A Proposal Model for Measuring the Impact of Viral Marketing Through Social Networks on Purchasing Decision: An Empirical Study

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ABSTRACT

Viral marketing has become a conduit for today’s organizations and an important pillar for managing the organization and a source that enhances its competitiveness and creates new opportunities for organizations through which they are trying to achieve competitive advantages to obtain new market shares. So, this study provides insight into how social network influence on purchasing decision through viral marketing and knowledge sharing on social networking sites (SNSs). By using the sample from 650 Egyptian college students - who spend more time on SNSs, this study investigates the relationship among the use of SNSs, users’ social relationships, online word-of-mouth, and knowledge sharing. Therefore, this paper is working on the study of the impact of viral marketing through social networks on consumer buying decisions, and working on the development of a proposed model to measure this effect.

KEYWORDS

Knowledge Sharing, Social Network, Viral Marketing, Word of Mouth

1. INTRODUCTION

The emergence of the internet is one of the most important technological revolutions in modern times. It is inherently inexpensive and offers its users from all over the world access to it easily, making it a good platform for companies to communicate effectively with their customers (Abdelkader, 2001, p. 50) With the internet spreading, and social networks emerging, organizations of different types started using a new concept of marketing, which is viral marketing used by those organizations in the promotion of their products through both internet and social networking sites, viral marketing depends on each ad message that is sent to each user on social networks that travels to hundreds of users or more than ordinary individuals, family members, and friends. It involves the transition process from one user to another handling the word of mouth in order to create awareness among the users of the brand and to establish a good mental image (positioning) of the products of the organization and then loyalty to them.

Based on the above, viral marketing has become a conduit for today’s organizations and an important pillar for managing the organization and a source that enhances its competitiveness and creates new opportunities for organizations through which they are trying to achieve competitive advantages to obtain new market shares. Therefore, this paper is working on the study of the impact of viral marketing through social networks on consumer buying decisions, and working on the development of a proposed model to measure this effect.

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2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

2.1. Previous Study

The current research examines the effect of viral marketing and the operative word on purchasing decisions by studying the relationship between viral marketing and word of mouth (independent variables) and the elements of the purchasing decision, namely, the consumer’s awareness of his need and the search for and evaluation of alternatives to his needs and decision making and evaluation. And the survey of the syllabic studies in the present study hypothesizes, the researcher found a collection of studies related to the study of the relationship, the most important of which:

A study (Dave, 2006), entitled “Viral Marketing Research UK survey” conducted this study in the United Kingdom on viral marketing, conducted a survey of electronic communication tools through the Internet to identify the trends of consumers towards viral marketing and reached 38% of consumers. And 62% are concerned about receiving the data presented on the network and have proposed adding an incentive to encourage individuals to access viral marketing sites and the success of viral campaigns.

The study of the dynamics of viral marketing (Lekovc & Adamis, 2007). This study analyzes the type of communication on the internet, which is the personal contact between a person and a person and the study of the impact of the sender on the recipient of the message in the decision to buy targeted products in the viral marketing campaign, the study was applied to 4 million people and 16 million reactions to half a million products. And found that 68% of individuals consulted their friends and relatives before buying electronic devices, and more than 50% used the means of communication to the network to search for products through the social network, and the study found that viral marketing has created positive or negative perceptions through participants on networks Social communication, and also found that viral marketing has made gains for companies in the field of marketing of music, movies and songs more and faster than companies working in the field of tangible goods.

Dorman, 2008, entitled “Viral Marketing Technology in Business Organizations”, which aims at presenting a philosophical framework for viral marketing by reviewing its concepts, its development, its development and its marketing mix and strategy.

The most important tools that can be used in this type of marketing in business, in addition to providing a set of basic applications of the concept of viral marketing at the level of companies and international trade, the most important findings of this study are the following: viral marketing is key to the success of many of business, especially electronic ones, many business organizations cannot practice their activities and publish their products and ideas on websites without the presence of viral marketing. The applications and global experiences in the field of viral campaigns has been proven through viral marketing successes compared to traditional marketing.

A study (Swedan, 2009), entitled “Effect of the word of Mouth on the decision to buy in terms of selection and loyalty to the brand.” The study aimed to identify the impact of the word spoken on the decision to buy the consumer, where the field study by collecting data from 430 Aspen. There is a strong relationship between the word of mouth and the decision of the consumer purchasing, especially the word of mouth of colleagues, friends and relatives, and that the effect on females is greater, and the impact strength varies according to the age groups, and recommended that the study should be interested in the word spoken and exchanged different organizations should include their promotional strategy plan for the positive operative word.

A study (Youssef, 2009), entitled “Measuring the impact of viral marketing on the purchase decision - field study.” The study aimed to identify the students of marketing department at Zarqa Private University, where it reached the need for research bodies in marketing departments in Arab business organizations to understand the basic contents of viral marketing in depth and try to clarify its dimensions and the extent of benefit from it to promote its output. It also found that the global applications and experiences in the field of viral marketing and campaigns have achieved great success in comparison to the traditional marketing and the concept of viral marketing concept one
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