Influence of Viral Marketing on Brand Equity Building With Reference To Online Social Networking Sites

Dr. Ashutosh Nigam
Associate Professor, Department of Management Studies,
Vaish College of Engineering, Rohtak (India)
drashutoshnigam@gmail.com

Abstract
In this research paper, author investigates the parameters of viral marketing effecting media (e-discussion, websites, online chat, email etc) parameters that have effect over the brand equity of different products and services. The study emphasizes on the antecedents of viral marketing influencing the brand equity of products and services through ISMBE Model. Finally, the study focuses on the marketer's way of exploiting the power of electronic word-of-mouth communications among consumers through viral campaign because of its persuasive impact in influencing consumers.
Key words: *Brand Equity, Viral Marketing, ISMBE.*

Introduction:

With the rapid development of mobile technology, social networking sites are accessible anywhere through handheld devices. This enables marketers to exploit viral marketing initiatives to achieve great results for minimal cost and time. It has drastically changed the way information is created and disseminated to end customers. Traditionally, physical media is deployed for advertising to create positive impact for brand equity (Yoo, Donthu and Lee 2000). The importance of a brand emanates from the fact that brand recognition and positive associations with it create value for companies and consumers. Social networking sites are exploited as emerging advertising media for marketers. Brands with high levels of equity are associated with outstanding performance including sustained price premiums, inelastic price sensitivity, high market shares and successful expansion into new categories.

The term "viral marketing" was coined by Juvertson and Draper in year 1997. It can be defined as making e-mail into a form of advocacy or word-of-mouth referral endorsement from one client to other similar type of prospective clients. Viral marketing is like a virus, information about the company and its brand message, spread to its potential buyers, who then pass the information along to other similar prospects and as an end result huge network is created rapidly (Dobele et al., 2005). Viral Marketing has competitive advantage because of its rapid adoption through word-of-mouth networks. It facilitates individuals to pass on an e-mail message to others, thus creating exponential growth in the spread of information in the social network (Schiffman & Kanuk, 2010). The tools deployed in viral marketing includes blogs, chat rooms, instant messengers, message boards/forums, video sharing websites, social networking websites, on-line communities and groups. Social networking websites are exploited these days for the development of brand equity for product and brand information. as a result, companies that utilize social media engage directly with consumers and can have a greater opportunity to not only reach more customers, but also increase their likelihood of making a purchase. Viral marketing is deployed by marketers generally adopting 3 C's Strategy.

Content:

There's so much content on the Internet that it can be hard to compete for even basic awareness in a consumers mind. Having strong content like attention with the Old Spice guy, streaming TV shows, and Internet Chats are crucial for creating attention and interest.

Community:

The second part of strategy is having a solid online network of people to share your content with. Social media is saturated with links, posts, tweets, updates. If, prospects does't have a core network of people to get your posts rolling, it's going to be hard to get your campaign off the ground.

Catch:

This is appraisal from markets prospective How prospects make content stand out? What's the title? How do prospect keeps someone from scrolling past marketer's content? How do prospect get them to follow your links and engage with your content and brand?

Viral marketing campaigns usually flows in homophilous and heterophilous networks. Homophily networks represent groups of individuals who shares certain attributes such as experiences, beliefs, and socioeconomic and education backgrounds, whereas heterophily networks represent groups of individuals who are different from each other. For example, homophily networks may consist of family members, friends, classmates, and colleagues, while heterophily networks include strangers. Viral marketing among homophilous individuals is more effective than in heterophilous networks in regards to building positive or negative brand building. This enable people's behavior changes because the identification of both sides of communication increases the message source credibility (Rogers, 2003).

HONEYCOMB MODEL:

According to Honeycomb Model of Smith social media sites are built upon seven functional blocks identity, conversation, sharing, presence, relationships, reputation, and groups. It is important to emphasize that these building blocks are neither mutually exclusive, nor do they all have to be found in every social media site. These building blocks are to aid our understanding as to how social media use and functionalities can be used and manipulated in order to build strong brand equity with viral marketing.

- **Identity** a way of uniquely identifying people in the system This acts as a pressure to not change identity. Having a persistent identity is more important in virtual digital arena than having it in from the physical world.

- **Presence** a way of knowing who is online, available or otherwise nearby. It involves the awareness of sharing the same space, and this is implemented as seeing when prospect peer networks by online mode. It isn't generally good at group presence and visibility of communication, although other chat systems (such as IRC and early Talkers) use the concept of "rooms" and whispers

- **Relationships** a way of describing how two users in the system are related (e.g. in Flickr, people can be contacts, friends of family)

- **Conversations** a way of talking to other people through the system.

- **Groups** a way of forming communities of interest. Although the peer network can have group chats, the group is transient. People have more loyalty to a group when there's some kind of joining step, when they've made some investment in it. Entering a window just doesn't do that, and there's no property of the group that exists outside the individual user's accounts.

- **Reputation** a way of knowing the status of other people in the system (who's a good citizen? who can be trusted?) Reputation is used more in systems which allow meeting new individuals.

- **Sharing** a way of sharing things that are meaningful to participants (like photos or videos) people like to share.

Figure-1   Honeycomb Model for Social networking sites

Source: http://nform.com/publications/social-software-building-block
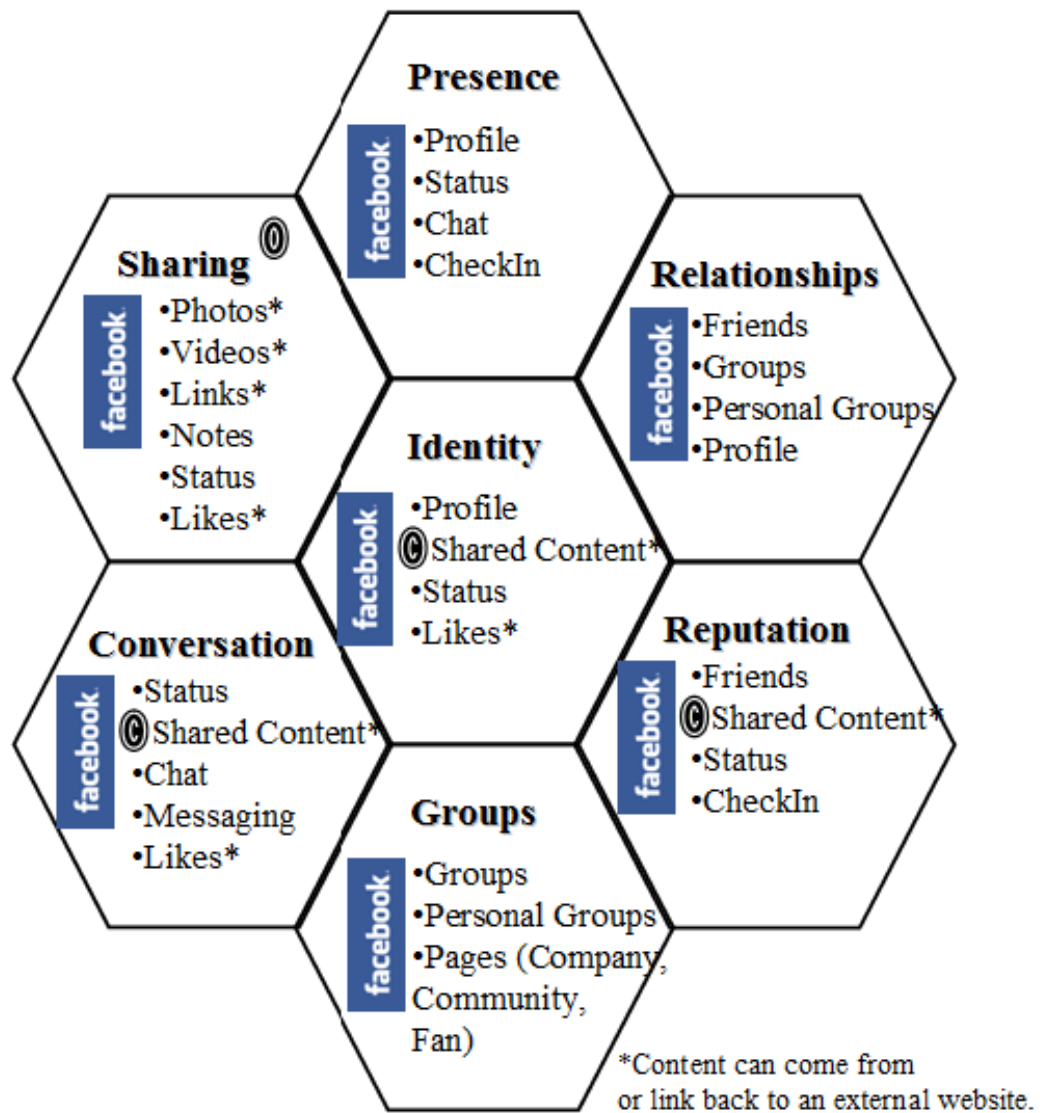
Advantages of Viral Marketing from Marketers Prospective:

1. Advertising

This includes promotion for online business which, mostly attract buyers through, viral marketing the contents in cyberspace are getting messy with a craze of advertisements, Businesses can target display ads effectively by paying close attention to communities, their interests and preferences, and emerging niche audiences. This enables social networking sites to boost businesses by advertising of products and services.

2. Brand Awareness

Viral marketing tools help to spread word-of-mouth propagation in a great way by focusing on spreading of brand awareness. As soon as brand becomes recognizable to a large number of customers it would facilitate communication about the brand. People who are satisfied with the product they often post their comments through these social networking, sites and influences other prospects to buy the product. Large corporate create a blogs in relation with the social network to give customer a wide area to discuss about product and give reviews. The feedback generated is generally used by corporate for product enhancement and introducing change in their products and services.

3. Engage Customer Interest

Viral marketing facilitates forum for product discussions, demonstrations, and showcasing of expertise and quality. Businesses can engage the interest of customers from a global market and build a powerful brand image. People will become repetitive users of website, product or business because they close to the networking sites enabling them for making the quality decisions. Deploying viral marketing tools and practices poses great opportunity to keep social networking sites busy by attracting potential customer with well developed networking strategies and tactics of marketers. Organizations are already making use of new and creative way to utilize the massive popularity of various social media to promote their particular product. This

creates additional benefit is the long-term impact on business revenue through brand management. Social media websites are acting as important tools for spotting the potential customers. In order to reap benefit from social networking, marketers should consciously deal with the information disseminated through social networking sites.

Multi dimensionality of Brand Equity:

In global market where many functionally similar products are available from wide range of suppliers, the brand name has become differentiating tool to offer the promise of value and quality to consumers. Building strong brand enables firms to lower their marketing cost and develop ability to charge premium price for their products. The concept of measuring value of brand come in to existence when advertising practitioners in U.S. first coined the term brand equity in early 1980s. Strong brand equity helps the firm to establish and identity themselves in the market place (Aaker, 1996) and reduces vulnerability in competitors action leading to higher margins and greater intermediary co-operation in measuring the overall value of a brand equity (Baldinger et.al 1990; Keller, 1993) Right exploitation of brand equity through social networking sites can bring tremendous value to producers, retailers and consumers of the brand. Historically, research has suggested that brand equity can be estimated by subtracting the utility of physical attributes of products from total utility of a brand and also helps in improving brand value by charging premium over its competitive brands. Brand equity refers to the marketing effects accrued to product with its brand name compared with those that will be accrued if the product did not have the brand name. Brands with high equity allow a firm to charge a premium price as well as garner a larger market share in relation to competitors (Simon & Sullivan, 1993) Firms are continually interested in building strong brands with positive equity.

Figure-2

Asset Model of Brand Equity
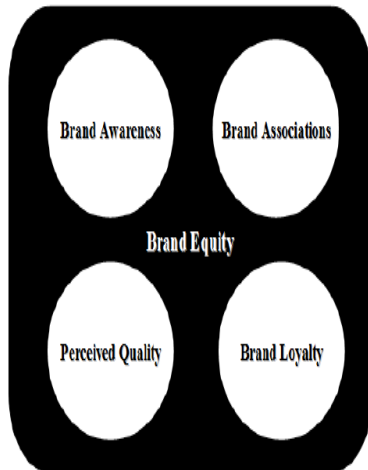
Source : Aaker DA (1996). Building Strong Brands, The Free Press, New York, NY.

Aaker (1991) has suggested an approach for measuring individual consumer brand equity. Farquhar (1990) contends that brand equity to a consumer follows from a positive evaluation of, or attitude toward, the branded products. Keller (1993) hypothesizes that consumer-based brand equity arises from a more favorable differential response to the firm's marketing efforts. Brand equity can also be viewed as the result of consumer behavior it is the consumer's biased behavior toward the brand with certain positive brand associations. The differential response referred to by Keller is said to result from the consumer's brand knowledge memory structure, which consists of brand image and brand awareness. Keller views brand equity as the perceptual beliefs about a brand's attributes, benefits, and attitude associations, which are frequently seen as the basis for an overall evaluation of, or attitude toward the brand.

Literary Contributions:

Moore et al., (2002), has addressed the influence social networking sites on customer brand relationship, and this may result in the formation of customer-based brand equity. Huffaker, D. (2006) emphasizes that social media encompasses a wide range of online, word of-mouth forums including blogs, company sponsored discussion boards and chat rooms, consumer-to-consumer email, consumer product or service ratings websites and forums, Internet discussion boards and forums, moblogs (sites containing digital audio, images, movies, or photographs), and social networking websites. Since its appearance in marketing research, purchase intention has been the subject of great attention in the academic environments. Turney (2003) study on sentiment analysis of online forums and product reviews exhibited that they influence individual's purchase decisions Zeithaml(1996).

Danny Meadows-klue (2008) in his study concluded that social networking through internet has made it easier than before for marketers to communicate directly with consumers and target audiences. With emergence of internet as new media of virtual network has created concerned among marketers dramatically and over last decade alter the public relations and marketing strategy to maximize the effectiveness of the direct consumer communication means. Social networking sites are being considered an important role in customer buying decisions, however little studies have been explored its impact over the issue under consideration. Previous literature clearly indicates that viral marketing to be among the major influencers in brand equity of the product and services. The importance of viral marketing s in relation to brand equity has also been posited by previous research (see Bauer, et al., 2005; Bauer et al., 2008; Gladden & Funk, 2002; Keller, 1993),

Objectives of the Study:

Present study focuses on the conceptual framework for brand equity presented by incorporating viral marketing as the antecedents of brand equity. Social networking is being considered playing an important role in customer based brand equity. Hence the study is aimed at analyzing the following objectives

1 To identify and analyze factors of viral marketing effecting brand equity with reference

to social networking sites.

2 To explore the opportunities created   by viral marketing to marketers
    and its impact in brand equity

3 To draw out managerial implications of the findings of the study.

Impact of Social Media Use on Brand Equity Model (ISMBE Model):

According to Keller (2001) building a strong customer based brand equity can be undertaken in four main steps; (1) establishing the brand identity by establishing the brand awareness; (2) creating appropriate brand meaning through strong, favorable and unique brand associations; (3) drawing positive brand responses and (4) forming brand relationships with consumers characterized by closeness and loyalty (Keller, 2001). The study reported here explores whether and how social media can be used as a tool by organizations to apply these four steps of customer based brand equity (Figure 3).

Figure 3
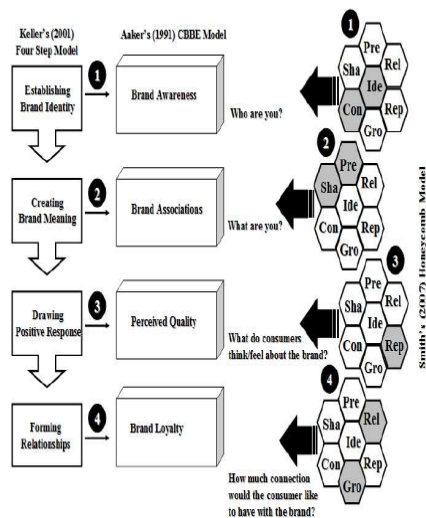
Source*:* Impact of Social Media Use on Brand Equity Model (ISMBE) inspired by Aaker (1991), Keller   (2001) and Smith (2007).

By utilizing Smith's (2007) Honeycomb Model (Figure 1) this study grounded its arguments regarding social media use on a state-of-art Information Technology theory. In doing so, it was the effort of this study to include all social media use as opposed to restricting the model for only a number of social media solutions (e.g. Facebook   Twitter,   Blogs).   By   forming relationships between corresponding dimensions of customer   based brand equity model (figure 2) and Customer Based Brand Equity (Keller, 2001), this study attempted to integrate the classic theories of brand management with a state-of-art social media theory.

CONCLUSION & IMPLICATIONS:

Social   media   marketing   is   playing   an increasingly important role in the marketing strategies   of   companies.   The   biggest advantages that social networking websites have over company or news sites is that consumers   who   visits   social   networking websites   are   more   likely to develop differential   perception   about   brands. Consequently,   companies who   integrate elements of social media into their marketing mix   will have a greater opportunity   to influence consumers' buying choices. The paper focuses on integrative model, which was put together using concepts from within the theoretical frame of classical theories of brand management. An   effort to is put off on dissecting the four different dimensions of brand equity and studied the effect of social networking sites in brand building. Viral marketing has a positive and significant relationship with brand equity dimensions Positive word-of-mouth about brand helps in reducing distributing of free products to target consumers as networking sites giving facilitating platform to build positive brand building perception. It would result in seeding to maximize the amount and rate of product and services adoption. Finally social networking media puts a symbolic relation between brand and its audience in concrete terms.

References:

[1] Aaker, D.A. (1992), Managing Brand Equity: Capitalizing on the Value of a Brand Name. New York, NY: The Free Press.

[2] Aaker, D.A. (1991), Managing Brand Equity. New York, NY: The Free Press.

[3] Aaker, D.A. (1996), Building Strong Brands. New York, NY: The Free Press.

[4] Bauer, H.H., Sauer, N.E., & Exler, S. (2008). Brand image and fan loyalty in professional team sport. *Journal of Sport Management, 22*(2), 1-25.

[5] Bauer, H.H, Sauer, N.E., & Schmitt, P. (2005). Customer-based brand equity in the team sport industry. *European Journal of Marketing, 39*(5/6), 496-513.

[6] Dobele, A., Toleman, D., & Beverland, M. (2005). Controlled infection! Spreading the brand message through viral marketing. *Business Horizons*, 48(2), pp. 143–149.

[7] Danny Meadows-klue (2008), ―Falling in Love 2.0: Relationship Marketing for the Facebook Generation, *Journal of Direct, Data and Digital Marketing Practice*, 245-250.

[8] Gladden, J., & Funk, D. (2002). Developing an understanding of brand associations in team sport: Empirical evidence from consumers of professional sport. *Journal of Sport Management*, *16*, 54-81.

[9] Huffaker, D. (2006), Teen Blogs Exposed: The Private Lives of Teens Made Public, American Association for the Advancement of Science, St.Louis, MO.

[10] Keller, K.L. (1993). Conceptualizing, measuring, and managing customer based brand equity. *Journal of Marketing*, *57*(1), 1-22.

[11] Keller, K. L. (2003), Strategic Brand Management (2nd ed.) New Jersey, USA: Prentice Hall.

[12] Moore, E.S., Wilkie, W.L. and Lutz, R.J. (2002), "Passing the torch: intergenerational influences as a source of brand equity", *Journal of Marketing*, Vol. 66, April, pp. 17-37.

[13] Rogers, M. E. (2003). *Diffusion of innovations.* New York: Free Press.

[14] Schiffman G. Leon & Kanuk Leslie Lazar 2010. *Consumer Behavior* 10th Edition. Prentice Hall

[15] Turney, P.D. and Littman, M.L. (2003), ―Measuring praise and criticism:inference of semantic orientation from association□, ACM Trans. Inf.Syst., Vol. 21 No. 4, pp. 315-46.

[16] Yoo, B., Donthu, N. and Lee, S. (2000), "An examination of selected marketing mix elements and brand equity", *Journal of the Academy of Marketing Science*, Vol. 28 No. 2, pp. 195-211.

[17] Zeithaml, V. A., Berry, L. L., & Parasuraman, A. (1996). The behavioral consequences of service quality. *Journal of Marketing*, 60(2),31–46.

[18] Websites

http://gugnu.com
http://nform.com/publications/social-software-building-block
http://marketing.about.com/od/viralmarketing/Viral_Marketing.htm
http://www.developmentindia.com/viral-marketing-india.shtml
http://www.ignitesocialmedia.com/social-media-examples/viral-marketing-examples/