The Impact of Viral Marketing on Consumers Purchase Decision in the Northern Region

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ABSTRACT

Viral marketing is a marketing technique whereby information about a company goods or services is passed electronically from one internet use to another. According some marketing scholar, viral marketing is the technique that replacing Worth of Mouth Marketing (WOMM) whereby marketer creates a campaign focused around the goal spontaneously spread it by sending it to friends by using social media such as Facebook and etc. The growth of online social networks around the world has created a new place of interaction and communication among people. Individuals can share their knowledge, opinions, and experiences with one other due to the online social networks provided features and may have an impact on people's behavior in terms of communication and purchasing. The purpose of this study is to examine the impact of online social networks (Facebook) on consumers purchasing decision process. Technology Acceptance Model (TAM) undertaking as a framework for the investigation to support the findings. Perceive Usefulness and Perceive Ease of Use are use as independent variable and Consumer's Purchase Decision represent as the dependent variable. The data will be statistically analyzed for reliability, correlation and multiple regression. The result would help the industry and future research area in finding the meaningful way to manage the complex issues regarding viral marketing issues in Malaysia.

Keywords: Viral Marketing; Consumers Purchase Decision; Social Network

INTRODUCTION

Viral marketing is integrated marketing principles with IT suggests new developed models for the marketing world (Aghdaie, 2012). It used the techniques appeal to our social media and belongingness needs, they utilize our need to share by using videos, images, text messages, emails or web pages. It uses social networks to increase brand awareness and product sales through the concept of self-replicating viral processes. The idea is that marketing materials are shared and spreads between consumers, from person to person. It is easy to target a viral message because they naturally circulate among persons with common behaviors or interests where viral marketing exploits existing social networks by encouraging customers to share product information with their friends. The technique is valuable for both consumers and companies. Consumers get things they want, such as discounts, free products, or valuable information. On the other hands, the producer can arouse the interest of potential buyer in buying their product. As conclusion viral marketing involves the spreading of a marketing message via word of mouse, smart phone and communication device in ensuring that the receivers have the interest to pass along the

message to their acquaintances. In addition, viral marketing demonstrates the features of current marketing trends includes customization marketing, interaction marketing, relationship marketing and influencer marketing (Yang, 2012). Thus, in this research it focuses on social network user specifically the Facebook uses at object in conducting the study on the impact of viral marketing on consumers purchase decision.

EXPERIMENTAL

Viral marketing is a very current marketing trend that has grown tremendously in few years back. The internet has made a revolution in today's advertising and now it is possible for organizations and consumers to communicate online through social media such as Facebook and blogs for much less costs than the traditional old way. Viral marketing takes the traditional roots of word of mouth marketing and exponentially expanded the reach through social networks, blogs, and other technological mediums. Because of new technology and telecommunication revolution the consumer's role and purchase power has increased as a result. Therefore, with certainty that social media is something that business can no longer ignore, this study aims to answer this question: How the consumers purchasing decision are being affected when being exposed to this new type of marketing. The Technological Acceptation Model (TAM) is use in measuring the purchase decision indicate by perceive usefulness and perceive ease of use.

Literature Review

"Perceive Usefulness" is defined as the individual's perception that using the new technology will enhance or improve his or her performance (David, 2003). Applying this definition to this research context, as the new technology, researcher classify shopping on the Internet, and as the individual's performance the outcome of the online shopping experience. Then, "Perceive Usefulness" refers to consumers' perceptions that using the Internet as a shopping medium enhance the outcome of their shopping experience. According to TAM there is strong direct link between "usefulness" and online shopping intention (Davis et al., 1989). This was explained as originating from consumers intending to use a technology because it was useful, even though they did not have a positive affect toward using.

According to Bhattacherjee (2001), an individual is more likely to intend to undertake continued usage when such usage is perceived to be useful. Customers who have accomplished the shopping task of product acquisition in an efficient manner will be more likely to exhibit stronger purchase and repurchase intentions (Babin and Babin, 2001). Prior research shows that usefulness has a significant effect on purchase intention and customer loyalty intention (Cyr et al., 2006).In the form Perceive Usefulness, Viral Marketing is especially important for product and service providers whose offerings are largely intangible and experience or credence based on (Taghizadeh, Taghipourian & Khazaei, 2013). Consumers rely heavily on the advice and suggestions from others who have experienced the service and product. According to Antony Joe Raja V. (2012, viral marketing spreads rapidly with a zero cost technique of social network and the significance of employing e-commerce strategy to it.

"Perceived Ease of Use" in TAM is defined as "the degree to which a person believes that using a particular system would be free of effort" and perceive ease of use is an important determinant of use of technology or systems, as is perceived usefulness (Davis, 1989, 1993; Davis et al., 1992; Mathieson, 1991). Venkatesh and Davis (1996) reinforced the importance of ease of use in TAM, since many types of technology were rejected due to poor user interface design."Perceive ease of use" significant positive effect on users attitude toward using a virtual store (Chen and Tan, 2004; Chen et al., 2002; Moon and Kim, 2001; O'Cass and Fenech, 2003; Vijayasarathy, 2004). In opposition, Heijden and Verhagen (2004) and Liu et al. (2003) found that perceived ease of use had a non-significant effect on attitude toward an

online store. Instead, variables such as usefulness, enjoyment, trustworthiness, and performance significantly influenced attitude toward an online store. According to Patrizia Grifoni (2012) a mix of methods (M-marketing, social networks, viral marketing etc) can create awareness for the company's brand, products and services.

In the field of marketing, advertising and selling, it cannot be disputed that a purchase intention tends to occur at the phase of the decision-making process where the consumer has developed a definite readiness to proceed towards a product or brand (Valacich, & Hess, 2011). This purchase intention is an imperative indicator for evaluating consumer behaviour since it can gauge the likelihood of a consumer to purchase a product. The higher the purchase intention, the higher a consumer's readiness to purchase a product. According to Mirabi, Akbariyeh, and Tahmasebifard (2015), factors such as advertisement can be the most important factors that contribute to consumer's purchase decision. These factors act as the very reason for companies to invest more on the marketing efforts achieved through novel means besides traditional approaches as both approaches which is traditional marketing and viral marketing can help to boost their market shares. The growth of social media websites such as Facebook, Twitter and Youtube has provided consumers with remarkable opportunities to share and disseminate information and contents about a related product or brand used. As a result, consumers have become more informative and concerned about obtaining information on product features before making any purchase (Ahmed & Zahid, 2014).
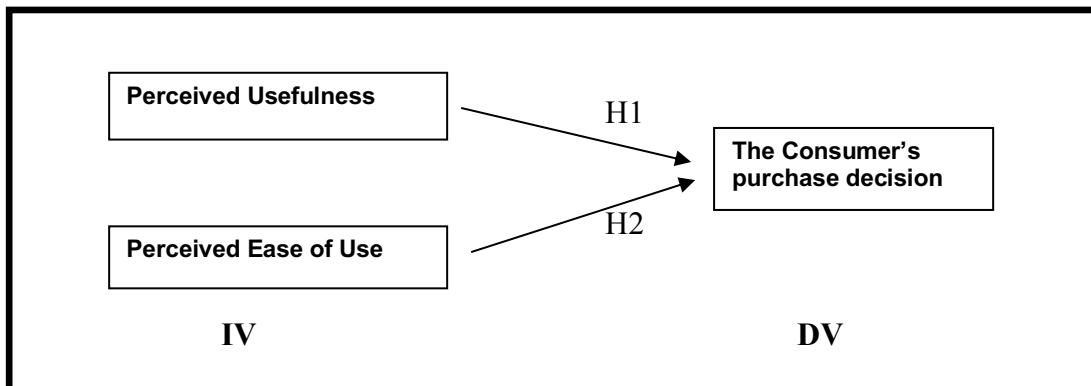

Figure 1: Research Framework
Adapted From:Devid (2003),Yang and Wang (2010), McCole and Palmer (2001)

Figure 1 show the consumer's purchase decision research model in this study. Familiarity to the above variables is very important factor to donate towards the consumers purchase decision. The Research Framework has adapted from previous study conducted by Devid (2003),Yang and Wang (2010), McCole and Palmer (2001) . Two hypotheses have been developed for this study with given below:

H1: Perceived Usefulness positively related towards the consumer's purchase decision.
H2: Perceived Ease of Use positively related towards the consumer's purchase decision

Research Methods

Self-administered questionnaires and question based on Google Form was used to collect the data. The first part (Section A) of the questionnaire provides general information about the respondent including their gender, ethnic group, and few question relate with internet access. The second part (section B) of the questionnaire elaborates the independent variables and dependent variable that would be tested in the survey. Questions in the form of scaled-response questions were adopted in the Section B

of the questionnaire because "scaling permits measurement of the intensity of respondents' answers" (Churchill and Brown, 2004).

The items of the questionnaire in this research were adopted from different sources of the extant literature. The items for the first independent variables "Perceived Usefulness" (6 items), "Perceived Ease of Use" (6 items) .On the other hands, the items for the dependent variable "The Consumer's purchase decision"(6 items) .A 5-point Likert scale anchored by "strongly disagree" (1) to "strongly agree" (5) was used as the attitude measurement for the independent and dependent variables.The target population covered respondent in the northern region of Malaysia compress of Perlis, Kedah, Penang and Perak. The respondents were selected through the filtering question in the questionnaire. For further justification 140 questionnaires are distributed by using the non-probability technique (purposive sampling) as a sample design. This was because convenience sampling is most often used during the exploratory phase of a research project and in perhaps the best way of getting some basic information quickly and efficiently.

RESULTS AND DISCUSSION

Table 1. Demographic Profile

Demographic Variables	Categories	Frequency	Percentage
Gender	Male	52	37.1
	Female	88	62.9
Ethnic Group	Malay	93	66.4
	Chinese	24	17.2
	Indian	23	16.4
Owned social networking	Yes	140	100.0
Awareness on V.M	Yes	140	100.0
V.M Influence purchasing decision	Yes	118	98.3
	No	22	1.57

Reliability Analysis

Table 2. Summary of Reliability Analysis

Variables	Number of items	Cronbach Alpha
Perceived Usefulness	6	0.751
Perceived Ease of Use	6	0.860
The Consumer's purchase decision	6	0.676

The reliability of a measure indicates the stability and consistency with which the instrument measures the concept and helps to assess the 'goodness' of a measure (Cavana, Delahaye and Sekaran, 2001). All the constructs were tested for the consistency reliability of the items within the constructs by using the Cronbach Alpha in reliability analysis. A value of 0.6 or less generally indicates unsatisfactory internal consistency reliability. The Cronbach Alpha values of the study are shown in Table 2. As revealed in Table 2, The results indicate that the Cronbach Alpha for all constructs were well above 0.6 as recommended by Sakaran (2003). Cronbach Alpha for the construct ranged from the lowers of 0.676 (The Consumer's purchase decision) while 0.751 for Perceived Usefulness and 0.860 for Perceived Ease of Use as dependent variable. In conclusion, the results showed that the scores of the Cronbach alpha for all the constructs used in this research exceeded the preferable scores of 0.60 and this indicated that the measurement scales of the constructs were stable and consistent.

Correlation Analysis

Table 3: Summary of Correlation Analysis

Variables	PU	PEU	TCPD
Perceived Usefulness	1.00		
Perceived Ease of Use	0.672**	1.00	
The Consumer's purchase decision	0.673**	0.621**	1.00

To examine the bivariate relationship among variables, a Pearson's correlation analysis was carried out. Pearson's correlation analysis is used to measure of the strength and direction of the linear relationship between two variables that is defined in terms of the dependent variable and independent variable. With referring to Table 3, at the significant level 0.01 (2-tailed) level, each of the independent variable have the significant relationship towards dependent variable. To extend the discussion on the inter-relation between those variables, the table below can illustrate the degree of the relationship of the variable.

Table 4: Strength association between variable

Correlation	Coefficient Value	Strength of Association (Hair, 2003)
Perceived Usefulness & Perceived Ease of Use	0.672**	Moderate positive correlation
Perceived Usefulness & The Consumer's purchase decision	0.673**	Moderate positive correlation
Perceived Ease of Use & The Consumer's purchase decision	0.621**	Moderate positive correlation

Based on Hair *et al*. (2003), Pearson correlation coefficient the coefficient value (r) measures "the linear of association between two metric (interval or ration scaled) variables". The coefficient (r) indicates both the magnitude of the linear relationship and the direction of the relationship. The correlation coefficient ranges from +1.0 indicates perfect positive relationship to -1.0 indicates perfect negative relationship and value of 0 indicates no linear relationship. The larger correlation of coefficient, is the stronger the linkage or level of association between two metric variables. Based on the coefficient value, it shows that all variable show small and moderate relationship.

Regression Analysis

Since this study intent to examine the relationship between two independent variables, namely Perceived Usefulness and Perceived Ease of Use towards one dependent variable, namely The Consumer's purchase decision, thus, multiple regression analysis is the most appropriate test to apply. According to Hair *et al.* (2006), multiple regression analysis is a statistical technique used to test the relationship between more than one independent variables and a single dependent variable, given the condition that both variables must be metric. Therefore, it is applied in this study to examine the metric data of namely usefulness, quality orientation and trust (three independent variables) and online shopping intention (one dependent variable), respectively.

Table 5: Summary of Regression Analysis and Model Summary

Model	Unst β	Coefficients Stan. Error	Stan. Coefficients	t	Sig
Constance	0.925	0.307		3.015	0.003
Perceived Usefulness	0.490	0.087	0.470	5.611	0.000

Perceived Ease of Use	0.284	0.078	0.304	3.626	0.000
R Square	0.505				
Adjusted R Square	0.498				
Std. Error of the Estimate	0.347				

Based on result presented in Table 5, the value of R- Square (R^2) represents the value of 0.505. Thus, the score shows that 50.5% of the changes in the dependent variable (The Consumer's purchase decision) can be explained by the independent variable which is Perceived Usefulness and Perceived Ease of Use but another 49.5 % is unexplained. To study the unexplained factor, other independent variable must be including studying the significant of the independent variable towards dependent variable.

IMPLICATION OF THE RESEARCH AND CONCLUSION

The research findings have brought managerial implications to the various stakeholders. In terms of managerial implication, the research findings do provide some insights and feedbacks for the business and service provider to formulate and implement various business strategies to increase the customer purchase decision. The study revealed that Perceived Usefulness (β =0.470) is most dominant factor contribute towards customer purchase decision follow by Perceived Ease of Use (β =0.304). In additional, the result showed that all independent variable positively associate with the dependent variable. This finding matched with the result from most research conducted before and have stated earlier and all of independents variable positively correlate with dependent variable, consistent with the literature.

To conclude the study, researcher believe that Viral Marketing possesses a potential as the marketing line use by companies and organization in arouse the consumer in purchasing their product. It can be the push factor for the customer in doing the decision making for the buying process. It will be essential to perform more profound and thorough research into consumer behavior towards Viral Marketing to develop even more successful marketing and communication strategies in time to come. The research recommended that for the companies to attain the benefits of viral marketing should encourage their customers to fully utilize viral marketing with the aid of social networking websites and other social media outlets such as Facebook, Twitter, LinkedIn, and individual blogs. The provider should also aware about obstacles that face the customers when they were dealing online either with their products or to minimize negative comments.

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