

Viral Marketing

by Nik Peachey

When word of mouth turns to word of mouse

On December 16, 1998 Iconocast gave the award for Internet marketing buzzword of the year to the term 'viral marketing', but what does it really mean? The concept itself was by no means new, businesses world-wide from the smallest corner shop to the biggest multinational had long relied on and benefited from it. Basically it isn't much different from word of mouth; for example someone buys your product, if they like it, they tell their friends how good it is. Then the friends go and buy the same product and like it and tell their friends and so on and so forth until you have reached a huge market without spending a single penny on advertising.

What is remarkable about 'viral marketing' though is the degree to which using the Internet has accelerated this process. A prime example of this, and one which is often cited as the first viral marketing campaign, is the huge growth of the free email provider Hotmail.

Hotmail was originally launched in 1996 and it grew faster than any other company in the history of the world. Within the first eighteen months of its launch it had already signed up over 12 million subscribers and continues to gain more than 100,000 subscribers every day.

So how is it done?

Dr. Ralph F. Wilson, E-Commerce Consultant wrote in Web Marketing Today, Issue 70, February 1, 2000, that there were 6 key elements to a successful viral marketing campaign:

1. You give away some form of free product or service

This may not seem like a very sound business practice as there is no immediate profit in giving something away for free, but viral marketing campaigns rely on patience. By giving something away for free you attract customers and once you have them using your product you have the opportunity to sell them other desirable things, not to mention the possibilities you have for generating revenue through advertising.

2. You provide for the effortless spread of your message

Your message will only spread if it is easy to transmit. This is where the Internet has been so successful. Communication is cheap and can be as simple as a single mouse click. Hotmail for example spread their message "Get your private, free email" by ensuring that this message was automatically copied into the bottom of every email sent through their mail server.

3. You are able to scale the campaign from small to large very rapidly

If your campaign is to be successful you must ensure that you can meet rapidly growing demand for your product or service. If demand exceeds your ability to supply then instead of growing it, your viral campaign will start to kill your business.

4. You identify and exploit common motivations and behaviours

Most people are driven by a desire to be loved or popular or even financially better off. These desires are part of what generates the huge amount of Internet communication each day. A successful viral marketing campaign will be able to build on these common motivations in some way.

5. You encourage people to spread the word among their existing networks

Most people have on average a network of some 10 to 12 close friends or family who they are in regular communication with. Added to this they often have a wider network of associates and casual or work contacts of tens perhaps even hundreds or thousands. A campaign that taps into this wider network will soon bring huge rewards.

6. *You take advantage of others' resources*

Some of the most successful campaigns try to position messages on other people's programs. If they can put links on other people's websites or supply content to others which carries their message then they will soon find that other people are doing their marketing for them.

Viral marketing campaigns can achieve great success using all or only one or two of these key elements.

Does it work for everyone?

Sadly there are also some down sides to viral marketing. Not every product is going to be marketable through this method. It is best suited to low cost products that can easily be delivered and which are usually bought on impulse. An advertising campaign for something like a car is likely to be less successful as most people give a lot of thought and consideration to this form of purchase as it involves parting with large sums of money.

Recent figures also suggest that 50% of all email communications will soon be unwanted and largely unsolicited SPAM messages. With the growing tendency of viral marketing campaigners to offer financial incentives to those who are willing to pass their message on, there seems to be an ever growing possibility that what advertisers consider to be legitimate marketing will, to the unwilling consumer, soon start to seem like just more SPAM.

So will this be the death of viral marketing?

Well most experts seem to think not, but what is likely to happen is that we as consumers are likely to become more careful about what we click on and that advertisers will have to become more creative in their design of such campaigns. One other result of this might be that we find out how many email address books contain our address and how many real friends we have.

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