

CHAPTER 10

Going Viral

If you go to EthicsCrisis.com, you can read some pretty eye-popping stuff.

“I’m going after my boss’s clients,” says one contributor. “I never signed a non-compete agreement that went beyond termination of my employment, so all her clients are fair game. And I know I’ll do a lot better than she did.”

“A vendor vying for a big contract from my company sent me on vacation. But I gave the contract to someone else,” reads another confession.

Is this site a tribute to pop psychology? A virtual confession booth? Actually, it’s run by SRF Global Translations, a company that markets language translation services. EthicsCrisis.com is a variation on the popular [PostSecret](http://PostSecret.com)¹ blog, which has visitors admitting to their deepest, darkest secrets on elaborately designed postcards. Only [EthicsCrisis](http://EthicsCrisis.com) allows other visitors to rate the confessions people have posted for acceptability. Some admissions have logged more than 2,000 votes.

SRF didn’t even have a website until April 2006. But since [Ethics Crisis](http://EthicsCrisis.com) launched, the blog has been visited by tens of thousands of people who are willing to share their deepest ethical secrets for the sole purpose

1. postsecret.blogspot.com

of getting them off their chest. There's also a lot of information about corporate ethics in general, as SRF tries to stake out this topic as a specialty. The result: Within six weeks of the launch, SRF Global had achieved top ten search engine placement for "multilanguage translations" on Google. More important, within two weeks, SRF was already getting inquiries and paid transactions via the blog. "Not bad for a \$300 software license and a few thousand dollars worth of programming and design," says B. L. Ochman, who created EthicsCrisis for SRF.

Ochman is a specialist in the burgeoning field of viral marketing.² This specialized brand of promotion, also called "word of mouth" or "guerilla" marketing, is nothing new. Each person tells several friends and word spreads on a geometric scale. It is perhaps the oldest form of marketing, but the Internet has given it new power. If each person tells five friends and those friends, in turn, tell five more friends, more than one million people will have heard the news after only twelve tellings. Plant the right seed and watch a cornfield sprout. But you must have the right message and you must understand the medium.

Social media has completely changed the dynamics of viral marketing. What once required a phone call or a letter can now be duplicated on a large scale using e-mail. And blogs magnify the effects by orders of magnitude. Get mentioned on the right blog, and the five friends becomes five thousand. It's no wonder that specialized viral marketing firms are sprouting up all over the country.

Viral marketing is one way in which the new breed of marketers is learning to leverage the power of social media. It is an inherently risky strategy. A viable message that doesn't catch on is a waste. But the cost of viral marketing is so low—in my interviews, marketers frequently cited costs less than a thirty-second television commercial—that it's cheap to try.

Viral marketing taps an existing vein of Web users and relies on them to spread the word about a site, contest or video by e-mail and blog. The campaigns usually rely on humor, mystery or competition to motivate people to participate. Marketers are intrigued. *BusinessWeek* estimated that viral marketing was a \$100 million to \$150 million industry in mid-2006. There's even an industry group: the Word of Mouth Marketing Association was formed in 2004 to promote best practices through publications and events.

2. Her blog at whatsnextblog.com is a gold mine of good ideas.

Viral hits

B. L. Ochman's best-known viral campaign was for Budget Rent-A-Car. Called "Up Your Budget," the promotion hid \$10,000 in each of sixteen cities around the US. Clues to the location of each cache were distributed by Internet video and people raced to be first to find the treasure. The whole contest was managed via a blog.

"For my life, I have no idea how people found these things," laughs Ochman. "They flew and took buses to other cities and created websites where they blogged about what the clues meant. It took on a life of its own."

The campaign, which cost less than a half million dollars to produce, drew one million unique visitors and 10 million page views to the blog in four weeks in late 2005, with traffic peaking at 20,000 unique visitors per hour. Promotion consisted of blog ads and well-placed mentions on the Adrants and MarketingVox blogs.

"To be asked to sit back and just let the viral do its job was a complete leap of faith for us," says Budget executive marketing VP Scott Deaver. "But we're very happy with the way it worked out."

When it works, viral marketing can have awesome power. In the book *Naked Conversations*, Robert Scoble and Shel Israel cite the example of ICQ, an Internet chat program developed by four young Israeli students. The group originally told forty friends about their invention and within two months 65,000 people had downloaded the software. By the end of 1998, just two years after the viral chain began, the service had been downloaded 25 million times and AOL had purchased the developers' company for \$287 million.

Skype, the wildly popular Internet phone service, recorded 25 million downloads just nineteen months after startup, the authors relate. It sold to eBay in October 2005 for \$2.6 billion.

In both cases, the marketing campaigns were almost entirely viral and cost next to nothing. The developers used a number of innovative marketing tactics to seed the audience. For example, each new release of ICQ was revealed to 1,000 randomly selected users, who were given the same "secret password." Creating the sense of insider awareness built excitement.

But even Skype's remarkable record was eclipsed by Firefox, an open-source software alternative to Microsoft Internet Explorer. It re-

corded more than 50 million downloads in the first six months, with no money spent on marketing. In fact, Firefox users were so rabid that they took up a collection to buy a newspaper ad, Scoble and Israel relate. This result would probably have been impossible to obtain using conventional marketing. The cost simply would have been too high.

These three examples aren't typical, of course. In all cases, the products were free. The revenue model was built on advertising or there was no revenue model at all. ICQ and Skype appealed to a base of cost-sensitive, mainly younger customers, which is a demographic most marketers shun. Firefox tapped a well of anti-Microsoft sentiment to stoke the feeding frenzy. These cases are unusual but they do show the potentially awesome power of viral marketing.

The first viral epidemic to hit the Internet is generally acknowledged to be "I Kiss You," a plain-looking website created by Mahir, a Turkish everyman. Its broken English, dorky photos and innocent come-ons for women to come stay with him in Ankara became a global joke in 1999. Internet eTour.com brought Mahir to the U.S. for a two-week tour and he was profiled in newspapers around the globe.³

Many people remember an epidemic that helped kick off the viral video craze. In the fall of 2005, 19-year-old Gary Brolsman recorded a grainy video of himself dancing to an obscure song by a Romanian rock group named O-Zone. The short video that came to be known as "Numa Numa" showed Brolsma gyrating and gesticulating from his chair in campy rapture to the music. It was hysterical. People attached it to e-mail messages, websites copied it and, as each recipient forwarded the clip to a dozen friends, Gary Brolsman's dance quickly spread across the globe. Within a few days, millions of people had downloaded and shared the video with friends. Brolsma was featured on *Good Morning America*, the *Tonight Show* and VH1's *Best Week Ever*. And within a few months, O-Zone, which was almost unknown in the U.S. prior to the Brolsma video, was on the top ten charts.

The growth of video sites such as YouTube and Revver has further built momentum behind viral marketing. It seems that everyone wants to be Gary Brolsma. Smart ad agencies no longer create commercials just for television; ad campaigns can live on the Web for months, even years. Anheuser-Busch promoted online versions of its TV commercials the week

3. The original site, which is at istanbul.tc/mahir/mahir/, has logged millions of visits.

before the 2006 Super Bowl and got more than 22 million visits to its website, according to the *New York Times*. More than eight hundred other websites also copied and posted the ads.

“Volkswagen, known for its distinctive advertising, keeps more than twenty commercials under the ‘VW Life’ section of its website,” the *Times* noted. Delivery service DHL “has an extensive archive that contains ads from two years and four campaigns ago. Bud Light now allows visitors to e-mail its ads or download them onto iPods.” In fact, the 2006 Super Bowl was the first in which a majority of the television ads sent viewers to an online destination.

Driving forces

Marketers’ interest in viral marketing is being driven by several developments:

Declining response rates—Click-throughs to conventional banner and e-mail advertising have been declining for some time, a function of list exhaustion, customer disinterest, and spam.

Technology developments—Web 2.0 tools, falling hardware and bandwidth costs and a growing online population are making interactive media more attractive. Multimedia content like video and audio files can now be delivered quickly for a fraction of the cost of a few years ago.

Demographic shifts—It’s a fact that younger consumers are consuming more information online and less through traditional media channels. An Online Publishers Association study in early 2006 found that one in four Internet users watches video at least weekly and that they are likely to be young, male and affluent. Pew Research reported that 57 percent of teenagers created and published media in 2005. Viral campaigns increasingly encourage this user-generated content.

Customer preference—It’s also a fact that people trust their peers more than marketers. Research by Keller Fay Group found that 76 percent of consumers don’t believe companies tell the truth in advertising. The percentage who say they trust other people “like themselves” has grown from 22 percent in 2003 to 68 percent in 2006. *MediaPost* reported

that 67 percent of people polled in a 1977 research study said they were moved to take some sort of action by word-of-mouth influence. In 2003, that number had risen to 92 percent.

Low cost—Done right, a viral campaign can deliver a larger number of engaged customers than one on television and at a fraction of the cost.

With all these factors in play, it's not surprising that marketers are experimenting with viral media. A Jupiter Research study in late 2006 found that nearly one in five advertisers planned to use viral campaigns in the next year, half of them for the first time.

Viral isn't for everyone, and there are a lot of risks. The more campaigns that are launched, the more crowded the space becomes. A lot of good ideas have already been tried. Viral marketing agencies, which are usually small and specialized, are beginning to cash in on the craze. Fees of a half million dollars are no longer unusual, and that's without a performance guarantee.

For many products, viral campaigns won't work at all. A two-year study of more than 15 million recommendations by almost 4 million users of a recommendation engine (a recommendation engine gathers opinions about a product or service and boils them down to a rating, often on a five-point scale) on a retail website found that viral messaging was largely ineffective in promoting purchases. The study's authors concluded: "We find that most recommendation chains do not grow very large, often terminating with the initial purchase of a product."⁴

What's more, campaigns that are overly aggressive or provide too many incentives for viral promotion can actually backfire. "Recommendations start to lose effect after more than two or three are passed between two people," the researchers wrote. "The result has important implications for viral marketing because providing too much incentive for people to recommend to one another can weaken the very social network links that the marketer is intending to exploit." In other words, viral promotion must be grass-roots and genuine. A marketer who tries too hard to stimulate a viral campaign may only end up looking foolish and driving customers away.

4. J. Leskovec, L. Adamic and B. Huberman. The Dynamics of Viral Marketing. ACM Conference on Electronic Commerce (EC 2006), Ann Arbor, MI, 2006.

Researchers also found that viral marketing works better for some products than for others. Books, for example, were less likely to be bought as the result of a viral recommendation, while DVDs did quite well. A lot of research is still being done in this area, but reliable conclusions are few.

Early successes

Early experience from the field points to encouraging, although decidedly mixed results.

One of the best-known viral campaigns was the Subservient Chicken, a Burger King effort to promote its new line of chicken sandwiches. The company created a website where visitors could tell the chicken what to do, anything from dance to watch TV. The creative team filmed an actor in a chicken suit acting out about four hundred sequences and then programmed each into the website. The technology was slick and the novelty of the site appealed to bloggers, who quickly spread the word. The campaign logged 14 million unique visitors and more than 400 million page views over the course of a year, according to *AdWeek*. More important, sales of chicken sandwiches grew 9 percent a week in the month after the campaign debuted.

General Motors launched a website, chevyapprentice.com, to accompany its sponsorship of NBC's "The Apprentice." The site let visitors assemble their own TV ads for the Chevy Tahoe sport utility vehicle (SUV), with the best ones spotlighted in a contest. In one month, more than 22,000 ads were created.

The GM campaign drew a lot of heat because of the several thousand negative ads posted by SUV critics. "It will kill every plant in its path," read one ad, showing the Tahoe driving through an open field. GM didn't remove the negative ads and declared the campaign an unqualified success. "A few media pundits seem to think this social media program was a failure," wrote Ed Peper, Chevrolet general manager, on the Fastlane blog. "We, on the other hand, welcome the opportunity to clarify the facts...In our opinion, this has been one of the most creative and successful promotions we have done."

The create-your-own-ad approach is gaining in popularity, though. Universal Pictures encouraged fans of the horror movie *Slither* to create their own thirty-second ads, with the winner to run on TV. Universal put nearly 30 percent of its marketing budget for the film into online media, MediaPost

reported. Converse, Inc. maintains a video site, conversegallery.com, where visitors can upload their own ads for athletic shoes.

USA Network launched showusyourcharacter.com, a website that enabled users to upload videos showcasing their hidden talents. The six-week program culminated in a tour and national on-air promotion of the most distinctive characters. Visitors could watch the submissions and easily e-mail them to friends. A total of 288 videos were uploaded and visits exceeded 450,000.

The California Milk Processor Board created CowAbduction.com, a spoof site that purportedly documents cattle kidnapping by aliens. Visitors are invited to submit evidence in the form of photos and videos documenting the problem. Bizarre? Sure, but the site has more than 13,000 references on Google.

Scion and Toyota Financial Services used Whyville.net, a popular site with 8- to 15-year old kids, to promote its low-cost cars. Users could figure out the price of their ideal car, design bumper stickers and learn how to finance their purchase. Ten days into the campaign, members had used the word "Scion" in chat sessions more than 78,000 times and the mini-site had 34,000 visits. Toyota called the campaign a success in its efforts to attract a new generation of budget-conscious car buyers.

Agency.com, an interactive marketing agency, created a swarm in the summer of 2006 with an unconventional video it posted on YouTube. The nine-minute serial dramatized the agency's efforts to win the advertising account for the Subway sandwich shop chain, showing a snippet of life inside an ad agency.

Reaction was overwhelming and largely negative, at least from other ad bloggers. The video is "filled with mindless business blather, self-important ad speak, fist bumps, fashionably untucked shirts and way too many utterances of the word 'dude.'" wrote Steve Hall on [Adrants](http://Adrants.com). "Attention ad agencies. Don't DON'T. DO NOT DO THIS."

But there's no doubt the video clip boosted Agency.com's image. Two weeks after the video was posted, a Google search on "agency.com subway" returned 133,000 results.

Australian brewer Fosters⁵ teamed with Heavy.com to create a dating game with videos of ten "sheilas" (Australian slang for unattached women) posted on a site and users invited to vote for their favorites.

Peerflix, a service for buying and trading videos, conceived of a contest in which users took photos of celebrities behaving badly. Money

was paid for the best photos, with a “hall of fame” for those with the most credits. The campaign recorded two million game plays over three months after its launch in January 2006. Promotion was solely online, mostly through blogs.

Frito-Lay featured a consumer-generated video for Doritos on the 2007 Super Bowl. It was reportedly the greatest-ever exposure for a work of that kind.

Snakes in the grass

Those are only a few of the scores of success stories that are described on the Web.⁶ In some industries, viral marketing has become part of the landscape. The film industry was rocked by the success of *The Blair Witch Project*, the low-budget 1999 horror/thriller that grossed \$140 million and was marketed heavily through viral promotion.⁷ Studios now typically seed new film ideas with bloggers long before the movie is released. If buzz about a film already exists, the tactic can boost interest, although it is not yet a substitute for conventional advertising.

Websites for new films and television shows now routinely include games, trivia quizzes and prizes. When Discovery Network was promoting *Miami Ink*, a new show about the tattoo culture in Miami, it asked website visitors to upload photos of their favorite tattoo. Thousands of people responded, prompting the network to add a contest in which viewers vote on the best tattoos.

The producers of *Sweet Charity*, a 2005 Broadway musical, invited people to submit audition videos for a chance to get a one-night dance-on part in the program. The ten finalists marketed the contest heavily through local media, driving more than 250,000 video views in three weeks.⁸

New Line Cinema’s *Snakes on a Plane*, released in August 2006, showed the limits of viral marketing. The film generated considerable buzz for its reliance on the blogosphere for promotion. Bloggers reportedly saved the film from the trash bin in the first place, vetoed plans to

5. Foster’s clearly believes in the power of online media. In mid-2006 it announced it would halt all U.S. television advertising and put its entire budget online. Foster’s spend \$5 million on TV ads in 2005.

6. MarketingSherpa.com and MediaPost.com both have excellent archives of successful viral campaigns.

7. In the case of *Blair Witch*, producers planted rumors on websites and chat rooms that the film was a documentary. The mystery help grow anticipation prior to its release.

change the unconventional title and enthusiastically promoted the production through websites like SnakesOnABlog.com. Nevertheless, *Snakes* took in only a little more than \$15 million in its opening weekend, a disappointing figure that was perhaps testament to the relatively small number of blogging enthusiasts.

"The Blair Witch Project campaign can't be made again," wrote Thord Henegren on the popular blog The Blog Herald. "Viral marketing... doesn't feel new anymore... It would be really hard to rally the blogosphere like that again." That may be the single biggest disincentive for marketers to use viral tactics. Viral campaigns must capture the fancy of the audience or they burn out quickly, and it's almost impossible to predict what people will respond to. There's also no reliable way to test a campaign in advance and once a viral campaign has run, it can't be run again.

Ford Motor Company's Bold Moves campaign, which was described in Chapter 5, had a viral element. Viewers were invited to visit the site regularly for updates to a video documentary about the auto maker's efforts to reinvent itself. However, early evidence was that Bold Moves was a disappointment. Ford's vehicle sales were down 10 percent in the quarter the campaign launched and Ford drew heat for an online effort that seemed contrived and manipulative. Auto marketing expert Art Spinella told *USA Today* that bold products would be a lot more important than bold advertising to rescue Ford's image.

Success factors

Experiments like *Snakes* and Bold Moves point to some essential truths about viral marketing:

The product had better be good. Bloggers told me this repeatedly. No amount of marketing can make a bad product sell well. Marketers must have confidence that customers will be genuinely excited about the product or the viral campaign will fall flat. In fact, most products would probably not do well if marketed virally.

The campaign must be innovative, intriguing and fun. Humor, contests and treasure hunts seem to do well in viral campaigns. Some advertisers have also experimented with serial dramas or mysteries us-

8. The viral campaign may have been more successful than the show, which closed after a few months.

ing online video. The goal is to engage the user and give her an experience she'll want to share with others. For this, you'll need insight into what motivates the people you're trying to reach (monitoring blogs is a good way to do this). The more narrowly you can define your target market and understand the needs of the people in it, the better chance you have to influence them.

Don't push it. You want a viral campaign to look genuine. Pairing it with aggressive e-mail promotion or display advertising is risky because it can make you look disingenuous. If people believe you're trying to manipulate them, they will hammer you in the blogosphere. You'll know pretty quickly if the campaign is working. If it isn't, write it off.

Reward people for coming. A funny video clip can be a reward in itself, but games, contests and make-your-own experiences need to be satisfying. Post the results of the users' interaction on a leader board, enter them in a drawing or offer points for repeated visits. GM's ChevyApprentice campaign is a good example: users could build their own ad and then save it and play it back for their friends.

Let go. Once you launch a viral campaign, it's pretty much out of your control. You're relying on people you don't know and don't manage to spread the word. This is scary, particularly to marketers who are accustomed to managing their media campaigns down to the individual insertion order. "I think you could creatively come up with a campaign for just about anything if your mind is open," says B. L. Ochman. "The problem is when the client wants things to be about total control. That just isn't realistic."

Use the medium. Use viral means to promote viral campaigns. Contact influential bloggers and give them an early heads-up about your idea. Post teasers on relevant blogs ("relevant" is important; comment spam is a bad idea), put a link on your corporate site. You're asking people to interact with you online so you need to show respect for the medium.

There's no doubt that viral marketing is on the upswing, and the costs are low enough that it's probably worth a marketer's consideration. But be forewarned: a good viral campaign requires expertise that few marketers possess, and success will become more elusive as campaigns

The New Influencers

proliferate. As Sergeant Phil Esterhaus cautioned the police squad on *Hill Street Blues* at the start of each episode, “Let’s be careful out there.”

Influencer Profile

The Guerilla

Outside a converted warehouse at 307 Canal Street in Greenwich Village, a low-tech circus of street vendors hawks everything from cheap umbrellas to Indian art. It doesn't look like a setting for online innovation, but in a spacious loft at the top of a long flight of stairs, a group of about thirty mostly young people is quietly challenging conventional marketing wisdom.

NightAgency does guerilla marketing. In just three years, it has assembled an impressive roster of brand-name clients, including MTV, Microsoft, Rockport Company, Heineken, Yahoo! and many more. NightAgency doesn't do any conventional advertising. Its medium is people and its tool, increasingly, is the Internet.



Guerilla marketing is a relatively new discipline but its tactics are anything but high-tech. Sometimes called word-of-mouth or viral marketing, guerilla tactics generate chatter by inserting brands and concepts into people's day-to-day lives.

For example, NightAgency promoted the opening of a new San Francisco store by beauty goods maker Sephora by slapping the company's brand on traffic barriers and cones around town. It called them "barricads." The agency also hired young women to dress as cigarette girls and stand on street corners passing out coupons from trays bearing the Sephora logo. The campaign was quirky and memorable. And Sephora had the most successful store opening in its history.

Guerilla marketing can cost next to nothing. It's all about great ideas. NightAgency never runs the same campaign twice. Its advan-

tage is thinking differently about marketing and staying current with the latest tools.

NightAgency is the brainchild of three Syracuse University buddies—Darren Paul, Scott Cohn and Evan Vogel. Paul and Vogel cut their teeth publishing advertising-supported tourist guides to major cities after they graduated from college. It's a market where getting noticed makes all the difference.

The pair learned that they could increase circulation by placing the tourist guides in unusual places like college fairs and flea markets. They created ad buzz by videotaping readers and showing the videos to prospective advertisers. The business grew nicely.

Paul and Vogel knew their ideas about marketing were different. And they thought that maybe the ideas themselves could be a business in an advertising market that bored them. "We were totally disenfranchised by what was out there," says Paul, a 28-year-old Miami native. "We knew the stuff we were seeing wasn't very good. Ad agencies were good at creating specs but they didn't know what the ads were trying to do."

NightAgency was founded on New Year's Day 2004. Its concepts were so original that it quickly landed test campaigns from some major advertisers who were intrigued by the compelling price/performance.

For the launch of Microsoft's Zoo Tycoon simulation game, the agency persuaded zoos in seven cities to offer free tours. But what really put NightAgency on the map was an early campaign for the New York Health & Racquet Club. Paul was puzzling over ideas for the account on a plane flight when he read an article by an airline executive extolling the importance of "putting butts in seats." Hmmm, Paul thought. Maybe that's the medium.

NightAgency bought eight pairs of underwear, silk-screened the health club logo on the seat and sent people out in the streets to "flash" passersby. People loved it. The media loved it. National newspapers and broadcast networks covered the idea that came to be called "Ass-vertising." A tongue-in-cheek website, ass-vertise.com, still gets 50,000 visitors a month. Paul estimates the \$5,000 campaign generated \$3 million to \$5 million worth of media publicity.

As technology has improved, though, NightAgency's canvas has increasingly become the Internet. Today, its ideas usually start with websites and guerilla tactics to drive traffic to them.

For the relaunch of the MTV2 station and its new logo—a two-headed dog—NightAgency built The2HeadedDog.com. MTV supported the initiative with posters plastered with the logo and URL—nothing else—on street signs and t-shirts. They took video cameras out on the street and asked passersby to sing or rap songs with “two-headed dog” in the lyrics. Then they posted the videos on the website. They invited artists to submit concept art modeled around the two-headed logo and staged an art exhibition. They invited people to submit offbeat videos. And people did.

For Rockport Company’s iTravel shoe subsidiary, NightAgency launched a travel website: j3tlag.com. Then they reached out to bloggers who were travel enthusiasts and recruited them to contribute. They added a sweepstakes and street marketing to drive traffic. Word of mouth did the rest.

More ambitious was Symantec Corporation’s first consumer antivirus campaign. NightAgency built a virtual city at SafetyTown.com and created a four-part cliff-hanger video series in the mold of the TV hit 24. The idea was to engage viewers and keep them coming back week after week until the story played itself out. The branding was soft, almost like a product placement. But user paths invariably led to an offer. SafetyTown has been a home run: more than 20 percent of visitors have requested more information. That’s the key, Paul says. Get the audience to interact with the product. Whether that’s a scratch-and-win game card or a download, the consumer needs to get invested.

Over the last two years, the landscape of guerilla marketing has shifted. Increasingly, NightAgency builds the website first and uses street marketing to drive traffic there. Video production that once required \$40,000 worth of computing equipment can be done with Apple Macintoshes at a tenth of the price. Nowhere is that more evident than at NightAgency’s loft, which is decked out with a couple of dozen high-end Macs running all manner of Adobe Flash and streaming video. Broadband is changing guerilla marketing, Paul says. You can now ask people to submit their own photos and videos. Social networks are becoming the street corners of cyberspace.

Not that NightAgency didn’t see stuff like this coming. When Paul was 19, he conceived of a Web community called Socite. Members would have their own domains and build their own Web pages. Nine years later, the social media phenomenon hit it big.

