

VIRAL MARKETING
A NEW BRANDING STRATEGY TO INFLUENCE CONSUMERS

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Abstract

The rapid penetration of the Internet and the prevalence of various social media facilitated by new technologies provide new opportunities for how marketing techniques are developed and refined. The creation of viral marketing has been driven by technological innovations and cultural changes. Responding to marketing trends and catering to consumers' psychological demands and behavioral changes, viral marketing represents the latest online customer-centric marketing (Shukla, 2010). Extending the advertising effects of word-of-mouth (WOM) communication and Internet marketing, viral marketing has demonstrated considerable success and utility in a promotional phase and development process of a product and/or service.

This study intends to illustrate the benefits and challenges of viral marketing. The effects and concerns with the adoption of viral marketing are reinforced by previous research and findings from marketer and consumer focus groups. This thesis will contribute to building a theoretical and empirical foundation for viral marketing research and professional practice.

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Chapter One: Introduction

In this age of information and technology, the rapid penetration of the Internet and the prevalence of various social media create new opportunities for how marketing techniques are developed and refined (Montgomery, 2001; Shukla, 2010; Stephansen, 2009). With people increasingly using the Internet and mobile devices more than trusting and paying attention to traditional advertising, advertisers and marketers adopt more innovative tactics to target their audiences, and viral marketing is one of them (Stephansen, 2009). Technological innovations and cultural changes shed light on the creation of viral marketing. Viral marketing also caters to consumers' psychological and behavioral demands and responds to marketing trends.

Viral marketing has been produced within the context of the Internet's participatory culture, where consumers share knowledge about a product and/or service and its firm, voicing their opinions and experience across multiple platforms of the Internet (Shirky, 2008; Shukla, 2010; Steenburgh & Avery, 2008; Steinman & Hawkins, 2010).

In addition, the analysis of consumers' psychology and behavior is crucial for a marketer to provide information about a marketing strategy (Laudon & Traver, 2009; Kotler, Keller, Cunningham & Sivaramakrishnan, 2009). Some scholars indicate that people are motivated to transmit messages and share views through viral marketing due to their altruism and sense of obligation toward society (Allsop, Bassett & Hoskins, 2007; Datta, Chowdhury & Chakraborty, 2005; Steenburgh & Avery, 2008).

Specifically, people share their purchase experience with others and show their views about a product and/or service, in order to help others' purchase attitudes and decisions on a company's product and/or service (Allsop et al., 2007; Datta et al., 2005; Steenburgh & Avery, 2008). Scott (2007) also argues that people prefer participation and authenticity rather than propaganda and falsehoods, so that they would opt out of corporate advertising deluge through traditional media and obtain direct information via the Internet or social networking (Steenburgh & Avery, 2008).

Generation Y as new consumers builds a significant and substantial marketplace for marketers' attention and investment (Kotler et al., 2009). David Foot, a demographer (as cited in Kotler et al., 2009), describes Generation Y or Echo Boomers as people born between 1980 and 1995. Douglas Coupland, another Canadian demographer (as cited in Kotler et al., 2009) further illustrates the demographics of Generation Y that tends to chase creative, challenging and collaborative lives, as they grow up in a more nurturing environment created by the economic boom and with a sense of entitlement and abundance pampered by their boomer parents.

As to the analysis of these young consumers' psychology and behaviors, Kotler et al. (2009) suggest that they prefer using an electronic form of marketing. Viral marketing thereby becomes the marketing strategy to satisfy psychological and behavioral demands by this consumer segmentation (Childs, Gingrich & Piller, 2009/2010; Swanepoel, Lye & Rugimbana, 2009).

Viral marketing also demonstrates the features of current marketing trends includes customization marketing, interaction marketing, relationship marketing and influencer marketing (Cruz & Fill, 2008; Hughes, 2002; Pitta, 2008; Shukla, 2010; Swanepoel et al., 2009; Thorne, 2008).

Extending the advertising effects of both Internet marketing and word-of-mouth communication, viral marketing has demonstrated considerable success and utility in a product and/or service's promotional phase and development process (Pitta, 2008). Combining the strengths of Internet marketing and word-of-mouth communication, viral marketing represents the latest online customer-centric advertising, prevailing over traditional advertising channels (Shukla, 2010).

Specifically, viral marketing harnesses the Internet and social networking, reaching prospective consumers and transmitting advertising messages rapidly, inexpensively and exponentially (Dobele, Toleman & Beverland, 2005). With the advertising effects of Internet marketing, viral marketing also increases a brand's visibility and promotion of a product and/or service with cost-effectiveness and millions of referrals (Dobele et al., 2005).

Viral marketing also demonstrates the advertising competence of traditionally well-established word-of-mouth marketing (Woerndl et al., 2008), which is a powerful force in offering information about new products (Thorne, 2008) and affecting a consumer's purchase attitudes and behaviors toward a product and/or service (Cruz & Fill, 2008; Dasari & Anandakrishnan, 2010; Datta et al., 2005).

As the extension of word-of-mouth communication mediated by the Internet and social networking, viral marketing can acquire new consumers with effectiveness and lead to the rapid adoption by the market with cost-effectiveness. Specifically, viral marketing diffuses information throughout a widespread network of buyers with inexpensive transmission, exponential referrals and influential promotions related to a product and/or service (Dobele et al., 2005). Through viral marketing, marketers expand brand awareness, position brands, shape purchase attitudes and decisions toward their products and/or services with rapid multiplication and less investment (Dobele et al., 2005). Significantly, through consumers' online opinions and insights, organizations can further target consumers' needs with appropriate innovation, increasing consumers' satisfaction and growing a business considerably.

Viral marketing is a powerful force enhanced by the effects of word-of-mouth communication and new media facilitated by the Internet. It enabled the independent film *The Blair Witch Project* and *Paranormal Activity* to become blockbusters with the budget less than the average salary of a starring Hollywood actor (Kaplan & Haenlein, 2011). *The Blair Witch Project* was released in 1999 as a horror movie (Sanjay, 2010). It was neither a big budget movie with the investment of \$300,000, nor any famous film star was involved in it (Sanjay, 2010). Although it had no costs for marketing campaigns, the producers gained attention towards the movie and maximized the film's success with online and offline viral marketing techniques (Sanjay, 2010).

In order to increase the effectiveness of viral diffusion in the marketing mix, the news about The Blair Witch Project was spread and updated online and offline by word-of-mouth communication. As the success of a horror movie depends on how realistic it is, the producers initiated a website that implied the film was an actual documentary (Sanjay, 2010). A strong buzz was created through an online community, resulting in intense debates over whether the film was real or not. The producers also deployed teens that spread and expanded influence of viral messages at venues frequented by the target market such as dance clubs and coffee houses. Overnight the buzz of the movie attracted and held the attention from all over the world just before its release (Sanjay, 2010). The Blair Witch Project gained grossing over \$100 million in its first release week. It was obviously one of the most profitable movies in the history of Hollywood, as it had the largest ratio of production budget and marketing expenses to the gross (Sanjay, 2010). Therefore, the Blair Witch Project became a rousing success as one of the top ten grossing films in 1999 and created a brand's image around both the Blair Witch myth.

Though viral marketing is a newly growing advertising mechanism (Howard, 2005), more than half of the marketers have done extensive work with multiple viral marketing campaigns (Thorne, 2008). Brands from several leading Fortune 500 companies such as Microsoft, Evian (Roller-Skating Babies), Burger King (Subservient Chicken), Old Spice, Anheuser-Busch, Volvo, and Long John Silver's have benefited from viral marketing epidemics (Golan & Zaidner, 2008; Kaplan &

Haenlein, 2011). It was reported that 82 percent of the fastest-growing private companies also adopted viral marketing initiatives (Cruz & Fill, 2008).

The term viral marketing has been established for several years, viral marketing is such a new marketing technique that the marketing world's understanding of viral marketing is still developing.

This research builds on previous research and data from focus groups to explore the benefits and challenges that need to be considered in launching viral marketing campaigns. Specifically, this study intends to identify the concept of viral marketing, explore the context of its creation and illustrate the advertising effects and challenges in the adoption of viral marketing.

The main research question that will be addressed is: what are the benefits and challenges of viral marketing? It gains insight into the answer to the central research question by the following sub-questions: (a) what advertising effects does viral marketing have in the promotion of products and/or services? (b) how does viral marketing drive growth in business through innovation in a product and/or service? (c) how does viral marketing provide challenges to marketers?

Focus groups were conducted to identify the concept of viral marketing and explore the real effects and challenges in the adoption of this marketing form. Two focus groups carried out with marketing professionals and consumers from Generation Y to gain their attitudes and reactions toward viral marketing. The marketer focus group was composed of the participants who have experience and/or

expertise in viral marketing. Participants in the consumer focus group were 18-30 year-old university students who represent Generation Y. The subjects in the focus groups illustrated advertising effects and concerns with the adoption of viral marketing.

This research has been targeted to build a theoretical and empirical base for the enquiry of electronic word-of-mouth communication (eWOM) or viral marketing. The study will further contribute to understanding the very nature of this new and unique online marketing strategy which is fit to target the market of Generation Y. By exploring the advertising strengths of viral marketing, this research also examined viral marketing as a marketing alternative that can be adopted in the professional practice of ecommerce marketers, small business owners, or grassroots groups. Consequently, marketers and researchers can focus on the feasibility of viral marketing for future research possibilities and its practical implications for marketing campaigns.

Following this introduction, chapter two, *Literature Review*, synthesizes a critical review of academic research to provide the definition, context, advertising effects and challenges of viral marketing. Chapter three, *Research Design and Methodology*, illustrates how qualitative focus groups were employed to collect data and how the data was analyzed. Relying on the themes of research questions, chapter four, *Results*, reveals the findings obtained from the focus group data as well as an in-depth analysis of the findings. In addition, this section illustrates the principal

results from previous research and focus groups, but also demonstrates surprising findings through the focus groups. Chapter five, *Conclusion*, summarizes findings and provides the limitations, implications of this study and suggestions for future academic research.

Chapter Two: Literature Review

This chapter provides the concept of viral marketing, the context of its creation and the advertising benefits and challenges in the adoption of viral marketing. It starts with the identification of viral marketing and indicates the relationship between viral marketing and word-of-mouth communication. This second section illustrates the contextual framework of viral marketing, in which it has been emerging with technological innovations and cultural changes, responding to marketing trends and catering to consumers' current psychology and behaviors. The third section examines the advertising effects of viral marketing and further demonstrates how viral marketing targets consumers needs and helps to grow a business effectively. Challenges in the adoption of viral marketing are discussed in the fourth section.

Defining Viral Marketing

Advertising messages are transmitted in viral marketing through person-to-person contact and communication, so that viral marketing has another name as word-of-mouth marketing, in which a user forwards a marketing message to others and refers to an interesting or satisfying product and/or service (Rayport & Jaworski, 2004). On the Internet, viral marketing is a marketing technique that induces web sites or users to pass on a marketing message to other sites or users, creating a potentially exponential growth in the message's exposure and influence (Cruz & Fill, 2008; Datta et al., 2005). Laudon and Traver (2009) also describe viral

marketing as the process of involving consumers to disseminate a company's marketing information to their friends, family, and colleagues. Thorne (2008) further indicated that informative messages are usually electronically transmitted from person to person in viral marketing.

As to the marketing form, viral marketing refers to the extension of word-of-mouth advertising (WOM) that represents the latest online customer-centric marketing to increase promotions on products and/or services (Shukla, 2010).

In term of the advertising effects of viral marketing, Golan and Zaidner (2008) identify it as “strategies that allow an easier, accelerated, and cost-reduced transmission of messages by creating environments for a self-replicating, exponentially increasing diffusion, spiritualization, and impact of the message” (p. 961).

The origin of viral marketing. Shukla (2010) claims that the term viral marketing is coined by the Harvard Business School professor Rayport (1996). Among the first to write about the technique of viral marketing is media critic Douglas Rushkoff in his 1994 book *Media Virus: Hidden Agendas in Popular Culture*. Rushkoff (1994) creates the term and concept of media virus or viral media and describes that media like viruses is mobile, easily duplicated and spread as non-threatening. As to the technique of viral media, a message or image is presented to a susceptible audience in a way that it will essentially affect the recipient like a virus and the infected person will pass the message to others effectively like a virus

(Rushkoff, 1996).

Viral marketing is further popularized as network-enhanced word-of-mouth advertising by the venture capitalist Steve Jurvetson and Tim Draper (Jurvetson, 1997) who describe Hotmail's email practice of attaching its own advertisements with outgoing mail from its users (Palka, Pousttchi & Wiedemann, 2009; Rayport & Jaworski, 2004; Shukla, 2010; Swanepoel et al., 2009). Hotmail has become one of the first to exploit online viral marketing since its email service was launched in the late 1990s, when every outgoing email contained a short message at the bottom with a link for people to click and sign up. In 1996, Steve and Tim also took advantage of viral marketing as a new phenomenon to promote the adoption of Hotmail, a free web-based e-mail service provider, and viral marketing launched this e-mail system from zero to 12 million subscribers in only 18 months at very little cost (Shukla, 2010).

Word-of-mouth communication. Cruz and Fill (2008) identify word-of-mouth as person-to-person communication among consumers concerning their personal experience with a product or firm. Word-of-mouth is also described by Westbrook (1987) as informal communications toward other consumers about the ownership, usage, or characteristics of particular goods and services or their firms (Datta et al., 2005). The term word-of-mouth is further defined as verbal communications (either positive or negative) between groups such as product providers, independent experts, family, friends and the actual or prospective consumers to expand influence between

two individuals (Datta et al., 2005).

Arndt (1967) (as cited in Datta et al., 2005; Golan & Zaidner, 2008; Palka et al., 2009) first defines word-of-mouth advertising as the oral, interpersonal communication between a recipient and informant whom the recipient perceives as noncommercial, concerning a brand, a product or a service.

Thorne (2008) suggests that there exist two kinds of word-of-mouth marketing: organic and amplified. Organic word-of-mouth marketing happens naturally when people just generically tell others about a good product or experience, while amplified word-of-mouth marketing occurs when a company encourages people's conversations about its products and/or services by providing incentives or rewards.

Internet-based word-of-mouth marketing. The advent of the Internet has brought new opportunities for both marketers and consumers to spread or receive messages about a product and/or service and has provided a new platform for traditional word-of-mouth communication (Datta et al., 2005).

Many scholars identify viral marketing as an Internet-based word-of-mouth marketing tool and the latest online advertising phenomenon (Cruz & Fill, 2008; Dasari & Anandakrishnan, 2010; Marken, 2008; Shukla, 2010). Viral marketing is simplified as network-enhanced word-of-mouth communication by Jurvetson (2000) (Palka et al., 2009; Shukla, 2010; Swanepoel et al., 2009). Juvertson (2000) (as cited in Shukla, 2010) further demonstrates the identity of viral marketing: when used offline, viral marketing is referred to as word-of-mouth communication, and when

used online, it is called viral marketing. Viral marketing is also regarded as a new interpretation of the good old word-of-mouth-paradigm (Woerndl, Papagiannidis, Bourlakis & Li, 2008).

Electronic Word-of-Mouth Communication (eWOM) refers to a positive or negative statement from potential, actual, or former customers about a product or company, which is transmitted toward a multitude of audiences and institutions via the Internet (Datta et al., 2005). Swanepoel et al. (2009) describe viral marketing in detail as an electronic word-of-mouth communication and word of mouse marketing between individuals that exploits the highly effective platform of the electronic medium to spread the word related to a product and/or service in an exponential and contagious manner.

Viral marketing is a new manifestation of the genuine word-of-mouth advertising mediated by the Internet for online users to generate content about a product or service or its firm (Shukla, 2010). Viral messages can be electronic or text messages, video clips or images that are transmitted within an informant's social networks through the Internet or social media (Rushkoff, 1996).

Viral marketing also refers to a broad array of online word-of-mouth strategies designed to encourage both online and peer-to-peer communication about a brand, product or service, getting customers to pass along a company's marketing message to friends, family and colleagues (Cruz & Fill, 2008; Golan & Zaidner, 2008; Laudon & Traver, 2009). From a marketing perspective, it is the process of encouraging

individuals to pass along compelling marketing information by design or by accident in a hypermedia environment (Dobele et. al 2005).

By contrast, viral marketing is different from traditional word-of-mouth advertising that is written, not spoken and participants' identity in viral marketing is not constrained by circumstances of their background, appearance, status, neighborhood and workplace (Datta et al., 2005). In viral marketing, a brand's visibility can also be increased with exponential referrals which traditional word-of-mouth cannot create (Datta et al., 2005). Hence, Helm (2000) concludes that viral marketing is a far more effective medium than traditional word-of-mouth communication.

Other popular names of viral marketing. Viral marketing gains its name from the word 'virus'—which denotes 'infectious spread' (Dasari & Anandakrishnan, 2010, p. 100). Cruz and Fill (2008) cite other studies and indicate viral marketing's other popular names as referral marketing (Bruyn & Lilien, 2004) and stealth marketing (Kaikati, 2004). Thomas (2004) and Palka et al. (2009) unify these terms under the term buzz marketing, which is identified as the amplification of initial marketing efforts by third parties through their passive or active influence within their social networks.

Viral Marketing in Context

The creation of viral marketing was brought to light by technological

innovations and cultural changes. The birth of viral marketing also caters to today's complex market trends and current consumers' psychology and behaviors.

Impact of technological innovation. It has taken more than a quarter of a century to reach the first billion Internet users, but with technology innovations, lower prices, and global demand for technology awareness, it will spend only seven years in obtaining the next billion PC users into the market (Yates, Daley, Gray, Gownder & Batiancila, 2007). Forrester's forecast in 2007 demonstrates that there will be more than 2.25 billion by 2015 and it reaches a 12.3% compound annual growth rate between 2003 and 2015 (Yates et al., 2007).

The global technology markets have been growing substantially (see Appendix A). The future huge growth of technology markets during the next decade will come from countries like China inner land, India, Brazil and Russia, accounting for over 800 million new PC users by 2015 (Yates et al., 2007). China inner land people build the leading Internet use market with around 54 million PCs currently and have almost 550 million by 2015 (Yates et al., 2007). Approximate 300 million new PCs come from India, Brazil, and Russia: India will add another 157 million; Brazil, 81 million; and Russia, 67 million by 2015 (Yates et al., 2007). By 2015, the Americas will increase 189 million new PCs from the United States, Canada and Latin American countries, excluding Brazil (Yates et al., 2007).

The wide spread use of the Internet and the prevalence of various social networking offer opportunities for marketing techniques to be developed and refined.

Golan and Zaidner (2008) affirm that the diffusion of high speed Internet acquires high resolution of advertising. Many scholars indicate that the creation of viral marketing was promoted by technological innovations via Internet and social networking (Dobele et al., 2005).

Technological changes such as PC networking, SMS technology and greater bandwidth are leading to more networks and word-of-mouth opportunities (Dobele et al., 2005). New technology facilitated by the Internet allows for convenient information acquisition, cost reduced transmission of messages and direct communication online that requires little time and has no geographic limitations. It also creates environments for the rapid diffusion and exponential replication of an advertising message in which an online user's purchase attitude and decision can be influenced (Dobele et al., 2005).

Whether it is a video or photo shared on a site, or messages that site users disseminate to members within their social network, user-generated content holds much promise as a marketing tool (Dobele et al., 2005). Marketers are increasingly using websites as platforms for advertisements and promotion (Steinman & Hawkins, 2010).

Influence of participatory culture. Many scholars argue that viral marketing has been emerging within a participatory culture that allows people to share, collaborate and transmit information in social networking (Shirky, 2008). Culture becomes interactive, participatory, and collaborative, when people disseminate

individual content and personalize their own views and experience via new media or through social networks (Shirky, 2008; Shukla, 2010; Steenburgh & Avery, 2008; Steinman & Hawkins, 2010). They co-create knowledge about a product and/or service and its firm, increasing a brand's visibility and expanding individual effects on others' purchase attitudes and decisions (Shirky, 2008; Shukla, 2010; Steenburgh & Avery, 2008; Steinman & Hawkins, 2010).

Tapscott and Williams (2006) further suggest that new participation not only invites customers to collaborate and transmit information about products and services, but also changes how goods and services are invented, produced, marketed, and distributed on a global basis, rather than simply consuming the end products. Subsequently, firms gain benefit from consumers' insights on the development of products and/or services. Consequently, the participatory culture facilitated by the Internet allows both customers and organizations to collaborate together on the innovation of a product and/or service and to drive business growth.

Current consumers' psychographics and behaviors. Psychographics and behavioral analysis is crucial for marketers to design a marketing campaign (Laudon & Traver, 2009). Kotler et al. (2009) define psychographics as the science of using psychology and demographics to understand consumers better. Smart marketers understand buyers by building formal buyer personas for their target demographics on the basis of lifestyle, personality, values or preferences (Kotler et al., 2009; Scott, 2007).

People co-create web content and share their opinions and experience with others, as they love being a part of an online community. People also prefer participation and authenticity rather than propaganda and falsehoods (Scott, 2007). Steenburgh and Avery (2008) further indicate that viral marketing satisfies online users' desires for sharing and collaborating knowledge about a product and/or service with others and avoids corporate advertising deluge.

Motivated by altruism and obligations toward the society, consumers would also disseminate individual views and their consuming experience to affect others' attitudes and help their purchase decisions (Allsop et al., 2007; Datta et al., 2005; Steenburgh & Avery, 2008). Especially, the sharing of purchase information and consuming experience by family, friends, even strangers in social networks will be motivated by the prestige and status that may arise through a need to help others (Allsop et al., 2007; Cruz & Fill, 2008; Marken, 2008). Specifically, a customer demonstrates his or her gratitude to a company by transmitting a message related to a satisfied product and/or service, or by sharing related experience with others, as they feel an obligation toward the society and their affiliation with the particular community (Datta et al., 2005).

As to the analysis of current consumers' behaviors, Steenburgh and Avery (2008) illustrate that consumers' media habits are rapidly changing. Current customers are no longer willing to be interrupted by corporate messages (Thorne, 2008), so that they would opt out of advertising on television programs and increase

their control on corporate advertising deluge. Specifically, these consumers can review advertisements repetitively by visiting websites on their own time, rather than having their entertainment and lives interrupted by corporate advertising (Steenburgh & Avery, 2008). Consequently, they have moved away from traditional media like television, radio, magazines, and newspapers, and instead use new media options facilitated by the Internet.

The channels for consumers to obtain information have been changed from traditional media to new media facilitated by the Internet. By 2007, an average consumer was devoting 23% of his or her media consumption to online channels as opposed to 5% to newspapers and 3% to magazines (Kotler et al., 2009). The total online media consumption of the young high-educated consumers with high-income exceeds that of television (Kotler et al., 2009).

According to Forrester research, consumers spend more time on the Internet than with traditional media including television, radio and print media (VanBoskirk, Overby & Takvorian, 2011). These authors compared the advertising spending and individual time spend with various media types in 2010 (see Appendix B), it demonstrates that consumers invest most media time on the Internet (33%), followed by television (31%), radio (15%), newspapers (6%) and magazines (5%) (VanBoskirk et al., 2011). However, advertising spending will be increased by traditional media such as television (34%), newspapers (12%), radio (8%) and magazines (5%) rather than the Internet (14%) (VanBoskirk et al., 2011).

Generation Y attracts marketers' attention and investment, as this generation establishes a significant and substantial marketplace (Kotler et al., 2009). Bound by a hunger for the Internet, especially social media and other Web 2.0 technologies, Generation Y spend enormous professional and individual time in communicating electronically and 96 percent of them belong to social networks (Childs et al., 2009/2010). Generation Y thereby increases spending power and build a promising market in a long-term plan (Kotler et al., 2009). Furthermore, the utility of viral marketing is particularly suited to Generation Y's behavioral characteristics (Childs et al., 2009/2010; Swanepoel et al., 2009).

Catering to marketing trends. Viral marketing reflects the current trends of marketing: customization marketing, interaction marketing, relationship marketing and influencer marketing. These trends will be illustrated in the following paragraphs.

Customization marketing. Pitta (2008) suggests that a successful marketing strategy first requires learning what customers really like and what captures their hearts, because the ultimate perfect fit would be for customers to develop or design products themselves. In this customer-initiated and customer-controlled marketing, consumers can voice their opinions easily and freely (Anderson, 2006; Thorne, 2008) and can define the information they need, the offerings they are interested in and the prices they are willing to pay (Kotler et al., 2009). Consequently, marketing techniques have been developed to consumer-centric strategies, by which marketers identify and understand consumers' priorities, concerns, and demands. Pitta (2008)

further suggests that marketers design a product and/or service that responds to consumers' expectations and meets their needs more than persuading consumers through an extensive marketing campaign in which a market can be manipulated.

Customized marketing may take the form of traditional word-of-mouth advertising, but may also exploit new technology and social networks to spread the word under the category of viral marketing (Pitta, 2008). Shukla (2010) affirms that viral marketing represents the latest online customized advertising and customer-centric marketing.

In addition, mass customization takes the form of differentiating a product or service to fit a particular consumer's needs more effectively. Viral marketing presents customization in one-on-one online marketing and increases consumer satisfaction with a product and/or service (Pitta, 2008).

The closer the benefits of a product or service match the special needs of an individual, the higher the brand value is produced for that consumer (Pitta, 2008). In addition, customer satisfaction is crucial in promoting a product and/or service (Shukla, 2010), as it affects individual motivations to recommend a product or service (Palka et al., 2009). These authors suggest that the higher customer satisfaction, the higher the intention to promote a product and/or service by forwarding the relevant content. Consequently, customized products may generate a high level of customer satisfaction that encourages customers to do the promotion (Pitta, 2008).

Interaction marketing. The Internet's personalized and interactive

communication brings new marketing techniques and changes how people communicate (Shirky, 2008). The Internet and other related technologies have created a dynamic and innovative platform for people to communicate (Datta et al., 2005). Internet marketing provides a two-way communication model and an interactive marketing method between marketers and each individual (Scott, 2007; Williams & Trammell, 2005). Organizations get direct and immediate communication with thousands of actual and new customers (Anderson, 2006; Brown, 2006).

The Internet also provides marketers and consumers with opportunities for greater interaction and individualization (Kotler et al., 2009). This high speed communications infrastructure also provides an effective and interactive communication platform between consumers and marketers for advertising/marketing endeavors and consumers' opinions. The Internet has brought a new dimension for consumers as they communicate with others and gather unbiased information based on collaboration of knowledge and experience about a product and/or service (Datta et al., 2005).

Companies in the past would send standard media including magazines, newsletters, and advertisements to prospective consumers. Nowadays, companies such as Sephora (the leading chain of perfume and cosmetics stores in France and also a powerful beauty presence in 24 other countries), will deliver individualized content for consumers themselves to further individualize the content (Kotler et al., 2009).

As opposed to one-way traditional advertising in which consumers are passive

recipients of corporate-organized information, essentially, transparency and decentralization in two-way Internet marketing enables information to be transmitted faster, and results in productive dialogues between a company and consumer (Venkat, 2001). Such communication between firms and consumers is benefited from interactive dialogues and constructive collaborations which help to drive business growth (Anderson, 2006).

Scott (2007) further states that one-way corporate marketing has shifted to two-way communication among consumers and companies, as both marketers and consumers prefer this interactive marketing. Consumers have learned that a market can be manipulated, so they prefer direct dialogues with marketers or others to obtain quick and honest information rather than a corporate marketing campaign (Steenburgh & Avery, 2008). Marketers also adopt such two-way communication to exchange information with consumers and acquire their opinions and insights in a quick and easy way. Scott (2007) suggests that marketers must shift their thinking from mainstream marketing to the masses, to a strategy of reaching tremendous underserved audiences via the web, blogs and other forms of online content in order to build direct communication between organizations and consumers.

Marketers adopt interactive marketing not only in promoting sales and positioning brands, but also in increasing consumer satisfaction. These professionals can learn about consumers' problems and needs about a product and /service with consumers' online views. Those free perspectives and comments also contribute to

innovating products and services. Based on consumers' insights and views posted online, marketers are able to effectively target segmentation expectations by developing products and services appropriately (Scott, 2007).

Viral marketing represents features of interactive marketing (Cruz & Fill, 2008). As a key notion of interactive marketing, managers can identify and communicate with individual consumers instead of treating them as homogeneous masses (Montgomery, 2001). Thorne (2008) indicates that viral marketing spreads word-of-mouth advertising through peer-to-peer interactions between buyers and sellers. Viral marketing's popularity is gained through a distinct, spontaneous, interpersonal exchange of information between a marketer and consumer rather than a corporate marketing campaign (Datta et al., 2005; Kharbanda, 2006; Shukla, 2010; Venkat, 2001).

Consequently, marketers increase investment in interactive channels, because they believe they will generate better results with interactive marketing (VanBoskirk et al., 2011). By 2016, advertisers will spend as much on interactive marketing as they do on television advertising today (VanBoskirk et al., 2011).

Relationship marketing. Relationship marketing aims at satisfying long-term relationships with key customers, suppliers, distributors, and other marketing partners, in order to help marketers earn and retain business with strong economic, technical, and social ties among the parties (Kotler et al., 2009). Relationship marketing is increasingly appealing to marketers, because this approach builds emotional bonds

with consumers, maintains consumer retention rate and strengthens ties with high value customers by increasing consumer loyalty (Kotler et al., 2009).

Mass customization is the cornerstone of building relationships with individual customers by fitting a consumer's particular need with a different product and/or service. Furthermore, consumer values are enhanced by disseminating their views and experience about a product and/or service (Datta et al., 2005). Thereby collaborating on online content and building the virtual community of customers is paramount to create values and deepen relationships with customers (Shukla, 2010).

Viral marketing can further facilitate establishing a relationship building team for top customers, designing a super customized webpage for each customer and providing a much higher level of customer services (Hughes, 2002).

Influencer marketing. Influencer marketing is the practice of identifying key decision makers among target audiences and encouraging them to take advantage of their influence and generate word-of-mouth messages (Thorne, 2008).

Unlike buzz viral marketing, where marketers host an event to capture attention, influencer marketing involves revealing the product or service itself by an influencer such as a blogger, celebrity, or some other person who has a huge following (Thorne, 2008). This allows for a test of a product in the hopes that the influencer will relay positive feedback to an audience and will produce and maintain a positive public image of a product and/or service and its firm (Thorne, 2008).

Swanepoel et al. (2009) indicate that viral marketing is recommended as one

of the most important and influential marketing concepts. Viral marketing is described as influencer marketing, in which consumers who are satisfied with a product and/or service will spread positive word of mouth and provide individualized advice to affect others' purchase attitudes and decisions (Thorne, 2008).

Viral Marketing Achieves Better Advertising Effects

Viral marketing achieves advertising objectives with effectiveness by predominantly extending the advertising effects of Internet marketing and word-of-mouth communication (Woerndl et al., 2008).

Internet marketing achieves more effects than traditional advertising. Cutler (1990) (as cited in Alexander, 2006) refers to the Internet as the fifth medium alongside television, radio, newspapers, and magazines. The Internet provides many effective diffusion tools besides e-mail for rapid communication, such as chat, web discussion groups (Montgomery, 2001), online news groups, chat rooms, discussion forums etc. (Datta et al., 2005). The growing popularity of the Internet among young people is paving way for greater possibilities of online promotional content and results in declining popularity of traditional advertising (Swanepoel et al., 2009).

Internet marketing has become one of the most powerful channels for marketers (Dasari & Anandakrishnan, 2010), as the Internet allows for easy access to information, high frequency of advertising exposure and inexpensive promotion about a product and/or service (Thorne, 2008). In addition, Internet marketing is the most

influential and the second largest advertising channel after television advertising, as it targets more advertising objectives and increases consumers' retention better than traditional advertising (Steenburgh & Avery, 2008). Consequently, marketers allocate the advertising budget to the major media types via Internet, as Internet marketing can achieve more advertising effects than traditional advertising (Kotler et al., 2009).

Steenburgh and Avery (2008) predict that investment in advertising mediated by social networks, blogs and online communities has been increased by marketers in the United States from 2007 to 2012. Specifically, these authors estimate that marketing spending in social media grows rapidly from \$0.5 billion in 2007 to \$7 billion in 2012 (Steenburgh & Avery, 2008). According to Forrester research, American marketing expenses in social media will keep rising moderately from 2011 to 2016 (VanBoskirk et al., 2011). Gains in the marketing spending will be led by integrated campaigns on social networks, followed by agency fees for social media, and social media management technology (VanBoskirk et al., 2011) (see Appendix C).

Kotler et al. (2009) also compare Canadian marketing revenues via different media types including traditional advertising mediums such as television, radio, newspapers and magazines, and new media via Internet (see Appendix D). Although Canadian marketing communication revenues via traditional and new media have been forecasted to increase from 2007 to 2012, Kotler et al. (2009) conclude that the marketing revenues through Internet gain the largest increase from \$1,300 in 2007 to an estimated \$3,400 in 2012, followed by the revenues via radio, television,

newspapers and magazines.

In addition, PricewaterhouseCoopers (PwC) has released its media and entertainment spend forecast that the spending shift from traditional to digitized platforms has been accelerating from 2010 to 2015. Specifically, Canada's growth in media and entertainment expenses will outpace America's through 2015, with an expected 6.1% compound annual increase compared with a 4.6% growth rate for America (Gellhorn, 2011; Maloney, 2011). PricewaterhouseCoopers further indicates that consumer and end-user spending will be estimated to grow in Canada by 5.2% compounded annually (Gellhorn, 2011; Maloney, 2011). Gains in Canadian spending will be due to double-digit growth in Internet advertising (around 15%) and increases of Internet access payments (both high speed and mobile) (almost 12%), television subscriptions (7.4%), trade magazines (6.9%) and out-of-home advertising (6.4%) (Gellhorn, 2011; Maloney, 2011).

Easy access to information. Thorne (2008) demonstrates that Internet marketing allows consumers to acquire information and purchase products and/or services 24 hours a day, 7 days a week from the comfort of their home. The Internet is also characterized by strong features such as 24 hours online, ubiquity, global online community, interactivity, one-to-one and/or micromarketing (Brown, 2006; Marken, 2008; Timmers, 2000). Furthermore, today's prospective customers are large with global accessibility, and prefer suppliers who can provide sales, delivery and solutions at a global level (Kotler et al., 2009). Internet marketing allows marketers to provide

global solutions for consumers and to work closely with their target audiences for the development of products and/or services (Kotler et al., 2009).

The quickest and most expansive brand awareness. Internet marketing also produces the quickest and most expansive brand awareness with exponential and inexpensive referrals (Dobele et al., 2005; Thorne, 2008). Brown (2006) recommends that the more media exposure on a website, the more opportunities for successfully connecting with prospective buyers. A firm has increased brand reinforcement and has acquired new consumers when people transmit information about a product and/or service, thus sharing passion about an industry and/or generating excitement around a business, as well as increasing brand awareness (Thorne, 2008). Virtual opinion platforms facilitate the process through which consumers obtain diverse knowledge about a brand and learn other consumers' experience about a product, service and its firm (Datta et al., 2005).

Consumers who create a message in connection with a marketing campaign may also develop a strong link with a recommended brand (Steinman & Hawkins, 2010). Many marketers not only increase using social media as a vehicle to spread advertisements about a product or service, but also entice consumers to generate attention about a product and/or service and involve their promotions via their social networking, thereby maximizing the exposure of a brand (Steinman & Hawkins, 2010).

Inexpensive and exponential promotions. Internet marketing provides business

opportunities for people to be engaged in a marketing campaign about a product and/or service via social networks (Shukla, 2010; Thorne, 2008) and transaction efficiency (Shukla, 2010).

Consumers have a medium where they can voice their opinions inexpensively and freely, and share their actual experience, while companies are minimizing costs to show their business (Thorne, 2008). Based on studies in patterns of ties and typology of comments among Usenet participants, Datta et al. (2005) indicate that 20 % of participant comments were devoted to a product recommendation. Consequently, companies that choose Internet marketing can save advertising costs, because they require fewer salespeople and store locations and appeal to a larger world-wide audience (Thorne, 2008).

Brown (2006) states that the Internet marketplace achieves more successful positioning than mass media such as radio, television and print, which can be a very costly marketing platform and pose communication difficulties. In contrast to conventional media, Internet marketing requires less cash and can build a customer base with little or no capital outlay (Shukla, 2010) and with global audiences reach (Brown, 2006; Marken, 2008). Kotler et al. (2009) compares the capacity of the major advertising media types to deliver reach, frequency, and impact along with their costs, advantages, and limitations. The authors conclude that the Internet medium has high audience selectivity, interactive possibilities, relatively low cost, high reproduction quality and frequent usage over other marketing media such as television, radio, print,

outdoor and telephone (Kotler et al., 2009).

Advertising effects of word-of-mouth communication. Word-of-mouth communication is crucial to the diffusion of new products and essential to interpersonal influence (Datta et al., 2005). It also achieves advertising effectiveness over the traditional advertising channels (Swanepoel et al., 2009).

New products acquisition. In the offline world, next to television, word-of-mouth communication is the second most important means to find out new products (Thorne, 2008). Cruz and Fill (2008) claim that word-of-mouth communication has been demonstrated as the highest ranked technique used by consumers to gather product information and to make purchase decisions.

Influential marketing. Word-of-mouth communication has been regarded as a dominant marketing force for promoting products and services over conventional marketing (Cruz & Fill, 2008). It is also a powerful marketing force in affecting a person's purchase intention and in learning about the experience of others about products, services and companies (Dasari & Anandakrishnan, 2010; Datta et al., 2005).

Since the early 1950s, researchers have shown that word-of-mouth communication not only influences consumers' purchase choices and decisions, but also shapes pre-usage attitudes and even post-usage perceptions of a product or service (Cruz & Fill, 2008; Palka et al., 2009). The influence of word-of-mouth communication has a stronger impact on consumer purchase behavior than general

advertising or personal selling (Cruz & Fill, 2008; Datta et al., 2005).

Word-of-mouth marketing is referred to as a powerful and influential form of communication, as the perceived objectivity and credibility is associated with the parties involved (Cruz & Fill, 2008). Consumers rely more heavily on word-of-mouth communication for purchase decisions, especially for services, rather than any other form of interaction (Cruz & Fill, 2008).

Extending the effects of Internet and word-of-mouth marketing. Emerging media and technology have the potential to offer an alternative to the traditional media with one-way centralized communication, to enlighten, to aid grassroots movements, to connect diverse groups and to promote the sharing of information (Rushkoff, 1996).

Extending the advertising effects of the Internet marketing and word-of-mouth communication, viral marketing can transmit a message about a product and/or service with fast and inexpensive diffusion. It can also conduct promotions with global reach, cost-effectiveness and exponential referrals and create a geometric growth in a message's exposure and influence (Cruz & Fill, 2008; Datta et al., 2005).

Rapid, inexpensive and exponential promotions. Viral marketing exploits social networks to transmit a message quickly and cheaply in unpaid peer-to-peer communication, promoting a product and/or service in an inexpensive and incredibly effective way and marketing a business worldwide in an unbelievably quick fashion (Dasari & Anandakrishnan, 2010; Kharbanda, 2006; Swanepoel et al., 2009; Thorne,

2008). Like viruses, viral marketing takes the form of using a host and its resources to pass on a message with rapid multiplication and to fuel the potential for exponential growth in a message's exposure and influence (Pitta, 2008).

A potentially exponential expansion in a message's visibility and impact is promoted by people who are interested in spreading information by word-of-mouth and word-from-keyboards and thereby generate millions of referrals (Dobele et al., 2005). Viral marketing has gained its popularity, as it helps marketers banned in traditional media to speed up the diffusion process and involves customers as brand advocators in promoting a product and/or service through word-of-mouth communication (Shukla, 2010).

In addition, viral marketing dramatically lowers the cost of promotion and boosts the speed of adoption (Dobele et al., 2005), as it can allow customers to transmit messages in their reference groups by lowering the cost of customer acquisition (Shukla, 2010). An individual who passes on the referral also carries the cost of forwarding the brand message (Dobele et al., 2005). It also involves a consumer in free or low-cost participation and direct communication with engaging and believable promotions (Dobele et al., 2005).

An online business achieves cost reduction further as it lowers the costs from long-distance phone bills to direct mail postage in marketing and sales, reducing the high cost and the hiring of additional employees for customer service and support, and requiring less time for problem-solving and maintenance (Brown, 2006).

The quickest and most expansive brand awareness. Viral marketing exploits social networks to increase a brand's visibility and recognition (Datta et al., 2005; Swanepoel et al., 2009). Dobele et al. (2005) further suggest that viral marketing deploys electronic communication to trigger advertising messages throughout a widespread network of buyers, thereby increasing brand awareness and adoption rates, and positioning a brand and firm's image.

Influential marketing. Viral marketing is really an electronically-extended version of word-of-mouth communication, which is generally regarded to be one of the oldest forms of influence (Datta et al., 2005). Viral marketing can have the same effects as word-of-mouth communication to affect a person's attitudes and behaviors toward a product and/or service.

Katz and Lazarsfeld (1955) find that messages from mass media indirectly influence the mass market but affect a small minority of individuals who disseminate information and expand influence within their social networks through word-of-mouth communication. Therefore, the researchers coin the term opinion leaders for these hubs of word-of-mouth communication mediating messages from mass media (Katz & Lazarsfeld, 1955). In addition, Katz and Lazarsfeld (1955) initially formulate a two-step flow communication model in which an opinion leader first interprets the information from its source such as mass media and transmits it to his or her immediate followers as a larger audience.

Most notably opinion leaders not only move advertising messages, but also

expand influence from media to their supporters (Katz & Lazarsfeld, 1955).

Consequently, opinion leaders in a viral marketing campaign can affect purchase attitudes, perceptions and decisions within their reference groups.

Justin and Marsden (2006) propose that online opinion leaders should be targeted as a high priority group in viral marketing campaigns, as they can ignite epidemics like influential gate-keepers and diffusers of information on the Internet. Companies are also suggested to develop partnerships with these online influencers, informing them about new initiatives of a firm, advocating information with them, soliciting their response on the development of a product and/or service (Justin & Marsden, 2006).

Influential and persuasive advertising is conducted relying on the information transmitted from a trusted source such as a friend, colleague and family (Thorne, 2008). In viral marketing, once informants are identified as a reliable source, they would induce the trust from familiar recipients and increase the credibility of an advertising message (Palka et al., 2009). Therefore consumers deliver messages with credibility and reliability, expanding their spheres of influence and decision-making in major products to their affiliate groups such as friends or family (Marken, 2008).

Palka et al. (2009) suggest that personal messages sent by friends gain more credibility than those coming directly from self-interested advertisers. Porter and Golan (2006) suggest that materials usually transmitted through the Internet and often distributed through independent third-party sites are also identified as a more personal

and trustworthy source than messages provided by traditional advertising (Cruz & Fill, 2008; Dobeles et al., 2005; Thorne, 2008). Dobeles et al. (2005) explain that the act of forwarding electronic messages containing advertising is voluntary rather than a paid testimonial or mass advertising campaign and thus may be more favorably viewed by a recipient.

Interpersonal trust reinforcing the adoption of a brand. Hung and Li (2007) and Woerndl et al. (2008) indicate that viral marketing is the most influential and persuasive channel to market products, depending on the trust between an informant and recipient. Bone's research (1992) (as cited in Palka et al., 2009) has shown that the stronger the ties of interpersonal relationship, the more likelihood is to generate word-of-mouth communication about a product or customer experience. A trustworthy source like a friend or family leads to a recipient's perceptual affinity that increases the credibility of an advertising message and positively affects a recipient's purchase intention (Palka et al., 2009). Swanepoel et al. (2009) further suggest that the more a recipient views the source as having expertise, trustworthiness and attractiveness, the more persuasive the word-of-mouth communication is.

Furthermore, Gremler et al. (2001) (as cited in Datta et al., 2005) empirically suggest that the interpersonal relationship between an informant and recipient can produce positive word-of-mouth communication with four variables including familiarity, personal connection, care and trust. Datta et al. (2005) also argue that positive word-of-mouth communication has been recognized as a very important

vehicle for promoting a firm's products and services.

Specifically, strong ties including family members, friends, or neighbors positively influence message transmitting and give more positive ratings than negative ratings when they pass information related to a product or service to acquaintances (Palka et al., 2009). Pitta (2008) further indicates that the name and identity of an informant in a viral message are positive influencers with perceived online credibility. Palka et al. (2009) propose that perceptual affinity and strong ties can also expand positive influence on purchase intentions due to trust.

As people are so inundated with a marketing message forwarded by their friends whom they listen to and believe (Rayport & Jaworski, 2004; Thorne, 2008), viral marketing is effective to foster the acceptance of information in a viral message (Rayport & Jaworski, 2004). Consequently, people would be faithful to information distributed through acquaintances or independent third-party sites or informants unconnected with a corporate marketing campaign (Cruz & Fill, 2008; Dobele et al., 2005; Palka et al., 2009; Pitta, 2008).

Dobele et al. (2005) also illustrate that viral marketing connects with those who might influence purchase perceptions, such as family, friends and colleagues. Consumers' experience and views about a product and/or service affect their acquaintances' purchase intentions, as the public implicitly trusts information from a familiar informant (Thorne, 2008).

Audiences are more in favor of viral messages, because it is an implied

endorsement from a trust source that reinforces the adoption of a recommended product (Dobele et al., 2005). The endorsement of a trustworthy informant adds the approval of a brand choice, shapes a recipient's favorable purchase perception and motivates his or her purchase and buzz about a product and/or service. In viral marketing, informants forward messages to their acquaintances who will have a higher response and adoption rate than messages sent to prospects or to customers in general (Hughes, 2002). It is thus explained that 78% of Generation Y consumers trust peer recommendations, whereas only 14% of them believe advertisements (Childs et al., 2009/2010; Swanepoel et al., 2009).

Viral marketing targets consumers' needs and boosts business. Datta et al. (2005) define viral marketing as a new realization that adopts a win-win strategy between consumers and marketers. Consumers are invited to promote a satisfactory product and/or service and provide their actual observations and needs. Marketers take advantage of the Internet and two-way communication with consumers, inexpensively spreading advertisements with geometric referrals, reaching broad audiences and exchanging information. Consumers' online feedback and views also provide a source of consuming market intelligence that helps companies to find and target consumers' needs with effectiveness and innovation.

Targeting audiences. Today's most successful Internet businesses reach underserved customers and satisfy their needs which are not found in traditional advertising. Brown (2006) suggests that Internet marketing is capable of reaching new

customers by driving prospective customers to a website, and a company increases its business and profits due to new consumers. Scott (2007) further indicates that a company can harness the power of the web to reach audiences directly, because this type of marketing is one of the easiest and most cost-effective ways to get a message read by a target market and invites consumers to promote sales significantly. Unlike traditional advertising, viral marketing is more powerful with the recommendation of a trusted source and highly effective to acquire new customers (Thorne, 2008).

Through viral marketing, marketers can also have access to diverse audiences through appealing and interactive marketing and can profit from targeting audiences with effectiveness (Brown, 2006; Dobeles et al., 2005; Shukla, 2010; Steinman & Hawkins, 2010; Thorne, 2008; Woerndl et al., 2008).

Viral marketing offers a systematic way to get the right message to the right customer in a way that spurs interest and, ultimately, sales (Pitta, 2008). Consumers have the autonomy to decide what messages are worth sharing and when and how to forward them (Thorne, 2008). New technology empowers consumers to disseminate both positive and negative buzz and individual experience to their close ties as well as unfamiliar recipients (Datta et al., 2005). Those message informants will be more likely to know which of their friends, family members, and colleagues have similar interests, and thus the more likely the information recipients read the message, the more effective audiences will be targeted (Dobeles et al., 2005).

Satisfying consumers' needs with innovation. Kotler et al. (2009) define

marketing as dealing with identifying and meeting human and social needs. Ferguson (2008) suggests that the greatest potential of viral marketing is a platform connecting brand advocates with the product development cycle, as advertisers make effective innovations based on consumers' perspectives and suggestions. Relying on consumers' feedback about products and services, marketers find and explore hidden values in developing a product and/or service, and finally target consumers' needs with effectiveness and appropriate innovation (Anderson, 2006; Cruz & Fill, 2008; Tapscott & Williams, 2006; Marken, 2005).

On the web, it is obvious what is in people's minds, as the Internet is like a massive focus group with uninhibited customers who offer their thoughts for free (Scott, 2007). Significantly, if a marketer can involve consumers in talking about a brand and sharing their experience with each other, it would be like listening to a focus group all the time (Venkat, 2001). Representing dominant consumers' observations, opinion leaders with rich consumer experience and referral rates often provide more constructive views and recommendations about the promotion and development of products and/or services (Scott, 2007). This author also suggests that it is vital for companies to understand opinions offered on a blogosphere which is a source of market intelligence, providing the perceptions of what people are actually doing with products. Cruz and Fill (2008) indicate that Procter & Gamble Corporation (P&G) firmly chase more genuine feedback rather than enforcing members to spread the word, as it is a great and cheap way to obtain desired consumers' contacts and

learn customer thoughts and needs, which enables more targeted marketing.

In addition, viral marketing helps to investigate what benefits consumers would pay for. The one-to-one communication between marketers and consumers sharpens the focus and simplifies what benefits customers will value (Pitta, 2008). A company also gains benefits from viral marketing that aids in meeting target audiences' needs precisely and obtaining high consumer acceptance by the development of products and services (Pitta, 2008).

Through two-way direct communication, a firm is able to understand consumers and their expectations or problems and therefore has products fit their needs (Scott, 2007). Companies can also trace the needs of a market and entrepreneurial trends relying on consumers' observations and referrals (Scott, 2007). Significantly, a firm can respond to and meet consumers' actual needs by adopting consumers' advice to develop a product and service.

Not only two-way direct interaction between marketers and consumers helps exchange information (Brown, 2006), but also the collaboration between masses of people and firms drives innovation in a product and/or service and business growth (Venkat, 2001). An online media room can entice prospective consumers into opinion platforms (Scott, 2007), and blogs provide ways of reaching out and obtaining direct consumers' feedback, which influences other audiences and allows executives to address business issues and concerns (Marken, 2005).

Marketing professionals can also develop a product and/or service by

analyzing a targeted segmentation's purchasing decisions and behaviors (Kotler et al., 2009). Based on consumers' demographics and responses to offers and promotions, firms can identify consumers' preferences and products desired, and thereby adopt effective marketing campaigns to acquire new consumers (Brown, 2006). A company further builds database about consumers' personas and preferences that proclaim their problems and needs (Kotler et al., 2009; Scott, 2007) and develops products and/or services to fit their consumers' needs by specific marketing and public relationship programs (Scott, 2007).

Growing a business and increasing profitability. Viral marketing keeps a company's financial growth by maintaining consumer retention and increasing consumer loyalty. A company gains profits from existing customers, who maintain or increase purchases (Hayes, 2008). Customer loyalty can result in profitability by the acquisition of new customers: the customer acquisition process relies on existing customers' promotions or recommendations to their acquaintances who, in turn, become customers. Viral marketing allows companies to maximize growth by acquiring prospective consumers, targeting their needs with appropriate innovation and increasing consumer loyalty (Pitta, 2008).

In addition, it is essential for a marketer to target consumers' demands consistently to sustain a company's competition in a market (Gillis, 2006; Marks & Hoyt, 2009). Johnson (2008) suggests that customer-focused initiatives and customer benefit offers boost a company's market share, growth and profitability. When a

company strives to meet consumers' needs, consumers feel cared for and return their gratitude with increasing consumer retention and positive reactions to its products and/or services.

Challenges in the Adoption of Viral marketing

Before a viral marketing campaign is initiated, some concerns and challenges in adopting this strategy including advertising limitations, some target audiences missing, blocks in the flow of information and ethical concerns, need to be outlined.

Advertising limitations. The three key principles of an effective persuasive strategy designed for changing consumers' attitudes or behaviors have covered the aspects of "when," "how," and "who" (Chan, Jiang & Tan, 2010). The "when" aspect indicates that the right advertising time must be identified to persuade consumers' purchase attitudes and decisions; the "how" aspect states that appropriate content of an advertising message should be utilized; the "who" aspect suggests that the advertiser plays an important role in exerting an influence on consumers (Chan et al., 2010). Specifically, message content, advertising timing and repetition are three main components of advertising input and constitute the advertising strategy that triggers a consumer's response (Vakratsas & Ambler, 1999). Consequently, the effectiveness of advertising that affects a consumer's purchase perception and intention depends on the quality, timing and repetition of an advertising message (Moorthy & Hawkins, 2005).

Quality of advertising content. The quality of an advertising message refers to its content's completeness, consistency, accuracy and reliability (Huang, Lin & Lin, 2009). Consumers can also rely on the quality of an advertisement to form their purchase attitudes, reactions and intentions to an advertised product (Moore & Hutchinson, 1983; Vakratsas & Ambler, 1999). Specifically, affective reactions are likely connected with a consumer's recognition of a product and brand, while negative reactions to an advertisement can be derived from a poorly constructed advertising message (Moore & Hutchinson, 1983).

Advertising messages that are new, interesting, informative and useful attract people's attention more and stimulate more persuasiveness on prospective consumers' purchases (Dupont, 2006; Greenwald & Leavitt, 1984; Huang et al., 2009; Tellis, 2004; Vakratsas & Ambler, 1999). Such quality of advertising content becomes more persuasive on people's purchases, as their involvement further increases perception, believability and purchase intention to an advertised product (Dupont, 2006).

Specifically, Tellis (2004) suggests that novelty of an advertising message is critical to the effectiveness of advertising. Novelty injected in an advertisement overcomes the tedium, rejuvenates the advertising content, and increases the effectiveness of advertising (Tellis, 2004). Therefore, people feel fascinated and revitalized by advertising novelty that has an immediate and seductive effect on their purchase intentions (Dupont, 2006). The more interesting advertising content is easier to follow and leads to less counter arguments and thus less resistance from consumers

(Tellis, 2004). Huang et al. (2009) further indicate that an advertising message must be appealing, valuable and well qualified. People also focus on reading messages that contain useful information (Dupont, 2006; Greenwald & Leavitt, 1984), as informative advertising messages are considered convincing, effective, and interesting (Bogart, 1996).

Timing. A viral marketing campaign's success depends on the ability to select a precise moment for optimum effects of an advertisement and to ensure the delivery of an advertising message to the right audience at the right time (Dupont, 2006). Chan et al. (2010) further suggest that it is crucial to achieve effective and maximum persuasiveness by identifying and selecting the optimum timing to launch advertising efforts.

Advertising timing includes the exposure timing and schedule of an advertisement (Chan et al., 2010). Exposure timing indicates the time when an advertisement is launched and is recognized as a key factor to design a traditional or online advertisement (Chan et al., 2010). For instance, advertising is ensured before sales, once it is noticed when people will be most likely to buy a product (Dupont, 2006). Furthermore, the time that people spend watching advertisements varies seasonally, so that advertising show-time will be changed in every season (Dupont, 2006). Advertising schedule is generally assumed as normal speed of the exposure to a number of advertisements (Martin, Nguyen & Wi, 2002). The exposure to an advertisement at normal speed will achieve higher recall of an advertisement and

recognition of a product and its brand (Martin et al., 2002). Advertising schedule is also the timing on the calendar which becomes significant for some advertised products and is connected with their purchase patterns (Bogart, 1996). For example, some advertisements with the design of advertising schedule lead to consumers' demands for seasonal products out of season (Bogart, 1996).

Repetition. Repetition in advertising is the frequency of an exposure to an advertisement (Tellis, 2004) and is a major advertising factor in affecting consumers' purchase attitudes and decisions. Optimum repetition of an advertisement is adopted to avoid both inadequate and excessive frequency of an exposure to an advertising message (Bogart, 1996; Dupont, 2006; Tellis, 2004).

A company keeps repeating advertisements along with its sales, as repetition is a powerful strategy to increase a brand's visibility, to persuade people's purchases, to improve a product's image and to boost its sales (Dupont, 2006). Repetition also attracts and holds people's attention to a product, leads to higher recognition and recall of a product and brand, and results in higher purchase preference and persuasion (Tellis, 2004).

Repetition serves to enhance a product or brand's visibility, as the more often readers are exposed to an advertisement, the more likely they prefer reading it (Dupont, 2006). Repetition of an advertisement can also prevent or delay wear-out in reading advertising messages and maintain recall of a product and brand at high levels (Vakratsas & Ambler, 1999). In addition, the high frequency of an exposure to an

advertisement leads to higher interests and liking to a product (Moore & Hutchinson, 1983; Schumann, Petty & Clemons, 1990). Repetition also recalls consumers' perceptions to a product, as people who feel interested and significant information will remember the related product (Bogart, 1996). Repetition of an advertisement further develops consumers' comprehension and processing of an advertising message and has a positive effect on the familiarity of a product and brand (Bogart, 1996; Dupont, 2006; Martin et al., 2002). Furthermore, repetition may develop people's favorable attitudes and reactions toward an advertised product by increasing the familiarity and liking to a brand (Dupont, 2006; Moore & Hutchinson, 1983). Therefore, a product and its firm gain people's positive perception and support that normally boost a product or brand's notoriety and sales (Dupont, 2006).

Three aspects working together. Quality, timing and repetition of an advertisement always work together to achieve the effectiveness of advertising and to affect consumers' purchase attitudes and decisions.

The quality and repetition of an advertising message have a positive relationship. The optimum frequency of an exposure to an advertising message depends on a number of factors including the type and quality of advertising content (Lancaster, Kreshel & Harris, 1986). In addition, the higher repetition of an advertisement can result in a consumer's positive perception to the quality of an advertising message (Moorthy & Hawkins, 2005).

In addition, advertising timing often links repetition of an advertisement to

achieve advertising targets and effects. If an advertising message is evenly spread, the more often it is repeated, the more likely an advertising objective is targeted (Bogart, 1996). The advertising timing and repetition of an advertisement directly affect the levels of effective consumers' reach (Lancaster et al., 1986). For example, given a fixed annual advertising budget and media platform, the level of effective reach to prospective consumers will fluctuate with a weekly, monthly, quarterly or annual advertising schedule (Lancaster et al., 1986). In order to enhance the familiarity and recognition of a product and brand, the advertising timing for repeating an advertisement is also suggested to post it weekly for three or four weeks (Dupont, 2006).

The effects of repetition of an advertisement also depend on the time of an exposure to an advertisement and the length of the advertising interval between exposures (Bogart, 1996). For instance, three repetitions of a fifteen-second advertisement in close succession produce different effects with three successive exposures to a two-minute commercial (Bogart, 1996). However, Bogart (1996) suggests that the duration of an advertising exposure is less important than the length of the interval between exposures, as advertising messages repeated at different intervals of time may reinforce each other and vary advertising effects.

Some target audiences missing. Although the Internet is regarded as a part of everyday life for ordinary people, the Internet is not embedded in people's lives (Middleton & Leith, 2007). According to data provided by Statistics Canada in 2001,

the majority of Canadian households have at least one member who is a regular Internet user since 2000 (Middleton & Leith, 2007). By 2005, the Internet adoption continues at a slower rate than observed earlier in the decade (Middleton & Leith, 2007).

Consequently, there are concerns for marketers to adopt viral marketing, because not all consumers are web-savvy and marketers may miss a target group who will be unable to try a product and/or service online. 71% of American households have an Internet connection (Thorne, 2008) and 30% of Americans like senior citizens or kids do not use the Internet (Kotler et al., 2009). Middleton and Leith (2007) indicate that a relationship is observed with older users doing fewer online activities, and spending less time online. Compared to a much larger proportion of the 18 to 24 year old group in the high intensity of Internet use, larger proportions of 35 to 64 year olds fall in the low intensity category (Middleton & Leith, 2007).

Blocks in the flow of information. Based on different intentions and perceptions of people, advertising messages could be misinterpreted, misrepresented, withheld, manipulated, misled or misevaluated when they reproduce the meaning in an original message (Chiu et al., 2007; Kharbanda, 2006; Palka et al., 2009).

Swanepoel et al. (2009) suggest that people will read an advertising message and react to it in terms of a conscious interpretation and evaluation. Different interpretations and identities also create blocks in the flow of information, as people only filter and forward information that they enjoy or find useful and helpful (Chiu et

al., 2007; Palka et al., 2009). An informant also manipulates information for the recipient who will view it more favorably (Langton, 2010). Langton (2010) further indicates that some recipients selectively see and hear information in the communication process, based on their needs, motivations, experience, background, and other personal characteristics. In addition, recipients also project their interests and expectations into messages transmitted when they decode them (Langton, 2010). Consequently, it is easier to lead toward misinterpretation and misrepresentation about an advertising message, which discounts the credibility of the original information and creates an inaccurate or adversarial marketing campaign (Chiu et al., 2007).

Kharbanda (2006) also suggests that marketers are cultural engineers, whose complicated tactics persuade consumers to think and feel in favor of their products. Marketers also institutionalize the transparency of information by filtering or withholding information, or choosing comfortable marketing channels that benefit their products. Consequently, viral messaging fails sometimes, because advertising information is represented due to the company's desire to send a message rather than because of a viewer's or listener's desire to learn something or solve a problem (Marken, 2008). Corporate manipulation and misrepresentation of a product's information further misleads customer belief on a product or improperly expresses its effects, and produces the falsehood of advertising (Chiu et al., 2007).

In addition, bad buzz about a product and/or service can be created and expand quickly, as people gripe about bad customer experience in the hope of getting their

revenge and to damage a company's reputation, or a company fosters negative buzz about its competitor in order to become more competitive in a market (Thorne, 2008).

Ethical concerns. There are challenges in the adoption of viral marketing, in which transparency and honesty are essential to retain consumer loyalty, and management of negative word-of-mouth communication is vital to secure a market.

Unlike television ads, content generated in viral marketing can be free of constraints and restrictions (Porter & Golan, 2006). Viral marketing is increasingly hard to be regulated due to the unique nature of the Internet (Swanepoel et al., 2009), as challenges in communication are created through the Internet, which is almost a tailor-made tool (Dobele et al., 2005).

Companies should monitor their own social media outlets and third-party social media to ensure advertising claims are truthful and accurate (Steinman & Hawkins, 2010). In addition, intellectual property such as trademarks and copyrights are being misrepresented, misinterpreted and abused in user-generated content campaigns (Steinman & Hawkins, 2010). Marketers should have rules that include specific prohibitions regarding trademark and copyright infringement, and impersonation through user-generated content campaigns and media outlets (Steinman & Hawkins, 2010).

Swanepoel et al. (2009) claims that although the respondents aged between 19 and 34 found viral marketing to be the least ethical, it is the most acceptable marketing strategy. Promisingly, there are several laws in different countries to

monitor viral marketing. For example, in the UK, there are general laws including the Electronic Commerce Regulation 2002, the Privacy and Electronic Communications Regulations 2003, the Communications Act 2003 and the Video Recordings Act 1984 (Committee of Advertising Practice, 2006) (Porter & Golan, 2006). On a global level, the International Code of Advertising Practice from the International Chamber of Commerce (ICC) states that advertising should be legal, decent, honest and truthful (Porter & Golan, 2006).

75% of people participating in a 2005-2006 study on word-of-mouth campaigns are happy to continue their discussion with a brand ambassador as long as they feel the opinions are honest, while 57% of the public confirm that they are less likely to buy a product if they suspect the company is not being totally transparent in a word-of-mouth campaign (Thorne, 2008).

The readers of blogs view the information shared by smart bloggers as real, authentic communication, so that blogs/web content are now a mainstream vehicle for organizations to insert their ideas into a market (Scott, 2007). Consequently, firms that are now adopting or considering viral marketing campaigns should never hire minors as brand ambassadors to spread advertising messages in blogosphere, because bloggers may not provide fair and honest opinions (Thorne, 2008).

Although people prefer the authenticity and honesty of information, the user-generated web content is not well regulated with sufficient restrictions and laws and the falsehood of information is thereby created in a viral marketing campaign.

Marketers also need to strive toward scrutinizing, authenticating and monitoring inaccurate or adversarial information disseminated in viral marketing campaigns (Hung & Li, 2007; Steinman & Hawkins, 2010). Companies are required to manage their own social media outlets as well as third-party social media platforms to ensure that their intellectual property is not being infringed and impersonalized in user-generated content campaigns. A firm also needs more honest opinions and corporate transparency in viral marketing to sustain a business and retain consumer loyalty (Thorne, 2008).

Summary

This chapter identifies the concept and context of viral marketing and presents its benefits and challenges with a critical review of previous research. The creation of viral marketing is promoted with technological innovations and cultural changes, responding to marketing trends and catering to consumers' current psychology and behaviors. Extending advertising effects of both Internet marketing and word-of-mouth communication, viral marketing has demonstrated considerable success and utility in a product and/or service's promotional and development phase, targeting audiences' needs with effectiveness and growing business with customer-focused initiatives and innovation. However, there are challenges in the adoption of viral marketing including advertising limitations, some target audiences missed, blocks in the flow of information and ethical concerns. In the next chapter, a justification for the

research methodology, the data collection procedure and analysis will be provided.

Chapter Three: Research Design and Methodology

This chapter provides that the research was an explanatory, interpretive and analytical process with procedures of data collection and data analysis. This section further offers a justification for the qualitative focus group approach that was adopted to investigate the central research questions, collect data and obtain findings.

Research Design

A focus group was identified as the appropriate qualitative research strategy for this research. This study intends to shed light on viral marketing as a new marketing phenomenon and to explore the advertising benefits and challenges with the adoption of viral marketing.

Stewart et al. (2007) recommend that qualitative methods are the most useful and powerful to discover a participant's perspectives and experience. Specifically, the data and results in this research were provided by comprehensive and concrete perspectives, judgments and insights from marketing professionals and consumers who have experience and knowledge of viral marketing.

In addition, focus groups have been adopted with considerable success in marketing research. Focus groups have become an important research tool applied in business sectors of marketing, advertising and communication (Stewart et al., 2007). The primary use of focus groups has been applied in the field of marketing to assess consumers' preferences and reactions to products (Vaughn et al., 1996). Marketing

researchers prefer using this approach to obtain consumers' perceptions and their reactions to advertising designs and other marketing stimuli (Stewart et al., 2007).

Vaughn et al. (1996) further suggest that focus groups also explain the relationship between a stimulus and effect, as focus groups can be used to better ascertain and understand the reason behind a phenomenon by obtaining target people's interpretations and views.

Vaughn et al. (1996) also identify that a focus group is designed to investigate a concrete experience and obtain people's perceptions and reactions. A focus group can assist in explaining how and why people behave and can provide the means to probe people's emotional reactions to issues (Vaughn et al., 1996). Through a group interaction, a focus group could provide insights to generalize why people feel the way they do, instead of simply explaining why a number of individuals feel a particular way (Vaughn et al., 1996). Furthermore, a focus group can offer information to assist in interpreting unexpected effects and can provide verification in interpreting data that might be only conjecture (Vaughn et al., 1996). Consequently, focus groups can help to explore or generate hypotheses and can develop questions or concepts (Stewart et al., 2007).

Many scholars argue that a focus group can quickly and inexpensively provide rich and reliable amounts of data at deeper levels to discover a participant's actual perception and experience (Cruz & Fill, 2008; Stewart et al., 2007; Vaughn et al., 1996). Morrison et al. (2002) also suggest that gathering diverse individuals into a

single group to discuss their experience and perceptions would be more economical and faster than interviewing each individual to get concepts, perspectives, judgments or insights. The open responses of a focus group offer an opportunity to obtain large and rich amounts of data in the respondents' own words (Stewart et al., 2007). In addition, the open-ended structure allows for responses from the participants in their own words as much as possible, minimizing the effect of the researcher's preconceived notions or reflexivity to a minimum. The researcher can then obtain deeper levels of meaning by making important connections with available research results and by identifying subtle nuances in verbal and nonverbal expression and meaning from participants (Stewart et al., 2007).

A focus group can also help the in-depth analysis of data, as more explicit group interaction can gain insights into participants' opinions and experience and provide additional data (Morgan, 1997). Therefore, further understanding of target individuals' reactions to an issue can contribute to better understanding the research findings (Vaughn et al., 1996).

Data gathering. Focus group interviews were conducted with marketers and consumers who have knowledge and experience in viral marketing. The subjects volunteered to take part in this research without any overt recruitment efforts or incentives on the part of the researcher. To conduct the marketer focus group with 20 open-ended questions, four marketing professionals in the Ottawa area were selected based on their experience and knowledge of viral marketing and other demographic

information including age, gender, nationality, occupation level and the frequency of Internet use. The marketing focus group was composed of marketing or communication professionals from the federal government of Canada, an educational institution, a travel company and marketing consultancy company. Six university students in Ottawa were recruited to carry out the consumer focus group with 12 open-ended questions. The subjects were selected between the age of 18 and 30 and with demographic characteristics of Generation Y including age, education, knowledge and experience related to viral marketing and Internet use.

Prospective participants in the marketer focus group came from those who contacted the researcher for participation after they received the recruitment poster (see Appendix E) distributed in supermarkets and/or shopping malls. To acquire the members in the consumer focus group, a recruitment poster (see Appendix E) was posted in the Student Center at University of Ottawa, so that prospective subjects could be identified and contacted. In addition, recommendations from the researcher's friends were used to obtain participants in this research.

The researcher contacted qualified participants via e-mail or phone to confirm their participation and to establish a mutually agreeable time and place for the focus groups to occur. The subjects who agreed to participate in the study received a demographic form to investigate the participant's demographics, knowledge and experience of viral marketing and individual Internet use (see Appendix F). They also obtained a recruitment letter (see Appendix G) to acknowledge the purpose of the

research and obligations of participants. The focus group members further received a consent form (see Appendix H) as the research protocol according to ethics requirements. Subjects were required to sign and return the forms to the researcher before they participate in a focus group.

Participation. All the subjects were free to choose the participation in this research. They could withdraw their participation any time, even if they confirmed their attendance in the study. They may also refuse to answer any specific question. According to the research ethics requirements, a participant's contribution to the study as an integrated part of a focus group interaction was suggested not be removed and possibly used in the research, even if the participant withdrew. Although subjects will not be identifiable in publications or presentations, their perspectives and insights may be directly quoted from a focus group discussion in publications or presentations, under pseudonyms that they named themselves in a demographic information form. This promise of confidentiality allowed the subjects to speak freely and openly about their opinions and thoughts.

Design of research tools. Each face to face group discussion was conducted for one or two hour(s) in a study room at University of Ottawa. The researcher also made an audio-recording and notes to ensure the reliability of observation for future analysis.

Two different questionnaires (see Appendix I & J) were designed separately for each focus group, gained participants' actual perspectives and addressed research

questions. Every question in each questionnaire is connected with each other in the progress. Specifically, the first questions were developed to be broad and general, leading participants to talk about and answer questions freely based on their perceptions, conceptions and experience. The subsequent questions were grounded in the central research questions and obtained reliable answers from a focus group interaction.

When ending a focus group, every participant was invited to contact the researcher in case some content was missing during the group discussion and was asked for permission to have further contact if needed to ensure the accuracy of a transcript.

Data Analysis

In qualitative research, data collection and analysis occur simultaneously (Stewart et al., 2007), so that each focus group discussion will be transcribed and analyzed concurrently. The transcripts from the marketer and consumer focus groups were interpreted through an iterative process of reading, analyzing and rereading. Once the transcript was finished, it served as the basis for a content analysis and report.

Data analysis is based on a transcript, note and memory-based summary of critical points (Krueger & Casey, 2000). Both inductive and deductive analysis will be used to identify key themes and sample statements as a representative subset of the

larger population (Stewart et al., 2007). Discussion content in the transcripts was categorized, decoded and analyzed under key themes, which were illustrated by direct quotations from the respondents in the focus groups.

Specifically, the coding process starts with transcription and interpretation of the focus groups discussion content, which was categorized and organized into different main themes and sub-themes. Based on the central research questions, the codes are organized under three main themes: (a) the advertising effects in viral marketing, (b) business growth through innovation in viral marketing, and (c) the challenges in the adoption of viral marketing. The commonly occurred themes conveyed in the transcripts were found. The research also allowed other themes and sub-themes to emerge from the transcripts. All emerging themes were grouped under these three main themes as a framework. The researcher designed a coding structure and revisited the transcripts to highlight spoken utterances as the selective coding to clarify and refine the prevalent themes in the data

Themes that address the research questions were illustrated with focus group participants' perspectives and insights. Finally, a summary of analysis of findings was organized with important themes and reinforced by quotations from focus group respondents.

Role of Researcher

Every group interview had the researcher as a moderator, whose role is to

facilitate a focus group interview to the topic of interest. Morrison et al. (2002) recommends that what the researcher in a qualitative interview asks is always based on what a participant has just said, so that it fully allows a participant to make and reveal the connections of things rather than the researcher imposing subjective relative ideas upon a participant's views. During a focus group discussion, the researcher refrained from imposing concepts, perspectives or judgments upon what a participant was saying, and led the focus groups through the areas of a discussion, avoiding all attempts to interject things into a conversation.

Reliability of the Research

Group dynamics enhanced the likelihood that people would speak freely and honestly about a topic of interest, so that the information obtained from a focus group interview was genuine about what each person felt rather than groupthink which people conformed to what others believed (Vaughn et al., 1996).

The accuracy of a transcription is ensured with an interview tape, the researcher's notes/memos which highlight participants' main perspectives and reactions (Stewart et al., 2007). To correct spelling and typographical errors in transcripts, the researcher relied on detailed notes, replayed an audiotape of a focus group discussion and recollected non verbal behaviors and facial expressions of focus group participants.

Furthermore, coding data and using coding paradigms are two ways of

reducing data to manageable and meaningful units (Stewart et al., 2007). A reasonable interpretation in a transcript was produced by preventing the researcher's own personal biases, prejudices, and opinions and by guarding against these overly influence in the interpretation of the data.

According to suggestions by Stewart et al. (2007), the appropriate unit of analysis was also driven by both the purpose of the research and the ability of the researcher in order to achieve reliability in the coding system. The data analysis with checks for accuracy of final transcripts enhanced the reliability of the research, based on the guidance by Stewart et al. (2007).

Summary

This chapter offers a justification for the qualitative focus group approach that was adopted in this study and provides the research design with the procedures of data collection and data analysis. Two focus groups were conducted by marketing professionals and young university students identified as Generation Y. In the next chapter, advertising effects and challenges in the adoption of viral marketing were explored and illustrated with the respondents' perception and judgment in the focus groups.

Chapter Four: Results and Analysis

In contrast to previous research, this study provides both the similarities and differences in the main results including the definition, effects, challenges and concerns in the adoption of viral marketing. Participants in the focus groups identified viral marketing with their experience and knowledge and showed the commonly occurred themes and similar results that were found in existing research. These themes and results represent three major headings of viral marketing that are derived from the central research questions, including (a) the advertising effects in viral marketing, (b) business growth through innovation in viral marketing, and (c) the challenges and concerns in the adoption of viral marketing.

Defining Viral Marketing

Both the marketer and consumer focus groups reinforced that viral marketing is a process that induces users to pass an advertising or marketing message to other users such as friends, family, and colleagues (Cruz & Fill, 2008; Datta et al., 2005; Laudon & Traver, 2009). In addition, this marketing strategy is the extension of word-of-mouth advertising mediated by Internet and represents the online customization, interaction, relationship and influencer marketing to increase promotions on products and/or services.

Based on the data obtained from focus groups, viral messages can be electronic or text messages, video clips or images that are spread within an

informant's social networks via the Internet, social media or mobile devices. Those social media platforms include Facebook like renren.com in China, Twitter like Sina Weibo in China and YouTube like Youku.com in China. Email marketing, Facebook, YouTube are mainly exploited by informants to send viral messages or video clips within their reference groups.

Many scholars describe viral marketing as an Internet-based word-of-mouth marketing form and the latest online advertising phenomenon (Cruz & Fill, 2008; Dasari & Anandakrishnan, 2010; Marken, 2008; Shukla, 2010). More research indicates that viral marketing extends the same effects of traditional established word-of-mouth advertising (Datta et al., 2005; Palka et al., 2009; Shukla, 2010; Swanepoel et al., 2009; Woerndl et al., 2008). The marketer focus group affirmed that viral marketing has actually integrated the advertising effects of word-of-mouth communication with those of Internet marketing.

Although previous research (Datta et al., 2005) has argued that viral marketing is dissimilar to traditional word-of-mouth advertising, the participants in the marketer focus group reinforced that these two marketing tactics are different in marketing form, participants' identity, the power to create a brand's visibility and the speed of information diffusion.

Datta et al. (2005) suggest that viral marketing is different from traditional word-of-mouth advertising that is written, not spoken and participants' identity in viral marketing is not constrained by circumstances of their background, appearance,

status, neighborhood and workplace. Both marketer and consumer focus groups further differentiated viral marketing from word-of-mouth communication, indicating that the form adopted by viral marketing is different from that of traditional word-of-mouth communication such as door-to-door advertising or word-of-mouth communication between friends and neighbors. In the marketer focus group, Peter, a communication officer for Canadian federal government stated: “viral marketing is mass marketing that reaches and attracts mass audiences, while messages are always posted on the Internet or social network like YouTube .”

Datta et al. (2005) further suggested that either a message in viral marketing can be transmitted or a brand visibility can be increased with exponential growth that traditional word-of-mouth communication cannot create. In the marketer focus group, Stripes, a communication manager for a tourism company, affirmed this statement: “messages in viral marketing can spread more faster than word of mouth that takes a long period to fill up.”

Advertising Effects in Viral Marketing

Research has showed that viral marketing achieves successful marketing effects in four aspects: (a) rapid, inexpensive and exponential promotions, (b) the quickest and most expansive brand awareness, (c) influential marketing based on interpersonal trust, and (d) targeting consumers’ needs and growing business with innovation (Dobele et al., 2005). The current results from the marketer and consumer

focus groups demonstrated similar results accomplished through viral marketing: (a) rapid, inexpensive and exponential promotions, (b) positively positioning a brand, (c) influential marketing, and (d) targeting audiences with effectiveness and growing a business with innovation.

Rapid, inexpensive and exponential promotions. With the strengths of Internet marketing, information is diffused and acquired throughout a widespread network of prospective consumers quickly and inexpensively (Dobele et al., 2005; Shukla, 2010). Viral marketing allows people to generate and obtain information easily, rapidly and cheaply (Alexander, 2006). Peter in the marketer focus group affirmed this:

The Internet brings more opportunities for people to find information. The current structure of the Internet like Google, search engines will be driven more by referrals with and it is convenient and quick to obtain what they want. For instance, if you find a restaurant, you just type in ‘restaurant in Ottawa’, and then you know what restaurant people like immediately.

Vivi in the consumer focus group further reinforced this: “if I have a concern, I go it, in Wikipedia, the classic case of viral marketing or Google will find out what I want to know.”

Pitta (2008) illustrates that viral marketing takes resources of the Internet and social networks to transmit a message with rapid multiplication and to fuel the potential for exponential growth in a message’s exposure and influence.

The consumer focus group stated that as an advertising message in a viral marketing campaign is replicated geometrically, brand awareness and promotion about a product and/or service is referred exponentially. In the consumer focus group,

Michelle claimed that she would use viral marketing to produce the quick diffusion of viral messages or event news and to obtain a larger audience's view. She provided the reason for her to pass on advertisements through viral marketing, as a good platform like Facebook can have a large web of friends who transmit information quickly and acquire the easiest and nicest views by their reference groups.

In addition, research has demonstrated that viral marketing utilizes the Internet and social networks to transmit a message with high speed and cost-effectiveness, promoting a product and/or service and marketing a business worldwide in an inexpensive and incredibly quick way (Dasari & Anandkrishnan, 2010; Dobele et al., 2005; Kharbanda, 2006; Swanepoel et al., 2009; Thorne, 2008).

The subjects from the marketer focus group reinforced that viral marketing achieved advertising effects with time-effectiveness and little advertising budget. Respondents in the consumer focus group affirmed that compelling messages are transmitted fast in Internet marketing or viral marketing and offer advertisements at low costs. Stripes, as the representative in the marketer focus group, described viral marketing as a cheap marketing alternative in which advertising messages are transmitted quickly and inexpensively: "viral marketing as a dirty cheap marketing tool and it's trying to get people activate on an advertising message quickly. I think it's a very good second alternative and guess it's dirt cheap."

As Steenburgh and Avery (2008) have explained why viral marketing can promote sales with rapid multiplication and exponential referrals, the marketer and

consumer focus groups evidenced that online social networks provide people with easy communication platforms and each individual has a social network consisting of numerous acquaintances, with who they can share opinions and consumer experience. Consequently, web users are enlisted as brand ambassadors who can promote their favorite brands toward their acquaintances quickly and lead to exponential referrals.

As reinforced by the subjects in the two focus groups, viral marketing dramatically reduces the cost of promotion. Specifically, viral marketing allows customers to transmit messages in their reference groups by lowering the cost of customer acquisition (Shukla, 2010) and carrying the cost of forwarding an advertising message (Dobele et al., 2005).

In the marketer group, Max, an entrepreneur for a marketing consultancy company, further evidenced that viral marketing reveals the same advertising effect of Internet marketing, so that it lowers advertising cost and generates advertisements with rapid and geometrical referrals. He indicated that he would try all varieties of marketing techniques including onsite/face-to-face marketing, direct mail marketing, but his company still depends on Internet marketing in which a marketer invests little advertising costs in spreading messages quickly and exponentially via people's social networks.

Positively positioning a brand. Viral marketing exploits the Internet and social networking to increase a brand's visibility and knowledge quickly and exponentially (Datta et al., 2005; Swanepoel et al., 2009), as Stripes in the marketer

focus group reinforced: “viral marketing is really effective for building a brand, or really building brand awareness.”

Dobele et al. (2005) further suggest that viral marketing utilizes electronic communications to trigger advertising messages throughout an individual consumer’s widespread network, thereby increasing a brand’s visibility and adoption rates and positioning a brand and its firm’s image. Max in the marketer group affirmed these research findings: “Internet marketing or viral marketing offers opportunities for thousands of people to remember a company’s name, or its products, so that a brand and company’s image are positioned firmly in people’s minds.”

Web content also works well for telling an organization’s story to a particular target market, getting audiences’ attention, appealing to customers and promoting a new product offering (Scott, 2007). Max in the marketer focus group further evidenced: “messages transmitted via Internet like twits provide initial contacts for people to know and communicate with each other and offer a chance for marketers to introduce what products they are selling and their company’s profiles.”

Furthermore, viral marketing can be an effective method to get a positive image from the public by informing audiences of what a business is doing, inviting them to witness good products and services, sharing their views, engaging them in problem-solving and sales-promoting, and expressing gratitude to those people who give positive product ratings and constructive recommendations (Thorne, 2008).

Stripes in the marketer focus group further demonstrated how a brand and its firm can

be positively positioned in a prospective consumer's mind, as he suggested: "your brand and company's image can be positively positioned in people's minds by making people think positively about your company, so that when they need to buy your product and services, they think you first."

He also indicated that advertising messages via social media turn more influential and persuasive, positively affecting people's purchase attitudes and intentions toward a product and/or service, as he stated: "yeah, that is what most effective twitter marketers do. They engage followers in a conversation about whatever will create positive thinking about a company and its products." Michelle in the consumer focus group further affirmed this view of point: "positive views related to a product and/or service give people more positive images of a brand and its company."

In addition, positive ratings from a trusted source strongly affect the ability to position a product and may ultimately decide a fate of a brand, product, or its firm (Dobele et al., 2005). The subjects in the consumer focus group explained that a brand's positive position and reactions to a recommended product and/or service is relying on the trust between informants and recipients.

Influential marketing. As electronic word-of-mouth communication, viral marketing can have the same effects to affect person's attitudes and behaviors toward a product and/or service (Datta et al., 2005; Swanepoel et al., 2009). Viral marketing not only shapes pre-usage attitudes and even post-usage perceptions related to a

product or service, but also influences consumers' purchase choices and decisions (Cruz & Fill, 2008; Palka et al., 2009).

Both marketer and consumer focus groups contributed to explaining that products and services are influentially promoted through viral marketing, in that positive views affect an individual's purchase attitudes and intentions. The subjects also indicated that interpersonal trust boosts the speed of a recommended brand's adoption. The endorsement from a third party unconnected with a corporate marketing campaign is also trustworthy and persuasive to promote products and/or services.

Positive views affecting purchase attitudes and decisions. The subjects in the marketer focus group found that an individual's purchase attitude toward a product and/or service is influenced by positive consuming experience, opinions and ratings. Positive purchase experience and views from acquaintances or unfamiliar informants affect readers' purchase attitudes and intentions. Vivi in the consumer focus group exemplified:

I think most of them are eBay cases, and many people give you the comments like eBay. I make a purchase decision based on positive ratings... If the majority of people give positive views on a product, then I will go for it.

In the consumer focus group, Jane also showed how she searched for an interesting product and made a purchase decision, as she said: "if I would buy something, I would probably search it online first, and check the details of the brand or the product and see how people comment about the product."

The more a recipient views the source as having expertise, trustworthiness and attractiveness, the more persuasive the word-of-mouth communication is (Swanepoel

et al., 2009). The consumer focus group reinforced the statement: in contrast to information from other channels, a person's purchase attitudes and decisions are more influenced by informants who provide professional knowledge or from acquaintances such as a friend, family, colleague who is regarded as a trusted source. Respondents in the consumer focus group further illustrated that purchase attitudes and intentions are more influenced by those who have more expertise and knowledge of a product and/or service, especially when people make a purchase decision about expensive products.

In addition, Thorne (2008) identifies viral marketing as influencer marketing in which a product or service is allowed to test by an influencer who has a huge following, in the hopes that he or she will relay positive feedback about a product and/or service to an audience. Although these opinion leaders or influencers of an advertising message cannot decide a final purchase or fate of a product and its brand in a viral marketing campaign, they can ignite epidemics within their social networks and affect their followers' purchase attitudes and intentions. Stripes further demonstrated how a message from an influencer will be very influential, as he illustrated: "the idea with Twitter, a good speaker with generally 7,000 Twitter followers and he is one of the top and most influential there."

Interpersonal trust reinforcing the adoption of a brand. As Thorne (2008) suggests influential and persuasive advertising is conducted relying on the information transmitted from trusted sources such as friends, colleagues and family.

People favor products and/or services recommended by friends whom they listen to and believe (Thorne, 2008), as Peter in the marketer focus group said: “you get these reviews, you will read these reviews by people you know and feel even more compelling.”

As previous results illustrate that interpersonal trust reinforces a recipient’s adoption of a recommended brand (Datta et al., 2005; Dobele et al., 2005; Hung & Li, 2007; Woerndl et al., 2008), the consumer focus group further evidenced that informants would pass on those advertising messages that are linked with their acquaintances’ interests and needs, because recipients would be faithful to these messages from a trusted source and respond with high acceptance at their requests. Michelle in the consumer focus group demonstrated that messages in viral marketing are more influential and in favor of recipients who know and trust the informant:

People find information more reliable from trustworthy people’s feedback related to a company and its products and services... I believe viral marketing, because you get some trustiness from people who are sending you messages, it gives you a little more faster explanation about a product that you are being interested in, so that a brand becomes familiar to you, rather than taking you so long conditions for you to know a particular brand and to approach the real effects of a product.

As evidenced by existing research (Cruz & Fill, 2008; Dobele et al., 2005; Palka et al., 2009; Pitta, 2008), the consumer focus group suggested that due to trustiness from people who are sending messages, the information in viral marketing positively expands spheres of influence on the purchase attitudes and intentions of affiliate groups. Sarah as an educational marketer in the focus group affirmed this statement: “although I am a bit more open to benefit with something on billboard, I

definitely and positively go for friends' recommendation, even I encourage friends to send me messages about products that I am interested in."

These advertising messages become more trustworthy and persuasive, as informants are identified as a trust source, thereby increasing messages' credibility and leading to recipients' positive reactions toward a product and/or service (Palka et al., 2009). As suggested by previous research (Dobele et al., 2005), the consumer focus group evidenced that the creditability of information transmitted is increased by an implied endorsement from a friend and sender who delivers an advertising message to his or her reference groups and thus reinforces the adoption of a product and/or service recommended. Michelle in the consumer focus group affirmed the statement: "when a person receives messages of viral marketing, he or she usually has positive experience about a product that is tested by someone who is a trusted informant." Jessie in this focus group further mentioned: "the information provided by friends seems more reliable, as it means the practice of reality has been checked."

Furthermore, strong ties including family members, friends, or neighbors can positively influence a fate of a brand, gaining more support for a recommended brand or obtaining more positive ratings than negative ones about a product and/or service (Palka et al., 2009). The respondents in the consumer focus group evidenced the statement: "people respond positively to messages forwarded by acquaintances or they don't particularly want to offend someone's positive view, unless they found that something is dominated too extremely." The marketer focus group further reinforced

that the ties of interpersonal relationships increase the reliability of information transmitted. These marketing professionals also indicated that the closer the ties of interpersonal relationships, the more influence on people's purchase attitudes and intentions.

In viral marketing, people will have a higher response and adoption rate of a product and/or service in the advertising messages forwarded from a trust source than those from a corporation in general (Hughes, 2002). Sarah in the marketer focus group showed that the strengths of a tie between an informant and recipient affect the recipient's perceptions and reactions to a recommended brand, as she illustrated: "I will positive respond or may transmit messages forwarded by friend, as the relationship is very close. If strangers give me a kind of information, I will have more skeptical thinking."

Endorsements from a trust source and third party. Both existing findings from the marketer and consumer focus groups confirmed that information from a trust source or third party unconnected with a company's marketing campaign is more trustworthy and influential than corporate advertisements, as Max in the marketer focus group affirmed: "people are more likely to trust messages forwarded by individuals rather than corporate advertisements."

Information from a third party unconnected with a corporate marketing campaign also gains more support from recipients than corporate advertisements to prospective consumers. People are more likely to receive and read information

distributed from familiar informants or through independent third-party sites or senders unconnected with a mass marketing campaign (Cruz & Fill, 2008; Dobele et al., 2005; Palka et al., 2009; Pitta, 2008). Dobele et al. (2005) explain that the act of forwarding electronic messages containing advertisements is voluntary rather than a paid testimonial or mass marketing campaign, so that these messages transmitted may be more favorably viewed by a recipient.

The respondents in the consumer focus group also affirmed that information from acquaintances or a third party is more trustworthy than that from a company, because the message is supportive of different parties' endorsements. The related product is also investigated and approved by informants who have no connection with a company's marketing campaign. Jane in the consumer focus group explained: "if there are more channels, they support each other from different angles and then you probably trust it more."

The subjects in the consumer focus group further indicated that people trust the views or recommendations from those informants whom they know and who just share a satisfied product assumed to be helpful to a recipient. The participants in the consumer focus group reinforced these research results:

In comparison with corporate messages that are more generalized to appeal to a lot of people to try a product and/or service, the more favored and trustworthy messages always come from friends and the third party that is not corporate hired sales or from a party that has no connection with a company.

Michelle from the consumer focus group exemplified this statement:

eBay has a feedback system for people with purchase experience to leave their positive or negative views, which become endorsement to promote a product

and/or service, because recipients assume that the informants do not earn money from selling the product and gain things from saying that.

Michelle also suggested that an advertising message provided by a third party is influential and persuasive, as the first-hand and authentic information shows how a product really works, as she said:

Yeah, cause when you buy something new, you almost, you usually look up the quality of the product, you want someone's opinion could use the product, cause if you just rely on a corporate, marketing for it, you could not get any first-hand, integrated of this is how works for me, this is what I think that usually get the big branding field or got these advantages.

Targeting audiences with effectiveness and growing a business with innovation. Many major marketers reallocated 20-25% of their media budget to online advertising, acquiring more fragmented but more targetable audiences (Steenburgh & Avery, 2008). Both marketer and consumer focus groups further reinforced that viral marketing can target large and right audiences with effectiveness and boost a business' growth with consumer satisfaction and innovation.

Targeting large and right audiences. Viral marketing can obtain a considerable advertising reach, target underserved and passionate audiences with efficiency and enable them to do a large share of the marketing (Brown, 2006; Dobele et al., 2005; Shukla, 2010; Steinman & Hawkins, 2010; Thorne, 2008; Woerndl et al., 2008). As evidenced in previous research (Shukla, 2010; Steinman & Hawkins, 2010), the respondents in the marketer focus group affirmed that viral marketing can be an effective marketing approach that reaches a larger audience with effectiveness and captures the attention of consumers through fresh and appealing marketing techniques. In this focus group, Max explained why people are attracted by Internet marketing or

viral marketing, as he said: “there are appealing techniques to do cool things online.”

Viral marketing is also utilized to target the right audiences, because informants know which information is valuable and helpful to their reference group and ensure information will go to the recipients who will promote sales effectively (Dobele et al., 2005; Pitta, 2008; Thorne, 2008). Particularly, these informants will be more likely to know which of their friends, family members, and colleagues have interests, and thus the more likely to show the recipients will read the viral message (Dobele et al., 2005). The subjects in both marketer and consumer focus group reinforced that informants forward advertising messages to those recipients who have interests in reading the message or need the information. Respondents in the consumer focus group further suggested that informants will investigate if the information would appeal to recipients and meet their actual needs, before a viral message is initiated. Even informants would test a recommended product and have real consuming experience to ensure a viral message is useful and helpful to recipients. Members in the consumer focus group evidenced: “I will not forward an advertising message to my friends, unless they need that information... I send that message after I try the product by person.”

Marketing professionals in the focus group also affirmed that Internet marketing or viral marketing is effective to target a larger audience and to learn about consumers' preferences and needs by gathering their positive or negative views and comments. Stripes, a participant in this focus group recommended that email

marketing is supposed to send massive and broad information to the target audience and obtain consumers' accurate response. He also illustrated how he markets products and services through email marketing based on a consumer contact list, by which he knows who is interested in his products, and will voluntarily access his company's website to obtain more product information. Consequently, he generates email marketing to target the right consumers who frequently maintain interests and respond to or support his marketing campaigns, as he said:

I prefer email marketing. It ensures a much higher rate of the people targeted that are affected and responding. I can typically expect to know about 20% read. People actually read it, and people actually open it. My smaller number of consumers actually respond to it, get an order through my website.

Peter, a member from the marketer focus group further suggested: "email marketing is easy to measure target audiences' response in term of the traditional advertising and helps marketers to know their consumers' preference."

Therefore, an organization prefers utilizing viral marketing to promote its products and/or services, in the hope that people who see the campaign will be impressed and pass on the message to their reference groups (Cruz & Fill, 2008). Moreover, smart marketers now think and act like publishers in order to create and deliver content that targets effective audiences and gains credibility and loyalty from buyers (Scott, 2007).

Targeting consumers' needs and growing a business with innovation. Viral marketing provides an effective platform on which consumers freely voice their perceptions and comments about a product and/or service, while marketers find their

target audiences' needs and constructive advice that guide the development of products and/or services (Anderson, 2006; Ferguson, 2008; Thorne, 2008).

Respondents from the marketer focus group reinforced that Internet marketing provides transparency of information between sellers and buyers, as consumers are allowed for free conversations about a product and/or service, while marketers could directly learn consumers' minds and needs based on their comments related to a product or service. Stripes in the marketer focus group stated: "Internet marketing such as Twitter marketing is not a conceived conversation tool between people and people are interested, but it effectively engages audiences' conversations in talking about products and services."

As reinforced by the marketer focus group, consumers and marketers exchange opinions or information through two-way interactions in viral marketing (Datta et al., 2005; Kharbanda, 2006; Shukla, 2010; Venkat, 2001). Significantly, consumers' insights posted online contribute to uncovering their needs and problems, providing marketers' insights in developing a product and/or service and targeting consumers' needs appropriately (Anderson, 2006; Cruz & Fill, 2008; Marken, 2005; Scott, 2007; Tapscott & Williams, 2006; Thorne, 2008). The findings from the marketer and consumer focus groups affirmed that interactions between consumers and marketers reflect consumers' actual opinions and drive innovation in a product and/or service. The members of the marketer focus group indicated that consumers' observations and views are crucial to improve products and services with

effectiveness, as Stripes said: “marketers get products and/or services better or fix problems by consumers’ related views and comments which are valuable to develop products and/or services better and arrange things right.”

As Scott (2007) suggests that it is apparent to find what is in people’s minds on the web as a source of market intelligence, participants in the marketer focus group also claimed that corporate websites and blogs provide opportunities for marketers to find consumers’ concerns and desires through their positive or negative comments. These views and observations also direct the development of existing products and services. Michelle in the consumer focus group exemplified: “it gives a company a chance to see what in practice people are saying about a product, whether positive or negative.”

Max in the marketer focus group further indicated that when a pool of ideas is freely offered and co-created on the Internet, those creative and fantastic ideas are beneficial to instigate his insights and address problems and concerns in his business, as he said:

I guess, you can try a variety of campaigns, and hope one catches like a whole bunch of ideas. Little viral, potential ideas are thrown there. Maybe this thing catches on or that thing catches on. A few Wiki ideas might catch on. A variety of things maybe interact each other. You can get creative and fantastic ideas.

The marketer focus group further suggested that a negative talk also motivates a company to do more about what it can change a product and provide solutions in the development of products and/or services.

In addition, firms can identify the products that target consumers’ desires by

building personal preferences (Brown, 2006; Kotler et al., 2009; Scott, 2007). Relying on the analysis of consumers' responses to offers and promotions, marketers innovate products and services, targeting audiences effectively and increasing consumer retention (Brown, 2006; Kotler et al., 2009; Scott, 2007). Stripes in the marketer focus group affirmed that he learns consumers' expectations and find what products fit their needs with specific buyer personas. In addition, he can target audiences more effectively with the analysis of consumers' preferences and needs.

Participants in the marketer focus group also suggested that viral marketing has the potential to target consumers' needs and increase their satisfaction with innovations. The respondents reinforced that if a company improves their products, consumers feel cared for and appreciate that the company listen to their concerns. Thorne (2008) suggests that an organization can ensure consumer retention, if it focuses on responding to consumers and listening to audiences' voices.

It is essential for a firm to grow profitability and sustain a company's competition in a market by targeting consumers' needs and maintaining their retention (Gillis, 2006; Hayes, 2008; Marks & Hoyt, 2009). As findings from the consumer focus group suggested, consumers prefer customer-focused initiatives and repay their gratitude with increasing consumer loyalty, so that the more consumer satisfaction is increased, the more positive promotions are generated.

Pitta (2008) further indicated that a company can gain benefits through viral marketing that aids in targeting audiences' needs precisely and obtains high consumer

acceptance by the development of products and/or services. Michelle in the consumer focus group affirmed this statement: “if you see a company constantly improving products to fill customers’ wanted desires, you have more interests, confidence and positive views of that company, because you know, they focus on meeting consumers desires more than only growing profits.”

Challenges in the Adoption of Viral Marketing

Findings from focus groups demonstrated the following challenges in the adoption of viral marketing, including some target audiences missing, blocks in the flow of information, ethical concerns and other marketing limitations.

Some target audiences missing. One of the challenges for marketers to adopt viral marketing is that not all consumers are web-savvy, so that marketers might not reach those who will be unable to obtain information via Internet or who may never try an online product and/or service (Kotler et al., 2009; Middleton & Leith, 2007). Marketing professionals in the focus group reinforced that not all prospective consumers can be reached by viral marketing. They illustrated the missing segmentation in which the audiences dislike computers and don’t afford computers, or senior citizens and young kids would not accept viral marketing and do not know how this new marketing technique works.

Furthermore, respondents in the marketer focus group provided other concerns with the adoption of viral marketing. Stripes in this focus group indicated that it is

even impossible for a marketer to listen to people's voices and collect actual opinions via the Internet or social media. Specifically, it is hard for a marketer to gain responses and views from a prospective consumer who is restricted with rules to log in a website and leave comments. Max in the same group further explained: "a person cannot generate information, send comments, update data in a linked page or allow people to share and follow the information on Twitter, if he or she has no account."

Respondents in the marketer focus group also suggested that it is not easy to promote a product by word-of-mouth communication or viral marketing with low-involvement consumers. Furthermore, the subjects in this focus group indicated that people are not necessarily going to support a corporate marketing campaign, so that normally companies send advertising messages to their target audiences as a primary promotion.

Blocks in the flow of information. As seen in existing research, both marketer and consumer focus groups stated that blocks in the flow of information are caused by two main factors including (a) information reproduced when transmitted, and (b) company manipulating advertising information.

The information reproduced when transmitted. Online information and advertising messages could be misinterpreted, misrepresented, filtered, and manipulated, as people reproduce the meaning in the original message relying on their interpretations and intentions (Chiu et al., 2007; Kharbanda, 2006; Palka et al., 2009; Steinman & Hawkins, 2010).

Previous research provides reasons that lead to the information reproduction during transmission. The information contained in an advertising message may be reproduced or transformed, as people read the message and react to it in terms of a conscious interpretation and evaluation (Swanepoel et al., 2009). In addition, people only filter and forward information that they enjoy or find useful and helpful, so that different interpretations, identities and interests of people create blocks in the flow of information (Chiu et al., 2007; Langton, 2010; Palka et al., 2009). Specifically, when informants interpret and manipulate information for recipients who will view it more favorably, the recipients project their interests and expectations onto messages transmitted and decode them with individual interpretation and evaluation (Langton, 2010).

The participants in the consumer focus group further indicated that information contained in an advertising or viral message can be transformed and incorporated with individual interpretation and experience. Michelle in this focus group described: “an original message can be put totally in different message at the end, when it was spread on, as it was changed with more stories.” Jessie in the same focus group further explained how the elementary meaning of a viral message may be changed by an informant: “it’s like; maybe you tell me something is good, but when I tell Jane it becomes excellent. And Jane and Vivi think it is the most wonderful.”

The consumer focus group further evidenced why people who receive a viral message about a product still desire a real customer experience, as they could not

conclude a right purchase choice relying on the information interpreted and possibly manipulated by informants.

Company manipulating advertising information. In order to persuade consumers' perception and emotion in favor of products, marketers institutionalize the transparency of information by filtering, withholding information or choosing comfortable marketing channels that benefit their products (Chiu et al., 2007; Kharbanda, 2006). Findings from both the marketer and consumer focus groups reinforced that corporate messages are designed, withheld, even manipulated for consumers in favor of their products and/or services. The findings from the consumer focus group showed that corporations can withhold and distort information posted online to create positive views about their products and/or services. The respondents in the consumer focus group affirmed: "corporate advertisements are designed and exaggerated."

In addition, a company's marketing campaign is more necessary manufactured and designed for a firm's benefits. Through networks, marketers listen and react to consumers' advice on a product and/or service, reminding people of their business goals, and monitoring buzz about a company's mission and position in a market (Thorne, 2008). The marketer focus group further suggested that marketing professionals mediate people's online talks and monitor advertising messages during a marketing campaign. Furthermore, advertising messages are represented due to a company's desire to deliver a message rather than because of a viewer's or listener's

expectation to learn something or solve a problem (Marken, 2008). Stripes in the marketer group described the marketing manipulation in detail:

When viral marketing via social media, there is a lot comes to try to mediate dialogues. A company will try to get a comment deleted or they will try assuming what people will think things. The other thing is the company that are marketing on Facebook, they may perceive people's public domain and design products based on marketers assumptions instead of consumers' actual opinions.

The participants in the marketer focus group further suggested that since people voice their online opinions freely, negative buzz about a brand or product could be created through Internet or viral marketing. Peter in this group illustrated: "people just write whatever they want, you know, they mediated and controlled."

As Thorne (2008) mentions, participants in the marketer focus group reiterated that negative buzz about a product or brand is created as a way for consumers to deal with an unhappy experience or for competitors to distort facts and strive for more competitiveness in a market. Consequently, marketers are recommended to manage adversarial messages and negative comments in viral marketing.

Ethical concerns. The participants from both marketer and consumer focus groups claimed that there are concerns with the adoption of viral marketing: (a) it is not well regulated with sufficient rules, and (b) hired brand advocates impair interpersonal relationships and cease further promotions.

Not well regulated. The findings from both marketer and consumer focus groups indicated that viral marketing is not well regulated by law. On one hand, viral messages are difficult to be regulated, as online information can be changed and

tailored freely (Dobele et al., 2005; Swanepoel et al., 2009). On the other hand, web content generated can be free of constraints and restrictions, so that online information is not well protected (Porter & Golan, 2006). Findings from both focus groups affirmed that online information needs to be regulated and protected with laws, as people can freely voice opinions that may not be authentic and mislead recipients. Michelle in the consumer focus group expressed: “I hate all of negative perceptions on the Internet, advertising, because it doesn’t come across to be naturally well regulated.”

In addition, existing research sheds light on the ethical considerations in viral marketing campaigns. Intellectual property such as trademarks and copyrights can be misrepresented and abused in user-generated content campaigns (Steinman & Hawkins, 2010).

To ensure the trustworthiness and accuracy of advertisements, marketers should strive for scrutinizing, authenticating and monitoring inaccurate or adversarial information disseminated with their own social media and a third party media (Hung & Li, 2007; Steinman & Hawkins, 2010). Marketers should also have specific prohibitions regarding trademark and copyright infringement and impersonation by user-generated content and media outlets (Steinman & Hawkins, 2010).

Hired brand ambassadors. Jane in the consumer focus group suggested that some people who make money for a company’s brand advocates and intend to market products toward their acquaintances for the benefits of a company. She

described: “there are a lot of companies that hire a lot of people around the world to send positive views about a product toward to online peers or their acquaintances.”

The subjects in the consumer focus group found that interpersonal relationships between informants and recipients will be impaired, if the constant forwarding of advertisements is regarded as a commercialized or paid behavior.

Michelle in this group demonstrated:

One of its negative aspects is, it’s a kind of commercialized friendship. If you are constantly sending people emails, messages, or posting messages about a product’s advertisement with your preferred friends, it becomes more like relationships between sellers and buyers. It gets a lot of value lost in friendship.

The consumer focus group further illustrated how these hired brand ambassadors lead to the devalued relationship between an informant and recipient who know each other:

If a person is paid off by an organization to spread a corporate advertisement, he or she could not really choose a message to be forwarded and is promoting a product and/or service as a part of a company in a marketing campaign. If a person is constantly receiving messages like marketing messages from people he or she knows, he or she gets a little aware of them and is skeptical why they are so interested in promoting this product. If a person is consciously and constantly sending emails or Facebook messages or things like that, interpersonal relationship between this informant and his or her familiar recipients will be impaired.

Furthermore, once the interpersonal relationship is impaired, the trust between informants and receipts is lost, so that promotions between them will be ceased.

Respondents in the consumer focus group showed how they react to hired brand advocates, as they said: “it is annoying to receive corporate information from acquaintances as hired sales and will never go for such informants’ recommendations.

Unfortunately the ties and trustfulness between informants and recipients turn loose.”

People are happy to continue their dialogues with a brand ambassador who provides opinions with honesty and authenticity (Thorne, 2008). Consequently, organizations which adopt viral marketing should never hire minors to spread advertising messages, as fair and honest opinions are favored (Thorne, 2008). Furthermore, hired brand advocates possibly lead to impaired interpersonal relationships that can cease further promotions to their reference groups. More importantly, these corporate hired sales have no way to resume promoting products and/or services toward their affiliate groups, once interpersonal relationship is impaired.

Marketing limitations. As reinforced by the data from the marketer and consumer focus groups, the selectivity and success of a marketing strategy depends on other factors including the effectiveness of advertising, optimization of available marketing resources, responses and needs of a target audience and the identity of a product.

The effectiveness of advertising. Both focus groups suggested that quality and repetition of an advertising message can enhance the effectiveness of advertising. Repetition of an advertising message is a key factor to increase a brand’s visibility, to enhance the familiarity and recognition of a product and brand, and to affect a consumer’s purchase attitudes, perceptions and even decisions. Jane in the consumer focus group evidenced that television advertisements repeat information and position

a brand in her mind, when she has a purchase intention, a brand that she first comes across is the one frequently shown on television. In addition, advertising messages that are memorable and interesting have the potential to catch people's attention and affect people's purchase intention. As evidenced in the research (Shukla, 2010; Steinman & Hawkins, 2010), the marketer focus group indicated that prospective consumers' attention can be captured by fresh, appealing and interesting advertising messages and marketing techniques on the Internet.

The subjects in the marketer focus group also suggested that the selectivity of a marketing strategy between traditional advertising and Internet marketing or viral marketing is ultimately based on the advertising effectiveness to be achieved. Stripes in this focus group further indicated that "I think viral marketing is really effective for building a brand, really building brand awareness. But I don't think it's the most effective correctly to sell your product." He exemplified that either traditional or viral marketing is adopted in his professional practice to achieve different marketing effects. For instance, his software integrates email marketing and keeps twitting advertising messages or posts them on Facebook to share information or for one shot online.

Optimization of available marketing resources. The marketer focus group further suggested that a marketing strategy's success is limited by the optimization of available marketing resources such as marketing or advertising time and budget, as Stripes in this focus group said:

A marketer also decides what type of marketing approach adopted, relying on available resources such as time resources and advertising budget... Viral

marketing could be adopted by companies which can financially support for this new marketing and dedicate a person in this campaign such as Twitter campaign to promote a product.

Stripes in this focus group further indicated that marketing professionals will possibly switch back to traditional media and optimize existing marketing resources and budgets to produce optimum effects in a marketing campaign. He explained why viral marketing is not adopted in his company:

Right now, I was exposed to use email marketing, because I am the only one person in charge of marketing campaigns and I have a little budget, I could love being doing linked to Facebook and Twitter or everything, but they are also very time consuming.

Considering marketing budgets and expenses, Max in the marketer focus group would integrate viral marketing with traditional advertising. To promote a product at lower cost, he adopts various techniques like television, radio, word-of-mouth advertising, Internet marketing or even guerrilla marketing, as he illustrated: “marketing professionals can also have free advertising on radio, television, newspapers, magazines and links, if you have a story that is compelling enough.”

Responses and needs from a target audience. Members in the marketer focus group indicated that an effective marketing campaign ensures the right messages to be delivered to the right audience. Consequently, responses and needs from a target audience have an impact on the selectivity of a marketing strategy. Sarah from the marketer focus group mentioned that a marketing professional in an educational institute tends to use print media such as school newspapers or brochures, because prospective students’ parents are regarded as the target audiences who find it more

convenient to receive print media rather than web content. However, Sarah would switch to using social media to target young students who more likely prefer receiving information via new media.

Peter from the marketer focus group, argued that from a marketer's view for Canadian federal government, he prefers adopting electronic marketing via emails or websites and gains efficiency in his professional practice. From a consumer's opinion, Peter personally enjoys receiving traditional advertising material like pamphlets through which information delivered are more convincing and real. Peter further explained why he desires more traditional advertising at work:

Currently governmental organizations still mainly rely on traditional media such as print media, as the target audiences feel that information delivered in print media such as flyers can be tangible and more real... The audiences I made connections with probably will not like electronic marketing, but more real traditional face-to-face kind of connection.

The respondents in the consumer focus group further suggested that a viral marketing campaign's success is suggested to be in favor of the target audience's interests and needs. People dislike advertising messages that are not linked to their interests and needs. Therefore, if a viral message is transmitted to a recipient who considers it as disturbing information, the recipient will reduce or cease further promotions and sales.

The identity of a product. Sarah and Stripes in the marketer focus group recommended that marketing professionals rely on what products are selling to select a marketing strategy. The subjects in this focus group also suggested that a successful marketing campaign starts with a good product, which attracts prospective consumers

effectively and satisfies their needs. Stripes in this group further argued: “if you don’t have a good product, then any kind of viral marketing, word of mouth, it’s, can be negative or can be ignored.” Sarah in the focus group also exemplified:

Even a marketer does not necessarily initiate a marketing campaign to promote educational products, because the products like an educational program are well-known to parents and students and has the long creditability of product... Even we have a print budget to promote a particular syllabus, we are not using it, because the social campaign went so well. We don’t have to use that at all. We even don’t have to deliver prints promotion piece, as our products are already sold out.

Integrated Marketing Campaigns

Steenburgh and Avery (2008) demonstrate that Internet marketing is the most influential and second largest advertising channel after television advertising, as it meets a wide range of advertising objectives. Furthermore, Internet marketing has become one of the most powerful channels for marketers (Dasari & Anandakrishnan, 2010), as the Internet allows for quick and cheap information diffusion and acquisition, high frequency of advertising exposures and inexpensive promotions of a product and/or service (Thorne, 2008). Internet marketing can also position a brand more successfully than traditional media, which can be a very costly marketing campaign and poses communication difficulties (Brown, 2006; Shukla, 2010).

As to the analysis of current consumers’ psychology and behaviors, they opt out of traditional media and turn to new media mediated by the Internet, because they have more autonomy in receiving and sending information (Steenburgh & Avery, 2008; Thorne, 2008).

In contrast to traditional advertising, the respondents in the marketer and consumer focus groups affirmed that viral messages can be transmitted more rapidly and inexpensively. When a promotion in a viral marketing campaign is conducted with high speed, cost-effectiveness and geometrical referrals, viral marketing achieves exponential growth in a brand's exposure and influence. Large and right audiences are also targeted with effectiveness. Both two focus groups stated that viral marketing is capable of positively affecting people's purchase attitudes and intentions, as the adoption of a recommended brand is reinforced by endorsements and positive views from a trust source or third party unconnected with a marketing campaign. Significantly, viral marketing can help to grow a business with consumer satisfaction and innovation.

Although previous research represents that Internet marketing or viral marketing achieves more advertising effects than traditional advertising (Shukla, 2010; Steenburgh & Avery, 2008; Swanepoel et al., 2009), participants in the marketer focus group prefer adopting traditional advertising along with Internet marketing or viral marketing in their professional practice.

In comparison with traditional advertising channels, there are barriers or concerns for these marketing professionals to adopt viral marketing. By examining the marketing approaches in various industries including government, business and education sectors, the subjects in the marketer focus group expressed concerns in accepting viral marketing as a successful strategy. Respondents in the focus group

indicated that viral marketing currently might be just getting people to be intrigued, but the adoption of viral marketing needs more research to measure and demonstrate how this new marketing strategy successfully works and why it can replace traditional advertising. In addition, not many advertising effects of viral marketing have been measured and investigated to be fit as a dominant marketing strategy. Stripes in the marketer focus group explained that it is too early to regard viral marketing as a very effective marketing tool, because there are no figures to show its effects, as he exemplified: “how many words do you have, how many videos you had, you cannot have an idea how many people click on the website,... how many people saw your messages, how many people saw your video.”

The subjects in the marketer focus group also provided the adoption proportion of viral marketing and other marketing approaches in their professional practice.

They illustrated that Internet marketing such as email marketing is more adopted by a marketer in companies than in governmental or educational organizations. However, corporate marketers allocate little marketing budget in viral marketing. Stripes in the marketer focus group demonstrated how he adopts both traditional and viral marketing approaches, as he said: “I could say all of them, attempt to use viral marketing, but not all successful being viral, I could say a very little in viral percent, it’s all social.”

Educational professionals make equal investments in traditional advertising

and marketing mediated by the Internet and social media. Sarah illustrated the percentage of traditional and viral marketing in her university: “it’s probably 50% for social medias, not viral marketing. And also use other traditional forms to promote.”

No viral marketing is adopted in governmental organizations for information security. Peter explained the reason that a marketer in a governmental organization is currently more strict with Internet marketing or viral marketing, because free talks online lead to information leakage and induce a lot of risks. In contrast, information transmitted through traditional media can be more controlled for information security, so that a governmental organization adopts traditional advertising more.

Summary

In contrast to previous research, the findings in this study illustrate the main advertising effects and challenges in the adoption of viral marketing that are derived from both Internet marketing and traditional word-of-mouth communication. The next chapter will provide the summary of the key research results, the limitation of the research method and suggestions for future research. The significance of these findings and implications for future research and professional practice will also be discussed.

Chapter Five: Conclusion

This study began as an exploratory investigation into the benefits and challenges in the adoption of viral marketing as a means to foster understanding of viral marketing for professional practice and further inquiry. The findings from the marketer and consumer focus groups are also supported by previous research. In addition, this section will also discuss the limitations and significance in this study and implications for future academic research.

Summary of Findings

As evidenced by the data from marketer and consumer focus groups, the results in this study shed light on the central research questions and illustrate the main advertising effects and challenges in the adoption of viral marketing.

Viral marketing has been created with technological innovation and participatory culture, catering to consumers' current psychology and behavior and following marketing trends. Viral marketing also represents the latest online customization, interaction, relationship and influencer marketing mediated by the Internet and prevails over traditional advertising channels (Shukla, 2010; Swanepoel et al., 2009). More importantly, this marketing strategy is more adopted to fit the needs of the new and significant market that is built by Generation Y.

Although viral marketing has been regarded as Internet-based word-of-mouth communication, previous research (Datta et al., 2005) and both marketer and

consumer focus groups reinforced that viral marketing is different from traditional word-of-mouth advertising based on marketing form, participants' identity, the capability to create a brand's visibility and the speed of information diffusion. As Helm (2000) suggests, the marketer focus group concluded that viral marketing achieves more advertising effectiveness than traditional word-of-mouth communication.

Extending the same advertising effects of word-of-mouth communication and Internet marketing, viral marketing capitalizes on the Internet and social networking to promote products and services between reference groups including family, friends, colleagues or even strangers. Relying on the results from previous research and the marketer and consumer focus groups, viral marketing has been found that helps in (a) rapidly, inexpensively and influentially promoting products and/or services with exponential referrals, (b) positively positioning a brand, and (c) targeting audiences with substantial reach and effectiveness and growing a business with innovation and consumer loyalty.

Throughout a widespread network, either consumers or marketers are allowed to obtain and generate advertising/marketing information with high speed and low cost (Alexander, 2006; Dobele et al., 2005). When online social networks link consumers together and provide easy ways to exchange information about a product and/or service, those consumers who is satisfied with a product and/or service are enlisted as brand ambassadors within their reference groups and lead to exponential

referrals (Steenburgh & Avery, 2008). As evidenced in both marketer and consumer focus groups, a product and/or service is promoted through viral marketing with rapid multiplication, cost-effectiveness and geometrical referrals (Dasari & Anandakrishnan, 2010; Dobele et al., 2005; Kharbanda, 2006; Swanepoel et al., 2009; Thorne, 2008).

Significantly, viral marketing extends the advertising effects of word-of-mouth communication, which is widely accepted as one of the most important and influential marketing strategies for promoting products and/or services, especially for new ones (Datta et al., 2005; Swanepoel et al., 2009). Viral marketing achieves influential promotion by affecting people's purchase attitudes and behaviors toward a product and/or service (Datta et al., 2005; Swanepoel et al., 2009). Affirming the research results (Palka et al., 2009), the marketer and consumer focus groups illustrated that an individual's purchase attitudes, perceptions and intentions can be affected by positive views, expertise, consuming experience or endorsements from a trust source or third party that is unconnected with a corporate marketing campaign. As evidenced by the focus groups, interpersonal trust greatly reinforces the adoption of a recommended brand (Datta et al., 2005; Dobele et al., 2005; Hung & Li, 2007; Woerndl et al., 2008).

Viral marketing also exploits the Internet and social networks to transmit a message with the potential for exponential growth in a message's exposure and influence (Pitta, 2008). With a brand's visibility increased in viral marketing, the familiarity and recognition of a product and its brand is expanding rapidly and

exponentially (Datta et al., 2005; Swanepoel et al., 2009). The marketer focus group further indicated that viral marketing can positively position a brand, as people's purchase attitudes and intentions are affirmatively influenced by positive ratings and endorsements from a trust source or those informants who are not hired brand ambassadors for a corporate marketing campaign.

As evidenced by the marketer focus group, viral marketing can be effective to reach a large and right audience and capture consumers' attention through fresh, appealing marketing techniques (Shukla, 2010; Steinman & Hawkins, 2010). Specifically, viral marketing reaches underserved consumers with the broad, deep and instant accessibility and obtains new customers through timely and constant online communication (Brown, 2006; Marken, 2008). In addition, the findings from both existing research (Dobele et al., 2005; Pitta, 2008; Thorne, 2008) and marketer focus group affirm that viral marketing can target larger and right audiences substantially, as each individual stands at the center of social networking with numerous reference groups, with which he or she shares useful and helpful information to target right audiences and further promotes sales with effectiveness.

Each year, billions of dollars are spent in advertising to consumers who will probably never buy those advertised products and/or services. In addition, advertisements allow marketers to concentrate efforts on the target audiences who boost sales. This is how marketers cut costs by targeting audiences and save thousands of dollars in advertising annually through Internet marketing (Brown,

2006).

Furthermore, viral marketing helps a marketer to learn a consumer's mind toward a product and/or service, fitting an audience's needs with effectiveness, targeting a market with effective innovation and gaining consumer loyalty. Specifically, the subjects in the marketer focus group suggested that marketing professionals probe into people's minds, find a target audience's preference, solve their problems and fit their needs effectively with the analysis of their target segments' positive or negative views posted online (Brown, 2006; Kotler et al., 2009; Scott, 2007). As evidenced by this focus group, marketers also obtain valuable insights posted online as a source of market intelligence to target consumers' desires with the development of products and/or services and address business problems (Anderson, 2006; Cruz & Fill, 2008; Ferguson, 2008; Marken, 2005; Scott, 2007; Tapscott & Williams, 2006; Thorne, 2008).

More importantly, the findings from the marketer focus group affirmed existing research and showed that business growth and profitability is driven with customer-centric initiatives (Johnson, 2008), including consumers needs precisely targeted (Gillis, 2006; Marks & Hoyt, 2009; Pitta, 2008; Thorne, 2008), the increase of consumer loyalty (Hayes, 2008) and innovation on products and/or services (Pitta, 2008; Venkat, 2001).

However, there are concerns and barriers for marketing professionals to adopt viral marketing, including (a) advertising/marketing limitations, (b) some target

audiences missing, (c) blocks in the flow of information, and (d) ethical concerns.

The marketer focus group concluded that the selectivity and accomplishment of a marketing tactic depend on various considerations. As reinforced by the marketer and consumer focus groups, the selectivity and success of a marketing strategy is limited with advertising effectiveness, optimization of available marketing resources, responses and needs of a target audience and the identity of a product. In addition, the effectiveness of advertising that triggers consumers' response and affects their purchase attitudes and intentions is also determined by the quality, timing and repetition of an advertising message.

As mentioned in Kotler et al. (2009) and Middleton and Leith (2007), the marketer focus group also indicated that marketers will lose some prospective consumers who are not web-savvy and will be unable to try a product and/or service via Internet. Other practical challenges in a viral marketing campaign were proposed by the focus group. If people are restricted from accessing a website and leaving their comments, the marketing professionals cannot hear people's voices through the medium of the Internet or social networking. Respondents in the focus group also argued that it is hard to accomplish a viral marketing campaign in which few consumers are involved in promoting products and/or services.

In addition, advertising messages or user-generated content could be misrepresented, filtered, and manipulated, as people reproduce information in an advertising or viral message with individual interests, intentions, conscious

interpretation and evaluation (Chiu et al., 2007; Langton, 2010; Kharbanda, 2006; Palka et al., 2009; Steinman & Hawkins, 2010; Swanepoel et al., 2009). As demonstrated in the data from both marketer and consumer focus groups, advertising/marketing information can be designed and manipulated by a company to persuade consumers to think and feel in favour of its products (Chiu et al., 2007; Kharbanda, 2006). Furthermore, adversarial advertising messages are possibly created as a way for consumers to deal with an unhappy experience or for competitors to ruin a company's image and gain more competitiveness in a market (Thorne, 2008).

Reinforcing the results from previous research (Dobele et al., 2005; Swanepoel et al., 2009), participants from the marketer and consumer focus groups affirmed that viral marketing is not well regulated with sufficient rules. Online content can be free of constraints and restrictions, so that intellectual property such as trademarks and copyrights are possibly being misrepresented and abused in user-generated content (Steinman & Hawkins, 2010).

Consequently, marketers should strive for scrutinizing, authenticating and monitoring the inaccurate or adversarial information that may be disseminated with their own social media outlets and third-party social media (Hung & Li, 2007; Steinman & Hawkins, 2010). Companies should also manage their own social media outlets as well as a third party media to prevent their brand messages and intellectual property from infringement and impersonation. In addition, organizations that are now adopting or considering a viral marketing campaign should never hire brand

ambassadors. These corporate hired sales may not provide fair and honest opinions, impair the relationships with their affiliate groups by commercialized behaviors and further cease promotions to their reference groups (Thorne, 2008).

Limitations in the Research

Stewart et al. (2007) suggest that there are limitations in a focus group interview, as it is unable to generalize findings to a whole population. The small numbers of participants in these two focus groups could not be a representative sample and prevent the generalizability of results to a large population. Consequently, the study suggests that further research is necessary to confirm these findings and to explore the themes in greater detail.

In addition, the richness of the responses offered during in-depth qualitative interviews is ultimately dependent on the candor of the subjects. During focus groups, the dependency among group members could also restrict the generalizability of outcomes, because the group discussion results may be biased by a very dominant or opinionated member. In addition, some individual opinions might be lost, as they were possibly influenced by opinion leaders, and some reserved group members might have low or no response.

Implications of the Research

The aim of this research seeks to build a theoretical and empirical base for the

enquiry of viral marketing or electronic word-of-mouth communication. Marketers and researchers could focus on both positive and negative aspects of viral marketing for future research possibilities and professional practice in marketing products and services online and/or offline. In particular, when Generation Y rules the new media and builds a significant marketplace, viral marketing can be considered as an alternative to fit these young consumers' needs as well as to grow a business.

Although some scholarly works (Brown, 2006; Dasari & Anandakrishnan, 2010; Shukla, 2010; Steenburgh & Avery, 2008; Thorne, 2008) suggest that viral marketing achieves better advertising effects compared to traditional advertising, professionals from the marketer focus group regarded integrated communication as the more effective marketing strategy. With concerns in the adoption of viral marketing, the marketer focus group prefer an integrated communication campaign which integrates traditional advertising with Internet marketing or viral marketing. The participants in this focus group proposed that few advertising effects of viral marketing have been measured, so that sufficient evidence is demanded to demonstrate how this new marketing strategy successfully works and why it can be a dominant marketing alternative to replace traditional advertising.

Suggestions for Future Research

Respondents in the marketer focus groups indicated that more evidence is needed to investigate if viral marketing can be a dominant marketing alternative to

replace traditional advertising. Future studies could be conducted on how to measure the success of viral marketing. Especially, the future research is suggested to demonstrate if viral marketing is a successful marketing tactic with the measurement of advertising effects in professional practice.

Future research could also identify what factors lead to failures in viral marketing and how to handle with negative viral marketing. In particular, when websites are devoted to passing on opinions about a product and/or service, positive or negative word-of-mouth can both spread quickly (Dobele et al., 2005). Moreover, good or bad buzz placed on consumer-led sites can have potential effects on a product and/or service's fate, a brand's position, and even a firm's image (Dobele et al., 2005).

The subjects in both marketer and consumer focus groups suggested that nothing spreads easier and faster than negative word-of-mouth, that is likely to be exaggerated in its journey and turns great viral campaigns into bad press. Michelle in the consumer focus group described the process: "negative messages are easier and faster to spread with exponential referrals, whereas certain positive endorsements to a company really go fast." Jessie in the same focus group further demonstrated that negative word-of-mouth communication likely gets exaggerated in its transmission and entirely ruins people's positive perceptions of a product and its brand, as she said: "it is more difficult to build a positive brand than to spoil a friendly image, and it will destroy a positive brand in one day."

The Future of Viral Marketing

People will keep questioning the effects of viral marketing and hesitating to adopt it, until they feel convinced with sufficient evidence about the success of this marketing strategy. Based on the results from this research, viral marketing appears an unpleasant marketing tactic with concerns in its adoption. Hence, it will take a few years to win acceptance, but it will be essential to the success of a business.

The respondents in the consumer focus group indicated that people are in favor of viral marketing but have concerns if viral messages can target their interests and needs. The marketing professionals in the focus group prefer integrated marketing campaigns in their professional practice. The subjects in this focus group suggested that viral marketing might be “just getting people to be intrigued”, but the adoption of this marketing strategy needs more research to measure and demonstrate how it successfully works and why it can replace traditional advertising. Stripes in the marketer focus group also indicated that it is too early to regard viral marketing as a very effective marketing tool, because there are no many real cases and specific figures to measure its effects. Besides the challenges in its adoption, the success of viral marketing also depends on other advertising and marketing limitations.

In summary, the results of this study represent some key benefits and challenges in the adoption of viral marketing. Compared to previous research, this study provides the similar and different advertising effects and concerns in a viral

marketing campaign. The unexpected consistency across both previous research and the findings from this study can build a more persuasive and solid theoretical and empirical base for the understanding and inquiry of viral marketing. As viral marketing has yet to become a full-fledged advertising medium, the current research will hopefully build an academic and practical foundation for further research to be done on this marketing strategy. In addition, it will be helpful for a marketer's professional practice in targeting the markets of Generation Y and Internet users.

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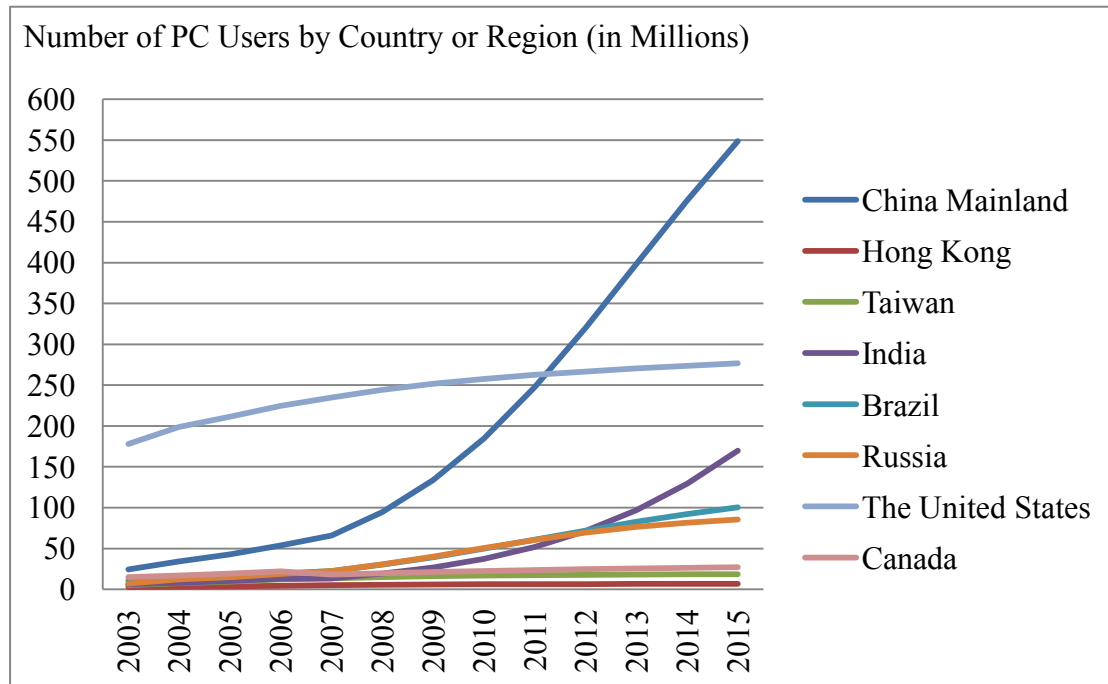
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http://www.forrester.com/rb/Research/worldwide_pc_adoption_forecast%2C_2007_to_2015/q/id/42496/t/2

Appendix A: The Leading PC Users Markets*Figure.* Nations or regions PC adoption, 2003–2015.

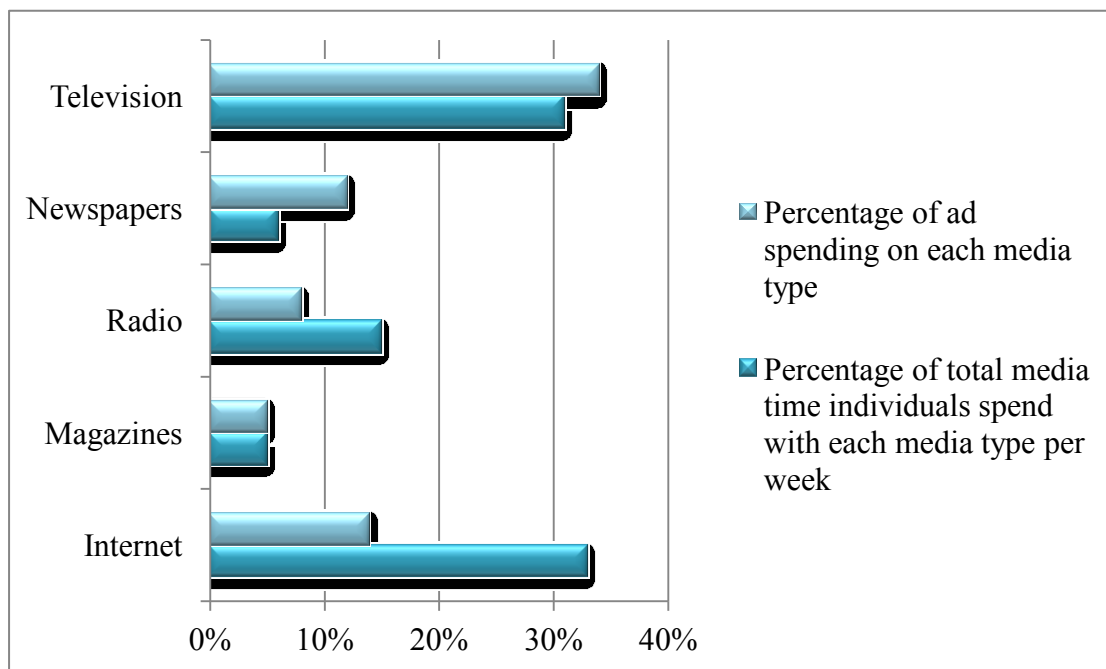
Data from “Worldwide PC adoption forecast, 2007 to 2015: It’s time to focus on

emerging markets for future,” by S. Yates, E. Daley, B. Gray, J. P. Gownder and R.

Batiancila, 2007. Forrester Research, p. 6-9. Copyright 2007 by Forrester Research.

Appendix B: Less Consumer Time with Traditional Media

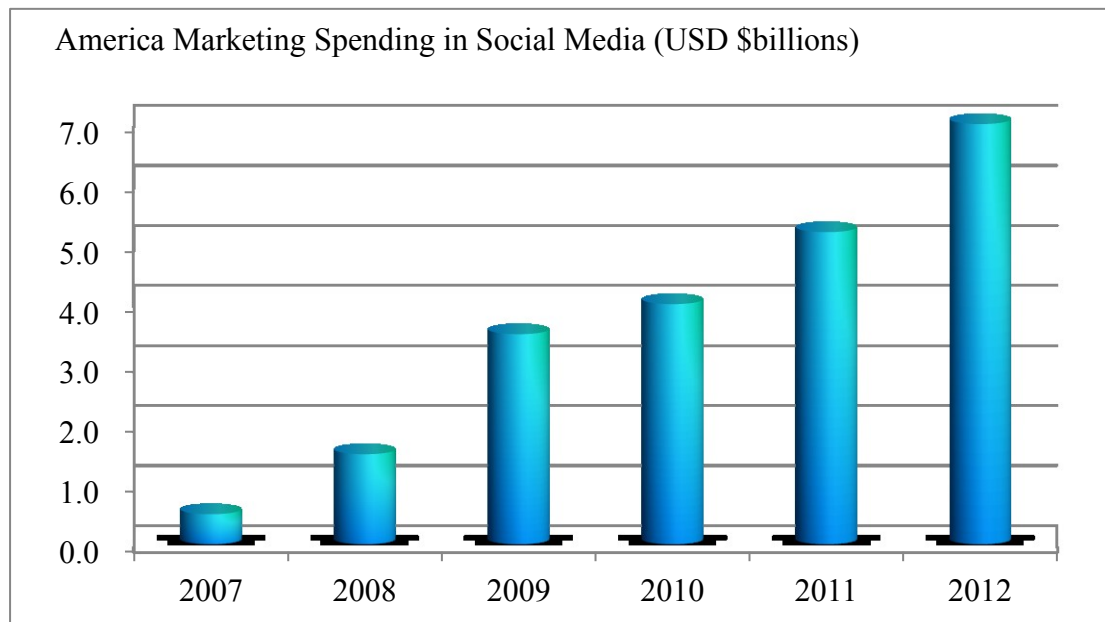
Figure. The disparity of advertising expenses and individual time spend with various media types in 2010.



Data from “US interactive marketing forecast, 2011 to 2016,” by S. VanBoskirk, C. S. Overby and S. Takvorian, 2011. Forrester Research, p. 5. Copyright 2011 by Forrester Research.

Appendix C: America Social Media Marketing Spending

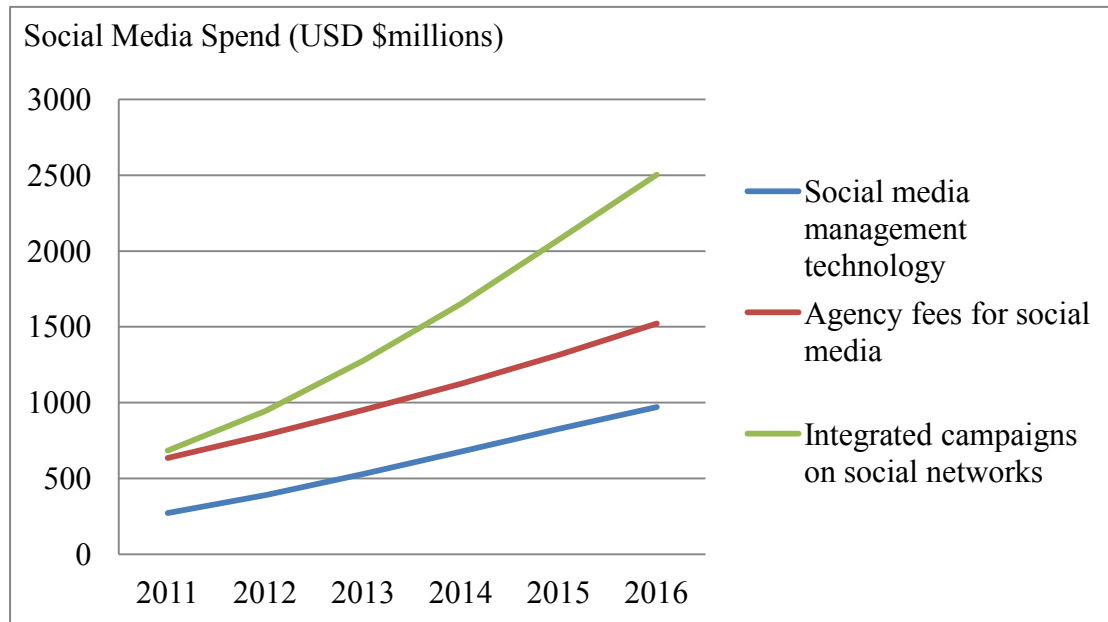
Figure 1. America marketing spending (USD \$billions) from 2007 to 2012 in social media (social networks, blogs, community sites).



Data from "UnMe Jeans: Branding in Web 2.0.," by T. Steenburgh and J. Avery, 2008.

Harvard Business Review, p. 43. Copyright 2008 by Harvard Business School.

Figure 2. America marketing spending (USD \$millions) from 2011 to 2016 in social media.



Data from "US interactive marketing forecast, 2011 to 2016," by S. VanBoskirk, C. S.

Overby and S. Takvorian, 2011. Forrester Research, p. 14. Copyright 2011 by

Forrester Research.

Appendix D: Canada Marketing Media Revenues

Table: *Canada Marketing Media Revenues from 2007 to 2012 (CAD \$Millions)*

Media	\$ in 2007	\$ Project for 2012	Revenue Increase
Newspapers (print)	2560	2610	50
Newspapers (online)	140	390	250
Television (conventional)	2000	2400	400
Television (specialty channels)	847	1100	253
Radio	1330	2400	1070
Magazines (print)	665	782	117
Magazines (online)	13	78	65
Out-of-Home	368	507	139
Internet	1300	3400	2100
Video Games	104	237	133

Note. Data from *Marketing Management* (p. 542), by P. Kotler, K. Keller, P. H. Cunningham and S. Sivaramakrishnan, 2009, Upper Saddle River, NJ: Pearson Education, Inc. Copyright 2009 by Pearson Canada Inc.

Appendix E: Recruitment Poster

Recruitment

Make Contributions to the Research on

Viral Marketing: A New Branding Strategy to Influence Consumers

You are invited to participate in the focus group with your experience and knowledge of Viral Marketing (VM), which would be a great asset to my research. Your expertise is greatly needed to help reach the goal of this research which is to understand the benefits and challenges in Viral Marketing (VM): the extension of Word-of-Mouth advertising (WOM) mediated by the Internet to increase promotions on products and services.

Who can participate in the consumers focus group?	Who can participate in the marketers focus group?
<ul style="list-style-type: none"> ● You have experience and knowledge of Viral Marketing (e.g. you bought a product promoted by Viral Marketing); ● You are a university student who is aged between 18 and 30 and currently living in Ottawa; ● You are an Internet user. 	<ul style="list-style-type: none"> ● You have experience and knowledge of Viral Marketing (VM) (e.g. you conducted or participated in Viral Marketing campaigns); ● You are marketing professionals

Participation:

Participants will be selected according to their knowledge of Viral Marketing as demonstrated in a demographic form that they will be asked to complete when contacting the researcher.

Your participation will be needed for approximately one or two hour(s). Participation will include a focus group and the completion of one questionnaire. All participants' identities and their remarks will be kept strictly confidential so that there is no risk to you. The answers that you provide in the focus group will be audio-taped and, later, transcribed and printed. Your answers will also be treated as strictly confidential, and therefore will be kept in a secure area.

If you are interested in participating in the focus group, please contact me by March 18th, 2011 with email or phone.

Thank you for your support and contribution to this research on Viral Marketing.

Sunnie (Yang, Xiaofang),
Department of Communication
University of Ottawa

Appendix F: Demographic Information Form

First Name _____ Last Name _____

Pseudonym _____

In order to protect your personal information, your pseudonym will be used in this focus group discussion to substitute your real name, and later appear in transcription, notes, data analysis and may be in publications or in presentations.

1. Contacts:

Phone Number: _____ (Home) _____ (Office)

e-mail _____ City _____

2. Gender: Female Male

3. Age _____

4. Country of Birth _____

5. Level of Education _____

6. Current Occupation _____

7. Are you a frequent Internet user?

- Yes?
- No?

8. Average Internet usage a day?

- Less than 1 hour?
- 1hr to 2hrs?
- 2hr to 4hrs?
- 4hr to 6hrs?
- 6hrs or more?
- Can't say?

9. How do you perceive Viral Marketing?

Appendix G: Recruitment Letter

Dear _____,

I am an MA student in the Department of Communication conducting research on *Viral Marketing: A New Branding Strategy to Influence Consumers*. With permission from the University's Research Ethics Board, I would like to invite you to participate in a focus group because of your experience and knowledge of Viral Marketing (VM), which would be a great asset to my research. Your expertise is greatly needed to help reach the goal of this research which is to understand the benefits and challenges in Viral Marketing (VM): the extension of Word-of-Mouth advertising (WOM) mediated by the Internet to increase promotions on products and services.

Participants were selected depending on their knowledge of Viral Marketing as demonstrated in a demographic form that they will be asked to complete and return to the researcher.

Your participation will be needed for approximately one or two hour(s). Participation will include this focus group and the completion of one questionnaire. Your identity and that of all participants will be kept private and confidential. All participants and their remarks will be kept private so that the nature of the questions posed is such that there is no risk to you.

The answers that you provide in the focus group will be audio-taped and, later, transcribed and printed. Your answers will be treated as strictly confidential, and therefore will be kept in a secure area. Once the data from the completed focus groups have been transcribed, any information that could identify you, the individual – for example, your name – will be omitted and replaced with your pseudonym in any of the analyses or subsequent reports or published articles.

I do hope you will agree to participate in this study. If you are interested in participating in the focus group, please contact me by March 18th, 2011 by email or phone. Please let me know the best way to contact you.

Thank you for your support and contribution to this research on Viral Marketing.

Sincerely,

Xiaofang Yang,
Department of Communication
Faculty of Arts, University of Ottawa

Note: The selected potential participant will receive the recruitment letter from the researcher by e-mail and be asked to return the signed form to the researcher before the participation.

The targeted populations in the marketers focus group are those professionals with experience or knowledge of viral marketing. While the targeted populations in the consumers focus group are chosen from university students in Ottawa who have more knowledge/experience of Viral Marketing (VM) and use the Internet more often. Participants between the age of 18 and 30 will be invited to participate in the focus group.

Appendix H: Consent Form

Title of the Study: Viral Marketing: A New Branding Strategy to Influence Consumers

Researcher: Xiaofang Yang, Department of Communication, Faculty of Arts, University of Ottawa

Supervisor: Dr. Peruvemba S. Jaya, Department of Communication, Faculty of Arts, University of Ottawa

Invitation to Participate: I have been invited to participate in the above-mentioned research conducted by Xiaofang Yang.

Purpose of the Study: The current study is intended to explore benefits and challenges in Viral Marketing (VM) which is the extension of Word of Mouth advertising (WOM) mediated by the Internet to increase promotions on products and services.

Participation: The study involves my participation in one questionnaire and one of two focus groups with the researcher as the facilitator and observer in a meeting room or study room at University of Ottawa or in Ottawa. My participation will last approximately one or two hour(s). The focus group discussions will take from 50 - 100 minutes and will be based on the answers I provided to the questionnaire. The questionnaire I complete will take between 10 to 20 minutes. Conversations in the focus group will be audio-recorded and notes will be taken.

Risks and Discomforts of Participation: Participation in this study requires approximately one to two hours of my time in a focus group with the researcher. There are no known risks in participating in this study.

Benefits of Participation: My participation in this study will contribute to the understanding of positive and negative aspects of Viral Marketing (VM). The study is also designed to gain in-depth knowledge of Viral Marketing (VM) and other strategies used during marketing campaigns. This research may enhance expertise in marketing techniques.

Confidentiality and Anonymity: I will not be identifiable in publications or presentations but may be directly quoted from the focus groups in publications or in presentations under my pseudonyms in the demographic form. I understand the protection of participant identity is strongly guaranteed and every focus group member has a shared responsibility to keep the session discussions strictly

confidential and anonymous due to the sensitivity of this study.

Conservation of Data: All data (both hard copies and electronic data, including audio-tapes, transcripts, questionnaires and notes) will be kept in the locked drawer in the researcher's house throughout the research investigation. Only the researcher and her supervisor will have access to the raw data and anonymity in publications and presentations will be preserved. After the thesis defence, the researcher's supervisor will keep a copy of the research data in her locked office from 2011 to 2016. A copy of the data will be stored at the University of Ottawa during the conservation period. After the 5 year retention period, all research data will be safely deleted and discarded.

Voluntary Participation: I am under no obligation to participate and can withdraw from the study at any time and/or refuse to answer any questions without suffering any negative consequences. As transcript review is not recommended in focus groups, participants will not be offered the opportunity to review transcripts. I also understand that the participant contribution to the study cannot be withdrawn during or after the focus group session which is an integral part of the focus group collaboration in the research and could possibly be used in the study. Should I withdraw from the study, the data collected up to that point will not be withdrawn.

Contact Information:

Researcher: Xiaofang Yang, Department of Communication, Faculty of Arts, University of Ottawa.

Supervisor: Dr. Peruvemba S. Jaya, Department of Communication, Faculty of Arts, University of Ottawa.

Acceptance to Participate in Research:

I agree to participate in the above-mentioned research study conducted by Xiaofang Yang of the Department of Communication, Faculty of Arts, University of Ottawa, under the supervision of Dr. Peruvemba S. Jaya.

I understand that direct quotes from my interview will be used in the researcher's thesis. As a result, I agree to be contacted for a second meeting to verify the accuracy of transcripts.

If I have any questions regarding the ethical conduct of this study, I may contact the Protocol Officer for Ethics in Research, University of Ottawa.

There are two copies of the consent form, one of which is to be signed and returned to the researcher before participation in the focus group and another is mine to keep.

I voluntarily agree to participate in this study.

Participant's Name

Participant's Signature

Date

Researcher's Signature

Appendix I: Focus Group Questionnaire to Marketers

Confidentiality Statement

Your participation in this focus group, the answers you provide and any personal information gathered is kept strictly confidential. It will never be made public.

1. Which channel do you prefer sending advertising messages about a product or service? Probe: Why?
2. Comparing traditional advertising with Internet marketing, in which advertising channel do you think your products and services get better branded? Probe: Why?
3. Are you aware of Viral Marketing or Internet Based Word-of-Mouth Advertising?
4. In contrast to traditional advertising channels mediated by television, Radio and Print Media, will you use Viral Marketing to promote products and services?
Probe: Why?
5. Do you use Viral Marketing along with traditional communication?
6. Do you think Viral Marketing can/will replace traditional tools in communication and marketing?
7. Why do you decide to use Viral Marketing?
8. What positive or negative aspects do you perceive a product and service get branded during Viral Marketing? Probe: Why?
9. Do you think that consumers will like receiving advertising messages in Viral Marketing? Probe: Why?
10. Do you think consumers trust Viral Marketing more (or less) than traditional advertising? Why?

11. Do you think that consumers will trust a branding message transmitted in Viral Marketing and be motivated to buy products and services promoted by Viral Marketing? Probe: Why?
12. Do you think your clients share your appreciation of Viral Marketing?
13. How do you think of interactions between consumers and marketers in Viral Marketing?
14. What percentage of your communication and marketing uses Viral Marketing?
15. Do you think it helps business to grow effectively by targeting consumers' needs and expectations with innovations? Probe: Why?
16. Do you think that consumers will like Viral Marketing? Probe: Why?
17. What kinds of clients want to use Viral Marketing? What kinds of clients hate it?
18. When you want to use Viral Marketing, how do respondents react?
19. Could you give me an example of a Viral Marketing campaign you did?
20. What is the future of Viral Marketing?

Appendix J: Focus Group Questionnaire to Consumers

Confidentiality Statement

Your participation in this focus group, the answers you provide and any personal information gathered is kept strictly confidential. It will never be made public.

1. Between Internet marketing and traditional advertising mediated by television, Radio and Print Media, in which channel do you receive more advertising messages? Probe: Why?
2. By what kind of advertising channel do you prefer receiving selling messages? Classic, Internet, Viral Marketing? Probe: Why?
3. Do you like to receive advertising message (Viral Marketing) without your permission?
4. Do you trust a branding message transmitted in Viral Marketing? More/Less? Probe: Why?
5. In which channel do you receive more influential advertising messages? Probe: Why?
6. Will you share advertising messages about a product or services that you think are helpful with your family, friends or even strangers? Probe: Why?
7. Can you name an example of advertising message (Viral Marketing) you received recently? How did you react?
8. How do your friends, family or strangers respond to your promotion on a product or service?

9. Will you be motivated to buy a product or service promoted by Viral Marketing?

Probe: Why?

10. How do you think of interactions between consumers and marketers during Viral Marketing?

11. Will you be faithful to a company's products or services if it keeps targeting your needs and expectations with innovations?

12. How do you perceive positive or negative aspects of Viral Marketing to get a product and service promoted?

Appendix K: Definitions

Advertising—Any paid form of non personal presentation and promotion of ideas, goods, or service by an identified sponsor (Kotler et al., 2009, p. 5). Ads can be a cost-effective way to disseminate messages, whether to build a brand preference or to educate people (Kotler et al., 2009, p. 534).

Branding—Something that is talked about frequently in the world of marketing and advertising, both on and off the Internet, or the process by which a commodity in the marketplace is known primarily for the image it projects rather than any actual quality (Brown, 2006, p. 85).

Marketing—An organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders (Kotler et al., 2009, p. 5). Thorne (2008) further defines marketing as the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large (p. 31).

Interactive Marketing—The Internet provides marketers and consumers with opportunities for much greater interaction and individualization (Kotler et al., 2009, p. 579). Companies can now interact and have dialogue with much larger groups than ever before (Kotler et al., 2009, p. 579).

Relationship Marketing—Builds strong economic, technical, and social ties among the parties and has the aim of building mutually satisfying long-term relations

with key parties-customers, suppliers, distributors, and other marketing partners-in order to earn and retain their business (Kotler et al., 2009, p. 20).

Influencer Marketing—The practice of identifying key decision makers in a target audience and encouraging them to use their influence to spread word-of-mouth (WOM) (Thorne, 2008, p. 277).

Buzz Marketing—A viral marketing technique to get people talking about a product or service (Thorne, 2008, p. 275). Marketers grab consumer's attention through an event or some sort of memorable action, hoping it will inspire them to talk it (Thorne, 2008, p. 45).

Word-of-Mouth Marketing(WOMM)—An effort by marketers or businesses to encourage word of mouth among consumers (Thorne, 2008, p. 280). It is basically the practice of customer referrals on steroids (Thorne, 2008, p. 47).

Viral Marketing—Strategies that allow an easier, accelerated, and cost-reduced transmission of messages by creating environments for a self-replicating, exponentially increasing diffusion, spiritualization, and impact of the message (Golan & Zaidner, 2008, p. 961).

Social Networking—An online place where a user can create a profile and build a personal network that connects him or her to other users (Thorne, 2008, p. 279).