

## VIRAL MARKETING AND NEW PRODUCT DEVELOPMENT IN RIVERS STATE

OZURU, HENRY N., PhD.  
Department of Marketing  
Faculty of Management Sciences  
University of Port Harcourt  
Choba, Port Harcourt.

Email: [henry.ozuru@uniport.edu.ng](mailto:henry.ozuru@uniport.edu.ng), [Oscap2003@yahoo.co.uk](mailto:Oscap2003@yahoo.co.uk)

And

KUNUKEBARI T. NGAAGE, PhD.  
Department of Management  
University of Port Harcourt, Nigeria  
Email: [ktngaage@gmail.com](mailto:ktngaage@gmail.com)

## Abstract

*This article presents a general overview of how viral marketing promotes new product development in Rivers State. This study adopts exploratory research design. Thus, in order to achieve a successful new product development, the need for viral marketing must be there to strategically position these goods and services to customers at consumer point of purchase. Certainly the successful implementation of viral marketing on new product of any company is necessary to have a structured and documented approach. Therefore providing a clear roadmap for the development of new products is very imperative. This study reviewed highlights about viral marketing and new product development processes, from the concept to consumer and the key success drivers are quest for real product superiority and satisfactions. The paper recommends that every firms should employ the use of viral marketing for disseminating information about their products and services because, with only this idea can assist an organization to succeed and the use of new products would be a source of competitive advantage.*

*Keywords: New Product Development & Viral Marketing,*

## Introduction

In this digital age, advertisers and marketers have had to devise new methods to reach audiences with their new product messages. With consumers increasingly relying on the internet for information, interaction, and exchange of ideas, the nature of marketing has had to change in line with its audience (Anon, 2011). This is as a result of technological developments which have changed people's life styles. Many differences and features started to come out in line with the diversification in the field of media. Wilson, (2012) the term viral is used to describe the practice as the self-replicating spread of a marketing message that is similar to the spread of a computer virus or physical virus, the message spreads by word of mouth and from one person to another or from one computer to another. Alexander, (2006), posits that viral marketing is a type of word of mouth communication on Internet, which is the newest platform. Borade, (2013, said social networking site has a significant impact on consumers' decision-making process and behaviors, these sites cannot be disregarded by brands of which the target audience actively uses digital channels.

Therefore, marketing communication, which composes of activities that led customers to buy new products, has gained importance. As Internet has become widespread, word of mouth marketing has created several new concepts of marketing communication. One of the new advantages brought to marketers by this technological innovation or opportunities is viral marketing practice. Boston, Graham & Havlena (2007), posit that viral marketing relies on social networks to increase awareness of a brand, new products, person or event and therefore the network of the internet is the perfect medium.

The successful element of viral marketing is that the consumer him/herself spreading the marketing message which has been created by the marketer. A successful viral marketing campaign often features controversy, laugh-out-loud or shock value; engages a community, offers a content, or features a celebrity exclusive (Brown, & Fiorella, (2013). The message has to be unique and engaging and feature a central concept which causes the viewer to share the footage or message with friends, is a “must-see” element. Thus, upon all the literatures consulted in related areas, none was directly done to appear this way and none of them took place in Rivers State. This serves as the gap which the paper seeks to cover, and this forms our point of departure.

#### Problem Statement

Often times, most customers complaints are unexpected, due to level of deceit amongst marketers as a result of unethical behaviors’ towards proliferation of products and serves through social media and other devices of business communication. Rice (2010), supported that to a great majority of business decision-makers feel it is now much more difficult to manage news flow and reputation and that the Internet, social media, and the need to respond extremely quickly are key challenges. Therefore, this problem requires more attention; its impact needs to be clearly understood by marketing company managers, company owners, and all affiliated stakeholders of the companies, with specific reference to Nigeria. Leskovec, Adamic & Huberman (2002), echo the sentiment that the inappropriate use of viral marketing can be counterproductive as it can create unfavourable attitudes toward products and services.

#### Aim of the Study

The major aim of this study is to examine the relationship between viral marketing and new product development in Rivers State.

#### Theoretical foundation of Viral Marketing

This article regards viral marketing just like eWOM as a further development of traditional WOM referral in marketing (Keller, 2007). It is based on the theory of interpersonal communication which means “a process of a two-way inducement between customers sharing recommendations about brands or products”. thereby we need to distinguish between recommendations which arise from a long term perspective and those which emerge occasionally, initiated by a short marketing incentive (Richardson, & Domingos, 2012). Especially occasional referrals are relevant for viral marketing because they are not focused on the single brand or product but on their whole presentation. The main reason for viral marketing’s popularity is the speed and the exponential dispersion of information, using electronic media via internet (Kirby, and Marsden, 2006). Being free of the traditional limitations, viral marketing campaigns can create an instant tremendous buzz within the brand’s target group (De Bruyn, & Lilien, 2008).

The exponential dispersion of information is the key feature of viral marketing. Combined with the possibility of interaction between consumers and companies as well as the increasing credibility of a message that comes from the customers' own social network, we define viral marketing as follows: 'Viral marketing is an advertisement that is in some way tied to an electronic message. It can be attached to an e-mail, video spot or posted in any form of social media. It is a form of advocacy or word-of-mouth endorsement marketing, whereas one customer passes along the message to other potential buyers, creating the potential for exponential growth in the message's exposure and influence,' (Brown, & Fiorella, 2013).

Wilson, (2000), stated that the main element for a viral marketing campaign to work is not the advertised product or brand, but the message itself (Langner, 2007). However, the creation of a unique message content and container is of crucial importance. A very often used container for viral messages is a video clip.

Kirby, and Marsden (2006), were putting emphasis on special emotions going along with the advertised brand/product. To sum up: viral marketing is about a special packaging of advertising messages that will be forwarded exponentially, using existing communication networks of the customers, because it is outstanding interest for the target group. Libai, Muller, & Peres (2009), stated that to initiate the viral effect it is important for companies to select adequate consumers who should be the first recipients and first to pass on the viral marketing message, as the success of a viral marketing campaign depends on their forwarding behavior.

The process of distributing the viral message to adequate first recipients is called seeding (Larson, 2009). He further said we consider "The People's Choice" as a pioneering study in this field. The authors identify a suitable group of first recipients named "opinion leader" or "gate keeper". Concerning the "two-step-flow-model of communication", information is spread in two steps: from the active and high involved opinion leader to the more passive group of opinion follower. As viral marketing basically uses electronic media this group is also called "e-fluentials" (Kempe, Kleinberg, & Tardos, 2003).

Feick and Price (1987) further identify a highly influential group which is the "market mavens". Market mavens are individuals, who possess information on many kinds of products, places to shop, and other facets of markets, initiate discussions with consumers and respond to requests from consumers for market information. Keller, (2007), stressed that if communication takes place in the World Wide Web (e.g. forums or social media platforms) this group is named "e-mavens". Kirby, (2004), following the viral process after the first recipients have been reached, "Tipping Point" theory is an interesting way to deal with the further diffusion. Kirby argues that, under particular conditions, ideas or messages will disperse exponentially after achieving a critical mass or recipients. Nowadays it is easy to achieve this critical mass as communication in social media is so much accelerated and its main intention of use is sharing content with others. Thereby social platforms like Facebook have the perfect preconditions to accomplish successful viral marketing campaigns: sharing is done by just one mouse click.

## Literature Review

### Concept of Viral Marketing

Wilson, (2005) stated that the term "Viral marketing" has been used to refer stealth in marketing campaigns, and marketing strategies that advertise whether there are new or existing product to people without them knowing they are being marketed in the past. Dobeles, Toleman, & Beverland, (2005) stated that viral marketing, is referred to the marketing techniques that use pre-existing social networking services and other technologies to try

product increases in brand awareness or to achieve other marketing objectives (such as product sales) through self-replicating viral processes, analogous to the spread of viruses of computer viruses, (Dahan, 2012). It can be delivered by word of mouth or enhance by the network effects of the Internet and mobile networks.

Viral marketing may take the form of video clips, interactive Flash games, advergimes, eBooks, brandable, images, text messages, email messages, or web pages. The most commonly utilized transmission vehicles for viral messages include: pass-along based, incentive based, trendy based, and undercover based. Fatoki, & Garwe (2010), stated that the creative nature of viral marketing enables an “endless amount of potential forms and vehicles the messages can utilize for transmission”, including mobil devices. Viral marketing is a type of word mouth marketing technique used on Internet (Dahan, 2012). Viral marketing concept was first used by Steve Jurvetson and Tim Draper and they defined it as “a word of mouth marketing technique used in relation to a brand, product or service similar to the spread of viruses on social networks on electronic media”.

Goldenberg, Lilbai, & Muller, (2001), added that it’s a part of electronic word of mouth marketing because it is a part of electronic media and the main reason of its separation is that the starting point of this activity is known or thought to be companies. Dialogues related to services or products started with individuals’ own are observed in viral marketing activities. In this activity, companies create interesting contents about which individuals can talk and share between each other and this content spreads like a virus (Goldenberg, Libai, Moldovan, & Muller, 2007). In line with this information, viral marketing can be defined as various online word or mouth marketing practices that use brand, product or service related contents created by companies in a way that encourages interpersonal communication in a wide range of applications (Hutchings, 2012). Word of mouth marketing is regarded as the oldest reliable type of advertisement, as the source communicating the message from mouth to mouth is a known and reliable character. For this reason, word of mouth marketing has attracted the attention of many researchers. The importance of sincere conversations between consumers in increasing sales was first noticed in 1960s (Jin, & Branke, 2005).

According to the definition given by Word of Mouth Marketing Association/WOMMA, word of mouth marketing is “the transfer of marketing related information created by consumers to other consumers”. Moreover, word of mouth marketing “also covers the efforts of the organizations to lead consumers to create marketing related contents and communicate these contents to other consumers” (Kaikati, & Kaikati, 2004). Viral marketing spreads thanks to people’s networks about the things they find interesting or useful. Viral marketing is a tactic that aims to communicate the planned contents to a specific target audience in the most effective applications manner by using communication channels. Interactive applications and especially videos, advergimes, pictures, audio files, presentations and even text contents are the most important tools of viral marketing. These products become marketing tools with the addition of commercial messages. A viral advertising can be categorized into two. The first one is a video film, which is created by a user and creates a positive impact incidentally on a brand and shared by this user with other users on social media. The second is a company having a professional team to make and spread a viral advertisement.

However, what is important here and what is different from traditional commercial films is that the viral ad is created in a way that seems to be created by an amateur user (Kaplan, &

Haenlein, 2011). These video films interest and are shared by users. Thus, brand name starts to be known by other users. People talk to each other in daily life to share their opinions and comments about a product. The effect of people on other people is nine times more powerful than the effect of an ad on a magazine, newspaper or TV channel. The difference between viral marketing and other activities is that it has an authentic content that provokes individuals.

Individuals share this creative content due to its authenticity on electronic social networks and thus, this content reaches millions of people by being communicated from one individual to another on social networks (Dahan, 2012). This content, which spreads like a virus fastly from one individual to another, increases awareness even if it does not affect the sales of the related brand, product or service instantly (Kempe, Kleinberg, & Tardos, (2003). As the success of this marketing communication activity depends on the communication of the content by individuals, it is extremely important to understand the motives of individuals to share contents on electronic media (Dahan, 2012). Succeeding to motivate individuals to share this content can only be possible if the preconditions to target the right group of people and offer a creative content are fulfilled just like all the other marketing communication activities. Internet is considered as the "fifth channel" following TV, as a useful communication channel that enables individuals and companies to share information fastly on an interactive and one-tone media.

Klopper, (2002) said internet has revolutionized communication technology by enabling consumers to interact with each other fastly and easily. The efficiency and distribution of WOM has been increased and accordingly, a new concept known as electronic WOM has come out (eWOM). Kirby, (2004), defined eWOM as follows: "All kinds of positive and negative expression that belongs to potential, real or former customers in relation to a product or company and that is announced to limitless individuals and companies through internet". WOM process also enables customers to understand abstract products while searching for WOM information from an experienced source. For this reason, online customer comments on restaurant, travel destinations and hotels have become very remarkable information sources for consumers. This communication is made by using different channels. For example, emails discussion forums, main pages, blogs, restaurant comment sites (urbanspoon.com) and social networking sites (such as Facebook and MySpace), (Kirby, 2004). Thanks to this anonymous interaction, consumers can exchange opinions about products or services affected by the information on internet.

Vermeulen and Seegers (2009), conducted an experimental study with the purpose of measuring the effect of online comments on travel decisions. According to their conclusion, receiving online comments increases awareness about hotels and positive comments lead to positive attitudes towards hotels. Sheikh, Rangaswamy, & Balakrishnan, (2006), added that customers can compare prices and the quality of products and services. They also have the chance to communicate with other marketers and consumers on online platforms (Kirby, 2004). According to him, marketers know the power of eWOM to earn the loyal customers. Now many companies endeavor and make significant investments in order to increase the number of positive eWOM news. Being an information communication method that reflects the evaluation of the individuals on products and services, WOM (Word of Mouth Marketing) has long been known to have powerful effects. WOM can create a more powerful effect on customer attitudes, as it is believed to be more reliable and objective than commercial ads when

compared to traditional ads and as a result of this effect, the tendency of consumers to purchase or adopt new technologies may increase (Larson, 2009). It is unquestionable that it is also more effective than the other persuasive techniques; WOM is four times more effective than personal sales and seven times more effective than advertisements according to a research made in the past. Thanks to the digital communication revolution that occurred in the last decade, WOM has become more powerful than before. Usage of new informative communication channels – email, mobile phones, Personal Digital Assistants (PDA), text messages, instant messages, blogs and Web-sites caused an amazing increase in sharing customer information, (Leskovec, Adamic & Huberman, 2008).

Today, customer can communicate with so many people very fastly and access distant locations in a very short period of time. For example, Susan Boyle, who is a 47-year old ordinary Scottish woman, joined the TV show “Britain’s Got Talent” in 2009 and fascinated the audience by signing “I dreamed a dream”. It was just two days after the show when her video was watched by more than 12 million times on an online platform. This was mostly thanks to WOM. This woman, who does not look like a pop star, succeeded to reach people at their homes not only in Britain but also in Europe and USA (Kirby, 2004). Informative communication networks brought by modern communication technologies have surely changed the image of WOM. In today’s “networked” world, not only a few competent people but also people from all levels with different effects and connection share word of mouth communication (Libai, Muller, & Peres, 2009). Electronic WOM (eWOM) covers customer comments in emails, text messages, online videos, Web sites; computer aided channels such as social network site like Facebook, MySpace and LinkedIn and other electronic communication channels. Even though each tool has its own features, their common feature is the capability to distribute information very fastly to a very wide range of customers in different locations. Like the Susan Boyle example we just mentioned, if WOM reaches a critical level, is defined as “tipping point” and spreads to wide communities, and then it becomes “viral”.

Although this process of becoming viral” is not fully understood by marketers, it is found to be very effective (Mather, 2000). According to a research conducted by White House Department of Consumer Relations, 90% of unsatisfied consumers state that they will not buy the product of the same brand anymore. Each unsatisfied consumer shares his/her negative experience with at least 9 people and 13% of these consumers share it with more than 20 people. On the other hand, satisfied customers share their satisfaction with 5 people (Mather & Crofts, 1999). However, 74% of people who hear those negative opinions prefer another brand and therefore, 74% of the purchasing decision criteria depend on advices.

In fact, viral marketing is an idea that spreads and that while it is spreading actually helps market your business or cause. Wampole, (2012), said that the ultimate goal of marketers interested in creating successful viral marketing programs is to create viral messages that appeal to individuals with high social networking potential (SNP) and that have a high probability of being presented and spread by these individuals and their competitors in their communications with others in a short period of time.

#### Ideology of New Product Development and Viral Marketing

New products are those products that replace existing products on a regular basis (Rice, 2010). The rate at which new products are appearing on the market is growing at an exponential rate due to the aid of viral marketing. Toubia, Goldenberg, & Garcia, (2008), stated that the

newness of any product from the customer perspective deals with improvements in the product attributes (e.g., increase in the fuel efficiency of a car) or new features that meet new requirements or result in greater benefits. Phelps, Lewis, Mobilio, Perry, Roman, (2004), argue that the degree of product newness is an indicator of the difference between the new product and the existing one. The change (depending on the perspective) can vary from minor or incremental to major or radical. For example, a change that reduces the production cost might be viewed as a major change from the manufacturer's perspective and no change from the customer's perspective. A radical change is due to a new technology (higher speeds resulting from jet engines that was not possible with the earlier propeller engines) whereas an incremental change is due to advances within an existing technology (Richardson, & Domingos, 2012).

### Conclusion

Marketing concept is based on people's needs and today this concept has developed in line with the diversification of needs. As technological developments cause changes in people's needs, product variety is offered to fill these needs and tactics have been developed to sell new products. This approach has given marketing concept a new dimension. Today, it is getting hard to reach consumers by using traditional methods. As consumers are more informed about the new things they purchase and consume, the job of marketers is getting harder. Characteristics, preferences and favorites of consumers are fastly changing. The methods of accessing information in globalizing world have also changed. Today, viral marketing that is based on "recommendation" and has become a new trend for companies to enable their target audience/consumers to read, watch, see the given messages and adopt new brand or product development.

### Recommendations

Based on the conclusion of this study, the following were recommended.

- i. Marketing organization should employ the use of viral marketing for disseminating information about their products and services because, with only this idea can assist an organization to succeed and the use of new products would be a source of competitive advantage.
- ii. Customers should be able to share new products ideas and creative content through electronic social networks, in order to reach millions of people by being communicated from one individual to another.
- iii. There should be social platforms like facebook etc. which have the perfect preconditions to accomplish successful viral marketing campaigns.

### References

- Alexander, P. (2006). *Electronic Word-of-Mouth Communication: Factors that Influence the Forwarding of E-Mail Messages*, North Zeeb, Pro-Quest Information and Learning Company.
- Anon, (2011). *The advantages and disadvantages of social networking*. Every day-wisdom. Retrieved from <http://www.everyday-wisdom.com/social-networking>.
- Borade, G. (2013). *Advantages and disadvantages of rival marketing*. Retrieved from <http://www.buzzle.com/articles/advantages-and-disadvantages-of-viral-marketing>.

- Boston, Graham, J., Havlena, W., (2007). Finding the “missing link”: advertising’s impact on word of mouth, web searches, and site visits. *Journal of Advertising Research* 47:427-35.
- Brown, D., & Fiorella, S. (2013). Situational influence: A new marketing model for a new era. Retrieved from <http://www.quepublishing.com/articles/article.aspx?p=2065721&seqNum>
- De-Bruyn, A., & Lilien, G. L. (2008). A Multi-stage model of word-of-mouth influence through viral marketing. *International Journal of Research in Marketing*.
- Dobele, A., Toleman D., & Beverland, M. (2005). Controlled infection! Spreading the brand message through viral marketing. *Business Horizons*, 48(2)
- Dahan, M.T., (2012). Integrated Marketing Communications measurement and evaluation. *Journal of Marketing Communications* 15(2-3), 103-117.
- Fatoki, O. & Garwe, D. (2010). Obstacles to the growth of new SMEs in South African: A principal component analysis approach. *African Journal of Business Management*, 4(5), 729-738.
- Goldenberg, J., Libai, B., and Muller, E. (2001). Talk of the network: A complex systems look at the underlying process of word-of-mouth. *Marketing Letters* 12, 3, 211-223.
- Goldenberg, J. Libai, B., Moldovvan, S., and Muller, E. (2007). The NPV of bad news. *International Journal of Research in Marketing* 24, 3, 186-200.
- Hutchings, C. (2012). Commercial use of Facebook and Twitter – risks and rewards. *Business Horizons*, 54(3), 193-207.
- Jin, Y., & Branke, J. (2005). Evolutionary optimization in uncertain environments a survey. *Evolutionary Computation, IEEE Transactions on* 9, (3) 303-317.
- Kaikati, A. & Kaikati, J. (2004). Stealth marketing: how to reach consumers surreptitiously. *California Management Review*, 46(4) 20-46
- Kaplan, A.M., & Haenlein, M. (2011). Two hearts in three-quarter time: How to waltz the social media/viral marketing dance. *Business Horizons*, 54(3)2-45.
- Keller, E. (2007). Unleashing the power if word of mouth: creating brand advocacy to drive growth. *Journal of Advertising Research* 47, 448-52.
- Kempe, D., Kleinberg, J. & Tardos E. (2003). Maximizing the spread of influence through a social network. In *Proceedings of the minth ACM SIGKDD International conference on knowledge discovery and data minin*, ACM New York, pp. 137-146.
- Kirby, J., (2004). Online Viral Marketing: The strategic synthesis in peer-to-peer brand marketing. Working Paper, Digital Media Communications
- Klopper, H. B. (2002). Viral marketing: A powerful, but dangerous marking tool. *South African Journal of Information Management*, 4(2) 40-76.



- Larson, R. J. (2009). The rise of viral marketing through the new media of social media. Faculty Publications and Presentations. Paper Retrieved from <http://digitalcommons.liberty.edu/busifacpubs>
- Leskovec, J., Adamic, L. A. & Huberman, B. A. (2008). The dynamics of viral marketing. Retrieved on June 21, 2013 from <http://arxiv.org/pdf/physics/0509039.pdf>
- libai, B., Muller, E. & Peres, R. (2009). The Social Value of Word-of-Mouth Programs: Acceleration versus Acquisition. Working Paper.
- Mather, D.R., (2000). A simulation model of the spread of hepatitis C within a closed cohort. Journal of the Operational Research Society 51, 656-65.
- Mather, D.J., Crofts, N., (1999). A computer model of the spread of hepatitis C virus among injecting drug users. European Journal of Epidemiology 15, 5-10.
- Phelps, J.E., Lewis, R. Mobilio, L., Perry, D., Raman, N., (2004). Viral marketing or electronic word-of-mouth advertising: examining consumer responses and motivations to pass along email. Journal of Advertising Research 44, 333-48.
- Rice, D. (2010). Managing your reputation in a viral world. Retrieved from <http://search.proquest.com/docview/228394652>.
- Richardson, M. & Domingos, P. (2012). Evolving viral marketing strategies. Retrieved from <http://dl.acm.org/citation.cfm?id=1830701>
- Sheikh, N., Rangaswamy, A., & Balakrishnan, A. (2006). Modeling the diffusion of innovations using small-world networks. Tech. rep., Working paper Penn State University.
- Toubia, O., Goldenberg, J. & Garcia, R. (2008). A new approach to modeling the adoption of new products: aggregated diffusion models. Tech. Rep., MSI Report.
- Wampole, H. (2012). Viral marketing: An online spin to traditional word of mouth advertising. Retrieved from [www.honors.ufl.edu/apps/Thesis.aspx/Download/1302](http://www.honors.ufl.edu/apps/Thesis.aspx/Download/1302)
- Wilson, R.F. (2012). Viral marketing: An online spin to additional word of mouth advertising. Retrieved from [www.honors.ufl.edu/apps/Thesis.aspx/Download/1302](http://www.honors.ufl.edu/apps/Thesis.aspx/Download/1302)
- Wilson, R.F. (2012). The six simple principles of viral marketing. Retrieved from [http://www.gwu.edu/~ibus266j/Global%20E-Marketing/031300\\_viral.html](http://www.gwu.edu/~ibus266j/Global%20E-Marketing/031300_viral.html).