

## **Consumer Perception towards Viral Marketing**

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### **ABSTRACT**

Viral marketing is derived from word of mouth marketing and this is the new concept of electronic word-of-mouth for commercial purpose emerged with the development on Internet in the beginning of the 21st century. It is based on a process of written communication via e-mails exchanges, forums, blogs, social media and website. It is a powerful marketing communication tool that may reach many customers in a short period of time. Properly used, it can be an extremely effective tool for companies' communication, but also difficult to control.

### **1. INTRODUCTION**

Beyond the trendy looks of the concept, this is a revolution of communication that is taking place now. We have gone from a model where companies were shouting the loudest possible message bit interesting and no custom, to a model where these companies prefer to design a creative and interesting message, which could be spread by friends, family and etc., are likely to have more impact than advertising and information spreads rapidly over the television and cost of spreading those advertisement are cheaper and effective way of communication.

### **2. STATEMENT OF THE PROBLEM**

As the world become more connected, people started spending more time on social networking sites, so it's becoming increasingly difficult to target audience using traditional channels. Viral marketing is a rigid marketing tool to control. Consumers are overwhelmed by marketing message spread through the internet and this message should not only be funny and interesting, it should also spread the awareness of the particular brand. It is difficult to create perfect advertisement and knowledge about the product. Consumers spreading those messages may lead to negative viral marketing. So the marketers need a way to turn negative viral marketing into a positive one and create awareness among the consumers. Due to change in technology product and services are evolving and adapting to the online sphere.

### **3. IMPORTANCE OF THE STUDY**

Customer assessment is one of the vital reasons for a company to achieve the organization's goal. Therefore, it is substantial to seek out the underlying factors that influence customer perception which therefore contribute to the organization indirectly the nation's economy. Besides that, it is essential to examine the influential of the independent variables as the factors chosen is less

towards the field of public relations, the perception and view point of branding satisfaction based on customer. It is a rare perspective compare to researches conducted based on factors like product quality, store environment, price and promotion.

## 4. OBJECTIVES OF THE STUDY

- The purpose of the study is to analyze customer perception towards social networking sites through viral marketing.
- To know the effectiveness of viral marketing on the social network.
- To find out customer perception towards viral marketing campaign.
- To know the different techniques used in viral market towards social media.

## 5. LITERATURE REVIEW

It highlights the study of previous literature regarding the viral marketing and social networking sites; the previous study helps to get an idea about different approaches made by the earlier researches in the field and also to identify the research-gap. The following are the few reviews taken from the renowned authors work.

**Zeng, Huang, and Dou (2009)** conducted an empirical study on the acceptance of advertising in social networks and concluded that social norms are a predictor of acceptance, which could subsequently influence attitudes towards the brand and the campaign and behavioral intentions.

**Eckler and Bolls (2011)** examined that viral advertising from an information processing perspective. The researcher found the emotional tone of viral video ads influences the attitudinal responses and intention to forward: A positive emotional tone produces the strongest attitude toward the ad, attitude toward the brand, and forwarding intention.

**Shu-Chuan Chu (2011)** discussed the potential link of Face book group participation with viral advertising responses and collected data from 302 college students between the age group of 18 to 24 through web survey. Regression analysis is used to examine the potential antecedents of viral advertising pass-on behavior by Face book group members. Result suggest that college-aged Face book group members engage in higher levels of self-disclosure and maintain more favorable attitudes toward social media.

**Oliver Hinz, Bernd Skiera and et al., (2011)** conducted an empirical study on seeding strategies have strong influences on the success of viral marketing campaigns and compared four seeding strategies in two complementary small scale field experiments, as well as in one real life viral marketing campaign involving more than 2,00,000 customers of a mobile phone service provider. Authors found that the best seeding strategies can be up to eight times more successful than other seeding strategies. Seeding to well-connected people is the most successful approach because these attractive seeding points are more likely to participate in viral marketing campaigns..

**Ashutosh Nigam (2012)** examined the parameters of viral marketing effecting media that have effect over the brand equity of different products and services. The result of the study indicated that the viral marketing has a positive and significant relationship with brand equity dimensions. Positive word- to analyze the level of individual perception of consumers' of-mouth about brand helps in reducing distribution of free products to target consumers as networking give facilitating platform to build positive brand building influence the perception of consumers.

**K.I. Zernigah and K. Sohail (2012)** conducted a study to evaluate consumer attitudes towards viral marketing, it was stated that in general terms consumers had positive attitudes towards viral marketing. According to the study, it was remarked that one of the most important elements of viral marketing affecting consumer attitudes is that it is informative. Source reliability and amusingness follow this element. Relevant and useful viral informant's affect consumer attitudes in a positive way. In addition to this, source reliability and amusing contents increase consumer acceptability of viral marketing messages.

**Teenabagga and Abhisheksingh (2012)** examined viral marketing as a phenomenon and thereby observing the consumer perception towards e-mails sent by their friends, relatives, marketers and videos recommended or shared on You tube and social networking sites. Data was collected through a survey using a questionnaire and the sample size is restricted to 250 using the convenience sampling. The online questionnaire was sent through e-mails and each respondent was requested to send it to a few of their friends, colleagues and relatives etc. ANOVA and Correlation were used for analysis and found that there is a significant effect of demographics like age, profession and education level on consumer perception on opening, reading and forwarding of e-mails and sharing or recommending of videos of social networking sites.

## **6. RESEARCH METHODOLOGY**

This study is Descriptive in nature to explore the customer perception towards social network with reference to viral marketing Both Primary and Secondary data were used in this study. Secondary data used for collecting information on published sources like magazine, books, journals, and annual report etc about viral marketing for clear understanding of the concept. Primary data were collected by using questionnaire, the first part of the questionnaire consist of demographic profile of the consumer and the second part consists of five point scaling questions relates to consumer perception on viral marketing. The sample size is limited to 150 and convenient sampling techniques adopted as well using suitable statistical tools like percentage analysis, cross tabulation, chi-square test, cluster analysis and discriminate analysis, the collected data were analyzed and results were interpreted.

## **7. ANALYSIS OF THE STUDY**

### **DEMOGRAPHIC PROFILE OF THE RESPONDENTS**

The demographic profile of the respondents helps to segment the consumers in the market. Percentage analysis was used to understand the segment of respondents in this study as well for

analyzing the effectiveness of viral marketing over social networking sites, problems faced by the consumer and to know the different techniques used in viral market.

### DEMOGRAPHIC PROFILE OF THE RESPONDENTS

|                   | PROFILE         | FREQUENCY  | PERCENTAGE   |
|-------------------|-----------------|------------|--------------|
| <b>Gender</b>     | Male            | 99         | 66.0         |
|                   | Female          | 51         | 34.0         |
| <b>Occupation</b> | Student         | 61         | 40.7         |
|                   | Professional    | 29         | 19.3         |
|                   | Business        | 19         | 12.7         |
|                   | Employed        | 41         | 27.3         |
| <b>Age</b>        | Below30 years   | 112        | 74.7         |
|                   | Above30 years   | 38         | 25.3         |
| <b>Education</b>  | Graduation      | 40         | 26.7         |
|                   | Post-Graduation | 85         | 56.7         |
|                   | Diploma         | 7          | 4.7          |
|                   | Others          | 18         | 12.0         |
| <b>Family</b>     | Nuclear family  | 113        | 75.3         |
|                   | Joint family    | 37         | 24.7         |
| <b>Total</b>      |                 | <b>150</b> | <b>100.0</b> |

**TABLE NO 1**

In this study, Out of 150 respondent, 66% were male and 34% were female. 74.7% was under the age group of below 30 years and 25.3% of respondent's falls under the age group of above 30 years. 56.7% have done their Post Graduation, 26.7% of the respondents have done their graduation, whereas 7% of respondents have done their diploma and the remaining 12% falls under other category. 66.7% of them belong to nuclear family and the other 33.3% as joint family. 40.7% of the respondents are students, 19.3% of the respondents are professionals, whereas 12.7% of the respondents are engaged in business and in service sector and the rest 27.3% of the respondents are employed. 45.3% of the respondents fall under the income group of Rs.1,00,000 to Rs.2,00,000, 21.3% of respondents fall under the income group of Rs.2,00,000 to 3,00,000, 14.7% of respondents fall under the income group of Rs.5,00,000 and above. Whereas, 10.7% of respondents fall under the income group of Rs.3, 00,000 to 4, 00,000 and 8% of respondents fall under income group of Rs.4, 00,000 to 5, 00,000. Demographic profile are used to frequently to segmenting the market, as well understand the market segment of consumers helps the marker to know about the target group helps to achieve highest position in the competitive marketing scenario (Kotler,2010). The study also examined the association between consumer perception towards viral marketing with respect to gender and age. It is identified that there is no significant association between gender and age with respect to consumer perception towards viral marketing

**CONSUMER PERCEPTION TOWARDS VIRAL MARKETING CAMPAIGN****VIRAL MARKETING CAMPAIGNS**

| <b>PARTICULARS</b>                   |                | <b>FREQUENCY</b> | <b>PERCENTAGE</b> |
|--------------------------------------|----------------|------------------|-------------------|
| Consumer sharing Viral Campaigns     | Yes            | 135              | 90.0              |
|                                      | No             | 15               | 10.0              |
| Promotional tools of Viral Campaigns | Web Sites      | 38               | 25.3              |
|                                      | Social network | 83               | 55.3              |
|                                      | Email          | 10               | 6.7               |
|                                      | Video platform | 10               | 6.7               |
|                                      | By someone     | 9                | 6.0               |
| Sharing Viral Campaigns with others  | Family         | 6                | 4.0               |
|                                      | Friends        | 99               | 66.0              |
|                                      | Colleagues     | 9                | 6.0               |
|                                      | Community      | 14               | 9.3               |
|                                      | Bloggers       | 7                | 4.7               |
| Access of Social Networking Sites    | Daily          | 97               | 64.7              |
|                                      | Weekly         | 36               | 24.0              |
|                                      | Monthly        | 4                | 2.7               |
|                                      | Occasionally   | 13               | 8.7               |
| <b>Total</b>                         |                | <b>150</b>       | <b>100.0</b>      |

**TABLE NO 2**

In this study, out of 150 respondents, 90% of Respondents share those viral campaigns to their friends, family, etc., and rest 10% of the respondent does not share the campaign; 55.3% of respondents give more importance for the success of promotional campaigns through social networking sites, followed by websites (25.3%), video platform (6.7%), Email (6.7%) and 6% of respondent come to know by viral campaign by other sources. 66% of consumers share these viral campaigns with their friends and they are the most popular network for sharing viral campaign and 9.3% of respondent with their community, 6% of consumers with their colleagues, 4.7 % with bloggers and 4% with their family members. 64.7% of the respondents access social networking sites daily, whereas 24% of people access weekly, while 8.7% of respondents visit very rarely and remaining 2.7% of respondents access only monthly once. Therefore it is accomplished that go viral means spreading the word of mouth by using internet and it is effective tool in promoting viral messages through social networking site as well it is considered as easy way of reaching the community. Viral campaign allows them to discover a brand or a product.

**RANKING ATTRIBUTES OF VIRAL MARKETING**

Viral marketing is one of the most powerful promotional tactics for companies and businesses. The Science behind Viral Marketing is the key factors that drive growth in viral marketing i.e. enjoyable, trustworthy, informative, convenient, acceptable, entertaining, reliable, appropriate, time consuming, easy to reject and disruptive. The above attributes are gathered with previous

studies. Ranking the attributes helps to identify the attribute which influencing more in the mindset of consumer.

### **DISCRIMINANT ANALYSIS VALIDATION OF CLUSTER RESULTS**

In this study, the discriminant analysis was carried out for 2 cluster groups according to their perception level and it resulted in 1 discriminant functions and consequently 1 eigenvalues.

### **DISCRIMINANT ANALYSIS VALIDATION OF CLUSTER RESULTS**

| <b>DIMENSIONS</b>    | <b>N-63</b>   | <b>N-87</b>   | <b>N-150</b>  | <b>WILKS' LAMBDA</b> | <b>F VALUE</b> | <b>P VALUE</b> |
|----------------------|---------------|---------------|---------------|----------------------|----------------|----------------|
| General perception   | 17.11(1.833)  | 15.64 (2.199) | 16.26 (2.172) | .888                 | 18.657         | .000           |
| In formativeness     | 25.22 (2.524) | 19.78 (2.838) | 22.07 (3.816) | .501                 | 147.164        | .000           |
| Entertainment        | 12.37 (1.903) | 10.79 (1.862) | 11.45 (2.029) | .853                 | 25.558         | .000           |
| Irritating           | 12.48 (3.482) | 11.49 (3.827) | 11.91 (3.706) | .983                 | 2.592          | .110           |
| Source creditability | 15.94 (2.055) | 11.79 (2.602) | 13.53 (3.142) | .574                 | 110.000        | .000           |
| Attitude             | 16.38 (1.689) | 14.07 (2.662) | 15.04 (2.567) | .801                 | 36.756         | .000           |

**TABLE NO 3**

From the above table consumers are clustered into 2 groups with 6 attributes according to their perception towards viral marketing through social networking site, they are internally homogeneous and externally heterogeneous. In order to determine the variables which significantly contribute to the differentiation of groups, F-test for Wilks's Lambda was used for discriminating variables. F-test value shows that General perception, In formativeness, Entertainment, Source creditability and Attitude towards viral marketing (significant smaller than 0.05) are significantly discriminate towards viral marketing through social networking sites, whereas only irritating was not a significant (significant value is more than 0.05) discriminating attribute to the respondents. The mean scores for attributes that encourage the groups for viral marketing through social networking sites were: General perception =16.26 (SD= 2.172), Infomativeness = 22.07 (SD= 3.816), Entertainment= 11.45 (SD = 2.029), irritating = 11.91 (SD= 3.706), Source creditability = 13.53 (SD= 3.142) and Attitude = 15.04 (SD = 2.567).

### **EIGENVALUES**

| <b>FUNCTION</b> | <b>EIGENVALUE</b>  | <b>% OF VARIANCE</b> | <b>CUMULATIVE %</b> | <b>CANONICAL CORRELATION</b> |
|-----------------|--------------------|----------------------|---------------------|------------------------------|
| 1               | 1.855 <sup>a</sup> | 100.0                | 100.0               | .806                         |

- a) First 1 canonical discriminant functions were used in the analysis

The highest eigenvalue (1.855) corresponds to the discriminant function, which shows that it has the strongest power of discrimination of the function and the canonical correlation is a correlation

between the discriminant scores and the levels of the dependent variable. The present correlation of 0.806 is extremely high.

**WILKS' LAMBDA**

| TEST OF FUNCTION(S) | WILKS' LAMBDA | CHI-SQUARE | DF | SIG. |
|---------------------|---------------|------------|----|------|
| 1                   | .350          | 152.099    | 6  | .000 |

It's clear that calculated lambda value is  $.350 < 0.5$  which indicates the stronger power of discriminant function and the calculated chi-square value is 152.09 and it is significant at the level of significance .000 at the degrees of freedom 6. In chi-square analysis if the significant value is less than 0.05 then reject the null hypothesis and accept the alternate hypothesis. In the above obtained result, since the significance value is less than 0.05 then null hypothesis is rejected and alternate hypothesis is accepted and it is concluded that the perception of respondents on viral marketing does significantly vary according to their discriminant variables.

**8. SUGGESTIONS**

Companies by displaying a viral marketing idea on a web site through any viral marketing tool like social networking sites, blogs and other sites, by providing proper advertisement plays vital role in communicating, connecting people and promoting business to reach out consumers effectively. The environment is always changing though, and social networking sites might have a larger impact on the consumers' perception in the future. It is necessary for companies to keep themselves updated and to understand the new technology to not lose their customers. Consumers by using viral techniques in social networking sites were exposed to several products and services offered by various sources and they more inclined to spread contents which are informative, funny, entertaining and convenient. Therefore, consumers are not influenced by monetary incentives for spreading viral messages to their friends and family. So, companies must take this into consideration in their marketing plan to implement viral marketing campaign as one of the strategies for advertising their product at a cheaper cost. Viral Marketing Campaign takes place within social spheres and passed on from peer to peer, thereby gaining a certain level of trust from consumers and risk associated with spreading viral messages cannot be controlled. Therefore, companies need to understand that it is necessary to create positive response for their products and services because people forward those messages to their family and friends and a negative response can destroy a viral campaign and push the consumers from buying the product. Positive response can be a huge success for the companies. Government must be aware of the misleading information about the product and services available in viral marketing and they should concentrate in cyber laws and it must be enforced in viral marketing campaigns, for reducing malpractices, fraud and misuses.

## 9. CONCLUSION

People started using the Internet to communicate with others, for sharing information, for recommendation and to increase the knowledge and interact with their family and friends. Viral marketing is an effective marketing strategy and it is an important tool for all the business concern, which can integrate social networking websites and marketing strategies according to changing and developing consumer behavior expectation to achieve organizational goal. Consumers will share their opinions on brands and products with or without company interaction. Hence, it is a best method for promoting companies' product and it create brand awareness through integrated viral marketing strategies. Entry into social network websites and viral marketing has low barriers to enter and consequently any company can do it. Based on this research and other studies, we recommend that organization should focus on these websites for creating brand awareness and introducing new products by spreading viral content. This strategy has low cost and more impact over customers for marketers, because customers have more trust on their family and friends rather than company advertisement.

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