The impact of viral marketing on successful development of new financial services in life insurance

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Abstract: This study, for the first time, attempts to measure the impact of viral marketing on the success of developing new financial service. Based on the past studies, a model has been developed to measure the impact of viral marketing indicators, including the number and valence of online comments, specialty of responder and visual features, on the success of the new financial service. To do this, a standard questionnaire was designed based on the Likert scale and tested by 224 employees of insurance companies providing life insurance in Tehran. The data were analysed through structural equation modelling (SEM) and using SPSS and SmartPLS software. According to the results, viral marketing indicators, including the number and valence of online comments, as well as visual features and the specialty of the responders, have a positive and significant impact on the success of the new financial service.

Keywords: viral marketing; new financial service success; new service development; insurance industry.


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1 Introduction

The most important point in developing a new product is the customer’s perception of the service having a higher quality than its competitors. The customer perception is important due to the untouchable nature of the service. Among the indicators of work quality, only the customer’s perspective is a critical factor in differentiating the success from failure. Banks and insurance companies may accurately and effectively conduct prediction and planning studies, but their success is unlikely if the provided service has not been in accordance with the wishes and needs of the customers. Before launching a new service and in order to prevent financial losses, understanding the needs of external customers through sufficient assessments is necessary (Oldenboom and Abratt, 2000). Due to the development of the global economy and increased competition, it will be difficult for companies to survive only by focusing on their past successes. They do need ongoing innovations and efforts to create new ideas and products. Reviewing the studies on innovation and management show that new service development is different from new product development. The qualities of being untouchable, heterogeneous, and simultaneous, make the services of the provider follow a different path from the service developers (Kelly and Storey, 2000).

Among marketing methods, word of mouth marketing has attracted a lot of attention. Compared to traditional communication methods that have lost their effectiveness, word of mouth marketing has the potential to affect customers who avoid advertisement (Gardner et al., 2013). Since customers rely mainly on the internet as a main source of information, the companies have adapted themselves with this trend by shifting their marketing budget from mass media to online marketing activities (Hinz et al., 2011). One of the words of mouth marketing strategies is the viral marketing that has extensively been focused on marketers.

In viral marketing, marketers form a marketing message and encourage customers to share that message with their social network members. Message recipients, in turn, are encouraged to send messages to their social network, and this process is continued and replicated like a virus (Gardner et al., 2013). The customer perspective that has been identified in the insurance industry as determining factor in the success and failure of the new service, relates to the ‘selling’ and ‘understanding’ domestic and foreign service customers. Considering the intangible quality of services and the importance of the customer’s experience impact on enhancing brand value, as well as taking into account the role of promotions and using new technologies in marketing services, we can focus on the role of the Internet and the use of viral marketing in developing new service in the insurance industry.

The studies show that viral marketing researches have mainly focused on the impact of viral marketing on products and fewer studies have been done about the service. It shows a need to study the impact of viral marketing on services. Thus, the aim of this study is to identify the effects of viral marketing on the success of the new service development in the insurance industry.
2 Theoretical background

2.1 Viral marketing

Organisations and companies are always looking for new and low-cost methods to gain competitive advantage and viral marketing provides such an opportunity. Viral marketing is a modern and effective marketing method that is based on word of mouth marketing to save money and solve the mass marketing problems. This type of marketing uses the electronic and digital media (e.g., e-mail) to disseminate brand messages to a wider network of buyers to Li et al. (2009).

In 1989, the word ‘viral advertising’ was used for the first time in a computer magazine in an article on Macintosh computers. It was then used in 1996 in an article by Jeffrey Rayport in the Harvard Business Review and has since been used frequently in various articles (Kirby and Marsden, 2006). Viral advertising is a process in which an advertising message of a company is sent to colleagues, acquaintances, relatives, and friends, and the process continues to a point where the message is disseminated like a virus among a large number of potential customers (Dobele et al., 2007).

The main purpose of viral advertising is the use of consumer-to-consumer communications, versus company-to-consumer communication, to expand information about a product which will result in a rapid, broad, and more effective market acceptance. Also, viral advertising has positive and negative aspects which cannot be easily detected and controlled by the market or brand managers. However, the market agents have realised that the internet provides many opportunities for the client, among which viral advertising is one of the most attractive levers to promote the brand (Ho and Dempsey, 2010). In some studies, ‘viral marketing’ is also known as ‘E-WOM’ (Jason and Dempsey, 2010; Huang et al., 2009). People can send electronic content via e-mail, social networks, forums, blogs, SMS, multi media service (MMS) and bulletins to others. Among these, e-mail is used more than others (Jason and Dempsey, 2010; Huang et al., 2009; Dobele et al., 2007).

The power of verbal advertisement, in terms of speed and rate of expansion, is much higher than its off-line counterpart because it breaks the geographic boundaries, goes beyond the borders of its neighbours and surrounding people, and points to thousands of potential customers across the globe. Gardner et al. (2013) developed a model for viral marketing based on contagious disease’s transmission model. This article uses the Infectious disease transmission model to examine why some of the viral marketing campaigns cannot grow fast and ultimately find that primary seeding size and message attractiveness are effective in viral marketing success.

Also, the content of the message, its qualities, and the characteristics of the target market are effective in changing people, who are exposed to the message, to message transmitters. That the target market is exposed to the message is also a complicated process dependent on the speed and transmission of the message.

The studies show that volume, valence and reviewer type are the most important viral marketing features (Davis and Khazanchi, 2008). Davis and Khazanchi (2008) also considered volume, valence, message features and characteristics of the respondent as dimensions of viral marketing. Marketing studies have also shown that viral marketing has an impact on cognitive conditions such as awareness, attitude, expectations, perception, intention, and behaviour of customers. According to the research background, it seems that Davis and Khazanchi model (2008) is one of the most comprehensive
models for evaluating viral marketing components. This model is also used in this study to review the viral marketing. Table 1 shows the variables of viral marketing and their background.

Table 1  The summary of variables of viral marketing

<table>
<thead>
<tr>
<th>Variable</th>
<th>Name of researchers presented the variable</th>
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<tbody>
<tr>
<td>Volume</td>
<td>Lui (2006), Godes and Mayzlin (2004), and Davis and Khazanchi (2008)</td>
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</table>

3  New service development

New service performance is derived from a wide range of indicators. Vieira et al. (2007) examined the impact of the two groups of indicators on new service performance:

1  Strategic indicators (global quality, communication consistency, innovativeness, related advantages, formalisation of new service development, time cycle, management collaboration, innovation strategy and the company profile). In fact, strategic indicators relate to the resources and capacities of the organisation, the quality, the related advantages, the degree of innovation, the marketing orientation, formalisation and launching of new development, the commitment of senior management in creating a cooperative environment.

2  Environmental indicators (forecasting/regulation, and a competitive market). The environmental indicators related to the valence and intensity of competition in the target market of the new service, as well as the level of regulation.

Organisations are faced with an uneven and distracting environment which changes rapidly. The customer requirements are rapidly changing by intense competition, globalisation, and technological innovation. The service sector and the development of new services are indispensable sources for growth and survival in such a competitive environment. During the recent years, the economies of developed countries changed from produce-orientation to service-orientation (Ottenbacher et al., 2006). Services are now the core of business activities in developed countries. For example, in the European Union, more than 72% of gross domestic product (GDP) and also more than 72% of total added value in 2010 relate to services (World Bank, 2013). New service development is defined as offering a service that has not previously been available to the customers and results in radical changes in a service or the process of providing that service, as well as the gradual improvement in existing service or process, so that the customer know it a new service (Johnson et al., 2000).

Today, due to the competitiveness of markets, the demand for goods and services has grown dramatically. The increase in population and the diversification of needs are among the factors that encourage organisations to achieve new products and services (Taleifar and Hatami Nasab, 2011). In the meantime, the development of new goods and services is a fundamental strategy for the survival of companies in a competitive
marketplace (Balanchandra and Friar, 1997). Jin et al. (2010) in a study with a management perspective on the success of new service development projects divided the indicators identified in the last two decades into four groups: strategic management of new service development, new service development management, management of new service development knowledge, and customer interaction.

Jin et al. (2014) designed a conceptual model for facilitating new service development projects based on the dimensions of maturity model and grouping the indicators of project success in four groups, including strategy management, process management, knowledge management and customer interaction. According to the results of this study, the high rate of maturity of the new service development project will ensure the consistent development of the processes and reduce the amount of difference and variability between the goals and what actually happens.

4 The success of the new financial service development

According to studies, the success of new services has declined steeply and is only about 58% (Jin et al., 2010). Jantunen (2005) studied the development process of a new service that requires knowledge acquisition, knowledge dissemination and its effective use in the innovative activities of companies. The results of this study show that knowledge and learning capacity were potential sources of competitive advantage for companies and the indispensable indicator of success. He believes that the ability to learn and apply it to innovative activities and the success of financial institutions are decisive. He also states that there is a meaningful and positive relationship between knowledge acquisition, dissemination and application of high-level research and development, and innovative performance (Jantunen, 2005). Indicators that affect financial success have been studied from different dimensions. In 1991, Cooper and Brentani examined the success of new financial services in Canada. According to the results of this study, the success of new financial services was dependent on the indicators of the new financial service development process, product qualities and indicators specifically defined for financial products.

In his research on the Canadian financial market, Brentani found out a positive correlation between the various stages of developing new financial services. He showed that one of the indispensable indicators of the success is the process of new financial service development. This index includes many activities, including idea screening, doing market research, testing market, extensive training of personnel before launching the market, domestic marketing, official promotion activities, and launching the service market (De Brentani, 1991).

In 2009, in a study conducted at the financial institutions of Slovenia, Nekrep concluded that the most important indicator of the success is developing a new market service and its features. Other significant indicators in this study are marketing synergy, service quality, market properties, and organisational knowledge. Among the indicators, only the organisational culture has not a significant correlation with success.

Oldenboom and Abratt (2000) conducted their study on 40 banks and 85 insurance offices in South Africa to determine the success and failure indicators in the development of new services in the banking and insurance industry. The results of this study show that
among the examined indicators, only four indicators are recognised necessary for success, which is: sufficient skills and resources for development, product benefits, product innovation, and systematic assessment of customers’ views.

In 2009, Nekrep developed a model based on the indicators involved in the development of new financial services and also the success factors in the Slovenian financial market. The study focuses on critical success indicators which have not been studied in previous studies, but their contribution to the success of financial services has been rising. This model shows the interactions between the new financial service development process, the four internal indicators and an external indicator that affects the implementation of the process (Nekrep, 2009). We used it to design the conceptual model of research. Table 2 shows the summary of survey indicators in the research history of this paper.

**Table 2** Summary of survey indicators in the research history

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5 Conceptual model of research

There has not been done any research on the impact of viral marketing on customer-centric brand equity components. Accordingly, for the purpose of research, two models of Nekrep (2009) and Davis and Khazanchi (2008) have been combined to evaluate the impact of viral marketing on the success of the new financial service development. Therefore, in the present study, in terms of operational explanation, the research structures are defined as follows:

- **Volume**: the number of times a consumer encounters with the opinions of different people about the product (Davis and Kazanchi, 2008).
- **Valence**: positive or negative opinions about a product or service (Davis and Kazanchi, 2008).
- **The specialty of source**: knowledge or experience of the person transmitting the message about the product or the provided services (expert or ordinary person) (Davis and Kazanchi, 2008).
- **Visual features**: any image made by a reviewer and other customers when evaluating the characteristics of a product or service (Davis and Kazanchi, 2008).
- **Marketing synergy**: this means that the new service is well aligned with the existing financial image of the institution. It provides a superior advantage to compete with financial services and meet the well-known customer needs. It is financially supported by the institution and the staff during startup and after launching the service. Marketing synergy provides a strong coordination between the financial service, the sales personnel, distribution, advertisement and marketing skills of the institution (Nekrep, 2009).

To improve the service development and marketing, focusing on the company’s strengths, skills, knowledge and other resources of financial institutions are more important than new opportunities that are far from the experiences and resources of the organisation (Cooper and Brentani, 1991). Marketing synergy involves the current experience and knowledge of managers and other personnel to develop new financial services, marketing, and to adopt new financial services with the current distribution system (Nekrep, 2009).

- **Service quality**: the quality of service is essential to distinguish the competitive services. The main criteria for differentiation are reliability, validity, accountability, goodness, security, availability, understanding customer needs and tangibility (Nekrep, 2009).
- **Market characteristic**: it is an indicator that the financial institution has no effect on it, but it can use the market opportunities. Market characteristic is an external indicator that affects the whole process of developing new financial services and simultaneously contribute to the success of the new service (Nekrep, 2009).
- **In-organisation knowledge**: it includes skills, expertise, and experience within the organisation. During the development of new services and products, expert knowledge of the team can create a competitive advantage among competitors, which has a higher value for customers by providing different services and less
associated costs through cost management (De Brentani, 1993). Knowledge Management can facilitate the success of the new service development project in terms of speed, quality, and costs (Lee and Kim, 2001).

- **Organisational culture:** organisational culture is a set of shared beliefs and values which affects the behaviour of the members of the organisation and can be considered a starting point for movement and dynamism or barrier to progress. Organisational culture is a vital indicator of success for any organisation since it serves as the core of innovation and strongly affects all stages of the new service development process (Martins and Terblanche, 2003). According to the conceptual model of research, the research hypotheses are as follows:

5.1 **Main hypothesis**

5.1.1 **Viral marketing has an impact on the success of the new financial service development**

Several studies suggest that favourable WOM is the ultimate product success factor (Day, 1971; Kiel and Layton, 1981; Murray, 1991; Price and Feick, 1984). Murray (1991) explained that this is true because personal sources are viewed more trustworthy. By examining WOM on the internet, previous studies have found that WOM mechanisms act in the same manner on the Internet; in other words, the effect of eWOM on consumers is similar to that of traditional WOM (Gruen et al., 2006; Hennig-Thurau et al., 2004). Other research showed eWOM to be a significant power that affects consumer loyalty and purchase decisions (Gruen et al., 2006).

Pepsi used a successful viral marketing approach to connect the right target segment with its brand. In 2001, Pepsi became a key sponsor of the inaugural soul beach music festival in Miami, Florida. Traditionally, sponsorship relies on the placement of the sponsor’s logo on posters, tickets, T-shirts, and signs at various events. Although the brand may be placed in the awareness set, the effect provides little opportunity to move the consumer farther down the decision-making process. Pepsi took a different direction: in conjunction with ember media, it developed a campaign in which patrons at the festival had their photographs taken and were then given a DigiCard that contained a range of multimedia, including a screensaver, video, audio, and self-contained e-mail software. The DigiCard was both a reminder of the photograph taken and a vehicle that led participants to the Pepsi site to collect their photographs. For Pepsi, the value of the soul beach sponsorship was the ability to link its brand directly to an exciting event and the personal experiences of thousands of participants who then e-mailed their photographs (and the Pepsi brand) to friends and family around the corner or around the world. (Dobele et al., 2005).

In using viral marketing as part of the message delivery, Honda was able to spread its message further than traditional media would allow within the UK. In the UK, Honda attributed record-breaking sales in the first quarter of 2004 in part to the dramatic increase in brand awareness from the Cog ad (Honda, 2004).

When executed effectively, viral marketing campaigns can create an instantaneous buzz in the promotion and distribution of companies’ brands and products. This was the case with *The Blair Witch Project*. Artisan Entertainment, the maker of the film, created much interest in the movie by giving it the air of a documentary and by supporting it with
a well-developed and elaborate internet site. Even before the film debuted in theatres, people were talking about The Blair Witch Project, and friends were referring friends to the website (Bernard and Jallat, 2001). Although the budget for the movie’s release was just $2.5 million (US), The Blair Witch Project grossed $245 million in worldwide box office sales (Dobele et al., 2007). E-business marketing and brand managers need to be fully aware of the benefits of observing online customer behaviour and comment in order to improve customer satisfaction, new product development and innovation (Khammash and Griffiths, 2011).

According to Ye et al. (2011), online user reviews have a significant impact on online hotel bookings, and confirm the importance of online word-of-mouth for tourism firm performance, as has been found in other industries like online retailing (Chevlier and Mayzlin, 2006) and movie industry (Duan et al., 2008).

5.2 Other research hypotheses

5.2.1 The volume in viral marketing has an impact on the success of the new financial service development

Researchers have previously shown that volume measured in terms of the number of online customer reviews does have a significant influence on the online sale of products (Davis and Khazanchi, 2008). The empirical findings show that traveller reviews have a significant impact on online sales, with a 10% increase in traveller review ratings boosting online bookings by more than 5% (Ye et al., 2011).

5.2.2 The valence in viral marketing has an impact on the success of the new financial service development

The volume of WOM produced on brands approximately follows the market share of the brand. Positive word-of-mouth (WOM) and negative WOM are closely related to market share. According to Vermeulen and Seegers (2009), in the tourism industry, positive online reviews improve the perception of hotels among potential consumers. Ye et al. (2011) have indicated that the valence of online user-generated reviews may influence sales of books and digital products (Chevlier and Mayzlin, 2006; Ye et al., 2011).

5.2.3 The visual features in viral marketing affect the success of the new financial service development

Davis and Khzanchi (2008) pointed out the value in allowing reviewers to upload product images, probably boost the cognitive consequences of expectations about a product. Fang and Salvendy (2003) concluded that pictures of products are necessary to provide customers visual cues and richer information. Visualisation tools have the potential to offer ways to managers and consumers to improve efficiencies, reduce costs, gain new insights, make data more accessible, and increase satisfaction (Lurie and Mason, 2007).

5.2.4 The resource expertise in viral marketing has an impact on the success of the new financial service development

Mitchell and Dacin (1996) showed that the individuals, who are highly ranked in their expertise, are also likely to possess greater awareness and knowledge regarding product
alternatives available in the market. In addition, experts are more likely to store information about their higher level of knowledge and can infer performance from the information. This is useful for the receiver in a services purchase context where reliance on experts’ WOM for knowledge becomes important. Therefore, an expert’s WOM message would have a significant impact on the receiver’s purchase decision (Bansal and Voyar, 2000). According to the findings of Bansal and Voyar (2000), consumers are more inclined to seek the advice from and be influenced by the expert sources than non-expert ones and there are reasons to believe that this finding will hold in a viral marketing context (Bruyn and Lilien, 2008).

6 Methodology

This is an applied research in terms of its purpose; it is a descriptive research in terms of data collection. The statistical population of the study includes insurance companies in Tehran, having R&D unit and at least one year of experience in offering life insurance. As a result, using the formula of sampling from a limited population, 135 people were chosen, but for increasing the generalisability, 260 questionnaires were distributed. Of these, 245 questionnaires were collected, of which 224 questionnaires were proper for analysis. The sampling method was simple random sampling because the results of this research do not relate to the people’s educational or organisation level. The research questionnaire consists of two sections measured by the five-point Likert scale (totally disagree = 1, disagree = 2, no idea = 3, agree = 4, totally agree = 5). To test the research hypothesis, the reliability of the questionnaires was first tested through Cronbach’s alpha coefficient and composite reliability. This coefficient was more than 0.7 for all variables of the conceptual model of research; it shows the validity and internal consistency of the research structures (Table 3).

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<tr>
<th>Variable</th>
<th>Cronbach’s alpha</th>
<th>Combined reliability (CR)</th>
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<tr>
<td>Volume</td>
<td>0.701</td>
<td>0.786</td>
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<td>Valence</td>
<td>0.705</td>
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<td>Visual features</td>
<td>0.726</td>
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<td>Allocation of resources</td>
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<td>Viral marketing function</td>
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<td>New financial service development</td>
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<td>Marketing synergy</td>
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<td>Market features</td>
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<td>New service quality</td>
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<td>In-organisation knowledge</td>
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<td>Organisational culture</td>
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</table>
6.1 Data analysis

In this research, structural equation modelling (SEM) has been used to test the research hypotheses and the conceptual model fitness. SEM is based on different statistical methods, in accordance with the type of variables and characteristics of the statistical sample. One of the statistical methods is the partial least square method. Softwares that use SEM, are compatible with conditions such as the multicollinearity of independent variables, data normality and the small sample size. In the present study, SmartPLS software was used which is a useful software in SEM based on partial least square method.

7 Research findings

To test the conceptual model as well as the research hypotheses, SEM, based on the least squares method, was used. SmartPLS software was used for this purpose. After testing the conceptual model of the research, the output of the software is shown as the followings:

The basic criterion for measuring the relationship between structures of the model (structural section) is the significance of t values. When it is higher than 1.96, it shows the relationship between the structures and finally the verification of the research hypotheses (Davari and Rezazadeh, 2013). Figures 1–3 show the significant coefficients between the research structures. As it is known, when all coefficients are higher than 1.96, it shows the structural model fitness.

Figure 1 Conceptual model of research

<table>
<thead>
<tr>
<th>New financial service development</th>
<th>Viral marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-organization knowledge</td>
<td>Volume</td>
</tr>
<tr>
<td>Organizational Culture (Nekre, 2009)</td>
<td>Valence</td>
</tr>
<tr>
<td>Marketing synergy (Nekre, 2009)</td>
<td>Visual features</td>
</tr>
<tr>
<td>Market features (Nekre, 2009)</td>
<td>Quality of resources</td>
</tr>
<tr>
<td></td>
<td>Davis &amp; Khazanchi (2008)</td>
</tr>
</tbody>
</table>
Figure 2  The model’s significant coefficients for measuring the fitting of the structural model (see online version for colours)

Figure 3  Standard coefficients for examining the main hypothesis of the research (see online version for colours)
7.1 Testing PLS model (GOF)

This index was proposed by Tenenhaus et al. (2004) to simultaneously assess the fitness of internal equation models and external measurements of data. This index includes two mean values of knowledge and the average coefficient of determination.

1 The described variance/average coefficients of determination relate to the endogenous variable (organisational performance). According to supply chain management, this index should be at least 0.2, but ideally, it should rise to 0.3, so Table 4 shows that the endogenous variable has the desired value. Therefore, the calculated GOF is 0.606, which implies good fitness of the model for the collected data.

<table>
<thead>
<tr>
<th>Variable</th>
<th>$R^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume</td>
<td>0.599</td>
</tr>
<tr>
<td>Valence</td>
<td>0.853</td>
</tr>
<tr>
<td>Intuitive features</td>
<td>0.762</td>
</tr>
<tr>
<td>Allocation of resources</td>
<td>0.729</td>
</tr>
<tr>
<td>New financial service development</td>
<td>0.500</td>
</tr>
<tr>
<td>Marketing synergy</td>
<td>0.771</td>
</tr>
<tr>
<td>Market features</td>
<td>0.601</td>
</tr>
<tr>
<td>New service quality</td>
<td>0.860</td>
</tr>
<tr>
<td>In-organisation knowledge</td>
<td>0.692</td>
</tr>
<tr>
<td>Organisational culture</td>
<td>0.834</td>
</tr>
</tbody>
</table>

8 Conclusions and recommendations

The results of the research show that there is a positive and significant relationship between viral marketing and the success of the new financial services development. The t-value (16.568), more than 1.96, shows the significance of the viral marketing relationship and the success of the new financial service development. Therefore, the effect of the viral marketing on the success of the new financial service development is confirmed at 95% confidence level. Another output of the software, containing standardised coefficients, also indicates that the viral marketing structure explains 70% of the changes in the success of the new financial service development. According to the results of the research, it is suggested:

In terms of insurance sales, the insurance industry of Iran does not move in line with the rapid progress of the global insurance industry. One of the main reasons is insufficient attention to marketing functions and that the communication programs with the market have been recognised inappropriate and inadequate (Yazdanpanah, 2011). On the other hand, according to people, the complex process of the financial service purchase, such as life insurance, the long nature of life insurance and limitation of financial resources of the majority of insurance companies in advertising and attracting the trust of the community, using the modern entrepreneurial and low cost methods,
The impact of viral marketing on successful development

Along with creativity and innovation, such as viral marketing in the promotional programs of these companies, and in particular in the life insurance and investment services group are very effective in the success of the new services because they enable the companies to use the chaos, made by this kind of marketing on the internet, in a positive way.

Also, the use of appropriate promotion methods, such as viral marketing, will lead to the economic development of businesses in the service industry. Given that insurance companies play a significant role in the economies of developed countries, their growth will contribute to the country’s economy. Therefore, focusing on strengthening the viral marketing is important for policymakers and national executives responsible for the development of the economic sector.

Due to the growing popularity of the internet, where people are free to express their opinions and allow the people’s opinions to be easily and rapidly available to other consumers, using the advice and experience of online users is very influential. Online information is considered as an important source for consumer purchasing decisions, so companies and organisations have a strict responsibility to control electronic word-of-mouth advertising. Ignorance and disregarding this advertising model and its lack of control may lead to some kind of unwanted negative advertising for them.

With having more awareness of new marketing methods, such as viral marketing, and offering it to life insurance marketing managers, one can expect the active insurance companies to successfully adapt themselves with changes in the age of communication. In fact, the changes in the virtual and the electronic world, as well as in the interests of customers can be used as opportunities.

Converting a new service to people’s online conversation topics can be effective in informing potential customers of new services and attracting more buyers. Due to the high speed of publishing the messages and attractive clips through virtual networks and mobile-based technologies, the use of new innovative tools, especially multimedia, such as internet-based clips that can increase the attention of potential customers to new services, increase purchases, and, ultimately, the success of the new insurance service, are very important.

Insurance companies are recommended to offer special facilities for users of their website, including informing about a new service or off sales. This kind of communication with the customer leads to the better use of the website and electronic word of mouth advertising and ultimately encouraging the more use of goods and services.

Since viral marketing is one kind of entrepreneurial marketing, knowing its functions in our current society can motivate the relevant authorities to encourage consumers to buy a new insurance service. Recognising the cultural factors that can influence people’s sentiment and encourage them to share brand messages can contribute to the expansion of the new service and its success.

Given the verification of the first hypothesis, it is suggested to the activists in the financial service industry, especially the insurance industry, to develop strategies to increase the number of opinions on the improvement of the new service because it can increase the buzz about the new service. Since the amount of online comments affects the success of the new service, it is imperative that the owners of the insurance companies try to spend time and money on encouraging users to post their comments.

Also, insurance managers, who intend to use this tool to promote a new insurance service, are recommended in viral marketing campaigns to employ people with a
widespread social network, and those with a greater potential for impact, as well as those who tend to transfer their positive effects.

Given the verification of the second hypothesis, it is suggested to activists in the financial service industry, especially the insurance industry, improve the success of the new service and provide online scoring to the new service. Because of the long-term and tangible nature of the service, it is also important to follow up the online comments and participate in the words and buzz of the new insurance service. Therefore, the insurance company’s marketing department can use some people to engage in online conversations and add positive comments on new services and company innovations. Firms should know which part needs to be focused on to create a positive way of thinking about their services so that people can write or comment on the opinions of others about the services on the website.

Given the verification of the third hypothesis, activists in the financial services industry, especially the insurance industry, are recommended to improve their success in developing the new services, they should make it possible to upload images and encourage the online commentators to upload the images of services from which they are satisfied.

Insurance companies are advised to use effective image and video clips on their website to advertise new services, and it is also advised them to use more clips and images than print ads in their new service advertisement because the effects of images and clips, especially for services, due to their natural difference with products, is much more than print ads.

Considering the verification of the fourth hypothesis, it is suggested the activists in the financial services industry, especially the insurance industry, to use the opinions of experts and satisfied online customers to promote the new service and increase the success of the new service.

References


