MICRO LEVEL EMPIRICAL STUDY ON VIRAL MARKETING IN MADURAI

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ABSTRACT

Viral marketing is like a stone dropped in pond that creates ripples, one larger than other. The goal is identifying people who can contribute to sales, via, social networking. It uses under-market advertising to generate an impression that word of mouth enthusiasm actually springs from use of product/service. This paper gives the six rules to succeed - Stealth, Up-front is free-payment later, Target community carrying message, Looks like host-not virus etc., and shows the results of an empirical study at micro level using a random sample of size 70.

PREAMBLE OF THE STUDY

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. Like viruses, such strategies take advantage of rapid multiplication to explode the message to thousands, to millions. Off the internet, viral marketing has been referred to as “word of mouth”, “creating a buzz”, “leveraging the media”, “network marketing”. But on the internet, for better or worse, it’s called viral marketing. Viral marketing can be defined as “marketing techniques that use social networks to produce increases in brand awareness through self-replicating viral diffusion of messages, analogous to the spread of pathological and computer viruses”. Viral marketing is just like a stone dropped in a pond that creates ripples, one larger than the other. The goal of viral marketing
programs is to identify people who can contribute to sales via quality social networking potential. The aim is to generate viral or easy to understand and replicate messages that appeal to the common man and generate a dedicated marketing environment. Extensive social networking helps to increase the probability of the product or service remaining within the community for a longer time. Viral marketing is a stealth marketing campaign that uses unscrupulous means of under-market advertising to generate an impression that the word of mouth enthusiasm actually springs from use of the product or the service.

**GOALS OF VIRAL MARKETING**

The goal of viral marketing programs is to identify people who can contribute to sales via quality social networking potential. The aim is to generate viral or easy to understand and replicate messages that appeal to the common man and generate a dedicated marketing environment. Extensive social networking helps to increase the probability of the product or service remaining within the community for a longer time. Viral marketing is a stealth marketing campaign that uses unscrupulous means of under-market advertising to generate an impression that the word of mouth marketing creates enthusiasm actually springs from use of the product or service. Here are six rules on how to succeed at viral marketing.

**Rule 1:** Stealth is the essence of market entry

Most marketers know that getting into the consumer's mind is the toughest part of the challenge; the usual response is simply to turn up the volume. Viruses are smarter: They find a way into the host under the guise of another, unrelated activity. Pepsi Cola is one company that has begun to experiment with viral marketing. Its Mountain Dew campaign offers kids the chance to send 10 proofs of purchase and $35 to qualify for a Motorola pager. Cool! The kids have to subscribe to the paging service themselves and Mountain Dew reserves the right to beep their newly equipped customers with Dew-related messages on a weekly basis. So every time the pager goes off, it reminds the kids indirectly who's responsible for getting them that way-cool piece of social technology.

**Rule 2:** What's up-front is free; payment comes later

Viruses are unusually patient little buggers. Many will lie dormant in their host for years before demanding payback; digital viruses often burrow into an unsuspecting hard drive and wait for their trigger date such as Michaelangelo's birthday before making their presence known. It's a corollary to stealth: no payment up-front.

Consider how Intuit's wildly popular Quickenrogram got its start. It all spread from a single campaign that contained a basic message: order the product and pay nothing. If you aren't productive within eight minutes of opening the box, tear up the invoice. Of course, most users were not only balancing their checkbooks within eight minutes but also discovering that they couldn't live without this software. The result is 70% of the global market share is in personal-financial-management software with minimal expenses for traditional marketing or selling. Plus an installed base to drive pricier sales of ancillary products such as checks and upgrades.

**Rule 3:** Let the behaviors of the target community carry the message

Viruses do not spread by chance. They let the high-frequency behaviors of their hosts -- social interaction, email, Web surfing -- carry them into new territories. The lesson for viral marketers: fashion your messages so that the target markets will transmit them as a part of their core interests.

This tactic works best when absolutely no one is masterminding the campaign. On America Online, for example, there are scads of chat rooms for investors; Motley Fool is only the most prominent. Not long ago, these communities got hold of a couple of high-tech stocks Iomega and Presstek that key members of the group "talked up" as hot investment opportunities. Both stocks enjoyed a skyrocketing hundred-fold increase, carried by the hospitable hype of the online hosts. When the mainstream press caught on, critics rushed in to pop the bubble. But compared to their starting points before AOL came along, Iomega and Presstek still traded at hugely inflated prices.

**Rule 4:** Look like a host, not a virus

Because they are able to masquerade as something they are not, viruses are able to avoid being rejected by human immune and computer operating systems. They enter human cells and mimic genetic material, or they enter software systems and mimic existing code. The message to v-marketers: be the host. One consumer marketing company, albeit with lots of money has perfected the tactic. Consider Nike's "Just Do It" campaign. All it takes is megabucks to hire the world's most sought-after celebrity athletes, to buy television time at $40,000 a second during the Super Bowl, and to saturate the retail channel with product promotions and giveaways. But none of that worked as well as Nike's ubiquitous tag line, "Just Do It." The phrase is practically an entry in the Merriam-Webster Collegiate Dictionary under the listing: American culture. Everyone from cynical marketers in advertisement agencies to prison guards in B-movies is using the phrase without irony. Every time they use it, they're endorsing Nike products.

**Rule 5:** Exploit the strength of weak ties

Sociologists have long noted that individuals with many casual social connections have a larger influence on communities than do individuals with fewer strong connections. Viruses thrive on weak ties. The movement of viruses over the Web a practically infinite collection of weak ties in countless virtual communities is a prime example.

In business, such tactics are the instinctive practice of companies engaging in multilevel marketing: marketers such as Tupperware, Amway, and Mary Kay Cosmetics, for instance. In each of these businesses, the strategy is to find a collection of individuals who excel at developing a large number of weak ties and use those ties to sell products and services. Tupperware, for example, gets someone in a social community, such as a suburban neighborhood, to host a party featuring Tupperware. Everything about the party is ostensibly noncommercial: it's her house, her food, her friends. But the social interaction is funded by the sale of Tupperware products. What's social is indistinguishable from what's commercial a powerful business network built on weak social ties.

**Rule 6:** Invest to reach the tipping point

Viruses do not become epidemics until they reach the tipping point. In other words, the virus must expand through the host population until it reaches a certain threshold of visibility and scale. Think of it this way: a virus doubles each year. In year one, it's only 1% of the host and scarcely detectable. In year two, it's still minute, only 2%. But in year five, it's 16% -- and suddenly
it's an epidemic. Viral marketers must understand that they're playing the same game because the impact of exploiting weak ties does not come overnight.

That's why Microsoft's true leverage with its DOS and Windows operating systems took a decade to pay off. Today Microsoft operating systems run on an estimated 85 million PCs the world over. That's why CNN was viewed as a joke by the mainstream press -- until suddenly everyone from Saddam Hussein to Bill Clinton was getting real-time news exclusively from the 24-hour network. And it's why an idea like v-marketing, which may look like an unpleasant, unlikely metaphor at first, will take a few years to win acceptance. But it will be essential to the success of lots of fast new businesses. And the sooner they know it, the better they'll do. So spread the word.

HOW DOES VIRAL MARKETING WORK?

The basic idea is to generate an 'infection' of thought among the base users, who are also lured into the advertising gimmick for a promised commission that increases with every subsequent sale. The ripple effect created and paid for involves sharing of product benefits with potential users and causing nothing short of an epidemic, while generating multi-level marketing opportunities. There is a pre-designed logistic curve to map the users used to further the interests of the campaign. The success of the marketing campaign largely depends on the rate at which the sales take place. Viral marketing strategies are often put in place alongside other marketing communication systems such as dedicated public relations and/or extensive advertising.

OBJECTIVES OF THE STUDY

- To analyze the insight of people about viral marketing.
- To determine how far viral marketing has enhanced them (consumers/target group) to buy the products.
- To establish and study the critical success factors of marketing virally.
- To study how far viral marketing helps people keep in touch apart from business prospective.
- To analyze whether age group has any influence on the usage of the internet (demographic factor and qn. no 2)
- To study if the internet usage has any impact on using social networking sites alone.
- To determine the age group’s knowledge on viral marketing.
- To analyze how far virally marketed advertisements have reached on buying it.

RESEARCH METHODOLOGY

a) Research design: Fundamental research is being used in this study. This research is being carried out to increase the understanding of fundamental principles.

b) Data sources: Secondary data was collected and variables were chosen. Primary data was collected by using questionnaires.

c) Development of data collection instrument: On the basis of Hypothesis, a structured undisguised survey questionnaire had been prepared. All the questions in the questionnaire are closed ended.
d) Sampling: For the data collection, non random convenience sampling is adopted.
e) Survey procedure: On the basis of questionnaire, one-to-one interview has been conducted from 70 respondents. The questionnaires were collected from K L N College of Engineering, Madurai because it was easy for the researcher to collect the data from the college.

VARIOUS METHODS USED IN THIS STUDY

1. Percentage method.
2. Ranking method.

FINDINGS OF THE STUDY

✓ Nearly 46% of the respondents have chosen direct sales on the purchase of desired products as they make use of the internet daily as advertisements has direct influence.
✓ Most of the respondents use internet in the age group of 18-25 especially female who are single.
✓ 64% of the respondents do not make use of purchasing product via internet because of some security threats.
✓ 70% of the respondents prefer face book the most in social networking sites.
✓ 48% of them purchase product through internet and if they like they would buy it like smart phones.
✓ Most of the respondents assume that viral marketing meaning is internet marketing.
✓ 46% of the respondents say that the key factor behind the success of marketing virally is because it has fast reach in minimum time.
✓ Mailing is ranked first by 36% followed by 29% of the respondents for keeping in touch with the people.

SUGGESTIONS OF THE STUDY

✓ Lack of public awareness about the existence of viral marketing is still continuing. So awareness should be created.
✓ The results of our research indicate that viral marketing efforts are extremely effective to build brand awareness of different products in social networking sites. So each and every organization should make use of it for more profits.
✓ The principal reasons why people like social networking site is they can keep in touch with peer groups, pass the messages, quotes, jokes, serials ,cartoons for enjoyment, relaxation and they can reduce the stress.
✓ We suggest the management of every social networking site and organization to advance the sites for more brand awareness, so that they can increase the publicity.
✓ Messages that spark strong emotions – humor, fear, sadness, or inspiration- are likely to be forwarded by the consumers in that way the social networking sites can increase the traffic.
We suggest the social networking sites to improve the interpersonal communication networks as the most important source of influence in the purchase of household goods and food products. We suggest to send more messages that may be spread through different types of videos, advertisements, corporate messages, jokes, games, etc through social networking sites. Online marketing campaigns are to be made still interactive.

CONCLUSIONS

Viral marketing has developed as a critical electronic extension of word-of-mouth, which is intended to build awareness and cause positive word of mouth. Through social network marketing (viral), the life of human being can be saved by giving societal advertisements like immediate blood donation, appeal. The awareness regarding viral marketing should be created by giving advertisements in social networking sites like face book, twitter, orkut, etc, related to public issues like water, sewage, drainage, road, electricity, cleanliness of the hospital etc.

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