

Chapter 61

Viral Advertising and the Implications of Social Media

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ABSTRACT

Given the estimated online advertising market in the United States of around 4 billion dollars and the current proliferation of social media Websites, this study focuses on reviewing the key theoretical and practical aspects related to viral advertising. It includes an overview of different aspects related to the nature, characteristics, and evaluation of viral advertising, especially focusing on what makes advertisements viral. After a review of the term viral advertising, the author discusses the key characteristics of viral ads, including the most used viral advertising appeals—humor and sexual—and also including a section regarding the importance of the message source on consumers' reaction towards an advertisement. The study also provides a discussion about consumer-generated advertising, a modern online advertising feature that leads to increased interaction and involvement from consumers. The last part of this chapter focuses on the monitoring and evaluating viral ads outcomes by using both traditional and social media specific advertising measures. The author also presents a few ideas related to future research directions and information that might prove useful for advertising research and practice.

INTRODUCTION

Ever since the creation of the Internet, business research has focused on its impact and influence in the creation of the new media and of a new marketing paradigm. Research has shown that the Internet has affected different aspects of business processes, including key marketing aspects such as pricing, retailing and advertising (Datta, Chowdhury & Chakraborty, 2005; Rust & Oliver, 1994). Technology and other factors have significantly

evolved and positively affect consumer behavior, due to a more efficient information exchange and interactivity (Johnson, Bruner II, & Kumar, 2006; Keller, 2009). The widespread use of the Internet not only in the U.S., but also across the globe, has helped managers realize the advantages of this new technology, able to complement traditional word-of-mouth communication and to add an online viral way of communication with and among consumers (Datta et al., 2005).

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The main benefits of online marketing are its capacity of reaching fast and with low-expenses a large segment of consumers, as well as its interactivity, leading to marketing efficiencies. In this context, researchers and practitioners have noted the evolution of advertising from involuntary to voluntary, placing the consumer in control regarding not only the media choice, but also the delivery process of advertising (Keller, 2009; Rust & Oliver, 1994). Thanks to the benefits of new technologies and communication platforms, modern advertising benefits from more interaction, targeted communication, increased reach and better monitoring and evaluation (Kozinets, de Valck, Wojnicki & Wilner, 2010).

Researchers and practitioners have noted that consumers are getting more involved with on-line viral advertising campaigns that encourage individuals to pass along a marketing message to others by Internet or e-mail. In this context, world-renowned companies and brands, such as Nike, Budweiser, Ford, GMC, Levi's and De Beers have successfully used viral advertising in social media (Borroff, 2000; Morrissey, 2008; Rechtin, 2009; Solman, 2008a, 2008b; Thompson, 2010). In this case of Internet media, consumers value the non-commercial, non-pushy, personal sources of advertising information and messages received from their peers (Kirby & Marsden, 2006; Steyer et al., 2007).

The trend regarding online video advertising is positive, with estimations that in the U.S. it will increase from \$1.1 billion in 2009 to \$4.1 billion in 2013 (Tsai, 2009). Moreover, the positive evolution and the widespread reach of social media websites are significant. For example, in 2013 more than 1 billion unique users were visiting YouTube each month, with over 6 billion hours of video watched monthly. However, research regarding viral marketing and social media has been sparse, with a rather limited understanding of the viral process, both from the point of view of researchers and practitioners (Allsop, Bassett, & Hoskins, 2007; Borroff, 2000; Steyer et al., 2007).

Given the current state of research, we intend to focus on studying aspects related to the nature, characteristics and evaluation of viral advertising, by analyzing how viral advertising works and the contexts in which it performs best. We start with a short history of the viral term and the definition of viral advertising. The study then focuses on the key characteristics of viral ads, as shown by practice and research, with specific discussions related to viral advertising appeals, including the most used, humorous and sexual appeals. Consumer generated advertising is another topic of interest in this context, especially in relation to the various types of social media platforms available for marketers and considering the significant success of recent user-generated ads. The last part of this chapter focuses on the monitoring and evaluation of viral ads outcomes, an important step in assessing the success of a campaign and making potentially necessary adjustments to the strategy.

VIRAL ADVERTISING HISTORY AND DEFINITION

The origin of the term viral marketing is attributed to articles published in the 90s, when the Internet was starting to develop significantly, though there are different sources that receive credit for the term. Many published works attribute the formulation of the term "viral marketing" to Jurvetson and Draper (1997). The two authors used the term "viral marketing" to describe the free email service that Hotmail was providing at that time. In order to promote its services and spread the word about the availability of free email accounts, a message was included each sent e-mail from Hotmail noting that the company provides a free service available to anyone. Jurvetson and Draper's definition of viral marketing is one of the most cited in the literature on viral marketing (Bampo et al., 2008; Cruz & Fill, 2008; Datta et al., 2005; Fattah, 2000; Swanepoel, Lye, & Rugimbana, 2009; Petrescu & Korgaonkar, 2011).

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