Introduction

Why Viral Marketing

• More and more organisations are investing in viral marketing campaigns to engage consumers and excite e-WOM.

• Viral marketing campaigns enable companies to exploit the power of e-WOM allowing consumers to disseminate product and brand messages throughout their online social networks (Hanson and Kalyanam, 2006).

Benefits of Viral Marketing

• Diverse and broad audiences reach
• Rapid/fast/ exponential diffusion.
• Effective audience targeting.
• Peer-to-peer transmission.
• Relatively inexpensive.
• Measuring the popularity and success of a viral campaign.

Viral Social Marketing

Social marketers are also taking advantage of viral marketing campaigns to address various public health and social concerns such as:

• Obesity (Swinburn, et al., 2005)
• Tobacco and alcohol abuse (Wolburg, 2006; Wechsler et al., 2003)
• Unsafe sexual behaviours (Price, 2001; Bull et al. 2012)
• Violence (Austin et al., 2009)
• Racism (Madill & Abele, 2007)
Contributing factors to Message Diffusion; Existing literature

- **Network structure**: e.g. Schulze et al. (2014), Kane et al. (2014), Bampo et al. (2008)
- **Seeding strategy**: e.g. Hinz et al. (2011), Liu-Thompkins et al. (2013), Libai, et al. (2005)
- **Message content**: e.g. Bampo et al. (2008), Berger and Milkman (2012), Woerndl et al. (2008)
- **Product type**: e.g. Schulze et al. (2014), Chandon, et al. (2000), Kwok and Uncles (2005)
- **Online channels**: e.g. Aral & Walker,(2011); Berger & Milkman,(2011); Chui et al.,(2014)
- **Incentives**: Hinz et al. (2011), Schulze et al. (2014), Michalski, et al. (2012)

**Research Gap:**
- Lack of a **comprehensive framework** of possible contributing factors to online message diffusion
- Lack of research on **incentives** in online context
- Mixed, conflicting and sometimes opposite results of the impact of incentives
- Heavily **focused on extrinsic incentives** and impact of intrinsic incentives has been neglected.
Research Objectives

The purpose of this paper is to contribute to the success of viral social marketing campaigns within social media networks by:

1. investigating the possible influencing factors on message diffusion and proposing a comprehensive framework.

2. Highlighting the impact of incentives, in particular intrinsic incentives on diffusion of social marketing messages.
Three main categories of factors influencing Message Diffusion (proposed in this paper)

Marketing Factors
- Incentives
- Message Appeal
- Product Types

Individual Factors
- Personality
- Product Involvement
- Social Media Engagement

Network Factors
- Network Structure: Cohesion, Centralization, Clustering (Sub-group)
- Network Role and Position
- Seeding Strategy
Proposed Conceptual Model of Message Diffusion

**Independent Factors**
- **Incentives**
  - Intrinsic
  - Extrinsic: Monetary, Non-monetary
- **Message Appeal**
  - Negative/Positive framed
  - Informative, Valence, Humours, Arousal
- **Seeding Strategy**
  - High-degree Centrality
  - High-degree Betweenness
  - Low-degree Centrality
  - Random Seeding
- **Online Context**
  - Social Media
  - Virtual Communities
  - Websites/Forums
  - Email

**Moderating factors**
- **Network Structure**
  - Cohesion
  - Centralization
  - Clustering
- **Product Type**
  - Hedonic/Utilitarian
  - FMCG/Durable
  - Experiential/behavioural

**Individual Factors**
- Personality
- Product Involvement
- Social Media Engagement

**Online Message Diffusion**
- Activity
- Speed
- Emotion
- Reach
Types of Incentives

Extrinsic
- Monetary:
  - Discounts (e.g. quantity, seasonal, ...)
  - Coupons
  - Rebates
- Non-monetary:
  - Special treatment (Birthday cards, thank you letters)
  - Business gifts
  - Contests/ Prizes/ Sweepstakes
  - Recognition Schemes/ Loyalty programs

Intrinsic
- Social approval/ Social norm
- Reciprocity
- Image/ Self Image
- Self esteem
- Challenge and Enjoyment
- Novelty seeking/ Entertainment
Incentives and Online Message Diffusion

• Studies in e-WOM and online message diffusion typically use extrinsic incentives involving some tangible monetary or non-monetary reward.

• Even though previous research incorporates one or more types of incentives, few studies examine the impact of incentives and those that do report mixed results (e.g. Hinz et al. 2011; Michalski, et al. 2012; Schulze, et al. 2014).

• Few studies explicitly examine intrinsic incentives such as social approval, reciprocity and self-image, despite their potential importance in promoting online message diffusion particularly social marketing messages.

• Intrinsic incentives play a significant role in encouraging effort and performance because they fulfil basic psychological needs such as the desire to work on interesting tasks, the desire to try new things and the need for social approval and self-esteem (Fehr and Falk, 2002; Hossain et al. 2014).

• Research examining the impact of extrinsic incentives on intrinsic motivation suggests that offering monetary incentives may be effective in the short-term but actually weakens or even destroys an individual’s intrinsic motivation in the long-term (Gneezy et al. 2011).

• The “crowding-out effect” occurs especially in conditions under which an individual feels the monetary incentive is offered as a result of mistrust or underestimating the individual’s will to change (Frey, 1993).

• Gneezy et al. (2011) examine which types of incentives work better in terms of influencing positive behaviour change such as encouraging undergraduate students to exercise. They find intrinsic motivation is crucial for sustained behaviour change. They argue that a “crowding-out” effect occurs where monetary incentives drive down intrinsic motivation.
Research Propositions:

**Proposition 1:**
*Intrinsic incentives* result in greater online message diffusion and message sharing than extrinsic incentives.

**Proposition 2:**
*Negatively framed messages* result in greater online message diffusion than positively framed messages.

**Proposition 3:**
Messages that are more *arousing* are more likely to be shared.

**Proposition 4:**
Seeding *active, well-connected ‘hubs’* results in greater online message diffusion than using a random seeding strategy.

**Proposition 5:**
*Social media networking sites* such as Facebook, Twitter and Instagram result in greater message sharing than other online contexts such as websites, forums, and email.
Independent Factors

- Incentives
  - Intrinsic
  - Extrinsic: Monetary, Non-monetary

- Message Appeal
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  - Informative, Valence
  - Humours, Arousal

- Seeding Strategy
  - High-degree Centrality
  - High-degree Betweenness
  - Low-degree Centrality
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Online Message Diffusion

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- Emotion
- Reach
Discussion and Managerial Implications

• As work to date considers a limited number of factors and results are not straightforward, further research examining incentives within e-WOM message diffusion is open.

• Given that people frequently use social networking sites, it is important to study the ways in which incentives, in particular intrinsic incentives, can influence network members’ sharing behaviour.

• The psychology and economic literatures suggest that extrinsic and intrinsic incentives may reinforce each other, but unintended consequences may also arise.

• Some studies show that introducing extrinsic rewards may reduce performance levels and weaken intrinsic motivation (e.g. Deci, 1971; Gneezy, et al., 2011), especially if the extrinsic reward is seen as displacing social approval and recognition (Gneezy & Rustichini, 2000a; 200b).

• Much of the previous research on viral marketing focuses on sales (Godes & Mayzlin 2004). Less work focuses on incentives driving people to share content. Our review provides an overview of the factors that impact online message diffusion, with focusing on the role of incentives.

• Social media marketing is regarded as an effective promotional channel, but its use requires successful diffusion (reach, speed, emotion, etc).

• If individuals within social networks do not share content in a positive light, there is no benefit. Organisations need to understand how to incentivise people to encourage them more effectively to share content.
References


