

**INVESTIGATING EFFECTS OF VIRAL MARKETING ON CONSUMER'S PURCHASING DECISION (CASE STUDY: THE STUDENTS OF THE ADMINISTRATIVE SCIENCES COLLEGE- NAJRAN UNIVERSITY)**

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**ABSTRACT:** *The study aims to examine the effects of viral marketing on consumers purchasing decision among the students of administrative science college at Najran University. The population of this study is consisted of all the students of administrative science college at Najran University, which is according to the latest data, a number of 710 individuals. In order to measure the variables used in this research, a questionnaire was used. Validity of the above-mentioned questionnaire was confirmed by experts and their reliability were measured using Cronbach's alpha coefficient that was respectively 0.697. Also, Statistical methods were used for the analysis of final descriptive and inferential statistics (methods like one-way sample test). The findings showed that there is a significant and positive relationship between the viral marketing and the purchase decision; In other words, viral marketing leads costumers to improve their purchase decisions.*

**KEYWORDS:** Viral Marketing, Purchase decision

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## **INTRODUCTION**

Integrating marketing principles with IT suggests new developed models for the marketing world such as viral marketing (Aghdaie, et al, 20012). The viral marketing is specifically related to its use of existing digital networks, which are relatively inexpensive, fast, and easy to use, and often include a global consumers. It is easy to target a viral message because they naturally circulate among persons with common behaviors or interests where viral marketing exploits existing social networks by encouraging customers to share product information with their friends. The technique is valuable for both consumers and companies. Consumers get things they want, such as discounts, free products, or valuable information and the companies getting benefits.

Therefore, viral marketing (VM) assumes that as each new user starts using the service or product, the advertising will go to everyone with whom that user interacts. Using the internet is an ideal carrier for viral marketing (VM), the hosts (or personal computer users) are the ones that actually do the hard work for the virus creators, spreading a virus via email and other social media at the click of a button. A recipient (new host) may effectively spread a virus if that virus is deemed worthy in their eyes, exponentially increasing the distribution and overall effectiveness of the campaign.

The widespread use of the Internet by consumers to exchange information and pass it between them and used it in online purchases is easy way through social media (intentionally or unintentionally), makes them an effective tool to pass the advertising message between them. According to the "small world" concept, "any pair of entities in a seemingly vast, random

network can actually connect in a predictable way through relatively short paths of mutual acquaintance. (Aghdaie, et al, 2012)

Generally, viral marketing involves the spreading of a marketing message via word of mouth, ensuring that the receivers have the interest to pass along the message to their acquaintances. In addition, (VM) demonstrates the features of current marketing trends includes customization marketing, interaction marketing, relationship marketing and influencer marketing (Yang, 2012). Thus, viral marketing can be thought of as a diffusion of information about the product and its adoption over the network. (Leskovec, et al, 2007)

### **Research problem**

*Viral marketing* (VM) is a very current marketing that has grown tremendously in the last decade. The internet has made a revolution in today's advertising and now it is possible for organizations and consumers to communicate online through social medias such as communities and blogs for much less costs than the traditional old way with TV, radio and commercial newspapers. Viral marketing takes the traditional roots of word of mouth marketing and exponentially expanded the reach through social networks, blogs, and other technological mediums.

Because of new technology and telecommunication revolution the consumer's role and purchase power has increased as a result. Therefore, with certainty that social media is something that business can no longer ignore, this study aims to answer this question:

How the consumers purchasing act are being affected when being exposed to this new type of marketing, will it lead to a purchase act or will it lead to push the consumer further away from a purchase act or no effects at all?

### **Research importance**

The research importance illustrates through the importance of the subject itself, as the viral marketing subject boom in the world of marketing compared to traditional marketing, it has an economic and social importance to business organizations.

### **Research objects**

The main aim of this study is to specify the consumer trends towards viral marketing and its role in affecting in online purchasing. As well, it tries to present which factors are effective and which ones are not regarding the trends of consumers toward viral marketing.

### **Hypotheses**

***The main hypothesis:*** There are no statistically significant relationship between viral marketing and purchasing decision of consumers of various goods and services.

### **Sub hypotheses**

***H01:*** There are no statistically significant relationship between using of internet websites and purchasing decision.

***H02:*** There are no statistically significant relationship between the online purchase obstacles and making a purchasing decision.

**H03:** There are no statistically significant relationship between not having a credit card and purchasing decision.

## RESEARCH METHODOLOGY

The data was collected using a structured questionnaire. The questionnaire was designed following a wide review of the literature on viral marketing. It was divided into four parts. The first part was based on personal profile of the students. The second consisted of 29 close ended items based on five point Likert scale (Strongly Agree – 5 to Strongly Disagree – 1).

Initially a pilot test was conducted on 30 respondents to check the reliability of the questionnaire using the Cronbach's  $\alpha$  test. As a general rule a coefficient greater than or equal to 0.6 is considered acceptable and is a good indicator of reliability. The Cronbach's Alpha for the questionnaire dimension was found (0.893). This proves that it is reliable and can be used for further analysis. A total of 110 respondents were administered this questionnaire and responses were generated.

## CONCEPTUAL FRAMEWORK

### Viral marketing definition

*Viral marketing* is the term used to describe the method of online marketing that encourages individuals to pass on a marketing message to others (Devi, 2015). According to (Lekhanya, 2014) the term 'Viral Marketing' describes the phenomenon by which consumers mutually share and spread marketing relevant information initially sent out deliberately by markets to stimulate and capitalize on word-of-mouth behaviour." In other words, **viral marketing is** a marketing strategy that focuses on spreading information and opinions about a product or service from person to person, especially by using unconventional means such as the Internet or email: Which online social networks can help with viral marketing?

### Basic Principles of Viral Marketing

Experts say that there are six basic principles of any viral marketing strategy (Devi, 2015):

- a. Gives away products or services
- b. Provides effortless and easy transfer to others
- c. Scales up easily
- d. Exploits general behavior and common motivations
- e. Works using existing networks of communication
- f. Takes full advantage of resources that are others'

### Viral marketing strategy

You need to market your online business on a regular basis if you want to get tangible results from marketing your business online. Web site traffic started increasing steadily and getting

more and more sales on a regular basis once stopped random marketing campaign and created an online marketing plan. (<http://websitetips.com/articles/marketing/onlinestrategy>). Here is how you can create an online marketing strategy to bring in steady Web site traffic and sales:

1. *Take stock of marketing that you have already done.* Spend some time reviewing marketing you have done to date so that you will not have to do the same work twice.
2. *Create an online marketing strategy for your business.* Your strategy should consist of a process that will reliably bring your potential customers to your Web site every single day, and should outline different online marketing techniques, such as business blogging, article marketing, search engine optimization, and others, and how you are going to use them to bring your potential customers to your Web site.
3. *Start implementing your online marketing strategy.* You can't implement your strategy in just one day. Instead, break your strategy into many manageable tasks that are easy to complete and that you can add to your schedule.

### **The Viral marketing mix**

For a viral marketing, *DuFour, (2011)* highlights the following important points the companies have to focus on:

1. To propose valuable product or service: the attention has to be attracted by the “free” element. It generates a wave of interest and generates it faster in order to sell something.
2. The product or service has to be provided for an effortless transfer to others: it's easier when it's easy to transmit. You have to work instantly because digital format is easy to copy. So the message has to be simplified.
3. Use different types of scales: the transmission method has to be scalable from small to very large. Mail servers must be added very quickly in a viral model.
4. Meet common motivations and behaviors: a viral campaign must be love and understand by people. The marketing strategy has to be designed and built on common motivations and behaviors for its transmission.
5. Use existing communication networks: It's not a secret anymore more people are social. The human network is powerful and thanks to that, the message will be multiply for its dispersion.
6. Take advantage through other resource: By using links on website, give away free article on others web's page etc. You can also multiply the view of the offer

### **Power of Viral Marketing**

The viral marketing concept is to get customers to pass along messages to other people. The company influences the message just in the beginning of the campaign, then when the virus is taking over the companies holds little control over to who the message is being spread to. Consumers will share their opinions towards brands with or without this being known from the companies. The power of a negative or a positive opinion towards a brand is of highly

importance. Companies are therefore very interested in positively influencing the message being advertised through integrated viral marketing strategies.

It is important that marketers and companies understand how the word of mouth is affecting their information about products, brands and firms (*Brown et al, 2007*). If a message gets a positive effect through a viral marketing campaign this can be spread very fast and may lead to a purchase in the consumers buying act. On the other hand a negative word of mouth can be spread just as fast but instead may push the consumer further away from a purchase in the consumers buying act.

### **Effective Viral Messages**

Messages in viral marketing could be a words, sounds, videos or images that compel the audience to pass them along. If a company want people to consider and act on a communication message, first it have to gain the audience's attention. Attention statements require sparks and triggers. To design a message to go viral, consider these three factors (*Noveck, J. 2009, June*):

1. Does it have an emotional appeal that people will feel compelled to share?
2. Does it have a trigger (does it challenge, provide novelty, or incorporate humor to motivate interest)?
3. Is it relevant to the audience?

### **The Consumer's purchase decision-making Process (FEMA, 2005):**

Keep in mind, however, that different people, no matter how similar they are, make different purchasing decisions. Stages in the Consumer's Purchasing Process outlines the buying stages consumers go through, mentioned as follows:

*Stage 1. Need Recognition:* Marketers often try to stimulate consumers into realizing they have a need for a product.

*Stage 2. Search for Information:* Maybe you have owned several backpacks and know what you like and don't like about them. Or, there might be a particular brand that you've purchased in the past that you liked and want to purchase in the future. This is a great position for the company that owns the brand to be in—something firms strive for. Why? Because it often means you will limit your search and simply buy their brand again.

*Step 3. Select an Alternative:* The third step in the problem-solving model is to select one of the alternatives explored in Step 2 for implementation. After you have evaluated each alternative, one should stand out as coming closest to solving the problem with the most advantages and fewest disadvantages.

*Step 4. Implementation:* Implementing the solution may not be easy, however. There may be repercussions, and you should complete a "reality check" to identify and evaluate the possible consequences of implementing the solution. Carefully consider how the solution will be implemented before selecting an alternative.

**Step 5. Evaluate the Situation:**

Evaluation involves two parts; first monitoring progress, which leads to understand whether the situation has changed, if there are more (or fewer) resources required, and if the different alternative solution required are made. Monitoring the success and results of a decision is an ongoing process that is critical to fine tuning a course of action. Secondly, evaluating the results to know whether the purchase decisions are achieved its goals or not.

**Previous studies**

**Chu (2011):** This study examines the potential link of Facebook group participation with viral advertising responses. The results suggest that college-aged Facebook group members engage in higher levels of self-disclosure and maintain more favorable attitudes toward social media and advertising in general than do nongroup members. However, Facebook group participation does not exert an influence on users' viral advertising pass-on behaviors. The results also identify variations in predictors of pass on behaviors between group members and nonmembers. These findings have theoretical and managerial implications for viral advertising on Facebook.

**Zernigah & Sohail (2012):** The research was conducted to investigate consumers' attitude towards viral marketing in Pakistan. The study findings indicate a positive relationship between the independent variables of informativeness, entertainment and source credibility with the dependent variable of attitude towards viral marketing, informativeness and source credibility being the most important attributes affecting attitude towards viral marketing, whereas, irritation has no significant effect on consumers' attitude towards viral marketing.

**Aghdaie et al, 2012:** The purpose of this study is to evaluate the consumers' trust effect on viral marketing acceptance, and verified the technology acceptance model too. It was followed by some managerial implications for the companies in order to design their viral marketing campaigns to be more successful. The study findings indicate that consumer's trust not necessarily affects the consumer's perceived usefulness in engaging in viral marketing (VM), but the trust affects the consumer's attitude and the consumer's intention to engaging in viral marketing (VM).

**Pescher, 2014:** The study aims to identify and understand the factors that influence consumer referral behavior via mobile devices. The authors analyze a three-stage model of consumer referral behavior via mobile devices in a field study of a firm-created mobile viral marketing campaign. The findings suggest that consumers who place high importance on the purposive value and entertainment value of a message are likely to enter the interest and referral stages.

**Koch & Benlian, (2015):** The goal and main contribution of this paper are to shed light on the potential of scarcity and personalization, and established promotional tactics from the offline world in influencing consumer referral decisions and therefore to expand our understanding of the antecedents of consumer referral behavior. The finding of the study support the premise that scarcity due to social demand has a positive causal effect on consumers' propensity to engage in referrals. Furthermore, they could specifically confirm that offer value acts as partial mediator for the effect of scarcity on consumer referral likelihood.

**Data Analysis:**

For analyzing research data, several statistical tools are used include the followings:

1. Cronbach's Alpha to identify the reliability
2. Statistical descriptive analysis for percentage, means and standard deviations.
3. One way Anova to examine the study hypothesis.

### The reliability

Reliability coefficient extracted according to Cronbach's Alpha for consistency as total for all study variables where reliability coefficient values reaching (69.7%) higher than the acceptance ratio (60%), this result reveals that the questionnaire phrases become a valid and appropriate for the statistical analysis purposes as shown in the table (1).

**Table (1) Cronbach's Alpha results**

The Variables	Phrases No	Cronbach's Alpha
Internet	6	0.800
Obstructions	7	0.671
Information	6	0.689
Purchase Decision	6	0.697
All variables	25	0.697

### Descriptive Analysis:

#### Percentage and Frequencies of personal data:

**Table (2) analysis results of personal data**

Profile	Category	Frequency	Percent	Valid Percent	Cumulative Percent
Specialty	Business	8	6.8	6.8	6.8
	Public management	49	41.9	41.9	48.7
	Accounting	18	15.4	15.4	64.1
	Law	42	35.9	35.9	100.0
	Total	117	100.0	100.0	
Age	18 - 25 year	115	98.3	98.3	98.3
	25 - 31 year	2	1.7	1.7	100.0
	Total	117	100.0	100.0	

**Table (2)** illustrate that the Specialty profile depicts that (41.9%) of respondents were Public Management while Business specialty represents the lowest percentage among the respondents with (6.8%). The Age Profile reveals that the majority of respondents were of age 18 - 25 years (98.3%), followed by 25 - 31 years (1.7%).

### Means and Standard deviation:

To reach the study results, the means and standard deviations calculated for each variable. The categories are as follows: 1 and less than 1.8 Strongly Agree, 1.8 Less than 2.6 agree, 2.6 Less than 3.4 to some extent, 3.4 Less than 4.2 do not agree, 4.2 Less than 5 Strongly Disagree.

**Table (3) Mean & Std. Deviation Analytical Results**

The dimensions	Mean	Std. Deviation
online purchase	1.9658	0.9141
online purchase obstructions	3.0527	1.1317
telling others specific informations to a brand	2.4933	1.0780
online purchasing decision	3.0271	1.4052
Total Average	2.6347	

Table (3) shows the mean values for the variables. The total average respondentscore on overall viral marketing reached (2.6347) on a five point Likert scale, which means that the respondents agree to some extent for all questionnaire phrases. This is above the neutral score, which implies that respondents' overall attitude towards viral marketing and purchase decision is positive.

### Hypotheses Analysis and Test

*The main hypothesis:* There are no statistically significant relationship between viral marketing and purchasing decision of consumers of various goods and services.

**Table (4) F. test analyses results**

Study Variables		Sum of Squares	df	Mean Square	F Calculated	F tabulated	Sig.
Viral marketing & Purchasing Decisions	Between Groups	2488.517	40	62.213	3.811	1.57	.000
	Within groups	1207.883	74	16.323			
	Total	3696.400	114				

Table (4) illustrates that the value of (F) calculated (3.811) is more than (F) Tabulated (1.57) at a significance level ( $p < 0.05$ ), therefore, this demonstrates that the independent variable (*viral marketing*) have a significance relationship with the dependent variable of purchasing decision, where sig value approve that (0.000). This means that the main hypothesis is rejected, where the substituted hypothesis (H1: There are statistically significant relationship between viral marketing and purchasing decision of consumers of various goods and services) is accepted.

**H01:** There are no statistically significant relationship between using of internet websites and purchasing decision

**Table (5) F. test analyses results**

Independent variable		Sum of Squares	df	Mean Square	F Calculated	F Tabulated	Sig.
Internet	Between Groups	353.986	15	23.599	0.709	1.77	0.770



	Within Groups	3359.929	101	33.267			
	Total	3713.915	116				

From the table (5) we can see that the value of (F) calculated (0.709) is less than (F) Tabulated (1.77) at a significance level ( $p < 0.05$ ), therefore, this demonstrates that the independent variable (*internet*) have no significant relationship with the dependent variable of purchasing decision variables, where the significance value approve that (0.770). This means that the H01 is accepted.

**H02:** There are no statistically significant relationship between the online purchase obstacles and making a purchasing decision.

**Table (6) F. test analyses results**

Independent variable		Sum of Squares	df	Mean Square	F Calculated	F Tabulated	Sig.
Obstructions	Between Groups	1576.520	21	75.072	3.337	1.65	0.000
	Within Groups	2137.395	95	22.499			
	Total	3713.915	116				

From the table (6) we can see that the value of (F) calculated (3.337) is greater than (F) Tabulated (1.65) at a significance level ( $p < 0.05$ ), therefore, this demonstrates that the independent variable (*online purchase obstructions*) have significant relationship with the dependent variable of purchasing decision variables. This means that the H02 is rejected, where the substituted hypothesis (**H2:** There are statistically significant relationship between the online purchase obstacles and making a purchasing decision).

**H03:** There are no statistically significant relationship telling others specific informations to a brand and purchasing decision.

**Table (7) F. test analyses results**

Independent variable		Sum of Squares	df	Mean Square	F Calculated	F Tabulated	Sig.
Information	Between Groups	572.663	17	33.686	1.046	1.73	0.418
	Within Groups	3123.737	99	32.203			
	Total	3713.915	116				

From the table (7) we can see that the value of (F) calculated (1.046) is less than (F) Tabulated (1.73) at a significance level ( $p < 0.05$ ), therefore, this demonstrates that the independent

variable (*telling others specific informations*) have a significant relationship with the dependent variable of purchasing decision variables. This means that the H03 is accepted.

## CONCLUSION

Research findings showed that there is a significant and positive relationship between the viral marketing and the purchase decision; In other words, viral marketing leads costumers to improve their purchase decisions.

The findings also showed that the use of internet have no significant relationship with the dependent variable of purchasing decision. This demonstrates that the independent variable (using internet in *online purchase*) have no significant relationship with the dependent variable of purchasing decision.

The findings showed that the variable (*online purchase obstructions*) have significant relationship with the dependent variable of purchasing decision.

The findings also revealed that the independent variable (*telling others specific informations*) have a significant relationship with the dependent variable of purchasing decision variables.

The research recommended that for the companies to attain the benefits of viral marketing should encourage their customers to fully utilize viral marketing with the aid of social networking websites and other social media outlets such as Facebook, Twitter, LinkedIn, and individual blogs. The companies should also aware about obstacles that face the customers when they were dealing online either with their products or to minimize negative comments.

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