

## Viral Marketing as an On-Line Marketing Medium

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### I. Viral Marketing As An On-Line Marketing Medium

A market was originally, "simply a gathering place where people with a supply of items or capacity to perform a service could meet with those who might desire the items or services, perhaps at a pre arranged time". Philip Kotler in his earlier books defines as: "Marketing is human activity directed at satisfying needs and wants through exchange processes". To lead the race in the competitive world of Internet business, we must possess certain marketing skills and be flexible enough to move with fast changes that are inevitable. The competition is fierce therefore many different facets of marketing must be explored and exploited.

Viral marketing is the marketing buzzword. So what's it all about? How does it work? How did it all start? How effective is it? When is viral marketing appropriate? Who has succeeded? How can we learn from those who have succeeded and those who have failed? These are just some of the questions answered in viral marketing. It also provides an understanding of what it is about people that make them want to pass on an email to a friend or colleague - and how to ensure they do so for your benefit. This is a practical, informal, informative, easy-read guide to explain what viral marketing is, how to do it and how to measure success. The most effective way to reach the right people is to let influential consumers fully understand a product and then share it with others.

### II. Viral Marketing - History

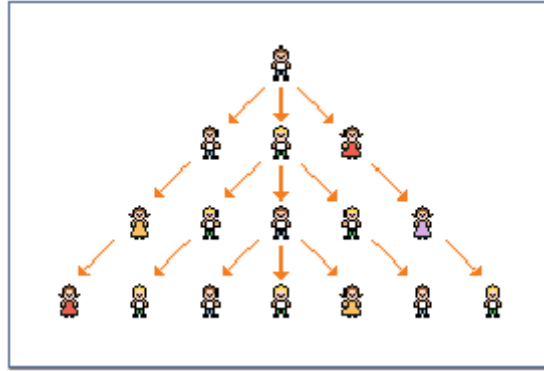
Some argue the term *viral marketing* was originally coined by venture capitalist Steve Jurvetson in 1997 to describe Hotmail's e-mail practice of appending advertising for themselves to outgoing mail from their users. The first to write about viral marketing was media critic Douglas Rushkoff in his 1994 book "Media Virus." The assumption is that if such an advertisement reaches a "susceptible" user, that user will become "infected" (i.e., sign up for an account) and can then go on to infect other susceptible users. As long as each infected user sends mail to more than one susceptible user on average (i.e., the basic reproductive rate is greater than one), standard results in epidemiology imply that the number of infected users will grow according to a logistic curve, whose initial segment appears exponential.

If each user sends mail to more than one susceptible user then the campaign will in theory continue forever, or at least until all susceptible users have already received the message. Even if the message is not forwarded quite that often, the message might still be forwarded many more times than it was initially sent. Eventually the campaign would fade out. Research must be carried out on the life expectancy of such a campaign. More complicated formulas can be generated, but this would be the easiest for most marketing departments to work out.

### III. Viral Marketing - Meaning

**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.

Let's start with some microbiology. A virus is a protein shell that contains genetic material. An attacking virus uses its protein coating to attach to a healthy cell. Once it is securely attached, it injects its genetic material, permanently altering the DNA of the host cell. A particularly effective virus can transform the host cell into a factory that replicates the virus, spreading it to other cells. The VIRUS has a way of living in secrecy until it is so numerous that it wins by sheer weight of numbers. It piggybacks on other hosts and uses their resources to increase its tribe. And in the right environment, it grows exponentially. A virus don't even have to mate -- it just replicates, again and again with geometrically increasing power, doubling with each iteration:



In a few short generations, a virus population can explode. Viral marketing and viral advertising refer to 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 can often be word-of-mouth delivered and enhanced online; it can harness the network effect of the Internet and can be very useful in reaching a large number of people rapidly.

#### IV. Internet And Viral Marketing

One of the key benefits of using email marketing is its speed of application. It's very easy to put together and the entire broadcast can be sent in a matter of minutes. This is particularly useful if you have an urgent bulletin to send out or a special offer that needs immediate attention. People respond quicker to emails too, so you have a clearer idea of which offers work much sooner than if you were using traditional direct marketing methods. With Internet advertising catching on in India, viral marketing, too, is making progress. It relies on spreading the buzz through a self-sustaining word-of-mouth strategy. Once a viral is released, it will most likely spread itself without the marketer's constant backing. Provided it is interesting enough, instant replication is guaranteed. Instant communication channels on the Internet ensure that the message travels from one social circle to another.

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 or Viral Advertising is an advertising technique used on the Internet to put one's product or service in front of viewers. This medium is used in diverse ways to reach as many people as possible, sometimes in a deceptive way, not directly promoting the product but piggy backing on other forms of well publicized sites that offer popular themes or fads. The medium that carries your marketing message must be easy to transfer and replicate: e-mail, website, graphic, software download. These viral commercials often take the form of funny video clips, or interactive Flash games, images, and even text. Viral marketing works famously on the Internet because instant communication has become so easy and inexpensive.

Viral Marketing is really a sneaky way to advertise your business. Getting people to advertise your business for you at their own expense is awesome. Many large corporations are prospering due to viral marketing there are many success stories about some of our well known companies like *Hotmail and Amazon*, just to name a few. These were among the first well known companies to utilize viral marketing strategies and it paid off big time for them. The most difficult task for any company is to acquire and retain a large customer base. Through the use of the internet and the effects of e-mail advertising, the business-to-consumer (B2C) efforts have a greater impact than many other tools of marketing.

#### V. Viral Marketing Vs Pull Strategy Of Marketing-Secrets

Viral Marketing means to give away ebooks and e-articles freely so that it spreads like a virus exponentially. In the ebooks and e-articles, we give links to our site and a short bio or resource box declaring who we are. It is also known as the Pull Strategy of Marketing. The Resource box at the bottom contains the link to our site. Provided the article is good, the reader of that article clicks on our site address and comes to our site. We have, in other words, pulled him/her to our site via our article. We also provide our email address. The reader can click and contact us at any time.

The article proclaims that we know the subject and we will be considered experts in our field if we write good e-articles and e-books and distribute them. Some people find it difficult to distribute them freely. After all creating an e-article or an ebook is time consuming. So what is the advantage in distributing them free? But if you want the much-needed exposure, which is crucial to business success, better give it away! " Be an expert with your own booklet " is what the marketing geniuses proclaim. If you write a booklet about the subject

you are dealing using technical terms, people will definitely ask you about the terms and the subject in general. Answer their questions and they will respect your knowledge and expertise.

#### Reasons For The Popularity Of Viral Marketing

- ❖ Entire social networks have migrated to the web. A large proportion of everyone's friends and family members are now online or soon will be.
- ❖ Contacting individuals on the web is virtually cost-free. It is possible for one individual to contact hundreds in one day who can contact hundreds more, etc. Pyramids can be built in a day, not years.
- ❖ The network effect plays an important role: As more people sign up, they can contact many more, and soon the total number rises exponentially.

#### Types Of Viral Campaigns

- **Pass-along:** A message which encourages the user to send the message to others. The crudest form of this is chain letters where a message at the bottom of the e-mail prompts the reader to forward the message. More effective are short, funny clips of video which people spontaneously forward.
- **Incentivised viral:** A reward is offered for either passing a message along or providing someone else's address. This can dramatically increase referrals. However, this is most effective when the offer requires another person to take action.
- **Undercover:** A viral message presented as a cool or unusual page, activity, or piece of news, without obvious incitements to link or *pass along*. In Undercover Marketing, it is not immediately apparent that anything is being marketed. Particular effort is made to make the discovery of the item seem spontaneous and informal, to encourage natural memetic behavior.
- **"Edgy Gossip/Buzz marketing"** Prior to releasing a movie, some Hollywood movie stars get married, get divorced, or get arrested, or become involved in some controversy that directs conversational attention to them. An alleged example is the publicity campaign about the dubious love affair between Tom Cruise and Katie Holmes that came out just before each of them released a movie.
- **User-managed database:** Users create and manage their own lists of contacts using a database provided by an online service provider. By inviting other members to participate in their community, users create a viral, self-propagating chain of contacts that naturally grows and encourages others to sign up as well.

### VI. Methods Of Transmission

Transmission of viral marketing can occur in various ways:

- **Word of Web:** Typing into a web-based form that converts that information into an e-mail, sends to recipients.
- **Word of E-Mail:** A very common type: forwarding e-mails, such as jokes, quizzes and 'compromising' pictures.
- **Word of mouth :** Word of mouth is typically considered a spoken communication, although web dialogue, such as blogs, message boards and emails are often now included in the definition.
- **Word of IM:** Perhaps the fastest-growing mode of transmission, hyperlinks are sent over instant messaging servers such as MSN, Yahoo!, or Google Talk.
- **Reward for Referrals:** Sometimes, the marketing company offers a reward for referring customers, encouraging them to use any of the above methods.
- **Bluetooth:** The widespread use of mobile phones which support free Bluetoothing has enabled promotional videos to be distributed virally between handsets.

#### VIRAL MARKETING IS NOT

- Panacea
- Chatroom of message board seeding
- Covert or stealth marketing
- Internet based sampling programs
- Sending "viral" content to a database
- Simply adding "send to a friend" to an email or web page
- About technology

### VII. Elements Of Effective Viral Marketing Strategy

The typical viral entry strategy is to minimize the friction of market entry and proliferation with an eye to building in hooks and barriers to switching for customers. If the service is trying to blatantly monetize its subscriber base in every way imaginable, new users will be reluctant to spread the word. Therefore, many of these services are free and light on the revenue generation in the early days of their rapid proliferation. The Internet is a wonderful substrate or petri dish for the proliferation and replication of intellectual property. A good idea can spread more quickly over the Internet than had ever been possible before in the physical world, where manufacturing and distribution fundamentally limit the rate of product adoption. Especially in the Internet era, a company's competitiveness seems to depend on its velocity of thought and action. Companies can grow more rapidly than ever before, but so too may they suddenly die from obsolescence. The critical differentiator is whether the company has built in switching barriers for its customers and barriers to entry for its competitors. Rapid growth is of no value without customer retention.

Some viral marketing strategies work better than others, and few works as well as the simple. A viral marketing strategy need not contain ALL these elements, but the more elements it embraces, the results are likely to be.

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

The medium that carries your marketing message must be easy to transfer and replicate: e-mail, website, graphic, software download. Viral marketing works famously on the Internet because instant communication has become so easy and inexpensive. Some times the viral content may be too large for the recipient to receive. However, newer technologies are eliminating this problem, as internet connections grow faster and e-mail inboxes become more capable of receiving large files.

### **VIII. Benefits From Viral Marketing**

Viral marketing is popular because of the ease of executing the marketing campaign, relative low-cost (compared to direct mail), good targeting, and the high and rapid response rate. The main strength of viral marketing is its ability to obtain a large number of interested people at a low cost. The number one advantage of viral marketing is the publicity received. The Internet public is now aware of your website site and the product or service you market. You now generate traffic to your site and these now become potential future customers. Viral marketing is a technique that avoids the annoyance of spam mail; it encourages users of a specific product or service to tell a friend. This would be a positive word-of-mouth recommendation.

**A new Distribution Channel** : This could lead to some interesting consumer behavior. Customers would have an incentive to post software to their favorite download sites or other distribution outlets to maximize the total sales of their copy of the application. Not only would the customers help resell product directly, they would innovate and discover new distribution networks. Perhaps these should be called "self-organizing viral distribution networks." An ant colony exhibits a higher order of intelligence than that of its individual members. We don't look at a neuron and think of it as being very smart. In many ways, we are the neurons on the Net, and the network applications that take advantage of that collective intelligence have not been developed yet. Perhaps viral marketing can also find an evolutionary form.

As a technological dislocation, we believe that the Internet provides an unfair competitive advantage to nimble startup companies. A good idea can spread like wildfire if its business model maps to the medium. Viral Marketing adds fuel to the fire.

#### **Key problems with viral marketing**

1. **Brand Control:** The problem with viral marketing is that you have no control over your branding. You don't know ahead of time whom an individual is going to contact. As a result, many of your messages may end up with people outside the target audience. Moreover, in some cases, individuals may modify the message or add something to it. This leads to variability in how your brand is perceived, something you don't want.
2. **Uncharted Growth:** Viral marketing can lead to unanticipated growth paths. For example, Hotmail is now one of the leading email providers in India. It is not clear if it expected that or even wanted that. However, many individuals started emailing friends in India who emailed many more. Such growth paths may lead to abrupt changes in strategic direction, which can be problematic.

3. **Lack of Measurement:** You can't always track who received the emails and what they did with them. In many cases, it may not be possible to tell if people who adopted your service did so because of your viral marketing technique or otherwise. So it's difficult to track and measure. Compare this with techniques such as banner advertising, where measurement is now an advanced science.
4. **Spam Threats:** Finally, if done poorly, viral marketing can lead to large-scale spam issues. Consider a company that pays individuals to email their friends to convince them to buy one of its products. In this case, the individual who receives the email had only given the friend permission to send email of a personal nature. The one friend's receiving an unsolicited commercial email can weaken his or her relationship with the person who sent it. This can lead to the recipient of the email dropping a friend and becoming angry with the marketer for sending an unsolicited message. Flames may result, leading to damage to the advertiser's reputation. In some cases, individuals who want to earn more money simply go out and spam people. This can be problematic for your company image.

Companies planning to implement viral marketing programs must carefully consider these problems and devise plans to overcome them. Certainly, viral marketing must be part of a comprehensive marketing strategy. But relying on viral marketing to do all the marketing grunt-work may be placing too much stock in the latest fad.

### IX. Barriers To Viral Marketing

Viral marketing depends on a high pass-along rate from person to person. If a large percentage of recipients forward something to a large number of friends, the overall growth snowballs very quickly. If the pass-along numbers get too low, the overall growth quickly fizzles.

- **Size:** If viral content is a video clip or streaming video, it may be too large for the recipient to receive.
- **Media Format:** A viral marketing campaign will be unsuccessful if the message is in a format that most people can't use; for example if particular software is needed that is not widely used, then people will not be able to open or view the message.
- **E-mail attachment:** Many people receive viral marketing messages while at the office, and company anti-virus software or firewalls can prevent people from receiving or viewing such attachments.
- **Cumbersome Referral Mechanism:** For a viral marketing campaign to be successful, it must be easy to use. For example, if the promotion is some sort of game or contest, then asking for referrals should be an option immediately after the game, not as a condition to play.
- **Sabotage:** Especially in the case of *Undercover* style marketing campaigns, the discovery of the marketing nature of a popular campaign may cause the same social networks to inform people of the commercial intent of the meme, and promote a formal or informal boycott of the company or product in question.

At the same time, a marketer would not like a viral campaign to grow into an uncontrolled flu. It is important to monitor the spread and have a fair idea as to where it is heading. A successful viral marketing campaign can sometimes be hard to control.

### Name And Characteristics Of Viral Campaigns, By Type

Active viral marketing requires customers' participation in recruiting new customers and successful viral marketing efforts are called "happy accidents." They are kind of like real viruses -- no one really means to give them, and no one really means to get them; they kind of just happen.

| Viral name  | What it is?  | How it works?  | How to make?  |
|-------------|--|--|---|
| Value viral | People share quality experiences with others.                                  | Mr.A tries product X and finds it to be very good. He then tells Mr.B to try it.                 | You can't. The products alone must be good enough to foster user chatter. "Tell a Friend" technologies do not make a product viral; they merely allow users to tell others about good products.   |
| Guile viral | People try to "sell" to others in exchange for incentives.                     | Mr.A tries to convince Mr.B to try product X because Mr.A may receive a reward if Mr.B tries it. | You can't. Users must feel that the reward is worth it and that the products are good enough to risk the possible displeasure of others. Simply adding a reward when the products are not of sufficient quality might result in user backlash against being "sold." |
| Vital viral | People want to share experiences with others, which requires certain products. | Mr.A wants to share experience Y with Mr.B, and Mr.B needs product X to do so.                   | You can't. Users must feel that the experience and the product are worth it to make a change for themselves, let alone to convince others to do likewise. Simply creating a user-to-user standard without making it worthwhile and enjoyable                        |

|              |  |  |  |
|--------------|--|--|--|
|              |  |  | might only serve to inhibit adoption.  |
| Spiral viral | People want to share funny, dirty, and/or interesting experiences with others. | Mr.A wants to share experience Y with Mr.B because Mr.A thinks that Mr.B will also find it funny, dirty, and/or interesting. | You can't. Success stories in this category were rarely intended to be "viral," rather, they were intended to be funny, dirty, and/or interesting. (The Superfriends email was originally sent to only seven people.) Also, this category is not well suited to push products. |
| Vile viral   | People warn others of negative experiences.                                    | Mr.A tries product X and finds it very bad. He then tells Mr.B to avoid it.  | You can -- very easily. Simply create products that are of poor quality, are not designed with the user in mind, or are perceived by the user to be marketed in an underhanded manner.   |

Now, when someone asks you to "Make it viral," you can ask, "Which type?" Then, work to understand the user's wants and needs. Build the product to fulfill those needs and satisfy those wants, and to provide a positive experience.

**Insights On How To Execute A Viral Marketing Campaign Most Effectively**

1. **Offer an incentive.** Viral marketing works best when a valuable and tangible incentive is offered, encouraging individuals to forward an email message to their friends. However, marketers should cap the incentive to a specific quantity to avoid spam-like distribution of the message -- for example, offering an incentive of 20 percent off referrers' next purchase if they forward the message to five friends. Open-ended incentives, such as offering some money credit for every five friends referred, can end up causing a marketer customer service, financial, and privacy-related problems.
2. **Don't consider the referral an opt-in.** When a customer refers a friend, the referral should not be considered an opt-in. A name and email address volunteered by a person's friend does not constitute an opt-in by the individual, so the data should be deleted immediately after the referral email is sent. Verbiage should be included in the referral email asking if the individual would like to receive future mailings, allowing her to opt in if she wishes.
3. **Personalize the referral email.** Response rates increase dramatically when users can see that a message is coming from a friend, so it is best to personalize the email message to show that it's coming from a recognizable source. The subject line is the key component in a viral marketing email, because it can immediately identify the email as friendly.
4. **Track and analyze the results.** As with any marketing campaign, tracking the results and optimizing performance over time is absolutely necessary. Thankfully, sophisticated email marketers can track insightful and actionable data that can be used to evaluate performance. Important metrics to analyze are pass-along, click-through, and conversion rates. Marketers should separate the click-through and conversion rates by original customers from referrals and evaluate their respective performances. These metrics will alert a marketer to which offers and customers drive the highest ROI.
5. **Continually promote friendly referrals.** Marketers who want to have their messages frequently forwarded should place a viral marketing offer in every relevant outgoing email message. Viral marketing makes for a great one-time campaign, but it can also be a very effective tool for continuing to broaden the reach of your marketing messages over time.

**X. Conclusion**

"Viral marketing is catching on in India. It can work very well here because, as a society, we are far more connected than some others. Families and friends meet one another more often. In some other societies, certain things may be considered an intrusion but not here. This can be harnessed by the marketers". The model is not lightning fast but eventually the perpetrator (marketer) gets results. Costs incurred are radically less than those on conventional promotions. A viral can be pure text, animated, a film or in any other form so long as it is snappy, interesting and grabs attention. This can work very well for short-term promotions and offers. At the same time, a marketer would not like a viral campaign to grow into an uncontrolled flu. It is important to monitor the spread and have a fair idea as to where it is heading. A successful viral marketing campaign can sometimes be hard to control. With this approach, warm market normally gives a better response since the sender's name is recognized as a person they know and trust, so mail will not end up in the thrash bin un-opened and un-read. Most important of all, think of unique ways to build viral marketing techniques into the future marketing programs. Programs that carry a strong viral marketing component give much more traffic for the investment than straight advertising.

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