

Factors Affecting the Consumers Attitude towards Internet Induced Viral Marketing Techniques

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Abstract

Internet has extraordinarily changed the marketing concepts. Advancements in communication technology have given rise to the evolution of a new electronic form of word-of-mouth publicity i.e. Viral marketing communication (VMC). Viral marketing is a very effective tool available to the marketers today. Viral marketing has been used by various organizations using platforms like blogs, company website, social networking sites, etc. to promote their products. It is helping organizations to grow their businesses by adopting marketing strategies to reach out to their customers. Viral marketing can be used to generate brand awareness among large population in a short span of time and people can refer it to others. This type of word of mouth publicity can be a powerful factor to influence the purchasing decision of customer. This paper is an attempt to explore the factors that affect the customers' attitude towards internet induced viral marketing communication. The study was done on primary data collected through self-structured questionnaire based on five-point Likert Scale. Non probability Judgemental sampling was used. Principal component factor analysis as carried out using statistical software (SPSS16.0.). The study will be helpful to marketing managers to understand customer preferences and target them in a right way. Appropriate use of these factors can help flourish their businesses.

Keywords: Viral marketing; Immense efficacy; Supportive access; Consumer dependency

Introduction

The Wikipedia defines viral marketing as “marketing techniques that seek to exploit pre-existing social networks to produce exponential increases in brand awareness, through viral processes similar to the spread of an epidemic. It is word-of-mouth delivered and enhanced online; it harnesses the network effect of the Internet and can be very useful in reaching a large number of people rapidly”. “Viral marketing” was first coined by venture capitalist Steve Jurvetson in 1997. The marketing communication is the range of tools marketers using in order to attract the attention of the consumer. Due to the extensive use of internet in sharing information among young adults, marketers should focus on viral marketing as one of the new sources of marketing. The growth in number of internet users has been dramatic ever since it came to existence.

According to Ridings, and Bruyn [1,2] in the small world concept, the demand for information, the good intention to share the experience or ideas about the products and services, the capability of the customer-to-customer (C2C) communications as the electronic peer-to-peer referrals on Internet and the potential for getting recommendations from mutual acquaintances have raised a considerable potential for viral marketing (VM) which is the effective mixture of the traditional idea called word of mouth (WOM). The advent of social networks, online communities, online videos and emails, blogs, forums etc. provide the ability to distribute information faster than ever before. Viral Marketing can spread any message to millions of people in a short span of time in an effective way. For the purpose of this study we will consider viral marketing as a technique which utilises the internet to transmit and spread messages among individuals who will filter and forward the messages to their peers, who may be potentially interested in the message's content.

Viral Marketing is the word today, which is used to describe the revolutionary way by which any information proliferates across a million people rapidly within a short period of time. Marketers are now increasingly looking forward to tap this opportunity to deliver any kind

of a marketing message because of its ability to make it contagious. Viral Marketing is not so easy and uncomplicated. It has been seen in the past that all such marketing campaigns have not been always successful, barring a few exceptions. The complexity of Viral Marketing campaigns arises from the understanding of how consumers react or respond to online marketing messages. It is extremely important to tap the right kind of consumer behaviour and attitude to leverage the opportunities available with the marketers. The effectiveness of viral marketing as a promotion relies on the types of social interactions and to identify the most active media in viral marketing campaigns. Hence, in this study we will look at some of the factors that directly impact the implementation of Viral Marketing campaigns and how they play a role in creating positive sales for any product or service. Nevertheless, internet is the most preferred mode for this and hence this entire paper will confine its analysis to internet induced viral marketing.

Review of Literature

According to Vilpponen et al. [3], some of the terms use to describe electronic WoM include “interactive marketing” [4] “Internet word-of-mouth” and “word-of-mouse” [5], “stealth marketing” [6] and “referral marketing” [7]. Thomas [8] attempted to unify these ideas in the term called “buzz marketing”. Knight [9] says that viral marketing is similar to a “digitalized sneeze”, one characterized by the release of “millions of tiny particles that can infect others who come into contact with them”. Knight [9] emphasizes on the contagious power of a virus and suggests that a “virus replicates with geometrically

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increasing power, doubling with each interaction”. Viral marketing communication is seen as a vital electronic extension of word-of-mouth (WoM) communication, which involves the principle of passing on or referring news, information or entertainment to another person. Where WoM has occurred, it simply implies that informal, ad hoc communication between individuals concerning products and services has taken place [10]. WoM communication is widely perceived as a dominant force in the marketplace where information is filtered out and passed on by friends or family who are seen as free, unbiased sources of advice [11,12]. In viral marketing, the communication style used for transmission is usually informal. Messages are spread through different channels including e-mail, chat rooms and discussion forums. They may encompass various types of content ranging from text and images, to Microsoft PowerPoint files, Adobe’s Flash animations, YouTube’s video clips and so on. Viral marketing is seen as a far more effective, penetrating and faster medium compared to the traditional WoM communication [13].

Spero et al. [14] state, it is estimated that in the UK twelve to sixteen year olds spend on average of £3 Billion a year on products and services. More traditional advertising like television ads no longer satisfies the youth sectors, who increasingly desire more information about products and brands before they decide to make a purchase. More importantly however, it seems the “consumer generated media” as described by Frost [15] is being used by over 50% of the population to make their purchasing decisions. It has been suggested that 82% of the fastest growing private companies use word-of-mouth techniques, which is why viral marketing is becoming more popular [15].

Steve Jurvetson [16] also argued that viral marketing makes use of the recommendations by friends and has a snowball effect. It is more powerful than other means of advertising because it conveys an implied endorsement from a known person. For this reason, companies should personalize their referral e-mail so that it clearly shows that it is coming from a friend. Currently, Viral Marketing Communication is still considered to be at a premature phase of development, therefore information about its behavior and magnitude has yet to be clearly set upon and determined. The Internet allows significantly more interaction, targeted communication, increased reach and better results evaluation, all at a low cost [17,18]. While WOM occurs naturally between consumers, researchers note that there are marketing activities implemented in order to intentionally influence the per-to-peer communications [18].

Research Methodology

The main objective of this study is to explore the imperative factors that affect attitude of customer towards viral marketing over the internet. The research is exploratory in nature and the data used for the analysis is primary in nature. The data was collected using a structured questionnaire. The questionnaire was designed following a wide review of the literature on viral marketing. It was divided into four parts. The first part was based on personal profile of the students. The second part was based on the general awareness about the viral marketing techniques. The third part consisted of 24 close ended items based on five point Likert scale (Strongly Agree – 5 to Strongly Disagree – 1). The fourth section was based on the intention of respondents towards viral marketing. Initially a pilot test was conducted on 50 respondents to check the reliability of the questionnaire using the Cronbach’s α test. As a general rule a coefficient greater than or equal to 0.7 is considered acceptable and is a good indicator of reliability. The inter item correlation of one of the item was less than 0.196 which is insignificant and thus was not considered in analysis. The remaining 23 items were

accepted for the final scale. The Cronbach’s Alpha for the questionnaire was found to be 0.893 (Table 1). This proves that it is reliable and can be used for further analysis. A total of 110 respondents were administered this questionnaire and responses were generated.

The data was then tested for Kaiser-Meyer-Olkin Measure of sampling adequacy and Bartlett’s test of sphericity (Table 2). High value of KMO i.e. 0.779 >.05 indicate that sample is sufficient for factor analysis. The Bartlett’s test of sphericity is .000 which is less than .05 indicating that there exists significant relationship among the variable.

The data was subjected to Principal Component Method of Factor Analysis using Varimax Rotation. As a result of factor analysis, 7 factors were extracted namely: Immense Efficacy, Supportive Access, Professed Security, Message Material, Irrepressible, Consumer Dependency and Escalating Brand.

Results and Discussions

For a viral campaign, the profile of the customer can helps the marketers in segmenting and targeting with an appropriate message. The questionnaire included a section on consumer profile. The people who use Internet and access accounts on Social Networking Sites were targeted . The demographic profile included respondents’ age, gender, education qualification and income.

It can be seen from Table 3, the majority of respondents were of age 20-30 years (37.6%), followed by 30-40 years (28.9%), below 20 years (19.1%) and above 40 years (14.5%). Gender profile reveals 52% respondents were male while 48% were Females. Profession profile reveals that a large number of respondents were students (43.7%), followed by business class people (23.1%). The sample had a representation of 20.1% people who are self employed and 13.1% were of some other profession. The Education level profile depicts that 48.6% of respondents were Post Graduate while 51.4% were Graduate.

Factor analysis

The factor analysis was carried out on 23 significant items

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.893	0.892	24

Table 1: Reliability Statistics.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.779	
Bartlett's Test of Sphericity	Approx. Chi-Square	1.35E+03
	Df	276
	Sig.	0

Table 2: KMO and Bartlett's Test.

Profile	Percentage	Profile	Percentage
Gender		Age	
Male	52	Below 20	19.1
Female	48	20-30	37.6
		30-40	28.9
		40 Above	14.5
Educational Qualification		Profession	
Graduate	51.4	Student	43.7
Post Graduate	48.6	Business	23.1
		Service	20.1
		Others	13.1

Table 3: Demographic Profile of Respondents.

that resulted into 7 factors that affect customer's attitude towards viral marketing techniques namely: Immense Efficacy, Supportive Access, Professed Security, Message Clarity, Irrepressible, Consumer Dependency and Escalating Brand. The total percent of variance for all the factors was 71.004% and the Eigen value for each factor was more than 1. The details of these factors, with their item loads, eigen values and percent of variances are tabularized and shown in annexure. The factors extracted are discussed in detail below.

Immense efficacy: Immense efficacy emerged as first factor with highest item load. It comprises of six items which were Detailed information about the product can be assessed anytime, It saves time, VM is cost effective, Wide range of products can be displayed, It is entertaining and Relevant information is provided to us. The total load of this factor is 4.078 and percentage of variance explained is 19.693.

According to previous studies, Informativeness is an important factor in determining the effectiveness of advertisements [19]. Informativeness has an impact on consumers' attitude towards online advertising as it helps them in making purchase decisions [20]. Information provided to the consumers by means of mobile phones should consist of the features like accuracy, timeliness, and usefulness for generating positive consumers' attitude. Consumers are interested in receiving messages that are relevant for them [21]. Entertainment services add value for the customers and increase customers' loyalty thereby, leading to a positive consumers' attitude [19]. One important benefit is that viral marketing is relatively inexpensive in comparison to many other forms of advertising and marketing campaigns [6,22].

Supportive access: Supportive access has evolved as the second factor, which consisted of five items; wide reach ability, easy navigation on web, rapid diffusion of information, no geographical boundaries for promotion and enlarged images of the product can be seen. The total load of this factor is 3.347 and percentage of variance explained is 13.170. The heightened attention paid to viral marketing in the computer and management literature is a sign that there can be significant benefits to be gained from internet induced viral marketing. The major benefits relate to the positive diffusion characteristics: viral marketing can, for example, reach audiences within a short period of time [6] as messages spread exponentially at a fast speed [13]. This rapid diffusion can significantly boost the speed of the adoption of the marketed product or service [22].

Professed security: Professed security has evolved as the third factor, which consisted of five items which are, VMC can lead association to unauthorized companies, the site which gives the information is virus free, information is provided by credible sources, VM is trustworthy and the information which is downloaded is free of viruses. The total factor load of this factor is 3.043 and percentage of variance explained is 10.289. Many of the users show a lack of trust in terms of the credibility of the medium, thereby, considering the material as spam and are reluctant to provide their personal information to companies as they often think of advertisers as dodgy [23]. Higher source credibility results into more favorable consumers' response towards the SMS advertisements [24]. The credibility and trustworthiness of viral message source is also closely linked with the perceived risk. If the viral marketing message comes from a trusted source, the perceived risk associated with the message is low. The message recipients express no security and privacy concerns, when they receive viral message from their social network [25]. According to Chu and Kamal [26] if the blogger's trustworthiness is high the blog readers will be willing to trust the information provided on blog and would read the arguments made and vice versa.

Message material: Message material has evolved as the fourth factor, which consisted of two items: sufficient information is provided in message, message is clearly understood. The total factor load of this factor is 1.521 and percentage of variance explained is 10.180. Reycck and Degraeve [27] maintain that advertisements containing interesting and customized information that matches customer preferences will result into their positive attitude towards mobile advertisements. Furthermore, message variety, appropriate message delivery timings with a right message frequency could also result into a positive customers' attitude toward mobile marketing messages. It is necessary that viral marketing messages contents are concise and, are able to capture consumers' attention. Moreover, if the message contents become excessively manipulative, it also irritates message recipients and results into a negative consumers' attitude [21,25]. It has found that message clarity was considered as a significant factor to the success of advertising particularly in the context of digital advertising [28] which influence the consumer's attitudes in the area of viral advertising.

Irrepressible: Irrepressible has evolved as the fifth factor, which consisted of two items i.e. the communication can go out of control and frequent messages can lead to mail box traffic. The total factor load of this factor is 1.4 and percentage of variance explained is 6.503. As resulted in previous studies little control occurs over information as social media sites are represented as "anything goes" communication channels because, anyone can post anything. Hence, people neither trust these posts nor the people posting those messages [23]. Yet, besides these significant benefits, there are risks and challenges that marketers have to face when engaging in viral marketing campaigns. Probably the biggest risk is the lack of control associated with viral marketing campaigns: organisations have no means of controlling the spread of the message and the content of the transmission [6,13,22].

Consumer dependency: Consumer Dependency has evolved as the sixth factor, which consisted of two items which are, people usually share the information when some incentives are offered, VM is effective only when consumer share it with others. The total factor load of this factor is 1.386 and percentage of variance explained is 6.029. It is generally agreed that viral marketing involves the spreading of a marketing message via 'word of mouse,' ensuring that the receivers have the interest to pass along the message to their acquaintances [6] The dependency on the consumer for message transmission is a further risk as consumers, for example, may want a return from the organisation for passing on a viral message [13].

Escalating brand: Escalating Brand has evolved as the seventh factor, which consisted of only one item i.e it is a useful marketing tool for creating brand awareness. The eigen value of the factor was 1.032 which is more than one and percentage of variance explained is 5.142. This shows that this item has significant contribution in the study and cannot be ignored.

Brand familiarity has been identified, by Alba and Hutchinson [29], Hoch and Deighton [30], and Kent and Allen [31], as the consumers level of direct and indirect experience with products or brands. It is clear that consumers are likely to respond to ads if they are sent from the company that they know or are familiar. Another area of opportunity for social marketing is "brand building" - connecting enthusiastic online brand advocates with the company's product development cycle [32].

Conclusion

The study was undertaken to analyze the behavior of the customer towards the internet induced market also called viral marketing phenomenon. It is clear that messages quickly spread through viral

marketing techniques and therefore businesses need to harness them to aid their marketing objectives. Viral marketing campaigns can create an instantaneous buzz and help to boost the promotion of brands, products and services. The proliferation of marketing and advertising, coupled with the blitz of millions of media channels in today's world, has given cause for consumers to tune out and effectively avoid a great deal of traditional supplier driven messaging. Television ads, radio spots, online ads and even emails are facing increasing competition for effectively capturing the viewer's attention and provide positive responses for the marketer. Viral marketing is an attractive solution because it utilizes the free endorsement of the individual rather than purchase of mass media to spread the word. Internet induced viral marketing can be more effective if the marketer understand the factors that affect the decision and attitude to people. Marketers should utilize viral marketing when the messaging can coincide and support a measurable business goal.

Limitations and Future Directions

The sample used for the study is relatively small and was limited to a specific geographic region. The study was done by taking the views of the 110 respondents. Structured questionnaire was designed for the purpose. Respondents for the survey were taken from the Indore city. Different questionnaires exploring viral marketing attitude can yield different results. The study could have more reliable and would have yield different results if the target demographic was broader than now. Like every study involving human feedback, there is always a big room for bias. Respondents could have provided with false information due to the thought that it might reflect their personality. However, increasing sample size and respondent from varying demographics will remove this limitation.

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