



# Controlled infection! Spreading the brand message through viral marketing<sup>☆</sup>

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## KEYWORDS

Electronic communication;  
Marketing

**Abstract** Viral marketing uses electronic communications to trigger brand messages throughout a widespread network of buyers. The process is often portrayed as a random ground-up phenomenon over which marketers have little control. But an examination of successful viral marketing cases identifies a number of strategies underpinning this chaotic phenomenon, providing insight into how marketers can use it to position their brands, change their image, and increase adoption rates. Successful viral marketing campaigns are comprised of an engaging message that involves imagination, fun and intrigue, encourages ease of use and visibility, targets credible sources, and leverages combinations of technology.

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## 1. Introduction

More than ever, time is of the essence for marketers. Consider the situation facing the movie industry: three years ago, movie moguls complained of the dramatic decline in receipts following the opening weekend of blockbuster films. In an effort to combat this phenomenon, film marketers would often boost marketing expenditures in the week leading up to release in an effort to ensure that as many people as

possible saw the movie during opening weekend before negative word-of-mouth could spread. For instance, after realizing the true dreadfulness of its film *Godzilla*, Sony Pictures raised its advertising budget to \$50 million, opened the film on a record 7363 screens, and almost broke even.

Now the widespread use of SMS technology has even narrowed this small window of time. SMS is a short message no longer than 160 characters of text sent by one user to another, most commonly via a mobile phone. Coupled with a phenomenon known as “viral marketing,” the technology creates a positive or negative buzz around a brand, product, or service. “The instant buzz can be cruel,” notes Huck (2003), page 2. “Traditionally, Hollywood counts on a buffer—a few days—to entice audiences before the word, good or bad, leaks out. Nowadays a turkey like...*Gigli* is stricken from day one.”

<sup>☆</sup> This manuscript was accepted under the editorship of Dennis W. Organ.

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Why has this time period contracted? Consumers are reported to be text messaging their friends halfway through a movie to tell them whether or not it is any good. The word is then transmitted quickly around a wide network of peers and extended on to a wider audience via online chat groups. The result is that movies often have dramatic drop-offs between the opening session and the rest of the weekend despite saturation-level marketing (the average film costs \$63 million to make and market). *The Hulk* took in \$62 million in its opening weekend, plummeting 69.7% by the end of the week. *2 Fast 2 Furious* earned \$50.4 million at opening before dropping 63%. *Charlie's Angels: Full Throttle* took in \$37 million, then spiralled downward 62.8%. This fundamentally changes the game for marketers, reducing the potential payback window to a few hours and dramatically raising the risk associated with marketing expenditure to ensure widespread product trial or adoption.

Marketers have given this phenomenon several names; besides “viral marketing” and “buzz,” there is also “reaching the tipping point” and “convergence marketing,” all of which refer to a very specific type of word-of-mouth communication about a brand or product that leads to explosive self-generating demand—or ruin. As Rosen (2001), page 7, puts it, “It’s the aggregate of all person-to-person communication about a particular product, service, or company at any point in time.” However, until now, authors have either identified this phenomenon as the stuff of marketing legend or confused it with other marketing tools. They think of it as standard public relations or sponsorship activities, such as product placement in films or the paid adoption of a product by high-profile stars. They have linked it to standard adoption and diffusion models, such as the adoption of *Absolut* vodka as a gay icon providing the credibility to diffuse the product into the wider community.

Rather than considering viral marketing as little more than a random ground-up phenomenon that is largely out of their control, marketers are actively using it to encourage product adoption and word-of-mouth referral. Such an approach dramatically lowers the cost of promotion and boosts the speed of adoption, a critical concern for new product launches. The low-budget New Zealand film *Whale Rider* used this technique to its advantage, opening at a few select cinemas and going to a wider audience via positive word-of-mouth. Hence, we examine this phenomenon of viral marketing and identify some key components marketers can use to attract consumer interest. In contrast to other writers in this area, we are interested in products

or services that want to capture the mass market rather than creating buzz around a limited edition product.

Viral marketing can be defined as making email into a form of advocacy or word-of-mouth referral endorsement from one client to other prospective clients. From a practical perspective, it is a strategy whereby people forward the message to other people on their email lists or tie advertisements into or at the end of messages. From a marketing perspective, it is the process of encouraging individuals to pass along favourable or compelling marketing information they receive in a hypermedia environment: information that is favourable or compelling either by design or by accident.

This type of marketing phenomenon is a form of emergent behaviour, which Johnson (2001), page 18, defines as “the movement from lower level rules to higher level sophistication.” Thus, brand communication, meaning, and adoption occur from the ground up, primarily in the hands of consumers rather than marketers. Like much emergent behaviour in nature, small low-level events, such as the interactions between a few consumers, can give rise to higher-level intensity, such as the development of brand communities like Harley Davidson and shared brand meaning à la Star Trek. It can also affect the ability to position a product and may ultimately decide the fate of a brand, product, or company.

Why do firms need a viral marketing strategy? How can they understand the power of emergent events? The case of Honda UK and other successful case studies can serve to illustrate some key themes of executing a viral marketing campaign and developing these strategies.

## 2. Why firms need to manage this phenomenon

Viral marketing offers three main advantages to a firm. First, it incurs very little expense since the individual passing on the referral carries the cost of forwarding the brand message. Second, the act of forwarding electronic messages containing advertising is voluntary rather than a paid testimonial or a mass ad campaign and thus may be viewed more favourably by the recipient. Third, those forwarding the messages will be more likely to know which of their friends, family members, and work colleagues have similar interests and thus more likely to read the message, hence, more effective targeting. Here, the term “interests” refers not only to the narrow sense of just the product or

service but also includes the way the message is presented, such as the humour, the artwork, or the medium itself.

According to [Dye \(2000\)](#), McKinsey estimates that 67% of all goods and services in the United States is affected by buzz. Technological changes such as PC networking, SMS technology, and greater bandwidth are also leading to more networking and word-of-mouth opportunities. Rising disposable incomes mean that potentially more people can get caught up in the hype generated by viral marketing. Websites such as *Epinions*, devoted exclusively to passing on opinions about products and services, can spread negative or positive word-of-mouth about products, meaning that, at the very least, marketers need a strategy that considers the potential effects such consumer-led sites can have on their brand's position.

### 3. Honda UK: Revitalizing the brand through viral marketing

A few years ago in the United Kingdom, Honda took a look at its 3% market share and realized the brand needed to communicate clearly that “a car is not a car.” The company understood that consumers never realize much of what goes into making a Honda car: the number of parts, their coordination, and the precision engineering that makes this coordination possible. The question was how to create a good market position without following traditional communication formats and themes. Scenes of cars cornering masterfully or braking gracefully were commonplace, thus blurring the distinction between brands and the criteria on which they strive to be evaluated.

In 2001, Honda UK appointed Wieden and Kenney, an advertising agency strongly focused on developing innovative and interesting ways to express an idea (often referred to as “the creative”), to find a way to communicate the intricacy and excellence of its automotive products. However, it was not enough to have a “wow” factor in the advertisements; Honda sought a unique way to transmit the message to potential consumers, influencers, and those who would aspire to the brand, making consumers the instruments of advocacy. The choice of a highly creative advertisement with a unique delivery needed to convey that the purchase of a car is a complex decision, carrying with it perceived risks at financial, social, and functional levels. The campaign also needed to connect with those who might influence the purchase decision, such as family, friends, work colleagues, and even the local mechanic, in order

to gain brand support. In other words, the ad had to be really good to cut through the clutter, encourage a favourable attitude toward the brand, and encourage consumers not only to buy but to talk as well.

The result of the creative effort was an ad known as “The Cog” that featured hundreds of individual pieces of a new Honda Accord connecting with each other as though they were a big tumbling domino display. The ad was initially launched on UK television at the first commercial break of the Brazilian Formula 1 Grand Prix on April 6, 2003: timed to reach those who could appreciate and marvel at the complexity of the car through the precision of the Rube Goldberg-like component setup. The ad ran the full 2-min length allotment, and wherever Formula 1 fans gathered to watch the event in the UK, brought the room to a standstill.

Coinciding with the television launch, the “creative” was also made available on the Honda website, where those fascinated by it could download it to watch over and over. Such was the amount of interest that many shared the ad with friends and began emailing it around the world. Thus began the viral marketing campaign of The Honda Cog. In using viral marketing as part of the message delivery, Honda was able to spread its message further than traditional media would allow within the UK. The result? In the UK, Honda attributed record-breaking sales in the first quarter of 2004 in part to the dramatic increase in brand awareness from The Cog ad ([Honda, 2004](#)).

Given the nature of the Internet, the unintended consequence of this viral campaign was the spread of communication beyond the UK. In America, where the cost of running a 2-min ad on national television is substantial or even prohibitive, it was reported that the ad was widely viewed over the Internet, with hits to the US website quadrupling to 55,000 a week and brochure requests tripling. Visits to Honda dealerships rose from an average of 3500 to 3700 per month, with 22% of these resulting in the purchase of a Honda, compared to 19% before the campaign ([American International Automobile Dealers, 2004](#)). Three months after first running in the UK, The Cog was screened on Australian television, sparking a renewed spread of the ad across the Internet. Senders emailing the ad to friends and colleagues added their stamp of approval to the Honda brand. In cases where a recipient had recently purchased a Honda, receipt of the ad could be seen as the sender's approval of the brand choice, reinforcing that the consumer had, indeed, made the right choice in purchasing a car with such quality precision parts.

In summary, Honda's viral marketing campaign contained five important elements:

- (1) It built in aspects of fun and wonder into the message, providing a point of interest for consumers to engage with the brand and talk about it with others.
- (2) It ran the ad at the right time, gaining maximum leverage with a broad base of consumers.
- (3) It leveraged technology by spreading the message using multiple forms of media, including television advertising and Web-based messages, enabling The Cog to cross between word-of-mouth and traditional media (the ad was often discussed on television chat shows).
- (4) It encouraged voluntary word-of-mouth support, thereby increasing the effectiveness of the message and the number of people who heard about it (potentially creating an audience that would then look out for the ad or search the Web for it).
- (5) It was tied to a visible brand that provided a real world link between the brand message and the tangible product.

#### 4. Making viral marketing work for you: The message

A key part of viral marketing success is the development of an engaging campaign that encourages consumers to pass the message along. This is especially important in light of online consumers becoming more and more concerned about spamming their friends' email accounts. The successful campaigns described below engaged potential viral marketers in a number of ways, including using a fun angle, interactivity, and rewards. Scope mouthwash, for example, designed a customized animated kiss that was electronically mailed to its current customers to tie in with the promotional slogan that "Scope brings people kissably close." The customers could forward the e-kiss to family and friends, with tracking technology revealing that most of them did so.

The De Beers website allowed visitors the opportunity to design their own rings and then forward the designs on to friends or family. The site was so compelling that visitors wanted to share it with others. When Procter and Gamble launched its new shampoo, Physique, online, visitors who referred the website ad to 10 friends won a travel-sized styling spray and were entered into a competition to win a year's supply of shampoo. This promotion generated two million referrals and

made the Physique launch the most successful new shampoo launch in the United States.

A prime example of Internet word-of-mouth referrals or viral marketing is *The Blair Witch Project*, released in 2001. Although the movie lacked a sizable promotional or marketing budget, interest in its storyline was generated through online marketing under the premise that the movie depicted the true story of three student filmmakers who disappeared somewhere in the Maryland woods while attempting to film their own story of the Blair Witch and whose missing footage was found 1 year later. To support the "truthfulness" claim, the movie's creators provided a website with "evidence" from the case, including sheriff's reports, photographs, and details of the Blair Witch. Other supporting documentation included a comic book and chat sites incorporated in the 12-month lead-up to the movie's launch. A friend of someone who worked in the industry allegedly copied previews of the movie that were posted on the Web prior to the film's release. Before the movie even opened, it had inspired more than 20 fan sites, a mailing list, an online chat room, and positive reviews on a number of review sites including "Ain't It Cool News." All this viral hype helped develop the \$30,000 film into a \$150 million blockbuster.

Engaging messages get passed on. But what makes a message engaging? It would appear that consumers are encouraged to spread these marketing messages voluntarily if the messages:

- (1) capture the imagination by being fun or intriguing,
- (2) are attached to a product that is easy to use or highly visible,
- (3) are well targeted,
- (4) are associated with a credible source, and
- (5) combine technologies.

##### 4.1. Capturing the imagination

Fun is a vital part of any viral marketing campaign. The amount of noise in the market can make it difficult for consumers to evaluate a product, particularly in the brand-conscious, brand-visible personal audio devices arena. Sony competes against brands such as Panasonic, TEAC, and Philips, each with extensive product ranges and each seeking to attract the consumer to their product. This being the case, Sony not only needs to have its products in the forefront of consumers' minds, but also needs to mean something to these consumers, i.e., to be associated with their perspective on life. In 2003, Sony launched a viral marketing campaign

for its Atrac CD Walkman and the Net MD Walkman, using humour through music in out-of-character situations. The viral element of this site is the “email a friend” button. A site visitor who finds the content amusing enough will forward the site to friends and thus spread the message of Sony’s new product to potential new customers.

The film often quoted as pioneering the use of viral marketing to a level sophisticated and complex enough to capture the imagination of consumers was Spielberg’s *A.I.*, which stands for “Artificial Intelligence.” Promotion for the film commenced in mid-March 2001, three and a half months prior to its June 29 release, and worked on the premise that science fiction fans are curious and inquisitive, looking for new bits of information on what a future world might be like. The challenge for the marketers of *A.I.* was to entice potential viewers with something that provoked curiosity and encouraged them to seek and share information. What bait could be laid that would not seem deliberate but would require more than a cursory glance to understand? It had to be a piece of bait that, once found, would have the curious following a trail that led them to engage in one of the strongest forms of marketing communication: positive word-of-mouth.

The media firm Three Mountains Group, which developed the campaign for *A.I.*, provided one simple and subtle clue in March 2001. In the small print at the bottom of the film’s initial promotional poster was a credit for Jeanine Salla, “sentient machine therapist.” What does a sentient machine therapist do? Curious fans typed Jeanine Salla into Google and the game began. The initial website they found led to other sites and through a maze of clues, immersing science fiction fans in a murder mystery set in the year 2122.

Given the target audience, clues could not be too obvious. They required some thought on the part of consumers who might also share ideas with others to determine the next step in seeking clues. Even more challenging was the realization that not all the clues were in the various sites; some were embedded in other media such as television, billboards, and posters. By moving the required information beyond the Internet, different players in the game often needed the assistance of others to spot clues in order to help solve the crime.

Keeping the players engaged required an output that ranged from the simple to the complex, from the expected to the unexpected. Initially, 13 sites were the domain of the clue hunters; the clues were relatively static but enticing enough to have players dig deeper into the sites, seeking out possible connection points to other sites and more

clues. By June 29, when the film hit theatres, there were between 30 and 40 different sites, many graphically interactive. Interaction with the sites often gave rise to unexpected outcomes for players, including emails from characters in the film and prerecorded voicemail messages from robots directing them to new clues. The campaign progressively required more time engagement.

The success of the *A.I.* promotion, which went on to win viral marketing campaign awards from Ad News and Create Online Magazine, can be attributed to the way in which potential consumers built a bond between themselves and the forthcoming film. More important, information about the film spread through an audience that was most likely to see it. By the time the movie was released, more than a million users had engaged in more than 3,000,000 sessions, with 28% of them remaining online longer than half an hour. *A.I.* was the number one film at its opening, grossing just under \$30 million initially and going on to gross \$236 million worldwide against a production budget of \$90 million. These numbers are impressive, given the mediocre reviews the film received in traditional media outlets ([The Numbers, 2004](#)).

#### 4.2. Visible, easy-to-use products

Dye identifies a number of aspects of products most susceptible to the buzz phenomenon, including unique products (such as collapsible scooters), highly visible products (Gucci baguette bags, Palm Pilots), and products that are naturally susceptible to word-of-mouth discussion (Viagra). Central to the success of these campaigns is one or more of the following: their entry timing (early), their visibility, or the simplicity of the idea. The Honda Cog example broke a complex idea into a simple engaging one: each car component forming part of an elaborate domino-type setup.

Another example is Hotmail, which attached a clickable URL to every outbound message sent by a user. The result was that every customer became the vehicle through which other potential customers found out about the service. Not only did potential customers become aware of the company, but the receipt of a Hotmail email also provided a simple and immediate opportunity to access the service. Through this form of marketing, Hotmail went from 0 to 12 million customers globally in 18 months; a staggering launch.

#### 4.3. Targeting the right

The influence and, in some cases, the power of reference groups or opinion leaders in individual

decision-making is significant. Having the consumer bypass further external information searches means that any potential competitors are knocked out of the decision process. For example, by seeding information in a diverse range of media, the *A.I.* viral campaign led some participants to seek the help of others in finding clues. Such acts extended the campaign beyond the simple form of electronic word-of-mouth to a more complex objective of building a reference group for the film. It might even be suggested that within the subculture of science fiction fans, there was another subculture that traded information on *A.I.*; experts on the film, if you will.

Thus, from a marketing perspective, this phenomenon highlights an extended target market. The first group of clients or customers actively telling others about the product or service are the primary word-of-mouth providers; possibly, opinion leaders. However, with *A.I.*, they did more than just tell others; they encouraged them to participate in the game and to be involved, thereby tying these potential moviegoers more firmly to the film than any traditional advertising program might have done.

#### 4.4. Credible sources

The greatest strength of the common referral is that it is believable. Such campaigns as those discussed above are easily possible in the viral domain. Marketers can identify opinion leaders in a target segment and provide them with incentives to network the message throughout the segment. Unaware of the marketer's involvement, the consumer would likely regard the message favourably, given the credibility of the source. In order for word-of-mouth to be effective, the sender and the receiver need to perceive the value in the information. For example, the value of the information in the *A.I.* case lay both in the information content and the difficulty in acquiring it. As a result, the roles and perceived importance of members in the reference group were likely to change as members acquired and traded information. Thus, in order to fulfil their roles in their groups, members perceive information as the necessary item to possess. Not all information will be perceived as valuable, and marketers will need to bypass consumer resistance to electronically sent marketer information.

For Sony, the increasingly competitive product category in which it operates requires some lateral thinking in marketing. Viral marketing is one tool that can be used to connect consumers with the

range of Sony products, from consumer to business computers, professional recording devices to data management systems. In many categories, more than a hundred new products can be released on the market within a year. In the individual consumer category, there are products for home entertainment, the car, camera, personal audio devices, and personal management devices. Each category operates in a competitive market environment, both in terms of the number of competitors, the available channels of distribution, and the amount and type of communication transmitted to the consumer.

So how do Sony marketers get their brand and products above the competition and into the hands of customers? Through viral marketing that bypasses consumer resistance to direct communication with engaging and believable promotions. One example is that of an electronic form Sony Ericsson used for the launch of its *T68i* mobile telephone with camera. Sony Ericsson spent \$5 million on a campaign that, in part, used 120 actors who frequented popular tourist locations or fashionable bars and nightclubs in New York. The actors would identify people from the desired target segment, approach them, and ask them to take their pictures, with the objective of the campaign being getting the product into the hands of potential customers, having them experience its ease of use, and encouraging them to ask questions about it. Despite tactical success, Sony Ericsson was criticized by consumer groups on the ethics of the campaign, since the actors did not identify themselves as paid representatives of the company.

#### 4.5. Leveraging combinations of technology

The companies in our examples have also leveraged a combination of technologies to "spread the virus." Many use SMS text messaging. One estimation of the overwhelming popularity of this form of communication suggests that 200 billion SMS messages per month were exchanged between mobile phones around the world at the end of 2002. Cheaper than calling and simple to send, these messages require no additional software and are particularly effective in targeting teens. In Japan, teenage consumers have become so adept at communicating via SMS messages that they have created a "thumb culture" due to their ability to speedily "thumb out" a message on the phone's keyboard. One Australian commentator even went so far as to suggest that there will be evolutionary changes toward longer right or left thumbs of today's preteens due to the popularity of text messaging.

An example of an SMS campaign was that of Heineken, which linked an SMS promotion with the British pub tradition of playing quiz games. Heineken combined both online and offline promotions through point-of-sale signs in pubs, inviting customers to call from their mobile phones, type in the wordplay, and receive a series of multiple-choice questions to answer. Food and beverage prizes were awarded for correct answers. From a promotional perspective, the idea was successful as customers told others what they were doing, prompting them to call in too. Twenty percent of the entrants won prizes, and sellers and pub owners found themselves a hook.

Pepsi used a successful viral marketing approach to connect the right target segment with its brand. In 2001, Pepsi became a key sponsor of the inaugural Soul Beach Music Festival in Miami, Florida. Traditionally, sponsorship relies on the placement of the sponsor's logo on posters, tickets, T-shirts, and signs at various events. Although the brand may be placed in the awareness set, the effect provides little opportunity to move the consumer farther down the decision-making process. Pepsi took a different direction: in conjunction with Ember Media, it developed a campaign in which patrons at the festival had their photographs taken and were then given a DigiCard that contained a range of multimedia, including a screen-saver, video, audio, and self-contained email software. The DigiCard was both a reminder of the photograph taken and a vehicle that led participants to the Pepsi site to collect their photographs. For Pepsi, the value of the Soul Beach sponsorship was the ability to link its brand directly to an exciting event and the personal experiences of thousands of participants who then emailed their photographs (and the Pepsi brand) to friends and family around the corner or around the world.

## 5. A final caution

If consumers believe their right to vet marketing information is being subverted, the backlash may hurt the product or brand. Consumers may also feel they are being exploited by viral marketing campaigns. *The Blair Witch Project*, a widely used example of successful viral marketing, has been the subject of debates over the nature of the campaign and whether the "fan"-generated com-

ments and websites were really from fans or from the movie company. Suggestions that friends of the film's makers and/or the studio had been encouraged to post the information in an organized word-of-mouth campaign created negative word-of-mouth referrals. Doubts can have serious implications for marketers attempting to ride the viral wave. When designing a viral marketing campaign, marketers must consider both the execution of it (are consumers likely to feel cheated or used?) and how they will deal with negative word-of-mouth.

## 6. Conclusion

Successful viral marketing depends on consumers perceiving value in the transmission and deeming it worthy of passing on to others without feeling as though they are being used in the process. It is a difficult balance, but on the bright side, let us face it, people talk. The challenge for marketers is harnessing this natural will to communicate through an almost tailor-made tool, the Internet. It makes talking easier for customers, and its low-cost, minimal response time, and potential market impact make it attractive for businesses willing to put in the effort to create and implement thoughtful viral marketing designs and campaigns. Managing and encouraging customers' word-of-keyboard (WOK) activities has had interesting results for the cases discussed here. Can your organization do likewise?

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