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Exploring the Concept of Mobile Viral Marketing through Case Study Research

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Agenda

- Motivation
- Research objectives
- Definition of mobile viral marketing
- Method
- Results
 - > I) Description model of mobile viral marketing
 - > II) Standard types of mobile viral marketing
- Future research

Motivation

- Potential of mobile viral marketing for distribution and communication purposes
 - > 17% forwarded mobile ads (n=500) [BS02]
 - > 30% said a friend's recommendation would convince them to download a mobile application (n=2,500) [lp05]
 - > 45% would intend to share music with friends via Bluetooth (n=1,477) [IN06]
 - > Own preliminary expert study (n=44) [WM06]
 - » Personal messages sent by friends gain more credibility
 - » (Viral) recipients participate more frequently in a campaign as initial contacts
 - » Lower company expense with viral mobile marketing campaigns [WM06]
- But: Little academic research on the phenomenon

Research objectives

- Overall goal is to provide a better understanding of mobile viral marketing for practice and research
 - > Providing a definition
 - > Providing a description model
 - > Derivation of standard types
- **Justification**
 - > Description models are necessary to analyze, explain and design mobile viral marketing
 - > To implement effective mobile viral marketing practitioners need to understand what characterizes the phenomenon and what options exist

Definitions of electronic viral marketing

Definition of electronic viral marketing (electronic Word-of-Mouth)	C2C	WOM	Communication concept	Distribution concept	Network externalities
“Another possibility for a company to actively manage Internet WOM is of course viral marketing” which is defined as “a communication and distribution concept that relies on consumers to transmit digital products via electronic mail to other potential consumers in their social sphere and to animate these contacts to also transmit the products.” [He00, p. 159]	X	X	X	X	
“type of marketing that infects its consumers with an advertising message, which passes from one consumer to the next like a rampant flu” virus.” [Mon01, p.93]	X	X	X		
“true viral marketing differs from word-of-mouth in that the value of the virus to the original consumer is directly related to the number of other users it attracts” [Mod01, p. 30].	X	X			X
“Online social networks are increasingly being recognized as an important source of information influencing the adoption and use of products and services. Viral marketing—the tactic of creating a process where interested people can market to each other—is therefore emerging as an important means to spread-the-word and stimulate the trial, adoption, and use of products and services..” [SR03, p. 300]	X	X	X	X	X
“any positive or negative statement made by potential, actual, or former consumers about a product or company, which is made available to a multitude of people and institutions via the Internet” [He04, p. 39].	X	X	X		

Definition of mobile viral marketing

- Central attributes of a mobile viral marketing definition
 - > Mobile viral marketing
 - » is based on WOM
 - » is a communication or distribution concept
 - » the term “viral” indicates the exponential diffusion of information about products and also the products themselves like an epidemic
 - » network externalities may play an important role
- *Mobile viral marketing* is a concept for distribution or communication that relies on customers to transmit content via mobile communication techniques and mobile devices to other potential customers in their social sphere and to animate these contacts to also transmit the content.

Method

- **Case study approach** [Ei89]
 - > Getting started: Definition of research objectives
 - > Selecting cases: Web content analysis (result: 34 case studies)
 - > Crafting instrument
 - » Literature review
 - » Description model (depicted as morphological box)
 - > (Entering field)
 - > Analyzing data
 - » With-in case analysis
 - » Cross-case pattern search
 - > Searching for relationship between emerging standard types
 - > Enfolding literature
 - > Reaching closure

Characteristic	Instances				
Participant	Advertiser	Connection point	Initial contact	Communicator	Recipient

Result I: Description model

Characteristic	Instances					
<i>Participant</i>	Marketer	Connection point	Initial contact	Communicator	Recipient	
<i>Motivation of communicator</i>	Intrinsic			Extrinsic		
<i>Role of communicator in persuasion</i>	Active			Passive		
<i>Added value for recipient</i>	Information	Entertainment	Contest	Monetary incentive		
<i>Content type</i>	Mobile application	Video	Voice	Image	Text	
<i>Content generation</i>	Company-generated content			User-generated content		
<i>Impact</i>	Positive			Negative		
<i>Level of network externalities</i>	High			Low		
<i>Cost of communicator or recipient</i>	Premium rate	Transmission costs		None		
<i>Recommendation type</i>	Push			Pull		
<i>Mobile network type</i>	Cellular phone network	WLAN/WiMAX	Radio Frequency Identification	Bluetooth	Infrared	Near Field Communication
<i>Enabling technology</i>	High level programming language	Wireless Application Protocol	Multimedia Messaging Service	Short Messaging Service	Interactive Voice Response	

Example: L'Oréal (Mobile Kiss)

- Push-SMS to 200,000 users
- Result: 750,000 contacts

Characteristic	Instances					
Participant	Advertiser	Connection point	Initial contact	Communicator	Recipient	
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Added value for recipient	Information	Entertainment	Contest	Monetary incentive		
Content type	Mobile application	Video	Voice	Image	Text	
Content generation	Company-generated content			User-generated content		
Impact	Positive			Negative		
Level of network externalities	High			Low		
Cost of communicator or recipient	Premium rate		Transmission costs	None		
Recommendation type	Push			Pull		
Mobile network type	Cellular phone network	WLAN/WiMAX	RFID	Bluetooth	IrDA	NFC
Enabling technology	High level programming language	WAP	MMS	SMS	IVR	



Kiss by IVR



Derivation of standard types

- Conducting within-case analysis revealed two groups of case studies
 - > Mobile services with network externalities represent the distribution concept
 - > Mobile marketing campaigns with viral component represent the communication concept
- Conducting cross-case search revealed typical patterns composed of the instances of two characteristics
- Enfolding literature
 - > Similarities of the emergent types to [SR03] who provided four quadrants related to electronic viral marketing
 - > Same naming

Result II: Standard types

Level of network externalities	High	Motivated Evangelism	Signaling Use, Group Membership	<i>Mobile network products</i>
	Low	Targeted Recommendation	Awareness Creation, Benefits Signaling	<i>Mobile marketing campaigns</i>
		Active	Passive	
Role of communicator in persuasion				

- **Role of communicator in persuasion**
 - > Active: communicator is personally involved in the process of acquiring new customers
 - > Passive: request to forward or to use the content is integrated into the process by an additional message sent by the marketer or part of the content
- **Level of network externalities**
 - > Number of customers who use a particular good is an important characteristic of that good which affects the utility derived by customers

Motivated Evangelism

Level of network externalities	High	Motivated Evangelism	Signaling Use, Group Membership
	Low	Targeted Recommendation	Awareness Creation, Benefits Signaling
		Active	Passive
Role of communicator in persuasion			

- Mobile network products
- Description
 - > Network externalities are high as both and others users benefit from a wider diffusion of the service
 - > Active participation of communicators in acquiring new users
 - > It is conceivable that each marketer’s dream comes true and each new recipient turns into an evangelist for the good inside his or her circle of friends, and the installed base grows exponentially
 - > Examples: proprietary communication services, location-based friend finders, or mobile communities

Company	Description
Zlango	The communication service enables creation and sending of so called Zlango messages made up of over 200 icons to express words, concepts, or feelings. Communicators as well as recipients are required to download the mobile application to use the service.

Signaling Use, Group Membership

Level of network externalities	High	Motivated Evangelism	Signaling Use, Group Membership
	Low	Targeted Recommendation	Awareness Creation, Benefits Signaling
		Active	Passive
Role of communicator in persuasion			

- Mobile network products
- Description
 - > Network externalities are high as both and other users benefit from a wider diffusion of the service
 - > Passive participation of communicators in acquiring new users as recipient are informed about the service by the marketer
 - > Future examples: mobile file compression utilities or proprietary document formats

Company	Description
Paybox	The mobile payment procedure enabled among others money transfers between customers. When a user sent money to an unregistered user, he or she was able to receive the money only after signing up for the mobile payment procedures. Paybox informed the unregistered user about this issue with an SMS.

Targeted Recommendation

Level of network externalities	High	Motivated Evangelism	Signaling Use, Group Membership
	Low	Targeted Recommendation	Awareness Creation, Benefits Signaling
		Active	Passive
Role of communicator in persuasion			

- Mobile marketing campaigns

- Description

- > Network externalities are low as there is no change of benefit when communicators forward the mobile viral content
- > Communicator can roughly predict the recipient's interests and preferences based on private information
- > Spreading specific product information within a target group which could be extremely difficult to reach otherwise
- > Example: send-to-a-friend-options

Company	Description
Adidas (+10)	Initial contacts were briefed on the commercial WAP portal by advertisement on a mobile network operator portal. Communicators use a send-to-a-friend-option and recommend the commercial WAP portal by entering his or her name as well as the name and the MSISDN of recipient who receives a WAP Push leading to the WAP portal.

Awareness Creation, Benefits Signaling

Level of network externalities	High	Motivated Evangelism	Signaling Use, Group Membership
	Low	Targeted Recommendation	Awareness Creation, Benefits Signaling
		Active	Passive
Role of communicator in persuasion			

- Mobile marketing campaigns
- Description
 - > Network externalities are low as both do not benefit from a wider diffusion
 - > The role of communicators in persuasion is minimal since the recommendation is part of the mobile viral content
 - > Examples: free SMS services, mobile voice greeting cards

Company	Description
L'Oréal (Mobile Kiss)	Initial contacts were briefed on the sound greeting cards by Push SMS. Communicators selected the sound card by "F" or "M" sent the recipient's MSISDN to L'Oréal. The company sent the greeting card and afterwards an SMS with information about the communicator and the forwarding mechanism to receivers.

Future research

- Motivated Evangelism, especially its instance mobile community
 - > Content of customers' articulation and the motivation behind the decision to engage in such communication?
 - > Usage to promote and distribute products and services?
- Motivated Evangelism
 - > Motivational of early adopters to actively persuade recipients to also try such services.
- Targeted Recommendation + Awareness Creation, Benefits
 - > Motives, reactions, and behaviors of those who forward and receive mobile viral content, especially mobile ads.
- Profile types of viral participants
 - > Initial contacts

Literature

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