Diffusion of innovative ideas: 
Viral marketing

Dissertation in Marketing
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Introduction

Background

Today the pressures to innovate are greater than ever. Firms have always needed to innovate in order to survive. Just as environmental change creates opportunities for innovation, so it creates threats by making existing products obsolete. Change creates new needs and provides the knowledge and means for better answers to them. (Doyle P. & Stern P. 2006).

The explosion of the Internet has been the revolutionary technology of the new millennium. It has produced an environmental change that enables consumers and companies to access and share huge amounts of information with just a few mouse clicks. To thrive in this new internet age-even to survive- marketers must rethink their strategies and adapt them to today’s new environment. “To be competitive in today’s new marketplace, companies must adopt internet technology or risk being left behind” (Kotler, 2005, Page 131)

Marketing is becoming more and more important in the companies agendas and one of the new marketing tools that companies are implementing, using internet technology with the objective of spread new ideas, is viral marketing. “Viral marketing involves creating an e-mail message or other marketing event that is so infectious that customers will want to pass it on their friends. Because customers pass the message or promotion on to others, viral marketing can be very inexpensive. And when the information comes from a friend, the recipient is much more likely to open and read it. The aim is to get the company’s customers to do your marketing for you” (Bulkeley 2002, Page R6).

However, viral marketing is not so new. Offline, it has been referred to as word-of-mouth influence, creating a buzz, leveraging the media, network marketing and so forth. (Wilson, 2000)
**Research Problem**

In the last years, a lot of companies are making viral campaigns to support and improve their marketing strategies, and we are noting their success with this method, but:
- How does a viral marketing campaign have to be to get success and how do companies implement it to reach the diffusion of its innovative idea?

**Research Purpose**

The purpose of this paper is to provide an explanation of how multinational companies are implementing viral marketing campaigns, trying to see the steps that a company has to follow to create and diffuse successfully an innovative idea via viral marketing.
Delimitation

Nowadays we are seeing almost every day news about viral campaigns launched by companies in the Internet that are getting success and that you often seen in your computer screen. We didn’t know so much about this new marketing tool and for this reason; we chose this topic for our paper. In this dissertation we want to study how companies implement viral marketing campaigns to spread innovative ideas, trying to give knowledge of how to design a campaign to diffuse a creative innovation.

We have focused our theoretical framework on the book ‘Diffusion of Innovations’ of Everett M. Rogers (1995), because this book is a classic work on the spread of new ideas. It explains how new ideas spread through people via communication channels over time. The first book was published on 1983 and over the time it has been modified because of the appearance of new tools as the Internet in the 1990s. With it, the rapidly spread of the information changed. Furthermore, the Internet changed the nature of diffusion by decreasing the importance of physical distance between people.

When people think on this theory, they usually understand the innovations as the creation of new products or services, or as relevant technological changes. However the book tries to give a general explanation of how new ideas are diffused. We are going to use this theory understanding the innovations as new ideas, and never thinking on the launch of new product or services.

For our empirical part, we have selected five cases of multinational companies from the United States that have made successful viral campaigns in the last years. We studied this US multinational companies because they have been the pioneers in using this technique, that is starting to be used by European companies that have seen the feedback this companies have reached with little amounts of money spent, in contrast with the big costs that advertising in traditional medias as television suppose.
Some definitions of important concepts

Innovation
Innovation consists on developing and delivering any idea, process, or object that will be perceived as new and superior by a particular individual or group (Doyle & Stern, 2006).

Communication
“Communication is a process in which participants create and share information with one another in order to reach mutual understanding” (Rogers, 1995, Page 6). “The objective of the communicator is to get a response from the audience. In marketing, the ultimate response the firm normally wants is to get customers to try and then repurchase the brand. However, measuring the effectiveness of communications in terms of sales results is usually is fraught with difficulty” (Doyle & Stern, 2006, Page 252).

Diffusion
“Diffusion is the process by which an innovation is communicated through certain channels over time among the members of a social system. It is a special type of communication, where the messages are concerned with new ideas. This newness of the idea in the message content gives diffusion its special character. Some authors restrict the term “diffusion” to the spontaneous, unplanned spread of new ideas, and use the concept of “dissemination” for diffusion that is directed and managed” (Rogers 1995, Page 5). We use the word “diffusion” to include both the planned and the spontaneous spread of new ideas.

Viral marketing
Viral marketing describes the strategy that consist on launch an innovative message to the net, that encourages individuals to pass on to others, creating the potential for exponential growth in the message’s exposure and influence (Wilson, 2000)
Theoretical framework: Diffusion of Innovations

In his classic work on the spread of new ideas Everett M. Rogers (1995) identifies four main elements in the diffusion process:

- **Innovation**: any idea, process, or object considered new by a particular individual or group

- **Social system**: any organization or group that are connected by some common purpose or goal

- **Communication channels**: the way in which the information is disseminated to others.

- **Time**: consisting of the length of the innovation-decision process, the actual time it takes for another individual or group to adopt the innovation, and the actual rate of adoption.

1. Innovation

“An innovation is an idea, practice, or object that is perceived as new by an individual or other unit of adoption. The perceived newness of the idea for the individual determines his or her reaction to it. If the idea seems new to the individual, it is an innovation.” (Rogers 1995. Page 11). Over time, members of society have associated with more specific examples of innovations in their minds; most commonly in reference to technological advances or other grandiose inventions; however, as defined above, an innovation is simply something new. We are going to understand the innovations as the new ideas that companies use to make viral marketing. The main point to create a viral marketing campaign is going to be the creativeness of this idea, that should be able to be delivered and launched in some way into the Internet, with the goal of reach a target group of people through their social networks.

The most common innovations that the companies are going to use to make viral marketing are the creation of an e-mail, a funny game, a video, a website that offer the user new possibilities,… After the company has thought about this, they will choose the most appropriate communication channels that the internet provides (search engines, blogs, websites,…) to reach their target group.
According to Doyle&Stern (2006) an innovation has to meet four benefit criteria:
- Important. The new idea must offer benefits that will be perceived as important by customers.
- Unique. If customer believes that current offers provide the same advantages, the new idea will not be valued.
- Sustainable. The innovation won’t have to be easily copied.
- Marketable. The company must have the capability to market the new idea.

In general the innovative idea is going to be the first point that we are going to study in each campaign, seeing what are the new features that it provides to the users, and why it is important and unique, as well as sustainable and marketable by the companies through the net.

This ‘innovation’ will be the base for any viral campaign strategy and will be the starting point. All the future success will depend on it, and if you fail in this point all the next stages and all the efforts put in the campaign will be useless.

2. Social Network and target group

The main aim of any viral campaign is reach a big number of people by the spread of the message among them. To reach this “pass the message” creating the exponential growth, it will be necessary a social system and the social networks of the people. “A social system is defined as a set of interrelated units that are engaged in joint problem-solving to accomplish a common goal. Diffusion occurs within a social system. The social structure of the system affects the innovation’s diffusion in several ways and it constitutes a boundary within which an innovation diffuses” (Rogers 1995. Page 23).

In deciding whether or not to adopt an innovation, individuals depend mainly on the communicate experience of other much like themselves who have already adopted the message. These subjective evaluations of an innovation mainly flow through interpersonal networks. We must understand the nature of networks if we want to understand fully the diffusion of innovations (Rogers, 1995).

There is also a key theoretical concept underlying social networks which is the idea of behaviour is affected more by the kinds of ties and networks in which people are involved than by the norms and attributes that individuals possess. This is a really
important role of the networks, because like the message comes from a friend, co-
worker, or in general, someone similar to you who has already adopted the message, it
will be easier that you adopt also the message and pass again it to your contacts.

When you are designing a marketing campaign one of the first concepts you must have
clear is which is going to be your target group. You cannot try to reach everybody with
your campaign; you will have to select a determinate group of customers that are
interesting for you (Kotler 1972, Kotler 1990). When you are making viral marketing it
will be really difficult to control the people that the campaign is reaching, because once
you put the message on the net the behaviour could vary a lot. Because of that, you will
have to study carefully which is your target group to design the message and to put it in
the most appropriate communication channels. If not, you could maybe reach a big
number of people but not the ones you really wanted to. Also, if you choose well and
the first people reached are part of your target, you would have made almost all the
work, because then, they will spread the message among their social networks, being
these ties similar to them; in that way, a lot of them could be part of your target group.

3. Communication Channels

The third variable of the model is the communication channel. As we saw before,
communication is a process in which participants create and share information with one
another in order to reach mutual understanding. The essence of the diffusion process is
the information exchange through which one individual communicates a new idea to
one or several others (Rogers, 1995). For this information-exchange process it will be
necessary a communication channel by which the message can be diffused and
exchanged by the individuals.

“Once the target audience is identified, the communicator can think about the specific
channels for reaching them. Channels of influence are of two broad types, personal and
The most important nonpersonal channels will be the mass media channels, which are
all those means of transmitting messages that involve a mass medium, such as radio,
television, newspapers, magazines and so on, which enable a source hand.
However, the social channels consist of the buyers’ associates, neighbours, friends or family who may exercise an influence on him. This channel is also known as word-of-mouth influence, and it is more effective in persuading an individual to accept a new idea, especially if the interpersonal channel links two or more individuals who are similar in socio-economic status, education or other important ways (Kotler, 1972, Rogers, 1995).

In our issue of focus, at the beginning the firms launch their idea using the Internet as a mass media channel. However, after this, they wait that the personal channels start to make their work. The objective is that the individuals, after read the message in the mass media channel, exchange the message in a “face-to-face” way, it means directly, with the personal channels. These channels are much more effective persuading the people, because the message comes directly from a friend or a person similar to you. In that way you will read the message and you won’t delete it directly as when other kinds of advertisings appear on your wall.

4. Time

“The inclusion of time as a variable in diffusion research is one of its strengths, but the measurement of the time dimension can be criticized. The time dimension is involved in diffusion (1) in the innovation-decision process by which an individual passes from first knowledge of an innovation through its adoption or rejection, (2) in the innovativeness of an individual or other unit of adoption – that is, the relative earliness/lateness with which an innovation is adopted- compared with other members of a system, and (3) in an innovation’s rate of adoption in a system, usually measured as the number of members of the system that adopt the innovation in a given time period.” (Rogers 1995, Page 20). The measurement of the time in the diffusion process can be criticized because it will be very difficult to study; it will be also complicate to analyse it in our viral cases. The first two dimensions of time in the diffusion process are more for the diffusion of new products and technologies in the traditional market, where adopters and followers groups play an important role. However, in our issue of focus, we have internet as the principal communication channel and for this reason, we will understand the time’s variable, as the third dimension principally, studying the innovation’s rate of
adoption as the feedback reached by the campaign and the number of adopters in a given time period.

According to Hanson (2000), Internet has brought a new concept of time and it has two important aspects. First, it refers to the rapid change and evolution of Internet tools, marketplace, and business practices. Companies and capabilities seem to emerge and change overnight. An entire industry has been created in less than five years. Second, internet time is also the acceleration of new product development, competitive activity, and business tactics that the Internet made possible. Internet time seems to be spreading to many other industries, and the lessons learned by companies operating in this environment are lessons most marketers need to understand and anticipate. Internet has changed all the concepts of distance and time, even we could say that it has changed all the communication processes, making them easier and quicker. In that way, the need for speed has become a goal for companies throughout the economy, and the reason is the critical connection between time-to-market and the profitability of new ideas. “A competitor able to get a new system to market six months earlier than rivals is able to turn this into lifetime profits that are three times larger. Slip to six months late, however, and the profit penalty can be severe” (Hanson, 2000. Page 224). To be successful in the campaign you must have an innovative idea as we saw, but also you will have to put it in the correct time and before your competitors could do.

In general, we are going to understand the time for our study first as the concrete moment choice by the company to launch the campaign. Secondly, we will focus on the rate of adoption, studying number of page views, subscribers, e-mails sent,… seeing in that way how the individuals have passed from the first seen of the message to its adoption sending it to their contacts. In general, we could summary all this with the final feedback reached with the campaign.
Methodology

1. Research process and design:
There are three kinds of type of research: the exploratory, the descriptive and the causal (Aaker, Kumar & Day, 2007; Churchill, 2005). The exploratory Research can be used in order to have an idea of a general nature of a problem, the possible decision alternatives, and relevant variables that need to be considered. These methods are flexible, unstructured – which is easier to pursue ideas and clues – and qualitative. Exploratory research is a type of research conducted because a problem has not been clearly defined. The results of exploratory research are not usually useful for decision-making by themselves, but they can provide significant results into a given situation. We are going to use an exploratory research with the intention of find how viral marketing works, and which are the variables that we need to considered if we want to diffuse an innovative viral campaign.

2. Choice of method:  Quantitative / Qualitative
Quantitative research uses methods adopted from the physical sciences that are designed to ensure objectivity, generalizability and reliability. These techniques cover the ways research participants are selected randomly from the study population in an unbiased manner, the standardized questionnaire or intervention they receive and the statistical methods used to test predetermined hypotheses regarding the relationships between specific variables. The researcher is considered external to the actual research, and results are expected to be replicable no matter who conducts the research http://www.social-marketing.com/research.html 05-04-08.
For our study we are not going to use quantitative method because viral campaigns are made by big international companies, and we can not collect numerical information and statistics about them to make a good quantitative research.

Qualitative methods are flexible and unstructured. As compared to quantitative methods, they employ a limited number of observations and try to explain different aspects of our problem area. Although the number of observations is low, several aspects of the problem area can be analysed. Qualitative methods are, therefore, most
suitable when the objectives of the study demand in-depth insight into a phenomenon (Ghauri, Gronhaug & Kristianslund. 1995). Qualitative methods generate rich, detailed data that leave the participants' perspectives intact. The focus upon processes and "reasons why" differs from that of quantitative research, which addresses correlations between variables. Hypotheses are generated during data collection and analysis, and measurement tends to be subjective. In the qualitative paradigm, the researcher becomes the instrument of data collection, and results may vary greatly depending upon who conducts the research. This is one of the disadvantages of using this method because there is always some kind of subjective vision of the writer, in the information we are working with; and also a subjective interpretation of the information by our self. There is other disadvantage of using qualitative methods -according to Schutt (2006)- because although the results of qualitative research can give some indication as to the “why”, “how” and “when” something occurs, it cannot tell us how often or how many. This is other weakness of use qualitative methods, but to answer our research question, we are searching for the why and how without paying to much attention to statistical aspects.

3. Type of research: desk study

We are going to use a desk study research, using secondary data (as we will discuss in the next point) and a qualitative method. The desk study consist on gathering and analysing information, already available in print or published on the internet. (http://www.businessdictionary.com/definition/desk-research.html. 29-5-08). The researcher must be able to sort through all the data and see the “big picture”, insights that should apply across multiple cases, not just details that apply only to individual cases. In relative less-known areas, where there is little experience and theory available to serve as guide, intensive study of selected examples is a very useful method of gaining insight and suggesting hypotheses for further research. The main focus is on seeking insight rather than testing; instead of testing existing hypotheses we seek insight through the features and characteristics of the object being studied (Ghauri, 1995; Churchill & Iacobucci, 2005).
We are going to use a desk research with the intention of get a global vision of the common features of the cases we have chosen (see the processes of get secondary data and the selection of the cases in the appendix)

4. Type of data collection:
According to Yin (1989), the data can be collected from different sources, which are classified into primary and secondary data.

- Primary data: it consists of new material gathered by the researcher. Sources can be direct observations, surveys, interviews and questionnaires.

- Secondary data: it consists of previously collected material that will be used to carry out the research. Sources can be such as literature, articles and newspapers.

Primary data takes a lot of time and the unit cost of such data is relatively high. For this reason, is impossible for us to make primary data collection of international firms which are making viral campaigns, being the only possibility, the study of news and articles.

The most significant advantages of secondary data are the cost and time economies they offer. (Ghauri, Gronhaug & Kristianslund 1995; Churchill & Iacobucci 2005) If the required information is available as secondary data, the researcher simply needs to get online or go to the library, locate the appropriate sources, and extract and record the information desired. (The processes of getting secondary data can be look at the appendix).

However, one of the main problems of secondary data is that these data are collected for another study with different objectives and may not completely fit ‘our’ problem (P. Ghauri, K. Gronhaug, I. Kristianslund. 1995). Another problem is that it is difficult to decide how believable the sources are, because sometimes, the author can write his personal point of view.

5. Validity and reliability.
A research design is supposed to represent a logical set of statements, because of that we can judge the quality of any given design according to certain logical tests. Four test have been summarized in (Yin, 1989)
- Construct validity. It is especially problematic in case-study research. “People who have been critical of case studies often point to the fact that a case study investigator fails to develop a sufficiently operational set of measures and that ‘subjective’ judgements are used to collect data” (Yin, 1989. Page 41). In our empirical study, we have chosen 5 cases of companies that have been successful making viral campaigns. We have selected representative cases of the most common types of viral campaigns used by the companies: the creation of a funny game (Peerflix), a page for creating greeting cards to send (CareerBuilder), a website for editing blogs (MindComet), a children entertaining site (B*tween Productions) and finally, the famous born of hotmail via viral strategy. We tried to be objective making the data collection, gathering information from news and articles of each case from different webpages; taking then the important points of each one, before starting to analyse the common points and the relationship with the theory.

- Internal validity. (For casual studies only, and not for descriptive or exploratory studies): establishing a casual relationship, whereby certain conditions are shown to lead to other conditions, as distinguished from spurious relationships (Yin, 1989. Page 40). We are making exploratory research, so we won’t study casual relationships (not having the problem of fake relationships).

- External validity. It deals with the problem of knowing whether a study’s findings are generalizable beyond the immediate case study (Yin, 1989). In our empirical analysis we studied how the five cases follow a similar behaviour in the four key elements of the theory model (innovation, social networks & target group, communication channel and time), and for this reason we can generalize that a viral campaign has to follow these elements to be successful in the diffusion of the creative idea.

- Reliability. The objective is to be sure that, if a later investigator followed exactly the same procedures as described by an earlier investigator conducted the same case study all over again; the later investigator should arrive at the same findings and conclusions (Yin, 1989). If a posterior investigator makes a study of viral marketing cases, taking secondary data from different news and articles, we think it is very probable that he will reach the same conclusions if he studies the behaviour of the campaigns in the 4
elements of the model, because this four variables are indispensable to make a diffusion of a new idea. If he analyses the cases in base to other theory model, he will reach other conclusions, but the study wouldn’t be the same.
Empirical Data:

1. MindComet implementation of the viral campaign “Blog in Space”

MindComet is a unique mix between an interactive marketing consulting firm, an interactive agency and a marketing technology developer. MindComet assists their client partners in optimizing their stakeholder relationships. Stakeholders include customers, employees, vendors, media, investors and other individuals and companies their clients communicate and interact with (http://www.mindcomet.com/ 29-04-08).

In July 19 of 2005, MindComet created a web (Blog in space) with an innovated concept of internet communication. The web offered a service that allows bloggers to send their blogs into space. MindComet wanted humans to connect with their alien cousins and they provided the means to that end. The project was to do a little interstellar public relations for the species.

"The media is saturated with images of war and anger. We have been transmitting these images into space for years," said Ted Murphy, president of MindComet. "This program gives us the opportunity to show our race in a different light. We strongly urge our users to refrain from language or content designed to provoke our alien neighbours," said Murphy. "We hope that our bloggers understand the importance of keeping our message positive." (http://www.webpronews.com/topnews/2005/07/21/blogosphere-moves-beyond-exosphere-ride-the-mindcomet) 12-04-08

Blog in Space was primarily developed as a marketing tool that would aid MindComet in proving to potential marketing clients the blogosphere is an immense new medium for advertising and marketing. The goal was to generate a significant amount of blog buzz on a very low budget ($1,000), to prove the cost-effectiveness of blog marketing and its ability to withstand the ROI from traditional marketing investments. (http://www.webpronews.com/topnews/2005/07/21/blogosphere-moves-beyond-exosphere-ride-the-mindcomet) 12-04-08
A secondary goal of Blog in Space was to attract a database of bloggers to sign up for MindComet's blog marketing network dubbed BlogStar Network. The BlogStar Network launched one month prior to the launch of the Blog in Space campaign, and would enable MindComet to not only separate bloggers into categories of interest for advertising purposes, but also determine the level of influence and authority of an individual blogger. With that in mind, Blog in Space needed to generate a significant amount of buzz to maximize interest and registrations for the new service (http://www.marketingsherpa.com/vas2006/7.html) 12-04-08

**What was the innovative idea of this viral marketing campaign?**

The team created BlogInSpace.com, a Web site that allows bloggers to sign up online to transmit their blog into space for free -- which dovetailed with the shuttle launch while also playing off the timeless connection between man and space. MindComet contracted with a satellite transmission company to use their broadcasting services to transmit the collected digital data into deep space. The pitch: bloggers would extend their voice into galaxies unknown and exercise their right to Intergalactic Freedom of Speech. (http://www.marketingsherpa.com/vas2006/7.html) 12-04-08

However, the success of the campaign was not only because of this innovated idea, it was also because of the strategy followed by the company that created a lot of features and advantages on the use of the service to attract the maximum number of bloggers.

**What did they reach with this innovative campaign?**

Within 6 hours of launch, reporters were calling for phone interviews; within 24 hours MindComet was on television. By the end of the week MindComet's CEO had been interviewed by reporters in seven different countries and the story had made it to #1 on both Google News and MSN News for the keyword 'blog'. Stories of Blog in Space ran on MSNBC's Cosmic Log, TLC.com, TravelChannel.com, and a cartoon made of the campaign featured on Ripley's Believe It Or Not!.

On Wednesday, July 20, the second day after launch, a search for the term 'blogs' on Google news headlined a post entitled, 'Blog Home, BlogInSpace.com had 10,589 user sessions and traffic to MindComet.com increased by 700%. A search for 'bloginspace' resulted in 13,300 results on Google. In only 48 hours BlogInSpace.com registered 1,093 bloggers from 54 countries in 18 different languages
In total, one week after launch was an astounding 147,826 sessions. By one month after launch, BlogInSpace.com had recorded its one-millionth unique visitor to the site and average Web site sessions were at 50,000 each day. As of January 10, 2006 the same search for 'bloginspace' returned 96,100 results on Google, maintaining a Google PageRank of 7, with 1,600 inbound links. To date as of March 17, 2006 a search for 'bloginspace' returned 178,000 results on Google and a search for MindComet returned 167,000  (http://www.marketingsherpa.com/vas2006/7.html)  12-04-08

Since its launch in June of 2005 the Blog in Space site has received over 11,000,000 unique user sessions. Traffic to the MindComet site has increased to as much as ten times its average traffic prior to site launch. The site has captured detailed profiles for nearly seven thousand bloggers and Internet surfers to date for the BlogStar Network. This campaign has allowed MindComet to create a large database of Internet savvy users for future promotions.
2. The born of Hotmail as a result of an innovative viral campaign.

In 1996, Sabeer Bhatia and Jack Smith pioneered a great new product category -- free web-based email. But many great ideas and great products have withered on the vine. Other companies may have distributed more unit volume of product than Hotmail did in their first year - especially when releasing upgrades or brand extensions to an established franchise. But for a new entrant with a new product, the challenge was more daunting, because users faced a trust decision in deciding to share their private information and email with an online entity. The user may not be certain that the end product is worth the effort. These were barriers to adoption in the subscription model. (http://hackvan.com/pub/stig/etext/viral-marketing.html 12-02-08)

The objective of the company was to attract and reach the maximum number of subscriptions and try to be the most important firm offering free e-mail service. For it, the strategy put all the expectations on the use of the pre-existing social networks of the users. Strategy consisted on stand back while people sent e-mails to their own network of friends and associates, who saw the message, signed up for their own free e-mail service, and then propelled the message still wider to their own ever-increasing circles of friends and associates.

They were trying to sell a free, secure e-mail service. This was the two fundamental characteristics. The first one was free, necessary to capture the attention of the people. And the second one was secure, because people is aware about share their private information and email with an online entity.

Their strategy was so innovative that they reached an unimaginable number of subscription in a short period of time that are giving a huge number of profits yet today, after more than ten years the idea was launched. Hotmail grew a subscriber base more rapidly than any company in the history of the world ...faster than any new online, Internet, or print publication ever and today, Hotmail is the largest email provider in the world. (http://hackvan.com/pub/stig/etext/viral-marketing.html 12-02-08)
What was the innovative idea of this viral marketing campaign?
They created a new free, secure e-mail service, and the creative idea to spread the innovation was to include at the end of the e-mails: P.S. Get your private, free email at Hotmail. “They simply added a short line of promotional text to the bottom of every email message sent via their service” (Kirby & Marsden 2006. page 91). With it, the receiver knew that the sender was a Hotmail user, and that this new free email thing seemed to work for them. Each new user became a company salesperson, and the message spreads organically.

What did they reach with this innovative campaign?
In its first 1.5 years, Hotmail signed up over 12 million subscribers, spending less than $500,000 on marketing, advertising and promotion (Kirby & Marsden, 2006). This compares to over $20 million spent on advertising and brand promotion by Juno, Hotmail’s closest competitor with a fraction of the users, demonstrates the success of the campaign (http://hackvan.com/pub/stig/etext/viral-marketing.html) 13-04-08.

A traditional print publication would hope to reach a total of 100,000 subscribers within a few years of launch. Hotmail signs up more than 150,000 subscribers every day, seven days a week (http://www.dfj.com/cgi-bin/artman/publish/steve_may00.shtml) 13-04-08.
3. Peerflix implementation of a viral campaign through the game “Peerflix Papparazzi”

Peerflix is a company that tries to create a vibrant online community where members can explore DVDs, connect and converse with others and, if they choose, re-invent their personal movie collections through trading (http://peerflix.com/ 29-04-08).

In September of 2006 the company Peerflix launched a campaign designed by POD design that was almost entirely focused on the development of a Flash based, 1st person game. The game was a simple but it was funny to play 2-3 times, which was the objective -after playing, you saw the brand’s name-. The strategy used for the agency firm, apart from the creation of the game, consisted on a strategic placement of it on blogs and message boards (entertainment, gaming, etc.) and game directories (i.e. Addicting Games.com.)

The target audience of this campaign was movie lovers between 25-40 years, because Peerflix is a network for exchanging DVDs, and so, the principal customers are people who often see movies by the net. The campaign was searching for create brand awareness. The strategy was to try that people got fun with the game, and then hope that this people, after playing it, send to their friends, family… making in this way a bigger brand awareness of the firm (http://www.marketingsherpa.com/vas2006/1.html 09-04-08).

Peerflix embarked on this project fully aware that the goal was quite broad and far reaching compared to the resources they dedicated towards the project. However, with this viral marketing campaign they really succeeded creating the brand awareness they wanted, getting even much more than the expected.
**What was the innovative idea of this viral marketing campaign?**

The creativity idea of this campaign was the game. It was really simple, but funny, which is a very important feature in a net full of users, bored of seeing always the same pages and the same information. The campaign was almost entirely focused on the development of that Flash based, 1st person game. The user was the paparazzi, and they needed to take good pictures of celebrities behaving badly. There were 5 levels in all, and users got money for taking pictures of everything from 'Nikki Sheraton's' new haircut to 'Michael Jackson'. The better the pictures the user takes, the more money they earn. Each level presents a different monetary goal the user needs to reach to make it to the next level. The final level finds the user in the halls of the 'Celebritology' centre.

**What did they reach with this innovative campaign?**

Within 90 days after launch nearly two million unique visitors played the game more than two times each - plus 5% travelled onwards to visit the main brand's site. And that's the entire point after all (http://www.womma.org/casestudy/examples/create-a-viral-campaign/paparazzi-viralmarketing-campa/ 09-04-08)

In 6 months, the campaign had had 5,568,334 visitors overall. Roughly 5% of unique visitors also visited the Peerflix.com main site. The game was played over 5 million times and named as the Top Viral Marketing Campaign of 2006 (http://www.marketingsherpa.com/vas2006/1.html)09-04-08
4. CareerBuilder implementation of the viral campaign “Monkey e-mail”

CareerBuilder.com is a company that is changing the way companies around the world recruit their most important asset: their people. It is the U.S.’s largest online job site, CareerBuilder.com put over 1.6 million jobs in front of poised job seekers wherever they are - at home or work - in print and on the Internet. Their mission is to be the global leader in online recruitment advertising by being an employee-driven, customer-focused organization (http://www.careerbuilder.com 29-04-08).

This campaign was launched by the company CareerBuilder.com by the agency “Cramer-Krasselt” on January of 2006. The main point of the campaign was a web page (it is still working) where consumers can play in an interactive form with a monkey. You can put whatever you like to the monkey, choosing the scenery, the clothes, even including and adding an own audio voice to the monkey. After, you send a silly e-card to friends, who will see the personalized monkey that you have designed and the monkey will say the text you designed. It makes the card so funny and that friend will very probably create another personalized monkey to send to some friends.

The cards are really funny, but also a really important point of the campaign was that everything's included above the fold on just one page and the user doesn’t have to click through a screen by screen process to send an e-card. The website makes all the work really easy and also when the receiver open the monkey that his friend has sent to him, after seen it, the page offers directly the possibility of create another funny monkey and send it to new friends. (http://www.careerbuilder.com/monkey-e-mail/Default.aspx?cbRecursionCnt=1&cbsid=b3f70c815cb84e4cae5507ee58e626cf262790073-JV-5) 10-04-08

The objective of the company CareerBuilder.com was set out to simply extend its popular “Working with Monkeys” TV campaign to the internet, and there were no specific target group. It was just reaching the major number of people using the page. “The seed strategy of the company started in the first week of monk-e-mail, and one email was sent to all CareerBuilder.com employees (approx 1500) and another one was
sent to all agency employees (approx 300). There were no marketing dollars spent to promote this campaign” (http://www.marketingsherpa.com/vas2006/9.html) 10-04-08

Some time after, the company continued to expand the awareness of the page in the next way: CareerBuilder.com, appeared in the Super Bowl on 2006 with an advertising with another set of ads featuring simian office workers, will steer viewers to a specially designed site offering the chance to send a “monk-e-mail”, a customized electronic greeting card featuring a monkey speaking with the sender’s voice.

What was the innovative idea of this viral marketing campaign?
This company allows consumers to send funny emails to the people by the web www.monk-e-mail.com. On this web, users can choose and accessorize one of three monkeys, and then personalize it with some funny sceneries, clothes and different accessories, and even record a message by phone for the monkey to lip-sync, or select a pre-recorded message, and then send it to their friends and co-workers. (http://www.careerbuilder.com/monk-e-mail/Default.aspx?cbRecursionCnt=1&cbsid=b3f70c815cb84e4cae5507ee58e626cf-262790073-JV-5) 10-04-08

What did they reach with this innovative campaign?
This campaign was launched on 25 January 2006, and since this date, Monk-e-mail was seen over 7 million unique visitors. Over 14 million Monk-e-mails were sent, and played only in the first two months. 7 weeks after the launch, Google returned over 84,600 results for Monk-e-Mail. The results blew them away. The first week saw more than 250,000 sessions and required linking an additional 350 phone lines to the site just to handle the record-by-phone function, which wasn't even the most popular method of creating a Monk-e-Mail message (http://www.marketingsherpa.com/vas2006/9.html) 10-04-08

The last year, the help-wanted Web site had record traffic on Super Bowl Sunday and the days immediately following, including a 50 percent boost in unique users, an impressive number for a site that averages 20 million visitors a month (http://www.msnbc.msn.com/id/10992887/) 10-04-08
5. *B*`tween Productions and the promotion of their books

**Beacon Street Girls via viral marketing campaign**

*B*tween Productions, Inc. is the developer of the series of books Beacon Street Girls® (BSG), a consumer/entertainment brand committed to the health and well being of girls between 9-13 (http://www.beaconstreetgirls.com/ 29-04-08).

In August of 2006, the company B*tween Productions by the agency Pod Design launched this campaign, which basically consisted on the launch of several games related with the series of BSG’s books. Beacon Street Girls is a series of young adult books written by Annie Bryant. Based in Brookline, Massachusetts, the stories focus around five girls who all live around in Brookline and are in the same middle school class. The girls come from varied backgrounds and all have distinct personalities. So far Annie Bryant has written 12 books for the series and 3 special adventure books. The series have been published by B*tween Productions and designed for girls aged 9-13, and typically produced following consultations with various specialists in issues for girls, and was produced as an alternative to the perceived preponderance of provocative and objectionable messages aimed at youth in culture in mind.

The objective of B*tween Productions with this viral campaign was to create a website that would be an entertaining destination for *tween girls and a trusted resource for parents. The site needed to build awareness of and familiarity with the BSG characters and, ultimately, the BSG brand. The series of interactive games was designed to bring the BSG characters and world to life, and provide an interactive, dynamic and fun environment where girls would want to get involved and share with their friends. Launch dates for each game were strategically scheduled to coincide with book releases and school holidays, times when *tweens would have more time to spend online. For making them known also they used a specialized seeding strategy, sending the games to kids clubs, online puzzle directories, and in general, almost every kids entertainment and education web sites. Top referring sites include: www.dressupgames.com, www.fashion-game.com, www.puzzles.com, yahooligans.yahoo.com, kids.aol.com, www.discoverygirls.com, www.stumbleupon.com, and www.kids.gov. Other strong referrers include search engines and email services, showing that the games and website
earned attention online and offline. Traditional media also showed interest in the website, book releases and games, and Beacon Street Girls earned coverage in a number of outlets (http://www.beaconstreetgirls.com/meet-the-beacon-street-girls) 11-04-08.

What was the innovative idea of this viral marketing campaign?
The Pod team created several new games, one appropriate for each of the primary characters' personality and designed to be viral to keep girls coming back. A diverse set of games was developed to connect with the variety of personalities represented by each character from the books.
To coincide with book releases and school holidays, they launched several games for girls, each tied to a different Beacon Street character. While the first two were mind-challenging (sigh, who wants to think during a school break!), the third game -- Katani's Fashion Frenzy -- created a forwarding frenzy. Noticing the activity, B*tween Productions switched gears and rolled out two more fashion-related games, and more are on the way.

What did they reach with this innovative campaign?
The new Beacon Street Girls website was launched on Aug. 14, 2006; the viral games were launched individually as a series from Aug. 25, 2006, through March 1, 2007, with two more games scheduled for late spring 2007.
Each launch caused surges in site traffic with an overall steady growth in daily traffic. Since launching the campaign, average monthly traffic had increased by more than 700%. Since August, the site had been viewed by more than 2.2 million people and featured on more than 2,000 websites, directories and forums. More than 90% of them had played at least one of the games spending anywhere from three to seven minutes each time. At least 70% of all entrance went to BSG pages, and membership to club increased 71% in the first eight months (http://www.marketingsherpa.com/viralawards2007/8.html) 11-04-08
B*tween Productions wins the try-and-try-again award for this Beacon Street Girls branding effort.
Analysis

Now we are going to analyse the behaviour of theory variables that we have studied before in each case, trying to see the link between the theory and the empirical data we have collected.

Innovation & creativity:
To start any viral marketing campaign, in the most of the cases, the main point will be to have a creative idea that could draw the attention of the target group. It will have to be something new, something funny, something so ‘cool’ that people would send to all their social network. “The perceived newness of the idea for the individual determines his or her reaction to it” (Rogers 1995, page 11)
Sometimes can be very difficult to find an innovated idea, something that take the attention of the users, bored to see advertisement, banners, pop-ups and spam on the net, whose will just close it if they don’t find it really interesting.
We can see how each case started with a creative idea, something that customers perceived as new and superior. Let’s see which the innovation in each case is:

- MindComet: the firm created a website that allowed via a powerful satellite, to create blogs and then show the content to readers, even in the outer space.
- Hotmail: they created a new free, secure e-mail service, and then, to spread the innovation, they included at the end of the e-mails: P.S. Get your private, free email at Hotmail
- Peerflix: they design a flash based, 1st person game where the user was a paparazzi. It was a simple game, but really funny, which was the attraction for the users.
- CareerBuilder: the company launched to the net a new website that allows sending funny e-mails, creating a personalized monkey that can even talk.
- B*tween Productions: the firm created an entertainment website for young girls where they could play several games with the characters of their BSG books.
**Social networks & target group.**

When you are designing a strategy, you must focus your campaign on a determinate target group. You have to know which part of the consumers is more appropriate for your product (Kotler 1990). Then, you have to find an interesting message for drawing their attention and choice the most appropriate communication channel to reach them. If this people see it and like it, here it comes one of the main points in the diffusion process: the social networks. In the adoption process, individuals depend mainly on the communicate experience of other much like themselves (Rogers 1995). Like the message comes from a friend, co-worker, or in general, someone similar to them, who has already adopted it; it will be easier that the receiver forward it again to his contacts. After study the different cases we can draw which was the target group of each campaign and which paper their social networks had:

- MindComet: the target group is bloggers, but bloggers imply all the social network they have, and all the daily readers that visit their blogs.

- Hotmail: the company was searching for Internet users that wanted a free, secure and personal e-mail account. They made use of the social networks adding the P.S. at the end of the sent e-mails.

- Peerflix: the firm target group was movie lovers between 25-40 years old, who’s usually watch films online. They launched the game to create brand awareness in general, hoping that between all the players, some ones could become future customers of the firm.

- CareerBuilder: As the firm objective is become the global leader in online recruitment, with this campaign the firm was searching for brand awareness in office workers that would send monk-mails to their colleagues.

- B*tween Productions: the target group of the firm are girls between 9-13, that could play the games, become members of the BSG Club and tell their friends in the school about it.

The theory says that you cannot try to reach everybody with your campaign, which you have to select a determinate group of customers that are interesting for you. However, some of these campaigns have had the strategy of reach as much people as possible knowing that many times the viral message becomes lack of control, although you create the appropriate message and choice the correct channel for your target. Following the theory this strategy is not good, but in these cases, by creating general brand awareness, at the end, the company reached a lot of people of its specific target.
**Communication channels.**

Once the firm has created an innovative idea and its target audience is identified, the firm has to think about the specific channels for reaching them. Channels of influence are of two broad types, personal and nonpersonal (Kotler 1972, Rogers 1995). At the beginning, all the viral campaigns use the mass media (concretely the Internet) as nonpersonal channel, to launch the new idea into the web. Only one of the cases uses the TV (in the CareerBuilder case), but just like a support of the main strategy focused on the net. We are going to study now which communication channels each campaign use:

- MindComet: They used the internet as the principal communication channel launching a web that allows creating blogs. By a powerful satellite they sent also the blogs’ information to the outer space, creating a ‘new communication channel’.

- Hotmail. The communication channel is the internet and specifically the e-mails, because they reached the diffusion by sending e-mails.

- Peerflic: This company also uses the net as channel. Concretely, their seeding strategy consisted of strategic placement of the game on blogs of entertainment and gaming, and game directories as AddictingGames.com.

- CareerBuilder: The principal communication channel they use is the internet, where they created a site that allows to send greeting cards. They also supported the campaign appearing in the Super Bowl with some advertisements.

- B*tween Productions: as well, the communication channel is the internet, because the campaign was the creation of an entertainment website for girls.

After the companies have launched the idea with this communication channels (nonpersonal), the companies stand back while personal channels make their work. After seeing the message, people will communicate to their own network of friends and associates, whose will see the message, and then propel it to their own ever-increasing circles of friends and associates. This is the known word-of mouth influence, and it is very effective persuading the individuals (Kotler 1972, Rogers 1995), because the personal channel links individuals who are similar in socio-economic status, education or other important ways.
Time & feedback reached

Timing is a very important concept in the diffusion of an innovation (Rogers 1995), and much more if you have the internet as the first communication channel. Internet has changed all the concepts of distance and time; it has changed the communication processes, making them easier and quicker. In that way, the need for speed has become a goal for companies throughout the economy (Hanson 2000). Firms have to be quick and choice the correct moment to launch their campaigns, being sure that it is really something new, because if you are not the first one all the efforts will be a waste of time.

After the firm have chosen the right moment and launched the campaign to the net, they will have to wait that people see the message and hope they like it and extend it over their social networks, measuring finally the feedback obtain with the campaign. These were the timings and the feedbacks reached with each campaign:

- **MindComet:** Within 6 hours of launch, reporters were calling for phone interviews; within 24 hours MindComet was on television. In only 48 hours BlogInSpace.com registered 1,093 bloggers from 54 countries in 18 different languages. In total, one week after launch was an astounding 147,826 sessions. Since its launch in June of 2005 the Blog in Space site has received over 11,000,000 unique user sessions.

- **Hotmail:** In its first 1.5 years, Hotmail signed up over 12 million subscribers. Hotmail signs up more than 150,000 subscribers every day, seven days a week.

- **Peerflix:** They launched the campaign in September 2006 and within 90 days nearly two million unique visitors played the game. In 6 months, the campaign had had 5,568,334 visitors overall.

- **CareerBuilder:** This campaign was launched on 25 January 2006, and since this date, over 14 million Monk-e-mails were sent in the first two months. Now, after their appearance on Super Bowl the site is averaging 20 million visitors a month.

- **B*tween Productions:** The new website was launched on August 2006 and the viral games were launched individually, scheduling the launch dates strategically to coincide with book releases and school holidays. The site had been viewed by more than 2.2 million people. More than 90% of them played the games and membership club increased 71% in the first eight months.
Conclusion

The purpose of this paper consist of provide an explanation of how multinational companies are implementing viral marketing campaigns, trying to see the steps that a company has to follow to create and diffuse successfully an innovative idea via viral marketing. After make the empirical study of the implementation of these viral campaigns by these United States multinational companies, and make the analysis linking them with the theoretical model, we have seen the common points that they followed in their strategies to create and diffuse successfully innovative ideas.

The first point for any company that wants to create a viral campaign will be developing a creative idea that the company could deliver and put it in some way in the internet. It will have to offer benefits that customers perceive as new and superior; it has to be something funny, something so ‘cool’ that people would send to all their social network. However, you can have a creative idea but you fail in the final result, because the idea is not enough to be successful and you will have to pay attention to all the other variables to make a good strategy and reach the message’s diffusion desired.

A second point designing any marketing strategy is to segment the market and choice a target group interesting for the company products. It happens the same if you make viral, the firm will have to think on which is the target group that they want to penetrate with the campaign, for design and choice the most appropriate techniques to reach them. However, we have seen how many times, the viral process become ‘lack of control’ reaching not only the desired target of the company, which is one of the biggest disadvantages of the viral strategies.

Once this two first concepts are clear, the company will have to study which are the tools that the Internet offers that could attain better this target, by showing in the best way the creative message. This tools can be: videos on youtube, greeting cards, games, new web-sites, e-mails,… that the firm will strategically put on search-engines (as Google, yahoo or msn), sponsored links, blogs and in general, web-sites that their target group use to visit. The marketer could supplement this Internet communication channel
strategies with some advertisements in other mass communication media as TV or radio, which could help to the diffusion of the message.

Finally, the last point the company must pay attention is the time, because they should find which is the most appropriate moment to launch the campaign.

These are the main points that a company should study carefully before launch a viral campaign. Once they launch it to the net, the company will just have to wait that people see it, like it and spread it through their social networks.
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APPENDIX

Data collection process.

For the study we have selected some companies that have been successful using viral campaigns in the last years. Although when we started to study the viral marketing issue, we wanted to compare not only the successful campaigns, it has been impossible for us to collect data about viral campaigns that have failed, because if the campaign failed, it was just because people didn’t pay attention, and it hadn’t got transcendence. In that way there is not news or information about these campaigns.

The process we followed was first to search in news’ webpages for viral campaigns, using for that key words as: ‘viral marketing’, ‘word-of-mouth’, ‘viral advertisement’, ‘viral campaigns’,…. After seeing the results that the pages gave us, we found a lot of news about so many different successful campaigns of the last years.

We chose the ones we found more interesting trying also to get examples of different ways of make viral marketing (new webpage, e-mail, game, greeting card) with the purpose of get a global view of how does it work.

After the cases selection, we had at least the name of the company or the name of the viral campaign, so the next step was to find more information about them. The process consisted on put as key words in search engines as Google or Msn, these company names combined with the word viral, as well as directly the name of the specific campaign. Usually with this search engines you can find information about almost everything, but some times it happened to us that some interesting cases that appeared in the news and we thought could be good examples, later it was impossible to collect enough information and get complete data of the case. However in the most of the cases it was possible to collect a lot of information about.

The next step after this was to organize this collected data, deleting the irrelevant information and mixing the interesting one.

Finally we have to say that during all the process we checked for aspects we didn’t understand well or points that were not clear in the data, using again the search engines to see more information about.