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VIRAL MARKETING

Abstract

The focus of this paper is viral marketing – the process of creating, receiving, sending and forwarding “virus”-marketing messages. Model “5C” is presented according to which the passing on of viral marketing messages depends on consumers, category, company, content (of message) and context. Viral messages can be created by both the representatives of a company and consumers (like individuals or in communities), but they are being passed on by consumers. When a company creates a viral message, it is “only” necessary to create “the right marketing message” (with the right content) - with a viral potential – virus and pass it on to the “right users-consumers” in the “right context”. Since the users of digital media and/or consumers also create and pass on messages, companies have to check and “direct” all viral communications (related to the company) in a desired direction.

Key words: viral marketing, viral communications, viral messages, 5C model

JEL Classification: M30, M31, M37, M39

ВИРАЛНИ МАРКЕТИНГ

Апстракт

У фокусу рада је вирални маркетинг – процес креирања, примања, слања и прослеђивања “вируса” – маркетиншких порука. Представљен је “5Ц” модел, према коме, преношење виралних маркетиншких порука зависи од потрошача, категорије (производа), компаније, садржаја (поруке) и контекста. Поруке-вирусе могу да креирају и представници компаније и потрошачи (као појединци и у заједницама), али исте даље прослеђују потрошачи. Када компанија креира виралну поруку, потребно је “само” да креира “праву маркетиншку поруку” (са “правим садржајем”) - са виралним потенцијалом – вирусом и прослеђује даље “правим корисницима-потрошачима” у “правом контексту”. С обзиром да и корисници дигиталних медија и/или потрошачи, такође, креирају и преносе поруке, компаније морају да прате и “усмеравају” све виралне комуникације (које се односе на компанију) у жељеном смеру.

Кључне речи: вирални маркетинг, виралне комуникације, виралне поруке, “5Ц” модел

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Introduction

In digital environment, consumers can send to each other marketing messages like “viruses”. Marketing messages can be forwarded quickly at low costs to a great number of acquaintances, friends and even to complete strangers. Simplicity, the speed of messaging, great coverage, trust (by the recipients, especially when they receive messages from the people they know) are only a couple of the characteristics that influence the importance of viral marketing. The research and the hypotheses are focused on the factors that have impact on viral marketing. This paper is organized as follows. First, we provide a review on the literature related to “viruses” in marketing. Then, we analyse the process of creation, receiving, sending and passing on of marketing messages – “viruses: 5C model. Next, we present method and results. Finally, we summarise the findings.

Theoretical foundations and development hypotheses

Virus in marketing

Viral marketing has developed as a result of advancements in digital technology and can be regarded as a critical electronic extension of WOM communication, not a mere development of WOM (Bickart & Schindler, 2002; Cruz & Fill, 2008). Online social network in general and Facebook, as the biggest network, in particular, became a very attractive platform for many companies for viral marketing. The use of viral marketing and electronic word of mouth is the main strength of the social networks as members are connected to each other in a way that increase the trustworthiness of the messages that are transferred among friends (Gil-Or, 2010, p. 7).

According to Vilpponen et al. (2006, p. 72) and Cruz & Fill (2008, p. 745) some of the terminology used to describe electronic WOM includes “Interactive Marketing” (Blattberg & Deighton, 1991), “Internet word-of-mouth” and “word-of-mouse” (Goldenberg et al., 2001; Sudarević, Vlahović, B & Šurjanović, 2013), “stealth marketing” (Kaikati & Kaikati, 2004), “viral stealth marketing” (Swanepoel, Lye & Rugimbana, 2009) and “referral marketing” (De Bruyn & Lilien, 2004). Thomas (2004) tries to unify these ideas in the term “buzz marketing” (Cruz & Fill, 2008, p. 745; Vilpponen et al, 2006, p. 72). Another popular term for viral marketing is “word of mouse” marketing. This is because the strength behind the viral marketing concept lies in that it leverages the power of word of mouth communication between individuals using an electronic medium (Helm, 2000, p. 158; Subramani & Rajagopalan, 2002, p. 2; Swanepoel, Lye & Rugimbana, 2009, p. 10). Swanepoel, Lye & Rugimbana (2009, p. 10) state that for viral stealth marketing different terms are being used (sometimes synonymously) such as stealth, undercover, below-the-radar, guerrilla, shill and buzz marketing.

Beckmann and Bell (2000) point out the differences between viral marketing and WOM:

- speed and coverage - viral messages are spread more rapidly and to a wider audience than traditional WOM.
- Stimuli - viral messages rely more on a combination of visual and verbal stimuli than traditional WOM, which relies largely on face-to-face communication.
- Control of content - in viral marketing, it is easier to control the nature and content of the message than traditional WOM, which relies solely on the sender. For example, the tagline used by hotmail could be largely controlled by the company, unlike traditional WOM messages.
- Monologue versus dialogue - whilst traditional WOM typically involves two-way communication where the receiver will attend to the whole message, this is not necessarily the case with viral marketing.

The term viral marketing is first mentioned in 1996 by Rayport in his article: “The virus of marketing”). Rayport (1996) states that when it comes to getting a message out with little time, minimal budgets, and maximum effect, nothing on earth beats a virus. Marketing messages like viruses spread exponentially, so the term viral marketing is used. Some commentators, including Welker (2002), see an analogy between viral marketing and a living biological virus. Welker (2002, p. 3) stresses the contagious power of a virus and suggests that a “virus replicates (itself) with geometrically increasing power, doubling with each interaction” (Cruz & Fill, 2008, p. 745). Dobele, Toleman & Beverland (2005) speak about spreading the brand message through viral marketing as controlled infection. “Like their microscopic namesakes, ‘viral’ WOM messages can quickly and exponentially replicate themselves” (Strutton, Taylor & Thompson, 2011, p. 559).

Viral marketing is an Internet adaptation of marketing using the word-of-mouth effects, a phenomenon originally identified by Rogers (1995) in the context of the diffusion of innovations (Kalyanam, McIntyre & Masonis, 2007, p. 72).

Wilson (2000, p. 1) defines viral marketing as “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”.

Kaplan & Haenlein (2011, p. 255) define viral marketing as “electronic word-of-mouth whereby some form of marketing message related to a company, brand, or product is transmitted in an exponentially growing way, often through the use of social media applications”. In this definition, two elements are of great importance. The first is a growth, or reproduction, rate greater than one; this implies that each receiver passes the message to more than one other person. The other important thing is the use of social media for the above mentioned fast spreading of messages – viruses.

According to *AMA* definition, viral marketing is “a marketing phenomenon that facilitates and encourages people to pass along a marketing message. Nicknamed viral because the number of people exposed to a message mimicks the process of passing a virus or disease from one person to another.” Viral marketing is “the process of getting customers to pass along a company’s marketing message to friends, family, and colleagues” (Laudon & Traver, 2001, p. 381).

The aim of viral marketing is to provide communications among consumers (*consumer-to-consumer, i.e. peer-to-peer*), as opposed to communications between a company and a consumer (*company-to-consumer communications*) for further information spreading. This enables faster and cheaper information spreading (Bruyn & Lilien, 2008).

Thus, the essential characteristics of viral marketing are high speed of spreading marketing messages - “viruses” (Camarero & Jose, 2011; Kaplan & Haenlein, 2011; Yang et al, 2010), communications among consumers in the process of forwarding information (Kaplan & Haenlein, 2011), consumers have more confidence (Yang et al, 2010), it is more trustful for many consumers, forwarding electronic messages is voluntary rather than a paid testimonial or a mass ad campaign and thus may be viewed more favourably by the recipient (Dobele, Toleman & Beverland, 2005), great coverage (Camarero & Jose, 2011; Kaplan & Haenlein, 2011; Yang et al, 2010), low budget (Camarero & Jose, 2011; Dobele, Toleman & Beverland, 2005; Kaplan & Haenlein, 2011; Yang et al, 2010), simplicity, ease (Camarero & Jose, 2011).

Passing on messages can be intentional or unintentional (Bruyn & Lilien, 2008). When forwarding messages is not intentional, consumers are not intentional actors. An example for this is Hotmail where each sent e-mail contains a promotion of a company (“Get Your Private, Free E-mail at <http://www.hotmail.com>”). Users who send e-mails from Hotmail account automatically promote service to every person they sent an e-mail. The most common form of intentional viral marketing is performed when consumers

willingly become promoters of products and spread information to their friends. They can be driven by explicit incentives (e.g. financial) or simply by the desire to share information about the benefits of certain products with their friends.

Aral and Walker (2011) propose that we should forget viral marketing in the traditional sense, and make the product itself viral. Companies shouldn't spend time saturating YouTube with goofy videos, hoping one of them will be the next viral marketing sensation. Companies can engineer digital (and even physical) products to increase peer-to-peer promotion. Aral and Walker (2011) illustrated the explosive effect on adoption among 2 million Facebook users when viral features, such as user-generated personalised invitations, were added to a software app for sharing and discussing film-industry information. Simply adding a “Share” button to product can increase peer-to-peer influence over product purchase by 400%. “Viral product design has been shown to be up to 10 times as effective at increasing adoption as traditional banner ads and up to twice as effective as e-mail campaigns” (Aral & Walker, 2011, p. 34), so that viral products are more effective than traditional marketing. Having in mind viral product features (product with active and passive viral features) and targeted users (broad population and specific individuals) Aral and Walker (2011) propose following viral products:

- User-generated notifications - such as “Tweet” and “Share” buttons (product has active viral features for broad population);
- Automated notifications - such as iTunes Ping and Google Buzz (product has passive viral features for broad population);
- Personal invitations - such as those provided with Google beta products (product has active viral features for specific individuals);
- Automated targeting - such as Amazon's social product recommendations (product has passive viral features for specific individuals);
- Social offers - such as LivingSocial's group couponing; and
- Embedded offers such as free account sign-ups in e-mail messages.

The process of creating, receiving, sending and forwarding “virus”-marketing messages: 5C model

Kaplan & Haenlein (2011) state that there are three necessary conditions for a successful viral marketing: Condition 1 – messengers; people who transmit messages, condition 2 - message and condition 3 - environment. That is, you need the right people to send the right message in the right circumstances. The first condition is related to the selection of right people to spread the message. There are three groups of message transmitters:

- Market mavens (“receivers”) - individuals who have access to much information; they are proactively engaged in discussions with other consumers in order to diffuse and spread information. They are among the first to receive messages and send them to their immediate social network. When market experts forward a message to social hubs, the “epidemic” begins.
- Social hubs (“distributors”) are people with a very large number of connections. They may be “connectors” or “bridges” between different subcultures.
- Salespeople (“amplifiers”) are needed when the direct relationship between market experts and centres is not sufficient. Sellers receive a message, make it important and convincing, and pass it on to community centres.

Messages have to be both memorable and interesting in order to have the effect of virus. At last, the number of message transmitters in the environment is very important, at least in

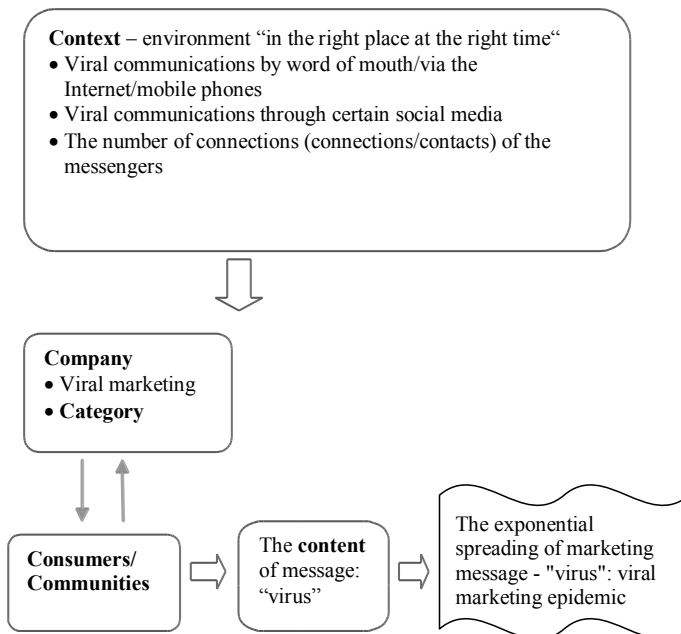
the beginning. It is considered that an average person has 150 contacts as the maximum number of people with whom he/she can maintain stable social relationships during a day.

Camarero & Jose (2011) introduce the term viral dynamics which refers to the process of receiving, sending and/or forwarding messages from one person to another in their network of contacts.

Dobele (et al, 2007) gives the following answer to the question “Why pass on viral messages?” – Because they connect emotionally. They identify that successful viral marketing campaigns trigger an emotional response in recipients. In order to be effective, viral messages need to contain the element of surprise. By itself, however, surprise is not enough to guarantee message success; therefore, it must be combined with other emotions. To ensure forwarding behaviour, the message must capture the imagination of the recipient, as well as be clearly targeted.

Figure 1 shows five key conditions (5C model) for the successful transmission of viral marketing messages. They are: 1. consumers, 2. category (of product), 3. company (holistic marketing of company), 4. content of message - “virus” and 5. context - environment. “Viruses” can be created both by companies and consumers. Consumers are differently engaged in different product categories. The scope and the speed of messages transmission depends on the environment - the context. Messages can be transmitted by word of mouth, the Internet and mobile phones. Also, messages can be transmitted through various social media (networking sites, blogs, etc.). The choice of specific ways of communications and media at a certain point (“the right messenger at the right place at the right time”) can affect the extent and the speed of messages spreading. Messengers have a different number of connections with other users (e.g. social media) which can affect the success of viral marketing.

Figure 1 The process of creating, receiving, sending and forwarding marketing messages - “viruses”: 5C model



Source: Adapted from: Kaplan & Haenlein, 2011, p. 256.

For the success of viral marketing the development of an engaging campaign that encourages consumers to pass the message along is necessary. Consumers are encouraged to spread these marketing messages voluntarily if the messages:

1. capture the imagination by being fun or intriguing,
2. are attached to a product that is unique (such as collapsible scooters), easy to use or highly visible (Gucci baguette bags, Palm Pilots),
3. are well targeted - the influence and, in some cases, the power of reference groups or opinion leaders in individual decision-making is significant,
4. are associated with a credible source - the greatest strength of the common referral is that it is believable, and
5. combine technologies to spread the virus (Dobele, Toleman & Beverland, 2005).

Kalpakioglu & Toros (2011) state the basic viral marketing techniques: advergames, e-mailing, blogging, moblogging, vlogging, wikis, social networking sites, rate and review sites.

Kaplan & Haenlein (2011) have given five pieces of advice when spreading a virus:

1. Viral marketing is only as good as the remaining marketing mix - besides “viral marketing message,” a good product is needed, a product with reasonable price, available in distribution channels;
2. Viral marketing needs to be backed up by traditional forms of communication – viral marketing is only a part of integrated marketing communications;
3. Excessive planning and intervention kills any viral marketing campaign – it is better to let consumers to “spread viruses” – messages, with no intervention;
4. Highly provocative and edgy messages are a tricky business – good viral marketing messages have to be both memorable and interesting.
5. Successful viral marketing requires a little bit of luck and gut feeling because even the changes in the environment (beyond power and influences of organizations) can influence the effects of the campaign.

On the basis of the literature and the factors that influence viral marketing presented by “5C” model, the following hypotheses have been set up:

Hypothesis 1: Passing on viral marketing messages depends on the profile of consumers.

Hypothesis 2: Passing on viral marketing messages depends on the category of products.

Hypothesis 3: Passing on viral marketing messages depends on the company (viral and holistic marketing of company).

Hypothesis 4: Passing on viral marketing messages depends on the content of message - “virus”

Hypothesis 5: Passing on viral marketing messages depends on context – environment.

Method

The survey was conducted on the territory of the Republic of Serbia, 2013. The study was conducted on a sample of 200 individuals between 16 and 74 years. Respondents, according to their age, were divided into the following groups: 16-34 (22%), 35-54 (30%), 55-74 (48%). According to gender, the sample consisted of 51% of women and 49% of men. According to educational level, the respondents were grouped using EUROSTAT classification: 0-2 basic, lower secondary education (preschool education; primary education or first phase of the primary education – first to fifth grade; lower high education

– 6th to 9th grade); 3-4 higher secondary education (high school; - 1st to 4th grade; post secondary but not tertiary education – first degree studies); 5-6 tertiary education (higher education, Master studies and PhD studies). In the sample, 25% of respondents had lower than secondary education, 50% had secondary education and 25% had tertiary education. According to employment status, the respondents were divided into following groups: employed (30%), unemployed (25%), students (7%), other but unemployed (38%). According to income of the households where they live, the respondents were divided into following groups: up to 300 euro (68%), 300-600 euro (21%), over 600 euro (11%).

Results

Passing on viral marketing messages depends on the profile of consumers. Consumers behave in different ways while spreading messages. When asked whether they spread marketing messages – “viruses”, the answers of respondents according to age group were positive in 86% (aged 16-34), 67% (35-54), 26% (55-74); according to education: 7% (lower than secondary education), 87% (secondary education) and 46% (tertiary education); according to employment: 47% (employed), 24% (unemployed), 92% (students), 26% (other but unemployed).

Passing on viral marketing messages depends on the category (of products). The question: For what categories of products do you spread marketing messages – “viruses”, was also answered differently. The majority of respondents in the age group of 16-20 years, state the categories in the field of entertainment (86%), music (84%) and (78%). But, already in the group of 25-34 years some categories are related to durable goods. In the group of 35-54 years, viral messages are transmitted in the categories related to healthy foods (64%), cars (57%), travel (58%) and so on. Students especially transmit messages related to free books (74%) and travel (68%).

Passing on viral marketing messages depends on the company (viral and holistic marketing of company). When asked whether they spread viral messages created by companies, the majority of respondents (even 91%) stated that they spread these messages if the product is good. But they spread messages even if they are dissatisfied with a product. This can bring us to the conclusion that holistic marketing activities are necessary to be used.

Passing on viral marketing messages depends on the content of message-“virus”. When asked whether the content of a message is important for them in order to pass the message on, the majority (86%) stated that content is particularly important for attracting attention. Respondents quickly pass on interesting messages.

Passing on viral marketing messages depends on context – environment. Among digital media, younger consumers prefer mobile phones. When it comes to social media, social networks (Facebook and Twitter) are especially favoured. Younger consumers have a significantly higher number of connections / contacts comparing to other age groups. So, for the young, the right context, for example, is Facebook through a mobile phone. For the age group of 35-54 years, the right context would be e-mails (but only from friends and acquaintances) and Twitter. For older (55-74), the “right context” would be direct face to face communications.

Discussion and conclusions

Kaplan and Haenlein (2011) talk about changing of power of certain forms of communication - for example, they talk about the decrease of significance of telemarketing

and television advertising, which probably will happen also to viral marketing in future. From “infection to immunity” there are only a few steps. Just as people can improve their immunity and become resistant to viruses and diseases, so viral marketing can lose its power. Until then, given the high current power of viral marketing, the following conclusions, based on the research results, can be made. The younger the consumers are, the more likely they are to participate in viral communications. Viral communications are more present in the categories of products used by young people. Marketing messages with memorable and interesting content attract attention and encourage viral communications. Digital environment encourages users to perform viral communications and it influences the scope and speed (of communications). “The right message sent at the right time to the right user in the right context – e.g. through the right media” can be much more effective compared to the same message sent to another user in another time, through other media. In brief, the understanding of five key conditions (5C model) for the successful spreading of viral marketing messages - consumers, category (of product), company (holistic marketing of company), content of message - “virus” and context – environment, is the basis for viral marketing of companies.

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