

CONSUMERS' ATTITUDES TOWARDS VIRAL MARKETING IN MALAYSIA

HEMANANTHINY D/O SELVA RAJA

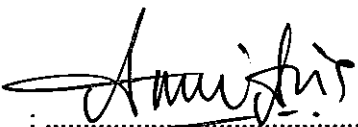
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Bachelor of Technology Management
(High Technology Marketing)

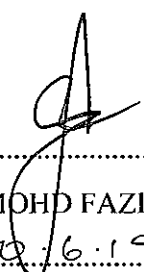
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APPROVAL


“I/ We, hereby declared that I/We had read through this thesis and in my/our opinion that this thesis is adequate in terms of scope and quality which fulfil the requirements for the award of Bachelor of Technology Management”

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DECLARATION

“I declare that this project is the result of my own research except as cited in the references. The research project has not been for any degree and is not concurrently submitted in candidature of any other degree.”

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Date : 19/06/2019

DEDICATION

First, I would like to dedicate the appreciation to my mother, Mrs Ratna Devi d/o Narayanasamy and my father, Mr Selva Raja s/o Retnam who supported me from spiritually and financially to encourage me in study and complete my final year project. In addition to, beloved supervisor and panel who guided me throughout the research, and friends that assisted me through the journey of research.

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In summary, this graduation project was a great experience!

ABSTRACT

Based on the result of Malaysian Communication and Multimedia Commission Survey in year 2017, Selangor was recorded as the highest Internet users and also Petaling Jaya recorded as a highest population city which is 520,698 compared to other cities in Malaysia Population 2018. This study is aim to investigate the relationship between viral marketing and factors of consumers' attitude. A total of 384 online consumers of Petaling Jaya, Selangor were involved as respondents through convenient sampling. Questionnaires was major research tool for data collection. The analysis method was used multiple regression analysis for hypothesis testing in this research and was analyzed using Statistical Package for the Social Sciences (SPSS). The findings show that there is a significant relationship between informativeness, entertainment, irritation, source credibility and incentive. It is believed that this research paper will beneficial to the marketers and academicians for future reference.

Keywords: Consumers' Attitude, Viral Marketing, Informativeness, Entertainment, Irritation, Source Credibility, Incentive

ABSTRAK

Berdasarkan Laporan Suruhanjaya Komunikasi dan Multimedia 2017, Selangor merekodkan pengguna Internet tertinggi manakala Petaling Jaya mencatatkan populasi penduduk tertinggi iaitu seramai 520,698 orang berbanding bandar-bandar lain di kalangan penduduk Malaysia pada tahun 2018. Kajian ini bertujuan untuk mengenal pasti sikap pengguna ke arah pemasaran viral di Malaysia serta mengkaji hubungan antara pengaruh faktor (informasi, hiburan, iritasi, kredibiliti sumber dan insentif). Sebanyak 384 pengguna dalam talian di Petaling Jaya, Selangor terlibat sebagai responden melalui persampelan convenience. Soal selidik adalah alat penyelidikan utama untuk pengumpulan data. Kaedah analisis deskriptif dan analisis regresi berganda digunakan untuk pengujian hipotesis melalui Pakej Statistik untuk Sains Sosial (SPSS). Dapatan kajian menunjukkan bahawa terdapat hubungan yang signifikan antara informasi, hiburan, kredibiliti sumber dan insentif

Kata kunci: *Sikap Pengguna, Viral Marketing, Informasi, Hiburan, Kerengsaan, Sumber Kredibiliti, Insentif*

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LIST OF ABBREVIATIONS

CA	=	Consumer Attitude
VM	=	Viral Marketing
IF	=	Perceived Informativeness
ET	=	Perceived Entertainment
IR	=	Perceived Irritation
SC	=	Perceived Source Credibility
IC	=	Perceived Incentive
SPSS	=	Statistical Package of Social Science
UTeM	=	Technical University of Malaysia M

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CHAPTER 1

INTRODUCTION

1.1 Introduction

Nowadays, viral marketing is often the main debate among marketers. Research studies conducted by the previous researchers has been construct theories which provides knowledge or awareness on issues related to viral marketing. However, different studies reflected different results in terms of attitude of consumers' towards viral marketing factors (Wei 2014). Besides that, Wei stated that research focused on viral marketing seen still lacking of deep attention because viral marketing has not yet reached its maturity stage.

Thus, factors of the consumers' attitude towards viral marketing were empirically analyzed in the research study. This study aims to analyze the factors that affect consumers ' attitude towards viral marketing. In this chapter proposes researcher provides the introduction of this research project, which consists of several sections. The first section will cover the background and view of the research project. The problem statement, research questions, research goals, scope, limitations, meaning of this study as well as the conceptual and operational definition can be found in the following sections.

1.2 Background of Study

Viral marketing is usually a digital marketing category. A marketing approach which known by viral marketing that will encourages or persuades people to communicate or information sharing with third parties or friends, thereby enhancing exposure opportunities and influencing marketing messages (Patel 2009). It is like viruses that use rapid replication to convey a specific message to each other between hundreds and millions. Moreover, viral marketing as a "word of mouth" can be expressed on the Internet. The Internet has become increasingly possible as a distribution channel because of the rapid evolution of electronic commerce (Cheng et al., 2006). Current instrument are appearing and confronting the new expectations of the social environment, leading to the use of another type of viral marketing techniques. Especially in the last year when people have broadly used the internet and smartphones, today's marketers need to understand and use viral marketing. Hence, it is clear that nowadays, viral marketing is becoming increasingly common. There are a lot of consumers regularly use Internet authority for get to know the information regarding product categories, brands, manufacturers and retailers (Kulkarni et al.,2012).

Leskovec et al., (2007) stated that, despite traditional marketing tools, marketers are required to use alternative strategies because of consumer transformation that have begun to withstand classical marketing tools like magazines, radio, and commercial television. Instead of traditional, consumers moved on to prefer viral marketing tools. By leveraging real networks and encouraging consumers to knowledge exchange with family and friends, viral marketing maximizes the amount of reach. Furthermore, through the use of internet tools, consumers can constantly share things with their friends. Many companies have realized the importance of viral marketing and the concern of having their own distinctive features (Aldridge et al.,1997). However, consumers ' perception of viral marketing is diverse and unreliable as to whether this is one of their barriers.

According to (Patel 2009), it is becoming increasingly popular today to use online "viral marketing" techniques to "transmission the word" and stimulate growth at exponential rates. The internet actually provided a marketing situation that could influence consumer reactions to their buying behaviour. Several past performance have examined the potentiality of online marketing affecting consumer purchasing decision based on (Kulkarni et al.,2012). Among the results we can noticed that consumers are highly connect to a publishing platform, they may be more conscious to the marketing used by the website. In addition, online communications marketing tools have a few aspects that attract attention. One of an outcome is that if consumers are strongly connect to a media platform, they can be highly conscious to the marketing that is used by the specific site. In addition, a number of networked marketing device attract consideration.

Using the internet sources, a small budget can be undertaken. Viral marketing, despite its cost-effectiveness, increases marketing that online advertising has much more innovative and productive ways to get deep attention. Unlike traditional tools (Rahimnia & Hassanzadeh 2013), internet marketing involves using the internet to provide information, communicate and transact. Online marketing is more creative compared to traditional tools such as print or broadcast media, and it is also possible to make full use of the viral marketing technique. The reason is, it is possible to create the new and innovative ways of marketing a business by doing it online and it is easier to pass through the Internet from one consumer to another. In addition, the old marketing method which is traditional marketing is out of the way, which is no longer sufficiently effective to engage with consumers. The greater the internet is used by the individual user, the higher the possibility of considering the internet as a viral marketing channel that encourages more extreme growth of electronic commerce.

Viral marketing offers additional benefits, including minimum costs, closer company and customer connections, redesign of circulation among others, compared to traditional marketing (Tiago & Tiago 2012). The main reason companies should recognize that it's trendy to use the internet as a marketing tool at the moment. There is no doubt about the emergence of new online, mobile and social media as the growth area for advertisers and retailers (Naik & Peters 2009). The way people buy things has even changed, apart from changing people's way of getting their information. Business

people should therefore recognize and improvise the viral marketing capacity by identifying the perception of viral marketing by consumers.

Lars Perner (2010) stated that a mixture of consumer convictions, behavioural intentions, and feelings towards certain marketing-related objects, which is brand or retail known as consumer attitudes. Attitude can be called a continuous corporation of cognitive, perceptive, sentimental and encouraging processes in relation to few of the characteristics of the environment (D.I. Hawkins, R.J. Best 2004). Using these three cognitive components, this study will measure attitude is the consumer's thinking, affective is the consumer's feeling, and behavioural is the consumer's action. (William M. Pride 1991) considered that attitude mentions more specifically to positive or negative feelings and understanding of an activity or object. Attitudes serve as a way for people who function as knowledge to organize beliefs about activities or objects (Grewal et al., 2000; Katz 1960).

The research study examined consumer perception was develop to be impacted by informativeness, entertainment, irritation, credibility of source, and incentive. Thus, as independent variables, five elements will be analyzed. Informativeness suggested by Waldt (2009) can function as a perception of consumers to whom marketing messages extend to inform and inform consumers about product options to enhance consumer satisfaction. Perceived entertainment is known, based on (Ducoffe 1996), as the ability of consumers to satisfy artistic pleasure, fun, or expressive needs for pleasure. Regarding perceived irritation, it refers to the perception of consumers of any information or content of messages that were found to be disturbing (Oh & Xu 2003). It is possible to operationalize perceived source credibility as a perception of marketing messages ' fidelity and openness by consumers (MacKenzie & Lutz 1989). Lastly, advantage or satisfaction from which, when receiving viral marketing messages, consumers can benefit from being known as perceived incentives.

Therefore, for the independent variable, five elements will be apply as well. As such, this research will further explore the attitudes towards viral marketing between consumers.

1.3 Problem Statement

For many years, marketers have been using electronic tools, but the internet and other new technologies have created a vast array of interesting and innovative ways to deliver and enhance customer value. Not only did this challenge the basics of traditional marketing, but it also helped shape modern marketing practice. As a result, technology-filled change will not slow but accelerate, the biggest challenge facing local marketers in terms of marketing efficiencies will become globally competitive (Pretorius 2000). Moreover, the great advances in business came from early recognition of doing things in new ways, and marketers should realize that new technologies can quickly create not only new markets, but also new ways of satisfying those markets (Perreault & EJ 2000). (Doyle 1998) is convinced that how and where marketing functions change radically and thus support the fact that marketers need to change their marketing methods on the basis of changes in the environment. Viral marketing is one such change that needs to be exploited. Many businesses are now turning to viral marketing due to increased competition and an effort to stand out from the crowd (Wilding 2001).

Previous research has shown that viral marketing is a relatively current development in which it is still being developed as a marketing tool (Zernigah & Sohail 2012). Not every viral advertisement is viral. To generate the public's interest and motivate them to transfer it to the social network should be persuasive, interesting and memorable (Eckler & Bolls 2011). Since viral marketing is a current and new trend, there is still a need for detailed facts and comprehension on viral marketing (Cruz & Fill 2008). Moreover, viral marketing also offers some benefits that include minimum cost, enormous scope, high credibility, accountability, speed, user-friendliness, and ability to reach a global audience. Nevertheless, (Wei 2014) stated that various studies have considered different outcomes based on consumer attitude. Not many studies on the attitude of consumers to viral marketing tools have been carried out, as viral marketing has not yet reached its maturity stage (Wei 2014).

Marketers should now recognize why consumers allow viral marketing tools (Zernigah & Sohail 2012). To attract, retain and satisfy target audiences, a successful marketing tool is needed (Best 2009). To achieve this, the product must be sufficiently exceptional to speak among consumers to enable information to be transmitted from one to another to permitted to attract awareness and attain the primary objective of viral marketing (Dufour 2011). Therefore, to achieve marketing value, it is necessary to interpret the connection between viral marketing and consumer attitudes. Consequently, it is essential to distinguish the perception of viral marketing by consumers. Moreover, Palka et al., (2009) examined that while there is some evidence of viral marketing performance, there is not much research on consumer interest, perceptions, and behaviours involved in marketing tools. Marketers need to study consumer perception so that they are familiar with consumer psychology to make a successful marketing.

Most of the previous studies on attitude of attitude towards viral marketing have been conducted in other countries as far as the research I had done is concerned. There is also a similar research conducted in Malaysia in 2014 at the same time. As such, although this study was explored in the past research, there is still a lack of recent research. According to this new marketing world age, Internet users must develop rapidly towards viral marketing.

The gap in this research is, therefore, that this study will be carried out in Malaysia but will focus more on a current state with higher internet users and will be tested again in Malaysia. In this research study, the result of this research, which is the factor in the attitude of consumers affecting viral marketing, will be carried out. This research will therefore help to examine in detail the consumer's attitude towards viral marketing from Malaysia's perception.