



Evaluating Effectiveness of “Internet Marketing” Techniques with special reference to Viral Marketing

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Abstract: Internet marketing has evolved into a major marketing branch for many existing companies. Many new enterprises see the effectiveness and advantages of electronic business by not being limited by time and distance when engaging in business activity. The opportunities to do business worldwide with the click of mouse are enormous and enticing. The skyrocketing success of Hotmail.com has shaken the Internet marketing world encouraging entrepreneur to develop marketing concepts and to convince capital venture companies to finance them. Despite promising innovative products, many start-ups disappeared as quickly as they had appeared. Something fundamentally had gone wrong. The Internet has brought many unique benefits to marketing, one of which being lower costs for the distribution of information and media to a global audience. The interactive nature of Internet marketing, both in terms of providing instant response and eliciting responses, is a unique quality of the medium. Internet marketing is sometimes considered to have a broader scope because it refers to digital media such as the Internet, e-mail and wireless media; however, Internet marketing also includes management of digital customer data and electronic consumer relationship management (ECRM) systems.

Keywords: Viral Marketing, Internet Marketing, Permission Marketing, CRM

I. INTRODUCTION

A survey of leading US advertising executives questioned about advertising's future (Ducoffe *et al.*, 1996) found that the most important factor for the future of advertising was “new media technologies” (e.g. the Internet and the World Wide Web). Corporate Web sites serve a variety of purposes such as direct selling, projecting corporate image, providing product information, generating qualified leads, dispensing electronic coupons, and handling a variety of post purchase tasks (Berthon *et al.*, 1996; Hoffman and Novak, 1996). Viral marketing can be understood as a communication and distribution concept that relies on customers to transmit digital products via electronic mail to other potential customers in their social sphere and to animate these contacts to also transmit the products. (Helm 2000). Viral marketing has become the defining marketing trend of the decade. Brands big and small launch viral videos via YouTube, post new product information on their MySpace pages, court the blogosphere and send forth armies of evangelists to spread the gospel by word-of-mouth (WOM).

II. OBJECTIVE OF THE STUDY

With the advent of new millennium there is a change in business environment where the 4Ps of marketing are more or less similar and only relationship with the customer matters. The objective of the project is:-

- Discuss various dimensions of internet marketing campaigns with respect to viral and permission based marketing
- Rank the various mediums of internet marketing mediums in terms of various parameters
- Determine the effectiveness of various factors affecting the most in viral and permission based marketing campaigns

III. LITERATURE REVIEW

Attracting consumers to a marketer Web site is critical to the effectiveness of Web presence and longer visits are a possible measure of success of these Web sites (Hoffman and Novak, 1996). Since marketers are interested in consumers' longer visits at their Web sites, it becomes important to examine the factors that influence the behavior towards Internet marketing. The term “Viral Marketing” was coined by a Harvard Business School professor, Jeffrey Ray port, in December 1996 articles for Fast Company the Virus of Marketing. The term was further popularized by Tim Draper and Steve Jurvetson of the venture capital firm Draper Fisher Jurvetson in 1997 to describe Hotmail's e-mail practice of appending advertising for itself in outgoing mail from their users. According to Juvertson (2000, pp. 1-2), they defined the term simply as “network-enhanced word-of-mouth”.

However, the literature contains a variety of terminology used to explain what viral marketing is.

According to Vilpponen et al. (2006, p. 72), some of the terminology used to describe electronic WoM includes “Interactive Marketing” (Blattberg and Deighton, 1991), “Internet word-of-mouth” and “word-of-mouth” (Goldenberg et al., 2001), “stealth marketing” (Kaikati and Kaikati, 2004) and “referral marketing” (De Bruyn and Lilien, 2004). Thomas (2004) tries to unify these ideas in the term “buzz marketing”. He refers to the generation of marketing epidemics by concentrating on value added propositions.

Richardson and Domingos (2002) trusted ‘Epinions’ reviewer network to construct an algorithm to maximize viral marketing efficiency assuming that individuals’ probability of purchasing a product depends on the opinions on the trusted peers in their network. Kempe, Kleinberg and Tardos (2003) evaluate the efficiency of several algorithms for maximizing cascades given various models of adoption. While these models address the question of maximizing the spread of influence in a network, they are based on assumed rather than measured influence effects.

Research by Pruden and Vavra (2004) indicates that above-the-line media are the most effective way of creating awareness in many markets. They also demonstrate that WoM is the highest ranked technique used by consumers to not only gather information but also to make purchasing decisions. Davis et al. (1979) found that consumers rely more heavily on WoM for purchase decisions, especially for services, than any other form of communication. This is an important aspect, as the distinction between services and products can be a critical factor in the decision making process. Cruz and Fill (2008) evaluated the effectiveness of various viral marketing campaigns through structured framework in which two forms of viral marketing were identified- “random” and “placed virals”.

Permission based marketing is believed to have been developed by Seth Godin (1999) popularized the use of opt-in e-mail, suggesting that obtaining consumer permission to receive customized advertising material via e-mail—permission marketing—improved segmentation, and targeting precision, thereby cutting through advertising clutter. (United Messaging, 2001).

Sheth, Sisodia and Sharma (2000) have proposed the concept of customer-centric marketing, which includes what they call co-creation marketing. Co-creation marketing envisions a system where marketers and consumers participate in shaping the marketing mix. In the authors’ own words, “Co-creation marketing enables and empowers customers to aid in product creation (e.g., Gateway computers), pricing (e.g., priceline.com), distribution and fulfillment (e.g., GAP store or GAP online delivered to the house), and communication (e-mail systems)”(Sheth, Sisodia & Sharma 2000, p. 62). Hence, permission marketing can be viewed as focusing on the communication aspect of a larger concept called co-creation marketing.

IV. RESEARCH METHODOLOGY

The research methodology was divided into two stages which involve two sources for collecting the data in order to achieve the objective of project.Exploratory and descriptive research has been used majorly for conducting research.

A. The first source involves collecting data from secondary sources. Various secondary sources are used in

order to determine the concepts, classification, factors and applications of viral marketing and permission based marketing. Various secondary sources for collecting information are websites, journals, online databases etc. The second source for collecting information in order to determine the effectiveness parameters of viral and permission based marketing are through survey throughout Delhi/NCR region. In planning and designing a specific research project it is necessary to anticipate all the steps that must be under taken if the project is to be successful in collecting valid and reliable information. If it were broken down into very small parts .We will use structured Questionnaire from urban internet users as a primary data collection and online databases, journals and surveys for secondary data collection. Personal interviews and E-Mails is being used for contact method. Sample size is 150 and sample area is NCR.

FINDINGS AND ANALYSIS DEMOGRAPHIC DATA

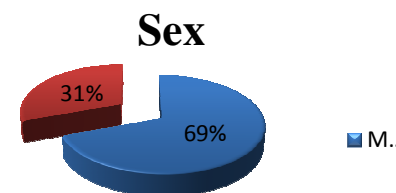


Figure: 3

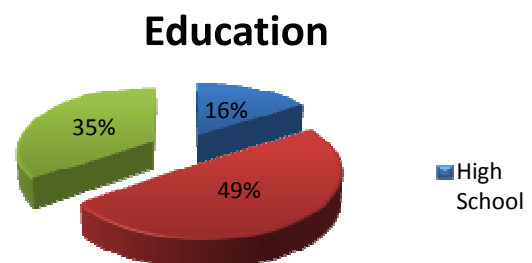


Figure: 4

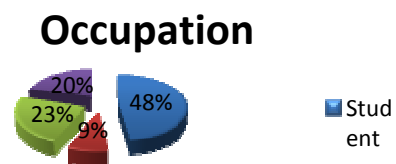


Figure 5

Table I (a). Gender

MALE	69%
FEMALE	31%

Table I (b): Age

18-24 years	50%
25-30 years	16%
31-36 years	11%
37-45 years	10%
Above 45 years	13%

Table I(c): Education

High School	16%
Graduate	49%
Post Graduate	35%

Table (d): Occupation

Students	48%
Housewife	9%
Self Employed	23%
Service	20%

Table 1 shows demographic information of respondents in terms of gender, Age, Education and Occupation. As it is clear from the table that 69% of respondents are male while 31% are female. As far as the age group is concerned with 50% of respondents are young students in the age group of 18-24% and subsequently merely 13% respondents belong to 45+ year's age group. The researcher has found descriptive details about education segmentation as well. Out of all respondents 16% belong to high school pass outs while 49% of the respondents are Graduate. 35% of respondents are post graduates. Researcher reveals that students are the biggest segment behind this entire study with a weightage of 48%, while 9 % of total respondents are house wives. 23 % are self employed and 20% of the total populations belong to service class.

TABLE II. Average rating score of respondents towards Viral Marketing

	Text	Video	Picture	Advert game
E-MAILS	3.1	1.7	2.8	1.9
MOBILES	2.6	2.5	1.8	2.1
WEBSITES	2.7	2.8	2.2	1.7
WEB BLOGS	1.6	2.3	1.9	1.3

Table 2 shows Average rating score of respondents towards the viral marketing .Responses were measured on 4 point rating scale where 4 –very good, 3-good, 2-bad, 1-very bad. Furthermore, Four tools of viral marketing (E-mails, mobiles, Websites, Web blogs) were taken .These four tools of viral marketing were measured on parameters such as text, video, pictures and advert games individually.

Description

As it is clear from table that emails were found to be very good viral marketing tool on text followed by pictures, but they were found bad on advert games and videos. Further research indicates that websites and mobiles did average on text, while mobiles were found bad on advert games and websites were found to be quiet bad with advert games. Further description states that the utility of web blogs was average with video while either bad or very bad with other tools.

V. CONCLUSION

Our questionnaire denotes the various parameters which impact the people perception towards various internet marketing campaigns with reference to viral and permission based marketing. This analysis also shows, the loading of different variables into different components, which is very useful to relate the different variables to different component.

VI. REFERENCES

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Appendix A

OPINION SURVEY

This is an opinion survey regarding evaluation of online marketing campaigns –viral marketing and permission based marketing

Name.....

Sex ☐ Male ☐ Female

Age

☐ 18-24 ☐ 25-30 ☐ 31-36 ☐ 37-45 ☐ Above 45

Education

☐ Class XII ☐ Graduate ☐ Post Graduate

Occupation

☐ Student ☐ House-wife ☐ Self-employed ☐ Service

How would you classify Viral Marketing and permission Marketing Communications. Rank (1-Highest 4-Lowest) accordingly.

	Text	Video	Picture	Advert-Game
E-Mails				
Mobiles				
Websites				
Web Blogs				