
A REVIEW ON IMPACT OF VIRAL MARKETING

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ABSTRACT

Viral marketing is the upgraded form of word of mouth marketing. It harnesses the advantage of modern technologies like mobile sms, emails, online blogs, review sites, social networking sites etc. It is widely adopted form of marketing these days. This paper reviews the literature on the impact viral marketing creates on brand awareness, credibility of the company, sales etc. Secondary sources of data are used like journals, books and articles. Paper is concluded by managerial and research implications.

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1. INTRODUCTION

Viral marketing is derived from word of mouth marketing. Traditionally there was personal face to face communication between people regarding sharing of experiences regarding companies and their brands. But with the invention of technology, word of mouth communication became more sophisticated. Now communication and sharing occurs through mobile sms, whatsapp messages and videos, social networking sites, blogs etc. One of the reason behind popularity of viral marketing is its superiority over traditional form of marketing. It brings the advantage of increased speed, self selection of message, wider reach, low cost, proper targeting, etc.

As computer and mobiles have become indispensable part of human life, companies are using these for marketing purposes. But what is the aim behind regressive viral marketing policies? What results are achieved? What impact is created on consumer attitude towards brand and credibility? Does it also results in purchase intentions and eventually sales? From last so many years, researchers are trying to find the answers of these questions. This study reviews these

answers searched by the researchers. This paper will create a ground for further empirical study as well as marketing practitioners can learn some important lessons about the impact of their viral marketing policies.

1.1 NEED OF THE STUDY

Because of its increased popularity, viral marketing has remained the area of focus for many researches. Most of the researches focus on impact of a single kind of viral marketing. Most of these focus on impact of email and mobile marketing while very few on blog and website marketing. There is no such study which can show the impact of all the kinds of viral marketing in a single study. Therefore this paper fills this gap by providing a single paper reviewing the impact of all the kinds of viral marketing on all the factors like brand awareness, credibility, sales etc.

1.2 OBJECTIVES AND RESEARCH METHODOLOGY

Main objective of this study is to review the impact of viral marketing on various factors like brand awareness, credibility, sales etc. This is a review paper and hence secondary sources of data are used like journals and books. Data is downloaded

online form the e-library of Ram Lal Anand College (Eve), University of Delhi using the free subscription facility provided by University of Delhi in its campus and colleges. All kinds of viral marketing (mobile marketing, email marketing, blog marketing etc.) are considered to study the impact of viral marketing.

2. DEFINING VIRAL MARKETING

Viral marketing model is based on an analogy with the spread of infectious disease. It starts with a seed of individuals (hosts) who spread a message by infecting their friends, relatives, acquaintances via email, sms, social sites etc (vectors). Each person who gets the message will spread it to more than one additional person, who then does the same thing, and so on, leading to exponential growth in the number of people who receive it resulting in an epidemic (Watts and Jonah, 2007).

Marsden, 2006 also viewed that viral marketing is derived from 'viral' and hence it is meant to be spread, especially in person to person context. According to him viral marketing is the promotion of a company or its products and services

through a persuasive message designed to spread, typically online, from person to person.

As per Kirby, 2006, viral marketing describes any strategy that encourages individuals to pass on a marketing message to others, creating the potential for exponential growth in the message's exposure and influence.

Dobele et al., 2005 defined viral marketing as making email into a form of advocacy or word-of-mouth referral endorsement from one client to other prospective clients. From a practical perspective, they stated, it is a strategy whereby people forward the message to other people on their email lists or tie advertisements into or at the end of messages.

3. IMPACT OF VIRAL MARKETING

In this section, we will study the impact of viral marketing on various factors based upon available literature.

3.1 BRAND AWARENESS

Various studies show that positive WOM communication helps the Web consumers cultivate solid brand trust. This finding means that reliable WOM communication is an increasingly important source for Web users because all tangible products or intangible services on the Web sites may be confirmed by consumers (Hong, 2004).

Some connected marketing techniques, such as influencer marketing and live buzz marketing that rely on offline communication, can help improve brand advocacy, which in turn aids business growth. “Viral marketing especially when used as an integrated rather than isolated approach can both improve brand advocacy and increase mass-market brand awareness. And it can achieve those objectives very cost-effectively, even if your brand, product, or service has no standout, buzz worthy characteristic”. Viral marketing, especially when used as an integrated rather than isolated approach, can both improve brand advocacy and increase mass-market brand awareness. It can be used successfully to create a buzz about any brand or product, and to help generate sales (Kirby, 2006).

Blog marketing can also be seen as a faster, cheaper and better way of promoting a brand or company (Corcoran et al., 2006). The main effects of input word of mouth are higher levels of awareness, attitude change and purchase behaviour (Nyilasy, 2006). Buzz marketing offers a creative and cost-effective solution to driving awareness, interest and demand, which can complement traditional marketing (Brown, 2006). The results also suggest that consumers are not influenced by the

persuasive effect of online word-of-mouth, although they are affected by awareness effect generated by the underlying process of word-of-mouth (Duan et. al 2008).

Another study offers important insights into microblogging as eWOM communications, with implications for branding for corporations, organizations, and individuals. “Microblogging is a social communication channel affecting brand awareness and brand image, that managing brand perception in the microblogging world should be part of an overall proactive marketing strategy, and maintaining a presence on these channels should be part of a corporation’s branding campaign. It is apparent that companies can receive positive brand exposure via followers and others who microblog about the company and products” (Jansen et al., 2009).

Electronic word of mouth campaigns have also been used successfully to build widespread brand awareness (Abedniya and Sahar, 2010).

3.2 PURCHASE DECISION, SALES AND ROI

The main effects of input word of mouth are higher levels of awareness, attitude change and purchase behavior (Nyilasy, 2006). Word of mouth can be viewed as a media channel that has a measurable frequency, reach and impact on purchase

intent similar to traditional media channels (Ferguson, 2006). Buzz marketing offers a creative and cost-effective solution to driving awareness, interest and demand, which can complement traditional marketing (Brown, 2006). Viral advertising could become more strategic viral marketing. It not only raises brand awareness cost-effectively, but also generates response such as brochure requests, test drives and eventually sales (Kirby, 2006).

Financial objectives and the need to measure the return on investment were identified as previously undocumented key issues (Danilo and Cris, 2008). Viral marketing campaigns can provide accountability when tracked, thereby measuring and proving ROI. Viral campaigns have no fixed cut-off point, so they can provide an ever-increasing ROI. It can be used successfully to create a buzz about any brand or product, and to help generate sales (Kirby, 2006). Blog marketing can be effective in achieving a number of marketing objectives like generating interest, driving action and sales (Corcoran et al., 2006). Games can provide tangible business benefits, such as sales leads, an increased intent to purchase and actual sales (Curran, 2006). A study

attributed the effect to online user reviews as an indicator of the intensity of underlying word-of-mouth that plays a dominant role in driving box office revenues (Duan et al., 2008). E-WOM campaigns have also been used successfully not only to build widespread brand awareness (Abedniya and Sahar, 2010), but also to help generate sales.

3.3 CREDIBILITY OF COMPANY

E-WOM maintains the trust and integrity of the message. Whereas consumers are quick to delete messages from marketers, a message from a known person is less likely to be deleted (Phelps et al., 2004). Online monitoring and business intelligence enables organizations to listen to and communicate with consumers, which help them to build or maintain a competitive edge (Snyder, 2006). WOM communication is likely to be perceived as more persuasive because information from personal sources is considered more credible than information from mass media or marketing sources (Bickart & Schindler, 2001; Brooks, 1957 in Sun et al., 2006). Moreover as the act of forwarding electronic messages is voluntary rather than a paid testimonial or a mass ad campaign, it may be viewed more favorably by the recipient (Dobele et al., 2005). It also results in creating goodwill and

establishing expertise (Corcoran et al., 2006).

3.4 OTHERS

E-WOM also dramatically lowers the cost of promotion and boosts the speed of adoption, a critical concern for new product launches (Abedniya and Sahar, 2010; Dobele et al., 2005). Other benefits may include creation of buzz around the product, reinforcing existing advertising messages, extend other marketing communications activities, capturing recipients' attention, triggering interest, and eventually leading to adoption or sales (Bruyn and Gary, 2008; Kirby, 2006). Online monitoring and business intelligence enables organizations to listen to and communicate with consumers, which help them to build or maintain a competitive edge (Snyder, 2006). Blog marketing can be effective in stimulating dialogue with customers or employees (Corcoran et. al, 2006).

4. CONCLUSION

Viral marketing relies on communication between people. More the viral content is forwarded, more beneficial it is. Various viral marketing techniques, whether email marketing, blog marketing or buzz marketing, have impact on one or other factor. On the whole it can be said that viral marketing impacts brand awareness,

credibility of the company, purchase decision and sales.

5. LIMITATION AND IMPLICATIONS

Not based on empirical study is biggest limitation of this study. Second limitation is shortage of time because of which much data could not be collected. But this paper is ideal for beginners in the area of viral marketing. It provides basic understanding about viral marketing and impact it creates on consumers' behaviour and intentions. It also justifies the need for further empirical testing in this area.

Marketing practitioners can also gain some understanding on this area. They need to understand their viral marketing policies create impact on brand awareness, credibility, sales and other factors. Therefore they should focus their viral marketing strategies according to the impact they want to create and result they want to generate. But marketers should be cautious while using results of this paper as this is just a review based conceptual paper which needs to be tested further.

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