AWARENESS, UTILIZATION AND IMPACT OF VIRAL MARKETING ON THE PERFORMANCE RATE AND GLOBAL COMPETITIVENESS OF MSMEs IN SUB-URBAN AREA OF EDO STATE, (EKPOMA AND UROMI)

Ugege Joseph¹, Ezenwa Samuel Chinenyeye²

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Abstract

This research examined the awareness, utilization and impact of viral marketing on the performance rate and global competitiveness of MSMEs in sub-urban area of Edo State, (Ekpoma and Uromi). Three research questions were raised in this study to investigate the awareness, utilization and impact of viral marketing on the performance rate and global competitiveness of MSMEs in sub-urban area of Edo State. The study adopted the survey research design. 200 registered MSMEs were purposively selected for the study. Data were collected using person to person interview and a structured questionnaire which was developed by the researcher for the purpose of the study. The data collected were analyzed using descriptive statistics of means and simple percentages. The findings of this study revealed that awareness and utilization of viral marketing is low in the study area (36.4%), which implies impact on marketing performance was also very low. However, the advantage of viral marketing was very conspicuous among MSMEs who knew and made used of viral marketing as this brought about competitive advantage, broad customer base, larger market, varied marketing opportunities, low cost and/or even no cost advertisement rate and profit enhancement. Whatsapp, Email and Facebook were the major platforms used for viral marketing in the study area. MSMEs in the study area have very low awareness and utilization of viral marketing, the major platform for viral marketing were Whatsapp, Email and Facebook and Viral Marketing has the potential to improve and enhance business through larger market, broad customer base and profit enhancement. Recommendations made are 1. government should carryout enlightenment and sensitzation campaign on viral marketing among MSMEs in the study area, 2. MSMEs should be organized into groups on social networks to attract them to the platform and 3. Policy makers should encourage MSMEs to own smart devices as part of informing technological innovations into their businesses.

Key words: Viral marketing, Awareness, Utilization, MSMEs

Introduction

In recent times, technologies have changed the traditional ways of almost everything from education to business, provoking rapid globalization, economic growth, business opportunities and promoting the ease of doing business. These advancements in technology have opened up huge opportunities for businesses to appeal to much larger markets than ever before creating and developing new companies purely working in the online area; new marketing strategies; market shifts, and therefore new customers and ways of behaving (Abed Abedniya & Sahar Sabbaghi Mahmoudi, 2010).

Marketing is a management tool that focuses on identifying the needs, wants, and demands of customers and developing products to meet those needs (Neihbirgs, 2002). Marketing is seen as the management process involves in moving goods and services concept to the customer. (allbusiness.com) It involves the coordination of four elements identified as the 4 P's of marketing. These 4Ps include (1) identifying, selecting and developing a product, (2) determine its price, (3) choosing a distribution channel to reach the customer's, and (4) evolving and implementing a promotional method. According to Awan and Hushmi (2014) SME marketers may consider marketing as a synonym of either advertising or selling basic marketing concepts such as segmentation, targeting, positioning, customer orientation and seeking for competitive advantage apply to small as well as large ones. The onus lies on entrepreneurs to always seek avenue to improve their marketing performance, broaden their customer base and efficiently sell their products and services.

According to (Mills, 2012) Viral marketing as a term was first used by Draper, Fisher, and Jurveston in 1996. They coined it to explain Hotmail’s idea of using advertising on the bottom of users’ outgoing emails to advertise their free email service. This was an earliest form of Electronic-marketing strategy (E-marketing). Today, E-marketing which is a digital...
marketing innovative technology used to market goods and services online by business firm and enhance performance is seamlessly blending into viral marketing.

Viral marketing is a necessity for modern day SMEs to enhance performance, improve on profitability, widen marketing scope and foster sustainability. Viral Marketing is able to provoke interest, demand attention, lure customers, promote impulsive buying and remain a potential sale promoter of any brand or product when it goes viral on the internet and invade the most popular social media, thus, rapidly spreading from person to person. Social networks have been come virtual communities without boundaries. This virtuality gives them unimaginable speed and ease to share and disseminate information almost without hindrance to unlimited number of persons by continuously adding people to their networks. The most popular and prolific in this act of sharing are YouTube, Facebook, Twitter, Wechat, Whatsapp, Palmchat and Insagram. Other channels include emails, Play Stores, Googles and IOS Markets. Sometimes, virality may be accidental, from a video uploaded by a private user (whose intention was not to market or advertise) suddenly becomes popular and spread like wild fire all around the Internet, (Cyberclick, 2019)

Small and Medium Enterprises (SMEs) are important to almost all economies in the world, especially to those in the developing countries with major employment and income distribution challenges. SMEs contributes to the creation of jobs and are nursery for the larger firms, they further averred that SMEs contribute directly and significantly to aggregate savings and investments and are involved in the development of appropriate technology for production of goods. in Nigeria, SMEs contribute significantly to economic development, and the performance and effectiveness as an instrument of economic growth and development in Nigeria has long been under investigation since 1970s (Ihua, 2009).

SMEs have a big potential to bring about social and economic development, by contributing significantly in employment generation, income generation and catalyzing development in urban and rural areas (Hallberg, 2000; Olutunla, 2001; OECD, 2004; Williams, 2006; Olutunla and Obamuyi, 2008 and Chukwuemeka and Ihechukwude, (2013). Small and Medium Enterprises (SMEs), are the driving force of most economies of the world. They represent the hinge on which global economic activity hang and rotate if their performance, sustainability and growth are improved upon in developing countries like Nigeria, local entrepreneurs will inevitably achieve not only personal growth but on the overall reduce unemployment and integrate economic growth. This however depends on robust marketing of products and services created by the SMEs. It is this wise that viral marketing becomes the unavoidable option.

Factors of viral marketing

Certain factors must be in place for viral marketing to take place. These factors are the blocks which viral marketing exploits to achieve its virality goal. These factors include messenger, Message Content and the environment platform (interne/social network), Baskool (2019).

1. **Messenger** - This is the source (may be person or company) of the message. The most critical factor in viral marketing is the source (messenger). The more popular the messenger is, the higher the chances for the message to go viral. Therefore, world renown celebrities irrespective of field of popularity are the best bet to viral a message. Funny and interesting catching comics (cartoon characters) as add-ons to messages are also potentials for virality.

2. **Message content**: - Ability to create a viral content is a huge advantage in this world of “do not disturb”. Thus, Attractive, attention-holding, thrilling and even humorous sensitive contents which target children have the best chances of going viral.

3. **Environment**- Environment plays a vital role in determining whether a content will go viral on not. Environment with the target market population has the higher chance of virality. Timing, campaign pattern, format type (audio, Visual, or Audio-visual). For instance, a Facebook content is likely to go more viral than an e-mail content due to ease of share.

**Types of Viral Marketing**

There are various types or forms of viral marketing. (Reedfloren 2019) Viz: 

- **pass-along** (comes with the instruction “Please pass to everyone on your contact”),
- **incentive attached** (you win or get stuff for sharing) viral marketing,
- **gossip** (unauthorized/formal/casual word of mouth from person to person) marketing,
- **undercover marketing** (quietly popping up without serious distraction or just an add-on that looks not like marketing but passes information about a brand or product of an individual or company),
- **Wooring others viral marketing**: This is an organized sophisticated form of viral marketing in which users are encouraged to woo and win more members to the online community. This involves the users creating and managing their own contacts list via a provided database system. Thus, creating a viral, spontaneous long chain of contacts that increase tremendously on daily basis as more and more members joined by invitation and both new old members continue to sends out invitation.
Problem Statement

Governments in both industrialized and developing countries provide a wide variety of programs to assist micro, small and medium-scale enterprises (MSMEs). Nigeria not left out. Despite the success of MSMEs strategies in a few countries, the majority of developing countries like Nigeria have found that the impact of their MSMEs development programs on enterprise performance has been less than satisfactory. For instance, various agencies were created to do the job of stimulating the development of the small business sector of the Nigerian economy by various government. Among these are Small and Medium Enterprises Development Agency of Nigeria, (SMEDAN), YOUWIN, NPOWHER on federal government level while EDOJOBS was recently established on State level in Edo State. Others are National Directorate of Employment (NDE), Peoples Bank of Nigeria (PBN), Microfinance Banks, National Economic Reconstruction Fund (NERFUND), Bank of Agriculture (BOA) and National Bank of Commerce and Industry. All these are the agencies with the mandate to develop the MSMEs sector in Nigeria. The Nigeria government keep searching for more effective ways of assisting MSMEs, the recent controversial Traders Money that was personally distributed from State to State of the Federation by the Vice President Prof. Yemi Osibajo may not be far from this.

Objective of the study

The objective of this study is to examine the awareness, utilization and impact of viral marketing on the performance rate and global competitiveness of MSMEs in Ekpoma and Uromi Metropolis a Sub-Urban area of Edo State

Research Questions

1. What is the level of awareness and utilization of viral marketing among MSMEs in the study area?
2. What are the internet and social media platform used for viral marketing by MSMEs in the study area?
3. How has viral market enhanced the performance and sustainability of MSMEs in the study area?

Literature Review

Viral marketing is a form of online marketing strategy that depends on existing social networks to promote, propagate and market a brand. Its name is akin to the mode of spread of virus from person to person as related to how consumers spread information about a particular brand or product with other people in their contacts list or social networks.

Rapid information dissemination and sharing is the essence of viral marketing. This may be by word-of-mouth or use of modern technology which has allowed the viral effect to include many Internet-based platforms as well. (Marketing-schools, 2019). The viral effect can spread through many different networks, including: Word-of-mouth, Email, Social networking sites (Facebook, Twitter, LinkedIn, etc), Video sharing sites (Youtube, Vimeo, etc) and Web forums.

Viral marketing provides its intended customers valuable services at low or no cost. Viral marketing can be used to target customers as a stand-alone marketing tool or in conjunction with a larger campaign that applies multiple kinds of marketing techniques and platforms to provide the require marketing needs of a brand. It is very attractive to small businesses or companies due to its cheap cost, ease of usage and convenient content creation than the highly stressful and limited traditional marketing efforts. Viral marketing has many advantages which MSMEs can exploit for global competitiveness. These are minimal cost, it far cheaper and less rigorous than the usual mass media (Magazines, gazette, TV and Radio), it has a far reach Potential, it can transcend the immediate local community into global platform. Most interesting is the ability of the network environment to identify people near your location and share the content of your message with them or suggest them to you as well as suggest you to them to add as a contact in your contact list. Viral marketing is invasive it is the responsibility of the user to decide to participate and share or not. Therefore, it never unnoticed or invasive. Hence, the perception of the brand and the interaction are significantly better, compared to more classical forms of advertising (Marketing-schools, 2019).

Dietmar (2018) in his work, Exploring the Concept of Mobile Viral Marketing through Case Study Research reported that Mobile viral marketing has a tremendous potential for communication and distribution purposes. Although seen as an important issue from the viewpoint of practitioners there has been little research on the phenomenon so far. This paper represents a first step in filling this void. We examine 34 case studies in order to identify relevant characteristics of mobile viral marketing. The outcome of the paper is a description model of mobile viral marketing as well as a derivation of four mobile viral marketing standard types. The proposed scheme allows unambiguously characterizing any given mobile viral marketing strategy and providing recommendations for designing new mobile viral strategies.

Also, Eze and Obikeze (2017) shows the need for small and medium scale enterprises to utilize information and communication technology (ICT) applications to boost their business. They found out that SMEs in South Eastern Nigeria utilize e-commerce and e-invoicing marketing applications in their operations to a low extent. Their findings result also showed that there was a significant difference in the mean ratings of SME managers on the extent they utilize e-commerce and e-invoicing marketing applications in their business operations based on years of experience.

In line with the foregoing Reijonen (2009) discovered that SME marketers perceive marketing through concrete practices that often relate to promotion, selling and customer relationships. They do not seem to have adopted a single business philosophy

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but rather features of several philosophies that they estimate to best fit their business operations. The focus was on customer information gathering, but to act in a truly market-oriented way would require paying more attention to the dissemination and responsiveness of market intelligence. Viral marketing remains a tremendous market opening for MSMEs to maximize their potentials, enhance their performance and increase their marketability for an increase profit.

**Methodology**

This study is a survey research design, this research design allows the researcher to interacts with the participants using interviews and or structured questionnaires to collect the necessary information. This is suitable because there is no manipulation of the environment. Snowball sampling was used to select 220 MSMEs from registered MSMEs (110 from each locality of Ekpoma and Uromi) in sub-urban area of Edo State, Nigeria. Snowball sampling is preferred because it is practically impossible to gather all the registered MSMEs in the study areas in one place. Therefore, the sample for this study was 220 registered Micro, Small and Medium Enterprises (MSMEs). The instrument for this study was scheduled interviews and a self-developed questionnaire by the researcher titled "Awareness and Utilization of Viral Marketing by MSMEs". It was developed by the researcher after an elaborate literature review on the research topic to elicit information from the affected group. The questionnaire adopted the 4-points ratio scale with summed rating scale with values strongly Agree (SA) = 4; Agree (A) = 3; Disagree (D) = 2; Strongly Disagree (SD) = 1. Pearson Product Moment Correlation Coefficient was used to determine the reliability of the instrument. This yielded a coefficient of 0.71 which validates the reliability of the instrument. The questionnaires were given to the respondents and retrieved by the researcher, after the respondents have filled the instruments. The responses based on the 4-point ratio scale was analyzed using descriptive statistics and presented in table and charts.

**Results and Discussion**

**Research question one**

What is the level of awareness and utilization of viral marketing among MSMEs in the study area?

<table>
<thead>
<tr>
<th>S/N</th>
<th>Item statement</th>
<th>SA</th>
<th>A</th>
<th>%</th>
<th>F</th>
<th>Mean</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>I have not heard of viral marketing</td>
<td>148</td>
<td>30</td>
<td>9.09</td>
<td>744</td>
<td>3.38</td>
<td>Agree</td>
</tr>
<tr>
<td>2</td>
<td>I have heard of the term viral marketing but I don’t know what it is all about</td>
<td>32</td>
<td>32</td>
<td>25.45</td>
<td>436</td>
<td>1.98</td>
<td>Disagrees</td>
</tr>
<tr>
<td>3</td>
<td>I know what viral marketing is but I have never used it anyway</td>
<td>34</td>
<td>30</td>
<td>25.45</td>
<td>438</td>
<td>1.99</td>
<td>Disagrees</td>
</tr>
<tr>
<td>4</td>
<td>I used viral marketing to promote my business</td>
<td>15</td>
<td>65</td>
<td>118</td>
<td>520</td>
<td>2.36</td>
<td>Disagrees</td>
</tr>
</tbody>
</table>

Table 1 shows that majority of the respondents agreed that were ignorant of viral marketing (3.38) a high mean score. while majority also disagreed to items 2, 3 and 4 with low mean sores of 1.98, 1.99 and 2.36 respectively. Indicating that they have heard of the term viral marketing but do not know what it is all about, know what viral marketing is but have never used it for their business and do not use viral marketing to promote their business.

The result showed that there is low awareness and utilization of viral marketing among entrepreneurs in the study area as majority of the business owners do not even have idea what viral marketing is all about.

**Research Question 2**

What are the internet and social media platform used for viral marketing by MSMEs in the study area?

<table>
<thead>
<tr>
<th>Internet and Social network Platform</th>
<th>Yes</th>
<th>Percentage (%)</th>
<th>No</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whatsapp</td>
<td>80</td>
<td>36.4</td>
<td>140</td>
<td>63.6</td>
</tr>
<tr>
<td>Youtube</td>
<td>30</td>
<td>13.6</td>
<td>190</td>
<td>86.4</td>
</tr>
<tr>
<td>Email</td>
<td>77</td>
<td>35</td>
<td>143</td>
<td>65</td>
</tr>
</tbody>
</table>

Table 2: Platforms used by MSMEs for viral marketing in the study area
Figure 1: Percentage usage of Internet and social network for viral marketing

Table 2 and figure 1 above Whatsapp (36.4%), Facebook (35.9%) and Email (35%) are the most frequently used platform for viral marketing in the study area. The least used was LinkedIn (2.3) while Palmchat and 2go were not used at all. From the information gathered from the respondents during the one on one interview scheduled, the prolific used of Whatsapp, Facebook and Email is due to their popularity, wider coverage and simplicity, low data consumption coupled with the fact that almost all smart phones and communication devices come with theses app pre-installed. Thus indicating that easy accessibility and low data usage contributed to their choice of plate form.

Research Question 3

4. How has viral marketing enhanced the performance and sustainability of MSMEs in the study area?

Table 3:

<table>
<thead>
<tr>
<th>S/N</th>
<th>Item statement</th>
<th>SA</th>
<th>A</th>
<th>D</th>
<th>SD</th>
<th>F</th>
<th>Mean</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>viral marketing has enhanced my daily sales</td>
<td>65</td>
<td>10</td>
<td>3</td>
<td>2</td>
<td>298</td>
<td>3.73</td>
<td>Agree</td>
</tr>
<tr>
<td>2</td>
<td>I now have a large number of customer due to use of social networking to promote my business</td>
<td>55</td>
<td>15</td>
<td>4</td>
<td>6</td>
<td>279</td>
<td>3.5</td>
<td>Agree</td>
</tr>
<tr>
<td>3</td>
<td>My business has gain more footing in terms</td>
<td>30</td>
<td>30</td>
<td>15</td>
<td>5</td>
<td>245</td>
<td>3.06</td>
<td>Agrees</td>
</tr>
</tbody>
</table>
of competition and profit making since I took my business online

Table 3 shows that out of 220 respondents only 80 (36.4%) made use of viral marketing in the study area and out of these majority of the respondents indicated that viral marketing has enhanced their daily sales, they now have a large number of customer due to use of social networking to promote their business and their business has gain more footing in terms of competition and profit making since they took to vial marketing online.

The findings of this study showed that awareness and usage of viral marketing is low in the study area. However, the gains of viral marketing were evident among MSMEs who knew and made used of viral marketing as this brought about competitive advantage, broad customer base, larger market and profit enhancement. Whatsapp, Email and Facebook were the major platforms used for viral marketing in the study area.

**Conclusion**
The study concluded that:
1. MSMEs in the study area have very low awareness and utilization of viral marketing.
2. The major platform for viral marketing were Whatsapp, Email and Facebook
3. Viral Marketing has the potential to improve and enhance business through larger market, broad customer base and profit enhancement.

**Recommendations**
Based on the findings, this study recommended that:
1. There is need for the government to carryout enlightenment campaign on viral marketing among MSMEs in the study area.
2. MSMEs should be organized into groups on social networks to attract them to the platform
3. Policy Makers should encourage MSMEs to own smart devices as part of informing technological innovations into their businesses.

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All correspondence to sweetlifenigeria@gmail.com

Alternatively to

Ugege Joseph B.Sc. MBA, FCAI
Department of Business Administration, Faculty of Management Science
Ambrose Alli University, Ekpoma
Edo State, Nigeria.
Joeugege1983@gmail.com

Ezenwa Samuel Chinenyeye
Department of Business Administration, Faculty of Management Science
Ambrose Alli University, Ekpoma
Edo State, Nigeria
ezenwasamuel@yahoo.com