

Impact of viral marketing on handloom products with special reference to Coimbatore region

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Abstract

With the advancement of technologies, internet plays a very crucial role in the marketing of products and services among the people. Internet is not only a source of information but also serves a marketing engine which allows customers to interact with the branded products. In this scenario viral marketing, a broad range of online word of mouth strategies aimed to encourage peer to peer communication about the brand and product. It significantly focused on the message of the product and its information of emotional appeals. Social media is a buzz area in marketing to make connection and followers with their own communities in the virtual space. It could create a internal as well as external communication with potential customers. Social media would be real game changer of the business and proved that who invested in the power of social media could claim higher returns .The purpose of the study was to understand the impact of viral marketing strategies used by 25 handloom co operative societies in Coimbatore region on handloom products and its effect in sales and revenue of the sector.

Keywords : Viral marketing, handloom products, social media.

1.Introduction

In the current marketing world, social media help to link people together throughout the world through forums, blogs, social networks and media sharing websites. Social networking is becoming a trend in marketing and acts as a tool to reach more customers in lesser time. Social networking sites are medium to socialize as it helps to connect, interact and strengthen the relationship between the manufacturers and consumers nowadays. This socialization has set a new way to marketing known as viral marketing.

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. 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. The primary advantages of using viral marketing strategies are openness, connectedness, participation and community.

1.2 Types of viral marketing

Viral marketing is the phenomenon through which people share their marketing messages and products among them thus building brand awareness about the product and also increasing the sales. There are two types of viral marketing strategies: Active and passive viral marketing.

In passive viral marketing, the customer spreads the message when using it. All the receivers in this network become passive viral marketers. An example of passive viral marketing is Hotmail.

In active viral marketing, it requires the participation of receivers. It enables the possibility of instant messaging between the sender and the receiver. MSN is an example of active viral marketing.

For a viral marketing campaign to be successful, the company should follow six principles for viral strategies. They are,

- Give away products or services
- Effortless transfer to others
- Scales easily from small to very large
- Exploits common motivation and behaviors
- Utilizes existing communication networks
- Takes advantages of other resources

2. Purpose of the Study

The business world has attained a very high popularity with the advent of social media and web development. It brought a change in customer's attitude and changed the way the promotional mix is handled. In order to run a successful online business, an optimized website is needed and the customers should also be able to access the promotional mix tools handled by the marketers. This research study focuses on the handloom products which are marketed online by the Handloom Co-operative societies in respective areas. In order to trade these higher quality products, the viral marketing campaign has to be successful in taking the marketing messages and ideas to the customers. It is also essential that both the marketers and customers stay up to date with the current marketing trends to boost up the sales and to seek an enormous advantage over the competitors. This study aims at analyzing the effect of viral marketing strategies used for the promotion of handloom products and thereby increasing the sales and revenue of the handloom sectors.

3. Statement of the problem

Handloom industry is the largest employment providing sector next to agriculture. The potential for the handloom products in India are higher. But the importance of this sector in the national level is decreasing gradually. The current system of marketing of handloom products roots the main drawback for this industry. This industry suffers from lack of market information, lack of awareness about handloom products among the people,

heavy competition and appropriate promotional and advertising techniques. By implementing proper marketing techniques, the industry will accomplish a better position in creating brand image and brand awareness among the people.

4. Objectives of the study

- To study the impact of viral marketing in creating brand awareness among the people and reaching out to more customers.
- To study the impact of viral marketing in boosting up the sales and revenue of handloom sector by adopting proper marketing practices.
- To study the impact of viral marketing campaigns in creating brand awareness among the customers.

5. Problem analysis

Today handloom sectors are losing their prominence due to poor marketing practices followed. With the globalization of the industries, this sector is facing serious problems allied with lack of market awareness, heavy competition, cost cutting methods, technological up gradation, etc. To overcome this problem, this industry has to develop its marketing practices in order to increase sales and revenue for this sector. The current marketing practices followed in this sector are not satisfactory for the growth of this industry to a noteworthy level. By following viral practices for marketing of handloom products, this traditional industry can gleam to a greater level of success thereby serving the nation in the economic growth.

6. Research Methodology

To safeguard this industry from unprofitable situation, appropriate marketing practices have to be followed. This study explains the viral marketing practices followed for handloom products with special reference to Coimbatore region. Coimbatore region is chosen because it is well-known for its geographical indication of a handloom product “Kovai Kora Cotton”. Geographical indication functions as a fundamental branding strategy for creating brand awareness and brand equity. In this case, the primary study is done at 25 co-operative societies in the region to find out how they use social media for reaching out more customers and marketing of their products.

7. Data collection

In Coimbatore region, various studies were done to check out the impact of viral marketing in various social media sites namely Facebook, YouTube, Twitter, Orkut and the like. The data for this campaign are collected through quizzes, polls and team surveying. The results are then poised together and organized to find the impacts of viral marketing on sales and promotion of handloom products.

7.1 Primary data

The primary data for this study are collected through direct interviews done in co-operative societies and analyzing the marketing practices followed by them to reach out more customers and increasing the sales and revenue for the handloom sector. The data are also collected about how the societies use social media in bringing up the brand awareness for the handloom products.

7.2 Secondary data

A secondary study has been done in societies on the use of social media for various marketing practices. The secondary information for this study is taken from journals, articles and websites. A well-structured questionnaire was also used for the purpose of the study in the co-operative societies.

7.3 Tool for analysis

This study is based on nominal distribution of data and assumptions are made regarding the sample. It helps to identify the relationship between the variables and parameters used in the study. So the statistical tool used for this study is chi-squared test for independence.

7.4 Sample size

The geographical region chosen for the analysis in this study is Coimbatore region. The sample size taken is 25.

8. Hypothesis framing

The hypotheses framed for this study are for reaching out more customers and increasing the sales and revenue of the industry. The brand awareness of the product is also considered in this study. The null hypotheses framed are,

H₀: There is no significant relationship between the use of social media and reaching out to more customers.

H₀: There is no significant relationship between the use of social media and increase in sales of an organization.

H₀: There is no significant relationship between the use of social media campaigns and the awareness about brand of handloom products.

8.1 Hypothesis Testing

Reaching more customers

The societies use social media marketing as a tool to reach out more customers. Here we analyze whether there is any relation between the use of social media and reaching out to more customers.

H₀: There is no significant relationship between the social media marketing and reaching out to more customers.

H₁: There is a significant relationship between the social media marketing and reaching out to more customers.

Table 1: Does the society use social media for reaching out more customers?

			Is the Society able to reach out more customers?		Total
			Yes	No	
Does the society use social media?	Yes	Observed Count	16	1	17
		Expected Count	14	3	17
	No	Observed Count	5	3	8
		Expected Count	7	1	8
Total		Observed Count	21	4	25
		Expected Count	21	4	25

Here the calculated critical value is 6.1867. But the table value is 5.99. This rejects the null hypothesis. This shows that there is a significant relationship between the social media marketing and reaching out more customers.

Increase in sales

The sales volume of a society is increased with the use of viral marketing campaigns. To study the relation between the viral marketing and increase in sales volume, the hypothesis framed is,

H_0 : There is no significant relationship between the social media marketing and boost up of sales.

H_1 : There is a significant relationship between the social media marketing and boosting up of sales of handloom products.

Table 2: Does the society use social media marketing for increasing the sales and revenue?

			Increase in sales			Total
			Agree	Neutral	Disagree	
Does the society use social media?	Yes	Observed Count	4	11	2	17
		Expected Count	4	9	4	
	No	Observed Count	3	3	2	8
		Expected Count	2	5	1	
Total		Observed Count	7	13	5	25
		Expected Count	7	13	5	25

Here the degree of freedom is 4 and the critical value calculated is 4.54. This is greater than the table value 4.11 at 0.25% probability. So the null hypothesis is rejected stating that there is a relationship between the use of social media and increase in sale of the handloom products.

Brand awareness

A brand represents a symbol or sign that differentiates a product from its competitors. The ability of a customer to recognize a brand is referred as brand awareness. The relationship between brand awareness and viral marketing is framed as,

H₀: There is no significant relationship between the use of social media campaigns and the awareness about brand of handloom products.

H₁: There is a significant relationship between the use of social media campaigns and the brand awareness of handloom products.

Table 3: Does the society use viral marketing campaigns to create brand awareness among the people about the handloom products?

			Awareness about brand			Total
			Agree	Neutral	Disagree	
Does the society use social media?	Yes	Observed Count	5	10	2	17
		Expected Count	3	10	4	
	No	Observed Count	2	3	3	8
		Expected Count	2	5	1	
Total		Observed Count	8	12	5	25
		Expected Count	7	13	5	25

The degree of freedom is 4 and it is noted that the calculated critical value is greater than the table value. So the null hypothesis in this case is rejected stating that viral marketing programs have a certain impact in creating brand awareness of handloom products among the customers.

9. Inference

The above study conducted with reference to the viral marketing and its impact with special reference to handloom products concluded. The findings from study are:

- The use of social media marketing in the handloom industry can help the handloom co-operative societies to reach out more customers geographically. By reaching out more customers, the business can improve its marketing strategies and create brand awareness and brand equity.
- The marketing strategy through the use of social media can also help the co-operative societies to increase the sales of handloom products. This helps to improve the life of weavers across the country.
- The viral marketing campaigns also help the societies in creating brand awareness of handloom products among the people. This helps the people know about existing of certain brands and enables them to offer a product or service. Viral marketing has a powerful influence over the brand awareness of a product.

10. Conclusion

This research study gives a strong idea about viral marketing in today's marketing scenario, the companies and industries are using the combination of both traditional and social media marketing for the development of business. This helps them to reach out more customers and increase the sales and revenue. This also helps the marketers in creating brand awareness and brand image and bringing brand equity in handloom products. This study further helps to understand that social media helps the marketers to deliver their messages in a clear and simple without any chaos in the promotion of their brands.

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