓ Intermittent referral \$\$\$ reward systems



Training Promoters: Idea #2



"I've definitely decided for Christian Education"



"I'm having educational issues – not sure what to do"



Training for Referrers -- When?

- Occasional get togethers (receptions)
- Monthly mailer
- With any sort of contact (phone, visit, mail, email)




Do receptions in conjunction with some other activity ... do one before summer.

See: How to do a Promoters Reception – www.gwmin.com/onlineseminars.asp

Enabling Referrals

- Literature to promoters (business cards)
- Literature laying around
- Who to refer to is clear
- Regular open houses
- Educational success consultation
- Copy friendly literature
- "Email this page to a friend"
- Good news & other enhanced communication



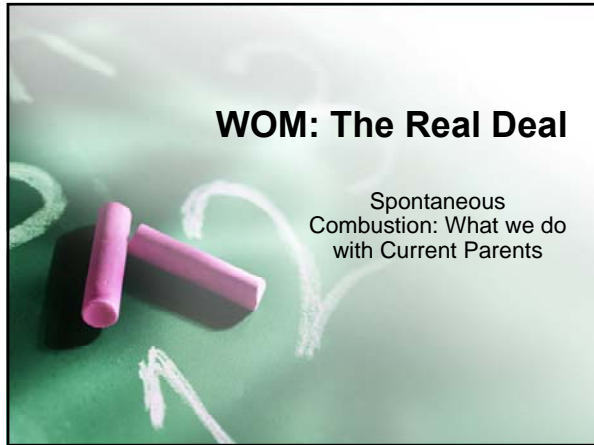
The Problem with our Tuition Reimbursement Plans

- What is the relative effectiveness of internal vs. external reward systems?
- Who's in charge of closing?
- Should we spend money to encourage referrals regardless of outcome?
- How do we connect with Promoters who are not current parents?




Top of Mind with Promoters

- Thank you notes
- "Good news" phone calls
- "How's it going?" phone calls
- Drop by place of business
- Lunch/coffee
- Email (least effective)
- Reminder at group events
- Pre- or post event gathering just for Promoters
- January letter asking for referrals
- Breakfast of Champions
- Promoters advisory group



WOM: The Real Deal

Spontaneous Combustion: What we do with Current Parents



Culture of Referrals

You've got to give to get, baby!

- Parents calling you for referrals
- Referrals' bulletin board
- Email needs list
- Thank you for referrals
- Family vs. strangers
- Welcome Packet
- T-shirts
- Professional listings in school directory
- Parent's companies in school directory
- Web-based referral "market" for parents
- Creative redundant communication: "The best new parents will come from your referrals."

We Will Ask for a Referral ...

- Right after a family enrolls
- With our yearly parental quality survey
- Whenever someone gives us a testimonial
- After a positive exit interview
- With our marketing taskforce
- During parents meeting for re-enrollment
- With publications

Anytime we can legitimately ask for a referral, we will

More Ideas: The Word of Mouth Calendar (Handout)

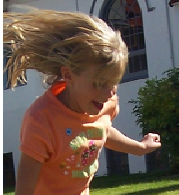

Controlling the WOM Message

We compete with PROACTIVE customer service:
 Examples:
 Thanksgiving SF
 Witness public schools
 Quarterly Conferences
 Web Service
 Character Development

Solving Problems the WOM Way


Purposely
brainstorm solutions
which:

- Wow parents
- (What parents will say about)
- Build in loyalty – both parents and students
- Incorporate ongoing parent input
- Problems anticipated
- Focus on student outcomes

Recap -- WOM Marketing

- We can easily know who is referring, and who is not.
- We can evaluate our progress over time.
- The difference in satisfaction between referrers and “almost referrers” is not all that much.
- We can determine what is and is not working.
- We can measure everything.
- In short, we can improve our word of mouth referral in ways we never imagined.



Plus ...

- **The more we satisfy our parents ...**
 - ... the more we can pay our teachers,
 - ... the more we can reduce class size,
 - ... the more we attract higher functioning parents, and
- ... the more tuition we can charge,
- ... the larger our enrollment will become,
- ...the stronger our ministry becomes!