International Viral Marketing Campaign Planning and Evaluation

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HELSINKI SCHOOL OF ECONOMICS **ABSTRACT**

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Objective of the Study

The objective of this study was to explore international viral marketing campaign (IVMC) planning and evaluation in order to help marketers develop better campaigns. The motivation for the study came primarily from a research gap in existing literature. This thesis set out to answer three research questions that deal with campaign planning, localization and evaluation.

Research Method

This thesis represents a qualitative single-case study. Semi-structured theme interviews were used for data collection. Five Nokia employees were interviewed for the study; all of whom work directly with viral marketing campaign planning and evaluation at the corporate headquarters in Espoo, Finland. Data collection and analysis were developed around the previously mentioned three themes and the study's theoretical framework.

Findings

The main findings of this thesis suggest that to ensure maximum persuasiveness and impact, companies creating IVMCs should: understand the character of viral marketing; set solid objectives for campaigns; promote them in owned, earned and bough media; and ensure that it integrates well with other marketing activities. According to the interviewees, viral marketing campaigns appear to work well in most markets where consumers have a way of accessing them, however, a single, global campaign may not work well across markets. The main challenge related to the localization process appears to be a lack of communication and cooperation between the head office and local country organizations. For measurement and evaluation, the use of a combination of metrics was recommended, with efficiency and effectiveness as two key points of evaluation. The study's most valuable contribution to marketers is that it provides a comprehensive roadmap for planning and evaluating viral marketing campaigns.

Keywords

Viral marketing, word-of-mouth, WOM, electronic word-of-mouth, eWOM, Nokia, internet marketing, international marketing, campaign planning, campaign evaluation

HELSINKI SCHOOL OF ECONOMICS **TIIVISTELMÄ**

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Vilja Sormunen

Kansainvälisten viraalimarkkinointikampanjoiden suunnittelu ja arviointi

Tutkielman tavoitteet

Tutkielman tavoitteena oli tutkia kansainvälisten viraalimarkkinointikampanjoiden suunnittelua ja arviointia, jotta yritykset voisivat tulevaisuudessa luoda parempia kampanjoita. Aiempien tutkimusten puutteellisuus oli suurin yksittäinen syy tutkimuksen toteuttamiselle. Tutkielma pyrkii vastaamaan tutkimuskysymyksiin, jotka koskevat kampanjasuunnittelua, lokalisointia, mittaamista ja arviointia.

Tutkimustapa

Tutkimus toteutettiin laadullisena case-tutkimuksena. Tutkimusmenetelmänä käytettiin puolistrukturoituja teemahaastatteluita. Tutkimusta varten haastateltiin viittä Nokian Espoon pääkonttorin työntekijää, jotka ovat työssään osallistuneet viraalimarkkinointi-kampanjoiden suunnitteluun ja arviointiin. Tiedonkeruu ja analyysi rakentuivat edellä mainitun kolmen pääteeman, sekä tutkielman teoreettisen viitekehyksen ympärille.

Tutkimuksen tulokset

Tutkimuksen keskeisimpien löydösten perusteella voidaan tehdä muutamia suosituksia yrityksille, jotka pyrkivät kansainvälisten viraalimarkkinointikampanjoiden toimivuuden ja vaikuttavuuden maksimointiin. Yritysten tulee: asettaa selkeät tavoitteet, hyödyntää omia, ansaittuja ja ostettuja medioita, sekä huolehtia siitä, että kampanja ja muu markkinointi tukevat toisiaan. Viraalimarkkinointikampanjat näyttävät yleisesti ottaen toimivan ympäri maailmaa, kunhan kuluttajat vain pääsevät niihin käsiksi. Yksittäiset kampanjat eivät kuitenkaan välttämättä toimi kaikkialla. Suurin lokalisointiprosessiin liittyvä haaste vaikuttaa olevan kommunikaation ja yhteistyön puute pääkonttorin ja paikallisorganisaatioiden välillä. Kampanjoiden mittaamiseen suositellaan monien eri mittatapojen käyttöä, sekä sisäisen ja ulkoisen tehokkuuden arviointia. Tutkielma tarjoaa kattavan ohjeistuksen viraalimarkkinointikampanjoiden suunnitteluun ja mittaamiseen markkinoinnin ammattilaisille.

Avainsanat

Viraalimarkkinointi, suusanallinen viestintä, sähköinen viestintä, Nokia, internet-markkinointi, kansainvälinen markkinointi, kampanjasuunnittelu

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1. Introduction

The popularity of the Internet is growing, and with audiences gravitating towards the Web, it has become vital for marketers to seize the opportunity and to compete in this new digital battle field (see e.g. Rappaport, 2007). At the same time, mass media advertising has become too expensive for its own good, with the vast majority of companies finding it unaffordable to maintain a constant mainstream media presence (Kirby, 2006). That is why in recent years, there has been a growing interest towards more cost-effective, alternative methods of marketing. Word-of-mouth (WOM) and viral marketing offer new kinds of non-interruptive solutions for companies trying to acquire new customers and to retain old ones. Their strength is based on their ability to harness the immense power of social networks that has been amplified by the spread of modern information technology.

There is increasing evidence to support the claim that word-of-mouth matters. The growing lack of trust in marketing communications has made consumers seek information from other sources – a fact that is driving consumers' dependence on WOM (Allsop et al. 2007). Because consumers trust their friends, they also trust their friends' recommendations. Consumers believe that the people they know and have an ongoing relationship with will have their best interest at heart, whereas marketers are often perceived as having a mere financial interest (Dichter, 1966). While most WOM is still taking place in face-to-face situations, the importance of electronic word-of-mouth (eWOM) is growing (Keller, 2007). This could suggest that there will be an increasing interest towards online communications and viral marketing in the future.

WOM has come up in academic literature since the late 1960s with the pioneering articles, written by Dichter (1966) and Arndt (1967), still popularly cited in research papers today. Several researchers (Godes & Mayzlin, 2004; Keller, 2007; Duan et al. 2008) have reached the conclusion that WOM is effective and one of the most influential factors affecting consumers' purchase decisions. Viral marketing, on the other hand, has been the focus of research for only about a decade. The subject is particularly interesting because while viral marketing has been often portrayed as a silver bullet: a simple, inexpensive solution with potentially mind-blowing results (Jurvetson & Draper, 1997). Yet, companies have found it difficult, not only to succeed with their viral marketing efforts, but also to show their measurable impact (Kirby, 2006).

In spite of the expanding use of viral marketing, there have been few studies focusing on the campaign planning and evaluation process, especially in an international context. Campaign planning could be assumed to play a significant role in the campaign's success, which is why it would be important to have well-establish guidelines for campaign planning. Also, if the impact and value of the investments made in viral marketing cannot be measured in a meaningful way, companies are left in the dark. Not knowing whether they are spending their money poorly or wisely is a major concern for many companies. Thus, the topic deserves closer inspection.

The objective of this study is to explore the process of international viral marketing campaign (IVMC) planning and evaluation. The hope is that the study will be able to make a meaningful contribution to existing literature on viral marketing, but also to help marketers plan better campaigns. The leading principle that guided this study was the assumption that IVMC planning and evaluation influence one another, and thus, one cannot be effectively discussed without the other. The motivation for the study arose primarily from the research gap identified in previous literature, although the case company also played a part in defining the focus for the study.

1.1 Research Gap

As previously mentioned, the earliest academic articles on WOM were published already in the 1960s with Dichter (1966) and Arndt (1967) possibly the most commonly cited authors from that era. Even at that time, several researchers (see e.g. Whyte, 1954; Arndt, 1967) concluded that consumers rely on interpersonal WOM communications when making purchase decisions. Over the years, popular research topics have included consumers' motivations for WOM participation (see e.g. Dichter, 1966; Sundaram et al. 1998), as well as the impact of negative and positive WOM (see e.g. Richins, 1983; Godes & Mayzlin, 2004; East et al. 2008). Many researchers (Rosen; 2000; Thomas, 2004; Niederhoffer et al. 2007) have also studied the character and impact of buzz.

With the emergence of the Internet in the mid-1990s, eWOM became an entirely new focus area in WOM research. Issues that had been previously discussed in a face-to-face situations were now transferred to the online environment. Researchers began to examine, for example, the influence of eWOM on product sales (Duan et al. (2008) and motivations for eWOM participation (Hennig-Thurau et al. 2004). Online communities have also became a popular research subject, as they allow researchers to collect data through direct observation (Godes & Mayzlin, 2004).

Coming into the 2000s, viral marketing became a new media phenomenon, gaining increasing interest in marketing literature (see e.g. Jurvetson & Draper, 1997; Helm, 2000). Now, about a decade later, Cruz & Fill (2008) still find that only a little is known and has been agreed on about the nature, characteristics and dimensions of viral marketing. The researchers also suggest that only a limited amount of literature has been written about viral marketing measurement and evaluation. The author of this thesis found no previous literature that would have explicitly touched upon the issue of international viral marketing or viral marketing campaign planning.

The international aspect is also largely absent even in the broader research field of internet marketing. Sheth and Sharma (2005) find that especially the evolution and strategic direction of internet marketing strategies in international environments has been little researched. Ha (2008) suggests that the lack of research can be explained by the field's underdevelopment in many countries. Cho and Cheon (2005) point out that although there have been many studies on intercultural marketing communications in the context of traditional media, only a few examine the impact of culture on internet marketing.

By looking at the scope of existing literature, it becomes evident that there are three significant gaps in current research. First of all, the viral marketing campaign planning process should be examined in greater detail in order to provide guidelines for the discipline and the industry. Secondly, there is a pressing need among viral marketing practitioners to find meaningful ways of measuring and evaluating campaigns, which is also something that is lacking in existing literature. And third, surprisingly little research has been conducted around the topic of intercultural and international internet marketing.

1.2 Research Objectives and Research Questions

The objective of this study is to add to existing literature on viral marketing by exploring the process of IVMC planning and evaluation. This is achieved by reviewing present theories, and then evaluating them against the findings from the case company. The following three research questions are used to guide the research process:

1. How should an IVMC be planned to ensure maximum persuasiveness and impact?
2. What should be taken into consideration when campaigns are created for international markets and what are the issues related to the localization process?
3. How should IVMCs be measured and evaluated?

The first question deals with the nature and characteristics of viral marketing campaigns and tries to explain why some campaigns are more successful than others. The second question takes into consideration the international element that plays a part when viral marketing campaigns are created for international markets and tries to uncover some of the issues marketers face when localizing campaigns. Finally, the third question tries to shed some light on viral marketing campaign measurement and evaluation, an issue that appears to be an enigma for researchers and marketers alike.

1.3 Definitions

Word-of-mouth communication (WOM) can be defined as: ”oral person to person communication between a receiver and a communicator whom the receiver perceives as non-commercial, regarding a brand, a product or a service” (Arndt, 1967, 3).

Electronic word-of-mouth communication (eWOM) can be defined as: “any positive or negative statement made by potential, actual, or former customers about a product or company, which is made available to a multitude of people and institutions via the Internet” (Hennig-Thurau et al. 2004, 39).

Internet marketing can be defined as: “the process of building and maintaining customer relationships through online activities to facilitate the exchange of ideas, products, and services that satisfy the goals of both buyer and seller” (Imber & Betsy-Ann, 2000, as cited by Ngai, 2003, 24).

Viral marketing can be defined as “marketing techniques that use social networks to produce increases in brand awareness through self-replicating viral diffusion of messages, analogous to the spread of pathological and computer viruses” (Kiss & Bichler, 2008, 233).

1.4 Structure of Thesis

This thesis is divided into seven chapters. Chapter 1 is the introductory chapter that introduces the topic, research problem, research gap, research objectives, and research questions. The next two chapters review existing literature. Chapter 2 offers a review of WOM literature. The idea is that this second chapter provides a basic understanding on the subject, allowing the reader to then better understand the concepts discussed in the following chapter. Chapter 3 presents a review of literature on viral marketing, which is the main focus of this thesis. Chapter 4 is dedicated to the theoretical framework called the IVMC planning and evaluation framework. The chapter mainly draws from the viral marketing literature presented in the previous chapter, Chapter 3. Chapter 5 explains the research design and describes the methods used in the empirical part of the research. Chapter 6 introduces the case company and presents the case study along with the findings. The final chapter, Chapter 7, is dedicated to conclusions. The chapter presents a summary of the research, main findings, managerial recommendations, limitations, and suggestions for further research.

2. Word-of-Mouth

The literature review of this thesis is formed of two chapters. This first chapter contains a review of WOM literature. The purpose of the chapter is to familiarize the reader with the theoretical background that has contributed to the development of viral marketing. The first section of the chapter, section 2.1, introduces the concept of WOM and makes a case for its significance. Section 2.2 brings WOM to the digital age by explaining the concept of eWOM. As a natural progression, section 2.3 discusses the key differences between WOM and eWOM. And finally, section 2.4 bridges the gap between communications and marketing by explaining the role of WOM in consumer marketing.

2.1 Word-of-Mouth Communication

This section provides an overview of word-of-mouth communication and introduces the reader to some of the key concepts. Subsection 2.1.1. provides a definition of WOM and a brief introduction to the subject, while subsection 2.1.2 explains the source of WOM's power. Subsection 2.1.3 goes through the four dimensions of WOM: solicitation, polarity, volume, and dispersion. Subsection 2.1.4 provides an overview of consumers' motives for WOM participation. Section 2.1.5 looks at innovation diffusion and how WOM spreads in social networks. And finally, section 2.1.6 introduces the influentials hypothesis, which suggests that some people have relatively more influence than others in the WOM process.

2.1.1 Word-of-Mouth Communication Defined

The term word-of-mouth (WOM) was originally coined by William H. Whyte, Jr. in his article “The Web of Word of Mouth”, published in Fortune magazine in 1954 (as cited by Kimmel, 2004). Based on his observations, Whyte suggested that people who talk about products and services together, also display similar purchase behavior and have similar product preferences. Academic WOM research entered the stage the following year when Katz and Lazarsfeld (1955) introduced their breakthrough theory on public opinion formation. They argued that in a variety of decision-making scenarios, individuals are more influenced by their exposure to each other, than their exposure to the media. This basic principle explains the attraction of WOM and has made it an increasingly popular research topic. The idea that social interaction brings congruence to purchase behavior has been since supported by many researchers (Stafford, 1966; Arndt, 1967; Reingen et al. 1984), and now, a half a century later, it is commonly accepted as a fact in WOM research. All in all, WOM has been shown to influence consumers' awareness, expectations, perceptions, attitudes, behavioral intentions, as well as behavior (Buttle, 1998).

WOM is often defined in broad terms. Arndt (1967, 3), defines WOM as ”oral person to person communication between a receiver and a communicator whom the receiver perceives as non-commercial, regarding a brand, a product or a service”. His definition highlights the non-commercial nature of WOM, which is also recognized by Buttle (1998) and East et al. (2008). Researchers East et al. (2008) also describe WOM as informal, interactive and swift. Even though there are certain characteristics of WOM that remain the same across discussions, it is important to realize that WOM always takes place in the context of a specific situation and that the environment in which it takes place is continuously changing (Allsop et al. 2007).

Although from the company perspective, WOM is generally seen as valuable for its capability of attracting new customers, Buttle (1998) reminds that the implications for companies go beyond that, as WOM also affects relationships in other domains. Positive WOM can generate many kinds of opportunities for a company. Personal referrals can, for instance, bring in job applicants and potential investors. Knowledge on the principles of WOM can also be very valuable in crisis situations. Allsop et al. (2007) point out that companies that understand the social networks surrounding their brands and listen to what consumers are saying, are in a better position when faced with negative situations. That is because consumers respect companies and organizations that are honest about their shortcomings.

There are three main communication channels WOM is transferred through: face-to-face (76 percent), over the phone (17 percent) and online (10 percent) (Keller, 2007). The numbers indicate that face-to-face interpersonal communication is the predominant mode for WOM. Online conversations can occur over email or instant messaging, in blogs or chat rooms (Keller, 2007), as well as in web-based opinion platforms, discussion forums, boycott websites and newsgroups (Hennig-Thurau et al. 2004). The communication process in WOM can take place in three different ways: one-to-one, one-to-many, or many-to-many (Bickart & Schindler, 2002). Many-to-many interpersonal communication includes, for example, teleconferences, face-to-face group meetings and online chat rooms (Hoffman & Novak, 1996). This means that some of the conversations are more private, while others are more public. Even though most conversations still take place face-to-face, Keller highlights that the volume, and consequently importance, of online WOM is growing.

2.1.2 Sources of WOM's Power

Trust is an important factor in trying to explain the power of WOM. Keller (2007, 451) explains that it “comes from the personal trust relationship that exists between most conversational partners”. This view is also shared by Dichter (1966) who suggests that consumers trust recommendations under two conditions: when they feel like the person who is making the recommendation has their best interest at heart and when he or she seems experienced and knowledgeable about the subject matter. Of course, when people engage in WOM in a public space, such as online, they rarely know each other personally. But even in that case, sincerity plays a significant role. Online opinions and experiences are likely to be found trustworthy because they are coming from unbiased fellow consumers, “people like me”, who are perceived to have no reason to manipulate the reader (Bickart & Schindler, 2001; Allsop et al. 2007). Besides listening to trusted information, Smith et al. (2007) find in their research that people also pass along information they consider unique and trusted.

Lack of trust in marketing communications and institutions seems to be the counter force that feeds people's trust in WOM (Allsop et al. 2007). Compared to interpersonal WOM, marketing messages have a credibility problem and difficulty in reaching the same level of sincerity as WOM does. That is because the assumption is that they have been created with the sole intention of selling things. A 2007 Myers Publishing study found that only 17 percent of people trust advertisers (eMarketer, 2009b), while Keller (2007) suggest that as many as 55 percent of consumers rate WOM advice as highly credible. Researchers (Murray, 1991; Bickart & Schindler, 2001) find peer-to-peer WOM more persuasive and more credible than communications from marketer-controlled channels, suggesting that perceived sincerity, similarity and trust are important factors for people in their evaluation of message credibility. In many cases when people engage in WOM, they share stories of personal experiences, making WOM better than marketing communications at evoking empathy (Bickart & Schindler, 2001).

Personal relevancy is mentioned by researchers (Bickart & Schindler, 2001; Phelps et al. 2004; Allsop et al. 2007) as a major strength of WOM. Allsop et al. (2007) explain that when a message succeeds in appealing to a person's values, it is said to have high personal relevance. They authors also point out that emotional appeals are often found much more relevant, and therefore more persuasive, than rational appeals. It could be assumed that WOM messages have more personal relevance due to the valuable insights the source has on the receivers preferences based on their existing relationship and shared experiences (Lindgreen & Vanhamme, 2005).

2.1.3 Dimensions of WOM

Researchers have accredited WOM with many different dimensions, but four of them appear most relevant and dominant. Those four dimensions are: solicitation (Buttle, 1998; De Bruyn & Lilien, 2008; East et al. 2005), polarity (Buttle 1998; Allsop et al. 2007; Duan et. al. 2008), volume (Godes and Mayzlin, 2004; Dellarocas et al. 2007; Duan et al. 2008), and dispersion (Godes & Mayzlin, 2004; Dellarocas, 2007).

First of all, WOM may be offered with or without solicitation and may or may not be sought (Buttle, 1998). De Bruyn and Lilien (2008) and Phelps et al. (2004) all suggest that while consumers often find unsolicited commercial messages coming from a company irritating, information about a company is not considered as ”junk” if it comes from someone they already know. This is because the receiver assumes that the individual passed along the message for a reason. East et al. (2005) studied the relative impact of solicited and unsolicited WOM and found that sought advice had more impact than unsought advice, with sought advice having 1.5 to 2 times more impact than unsought advice. Although the topic of solicitation thus seems to have significance, De Bruyn and Lilien (2004) find that it has received little attention in WOM literature thus far.

The second dimension, polarity (also known as valence), has gotten plenty of attention in the literature (Allsop et al. 2007; Duan et al. 2008; Dellarocas et al. 2007). Duan et al . (2008, 234) define WOM polarity as “the preference carried in the WOM information” (i.e. whether the it is positive or negative). With that said, Buttle (1998) reminds that it is a matter of perception what is considered negative and what positive: information that is negative from a corporate standpoint may be regarded as positive from a consumer standpoint. Researchers debate whether dissatisfied customers are more or less likely to engage in WOM than satisfied customers, and interestingly enough, there seems to be evidence for both. There are those who find that positive WOM is more prevalent (Keller, 2007) and those who find that negative WOM is more prevalent (Richins, 1983; Stauss, 2000; Anderson, 1998). Based on these seemingly contradicting findings, Anderson (1998) presents a utility-based model of the relationship between customer satisfaction and WOM. His argument is that positive WOM and negative WOM follow a U-shaped curve, meaning that very satisfied, as well as very dissatisfied customers, are most likely to engage in WOM. Overall, it is reasonable to assume that this would be the case, considering that customers need to have a motivation to talk and a strong emotional response is a powerful motivator.

Third, volume is another important and frequently discussed dimension of WOM. Duan et al. (2008, 234) define WOM volume as “the amount of WOM disseminated”. From a marketing standpoint, volume often translates to brand awareness (Godes & Mayzlin, 2004). Based on film industry data, Dellarocas et al. (2007) show that the volume of early online reviews can be used as a proxy for early sales, but also that metrics on online reviewer demographics can provide insight into a product's demand in different customer segments. Researchers have found, at least in the movie business, that WOM volume can be connected to more success stories than polarity (Liu, 2006; Duan et al. 2008).

And fourth, dispersion in an element that concerns with the reach of conversations. Godes & Mayzlin (2004, 546) define dispersion as “the extent to which product-related conversations are taking place in a broad range of communities”. Granovetter's (1973) social sciences theory on dispersion suggests that communication spreads rapidly within communities, but slowly across them. Based on their research regarding online communities, Godes & Mayzlin (2004) support this argument and suggest that more dispersed buzz maybe better than concentrated buzz. The findings of Dellarocas et al. (2007) are also similar. The authors argue that ideas and opinions that are dispersed across communities have significant staying power.

2.1.4 Motives for WOM Participation

Dichter (1966), who was the first to outline the drivers of WOM participation, concluded that people do not make recommendations “for nothing”, but rather receive, or at least expect to receive, something in return. Dichter does point out that the expected benefits are mostly psychological and not material. Since his article was published, there has been a fair amount of research dedicated to discussing the reasons why people participate in the talking aspect of word-of-mouth. Research has identified four main motivations for WOM participation: altruism, self-enhancement, message-involvement, and the need for balance. Hennig-Thurau et al. (2004) suggest that because online WOM and traditional WOM communication resemble each other to a great extent, it can be expected that consumer motives are similar for both.

Altruism is mentioned by several researchers (Dichter, 1966; Balasubramanian and Mahajan, 2001; Hennig-Thurau et al. 2004) as a motivation for WOM participation. It can either arise from: the concern for other consumers and the consequent desire to help them (Dichter, 1966; Engel et al. 1993, Hennig-Thurau et al. 2004); the desire to contribute within the community (Balasubramanian and Mahajan, 2001); or the desire to help the company (Sundaram et al. 1998; Hennig-Thurau et al. 2004). Smith et al. (2007) found in their research that especially the people who contribute the most are driven by the desire to help others.

Self-enhancement is another motivation recognized by many researchers (Dichter,1966; Engel et al. 1993; Sundaram et al. 1998). It is driven by a person's inner desire to receive positive recognition from others. Some consumers may find that social status and a sense of connoisseurship is important to their self-concept (Engel et al. 1993). In the online context, positive recognition can entail feedback from peers in the form of comments, or so-called “contribution rankings” that are based on user evaluations and enacted by platform operators (Hennig-Thurau et al., 2004, 43).

Message-involvement is a motivation that suggests marketing messages intrigue people enough to get them talking (Dichter 1966; Engel et al 1993). This seems to be the case very often, considering Keller's (2007) statement that in half of all brand-related conversations, at least one of the conversational parties includes a reference to media or marketing he or she has been exposed to prior to the conversation. References may involve advertising, editorial content, produced programming, company websites, point of sale marketing material, coupons, and other promotions. Although the most popular medium to be mentioned in conversation is TV with a 16 percent share, the Internet is at its tails with a 12 percent share.

And finally, the need for balance is the fourth main motivation that encourages consumers to participate in WOM. The source of imbalance is generally a strong negative or a strong positive consumption experience (Dichter, 1966; Sundaram et al. 1998). Because people strive for balance in their lives, the imbalance makes individuals want to express their emotions through WOM. In such situations, consumers express joy to communicate positive emotions or vent out negative feelings to reduce tension (Hennig-Thurau et al. 2004).

2.1.5 Innovation Diffusion and WOM in Social Networks

Communication brings people together under certain reoccurring principles. Rogers (2003) defines communication as a process in which participants create and share information with each other with the goal of reaching a mutual understanding. People want to connect with other people. A basic principle in human communication is that the transfer of information occurs most frequently between individuals who are similar in certain attributes, such as their beliefs, education and socioeconomic status (Rogers, 2003). Katz & Lazarzsfeld (1955) go as far as to say that like-minded people seek each other out as companions to begin with. By staying actively connected to each other, these individuals form powerful and influential social networks.

The theory on the diffusion of innovations was first introduced by Rogers in the early 1960s with the purpose of explaining how people share information about new ideas. Some years later, Arndt (1967) continued with the theme and looked at the role of product-related conversations in the diffusion of new products. In Rogers' (2003, 5) definition, diffusion "is the process in which an innovation is communicated through certain channels over time among the members of a social system", with the message involving new ideas. Such channels may include: mass media, interpersonal, and interactive channels. Innovation diffusion relates directly to WOM because in many cases, people tend to talk about things that are new: new products, new campaigns and new companies.

The newness of ideas makes diffusion unique because it brings a degree of uncertainty into the process. As uncertainty suggests a lack of predictability, structure and information, people can reduce their sense of uncertainty by spreading and sharing information. (Rogers, 2003, 5) People share information with each other in order to make more informed decisions and feel more confident about them. Social networks help people gather opinions from others, incorporate that information into their own thoughts and feelings, and then pass it along to others (Allsop et al. 2007). Jenkins (2006) finds that people have an incentive to talk and share their knowledge because the sheer volume of information makes it impossible for an individual to keep track of everything. By cooperating, consumers can help others, and in the process, help themselves.

Allsop et al. (2007) explain that not all social networks are equal in influence. Some networks are larger and have more participants, while others are more specialized. Generally speaking, people belong to multiple networks, which can make analyzing the impact of an individual network difficult. Allsop et al. suggest that the spread of WOM within social networks is influenced by several things: the rate of activity within the network (i.e. how actively people seek and provide information), the size and density of the network, credibility of the source, personal relevance, characteristics and polarity of the message, participant role, and the efficiency of the exchange.

The strength of interpersonal ties is a popular topic in the discussion about the influence of social networks in WOM. Granovetter (1973) suggests that the strength of a tie is a function of time, emotional intensity, intimacy, and reciprocity. The interpersonal tie can then be strong, weak, or absent. It has been argued that the degree of overlap in two individuals' friendship networks depends directly on the strength of their tie to one another. New friends who spend a lot of time together, introduce each other to people in their networks, making the networks more intertwined over time as the number of mutual friends increases. Granovetter finds that from a diffusion standpoint, weak ties are more important than strong ties, because they allow information to travel to a greater number of people. The explanation is this: when a rumor is spread only among people who share strong ties and all know each other, the spread may be limited to only a few cliques because the motivation to spread the rumor gets dampened each time someone tells the rumor to someone who has already heard it from someone else. When the rumor is received well by someone who has not heard it before, the person sharing it feels successful and becomes motivated to share it further.

2.1.6 Influentials Hypothesis

It is a central idea in marketing and diffusion research that influencers, also often referred to as influentials and opinion leaders, play an important role in the formation of public opinion (Watts & Dodds, 2007). Katz & Lazarsfeld (1955) originally defined opinion leaders as individuals likely to influence others in their immediate environment, and that definition has remained relatively unchanged since then. They also note that opinion leaders are not necessarily corporate leaders, celebrities or journalists, but rather knowledgeable and well-connected individuals who have influence within their personal networks. Keller and Berry (2003) describe influentials as people with multiple interests and a large personal network who are early adopters in markets and usually trusted by others.

Although researchers generally agree that not everyone in a given social network has equal importance in the WOM diffusion process, there is debate about how significant these individuals who constantly advice and influence others are as a segment. Allsop et al. (2007) find that that consumers actually turn to different people for different topics, depending on whom is perceived to have expertise regarding a specific matter. Allsop et al. find that there is a small group of people, two percent of the population, who advice others on a broad range of subjects. Therefore, the authors suggest that rather than focusing on this tiny segment, marketers should focus on understanding influencers within their category and try to ensure that they have a positive experience with the brand so that they would talk to their friends about it. Based on their research, Watts and Dodds, (2007, 441), on the other hand, suggest that “large cascades of influence are not driven by influentials, but by a critical mass of easily influenced individuals". Smith et al. (2007) find supporting evidence for this and also suggest that it is the moderately connected majority who has the greatest potential for influence, not the much smaller number of highly connected people.

2.2 Electronic Word-of-Mouth Communication

This section brings WOM research to a new era by explaining to the reader what the term eWOM means and how it presents itself in the online environment. Subsection 2.2.1 provides a definition on eWOM and discusses how the Internet is transforming communications. Subsection 2.2.2 covers the topics of online participation and online influence, while subsection 2.2.3 goes through the technologies that are enabling eWOM.

2.2.1 Electronic Word-of-Mouth Communication Defined

Compared to WOM, the research field of electronic word-of-mouth communication (eWOM) is younger and undeveloped. This means that various terms and definitions exist for the same phenomenon. Besides eWOM (Hennig-Thurau et al., 2004; Gruen et al. 2006; Hung & Li, 2007), the phenomenon has also been referred to as online word-of-mouth (Duan et al. 2008; Sun et al. 2006), and internet or online word-of-mouse (Goldenberg et al. 2001; Sun et al. 2006). The most descriptive definition of eWOM comes from Hennig-Thurau et al. (2004, 39), who define it as "any positive or negative statement made by potential, actual, or former customers about a product or company, which is made available to a multitude of people and institutions via the Internet".

The platform for eWOM is often called the new media, as opposed to traditional media, such as newspapers, magazines, books, radio and television (Neuman, 1991). The new media can include official and unofficial websites, electronic newsgroups, virtual communities and blogs that offer consumers instantaneous interactions with advertisers, fellow consumers, and other market players (Hung & Li, 2007). The main characteristics that differentiate the new media from the traditional media are interactivity and the possibility for dialogue (Bezjian-Avery et al. 1998), as well as the interconnectedness of the media network that combines different communication forms such as audio, video and text (Neuman, 1991).

The Internet is a facilitator of interpersonal communication and activities, allowing consumers to share experiences and knowledge with others who share their interests, in ways that were not possible in the past (Korgaonkar & Wolin, 1999). With the Internet becoming more and more mainstream, peer-to-peer communication has become increasingly important (De Bruyn & Lilien, 2008). Allsop et al. (2007) present a study, in which 59 percent of respondents say that they forward online information to peers, colleagues, family and friends 'frequently' or 'very frequently'. This suggests that the majority of people enjoy sharing information with others in an online setting.

Neumann (1991) as well as Croteau and Hoynes (2003) discuss the impact of the new media on communications, business and society. Neumann points out that the new media are blurring the line between interpersonal and mass communications. Today, web users can publish their opinions to the vast online audience and can practically reach an unlimited number of people. But, the line is also blurring between public and private communication. There are many conversations taking place online that used to occur in an informal setting between friends. Neumann also notes that the new media have allowed a significant increase in the volume and speed of communications. In addition, he points out that the new media have altered the social meaning of geographic distance and made information availability less dependent of geographic location.

The dynamic between the content and the audience has changed and there has been moved towards more customized solutions. Both sources (Neuman 1991; Croteau & Hoynes, 2003) recognize that general interest mass media are increasingly being replaced with more specialized narrow-interest media, which allows content creation for more niche groups. Croteau and Hoynes (2003) call this phenomenon the 'fragmentation of the mass audience'. The same phenomenon has also been visible in business, where the gravitation towards a niche-focused strategy has been called 'the long tail' (Anderson, 2006). One of the most important ways the new media are changing the communication process is that they allow increased flexibility and user control, meaning that users can choose content from a diverse, inexpensive and conveniently available pool, from multiple channels. In addition, they allow users to access, store, format, and edit different communication forms.

2.2.2 Online Participation and Online Influence

It appears that online, only few contribute while the majority consumes. Web usability expert Nielsen (2006) finds that in many cases, online participation follows the '90-9-1 rule'. Nielsen divides people who participate in online communities into three groups based on the volume of their participation: 'silent lurkers' are 90 percent of users who hardly ever contribute; 'occasional contributors' are nine percent of community participants who contribute a little; while 'influencers' are the most active one percent of users who are responsible for almost all of the visible content. Nielsen points out that the share of active contributors is even smaller in blogs and, for example, for Amazon.com reviews and Wikipedia articles.

Those who contribute more and speak up more, clearly have a better chance of being heard. Lindgreen and Vanhamme (2005) find that eight percent of Internet users have significantly more influence than others and that, on average, they influence around eight other people. Research has discovered that online influencers are often more tech-savvy than the average web user. A survey by marketing agency USC Annenberg and Ketchum (MediaPost, 2009a) found that compared to the general public, online influencers' are more likely to use search engines, video-sharing websites, specialty information portals, and new media such as audio podcasts, video podcasts, RSS feeds, and mobile media. They were also more likely to read both journalist and non-journalist blogs.

The consequence of only a minority of people contributing, while the majority consumes, is that the system is not representative of all web users. Nielsen suggests (2006) that with this 'participation inequality' in existence, frequent contributors dominate the conversation in blog posts, comments, reviews and customer feedback. Without taking this into consideration, observers may develop a distorted view on the community. Participation inequality is a common phenomenon, especially with public goods because contribution is not required in exchange for use (Macy, 1990). It often results in the so-called 'free-rider problem' which means that individuals can benefit from other people's labor even without ever contributing anything themselves.

2.2.3 Technologies Enabling eWOM

Ward and Ostrom (2002) find that because eWOM messages can be accompanied by images, scanned documents and supporting comments from other consumers, the Internet magnifies the power of WOM. There are several commonly used services and applications that are contributing to this magnification effect by allowing consumers to participate in the social and information sharing aspect of the Web. Li and Bernoff (2008) divide commonly used social technologies into three main groups: creative technologies, connective technologies and collaborative technologies. In addition, there are RSS feed, widgets and tags, which do not fall under any of these categories. Although the technologies themselves evolve and are replaced by new ones over time, the authors suggest the potential of new technologies should be evaluated by looking at how well they can build and foster relationships among users.

Creative technologies, made for creating and editing text, audio and video, are inexpensive, easy to use, and available for anyone who has access to a computer. With the technology in place, users are finding it easy to express themselves by creating content: uploading and sharing videos on sites like YouTube, publishing audio podcasts on Apple's iTunes, or posting blog posts on Blogger (Li & Bernoff, 2008). Most user-generated content encourages commentary, and in most cases, it is also possible to rate content. Li and Bernoff (2008) define blogs as personal or group journal of entries that contain written thoughts, links, and images. Although the authors failed to mention it, it is also possible to post videos on blogs. Blogs enable relationships because their authors read and comment on other people's blogs as well as link to them (Li & Bernoff). They are currently one of the most popular forms of self-expression online and gaining in popularity. A survey by USC Annenberg and Ketchum found that the usage of blogs nearly doubled in two years, going from 13 percent in 2006 to 24 percent in 2008 (MediaPost, 2009a).

Common connective technologies include certain communication tools, social networking tools and online forums. Communication tools, such as instant messaging, text chat and email, are tools that people use for communicating directly with one another online. In addition, web users can connect with each other and exchange ideas on websites such as social networking sites (e.g. Facebook), forums (e.g. deviantART), product review sites (e.g. ConsumerSearch), virtual communities (e.g. The Pirate Bay), and virtual worlds (e.g. Second Life). By maintaining profiles on social networking sites, users can establish 'friendships' and interact with other users who have a profile (Li& Bernoff, 2008). According to a survey by USC Annenberg and Ketchum, 26 percent of consumers use social networking sites, compared to 17 percent in 2006 (MediaPost, 2009a). Although forums have existed long before the Internet, they now appear on all kinds of websites, including retail and product support, mainly because the technology behind forums is easy to set up and use (Li& Bernoff, 2008).

Collaborative technologies, such as Wikis and open-source software, allow individuals and companies to share and build upon each others knowledge. In the best case scenario, the result of online collaboration is collective intelligence. Wikis are sites that allow multiple contributors to share responsibility over content creation and management, which is why they are increasingly popular for internal collaboration in companies. Wikipedia, the non-profit encyclopedia and the most famous of all wikis, is one of the world's most popular websites (Li & Bernoff, 2008). This suggests that web users find it a useful and trustworthy source of information. Open-source software, on the other hand, is the result of independent web developers working together to build free applications that are equally good, and sometimes even more advanced, than those sold by software giants. For example, Linux, Firefox and Open Office have all been developed open-source.

In addition to the three above mentioned categories: creative technologies, connective technologies and collaborative technologies, there are RSS-feed, widgets and tags. RSS stands for Really Simple Syndication. It is a tool that brings users updates from sites they want to monitor without having to go to the site in question. Most blogging tools support RSS, which is why it is increasingly popular to follow blogs through an RSS reader like Google Reader. Widgets are mini-applications that have a specific function, for example, a weather widget provides timely weather updates. The benefit of RSS and widgets is that they give people the ability to consume and process more content. Tags, on the other hand, are words that people use to classify web content that needs organization. Digg, del.icio.us and StumbleUpon are all sites that allow users to categorize content with the purpose of making it easier to find and share interesting material. Tagging is essentially a form of shared self-expression and a chronicle of what users have seen and read during the day. (Li& Bernoff, 2008)

2.3 Differences Between Traditional WOM and eWOM

In many cases, what applies to WOM applies to eWOM. But, there are also differences between the two. The literature identifies four main differences: spoken word versus written word; face-to-face interaction versus indirect interaction; identification versus anonymity; and narrow reach versus broad reach. Researchers Godes and Mayzlin (2004) suggest that more analysis on the differences between WOM and eWOM would be beneficial for creating more effective WOM strategies and for making more informed decisions on data collection.

2.3.1 Spoken Word vs. Written Word

Bickart and Schindler (2002) find that the difference between the spoken word and the written word is the key difference between traditional forms of WOM communication and online conversations. Generally in WOM, friends or relatives share information by talking to each other. Online discussions, on the other hand, are mostly personal experiences and opinions that people have written down. Although the spoken word allows more interaction that may shape the direction of the conversation, the written word allows the writer to organize his or her thoughts, while allowing the reader to acquire information at his or her own pace, possibly even years after the original text was written. (Ward & Ostrom, 2002)

This means that while most spoken conversations will eventually be forgotten, the Web never forgets. Hennig-Thurau et al. (2004) point out that online, messages will be available for everyone to read for an indefinite period of time. Li and Bernoff (2008) explain that in some cases, attempts to remove content from the Web may have the opposite effect with users posting the material on various sites all over the Internet. This phenomenon is known as the 'Streisand Effect', named after Barbra Streisand, who unsuccessfully tried to have photos of her house removed, causing the photos to spread even more (Li & Bernoff).

The high visibility of written online information gives marketers and researchers the possibility to make observations and to collect data. Godes and Mayzlin (2004) find that WOM has been traditionally studied by using two methods: inference, surveys, or both. The authors point out that direct observation, however, is a much newer method which came about with the rise of eWOM, and online communities in particular. Online communities have enabled the observation of consumer-to-consumer conversations and made consumer data accessible for marketers in a way that has not been possible before (Godes & Mayzlin). Compared to offline WOM communication where opinions 'disappear into thin air', online communities maintain a persistent, easily accessible public record of everything posted thus far (Dellarocas et al. 2007) De Bruyn and Lilien

(2008) agree with this argument, and add that data collection would never be as precise and unobtrusive in face-to-face situations, as it is online.

2.3.2 Face-to-Face Interaction vs. Indirect Interaction

Several researchers (Dellarocas 2003; Roed, 2003; Phelps et al. 2004; De Bruyn & Lilien, 2008) acknowledge that the lack of face-to-face interaction in eWOM is one of the things that differentiates it from traditional WOM. Face-to-face situations provide valuable contextual cues such as facial expressions (Dellarocas, 2003) that are absent in the online setting. Contextual cues allow, for example, the recipient to interpret the message to a greater extent in order to determine whether the factual content has been heavily influenced by the source's personal biases or assumptions (Dellarocas). In addition, physical proximity, handshakes, body signals and the unlimited use of the five human senses (sight, hearing, smell, taste, and touch) are not available online to assist in the creation of a trust-based partnership (Nohria & Eccless, 1992, as cited by Laroche et al., 2005; Clarke, 1997). Although eWOM can be seen as a more impersonal mode of communication, McWilliam (2000) finds that threaded and asynchronous conversations on bulletin boards and newsgroups do manage to replicate certain features of face-to-face communication, including immediacy, intimacy and continuity.

2.3.3 Identification vs. Anonymity

Whereas in traditional WOM, conversational partners generally know each others identities, in eWOM the provider can often choose to stay anonymous. Hennig-Thurau et al. (2004) find that having the possibility to express one's opinions anonymously is an important aspect of eWOM. Sun et al. (2006) suggest that in face-to-face settings, opinion providers are embedded in social networks and may have credibility based on their social status, whereas online, individuals can seek out the opinions of strangers, for example, by using search engines. This suggests that online, opinions are evaluated, to a greater extent, based on the actual content, and not whose opinion it is. Of course, it is good to keep in mind that not all online opinions are written anonymously.

Sun et al. (2006) also suggest that the anonymity offered by the Internet makes people more willing to disclose personal information and to be more honest. According to Roed (2003), people demonstrate fewer inhibitions, display less social anxiety, and exhibit less self-consciousness when communicating online, compared to face-to-face situations. This could suggest that people are more outspoken in their online opinions. Phelps et al. (2004) find that in the absence of face-to-face human pressure, e WOM can be more influential than traditional WOM. Unfortunately, the limitation of anonymity is that when people can change their online identities as they please, there is room for strategic manipulation and misrepresentation (Dellarocas, 2003).

2.3.4 Narrow Reach vs. Broad Reach

Reach is the fourth significant difference between WOM and eWOM. Ward and Ostrom (2002) point out that in the offline world, an unsatisfied customer will share his or her experiences with a limited number of people in his or her personal network, while in the online world, opinions posted by consumers can be read by millions of people who may not have any connection to the writer. eWOM helps voices unite in a way that is not possible with traditional WOM. Phelps et al. (2004) call the possibility to direct messages to multiple individuals simultaneously 'one-to-many' reach, and suggest that it is what makes eWOM more influential than WOM. The more people the message reaches, the more power the crowd has. For instance, companies may become worried for their reputation, and thus, be more willing to make improvements (Dellarocas, 2003). The one-to-many communication process has been available for companies for a long time, but eWOM has finally brought the same reach for consumers who are interested in sharing their opinions with their peers (Hennig-Thurau et al. 2004).

2.4 Role of Word-of-Mouth in Consumer Marketing

This section explains the role of WOM in consumer marketing. Subsection 2.4.1 provides an overview on consumer WOM. Subsection 2.4.2 explores the concept of 'input WOM', as in consumers seeking product information, while subsection 2.4.3 focuses on 'output WOM', which has to do with consumers sharing their product experiences. And finally, subsection 2.4.4 discusses the significance of WOM for customer acquisition and retention.

2.4.1 Consumer WOM

Rosen (2000) points out that purchasing a product is part of a social process that involves the people surrounding the customer. The interaction a consumer has with a company is not only a one-on-one interaction, but rather, there is a group of people involved, all sharing information and influencing each other. Phelps et al. (2004) find it undeniable that buzz, which Rosen defines loosely as all WOM about a brand, plays a critical role in the purchasing process for many products. Research from the Keller Fay Group indicates that on an average week, the average American consumer participates in 121 WOM conversations, in which brand names are mentioned 92 times (Keller, 2007). This suggests that consumers are very knowledgeable about brands and enjoy talking about them.

Although marketers know consumers talk about brands, it can be difficult to determine the impact WOM has on product sales because cause and effect is not entirely straightforward. Researchers (Godes & Mayzlin, 2004; Duan et al. 2008) generally find the interrelationship between WOM and product sales to be dynamic and complex. Godes and Mayzlin (2004) suggest that although WOM influences future behavior, WOM is also an outcome of past behavior. They explain the concept with a practical example: high WOM today does not necessarily mean sales will be high tomorrow; it can simply mean sales were high yesterday. Duan et al. (2008) call the phenomenon 'the positive feedback mechanism' and suggest that WOM creates demand that is seen as an increase in product sales. Having more customers means more WOM, which again results in additional product sales (Duan et al. 2008).

Researchers (Arndt, 1967; Buttle, 1998) suggest that there are two types of product related WOM. The first kind, input WOM, is the kind that consumers use as a source of pre-purchase information. The second kind, output WOM, represents the type of WOM that results from consumers sharing their purchase or consumption experiences after the fact. The two are explained in detail in the next two subchapters.

2.4.2 Input WOM: Consumers Seeking Product Information

When consumers seek product information prior to purchase, they are looking for what Buttle (1998) refers to as input WOM. As previously discussed, consumers today have little trust in marketing communications, and prefer listening to recommendations and advice coming from other consumers. In fact, WOM has been found to be the most trusted source of product information with friends' product reviews getting much higher rankings than reviews in the print media or on TV (Li & Bernoff, 2008). A 2006 Forrester survey found that 83 percent of people trust the opinions of friends or an acquaintances when the people in question had actually tried the product or service (Li & Bernoff, 2008). The vast majority of people trust the opinions of others who are like them and trust the sincerity of their evaluation on the product or service.

Many researchers (Murray, 1991; Buttle, 1998; Hogan et al. 2004) recognize WOM as an important factor in eliminating or reducing the perceived risk and uncertainty consumers often experience when purchasing new products. Laroche et al. (2005) suggest that marketers should try to find ways of combatting the evaluation difficulty and perceived risk consumers face at the point of purhcase. The authors recommend attempts to increase the mental representation of the merchandise in the consumers' minds, for example, through customer testimonials (Laroche et al). Customer product ratings also help consumers determine how well products work in real life situations and whether they would be happy with their purchase (Thomas, 2004).

Therefore, it could be said that WOM drives brand purchase. Moreover, Keller (2007) finds that half of all WOM receivers are very likely to make a purchase based on a recommendation from another consumer. With this said, it is important to keep in mind that WOM is not always brand-specific (Libai et al. 2009). Potential adopters may communicate with the adopters of a specific brand, and yet, they may eventually purchase a competing brand due to factors such as brand equity, price, special offers, availability, or the competing brand being a better match to their needs (Libai et al. 2009).

eWOM has become a favored source for product information because of its availability and accessibility. When consumers seek product information, they often turn to online reviews and ratings in blogs, customer communities, the retailer's website or other websites. According to a study from Jupiter Research, the majority of online shoppers use online conversations to find interesting products (MediaPost, 2009b). Although the study found that corporate websites and search engines were the most popularly used for finding products, two thirds used purchaser recommendations, 77 percent user ratings and reviews, and 61 percent email recommendations.

Besides finding products and product information, consumers find that eWOM helps them make purchase decisions. A 2007 Forrester study concluded that 76 percent of consumers say online reviews help them make purchases (Li & Bernoff, 2008). In its Christmas 2008 survey, Nielsen Online found that 71 percent of online consumers agree that reading reviews makes them feel more confident that they are buying the right product (Nielsen Online, 2008). Blogs also usher readers to the point of purchase. In a Jupiter Research study (BuzzLogic, 2008), as many as 52 percent of respondents said that blogs played a role at the critical moment when they decided to move ahead with the purchase. Out of those who found blogs influential, 56 percent also pointed out blogs with a niche focus and topical expertise as key sources.

Consumers' trust in online customer opinions varies by source. Li and Bernoff (2008) suggest that only 30 percent of consumers trust online reviews written by bloggers. This is probably because compared to regular consumers, bloggers are perceived to have more commercial affiliations and some even use their blogs openly for revenue generation. Consumer reviews, on the other hand, fair better with 60 percent of consumers saying that they trust anonymous consumer reviews on a retailer's site (Li & Bernoff). The most important factor in evaluating the legitimacy of customer reviews for 63 percent of consumers is that the product has multiple ratings or reviews (Nielsen Online, 2008). This supports an argument made by Duan et al. (2008) who suggest that consumers are not easily manipulated by extreme reviews. The authors explain that when online reviews are mixed with positive and negative ratings, consumers are likely to pay more attention to the content of the rating, rather than the polarity of the rating.

2.4.3 Output WOM: Consumers Sharing Product Experiences

When consumers share product experiences with other consumers post-purchase, they engage in what Buttle (1998) refers to as 'output WOM'. The degree of satisfaction or dissatisfaction that the consumer has with the consumption experience is generally seen as the key instigator of product-related WOM (e.g. Dichter, 1966; Arndt, 1967). When consumers are very happy with service and product quality, they tell others, and when they are very unhappy, they tell others. Keller (2007) finds that 49 percent of WOM receivers are very likely to pass along advice they received from someone else, suggesting that consumers spread the word, not only about their own experiences with products, but also about other people's experiences. The potential for rumors and misinformation to spread is consequently a significant concern for marketers.

Positive and negative online communications both have specific characteristics. Stauss (2000) finds customer praise to be relatively rare in online discussions, and mainly found with products that are characterized by high involvement, or in situations where internet users are responding to questions asked by other users. The author finds that negative online conversations are typically characterized by the escalation of criticism, escalation in the number of participants and escalation of the topic. Complaints sometimes even include a call to action, with the writer suggesting a boycott or other measures against the company. This means that if a company does not react to criticism or has a poor response, customers get more annoyed and more vocal, which may result in more support from other internet users (Stauss, 2000). By tracking dissatisfied blog posts and replying to them, a company can provide targeted customer support for disgruntled customers before they permanently turn on the company and become vehicles of negative WOM (Li & Bernoff, 2008).

2.4.4 WOM in Customer Acquisition and Retention

Undeniably, customers are valuable assets for companies. If a firm wants to succeed, it needs to be able, not only to acquire new customers, but also to retain them. Customer acquisition is seen as crucial for start-ups and companies competing in growth markets, with the implication that they usually dedicate a significant share of their budgets to acquisition (Villanueva et al. 2008). However, high customer satisfaction is the key to lower cost of future transactions (Anderson et al. 1994). In non-growth markets, businesses are generally competing over dissatisfied customers, meaning that a company can either try to retain its own dissatisfied customers, or try to win over dissatisfied customers away from its competitors (Storbacka et al. 1994). Overall, customer retention is very important because if a company has high customer retention, it does not have to spend as much money on customer acquisition each year (Anderson et al. 1994).

Villanueva et al. (2008) divide customer acquisition strategies into two main categories: marketing-induced customer acquisition, including mass media advertising and direct mail, and WOM customer acquisition, including interpersonal communication and user reviews. Interestingly enough, Villanueva et al. do not take viral marketing into consideration. With viral marketing being marketing-induced WOM, it would basically fall into both categories. In addition, the authors find that customers can also be acquired spontaneously, for example, through publicity and internet search results.

Every time a new customer is acquired, he or she makes a contribution to customer equity, in the form of the long-term firm value of a customer. Customer equity can increase in three different ways: the customer's relationship with the company creates a stream of future cash flows; the customer may generate positive or negative WOM and bring in more customers (direct network effect); and the customer may influence the company's capacity to pursue future acquisitions by contributing to the company's bottom line (indirect network effect). (Villanueva et al. 2008)

Several researchers (Goldenberg et al. 2001; Hogan et al. 2004; Villanueva et al. 2008) touch upon the differences between marketing-induced and WOM customer acquisition. Hogan et al. (2004) strongly believe in the ripple effect of advertising and suggest that WOM is largely dependent on consumers' initial exposure to advertising. The authors find that exposure to marketing communications is the necessary trigger that causes a customer to make his or her initial purchase, which eventually results in the spread of WOM as consumers begin to share their experiences. Keller (2007), however, finds that media and marketing do not only stimulate purchase behavior, but that they also stimulate WOM. According to his data, half of all conversations about brands include a reference to media or marketing that was witnessed by at least one of the conversational partners. Goldenberg et al. (2001) suggests that although marketing efforts are effective with new products, WOM is ultimately what matters as time goes by. This implies that customer satisfaction is the only way a company can remain successful in the long-term.

Villanueva et al. do not discredit the idea that advertising is better than WOM at creating brand awareness, but suggest that overall, it is better to build a customer base organically over time, than use marketing-induced strategies. That is because companies with organic growth face a better long-term profitability outlook and can spend less on customer retention. With WOM communications spreading with smaller marketing investments, the company can enjoy bigger financial gains from customer acquisition. However, if a company needs to acquire customers fast and is willing to make significant investments, it can be achieved by advertising heavily. The authors' findings do suggest that in addition to a larger initial marketing budget, the retention budget also needs to be bigger in order to ensure that customers keep returning.

To summarize, this second chapter offered a review of existing WOM literature. The chapter explained the key concepts and made a case for WOM's significance. The chapter also discussed the issue of eWOM and compared it against traditional WOM. The chapter concluded with an overview on how the role of WOM in consumer marketing. The following chapter, Chapter 3, provides a comprehensive review of viral marketing literature.

3. Viral Marketing

As it was mentioned earlier, the literature review of the thesis has been divided into two chapters. This second chapter contains a review of viral marketing literature. The purpose of the chapter is to familiarize the reader with the basic principles of internet marketing, as well as introduce key issues regarding the main focus of this thesis, viral marketing. The first section of the chapter, section 3.1, introduces the broader concept of internet marketing, while section 3.2 includes an overview of viral marketing. The following two sections discuss IVMCs: section 3.3 goes through various phases in the campaign planning process and section 3.4 covers measurement and evaluation. Overall, this chapter provides the building blocks for the theoretical framework, which will be presented in Chapter 4.

3.1 Internet Marketing

This section introduces the reader to the basic theory on internet marketing. Subsection 3.1.1 offers an overview on the subject. Subsection 3.1.2 talks about the international aspect in internet marketing and presents viable international internet marketing strategies. Finally, subsection 3.1.3 explains how the Internet has changed consumer experiences and discusses related issues including interactivity, consumer control personalization, information capacity, and e-commerce.

3.1.1 Internet Marketing Defined

Internet marketing has been defined as "the process of building and maintaining customer relationships through online activities to facilitate the exchange of ideas, products, and services that satisfy the goals of both buyer and seller" (Imber & Betsy-Ann, 2000, as cited by Ngai, 2003, 24). This definition highlights the relationship building capabilities of the Internet as a marketing channel. Compared to the more traditional view of marketing, the focus in relationship marketing is not on service encounters or transactions, but rather, marketing is seen as an part of an ongoing sequence of episodes between the customer and the firm (Storbacka et al. 1994). The concept of internet marketing is very similar to concepts like digital marketing, interactive marketing, one-to-one marketing and e-marketing, although none of them are explicitly defined or commonly used in marketing literature (Merisavo, 2008).

Many of the journal articles that discuss marketing on the Internet commonly refer to it as “internet advertising”, a generalization that seems to be especially popular in the earlier writings on the subject (see Kim & McMillan, 2008). The problem with the term is that it implies that advertising is all there is to internet marketing, when the reality is that marketing takes many different forms online. Advertising is often defined as a paid and mediated form of communication created by an identified sponsor with the intention of marketing products (American Marketing Association, 1960, as cited by Cho & Kang, 2006). With this logic, internet advertising would then only include paid advertisements, such as keyword, banner, and online video advertising, even though they only represent a segment of the range of marketing activities taking place online. Ha (2008) defines internet advertising broadly as “deliberate messages placed on third-party websites”, but even that definition lacks marketing activities on companies' own webpages and campaign sites, as well as email and viral marketing. The concept of 'digital marketing', on the other hand, goes beyond the Internet in its use of promotional channels, which can include, for example, mobile, digital TV, and digital outdoor advertisements (Merisavo, 2008).

3.1.2 International Internet Marketing

Since consumers all over the world have access to the Internet, companies that market their products or services on the Internet are global marketers by definition (Quelch & Klein, 1996). Because the Internet is not constrained by either location or time, it has reduced customers' locational dependence and enabled non-time based interactions (Peterson et al. 1997; Sheth & Sharma, 2005). This means that customers can independently seek product information and order products from outside their home countries 24 hours a day, seven days a week. From a marketer perspective, Rowley (2004) finds that the global online audience is less predictable and more diverse than audiences encountered through most other channels. This means that even if a marketer has a specific target group in mind, it cannot prevent unintended audiences from getting access to the message. But, as Krishnamurthy and Singh (2005) point out, what companies can do is to create localized country sites to deepen their presence within a country and direct consumers to those sites for country-specific information and offers.

Sheth and Sharma (2005) point out that when internet marketing strategies are implemented in international markets, the level of complexity increases. In the perfect world, companies could have a single approach for the global market that would always bring desired results. But, unfortunately, differences in culture often make it impossible to reach the same level of understanding, persuasion and effectiveness in various markets with a 'one-size fits all' approach. It appears that something will inevitably be lost in translation, misunderstood, or simply not found as particularly appealing in cultures that do not represent the campaign's primary audience. Rowley (2004) finds that languages, symbols and colors do not always translate across countries and cultures, and although global brands have tried to identify common values between cultures, their representation remains different in various national contexts. Thus, Rowley acknowledges the significance of local preferences and implies that global brands need to be sensitive to them.

The decision whether to standardize or localize marketing activities across countries is seen as a fundamental question in international marketing strategy and it has gotten plenty of attention in the literature (see Fastoso & Whitelock, 2007, for a list of authors). The subject has been, however, relatively rarely addressed from the internet marketing perspective. Researchers (e.g. Lynch et al. 2001; Luna et al. 2002; Singer et al. 2007) generally agree that localization has positive implications on internet marketing. Research has shown that consumers do not only prefer localized web content, but also, the degree of adaptation influences their perceptions on websites' effectiveness and usability, as well as increases their purchase intentions (Luna et al. 2002; Singh et al. 2004).

Krishnamurthy & Singh (2005) recognize the importance of country-level cultural factors, while Sheth & Sharma (2005) have developed a framework to explain their impact on international internet marketing strategy. In the framework, the authors evaluate countries on two dimensions: their infrastructural development, for example, roads, telecommunication, and legislative bodies; as well as their marketing institutional development, for example, effective and efficient distribution and communication channels.

In countries with developed infrastructure and competitive marketing (e.g. the US and Hong Kong), the strategic focus is on reducing costs. Successful strategies include digitized goods, such as music, books, and airline tickets, as well as having integrated online and offline presence. In countries with developed infrastructure, but restrictive marketing (e.g. Finland and Japan), the focus is on reducing costs through disintermediation of legacy distribution channels to lower high consumer prices. Successful strategies include shopping platforms, and direct marketing. In countries with developing infrastructure, yet competitive marketing (e.g. Mexico and Brazil), the focus is on reducing cost and making the Internet accessible and payment methods available for customers. Successful strategies include the facilitation of buying groups and alternative infrastructure. In countries with developing infrastructure and restrictive marketing (e.g. Vietnam and Indonesia), the focus is primarily on reach and marketing institutional development. Successful strategies include firm-driven internet marketing that works around the lack of traditional infrastructure, for example, by using mobile phones or interactive kiosks.

Sheth & Sharma (2005) discuss the influence of international internet marketing on traditional marketing theory and practice. The authors suggest that the Internet has facilitated a shift from a 'supplier perspective' to a 'customer perspective'. In the past, companies created products and then used marketing to generate demand for them. Today, demand is generated first and manufacturing can take place after an order has been received. In terms of cost, the authors find that internet marketing has given rise to the economies of scale and scope. In traditional marketing, variable costs exist in all marketing transactions, whereas in internet marketing, the investment in technology has a high fixed cost, but transactional costs are reduced. That encourages companies to strive for larger volumes. Therefore, the authors suggest that reduced costs and enhanced reach are primary advantages of international internet marketing.

3.1.3 Impact of Internet on Consumer Experiences

The Internet has changed the dynamic between companies and their customers in many ways, and as the dynamic has changed, the interactions and experiences customers have with brands have changed (Rowley, 2004). As Peterson et al. (1997) point out, the Web has made it possible for companies to offer consumers perceptual experiences that are superior to print and TV advertising. The Internet basically has five main characteristics that have changed the way companies create consumer experiences. These transformational features of the Internet as a marketing channel include: interactivity, consumer control, personalization, information capacity and e-commerce.

First of the transformational features is interactivity. One of the key strengths of the digital environment is that it has allowed the transition from one-way communication to interactive communication in a convenient and cost effective manner (Merisavo, 2008). The high level of interaction possible in the online environment is one of the biggest reasons researchers believe consumers prefer it over other more traditional forms of advertising (Joines et al., 2003). The Web is a hypertext medium, which entails text, graphics, animation, video and sound, on their own or in any combination (Gallagher et al. 2001). Consequently, it allows the delivery of communications in an interactive multimedia format. While traditional advertising assumes consumers to be passive and captive, consumers in this hypertext environment are active participants.

They can decide which companies they would like to approach and they have control over the content they choose to interact with (Hoffman & Novak, 1996). Ghose and Dou's (1998) study suggests that consumers find more value in websites that are more interactive, compared to those that are less interactive.

Bezjian-Avery et al. (1998, 23) define interactivity from the marketer's perspective as “the immediately iterative process by which customer needs and desires are uncovered, met, modified, and satisfied by the providing firm”. Merisavo (2008) explains that for marketers, interactivity in the digital environment translates to more information about customer needs, preferences and interests. He also finds that for customers, it offers more options, allows them to search for information independently, take an active role, and find new ways of spending time with a brand. Merisavo suggests that the concept of interactivity should include information searches, inquiries and feedback from the customer's side, as well as customer participation on the marketer's website, for example, in the form of playing games or engaging in discussions with other customers.

The second feature is consumer control, which is changing the power dynamics between consumers and companies. Keller (2007) suggests that companies need to understand how consumer talk about their brands and use that information for finding ways to engage consumers in a meaningful two-way dialogue, rather than pushing messages to them in a one-way flow. Li and Bernoff (2008) point out that marketers cannot stop people from talking or the message from spreading; they can only try to understand it, accept it and adjust to it. McMillan and Hwang's findings (2002) suggest that marketers who wish to develop effective marketing communications messages for the online environment need to share some of the control over timing and content with consumers, who expect to engage with the Web, rather than be exposed to it.

The third transformational feature is personalization. While TV commercials and print ads bombard consumers with generic marketing messages, the Web allows more accurate targeting from the marketer side by providing opportunities and tools for personalization (Merisavo, 2008). Personalization, and the subsequent opportunity to target groups or individuals more accurately, is mentioned by many researchers (Yoon & Kim, 2001; Rowley, 2004; Merisavo, 2008) as an important part of online consumers experiences. Besides allowing more specialized offerings to specific segments and bringing more diversity to the experiences consumers have with brands, it also allows companies to interact with their customers one to one (Rowley, 2004). After marketers have created personalized marketing communications based on customer behavior and preferences, customers can actively choose what they like (Simonson, 2005). The biggest strength of personalization is that it takes customer needs into consideration and allows companies to create offerings around them. Customization does also create demands for companies, as they need to invest in developing systems for collecting and managing data (Peltier et al. 2003; Rowley, 2004).

The fourth transformational feature is information capacity. With the Internet, the creation, transfer and storage of information has moved beyond the boundaries of location, time and space. One of the major benefits of the Internet is that it allows marketers to provide unlimited information to customers without human intervention, in a form that easily to process and understand (Sheth & Sharma, 2005). This unlimitedness extends to information delivery, information sources and the unlimited amount of information that is available (Yoon & Kim, 2001). Inexpensive information storage, information delivery on demand (Peterson et al., 1997) and immediate access to information (Ducoffe, 1996) are other features that make it convenient for marketers and users alike. Broad access to data allows companies to gain a more accurate and intimate understanding of their environment, although it is still left to them to discover the opportunities and commercial applications (Bonabeau, 2009). The high relevance of information, as mentioned by Ducoffe (1996), is another blessing of the Web. From a marketing standpoint, it provides a tremendous opportunity, because relevant messages tend to resonate. Because there is so much information online, the more recent challenge has been how to organize it in a way that makes sense and is easy to navigate. Peterson et al. (1997) recognize availability of tools for searching, organizing and disseminating information as unique features of the Internet as a marketing channel.

The fifth transformational feature is e-commerce. Joines et al. (2003) suggest that the ability to shop right after seeing the message is a clear advantage the Internet has over other marketing channels. As the authors point out, the Internet has brought the whole purchasing process into a single, easily accessible medium where customers are able to view products, and then buy them instantly. For marketers, this means that online campaigns have the potential of resulting in immediate and trackable conversions, which can give marketing more insight about its effects and effectiveness. Online shopping is becoming more and more popular as consumers become more comfortable with the process. The numbers show that e-commerce is growing strong. By 2008, the popularity of shopping sites had doubled from 2006 (MediaPost, 2009b).

The Web serves as a transaction medium and a distribution medium with relatively low entry and establishment costs for sellers (Peterson et al. 1997). The low cost can be explained by the fact that e-commerce platforms allow transactions between customers and companies that would typically require human contact (Sheth & Sharma, 2005). E-commerce has in many ways become more competitive than traditional retail operations. Srinivasan et al. (2002) suggest that its advantages include greater flexibility, enhanced market outreach, lower cost structures, faster transactions, broader product lines, and greater convenience. The authors also find that it has allowed consumers to compare prices and features of products and service with minimal effort, which means that competition has gotten tougher.

3.2 Viral Marketing

This section talks about viral marketing in detail. The purpose is to provide a comprehensive overview on the concept that is the main focus of this thesis. Subsection 3.2.1 explains the concept of viral marketing and examines it in detail. Subsection 3.2.2 discusses the benefits and challenges related to viral marketing. Subsection 3.2.3 argues that a company's viral marketing efforts should be integrated with all of its other marketing activities.

3.2.1 Viral Marketing Defined

The term viral marketing was originally mentioned in a PC User magazine article in 1989 (Kirby, 2006), but it did not become a powerful internet buzz word until nearly a decade later, in 1998 (Helm, 2000). Although the phenomenon has grown tremendously since then, different people still have various interpretations of the term. Kiss & Bichler (2008, 233) define viral marketing as “marketing techniques that use social networks to produce increases in brand awareness through self-replicating viral diffusion of messages, analogous to the spread of pathological and computer viruses”. In other words, a company uses consumer communication as means of multiplying a brand's popularity through customers spreading the message to their contacts (Hennig-Thurau et al. 2004).

Viral marketing takes advantage of the fact that people like to talk by giving them something to talk about. Kirby (2006) highlights the story telling aspect of viral marketing and suggests that viral marketing campaigns needs to generate conversation, not just spread the viral marketing agent. Ferguson (2008) agrees with Kirby by arguing that if viral content does not encourage customer identification or dialogue, it is simply a digital form of mass-marketing.

The dissemination of viral marketing messages can be either active or passive (Thomas, 2004). Although intentional, active promotion is a more common method, passive, unintentional promotion can work just as well, if not even better (De Bruyn & Lilien, 2008). The email service Hotmail, which was passively spread by its users, appears to be the most cited example of a successful viral marketing campaign in the literature (Jurvetson & Draper, 1997; Helm, 2000; Thomas, 2004; De Bruyn & Lilien, 2008). De Bruyn and Lilien (2008) explain that Hotmail users promoted the service every time they sent out an email because each email included a short promotional message that encouraged people to sign up for the free service. After its launch in July 1996, 12 million users signed up for Hotmail in the first two years (De Bruyn & Lilien).

Kirby (2006) suggests that consumers find viral marketing appealing due to its non-interruptive nature. After years of daily marketing bombardment, consumers have learned to tune out marketing messages, and in some cases, they are even utilizing ad-skipping technologies, such as pop-up blockers and personal video recorders. With consumers doing their best to avoid commercial messages, and with audiences drifting away from the mass media, marketers are finding it increasingly difficult to reach their target audience. Viral marketing can be a solution to this problem because it accepts the fact that consumers are in control and allows them to decide for themselves whether to promote, ignore or sabotage a campaign. (Kirby, 2006)

Videos have been an extremely popular tool in viral marketing campaigns (Ferguson, 2008), even to the extent that the term viral marketing is sometimes incorrectly used as a synonym for viral videos. Viral videos can spread very effectively, which is why they are one of the more popular tools used in viral marketing. A study conducted by Lightspeed Research (eMarketer, 2009a) found that 46 percent of users share videos with other users, with 50 percent informing their contacts about the video via email. All in all, viral marketing campaigns can include a broad range of activities and elements, such as images, quiz promotions, advergames, e-cards, interactive microsites, and Alternate Reality Games (Kirby, 2006). Ferguson (2008) also mentions influencer marketing and brand evangelism programs, community-building portals and street-level guerrilla campaigns in the context of viral marketing. Although it is also possible to conduct viral marketing in the mobile device environment, web-based viral marketing is the primary focus of this thesis.

In one of the earliest articles on viral marketing, Jurvetson and Draper (1997), the venture capitalists behind the viral success Hotmail, suggest that viral marketing does not require any marketing dollars. Today however, it is generally understood that although viral marketing can be done without expensive media buys, there are still costs related to the process. Armano (2009), an accomplished industry practitioner, points out that even though a company is not paying directly for a placement or making arrangements with a partner, it is paying for the time and the resources of the people who are engaging with consumers and bloggers on the company's behalf. Although viral marketing has a reputation of being a low-cost tool, Kirby suggests that the amount of investment made in viral marketing generally reflects on the results.

There is some disagreement in the literature on whether viral marketing can include paid referrals. Helm (2000) suggests that affiliate marketing programs can also be considered as viral marketing, even though affiliate programs help companies acquire referrals by paying website owners for online advertising space. Helm's view could be explained by Thomas's (2004) explanation, that although affiliate programs offer financial rewards, some participants are more motivated by the opportunity to associate themselves with the brand. Porter and Golan (2006), on the other hand, explicitly describe viral marketing as 'unpaid peer-to-peer communication', which would then exclude such programs. Hogan et al. (2004) see referral reward programs and affiliate marketing as separate from viral marketing, probably for the same reason. Although affiliate marketing and search engine marketing are not viral marketing, companies often use them as additional ways of promoting, for example, a campaign microsite, in order to bring in more people who can then 'discover' the campaign and share it with their friends (Cruz & Fill, 2008).

3.2.2 Opportunities and Challenges of Viral Marketing

According to Hennig-Thurau et al. (2004), the most significant benefit of viral marketing is that marketers can potentially reach a large number of people in a short amount of time, and multiply the brand's popularity through customers who spread the message. Kirby (2006) finds that viral marketing can also improve brand advocacy and mass market brand awareness. The author points out that when a product is generic, it may be difficult to create buzz around the product, and in such case, the company can try to create buzz around the viral marketing campaign. However, for the target group to actually make a purchase as a result of the campaign, Kirby finds that they still need to find the product appealing enough. Ferguson (2008) points out that the need for customer identification is essential if a company wants to use viral marketing for customer acquisition and for creating long-term advocacy. Identification can be done as part of the viral marketing campaign by collecting email addresses or by allowing consumers to sign up for opt-in programs.

Viral marketing has its limitations and researchers have identified several concerns that come with it: lack of control over message and reach (Kirby, 2006; Krishnamurthy, 2000); uncharted growth in unexpected areas (Krishnamurthy, 2000); lack of measurement (Cruz & Fill, 2008; Krishnamurthy); being labeled as a spammer (Lindgreen & Vanhamme, 2005; Dobele et al. 2007; Krishnamurthy); poor technological implementation or technical problems (Chaffey, 2006; Li & Bernoff, 2008); and legal issues dealing with privacy and harassment (Chaffey). However, many of the problems could be avoided or minimized if companies would do proper planning. Li and Bernoff find it essential that companies are constantly aware of the challenges and be prepared to fix problems as they arise.

Kirby (2006) explains that one of the biggest challenges with viral marketing is that as it gets more and more popular, there is more material competing for consumers' attention. And with most of the material being mediocre at best, the clutter makes it more difficult for good campaigns to stand out. Moreover, viral campaigns need to be original in order to strike a chord, but with more and more campaigns out there, the harder it becomes to come up with groundbreaking ideas. Kirby suggests that if companies want to see their viral marketing campaigns succeed, they need to make bigger investments and original campaigns that use the digital media creatively.

3.2.3 Integration with Other Marketing Activities

Cruz & Fill (2008) find that viral marketing is generally found most effective when it is integrated with other marketing tools, a view also shared by Kirby (2006). Viral marketing can, for example, enhance the impact of offline, above-the-line marketing campaigns by boosting their reach and frequency of exposures, as well as by either reinforcing the message or creating shock value (Cruz & Fill). Kirby (2006) suggests that by integrating viral marketing with other marketing activities, brands can take advantage of both bottom-up and bottom-down approaches. Leppäniemi and Karjaluoto (2008) argue that marketers need to look beyond the specific set of activities that the company undertakes to perform individual campaigns and think about how the firm is using and integrating various communication tools to ensure a clear, consistent and compelling message about the company and its products.

Kirby (2006) finds that the problem with companies using viral marketing as a stand-alone tactic, is that it can be very 'hit or miss', meaning that it can either be a great success, or a great failure. This hit or miss quality is probably the reason why marketers find viral marketing to be one of the least effective online marketing tools, while at the same time, they nominate it as the greatest gainer in future budget allocation (eMarketer, 2009c). Marketers appear willing to take their chances.

Clearly, there are valid reasons to strive for the integration of marketing activities. Integrated marketing communications is a concept in marketing communication planning that "recognizes the added value of using a comprehensive plan to evaluate the strategic roles of a variety of communication disciplines" Peltier et al. (2003, 93). It is not limited to a single approach or a single channel in the planning and implementation of marketing and marketing communications strategy, but rather takes into consideration all forms of communication, message delivery channels, customers and potential customers, as well as all brand contact points (Kitchen et al. 2004). The major benefit of the integrated marketing communications is that it brings synergy to marketing planning and execution, resulting in enhanced efficiency, productivity and performance (Phelps et al. 1996). Rowley (2004) does find that with multi-channel strategies, it is often the message that is integrated, but the experience varies depending on the channel.

3.3 International Viral Marketing Campaign Planning

This section on IVMC planning has nine subsections. Subsection 3.3.1 covers the broader issues of situational analysis and campaign strategy. Subsection 3.3.2 talks about campaign objectives. Subsection 3.3.3 addresses the issues of budgeting and agency selection. Subsection 3.3.4 introduces the issue of targeting. Subsection 3.3.5 explains key concerns relating to message creation. Subsection 3.3.6 talks explicitly about the international aspect in campaign planning and looks at the two main alternatives for international campaigns: standardization and adaptation. Subsection 3.3.7 goes through various campaign elements and tools. Subsection 3.3.8 provides a rough overview on media planning. And finally, subsection 3.3.9 explains the things that should be taken into consideration right before a campaign is released.

As it appears that not much has been written on the subject of IVMC planning, the next best thing, Cruz and Fill's (2008) viral marketing campaign planning model, is used as the guiding frame of reference. In addition, literature on international advertising campaign planning (e.g. Peebles et al. 1977; Gabrielsson et al. 2008), mobile marketing campaign planning (e.g. Leppäniemi & Karjaluoto, 2008) and general viral marketing literature (e.g. Lindgreen & Vanhamme, 2005) is used to compile an applicable overview on the activities involved.

3.3.1 Situational Analysis and Campaign Strategy

Gabrielsson et al. (2008) as well as Leppäniemi and Karjaluoto (2008) recommend that the campaign planning process should begin with an analysis of the company and its business context. According to the authors, this can include, for example, the analysis of external factors, such as competitors, brand positioning, consumer needs, markets and international prospects, and the analysis of internal factors, such as products, internal strategy and resources. Also, before making any crucial decisions on the IVMC, the company should have an idea on the type of viral marketing campaigns its competitors have already done, what is feasible, and what the current trends are.

Marketing strategy is the starting point for developing marketing communications strategies. Pickton & Broderick (2005) suggest that brand propositions should be drawn from a single consistent marketing strategy that the company has for the brand. Randall (2001) finds consistency important, but goes on to suggests that, in addition, a good marketing strategy fits the company and its resources, differentiates the company from its competitors and offers real benefits for the customers. Marketing mix elements, often defined as product, place, price, and promotion, have also been found to play a role in marketing communications planning (DeLozier, 1976, as cited by Pickton & Broderick, 2005). In the context of IVMCs, 'place', for example, could suggest that the company needs to consider whether the product will be available for purchase online. It is worth noting that an IVMC for a particular product can reach a global audience, but the product may still not be available in all geographic regions, or as Krishnamurthy (2000) points out, the campaign may lead to unexpected growth paths.

3.3.2 Objectives

Researchers generally generally agree that marketing campaigns needs to have specific and attainable objectives (see e.g. Pickton & Broderick, 2005). Leppäniemi and Karjaluoto (2008) explain that objectives are important to have because they guide decision-making throughout the campaign planning process, but also because they are necessary for controlling and measuring campaign results after the campaign is finished. Objective-setting is especially important with viral marketing campaigns because the objectives influence many decisions regarding the campaign, such as the choice of target audience, message, media and tools (Cruz & Fill, 2008).

Pickton and Broderick (2005) find that marketing objectives should be consistent with the company's business objectives, as well as in line with the marketing communications objectives set for individual brands and products. Hollensen (2007) suggests that marketing objectives setting should follow the SMART concept, suggesting that goals should be Specific, Measurable, Achievable, Realistic, and Timeable. Marketing communications objectives typically relate to awareness, information and attitude generation, and/or affecting behavior (DeLozier, 1976, as cited by Leppäniemi & Karjaluoto, 2008). When the set marketing objectives are met, the results should be seen as an increase in sales (Hollensen, 2007).

Because measures of campaign evaluation should be directly linked to specific campaign objectives, the Reach, Engagement, Activation, and Nurture (REAN) measurement model (Jackson, 2009) could also be used to categorize possible IVMC objectives. Reach has been mentioned in viral marketing literature as a potential campaign objective by Hollensen (2007) and Helm (2000), while De Bruyn and Lilien (2005) mention increased awareness and interest, which could be also categorized as reach objectives. Keller (2003) suggests that increased brand awareness comes with three main advantages: the ability to influence consumer learning, consideration, and choice. In other words, exposure to a viral marketing campaign can influence consumer perceptions of brand image, increase the likelihood that consumers will seriously consider the brand at the point of purchase, and even make the brand synonymous to the product category in the consumer's mind. In addition to awareness, a common objective of international campaigns overall is to pursue growth in international markets (Gabrielsson et al. 2008). This can also be seen as an objective related to geographic reach.

Of the three other REAN categories, engagement would include forwarding behavior (Dobele et al. 2007) and participation (Hollensen, 2007), while Activation objectives would include trial (Ferguson, 2008) and purchasing behavior (Dobele et al.; Ferguson; De Bruyn & Lilien, 2005). Whether purchasing behavior belongs in activation or nurture categories, depends largely on whether the goal is customer acquisition (activation) or customer retention (nurture). Chaffey (2006) considers customer retention an important objective in the context of email marketing campaigns. Other possible nurture objectives include increased brand evangelism among consumers and sustainable dialogue in the long-term (Balter, 2008). The idea of brand building as a campaign objective is also mentioned by Leppäniemi and Karjaluoto (2008), in regard to mobile marketing campaigns.

Another classification for viral marketing campaign objectives is introduced by Cruz and Fill (2008). Based on their empirical research, the authors have divided objectives into three categories: cognitive goals (evaluated in terms of reach, awareness and knowledge), behavioral goals (evaluated in terms of hits or downloads) and financial goals (evaluated in terms of ROI and developments in brand equity). Their model is one of the only existing models specifically created for viral marketing campaign objectives and evaluation. Even though the model does provide another perspective, the REAN model is preferred by the researcher because its customer life-cycle approach takes into consideration the different phases in building long-lasting customer relationships.

3.3.3 Budgeting and Agency Selection

Determining the campaign budget is an important aspect of campaign planning (e.g. Leppäniemi & Karjaluoto, 2008). It is fair to say that the budget should be determined fairly early in the process, as it may create financial limitations for the campaign, and therefore, influence other decisions, including media selection, campaign design and localization. Pickton & Broderick (2005) find that there are five commonly used budgeting methods: arbitrary method, affordable method, competitive parity method, objective and task method, as well as the percentage of sales method. The firm's overall marketing budget and its approval process should be taken into consideration when planning the campaign budget and deciding on its allocation (Leppäniemi & Karjaluoto, 2008).

If the company has a sufficient budget and decides to use the assistance of external marketing agencies in creating the IVMC, it has a few things to consider. The overall agency selection process could be discussed as its own topic (see e.g. Pickton & Broderick, 2005), but in short, after the company has defined its requirements for the campaign, it distributes a brief to short listed agencies, which then each create an original pitch based on the brief. After evaluating the pitches, the company chooses the best match for its requirements. Gabrielsson et al. (2008) suggest that agency related factors are an important consideration in planning international campaigns. As Pickton and Broderick point out, the agency selection process is more complex for companies that operate in several international markets because in addition to deciding whether to use an agency in the first place, they also need to decide whether to use a multinational agency that has presence in many international locations or several local agencies.

3.3.4 Targeting

Researchers (Helm, 2000; Lindgreen & Vanhamme, 2005; Dobele et al. 2007; Ferguson, 2008) generally agree that the selection of the initial target group is a very important step in creating a successful viral marketing campaign. Dobele et al. (2007) argue that a well-targeted campaign has a better chance of generating positive response toward the message it conveys, and consequently, it is more likely to be forwarded by recipients. In their study, 44 percent of respondents said that they would forward a campaign they thought was well-targeted. Basically, there are two main choices: to target a niche audience or to target the masses (Cruz & Fill, 2008). Viral marketing is generally seen as a great niche tool, which on the other hand, means that it can be challenging to reach the mass market (Regan, 2002).

Market segmentation involves breaking down the market to distinctive consumer groups based on various criteria: geographic location, social class, occupation, gender, lifestyle and so forth (Needle, 2004). The most suitable and lucrative segments are then chosen as the target audience. Leppäniemi and Karjaluoto (2008) point out that determining the target audience can be difficult due to the fragmented nature of consumer markets and due to varying consumer needs: different people react and respond differently to what they see and read because they have different expectations and different tastes. There can be, however, similarities within groups.

It appears that online, targeting is a matter of shared enthusiasm, rather than geographical location. Researchers Spencer and Giles (2000) find the online environment especially suitable for targeting groups according to interest (e.g.

technology) or issue (e.g. the environment). With companies reaching out to more and more specialized groups over time, it becomes vital to maintain good relationships with the target group, Ferguson (2008) suggests. Because if something goes wrong, the company has to win back the trust of the same group of people it already disappointed.

3.3.5 Message

Message creation is another important aspect of IVMC planning. The challenge of viral marketing is to come up with an idea, story, theme or angle that can create buzz (Kirby, 2006). Lindgreen and Vanhamme (2005) point out that the message needs to fit the target audience, as well as the company and its marketing strategy. Researchers tend to agree that in order to have an impact on their target audience, marketing campaigns need to have a message that strikes a chord. Allsop et al. (2007) find that viral marketing needs to persuade by reason and motivate through emotion. The authors suggest that the level of personal relevancy of a message and its emotional appeals influence the likelihood that consumers will pass along the message. The findings of Phelps et al. (2004) support this argument and suggest that messages that spark strong emotion, regardless of whether the emotion is positive or negative, are more likely to be forwarded. Dobele et al. (2007) suggest that in addition to the importance of making an emotional connection, it is also necessary for viral campaigns to capture the recipients imagination in an original and unforgettable fashion. Hollensen (2007) finds the creation of compelling, quality content a crucial element in creating a viral marketing campaign.

Lindgreen and Vanhamme (2005) find that the element of surprise is often used in viral marketing campaigns and that it is a useful tool. However, in their research, Dobele et al. (2007) find that surprise is effective only when paired with other emotions, but not on its own. The authors also argue that in creating emotional messages, some emotions seem to work better with certain types of brands. Out of specific emotional responses, joy complements fun brands and mature categories, sadness, anger and fear are best for social marketing campaigns, as well as causes that demand a strong emotional response in the short-term. Bad taste, generally in the form of offensive jokes, were found best when used sparingly on special occasions.

Lindgreen and Vanhamme, (2005) mention humor as one of the appeals that often works in viral marketing campaigns. This idea is also backed up by Sharpe Partners, an interactive marketing agency, which found in a survey that humorous material is the most popular type of content forwarded by adult internet users in the US, with 88 percent of respondents sharing jokes or cartoons (Business Wire, 2006). With online campaigns crossing cultural borders, it should be kept in mind that humor does not always transcend borders, and even emotions can be experienced differently in different cultures (Dobele et al. 1997).

One of the key issues in regard to content is the impact of brand visibility on the campaign. Chaffey (2006) points out that if the creative is too commercial, it may restrict the spread, but then again, if the branding is too subtle, it may leave the company with little benefit from the campaign. If the objective of the campaign is to influence consumer behavior, the message should have a call to action (Leppäniemi & Karjaluoto, 2008). Cruz and Fill (2008) do suggest that a call to action or an overly branded message can easily make a campaign seem too commercial, which may generate negative reactions in some audiences. Nevertheless, the same Sharpe Partners' study (Business Wire, 2006) suggest that brand sponsorship does not significantly turn off consumers, with the 75 percent majority of respondents saying that it does not have an impact on whether they forward the message, and only 5 percent refusing to share content with a noticeably branded message. The study also found that most of the people who actually share content are less inclined to view brand associations negatively.

3.3.6 Localization

The issue of localization (standardization versus adaptation) is an important strategic decision for an international marketer. When various geographic regions or country markets are targeted, a company needs to decide whether to go ahead with a single global campaign, several local campaigns, or something in between. The reasoning behind a global strategy is that in a globalizing world, markets are more similar than they are different. With consumer tastes converging, a single campaign enables economies of scale and consistency. The case for localization, on the other hand, is made by suggesting that cultures and consumer needs are, indeed, more different than they are similar, and therefore, global campaigns are mediocre at best. (Pickton & Broderick, 2005)

Although the localization issue has been researched a lot in the context of traditional media, the cross-cultural adaptation of online communications has remained relatively unexplored (Thomas, 2008). Peebles et al. (1977) propose two standardization methods for advertising, prototype and pattern standardization, which could also work in viral marketing. Prototype standardization means that material is highly standardized, with localization consisting mostly translation and small idiomatic changes. Pattern standardization is a modified standardization alternative, where the campaign, its theme and individual components, are designed with the intention of using it in multiple markets, by having uniformity in direction, but flexibility in detail. An interesting finding from advertising field suggests that the internationalization phase of the company affects the localization decision. Gabrielsson et al. (2008) find that when companies internationalize within their home continent, companies tend to adapt their campaigns; whereas globalization to different continents calls for increased standardization across countries.

3.3.7 Campaign Elements and Tools

Viral marketing campaign design has gotten limited attention in existing literature. Lindgreen and Vanhamme (2005) highlight usability and ease of use. Spencer and Giles (2000) point out that overall, web users expect tailored content and up-to-date information presented in a modern and engaging way; preferably combining text, image, sound, and video. Viral marketing campaigns can include a wide range of activities and elements, including images, quiz promotions, advergames, video clips, e-cards, interactive microsites, and Alternate Reality Games (Kirby, 2006). The use of specific campaign tools should depend on various factors, such as the goal of the campaign, its target audience, media selection, and the limitations set by the budget. Rappaport (2007) highlights that ultimately, technology is only a tool and it is more important is to understand consumer needs.

As previously discussed, interactivity and personalization are significant advantages of the Web over traditional media, and thus, it makes sense to leverage their benefits in designing the campaign material (Palmer, 2002). Several researchers (Ghose & Dou, 1998; Chen & Yen, 2004; Dou & Krishnamurthy, 2007) find that commercial websites benefit from having interactive functions. Interactive website functions can include: a store locator, games, allowing postings and comments (forums), online ordering, downloading, site or product surveys, competitions, personal-choice helper, multimedia show, electronic coupons and postcards, site search, as well as customer support functions (Ghose & Dou, 1998).

3.3.8 Media Planning

Even if the premise of viral marketing is that the word travels among consumers out of good will, paid-for media placements are still, in many cases, found necessary for generating interest and increasing awareness about the campaign (Cruz & Fill, 2008). Generally in marketing campaigns, media selection is affected by several things, including the campaign's objectives, its target audience, and the duration of the campaign (Leppäniemi & Karjaluoto, 2008). Specific media objectives tend to cover issues such as reach, frequency and impact, with the goals being limited mainly by the size of the media budget (Pickton & Broderick, 2005).

Although media selection is a well-covered topic when it comes to traditional media, very little has been written in the literature about the online media space. One way of categorizing online media is to divide it into three broad categories, based on how the exposure was acquired. These categories are owned, earned and bought media (see e.g. Armano, 2009). Owned media brings non-paid traffic from the company's own network, such as country-specific sites and partner sites. Earned media traffic is also non-paid, but sources are external to the company. It includes online publicity, which brings in traffic to the campaign site as consumers follow links on blog posts and articles, as well as search engines, such as Google Search or Yahoo! Search, where website visibility can be influenced through search engine optimization. And finally, bought media includes the traffic that is paid for, including search engine marketing, for example, Google AdWords and affiliate marketing. (Jackson, 2009)

In the light of this categorization, the company then needs to make a strategic decision on how it will spend its financial resources between owned, earned and bought media. Armano (2009), a social media practitioner, reminds marketers to keep in mind that even though earned media are not directly paid for, they are not entirely free either: companies still pay for the time and resources of the people who engage in the conversations on its behalf. He suggests that the process is much more dynamic than sending out a press release: it includes building relationships with bloggers and other parties who have influence and a following online, as well as sharing news and seeding content. With bough media, the biggest investments are made in paid media placements.

Scheduling is an important consideration when planning media placements. In their article on mobile marketing campaigns, Leppäniemi and Karjaluoto (2008) bring up the issue of scheduling, and point out that most basic scheduling decisions have to do with campaign launch date and duration. The authors suggests that when multiple media are used, it is important to ensure that they can all be implemented in time for the launch date. They also find that it is good to make a decision on the overall duration of the campaign as it will influence the way it is designed, especially because frequent advertising action is needed to sustain a constant flow of traffic. This can be seen as relevant also in regard to viral marketing when companies use search engine marketing or other media placements to drive traffic to a specific campaign microsite.

3.3.9 Campaign Release

Before the campaign can be fully implemented, Leppäniemi & Karjaluoto (2008) suggest that firms need to assess their marketing communications capabilities to ensure that they have adequate resources to successfully execute the planned activities. By the term marketing communications capabilities, the authors mean a mix of human, physical resources (including technological resources) and organizational resources that enable the proper execution of the campaign. It is important that the company is prepared, otherwise, the potential success of the campaign may suffer from the inadequacy of resources, for instance, the website may crash from too much traffic.

Lindgreen and Vanhamme (2005) recommend that viral marketing campaigns should be tested before they are implemented fully – an issue that is barely mentioned in viral marketing literature overall. It is unclear whether that is because viral marketing campaigns are generally not tested, or because it has not been researched. Spencer and Giles (2000) do suggest that all online marketing campaigns should be pre-tested with a 'micro' audience. The authors indicate that the best way to do this is to create a password protected testing area. Their recommendation is that pre-testing should cover target audience expectations, the appeal of the concept, distinctiveness, ease of navigation, user likes and dislikes, reactions to the planned offer, and idea generation. In the context of international advertising campaigns, Peebles et al. (1978) suggest that campaign testing should be conducted for each local campaign in the country in question. Gabrielsson et al. (2008) also mention testing in a similar context.

After the campaign creative is ready and the media commitments have been made, the campaign is released and seeded. Hollensen (2007, 566) defines campaign seeding as “the act of planting the campaign with the initial group who will then go on to spread the campaign to others”. Hollensen suggests that seeding can happen, for example. via email, online forums, social networks, IM, blogs, or podcasts. The target of seeding should be those who are interested and easily excited; Kirby (2006) suggests that the campaign should be seeded in places where influencers and brand evangelists already gather.

Researchers (Lindgreen & Vanhamme, 2005; Hollensen, 2007) suggest that viral marketing campaigns can benefit from being seeded to the opinion leaders of a target group, due to their ability to influence several other people. In the online world, these key voices can be, for example, bloggers who have a broad readership, or active and respected members of an online community. Popular blogs receive a lot of traffic, which translates to wide reach and exposure. Well-established blogs and the individuals behind them have a reputation to uphold, which brings an element of trust to anything that they share with their audiences and peers.

Moreover, Dobele et al. (2007) point out that whenever possible, companies should send messages to people who have shown interest towards the company and its products in the past, rather approaching random prospects. That way, it is more likely that the recipients will actually be interested in the company's products and be more open to sharing the information with like-minded others. Merisavo (2008) suggest that marketers should in stay in touch with customers who have expressed their interest, not only by sending them promotional messages, but also through informative and brand-related digital communications, to maintain the brand in the consumers' consideration set. Ferguson (2008) points out that from a long-term perspective, customer identification is the first and most important step in the relationship chain because it allows future marketing opportunities and increases customer lifetime value. He finds it essential that marketers identify their customers by collecting email addresses, allowing them to sign up for opt-in programs, and tracking offer redemption for building long-term customer advocacy.

Based on their empirical research, De Bruyn and Lilien (2008) find that social networks have differences in their effectiveness to harness the potential of peer-to-peer referrals. They suggest that a network of friends is generally more suitable for spreading viral marketing messages more effectively than, for example, a network of co-workers. That is because the strength of personal ties and perceived affinity have great significance in generating awareness and raising interest. In the absence of close relationships in the network, viral marketing will presumably be less effective.

From a campaign planning perspective, this means that it may be beneficial to encourage participants to engage their friends in particular. The figures on video sharing seem to support this idea. A study conducted by Lightspeed Research (eMarketer, 2009a) found that 72 precent of users who share videos online send it to three or fewer of their contacts, which would suggest that people share videos mostly with their closest friends whose preferences they know well. In addition to peer influence, Hollensen (2007) suggests that reference groups can also have a strong influence in individuals' decision-making.

3.5 IVMC Measurement and Evaluation

This section explores the issue of IVMC measurement and evaluation. The objective is to familiarize the reader with the main approaches to measurement and offer guidance on campaign evaluation. Subsection 3.5.1 provides an overview on measurement. The following five subsections present different categories for metrics: subsection 3.5.2 explains what is meant by WOM metrics, while the next four subsections discuss metrics that can be categorized under the REAN model. Subsection 3.5.3 introduces reach metrics. Subsection 3.5.4 talks about engagement metrics. Subsection 3.5.5 goes through various activation metrics. Subsection 3.5.6 covers the topic of nurture metrics. And finally, after the measurement issue has been discussed, subsection 3.5.7 brings up the issue of campaign evaluation.

3.5.1 Measurement Overview

One of the most quoted epigrams in advertising goes: “I know that half of my advertising budget is wasted, but I'm not sure which half” (Turow, 2006, 32). The saying epitomizes a problem most marketers struggle with. In order for it to be a good investment, marketing needs to deliver visible results; yet, measuring those results can be very challenging. Moreover, as Cruz and Fill (2008) point out, only a limited amount of literature has been written about viral marketing measurement. The lack of research and dialogue around the topic makes it very difficult to determine which measures should be favored by marketers. Although the emergence of online tracking tools have made it easier to measure marketing campaign success, it is still very difficult to measure viral marketing campaigns. Cruz and Fill (2008) argue that it is difficult to find criteria to measure viral marketing because there are so many different ways consumers can engage in it.

What researchers tend to agree on is that measurement should reflect the objectives. This has been said to be true with viral marketing campaigns (Cruz & Fill), social media marketing (Bernoff & Li, 2008), marketing communications campaigns (Leppäniemi & Karjaluoto, 2008), as well as general web audience measurement (Bhat et al. 2002). It appears that in measuring IVMCs, the goal should be to have a combination of different types of metrics. In their research, Cruz and Fill (2008) find there to be two opposing views on viral marketing measurement among practitioners and researchers: some experts believe that measures of awareness and reach are the most important measures for viral marketing campaigns, whereas others strongly believe in having a combination of metrics. The research of Bhat et al. (2002) suggests that there is no single best way to measure effectiveness on the Web, which is why the authors also suggest that a combination of metrics should be used whenever possible.

Considering that the use of a variety of metrics is considered to be the answer, the most optimal solution could be a combination of WOM metrics and REAN metrics. The REAN model was developed by Finnish IT consultancy company Satama Interactive in 2006 and has since been recognized by the Web Analytics Association (Jackson, 2009). Following this section, a brief overview will be provided of all the five categories: WOM Metrics, Reach Metrics, Engagement Metrics, Activation Metrics, and Nurture Metrics. WOM metrics are discussed as their own topic due to their significance for this thesis, even though Jackson (2009) suggests that all key performance indicators and metrics should, in principle, fall into at least one of the four REAN categories. Evaluation is discussed in the very last section.

3.5.2 WOM Metrics

WOM is commonly measured in terms of polarity, volume, brand mentions and dispersion. Dellarocas et al. (2007) explain the theory behind measuring valence by saying that positive opinions encourage product adoption among other consumers whereas negative opinions discourage. The theory behind measuring WOM volume is based on the premiss that the more a product is discussed among consumers, the more likely it is others will become aware of it. Godes and Mayzlin (2004) also mention that is possible to measure how many times the brand name was mentioned, or how broadly dispersed the WOM is across communities.

Godes and Mayzlin (2004) name three challenges with measuring WOM: gathering data, determining relevant measures, and understanding the dynamic relationship between consumer behavior and WOM. First of all, it can be very difficult to gather data when information is exchanged in private conversations. Because agencies that offer eWOM tracking services (e.g. 1000heads) do not have access to consumers' private instant messaging conversations or emails, they mainly gather data from public sources, such as online forums and blogs. Secondly, even when there is a sufficient amount of data, it can be difficult to determine which measures are relevant. And third, marketers sometimes struggle to understand that WOM does not only lead to product sales, but that it can also result from product sales.

3.5.3 Reach Metrics

Taking into consideration the rapidly spreading nature of viral marketing campaigns, reach should be a concern. As already mentioned, Cruz and Fill (2008) found in their research a group of experts who believe that measures of awareness and reach are the most important measures for viral marketing campaigns. Reach metrics cover issues such as traffic sources, geographic reach, awareness (exposure), and consumer profiles (Jackson, 2009). Jackson (2009) suggests that there are four possible traffic sources:

owned media traffic, as in traffic from the company's other websites; earned traffic, including PR, search engine optimization, blogs, social media links, and direct traffic; bought traffic, such as search engine marketing and banners; as well as unknown traffic. Jackson suggests that traffic sources can vary in terms of their cost and the volume of traffic they bring in, which is exactly why 'cost per conversion' is an important metric when a company is buying traffic.

The issue of geographic reach is especially relevant for international marketers. The global geographic overview can provide insight into the international audience that was reached, but also by looking at this data on current users, marketers are able to determine the efficiency of targeting methods (Bhat et al. 2002). As previously discussed, the company may find that the campaign has received significant interest from geographic regions that were not originally targeted. This might make the company consider translating the campaign for those particular markets, or targeting them in future campaigns.

Bhat et al. (2002) divide reach metrics into two main categories: ad exposure metrics, such as ad impressions, clicks and click-through rate, and website exposure metrics, such as page views, top pages requested, peak activity, visits, and unique visitors. Although online advertising is not considered viral marketing, ad data can be relevant when the campaign is also being promoted through online advertising channels. The authors find that marketers typically compare measures of reach and exposure to their own target figures, or to figures of competitors using the same metric. By determining processes that have high abandonment points and pages with high bounce rates, the company can get insight on what could be improved with the website (Jackson, 2009).

Reach metrics provide insight into consumers' visits and consumer profiles. For example, page views indicate how many times a user's browser has requested a single page from a server, while top pages requested provides insight on the individual pages that are the most popular on a particular website. Peak activity tells website owners when the website records most of the activity, allowing marketers to schedule their special promotional activities during peak hours. Visits metric measures site popularity and provides an estimate of the total user sessions to a website over a period of time. Unique visitors measures the number of visitors who have visited a website once, or on several occasions over a period of time. A measure of popularity, it can indicate how many visitors the website is reaching. Comparing the numbers can prove tricky, as there are at least three legitimate ways of tracking unique visitors: through user registration, cookies or IP addresses. (Bhat et al. 2002)

3.5.4 Engagement Metrics

Researchers (Bezjian-Avery et al. 1998; Li & Bernoff, 2008) find engagement an interesting measure in the social media environment. Li and Bernoff (2008) suggest that marketers need to move beyond reach and frequency to measure engagement. Jackson (2009) explains engagement by saying that it is the interaction between a company and a consumer that helps the consumer to eventually come to a decision. According to Rappaport (2007), engagement is characterized by two main ideas: consumers finding the brand highly relevant and consumers creating an emotional bond with the brand. He explains that the purpose of engagement is to go beyond transactions and focus on building relationships with customers. Engagement measures include tracking website navigation paths and blog comments, as well as measuring buzz and sentiment about products (Li & Bernoff, 2008). Bezjian-Avery et al (1998) suggest that engagement should be measured by looking at the time spent with the commercial message.

It seems that stickiness was, in a way, a predecessor of engagement. Bhat et al. (2002, 103) define stickiness as “the ability of a Web site to attract and hold visitors' interest”; a very sticky site consequently has a large number of visitors with long visits. Although stickiness is very similar to engagement, it appears to be more concerned with keeping consumer on the site, and not necessarily encouraging active involvement. Bhat et al. also discuss stickiness together with the 'quality of customer relationships' measure, a combination which could be interpreted as what some refer to as engagement.

In this context, Bhat et al. find relevant metrics to include: unique visitors, average time per visit, average time per unique visitor, returning visitors, frequency, and recency. 'Unique visitors' is the first component in measuring website stickiness, because the greater number of visitors it has, the greater the aggregate user involvement. The 'returning visitors' figure indicates a relationship being built between the marketer and the consumer. If the number of returning visitors is low, it means that the marketer needs to attract new people constantly to maintain high traffic. 'Average time per visit' indicates the amount of time users spend on the site. It gives marketers an idea on how much time they have to talk to the customer. If visits are short, information needs to be presented in a concise manner; if visits are longer, the customer has more time to process more complex information and engaging material. In the long-term, if visitors spend a lot of time on a site, marketers have a better chance of exposing consumers to a series of messages, which they will recognize to be interconnected. The authors suggest that 'frequency' is a good measure of consumer loyalty online because it represents the average number of times visitors returns to a site in a certain period. And finally, 'recency' looks at the interval between visits and a high recency figure implies greater user attraction, higher user loyalty, and stronger user relationships. (Bhat et al., 2002)

3.5.5 Activation Metrics

For Jackson (2009), the activation phase means that a consumer takes action for the first time: downloads, purchases, subscribes, signs up or logs in. The author finds that qualitative data regarding consumer preferences is especially relevant in the activation phase. In his experience, relevant metrics in the activation phase include: number of downloads, registrations, subscriptions, logins, and survey responses. Spencer and Giles (2000) suggest that the purpose of influence measures is to find ways of improving communications, as much as it is to measure communication success and whether brand, product, company and service objectives are being met. The authors suggest, for example, the use of online tracking, as well as email and site surveys.

Lindgreen and Vanhamme (2005) suggest that marketers should measure rates of customer advocacy with viral marketing campaigns. Bezjian-Avery et al. (1998) are along the same lines with their findings. The authors suggest that in evaluating interactive media, persuasiveness is an important measure. It can be measured by looking at consumer reports of stronger positive affect, preferences and purchase intention. A combination of different customer metrics, such as customer satisfaction, customer expectations, brand preference, repurchase intention and intention to recommend, could also be used to determine how the campaign has influenced customer loyalty overall (Keiningham et al. 2007). The rate of viral transfer, mentioned by Cruz and Fill (2008) as a measure for behavioral objectives, could also be included in the activation category.

3.5.6 Nurture Metrics

Jackson (2009) explains that nurture metrics relate to the methods of retaining and re-engaging visitors who have already been activated, and who have taken a preferred course of action at least once before. In the nurture phase, the visitor is no longer unknown to the marketer, but rather, he or she has a relationship with the brand and is a known customer, lead or subscriber. Jackson finds that relevant metrics include the number of people who read a newsletter, number of leads for customer relationship management system, and consumers requesting additional information or services. Increased sales and community membership, as mentioned by Bernoff and Li (2008), could also be attributed to the nurture phase, although the increase in sales may already be visible in the activation phase.

Bishop (1998) finds that ultimately, customer databases are the only meaningful tool that can help determine whether the used digital marketing tools is contributing to the development of new relationships and generating increased profits. The company needs to ensure that its customer database has the contact details of consumers who have expressed their interest towards the company and its products, and that it also has comprehensive information on their background and preferences. He suggests that if consumers are not willing to leave their contact information, the digital tools cannot be deemed successful. Instead of counting hits and visits, the focus should be on the 'quality of contact' that is reached with current and prospective customers. Interactive visitor surveys can give meaningful insight into the minds of the consumers, but also the sheer volume of new prospects and the number of active existing customers are indicators of success.

3.5.7 Campaign Evaluation

After all relevant data has been collected, the campaign is evaluated. Like measurement, evaluation should also reflect the objectives set for the campaign (Cruz & Fill, 2008). Therefore, if we accept the REAN model for objective setting, evaluation should be based on the various REAN metrics. The data coming from the various metrics are analyzed to determine the campaign's ability to meet its objectives. The final numbers can be compare to numbers from the company's past campaigns or against competitors' campaigns, depending on the type of data that is available.

Leppäniemi and Karjaluoto (2008) emphasize that every marketing communications campaign needs to evaluated for effectiveness and efficiency. Effectiveness concerns with the ability to meet campaign objectives (internal capabilities), whereas efficiency deals with the value generated by the investment (external influence). Together, effectiveness and efficiency can provide meaningful insight into the productivity and impact of a campaign, so that improvements can be made for future campaigns.

Cruz and Fill (2008) suggest that the campaign evaluation process ends with a judgment call on the future of the campaign. Based on the analysis of campaign data in the light of the evaluative criteria, the company can decide to abandon, contain or reignite the campaign. Abandoning a campaign means that it is left to take its course online without further investments or changes, while an attempt to contain a campaign would involve online and offline PR efforts. If the campaign is wildly successful, it can be optimal to try to prolong the success of the campaign by reigniting it with revised objectives.

To summarize, this chapter, Chapter 3, offered a review on existing viral marketing literature. The chapter began with an introduction to internet marketing, which was followed by an introduction to viral marketing theory. IVMC planning and evaluation were also discussed in detail. This chapter explained the building blocks for the theoretical framework, which will be presented in the next chapter, Chapter 4.

4. Theoretical Framework

This chapter presents the theoretical framework and the key factors that contribute to the planning and evaluation of an IVMC. The main structure for the framework has been borrowed from the viral marketing evaluation framework developed by Cruz and Fill (2008). The internal and external factors that affect the campaign planning process are similar to those in the international advertising campaign planning process framework of Gabrielsson et al. (2008). The model presents IVMC planning and evaluation as a single process where the campaign objectives influence, not only the planning part, but also the measurement part. The specifics of the proposed model have been drawn from the literature presented in Chapter 3.

Based on their empirical research, Cruz and Fill (2008) have developed a theoretical framework for viral marketing campaign evaluation. A modified version of their framework is presented in figure 4.1. The main points of the core framework have remained relatively unchanged, while the specifics and dimensions have been modified to follow the literature review of this thesis. Even though their framework is said to deal with campaign evaluation, it also covers all the main steps in viral marketing campaign planning because the two processes are interconnected.

As shown in figure 4.1., the IVMC planning and evaluation process includes the following phases that originate from the source: 1) campaign objective setting; 2) definition of target audience; 3) message creation; 4) media planning; 5) selection of tools; 6) campaign release; 7) evaluation against campaign objectives; 8) decision: reignite, contain or abandon. Internal factors, external factors, and issues related to international adaptation have also been included due to their influence on the process. Moreover, opportunities and challenges of viral marketing are outlined, and the importance of marketing integration highlighted.

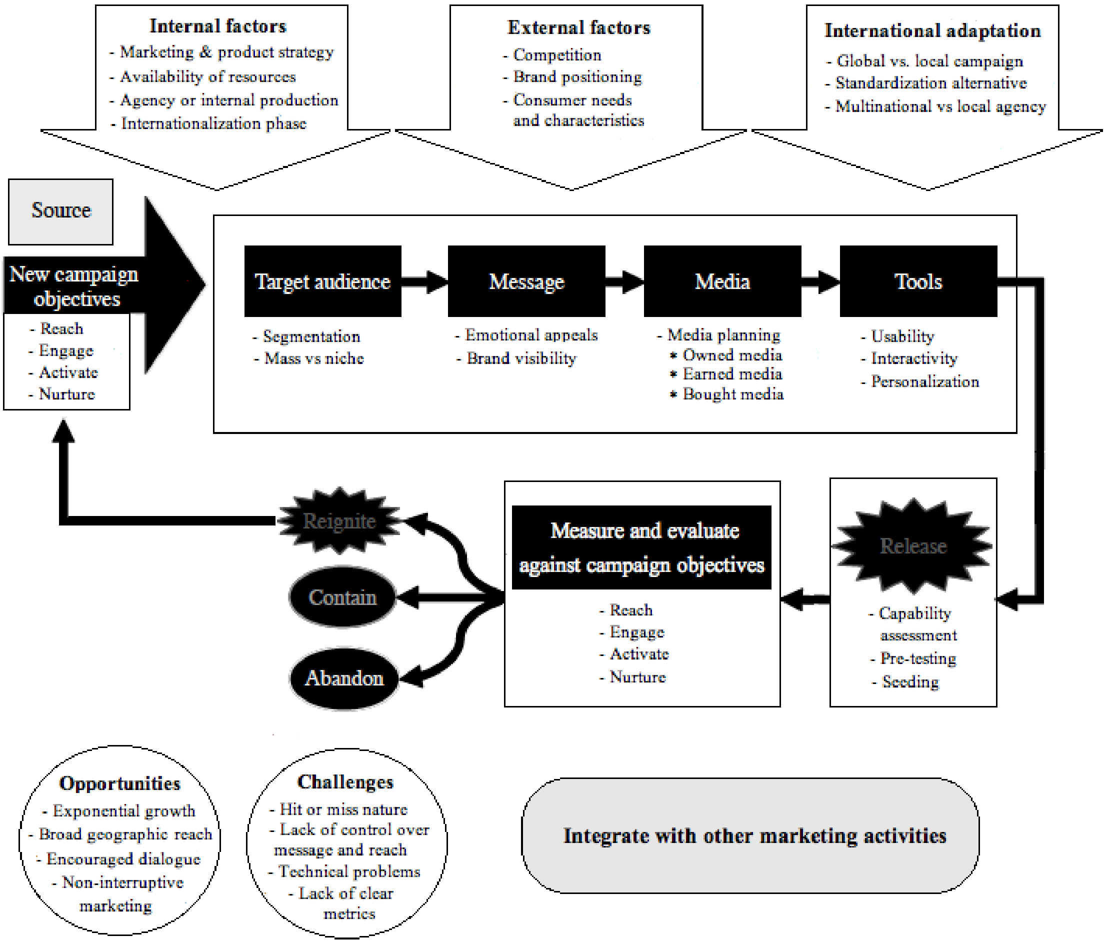

Figure 4.1. International viral marketing campaign planning and evaluation framework

Campaign objective setting can be seen as one of the most important parts of the whole process because the objectives influence the campaign throughout its existence, from campaign planning to campaign evaluation. Since campaign evaluation is closely tied to campaign objectives, the REAN model, discussed by Jackson (2009) for measurement, can also be seen as a model for setting objectives. Cruz and Fill (2008) originally discuss a different set of objectives and metrics. In the REAN model, all possible campaign objectives will then fall somewhere under the categories of reach (e.g. awareness in new international markets), engagement (e.g. participation), activation (e.g. customer acquisition) and nurture (e.g. customer retention).

Targeting the right people is a crucial element in campaign planning. Segments can be identified based on factors such as geographic location, social class, occupation, gender, and lifestyle (Needle, 2004), while specific groups can be targeted according to interest or issue. Targeting is considered to be important because a well-targeted campaign is more likely to generate a positive response in the recipient (Dobele et al. 2007). There are two main choices: to target a niche audience or to target the masses (Cruz & Fill, 2008). It has been suggested viral marketing is better suited for targeting niche audiences (Regan, 2002).

The message should be created for the chosen target group, keeping the campaign and overall marketing objectives in mind (Lindgreen & Vanhamme, 2005). The challenge is to come up with an idea, story, theme or angle that can generate buzz (Kirby, 2006). Researchers (Phelps et al. 2004; Allsop et al. 2007) suggest that personal relevancy and emotional appeals tend to influence forwarding behavior. Various emotional appeals, such as the element of surprise and humor, have been found very useful with viral marketing campaigns (Lindgreen & Vanhamme, 2005). Brand visibility is another interesting aspect of message creation. As Chaffey (2006) points out, if the campaign is overtly branded, consumers may find it off-putting, but if it is too subtle, the company may not get much credit for the campaign. A call to action can be effective in influencing consumer behavior, but it can also be found as too commercial (Cruz & Fill, 2008).

After a company has decided to target several geographic markets, it needs to decide whether it creates a single global campaign or localizes the campaign message in different markets. Peebles et al. (1977) present two methods for standardization: prototype standardization, where the changes made include mainly translations, and pattern standardization, where various local campaigns are created around the same global theme. Gabrielsson et al. (2008) suggest that companies that internationalize within their home continent tend to go for a high degree of adaptation, whereas campaigns across continents call for increased standardization.

Media planning has been traditionally affected by campaign objectives, target audience and campaign duration (Leppäniemi & Karjaluoto, 2008), as well as the size of the campaign budget (Pickton & Broderick, 2005). Online media can be divided into three categories: owned, earned and bought media (Jackson, 2009; Armano, 2009). The company needs to make a strategic decision on budget allocation in terms of these three different media. With earned media, the process can involve building relationships with bloggers, whereas with bought media, the exposure is comes from media placements that have been directly paid for.

The selection of tools used in the campaign should be based on usability, or in other words, ease of use (Lindgreen & Vanhamme, 2005), and consumer needs (Rappaport, 2007). Viral marketing campaigns have a wide range of tools to choose from: images, quiz promotions, advergames, digital video clips, e-cards, interactive microsites, and Alternate Reality Games (Kirby, 2006). Interactivity and personalization are advantages of the Web over traditional media, which is why it could be beneficial to utilize their power with viral marketing campaigns (Palmer, 2002). Interactive website functions can include: a store locator, games, online ordering, downloading, competitions, multimedia show, electronic coupons and postcards (Ghose & Dou, 1998).

Campaign testing in the context of viral marketing campaigns was recommended by Lindgreen and Vanhamme (2005), although they appear to be the only authors who even mention the issue. Pre-testing is, however, often recommended for various kinds of marketing campaigns (Spencer & Giles, 2000; Gabrielsson et al. 2008). Peebles et al. (1978) suggest that for international advertising campaigns, testing should be conducted for each local campaign in their respective markets. Due to the lack of directly viral marketing related research on the topic, it is unclear whether campaign testing would also be a beneficial practice for IVMCs.

A campaign is released by seeding it to the initial, hopefully influential, group that will spread the campaign to others (Hollensen, 2007). Random prospects should not be approached, but rather people who have already shown interest in the company and its products in the past (Dobele et al. 2007). As Ferguson suggests, companies benefit from collecting email addresses and tracking offer redemption because it helps them build long-term customer advocacy. Influencers (Kirby, 2006) and networks of friends (De Bruyn & Lilie, 2008) have been mentioned by researchers as especially suited for seeding. After the campaign has been seeded, the hope is that it will start spreading exponentially, with each of the recipients sharing it with several of their contacts.

Campaign evaluation measures should largely correspond to the objectives set for the campaign. Meeting campaign objectives is seen as campaign 'effectiveness', whereas 'efficiency' is about getting value for the invested (Leppäniemi & Karjaluoto, 2008). Together, they can provide insight into the productivity of a campaign, so that improvements can be made for future campaigns. All in all, research tends to suggest that no single metric alone is a sufficient measure for evaluating campaigns, and that rather, a combination of metrics should be used. WOM metrics (e.g. volume, polarity, and dispersion), as well as REAN metrics (e.g. traffic sources, awareness, unique visitors, frequency, number of downloads, number of registrations, increase in sales) could be useful for measuring the success and impact of IVMCs. Cruz and Fill (2008) suggest the evaluation is followed with a judgment call on the future of the campaign with the campaign being either abandoned, contained or reignited.

Besides the components of the campaign planning and evaluation process, there are also things that influence it: internal factors, external factors and issues related to international adaptation. Internal factors include issues such as overall marketing and product strategy, availability of resources, the choice between an external agency and internal production, and the internationalization phase of the company. External factors include competition, brand positioning, as well as consumer needs and characteristics, which also covers cultural differences between markets. Issues related to international adaptation include choosing between a single global campaign or multiple local campaigns, choosing between standardization alternatives, and choosing between a single multinational or multiple local agencies.

In addition to all this, the framework outlines the key opportunities and challenges of viral marketing and suggest that the campaign be integrated with other marketing activities. Opportunities include the potential for exponential growth, broad geographic reach, encouraged dialogue between the company and the consumers, as well as the opportunity to conduct non-interruptive marketing. Challenges include the hit or miss nature of viral marketing, lack of control over message and reach, possible technical problems, and lack of clear metrics. And finally, to maximize the opportunities of viral marketing, it would be beneficial to integrate the campaign with other marketing activities (see e.g. Cruz & Fill, 2008; Kirby, 2006).

This chapter, Chapter 4, presented the theoretical framework of the thesis, which covered the process of IVMC planning and evaluation and presented some of the key ideas regarding the topic. As a logical progression, the next chapter, Chapter 5, provides an overview on the research design and methods that were used for empirical part of study.

5. Research Design and Methods

This chapter explains the research design and methods used in the empirical part of the study. The goal of the empirical research is to provide insight on IVMC planning and evaluation within the case company. Section 5.1 specifies the research design, which in this thesis is the qualitative single-case design. Section 5.2 justifies the use of semi-structure interviews and presents the main interview themes. Section 5.3 describes the data collection process. Section 5.4 offers an overview on the data analysis process. And finally, section 5.5 makes a case for the trustworthiness of the study.

5.1 Qualitative Single-Case Design

In research, there are two main research design alternatives: qualitative research and quantitative research. Creswell (2009) finds that the distinction between the two alternatives is often presented as an issue of words (qualitative) versus numbers (quantitative). Qualitative research provides "means for exploring and understanding the meaning individuals and groups ascribe to a social or human problem", whereas quantitative research provides "means for testing objective theories by examining the relationship between variables" (Creswell, 4). In this thesis, the qualitative approach was used because it can unravel the context and meaning behind the studied behavior, as well as provide access to individuals' observations and experiences (Hirsjärvi & Hurme, 2006).

Eisenhardt (1989) describes the case study approach as a research strategy, which tries to unveil the prevailing dynamics in a single setting. Yin (2003) considers case studies especially suitable for answering analytical research questions such as 'how' and 'why', as opposed to questions of 'who', 'what' and 'where'. Even though Yin suggests that a multiple-case design is likely to be stronger than a single-case design overall, he finds the single-case approach a valid research tool under certain circumstances. One of the rationales for selecting single-case design is that the case can be seen as a representative case (Yin, 2003). This factor is especially relevant regarding this thesis, as it is fair to assume that the case study company, Nokia, faces similar challenges as other multinational companies who have decided to pursue their dream of viral success in the international arena. As Eisenhardt points out, the challenge with the case study approach is to build a simple theory as the volume of rich data can create a temptation for the researcher to cover too much at once.

5.2 Semi-Structured Interviews and Interview Themes

Although Hirsjärvi and Hurme (2006) find the concept of semi-structured interview broadly recognized in research methodology literature, they find that the term has various definitions. Generally speaking, a semi-structured interview is something in between an unstructured interview, where open-ended questions are used, and a structured interview, where a predetermined set of questions is used. Hirsjärvi and Hurme explain that in a semi-structured theme interview, the themes of discussion remain constant from one interview to the next, but the questions may vary. This type of an arrangement was found suitable for this particular study because it enabled discussions on the topics and themes found in the literature, but the interviewer was not constrained by a pre-determined set of questions.

Yin (2003) recognizes interviews as one of the most important sources of case study information. That is because well-informed interviewees can provide meaningful insight into a situation and its background, as well as help identify other relevant sources of evidence. Yin suggests that the benefits of the interview method in a case study setting include the ability to focus the questions on a specific topic, and consequently, the ability to draw insightful causal inferences. Hirsjärvi and Hurme ((2006) highlight the flexible nature of the interview method: the method makes is possible to reorganize interview questions and adjust the process to different situations and interviewees. Hirsjärvi et al. (2004) outline possible reasons for selecting the interview method, two of which are particularly relevant for this study: first of all, the subject of the study, IVMC planning, is largely an uncharted territory; and secondly, there is a chance that the answers will branch out to many different directions.

There were three main themes used for grouping the interview questions: 1) campaign planning (e.g. Lindgreen & Vanhamme, 2005; Hollensen, 2007; Dobele et al. 2007), 2) campaign localization (e.g. Gabrielsson et al. 2008), and 3) measurement and evaluation (e.g. Cruz & Fill, 2008). These themes corresponded with the themes of the research questions.

The first major theme, campaign planning, was chosen to gain insights on the campaign planning process, especially when campaigns are created for an international audience. Basically, the objective was to determine the elements and factors that can make a campaign successful or unsuccessful. The following topics were covered concerning this theme:

- Characteristics of viral marketing campaigns
- Benefits over traditional advertising
- Campaign objectives
- Targeting
- Message
- Visibility of branding
- Role of product or service
- Success factors
- Challenges

The second theme, campaign localization, was selected to uncover issues that arise when campaigns are created simultaneously for various international markets. Essentially, the objective was to find out how the international dimension affects the campaign planning process. The following topics were covered concerning this theme:

- Strengths and weaknesses of global and local campaigns
- Standardization versus localization
- Impact of language and culture

The third theme, measurement and evaluation, was brought up to determine how the interviewees perceive viral marketing measurement: whether they feel like they have access to enough data and whether they are able to draw meaningful conclusions from the data. The objective was to shed light on the largely mysterious realm of viral marketing measurement. The following topics were covered concerning this theme:

- Used metrics
- Most important metrics
- Challenges

In summary, this section made the case for using semi-structure interviews and presented the main interview themes: campaigns, campaign planning, campaign localization, and measurement and evaluation. Data collection and analysis will be discussed in the following section.

5.3 Data Collection

For the purposes of this study, five semi-structured interviews were scheduled with selected Nokia employees for the collection of data. The interviews took place between April 15th and May 15th in 2009 at Nokia's headquarters in Espoo. The interviewees were approached by email a few weeks in advance to inquire about their willingness to participate in the study. Everyone who was contacted agreed to participate. The individual interview times were scheduled based on the wishes of the interviewees.

The group interviewed for this study included five carefully selected Nokia employees, who are all very knowledgeable and experienced with the subject at hand. All of the interviewees had been employed by Nokia for more than five years at the time of their interview. Each one of them worked, or had worked, directly with digital marketing campaigns; four of them mainly planning and executing IVMCs, and one of them primarily trying to measure such campaigns. The interviewees held the following job titles at the time of the interviews: Production Planner (1), Digital Marketing Manager (2), Marketing Manager (1), and Senior Marketing Manager (1). Both sexes were represented as four of the interviewees were men and one was a woman. The persons were interviewed one at a time in a meeting room or the company cafeteria. Each interview lasted for about an hour to two hours. The interviews were conducted in English, which is the native language of one of the interviewees. However, all of them indicated that they were comfortable responding to questions in English.

All five interviews were recorded. The issue of recording was brought up at the beginning of the interview, and although it was optional, none of the interviewees objected to it. Hirsjärvi and Hurme (2006) point out that even though the interviewee's permission should be obtained before an interview is recorded, it is strategically wise for the interviewer not to focus too much on it, as it may intimidate some interviewees. The authors suggest that recording is very fitting for theme interviews because it allows a smooth, uninterrupted flow of conversation between the interviewer and the interviewee, but also because recording can capture much more than simply what is being said, including the tone of the discussion and potential silences.

The interviewer treated the first interview as a pilot interview as it was found necessary to test the interview questions. Some questions were adjusted and some additional questions were introduced as a result of the first interview. The interview questions followed the themes presented in section 5.2, although respondents were occasionally asked to discuss the topics in the context of actual campaigns they had worked on. These practical examples were discussed in order to ensure that the conversation did not remain on a purely abstract level. It should be pointed out that in the interview with the metrics person, general viral marketing questions were left out and the interview focused solely on metrics issues. All of the interviewees appeared to be experts on the topic at hand and had no problems answering the questions. After the interviews had been conducted, results were carefully documented and transcribed by the interviewer. Altogether, the interview transcripts added up to 45 pages in length (font: Times New Roman, single spaced). It could be said that the data collection and documentation went rather seamlessly.

In an interview situation, the interviewer is not only a researcher, but also a participant (Hirsjärvi & Hurme, 2006). With that said, the interviewer tried to minimize her own role so that the interviewees could voice their opinions and share their perceptions openly. The researcher did not have significant prior personal assumptions regarding the company, the matter, or the interviewees, as she is an outsider to the company and new to the topic. Any possible assumptions that the interviewer might have had, but was unaware of coming into the interviews may have resulted from exposure to media and existing literature. It is also worth noting that although the researcher is a company outsider, the thesis was commissioned by the case company.

5.4 Data Analysis

The analysis of data is generally carried out within the larger context of the research design, which is itself set within a theoretical framework (Aneshensel, 2002). Therefore, the data analysis is founded on the theoretical framework presented in Chapter 4, which showed that: a) the unique characteristics of viral marketing have an impact on campaign planning; b) the campaign planning and evaluation process is guided by campaign objectives; and c) viral marketing should be integrated with other marketing activities. Therefore, if marketers understand the principles of viral marketing, have clear objectives for the campaign, and use viral marketing as an integrated, rather than stand-alone tactic, the campaign is more likely to succeed. Besides the theoretical framework, the chosen interview themes were used as a point of reference for data analysis.

Hirsjärvi and Hurme (2006) find that the analysis of qualitative data often begins in the interview situation as the interviewer starts forming models and identifying patterns based on the observations he or she has made during the interviews. This was also the case in this study. The authors explain that researchers can use either inductive or abductive reasoning. In inductive reasoning, conclusions are drawn from the data, whereas in abductive resasoning, the researcher uses the data to validate certain theories that the researcher has had prior to data collection. This particular study clearly uses abductive reasoning, considering that certain hypotheses arose from the literature review, and thus, the data are used to confirm the assumptions.

The data analysis process evolved instinctively. At the time when the interviews were conducted, there were no existing categories for data as the purpose was to encourage open dialogue and allow topics from outside the main questions to be discussed. Still, there were the three themes guiding the discussions: (1) campaign planning, 2) campaign localization, and (3) campaign measurement and evaluation. After the researcher had transcribed the data, the transcripts were read through twice in order to gain a broad overview on the material.

Then, the researcher categorized the interviewees answers loosely into various categories based on the interview themes. When the categorization was finished, the interviewer read through the material once more in order to identify the key points of discussion under each theme. The researcher began to look for major issues and reoccurring themes that could be found in several different interviews. These topics were assigned to their own sections under each of the three major themes. For example, brand visibility, campaign standardization, and message were placed under campaign planning. Finally, the researcher started writing down analytical notes that morphed into a more logical and coherent entity, somewhere along the line.

5.5 Trustworthiness of the Study

The 'trustworthiness of a study' is a common way of referring to concerns of validity and reliability within the context of a qualitative study (Hirsjärvi et al. 2004). Trustworthiness can be examined, for instance, by evaluating a study against these four key criteria: objectivity, reliability, credibility, and transferability (Marshall, 1990, as cited by Miles & Huberman, 1996). Miles and Huberman explain that objectivity refers to the study's relative neutrality and reasonable freedom from researcher biases, or if such biases exist, openness about their existence. Reliability refers to the consistency of the process as well as its stability over time, across researchers and methods. Credibility refers to the truth value of the arguments and whether the reader finds them believable and authentic, while transferability refers to whether the findings can be generalized. These four criteria are discussed in he context of this thesis in the following paragraphs.

The objectivity of this thesis can be argued in many ways (Miles & Huberman, 1996). First of all, the study's methods and procedures are described explicitly and in detail in this methodology chapter, Chapter 5, which contributes to the objectivity of the study. The chapter also explains openly the sequence of data collection, processing, and analysis in detail, to avoid any suspicions on the lack of objectivity. In addition, the researcher has been open about any possible personal assumptions, values and biases, as well as the fact that the thesis has been commissioned by the case company.

The reliability of the thesis can be justified by the clarity of the research questions and the congruence between the questions and the design of the study. The researchers role regarding the study has been explicitly described in Data Collection and Analysis, section 5.3. Reliability can also be seen in how the basic paradigms and analytical constructs relate to existing theory. Drafts of the thesis have been reviewed by an employee who works in the digital marketing team at the case company, but was not interviewed for the thesis.

The credibility of the study comes from context-rich argumentations and meaningful descriptions. The researches has striven for comprehensiveness in her explanations and interpretations of the account. The findings of the study are characterized by internal coherence, meaning that there should be no obvious internal contradictions. It could also be said that the thesis has a fairly clear internal logic. The thesis begins with the broader, and more familiar, theme of word-of-mouth communications, makes the transition to the online world, then moves from electronic communications to marketing and internet marketing, and then finally, to viral marketing. The categorization of data has been made based on prior theory, which is a source of indirect credibility. Whenever there have been areas of uncertainty in the research, the researcher has tried to point them out explicitly. The researcher has also tried to consider alternative considerations and explanations to the best of her ability.

Transferability of the findings is relatively limited, considering that it is a single-case study. The researcher does, however, provide a fairly detailed description of the interviews, the setting and the processes, which would allow comparisons with other similar studies. The objective of the researcher has been to provide generic enough explanations of processes and outcomes in the concluding chapter, Chapter 7, to improve the transferability of the findings. The thesis offers some discussion on the limitations of the study in regard to the generalizability of findings. These limitations are discussed in Limitations, in section 7.4. Suggestions for the further testing of findings are made in Suggestions for Further Research, in section 7.5. Transferability can also be identified in the study's relationship to prior theories as it is congruent with certain existing theories. This is discussed in further detail in Main Findings, in section 7.2.

To summarize, this chapter, Chapter 5, went over the research design and methods used in the empirical part of the study. It explained the choice of the research design and research method, as well as explained the interview and data analysis processes. And finally, the chapter also made a case for the trustworthiness of the study. The following chapter, Chapter 6, will introduce the case company, present the findings from the interviews and discuss the findings in detail.

6. Viral Marketing Campaigns in Case Company

This chapter presents the empirical part of the study. The purpose of the chapter is to compare the theory arising from the literature to a real life case company, in order to determine how well the theory reflects the current state of affairs in the field. The chapter is divided into three sections. Section 6.1 provides an introduction on the case company, Nokia, and a brief overview on its internet marketing activities. Section 6.2 presents the findings of this thesis. Section 6.2 covers the discussion and analysis regarding the findings.

6.1 Case Company Description

Nokia is a Finnish multinational corporation operating at the crossroads of the Internet and communications industries. The company produces a range of mobile devices, services and software that allow people to experience music, navigation, video, television, imaging, games, and business mobility. Nokia has three main functional units: Devices, Services and Markets. The Devices unit is responsible for developing and managing the company's device portfolio. The Services unit is responsible for the development of web-based services in five areas: music, maps, media, messaging and games. The Markets unit is responsible for managing supply chains, sales channels, as well as brand and marketing activities. A significant share, 37 percent, of Nokia's sales comes from Europe. Other major market areas include Asia-Pacific (22 percent), Middle East and Africa (14 percent), and China (13 percent). In 2008, Nokia's revenue was EUR 50.7 billion with an operating profit of EUR 5.0 billion and the company employed 125,829 people. (Nokia, 2009)

As an industry leader, Nokia uses a number of different ways to reach customers in the online environment. The company's official website at Nokia.com serves as an informational resource, as well as an access point to the company's online stores, the corporate blog, product and service websites, and campaign microsites. Nokia is also present and actively engaging consumers in various social media platforms, such as Facebook, YouTube, and Twitter. Nokia's online marketing efforts in the bought media space include, but are not limited to: keyword marketing, banner, link, pop-up and video advertising, and online sponsorships.

In addition, Nokia is also trying to create innovative viral marketing campaigns for its global audience in order to generate buzz and increase consumers' interest towards its product and service offerings. Examples of Nokia's viral marketing campaigns include “The Mapsters” (www.themapsters.com) and “Get Out and Play” (www.get-out-and-play.com). The strategic focus is more on the devices than other products or services, which is why the budgets tend to be bigger for device campaigns. With that said, most digital marketing campaigns today are conducted as part of a thematic marketing campaign with services bundled with a specific product. Generally speaking, Nokia uses the same five or six digital marketing agencies globally, including interactive agency, R/GA, and digital marketing services network, Isobar.

6.2 Findings

This chapter presents the findings resulting from the empirical data, which was collected through employee interviews. The results presented here largely cover the issues that were most discussed during the interviews. Following the literature, the findings have been divided into three sections in order to answer the three research questions set for this study:

1. How should an IVMC be planned to ensure maximum persuasiveness and impact?
2. What should be taken into consideration when campaigns are created for international markets and what are the issues related to the localization process?
3. How should IVMCs be measured and evaluated?

Based on the research questions, the first section, section 6.2.1 discusses campaign planning. The second section, section 6.2.2 covers campaign localization, while the third section, 6.2.3 focuses on campaign measurement and evaluation. As the objective of this study was to examine campaign planning and evaluation in an international setting, the chosen themes cover the most relevant issues regarding this topic.

6.2.1 Campaign Planning

This section answers the first of the three research questions and provides an employee perspective to the campaign planning process. The objective was to find out the guidelines and more informal rules of thumb the interviewed Nokia employees use for campaign planning. This section includes four subsections that deal with the nature and benefits of campaigns, campaign objectives and targets, targeting, message and campaign design, brand visibility, promotion, testing, seeding and other common challenges in campaign planning.

6.2.1.1 Nature and Benefits of Campaigns

Overall, the interviewees had a positive attitude towards viral marketing, even though at the same time, they seemed realistic about its challenges and limitations. Many of the interviewees pointed out that IVMCs should not be a permanent solution in the marketing mix, but rather, their use should be considered on a case-by-case basis. One of the interviewees suggested that the term 'viral marketing' is misleading because the company cannot decide which campaigns go viral, the audience does:

" You really have to do great stuff that people will like it and spread it. If you keep that in mind, and you think about creating these virals, it's not about creating virals, it's about creating meaningful assets or meaningful content for the consumers, and then it starts spreading. I think the word viral is horrible. I would say we create campaigns and then consumers decide whether it's viral."

Everyone who was interviewed agreed that viral marketing may not the best way of spending money due to its hit or miss nature. It is very difficult to succeed. A campaign that takes off can generate a lot of consumer interest and value for the company, but on the other hand, campaigns can sometimes fail even if no obvious mistakes were made in campaign planning. Here is an example of how one of the employees described it:

"With search engine marketing, the more money you put into it, the more effective it is. Viral marketing is very hit or miss. And naturally, the vast majority of them miss."

Creating successful viral marketing campaigns is difficult because they need to be extraordinary to stand out. Such campaigns were often described as having the 'wow-factor'. When a campaign is cool and different enough, it exceeds the barrier of WOM. With so many campaigns out there, the competition for consumers' attention is fierce. One of the interviewees pointed out that viral marketing campaigns need to have something new, funky and cool as consumers want to see something they have not seen before. And, it needs to be different from what the competitors are doing. For marketers, this means extreme pressures for creativity. Creativity is therefore a requirement for viral marketing campaigns. The challenge is that when the bar is constantly being set higher, it becomes increasingly difficult to create something new that will stand out. Creating something big and fancy is not necessarily the answer. What it comes down to is having a great idea and creative execution.

The main benefits of IVMCs were generally identified as: positive impact on sales, increased awareness, image benefits, and consumer feedback. First of all, influencing sales, and consequently the company's bottom line, was seen as the main reason why IVMCs are created, even though proving the connection between word-of-mouth and sales was considered challenging. Second, by achieving broader awareness through methods like viral marketing and advertising, the company ensures that its products are part of the consideration set at the time of purchase. In the online environment, the benefit of viral marketing compared to traditional marketing in creating awareness is that it is easy to spread the word when the campaign is accessible on a website which can be easily linked to. Third, because Nokia is generally perceived as a conservative company, having cool, cutting-edge viral marketing campaigns is a way of communicating to the public that the Nokia brand can also be fun, and showing its competitors that it is an industry pioneer. Fourth, the feedback the company receives from consumers allows Nokia to learn about its customers and any possible flaws in the campaign or the product it is promoting. In the end, the feedback enables the company to develop better products, services and marketing.

The relationship between the IVMC and the product or service that is being promoted was perceived somewhat differently among the interviewees. Some of the interviewees found that the product or service itself does not affect the campaign as much as the campaign concept. In that case, if the campaign is cool enough, it will generate buzz. The campaign needs to bring out the positive sides of the product, even if it has weaknesses. One of the interviewees disagreed with this viewpoint and explained that if the product is not interesting enough to the consumer, the campaign is essentially a waste of time. Consumers can be lured into the campaign site with media buys and outrageous claims, but if they do not find the product interesting enough, they will not buy it. What all of this suggests is that although IVMCs can be used to create buzz around less exciting products and services, the optimal combination is a great product combined with a great campaign.

6.2.1.2 Campaign Objectives and Targets

Campaign objectives derive from targets set for the global level, which then filter down to individual countries. The share of different marketing activities is estimated in order to determine the correct share, and consequently, expectations for each activity. Essentially, campaigns are built to drive the type of behavior that will ensure that the sales targets are reached. There were four main objectives mentioned during the interviews: increased awareness, improved WOM polarity, customer acquisition, and customer retention.

Increased awareness was mentioned as one of the main objectives. This may include awareness about a product, a product family (such as Nseries) or a service. The interviewees found it especially relevant to increase awareness for new product offerings when it is necessary to educate the consumer and create consumer demand for the product, service, or feature overall. Especially with more expensive devices, many of the interviewees found it important that IVMCs inform consumers about the benefits and features of the product in order for them to realize that the device is worth the investment. Viral marketing campaigns also serve the purpose of maintaining the brand in the consideration set, meaning that consumers remember the Nokia brand and consider it a viable alternative when they are buying a new phone. Creating buzz and excitement can be an important factor in the launch of a new product or service. Here is how one of the interviewees explained it:

"I think whatever we do, creating these initiatives and campaigns has the potential of creating a consumer need. So you do something that talks about cameras, and then a consumer sees that and realizes that his phone doesn't have a camera and then he starts wanting a camera phone. It doesn't mean that they'd buy Nokia, but at least they start to feel that need. And then you get to the consideration phase and start thinking about what kind of camera you need. You can create demand and a need."

When the company wants to turn negative conversations into positive ones, improving WOM polarity becomes a relevant objective. This may be to stop incorrect rumors from spreading or to put a positive spin on an issue that has been portrayed negatively in online conversations. Clearly, there is no way for the company to completely get rid of the negative conversations, but it can try to do its best to ensure that both sides of the story are being heard. Sometimes the campaign itself may be generating more negative than positive reactions in the online audience. In such cases, the campaign goals and elements can be readjusted to minimize the negative and maximize the positive conversations.

Customer acquisition and customer retention objectives were the main sales related objectives mentioned in the interviews. Acquisition goals were often referred to through their measures: number of registrations, number of downloads, number of service activations, and sales figures. With devices, acquisition is a fairly straightforward process with the consumer purchasing the device. However with services, the customer acquisition process involves various steps that the customer will have to take via his mobile device: downloading the service (if the software has not been pre-installed), and then activating the service. A customer may, for example, download a free trial of a service, but he may then fail to activate it. Therefore, it was suggested in the interviews that the biggest objectives for services are trial, activation, and usage. Customer retention can, for example, mean re-selling the service to the customer after his free trial period or limited time subscription has ended.

Based on the objectives, certain targets are set for the campaign in the early stages to show the viability and potential of the campaign to senior management who will make the ultimate decisions on the campaign's budget and existence. The targets can cover figures such as sales, service activation rates, number of visitors, number of A-list blog posts, number of all blog posts, and number of useful feedback. Target figures can be set by looking at the results of previous campaigns, but in many cases, they are left to the judgment of the marketer. One of the interviewees said that Nokia's viral marketing campaigns generally reach their targets because the targets are set modestly. On the other hand, another interviewee said that it is more typical to be overly optimistic in determining targets because it will affect whether campaign gets funded. Here is how one of the interviewees explained how he or she set targets for a specific campaign:

"These targets here aren't anything official, this is just what I've decided, you know. Number of A-list blog posts: 'one', number of blog posts: 'five', number of target visitors to the teaser site: '10,000', number of useful feedback was 'five'. So then, I figured out how many unique visitors would come to the website after they'd read the one A-list blog post. And then - I guessed – 500 people would come through that blog post."

6.2.1.3 Targeting

Digital campaigns are made to the target audience of a product or service. At Nokia, the target audience is defined by product marketers who then pass the information on to digital marketers. In Nokia's customer segmentation, segments are evaluated on three dimensions: level of involvement (high to low), attitude (rational to aspirational), and need for experience (high to low). In 2008, based on its research, the company redefined 13 different customer segments, which it actively targets across activities, including product development and marketing. Nokia also divides its devices into four categories: Live (design and style leadership: special collections), Connect (easy to use models), Achieve (smart business tools: Nokia E-series) and Explore (cutting edge technology: Nokia N-series). All of the interviewees agreed that viral marketing campaigns can work just as well with low-end, as well as high-end devices. The key is to create a campaign that the target audience finds relevant and appealing.

Targeting often involves a choice between targeting a small segment, a niche, or targeting a larger market. By targeting a niche, it is relatively easier to create messages that speak to that particular audience, whereas when larger groups of people are targeted, there is the risk that no one finds the message appealing, if it is too generic. Because the hope with viral marketing campaigns is that the message will eventually get to the masses, it is very important to figure out which targeting method could potentially result in wider reach.

Overall, the interviewees said they found it easier to target niche audiences. This was said to be true especially when the message of the campaign is more complex or difficult to understand without subject expertise. An example could be a smart phone campaign directed at technology enthusiasts. One of the interviewees mentioned the benefit of including campaign elements that also allows the masses to participate. Campaigns that were targeted to a niche audience, such as the Technology Leaders segment, were believed to eventually reach the mass market due to the 'halo effect', which suggests that awareness tends to trickle down:

“They [Technology Leaders] want to be the first ones to have it. So when they've had it and they give out reviews, the reviews help normal people sort of understand the service, and then get it.“

There were two main targeting related challenges that came up in the interviews: the marketer may fail to understand the target group or struggle to please too many target groups at once. One of the interviewees mentioned that a campaign may not live up to its potential if the marketers have misunderstood the target group. This can happen, for example, when the campaign attracts an audience that is much younger than the one intended. Another targeting issue arises from the increasing demand to broaden target groups. A few of the interviewees pointed out occasions where they had faced the challenge of creating highly specialized campaigns for broad audiences. When it is necessary to have something for everyone, it becomes difficult to communicate anything meaningful to anyone.

An interviewee talked about a campaign where two different target groups were used in a single campaign due to timing issues. A previously planned, and later delayed, campaign ended up overlapping with a newly planned campaign with similar objectives, which is why the two campaigns were merged into one. Although the two-in-one campaign was not a failure, the campaign was not as successful as it could have been due to broad targeting:

“It was so clearly visible in the campaign that it's not a 100 percent fit to any target group. So we tried to do 'one size fits all'. Even though the campaign did okay, it was clear in the end that we tried to please too many target groups at once.”

6.2.1.4 Message and Campaign Design

Creating a message and designing the campaign are important phases in the campaign planning process. The interviewees pointed out that creating a message that speaks to the intended target audience and sparks their enthusiasm can be very challenging. The appeal that was found the most effective was humor. Funny campaigns were considered appealing almost universally across various segments, including 'serious' business people because most consumers like to share content that made them laugh, and thus, could potentially make their friends laugh too. One of the interviewees said that in their experience, the type of humor used can even be shocking or ironic.

If the objective of a campaign is to influence consumer behavior, the interviewees generally agreed it is a good idea good to include 'a call to action' in the message, and therefore, explicitly encourage the desired action. This type of practice does make the message appear more commercial, which may annoy some consumers. The issue is discussed in greater detail the section on visible branding.

A few of the interviewees mentioned Nokia's marketing guidelines as a restrictive force in message creation. Because the guidelines forbid the use of, for example, animals, sex, drugs, alcohol, and violence in marketing, marketers have fewer options and alternatives to choose from. In viral marketing, pushing the envelope can be very effective, but with the marketing guidelines in place, it can be difficult to create edgy campaigns.

Campaign design needs to be simple, easy to use and have a customer focus. With the user in control, the content should be appealing and meaningful for the consumer. The interviewees suggested that campaigns need to be simple enough for the consumers to instantly realize what they are supposed to do on the campaign site. The wish at Nokia is also that users find campaign sites beneficial and useful, meaning that they are educated about the products and services, while they do something cool. For instance, in selling services, it is important to show how the service works and prove that there is a benefit for the user. The challenge is to do that in a meaningful way that is easy enough for people to understand. The importance of a consumer focus came up in many of the interviews. Here is an example of how one of the interviewees explained it:

"Every time you build a campaign, the WOM should be built into the DNA of the campaign. What's the talkability, what's the social currency, why should I come to your website, what I'm doing there, how can I share this and why would I care?

Consumers are encouraged to share information about campaigns through various tools. Most campaigns have a 'tell a friend' function and RSS feeds. In campaigns that encourage consumers to create their own content, they may be interested in showing their friends what they have created. Advergames can facilitate sharing very effectively if the consumers get excited enough to challenge their friends to beat their high score. Having lucrative prizes for the most successful players may also be an incentive for consumers to try to improve their own score, which often results in spending more time with the game. Although sharing should be made as simple as possible, the real challenge is to create something interesting that consumers will find worth sharing. Other possible campaign elements mentioned in the interviews included videos, teaser sites, and banners.

Interactivity was often seen as an important quality for a campaign, especially for its ability to engage people with the brand and to generate conversations. By making consumers try the service themselves and learn by doing, they become more familiar and comfortable with it. Also, by engaging them in fun activities, they end up spending more time with the brand and are more exposed to the brand messages. The conversations that result from enabling interaction may help the company collect information that allows it to learn about its customer and develop better products, services and marketing. One of the interviewees suggested that the biggest benefit of viral and digital marketing is the feedback the company receives from consumers because it allows Nokia to turn negative issues into something positive. Of course, not all conversations take place on the corporate websites, which is why one of the interviewees highlighted the importance of having presence also in other platforms.

6.2.1.5 Brand Visibility

The visibility of the brand in a viral marketing campaign was recognized by the interviewees as an important strategic decision because it influences the success of the campaign, generating both opportunities and limitations. There seemed to be two schools of thought concerning the matter: those who found heavily branded content a liability or branding unnecessary, and those who found that the benefits of visible branding outweigh the negatives.

The opportunities with having a visible brand include consumer interest in the brand and ensuring consumers can connect the brand to the campaign, which is an important part of ensuring that the viral marketing campaign has business impact. With a well-known brand such as Nokia, there is often some interest towards the campaign merely because of the company. The door opening power of the brand was seen as an especially positive factor and a source of trust when the product or service which was being promoted is largely unknown. One of the interviewees suggested that it was a positive thing that consumers see the company do campaigns that communicate the less serious side of the company.

The limitations of highly branded content have to do with potentially negative consumer attitudes towards commercial messages, losing on opportunities for non-paid exposure, and losing 'cool'. The interviewees generally found that consumers do not get turned off by company generated viral marketing messages, as long as they do not look too 'corporate'. On sites like YouTube, companies, in many cases, have to pay to get their videos on the front page because they are more or less seen as advertisements. However, if the campaign video is interesting enough on its own and not branded, it can earn its place on the front page, along with user-generated videos. The problem with creating content with very little branding is that consumers may be exposed to the campaign and like it, but fail to make the connection to the company. In that case, it becomes very difficult for the company to benefit from the campaign. Overall, most interviewees described the branding issue as a matter of branded versus cool, suggesting that the more branded content is, the less cool it becomes.

Some of the interviewees suggested that it is not always necessary to have visible branding. Nokia has created campaigns in the past with no branding at all. The aim of such campaigns has been to generate buzz and create consumer conversation by appealing to consumers' natural curiosity and desire to solve mysteries. In one case, this was achieved by placing puzzling banners on websites that hosted forums and were popular among the target group. The idea was to get the target group to discuss the banners on the forums, which was exactly what happened. Here is how one of the interviewees described the issue of having no visible branding:

"If I would spend my personal money to a viral campaign, I would like to make sure that it gets known who made it. So I think there needs to be at least a clear hint what company is behind it. But then again, I also understand that there is viral marketing done where there is no brand visible. It might be a cooler campaign, because people start talking about it... 'Have you seen this? Do you know which company is behind this?'. That might reach the viral effect better than a corporate look and feel campaign."

6.2.1.6 Promotion

The allocation of resources between campaign development and promotion was also seen as a crucial phase in creating an IVMC. Several interviewees brought up what appears to be the single biggest issue concerning the matter: too much money is often spent on campaign development and not enough on promotion. When a lot of money has been invested in the creative part, marketers tend to develop a false sense of security and begin to rely too heavily on the power of organic consumer word-of-mouth, when the reality is that most of the time, viral marketing campaigns need paid media promotion to get going. If more money is spent on campaign creation than was originally planned, it becomes necessary to increase the overall budget to ensure that a sufficient amount of money is still left for promotion. Here is how one of the interviewees explained the matter:

“If someone gives you a 100,000€ to do a campaign. You might wanna figure: 50,000€ for the campaign and 50,000€ to promote it. Most people spend 100,000€ to make the campaign, and then they rely on like: 'Ooh, it's gonna be so good, and people are gonna pass it around, and it's gonna be on the front page...' - And no – most likely it won't. You have to promote it or it'll be a complete failure.”

IVMCs often need to be promoted in bought media and owned media for the campaign to become successful; and vice versa, if the campaign is not promoted, there will be less traffic and it will be less successful. All of the interviewees agreed that there should be something that drives people to the campaign site. Such traffic drivers can include search engine marketing, banners, paid online video placements, TV commercials or print advertisements. Many of the interviewees had noticed a clear correlation between the amount of money invested in search engine marketing and the amount of traffic received on the campaign site. Because Nokia's main corporate website attracts a lot of visitors, the campaigns can benefit tremendously from a banner on the front page. However, the challenge in directing traffic away from the main site, Nokia.com, is that it can be difficult to get the visitors to return.

The release of the product and the campaign should take place in a synchronized manner, which is often a challenge. When Nokia announces a new product, it can take several months before the product is finally launched and made available for purchase. Viral marketing and other promotional activities are generally started before the product launch to create pre-buzz and excitement, and/or after the launch to boost sales. Unfortunately, there are delays that make coordination difficult. If the product or the campaign is not ready in time, the company may be stuck with media commitments it has made in advance. And when the timing of the promotion is wrong, it becomes more likely that the campaign will not reach its full potential. Here is how one of the marketers describes it:

“The release of the product and the campaign needs to be at the same time, which is hard to do. One of them slips either way, all the time. And that is unfortunate. You have this window of opportunity that's so small that you need to really nail it if you're launching a product.“

6.2.1.7 Testing

The issue of campaign pre-testing came up in the interviews, but was generally considered something that was practically never done. However, feedback was occasionally collected from bloggers when they had been given access to the campaign site before its official launch. It was suggested that because in the online world everything happens so quickly, there is little time for campaign testing. This could indicate that marketers see testing as having little importance and not enough significance in reducing risk. One of the interviewees did suggest that testing could become relevant with larger campaigns that have a budget exceeding one million euros.

6.2.1.8 Seeding

When viral marketing campaigns are released, they are seeded to individuals who are considered to have influence in the spread of the campaign via WOM. Many of the interviewees suggested that blogs are the most important accelerator of WOM for IVMCs, which is why marketers often contact influential bloggers. The interviewees agreed that it is often enough to contact ten key voices because the stories tend to trickle down effectively from the bigger blogs to smaller blogs.

The key voices are determined on a case-by-case basis, although the goal is to build long-term relationships with them. Nokia has a database of influencers representing different categories. For example for music services, the company tries to target those who are influential in the online music scene. Since Nokia is a well-known brand with dedicated followers, there are also bloggers who will write about anything Nokia related. If the company does not have an idea who to contact for a specific topic, marketing agencies can help identify suitable online influencers. Overall, the interviewees found it important that the company builds relationships with bloggers. As one of the marketers pointed out, seeding is not a one-way street:

“It doesn't work like: we target the tech people and give the message to them and they start spreading. It doesn't work that way. You need to have that existing relationship with them. Then they kind of understand what you want to do. You need to have that conversation with them instead of pushing messages. It's all about having good relationships and building your online reputation and online presence.“

Seeding a campaign to influencers can involve several things. They are often approached via email. The goal is always to have content that appears personalized, even in mass mailings. A seeding kit sent to a blogger can also include a device, software or access to the service, for them to try it out. Occasionally, the key voices are allowed exclusive access to the campaign site prior to launch. By allowing the influencers and bloggers to have a look around before everyone else, they can begin to write their reviews ahead of time. The company also benefits from the feedback it receives from the bloggers, allowing it to make any necessary changes before the campaign site becomes publicly available.

6.2.1.9 Other Challenges in Campaign Planning

While all the interviewees recognized the importance of proper planning, two key issues were identified as constant sources of worry in the campaign planning process: time pressures and insufficient feedback. Both issues could be attributed, to an extent, to the slowness and complexity of a large organization. In addition, if a company does multiple campaigns simultaneously, they may end up competing with each other, or even begin to cannibalize on each other's success. And finally, marketer self-interest may mean that viral marketing campaigns are occasionally done for the wrong reasons.

Time was seen as a major contributor, as well as an obstacle, to proper planning as it either enabled adapting to dynamic situation, or forced the marketers to resort to mediocre or emergency solutions. Time related issues mentioned in the interviews included: rush resulting from time constraints and delays, last minute changes made to product or service features and delayed product launch when media commitments had already been made. Sometimes, the campaign website may not being ready at the time of the scheduled launch. Here is an example of a Nokia employee's comment made regard to time planning:

"There's never too much time. Plan plenty of time. It'll always be later than you anticipated."

The second challenge, insufficient feedback, was mentioned in many of the interviews as a factor that often slowed the campaign planning process. From the global marketing perspective, feedback is generally wanted from country organizations to ensure the campaign's appropriateness for international markets. In addition, when the agency needs further information on the product and its features, global marketers function as the middle man between the agency and product marketers. Some of the interviewees find it difficult to acquire the required information internally from the country organizations and product marketing. Here is one view on the international campaign planning process:

"There's a lot of work going back and forth with what the solution of the product and service will be. So us in global marketing at Nokia need to be very flexible nowadays, because there are so many last minute changes. And that's sometimes very challenging to the outcome of the digital marketing campaign."

When a company does many viral marketing campaigns, it becomes more and more likely that the company's own campaigns are competing with, and possibly even cannibalizing, each other. In the past, Nokia often had several digital marketing campaigns out at the same time, however more recently, the company made a transition into thematic campaigns, with just four thematic campaigns combining a device and a service each year. Nokia's thematic campaigns follow a quarterly cycle, meaning that in each quarter, the main focus will be on one of the campaigns, while the other three are in sustenance mode. The 'big bang' of each quarter will then be directed to a different target group each time, ensuring that the company's own campaigns are not competing against each other head to head.

Occasionally, it is the marketer who poses the greatest risk to the success of a campaign. One of the employees interviewed said that marketers may often want to do a viral marketing campaign simply because they are more exciting than other methods, even when they have not found the right angle for it and are not confident that it will be successful. As it could be assumed that doing campaigns for the wrong reasons is a hindrance to the company's marketing performance, the responsibility of individual decision-makers should be highlighted to minimize this type of marketer self-interest.

6.2.2 Campaign Localization

It is not easy to create campaigns that are meant to serve several markets at once. Even though Nokia generally creates highly standardized viral marketing campaigns, it cannot escape issues related to localization. The two parties involved: global marketers and local marketers, both have their own agendas. Global marketers create campaigns that serve multiple markets and manage them on a global level. Local marketers, on the other hand, are involved in adapting the campaigns to local conditions and have the power to decide whether of not they want to participate in the campaigns.

Because Nokia is a global company, the starting point for marketing is often a global campaign, which is in English. Global campaigns are highly standardized, although they can be localized to an extent. The biggest strengths of highly standardized, global campaigns are lower cost and higher degree of consistency. The less the campaign is translated and modified, the lower the costs. And with less variation, the more consistent the look and the message of the campaign is globally. Even though there are benefits to global campaigns, all of the interviewees recognized the difficulty of creating global campaigns that would perform equally well in all local markets due to differences in, for example, culture and humor.

One of the interviewees pointed out that it can be frustrating at times to try to create global campaigns when the local country organizations can reject the campaign. On the other hand, this means that when a number of countries do want to use the campaign, they consider the campaign valuable enough to want to be a part of it. When local marketers are against a campaign, the reason is often insufficient communication between the country organizations and global marketers in the campaign planning phase. Here is how one of the interviewees explained it through an example:

“I sent the concept to the local marketers and asked for their feedback. I said that 'Hey, what do you think about this?' and of course, at that point, not everyone reacts. So it's quite common that in the concepting phase when you ask for feedback, you get little feedback. And when the campaign goes live, you get complaints. So when we're concepting, it would be very important to get local feedback, so we could still change the campaign to fit at least most of the areas “

The issue of English language dominance was discussed in the interviews and the interviewees were inquired about their attitudes towards English-only campaigns. Interestingly enough, the only native English speaker in the group found it somewhat narrow-minded to use only English. Their perception was that even if many people can read English, they may not be comfortable enough with the language to participate. The other, non-native English speakers were more optimistic about the English-only campaigns. One of the interviewees argued that English can work especially well with a 'geek' audience. Having received significant amounts of traffic from various geographic regions during past campaigns, this person found that consumers are responding to English campaigns globally.

Nowadays, when a global campaign is created, it often includes a local element, for example, a local band can judge a contest. When the localization follows a similar pattern from country to country, the process becomes more manageable from the global marketers' standpoint. Moreover, as Nokia recently divided the various markets into four tiers based on their level of development, different campaign assets are now created for all four tiers in order for the countries to choose elements that they find likely to work in their respective markets.

Campaigns are most often translated into languages that represent bigger markets and language groups, such as Chinese, French, German and Spanish. Bigger countries may start the localization process earlier and launch the local campaign simultaneously with the global campaign. Smaller countries often begin localization after the global campaign has gone live and then keep the campaign going for longer to compensate for lost time. It was mentioned in the interviews that if a campaign is very English-heavy, for example, it is a movie, the translation either ruins the campaign, or it becomes expensive to shoot ten different videos. Although it is great if the marketers can come up with ideas that have universal appeal and can be translated to multiple languages, most successful campaigns may only be in one language.

One of the interviewees pointed out that in most cases, the desire to localize is there, but unfortunately, insufficient localization budgets make it impossible for local country organizations to localize each and every campaign. When the local marketers want to localize a campaign, they have to talk to their local sales people to determine which campaign would make sense considering the sales targets set for the market. The interviewees suggested that some countries clearly prefer local campaigns over global campaigns, and consequently, countries such as the UK and Germany are more resistant towards global campaigns than, for example, countries in the Middle East and Asia Pacific region.

The interviewees found both strengths and weaknesses in localizing campaigns. The biggest strength of localized campaigns is that they take local needs into consideration. The local country organization can translate the campaign and make appropriate changes. The control over the campaign remains on the global level even when campaigns are localized, at least in theory. In practice, this is not always the case.

Because the locals have full decision-making power, the local country organizations can operate very independently and may not always consider it necessary to consult with global marketing. Therefore, the weakness of local decision-making power is that it increases the likelihood of misinformation and mistakes. To ensure that things run smoothly, global marketers have developed coping strategies, as explained by one of the interviewees:

"These days, I'm trying to do as much for global marketing as possible to minimize the localization need, and if there is localization need, to minimize the cost because there's not much of a localization budget in place."

Overall, viral marketing campaigns were considered effective across international markets. Some of the interviewees did explain that in some developing markets, the availability of technology may make it pointless at this point to create any dynamic web-based viral marketing campaigns, if consumers have no way of accessing them online. In such cases, it makes sense to wait until the mobile penetration rate reaches a certain level and viral marketing campaigns can be created directly for mobile devices.

6.2.3 Measurement and Evaluation

By measuring certain aspects of a viral marketing campaign, a company can evaluate a campaign's success, decide on its fate and determine the appropriate approach for future campaigns. Overall, there are two main things to look at: external effectiveness and internal efficiency.

6.2.3.1 Measurement

It was broadly accepted that the objectives set for the campaign should affect what is being measured. By evaluating a campaign's effectiveness, a company looks at how well the campaign meets its objectives. As previously discussed, the main objectives the marketers mentioned in the interviews included: increasing awareness, influencing WOM polarity, customer acquisition, and customer retention. Campaign measurement at Nokia is heavily influenced by the objectives set for the campaign, as one of the interviewees explains:

“Previously we did just the campaign and later decided the things we were gonna measure to determine whether it was a good campaign. But now, we start vice versa. We give objectives to the campaign and then we decide what the tactics are so that we reach the objectives.”

From the digital marketing perspective, Nokia has defined four main categories for the measurements used: brand, sales, online sales, and service adoption. Brand metrics measure things such as awareness and brand preference. Sales figures cover everything from retail sales to online sales made through external vendors. If vouchers are given to the consumers, it is possible to track offline purchases made with a voucher, but this is rarely done. Instead, estimations are made to determine the correlation between page hits and offline sales. The online sales figures represent purchases made in Nokia's own online stores, including pre-orders. When products are sold online and there is a direct link from the campaign to the online store, tracking sales can be very straightforward. Service adoption figures indicate how well consumers are taking Nokia's services into use. Under these four categories, the specific measurement tools vary depending on the digital marketing program. With campaigns, sales and service activation figures are usually collected from the duration of the campaign for clarity, even though there is often the possibility that a campaign will have some impact beyond its duration.

The interviews suggested that with viral marketing campaigns, various key measures are often categorized into owned, earned, and bought media, based on the traffic source. Owned media measures consist of monitoring the visitors to Nokia's main site, local country sites, and campaign sites, but also monitoring what the customers are doing on the site by tracking customer journeys, time spent on site, clicks, page views, engagement, returning visitors, and unique visitors. Some of the interviewees did point out that the unique visitor figure is often something that is mostly used to make campaign reports look good, as Nokia campaigns tend to attract a lot of visitors. From the earned, social media perspective, key brand metrics include WOM volume, polarity, share of voice. The WOM data are, in most part, collected by a word-of-mouth agency and also includes information on popular talking points, such as product features. With bough media, important metrics include consumer search interest, regarding the company as well as current campaigns and product offerings.

The interviewees found it important to figure out the reach of marketing activities, but also to determine where the reach is coming from, in terms of geography, as well as in terms of owned, earned, bought and media. When a lot of traffic comes through blogs, it can be assumed that the efforts to reach out to bloggers have been effective. And on the other hand, if there is a lot of search interest for specific campaign related terms, it can mean that people have heard about the campaign through interpersonal word-of-mouth or have seen the offline advertisements, and as a result, are actively seeking for it. Here is how one interviewee explained their experiences with a specific campaign they had worked on and how important blog coverage was for the success of the campaign:

"We knew from which sites they were coming to the microsite. Some of them came from Google, so search engine marketing, but the surprising point was that a lot of traffic came from blogs. A quarter of all traffic came through blogs because bloggers put direct links. So it was very significant."

The growth of traffic on related websites is analyzed in relation to the campaign to see if there is correlation. Some comparisons are also made to competitors in order to put things into perspective and to understand the relationship between market share and share of voice. Consumer surveys are not conducted for specific campaigns. There are, however, consumer data available through the global user study which provides a companywide picture about consumer preferences.

Some of the interviewees had conflicting thoughts about the measure of WOM polarity and what it means for the campaign. Many of the interviewees found the high share of negative conversations to be an undeniably negative thing and a hindrance for the campaign. However, the person with the most experience in metrics suggested that WOM polarity is not a sufficient indicator of campaign success on its own. For example, there may be a campaign that is generating a lot of search interest, traffic and sales, but the polarity remains negative. This may be because there are online conversations where Nokia fans and the fans of its biggest rivals are comparing the companies and their products. The lesson is that no one metric is sufficient enough alone; it is important to look behind the figures and find out what the consumers are talking about. Then, the goal is to influence those conversations through, for example, viral marketing campaigns.

By looking at measures of efficiency, a company can determine whether it has generated value by making an investment in the campaign. All of the interviewees found it valuable to have figures that determining the business impact of viral marketing campaigns, because in the end, the goal of the campaigns is to influence sales, directly or indirectly. For devices, the ultimate goal is to influence online and offline sales figures, whereas for services, the number of downloads and the service activation rate are important figures. Conversion rates give an indication on how well the campaigns convert people into buying the products and services. In many cases, metrics are categorized in terms of their impact on consumer awareness, engagement, conversion, and retention. For awareness, a relevant figure can be the cost per thousand for different kinds of activities. For engagement, it can be cost per click or cost per action. From the conversion perspective, cost per acquisition or cost per sales are relevant measures. For retention, for devices it can be beneficial to look at the repurchase cycle, whereas for services one can look at the number of active service users.

From the campaign perspective, a few of the interviewees mentioned 'cost per contact' as a valuable figure as it helps evaluate cost of the campaign in relation to its reach.

Cost per contact is calculated by adding up all of the investments made in campaign, and dividing it with the number of visitors. The result is the price of one contact, which, according to one of the interviewees, usually varies between as little as 50 cents and as high as 25 euros. Clearly, if the cost per contact is very high, the expected revenue from the potential customers also needs to be high, or otherwise, the company is not getting a sufficient return on investment.

6.2.3.2 Challenges in Tracking International Campaigns

It became apparent in the interviews that Nokia faces great challenges in tracking international campaigns. The single biggest challenge was said to be data collection, and specifically, the lack of consistency between different kinds of measurement systems used in different countries, as well as differences in the way they are used. One of the interviewees suggested that this is actually an industrywide problem. Here is how the interviewee describes it:

"Biggest challenges for us as a global or really kind of multinational corporation is that consistency of different kinds of measurement systems, like ... and how we're collecting data. So really we need to have consistent implementation of our activities, where we're measuring things in the same way and using the same systems and have everything in the same.... And that's a bit challenging I would say. And I don't think we're the only ones."

Even when the company uses global agencies and their local branches, there is no escaping from the fact that the ways of working vary depending on the country and region. The competencies may be different and they may be using entirely different systems, or the same systems in their own way. One of the interviewees stated that this is still a problem, even though the company has tried everything from detailed to simplified guidelines. Often, the fundamental issue is that in different places, people perceive differently what the company is doing and trying to achieve because they are evaluating situations based on their own unique and culturally colored experiences.

Some of the interviewees identified the comparability of data across markets an issue. First of all, when campaigns or activities are very different between local markets, the way they are measured will probably be different. Second, with various regions using various kinds of systems, the company is forced to combine data from different metrics. Both of these issues make it difficult for the company to compare certain markets and regions against each other because in order to make valid comparisons, it would be necessary to compare similar data. Right now, this can be very difficult to achieve.

6.2.3.3 Evaluation

Campaigns are evaluated throughout their existence, as well as at the end of the campaign. If early data from the campaign indicates that something is not working as expected, adjustments can be made to the ongoing campaign. This can mean, for example, altering certain elements about the campaign or investing more money on promotion. On the other hand, if a campaign is wildly successful, the company may decide to keep it going for longer and even try to bring something new into the campaign to make it more interesting. Having real time data was said to be especially crucial in achieving a short response time. Evaluation at the end of the campaign is a tool that can be used to determine how the campaign evolved during its existence, whether it was a success, and how things could be done better in the future.

All of the interviewees agreed that it can be difficult to measure the performance and outcome of viral marketing campaigns. Although the interviewees found there to be a lot of data available, there was no clear consensus on which metrics were the most valuable. Some preferred sales and WOM figures, while others found the traffic related information more useful. Overall, the interviewees agreed that a combination of different metrics was required to draw any meaningful conclusions on the success and impact of a campaign. And even then, the figures were used to make relatively broad estimations. Overall, it should be noted that although the interviewees found it difficult to show the results of viral marketing in numbers, they still considered it to be an undeniably powerful promotional tool.

6.3 Discussion and Analysis

The theoretical framework presented in Chapter 4 explained the IVMC planning and evaluation process. The framework identified the following phases that originate from the source: (1) campaign objective setting; (2) definition of target audience; (3) message creation; (4) media planning; (5) selection of tools; (6) campaign release; (7) evaluation against campaign objectives; (8) decision: reignite, contain or abandon. The process is influenced by internal factors and external factors, as well as the demands for international adaptation. The framework also identified the key opportunities and challenges of viral marketing, as well as suggested that viral marketing should be integrated with other activities. Based on the interviews, the framework appeared to be an appropriate interpretation on the real life process.

The literature and the interviewees perceived the nature and characteristics of viral marketing quite similarly. The interviews confirmed the following points that had come up in the literature: that viral marketing needs to be extraordinary to generate genuine interest in consumers; that it is often a hit or a miss; that the use of viral marketing should be determined on a case by case basis; and that in the best case scenario, viral marketing should support and have the support of other marketing tools. Even though viral marketing can be used to create buzz around less exciting products, the optimal combination is a great product complemented by a great campaign.

In regard to campaign planning, the interviewees were largely along the same lines with the literature. The four main campaign objectives that were mentioned in the interviews fit well in the REAN model: increased awareness can be seen as a reach objective; improved WOM polarity an engagement objective; customer acquisition an activation objective; and customer retention a nurture objective. The literature identified viral marketing as a more of a niche tool, however, in the interviews, it was suggested that a niche campaign can eventually reach the masses due to the halo effect. The interviewees and the literature agreed that out of all the appeals that could potentially be used in viral marketing, humor was undeniably the most effective. In terms of campaign design, usability, interactivity, and personalization were all found important qualities for a campaign; a finding that is coherent with the literature. The interviewees' perceptions on the impact of brand visibility were also similar to the literature. The integration of marketing activities was found to have a constructive influence on the campaign, which is consistent with how it is portrayed in previous studies.

There were, however, certain campaign planning related findings that came up in the interviews, but were absent in the literature. One of these issues was resource allocation. In this context, resource allocation refers to the challenge of allocating resources somewhat evenly between campaign creation and promotion, while overcoming the idea that word-of-mouth is enough on its own to make a well-produced campaign successful. The literature failed to cover the issue of viral marketing campaign promotion beyond initial seeding. Although the literature did encourage the integration of viral marketing with other marketing activities, it was not explicitly suggested that, for example, search engine marketing could be used to promote a viral marketing campaign. In addition, the literature failed to discuss the issue of marketer self-interest as a motivation for creating viral marketing campaigns, as well as the issue of multiple simultaneous campaigns cannibalizing each other. Moreover, consumer feedback on products and services was not clearly mentioned in the literature as a benefit of viral marketing, even though the literature did bring up its ability to encourage dialogue. What all of this could imply is that the existing theory on viral marketing fails to cover some of the practical issues.

All in all, the interviewees found the localization of campaigns very valuable, mainly due to cultural differences. Based on the interviews, it could be said that Nokia has made a transition from highly standardized prototype standardization to the more moderate alternative: pattern standardization (see Peebles et al. 1977). That seems to be the case as it has moved beyond translations and introduced 'local elements' to campaigns. Currently, the biggest challenge in the campaign localization process appears to be that decision-making power is divided between the local and global organizations, which would require a lot of initiative, communication, cooperation and trust from both parties, in order for the projects to run smoothly. Unfortunately, there seems to be some hesitation and resistance. The current problem of limited feedback coming from the local level in the planning phase could indicate that the local marketers do not feel like they can make a difference by sharing their opinions, or, since it was mentioned that the localization budgets are rather limited, they may be unsure whether they can afford the campaign when it is finally finished.

In terms of campaign measurement and evaluation, the interviewees and the literature agreed that there is no single measure that is sufficient enough on its own, but rather, a combination of metrics is needed to make meaningful evaluations on the results of the campaign. The WOM and REAN metrics discussed in the literature were similar to the various metrics mentioned in the interviews; only the categorization was occasionally different. The challenges involved in tracking campaigns in various markets was hardly discussed in the literature. Especially the lack of consistency between different measurement systems and local practices created a major issue for the case company: comparability of data across markets can be poor, which makes it difficult to compare certain markets against each other.

Figure 6.3 presents the modified theoretical framework. Overall, there were only minor changes to opportunities and challenges. Image benefits were added to the framework under 'Opportunities' because many of the interviewees agreed that having viral marketing campaigns makes a company seem more modern and innovative. Allocation of resources was added to 'Challenges' because it appeared to be a common problem in viral marketing. 'Pre-testing', on the other hand, was left in the framework because it was an legitimate issue brought up by several authors in the context of viral marketing campaigns (Lindgreen & Vanhamme, 2005), online marketing (Spencer & Giles, 2000) and international advertising campaigns (Peebles et al. 1978; Gabrielsson et al. 2008). It was not, however, included in Cruz & Fill's (2008) original framework and even many of the interviewees found it a rare practice. With that said, the unpopularity of a practice does not make it irrelevant. The researcher finds that further inspection would be needed to determine its relevance or irrelevance.

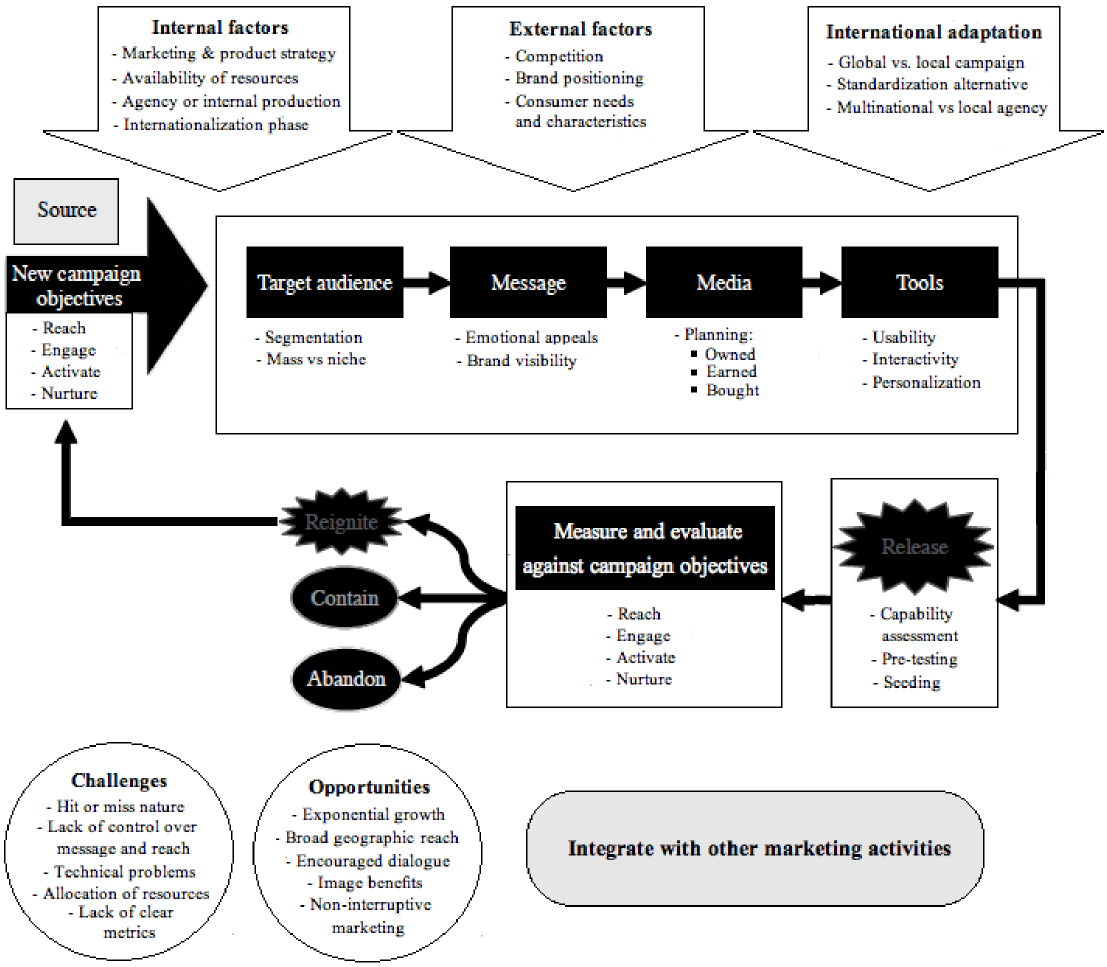

Figure 6.3. International viral marketing campaign planning and evaluation framework.

To summarize, this chapter covered everything related to the case company and its international viral marketing activities. The case company description was followed by the findings originating from employee interviews, with the chapter ending in discussion and analysis. The following, concluding chapter, Chapter 7, includes a summary of the entire study, an overview of the main findings, managerial recommendations, limitations, and suggestions for further research.

7. Conclusions

This last, concluding chapter provides a brief summary of the entire study and its findings, as well as presents the implications of the findings. Section 7.1 presents a summary of the research: literature review, theoretical framework and research process. Section 7.2 goes through the main findings of the empirical research and juxtaposes them against existing research. Section 7.3 makes managerial recommendations for the case company, based on the findings. Section 7.4 takes a critical view on the process and discusses the limitations of the study. And finally, section 7.5 offers suggestions for further research.

7.1 Research Summary

The purpose of this thesis is to investigate the process of IVMC planning and evaluation. The leading principle that guided this study was the assumption that IVMC planning and evaluation are intertwined processes, and thus, should be discussed as a single entity. The motivation for the study came primarily from the research gap identified in the literature, although the topic was something that the case company was also interested in exploring.

The literature review part of the thesis consisted of two chapters: Chapter 2 on WOM and Chapter 3 on viral marketing. Chapter 2 was included to give an overview on the phenomenon called WOM and to introduce the reader to a half a century worth of research on something that eventually contributed to the birth of viral marketing. The chapter covers the communications aspect on WOM, eWOM, a comparison of the two, as well as a consumer marketing perspective to WOM. Chapter 3 on viral marketing is the part that deals directly with the topic of the thesis. The chapter begins with introductions to internet marketing and viral marketing, which are then followed by a detailed overview on the various aspects of international viral marketing planning and evaluation.

The theoretical framework, formed based on previous literature, emphasizes the significance of object-setting in the IVMC planning and evaluation process. The objectives set for the campaign influence, not only the way the campaign is put together, but also the things that are measured. Since many of the phases in the process are connected to other phases, it becomes extremely valuable to have a clear vision, which is then communicated in the form of objectives. The general considerations, identified in the framework as opportunities, challenges, internal factors, external factors, and international adaptation, contribute to objective-setting because they define the broader context for the campaign and set realistic limitations for the objectives.

As a result, the theoretical framework points out that the key to developing a successful viral marketing campaign is to have a sense of purpose. When the goals are clear, the details come more naturally. However, taking into account the difficulty of succeeding, marketers can benefit tremendously from understanding the basic principles, opportunities and challenges of viral marketing. For the purpose of creating international campaigns, it would also be useful for marketers to comprehend the implications of local needs, local cultures and local conditions as they can assist marketers in deciding whether they should select a more global or local approach.

The research process was guided by the following three research questions: 1) How should an IVMC be planned to ensure maximum persuasiveness and impact? 2) What should be taken into consideration when campaigns are created for international markets and what are the issues related to the localization process? 3) How should IVMCs be measured and evaluated? In order to answer these question, a total of five interviews were conducted among Nokia employees who work, or have worked, directly with viral marketing campaign planning and execution, and/or measurement and evaluation.

7.2 Main Findings

This section goes through the main findings of this study and argues that they add valuable contribution to existing research. The findings are presented in greater detail in section 6.2. Aiming to answer the three research questions of the thesis, the main findings presented in this section follow the themes of the questions: 1) campaign planning, 2) campaign localization, and 3) campaign measurement and evaluation.

First of all, it should be noted that planning a viral marketing campaign can be very challenging as they are characterized by their hit or miss nature. The ones that do succeed have to be extraordinary to stand out. Appeals that were seen as the most persuasive include humor and uniqueness; when a campaign is very cool and creative, it exceeds the barrier of WOM. Although viral marketing campaigns can be used to create buzz around less exciting products and services, the optimal combination is a great product combined with a great campaign.

From a practical standpoint, the various elements of the campaign should be well thought out. Most importantly, there should be a reason for doing the campaign. That reasoning should come across in the objectives, which can follow the REAN model. Defining the target audience is a valuable step in campaign planning as it helps marketers create a campaign that the intended audience finds relevant and appealing. Creating the message and designing the campaign elements needs to be in tune with th eobjectives and the target group. All in all, campaign design needs to be simple, easy to use and customer-oriented. Issues of sharing, interactivity and engagement should also be taken into consideration. Highly visible branding in the campaign opens some doors and closes others, which makes it important to find the right balance between pushing the message and allowing consumers to figure things out proactively.

When a viral marketing campaign is released, it is seeded to individuals who are considered to have influence in the spread of the campaign via WOM. Overall, blogs were found as important accelerators of WOM. The interviewees agreed that it is often enough to contact ten key voices because the stories tend to trickle down effectively from more influential blogs to less influential blogs. When dealing with influencers, it is important to build long-lasting relationships and encourage dialogue. Yet, even though the main force in spreading of viral marketing is WOM, the company must also actively promote the campaign in owned, earned, and bought media. It appears to be a common mistake to invest relatively too much money in campaign development and not enough on promotion.

Secondly, creating campaigns for international markets can be very challenging. Viral marketing campaigns appear to work well in most markets where consumers have a way of accessing them, although a particular campaign may not work well across markets. The biggest strengths of global campaigns are consistency and their relatively low cost. However, the challenge is to create a global campaign that would perform equally well in all local markets due to differences in, for example, culture and humor. English-only campaigns may work globally, particularly for a geek audience, but among the masses who do not speak English as their first language, the language barrier may mean lower participation rates. Creating global campaigns with local elements was seen as a fair compromise between completely global or completely local campaigns.

From an organizational perspective, main issues related to the localization process included insufficient localization budgets and insufficient communications between head office and local offices. Although in many cases local country organizations would like to localize more, their budgets are limited. The lack of funds clearly limits the campaigns' ability to succeed in local markets, however, it does come down to how much the company is willing to invest. Therefore, it was suggested that it is desirable to minimize localization need and costs when creating global campaigns. Insufficient communication was another major internal obstacle that is keeping the campaigns from reaching their full potential. If the global marketers in the case company would receive more feedback from local offices in the campaign planning phase, the finished campaign would likely be more fitting for local markets.

Third, the measurement and evaluation of IVMCs can be difficult. It was suggested that campaigns should be measured based on the objectives set for the campaign. Two main categorizations could be recommended to make sense of all the metrics used. The REAN categorization could be used as it is consistent with the campaign objectives. The second perspective, on the other hand, would include tracking and analyzing traffic sources and how the campaign is fairing in owned, earned and bought media. This would include the various WOM metrics. There appear to be significant challenges in tracking international campaigns. Two of the main issues include challenges in collecting and comparing data across markets. Campaigns should be evaluated throughout their existence, as well as at the end of the campaign to ensure that things are proceeding as anticipated. Overall, the use of several different metrics was recommended with efficiency and effectiveness being two key concepts in terms of which the campaign should be evaluated on.

The findings of this thesis are largely consistent with the findings of Cruz and Fill (2008) whose viral marketing evaluation framework is possibly one of the only existing frameworks on the subject. The core of the framework was found applicable also in this particular case, although the researcher found it necessary to expand the framework. In the end, it was broadened to include international marketing aspect, internal and external issues, the opportunities and challenges of viral marketing, as well as a recommendation to integrate marketing activities. Many of the points characterizing the different phases of the process were also updated based on the literature review. In addition, different key objectives and their respective evaluation criteria were found more appropriate in this case.

The findings of this paper are also consistent with those of Leppäniemi and Karjaluoto (2008). Even though their study focuses on mobile marketing campaign planning, there are some similarities between the studies. One important similarity is that both studies find the integration of marketing communication tools valuable. The idea is that coordination between various marketing activities brings consistency to the company's message overall and ensures that the various tools complement one another. Moreover, Kirby (2006), as well as Cruz and Fill (2008) all support the integrated approach.

In addition, Leppäniemi and Karjaluoto's (2008) findings regarding campaign evaluation are supported in this thesis. Their argument is that every marketing communications campaign should be evaluated in terms of effectiveness (achieving campaign objectives) and efficiency (getting value for money). This study also finds that objectives shape evaluation, and especially, the things that will be measured. The importance of determining business impact and measuring things like cost per contact, on the other hand, indicate that efficiency is a key evaluation point. In their paper on viral marketing evaluation, Cruz and Fill (2008) suggest that their study is the first one to address the key issues of financial objective setting and the need to measure return on investment. The findings of this thesis support the idea that viral marketing campaigns should have financial goals and that there should be attempts to measure return on investment.

To summarize, the main findings of this thesis suggest that to ensure maximum persuasiveness and impact, companies creating IVMCs should: understand the character of viral marketing; set solid objectives for the campaign; promote it in owned, earned and bough media; and to ensure that it integrates well with other marketing activities. Viral marketing campaigns appear to work well in most markets, however, a global campaign may not work well across markets. The main challenge related to the localization process appears to be a lack of communication and cooperation between the head office and local country organizations. For IVMC measurement and evaluation, the use of a combination of metrics was recommended, with efficiency and effectiveness as two key points of evaluation. The study's most valuable contribution to marketers is that it provides a comprehensive roadmap for planning and evaluating viral marketing campaigns. Considering how little has been written about the viral marketing campaign planning process, its measurement and evaluation, as well as international internet marketing to date, the findings of this thesis could be seen to add a valuable contribution to existing literature.

7.3 Managerial Recommendations

Based on the findings of this thesis, some recommendations could be made to the management of the case company. The recommendations are categorized into three main themes that correspond to the themes of the research questions: viral marketing campaign planning, localization, and measurement and evaluation. Under each theme, several key points are identified and explained.

In regard to campaign planning, the company should:

- **Ensure that viral marketing campaigns are done for the right reasons.** This includes evaluating how necessary the viral component is for the overall marketing effort, as well as making sure that individual marketers are not pushing the campaign simply because they personally find viral marketing planning more exciting and fun. The motivation for doing the campaign are communicated through objective-setting.
- **Integrate viral marketing campaigns with other marketing activities.** Viral marketing should not be a stand-alone tactic. In most cases, the campaign should support other marketing activities and they should support the campaign.
- **Leverage identified strengths of the method.** The findings suggest that viral marketing may be better suited for certain purposes. These include: influencing sales, increasing awareness, improving the company's image, and collecting consumer feedback.
- **Use the IVMC planning and evaluation framework as a point of reference.** The framework could be used as a checklist for campaign planning and evaluation.
- **Select a niche target group.** Other marketing methods may be more suited for targeting broad target groups or several smaller target groups at once, but viral marketing appears to benefit from a niche focus. It is easier to try to energize a

few with a message that speaks to them, than try to be everything for everyone.

- **Create funny campaigns that have the wow-factor**. The simplified formula for a successful viral marketing campaign combines humor and an element of surprise. In the end, consumers are people. People like to laugh and they like to be pleasantly surprised.
- **Ensure that enough money is spent on promotion**. It was suggested that a common pitfall is to overspend on campaign creation and underspend on promotion. This could be avoided, for example, by requiring marketers to dedicate a pre-agreed percentage of the overall budget on promotion.
- **Try pre-testing campaigns**. The findings suggest that viral marketing campaigns in the case company are rarely tested with consumer before their release. The company could, however, try testing on a few campaigns to determine whether testing could be beneficial in the context of viral marketing campaigns.
- **Explore solutions to organizational challenges of time pressures and insufficient feedback.** In order to ease time pressures, campaign preparations should be started as early as possible. If there are delays, everyone involved should be informed immediately. To ensure a better flow of feedback, product marketers and local marketers need to understand their role in the process and how necessary their contribution is to the success of the company. In order to promote interdepartmental cooperation, it could also be beneficial to organize meetings that would allow all of the marketers to develop personal relationships with each other.

When it comes to localization, the company should:

- **Pursue concepts with universal appeal.** The findings suggest that global marketers should strive for campaigns that work in several markets with minimal adjustments. This could be achieved by focusing on universally appealing themes, such as love and friendship, and by depending on images and music, rather than words.

- **Increase localization budgets.** From a viral marketing standpoint, it could be beneficial to increase the size of localization budgets to ensure that good ideas and concepts could be utilized more effectively across markets.
- **Enhance communication and cooperation between global and local marketers.** Because global marketers suggest that they are not receiving enough constructive criticism from local marketers in the campaign planning phase, it could be helpful to create incentives for local marketers to submit their feedback in an early phase. Secondly, global marketers find that local marketers occasionally work too independently when localizing campaigns, which can hurt the quality of the outcome. Therefore, efforts should be made in bringing the two parties together to improve information sharing and team work.

And finally, in terms of campaign measurement and evaluation, the company should:

- **Ensure that objectives shape evaluation.** It should be clear for the marketer what the objective of the campaign is and what concrete outcomes it should result in. The main objectives and their corresponding metrics should fall within the REAN model.
- **Use a combination of metrics.** It appears that no metric is enough alone and therefore the company should continue to strive for a combination of metrics Measures of efficiency and effectiveness should be identified.
- **Place more importance on tracking campaign induced sales.** One option would be to direct more traffic from campaign sites to the company's own local online stores for easier tracking of sales resulting from campaigns. More coupons and coupon codes could also be used to track sales.

- **Conduct consumer surveys for specific campaigns.** By creating surveys that deal with individual campaigns, the company could increase the likelihood of receiving meaningful feedback. The survey method would allow the company to ask consumers about their purchase intentions regarding the product that the campaign is promoting, as well as the likelihood that they would forward the campaign to others. In addition, the firm could hear the thoughts of the usually silent majority that does not post their opinions in blogs or public forums that are usually monitored for WOM data.
- **Strive for consistency in data collection to ensure comparability of data across international markets.** The company should continue its efforts to put in place systems that would ensure that the data coming from various countries are similar enough to be able to compare them.

Overall, these managerial recommendations highlight a couple of things. From a marketing strategy perspective, the integration of viral marketing with other marketing activities should be the starting point for creating IVMCs. From a process perspective, it should use the IVMC planning and evaluation framework to determine specific tactical areas of development. From an organizational perspective, the company should try to improve interdepartmental communication and cooperation in order for the IVMC planning process to move forward with less interferences. Or in other words, the company should try to get the employees to realize that they are working together towards a common goal.

7.4 Limitations

Like most studies, this study also has its limitations. The limitations of this thesis mainly arise from three things: its nature as a qualitative, single-case study; the data collection method of semi-structured interviews; and the selection of interviewees. These issues are discussed in greater detail below.

One of the main limitations of this study arises from its nature as a qualitative, single-case study. Due to the qualitative character of this study, care should be taken in generalizing the results. However, as it was pointed out earlier, the strength of the qualitative approach can unravel the context and meaning behind certain behaviors. By only examining a single company, the findings are primarily only applicable in the context of this particular company, and may not be universally applicable to all companies. Nonetheless, the case company could still be considered a representative case as it can be assumed that other multinational companies with global viral marketing ambitions and sizable budgets face very similar challenges.

The data collection method, semi-structured interviews could also be criticized. Because of the method's flexibility and dynamic quality, not all of the same questions were asked from all the interviewees. The basic pre-prepared questions were the same, but additional follow-up questions reflected the interviewee's answers. The focus of the interviews were heavily impacted by the interviewees' personal interests: what they consider important, and what they want to talk about. In addition, there is no escaping from the fact that the interviewee's personality and background affect their interpretations of the questions; much like the interviewer's personality and background affects her interpretation of the answers.

The selection of interviewees clearly impacts the findings. Since a relatively small group of employees, five people, were interviewed for this study, the implications could be considered suggestive only. Although it would have been tempting to interview a larger number of employees, there is no guarantee that additional interviews among global marketers would have significantly contributed to the findings. Local marketers in local country organizations could have also been interviewed to presents the views of more than one group of stakeholders, however, that would have inevitably broadened the scope of this thesis and shifted the focus away from the core process: campaign planning and evaluation. As this thesis is qualitative and explorative in nature, increasing the number of interviews would have considerably increased the amount of data to be analyzed. Analyzing several more interviews in great detail might have been too big of a challenge for a project of this scope. In addition, it should be noted that even though the interviewees did not appear to withhold information, it is possible that the competence level of the employees may vary greatly based on the individual.

All in all, it could be said that the limitations are quite typical for this type of a study. In spite of the limitations, it can still be argued that the findings presented in this thesis are reliable and make a valuable contribution to existing literature. A detailed explanation and justification on the trustworthiness of qualitative studies in general, and in this particular case, is provided in section 5.4. Moreover, the findings were largely consistent with previous research, as explained in Main Findings, section 7.2.

7.5 Suggestions for Further Research

In future research, more attention should be devoted to the topic viral marketing, and especially the topic of international viral marketing. As it was pointed out in the introductory chapter, Chapter 1, there are significant gaps in current research concerning viral marketing campaign planning, measurement and evaluation, as well as the broader topic of intercultural and international internet marketing. Although viral marketing has been a buzz word in the business world for over a decade and the significance of the Internet as a marketing channel has increased significantly in the last 15 years, academic research on the subjects has been lagging behind. Well-established and widely tested theories could greatly benefit, not only industry practitioners who create marketing for the digital landscape, but also universities that educate future marketers about the principles of internet marketing.

Based on the findings of this thesis, the researcher suggests four areas of interest within the viral marketing realm that ought to be explored further. These potential research areas include: the influence of brand visibility; the localization process with IVMCs;

campaign pre-testing; and measurement. All of these themes are parts of the campaign planning and evaluation process – a process which also deserves the attention of researchers overall.

First of the issues is brand visibility and its influence on a viral marketing campaign – a topic that has received limited attention in previous literature. The findings of this study suggest that for a well-known brand, a highly visible brand name can be an opportunity, as well as a limitation. It can be an opportunity because it can generate brand-based enthusiasm and trust, as well as ensure that consumers will be able to connect the campaign to the brand. On the other hand, it can also be a hindrance as consumers may be hesitant to forward viral marketing campaigns of overtly commercial nature and the company may be required to pay for exposure that it could have gotten for free if the campaign was not visibly branded. Therefore, it could be very useful to compare campaigns that have had highly visible branding and those that have not, in order to draw conclusions on the impact brand visibility has on a viral marketing campaign.

Concerning the international aspect in viral marketing campaign planning, the localization process with IVMCs should be investigated further. At the moment, it remains unclear what the best policy for campaign localization could be: a high degree of standardization or a high degree of adaptation. Of course, there is always the possibility that further research will suggest that it makes little sense to localize viral marketing campaigns due to their demanding nature. The dynamic between the head office and local offices could also be examined in order to gain a two-sided perspective on the localization process and its challenges.

The third recommended area for future research is campaign pre-testing. It remains unclear to the researcher whether or not viral marketing campaigns should be pre-tested with consumers before the campaign is released. Campaign testing was recommended briefly in existing literature, although it was not indicated whether or not the recommendation was based on real life experiences or company data, or if it was merely drawn from the fact that testing is often recommended for other types of advertising and marketing campaigns. To determine the usefulness of testing, marketers from various companies could be inquired about their views on the matter.

Finally, additional research is required on the topics of measurement and evaluation. Although this thesis was able to identify ways for approaching the matter and suggested that a combination of metrics should be used to determine viral marketing success, the specifics of the various metrics should be studied in greater detail to determine the most useful measures of campaign success. Moreover, the financial impact of viral marketing campaigns has not been explicitly shown, even though there are studies that discuss the issue, and even though it seems that companies are drawn to viral marketing because they expect it to have a direct or indirect financial impact.

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