Examining the Value of Word of Mouth as a Marketing Tool for Poker Book

Jeffery J. Hwang

University of Nevada, Las Vegas

Follow this and additional works at: http://digitalscholarship.unlv.edu/thesesdissertations

Part of the Advertising and Promotion Management Commons, Gaming and Casino Operations Management Commons, Marketing Commons, Other Communication Commons, and the Sales and Merchandising Commons

Repository Citation

http://digitalscholarship.unlv.edu/thesesdissertations/1057

This Professional Paper is brought to you for free and open access by Digital Scholarship@UNLV. It has been accepted for inclusion in UNLV Theses, Dissertations, Professional Papers, and Capstones by an authorized administrator of Digital Scholarship@UNLV. For more information, please contact digitalscholarship@unlv.edu.
EXAMINING THE VALUE OF WORD OF MOUTH AS A MARKETING TOOL FOR
POKER BOOKS

by

Jeffery J. Hwang

Bachelor of Science in Business Administration
Washington University in St. Louis
May 2003

A professional paper submitted in partial fulfillment
of the requirements for the

Master of Science in Hotel Administration
William F. Harrah College of Hotel Administration

Graduate College
University of Nevada, Las Vegas
May, 2011
Spring 2011
ABSTRACT

Examining the Value of Word of Mouth as a Marketing Tool for Poker Books

by

Jeff Hwang

Robert H. Woods, Ph.D.
Professor
University of Nevada, Las Vegas

Abstract: In the spring of 2003, the poker world saw the launch of the World Poker Tour; that same May, an amateur poker player and online qualifier named Chris Moneymaker won the Main Event of the World Series of Poker and the $2.5 million first prize, demonstrating that virtually anyone can win at poker. The result of these two events was a “poker boom” that, by September 2005, had the two largest poker book publishers on the planet reporting ten-fold increases in sales. And yet, outside of their own company websites, most of the largest poker book publishers on the planet spend little – if not nothing – on advertising. What, then, drives the sales of poker books? The answer would seem to be word of mouth.

The purpose of this paper is to examine the power of word-of-mouth (WOM) communication as a marketing tool for poker books. This study reviews the extant literature relating both to WOM as a general concept, as well as to role that WOM plays in driving book sales in particular. Based on the literature review, the author provides recommendations for creating a WOM campaign designed to drive poker book sales.
# TABLE OF CONTENTS

ABSTRACT.................................................................................................................. ii
TABLE OF CONTENTS............................................................................................... iii

PART I .......................................................................................................................... 1
Introduction.................................................................................................................. 1
Word-of-Mouth Communication.................................................................................. 2
Purpose......................................................................................................................... 3
Justification.................................................................................................................. 3
Constraints .................................................................................................................. 4

PART II ....................................................................................................................... 5
Introduction.................................................................................................................. 5
The Power of Word-of-Mouth Communication......................................................... 5
The Effect of WOM on Online Book Sales .............................................................. 6
  WOM and Online Store Loyalty ........................................................................... 7
  WOM and Conference Attendance .................................................................. 8
The Strength of Ties .................................................................................................. 8
What Makes Word of Mouth Powerful?................................................................. 10
  Vividly vs. Palidly Presented Information......................................................... 10
Negative WOM Communication............................................................................. 11
  The Effectiveness of Advertising in the Presence of Negative WOM ............. 12
  Negative WOM from an Attribution Theory Perspective.............................. 12
  Negative WOM and the Importance of Service Recovery ......................... 13
The Nine Levels of Word of Mouth ...................................................................... 14
Types of WOM Messages......................................................................................... 15
Creating a WOM Campaign Designed to Drive Book Sales.............................. 16
Generating Positive WOM..................................................................................... 17
  A Secret, A Story, or a Surprise ....................................................................... 17
  Catering to Initial Customers, Giving Incentives, and Asking for WOM ...... 18
Specific Steps for Creating a WOM Campaign..................................................... 19
Generating WOM for Book Sales......................................................................... 19
  Online Discussion Forums ................................................................................ 20
Using Free e-Books to Build WOM ..................................................................... 21
  The Short-Term Influence of Free Digital Versions on Print Sales.............. 21
Conclusion to Literature Review............................................................................ 22

PART III .................................................................................................................... 24
Introduction................................................................................................................ 24
The Poker Book Market........................................................................................... 24
Finding a Place in the Market ................................................................................ 27
Distributing Advance Copies.................................................................................. 28
Other Free Material: Magazine Columns, Book Excerpts, and Videos .............. 29
Using the Internet.................................................................................................... 29
Poker Tournaments and Hosting Games............................................................... 30
Part I

Introduction

In the spring of 2003, the World Poker Tour began airing on the Travel Channel, utilizing new hole card cameras which for the first time allowed television audiences to view the hole cards\(^1\) of each player as the hand was being played, thus putting the viewer in the shoes of the player (Sexton, 2008; and World Poker Tour, 2011). That same May, an accountant, amateur poker player, and online qualifier named Chris Moneymaker won the World Series of Poker and the $2.5 million first prize (Caldwell, 2008). These two major events helped spark a surge in the popularity of poker by making the game both fun to watch and accessible to the masses, while showing that virtually anybody can win. In turn, the resulting “poker boom” created a thriving market for poker-related products, including chip sets, card decks, video games, and – most notably – poker strategy books (McKee, 2005).


---

\(^1\) Cards known only to the player holding them (as opposed to community cards, which are shared by all players in the game)
Yet, outside of their own company websites and copies given for magazine reviews, poker book publishers spend next to nothing on advertising. You would be hard pressed to find advertisements from any of the top poker book publishers in the business – Two Plus Two Publishing, Cardoza Publishing, Las Vegas-based Huntington Press, New York-based Kensington Publishing, or Atlanta-based Dimat Enterprises – in any of the top poker magazines such as Card Player, Bluff, and All In, and you certainly won’t find these publishers spending money for TV advertising space.

What, then, drives sales of poker books? If poker book publishers have advertising budgets that are not materially different than zero, then how can we account for the explosive sales of books such as those authored by Dan Harrington and Bill Robertie? The answer would seem to be word-of-mouth communication.

**Word of Mouth**

Word of mouth (WOM) generally refers to the information gained through interpersonal communication with friends and family relating to organizations and their offerings (Bhatnagar, Gauri, & Rao, 2008; and Laczniak, DeCarlo, & Ramaswami, 2001). In online space, WOM may also refer to such things as customer ratings (Bhatnagar, Gauri, & Rao, 2008; and Chevailier & Mayzlin, 2006). The concept of WOM is abstract in nature, and as such, the effects – both positive and negative – are often difficult to quantify. Consequently, the value of WOM as an advertising tool is often underemphasized. That said, in order for WOM to be properly utilized as a marketing tool, the concept first must be properly understood.

Does WOM have real effect? If so, from where does WOM derive its power? And how do we generate positive WOM?
Purpose

The purpose of this paper is to examine the value of word-of-mouth communication as a marketing tool for poker books, while exploring both the benefits of positive WOM, as well as the hazards of negative WOM communication. Our objective is to develop a thorough comprehension of the power and nature of word-of-mouth communication, as well as the effect of WOM on book sales in general. By doing so, we will be able to apply our newfound knowledge to determine how a poker book author or publisher might utilize WOM with regard to poker book sales in particular.

In this paper, we will review the extant literature – both academic and popular – related to the role of word of mouth communication in increasing poker book sales. We will examine the power of WOM communication in general, as well as the impact of WOM specifically on book sales. We will also review literature related to creating a WOM campaign designed to drive book sales. Finally, based on our review of the existing literature, I will present my conclusions on the value of WOM as an advertising tool for poker book sales.

Justification

This study is relevant to the gaming industry because gambling strategy books in general represent a fundamental part of the gambling experience for many consumers. By educating the consumer on how to play games of skill such as poker and blackjack – as well as games of pure chance such as craps and roulette – gambling strategy books and guides themselves serve as a form of word-of-mouth advertising for gambling. In effect, gambling books represent a part of the gaming industry thus far unaccounted for in academic studies to date. That said, this study could prove to be of considerable value to existing or prospective poker book publishers and authors.
Constraints

There are a couple of main constraints to this study. One is that there is little available information on the poker book market due in large part due to the fact that poker book publishers do not generally reveal sales information. The second is that while there are existing studies related to book sales in general, there are no existing academic studies specifically on the poker book market, much less ones relating WOM to poker book sales. Consequently, we are forced to take a broader approach in our examination of WOM and book sales in general, and then apply that knowledge to the poker book market specifically.
Part II

Literature Review

Introduction

Part II examines relevant literature in order to better understand the power and nature of word-of-mouth communication, as well as provide a framework for creating a word of mouth campaign designed to drive book sales. Our review of the extant literature is split into two sections.

The first section of our literature review explores the power of WOM as a general concept. We will begin by exploring the power of WOM communication, including a review of a study on the effect of WOM on online book sales, as well as additional studies reflecting on the power of WOM. This will be followed by a look at the role that social ties play in strength of WOM. Next, we will learn how WOM derives its power. We will then take an in-depth look at negative WOM, followed by a discussion on Silverman’s nine levels of WOM, and then the three types of WOM messages.

In the second section, we will examine literature related to the creation of a WOM campaign designed to drive book sales. This section begins with a discussion on generating positive WOM in general. Specific steps in creating a WOM campaign in general will then be discussed, as will steps relating specifically to book sales. In addition, we will also consider the prospects of using free electronic books (e-books) as a tool to drive WOM.

The Power of Word of Mouth Communication

In his book *The Secret of Word-of-Mouth Marketing: How to Trigger Exponential Sales Through Runaway Word of Mouth*, George Silverman (2001) describes word of mouth as the center of the marketing universe, as marketers have come to realize that getting the customer to
sell a product is the best way to increase sales. In the Internet age, the proliferation of e-mail, websites, and chat rooms enable messages to circulate with increasing velocity. Consequently, where virtually any information channel is a potential WOM channel, WOM has become more important than ever before (Silverman, 2001).

With regard to book sales in particular, word of mouth takes on great significance where 80% of online book sales are attributed to it (Dunams, 2011; and Rosenberg, 2008). Book publicist Rick Frishman describes WOM as “the most powerful form of promotion, period, amen, end of story” (Frishman, 2011). Heather Fain – marketing director for the publisher Little, Brown, and Co. – echoes that sentiment, referring to WOM as “the greatest marketing tool we have in publishing” (Neary, 2010).

**The Effect of WOM on Online Book Sales**

In the most relevant study regarding the power of word of mouth, Chevalier and Mayzlin (2006) examined the effect of consumer reviews on relative sales of books at Amazon.com and Barnes & Noble’s bn.com, the two largest book stores on the Internet. They took a random sample of 3,587 books that were released between 1998 and 2002. In addition, because most books from a random sample are likely to have relatively small sales due to the effect of the fact that a few books tend to have the bulk of sales\(^2\), they also collected data on all 2,818 titles that appeared in *Publisher’s Weekly* best-seller lists from January 14, 1991, to November 11, 2002.

Chevalier and Mayzlin collected data during three two-day periods: once in May 2003, once in August 2003, and a final two-day period in May 2004. For each book in the sample at

\(^2\) Though not stated as such in the text, this is likely a reflection of Pareto’s Rule, which says that 20% of a given cause is responsible for 80% of a given effect; translated to book sales, 20% of books may be responsible for 80% of book sales.
each time, they recorded the price charged, the promised time until the book would ship, the number of reviews, and the average number of stars that reviewers assigned to the book. By focusing on the differences across the two sites over time, they controlled for the possibility that taste differences across the customer populations at the two sites differ in such a way that might affect both book reviews and sales.

With regard to sales of a given book, the key finding is that an improvement in a book’s reviews on a given site tends to lead to an increase in relative sales for that book on that site. However, the impact of one-star reviews – that is, negative reviews – is greater than the impact of five-star reviews.

With regard to the two sites, Chevalier and Mayzlin found that the prices on bn.com were significantly higher than those on Amazon.com; that Amazon.com had more reviews than bn.com, and that a bn.com had a much higher fraction of books in the sample that had no reviews (54% on bn.com versus 13% for Amazon.com); and that while reviews were overwhelmingly positive on both sites, that book reviews tended to be more positive overall on bn.com than on Amazon.com. They also interpreted the results on the length of the reviews – which tended to be longer on Amazon.com – to suggest that consumers both read and respond to written reviews, rather than relying solely on the average star ranking on a given website.

Other studies further reflect the power of WOM.

**WOM and online store loyalty.**

In a study comparing online store ratings with other “e-store loyalty” factors, Gauri, Bhatnagar, and Rao (2008) – like Chevalier and Mayzlin – identified customer ratings of online stores as a form of WOM. The trio then sought to determine how strong positive reviews – or “Percentage of Positive Ratings” (or positive WOM) – were in predicting a customer’s intention
to repurchase with the same online retailer as compared to 13 other attribute categories: relative price; ease of finding; selection; clarity; overall look/design; shipping charges; variety of shipping; charge statement; number of reviews; years on the web; met expectations; product availability; order tracking; and on-time delivery. In late 2005, the group compared these attributes for 441 online retailers across three product categories: Books and Magazines; DVD and Video; and Flowers and Food.

The findings appear fairly conclusive. “Percentage of Positive Ratings” – the positive WOM factor – was easily the strongest predictor of repurchase intention for all three product categories.

**WOM and conference attendance.**

Leach, Liu, and Windsor (2008) ran a study to determine the effect of WOM on the attendance of future organizational conferences, and found that post-attendance attitudes are the single greatest predictor of a conference attendee’s intention to (1) attend a future conference, and (2) recommend the conference to others. This, too, makes intuitive sense: If you have a good experience doing something, you are more likely to want to do it again. In addition, you are more apt to want to convince a friend to have a similar good experience if you had a good experience than if you had a bad one. This brings us to our next topic, which is the role of social ties in referral behavior.

**The Strength of Ties**

The nature of social ties plays a significant role in WOM referral behavior (Brown and Reingen, 1987). Brown and Reingen traced a “who-told-whom” network of information flow for three piano teachers from the same suburban market, who largely generate their business through positive WOM. Brown and Reingen went to the customers of the teachers and asked how they
became aware of the teacher; if the customer mentioned that they were referred by someone else, the authors then went to the referring customer and asked the same question. They repeated this process until they essentially had a complete picture.

Brown and Reingen had a number of key findings regarding the role of the strength of social ties. First, they found that weak ties performed a “bridging” function, which allowed for information flow from one social subgroup to another within the broader social system. Secondly, at the micro level, stronger ties – friends and family – are responsible for the flow of information. Lastly, stronger ties (friends and family) are generally more influential as referral sources than weak ties (e.g. acquaintances and strangers).

Van Hoye and Lievens (2007) came to a similar conclusion regarding the strength of social ties. In their study, Van Hoye and Lievens sought to determine the impact of WOM communication with regard to organizational recruitment. The pair took 171 graduate students from a Belgian University, and tested the effect that WOM had on a student’s perceived organizational attractiveness when applying for a job. The experimental variables were positive vs. negative WOM; the order that the information sources were presented (whether the WOM communication was delivered before or after the recruitment advertising); as well as the strength of ties (weak vs. strong). These variables in this 2 x 2 x 2 study presented eight experimental conditions, with a ninth condition consisting of a control group which was exposed only to recruitment advertising, and not WOM.

They found that positive WOM had a strong impact on the attractiveness of the organization, while negative WOM “interfered” with the effects of recruitment advertising. Moreover, WOM from a strong tie was both perceived as more credible than WOM from a weak tie, and as a result had a more positive effect on organizational attractiveness. The order the
information was delivered also mattered: For the students who rated high in self-monitoring, WOM had a stronger effect when it was delivered following the recruitment advertising, rather than before it. Meanwhile, the perceived credibility of the recruitment advertising served to partially mediate the effects of WOM on organizational attractiveness.

What Makes Word of Mouth Powerful?

Silverman (2001) attributes much of the power of word of mouth to both independent credibility and experience delivery. Independent credibility is a force in that a decision maker is more likely to hear the truth from an independent third party than he is from a company advertisement or someone with a vested interest in promoting the company. Moreover, if a potential customer is interested in learning about the negatives of a given product or service, the only place he is likely to get that information is from an independent source.

Experience delivery is an important factor in that at some point in the decision-making process, a customer will want to try a product before he buys it. Silverman notes that there are only two ways to get experience: either directly or indirectly. In other words, either a customer experiences the product himself, or he relies on the experience of another customer. That said, when gaining direct experience is too costly (for example, when trying before buying is not possible) or time consuming, experience gained from the experiences of others becomes a valuable tool (Silverman, 2001).

Vividly vs. pallidly presented information.

Herr, Kardes, and Kim (1991) ran a study testing the impact of WOM vs. the impact of printed anecdote. They presented information to small groups of four to six people – 84 subjects in total – in four different ways regarding a new personal computer model. Each subject was given the Consumer Reports product description of the personal computer model. For each
group, one of the members was a confederate who delivered one of four categories of communication after the subjects had read the product description. In one group type, the confederate delivered face-to-face positive WOM communication regarding the computer (“It’s the best computer I’ve ever owned.”); in another, the confederate delivered face-to-face negative WOM communication (“It’s the worst computer I’ve ever owned.”). And for two other types of groups, the confederate delivered either the same positive or negative communication in printed form framed as a review from a Consumer Reports telephone interview.

Herr et al. (1991) found that WOM communications had a greater impact on the subject’s product judgments, and that the positive WOM was significantly more effective than the same positive message delivered in print form. The group than ran a second experiment using the same methodology but a different product class, and essentially found that the effects of WOM communication are mitigated when more information about the product is readily available to the consumer.

Their conclusion was that vividly presented information – such as face-to-face WOM communication – is much stronger than pallidly presented information, such as the same information presented in print form. This is because vividly presented information is more accessible from memory than pallidly presented information, and consequently is weighed more heavily in judgment (Herr et al., 1991).

**Negative Word of Mouth Communication**

Our discussion on the power of word-of-mouth thus far has been mostly within the context of positive WOM. That said, the topic of negative WOM warrants particular attention: While a satisfied customer will tell an average of three people about a product or service she
likes, that same customer will spread the word to *eleven* people about a product or service with which he or she has had a negative experience (Silverman, 2001).

**The effectiveness of advertising in the presence of negative WOM.**

In contrast to the many models that have been produced to test the effects of advertising, Smith and Vogt (1995) sought to test the effectiveness of advertising in the presence of negative WOM. Essentially, they found that advertising serves to mitigate the detrimental effects of negative WOM, and that integrating the ad content with negative WOM causes “significant changes” in how both of those messages are processed. Not surprisingly, they also found that negative WOM had a negative impact on both brand attitudes and purchase intentions, as well as the perceived credibility of the advertising itself.

**Negative WOM from an attribution theory perspective.**

Laczniak, DeCarlo, and Ramaswami (2001) approached the topic of negative word-of-mouth communication from an attribution theory perspective. Their key finding was that when the receiver of negative WOM communication attributes the negativity of the WOM message to the brand itself, brand evaluations decrease; but if the receiver attributes the negativity to the communicator, brand evaluations *increase*. In other words, if the receiver of the negative WOM communication has reason to question the motives of the person delivering the WOM message, then the message is not likely to have the desired effect on the recipient. In addition, among their other findings was that a company’s brand name affects attributions, in that negative WOM tends to have a lesser impact on a company with a strong brand image.
Negative WOM and the importance of service recovery.

Swanson and Hsu (2009) studied service failure and the effectiveness of service recovery efforts with regard to customer switching and word-of-mouth behaviors. In this study, WOM is identified as a consequence of service failure. The researchers collected a sample of 1,030 "critical incidents," which are essentially observable human acts which either contribute to or take away from the general aim of the activity. 54.2% of the critical incidents in the study were categorized as “satisfactory,” and the other 45.8% “unsatisfactory.”

With regard to WOM behaviors specifically, they found that respondents who experienced unsatisfactory incidents were more likely to either warn others, or otherwise convince others not to use the service provider. However, respondents who experienced satisfactory incidents were not found to necessarily be more likely to recommend the service provider or to otherwise convince others to use the service provider in the future. Consequently, while service failures are inevitable for any business, service recovery would seem to be of paramount importance, because customers are more likely to talk about bad experiences – which can damage a brand – than they are to talk about good ones.

Swanson and Hsu also came to a similar conclusion about social ties and WOM as Brown and Reingen (1987) and Van Hoye and Lievens (2007). Swanson and Hsu found that respondents were most likely to share WOM with their friends and co-workers, followed by family members. Further down the WOM chain were acquaintances, and then finally – and perhaps most interestingly – the service firm itself.

The last finding is critical, because what it means is that (1) a firm’s customers may be generating brand-damaging negative WOM long before the firm hears about a potential problem from the customer, and (2) the service failures that a firm does hear about are likely to be brand-
damaging should the issues go unaddressed. As such, it may be beneficial for a service firm to be proactive in addressing the feedback that it does get, no matter how small the issue may seem.

**The Nine Levels of Word of Mouth**

In the previously mentioned *The Secrets of Word-of-Mouth Marketing*, Silverman (2001) describes nine levels of word of mouth, ranging from the “minus 4” level, where talk about a product is only negative; to the “plus 4” level, where customers are raving about a given product. At the “minus 4” level, WOM is negative to the point of public scandal. If it is a short-term emergency and the problem is addressed – such as was the case with the 1982 Tylenol scare – the product may be able to survive. However, in the case of a sustained scandal, the product or service requires some help to survive, perhaps in the form of a monopoly (AT&T), a product that creates an addiction (cigarettes or alcohol), or government backing (the United States Postal Service). Otherwise, a sustained Minus 4 WOM crisis may be too much to overcome, as was the case with the Firestone tire recall scandal.

At the Minus 3 level, customers and ex-customers make a strong effort to convince others not to use a product or service, but the crisis has not quite reached a fatal proportions. At Minus 2, customers will complain, but they won’t go out of their way to do it. At Minus 1, a customer will complain, but only when prompted.

At Level 0, a customer will use a product, but is rarely asked about it and won’t volunteer an opinion. This kind of product gets little or no word of mouth.

At the Plus 1 level, people won’t go out of their way to promote a product or service, but have nice things to say when prompted. At this level, Silverman suggests that conventional marketing methods may trigger massive WOM if it can get people to the Plus 2 level. At the Plus
2 level, customers will “rave” if asked about a product or service. Once you get to the Plus 3 level, customers will go out of their way to convince others to use a product or service.

Finally, by the Plus 4 level, a product is being talked about constantly by experts, local influencers, typical customers, and prospects alike. The product is getting considerable publicity. Silverman cites Apple Computer as an example. He also cites Netscape Navigator, which captured 90 percent of the Web browser market by giving away the first versions of its browser and generating word of mouth before even placing an ad, as well as the Internet itself.

Types of WOM Messages

Patti and Chen (2009) investigated the types of word-of-mouth messages with regard to information search and credence-based services. Credence-based services are services which the customer has difficulty evaluating even after the service is performed, largely due to information asymmetry. These may include legal services, medical services, or education services (such as poker strategy lessons, for example), among others. For this study, Patti and Chen focused on education – more specifically, Asian students studying abroad in Australia.

Patti and Chen interviewed thirteen full-time international students in a city in eastern Australia in order to explore the types of WOM messages these students communicated to prospective students. They described three types of WOM messages:

- Type 1: Service information gathering trigger and guidance
- Type 2: Subjective personal, and
- Type 3: Personal advice.
The three types essentially represented a progression. A Type 1 WOM message consisted of general information gathering, and represented the receiver of the WOM message getting his feet wet. In a Type 2 WOM message, the sender communicated his/her personal subjective experience, but without adding a personal judgment and without making a recommendation. Finally, in a Type 3 WOM message, the sender used his personal and professional knowledge to make subjective comments about academic and life issues. Typically, a prospective student would start with the Type 1 WOM – the more general information – and move his way down and seek the more specific Type 3 WOM.

Creating a Word of Mouth Campaign Designed to Drive Book Sales

According to Frishman (2011), the most likely way for a book to reach the bestseller list is if an author’s previous book was on it. Once word of mouth vaults a book onto the bestseller list, the book will benefit from the self-fulfilling momentum of appearing on the list. Consequently, that author’s future books will benefit from the sales momentum of the previous books (Frishman, 2011).

Alternatively, a publisher may use a combination of a large first printing (in the six- to seven-figure range) and a laydown date on which booksellers can start selling the book. The idea behind this is to “trigger an explosion” that will shoot a book onto a bestseller list in as high a position as possible, after which point the book will then benefit from the aforementioned self-fulfilling momentum of appearing on the list (Frishman, 2011). However, this is not typically an option for new authors or small publishers, where some smaller novels might not see 6,000 copies hit the market in total, much less 100,000 copies or more (Neary, 2010).

That said, in the absence of having the author previously appear on a bestseller list, large subsidiary rights sales, or an expensive promotional blitz, Frishman says that “word of mouth is
the easiest, fastest, cheapest, and in fact, the only way to create a best-seller by a new writer” (Frishman, 2011).

**Generating Positive Word of Mouth**

From the preceding literature, it looks pretty clear that positive word-of-mouth can be extremely valuable – if not essential – for authors, particularly of the first-time variety. The next question is, “How does one go about generating positive word-of-mouth?”

**A secret, a story, or a surprise.**

According to Bonnie J. Knutson (2005), effective WOM advertising requires more than just good service. It requires at least one of three things:

1. A secret
2. A story, or
3. A surprise.

A “secret” is about aligning the individual customer with the brand, and making the customer feel special. Knutson says that a secret could mean setting aside a special case of wine for a certain customer, sharing the “secret” ingredient in your restaurant’s apple pie, or sharing that hot new food item before it hits the menu. What Knutson is describing appears to be – more than anything else – a form of special treatment designed with the aim of giving that customer something to tell her friends about.

A “story” is about delivering something new and innovative. It could mean a new product design, a new iPhone app, or a new way of doing things. Such a story may enable a customer to have something to be the first to tell her friends about.
The concept of “surprise” is about giving something a little extra, but something unexpected. For Knutson, it is the concept of the baker’s dozen – giving the customer 13 cookies when he only pays for 12. That little extra creates goodwill, while also giving the customer something to tell his or her friends about.

**Catering to initial customers, giving incentives, and asking for WOM.**

In his preceding 2001 book *The Secrets of Word-of-Mouth Marketing: How to Trigger Exponential sales Through Runaway Word of Mouth* thus far used extensively in our literature review, George Silverman produced a more comprehensive list of general principles.

1. Give them something worth talking about.
2. Cater to your initial customers shamelessly.
3. Give them incentives to engage in word of mouth.
4. Ask for their word of mouth.

The first principle – giving people something special that they will want to tell their friends about – essentially encompasses all three of Knutson’s suggestions. With the second principle, Silverman suggests putting extra focus on initial customers, as those customers are the early adopters, and represent major potential resources of WOM. Silverman third suggestion is to provide customers with rewards and incentives to customers to bring in a friend. Such incentive might be in the form of a discount, or a reward such as a referral fee.

Silverman’s fourth principle is to simply ask a customer to generate WOM. This may be done directly; but rather than asking a customer to do a favor, a firm might instead phrase the
request in the form of asking the customer to do their *friends* a favor by recommending the product or service to them (Silverman, 2001).

**Specific Steps in Creating a WOM Campaign**

For recommendations on creating a WOM campaign, we must rely on popular literature. Silverman (2001) also offers specific steps for creating a word of mouth campaign in general. Among the highlights:

1. **Seed the market.** This means getting the product into the hands of key influencers any way possible, which might mean giving away product.

2. **Use testimonials and endorsements.** Gathering testimonials and endorsements for use in promotional materials.

3. **Use the Internet.** Silverman suggests setting up an Internet site with a discussion group and an “ask the expert” Q&A session.

4. **Do something outrageous.** Silverman recommends doing at least one “outrageous” thing each day that could generate word of mouth, and sending notice of some of these items to the local paper. That outrageous thing could be in the form of a random giveaway.

**Generating WOM for Book Sales**

Regarding books specifically, there is a general consensus with regard to creating a WOM campaign. For starters, an author and publisher should give free advance copies to people who are willing to promote the book (Neary, 2010; and Dunams, 2011). This might mean sending copies to every bookseller, librarian, blogger, and reviewer (Neary, 2010); it might also mean having the author attend writer guilds and clubs, and share advance copies with fellow authors, or joining book clubs and giving other members advance copies (Dunams, 2011). In
addition, the author should attend conventions, book fairs, and expos (Neary, 2010; and Dunams, 2011).

**Online discussion forums.**

The use of online discussion forums merits further review. In September 2005, Mason Malmuth, owner and founder of Two Plus Two Publishing LLC, noted that the discussion forums on the TwoPlusTwo.com publishing website had between 500 and 1,000 visitors at any given time – half of them collegiate – generating 10,000 posts per day (McKee, 2005). On March 6, 2010, at 9:04 a.m., the forums reached their all-time high for visitors at any given time with 5,990 visitors. By March 2011, the forum had eclipsed 270,000 members and reached nearly 25 million discussion board posts (Two Plus Two, 2011). Malmuth posited that the discussion forums were a “huge driver of sales for any poker book that is good” (McKee, 2005).

**Using Free e-Books to Build WOM**

In addition to the traditional methods for generating word of mouth to drive book sales, the prospects for giving free electronic versions of a book also warrants consideration. The idea of giving books away en masse is not new – in 1981, Harmony Books, a division of publisher Random House, promoted Douglas Adams’ *The Hitchhiker’s Guide to the Galaxy* by giving away 3,000 paperback copies in *Rolling Stone* magazine in order to generate word of mouth (Gaiman, 2008; and Wikipedia, 2011). To date, *The Hitchhiker’s Guide to the Galaxy* has sold over 14 million copies (Flanagan, ND). That said, today, authors and publishers are increasingly freely distributing electronic versions of their books (e-books) in order to increase the visibility of their work (Hilton and Wiley, 2010).
The short-term influence of free digital versions of books on print sales.

Hilton and Wiley (2010) used BookScan sales data for four categories of books (a total of 41 books) for which free digital versions of the book were made available in order to determine whether the presence of the free version affected sales of the print version. They analyzed the data on book sales for the eight weeks preceding the release of the free version, as well as the eight weeks following the release of the free version.

The four categories of books in question were:

1. Non-fiction titles
2. Fiction titles
3. Random House titles
4. Tor titles

Three of the four categories of books produced increases in sales following the release of free electronic versions. The first group consisted of seven non-fiction titles. Six of the seven titles saw increases in sales in the eight weeks following the release of the free electronic version, for a combined 5% increase in sales. The second group consisted of five fiction titles of the science fiction/fantasy genre. The majority of the group saw sales increase following the release of the free electronic versions, and the group as a whole produced a gain of 26%, largely due to one title. The third group consisted of five titles from the publisher Random House, which on March 4, 2009, announced the release of free digital versions of five science fiction/fantasy books. Four of these five titles saw sales increases, for a combined increase in sales of 9%.
The fourth group – the Tor titles – was the only group not to produce an increase in sales. On February 15, 2008, Tor books began releasing a series of free electronic books (e-book) as part of an effort to promote an upcoming website. The catch was that in order to claim the free e-book, a reader would have to register for a newsletter that was sent out each week announcing the location of the next free e-book. Over the period of 24 weeks, Tor released a new e-book each week, while making the previous week’s book unavailable.

The results stood in stark contrast to the other groups. Only four of the 24 books generated an increase in print sales following the release of the electronic versions. While two of the books had releases of paperback versions that preceded the release of the free version by only a few weeks, and a third title was released just ten weeks for the release of the free e-book, the results were ugly: Combined sales of the other 21 books dropped 21%. Hilton and Wiley could not say definitively that the difference in results is directly attributable to Tor’s method of release, but acknowledged the strong possibility.

Conclusion to Literature Review

In our literature review, we saw (1) how powerful word of mouth can be, and (2) how important word of mouth is driving book sales, where 80% of online book sales are attributable to WOM, and where – in the absence of an expensive advertising campaign – WOM may be the only way for a first-time author to make a best-seller list. In the first section, we also learned how important it is to manage negative WOM as well.

Regarding the creation of a WOM campaign to drive book sales, it is important to note that many of the ideas presented must be adapted to fit the poker book market. That said, there are plenty of lessons to be learned from the extant literature. One is the importance of giving away free advance copies to the people most likely to serve as WOM agents, most notably
booksellers and reviewers. The use of the Internet is also a relevant lesson, particularly with regard to the potential value of online discussion forums as a WOM distribution agent, as well as the value of having a website for customers to refer to for information. Finally, the prospects for giving away free material should not be overlooked.
Part III

Professional Implications

Introduction

In Part II, we reviewed the extant literature regarding the power and nature of word of mouth as a general concept, as well as the role of WOM in driving book sales in particular. We also picked up some specific guidelines for creating a WOM campaign for books in general. In Part III, we will apply some of these concepts and ideas and provide some recommendations for using WOM to drive sales of poker books specifically. That said, in order to prescribe recommendations generating a WOM campaign for poker books, it is important to first understand the nature of the poker book market, because it is not one-size fits all.

The Poker Book Market

In the poker book market – much like the general book market – there are several sub-categories of books, despite the fact that no major bookseller has yet made the distinction thus far (not Amazon, Barnes & Noble or Borders). Rather, poker books tend to be classified in all-encompassing “Poker” or “Gambling” categories. As such, I will take the plunge and classify poker books into sub-categories myself. The sub-categories are:


2. **Fiction.** Fiction books are few and far between, and have generally not performed well in the marketplace compared to non-fiction or strategy books. This category of books includes *Shut Up and Deal* (1998) by Jesse May and *Broke: A Poker Novel* (2008) by Brandon Adams.

3. **Strategy books.** Poker strategy books are books that educate players on how to play and beat poker games.

The strategy book category is by far the largest category, with a wide range of books which can be separated further into several subcategories based on the form of poker (hold’em poker, Omaha poker, stud poker, draw poker, and variants of these games); betting structure (fixed limit vs. pot-limit or no-limit betting structures); game format (tournament or cash games, multi-table tournament vs. “sit ’n go” tournaments); the number of players at the table (short-handed vs. full-ring vs. heads up play); whether the game is played live (with live players in front of you at a public or private brick-and-mortar card room or home game) or online; player skill level (beginner, intermediate, or advanced); type of strategy based on buy-in size (short-stacking vs. deep-stack play) or style (tight-aggressive playing style vs. loose-aggressive playing styles); and depth (broad overview vs. in-depth strategy guide).

*Harrington on Hold’em: Expert Strategy for No-Limit Tournaments, Vol. 1: Strategic Play* (2004) by Dan Harrington and Bill Robertie, for example, is a beginner- to intermediate-level guide presenting a tight-aggressive style strategy specifically for no-limit hold’em
tournaments. In contrast, *Seven Card Stud for Advanced Players* (1999) by David Sklansky, Mason Malmuth, and Ray Zee covers fixed-limit seven card stud poker, and is aimed more at intermediate- to advanced players. Both of these titles cover their respective games in depth.

Meanwhile, *Doyle Brunson’s Super System 2: A Course in Power Poker* (2005) by Doyle Brunson features sections by a group of noted poker players covering a wide variety of games including no-limit hold’em, limit hold’em, limit Omaha Hi-Lo, and pot-limit Omaha high, but perhaps on a more cursory level than other more dedicated, game-specific titles covering those same topics.


It is important to classify poker books by these categories for a couple of reasons. The first is because it helps define the poker book market, which is key because the market potential for a given book is limited by its subject matter. For example, non-fiction and fiction books are
relatively mass market books. Meanwhile, the market for no-limit hold’em strategy books is generally larger than the market for books on Omaha poker strategy, which is generally larger than the market for strategy books on stud poker. In addition, the market for no-limit hold’em strategy books is larger than the market for fixed-limit hold’em strategy books.

**Finding a Place in the Market**

Selling non-fiction and fiction poker books is basic in the sense that these categories of books are mass market in nature. Rick Frishman points out that non-fiction is easier to market than fiction (Frishman, 2011), and I believe this to be especially true with regard to poker books. That said, if the subject matter is compelling enough – for example, if a biography or autobiography covers a specific player or event that the public finds interesting – then the product should be easy enough to sell, and WOM should be easy enough to generate.

Poker strategy books are fundamentally different. The author and publisher must determine where a book lies within the marketplace. As Frishman notes with regard to books in general, a book still needs to deliver (Frishman, 2011). With regard to poker strategy books, in order to drive WOM, I think there are three general requirements.

1. **The book must be best in class.** This means that the book must generally be the best in a given sub-category, whether it is by game type, stakes, format, or strategic style. For example, among hold’em books, there are several sub-categories for which a book could be definitive. It could be the dominant no-limit hold’em tournament book for beginning-to-intermediate-level players, like the *Harrington on Hold’em Vol. I* (2004); it might be the definitive book on no-limit hold’em sit ‘n go tournaments, like *Sit ‘N Go Strategy* (2007) by Collin Moshman; or it might be the best book on small-stakes limit hold’em,

2. **The strategic content must be revolutionary.** The book must bring something new to the table that hasn’t been seen before. There is a strong element of first-mover advantage in this respect.

3. **The subject matter must be compelling.** In order to be a strong candidate for a WOM campaign, the subject has to be something that people will want to read about. For example, it would be much harder to generate enthusiasm for the best book on Razz poker than it would be for the best book on Omaha poker. Alternatively, a book utilizing a short-stack strategy (where a player’s strategy is contingent upon the player sitting down with the table minimum) would have a harder time generating enthusiasm than a book detailing a deep-stack strategy (where the player either buys-in for the table maximum or an amount large enough to cover most of the table).

The bottom line is that a poker strategy book must fill a hole in the market place, and be definitive in doing so. Otherwise, it would be difficult for a book to generate the rabid interest characteristic of a successful plus-3 or plus-4 WOM campaign on the Silverman scale, where customers and other experts are selling the author’s product.

**Distributing Advance Copies**

As with other general books, distributing free advance copies to key people is a good idea for poker books. These key people who might ultimately sell the author’s product through their WOM recommendation may include book reviewers for poker-specific print/online magazines
such as *Card Player, Bluff, or All-In Magazine*; poker bloggers; or previous customers of either the author’s or the publisher’s previous books.

**Other Free Material: Magazine Columns, Book Excerpts, and Videos**

Giving away other free material may also be beneficial to a WOM campaign. I am skeptical about the merits of giving away free e-books in mass quantities in their entirety for the sole purpose of selling that same title (there might be other reasons an author or publisher might do so, such as providing exposure to an author’s previous titles), but giving away free material is a common practice for many poker book authors. For example, many top authors such as Ed Miller, Collin Moshman, and Matthew Hilger have regular columns in magazines such as *Card Player* or *Bluff*, which are distributed freely to public poker rooms, and are generally available online for free as well. Some authors, including Miller and Moshman, also produce instructional videos for online poker training sites such as CardRunners.com or Deuces Cracked.

Meanwhile, using excerpts from books in magazines in order to promote a book is another common tactic. For example, in order to promote *Cowboys Full: The Story of Poker* (2009), Jim McManus ran a series of excerpts from his book in *Card Player* magazine. Virtually anything that helps provide exposure for either the author or the book is a potential launching point for WOM.

**Using the Internet**

The Internet can be a potentially valuable weapon for driving WOM in a number of ways. An author can help promote his cause by having his own website providing information on a given book. Also, as noted in the literature review, discussion forums can also be an important source of information for potential book buyers. That said, active participation on Internet discussion forums may help promote the book, and thus help drive WOM.
Poker Tournaments and Hosting Games

In the literature review, Neary (2010) and Dunams (2011) both suggested that joining book clubs and attending conventions might be good ways to further an author’s cause. For poker book authors, these ideas might require some adaptation. Instead, one way a poker book author can promote a book is by playing in high profile poker tournaments and winning, and thus gaining exposure in that manner.

Sammy Farha, co-author of Farha on Omaha: Expert Strategy for Beating Cash Games and Tournaments (2007), gained exposure when he took second place in the 2003 World Series of Poker Main Event – losing to Chris Moneymaker. This exposure helped spark strong initial sales of his book. However, the poor quality of the book quickly led to negative reviews to the tune of a paltry 3.5 star rating over 15 reviews (with six one- or two-star reviews) on Amazon.com (Amazon, 2011). Consequently, the book failed to sustain those strong initial sales.

Another method for an author to promote a book might be hosting a game in a public card room. For example, if an author wrote a book on Omaha poker and was interested in promoting the game – both expanding the market for the book and building exposure for the book in the process – that author might start a regular game and promote the game in online discussion forums or in a regular magazine column (Hwang, 2008; Hwang, 2009a; Hwang, 2009b; Hwang, 2009c; and Murphy, 2008).

Managing Negative WOM

Managing negative word of mouth is also important, as became clear in the literature review. This is a complicated topic with regard to books, because an author has to write a book with the understanding that there is going to be negative feedback, and with the understanding that readers have a right to free speech: An author cannot suppress negative reviews; nor should he try to. That said, online discussion forums represent a way for an author to field questions
directly and respond to feedback. In addition, having a website and a way for readers to contact an author directly also could aid in managing negative WOM.

Conclusion

Determining the impact of word of mouth on poker book sales is a relatively simple task in the sense that the biggest poker book publishers and authors spend next to nothing (if not nothing) on advertising, which by default leaves WOM as the primary driver of sales. On the other hand, studying the poker book market, examining the role of WOM in driving poker book sales, and learning how to create a WOM campaign designed to drive poker book sales presents a more complex problem where (1) there is very little information on the poker book market regarding sales figures, (2) there are no existing academic studies on poker book sales, and (3) WOM itself is a concept both abstract and complex in nature. That the poker book market is not well defined by subcategories, but rather lumped into all-encompassing “poker” or “gambling” categories – even by major booksellers – reflects how little thought has been put into studying the market.

Still, using existing literature on word of mouth as a general concept, as well as how WOM can be used to drive book sales in general, I think we have been able to quite effectively adapt mainstream ideas and apply them to the poker book market. Distributing advance copies to key people who are in a position to sell the author’s book for him makes perfect sense, whether it is a poker strategy book or a mass market fiction novel. Providing free material to the general populace also has a place in the poker book market, as does using the Internet in a variety of ways, including having an author website or participating in online discussion forums.

Similarly, the concept of attending conventions and expos can be adapted for poker book authors to mean attending high profile poker tournaments or hosting games in public card rooms.
Meanwhile, the managing of negative WOM is a concept that is applicable to any business, whether it is the restaurant business, the hotel business, the casino business, or the poker book business.
Glossary of Terms

Cash games: Game format typically with no set beginning or end time, where chips have set values, and typically characterized by unlimited buy-ins.

Deep-stack play: When a player buys in to a poker game with at least 100 times the size of the big blind or bring-in.

Full-ring: Typically refers to nine- or ten-handed games.

Heads-up play: When there are only two players playing against each other.

Hold’em: A form of poker in which every player is dealt two hole cards and shares five community cards, with four betting rounds.

Hole cards: In poker, the cards dealt to a player that are both unique to that player and unknown to the opposition.

Limit: A betting structure in which bet sizes are fixed and pre-determined.

No-limit: A betting structure in which a player can bet any amount at any time.

Omaha: A form of poker related to hold’em in which each player is dealt four hole cards, but plays the best five-card hand using two of his hole cards along with three community cards.

Pot-limit: A betting structure in which a player’s maximum bet size is the size of the pot.

Sit’n go: A tournament format in which play starts when you get enough players to play; typically a single-table tournament.

Short-handed play: Typically refers to games in which there are between three and six players.

Short-stacking: A strategy in which a player sits down with the table minimum buy-in.

Stud: A form of poker in which players are typically dealt seven unique cards – three face down, and four face up and known to the opposition – typically with five betting rounds.
**Tournament:** A game format with a determined beginning and end, characterized by eliminations of players, timed rounds of play, rising blinds, and typically ending when only one player remains.

**Tells:** Verbal or non-verbal information a player gives (voluntarily or involuntarily) that reveals the strength of that player’s hand.
References


Amazon.com: Farha on Omaha: Expert strategy for beating cash games and tournaments.


