

Evaluating the Effect of Viral Marketing on Customer Brand Equity: An Empirical Evidence

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Abstract

The main objective of the study is to examine the effect of viral marketing on brand equity in the Nigerian non alcoholic beverage industry. A cross-sectional survey research design method was adopted. Stratified random sampling technique was applied to select the sample. The study made use of a sample size of 289 employees from selected non alcoholic beverage firms in Lagos State, Nigeria. The research instrument was a 30-item validated structured questionnaire of the Likert Scale type. **The statistical techniques used are the descriptive statistics, correlation and multiple regression analysis.** Findings showed that there is a significant relationship between the constructs of viral marketing and brand equity. Social networks appear to have the highest positive effect on brand equity in the non alcoholic beverage industry in Lagos State, Nigeria. The study therefore, concluded that the use of social networks can help to reach out to more customers geographically. By reaching out to more customers, the business can improve its marketing strategies and create brand equity. It was recommended that firms must regard targeting skillfully by sending messages to groups that are interested in the brand, product, or service with possibility of success than simply emailing to the world at large.

Keywords: Viral Marketing, Social Networks, Electronic Word-Of-Mouth, Online Trust, Brand Equity

1.0 Introduction

The internet is now the new way of life for many Nigerians to get their news, book travel reservations among other activities. For those consumers that consume entertainment, news and information in the internet, recommendations from relatives are important sources for that information. This new online marketing environment is conducive to a new kind of marketing communication commonly known as viral marketing. Viral marketing is one of today's most powerful and effective marketing tools. Viral marketing that once was believed merely as a casual tool has now become a key to result in successful marketing strategy. It is a direct marketing tool in which a marketer persuades online consumers to forward its publicity in e-mails.

Today, viral marketing has become a major marketing tool used by firms in different industries which comprise Unilever, Nike, and Volkswagen etc. Those firms value viral marketing as a means to benefit from, and the additional trust sources they receive while remaining largely in control of the message content (**Bampo, Michael, Dineli, David, Mark, 2008**). Message dissemination can either be intentional or unintentional. Furthermore, customers are not intentional actors in the marketing message dissemination process. The most frequent pattern of intentional viral marketing practice occurs when customers willingly become advocates of a product or service and disseminate the messages to their friends; they are aggravated to do so either through an explicit incentive (for instance, financial rewards, need to create network externalities) and also simply out of a desire to share the product and service benefits with friends (e.g, fun, arouse curiosity, valuable for others).

The goal of viral marketing is to use consumer-to-consumer (or peer-to-peer) communications as opposed to marketer-to-consumer communications to share information about a product or service, which lead to more quick and cost effective adoption by the market (Krishnamurthy, 2001). The current trend toward viral marketing has been fueled by the growing popularity of social networks platforms such as Facebook which has more than 1 billion connected consumers sharing marketing messages with just a single click on their laptop or mobile devices. Consumers' reaction to viral marketing seemingly differs for more versus less utilitarian products, according to theory from social psychology (Aronson, Elliot and Timothy, 2012).

The main element for a viral marketing campaign to work is not the advertised product or brand, but the

message itself (Langner, 2007). The design of a unique message content and container is of crucial importance. A very often used vehicle for viral messages contents is a video clip (Kirby, and Marsden, 2006), putting focus on special emotions going along with the advertised brand/product. To initiate the viral effect it is vital for organizations to select suitable consumers who should be the first recipients and first to send the viral marketing message, as the success of a viral marketing campaign depends on their forwarding behavior (Helm, 2000).

In the current marketing world, social media help to link people together throughout the world through forums, blogs, social networks and media sharing websites. The main reason for viral marketing's popularity is the speed and the exponential dispersion of information, using electronic channel via internet (Kirby, and Marsden, 2006). Being free from the traditional setbacks, viral marketing campaigns can generate an urgent tremendous buzz within the brand's target group. Viral marketing has a role to play in determining an organizational marketing and financial value of its brand strength. Brand equity is seen as the marketing and financial values connected with a brand's strength in the market, which include actual proprietary brand assets, brand name awareness, perceived brand quality, brand associations and brand loyalty (Pride and Ferrell, 2003). The Nigerian beverage industry is categorized into two key groups and eight sub-groups. The non-alcoholic brands are made of soft drink syrup; soft drink, water bottling, canning; fruit juices bottling, canning and boxing; the coffee industry and the tea industry. The alcoholic beverage brands include wine, distilled spirits and brewing.

Since information disseminate at a faster rate on the Internet, viral marketing messages can get to a high numbers of customers in a short interval of time. Not surprisingly, many companies such as Coca Cola bottling, 7up, Microsoft, Philips, Sony, Ford, BMW, and Procter and Gamble have gone viral. Although, not all viral marketing messages are successful, and because of tough competitive, they need to become highly sophisticated in order to be effective and successful. Wang and Vassileva (2003) view trust as a peer's confidence in another peer's capabilities, sincerity and dependability based on its own direct experiences. Most of the previous studies on viral marketing have been conducted almost wholly in the foreign contexts and has not addressed the effect viral marketing may have on brand equity in the Nigerian non alcoholic beverage industry. Therefore, the rationale of this study is to deepen our understanding on the effect of viral marketing on brand equity in the

Nigerian non alcoholic beverage industry. The determinants of viral marketing such as social networks, electronic word-of-mouth and online trust were tested on brand equity.

Statement of the Problem

Consumers sometime do not trust the viral marketing campaigns run by the organizations to promote products and services because they are most times concerned about their personal data exposure. They fret about that companies are selling their private information to others that creates a problem for marketers to change this sort of customer perceptions. Despite the increasing shift of advertising to viral marketing the factors necessary to viral marketing effectiveness remain largely unknown to both marketing academics and practitioners. Viral marketing is a relatively novel phenomenon and is at an early stage of development. Therefore, the knowledge about its nature, characteristics and dimensions is yet to be explored in depth.

Some studies have been done on viral marketing but very few were done as it relates to brand equity. None was done in relation to the Nigerian non alcoholic beverage industry. This study will therefore be of significant to this industry as it will help them to know the necessary step to take in introducing viral marketing to the firms in the industry. Since more studies have focused on brand equity and its benefits to industries, this study takes a stance on emphasizing the magnitude of viral marketing in enhancing brand equity. Marketers encounter lack of control associated with viral marketing campaigns. Companies have no measure of controlling the spread of the message and the means of the transmission. Once the message is launched on the Internet it is almost impossible for the company to stop it and take it back, which could lead to a failure of brand control. The receivers of a message can even judge the transmission as 'spam'. The dependency on the consumer by the firm for message transmission is a risk as consumers, for example, may want payment from the firm for sharing a viral message. The lack of ethical values may make consumers feel cheated, exploited and used and may outlook viral messages as an invasion of their privacy. The viral message could reach and be spread by a group of people that the company wishes not to be associated with. Moreover, in some instance, these people may modify the message or add something to it that can negatively affect the brand and the company.

Objectives of the Study

The general objective of the study is to examine viral marketing and its effect on brand equity in the

Nigerian Non Alcoholic beverage industry. The specific objectives are to:

- i. ascertain the effect of social networks on brand equity.
- ii. determine the influence of electronic word-of-mouth on brand equity.
- iii. ascertain the effect of online trust on brand equity.

2.0 The Literature

Conceptual Review

Viral Marketing

Viral marketing starts with the marketer designing some form of electronic messages such as a video, the focus of which is usually brand-building. The term was first introduced by Jurvetson and Draper (1997), the founding investors of Hotmail, who viewed viral marketing to be “the vital catalyst for Hotmail's torrid growth. They used the term *viral* not because any traditional virus were involved, but because of the style of rapid implementation through various networks. Viral marketing is an advertisement that is in some way tied to an electronic message. It can be attached to an e-mail, video spot or posted in any form of social media. It is a form of advocacy, whereas one customer disseminates the message to other relevant buyers, creating the potential for exponential growth in the message's exposure and influence (Clow, and Baack, 2005).

Viral marketing is the promotional method of certain value products or service of a company through its marketing messages and ideas which are spread online. It is a marketing mix strategy that uses existing social networks to promote a product or service and increase the sales (Venkatesh and Vinoth, 2016). It is an electronic word-of-mouth marketing which is cheap and cost effective with high reachability and of huge help to create brand awareness than traditional media. It creates awareness among the people; accelerate the sales of the product in a short period of time as it creates a big buzz and a great exposure in the society. This is a customer-driven strategy of marketing which uses a specific set of consumers who share the messages among themselves enabling good interaction between users.

Welker (2002) viral marketing is a new interpretation of the good old word-of-mouth-pattern, the use of the Internet for sharing the message is a new concept that would not have been possible without the improvement of information and communication technologies. Therefore, viral messages must be structured uniquely to attract a specific target market and to make it interesting enough for people to want to

spread it (Daniels, 2001). Care must be taken to introduce these viral messages into online networks in a manner unlike spam (Klopper, 2002). Viral marketing is viewed as a piece of message content generated by a marketer that instigates customers to readily send it to their friends and family, thereby creating instant brand awareness and advocacy. In the online marketing environment, viral marketing is any marketing effort that instigates users to share a marketing message to other users. Viral marketing is a form of marketing strategy that motivates customers to pass on a marketing message to other potential customers, creating the potential for exponential growth in the messages exposure and impact. These strategies take gain of quick multiplication to blow up the message to thousands and to millions of customers (Wilson, 2005). Further, viral marketing is such a marketing concept that encourages people to pass along a marketing message willingly (Anderson, 2008).

The Word of Mouth Marketing Association (2007) defined viral marketing as a kind of word of mouth that involves designing entertaining or informative messages that are structured to be passed along in an exponential way, frequently electronically. WOMMA's definition did not only just focus on electronic means, although this is what "frequently" makes things more viral. Similarly, Laudon and Traver (2002) in their definition did not even mention electronic channel, but rather described viral marketing broadly as the process of getting customers to pass along an organization's marketing message to colleagues, friends and family. According to AMA definition, viral marketing is a marketing concept that supports and encourages customers to share marketing message.

Viral marketing can be seen as a communication and distribution phenomenon that depends on customers to share digital products via electronic channels to other potential customers in their social environment and to animate these contacts to also broadcast the products (Helm, 2000). According to Palka, Pousttchi and Wiedemann, (2009) the term viral marketing describes a kind of marketing practice that affect customers with an advertising message which they should pass from one customer to the next like a rampant flu virus. Moreover, it is one of the highly ranked techniques used by consumers not only for gathering information about products but also for making purchase decisions (Cruz and Fill, 2008). Viral Marketing refers to the process by which a brand can attract new consumers by cheering 'honest' communication. Prospective customers may search for more information about products before entering

the behavioral phase (Doh and Hwang, 2009). *From the various discussions on the meaning of viral marketing, it is hereby defined based on the context of the study "as an expansion of the promotional mix strategy where by a marketer designs message content about a product or service and instigate a target consumer to share it with colleagues, friends and family in order to create brand awareness".*

Viral Marketing Elements

An effective viral marketing strategy comprise of the following six characteristics (Wilson, 2000).

- i. It gives away products for free:** Inexpensive way can generate a gesture of interest but freeway will attain it much faster. The freeways attract the consumer's attention, which in turn see desirable products and services that are purchased in most cases. Hence, preferably offers something away.
- ii. It gives the effortless transfer to others:** The marketing manager points out in viral marketing what is relevant to make the message easy so that its transmission can become easy and without degradation.
- iii. It measures easily from small to very large:** To spread like wildfire, diffusion techniques must be easily reachable from small to large. Marketers must be aware that if the virus multiplies only to kill the host before spreading, nothing is accomplished. Marketers must therefore take cognizance that servers, for example, can be expanded quickly.
- iv. It exploits common motivations and behavior:** As greed can drive people; so can the need to be loved, understood and popular. The resulting desire to circulate information about a product produces millions of Web sites and other electronic messages. Therefore, delicate viral marketing design takes gain of common human motivations and behaviors.
- v. It uses existing communication networks:** All through the history, customers have formulated communities in which networks of consumer interaction deliver daily events, social values and plans for activities that foster the well-being of the individual within the community and the community within the larger environment. Marketers must know how to place messages within the communications that exist between

consumers, because customers in digital environments also develop networks of relationships.

- vi. It takes advantage of other resources to acquire the word out:** Affiliate programmes, like place, text or graphic links on other people's or organizations' Web sites. The top moment someone else's Web site is relaying your marketing message, someone resources are depleted instead of your own.

Social Networks

The exponential dispersion of information about a product is the vital feature of viral marketing. Combined with the possibility of interaction between consumers and companies as well as the increasing credibility of a message that comes from the customers' own social network, we define viral marketing as follows: According to statistics, two-thirds of the world's Internet population visits a social networking site or a blogging site (Nielsen, 2009). Similarly, time spent visiting social network sites now exceed the time spent emailing. Around 52 percent of the people, who find current information online, share it with their friends either through social networks, e-mails etc (Morrissey, 2009). Likewise, Facebook has more than 750 million active users and more than 250 million users' access social network sites through their mobile devices (Facebook Statistics, 2011). The prominent growth of networking via social media has changed the trends in the branding industry. Once merely just another tool to connect with, social media has now become a noteworthy and crucial part of consumers' day-to-day communication process. This is where viral marketing comes in, the process of exchanging positive information about certain products and services by consumers in and throughout the digital sphere or environment of customers (Helm, 2000; Wiedermann, 2007; Dobele, 2005).

A **social network** is the tag attached to any customer initiated communication with other customers who spread an interest and use the World Wide Web as a channel for creating a community (Quinton and Harridge-March, 2010). The aim of a social network can be briefly summarized as creating, managing and growing social interactions, connections, relationships and contacts (Martins and Soares, 2011). A social networking site that is easily accessible, straightforward, and appealing enables participants to become engaged in unique ways. It comes as no surprises that many industries have entered the social network space. The beverage industry are proactively interacting with their

customers by coming up with innovative customized solutions and much responsive and prompt customer service (Kasavana, Nusair, and Teodosic, 2010).

Social network analysis is a data analysis design engraved on the principle of structuralism, where the style of relationships, among people, itself is supposed to have psychological impacts beyond individual differences or the nature of the relationships themselves (Kim, Kim and An, 2016). Those cognitive, affective, or behavioral bonds connecting dyads in some way in form of friendship, form the network's structure, much like in chemistry, where the structure of bonds among elements that forms compounds. Social marketing technologies also permit marketers to customize their brand messages and have a conversation with customers. However, the success of these channels is reliant on considerable resources being allocated to their appropriate use and evaluation.

Electronic Word of Mouth (eWOM)

Companies, compete immensely to employ the information technology strategy specifically in the marketing process to increase their strength to achieve the highest level of gains and quality. Electronic word of mouth consist of communication between marketers and costumers as well as those between costumers themselves both integral parts of the WOM flow and both noticeably differentiated from communications via mass media (Goldsmith 2006). Based on the definition of WOM by Westbrook (1987), electronic Word-of-Mouth (eWOM) was viewed as all informal communications aimed at the customers via Internet-based technology linked with the usage of a particular product and services, or their marketers. The digitalization of word-of-mouth has formed both new potential and challenges for marketers. Per (Dellarocas 2003): (1) with the low cost of access and information exchange, electronic word-of-mouth can emerge in an extraordinary high scale, potentially creating novel dynamics in the market; (2) though wider in scope, the technology allows for superior control over format and communication types; and (3) new problems may arise given the unknown identity of communicators, potentially leading to intentionally misleading and out-of- context messages.

Through the internet we can get access to information anytime and anywhere which helps to resolve the restrictions of traditional WOM (Hennig-Thurau et al., 2004). This evolvment into an innovative form of marketing communication between customers is recognized as electronic word-of-mouth (eWOM) (Bickart, and Schindler, 2001; Godes, and Mayzlin,

2004; Hennig-Thurau et al., 2004). eWOM is seen as any negative or positive statement made by actual, or former, potential customers about product and services, which is made available to a great number of people and institutions through the internet' (Hennig-Thurau et al., 2004, in Chan and Ngai, 2011).

Opinion leaders are an important element of traditional WOM, and likewise in eWOM where the term 'Efluentials' are used to describe the group of people, who affect other people's opinions. They are described as active users of email, newsgroups, bulletin boards, listservs and other online channels when sending their messages to their families and peers often approach them for information, opinions, and advice on a wide alternative of subjects' (Cruz and Fill, 2008). These groups of customers are vital for firms to reach with their communication, since they are the ones, who make sure that the content is disseminated and listened to. One of the indicators that determine the effect of the communicator is attractiveness, which is composed amongst others of similarity/congruence (Kiecker, and Cowles, 2001).

The higher the perceived similarity between communicator and recipient, the higher is the communicator's effect on the recipient's forwarding behavior. Besides, Cheung et al. (2009) states the ability of a message to back up the recipient's own position. Both findings provide proof that congruence between stimulus (e.g. viral message) and the recipient's view is very significant. The recipient is the person who receives a message and responds to it. If a recipient actually becomes a communicator of the viral message, it depends on his perceptions, experiences and sources (Cheung, and Thadani, 2010). A highly influencing indicator, in this respect, is the validation of existing beliefs, norms and attitudes (Cheung et al., 2009). As viral marketing basically uses electronic media this group is also called "e-fluentials" (Burson-Marsteller, 2007).

Online Trust

Mui, Mohtashemi, and Halberstadt (2002) defined trust as a "subjective expectation an agent has about another's future behavior based on the times past of their encounters. From the other perspective, trust refers to the measure of willingness to believe in a user based on its competence (e.g. goodness, strength, ability) and behavior within a specific domain at a given time (Yuan, 2010). It can be compared to reputation which means to a customer's belief in another customer's capabilities, sincerity and dependability based on recommendations received from other peers.

Online trust is when a consumer has confidence in an e-merchant's reliability and integrity to perform online transactions successfully (Peštek, Resić, and Nožica, 2011). The attributes of the merchant, attribute of the web site and the basic technology infrastructure as the indicators that influence online trust have been discussed (Yazdanifard, Hoe, Islam, and Emami, 2011). On the other hand, trust in information and trust in the information systems through which the information is handled are studied by some researchers like Pickard, Gannon-Leary, and Coventry (2010) and Ulmanen (2011). Regarding e-commerce, Chen and Dhillon (2003) have applied competence, ability and integrity. Ridings *et al.* (2002), for studying trust in virtual communities, applied two dimensions as ability and benevolence/integrity. They believe that there is close relationship between benevolence and integrity, so they have combined them as one dimension and showed that trust has a downstream influence on members' intentions to both give information and get information via the virtual community.

Use significance, timeliness, accuracy and comprehensiveness have been considered as the dimensions of information quality which means the trustworthiness or credibility of information (Cheung, Lee, and Rabjohn, 2008). From reviewing trust literature, three more frequent dimensions of trust which have been identified by Ulmanen (2011) are ability, integrity and benevolence, however Ulmanen (2011) considered friendliness of a community and information value as two dimensions of trust in online word-of-mouth and he showed the effect of these dimensions. Surprisingly, he has left trustworthiness of the website or other information systems, because he believes that it was examined through perceived systems quality or perceived usability.

Brand Equity

According to Lassar, Mittal and Arun (1995), brand equity is seen from two different perspectives; financial perspective and customer perspective. Financial perspective is usually known as the company's brand value. While, the customer evaluates appraises brand equity based on the customers' perceived brand value from the dimension of marketing decision making (Kim, Kim, and An 2003).

Furthermore, Yoo (2000) mentions that brand equity will be increased with the help of promoting positive perceived quality; perceived quality is parts of brand value that leads consumers to select a specific brand rather than another competing brand. However, when

marketing experts use the term brand equity, they tend to connote brand strength, referred to as “customer brand equity” to distinguish it from the asset valuation (Wood, 2000). Whereas, Aaker and Joachimsthaler (2000) explained brand equity in different concepts which namely are; brand awareness, brand association, brand loyalty and perceived quality. The strength of a brand can be seen from customer's perception and understanding about what they have benefited, observed, sensed and heard regarding a brand as a feedback of customer involvement with a particular brand in the past (Keller, 2003). According to Travis (2000), the major objective of brand equity is to build brand loyalty. From consumer's point of view high brand equity means that consumers have a stronger linked with the brand, perceives the brand to be of higher quality and is more loyal towards the brand (Chattopadhyay, Dutta and Sivani, 2010). Researchers claimed that for a brand to have value it must be highly valued by customers. Then, the power of a brand rely so much what consumers have seen, learned, felt and heard about the brand as a result of their experiences over time (Keller, 2003).

Although marketing practitioners have discovered numerous sources of brand equity such as advertising frequency (Chattopadhyay, Dutta and Sivani, 2010), advertising intensity, price, concentrated distribution, store image (Yoo, Donthu and Lee 2000), country-of-origin image (Norjaya et al., 2007), producer's reputation (Norjaya, Mohd and Osman, 2007). Keller (2008), observed that brand equity can be build up through the integrated marketing communication (IMC) namely media advertising, direct response advertising, online advertising, place advertising, point-of-purchase advertising, trade promotions, consumer promotions, event marketing and sponsorship, publicity and public relations and personal selling. Consumer decision making is being influenced by many factors encompassing the marketing mix and non marketing mix variables. In the information search stage of a decision-making process, a consumer obtains information from various sources including family and friends. In many important purchases consumers consult their close family members first before making any decisions. Aaker (1991) conceptualized brand awareness as the ability of the potential customer to identify and remember that a brand is a member of a particular product group. The ability of a customer to identify a brand is known to as brand awareness. Brand awareness plays an imperative function in consumer decision making by bringing three key advantages: such as learning, consideration and choice advantages. Customer-based brand equity originates

when the consumer has a high level of awareness and acquaintance with the brand and holds some strong, favorable, and unique brand associations in memory (Keller, 2003).

Nigerian Non Alcoholic Beverage Industry

The Nigerian beverages market is highly concentrated by beer and carbonated soft drink (CSD), with both controlling about 87% of beverages consumption. While the brands in the beverages space have some level of complementarities in their production, traditionally there is a clear view of focus among the key actors in the industry. The carbonated soft drink market is dominated by the Nigerian Bottling Company Plc (NBC) (the bottler of Coca Cola brand) and 7UP Plc (PepsiCo franchise bottler) in conjunction with increasing number of fringe players. In recent times, it has been experiential that there is an emerging theme among the key actors with gradual convergence of the beer and carbonated soft drink market segments. Consumption of non alcoholic beverages (NABs) such as Juice and carbonated drinks have been a kind of refreshment among Nigerian consumers of all ages, tribes and socioeconomic backgrounds (Phillip, Shittu and Ashaolu, 2013). Non alcoholic beverages have been widely recognized for their various contributions to household food and nutrition in general, and largely, for their role in body hydration (Phillip, et al 2013). They observed that fruit and vegetable based juices are vital contributors of vitamins, minerals and dietary fibre; and the magnitude of juice consumption have been reported (Flake and Nzeka, 2009; Phillip *et al.* 2013) while that of the carbonated soda has been a theme of discuss. For example, some marketing scholars have reported that consuming even as little as one or two sodas per day is linked to a myriad of pathologies (Valentine, 2001).

Brewers continue to explore the soft drink market by enlarging their product portfolios, through their non-alcoholic product variants and capturing an increasing share of consumers' discretionary spending. A good example is the drive of Nigerian brewery toward product portfolio optimization by the introduction of the Fayrouz brand to its product kit. Being a non-alcoholic brand, such products have a strong potential to introduce a broader market (breaking religious boundaries – a key indicators in the Nigerian brewery market) and cause good competition to the main carbonated soft drink producers in Nigeria. In this report, there is a shift of focus on the lion share of the Nigerian beverages market: the beer segment; and analyze the key players in this market though consolidating their non-beer production volume which we think will not

significantly change the substance of our opinion.

Theoretical Framework

5C Model

Kaplan and Haenlein (2011) states that there are three necessary conditions for a successful viral marketing: Condition 1 – messengers; people who transmit messages, condition 2 - message and condition 3 - environment. That is, you need the right people to send the right message in the right circumstances. The first condition is linked to the selection of the right people to spread the message. There are three groups of message transmitters: (1) Market mavens (receivers) individuals who have access to much information; they are proactively engaged in interacting with other customers in order to diffuse and spread information. They are among the first to receive messages and send them to their immediate social network. When market experts forward a message to social hubs, the “epidemic” begins. (2) Social hubs (distributors) are people with a very large number of connections. They may be “connectors” or “bridges” between different subcultures. (3) Salespeople (amplifiers) are needed when the direct relationship between market experts

and centres is not sufficient. Sellers receive a message, make it important and convincing, and pass it on to community centres.

Kaplan and Haenlein (2011) opined that there are five key conditions (5C model) for the successful transmission of viral marketing messages. They are: 1. consumers, 2. category (of product), 3. company (holistic marketing of company), 4. content of message “virus” and 5. context environment. “Viruses” can be created both by companies and consumers. Consumers are differently engaged in different product categories. The scope and the speed of messages transmission depends on the environment and the context. Messages can be circulated by word of mouth, mobile phones and the Internet. Also, messages can be shared through different social media (networking sites, blogs, etc.). The choice of specific ways of communications and media at a certain point (the right messenger at the right place at the right time) can affect the extent and the speed of messages spreading. Messengers have a different number of connections with other users (e.g. social media) which can influence the success of viral marketing.

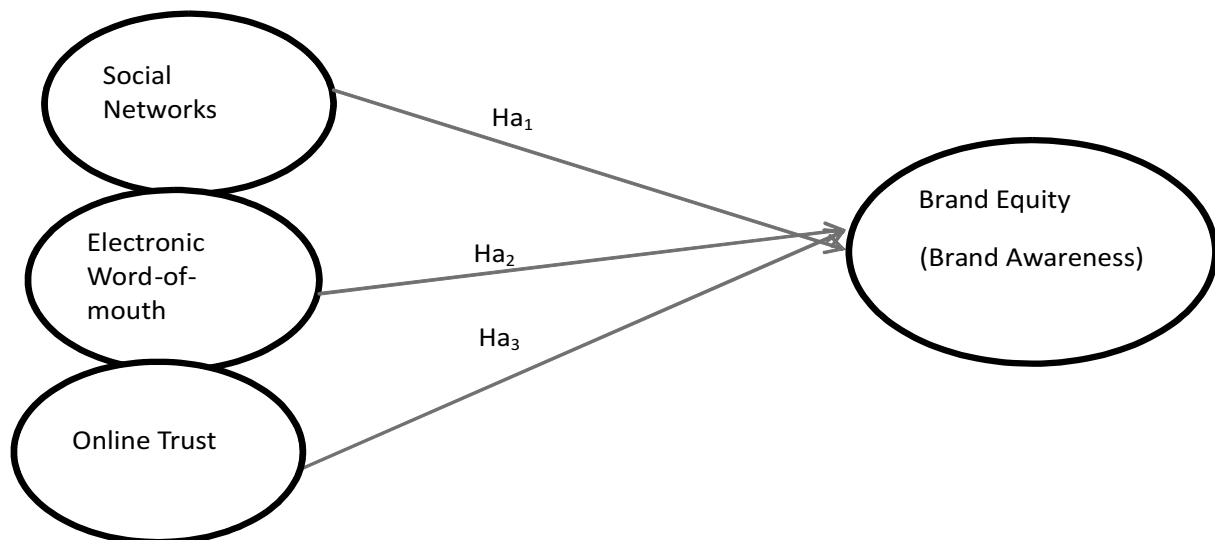
Research Model and hypotheses

Viral Marketing

(Independent Variable)

Brand Equity

(Dependent Variable)



Source: Researcher’s Model (2016)

Social Networks and Brand Equity

Social networking sites are medium to socialize as it helps to connect, interact and strengthen the relationship between the manufacturers and consumers nowadays. Nowadays it is easy to achieve this crucial mass as communication in social media is so much accelerated and its major intention of use is

sharing content with others (Burson-Marsteller, 2007). With an easier access to social networking sites through mobile apps, it has brought numerous benefits for the firm like building customer relationships, creating brand awareness and sustaining a long term loyalty with customers (Bredican and Vigar-Ellis, 2014).

Thus we hypothesized that;

Ha₁: *There is a significant relationship between social networks and brand equity*

Electronic word-of-mouth and Brand Equity

The Internet 'word of mouth' communication is an effective, penetrating and quicker means compared to the traditional word of mouth communication (Helm, 2000). It is also a more focused medium as consumers communicate their opinion in their social environment (friends, colleagues etc) where their influence is more critical. One of the advantages of eWOM is that the communication can reach further than local communities, since consumer link with people all over the globe online (Chen and Xie, 2008). In addition, it challenges the survival of geographical markets, and hence the ability to conduct local marketing strategies to work.

Thus we proposed that;

Ha₂: *Electronic word-of-mouth has a significant relationship with brand equity.*

Online Trust and Brand Equity

Once the online consumers develop trust on their social contacts, included in their friend's list, their engagement in viral marketing is increased due to the perceived trust and reliability of the information shared by these contacts. Similar results regarding the trust were reported by Baines, Fill and Page (2008) who confirmed that trust among the members of a network motivates them to seek opinion, ask for

advice or get product related information from other trustworthy members when they have to purchase a product.

Thus we hypothesized that;

Ha₃: *There is a significant relationship between online trust and brand equity.*

3.0 Methodology

This study involved a field survey that examined viral marketing and brand equity in the non alcoholic beverage industry in Lagos State Nigeria. The study is empirically based on primary data collected from eleven (11) firms such as Bobo Food & Beverages, Coca cola Nigeria Ltd, Crown Drinks Ltd, Limca Bottlers Plc, Nigeria Bottling Co.Plc, Seven-up Bottling Company Plc, Vita malt Plc, Nestle Nigerian Plc, Chi Limited, Cadbury Nigeria, Leventis Foods Ltd in the non alcoholic beverage industry in Lagos State Nigeria, specifically its members of staff. Stratified random sampling technique was applied at picking the sample. The research instrument was a 30-item validated structured questionnaire. All the items were assessed on a five-point balanced Linkert Scale. After the copies of the questionnaires were collected, they were checked for completeness. Out of the 289 sets of questionnaire administered, two hundred and fifty-one (251) were returned, twenty (20) were not properly filled and two hundred and thirty one (231) were found useable. Therefore, the analysis in this study was based on the sample size of two hundred and thirty one (231) copies.

4.0 Results

Table 1 Correlation between Social Networks, Eword -of-Mouth, Online Trust, and Brand Equity

S/N	Variable	1	2	3	4
1	Social Networks	1			
2	Electronic Word-of-Mouth	.942**	1		
3	Online Trust	.858**	.823**	1	
4	Brand Equity	.955**	.921**	.896**	1
	Reliability	0.785	0.758	0.711	0.812
	Mean	18.446	18.468	18.697	18.541
	Standard deviation	1.6004	1.5116	1.4608	1.5314

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Analysis of field survey, 2017

Table 2: Results of Multiple Regressions of dimensions of viral marketing and brand equity

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.968 ^a	.937	.936	.3868

a. Predictors: (Constant), online trust, eword-of-mouth, social networks

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.098	.341		.288	.774
social networks	.539	.053	.563	10.262	.000
eword-of-mouth	.162	.050	.160	3.221	.001
online trust	.295	.034	.281	8.643	.000

a. Dependent Variable: brand equity

Results from the regression analysis showed that social networks exhibited a positive effect on brand equity ($\beta = .563$, $P < 0.01$). The results from the regression analysis showed that electronic word-of-mouth exhibited a positive effect on brand equity ($\beta = .160$, $P < 0.01$). Also the regression analysis indicated that online trust exhibited a positive effect on brand equity ($\beta = .281$, $P < 0.01$). The Unstandardized coefficients indicate how much the response variable varies with a control variable when all other control variables are held constant.

$$BE = .098 + (0.539 \times SN) + (0.162 \times EWM) + (0.295 \times OT)$$

Table 4.2 indicated the extent to which viral marketing accounted for change in brand equity as shown by the adjusted R Square, which shows that 94% (.936) of the change in brand equity is brought about by viral marketing.

Discussion of Findings

The study examined the effect of viral marketing on brand equity in the non alcoholic beverage industry in Lagos State Nigeria. The results of the correlation analysis involving all components of viral marketing exhibited positive correlation coefficient values among the variables. This is an indication that they are appropriate dimensions and measures of viral marketing. The results from the multiple regression analysis reported the effect of viral marketing on brand equity. Social networks exhibited the highest significant positive effect on brand equity ($\beta = .563$, $P < 0.01$). The findings is consistent with H_{a1} test result ($r = .000 < .005$) which indicated that there is a significant relationship between social networks and brand equity. This is consistent with Bredican and Vigar-Ellis, (2014) assertion that with an easier access to social networking sites through mobile apps, it has brought numerous benefits for the industry like building relationships, creating brand

awareness and maintaining loyalty with consumers. This implies that social networks have numerous benefits firms can achieve when target customers recommend products to their friends and family through networking sites.

In the same vain findings also indicate that electronic word-of-mouth is found to have significant positive effect on brand equity ($\beta = .160$, $P < 0.01$). The findings is in consonance with the test result of H_{a2} ($r = .001 < .005$) which reported that electronic word-of-mouth has a significant positive relationship with brand equity. This is consistent with the view of Chen and Xie, (2008) that one of the advantages of eWOM is that the communication can reach far beyond local communities, since consumers connect with people all over the world online. This implies that firms rely on the electronic word-of-mouth which is commonly used for spreading information quickly that enables customers to view advertisements diffused in sites and to choose the best offers.

In Furtherance, the result of the regression analysis showed that online trust has positive effect on brand equity ($\beta = .281$, $P < 0.01$). This finding is in conformity with the result of H_{a3} test ($r = .000 < .005$) which showed that there is a significant relationship between online trust and brand equity. This is in consonance with the assertion of Dina and Sabou, (2012) that just having a conversation with consumers by using advertising message are not going to help, instead, the conversation has to be trustable so that consumers will be persuaded with those messages and so be interested in the product and services of a firm. This implies that online trust among the members of a network motivates them to seek opinion and get product related information about a brand thereby creating brand awareness.

5.0 Conclusion

Social networks as an element of viral marketing affect brand equity. The use of social networks can help to reach out more customers geographically. By reaching out more customers, the business can improve its marketing strategies and create brand equity. Social network analysis is a data analysis technique engraved on the principle of structuralism, where the form of relationships, among customers, itself is seen to have psychological effect beyond the nature of the relationships themselves.

Electronic word-of-mouth has an influence on brand equity. eWOM is any positive or negative statement made by potential customers about a product or firm, which is made available to a high number of people via the internet.

Online trust has an effect on brand equity. Once the online consumers develop trust on their social contacts, included in their friend's list, their engagement in viral marketing is increased due to the perceived trust and reliability of the information shared by these contacts. Focusing on online trust, integrity, capabilities, honesty, reliability, competence, ability, and commitment represent the trust construct very well. Trust has a downstream effect on customers' intentions to both give information and get information via the virtual community.

6.0 Recommendations

On the basis of the findings of the study and the conclusion, the study recommends as follows:

There is need to broadly incorporate viral marketing as a whole to the existing marketing literature at all level of learning. Companies must ensure that their message captures the mind's eye of the recipients in order to distinguish the message from all the other several messages that recipients are exposed to every single day.

Firms must regard targeting skillfully by sending a message to a group that is interested in the brand, product, or service that has a superior possibility of success than simply emailing to the world at large. Companies which are planning the viral campaigns should think of building trust actively and establish and maintain a better relationship with the consumers in order to have the positive attitude to their viral marketing campaigns and consequently more intention to be engaged. This will result in more successful viral marketing campaigns.

Electronic Word-of-Mouth should be made part of an overall marketing and promotion strategy. Since unethical practices can be uncovered and made known by the online community, these should be persistently avoided, and attacks vigorously defended.

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