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Viral Marketing - How can a campaign succeed in going viral? What are the pros and cons of viral marketing?

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## Abstract

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<p>This research contains an in-depth analysis of viral marketing used by modern firms as a tool to advertise their offerings and increase brand exposure. Initially, the current marketing environment has been analyzed, in order to understand modern consumer behavior and what is trending (or not) in terms of marketing techniques. Subsequently, the relevant theory about viral marketing was explored, to have a deep understanding of the phenomenon (of its characteristics, forms and objectives). The following chapters are focused on the steps that are beneficial or risky for firms when they are trying to create viral marketing campaigns. They were integrated with concrete cases of firms and a case of students who experienced either successful or disappointing viral marketing campaigns. The research ends with the presentation of the solution to make a campaign go viral and be beneficial for the firm. The examples used are emblematic of how viral marketing can be both extremely beneficial and surprisingly damaging for a firm, and lead to the conclusion that this technique is a powerful, unpredictable and risky “double-edged sword”.</p>	
Keywords	Viral marketing, consumer behavior, internet, social medias, marketing, word-of-mouth phenomenon, risk, benefit, double-edged sword

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## Introduction

In the 21<sup>st</sup> century, the advent of the Internet and of new technologies has revolutionized the marketing world. One of the many marketing concepts is the era of the interruption marketing, characterized by one-fit-all messages designed to catch the customer's attention while he is busy doing something else, which is coming to an end due to the emergence of new trends. Perhaps, one the most famous interruption marketing, is viral marketing. This technique allows the message to flow like a virus through the audience, which becomes an active part of the communication and marketing process. Viral marketing, in all its forms, is connected to the word of mouth phenomenon and, to a greater or lesser degree, to the active participation of the customers. The issue of the loss of control over the message by the firm is a crucial issue in viral marketing: the more the firm devolves the marketing duty to the customers the more it loses control over its own campaign design and implementation. This is a risky choice, which could lead to unexpected negative results. Viral marketing surely classifies as part of the promotion efforts: its ultimate aim is therefore to promote the product or the service among customers by divulging information to convince them of purchasing it. From a profit-oriented point of view a marketing campaign is successful if and when it manages to generate remuneration for the firm. Some sort of financial returns should arise as a consequence to promotional efforts, at least to cover the investment incurred and at least in the long run.

Many are the reasons that make viral marketing makes a very powerful tool (inexpensive, quick and self-sustaining are some of them) and pushes it to the top-preferred marketing techniques for most firms at the current time. When web-based, moreover, viral marketing becomes even more powerful as its effects are amplified. In fact, on the Internet a message can be spread with more ease and speed than ever before. Currently, this technique is raising a lot of enthusiasm from both firms and the audience's side. However, it has got its dark side. Many are the risks that a viral marketing campaign entails and make potential damages.



The nature of this investigation is theoretical: it gathers relevant theories and literature about the topic. Indeed, a marketer, in order to prove that he has come up with an appropriate and effective plan of action and to ensure a good probability of positive results, needs to show that he has control over the situation. For this reason, viral marketing is not always an easy and effective marketing tool as many might believe. Instead, it would better be managed with extreme care.



## 1. Literature Review

### 1.1 Marketing definition

According to Philip Kotler, marketing is known as “*The term Marketing is defined as a social and managerial process by which individuals and groups obtain what they need and want through creating, offering and exchanging products of value with others*” and also “*the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit*”. Marketing is not only about social medias and advertisement, in fact, it can be performed by anyone following the ‘Wants, Goals and Needs’ definition. Basically the purpose of marketing is to define the needs and desires of individuals. Most needs are defined by Maslow’s Hierarchy, as it mainly states what we need for a living and gives also an overview on the needs that help us develop ourselves (e.g. self-actualization). Goals can be described used the SMART tool (Specific, Measurable, Attainable, Realistic and Time Bound). Finally, the word ‘want’ can be described as something desired, something that can improve the quality of living of a person.

The marketing world in the 21<sup>st</sup> century is a new and yet partly unexplored environment. The increase in competition and the advent of new communication channels, of globalization and of the Internet have radically changed the way customers behave and the attitude towards marketing messages. It is fundamental to analyze and understand those changes and to adapt new marketing strategies to the current environment.

Marketing has always existed. When using the Bible story as an example, we can see that Eve tries to convince Adam to eat this wonderful and attractive fruit, the forbidden apple. Eve can be compared as someone working in the marketing field as she is trying to sell a ‘product’. However, the first marketer in the bible story is the snake as this one convinced her to sell it to Adam in the first place. The real marketing field appeared in





the 1950s by the word-of-mouth phenomenon. Sales, however, started before marketing which was developed over time. Products were created and new concepts were invented. Sellers tried to lower prices in order to make profit and to sell more products or services. Customers were the ones buying these products. They gave their impressions and explain how the product could be improved (Theory of wants-goals-beliefs). Afterwards, marketing became a real word and its process started to develop.

## 1.2 Marketing process

This word, marketing, is a management process where goods and services come from a concept to a customer. The management process included a situation or context analysis (PESTLE a macro-environmental analysis, Porter's 5 forces of threat and SWOT analysis), a marketing strategy (Defining the segmentation, target market, positioning, value proposition), implementation and control and the marketing mix decisions. This last step is linked to four key elements called the 4P's of marketing (Price, Product, Place and Promotion).

According to William Simcoe, a Metropolia teacher who graduated in Columbia, the following figure (Figure 1) represents all of the marketing process. Marketing Research is the step used before the Decision-Making process. In this Marketing Management Process, the context analysis is made with the PESTLE, 5 forces and the Marketing Mix (Product, Promotion, Price and Placement). According to Simcoe's Marketing figures, a firm's goal is to achieve value and a sustainable competitive advantage.

On the other hand, Philip Kotler (11<sup>th</sup> edition of Marketing Management, 1rst chapter) there are at least five key processes of marketing:

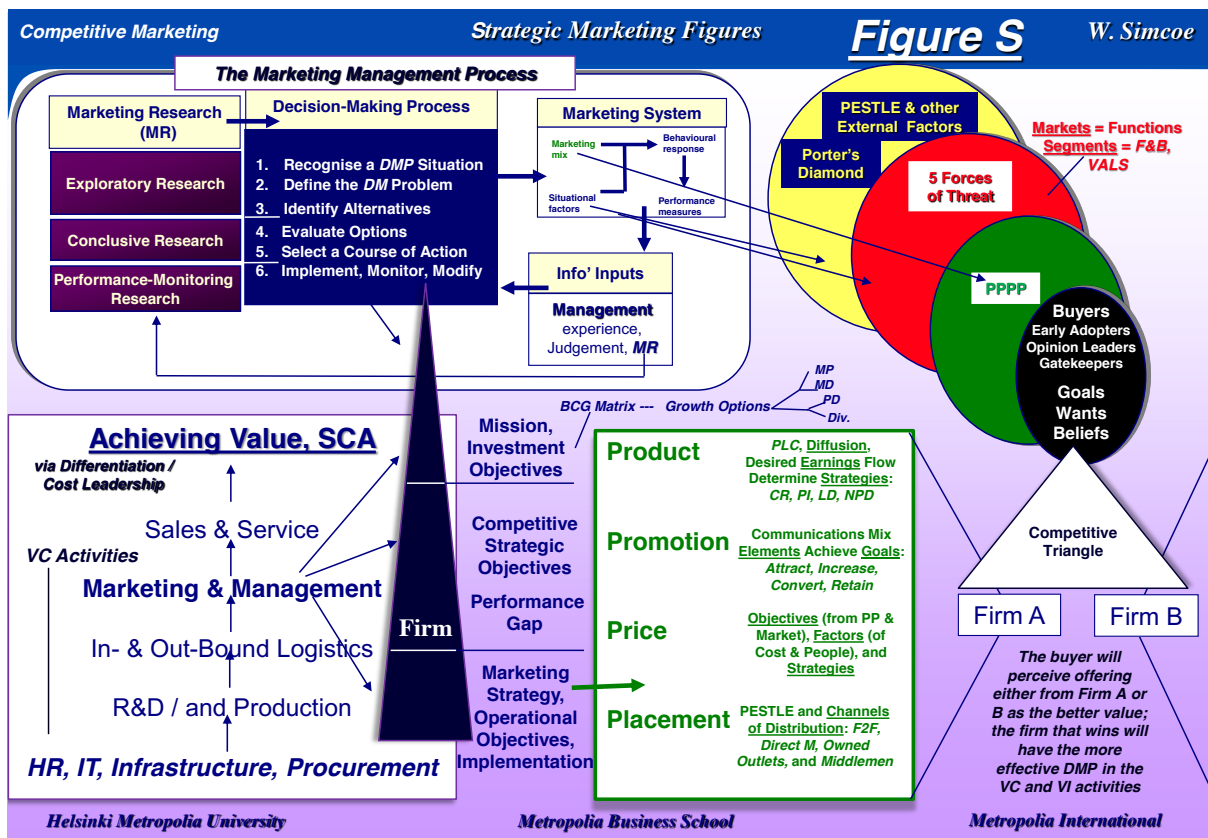
- 1) Opportunity identification
- 2) New product development
- 3) Customer attraction
- 4) Customer retention and loyalty building



5) Order fulfilment

If every firm fulfill these requirements, they can only be successful. However, if they fail at one of these processes then they won't be able to survive in the market. These processes are almost similar to Simcoe's as they are more clear and specific. Unlike the figure, these steps are enough adequate for any firms to survive. Simcoe does not seem to think that if these steps are not followed correctly, the firm will not survive.

Figure 1 : Course Strategic Management in action



On the other hand, he believes that Internet didn't change marketing, but was improved thanks to it. Marketing will always keep the same theories and but the communication in marketing has been changed. The Internet changed and improved social medias and marketing helped to develop it. Unlike most students thing, marketing didn't change the purchasing behavior, but social medias did. Simcoe does agree with Kotler



on the fact that the most important concepts of marketing are described in the demand, wants, belief, segmentation, targeting, positing, competition, the environment and others.

Before any firms creates a product, service, campaign or else, they need to describe and find a target. It is important that the target fit the product and service in order for the firm to achieve its goal. The product should be adapted to the target and segmentation. When the target is defined, the products can be adapted. The following step is the positioning of the company. It takes into consideration prices, targets, the notoriety of the band and their goals. These are important steps to follow especially if a firm wants to create its own and unique campaign. All of these steps matter a lot and will take care of the firm's environment and future.

### 1.3 Consumer Behavior

When working in marketing, the consumer is the key to the achievement. In fact, it is crucial to know the firm's customers before starting any campaign. If the customer is not defined in the marketing process (Target, Goals, Measurement, Positioning), the campaign and the firm won't survive. It is important to ask the following question: How to satisfy these customers?

Marketing is well known to have an attractive image to consumers but it also has a lot to do with psychology. Each customer is different, therefore, their needs are also different. However, a firm has to make sure their customers fulfill their needs and become loyal. When the firm succeeds in helping clients, then these ones are more likely to spread good words on the firm. This is how the Word-of-Mouth phenomenon appeared. When the firm creates value for customers, they will be wanting to share it and to spread awareness.



When looking closely to the right definition of the consumer behavior, researches are concentrated on the individual itself, groups or organizations. All of the product placement or services, experiences and else need to satisfy consumer's needs. It works on different categories such as psychology, marketing, economics or sociology. It is also important in marketing to know well the consumer, which is the target. The more a company knows their consumers the more they will be able to affect their buying behavior. This one depends on the geographical place, the culture and independent variables. However, it is often difficult to predict how a customer will react or if he will buy the product or not. The consumer needs to feel like he has all of the attention and firms should create a relationship of great importance with them.

In William Barnett II's 'The Modern Theory of Consumer Behavior. Ordinal or Cardinal? Published in Spring 2003 in the Quarterly Journal of Austrian Economics Quarterly, No.1 : 41-65.) stating that "*Neoclassical utility functions are an invalid means of analyzing consumer behavior for three reasons: first, and most important, because such functions, and their attendant rankings, are cardinal, not ordinal in nature; second, because, with respect to the set of bundles relevant to actual human beings, such functions are not continuous and, therefore, not differentiable; and third, because such functions do not correctly, consistently, and properly include dimensions/units.*". It means that the consumer behavior is mostly cardinal due to the attendant rankings. Neoclassical utility functions are not considered as valid as they don't include any units and can't be different.

On the other hand, Kioumarsi et al (2009) states that "*If Arrow's possibility theorem is used for a social function, social welfare function is achieved. Some specifications of the social functions are decisiveness, neutrality, anonymity, monotonicity, unanimity, homogeneity and weak and strong Pareto optimality. No social choice function meets these requirements in an ordinal scale simultaneously. The most important characteristic of a social function is identification of the interactive effect of alternatives and creating a logical relation with the ranks.*". The author believes that Arrow's

possibility theorem can be a helpful tool to study the consumer behavior and agrees with William Barnett II with the ordinal and cardinal scale. Marketing exists in order to provide services for customers to be satisfied. Every product or service have the same objectives, to make money and to satisfy the needs of customers. The more consumers are understood, the more sales and money companies will receive. As a consequence, both the customer and the company will be satisfied.

(Theories on the understanding the transmission of information.)

Schutz (1983) provided a framework containing the motivations of people to share information online. Schutz regrouped the main theory in three dimensions called Fundamental Interpersonal Relations Orientation (FIRO, Interpersonal Dynamics, J.McDonald, CC Gibson, 1998). He concluded that the motivations of people could be divided in three interpersonal needs: Inclusion (the need to be part of a group to have attention), affection (to show some concern for others) and control (to be leading a social environment). The word-of-mouth communication in viral marketing mainly focuses on the information for products and services coming from a firm.

Therefore, if we start with the inclusion theory from Schutz, we will notice that customers might feel the need to belong to a group. However, according to the inclusion theory, the customer will be willing to be different from others and to be noticeable. The motivations of customers for sharing via viral marketing might come from their need to be unique and to belong to a group. Nowadays, the Internet is considered as a communication channel where people share their experiences. If someone needs to feel part of something or to be unique, he or she will forward online content or share any opinions they have on a product or service.

According to the second motivation from Schutz theory, affection can be a need to be involved in a relationship. In the word-of-mouth world it would mean that these people who are altruistic will be willing to share information to express love or a friendship even though they are sharing a funny car ad from the Super Bowl. These customers



are willing to share something they liked with others in order to build a relationship from it.

Control is another need according to Schutz and specifies the need for personal growth and achievement. When looking at undergraduate students, sharing information with teachers is a way for them to ask for help or to look for job opportunities. Forwarding online information may help the sender to develop independent skills and be engaged in his personal growth.

It is quite important to understand customer's behavior before making a campaign as these ones are the ones that will share it in a positive way or negative way.

#### 1.4 Digital Marketing

Digital Marketing is also key in the analysis of viral marketing. It defines the promotion of brands, products and services via any forms of electronic media. It is quite similar to marketing itself but differs in terms of channels used and methods. It helps analyzing marketing campaigns and understand why it is working or not in the real time.

The process can vary according to different perspectives. However, the first step is planning (coordination of marketing activities, visibility to status and budget). The next one is to attract by choosing the media to use and the place. Then after attracting customers the following process is to create ideas and help integrate a brand in people's life. Executing is part of the process as all strategies have been implemented in the campaign. The next step is the measurement. Goals and objectives have been set in the planning, therefore this step checks if everything has been achieved correctly or not. The final step is to optimize the brand. The process is, like the marketing one, linked to 4E's. These are the Exchange, Everyplace, Experience and Evangelism. The strategy takes care of both the 4P's and the 4E's when choosing a campaign.



Digital Marketing is a persuasive tool that help consumers get access to any information at any time anywhere. It is related to digital medias that are fast growing sources linking people together thank to social interactions. Viral marketing is part of the digital marketing tool as marketers have to monitor what is being viewed, shared or liked. They also help with channels or when contents are not working. Digital marketing helps relating channels and communicating with customers via the web, social medias, mails, phones and so on. In today's Internet, digital marketing gives a visual to customers and helps merchandise products of companies.

### 1.5 Interruption Marketing

For about ninety years, marketers have relied almost exclusively on the so called *interruption marketing*, which essentially consists in attempting to interrupt consumers with a marketing message while he is doing something else, hoping to catch their attention. Because this method has proved to be effective in the past, it became the most popular way of doing marketing. Indeed, it has its flaws: if the message fails to "interrupt" the client and doesn't catch his attention, either because he is not interested in the offering or because he is simply busy doing something else, it will be a complete waste of money. Also, the message is standardized and launched to a myriad of potential customers, hoping that someone will positively respond. Nowadays, with the advent of new channels and media for generating and communicating information, the economics of mass-market advertising is subject to considerable change.

In the 21<sup>st</sup> century, not only markets have changed, but also the technologies supporting them: cable TV, videoconferencing, e-mail, e-commerce, fax, sales automation, and so on. These new technologies, and most importantly the Internet, have had a huge impact on the dynamics of the seller and the customer communication process. Today, anyone can go online and search for information on products and



brands, can participate in online forums to write or read reviews and comments, can quickly get advices form their peers and can easily compare prices. In other words, the online consumer is now the one holding the power, simply because he can be very-well informed, can decide to avoid what he doesn't want to be exposed to and, most importantly, he is often just one click away from a myriad of free alternatives. As power holder, the modern consumer can now dictate the rules: he expects to find what he wants, whenever he wants it, and where he needs it.

The traditional marketing techniques, based on obstinate interruptions and one-fits-all solutions, have become less and less effective. Marketers are therefore looking for new methods to strike the attention of the public: permission marketing and viral marketing are some of them.

### 1.6 Viral Marketing definition

Viral marketing was born in 1997, with the advent of Hotmail. The service was revolutionary in that it offered, for the first time in history, a free web based e-mail service. To every outbound e-mail a promotional message was attached:

*“Get Your Private, Free Email from Hotmail at <http://www.hotmail.com>.”*

What the company's founders had in mind was to create an innovative product and at the same time to carry out a simple, cheap and yet compelling form of advertising. Despite the small monetary investment, Hotmail grew a subscriber base (12 million users only on the first one and a half year) more rapidly than any company (offline or online) in the history of the world.

After the advent of Hotmail, Viral Marketing has experienced tremendous growth both in the offline and in the online environment, under several forms. Several slightly different definitions were attributed to this peculiar marketing technique. A very





comprehensive one is given in Michael Bryce's book Viral Marketing – Potentials and Pitfalls (published in 2005):

*“Viral marketing is a marketing technique that aims to exploit the network effects on the internet by offering a selected target audience an incentive relevant to their needs that encourages them to voluntarily pass on an electronic message to peers with similar interests, thereby generating growing exposure to the message”.*

From the above-mentioned definition it can be inferred that viral marketing has 6 fundamental characteristics:

- 1) It requires the existence of a *compelling message*: the starting point is creating and forwarding a marketing message that can strike the attention of the customer: it is essential to generate with the right content, directed to the right target and inserted in the right context. Indeed, the ultimate aim of a viral marketing message should be that of giving away a product or a service. Most of the time, viral marketing messages initially deliver *free* products samples, information, services, or tools to generate interest and attention. The profits are expected to come only in a second moment, when “pro” or full versions of the product/service are offered on payment to the already loyal customer. It is therefore essential to begin with an initial message that is as much remarkable as possible, in order to engage the public and make it want to begin a relationship with the provider.
  
- 2) It presumes that the message is of a *viral nature*, meaning that it is an idea that can be easily spread across consumers, something that can influence their life and even change their habits. This concept is associated with the notion of “passability”: a message whose nature doesn't make it easy to be passed along to others cannot go viral. If it is particularly complex, ambiguous or hard to explain it will find a lot of friction along the way. On the contrary, if it is simple,



clear and easy to share it will flow smoothly among the target customers. Articles and videos that can be shared, liked, re-tweeted on YouTube, Facebook, Twitter and on any other online platform are examples of messages with a great viral potential.

3) It aims at *transforming customers into sales channels*. This is possible if the customer, who is satisfied with a product, then recommends it to people in his social networks and sales increase as a result of this action. In this sense, it can be said that viral marketing provides for effortless transfer to others. The marketers only have to deliver the message to the public once, and then let it spread by itself.

4) It is closely related to the *word of mouth phenomenon*. Viral marketing works with the participation and active role of consumers, who contribute by forwarding the message to the members of their community. In the digital context, it is more accurate to talk about “word of mouse”: the individual “talks” to his peers on forums, chats, social networks and platforms through comments, likes and sharing.

5) It works by providing customers with *incentives* to spread the message among their peers through their social networks. This way, the customers themselves (usually the so called “influencers”) become the intermediaries. Usually they agree to take on this task in exchange for some sort of remuneration (benefit from a large user base, pecuniary rewards, discounts and free product samples, etc.)

6) It is meant to generate *exponential growth of the message*. The potential for exponential growth comes from the fact that, once the firm has informed few initial customers about its offering, each of them will talk about it to his/her peers, which in turn will spread the word with their family and friends and so on. In the



context of the Internet, if blogs, forums and social networks are considered, it is evident that this phenomenon is very much accelerated and increased: by publishing some form of content on the web one can reach hundreds, thousands, millions of people in an extremely low time span. On the web, ideas can spread in a quick, cheap and convenient way.

The characteristics described above can be summarized with three words: networks, passability and remarkability. These can be defined as the essential ingredients of a successful viral marketing message.

In other words, if one wants to engage in viral marketing, he/she should formulate an innovative, compelling idea, engage in an initial marketing effort to advertise it to a subgroup of the target market, and then offer them incentives to exercise word of mouth referrals to their peers. This way, after the initial input, one should let the customers do the marketing for the product/service. Instead of talking to consumers, viral marketers want to help consumers talk among each other (referring to word of mouth).

Seth Godin, who was stated a couple of time above, is an American entrepreneur, author and marketer. He believes that, in order to create a positive and successful campaign, it is important for a brand to create a story. As he says on his blog '*The cause and effect embrace each other and the story sticks, and spreads*' (Seth Godin, [Blog creating stories that resonates](#)). The aim of a campaign is to be successful and increase the product sales. Therefore, if the brand uses a story to attract more customers, then it needs to resonate for them to be able to spread it.

As Godin explained in his theory, it is not easy to guess if the story will resonate with a lot of customers. It is important for brands to share the truth unlike politicians do. The advices Godin says '*Identify the worldview of the people you need to reach. Describe the truth through their worldview. (...) The challenge isn't just to tell the truth. It's to tell*



*truth that resonates'*. Dove could be a good example to Godin's theory as the brand has always told a story about Natural beauty.

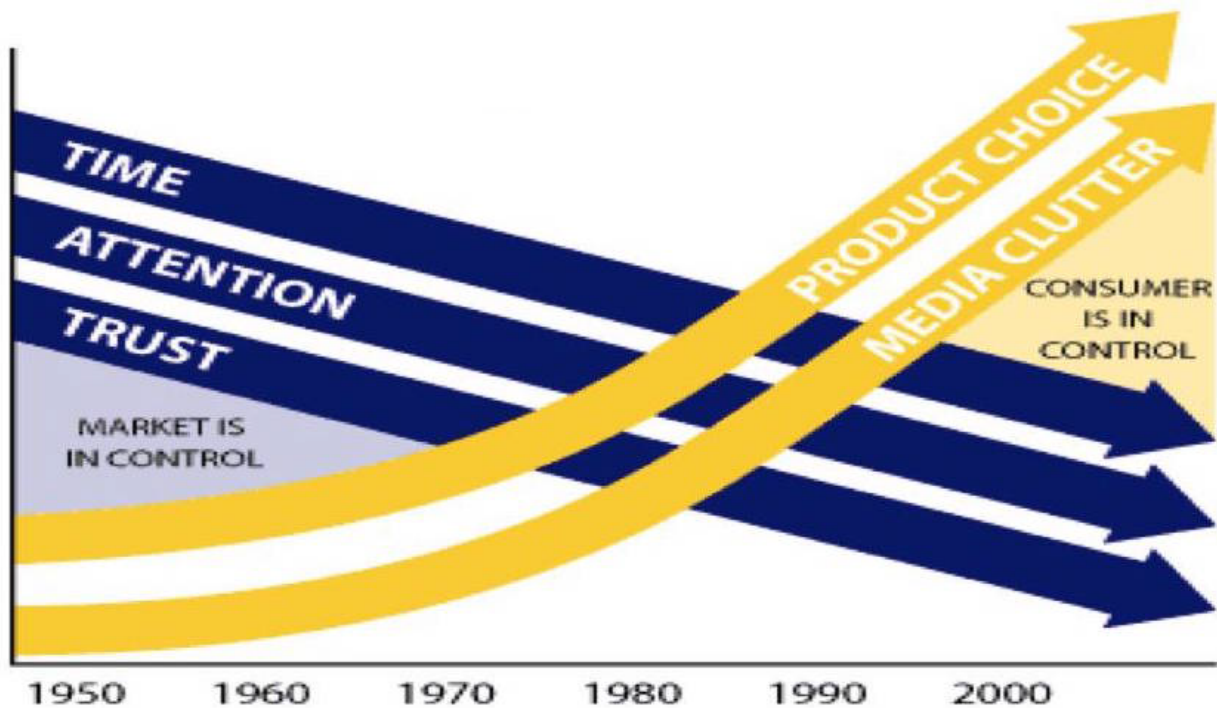
### 1.7 Permission Marketing

Over the years, interruption marketing techniques have been used more and more, and marketing messages have multiplied. Today, consumers are bombed with a myriad of advertising messages everywhere they go, anytime. In the famous book Permission marketing written by Seth Godin in 2000, it is estimated that the average consumer is exposed to around one million marketing messages per year, that is 3000 per day. This overcrowding has lowered the effectiveness of the technique. Consumers are overwhelmed by marketing messages on TV, on the street, in their e-mail account, with texts, images and sounds. They cannot possibly devote their attention to all of them: at this point, attention has become a scarce commodity. Ironically, marketers have responded to this overcrowding situation by increasing even more the interruption efforts, thus worsening the situation even further. As once the world was characterized by shortage of products and natural resources, today what is scarce are *attention* and *time*. Not only customers can buy anything (from appliances to bread and water) but they can also choose among several versions (brands) of the same product, which are all substantially of good quality and long lasting. The surplus of products and services is now paired with the scarcity of attention and time. Customers are surrounded by a lot of opportunities and therefore their level of attention is lower than ever before; in addition, they are not willing to lose time on an unwanted advertisement effort. Today's customer is willing to pay a premium price just to save time, while the marketer is ready to spend piles of money to obtain attention.

Marketers have recently realized that the traditional way of advertising is not working anymore and they are looking for new routes to markets and profitability. This paved the way to new tastes of *unconventional marketing*.



Figure 2; Image: *The marketing divide*



Permission marketing is one of the answers. It seems to be the solution towards which the market is trending. This technique can take advantage of the present situation of confusion and crowding. As the term suggests, the key and distinctive element of permission marketing is the *consensus*. The customer voluntarily offers the chance to be exposed to the advertising message. This way, the marketer will interact only with people who are interested in the matter and will therefore be sure to have their attention. The customer turns into the right recipient who is willing to devote time to listen to the message. The communication process, thus, becomes more significant and effective. Another fundamental characteristic of permission marketing is that the message is personalized and tailored to the individual customer. In Seth Godin's book Permission Marketing, it is stated that "*its aim is to transform strangers into friends and friends into clients*" by applying a personalized marketing message.

Amazon.com provides a useful case study on the matter. The firm seems to base its entire business model on permission, rather than on the brand or on the product. Amazon.com obtains from its clients the permission to see what books they are interested in and purchase, and then it sends them personalized newsletters and updates. The firm is now in the phase of obtaining the consent to interact and build a relationship; the bulk of profits will come when they will decide to public books themselves.

Permission marketing can be applied to every medium allowing to build a two-way communication with the consumer. It can work through direct mail, telephone, TV, physical stations, airport terminals, or online. Indeed, the web represents a perfect environment for permission marketing, as it is the most powerful means for direct marketing that ever existed. Among the characteristics that make this medium so advantageous, there are the absence of transmission costs (to create a website or share a video on the web cost nothing), the ease of tracking performance and monitor activities, and the greatness of the response rate. Also, the web offers a perfect environment for the permission dynamics.

### 1.8 The strategy behind Viral Marketing: Word-of-mouth

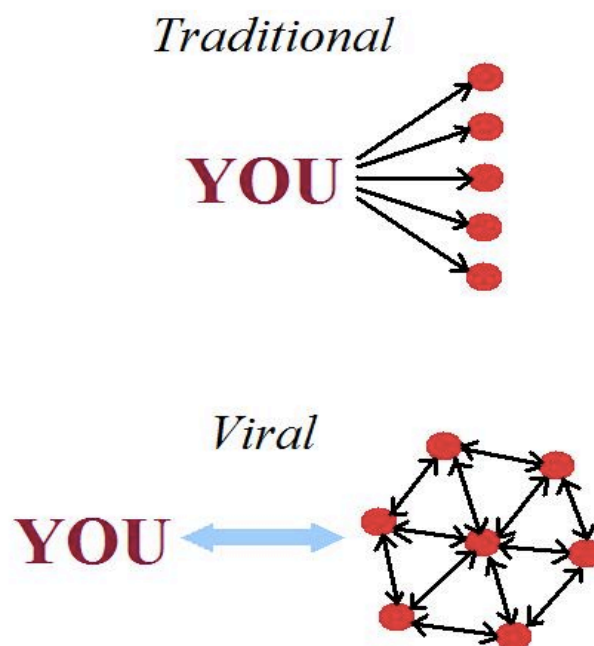
This strategy is in line with the most recent developments in consumer behavior. In fact, nowadays consumers seem to trust their peers' words more than the firm's. They don't let themselves be convinced by the standardized, one-fit-all advertising campaign made by the firm anymore: before making the buying decision, they look for advices, reviews, comments and ratings from their peers. Blogs, forums, review sites and social networks play an essential role in this spreading process and are the main recipient for information and trust, as long as they are not "sponsored" (for example, if a blogger is known for having been paid by a firm to positively advertise



its product, he will immediately lose credibility). People expect that the firm, in a desperate attempt to sell its product, will indeed present it as exceptional and flawless. However, they want to know the “real” side of the story, from people like them who actually experienced the service/product and can give an unbiased opinion. One should trust the experienced customer because he probably possesses relevant information on the matter (since he has already made the purchase decision) and the information he gets is most likely tailored and relevant. Nowadays, word-of-mouth communication referrals are more powerful and popular than ever, as they result in the decreased risk of making a wrong purchase decision, and in the possibility to save time and money.

Viral marketing usually works through an informal type of communication: messages are transmitted through channels like e-mail, chat rooms, discussion forums, social networks and online video services such as YouTube. The message can take various forms, including images, texts, video, MS PowerPoint and so on.

**Figure 3;** Image: *Network structure in traditional advertising and viral techniques*



The figure above shows the difference in network structure between traditional advertising and viral techniques. It is clear that the main difference is in the way communication occurs: in the first case it is a one-to-many communication process, where the marketer sends a standardized message with which he tries to reach as many individuals as possible; in the second case, instead, the aim is to “light the match” inside a group of people, to create a buzz and get the network talking. After the “ignition”, the group members pass the message to others in their social network thus contributing to its diffusion.

Viral marketing boasts also other benefits compared to traditional advertising: it is less costly and more credible; furthermore, it allows for easier and quicker diffusion and better targeting.

### 1.9 Word-of-mouth Phenomenon

On the other hand, the word-of-mouth phenomenon is not new: although it has recently evolved and became more powerful, it always existed. Literature suggests that “*it refers to informal communication, both positive and negative, between individuals about characteristics of a supplier and/or his products, and services*” (Tax; Chandrashekar; Christiansen, 1993, p.74). In the past, it worked simply through face-to-face dialogue. People would talk to their family and friends about positive and negative experiences, products and services, thus making ideas spread. This process worked on a small scale, as every individual would talk to two or three people who would perhaps in turn refer to another person each. However, the flow was likely to not spread on a large scale, but rather to consist of only few phases and to extinguish after little time. After the invention of the telephone, the phenomenon grew a bit stronger but remained of modest scale. With the advent of the Internet, the social networks and the portable devices, however, the word of mouth became more important and powerful than ever. In the 21<sup>st</sup> century, word-of-mouth has been proved to be up to 50 times





more likely to lead to a purchase than a passively-viewed message, just because it generates advocacy, according to McKinsey Quarterly (2010). Today, people are deeply interdependent and interconnected. When one goes online, he can reach anyone in the fraction of a second, without any physical movement and at zero cost.

The evolution of the traditional word-of-mouth has resulted in a communication that was enhanced by the online presence (nowadays marketers mostly talk about the so called “word-of-mouse” to refer to the peculiar interactions that take place through the Internet and digital tools). People can now reach thousands of peers just with a click. As a result, a message today can spread much more quickly and flow through a larger base. Since the numbers are greater and faster, the idea virus keeps growing for a long time instead of extinguishing soon.

Viral marketing techniques are designed to leverage this word-of-mouth phenomenon. In fact, the message senders, after having launched the message, expect it to flow among consumer through shares and referrals. Research has shown that word-of-mouth can play a significant role in influencing consumers and their behavior. For instance, it was proved that word-of-mouth is linked to buying decisions (Brown & Reingen, 1987), loyalty (Samson, 2006), and satisfaction (Anderson, 1998).

The impact, however, can be positive and negative. Negative comments coming from dissatisfied customers are just as powerful as the positive ones, and can therefore lead to mass dissatisfaction about a product or service and destroy a firm’s reputation.

Once again, it comes to the conclusion that it is very difficult (if not impossible) for a firm to retain control over the content of referrals: for this reason, this tool is very dangerous. Marketers can try to shape strategies aimed at influencing transmission, but they have little scope for action: the consumers today hold control, as they can say anything about any firm with virtually no chance of repercussions.



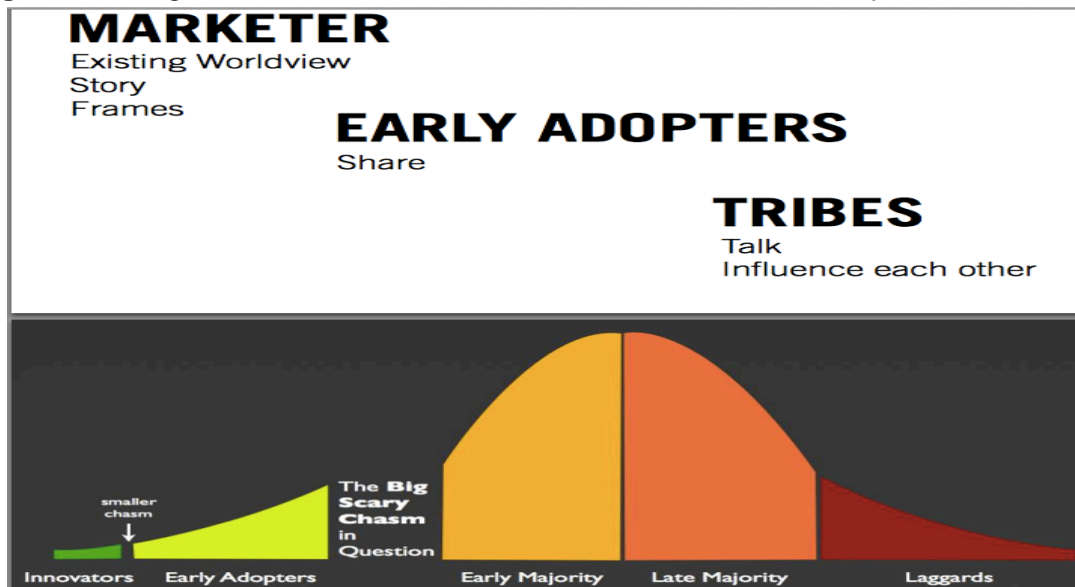
### 1.10 The role of early adopters and e-influencer

Marketers classify customers in different groups based on how soon and how easily they are likely to adopt an innovation. The *early adopters*, who usually account for on average 13% of the target population (as explained in the book Diffusion of Innovations Roeger, 2003), are those people who constantly look for innovative products because they want to be always up to date with trends. They are very likely to adopt an innovation soon after it is released and well before the average client. Because they find compelling reasons to use the new product or service, they will be willing to take the risk and be among the first ones to try it. Early adopters are particularly important for marketers and should be the initial target of a viral marketing campaign. Some of them might not actually make any contribution to the diffusion of the viral message (perhaps because they don't make use of word-of-mouth referrals or they don't have developed an active social media presence), but some others will (and are those who will be called e-influencers). If they are satisfied with the product, they can play a crucial role in beginning the diffusion process among the majority of the target population.

Recent studies have highlighted the importance of "seeding" viral content: when launched, any online viral campaign should target a group of first-generation consumers. These individuals should be chosen among those who have strong ties with the advertiser and who also have strong influence on others, to increase the likelihood that they will be interested in the offering and that they will turn into sale channels by spreading the message and engaging new customers. The idea is to "suggest" a concept to someone who could be willing to listen and who is also likely to be responsive to the suggestion.



**Figure 4;** Image: *Distribution of audience classes based on adoption rates.*



Another interesting theory was made by Malcolm Gladwell in his book ‘the Tipping Point – How little things can make a big difference’, published in 2000. One of the famous quote in the book is” *Ideas and products and messages and behaviors spread like viruses do*” such as viral marketing does. Indeed, in his book he declares that there are three categories of people. He explains how people can communicate in the same language as they want them to have and understand. Gladwell also calls it ‘*The law of the Few*’:

- 1) The *connectors*. These are the people who know a lot of other people and make these people connect together. They have their own social network and introduce people to others. They ‘*are a handful of people with a truly extraordinary knack (...) for making friends and acquaintances*’ (Gladwell, p.41). He explains in his book that ‘their ability to span many different worlds is a function of something intrinsic to their personality, some combination of curiosity, self-confidence, sociability, and energy’.
- 2) The *Mavens*. These people are the ones on whom we can count to have new information, also called ‘Information specialists’. These Mavens have a lot knowledge especially about marketplaces. According to Gladwell, Mavens are

often starting the 'word-of-mouth epidemics' due to the fact that they know how to spread their knowledge to others.

- 3) The *Salesmen*. This last category regroups the 'persuaders' which are the people who are really intense with negotiating. They can persuade others in order for these ones to agree with them. These people are mostly charismatic and have a lot of personality.

These people are categorized as the "*agents of change*" according to Gladwell. They help increase product sales and might be the reasons why a campaign is taking off or not. By using his theories and the elements of viral marketing we can see how a hit in a campaign began. It depends on the timing, the people, the target, capturing the right people and reaching them.



## 2. Methodology

### 2.1 Steps and reasons to be successful

When discussing about the anatomy of a viral campaign, most of firms can agree on the fact that these campaigns need to be unique, of high-quality and entertaining. As explained in the literature review, the goal of marketers is for their campaigns to go viral, therefore, by knowing this, it should be considered as easy to reach the goal. However, even though viral marketing is one of the most 'explosive' promoting method for a brand, it can also be very rare to be able to predict what campaigns will or will not go viral. If the method a marketer used worked for one campaign, it might not be applied on another one as each campaign and targets are different and unique. Ultimately, it all depends on the (not entirely predictable) consumers' taste. However, researchers are working to identify an optimal mix of tools and characteristics that can increase the chances of a message to go viral and hit the targets. The most useful way to study the elements that can lead to success is to look at concrete cases of campaigns that reached it.

The main steps a marketer should follow before trying to make his campaign viral is to define the target market, the main message of the campaign and the products that should interest targets. As viral marketing is mainly about spreading a message, firms can have to take care of other target groups and expand their range of products and services. A campaign can go viral in just a few hours, thus, firms and marketers need to be ready to sell a lot of products as they might become very popular. On the other hand, if the campaign does not work as wanted, firms and marketers should be ready to change their initial plan and make a new and soon to be successful campaign.



## 2.2 Steps to follow according to Dan Schawbel

According to Dan Schawbel's book Promote yourself: The New Art of Getting Ahead (released in 2013), a marketing and advertising expert and author from Personal Branding, there are seven steps to follow in order to make a campaign viral:

- 1) The first step is to make a campaign visually attractive. Indeed, in marketing, each products or services need to look appealing to customers for them to remember the brand. It is always better and more compelling to use images or videos rather than by just using a written motto or text. The video or the image both need to follow the values of the brand and shouldn't misrepresent it. When the brand is already well known, customers might buy products by loyalty or addiction but if on the contrary the brand is not yet established on the market then making a campaign is their first best shot. As a result, the campaign should be viral-worthy and should contain at least an informative or surprising effect.
- 2) The second step implies planning. Most campaigns are carefully planned while others are accidental. The most important phase of a campaign is the message. It should be clear enough for everyone to understand it. The worst for a company is to send an unclear message to the audience that will interpret it in the wrong way. In these cases, it might lead to a bad viral campaign and to even worst, to the end of a firm. Therefore, companies need to focus the most on the message they want to spread before sharing any videos or images.
- 3) Working with the emotions is also an important step of a campaign. The more a company uses emotions, the more the audience will pay attention to it and will spread it. Schawbel's advice is to play on realistic events, dreams, hopes, fears and others. As a result, the targeted customer will feel more concerned about



spreading the message to others and will help the campaign of the company go viral.

- 4) This step is one of the main initial step a firm should take before creating or planning any campaign: knowing the targets. If marketers want to play with the audience's feelings and emotions, therefore, they have to learn who customers are and what would affect them the most. By knowing the target audience, the firm will more likely be able to fulfill their needs and wants, entertain them, making them be informed and making them want to come buy products and services.
- 5) On the other hand, the campaign should be simple for the audience. It is important that customers see the campaign and don't ignore it because it's too complicated. The best advice here is to keep one or two marketing messages. If the campaign works well then planning another one with further information can be considered.
- 6) After following all these steps, especially the planning of the campaign, it is crucial to launch it properly. Viral marketing happens mostly online, social medias and media sites. After knowing well the audience, the firm should launch the campaign on the most influential sites and encourage followers to share and spread the message. Companies should notice shortly if it is going as expected.
- 7) The final step is to avoid annoying the audience. As explained in the previous step, firms will notice if the campaign goes viral, therefore, patience will be a virtue. The planning is one of the most crucial steps to follow as it tells when the audience is connected and thus, the campaign should be launched on a strategic time. If marketers force it too much with customers, then they will lose their attention and nothing will go viral.



### 2.3 Steps to follow according to Robin Burton

According to Forbes's marketing expert, Schawbel, if a firm follows these seven steps it will be most likely for its campaign to be successful and go viral. However other theorists share other point of views such as the SEO consultant specialist who is focused in Online Reputation Management, Robin Burton. Regarding to her opinion, there are only six steps for a campaign to go viral. There are six principles that should lead to a promotion of the company via viral marketing, which are the followings:

- 1) Making a campaign can lead to an explosion, meaning that if the campaign works out well, the brand will most likely grow. The firm's website should be able to have a merchant's website and should be able to host a lot of visitors in order to avoid any losses in terms of purchase. In others words, it is important for a firm to be ready for success and to have enough products to sell.
- 2) This step is called the 'Capturing Contact information is the key'. Indeed, in marketing and especially in viral marketing, communication is a key to success. Before spreading the message, the firm should collect emails. As a matter of fact, it will give the company the opportunity to market customers and build relationships before making the campaign. If a customer knows a brand and likes it, then this one will buy more than any new customer of the brand.
- 3) After planning the step above with the capture of contact information, companies have to offer something in exchange. This will help customers be loyal and it will help build trust between the company and its target market. On the other hand, when customers receive mails with free offers they will more often be aware of the brand's novelties and offers. A good approach can only





be positive for the firm and the more attractive the offers are, the more likely they will share the campaign.

- 4) After capturing contact information and offering free things, the firm should concentrate on the spreading of its action. If the offer in step 3 is a free Ebook for instance, customers can share it to their friends who will further on become new customers. If a customer spreads the offers, then it is important for them to be rewarded and gain something else for free. Robin Burton gives the examples of software such as Viral Friend or Tell a Friend Pro that can help the spreading faster.
- 5) Basically, the steps above will help the company creates its own viral marketing system that will attract more customers. It is crucial for the company to deliver a message in the campaign where customers can get free things again. The more they share with people the less they will lose the free gift. If subscribers share it with a lot of people, then these ones can get another free options in the offer. This would be one way of handling a viral marketing campaign.
- 6) The final step is to 'Explode the viral marketing campaign with a contest', meaning that subscribers can win a great prize with other advantages. Software that could be used for a viral marketing machine can check who is the winner.

As a result, this method can help generate a lot of customers and lead to a viral campaign. The most important thing is to attract the most effective customers as they can help run the campaign quickly, and, in a viral way.

#### 2.4 Successful steps according to Dr. Wilson

DR. Ralph F. Wilson, one of the pioneers and publishers of Internet marketing and e-business, widely recognized for his knowledge on Marketing, gives a new approach to what could be the best steps to follow in order to make a successful viral campaign.



He is the editor of 'Web Marketing today' which is considered as an old kind of Internet Marketing. He truly believes that there are six steps that don't all need to be part of the campaign but would lead to powerful results.

- 1) The first interesting step that can help attract a lot of internet bloggers or subscribers is to give away free products or services. It attracts more attention when users see the word 'Free'. Wilson has actually created a law of web marketing 'The Law of Giving and Selling' which explains how fast a concept can go if people see the magical key word.
- 2) It is always better to make a simple marketing advert. The more complicated it gets; the less attention it will get. It is crucial to create an understandable message and easy to share. Viral marketing is a powerful tool that is barely expensive and easy as communication passed through the internet. The shorter it is the easiest it will be transferred.
- 3) The transmission method has to 'scale easily from small to very large'. The problem with Hotmail is that it requires its own mail servers to send the message. The host needs to be strong in order to be ready when everything will explode and grow.
- 4) To make a useful campaign the firm should play on human's emotions and motivations. It is important to understand well the target audience and to be close to it. The campaign should have almost the same motivations as the audience and should adapt itself to the right behavior for its transmission.
- 5) This is a logical step but it is very important. Firms need to be on the right social medias on the right time and right moment. According to a study, social scientists worked on people to see how many people were on a person's network and the answer was 8 to 12 people coming mostly from family, friends



or colleagues. It is quite easy to have access to other people's network and to be part of their universe. As a result, the message should be spread on the right time, with the right people.

- 6) An advice that comes from the article (practical commerce article) is to take every opportunity of having new resources. Marketers can help create a good and intensive message by using people's articles and resources in order to be more reliable.

As a result, these steps that look similar to the other ones are six principles that can help leading a successful viral marketing. However, it is also important to look at the steps that should be avoided.

Unfortunately, it is impossible to predict how and if a campaign will be successful or not (if it was, then indeed all of them would be successful). Ultimately, it all depends on the (not entirely predictable) consumers' taste. However, researchers are working to identify an optimal mix of tools and characteristics that can increase the chances of a message to go viral and hit the targets. The most useful way to study the elements that can lead to success is to look at concrete cases of campaigns that reached it.

## 2.5 Reasons for failure

If the right ingredients to a successful viral marketing campaign had been identified, then all efforts would be profitable. However, not all campaigns manage to go viral and succeed. It can be very useful to analyze concrete cases to understand what wrong behaviors might cause a campaign to fail.

Sony is a great example of loss of trust because of sponsored conversation. What happened is that the firm launched in 2005 a campaign called "alliwantforchristmasisp.com" for which it hired a marketing company to create a



fictitious blog where two boys talked about the product and shared videos representing it. When the audience eventually found out about the firm hiring them the consequences were harsh: the brand name was ruined and the company lost the trust and the loyalty of its customers. They felt betrayed and surely made the firm pay for their mistake. They had to admit the facts and worked hard to re-build their reputation and get customers' loyalty back. Sony tried to extinguish the blog and videos but they continued to exist thanks to YouTube.

The takeaway from this experience is that good advertising does not rely on tricking lying or deceiving the target audience. If customers realize they are being fooled, they can become extremely harmful and thus, increase losses for the company.

Another crucial issue that could lead a bad viral marketing campaign is the assessment of the scale of the word-of-mouth phenomenon. At this point, it is clear that marketers do not hold control over the transmission of messages once released. For this reason, the magnitude of the outcomes of the campaign is unpredictable as well. If a campaign is more successful than expected and attracts a huge customer base, the firm can not always be prepared to handle the increased amount of sales, the apparent success could turn into a complete failure. In 2006, this situation occurred and put at great risk the reputation of the famous American coffee maker Starbucks. This story is analyzed in greater detail in the case study provided further on in this research.

Other issues can block a viral marketing campaign from going viral and becoming successful. They occur if the message is not appealing enough, not directed to the right initial target audience, if this one does not enjoy seeing the campaign, and so on. Moreover, some businesses simply don't work online, just as some brands are unmarketable online. It is also worth mentioning that awareness does not mean profitability: some campaigns might be effective in enhancing brand exposure, awareness and recognition, but it is not for granted that these will translate into the



actual purchase of the product or service. It is hard to assess how much of a firm's sales come as a consequence of a viral marketing campaign.

Finally, a campaign might fail if it is presented as an item that is isolated from the overall marketing efforts and from the general "character" of the brand. Marketers should always be aware that a viral marketing campaign has great consequences on the firm's reputation. Therefore, they should always ensure consistency with the general guiding principle of the firm and with the other (offline and online) marketing efforts.



### 3. Results

In order to better explain why and how a viral marketing campaign can be a double-edged sword and successful, some carefully chosen cases are reported in this section. They show how a viral marketing campaign, even if successful, can become extremely dangerous and harmful for a firm even if most theoretical steps are followed. Marketers can partly try to avoid bad outcomes with care and good management of the activities but most of it steps out of their sphere of control: the interpretation of the message by consumers and the scale of the virus spread are two unpredictable phenomenon.

A good example of a good viral campaign would be the firm Hotmail. They started by offering free email services to their customers. The offer could be found at the end of each email. It encouraged customer to sign up for free with a Hotmail account. As the offer was free, customers were attracted to the service and started to use it. In a very short period, the popularity of Hotmail addresses increased and lead the firm to a success. Robin Burton's theory about giving away free services and products showed with Hotmail's success how a campaign can go viral in a short period of time.

#### 3.1 Case study 1: Red Bull Stratos campaign

A very recent example is the Red Bull Stratos campaign. The 35-year-old Austrian company sponsored the attempt to the highest sky-dive record. Indeed, on 14 October 2012, Mr. Baumgartner, a famous Australian skydiver, jumped from a height of 39 kilometers, experiencing free fall for about 4 minutes and then parachuting near the Earth. He succeeded in his mission and became the first free-falling human to break the sound barrier. The incredible project was supported by a team of experts and sponsored by Red Bull. The adventure was filmed and then released on the web in a video format. It was the company itself that put the video (portraying the experience and showing the Red Bull logo on the pieces of equipment) on YouTube. The firm also



created a whole website containing all information and comments about the mission. The main objectives were to spread awareness and create a viral campaign. As a result, the video immediately became a viral hit: on the day of the launch it was watched on live simultaneously by more than 8 million people on Red Bull's YouTube channel. As of today, it boasts 52 million web views. People were literally fascinated by this mission: they watched the video and shared it with all their friends making it go viral and spreading awareness on both the activity and the company.

Even though Red Bull did not directly market its products in the video, it subtly advertised its brand name, by playing as the official sponsor to such a noisy event, by conveying a particular image of itself (people now associate their products with braveness, adventures, power, and risk). Red Bull played with the audience's emotions and thus, created a story.

Surely it possessed almost the key characteristics described in Schawdel's theory. The content was fascinating and catching (something that would strike the attention of the consumers and make them stop doing what they were doing to watch the 9-minute video). It was also easy for their target to share: on YouTube, on their channel, with a click the user could "like" it, share it on the social networks, be directed to the Red bull website, and so on. For these reasons, there was potential for exponential growth. Viewers started to talk about the extraordinary video to others on their social networks and the word spread quickly across a wide and divided audience.

Another fundamental characteristic that should be highlighted is that the Red Bull energy drink does not even appear in the video: the company did not want to annoy the customer with the traditional form of advertising (the one where the firm clearly advertises its product and tries to convince customers to buy it). They did not try to 'Force it' as explained in the methodology. The firm's intervention was more discrete and delicate as the aim was simply to create an experience and convey the idea that Red Bull really "Gives you wings". They emphasized on the activity to make the motto



easy to believe. Even though the ultimate aim of the firm was clearly commercial (to increase sales) it did not frame it as an aggressive sale attempt.

**Figure 5** ; Image: *The daring RedBull-sponsored leap of Felix Baumgartner (see link in bibliography)*



In addition, what should be highlighted is also the fact that the video was not a isolated but, instead, was inserted in the context of a bigger initiative and nurtured over time. Red Bull created buzz before, during and after the experience, with articles, announcements and updates. Marketers created a website on the matter and ensured its participation in many other risky sports adventures. This way it could build a strong brand image and support the video with complementary efforts and activities directed at increasing the online buzz. Schawdel's theory was mostly correct if we see Red Bull's successful campaign.



### 3.2 Case 2: “Can you make it?” 2016 – Red Bull

Each year, Red Bull organizes a challenge called ‘Can you make it?’. It challenges teams coming from all around Europe and abroad to make a video and basically to create their own campaign. The more famous and the more likes and shares teams get, the easier it gets for them to be selected by Red Bull. The motto is close to the one they had when Mr. Baumgartner jumped in the air: “It’s not a race. It is an adventure”. As a matter of fact, this so called ‘adventure’ looks a little bit like the ‘Pekin Express’ TV show where candidates have to survive with \$1 per day. They have to find places to sleep and have missions.

However, the ‘Can you make it?’ challenge is planned a bit differently. The contest takes place in five starting points in Europe. None of the selected teams and candidates are allowed to have either cash or credit cards nor phones. In exchange they have 24 cans of the brand and also a Samsung phone where they have a free plan. The challenge takes place in a week. Teams have to post pictures, videos, can get support from their followers and have to follow a list of adventure. They have at least, 6 checkpoints to check. Rules are pretty strict, in fact, if any candidate breaks a rule then the teams is disqualified.

Points are given regarding three different categories: Social Points, Checkpoints Points and Adventure Points. Teams will have to compete with each other and the final winner will have to get as many points as possible in order to have the best ranking. The higher the score is in each category, the more likely the team will win. If there is a tie, the team that has the highest Social Points wins. The prize for the National Winners is one National Prize. The value of it mainly depends on the residence of the winning team and from each members of the team. They will be able to go on one of the Starting Point and the prize can go up to 2 500€ per person.



In Metropolia, there was a team of three French exchange student who participated to the selection. They called their team the 'Wing'sPlorers' in reference to Red Bull's motto 'Red Bull' gives wing and to the fact that they would be explorers in the challenge. As exchange students in Erasmus, they were looking for a new opportunity to travel and make the most of it. They are also found of sports and videos. This contest was a great way for them to prove how efficient they were and how motivated they were.

I had the chance to interview them for my qualitative research, in order to know how and if they were able to score points in the social category (For the interview questions, see **Appendix 1**). I asked them if they had checked on the internet or in books and articles, before creating the campaign, about how to make a campaign. As they are part of the new internet generation they told me that they kind of new how to start, where to launch and what their message would be. Their main goal was already settled: Participating to the actual challenge and win the contest. They told me they were ready to make anything to win and to gain followers. They didn't have any real steps to follow or any real plan such as the ones written in methodology. However, they still gave me their initial plan.

First of all, they needed to create a video. On there, they decided to show landscapes from Finland and from other places they had been to such as in Bali. The team 'Wings'Plorers' wanted to show their universe by filming places they liked and showing sports they enjoy doing such as surfing. They introduce themselves in the video in a friendly and attractive way. Their goal was for their audience to like them and follow them. Therefore, their message was to show their environment (what they like doing for instance) and show how they enjoy traveling while not being scared of any tough challenges. Before sharing their video on Facebook, they posted in on the Red Bull website and waited to be accepted. In Finland, only two teams can be elected. They didn't know how many teams were coming from Finland but still took every opportunity to share their project. They created their own Facebook Page 'Team Wings'Plorers-



Red Bull Can You Make It? 2016' and share the video on it. Then they used their own Facebook profiles to as for followers, likes and shares. About 275 people liked the page on Facebook and more than 1000 voted on the Red Bull challenge website. In order to increase their awareness and to spread the news, they created an Instagram and Pinterest account and added friends, family and other people. They were surprised about how that many people could share and spread the message. One of their strategy was to write in both English and French to attract as many people as possible. Another one was to thank everyone for sharing and liking and to encourage the audience to share as much as they could. They told me that basically, the sharing part was the most important part of their plan. The more likes they could get the closer they would be selected.

**Figure 6** : Logo taken on Google from the Team Wing's Plorers



Unfortunately, the team that applied in Finland wasn't selected. It was of course a huge disappointment for them as they bet everything on the liking and sharing part, taking a lot of time and giving a lot of effort in marketing. They were almost sure to win as in terms of Social Points they were in the top three. Their goal was therefore, unachieved.

I asked them if they knew why they were not selected and couldn't really reply as only a jury can explain why they were not taken. They think it comes from the fact that the jury probably favored Finnish teams instead of a foreign team. I asked them if they knew about the word-of-mouth phenomenon and most of all about viral marketing. They knew that they used the first phenomenon as they gain likes and shares from it basically but did not really know much about viral marketing. After I explained briefly what it was, I asked them if they thought that their campaign went viral. As they had a huge amount of followers and as it was done in a short period of time, they believe that their own campaign went viral, at least in Europe. I showed them a few steps that, hypothetically, can make a campaign go viral. My following question was asking them if they think they might have had a chance by following cautiously the steps. They were not against the idea and the steps but don't think it would have changed much in their final ranking.

As a result, they could be considered as a tiny firm trying to enter the market. Indeed, creating a campaign and spreading awareness is what they did. Unfortunately, they were not lucky enough to be selected and to win the contest but in their own way succeeded in spreading a message and becoming a bit famous.

### 3.3 Case study 3: Starbucks

Another very peculiar and emblematic example of viral marketing as a double-edged sword is provided by the case of Starbucks. Starbucks is an American firm selling coffee, pastries and desserts in 58 countries around the world, operating in about 5886 stores. The company was born in 1971 thanks to Howard Schultz, who came back from a trip to Italy with the idea of bringing to the United States the authenticity of the Italian coffee. Starbucks was an immediate success, not only because of its high quality whole-bean coffee, but also because it was able to create a unique experience for the customer (its shops are comfortable places for conversation and connections, where people can chat, work and relax in a calm atmosphere).



The firm's communication strategy includes traditional print and TV advertisements, but more recently it also increased its efforts towards the company's website and its social media presence (social networks, discussion forums and blogs). In its promotion strategies, Starbucks always wanted to leverage the unique experience provided by its high quality products, to pair up brand differentiation with premium prices. Their efforts have always been directed to a specific target audience: affluent, well-educated, white-collar people.

During summer, in 2006, the company attempted to engage in an unusual activity: it decided to exploit the power of viral marketing to spread its brand name around and boost sales. The firm's marketers sent employees emails containing free coupons for iced beverages. The message included the intimation to have it forwarded to family members and friends. The initiative was expected to be of a modest scale: only the employees and a couple of people, only a few selected states of the United States were expected to take advantage of the free coupon. That kind of promotion and the particular channel used to distribute it were a novelty for the American firm, which was used to a different type of differentiation-based advertising. The success of the campaign was huge and the word spread among an incredibly wide audience. What made it so popular was probably the fact that for the first time the high-end Starbucks firm was making a discount on its high-priced beverages. As a consequence, even those people who normally couldn't have afforded the expensive Starbucks coffees started to rush to the store to get their free beverage. A new kind of audience added up to the usual elite customer base. As a consequence, the company did not expect the message to go viral on such a large scale. The coupons actually ended up being held on the hands of thousands and thousands of customers in Starbucks stores all over the country. The company was not ready to face such a big demand and had to declare the coupons invalid after a week. That led to several protests and lawsuits and to negative reputation for the firm. Ironically, it all happened because the success was greater than expected.



In this case the marketing efforts were actually successful, but they turned against the firm itself. The mistake was in the wrong assessment of the scale of the online word of mouth exponential power. In fact, one of the biggest risks associated with viral marketing is that loss of control over the transmission dynamics. This case proves that the unpredictability of the outcomes of a campaign is a very dangerous issue. It is emblematic of how viral marketing must be managed cautiously and of how it can easily turn against whoever is using it. On the other hand, the steps of offering free products and then sending emails like Robin Burton's approach made the campaign go viral in less than a week.



## Discussion and Analysis

Viral marketing is a powerful weapon because it can boost brand exposure in very little time and on a large scale, without an exaggerated effort from the part of the marketers, neither in terms of money nor in terms of capabilities. What is essential for a message to go viral is that it is remarkable and compelling in nature, so that it can strike the attention of the audience and create interest. If the right content is exposed to the right target group, the customers themselves will do the rest. They will share the message with their family, friends and peers in their social networks and make positive recommendation about the product. In other words, they will become marketers and sale channels themselves. In today's world, where people are interconnected through the web and the latest technologies more than ever before, the traditional one-way communication techniques seem anachronistic while viral marketing, which is a two-way process, just perfectly suits the situation.

The modern consumer loves to talk about brands and products with his peers, to write comments and feedbacks and to participate in ratings, and review platforms. But most importantly, he trusts other customers' words more than the firms', because he perceives them as more truthful and disenchanted, since they are not supposed to have commercial or advertising purposes in mind. For all these reasons viral marketing can lead to extremely positive outcomes, which manifest themselves in the form of increased brand exposure, popularity and ultimately sales.

However, there is a shady side to this tool. Viral marketing hides its pitfalls and it can take only a fraction of a second to turn the situation from fantastic to catastrophic. On one side, new firms may ever take off because of the creation of a "wrong" marketing campaign that, for various reasons, never goes viral or may even go viral in a negative way. Already established firms, on the other side, may see their popularity and good reputation built so far being damaged or destroyed because of a bad move (a viral



campaign which raises controversies, unveiled “flog” or simply a not-appealing idea). Sometimes a campaign doesn’t go viral because it contains a wrong message, because it targets the wrong initial audience (people who are not interested in it or people who are not e-influencers) or simply because it is not remarkable. Sometimes it goes viral in a negative way, because it is highly criticized. This is perhaps the biggest risk marketers run: if negative word-of mouth takes place, the entire reputation of the firm is put in danger.

Just as the speed and scale effect of viral positive viral marketing can be considered one of its major benefits, the magnitude of the contingent negative effects is as scary as nothing else. The same speed and wide coverage that guarantees popularity and brand exposure to a successful viral marketing campaign, cause a possible small mistake to take on huge dimensions of damage and generate catastrophic consequences.

The lack of control is another crucial issue in viral marketing: it can be either a good or a bad situation, depending on the point of view.

On the one side, a viral marketing campaign is a “convenient” tool because, especially if web-based, it does not require great amount of capital investment, nor it arises from very complex procedures. Often, just a simple but original idea is sufficient to make the difference and generate success. The best part for marketers perhaps is that, once they release it, their job is basically done. In fact, it is self-sustaining over time, meaning that it spreads by itself (or, more precisely, through the customers).

By releasing the control over the message to the customers, the marketers ensure themselves the possibility to save time, money and effort on their part and at the same time they make the consumers happy (nowadays they enjoy to play an active role in the advertising process and to have things done “their way”). The loss of control over the message, however, also entails some risks of not-negligible size. At this point, it is the customer who decides where, how and when to transmit the message. Most





importantly he decides whether to transmit it at all. In addition, the marketers cannot really predict what the customers will think about the message and how they'll interpret it. The lack of control for the marketers can be a big issue: if things don't go "their way", there is really little they can do to change them.

We can't really agree on which theory is the best to choose when building a campaign. There are at least three different ways in which a campaign can only be successful. However, even though the firm follows most of the steps, the results are barely predictable. A message can be misunderstood or wrongly interpreted, the plan can not always follow its initial plan, users share to have free products or services and then might be bored and realize that the offers are less interesting than other firm's offers, and so on. Sometimes just sharing something on social medias can create an unwanted and unexpected campaign. For instance, there was a man filming the forest when suddenly a bear appeared on the camera, which was a GoPro. The bear tried to eat it but couldn't and went away. The man uploaded the video and made it viral without expecting anything.

**Figure 7** ; Image: "A Grizzly "almost" ate my GoPro" video (See link in site references)



GoPro spotted the clip and uploaded it on its YouTube channel, featuring an additional million views. The result was increased brand exposure and brand awareness for the firm, without it actually making any effort to earn it. This is an example of how a viral hit can work as an unintentional brand booster for any firm, and it constitutes another one of the astonishing advantages viral marketing has to offer.

The best choice would be to mix most of the theories together. By now, we can guess that one of the most important step is the message creation. This needs to show the values of the brand, the product, to be interesting and useful. Then the following step should be the fact that the campaign is playing with the audience's attention. The firm should use emotions and common behaviors to attract as many customers as possible and to catch the attention. The campaign needs to be easily transferred and shared and should be worth the click. Viral marketing can be considered as a virus, it can be like a cold and is easy to spread as people don't always follow all the instructions (e.g. washing hands, stay away from people who cough and so on). As a cold can happen fast, it is important to be prepared and have the right ingredients. In other words, a campaign can be successful in a few hours or few weeks, meaning that it can go viral very quickly. Therefore, it is critical for a company to be ready and well prepared. Sales can increase suddenly or, on the contrary, can decrease consequently because of one mistake. In both situations, the company needs to adapt itself quickly to either the rapid growth or worst. In addition to all of these steps, campaigns should use the right social medias. When the target is identified, it is easier to spy and see where they are the most active and when. Statistics can also help evaluate and check when to spread or send a message. If the campaign doesn't appear on the right site and moment, then all of the marketing efforts might have disappointing results. On Twitter for instance, a message can be spread easily thanks to the 'Retweet' button, on Facebook it's also easy to click on 'share' and on Instagram it's easily to 'Like'. Moreover, according to the steps given by specialists in Marketing, the more the company uses positive and powerful keywords such as 'Free' or 'Giving away', the more positive the campaign will



get. Most of all customers will do anything to get services or products for free. If the word appears anywhere on their screen, the chance for them to click on it will increase. It is always satisfying to just do one tiny activity and action and to get a free product. It is also always rewarding when customers acquire free products or services. For marketers it is also easy as they can only wait for the message to spread and to make profit. They create ads with free software programs and can get customers very easily without doing much. If companies are not rich enough to give away gifts, they can always make a contest. It can be challenging and thanks to software, marketers can easily see which customers shared the most or spread the most. One last step that can be very useful and is logical, is for the ad to be visually attractive. Some videos or pictures can attract a new audience just by its color, attitude or message. It is therefore, important to take a lot of time considering the visual and making it as good looking as possible.

## Conclusion

This research used theory from the existing literature and real cases to show that viral marketing is a double-edged sword. This peculiar technique is extremely powerful in that it can lead to favorable consequences but also extremely negative outcomes, and the barrier between the two is very fragile.

In order to create a good and convincing campaign, the seven steps described above can help solving the mysterious viral campaign process. Even if the company tries its best and uses these steps in the right and wrong order, it will not automatically mean that their campaign will become successful and will go viral. These steps can help create a plan for companies to follow but as seen in Starbucks' case study, it does not mean that going viral is always good.



Because the very nature of viral marketing involves unpredictability and its characteristics are contrasting, it is an ambiguous weapon. Marketers shouldn't let themselves be fascinated by the incredible powers and benefits of this tool, but they should always keep in mind that it entails not negligible risks and that it could potentially cause harm to the firm. For these reasons, viral marketing can be considered a double-edged sword and should be used with extreme care.



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## Appendix 1: Interview Questions for the Team Wings' Ploers

- 1) Why did you want to sign up for the Red Bull Challenge?
- 2) What were your goals?
- 3) What was the message you wanted to share with others?
- 4) What did you want back from your followers?
- 5) How did you rewarded them or thank them for following you and helping you?
- 6) Did you have an organized plan before launching your campaign?
- 7) Did you hear about the Word-Of-Mouth phenomenon?
- 8) If yes, did you count on it for your campaign?
- 9) Did you hear about viral marketing?
- 10) Do you believe your campaign was successful? Went viral?
- 11) Have you checked any steps leading to success before launching your campaign?
- 12) Do you think that if you had followed the steps correctly you would have won?
- 13) What would you suggest as the best strategy for a viral campaign?

