

# brandhome

It may be past but it's not over. A previous lead story.



## Viral Marketing: It's Infectious!

By Randall Frost

Is your message getting lost in traditional advertising? In viral marketing, consumers are enlisted to pass the word on. Since few ads are of sufficient interest on their own, viral marketers frequently attach a free product hoping the receiver will pass the good news on to friends and coworkers. It turns out that everyone likes to receive something free or entertaining, especially when it comes from a friend.

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Although the origins of viral marketing can probably be traced back to graffiti, the term itself is of relatively recent provenance, having been introduced in 1996 by venture capitalist Steve Jurvetson to describe the marketing strategy of the free email service Hotmail. Each email sent through Hotmail arrived with the appended message "Get your private, free email from Hotmail at <http://www.hotmail.com>," along with -- and this was key -- the implicit recommendation of the sender. The service gained 12 million subscribers in 18 months at a total cost of US\$ 500,000, compared to US\$ 20 million spent by its nearest competitor, Juno.



Viral marketing has become increasingly sophisticated since the Hotmail campaign. Today it is likely to involve free software, a short film clip or a book, and so far it's still cheaper than traditional advertising. David Nichols of market research firm Added Value told the *Financial Times* in 2002, "Grown-up viral marketing is about involving people in things they love as a way of introducing a dialogue between brand and consumer."

In order to turn a message viral, some companies have provided "pass-it-on" tools like online forwarding options and even financial rewards for spreading the message. In a popular strategy, registered individuals are paid cash when others make purchases through advertising banners on the web. Babel Media reportedly launched a new computer game by posting cryptic messages on Internet notice boards and chat rooms

where computer gamers hang out. The strategy created an underground buzz that translated into 200,000 visitors to the company's website in 10 days. Still another strategy has been to get consumers to pass back information not only about themselves but also about their friends and colleagues. One contest, which offered a free trip to the winner and three friends, required contestants to provide details about their friends when entering.

According to writer Malcolm Gladwell most word-of-mouth epidemics are started by key individuals who are particularly adept at influencing others. "If you are interested in starting a word-of-mouth epidemic," Gladwell writes, "your resources ought to be solely concentrated on [influencers]" (*The Tipping Point*, Little Brown, 2000).

In *Unleashing the Ideavirus*, Seth Godin argued that traditional advertising is on its way out, and will soon be replaced by marketing strategies that rely on consumers spreading recommendations by word of mouth (Hyperion, 2001). Godin also predicted that consumers would become increasingly reliant on a global community of influencers to tell them what to buy.

Godin feels that ideas that are directly related to communication will be the most likely to go viral. "The best sort of communication is an actual communication tool," he says in his book. "But inventing words, new musical concepts or other ways people communicate goes a long way as well." But the critical step is to convince someone influential to use the new tool. After that, "word-of-mouth" contacts across the Internet are expected to do the rest.

Godin's ideas have tended to pan out in the real world. Consider Deloitte Consulting, a US\$ 3.5 billion global consulting firm with more than 14,000 employees. The company has long struggled for name awareness in the consulting field. In June 2003, Deloitte set out to change all that by launching a viral marketing campaign around a free software program called Bullfighter. Bullfighter searches electronic documents for business jargon and suggests plainspoken alternatives. Deloitte devised a public relations campaign around Bullfighter based on a perceived need for the business community to communicate more clearly.

"To elevate the campaign, we needed to reach for the moon," says Deloitte's Shelley Peng, a public relations specialist. Peng approached reporter Jonathan D. Glater at the *New York Times* to cover the story. "We started the dialog," explains Peng. "We did all the research for him, pulled the charts together. We spent three hours helping him with his story." The story, running around 500 words, appeared in the *Times* business pages several days later under the title "Holy Change Agent! Consultants Edit Out Jargon" (*New York Times*, June 14, 2003).

Deloitte marketing director Chelsea Hardaway continues, "We didn't do any more PR after the *New York Times*. We did interviews. We just picked up the phone. We created a website. There were E-cards people could send. Screen savers. A Bullfighter challenge. We created a movement."

Hardaway credits the *New York Times* story for turning Bullfighter viral. "It just started to get picked up everywhere. It was at that point that our website traffic increased exponentially. So many people knew about it and wanted to tell other people about it," she says. According to Hardaway, Deloitte spent only US\$ 50,000 on the Bullfighter campaign. She estimates the value of the free advertising the company received at between US\$ 8 to 10 million.

Deloitte's John Warshawsky, who designed the Bullfighter software and built the website, says "We're Deloitte Consulting. Our product isn't sexy and exciting. Generating name awareness for our company is not an easy thing to do. For us, this

was just unprecedented."

Fiona Harvey of the *Financial Times* has argued that all advertising aspires to become viral because the most effective form of recommendation is word of mouth. However, if something goes viral, she claims, it is because the advertising agency was creative. Wrote Harvey, "Viral marketing works only when the creative is so good it would have gone viral anyway. But at least it doesn't cost much" (*Financial Times*, July 17, 2001). Deloitte's Bullfighter product is an example of good creative: the product is interesting and relevant to the business community and the story is unique because a consulting firm is the last place one might expect to find jargon busters.

Because viral marketing is so inexpensive compared with traditional advertising, it is the "value you didn't pay for." In a market downturn, the low cost of viral marketing obviously becomes a plus. Some advertising agencies are now finding that their clients are asking for Internet-based viral marketing campaigns in addition to broadcast ads.

But viral marketing is far from an exact science. It is practically impossible, for example, to predict what will go viral and what will sink like a stone. Viral messages have to be "cool," or they won't get passed on. Obviously no one wants to look foolish for having sent on something that is inane or that lacks authenticity.

A viral marketing campaign also risks coming across as too heavy, in which case it will inevitably fail. Few consumers want to think they have been set up to pass on advertisements. If Hotmail had appended its promotion as part of the sender's email message rather than as a separate note at the bottom, the venture might very likely have expired before it got off the ground.

The most frequently heard complaint, however, is that viral marketing provides little if any way to gauge a campaign's success. Because successful campaigns spread on their own, they leave behind little that can be used to measure their effectiveness. There is no way, for example, to track where emails have gone, how many people have seen a message, or whether the people reached are within the target audience. For this reason, some viral marketers have started asking for permission to contact people later on, even though they may risk slowing down the spread of their virus by doing so.

As writer Gladwell notes, word-of-mouth messages can become distorted. "The act of passing from person to person causes much more mutation in the message as compared to a media message," he said by interview. Consequently, messages that start off promotional can easily turn inaccurate or even destructive when passed via Internet.

Finally, there's the problem of creating something that's actually interesting enough to pass on. According to Mark Curtis, a partner at Fjord communications agency, ads alone won't do it. "The trouble with viral marketing is that one or two very good stories obscure the truth, which is that for the most people brand communications are not interesting enough to send to friends," he says.

The reason why viral campaigns like Hotmail and Bullfighter take off after initial introduction through the media or email is because they are of interest or use to the audience. As is so often the case, a lousy product or service still does not sell itself.