

"Solution for global branding - Internet based viral marketing"

*Dr. Naresh Patel

Introduction:

The digital revolution has placed a whole new set of capabilities in the hand of customers and business. The new economy, in contrast, is based on the digital revolution and the management of information. Information has number of attributes. It can be infinitely differentiated, customized and personalized. It can be sent to a great number of people who are on a network and the great part of it is its reach and speed.

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"THIS CHANGES everything" or "we will never be the same" are expressions often associated with the major news events of the day. They are equally relevant when discussing technological innovations in business. Every day, another technology driven announcement can be found in the pages of a variety of trade publications.

Now one can get any amount of information about practically anything. One can read almost any newspaper in any language from anywhere in the world. People can access on-line encyclopedias, dictionaries, medical information, movies ratings, consumer reports, and countless other information sources.

The fragmentation of media is making communication a very expensive affair and the advent of Internet has put the power of information in customer's hand. A combination of these factors is putting the marketing function in a poorer light as more and more investment is being pumped into marketing for no palpable reason, much to the irritation of other functions. Therefore, in the light of companies aiming for sustainable competition, marketing function finds itself inadequately equipped.

In the past decade, the advent of the Internet has embarked businesses on a revolution and given consumers the power to control information. Internet marketers are using Viral marketing a form of word of mouth to draw attention of their customers. Viral marketing involves passing on company developed products, services, or information from user to user.

Internet has proved to be a most useful tool for marketers to communicate and sell products and services. "Viral marketing" is ideally suited to internet as the medium, as it is most efficient in "spreading the word" and exponentially fast spread of the message. The most widely used method of viral marketing is to embed a message into an email itself. This is like strategic seeding of the message. Just as a person spreads a virus by his own actions, not those of the "originator," so does a "viral message" spreads by the recipient's (the "infected person's") own actions, and not those of the marketer.

*Assistant Professor, Centre for Management Studies, Dharmsinh Desai University
Nadiad - 387001, Dist. Kheda - Gujarat - India
Email: nareshpatel13@yahoo.com*

Viral marketing messages may be hyper-linked promotions that take someone immediately to a Web site, online newsletters, or various games. Statistics indicate that 81 percent of recipients who receive a viral marketing message pass it along to at least one other person. Almost 50 percent pass it along to two or more people. Thus, a "deliberate" recommendation from one friend to another is one form of a "viral" message, while the passive form is like an attachment or embedding in an email. In either case, the cost is so low as to make the publicity almost free.

The paper focuses on two issue of viral marketing.

1. It gives idea about Viral marketing from a theoretical perspective and explains how businessmen can use it as competitive tool.
2. This is an era of internet, so it demonstrate how these strategies can be practiced in the country like India, and get benefited to the businessmen to achieve sustainable growth with global competition, are discussed.

Concept of Viral marketing :

Viral marketing messages may be hyperlinked promotions that take someone immediately to a Web site, online newsletters, or various games. The research finding indicates that 81 percent of recipients who receive a viral marketing message pass it along to at least one other person.

Almost 50 percent pass it along to two or more people. The marketing message can be more deliberate, similar to an individual recommending something to a friend. A viral message can also be transmitted passively by being attached to an e-mail. Viral marketing allows a firm to gain rapid product awareness at a low cost.

The internet has been successful due to one critical need of men and women: to express themselves, to the point of exhibitionism. In practical terms, this is called the "urge to publish." But then, if everyone is publishing, who is reading? This starts a "rat race" to grab people's attention. The "strike rate" being low, the attempt is to gain as wide a "strike field," to increase the final "yield." This allows new entities to grow rapidly, literally at the speed (and, most importantly, the cost) of a virus!

The best example of such a rapid message transmission by a new entity is Hotmail - the brain-child of Sabeer Bhatia and Jack Smith. Started in 1996, it started a completely unheard of product category - the free webmail service. Its success led to several such services, but the success has been that of the "viral marketing" as a concept, as few have realized this.

As Steve and Tim said in 1999, this method multiplies the "first mover" advantage many fold, the ultimate dream of any marketer.

Viral Marketing Definition:

So, what is viral marketing? Any method or technique which gets people to pass on a marketing message by any means is "Viral Marketing." The idea behind this is the possibility of exponentially

1. Gives away products or services
2. Provides for effortless transfer to others
3. Scales easily from small to very large
4. Exploits common motivations and behaviors
5. Utilizes existing communication networks
6. Takes advantage of others' resources

Let's examine at each of these elements briefly.

1. Gives away valuable products or services

The most attention-grabbing word in any advertisement is "Free," so it is not surprising to find that this is the starting point of most viral marketing messages - be they for products or services. Of course, looking to the practicality, the "free" stuff is a teaser - it shows up only some features, and the "full-featured" product is available for a price. This has even been raised to the status of a Law: the Law of Giving and Selling. Give away something, to sell something. The idea is based on the strategy that once people experience something for "free," they will be more likely to buy something just due to this experience. Theoretically, the marketer is practicing "Delayed Gratification" on himself: due to "free," he expects "eyeballs," leading to a string of future revenues and thus profits. The operative word is "Free": "Inexpensive" or "Cheap" is just not attractive enough.

2. Provides for effortless transfer to others

Something that comes "Free" should be "free" i.e. effortless to pass on also. This alone will ensure that it will be passed on repeatedly: if you have paid for something, or have had to go to some effort to acquire it, you are not very likely to pass it on "free," or even freely. So, the marketer has to make it as easy for the recipient to transmit the message, as it is to acquire the product or service in the first place; and make it as easy for the second recipient to acquire and transmit as it is for the first recipient. This alone makes it possible for the message to be transmitted as fast and as surely as a "virus."

The digital format makes it easy and picture-perfect. Obviously, the shorter the message, the better it is from the marketer and the recipient's point of view. The perfect example of the message is the tagline at the bottom of every yahoo!mail:

Thus, internet - and webmail - is the most suitable medium for viral marketing.

3. Scales easily from small to very large

The diagram above has shown how viruses grow exponentially. How you manage to provide for this expansion is very important, for you must allow the virus to spread - the exact opposite of "quarantine." So, all your internet connection facilities must be geared for such an expansion. This is a sine-qua-non for viral marketing. In case your solution is different - that is, it requires too many resources to you, you are likely to go the Hotmail way, since they required too many mail servers - many more than expected, leading to a decline in service.

This is like another rule of virus survival - the virus must not multiply faster than the host! Otherwise, it will die itself.

4. Exploits common motivations and behaviors

Even though viral marketing is exponential in its mathematical modeling, it is very advantageous to start from a very large base. This base - of first movers and rapid followers, in short, the first and second recipients - the larger it is, the better for the viral marketer. Ordinary human tendencies - like the desire to stand out from the crowd, do something novel, to feed one's greed or security - these are some basic emotions that are the foundations of any viral marketing message. Any method which addresses other needs, like the need to be recognized, to be included, to show one's talents, to express oneself and to be appreciated for that - is a good candidate for a viral marketing effort. Of course, it must be easy to satisfy the need by the method chosen by the marketer.

Design a marketing strategy that builds on common motivations and behaviors for its transmission, and you have a winner.

5. Utilizes existing communication networks

When you are sending a message, you also need a network to spread it. Which is the best network? Obviously, one that is widely accepted and workable - and, in fact, working at the time you are interested in. If you have to spend your time and effort in building one yourself, you are very likely to "lose the moment." So, the viral marketer is always looking for exploiting the existing channels of communication, or an already established network. Remember, a virus always replicates itself in a parent body! On the internet, this will take the place of a collection of email addresses, URLs, websites, social networks, etc.

A person's broader network may consist of scores, hundreds, or thousands of people, depending upon her position in society. A waitress, for example, may communicate regularly with hundreds of customers in a given week. Network marketers have long understood the power of these human networks, both the strong, close networks as well as the weaker networked relationships.

6. Takes advantage of others' resources

If you are a virus, what should you piggyback on? Obviously, on something that everyone eats, to make sure you reach everyone! This "something" must be widely accepted and available - e.g., if you are spreading your health-care message, you need to make sure it goes into some relevant news release by a well-known source. When this newsrelease is picked up by newspapers, your name automatically is included in the "ad" without your paying for it, particularly when this advertisement is going to be further distributed by the first recipients.

Bottlenecks for growth of viral marketing

When a customer finds a website trustworthy, s/he is very likely to trust the marketer as well. This is most essential for a viral marketer, for s/he has no other way to inspire confidence in the visitor-cum-transmitter, in absence of a physical contact. This involves, inter alia, providing secure services, and indications of a "trustworthy" site. At least four factors are likely to eat away this trust:

1. An outsider "listening" during the visit, eavesdropping
2. Personal or corporate information getting stolen

3. Alternation of messages and transactions, including forgery
4. Outright fraudulent websites

Even if a marketer takes care of these four, s/he will find it necessary to personalize the site for the user's benefit. This is an indirect indication of the trustworthiness of the site.

Some measures for providing the required security are suggested below :

1. Confidentiality: the data in any transaction should be readable only by a trusted person
2. Authentication: the way all the parties learn that the other parties to the transaction are genuine
3. Integrity: to ensure that there is no alteration in the "message" during the transmission
4. Access Control: allowing only previously checked and authorized persons access to the communication
5. Non-repudiation: it should not be possible for any person to deny later on that s/he has not taken part in any communication.

Some Successful Example of viral marketing

It took Hotmail only 1 ½ years to reach its first 1.5 million subscribers. Any print publication can hope to reach at most 100,000 subscribers in the first few years. As against this, Hotmail gets as many subscribers every day, with the tally now over 12 million subscribers. Hotmail now even has massive personal data about each and everyone of these subscribers, thanks to the form each one is required to fill. Just imagine the amount of personal information available to Hotmail !

Yet, from company launch to 12 million users, Hotmail spent less than \$500K on marketing, advertising and promotion. This compares to over \$20 million spent on advertising and brand promotion by Juno, Hotmail's closest competitor with a fraction of the users.

A new entrant and a new product - and think of the quantum of product distributed in the first year? Now rethink this question with the fact that so many people were asked to share their personal data with a virtual, online entity - how much of trust you need to generate? Its reach and depth? Is this possible with any other kind of marketing message? When the customer doesn't even know if the product, at the end of the whole effort, would be worth the effort? So many "customer resistance" barriers to be overcome, without the required wherewithal for advertising - just how did Hotmail do it? With the magic wand of VIRAL MARKETING, my friend. Originally trying to pitch for a web-based database using Java, they picked up a leading question by the VC and replied that apart from this concept [turned down by the VC], they also had another product idea - a free, ad-supported, web-based email service. Soon the VC was ready to inject \$300K and Hotmail was launched, with modifications to make the ad message and the viral ad message of Hotmail message itself built into the mail. Thus was born the now-age Viral Marketing. The customer was not only king, s/he was the salesman as well !

Hotmail's business model maps well to the medium. By contrast, Juno does not map well to the medium, and they have already spent \$20 million in advertising. Hotmail did not spend the money, yet gained over three times as many users in half the time.

The Hotmail adoption pattern is that of a virus - with spatial and network locality. People

typically send e-mails to their associates and friends; many of them are geographically close, and others are scattered around with clusters in areas of high Internet connectivity. We would notice the first user from a university town or from India, and then the number of subscribers from that region would rapidly proliferate. The beauty of it is that none of this required any marketing dollars. Customers do the selling.

When the viral message is digital, it transcends yet another barrier - that of geography. The infector need not touch or be near the target! S/he can infect the other person through remote contact, like the internet. Nor does the person need any training to sell. The result is very high-fidelity transmission - that too, without regard for borders. And, you have beaten many entrenched businesses and made them look silly, for you never spent a penny on advertising!

Digital viruses can spread internationally more rapidly than biological viruses that rely on the physical proximity of hosts for their spread - via a sneeze or handshake. Hotmail is the largest email provider in Sweden and India despite the fact that they have done no marketing of any sort in these countries. It's a happy day when you discover your business has displaced several entrenched competitors to become the market share leader in a country you have never visited. What's more, Hotmail is used in over 220 countries, despite the limitation that it is only available in English.

Viral Marketing captures the essence of multi-level-marketing and applies it to all customers - the "word-of-mouth" spread of the Hotmail message is involuntary. And it's more powerful than many other marketing techniques that lack the implied endorsement from a friend. Hotmail had "Free Email" buttons on several other highly trafficked web sites, but they generated comparatively negligible numbers of subscriptions. Juno has shown that advertising is relatively cost-ineffective. It is hard to spend your way to Hotmail-like growth. The snowball effect is a mechanism to greatly leverage a first-mover advantage. Whenever a product involves people other than the purchaser, then there is an opportunity to market to potential new customers. It is no surprise that Amazon encourages its customers to send a book as a gift to a friend. When the recipient receives the gift book, the packaging contains a flyer for the amazon.com service. Similarly, whenever someone uses iShip.com to send a package, the recipient will learn about how iShip.com can save them money on their shipping needs.

M80 Interactive marketing (a viral marketing firm) has its employee surf the Web to locate enthusiastic music fans who can be used to generate "buzz" about Britney Spears, one of the firms clients. These fans may be asked, for example, to swamp MTV's request line demanding the star's latest hit. Beanie Babies, the VW Beetle, the movie The Blair Witch Project, and ICQ (an Internet chat services) were also able to generate word-of-mouth hype that resulted in explosive consumer demand.

Volkswagen even sold 2000Reflex yellow and Vapor Blue Beetles online and only online. Vespa, the Italian motor scooter manufacturer, has its in-house agency hire model to hang out on scooters outside trendy nightclubs and cafes in Los Angeles.

Procter & Gamble is using viral marketing in big way. The company has developed kiosks for shopping malls that present and sell new P&G products - all in hope that shoppers will tell their friends what they have seen. And if shoppers purchase a product at the kiosk, they are invited to join an "innovator's Club" that offers discounts, a Web site, and puts the shoppers in to the P&G database for future new product introductions.

ICQ was short for I seek you and was all about instant messaging service targeted at the communication starved teen society. ICQ accumulated user base of 5 million users and then sold out to AOL for \$287 billion. Even in 1996, ICQ boasted of messaging on any platform and an incredible global reach. It positioned its self as the coolest way to find and meet people online.

Amazon added to its customer base by not only being a "good experience" but also pampering them by sending out a box of chocolates or flowers. Amazon kept its customers abreast by sending updates on products and books of their interest. Amazon also started networks of members by way of allowing customers to have a say about the products they buy on its website. The customers review products and rate them thereby making themselves recommend the product or otherwise. The even added a feature whereby the customers who read the reviews can rank the reviewer himself/herself.

Now, not only Internet based products but also products that have hitherto used traditional forms of advertising have resorted to viral campaigns. Take the example of Burger Kings Subservient Chicken campaign. It was aimed at getting the buzz around a new product launched by the fast food company where it sold the image that the chicken would be exactly as the customer ordered. Burger king repeated its success with the distribution of Halloween masks in October of 2005.

Honda Accord ran a viral campaign with their "Cog" ad that got e-mailers to forward multiple times creating email chains around the product. And now the viral campaigns are not just directed to e-mailers or "sneezers" as they are called in viral marketing parlance, but also towards blogs that tend to discuss the products and generate enough word of mouth.

Corporations are now aiming towards getting feedback and bouncing ideas. Microsoft runs its own campaigns through its employees. Take Robert Scoble for instance - "Robert Scoble works at Microsoft (title: technical evangelist)" and has one of the most powerful blogs on the internet. He is both an opinion maker and a "sneezer". Following him, now there are over 3000 Microsoft employees who have their own blogs and discuss Microsoft and other technology based companies extensively.

There are several online services which can be use to build your brand online, for free. You can put up your press releases on oline PR distribution services such as PRSI (www.prsi.in), PRCAI (www.prcai.org) Agency Faqs PR resources page (www.agencyfaqs.com) and Prdomain (www.prdomain.com). The advantage here is that you incur no cost for writing a press release. And potential payoff is brilliant - If a newspaper or magazine picks your release, and even if just one paragraph is printed about your service or product, this can translate hundreds of potential customers! (TOI, April 2007)

The foregoing cases exemplify the success of viral marketing campaigns and its inherent dynamics. A low cost, high reach method of communication that targets the right networks and gains credibility through peer/expert support is a good way for many budget-starved companies to increase visibility and awareness. Good Viral marketing campaigns have the potential to also turn awareness into real market sales responses.

Conclusion

A good idea can spread like wildfire if its business model maps to the medium. Viral Marketing adds fuel to the fire. Internet and Intranet applications move beyond computation to embrace communication, the Viral Marketing strategy has wide applicability. E-commerce, groupware, community,

messaging and promotions businesses can all use these techniques to further the Internet explosion. The vast diffusion of Internet technologies in consumer as well as business-to-consumer settings opens up new arenas for word of mouth. Consider the emergence of phrases like "Word of Mouse" and "Word of Modem" - the concept is clearly more than a buzzword if we considered the businesses that have successfully used the strategies.

The strategy itself must still evolve along with the business and focus more on keeping customers than just acquiring them. It is also important to be able to unify v-marketing strategies to the larger marketing objectives and juxtapose them to create synergies. More importantly, it is important to understand the nature of Viral-Marketing in the given context and leverage it for better marketer and customer benefit. Viral marketing give solution for Fragmentation and rising costs of traditional mass media like television. The disadvantages of viral marketing, it is definitely not a panacea for all of marketing's ill-favor and might not work for all products.

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