viral marketing
understanding the concepts and benefits of viral marketing
# WHITE PAPER : VIRAL MARKETING

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THE CONCEPT BEHIND VIRAL MARKETING

word-of-mouth

The concept of viral marketing is by no means new. Word-of-mouth marketing, viral’s forefather, has been around for ages. The principle behind word-of-mouth marketing is simple; use influencers to generate peer-to-peer product recommendations or buzz. Prior to the advent of the Internet, however, this form of marketing was too disjointed to effectively benefit most advertisers. The effect of word-of-mouth was largely contained to specific geographic areas simply due to the lack of widespread social networks. Word-of-mouth was generally limited by the ability of the influencer to physically speak to another prospective customer, hence the term “word-of-mouth”.

enter the internet

The Internet has radically changed the concept of word-of-mouth, so much so that the term “viral marketing” was coined by venture capitalist Steve Jurvetson in 1997. The term was used to describe Hotmail’s email practice of appending advertising for themselves to outgoing mail from their users. 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.

While email may have been the original catalyst; the advent of social networks, online communities and chat provide the ability to distribute information exponentially faster than ever before. Where word-of-mouth marketing could take weeks or months to reach a thousand people, viral marketing can reach hundreds of thousands or millions in a matter of days or hours. The spread of an effective viral marketing campaign is akin to an epidemic outbreak of a virus, limited only by the potency and relevance of the marketing message.

VIRAL MARKETING DEFINED

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.”
WHY VIRAL MARKETING

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. The creation of technologies such as PVRs, satellite radio and Internet ad blocking software are driving a fundamental shift in the way the public consumes media and the advertising often tied to it. Television ads, radio spots, online ads and even emails are facing increasing competition for effectively capturing the viewer’s attention and provide positive ROI for the marketer.

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.

the viral effect

More than 90% of consumers said they told at least one other person about a Web site when the original recommendation came from a friend, according to Jupiter Research.

viral marketing advantages

1. Cuts through the clutter of traditional advertising, allowing marketers to effectively reach the audience.

2. Doesn’t require a product with a wow factor in order to raise awareness, generate buzz, and kick-start peer-to-peer spread. Instead, the viral campaign’s communication agent is the element that needs a wow factor or element of interest.

2. Unlike traditional advertising viral is not an interruptive technique. Instead, viral campaigns work the Internet to deliver exposure via peer-to-peer endorsement. Viral campaigns, whether ultimately liked or disliked, are often welcomed by the receiver. The focus is on campaigns with material that consumers want to spend time interacting with and spreading proactively.

viral marketing disadvantages

Viral marketing, like all marketing is hit or miss. However, viral marketing by nature is often more risky or controversial than traditional marketing. If done improperly viral marketing can backfire and create negative buzz.
THE MARKETING MIX

Viral marketing is by no means a substitute for a comprehensive and diversified marketing strategy. In employing viral marketing to generate peer-to-peer endorsement, brands have also learned that the technique should not be considered as a standalone miracle worker.

James Kydd, Brand Director for Virgin Mobile who just launched the 11th release in their successful series of viral marketing campaigns, states, “viral marketing is best used not as a one-off tactical end in itself, but as an integrated strategic part of the overall marketing mix. It is a means to an end whereby it not only generates buzz, but also provides ongoing, quantifiable brand benefits, such as increased awareness, peer-to-peer endorsement and ultimately more sales.”
COMMON VIRAL MARKETING MESSAGING

While the messaging and strategy ranges radically from campaign to campaign, most successful campaigns contain some commonly used approaches. These approaches are often used in combination to maximize the viral effect of a campaign.

free products or services

Many viral marketing programs utilize free products or services to spark interest. Giving away low-cost items such as t-shirts can often lead to the sale of much higher cost items. Marketers often use low cost items as a method of collecting consumer data and building a database of potential customers that are already familiar with the brand.

compelling content

From hilarious to raunchy to controversial good content and concepts can often make or break a viral campaign. Creating quality content can often be more expensive than simply offering a free product, however the results are often better. The general rule of thumb is that the content must be compelling, it must evoke a response on an emotional level from the person viewing it. This fact alone has allowed many smaller brands to capitalize on content based viral campaigns. Traditionally larger brands are more reserved and risk adverse to the possibility of negative reaction.

exclusivity

This form of messaging is designed to appeal to our natural tendency to desire things we can’t normally have. This messaging includes invitations to join V.I.P clubs, access to products or services before they are released to the public and the ability to choose the fate of others within a peer group. While this tactic can be extremely successful, there is a built in cap to its success. If the offer spreads too wide it will loose its exclusive appeal.

get paid

Rewards and financial incentives often play a role in viral referral campaigns. Marketers can incent users to pass along a message in exchange for compensation ranging from points, special offers and in some cases cash.
MAKING IT VIRAL

user considerations

Successful viral campaigns are easily spread. When creating a campaign, marketers should evaluate how people will communicate the message or campaign to others. Marketers should ask themselves the following questions when developing a viral strategy:

- Does the content require special plug-ins?
- Will an attached file in email be too big?
- Does the website require broadband?
- Is the URL easy to remember?
- Is the referral mechanism easy to use?
- Is the barrier to entry too high?

The easier a campaign can spread the more successful it can ultimately be. A large majority of campaigns miss the mark because they fail to take this into consideration.

campaign seeding

“Seeding” the original message is a key component of a viral campaign. Seeding is the act of planting the campaign with the initial group who will then go on to spread the campaign to others. The Internet provides a wide array of options for seeding, including:

- Email
- Online Forums (Google groups)
- Social Networks (MySpace.com, Facebook.com)
- IM (AIM, ICQ, MSN, Google)
- Blogs
- Podcasts

When determining where to seed it is important that marketers consider the audience you are seeding for. If a campaign is skewed towards a certain audience, marketers should make sure they seed towards that audience. Failure to do so may kill a campaign before it ever gets off the ground.

leverage existing media buys

Marketers should leverage existing media buys by incorporating the promotion of the viral campaign. This can range from a simple reference at the end of a commercial or in print to a fully integrated approach using mass media to directly promote the viral activity.
ability to scale

The goal of a viral campaign is explosive reach and participation. Marketers should be adequately prepared to meet the needs of participants in the event that the campaign is successful. Server space, bandwidth, support staff, fulfillment and stocking should be taken into consideration well in advance of campaign launch. The marketer should have the ability to capitalize on the full success of the campaign.

GETTING IT RIGHT

One of the most successful viral marketing campaigns of all time was the original Hotmails, simple text advertisement appended to each user’s email. The free e-mail service spent a mere $50,000 on traditional marketing and still became the world’s leading e-mail provider almost overnight, with 75 million users. Since that time there have been thousands of failures and successes, a few of those are highlighted below.

the trojan games

The Trojan Games viral marketing campaign (www.trojangames.co.uk), with its award-winning sex-and-games spoof video content, has been seen by over 38 million people globally since the site launched in October 2003. In its first month alone, over 6 million people visited the site. Only sites such as Google and Yahoo reach more people over such a time period. The following brand benefits were revealed in a consumer survey:

• 77% recalled the Trojan brand after seeing the campaign
• 73% positive rating of the overall impression of the campaign
• 80% perceived the campaign to be unique
• 50% would be more likely to consider the Trojan brand after seeing the campaign

mazda’s parking campaign

Mazda’s “parking” campaign (http://www.mazdamovies.com) is another example of a viral campaign delivering tangible brand benefits. The campaign used an online video to strike a chord with online users, sparking global debate on blogs and forums about male and female parking capabilities. Globally the campaign generated over a million quantified clip views in less than a month and helped sell a product that is very similar to many others in its class.
As Steve Jelliss, CRM Manager for Mazda Motors stated, “our ongoing series of viral marketing campaigns have proven their value in providing high brand exposure to a wide-as-possible audience, and ultimately contributing to car sales.”

**small brand, big results**

The 2004 online viral campaign for Bullguard (www.bullguard.com/pamelaspeak) proves that you don’t need to be a big brand to make viral marketing work. Bullguard makes anti-virus and firewall software and distributes their product only online. They created a viral campaign using a home-video style clip and specialist viral site seeding. The campaign generated over 6 million clip views and over 30,000 post-view trial product downloads globally in less than seven months.

On the brand benefit front, it has doubled Bullguard’s Google search results, increased the number of dealers endorsing and selling their products (offline now as well as online), and repositioned the brand as the “young rebel” in the security software industry.

**GETTING IT WRONG**

**raging cow**

Some high profile campaigns illustrate the risks brands take when venturing to use online viral marketing without fully understanding the factors of success. For example, the infamous Dr. Pepper “Raging Cow” online viral campaign generated a backlash from the blogging community for what was perceived at best as a clumsy infiltration of a tight-knit community.

Janis Mara of ClickZ News (April 16, 2004) notes, “Dr. Pepper showered teen bloggers with gifts and indoctrinated them on how to blog its new Raging Cow beverage. The plot backfired, with a well-publicized boycott and global media covering the debacle.”

Ironically, online influencers may have liked the product; they just did not like being told how to blog about it.
DEVELOPING TANGIBLE BENEFITS

Specialist seeding expertise can be found, and appropriate viral content is not impossible to create. But, not every brand remembers during planning that the point of a viral campaign is not only to “go viral,” but also to benefit the brand strategically.

A perfect example of an online viral campaign that misses the mark on the brand benefit front is Burger King’s “Subservient Chicken” (www.subservientchicken.com). The campaign uses an interactive video of a man dressed as a chicken in a humorous take on web cam activity. The product it aims to promote is its latest chicken sandwich, which in itself does not inspire consumer-driven activity. Instead, the viral agent delivers this, having been seen by 46 million people according to Burger King.

Selling sandwiches

On the down side, how many visitors realized that the campaign was for a chicken sandwich, or indeed Burger King rather then one of its many competitors. As AdAge.com asked, “…will it make the flagging burger giant cool again with young men – or even sell sandwiches?” This campaign is in danger of having generated a character in a chicken suit that outshines the brand. It illustrates that content and high exposure is not enough; viral campaigns must also deliver strategic brand benefits, otherwise their value may not be fully realized.

CONCLUSION

Viral marketing is a credible marketing tactic that can deliver positive ROI when properly executed as a component of an overarching strategic plan. Marketers should utilize viral marketing when the messaging can coincide and support a measurable business goal.
MindComet assists clients in optimizing their customer relationships. We work cooperatively to develop a comprehensive customer relationship strategy that strengthens the bond to both existing customers and prospects. Our strategy integrates and automates diverse input from a company’s internal and external sales, marketing, advertising, customer service and public relations to create detailed, individualized customer dialogues that build brand equity, increase customer conversion rates, decrease acquisition costs and extend the lifetime value of each relationship.

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