



Social and attitudinal determinants of viral marketing dynamics

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ABSTRACT

At this time of uncertainty, viral marketing is emerging as one of the most intriguing communication strategies, due to low cost and the results it obtains. However, the success of this kind of practice depends on a range of factors including what we explore and refer to in the present research as the individual's "viral dynamics". We thus propose a causal model in which viral dynamics is determined by the individual's social capital and prior attitudes. Based on a survey of young adults, the authors test the effects of structural and relational capital as well as attitudes on viral dynamics. The results evidence that the individual's connectedness in the email network does not impact viral dynamics, whereas the individual's integration and relationship with the network and the attitudes towards viral messages prove critical to the individual involved in the receiving-forwarding process.

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1. Introduction

In recent years, conventional means of communication have become increasingly ineffective (Nail, 2005), and have begun to give way to more innovative communication tools due, to a great extent, to the enormous strides in information technologies (IT). With the growth of the Internet, electronic peer-to-peer communication has become a major phenomenon (DeBruyn & Lilien, 2009). Individuals can share opinions and information with others (Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004) more easily and than ever before, virtually free of charge. The Internet is a large-scale means of personalization enabling vast numbers of people to be reached in a one-to-many process, similar to conventional mass media, but with the added advantage of message personalization, for instance through email messages, which resemble interpersonal communication in that they can be tailored to the individual (Phelps, Lewis, Mobilio, Perry, & Raman, 2004). This has led to clients having more power than ever before.

Communication is no longer restricted to the conventional one-way firm to consumer approach, or to more recent two-way or bidirectional communication. Communication now flows in a variety of ways, exploring the links or relations that individuals have with others through IT. Furthermore, at a time when consumers display ever-diminishing trust in firms and their advertising messages, word-of-mouth (WOM) communications are proving increasingly popular, particularly since the source (which communicates or convey a message) is known by the message recipient, thus influencing consumer beliefs and attitudes (Brown, Broderick,

& Lee, 2007; Cheung, Anitsal, & Anitsal, 2007). Yet, the evolution of the Internet, email and the second generation of the web – or web 2.0, the web built by everyone for everyone (such that many to refer to web 2.0 as the social or democratic web) –, as well as social media in general (Facebook, Twitter, Blog, etc.) have led to the WOM phenomenon taking on gigantic proportions. Whilst it has traditionally been held that, on average, satisfied consumers pass on their satisfaction to three other people and dissatisfied consumers to eleven, the emergence of IT has meant that the scope and reach of such messages can multiply beyond the mere exponential. For instance, a person in Facebook has an average of around 150 contacts, each of whom in turn has a similar number of contacts in their network. Each message posted on their wall is automatically distributed and sent out to all their contacts and may be commented on, shared or forwarded by these subjects to the same number in their own network. A similar effect may be achieved by forwarding emails to contacts in a person's address book or by publishing messages or opinions in forums and blogs, which any net user may access and pass on. One important point to note is that whilst conventional WOM is virtually restricted to those with whom there is some kind of previous contact or acquaintance (we share our opinions personally with relatives, friends, work-mates, etc.), when a user posts an opinion on the Internet, the message reaches both those who are known as well as those who are not (in forums, blogs, and even some Twitter followers). Yet, not only is the scope important but also the value which individuals attach to these communications (according to a study published recently in Spain, the results of which do not differ from those obtained in other countries with similar Internet penetration rates – around 50% of the population –, 69% of users normally use the network to check out other people's opinions concerning various products/services, and 43.2% trust the information they see).

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Many see viral marketing as a form of WOM advertising in which certain consumers tell others about a product or service (Vilpponen, Winter, & Sundqvist, 2006). Viral advertising relies on provocative content to motivate unpaid peer-to-peer communication of persuasive messages from identified sponsors (Porter & Golan, 2006). In other words, firms must persuade consumers, with the support of IT and through their network of contacts, to become the vehicles through which the advertising campaign is conducted, through clicks, some authors even dubbing it Word-of-Mouse (Xia & Bechwati, 2008). Thus, rather than advertising, what we are in fact witnessing is a kind of publicity.

As expected, academic research has begun to reflect this development, numerous works appearing in recent years addressing this phenomenon. Yet, said works focus on analyzing the receipt, opening and forwarding of viral messages in an independent manner, which we feel to be insufficient. As a result, the current study explicitly incorporates the receipt and forwarding of viral messages simultaneously in the same model, a process we refer to as viral dynamics. In this respect, and focusing on email communication, we pinpoint a gap in the research which the present study aims to fill by exploring viral dynamics.

A further contribution is that this article integrates two theoretical frameworks to explain viral dynamics. Viral dynamics refers to the process of receiving, sending and/or forwarding messages from one person to another in their network of contacts, such that we need to explore the effects which the characteristics of individuals' networks and their relationships might have on the process. The popularly well known six degrees of separation theory contends that every person on the planet is connected by six nodes or links (persons). If we add to this the immediacy and facilities afforded by ICT, a campaign or viral message might theoretically spread rapidly to the population of the entire planet by simply "infecting" a small group of people. Viral communication may thus be deemed a social phenomenon, in so far as it involves a group of people through which a message circulates and who are able to mobilize the whole planet for a common cause rapidly, easily and in a way accessible to many (unthinkable just a few decades ago). Understanding how the phenomenon of viral communication works thus has implications for all areas, not just the academic (in which as yet there are no models or theories to explain the phenomenon). This proves vital for firms, in that conventional means of communication are no longer as efficient, and for society as a whole as it can impact their daily lives in addition to affecting other key decisions.

In an effort to understand this phenomenon better, we felt that drawing on postulates taken from sociology would prove enlightening. First, on the basis of the Social Capital Theory (SCT) Nahapiet & Ghoshal, 1998 and the Social Network Theory (SNT) Granovetter, 1983, we propose individuals' social capital in the email network as an antecedent of viral dynamics, that is, individuals' connectedness, integration and relationship closeness in the network. Second, on the basis of the Theory of Reasoned Action (TRA) Ajzen & Fishbein, 1980; Fishbein & Ajzen, 1975, we explore how individuals' previous attitudes, whether positive or negative, impact their perception of viral messages.

The article is organized as follows. We first review viral marketing literature and the main aspects to be researched. Second, we define the concept of viral dynamics and specify the determinants of this process on the basis of SCT, SNT and TRA. We then empirically test the proposed hypotheses, and finally discuss the main theoretical conclusions and business implications to emerge from the findings.

2. Viral marketing. Research aspects

Steve Jurvetson and Tim Draper (Knight, 1999) first coined the term viral marketing in 1997. The term 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, indeed millions (Kirby & Marsden, 2006).

At the present time, however, a lack of consensus exists concerning any clear definition of what viral marketing is. Whereas for some, viral marketing refers to word-of-mouth (WOM) communication whereby certain people talk to others about a particular product or service (Phelps et al., 2004; Rosen, 2000), for others viral marketing differs from WOM communication in that those who create the virus have a vested interest in engaging, recruiting or reaching specific individuals in the net. Put differently, the value of the virus for the person who originally spreads it is directly related to the number of other users the virus attracts (Modzelewski, 2000). Therefore viral marketing is marketing applied to WOM (Gruen, Osmonbekov, & Czapski, 2006), in other words, the use of WOM as a tool to disseminate the marketing campaign (hence the term buzz marketing which is also used to describe it). It is thus necessary to merge word-of-mouth with network effect theories. Vilpponen et al. (2006) define viral marketing as word-of-mouth communication in situations where positive network effects prevail and where the role of the influencer is active due to positive network effects, a standpoint that the current research shares. Put differently, the positive effect of the network is in evidence not only because the message reaches a wider audience and spreads at a greater speed but also because the response amongst individuals is more positive. In a persuasive communication context, a favorable attitude towards the source or person passing on the message, or simply a knowledge thereof, is reflected in a greater receptivity thereto, such that we speak of the multiplying effects in the efficacy of viral communication. If we add to this the fact that in viral communication it is individuals who assume the "cost" of spreading the campaign or message, the phenomenon becomes one of enormous interest to firms. Yet, even taking account of the positive effects of the net, there is still a great deal to be learnt concerning the specific effects involved in the sending and forwarding of viral messages, a gap which we aim to fill in part through the present research.

WOM refers to communication processes in which the receiver in turn becomes a broadcaster, ensuring that the information continues to circulate which, applied to a financial context, refers to a conversation between consumers concerning their experience of a specific product or service (East, 2005). The importance of WOM is key to examining consumer behavior since it plays a decisive role in the formation of their beliefs and attitudes (Brown & Reingen, 1987; Cheung et al., 2007).

As has already occurred with other communication variables, with the development of IT and the large-scale introduction of the Internet, a new kind of WOM has emerged: electronic or online mouth-to-ear (or eWOM). eWOM is perceived as any informal communication using IT concerning the usefulness of certain goods or services, as well as sellers or suppliers (Litvin, Goldsmith, & Pan, 2008). The main difference between eWOM and WOM is that the message circulates through a purely digital channel and that, coupled to what was mentioned above, there are also all the particular aspects of such channels with regard to scope, speed and ease of spreading the message.

Applied to the Internet, such opinions, both positive and negative, expressed by previous, current or potential consumers of a product or firm may be accessed by numerous individuals through the networks or links they set up using email, instant messaging, blogs or social networks. For this reason, Sussan (2005) feels that eWOM creates value for products, for the market in general and for society as a whole, since interaction amongst consumers – or each online episode – enhances understanding of the product.

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