



Virally inspired: A review of the theory of viral stealth marketing

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ABSTRACT

Viral stealth marketing is a contemporary marketing technique, which has evolved in reaction to the increasingly competitive marketing environment. This paper notes that despite its huge potential, very little research is being targeted towards understanding the utility of viral stealth marketing, particularly in the context of Generation Y, whose behavioural characteristics are particularly suited to this form of marketing. This paper explores the nature of viral stealth marketing and its ethical implications; then formulates an agenda for future research that has a potential to add significant value to organisations.

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1. Executive summary

Viral stealth marketing is an emerging and contemporary marketing technique, which has evolved in reaction to the increasing promotional ‘clutter’ aimed at consumer markets. Viral stealth marketing is an electronic word of mouth communication that is spread in an exponential and contagious manner using the highly effective platform of the electronic medium. The people spreading these marketing messages are required not to disclose the fact that they are being paid to promote the product for the organisation. This aspect of non-disclosure raises some important questions about the ethics of this marketing technique. Generation Y (Gen Y) are particularly susceptible to this form of marketing, due to their proclivity for electronic communications and tendency to favour word of mouth communications over traditional forms of advertising. Within USA, Gen Y comprises 70 million people (Gogoi, 2005) with spending power in excess of \$150 billion a year (Krotz, 2007). This makes them a highly lucrative and attractive target market. Examining their attitudes towards viral stealth marketing in terms of its ethics and effectiveness, as well as how these attitudes affect their brand perceptions and purchase intentions, is of great importance to the marketing sector and any organisations considering reaching Gen Y using this marketing technique. This paper explores the nature of viral stealth marketing and its ethical implications, then formulates an agenda for future research.

As companies expand their marketing activities, the promotional ‘clutter’ across media channels increases. This clutter makes it progressively more difficult to capture the attention of potential consumers. In response, viral stealth marketing (VSM) has emerged as a contemporary marketing technique. Capitalizing on the efficacy of the electronic medium and on the credibility of word of mouth (WOM) marketing, viral stealth marketing seeks to disguise the relationship between the individual(s) conveying the message and the organisation endorsing it. Thus, a more subtle form of communication ensues which reaches consumers on a more personal level to influence their buying behaviour. Published research on viral stealth marketing is limited, particularly in relation to Gen Y and how these consumers perceive this marketing technique. For example, a literature review of VSM and Gen Y found one published study that was dedicated to a form of VSM called ‘Buzz Marketing’ (Ahuja et al., 2007). This study, which reveals some interesting insights and contrasts in Gen Y beliefs, employs a WOM, focus group methodology. Although a small percentage of teenagers perceived buzz marketing as “sneaky” or “secretive”, there was no real evidence of a moral dilemma from participants in this study (Ahuja et al., 2007, p. 159). Apart from this research, there appears to be a void in studies of EWOM that utilise VSM approaches, which is an appropriate communication mechanism for Gen Y consumers.

This paper reviews the literature and formulates an agenda for further research regarding the ethics and effectiveness of the viral stealth marketing technique with particular emphasis on how it is perceived by Generation Y (Gen Y). Gen Y is one of the largest consumer groups, with spending power in excess of \$150 billion a year within America (Krotz, 2007). Gen Y is extremely adept with technology, and is therefore a prime target for viral stealth marketing.

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Gen Y attitudes towards this emerging and alternative marketing method are of significant value to the marketing industry and organisations seeking to penetrate this highly lucrative market.

2. The growing popularity of viral stealth marketing

It is becoming increasingly apparent that the popularity of traditional advertising channels, in particular television, is declining, largely due to three inter-related trends. The first involves the release of new forms of technology for viewing television programs, such as digital video recorders and personal television recorders. These technologies allow viewers to record material and edit out commercials, in the process severely restricting the success of conventional forms of advertising (Boyle, 2003; Kaikati and Kaikati, 2004; Chiagouris, 2006; Spalding, 2006). A recent study has revealed that the number of television advertisements needed to reach 80% of females aged between 18 and 49 increased from three commercials in 1995 to 97 commercials in 2000 (Boyle, 2003). The second trend derives from a growing denigration of traditional forms of advertising. Conventional theories of consumer behaviour which are highly regarded in the advertising industry (e.g. the hierarchy-of-effects model) have been challenged by critics (Kaikati and Kaikati, 2004). There have also been various books published criticising the advertising industry and urging marketers to adopt more unconventional tactics to achieve consumer awareness (Kaikati and Kaikati, 2004). Third, the growing popularity of the Internet among the youth demographic is ‘paving the way’ for greater possibilities for premium online promotional content (Chenery, 2007).

3. Terminology

Due to the emerging nature of viral and stealth marketing practices, there is a general lack of consensus about the terminology of the phenomena involved. Various terms, such as stealth, undercover, below-the-radar, guerrilla, shill and buzz marketing, are (sometimes synonymously) applied in the existing popular and scholarly literature. The terminology applied in this paper is explained as an introduction to the concept of viral stealth marketing.

The term “viral marketing” was coined by Steve Jurvetson and Tim Draper from the venture capital firm Draper Fisher Jurvetson in 1996. The expression was used to describe the marketing strategy they developed for the free e-mail service Hotmail, where each e-mail originating from a Hotmail account was appended with the tag line “Get your private, free e-mail from Hotmail at <http://www.hotmail.com>” (Jurvetson, 2000, p. 1). The analogy of a virus is used to describe the exponential diffusion of information in an electronic environment, and should not be confused with the negative computing connotation of a “virus” that is often associated with the spread of malicious disruptive software programs (Alexander, 2006, p. 12). The viral spread of information can be compared to the analogy of a sneeze, which typically releases approximately 2 million particles (Porter and Golan, 2006). In a similar fashion, viral messages are spread exponentially from one consumer to the next. The latter argument is supported by studies that have shown that when compared to conventional media such as the telephone or other face-to-face interactions, the electronic medium allows for a much greater reach for a marketing message (Subramani and Rajagopalan, 2002). In keeping with the ‘sneeze’ analogy, the number of individuals who can be connected by informational linkages easily and simultaneously is amplified by the use of interactive technology, such as e-mail, web logs (commonly called blogs), chat sites, online bulletins and social networking sites.

Viral marketing is also referred to as “buzz marketing”, which is defined as “the amplification of initial marketing efforts by third

parties through their passive or active influence” (Thomas, 2004, p. 64). This term refers to the phenomenon of influencers spreading the ‘buzz’ about new products or experiences to their social network. Whilst viral marketing is exclusively spread using an electronic medium, buzz marketing can be spread using a range of mediums, including traditional word of mouth or physical interaction, such as sharing coupons or merchandise with friends (Ahuja et al., 2007).

Another popular term for viral marketing is “word of mouse” marketing. This is because the strength behind the viral marketing concept lies in that it leverages the power of word of mouth communication between individuals using an electronic medium (Helm, 2000, p. 158; Subramani and Rajagopalan, 2002, p. 2).

Importantly, whereas viral marketing is generally regarded as a legitimate and ethical marketing technique, stealth marketing involves people who are paid to promote a brand, product or service surreptitiously, in that they do not disclose their relationship with the organisation promoting it (Balter and Butman, 2006). The primary difference between viral marketing and VSM is the *non-transparency* of the latter’s marketing approach. Stealth marketing is also referred to as ‘undercover’, ‘below-the-radar’, ‘guerilla’ or ‘shill’ marketing in popular magazine terminology. However, whilst stealth, undercover, shill and below-the-radar marketing can be considered synonymous terms, guerrilla marketing differs from these marketing techniques, in that it does not necessarily rely on deception or non-disclosure as a core characteristic. Instead, guerilla marketing refers to unconventional marketing techniques on a very low budget, specifically designed for small business (Langer, 2006).

It is important to note that not all viral or buzz marketing is also stealth marketing. Viral or buzz marketing can only be considered stealth marketing if it involves the aspect of non-disclosure. As such, viral stealth marketing can be defined as an electronic word of mouth communication that is spread by a person who does not disclose his relationship with the organisation endorsing it.

4. The notion of viral stealth marketing

Both viral marketing and VSM have emerged as alternative marketing techniques, relying on a more subtle and personal approach to traditional forms of advertising. Perhaps, the most attractive feature of viral marketing as a marketing technique is that it utilises pre-existing social networks to engender exponential increases in brand awareness. This proposition raises questions about some of the claims made by traditional theories of consumer behaviour, such as rational choice theory, which present humans as individualistic and explain their behaviour in terms of a conscious interpretation and evaluation (Satz and Ferejohn, 1994). The theory of “memetrics” challenges the rational choice viewpoint, suggesting that “*contagion* rather than *conscious choice*” is a more appropriate approach for understanding consumer behaviour (Marsden, 1998, p. 363). The theory of contagion and indeed the notion of viral marketing are explained by the manner in which ideas and activities are spread in an ‘infectious’ manner to influence consumers’ attitudes and behaviour. Although apparently novel, in fact, the idea of contagion dates back to the 19th century where Gabriel Tarde first identified the phenomenon (Barry and Thrift, 2007). It is on this premise that VSM is presented as a tool for stimulating a “mind virus” among consumers (Marsden, 1998, p. 365).

Whilst VSM refers to stealth marketing activities conducted using an electronic medium, stealth marketing approaches may also be implemented in other ways. Three primary ways in which stealth marketing is conducted are *physically* (a celebrity may be seen with the brand), *verbally* (through conversation), or *virally* (using an electronic medium) (Kaikati and Kaikati, 2004). The *physical* form of

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