

**CONTAGIOUS COMMUNICATION: THE EFFECTIVENESS OF VIRAL
MARKETING IN MALAYSIA**

SANMUGAM A/L MARIMUTHU BTM (HIGH TECHNOLOGY MARKETING)

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**CONTAGIOUS COMMUNICATION: THE EFFECTIVENESS OF VIRAL
MARKETING IN MALAYSIA**

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**The thesis is submitted in partial fulfillment of the requirements for the award of
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DECLARATION

“I admit that this report is the result of my own, except certain explanations and passages where every of it is cited with source clearly.”

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DEDICATION

I would like to dedicate the appreciation to my family members who supported me from spiritually and financially, beloved supervisor and panel who guided me throughout the research, housemates and course mates that assisted me through the journey of research.

ACKNOWLEDGEMNT

I would like to take this opportunity to express my sincere appreciation to my supervisor Pn.Azrina Binti Othman for guidance and encouragement throughout journey completing this final year project. More by her guidance, I managed to finish my final year project successfully. There are, also other important people involved in my project, for instance, my lecturers friends and course mates. I am deeply grateful for the guidance towards this project as play an important role for this project.

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ABSTRACT

In this modern era, the present generation craves for interaction and associate with immense social networks through the sharing of information, photos, videos, opinions, entertainment and news. The sharing comes in the forms of viral marketing and provides marketing and communication managers with paralleled opportunity to reach a large number of consumers quickly. The increasing growth of the internet and the rise of social media and social networks sites, viral marketing has cemented itself in the marketing and corporate agenda. For that reason, this study was conducted to investigate the effectiveness of viral marketing in Malaysia. The data were collected using questionnaires from 384 respondents in Southern Malaysia (Selangor, Kuala Lumpur and Melaka). The results of the analysis showed that among all the motivational factors, playfulness, community-driven, perceive ease of use, perceive usefulness had significant impact on the effectiveness of viral marketing in Malaysia. There's thought-provoking when critical mass and peer pressure were not significant in influencing the effectiveness of viral marketing. The results of this study contributes exceptional judgement to marketers and firms in the Malaysian market.

Keywords: Interaction, social media and social networks, viral marketing, Malaysia

ABSTRAK

Dalam era modenisasi ini, generasi masa kini ingin untuk berinteraksi dan bersekutu dengan lebih meluas dalam rangkaian sosial melalui perkongsian maklumat, gambar, video, pendapat, hiburan dan berita. Perkongsian ini datang dalam bentuk pemasaran viral yang membolehkan pengurus pemasaran dan komunikasi mendapat peluang yang selari untuk mencapai sebilangan besar pengguna dengan pantas. Pertumbuhan yang semakin meningkat dalam penggunaan internet dan media sosial serta rangkaian sosial laman web menjadikan, pemasaran viral telah kukuh dalam pemasaran dan agenda korporat. Oleh itu, kajian ini telah dijalankan untuk mengenalpasti keberkesanan pemasaran viral di Malaysia. Data kajian ini telah dikumpulkan melalui soal-selidik sebanyak 384 responden di selatan Malaysia (Selangor, Kuala Lumpur dan Melaka). Keputusan analisis menunjukkan bahawa di antara semua faktor motivasi, sikap suka bermain-main, sikap didorong oleh masyarakat, sikap terasa mudah penggunaan dan sikap terasa bermanfaat mempunyai kesan yang besar ke atas keberkesanan pemasaran viral di Malaysia. Manakala, penyelidik mendapati juga sikap massa kritikal dan tekanan rakan sebaya tidak berperanan dalam mempengaruhi keberkesanan pemasaran viral. Keputusan kajian ini menyumbangkan kepada pemahaman yang luar biasa kepada pemarkar dan firma-firma yang terdapat dalam pasaran Malaysia.

Kata Kunci: Interaksi, media sosial dan rangkaian sosial, pemasaran viral, Malaysia

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LIST OF ABBREVIATIONS AND SYMBOL

ABBREVIATIONS	MEANING
ANOVA	Analysis of Variance
SNS	Social Network Sites
EVM	Effectiveness of Viral Marketing
P	Playfulness
CM	Critical Mass
CD	Community-Driven
PP	Peer Pressure
PEU	Perceive Ease of Use
PU	Perceive Usefulness
H ₀	Null Hypothesis
H ₁	Alternative Hypothesis
SPSS	Statistical Packages for the Social Science

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CHAPTER 1

INTRODUCTION

1.0 Introduction

This chapter contained information about the background study of researcher topic which was contagious communication and effectiveness of viral marketing. And at the same time, researcher described about viral marketing. Researcher believed that this chapter was beginning of discussion to bring success research by using triangle iron. Further researcher discuss the problem statement, research objective, scope and limitation of study, important of research. Researcher also presented research questions.

1.1 Background of study

The word “contagious” means that infection of disease that spread from one person or organism to another by direct or indirect contact to affect others. Communication is the act or process of using words, sounds, signs, or behaviors to express or exchange information or to express your ideas, feelings, thought and others to someone else by using technology. The definition of contagious communication is refers to communication of disease by direct or indirect contact and the ready transmission or spread of an idea, emotion, feelings and others.

Marketing of today is science, where knowledge of consumer behavior is becoming more essential when it comes to reaching people, together with the ability to make your brand noticed among the masses of messages (Keller, 1993). Meanwhile, knowledge of marketing channels is even more complex, from the first rumor spreading to newspaper, radio, television. Even the newest channel of marketing, the internet, is evolving into new channels within itself (Rowley, 2004). Among these internet channels we find new names and words like Facebook, Twitter, blogging and YouTube. These are all names of different social-communities or network where people meet, exchange information and receive marketed messages every day. The “connection generation” craves interaction with and connection to vast social networks (Pintado, 2009) through the sharing of information, photos, opinions, entertainment and news.

The internet plays a crucial role in building corporate brand reputation all over the world in today’s market. According to Singha, Veron-Jackson, and Cullinane (2008), the emergence, proliferation, and ubiquity of the internet have not only transformed businesses, but also altered the relationship between and customers. This means that the manner in which companies are communicating their brands to consumers is different from the past.

With the proliferation of the internet and advancement in communication technology, a new form of marketing has evolved – viral marketing communication. Viral marketing communication is a consumer-to-consumer marketing tactic which employs the internet to encourage individual to pass marketing message to others (Wilson, 2000). Similar to a virus, information about a company and its brand message, goods or service spread to potential buyers who then pass the information along to other potential buyers in a way that vast network is created swiftly (Dobele et al, 2007).

Viral marketing communication is seen as a vital electronic extension of word-of-mouth (WoM) communication, which involves the principle of passing on or referring

news, information or entertainment to another person. Where word-of-mouth has occurred, it simply implies that informal, ad hoc communication between individual concerning products and services has taken place (Bayus, 1985).

The new wave of viral marketing has become the defining marketing trend of the decade (Ferguson, 2008). Following the viral marketing communication campaign success of companies such as Burger King, Hotmail and Procter & Gambler, many marketer have also jumped onto the bandwagon. Viral marketing exploits existing social media and networks by encouraging customers to share product information with their friends (Leskovec, Admic, & Huberman, 2008).

However this point of time, viral marketing communication is a new topic and facts about its nature, characteristics and dimensions have yet to be agreed and established (Cruz & Fill, 2008). The aim of this study is to explore the effectiveness of viral marketing and its popularity among consumers. This study also determine the factors that influence the effectiveness of viral marketing.

1.2 Problem Statement

According to Pownall (2011), the great majority of business decision-maker feels it is now much more difficult to manage news flow and reputation and that the internet, social media, and need to respond extremely quickly are key challenges. Leskovec, Adamic, & Huberman (2002) echo the sentiment that inappropriate use of viral marketing can be counterproductive as it can create unfavorable attitudes toward products. To measure real viral marketing is a challenge because real viral marketing takes place in private conversations (Kiss & Bichler, 2008), hence a difficulty to measure what is said and what the effect is of the discussions.

1.3 Research Question

Further from here, three research questions has formatted from problem statement.

- i)** What are the impacts of online contents that influence the effectiveness of viral marketing in Malaysia?
- ii)** What are the factors that influence the effectiveness of viral marketing in Malaysia?
- iii)** What is the most important factor that influence the effectiveness of viral marketing in Malaysia?

1.4 Research Objective

The primary objective of this study was to investigate the effectiveness of viral marketing under research in Selangor, Kuala Lumpur and Melaka. Besides, the study also determined significant critical factors that influencing the effectiveness of viral marketing.

- 1.** To identify the impacts of online contents that influence the effectiveness of viral marketing in Malaysia.
- 2.** To investigate the factors that influence the effectiveness of viral marketing in Malaysia.
- 3.** To determine the most important factor that influence effectiveness of viral marketing in Malaysia.

1.5 Scope of Study

The purpose of this study was to propose to identify critical success factors that influenced effectiveness of viral marketing. In this study, researcher suggested there were six factors or variables which associate with effectiveness of viral marketing in Malaysia.

Those factors are such playfulness, critical mass, community-driven, peer pressure, perceive ease of use and perceive usefulness. Researcher believed that these factors has strong relationship towards the effectiveness of viral marketing. Besides, this study also determine how effectively the consumers implement viral marketing campaigns to improve the fastest communication among consumers Melaka, Selangor and Kuala Lumpur.

1.6 Limitations of Study

Like most studies, limitations were influences beyond the researcher control. Limitations are the shortcomings, conditions or influences that cannot be controlled by the researcher that place restrictions on the researcher methodology and conclusions (Baltimore Country Public Schools, 2014). The limitation of this study was this study did not cover all provinces in Malaysia and was limited to only few province which is in Melaka, Kuala Lumpur and Selangor state. Therefore, the results of the study cannot be generalized to all provinces in Malaysia. Due to the size of Malaysia, as well as social attributes and geographical profile, it was difficult to research every provinces; therefore, further research needs to include a large sample of provinces. Time constraints are major limitation in this study. As we given about 24 weeks to conducted this study and this was consider limited time to conduct a proper study. Another shortcoming in this study is the scope. The focus of this study was merely on effectiveness of viral marketing. Researcher of this study generalize the effectiveness of viral marketing but not on specific companies and specific group of consumers. In the data collection process, researcher could not find the suitable respondents because even though many people familiar with internet but some of them still unaware of viral marketing campaigns. Due to this researcher unable to make accurate data collection.

1.7 Important of Research

The important of this research was to getting know with how the viral marketing campaigns working effectively. Besides that, to know the factors that play significant role in effectiveness of viral marketing and motivation of consumers to share online contents among their friends. This study also be beneficial for marketers to generate new ideas in marketing field to achieve current and future growth.

Moreover, this study was helpful for all kinds of organizations and firms and informing them in the area of marketing management, objectives and strategies. Other than that, it was be also to serve as future reference for researcher proceed furtherly on topic of viral marketing. An importantly, this study was evaluate the strategy and implementation of successful viral marketing campaigns.

1.8 Summary

In this chapter, researcher had discussed about background this study and problem statement. Findings of problem statement enable researcher to determine the both research questions and research objectives. Besides, researcher also reveals scope of this study, importance of this study and limitations of this study.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

In this chapter, the researcher focused on the developments of marketing for marketing business to viral marketing for today business, which was based on previous researchers. Then the researcher was discussed about the advantage and disadvantage of viral marketing. Next discussion was about the contribution of successful factors that influence the effectiveness of viral marketing and also viral marketing. Besides, the researcher also focused on legal issues in viral marketing. Finally, the researcher also came out theoretical framework to relate the dependent variable with independent variables. Researcher also made some hypothesis based on independent variables to find out the significant relationship between dependent variable. By the critical review of the literature was necessary to help this discussion to develop a thorough understanding of insight into previous work that relates to the research questions and objectives.

2.1 Marketing for a business

Marketing is essential for businesses as it allows them to make their products or services know to the consumer and persuade them to invest in them (Hill et al, 1999). It has been noted that use of marketing will improve a business's performance (Jobber and