



Stanford eCorner

Viral Marketing

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October 08, 2003

Video URL: <http://ecorner.stanford.edu/videos/385/Viral-Marketing>

The essence of viral marketing is making one customer sell to the other, says Musk. Instances of this include Friendster, hotmail, PayPal. The customer must love the product experience to recommend it, he notes.



Transcript

I'm not super familiar with Friendster. I mean the essence of viral marketing is do you have something where one customer is going to sell to another customer without you having to do anything. There are lots of instances of that, Friendster might be one. Obviously, Hotmail was one. PayPal was one. eBay was one. In a situation like that, going back to what I said about product, a product matters incredibly because if you're going to recommend something to somebody, you got to really love the product experience; otherwise, you're not going to recommend it because you don't want to burn your friend.