

Industries Earn While Companies Sleep-A Case Study on Viral Marketing

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Abstract

Viral Marketing exploits the social media networks to reach out to the large number of customers which are beyond the reach of traditional marketing communication media. The present case deals with the real-life success stories of Viral Marketing targeting the major industries backed up by the factual data and how businessmen can use it as a competitive advantage. The case also highlights how different types of industries are implementing viral strategy which results into their economic development. As the people spend most of their time online so the use of viral marketing is the fittest strategy to capture the today's virtual world. The present case concludes that More Links+ More Exposure+ More Traffic leads to More Sales. Future studies could expand its application circumferences, scope to specific sector and target audience.

Keywords: Viral Marketing, Marketing Communication, Competitive Advantage, Strategy, Advertising, Brand.

I. INTRODUCTION

“Gone are the days when the companies only rely upon advertisements, publicity, sales promotion for the creation of their brand identity, exposure to the large audience with the aim to generate sales. As the people start spends most of their time online, so companies are also following their customers whatever the website customers sign in”. The world is increasingly becoming more connected due to the means of communication available through the internet. As internet use increases among all age groups and across all cultures, so they will become increasingly more dependent on internet search. The present case deals with the real-life success stories targeting the major industries backed up by the factual data.

II. SUCCESS STORIES

INTERNET SEARCH PROVIDERS'
INDUSTRY- **No one can deny the success of Google.**

Table 1: Comscore Expanded Search Query Report January 2010 vs. December 2009
Total U.S. – Home/Work/University Locations

Expanded Search Entity	Search Queries (MM)		
	Dec-09	Jan-10	Percent Change Jan-10 vs. Dec-09
Total Internet	22,741	23,163	2%
Google Sites	14,019	14,045	0%
Google	10,101	10,378	3%
Youtube/All Other	3,918	3,667	-6%
Yahoo! Sites	2,629	2,670	2%
Yahoo!	2,605	2,647	2%
All Other	24	23	-4%
Microsoft Sites	1,620	1,772	9%
Bing	1,399	1,549	11%
Microsoft/All Other	221	223	1%
Ask Network	696	736	6%
Ask.Com	332	336	1%
Mywebsearch.Com/All Other	364	400	10%
Ebay	680	659	-3%
Craigslist, Inc.	583	636	9%
Aol Llc	588	576	-2%
Aol Search Network	325	317	-2%
Mapquest/All Other	263	259	-2%
Fox Interactive Media	424	403	-5%
Myspace Sites	416	398	-4%
All Other	8	5	-38%
Facebook.Com	351	395	13%
Amazon Sites	302	238	-21%

Source: Comscore Qsearch (2010)

From the above table, it is observed that Google Sites led the search market with more than 14 billion search queries, followed by Yahoo! Sites with 2.7 billion queries and Microsoft Sites with 1.8 billion searches. Bing experienced large growth during the month with an 11-percent increase in query volume to reach more than 1.5 billion searches. Craigslist jumped

one position with 636 million searches, while Facebook grew to 395 million searches, representing a 13-percent increase from the previous month.

JANUARY 2010 U.S. CORE SEARCH RANKINGS

Google Sites led the U.S. core search market in January with 65.4 percent of the searches conducted, followed by Yahoo! Sites (17.0 percent), and Microsoft Sites (11.3 percent). Ask Network captured 3.8 percent of the search market, followed by AOL LLC with 2.5 percent.

Table 2: ComScore Core Search Report January 2010 Vs. December 2009 Total U.S. – Home/Work/University Locations

Core Search Entity	Share of Searches (%)		
	Dec-09	Jan-10	Point Change Jan-10 vs. Dec-09
Total Core Search	100.0%	100.0%	N/A
Google Sites	65.7%	65.4%	-0.3
Yahoo! Sites	17.3%	17.0%	-0.3
Microsoft Sites	10.7%	11.3%	0.6
Ask Network	3.7%	3.8%	0.1
Aol Llc Network	2.6%	2.5%	-0.1

Source: Comscore Qsearch (2010)

As Google has never used any advertisement for its success, it only exploits the social media networks to reach

out to the large number of customers, forwarding power of e-mails & comments of blogspots. Google still continues to enjoy the number one position in the industry due to its wide application & usage simplicity that compel the online user to dig it. When Google was thinking to expand its services by introducing the G-mail service then it was just like a dream to survive in the market offering the same services by other big players like hotmail, yahoomail etc. In spite of the existence of these major players at that time, Google without any anxiety launched G-mail. {They Start with a small user base (many of which were Google employees), then repeatedly give out small numbers of invites to the existing G-Mail users for friends and colleagues. The pool of users grows exponentially, but in a controllable way, and every user feels like their few invites are scarce and precious. The artificial shortage of supply creating such demand and buzz that people have been paying to get invites. People who have a G-Mail account feel exclusive, elite, like part of a club, all because of the shortage of supply. Now everyone wants a G-Mail account.}

One of the free e-mail service providers that become Hero from Zero (OVERNIGHT!)- None other than Hotmail. When they started out, Hotmail were missing a vital factor - traffic. The growth rate of their traffic was not

sufficient to meet the needs of the company and a boost was required. As Hotmail was a free email service provider it could control, to a certain extent, the format of all outbound messages that each Hotmail account holder sent. It was this fact that led them to come up with a new marketing campaign that has yet to be beaten and saw their traffic skyrocket and eventually lead to Microsoft buying the company as a result of their exponential growth. Hotmail used "free-email services" as a promotional tool at the bottom of every message. The existing users of Hotmail automatically promote this service within their social network each time they sent them message through Hotmail & that was the way which helped Hotmail to have 12 million subscribers within 18 months by using a budget of \$50000 as compared to its competitor Juno that was unable to have such a large amount of subscribers even after spending \$20 million.

When talking about the sports websites, then amazing things get noticed. Sports sites traffic is primarily cricket oriented in India. The numbers go up when cricket matches fall more on weekdays rather than on weekend due to offices being primary source of traffic. In Jan 09 and Jan 10 number of cricket matches that were held is the cause of difference in traffic.

Table 3: Most Visited Sports Sites by Unique Visitors January 2010 vs. January 2009 Total India Age 15+ - Home/Work Location

	Total Unique Visitors (000)		
	Jan-09	Jan-10	% Change
Total Internet : Total Audience	32,523	37,269	15
Sports	5,244	10,322	97
Yahoo! Cricket	972	3,940	305
ESPN	1,669	3,491	109
Sify Sports	216	1,036	379
Faniq.com	637	771	21
Cricbuzz.com	651	640	-2
Cricketnirvana.com	173	523	202
Espnstar.asia	N/A	315	N/A
Krishcricket.com	92	306	232
Cricketnext	N/A	278	N/A
MSN Sports International	153	271	76

Source: ComScore World Metrix (2010)

Sports Site Traffic in India Reaches New Heights as Nation Readies for Third Season of India Premier League Cricket Competition so companies start targeting the audience of these websites for the awareness of their brands. Most of the companies start realizing the benefits of the social networking websites. "Social networking remains one of the most popular and fastest-growing behaviors on both the PC-based Internet and the mobile Web," said Mark Donovan, comScore senior vice president of mobile. "Social media is a natural sweet spot for mobile

since mobile devices are at the center of how people communicate with their circle of friends, whether by phone, text, email, or, increasingly, accessing social networking sites via a mobile browser."

Table 4: Mobile Browser Access to Social Networking: Smartphone vs. Feature Phone 3-month average ending Jan. 2010 vs. Jan. 2009 Total U.S. Age 13+

	Percent of Subscribers Accessing Social Networking via Mobile Browser		
	Jan-09	Jan-10	Point Change
All Mobile Phones	6.5%	11.1%	4.6
Smartphone	22.5%	30.8%	8.3
Feature Phone	4.5%	6.8%	2.3

Source: ComScore MobiLens (2010)

Even Mobile Browser Access of Facebook and Twitter Posts Triple-Digit Growth

Table 5: Number of Mobile Subscribers Accessing Facebook, MySpace and Twitter via Mobile Browser 3-month average ending Jan. 2010 vs. Jan. 2009 Total U.S. Age 13+

	Total Audience (000)		
	Jan-09	Jan-10	% Change
Facebook.com	11,874	25,137	112
MySpace.com	12,338	11,439	-7
Twitter.com	1,051	4,700	347

Source: ComScore MobiLens (2010)

So companies start putting their product's images, texts, and videos on these social networking websites to get instant fame. Research Shows Online Advertising on Par with TV Advertising in Growing Retail Sales of Consumer Packaged Goods Brands.

Table 6: Offline Sales Lift from CPG Brand Advertising Comparison between TV and Internet Total U.S.

	TV (IRI)	Internet (comScore)
Sales Lift	+8% over 12 months	+9% over 3 months
Percent of Campaigns Showing Statistically Significant Lift	36%	80%

Source: Information Resources, Inc. and comScore, Inc. (2010)

The above table depicts that online campaigns start dominating the offline campaigns. When talking about the Blendtec. Company, they just spent \$50 & get instant fame for their blender. They buys some stones, some roasted chicken, coke and put them in the blender for shutouts the video of blending power of the blender & upload the same video on YouTube. After certain time, people were compelled to watch this video thereby blender gets instant fame in just \$50.

Table 7: Top 10 Video Stream Brands

Top 10 Video Stream Brands for February 2008 (U.S., Home and Work)		
Brand	Total Streams (000)	Unique Viewers (000)
YouTube	2,918,799	70,222
Fox Interactive Media	405,996	21,028
Yahoo!	244,784	21,220
MSN/Windows Live	163,812	9,323
Nickelodeon Kids and Family Network	155,961	5,769
Google	122,948	18,638
Disney Online	121,933	9,606
Turner Entertainment New Media Network	96,991	6,850
ESPN	84,053	4,464
AOL Media Network	81,537	11,469

Source: Nielsen Online, VideoCensus

Similarly, Die Antwoord shot to **international fame**, the kind that many national (even international) bands can only dream of. Viralicious stuff indeed. "All over the interwebs, my blaar". This wasn't due to a great show they played or a fantastic review in Rolling Stone, it's because of something that seems inexplicable: the **power of online content** and its **potential**. And the figures speak for themselves: more than one and a half million views on YouTube for their videos combined and 36762 Facebook fans. What about laptops Direct? They consisted of a video of a student having the Laptops Direct logo tattooed onto his forehead; once this video was completed they launched the video through social bookmarking, posted it onto YouTube and wrote articles about it that were then posted onto student blogs, to create the highest possible exposure. They

had 70,000 unique visitors to the website in the first day and the video was then promoted even further online through student forums discussing it and even made it into the local press due to the word of mouth spreading offline – this is what happens when a viral marketing campaign becomes so successful, the news of the video even spread onto forums in America. Wipro the Indian IT major has decided to use YouTube for marketing itself. Wipro has uploaded a video Penguins and SOA story embedded below on YouTube the animated video uses Penguins and problem of constructing a housing structure to illustrate the benefits of the service-oriented architecture (SOA) technology. Viewers are provided a link to Wipro's website to get more information about the offerings. Wipro CMO Jessie Paul claims that the video has 3% conversion rate of the video's viewers reaching out to the company's website. Companies start changing the modes of media they use. They are using more forms of new media than the average person.

Table 8: New Media Usage

Regular/Occasional New Media Usage (Top 5)		
	% of Regular/Occasional Bloggers	% of Adults 18+
Cell Phone	93.00%	87.50%
Instant Messaging	75.30%	49.30%
Download/Access Video/TV Content	72.20%	45.00%
Video Gaming	66.90%	47.50%
Text Messaging	65.50%	45.20%

Source: BIGresearch, January 2008, N=15,727

IT INDUSTRY

Compaq has created a new microsite called Letsgetgoin and is using its brand ambassador, film actor Shah Rukh Khan, to talk to its target audience by turning him into a virtual avtaar cum guide. Shahrugh Khan, who is seen representing the brand in the virtual world, has been shot specifically for the website. He guides the consumers in surfing the website and helps them to choose the right laptop or desktop computer. Now the idea of a guide to help drive consumer through buying process is not new but getting your brand ambassador to do it is amazing & is targeted at individuals in the age group of 18-35 years. On entering the website, consumers are requested to fill in their names and email IDs. Khan welcomes the visitors to the world of Compaq and asks them to enter their mobile number. Once this is entered, a unique code is sent immediately through an SMS to the mobile number; this unique code is necessary to explore the website further.

Later, the virtual Khan guides the users in selecting the right laptop or computer. Once the decision has been made, he sends an SMS to inform them about special offers. The aim is to

completely drive the sale through their brand ambassador and is first of its kind in India. Lenovo has created a viral video for the ideapad based on the fact that the notebook has an anti-scratch screen. The viral has a character Swami Talon-tino & it's about his life, with the notebook feature thrown in as part of the story. 31HP Laptop created a blogger's contests as a result of which the sale of this model rises by (85%).

AUTO INDUSTRY

Mitsubishi Cedia launched a Social media campaign called The Great Driving Challenge. Seemingly inspired by roadies EC dubs the campaign as "It's kind of a reality show on the web where web, mobile, travel, automobile and competition are nicely woven together". This is a driving challenge contest, where team/couple = 1 male + 1 female (>=20 years) regardless of marital status participate and compete with other couples to win Rs 10,00,000 by blogging and tweeting for 12 days while they are traveling. The best thing about the campaign is the whole concept of mixing driving with generating enough user generated content about Mitsubishi cedia with the call for votes and testimonials

driving it and attract the right kind of interested audience since it has managed to evoke discussions at places like Team BHP where lots of racing enthusiast hang out. Honda Accord ran a campaign with their "Cog" ad that direct towards blogs that tend to discuss the products and generate enough word of mouth.

FILM INDUSTRY

'Do Knot Disturb uses viral marketing.' Zapak has created the viral titled "Khalbali - Heart Breaking news", where the visitor can upload their friend's photographs. Once the content is saved, users get the link from the application and directly mail it to a friend who will be featured in the crime show "Khalbali". Even during the promotion of "My Name Is Khan" Shahrukh was on twitter, keeps on tweeting to their fans about his film abbreviations and acronyms.

OTHERS

A good example is "Monster.com and Hotjobs.com" of the early Internet days. People how found the job on the Internet shared the idea with others and sent their out of work friends the link. Then came Referrals.com - they understood that they

cannot compete with the monsters, so they took a different approach. They decided to become online headhunters (people who search for the top executives). And that's what they decided to do - they offered \$4000 incentive to anyone who recommended their friend or colleague. Naturally, people would get the commission only if the person they recommended agreed to switch the job. "The good part of this story is that they collected millions of resumes and thousands of people got their commission. The bad part of the story is that it all happened during the DotCom bust and they are no longer in business".

Shareware is a type of software that can be tried first. Anyone can download the evaluation version for about 2-4 weeks, test it and buy it later, if necessary. The game developers went further. They understood that if they offer online multiplayer games, people who buy the software would want to play the game with their friends. That turned out to be half true, since a lot of friends did download trial versions of the games, but they had limitations and very soon the person who had the unregistered version would be unable to continue. Then

somebody aware of the viral marketing suggested the following idea - every time a person pays for the game registration, he or she gets 5 extra keys that make the game fully functional for the period of 90 days. The buyer can send these reg keys to anyone (or forget about them). It turned out that!

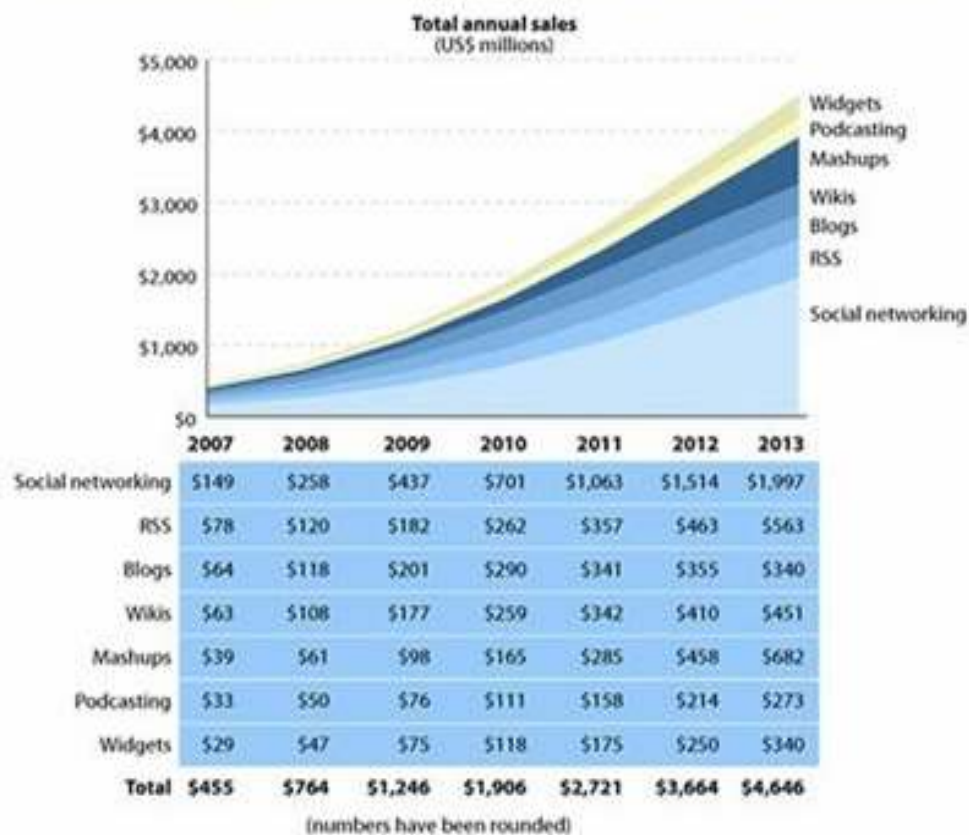
Almost 90% of people sent these temporary registrations to their friends. These people liked the game, and after playing it online for three months and having made a significant progress, almost half of them chose to pay for the registration rather than having to stop.

SOME SUCCESS STORIES OF ONLINE VIDEOS

- *Dreamteam Bets-1 million visits in 2 weeks*
- *Trojan condoms- 35 million views in 3 months.*
- *Hamlet Cigars- 1 million visits in 1 week.*
- *MTV- 2, 80,000 e-cards in 3 weeks.*
- *FORD KA- 200 sites have copied the clip!*
- *Kozaks Game- Top 50> Top 10 in 1 year.*

Figure 1: Forecast: Global Enterprise Web 2.0 Spend

Forecast: Global Enterprise Web 2.0 Spend By Technology, 2007 To 2013



43850

Source: Forrester Research, Inc.

The total annual sale expected out of social networking is showing a constant rise and will continue to maintain as it will be the next generation mode of brand awareness.

CASE CHALLENGES

- What was the main reason behind the success of G-mail, Hot-mail & Blendtec, do you think it would work for all companies? Why or why not?
- When compared to other forms of marketing, how effective is viral marketing? What are the possible

advantages and disadvantages of viral marketing vis-à-vis the more conventional approaches?

- What forces guide the human interaction? What companies need to do in order to exploit these forces?
- Analyze the influence of Viral marketing strategy on the consumer's decision-making process.
- In the near future, on which electronic WOM, the company emphasis more for competitive & marketing advantage?

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