

EFFECT OF VIRAL MARKETING COMMUNICATION ON EDUCATIONAL QUALIFICATION OF CONSUMERS

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Advancements in communication technology have given rise to the evolution of a new electronic form of word-of-mouth i.e. Viral marketing communication. Internet has extraordinarily changed the marketing gimmick. Viral marketing has been used by various organizations using platforms like blogs, company website, social networking sites, etc. . It is helping organizations to grow their business by adopting strategies to reach out to their customers. The purpose of the study is to explore the viral marketing as a phenomenon and thereby observing the consumer behavior towards e-mails sent by their friends, relatives, marketers and videos recommended or shared on youtube and social networking sites .The study was done on primary data collected through self structured questionnaire based on five point Likert Scale. Non probability convenience sampling was used. The purpose of the study is to find the effect of education qualification on consumer behaviour on opening, reading and forwarding of e-mails and sharing or recommending of videos of social networking sites. Viral marketing is a very effective tool available to the marketers today.

KEYWORDS: Consumer behaviour, e-mail marketing, Internet marketing, Viral marketing.

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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 of a product, services or an idea on internet, is basically known as viral marketing. 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, Gefe and Arinze,(2002); Bruyn and Lilien, (2008) 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) .

.According to Vilpponen et al (2006), some of the terms use to describe electronic WoM include “interactive marketing” (Blattberg and Deighton, 1991), “Internet word-of-mouth” and “word-of-mouse” (Goldenburg et al, 2001), “stealth marketing” (Kaikati and Kaikati, 2004) and “referral marketing” (De Bruyn and Lilien, 2004). Thomas (2004) attempted to unify these ideas in the term called “buzz marketing”. The study focused on five different platforms on which viral marketing can take place on the internet, namely 1) E-mail, 2) Video, 3) Blog, 4) Social networks and 5) Forums.

A blog (a contraction of the words web log) is a discussion or informational site published on the World Wide Web and consisting of discrete entries ("posts") typically displayed in reverse chronological order (the most recent post appears first) A majority are interactive, allowing visitors to leave comments and even message each other via GUI widgets on the blogs, and it is this interactivity that distinguishes them from other static websites. Many

blogs provide commentary on a particular subject; others function as more personal online diaries; others function more as online brand advertising of a particular individual or company(www.wikipedia.org).An Internet forum, or message board, is an online discussion site where people can hold conversations in the form of posted messages. They differ from chat rooms in that messages are at least temporarily archived. Also, depending on the access level of a user or the forum set-up, a posted message might need to be approved by a moderator before it becomes visible. Forums have a specific set of jargon associated with them; e.g. a single conversation is called a "thread". The aim of our study is to explore viral marketing communication from a consumer's point of view and provide insights into how internet users view, perceive and react towards the notion of viral marketing communication. The effectiveness of viral marketing as a promotional relies on the types of social interactions and the identity of the most active members in viral marketing campaigns. Considering the importance of family influence and viral marketing, the main purpose of this study is to analyze the Impact of educational qualification on the consumer perception towards viral marketing.

REVIEW OF LITERATURE

Knight (1999) 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". Welker (2002) emphasizes on the contagious power of a virus and suggests that a "virus replicates with geometrically 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 (Bayus, 1985). 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 (Cruz and Fill, 2008; Carl, 2008).). 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 (Woerndl et

al, 2008). Viral marketing is seen as a far more effective, penetrating and faster medium compared to the traditional WoM communication (Helm, 2000).

Spero et al (2004) 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 (2007) 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 (Frost, 2007).

Steve Jurvetson (1997) 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. In addition, limited research has been done on consumer perception and demographic effect to such marketing techniques. The Internet allows significantly more interaction, targeted communication, increased reach and better results evaluation, all at a low cost (Derbaix and Vanhamme 2003, Kozinets et al. 2010). While WOM occurs naturally between consumers, researchers note that there are marketing activities implemented in order to intentionally influence the per-to-peer communications (Kozinets et al., 2010). At the same time, as we will see in the following, word-of-mouth is an important aspect in the modern communication media, such as e-mail, blogs and social media (Steyer, Garcia-Bardidia and Quester, 2007; Smith et al., 2007).

OBJECTIVE

- To study the consumer behavior towards viral marketing communication.
- To empirically analyze the effect of education qualification on the consumer behavior towards viral marketing communication.

HYPOTHESES

H01: There is no significant effect of educational qualification on the behavior of consumer towards viral marketing communication.

RESEARCH METHODOLOGY

The Study: The study is exploratory in nature and undertaken to provide insight into, and an understanding of, the behavior of people on viral marketing over the internet. The study is mainly based upon primary data and is used to determine the influence of demographics on the consumer perception towards viral marketing communication.

The Sample: The sample of the study was constituted of 200 respondents from Indore city. These respondents were at the level of graduate and Post-Graduate. Non Probability Convenience sampling method was used to select the respondents.

The Tools for Data Collection: Primary data of the study was collected through a self-structured questionnaire. The questionnaire was designed following a wide review on the viral marketing communication. It was divided into three parts. The first part was based on personal profile of the respondent. The second part was based on the general awareness about the viral marketing techniques. The third part consisted of 33 close ended items based on five point Likert scale (Strongly Agree – 5 to Strongly Disagree – 1). Cronbach's alpha is a coefficient of reliability, which is commonly used as a measure of the internal consistency. The reliability estimate i.e. Cronbach's Alpha is 0.744(see annexure 1) which indicates acceptable reliability of data. This means that questionnaire was reliable enough for the study. The answered questionnaire was collected from the respondents after conveying the purpose of the study. 27 responses out of 200 rejected as they were not completely filled.

The Tools for Data Analysis: The analysis of collected data was done by Statistical Package for Social Science (SPSS 16.0) and MS excel. Percentage analysis and Analysis of variance (ANOVA) was used.

RESULT AND DISCUSSION

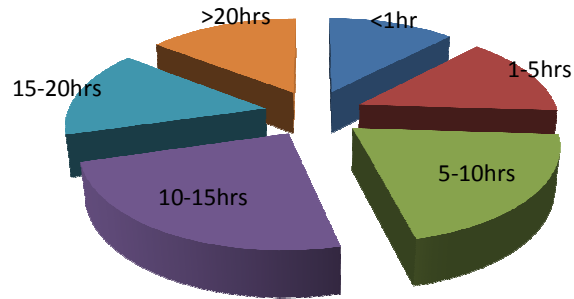
For a viral campaign the profile of the customer can help the marketers in segmenting and targeting with an appropriate message. The questionnaire included a section on consumer profile. The people who use Internet and access accounts on Social Networking Sites were targeted. The demographic profile included respondent's age, gender, education qualification and income. Table 1 presents a demographic profile of the respondents.

Table 1. Demographic Profile

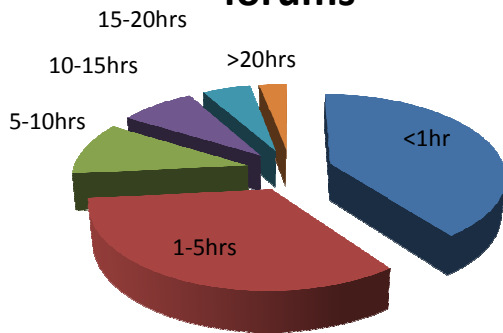
profile	Percentage	Profile	Percentage
Gender		Age	
Male	52	Below 20	19.1
Female	48	20-30	37.6
		30-40	28.9
		40 above	14.5
Educational qualification		Profession	
Graduate	51.4	Student	43.7
Post graduate	48.6	Business	23.1
		Service	20.1
		Others	13.1

It can be seen from Table 1, 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. The study focused on five different platforms on which viral marketing can take place on the internet, namely 1) E-mail, 2) Video, 3) Blog, 4) Social networks and 5) Forums. Given below are the pie charts.

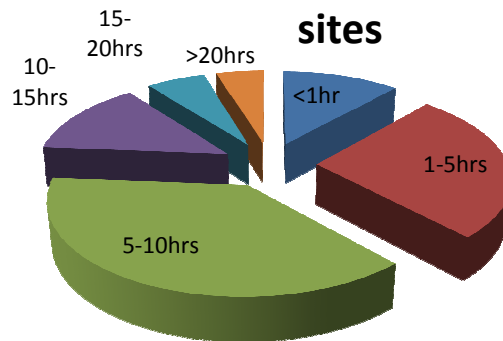
videos



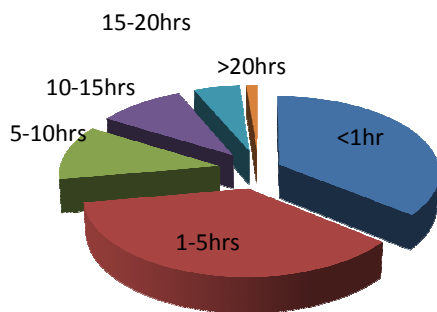
forums



Social Networking sites



blogs



emails

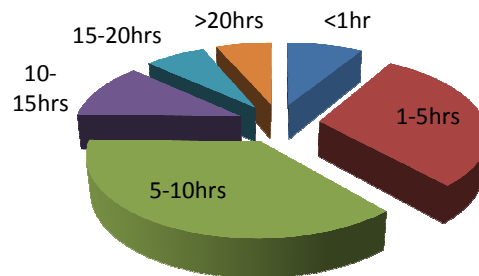


CHART 1. Average time spent per week by the respondents on the five platforms.

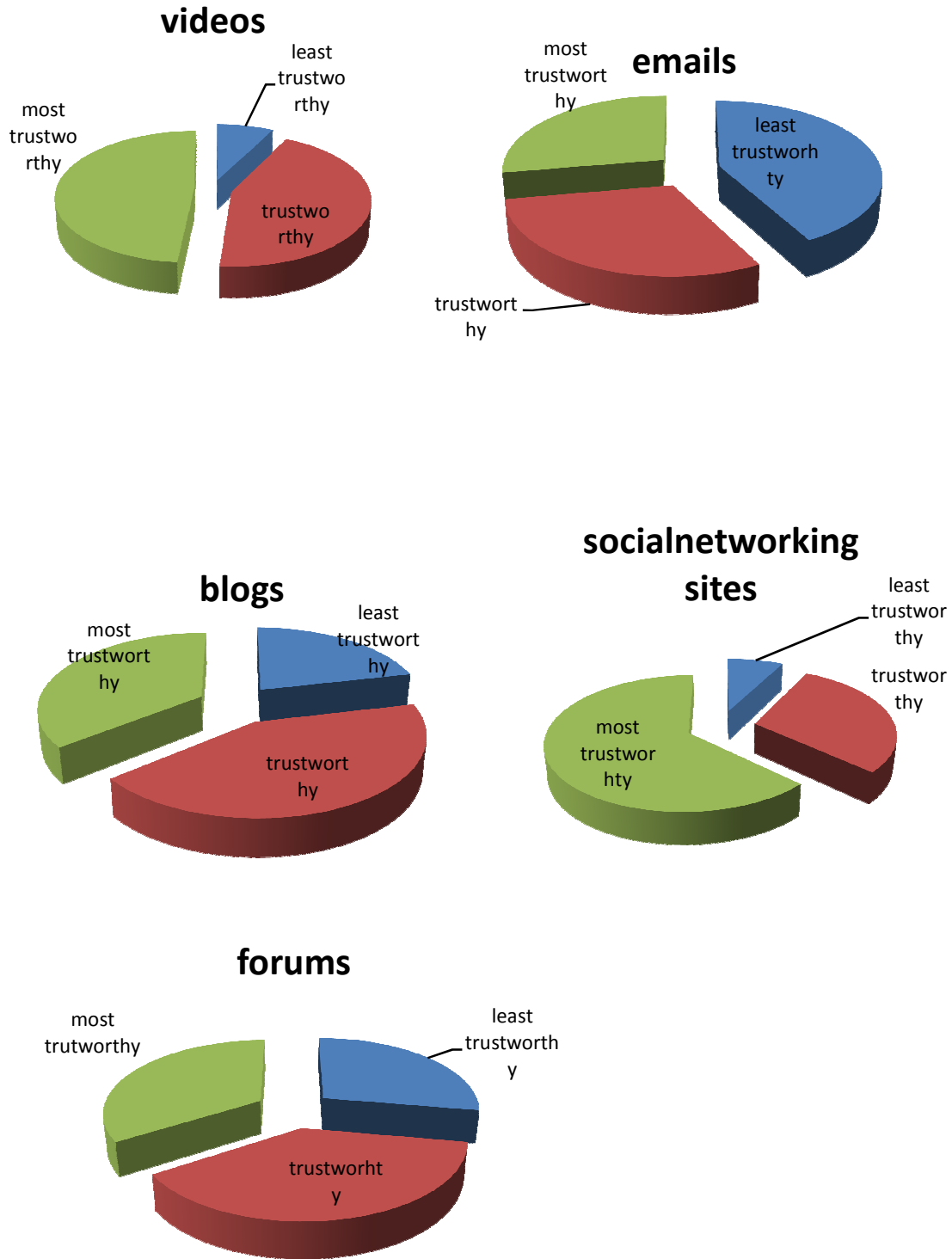


CHART 2 . Trustworthiness on viral marketing communication of the respondents on the five platforms.

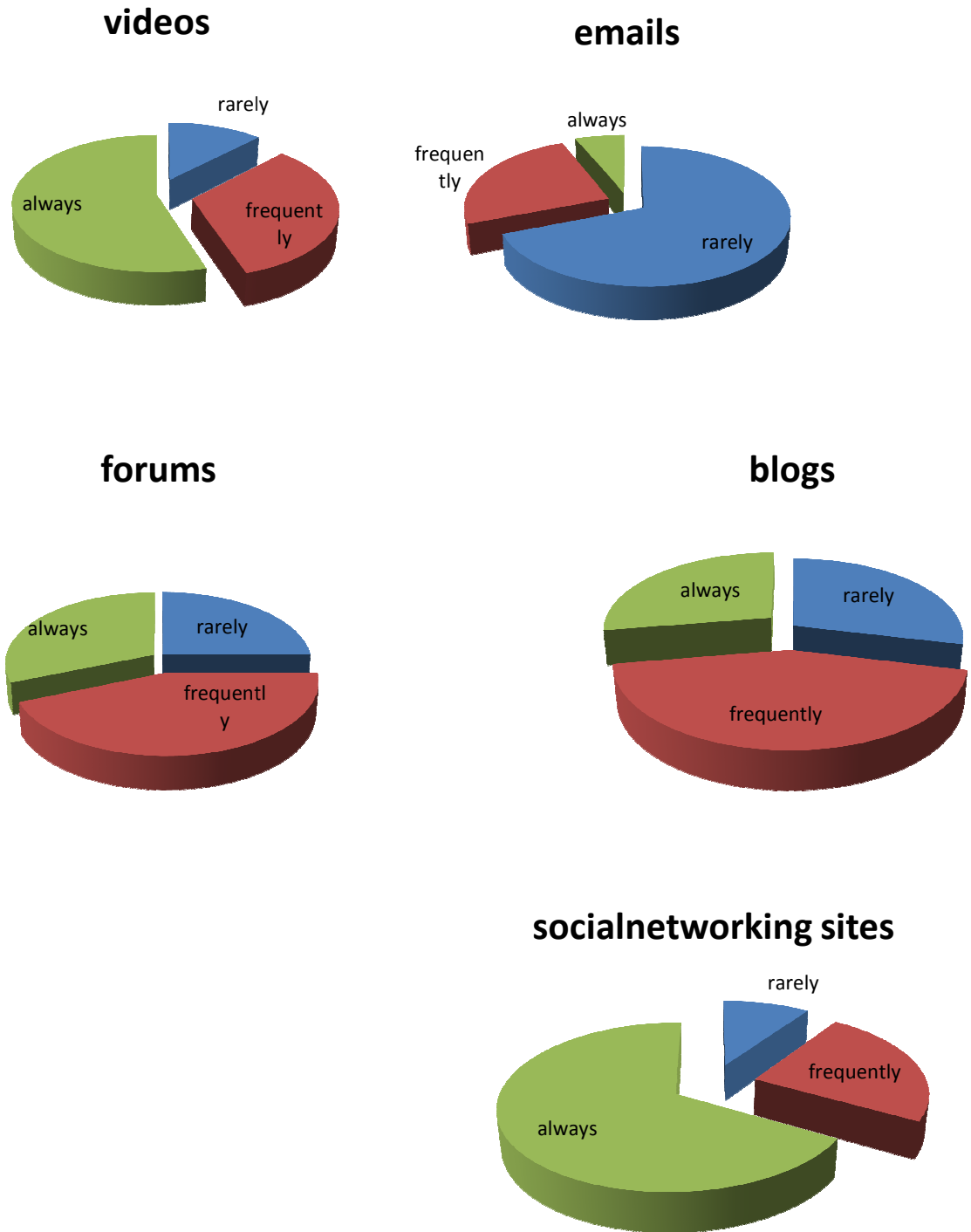


CHART3. Frequency of respondents recommends or buy product/service as a result of viral marketing communication on the five platforms.

As per the study we found that generally people spend most time on social networking sites and emails (39% spend 5-10 hours per week on social networking and 37% spend 5-10 hours per week on videos)and least time is spent on blogs and forums i.e 36% spent 1-5 hours a week on forums and 34% spent 1-5 hours a week on blogs respectively(see chart 1).A study conducted by Fisher (2009) also concluded that of the 70 percent of consumers who had visited a social media site to get information; 49 percent of these customers made a purchase decision with this information they found and 60 percent of the respondents in the study said they are likely to pass on information they find online.This means that social networking sites ,emails and videos are frequently used by the people as compared to blogs and forums.

Chart 2 revealed that most of the people think that videos and social networking sites are most trustworthy and blogs , forums and e-mails were found to be least trustworthy.58% of the respondents ranked social networking sites as most trustworthy , 45% of the respondents ranked videos as most trustworthy . 37% of them ranked emails as least trustworthy. The study also found confirms that people usually prefer to buy or recommend a product or service when they get details about it through social networking sites and videos (61% and 55% respectively)on internet. It is also found that respondents rarely buy a product or service as a result of the viral marketing communication through e-mails (68% of the respondents ranked it rarely) (see chart 3). Thus it can be concluded from the study that people are reluctant to use emails,blogs and forums while buying or recommending product or service .They feel that these mediums are not trustworthy enough for any sort of business. Scoble and Israel's (2006) in their study also confirms that blogging can fool .They compared it with "echo chamber" were you may think you are conversing with the world, when it's just a few people talking frequently, back and forth to each other, creating the illusion of amplification. The echo chamber can deceive a business into thinking it is either more widely successful or further off the mark than it is in reality, because a few people are making a lot of noise. While facebook Beacon provides a channel to virally distribute information about user brand-related activity (Barefoot and Szabo 2010; Tuten 2008). Since it includes networks of friends, Facebook presents a huge potential to increase the distribution of a message.

To find the impact of educational qualification on the behavior of consumer towards viral marketing communication analysis of variances (ANOVA) was applied. The p-value was found to be 0.225 which was greater than .05 and therefore we fail to reject the hypothesis H01 at 5 % level of significance (see annexure 1). It means that there is no significant difference in the consumer behavior towards viral networking communication on the basis of education qualification.

To study in depth we applied ANOVA on each statement. The results are tabulated in annexure 3. At 5% level of significance it was found that statement 7 and statement 10 shown significant difference in the behavior of respondents on the basis of educational qualification. The p-value of statement 7 was .019 signifies that there is difference in the frequency of receiving e-mails from friends containing links to recommend the product or service on the basis of educational qualification. Similarly statement 10 indicates that educational qualification plays a role in habit of forwarding e-mails to people whom they feel will be interested in the contents. This indicates that people believe in their friends and their verdicts. Graduate students are more inclined to forward or share the messages to their friends. Bernardo A. Huberman et al (2006) too opined that it is human nature that they are more interested in what a friend buys than what a stranger buys. An individual is more likely to trust the opinion of friends and get influenced by their actions. They found that 68% of individuals consulted friends and relatives before buying consumer electronics. This figure was more than half of those who used internet to get product information. Steve Jurvetson (1997) 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 content so that it clearly shows that it is coming from a friend. Therefore the marketing content must be customized and sent only after demographic and psychographic segmentation.

CONCLUSION

The study was undertaken to analyze the behavior of the customer towards the internet induced market also called viral marketing phenomenon. A study by Zimmerman (2001)

found that 81% of recipients will forward a message to at least one other person and 49% will send it to two or more others. When considering those percentages, it becomes clear how quickly these viral messages spread, and therefore why businesses need to harness them to aid their marketing objectives. When executed effectively, viral marketing campaigns can create an instantaneous buzz (Dobele et al,2007) and help to boost the promotion of brands, products and services. We also found that there was difference in the behavior of internet user in forwarding ,reading ,recommending and buying as a result of this technique over the five platforms which are emails, socialnetworking sites, blogs, videos and forums. This study was undertaken to find the effect of education qualification on behavior of consumer towards the viral marketing communication.

The results confirms that there is no effect of educational qualification on behavior of consumer towards the viral marketing communication. The proliferation of marketing and advertising, coupled with the onslaught 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. Advertisers can post to YouTube and advertise their information, can let the consumers do the viral job by transmitting the information forward, or can even let posts occur organically, through fans that capture video and post it the site (Riegner 2007; Tuten 2008). This competition, coupled with the rising cost of media buys, has caused marketers to search for an alternative means to reach the customer. 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. Because the distribution model is free, viral can potentially be lower cost and more effective than traditional media. Marketers should utilize viral marketing when the messaging can coincide and support a measurable business goal. The e-mail content must be customized and sent only after demographic and psychographic segmentation. The risk associated with viral marketing is that once the formulated promotional message is released it can neither be controlled nor its direction can be influence.

LIMITATIONS

The study has some limitations. 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 173 respondents. Self structured questionnaire was designed for the purpose. Respondents for the survey were taken from the Indore city. 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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ANNEXURE 1
ANOVA TABLE

demographics	N	MEAN	f-value	p-value
EDUCATIONAL QUALIFICATION				
Graduate	104	67.33	1.483	.225
Post-graduate	69	69.59		
Total	173	68.23		

ANNEXURE 2

QUESTIONWISE ANOVA			
S.No	ITEM	Edu.qua	
		F2	P
1.	I am more inclined to purchase products/services when the messages were passed by the people I know.	.788	.376
2.	I am more affected by negative comments about products as compared to positive comments.	.120	.729
3.	It makes me feel good to be able to spread messages about products/services to my friends on the internet.	.012	.911
4.	The internet word of mouth helps to strengthen my belief and commitments towards a brand of products/services.	.021	.885
5.	I trust in what people are saying about product/services.	2.815	.095
6.	I frequently use email a friend option to recommend a product/services.	.186	.667
7.	I frequently receive e-mails from friends containing links to recommend a product/service.	5.591	.019
8.	I frequently buy a product/service as result of these e-mails.	1.695	.195
9.	I views e-mails from unknown parties as spam.	2.475	.118
10	I have the habit of forwarding e-mails to people I know whom I feel will be interested in the contents.	5.941	.016
11	I usually forward e-mails with financial benefits described in the mails.	.067	.797
12	I am aware of marketing/advertising message present in viral videos.	.050	.823
13	Funny videos help me to remember a brand better.	3.891	.050
14	I usually spread videos links to my friends/relatives.	.259	.611
15	I frequently watch online promos of films before it is released.	.154	.695

16	I go and watch the film as a result of these promos.	.215	.644
17	I like to stay in touch with friends on social network sites (e.g. facebook, friendster, multiply)	.156	.694
18	I usually pay attention to the advertisement which appear on the sites.	1.674	.197
19	I usually view messages/videos links sent, posted or recommended from my friends and relatives.	.634	.427
20	I usually post messages/videos links to friends and relatives.	.625	.430