

## The Effectiveness of Viral Marketing in American vs. Indian Market Segments

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### Introduction

Viral marketing is a relatively new marketing tactic that relies heavily on simple sources like social media and word of mouth to reach a large audience. Traditional marketing approaches often rely on strategic segmentation and specific adjustments for different targets, but viral marketing has been characterized by the rapid reach to consumers by just a single element which is generally shared by consumers themselves, and does not have to be strategically pushed through various channels by marketing teams.

Watts and Peretti (2007) discussed in *Viral Marketing for the Real World* that viral marketing has captured the interest of many marketers, mainly due to the idea of distributing an advertisement to a small number of individuals and then watching it spread to extremely large audiences. The authors of the *Harvard Business Review* article compared a viral marketing campaign to the spread of an infectious disease because of its core nature of spreading rapidly considering its effectiveness. The article also highlights the fact that instead of hoping for one video to spread epidemically on its own, marketers should take advantage of other marketing channels to create a larger exposure and have a more solid marketing plan. Viral marketing helps decrease the financial risks, as well as the risk of picking the wrong channel, when it comes to introducing or advertising a new product/service, by reaching consumers through a point of contact with which they are already familiar (Milan 2013).

As mentioned earlier, the effectiveness of a viral marketing campaign relies heavily on word of mouth and social media. The article *Why Is Viral Marketing So Effective* (Street Directory, 2016) mentions that in today's modern age an increasing number of marketers rely heavily on viral marketing to generate traffic and leads. In the article *The Power of Word of Mouth* (2016), Wyner explains how "individuals communicate with each other and share content, rather than just being recipients of marketers' content." This statement is the core of what makes a viral marketing campaign spread and reach a large audience. Research reveals that a vast majority of sharing information or opinions of brand, products, and services is done offline via conversations, compared to online. Social media still has a huge role in making a viral marketing successful; it has the capability to spread content in a matter of seconds across the world.

The purpose of this paper is to analyze the effectiveness of viral marketing campaigns among American and Indian consumers. The paper will compare and analyze if viral marketing is effective among the Indian customer segment or the American customer segment or both and further examine aspects that would make a viral marketing campaign effective among both segments. The core hypothesis of this paper is that differences in the cultures and point of views of the two audiences will lead to viral marketing being more effective among the American marketing segment compared to the Indian customers.

### Literature Review

#### Indian Market Segment

The Indian market segment is one of the biggest and most diverse markets in the world and is attracting a number of international businesses. Apart from its large population, the Indian economy is continually growing with constant improvements in technology, standards of living and income. These factors together make the Indian market segment a highly attractive and profitable market, although succeeding in the Indian market can be a difficult task at which many companies fail.

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In spite of advancement in all aspects of their lifestyle, most Indians still strongly believe in their traditional values, a fact which differentiates them from many markets of the world. Indian customers tend to prefer and trust Indian brands that have been present in the country for years and they prefer traditional forms of business practices.

As Westfall and Boyd mentioned many years ago in the journal, *Marketing in India*, traditionally, marketing was one of the least developed aspects of the Indian market and most of the customers considered it a wasteful activity (Westfall and Boyd, 1960). Indian customers believed that good products do not need to be marketed and if a product is being marketed then it isn't good enough. Still, over the years, marketing levels have been growing due to the western influence on Indian consumers. As Neelamegham mentions in the book *Marketing in India: Cases and Readings*, due to the integration of the global economy, constant growth of technology, revolution of social media, advancement in distribution and business as a whole, the level of marketing has been growing in India (S. Neelamegham, 2000). The book mentions how the Indian businesses, as well as customers, are beginning to understand the importance of marketing due to increased privatization, globalization, as well as increased influence of the American culture on the millennials in India.

Even though Indian customers are changing, they are still connected to their culture and values. Hence, in order to have a successful viral marketing campaign in India, most international firms should focus on the ad content and message in order to make it appealing to the Indian market. The article *How to Market to Asia's Masses* by Kristula-Green (2006), suggests that Asian masses are considered to be price conscious but in reality, that is not totally true. Asian customers, including the Indian customers, tend to be more value and quality conscious than they value any other factor. High quality products and a high level of marketing efforts are extremely effective among the Asian market segments. Hence, viral marketing strategies that promote the product quality and features should be more effective in the Indian market.

### **American Market Segment**

The American market segment is one of the most sought after customer segments in the world. It is characterized by its open-minded culture and constant advancement in technology. Americans have been exposed to marketing for decades, which makes them very familiar with the practice of marketing, and hence, they have a positive and casual outlook toward advertising and marketing as a whole. Their predominantly modern attitude makes them more accepting toward modern forms of marketing, such as viral marketing.

Ankeny (2014) discusses how 10 marketing campaigns became viral hits, one of which was the famous Lay's "Do us a Favor" contest. This ad went viral because it had a twofold benefit for its customers; "it let them know that their opinions matter and gave them a voice in product development." Translating these emotions into this campaign generated excellent results, in which Frito-Lay's U.S Facebook fan base was tripled and sales were boosted by 12 percent nationwide. Frito-Lay leveraged social media to make this contest go viral and in return gained a great amount of benefit.

To receive the best outcome from a viral campaign among the American segment, it must also be specific to an age group, since different age groups in America are very different and react very differently to ad campaigns and their messages. In the article, *Know Your Target Market* (Wilson, 2009), it is mentioned that generation Y is the number one target for viral marketing as they are the ones who spend the largest amount time on social media (apart from generation Z.) Generation X is not as brand loyal as generation Y. Analyzing these results, marketers in the American market need to emphasize the quality and value of the product/service if they want to get generation X's attention. Generation Y are mainly recently out of college in their first job, so pricing is a huge factor; when creating the content oriented toward this group, price must be carefully included.

### **Hofstede's Dimensions**

Professor Geert Hofstede (What about India? 2001; What about America? 2001) performed an important study to show how workplace values are often influenced by the culture of the office and the people. The study used six distinct components, which are individualism, masculinity, uncertainty avoidance, long-term orientation, power distance, and indulgence, to analyze how culture and people affect workplace values. In this paper we will be analyzing the levels of *individualism*, *long term orientation* and *indulgence* in the Indian and American markets in order to get a better understanding of their cultures and how viral marketing goes along with these cultures.

## Indian vs. American Market Segments

An accurate strategy pertinent to a successful marketing campaign, and a successful strategy, typically revolves around determining the target market. For example, Americans tend to be more individualistic than Indians and that is very important when considering marketing strategies in these markets. Asian marketing campaigns and commercials often appeal to societal and family values, while American marketing campaigns tend to have a more individualistic framework, which was discussed in *Cultural Values Reflected in Theme and Execution: A Comparison Study of U.S. and Korean Television Commercials* by Cho and Kwon (1999). Indian audiences have a relatively low appeal to individualism compared to American audiences. The Indian audiences more often have their opinions and preferences influenced by their families, friends, and their community. The societal framework and family values are often highlighted in the marketing strategies in India, which is an ode to the country's collective culture and their preference to act for the greater good of society. Thus, companies selling in India need to be aware of the social influence of their campaign in order to create a successful viral marketing strategy. Due to the collective culture in India, a successful marketing strategy can further propel itself by word-of-mouth, reaching even more people.

Long-term orientation, another dimension from Hofstede's theory, is also a factor in distinguishing the American market from the Indian market. He mentions, "Americans are prone to analyze new information to check whether it is true." This suggests that relying on a social media campaign in America for an untested product initially is perhaps inferior, since Americans value results. A likely superior way to go about it would be to conduct product tests and show results and real statistics to the customers. However, the marketing campaigns in India should be more highly considerate of society's values and traditions. The Indian consumers have a very high sense of long-term orientation, which means traditions, values and beliefs are very important to the consumer base, more so than in the American market. It is also important to note that there are several sub-cultures within India with distinct values and traditions. Marketing campaigns should be very careful to align their ideas to the specific target market in India to effectively reach their audience.

Indulgence is the third and final dimension we examine. Hofstede explained indulgence as "the extent to which people try to control their desires and impulses." Americans generally tend to splurge more, which may stem from the "work hard play hard" attitude in American culture. Marketing campaigns can focus on entertainment and novelty when targeting American audiences. On the other hand, Indian audiences have a very low level of indulgence. This is consistent with the developing nation's income level and restrained culture. Consumers in India tend to have higher self-control and their buying habits revolve around their needs. Selling a product on the basis of just a viral commercial may be generally more difficult in India. Marketing campaigns in India need to be product-oriented and be able to show the necessity and effectiveness of the product/service.

## Methodology

The conclusions reached in this paper will be supported with information about Hofstede's cultural dimensions, empirical articles from various sources, as well as primary research results collected from the survey conducted. Respondents varied in gender, age, cultural background, as well as purchasing-behavior preferences.

Research data were collected via an online survey that was distributed to a diverse audience via email and several social media platforms. The survey measured the recall of a variety of successful viral marketing campaigns, with no particular focus on specific products or services. The survey also asked questions to determine various aspects that appeal to the two market segments when it comes to viral marketing, as well as aspects they generally consider before buying a product. The survey also obtained age, sex, and cultural demographic information from the participants, in order to allow a cross-cultural comparison to observe differences and similarities.

The collected data will be analyzed using various tools in SPSS such as t-tests, Chi-Square tests and One-way ANOVA, in order to better understand, as well as compare, the opinions of the respondents on viral marketing as a whole and the various aspects that make a campaign successful.

## Analysis and Discussion of Results

The survey received a total of 103 responses, out of which 44 respondents identified themselves as American while 59 respondents identified themselves as Indians. As verified in Figure 1 below, 57.3% of the respondents are Indians and 42.7% of the respondents are Americans.

Statistics					
Nationality					
N	Valid	103			
	Missing	0			

Nationality					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	American	44	42.7	42.7	42.7
	Indian	59	57.3	57.3	100.0
Total		103	100.0	100.0	

Figure 1

Before testing any hypotheses, the various viral ad aspects tested in the survey will be analyzed in order to determine which aspects appeal the two segments equally as well as differently. The survey asked the respondents “*what type of ads appeal to you the most?*” with the options ‘Entertaining’ and ‘Focusing on product features.’ This is an important issue since most viral marketing ads tend to be more entertaining and focus less on product features. In order to analyze this question, the two qualitative options will be converted in to dummy variables where ‘Entertaining’ = 1 and ‘Focusing on product features’ = 0, and the results are shown in Figure 2

Case Processing Summary							
		Valid		Cases Missing		Total	
		N	Percent	N	Percent	N	Percent
Nationality * KindsOfAdsAppealYouTheMost		103	100.0%	0	0.0%	103	100.0%

Nationality * KindsOfAdsAppealYouTheMost Crosstabulation				
Count		KindsOfAdsAppealYouTheMost		Total
		.00	1.00	
Nationality	American	14	30	44
	Indian	43	16	59
Total		57	46	103

Figure 2

In the above cross-tabulation, it can be seen that Indian responders prefer the ads to focus on product features while a higher proportion of American responders prefer entertaining ads. This further emphasizes the point made earlier about the lower level of indulgence among Indians.

Another important aspect that influences the popularity and effectiveness of a viral marketing campaign is word of mouth and social media sharing. This aspect can be analyzed by studying how influential friends and family members are for individuals in both the segments, when it comes to viral ads and purchasing new products. This t-test analysis is shown in Figure 3.

T-Test										
Group Statistics										
	NationalityRecoded	N	Mean	Std. Deviation	Std. Error Mean					
FamilyFriendsInfluence	.00	44	3.2273	1.15866	.17467					
	1.00	59	3.4915	.98913	.12877					
Independent Samples Test										
Levene's Test for Equality of Variances										
t-test for Equality of Means										
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
FamilyFriendsInfluence	Equal variances assumed	.936	.336	-1.246	101	.216	-.26425	.21206	-.68492	.15642
	Equal variances not assumed			-1.218	84.038	.227	-.26425	.21701	-.69580	.16730

Figure 3

Analyzing the output of Figure 3, it can be seen that the p-value of 0.336 is higher than the traditional 0.05 threshold for testing equality of variances; therefore, we will consider the row in which equal variances are assumed for the remainder of the analysis, which is supported by the similarity in the standard deviation in the first portion of the chart. We have a calculated t-value of -1.246, indicating that we cannot reject equality of means. In conclusion, we cannot reject the hypothesis that the value of input from others is equally important to one culture as to the other.

To analyze the opinions of the two segments on viral marketing itself, the section below will test the level of correlation between the respondents' opinion about 5 popular viral ads that were shown to them in the survey and if they were persuaded to actually buy the products/services advertised in the ads. The two questions analyzed in this section are "Did you think these viral ads were effective?" and "Would you buy any of the products/services advertised in the videos?"

In order to understand the two markets better, the responses have been separated and a Chi-Square test conducted for each market. The null hypothesis of the Chi-Square test is that no relationship exists between the variables; i.e., they are independent. The responses for the two questions analyzed have been recoded and converted to dummy variables where 'Yes' = 1 and 'No' = 0 for both questions. Below, in Figure 4, is the Chi-Square test for the American Market Segment:

Crosstabs							
Case Processing Summary							
	Valid		Cases Missing		Total		
	N	Percent	N	Percent	N	Percent	
AdsEffective * WouldYouBuy	44	100.0%	0	0.0%	44	100.0%	
AdsEffective * WouldYouBuy Crosstabulation							
Count							
		WouldYouBuy		Total			
		.00	1.00				
AdsEffective	.00	2	4	6			
	1.00	10	28	38			
Total		12	32	44			
Chi-Square Tests							
	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)		
Pearson Chi-Square	.129 <sup>a</sup>	1	.720				
Continuity Correction <sup>b</sup>	.000	1	1.000				
Likelihood Ratio	.124	1	.724				
Fisher's Exact Test				.658	.529		
Linear-by-Linear Association	.126	1	.723				
N of Valid Cases	44						

Figure 4

In Figure 4, it can be observed that p-value (0.720) is much higher than the 0.05 threshold; hence, we fail to reject the null hypothesis that there is no relationship between the two variables.

In essence, this suggests that even if an American respondent thought a viral marketing ad was effective, he/she will not necessarily be persuaded to buy the product.

The Chi-Square test for the Indian Market Segment is shown in Figure 5:

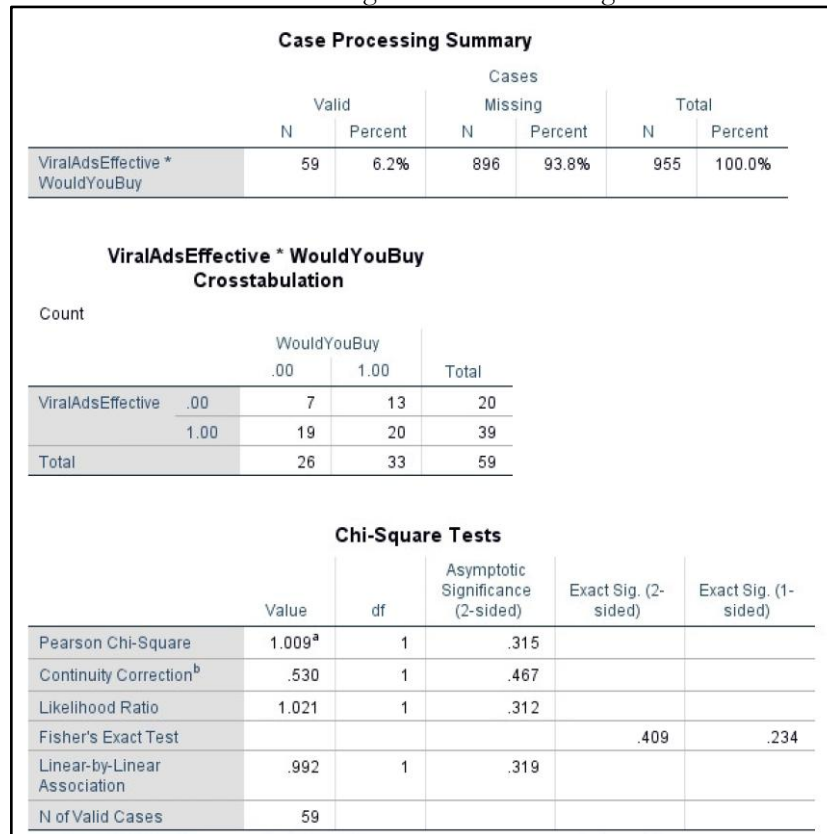


Figure 5

In Figure 5, it can be observed that p-value (0.315) is again higher than 0.05 threshold value. Hence, we here also fail to reject the null hypothesis that there is no relationship between the two variables. This suggests that even if an Indian respondent thought a viral marketing ad was effective, he/she will not necessarily be persuaded to buy the product. Although the p-value for the Indian audience is somewhat lower than that of the American audience, indicating that there is, in a sense, a higher chance that there might be instances when there is a relationship between the two variables for the Indian responders than for the American responders.

Still, overall for both market segments, it can be concluded that there isn't enough evidence to show a strong relationship between the respondents thinking the viral ads are effective and their actually buying the products or services advertised in the ad. This may be because of people's tendency to check out reviews and ask people about the product/service before actually making a purchase. Today's customers are very aware and believe in doing their research first, instead of making a purchase based just on their instincts.

We next analyze the core of this research paper, which is whether there is a statistical difference in the effectiveness of viral marketing in the Indian market segment vs. the American market segment. In order to do so, a one-way ANOVA test will be conducted with the two market segments as the dependent variables and the responses from the question 'Did you think these viral ads were effective?' as the independent variable. Results are in Figure 6.

ANOVA					
NationalityRecorded	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.342	1	1.342	5.679	.019
Within Groups	23.862	101	.236		
Total	25.204	102			

Figure 6

In the above test, it can be observed that the F-value is 5.679, along with a p-value of 0.019, a value less than the .05 alpha value. This indicates that there is a statistically significant difference between the means of the two market segments. Hence, we reject the null hypothesis that there is a no difference in the effectiveness of (the viral marketing ads used, meant to represent all viral marketing) in the two market segments. This is a key finding.

**Conclusion**

Based on our research we conclude that there is a significant difference in the effectiveness of viral marketing in the Indian and American markets which is mainly contributed to by the different elements such as the themes, level of emotions and many other similar aspects showcased in the ad itself. From analyzing the levels of individualism, long term orientation and indulgence in the Indian and American markets, it was observed that there is a significant difference in the aspects that appeal to the two markets. Hence, advertisers and marketing professionals should cater their viral ads according to the market they plan on targeting.

Even though there is a difference in the effectiveness of viral marketing in the two segments, the influence of family and friends is also high in both markets which indicates high influence via word of mouth and social media. That being said, if marketing professionals are able to create a viral ad by taking into consideration the various aspects that would appeal to the target audience then there is a high likelihood that the ad will become viral. A drawback discovered from the research is that there is not a significant relationship between the audience liking an ad and their actually buying the product/service. Hence, even if the ad does go viral, there is no guarantee that the customers will end up buying the product/service.

**Limitations and Directions for Future Research**

The biggest limitation of this research is the number of responses. A higher sample size from each market segment would be able to provide more accurate statistical insights. The research also did not consider the effect of a number of external factors, such as the effect of westernization, and previous exposure or prior opinions of respondents toward the viral ads showed in the survey. This may have caused some bias in the responses which could have altered the final results.

Based on the literature review, as well as our primary research results, it is recommended for marketers interested in reaching the Indian and American segments to further analyze each culture. The results indicated that certain aspects were more important than others in order to create an effective viral marketing campaign. However, our analysis did not determine specific breakdowns within each ethnic group. A strong recommendation for future research would be to include more questions in the survey with quantitative responses. This would enable the use of a number of more sophisticated statistical tools. For example, to get a better understanding of which aspects appeal to each market segment the most and are the most significant, marketers can conduct multiple comparisons tests and/or regression analyses. This would provide a clearer idea about which aspects they should include in their ads for the Indian market and the American market, respectively.

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