Viral marketing through social media in India: A case Study of Facebook

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Abstract

Viral Marketing Communication, an electronic form of word-of-mouth has marked the advancements in global corporate world. Although, VMC is still in its premature stage, there had been few researches regarding its operation and future trends. In addition, consumer perspective towards utilization of VMC to increase brand value is still to be evaluated.

The purpose of this study is to experimentally test the effectiveness of viral marketing and branding efforts done through Facebook and gauge the user preferences regarding various ad types. For the purpose of data collection, an online questionnaire (webinar) has been prepared using Google docs. Sample size being 107, the respondents includes SNS users of age group 20 to 30. Empirical analysis of data is done using MS-Excel and the studyreveals some interesting relations, which further can be considered while designing and developing any advertisement or viral marketing efforts on Facebook.Furthermore, it can be stated that the online presence of the company strongly influence customer perception regarding the brand.

 Keywords: Facebook, Advertisement, online marketing, Social media, Viral Marketing

2. Introduction

2.1 Background and context: "Digital transformation is happening all around us. Borders shuts down, a victim of eBooks andAmazon. The entire music industry has contracted by 50%. Travel agencies got eviscerated by Expedia and Travelocity" as, stated by Josh Bernoff (2011). This may be accounted to the fact that Internet is a distinctive medium with characteristics such as constant message delivery at low cost, audience selectivity, multimedia capacity, measurable effects, global reach, audience-controlled advertising exposure, and interactivity. It is also a forum for customer communications and a channel of distribution, which is shaping brands in everyday life (Wolin, Korgaonkar, & Lund, 2002). Thus, it enables end-users to electronically and economically pass on their marketing messages without concerning about geographic or demographic boundaries (Wilson, 2000).

But it doesn't stop here. PreethamVenkky, Business Head at the Chennai-based KRDS, India's sole 'preferred developer consultant' for Facebook, says "Social is the new digital." We have clearly entered a phase where consumers are more equipped by World Wide Web, and consumer itself is more prone to viral marketing that encompasses Facebook. Following the VMC campaign success of companies such as Burger King, Hotmail and Procter & Gambler, many marketers have also jumped onto the bandwagon. When executed effectively, viral marketing campaigns can create an instantaneous buzz and help to boost the promotion of brands, products and services (Dobele et al, 2007). Consumer buying behavior is no longer driven by marketing efforts as they have access to as many tools and feedbacks as possible from their "connected world.

2.3 Scenario in India :The world's second most populous country with almost 1.2 billion inhabitants, India is a place of marked contrasts, where age-old and modern practices coexist and the chasm between the rich and the poor is visible and palpable to all. While a third of India's population is urban, and divided between a growing middle class and vast slums, the great majority of Indians live in rural areas (The Hindu, 2009). This gives rise to a notion that Indian "Social market" is not yet developed, as major population might not have access to the "online world". So although a big unsaturated market, India still is untapped by online marketers. But the real picture is different considering following facts:

1. On 30 June 2012, India has 137 million Internet users. India is Second in Asia in terms of number of Internet user, first is China with 538 million Internet users (Internet Usage Statistics, 2012).
2. Also, the Rural Internet User count will reached 45 million by Dec 2012 (Shelley Singh, 2012)

3. The most important factor is High growth rate of Disposable Income of Rural India. According to the (MART report, March 2009)

4. The recent FDI approval (Writankar Mukherjee &DeepshikhaSikarwar, 2012) has exponentially increased the 'Westernization'..

3. Theoretical Framework

This study focuses on impacts of Viral marketing through Facebook and its effectiveness to induce the buying decisions. It also tries to find out that which product should be advertised on which particular ad type. This is studied through conducting an online survey with 107 respondents to reveal the basic impact of ads on the users. Following model depicts the impact of advertisements on SNS and serves as the base for this study:-
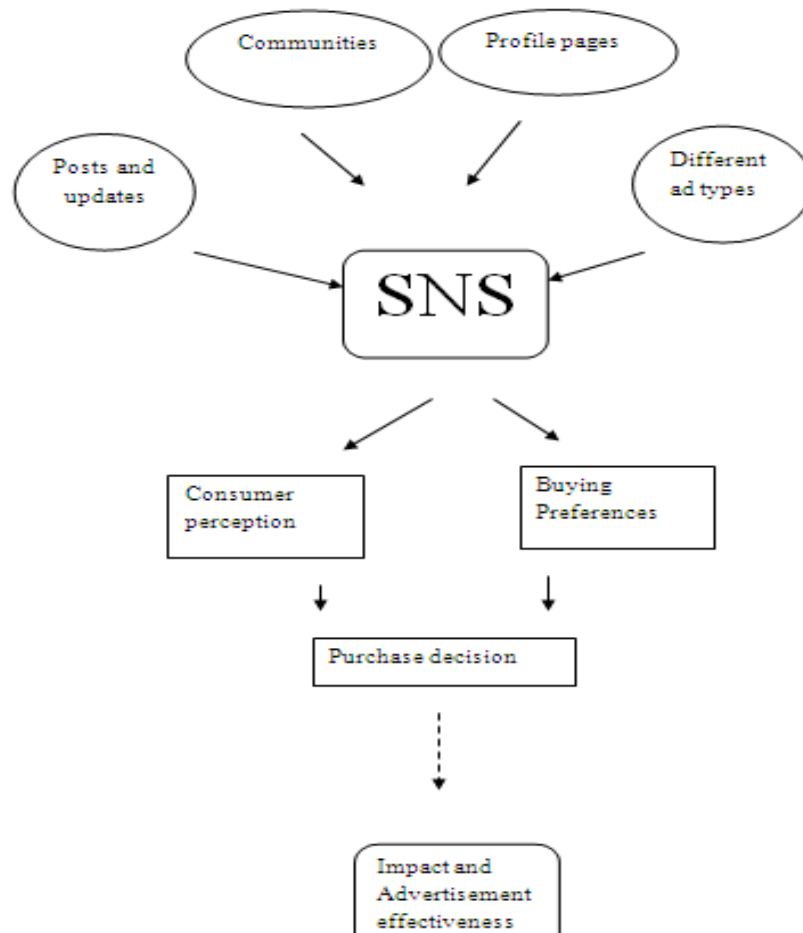

Figure: Model for advertisement effectiveness in SNS (source: own presentation)

As depicted above, posts, updates, communities and different ad types (banners, videos etc.) along with personalized presence of company via profile page incorporate the online presence and advertisement of any company. This usually affect consumer perception regarding the brand and have positive as well as negative influence on buying preferences based on response on Fb. This whole process reshapes the purchase decisions and indirectly acts as a measure for advertisement effectiveness.

Advertisement types on Fb:-

- Homepage ads are above-the-fold homepage ads that contain ad creative (image + text) as well as an option for users to engage with the brand (e.g., "Become a Fan")
- social impressions , Homepage ads with social context which include the names of a user's friends, if any, who are already fans of the brand
- Organic impressions, which are social stories that appear on the homepage of friends of users who have engaged with a brand or become a Fan of that brand

Research Methodology
Objectives

- To study impact of viral marketing, advertisement and branding on Facebook.
- To study user preferences for ad styles and sites and therefore find out which ad form should be preffered.
- To suggest guidelines for development of effective ads for future.

Data required was collected in two ways:

A webnnaire was designed to collect the data for primary purpose and instrumented to a small respondent as a pilot study to validate and verify it. Prior to the sending out of requests to respondents, we first conducted a pilot test on five respondents who also fall under the target population under our study. They provided us with valuable feedback on parts of the questionnaire which might have been confusing or hard to comprehend, allowing us to fine-tune and revise our questionnaire before sending it out.

The data collection period took place between 15 April and 30 April 2012. Taking into consideration the constraints such as time, budget and resources, non probability sampling – convenience sampling and referral sampling in the data collection. The survey was sent through e-mails or distributed in hard copies to friends and colleagues who fall under our target criteria. We also requested for respondents to provide us with names of additional respondents who would qualify, a technique also known as snowball sampling. The surveys were self-administered, meaning that the respondent filled up the survey on his or her own. Advantages include lowered cost of administration, giving control to respondents and minimized apprehension on the part of respondents. However, disadvantages include incompletion of survey, erroneous responses, and untimely manner of response or refusal to return survey (Burns & Bush, 2000).

We distributed a total of 335 questionnaires and got back a total 107 usable responses, thus achieving a reasonable response rate of We defined a completed survey as one in which at least 80% of the survey is completed "without error". Proquest database was referred to access research papers related to social networks. Also, other journals were referred for supporting our views.

Finally, the survey data was collated in Microsoft Excel, and analyzed using the statistical functions available in Excel. Details of the analysis are presented in the next section.

Analysis and Results

During the survey, some general aspects were considered about Fb. Aspects such as frequency, most preferred Ad types and certain features like design and data sharing speed are discussed below:

1. **Time spent**: It was observed that almost 47% of the respondents prefer to access the social networking sites for 1 to 5 hours daily. The chart1 shows the percentage of respondents accessing their accounts on

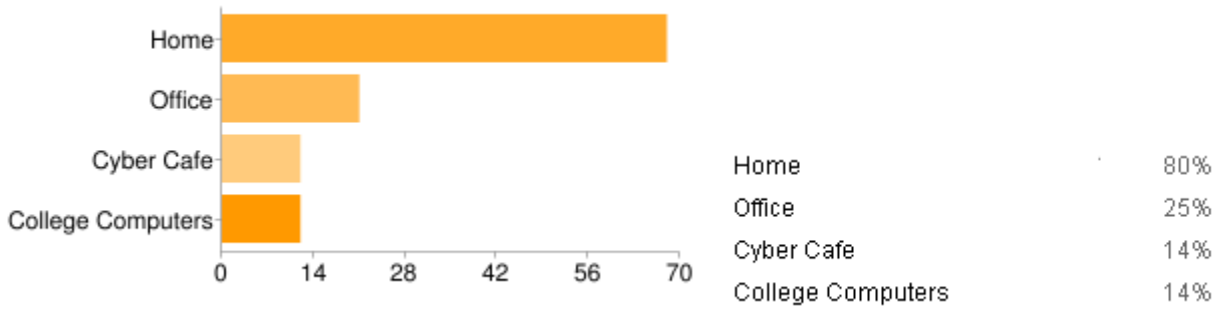

How much time you spend on FB Daily?
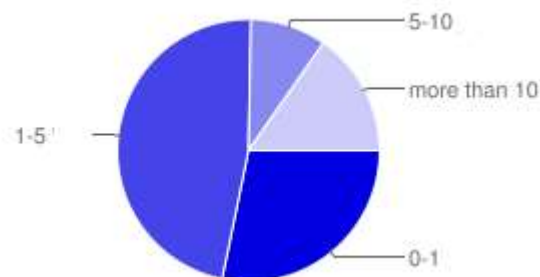
daily basis for different time span.

|	
0-1	28%
1-5	47%
5-10	9%
more than 10	15%

Chart1: time spent

2. **Preferred Access Point:** As shown in Chart 2, users prefer surfing through Fb from Home (80%) followed by office (25%).

From where do you access FB?

Home	80%
Office	25%
Cyber Cafe	14%
College Computers	14%

3. **Design:** study reveals that 37% respondents rate the design of Fb as 4 on on a 5 point scale. The results of the survey are shown in the following chart:

FB (5 being the highest) - Design

1	2%
2	9%
3	16%
4	37%
5	34%
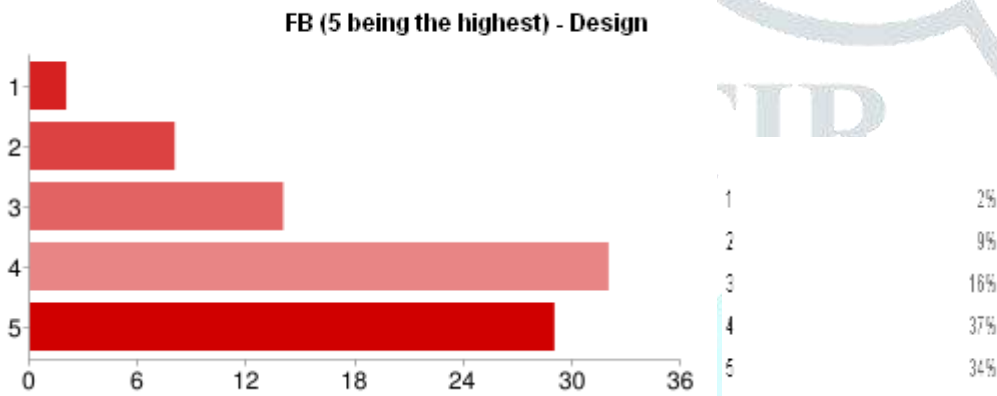
4.

Chart3. Design of Fb

5. **Data sharing Speed:** 37% of respondents are completely satisfied with the data sharing speed of FB. The results are graphically represented as under:-
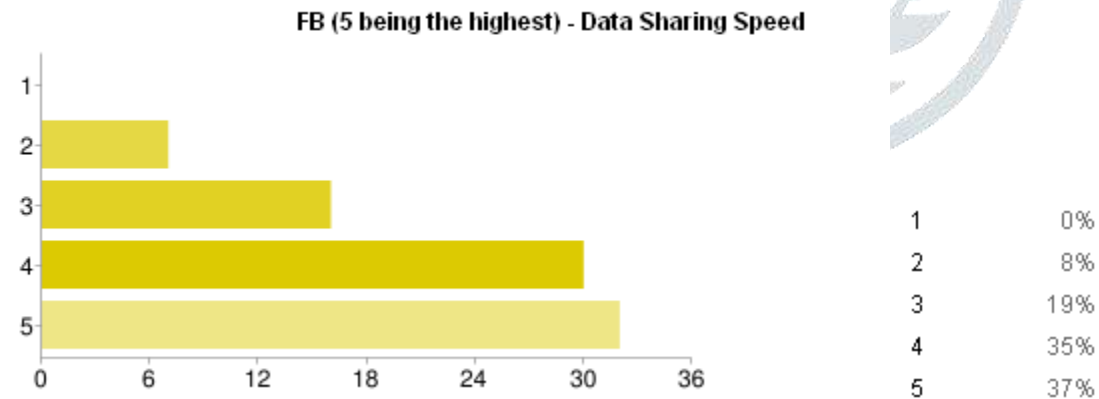
FB (5 being the highest) - Data Sharing Speed

1	0%
2	8%
3	19%
4	35%
5	37%

Chart 4.- data sharing speed of Fb

6. **Advertisements:-**only 19 % of respondents are satisfied with the advertisements as given on Fb. While the maximum (29%) respondents rates ads on Fb with 2 points only. Results are graphically represented as under:-
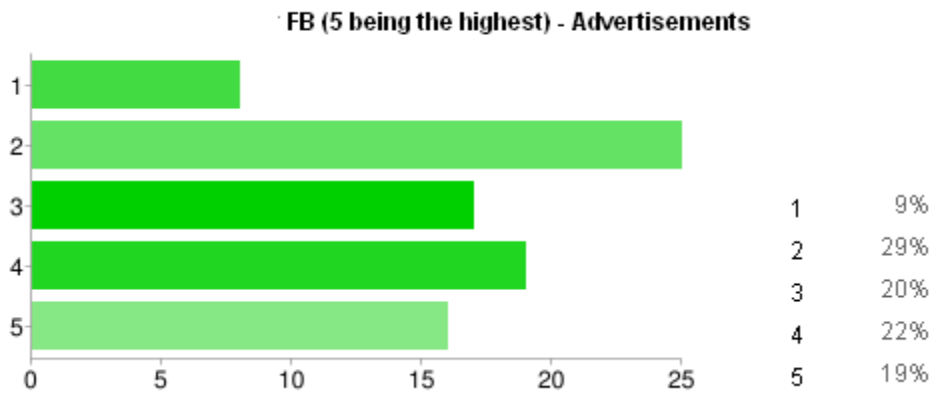

FB (5 being the highest) - Advertisements

1	9%
2	29%
3	20%
4	22%
5	19%

Chart 5.- advertisements on Fb

7. **Content:-**majority of respondents feels Fb is lacking somewhere in contents (38% rates it 4 on 5 point scale). The results are represented as under:-
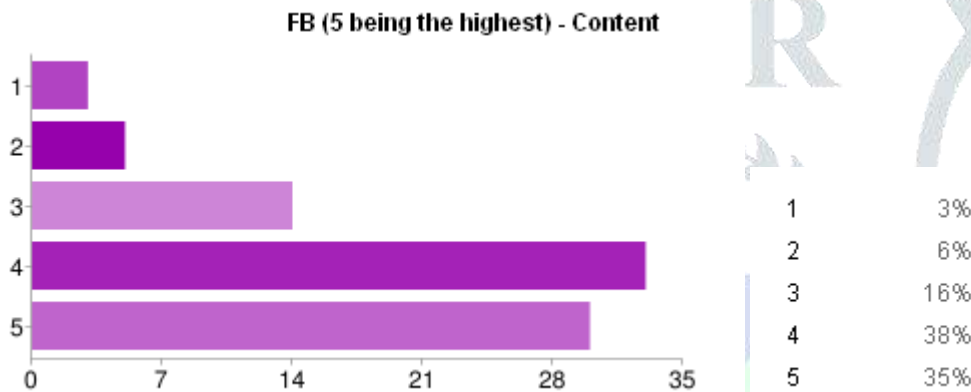

FB (5 being the highest) - Content

1	3%
2	6%
3	16%
4	38%
5	35%

Chart 6. Content of fb

8. **Frequency of visiting ads:** 35% respondents visit the ad links on FBon very few occasions whereas only 5% user visit ad links all the time. Although there is a large segment of respondents who never visit the ads (15%) but majority of users do visit the ad links quiet often (27%). The results have been compiled in following chart:
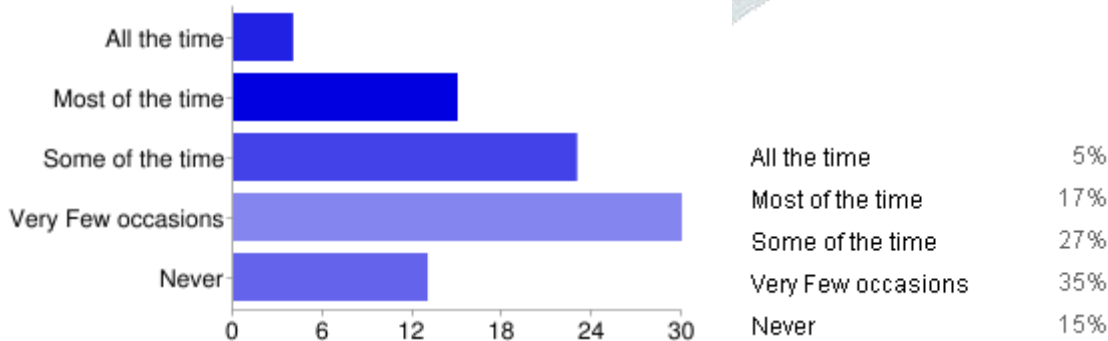

How often you visit Ads displayed on FB?

All the time	5%
Most of the time	17%
Some of the time	27%
Very Few occasions	35%
Never	15%

Chart7: frequency of visiting ad links on Fb

9. **Types of ads:** following chart points out that majority of users (40%) prefer Social Impression ads on Home page ads (28%) and organic Impression ads (31%).

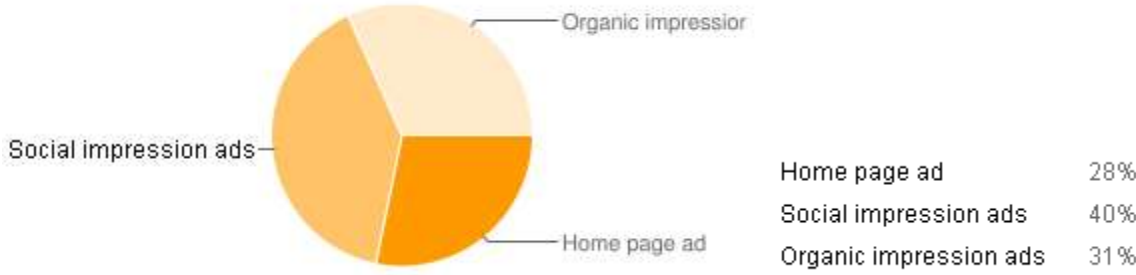Which of the following ad type you like most:-

Home page ad	28%
Social impression ads	40%
Organic impression ads	31%

Chart 8. Ad type preferences

10. **Relevancy of ads of different products on Fb**:- 54% of respondents believes Fb have more relevant ads for apparels and accessories. 42% votes for music and videos and 41% for Restaurant and coffee shops. The results are summarized as under:-

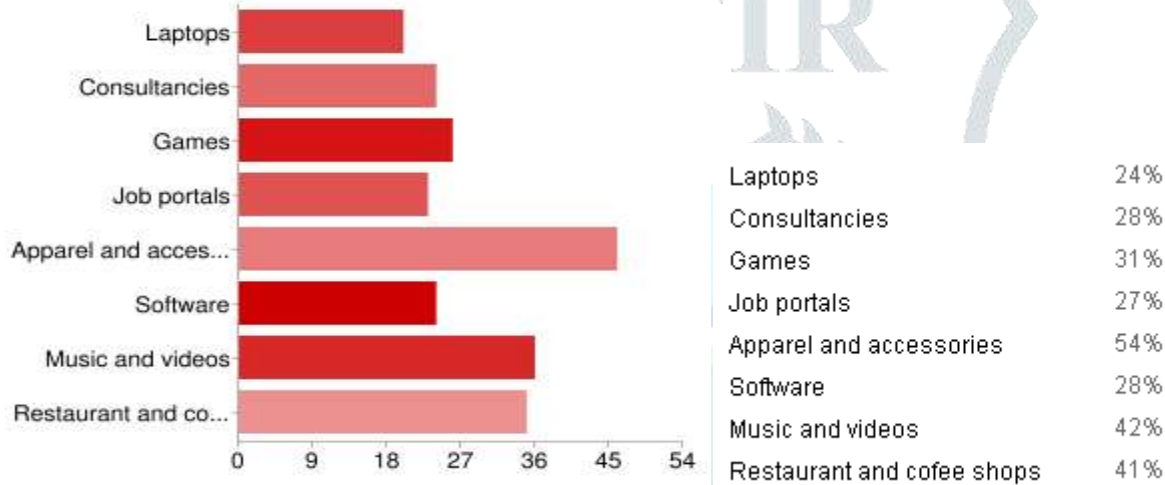In your view, FB has more relevant ads for:-

Laptops	24%
Consultancies	28%
Games	31%
Job portals	27%
Apparel and accessories	54%
Software	28%
Music and videos	42%
Restaurant and cofee shops	41%

Chart9: Relevancy of ads of different products on Fb

11. **User's perception towards the ads on Fb:** after a thorough study, it was concluded that 35 % of users feels ads on Fb to be convenient.33% people feels it to be informative. Only 9% people rates ads of Fb as Intrusive. The chart below summaries the statistics thus obtained.

As a mode of communication, marketing updates and ads on FB are:-

Informative	33%
Redundant	8%
Convenient	35%
Intrusive	9%
Short on detail	14%
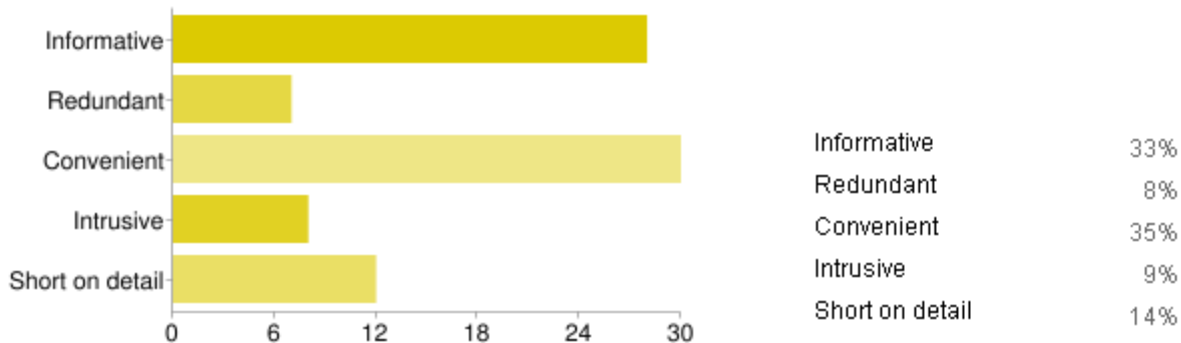
12. Attitude towards information by online consumers:-35% of respondants feels the information provided by online consumer is Relevant. The complete data is shown through following chart:-

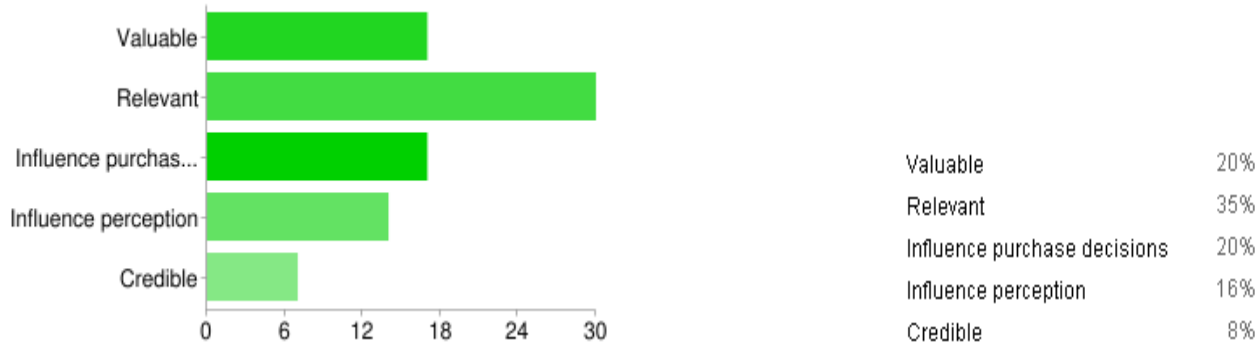Your attitudes toward recommendations and information provided by consumers online:-

Valuable	20%
Relevant	35%
Influence purchase decisions	20%
Influence perception	16%
Credible	8%

Chart11: Attitude towards information given by online consumer

13. Attitude towards marketing updates by official pages on FB: although 31% of the respondents consider ads and updates on Fb as influencer of perception, only (12%) consider these ads to influence their purchase decisions.

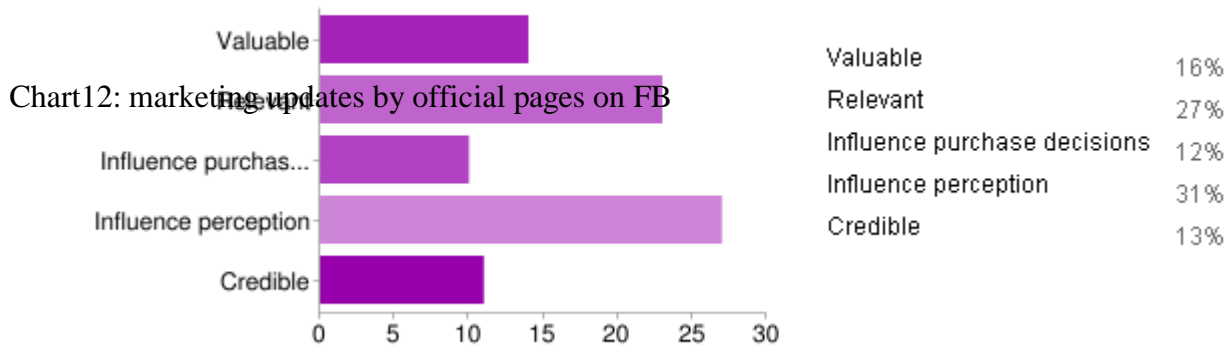Your attitudes toward recommendations and information provided by Official Pages or pulic figures on fb:-

Valuable	16%
Relevant	27%
Influence purchase decisions	12%
Influence perception	31%
Credible	13%

Chart12: marketing updates by official pages on FB

14. Online purchase:-Only 2% of the respondents actually do online purchase and majority of respondents (53%) do not indulge in online purchasing. The results are shown as under:-
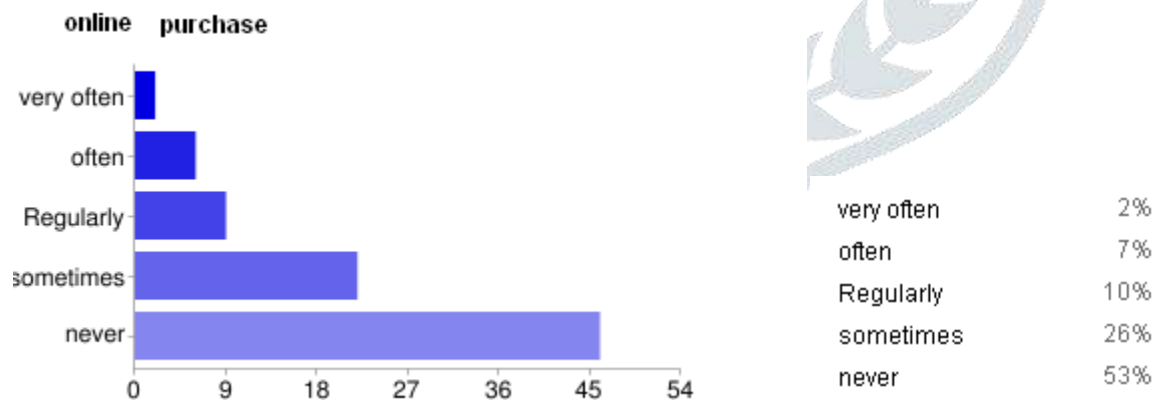

online purchase

very often	2%
often	7%
Regularly	10%
sometimes	26%
never	53%

Chart 13.- Online purchase preference

15. <u>Satisfaction with information but yet not Purchasing:-</u>There is a large population of users (30%) who usually gets satisfied with the information given through ads but they still do not indulge in online purchasing. The results are graphically represented as under:-
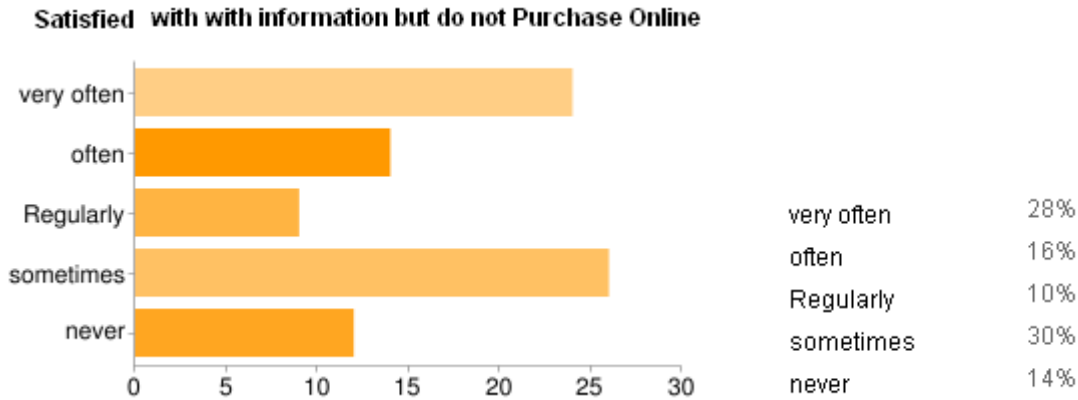

Chart 14. -Satisfaction with information but yet not Purchasing

16. <u>Impact on purchasing behavior:-</u>76% of respondents admits that ads on Fb actually have an impact on their purchasing decisions. The graph is shown as under:-
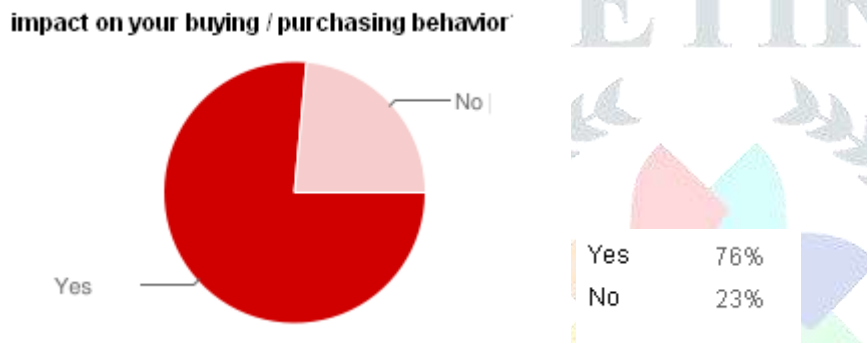

Chart 15:-Impact on purchasing behavior

17. <u>Demographics:</u>-36% of the respondents were female and 64% were male. Out of total respondents, 56% were students and 33% were working professionals, along with 3% of house wives and 8 % of part time working students.
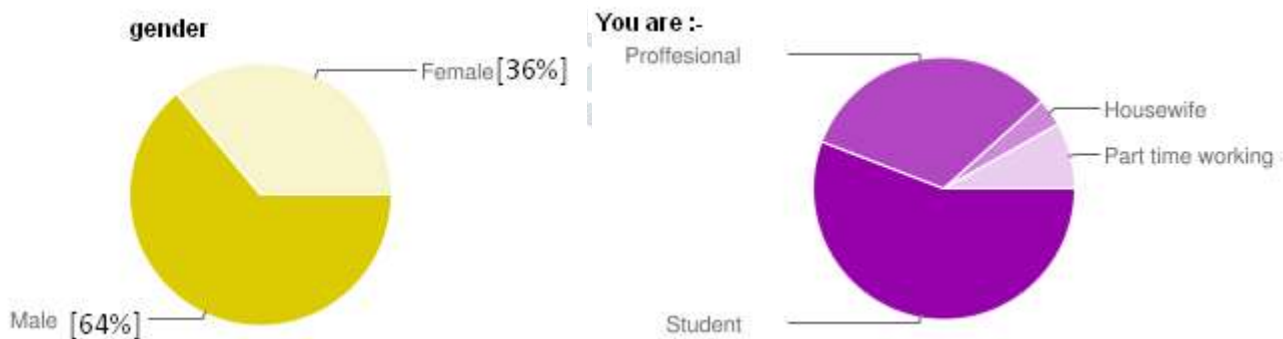

Chart. 16- Demographics

<u>Conclusion</u>

People rely on Fb as much as company websites for product and brand information. Six out of ten (aprox 60%) consumers visited ad links to get information. Further, 76% of these consumers agrees that theses advertisements on Fb influence their perception regarding the brand and the product. Equally, 31% believes their purchase decision based on what information they gathered from these SNS.

These results are supported by the Razorfish Consumer Experience Report 2008. According to it, Social network advertising is not only not annoying but surprisingly effective in some segments, according to the results of a new survey by Razorfish. The researchers found that, while those who view online videos don't

mind the presence of advertising, they prefer banners and "newer, emerging forms of video" ads including tickers and interstitials to pre-roll video ads.

Implications:

- Social Impression ads provided the most user interaction (and was the least likely to be perceived as advertising)
- Corporate profiles are effective but they work better when users can become a fan of the profile and add a logo to their own page.
- Regardless of format, the most effective advertisements were those that were related to the content on the publisher's website.

Thestudy suggests that investing into building up your brand on Fb will be most profitable action as Consumers would less likely find these approaches intrusive.

Suggestions for Future Research

Our recommendations for future research related to VMC and consumer behavior are:

1) *Increase sample size and conduct probability sampling :-*If time and resources permit, it would be good to conduct a fuller scale study on consumer perception and response. The sample size of quantitative research should be increased, and probability sampling such as random sampling should be employed instead of convenience sampling to provide a more representative view of the population.

2) *Explore relationship between demographics and consumer perception and response:-*As VMC is a global trend, it will be of interest to explore how differences in the demographics of consumers will lead to differences in the way they view and act towards VMC. For instance, investigations into how differences in gender, culture, nationality and ethnic groups influence consumer perception can be performed and relationships can be hypothesized and tested.

3) *Develop real-time campaigns to measure effectiveness :-*In using case studies to understand consumer perception and observe their behavior, it is also recommended to make use of new, unseen, or even fictional advertisements for the purpose of studying consumer response. This will help to eliminate the time issue problem we faced and also get rid of any bias or preconceptions of a brand that consumers might possess prior to the study.

4) *Conduct research data collection in formal, proper settings :-*Lastly, we would also recommend future researchers to make use of more appropriate settings in their data collection. For example in our qualitative research, we made use of respondents" homes as the settings for the interviews and faced several problems such as interruptions as previously mentioned. We believe that qualitative research is crucial for the investigation of our topic and it is necessary to have interaction with the respondents to better understand the way they act and feel. If possible, focus groups should be conducted in order to gain rich, in-depth consumer insights. Researchers might want to consider using formal focus group rooms or set rules such as switching off mobile phones to avoid unnecessary disruptions.

Limitations

Due to time and resource constraint, the small size of the sample used in the structured questionnaire limits the extent to which we can apply the results as a general theory. Moreover, random sampling instead of convenience sampling might have helped in generating a more valid data analysis and improve the accuracy of our results.

As described above, we have conducted our study based on VMC on Fb. While we acknowledge the existence and importance of other forms of VMC, such as adver-gaming and chat rooms, we have not performed any consumer research in these areas. Thus, there is a need for more investigation and analysis in order to paint a more complete picture.

In this research, the questions posed to consumers were generally based on the past, such as whether they had forwarded emails to peers, purchased a product or service or came into contact with a past VMC campaign prior to the study. Thus, this implied that no real time data has been collected. Our data and subsequent conclusions will be based on the consumer response in the questionnaire, and in cases where consumers are

not aware of the campaign or have forgotten whether they purchased a particular advertised product or service, this will decrease the accuracy of our study.

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