

The Impact of Viral Marketing on the Live Broadcasting Industry under the Influence of COVID-19

Ruoyu Wang^{1,*}

¹*Economics and Management, The National University of Malaysia, Selangor, Malaysia, 410500*

**Corresponding author. Email: E-mail: 643348982@qq.com*

ABSTRACT

Under the influence of the new crown virus, many industries have been greatly affected using traditional marketing methods, but some industries have made great progress through the combination of network and marketing, using viral marketing. Among them, the most representative is the live broadcasting industry. This paper aims to study the benefits of the viral marketing strategy in the background of COVID-19, and what has brought the rapid development of the live broadcasting industry in such a short period of time. At the same time, it will also analyze the disadvantages and risks hidden in viral marketing behind such great benefits to the live broadcasting industry. After analysis, the company must use the right methods and methods when using viral marketing strategy, so as to maximize the benefits, minimize the disadvantages and produce better results.

Keywords: *viral marketing, live broadcast, social network, social media*

1. INTRODUCTION

COVID-19 has made online consumption hot. The live-streaming sales industry in particular has developed rapidly. So what makes the online live broadcast industry develop rapidly? Through literature reading and analysis, this paper looks for relevant case background and academic arguments to study what benefits viral marketing has brought to the live broadcasting industry, so that the live broadcasting industry can develop so much in such a short time. At the same time, we also look for some negative examples to analyze the potential disadvantages and risks of viral marketing? This paper hopes to tell companies and enterprises how to make better use of viral marketing to better publicize and create more profits through the analysis of examples and the characteristics of viral marketing itself.

2. ANALYSIS ON THE ADVANTAGES AND DISADVANTAGES OF VIRAL MARKETING TO THE LIVE BROADCASTING INDUSTRY

VM is defined by kusumadjaja (2014): Viral marketing (VM) is a very new marketing means, whereby the information about the company's goods or services is

passed electronically from one internet user to another medium[1].

It relies on the Internet and various social platforms for many promotions, just like the way of virus transmission: from one person to another. The effect of viral marketing can be enhanced not only by word-of-mouth, but also by the network effect of the Internet. The term "viral marketing" was put forward by Rayport in "The Virus of Marketing" in 1996. In 1997, Steve Jurvetson and Tim Draper used hotmail as a medium to attach advertisements to emails, which is also considered to be the pioneer of VM.

With the continuous maturity of Internet and communication technology, viral marketing is also constantly improving and making progress, which can bring increasing benefits to the company, but at the same time, the risks and disadvantages are also gradually rising. Among them, the most prominent influence should be the live broadcasting industry. Under the background of the COVID-19, the method of viral marketing has brought unexpected development to the live broadcasting industry.

So what kind of marketing does viral marketing bring to live broadcasting? Next, this paper will make a specific analysis.

2.1. Benefits of viral marketing to the live broadcasting industry

There is no doubt that viral marketing can bring benefits to the live broadcasting industry. It allows the exponential diffusion of content through network communication technologies such as the Internet in the shortest time. The intensity of work required is relatively small, and measurable added value can be generated through the content, which can produce high returns [2]. This is just in line with the concept and needs of the live broadcasting industry: fast. The dynamics of VM campaign spread are much similar to that of infectious disease, as they have a contagious quality, being beneficial for the existing consumers and propagating via social interaction. Prominent companies like Amazon, Google and Hotmail have succeeded with virtually no marketing, based solely on consumer-driven communications [3]. Therefore, there is no doubt that the first benefit VM brings to the live broadcasting industry is very low cost, very short time and huge profits. VM's exponential propagation speed has created its broad communication range and strong publicity power, which can also be converted into consumers' purchasing power.

A very typical example: in 2018, the famous company IHOP announced that it would

change the company's name to IHOb. Immediately, tens of millions of discussions were triggered on twitter. Everyone was guessing what the last B represents. After two months, IHOb finally issued an official statement that B represents Hamburger. In just a few months, the renaming event triggered tens of millions of discussions, and IHOP also made a successful profit of \$113 million dollars.

Similarly, under the influence of COVID-19, viral marketing has been more prominently used in various industries. China's live broadcasting industry and online shopping platform have developed rapidly under the influence of COVID-19. Taobao, China's most famous online shopping platform, sold more than 2 billion yuan in just 1.5 hours at the 618 Shopping Festival this year (2021). At the same time, not only did these online shopping platforms get development opportunities, but more ordinary people also boarded the live broadcast platform, turned into stars with goods online, and got more development space and huge income. A very famous example in China is Li Jiaqi. He can be said to be one of China's hottest hosts after the outbreak of the new crown virus. According to the sales data, in the 618 event this year, Li Jiaqi sold 8.5 million pieces of goods 1.5 hours later, with sales of 2.7 billion yuan.

At the same time, not only did these online shopping platforms get development opportunities, but more ordinary people also boarded the live broadcast platform, turned into stars with goods online, and got more development space and huge income. During the period

of COVID-19, tens of thousands of people in China began to take up the anchor industry of online sales. The most well-known anchors of the month led by Li Jiaqi can earn up to six digits a month. Those ordinary anchors who follow can easily earn tens of thousands of yuan a month. And with the opening of popularity, brands will also find suitable anchors to publicize and promote products, which is a lot of additional income. The huge income and potential business opportunities of these anchors well illustrate the great benefits and potential unlimited opportunities that VM brings to the live broadcasting industry. At the same time, driven by VM, its characteristics of low cost, fast time-consuming and high return have attracted a lot of people, which also provides more people with employment opportunities or secondary occupations.

Last but not least, we can better establish the brand or personal image, so as to attract more customers.

How to effectively publicize and market through VM? The company needs to create valuable virus sources and identify susceptible people for rapid detonation and then spread. Take Li Jiaqi mentioned earlier as an example. He has changed from a little famous anchor to a popular anchor known to everyone, and can maintain his sales stably, which is the rational use of this criterion. Datta et al.(2008) found that viral marketing takes the traditional roots of WOM marketing and exponentially expands the reach through social networks, blogs, and other technological media[4]. Li Jiaqi and his team quickly accumulated fans through VM, and then strictly controlled the quality of products and achieved low prices. Moreover, his live studio took beauty products and snacks as the main products. Because more than 80% of his audience are women, low-cost and high-quality products are the source of the virus he made. He detonated in the audience he selected, so that his live studio is attracted by the virus he made. At the same time, the reputation of his products is also spread bit by bit through the audience, so that more people will be attracted by his reputation, and his original customers will trust him more and more. This not only makes Li Jiaqi's brand reputation better and better, but also can continuously improve customer loyalty.

2.2. The harm of viral marketing to the live broadcasting industry

After analyzing the benefits that VM will bring to the live broadcasting industry, this paper will also analyze the disadvantages and risks hidden behind the benefits.

In 2017, Karnowski, K ü MPEL, Leonhard, & Leiner had discovered the influence of VM: Viral social-media communication has become a phenomenon of increasing importance, affecting social, economic, and political outcomes [5]. VM has brought huge profits to the live broadcasting industry, but we can't ignore the

disadvantages behind it. Firstly, there is no sound protection mechanism for minors. Because there are no restrictions on watching the live broadcast, anyone can enter the live broadcast room to watch and consume. Therefore, teenagers can also enter the live broadcast room. Some teenagers will use their parents' bank cards for consumption while watching the live broadcast, and even send gifts to the anchors. There are many such examples in China. Teenagers spend hundreds of thousands of yuan in the live studio and spend all their parents' savings for more than ten years in a few seconds. Because teenagers are physically and psychologically immature and cannot control and manage their thoughts and behaviors, they are very easy to make impulsive behaviors and have very serious consequences. In May 2020, a 14-year-old girl jumped from a building to commit suicide because her parents found that she could not handle it correctly because she recharged up to 60000 yuan in the game. This is the example in front of everyone. Teenagers' immaturity and irrationality may lead to very serious consequences.

Secondly, impulsive consumption. In addition to these underage teenagers, even adults can lead to similar things. Eighty percent of the people watching the live broadcast are women, and women are more likely to lead to impulsive consumption. When watching the live broadcast, many Chinese women lose their reason when they see high-quality and cheap goods. They blindly place orders and buy them regardless of whether the goods are suitable for them or whether they need them. Finally, they spend all their wages or savings. This is the disadvantage of VM's rapid and large-scale marketing to the live broadcasting industry. Teenagers' parents will madly resist live broadcasting because of these things and publicize it through other social media. Women who spend all their money may also choose not to watch it because they can't resist the temptation. In this way, customer loyalty will decline, and a large number of potential customers will be lost.

Thirdly, because everyone has different understanding and views on the information, many customers may misunderstand the transmitted information. Consumers are empowered, deciding where to focus their and their peers' attention [6]. Because the speed and scope of VM propagation are particularly wide, there may be a lot of misunderstandings when a message is spread to many people. There are a thousand Hamlets in the eyes of a thousand people. Everyone may have different views on the same thing. Therefore, when some less rigorous information is spread, it will cause great harm to the brand image and may receive criticism and property loss. Pizza hut, a famous pizza shop, has launched a half price card for staple food. Consumers who buy this card can enjoy half price staple food once a day. But even customers who read the promotion page are very easy to confuse. How many times do they have the right to half price every day? And although the scope

of application is indicated on the publicity page, it is not clear enough (pizza hut has three kinds of pizza bottoms to choose from, but only two participate in the activity). When buying, many customers will infer according to their personal ideas because of these unclear information, and they will be dissatisfied when they finally find that they are inconsistent with their ideas. The restaurant can only compensate by giving more drinks and fruits. This is a typical misunderstanding that leads to a lot of unnecessary compensation costs.

2.3. Analysis of methods for companies to make better use of viral marketing

Based on the above analysis, the following suggestions can make the live broadcasting industry make better use of VM.

First, in the early stage of publicity, the marketing team must create valuable virus sources, so that the quality of publicity will be high. During publicity, we must grasp the most important audience and carry out repeated and large-scale publicity, so as to improve sales faster.

Second, the content of publicity must conform to the mainstream of society and the times, and it is easier for people to accept the content of positive energy.

Third, when conducting publicity, we must carefully consider the accuracy of words and picture data, try to minimize the misunderstanding and cause the least loss to the company.

3. CONCLUSION

There is no doubt that viral marketing has a huge profit and positive impact on the live broadcasting industry. The fast propagation speed and strong publicity power of VM can help the company quickly create a lot of profits, help the company publicize itself well, and help the company establish the image of brand, but the potential disadvantages and risks of viral marketing can not be ignored. It has not established a complete juvenile protection mechanism, which will even lead to impulsive consumption of adults. Finally, if it adopts lax publicity, it is likely to make consumers misunderstand it and lead to the decline of brand image. Therefore, the company must adopt correct methods to maximize profits and benefits and minimize disadvantages and risks, so as to give full play to the role of viral marketing.

In the future, VM will be better integrated with big data and other information technologies, and companies will develop better use methods to better use VM.

ACKNOWLEDGMENTS

First of all, I want to thank my parents for their support for my life and research. Secondly, I want to

thank Professor Zhang for her explanation of marketing, because her course makes me understand marketing more thoroughly and lays a foundation for this article. Finally, I would like to thank Ms. Han min and Ms. Kejia for their suggestions and help in revising my paper, and thank them for their contributions to this article.

REFERENCES

- [1] Agam, D. (2017). The Impact of Viral Marketing Through Instagram. Bangkok Conference Paper.
- [2] Adams, D. C., & Salois, M. J. (2010). Local versus organic: A turn in consumer preferences and willingness-to-pay. *Renewable agriculture and food systems*, 25(4), 331–341. <https://doi.org/10.1017/S1742170510000219>
- [3] Dye R. The Buzz on buzz *Harv. Bus. Rev.* (2000), p. 139
- [4] Agam, D. (2017). The Impact of Viral Marketing Through Instagram. Bangkok Conference Paper.
- [5] V. Karnowski, A.S. Kümpel, L. Leonhard, D.J. Leiner. From incidental news exposure to news engagement. How perceptions of the news post and news usage patterns influence engagement with news articles encountered on Facebook Computers in Human Behavior, 76 (2017), pp. 42-50, 10.1016/j.chb.2017.06.041
- [6] R.V. Kozinets, K. De Valck, A.C. Wojnicki, S.J. Wilner. Networked narratives: Understanding word-of-mouth marketing in online communities. *Journal of Marketing*, 74 (2) (2010), pp. 71-89, 10.1509/jmkg.74.2.71