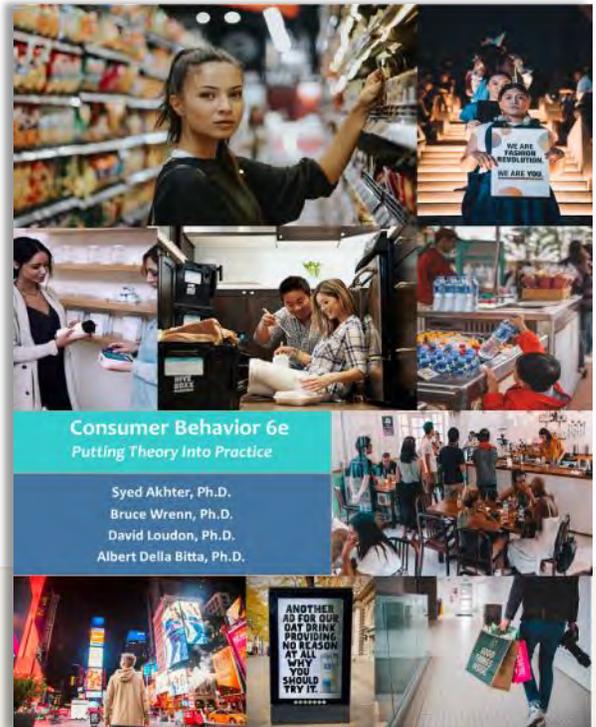


***Consumer Behavior:
Putting Theory into Practice 6e***
Akhter, Wrenn, Loudon & Della Bitta

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Differentiators:

- *Core of this textbook was originally published by McGraw Hill. 6e explains key consumer behavior concepts and theories, drawing on the latest research in psychology, economics, and sociology.*
- *New lead author, Syed Akhter (Marquette University) has completely updated 6e to deliver a more concise alternative (approximately 450 pages) to the old style exhaustive, encyclopedic approach of the major competitors. 6e covers the important areas CB instructors would likely want covered, but omits material less essential to the student's education in consumer behavior.*
- *Emphasis on the practical application of the chapter material meets students' bias for retaining that which can help them become successful in a marketing career.*
- *Presents a "Strategy Box" in each chapter that focuses on questions related to consumer behavior research and findings, challenging students to think critically and answer strategic questions.*
- *Presents numerous cross-cultural examples to illustrate concepts of consumer behavior and make them meaningful.*
- *End-of-chapter applied sections, "Putting Theory into Practice," offer students additional materials to dig deeper into chapter topics and improve decision-making skills.*

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6e

*Consumer Behavior:
Putting Theory Into Practice 6e*

Syed Akhter, Ph.D.

Bruce Wrenn, Ph.D.

David Loudon, Ph.D.

Albert Della Bitta, Ph.D.

PREFACE

This is the sixth edition of the book, updated and expanded to reflect the latest theoretical and strategic developments in the field of consumer behavior. The materials are organized and presented in a format that facilitates understanding of consumer behavior and encourages critical thinking. Undergraduate students will benefit from approaching the text on two fronts: first, to learn about theories, concepts, and tools of consumer behavior and broaden the scope and depth of their knowledge; second, to learn about themselves and gain a deeper understanding and appreciation of, for example, their attitudes, self-concept, motivations, and behaviors. Both goals, working together synergistically, will be instrumental in making students informed and better decision makers. Graduate students, on the other hand, will also find the book especially relevant because it delves deeper into the theories and frameworks of consumer behavior and presents numerous opportunities for their application to real-life decision situations, personal as well as professional. Overall, the text incorporates the following key features:

- Explains key consumer behavior concepts and theories, drawing on the latest research in psychology, economics, and sociology.
- Presents a “Strategy Box” in each chapter that focuses on questions related to consumer behavior research and findings, challenging students to engage in critical thinking and answer strategic questions.
- Delineates the significance of understanding consumer behavior in making strategic marketing and business decisions.
- Takes students through different stages of the development of conceptual frameworks and theories and their applications to real-life situations.
- Presents numerous cross-cultural examples to illustrate concepts and theories of consumer behavior and make them meaningful.
- Provides an integrated perspective on the contributions of international researchers to the advancement of consumer behavior as a discipline.
- Includes an end-of-chapter applied section called “Putting Theory into Practice” that offers students additional materials to dig deeper into the topics covered in the chapter and improve decision-making skills.

The book is organized into four major parts. The layout and chapters follow the same organization as the prior edition to facilitate transition to this new edition.

PART 1: STUDYING CONSUMER BEHAVIOR

This section of the book is comprised of two chapters. It introduces the discipline of consumer behavior and discusses both its relevancy and complexity. It presents a decision-process framework which incorporates the different individual and social determinants of consumer behavior and behavioral outcomes. The framework forms the basis for organizing the book and materials in different chapters. This section also covers the important topic of consumer research, showing why it is important, how it is done, and what is learned from the process.

PART 2: INDIVIDUAL DETERMINANTS OF CONSUMER BEHAVIOR

This section deals with the individual determinants of consumer behavior. Students will see how some of the commonly used words such as motivation, attitude, and involvement take on subtle and deeper meanings when used scientifically and how, as scientific terms, they provide a deeper understanding of consumer behavior. The five chapters in this section cover key issues related to motivation and involvement, personality and self-concept, information processing and perception, learning and memory, and attitude formation and change.

PART 3 : SOCIAL DETERMINANTS OF CONSUMER BEHAVIOR

This section examines the impact of social determinants on consumer behavior. The four chapters in this section take a group-oriented perspective and cover issues related to the composition and influence of reference group, family, social class, culture, and subculture on consumer behavior.

PART 4: CONSUMER DECISION PROCESSES

This section presents the decision-making process, its intricacies, challenges, and applications. The four chapters in this section cover such important issues as how and why consumers adopt products, what facilitates their adoption, and what strategies firms can execute to expedite adoption; what is communication, how consumers and corporations communicate, and what makes communications effective; and what are the social and ethical responsibilities of corporations, how should these responsibilities be managed, and how can consumers understand and manage their safety, information, choice, redress, and privacy rights.

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Part 4

Consumer Decision Processes



Influencing Consumers and Innovation Diffusion and Adoption

CHAPTER 12



Chapter Outline

Personal Influence and Word-of-Mouth Communication

What and Why of Interpersonal Communications

Communication and Influence Flow

Opinion Leadership and Consumer Behavior

Who Are Opinion Leaders?

Why Opinion Leaders Attempt to Influence Others

When and Why Consumers Accept Personal Influence

Market Mavens

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Identifying and Using Opinion Leaders Directly

Creating Opinion Leaders

Simulating Opinion Leaders

Stimulating Opinion Leadership

Ethics in WOM Marketing

End of Chapter

Managerial Reflections

Key Terms to Know

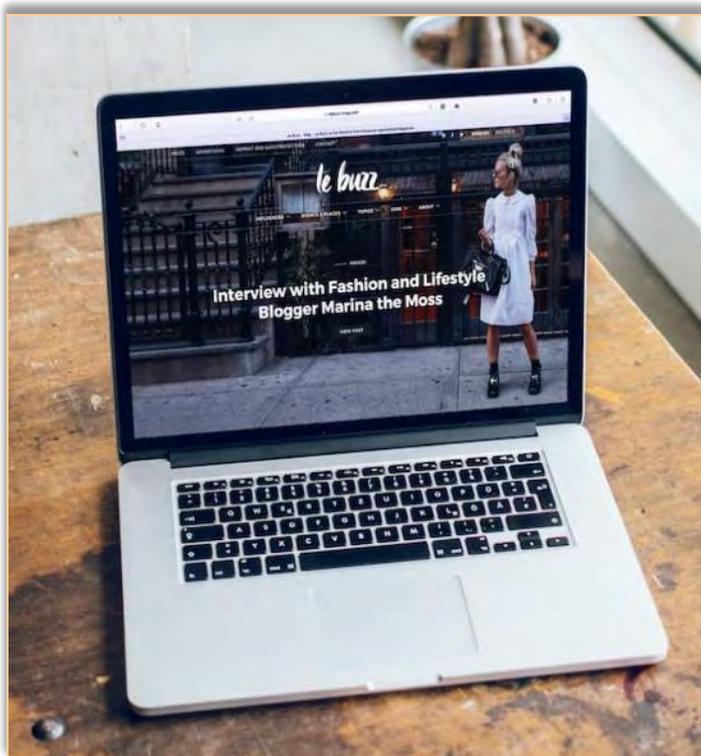
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This chapter further investigates the way consumers influence each other's decisions and behaviors. We first describe personal influence and then discuss how consumers use word-of-mouth (WOM) communications to influence each other. Next, we examine models of the flow of communication to better understand how personal influence occurs and affects decisions and behaviors. Then we discuss the nature and significance of opinion leadership in marketing and the characteristics of leaders as well as followers.

The concept of *personal influence* is embedded in the process of diffusion and adoption of innovations. Thus, we examine how consumers diffuse and adopt innovations to understand their significance to the marketer. Finally, we show how marketers can use the concept of personal influence by incorporating opinion leadership as a cornerstone of promotional programs.

PERSONAL INFLUENCE AND WORD-OF-MOUTH COMMUNICATION

Personal influence is best described as the effect a person has on another's beliefs, attitudes, and behaviors. The effect can occur in multiple ways and the following distinctions can be made to indicate the multidimensional nature of this phenomenon:



1. Communication leading to influence may be source-initiated (by the influencer) or recipient-initiated (by the influencee).
2. Communication may result in one-way or two-way influence. That is, the individual may influence while being influenced.
3. Communication resulting in influence may be verbal or visual.¹

Word-of-mouth communication is one of the oldest tools consumers have at their disposal to influence each other. The communication may focus on any one or all the different aspects of the consumer journey, from pre-purchase activities to the purchase itself and then to post-purchase experiences. While these WOM communications have been defined in multiple ways, they nonetheless share some common features. They are, for example, mostly about a brand, product, or service, and they are oral, interpersonal, and non-commercial.²

Marketers can focus on three forms of word-of-mouth communication: experiential, consequential, and intentional.³ *Experiential WOM* is the most common and powerful form. Consumers initiate word-of-mouth communications after a direct experience with a product or service, particularly when the experience deviates from their expectations. The element of surprise motivates them to talk about their experience with others. *Consequential WOM* occurs when consumers are exposed to marketing campaigns and then they relay the messages to others. *Intentional WOM* occurs when marketers use celebrity endorsements to gain a positive buzz about their products or services. By using such endorsements, marketers hope that consumers who like or identify with the celebrity will be motivated to engage in positive word-of-mouth communication and become a brand advocate.

There is considerable evidence to show that favorable WOM communications have more influence on consumer behavior than the huge sums businesses spend on advertising. Called the most disruptive factor in marketing,⁴ WOM affects consumers at each stage of the consumer journey. Whether for durable goods or nondurables, word-of-mouth communications have a big impact on consumer be-

havior.⁵ For example, it is considered so critical to the success of movies that an executive of Paramount Pictures remarked, “*Word of mouth* is the most important marketing element that exists.”⁶ Consequently, many companies advertise little and depend instead on generating positive WOM communications.

WOM is a popular and effective mode of communication everywhere. In the United Kingdom, for example, the average adult talks about brands 78 times per week, which translates into billions of brand impressions each week that come via word of mouth. The bulk of WOM conversations, triggered by media and marketing, takes place offline, primarily face to face. Positive word-of-mouth communication outweighs negative by a 6 to 1 margin and are more likely to be seen as credible and passed along to others.⁷

The conclusion from such research findings is that WOM matters to all brands, not just those that are hot and sexy. Thus, marketers must understand the forces that can stimulate positive word of mouth communications and not just wait for it to happen to their brands. Marketers frequently try to create a synthetic or simulated word-of-mouth program by using celebrities in advertising campaigns. These spokespeople enter our homes via the media and speak to us as if it were a one-to-one conversation. Data shows that personal influence—whether actual or synthetic—can be quite convincing and effective.

Marketers are interested in WOM because of its role in influencing purchase decisions. As one study of the usage of a new food product in a married students’ housing complex showed, exposure to favorable word-of-mouth communications increased the probability of purchase, while exposure to unfavorable comments decreased the probability. Research also shows that when consumers are making a high-risk purchase decision, such as buying a house or a car, the importance of personal influence increases.⁸ It is thus vitally important for marketers to effectively manage personal influence and the WOM communications process.⁹ It is not something that they should leave to chance.

When consumers engage in interpersonal communications, they share opinions and recommendations about goods and services, their producers and providers, and their usage and users. These communications influence what people buy, why they buy, where they buy, and how they use what they buy.

McKinsey & Company estimates that about 8 to 10 percent of consumers are influencers. These influencers, viewed as trustworthy and competent, typically generate three times more word-of-mouth messages than non-influencers do, and each message has four times more impact on a recipient’s purchasing decision. Moreover, about 1 percent of these consumers are digital influentials—most notably, bloggers—with disproportionate power.¹⁰ Therefore, both researchers and marketers are interested in understanding the information that consumers share with others and the reasons for sharing them.

Why is word-of-mouth communication so influential? There seem to be three main reasons for its dominant position in relation to impersonal media:

1. Consumers view word-of-mouth communication as more reliable and trustworthy that can help them make better buying decisions.
2. In contrast to the mass media, personal contacts can provide social support and give a stamp of approval to a purchase.
3. The information provided is often backed up by social-group pressure to force compliance with recommendations.¹¹



What and Why of Interpersonal Communications

What do consumers talk about and why? Berger has identified five key functions of interpersonal communications and discussed their influence on conversations.¹²

1. **Impression Management:** Consumers engage in interpersonal communications to shape what others think of them and what they think of themselves. Through these interactions, they present themselves in a positive light, highlighting their product knowledge and experience. They talk about products or services that are unique and special and convey status and prestige and are relevant to their self-concept and image. These conversations tend to be interesting, surprising, and funny.
2. **Emotion Regulation:** Interpersonal communications also function to regulate emotions—how consumers experience and express emotions. Here the goals of communications are to generate social support (gaining comfort by talking with others), vent (complaining to feel better), reduce dissonance (confirming that they made the right decision), and make sense (understanding and interpreting events in the world).
3. **Information Acquisition:** Consumers engage in interpersonal communication to acquire information and guide their consumption journey. They initiate conversations to seek advice on what to buy, where to buy, and how and when to buy. This information-seeking behavior becomes more frequent when the decision involves high-involvement purchases or when available information is insufficient or perceived to be unreliable.
4. **Social Bonding:** Interpersonal communications also serve to improve social cohesion and bonding by developing a common, shared story. The conversations focus on topics that arouse empathy and emotions and that can lead to greater social bonding and identification.
5. **Persuading Others:** Here interpersonal communications focus on a challenging goal—persuading others to behave in a specific way. Persuasions, in these cases, involve issues that are generally polarizing, such as whether to boycott stores that do not require customers to wear a mask during a pandemic, or entail feelings of strong agreement or disagreement, such as whether Android or Apple platform is superior and why one should switch from one to the other.

To understand better how word-of-mouth communications and personal influence occur, we discuss several models of the communication process in the next section.

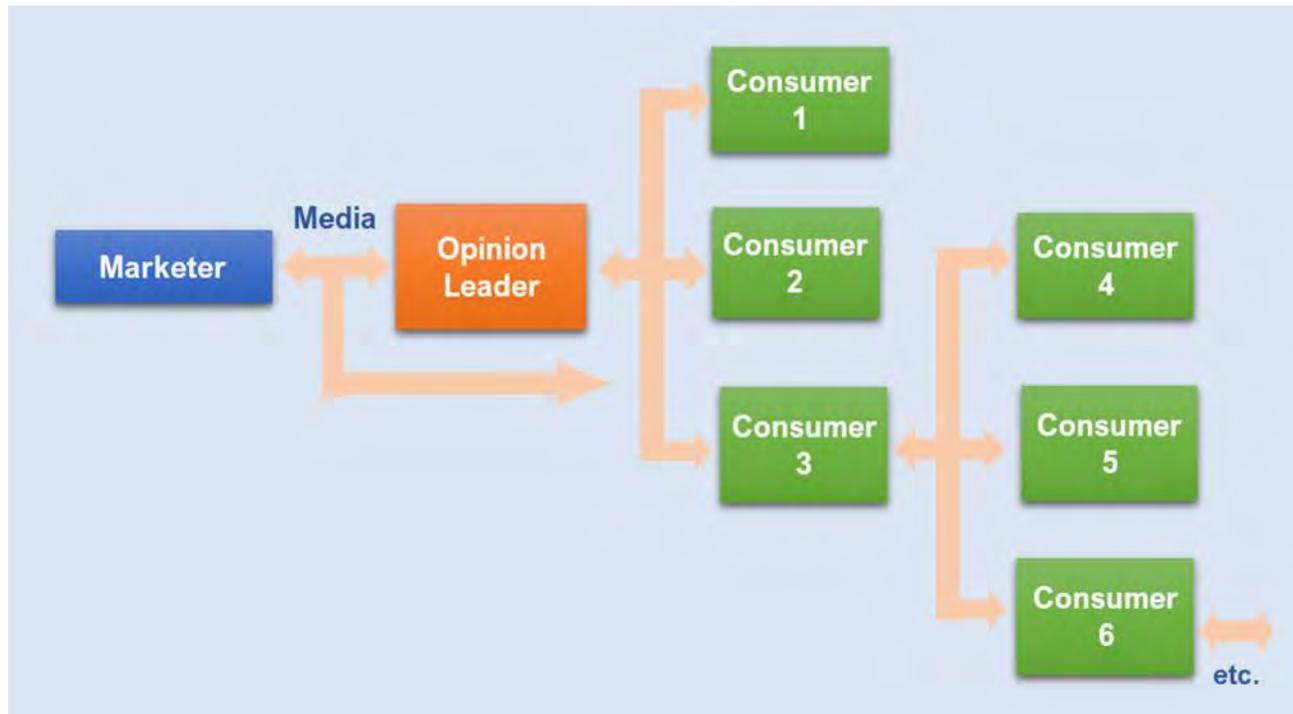
COMMUNICATION AND FLOW OF INFLUENCE

Communication, whether explicit or implicit, underlies personal influence. For years, marketers assumed that persuasive communication was a one-way process flowing from the marketer to consumers. Later, the process of communication and influence was found not to be an exclusively direct flow as had been originally assumed. Instead, influence was viewed as moving from the mass media directly to influentials, or *opinion leaders*, who then through interpersonal networks passed on to their associates in informal groups what they saw or heard. However, problems with this view are that (1) it suggests that an absolute leader exists for each informal group, when actually all group members have some amount of opinion leadership; (2) information is assumed to flow from the mass media to opinion leaders who then disseminate it to followers—but actually followers are also in touch with mass media, but perhaps not to the same degree as leaders; and (3) it is not always influence that is transmitted interpersonally, but in some cases simply information, which may be relatively free of influence. Because of these limitations, many communications researchers now suggest a multistep interaction model as a more accurate representation of personal influence.

Audiences are not simply passive recipients of communication, but, instead, as several studies have found, active seekers of market information and important links in the flow of communication. They may act as both transmitters and receivers of information. One study found a similarity between opinion leaders and opinion seekers. And, almost two-thirds of opinion seekers also viewed themselves

as opinion leaders in a product category, underscoring the view that opinion leadership is more of an exchange of opinion and information than a one-way flow of influence.¹³ It has, furthermore, been suggested that the flow of communication may take place through three or more stages. Exhibit 12-1 presents a model of this process.

EXHIBIT 12-1
A Multistep Model of Communication



In Exhibit 12-1, a marketer-initiated communication reaches both opinion leaders and consumers. Opinion leaders then convey the message to consumers, who, in turn, respond (either directly or indirectly) to the opinion leaders and convey the message to other consumers. The key theme in the exhibit is that communications flow not unidirectionally but multi-directionally.

Consider some specific examples of the different directions that a verbal flow of communication and personal influence may take between a source and a receiver:

1. Source-initiated, one-way influence (this is most typical of the two-step flow model): “Jim told me how good his Michelin radials are, so I decided to buy a set.”
2. Receiver-initiated, one-way influence: “I asked Jim what kind of tire he recommends.”
3. Source-initiated, two-way influence: “I showed Susan our new Samsung range. She really wants to buy one when her old stove gives out. Her interest made me feel better about our range’s higher price.”
4. Receiver-initiated, two-way influence: “I asked Carol what she knew about earbuds. We had an interesting discussion of the features of different brands.”

Of course, we could add additional levels to the flow and present a visual mode of communication as well. The point is that the communication process and flow of influence are very involved and interactive. In the next section, we will more closely examine the nature of personal influence as affected through opinion leadership.

OPINION LEADERSHIP AND CONSUMER BEHAVIOR

Opinion leaders are people who exert personal influence. They are the ones to whom others look to for advice and information. An example of parental opinion leadership is illustrated below:

Everyone knows the phrase associated with the Army, “Be all you can be.” However, this phrase may be changing to “Buy all you can buy.” The Army has historically enlisted young men and women with the promise of providing funding for college. However, in a recent campaign called the Army Advantage Fund, it offered up to \$40,000 toward the purchase of a new home or to start a business. This new program was designed to persuade parents or influencers of potential recruits that the Army offers other worthwhile benefits. Since the beginning of the Iraq War, it has been challenging to recruit new soldiers. The military, however, understands that to enlist a soldier it is important to go through mom and dad since parents have such a strong impact on their children. The parents act as opinion leaders in influencing their children’s decisions.¹⁴

The term “opinion leader” is perhaps misleading because it tends to connote people of high status who make major decisions for the rest of us. In the marketing context, such a designation is unfortunate because it erroneously suggests an absolute leader whom others seek to follow. In fact, opinion leadership is a relative concept, and the opinion leader may not be much more influential than his followers.¹⁵ Opinion leaders, however, can informally and subtly affect the behavior of others toward products, either positively or negatively. If they like a product or service, they can help to assure its success; if they do not like it, they can contribute to its failure. It all depends on the verbal and/or visual communication that flows between them and others whom they influence.

To broaden and deepen its appeal among consumers, Nike is straying from traditional promotional methods of using superstar athletes to design and sell shoes. The company realizes that it must affect influencers such as early adopters of its products to gain consumer trust. It is relying on less-known individuals such as Los Angeles tattoo artist Mister Cartoon to promote Nike shoes. The company has not abandoned its athletic roots, but is just expanding its reach to all consumers, especially the nonathletic types. So, how does Nike touch those consumers? It searches the world for cool, trend-setting people to design new products. It uses this global network of cool individuals such as DJs, designers, and early adopters to act as influencers of influencers in generating new ideas and sales. This then creates a buzz that affects more mainstream consumers.¹⁶

For communication of marketing information through two- or multi-step flow models, opinion leaders are important and are found at all levels in society. Consumers tend to be influenced by those who are members of the same groups, people very much like themselves. Thus, every status level and every group will have opinion leaders, with the flow of influence being generally horizontal within them. However, the fact that opinion leaders are found in all strata of society does not necessarily mean that they are equally effective or important to the marketer at each social level. In fact, personal influence appears to be more operative and to have greater value and effectiveness at higher income and status levels.¹⁷ These, then, turn out to be the levels that marketers are often more concerned about reaching.

Who Are Opinion Leaders?

Because personal influence of opinion leaders is quite significant, marketers are obviously interested in trying to reach such influentials. To do so, however, requires that they first be identified and segmented. Numerous studies have been conducted to identify the characteristics of opinion leaders. Although the findings are not conclusive, we do have some understanding of what the profile of opinion leaders looks like:

1. Opinion leaders have approximately the same social-class position as nonleaders, although they may have higher social status within the class. This does not mean that personal influence does not flow across different class lines, but it is likely to be infrequent and of a visual nature rather than verbal.

2. Opinion leaders have greater interest and knowledge of the area of influence than do nonleaders. They also have greater exposure to mass media that are relevant to their area of interest.¹⁸ For example, opinion leaders for women's fashions could be expected to have higher exposure to such magazines as *Vogue* and *Glamour*. Similarly, automobile opinion leaders might be expected to read *Motor Trend* or *Car and Driver*. Exposure to relevant mass media provides them with information useful in enhancing their leadership potential.

3. Opinion leaders are more gregarious than nonleaders. This finding is logical, given that they must interact with those whom they influence. Thus, opinion leaders are generally more sociable or outgoing.

4. Opinion leaders are more innovative than nonleaders. This does not mean, however, that they are innovators (the first people to purchase a new item). In fact, innovators and opinion leaders have been found in several studies to have differing characteristics and lifestyles. In the fashion market, for instance, the innovator is seen as an adventurer who is the earliest visual communicator of the newest styles aimed at the mass of fashion consumers.¹⁹ The opinion leader, however, may be characterized more as an editor of fashions, who defines and endorses appropriate standards.

5. Opinion leaders are also more familiar with and loyal to group standards and values than are nonleaders. This refers to the fact that opinion leaders are vested with leadership authority by group members, and to maintain this position, the individual has to reflect underlying norms and values for that area of consumption leadership. The clothing influential, for instance, cannot be too far ahead of or behind fashion, but must reflect the current norms in clothing.

6. Opinion leaders also appear to exhibit the personality trait of public individuation, which is a state in which they feel differentiated to some degree from other people and choose to act differently from them. People who are individuated could be expected to show high confidence, self-esteem, ability to withstand criticism and rejection, and the need to be unique. Opinion leaders differentiate themselves by having greater knowledge and interest in a particular product or issue than opinion seekers. Moreover, opinion leaders demonstrate a willingness to stand out or be different in a group situation by disseminating information through word-of-mouth communication.²⁰

Exhibit 12.2 (next page) illustrates how an organization used its proprietary segmentation approach to identify influencers.

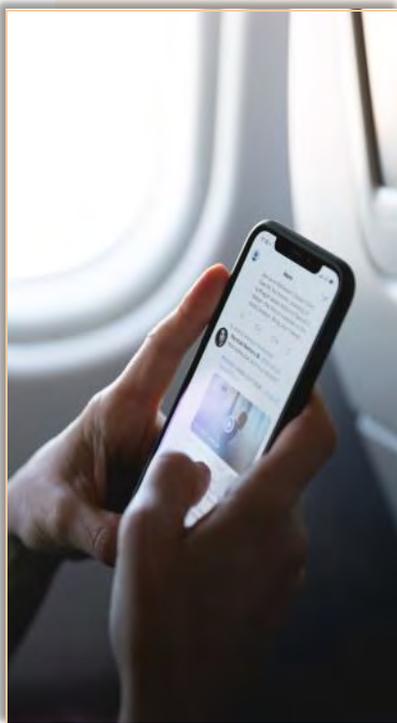


EXHIBIT 12.2

Keller Fay's Conversation Catalysts®

The Keller Fay Group has developed an influencer segmentation system known as “*Conversation Catalysts*®” to describe these types of influencers. According to this system they have determined that nearly 20 million Americans qualify as influencers. While a relatively small percentage of the population, the number of “everyday” people having a disproportionate impact in the marketplace is still large. In this system, three significant criteria have been identified that determine whether a person is an influencer: means, motive, and opportunity.

A person needs to be in touch regularly with other people if he or she is to be considered to have the means to influence them. A person who is highly knowledgeable but interacts with others very little will not be too influential. The average U.S. adult keeps in close personal contact (i.e., real-world offline communications) with approximately 16 friends, family, and acquaintances. Influencers, on the other hand, have a social network of 33, made up of 9 friends, 11 family, and 13 acquaintances, with whom they communicate often. Despite social media growth, research by the Keller Fay Group shows that 90 percent of conversations about brands and companies still happen face to face or over the phone. Comparisons between offline and online word of mouth also reveal that online conversations involve very different types of categories, brands, and consumer motivations, so one can't expect online social networks to be representative of what happens offline. That is why the breadth of one's real-world social network is central to a person's influence. Large everyday networks offer a person the means to engage actively in conversation.



A person's motive is a second important factor in influence. The person should have an internal desire to know about things that are new and different and be willing to invest time and energy to keep up. It may mean engaging with a variety of media, visiting stores to see the latest innovations, or just conversing with other people to learn what they are doing. That is one reason why these people, Conversation Catalysts, are more heavily represented in the audiences for print media and online publishers than in the audiences of Facebook and Twitter. They seek out information. Conversation Catalysts have been shown to be twice as likely as the general public to keep up across a whole host of categories, from fast-moving consumer goods such as food, beverages, and personal care products, to services such as travel or financial services, to big ticket items like automotive and technology products.

Finally, influencers must have the opportunity to share what they have learned, meaning they must be perceived to be information sponges to their friends, families, and co-workers. Compared to the average U.S. adult's nearly 65 conversations per week about brands, Conversation Catalysts have 150. Thus, Conversation Catalysts have abundant opportunities to share their views across a broad spectrum of product and service categories. Because this group drives a disproportionate share of the nation's brand conversations, if they can be engaged and activated on a company's behalf, they can drive conversations to achieve marketing results.

Source: Adapted from Ed Keller, “How Influence Works,” *Admap*, December 2012; and Ed Keller, Brad Fay, and Jon Berry, “Leading the Conversation: Influencers' Impact on Word of Mouth and the Brand Conversation,” Keller Fay Group, 2007.

Why Opinion Leaders Attempt to Influence Others

Consumers speak about products or services because they expect to derive some satisfaction from the activity. Below we categorize and elaborate on the earlier discussion on why consumers as opinion leaders engage in word-of-mouth communication about products or services.

1. Product involvement. Use of a product or service may create a tension that may need to be reduced by way of conversations, recommendations, or enthusiasm. For example, consumers often are fascinated by new items and feel they must tell someone about how good a product is that they've found.
2. Self-involvement. In this case, the emphasis is more on ways the influencer can gratify certain emotional needs. Product talk can achieve such goals as:

Gaining attention. People can have something to say in a conversation by talking about products rather than people or ideas.

Showing connoisseurship. Talking about certain products can show one is in the know and has good judgment.

Feeling like a pioneer. The speaker may like to identify with the newness and uniqueness of products and their pioneering manufacturers.

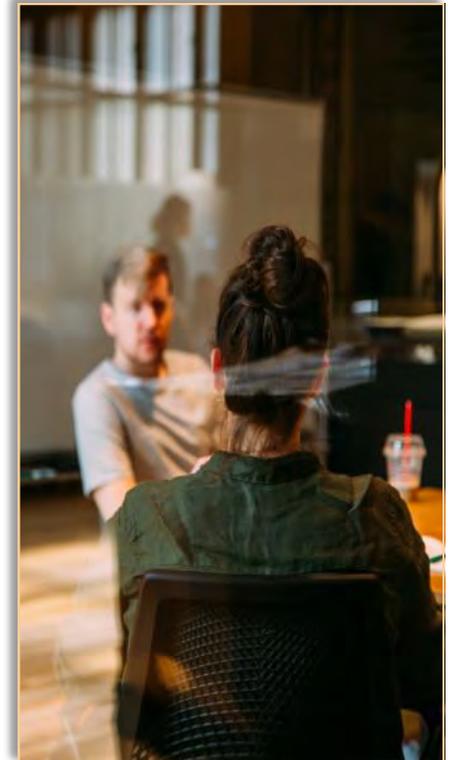
Having inside information. The speaker can show how much more he or she knows about the product and its manufacturer (and thus how informed the speaker is).

Suggesting status. Talking about products with social status may elevate the speaker to the level of its users.

Spreading the gospel. The speaker may be able to convert the listener to using the product.

Seeking confirmation. The more followers accept his or her advice about the product, the more assured the speaker feels about his or her own decision.

Asserting superiority. Recommending products to listeners can help the speaker gain leadership and test the extent to which others will follow.



3. Other involvement. In this case, product talk fills the need to “give” something to the listener, to share one’s happiness with the influencee, or to express care, love, or friendship.
4. Message involvement. Talking may also be stimulated by interest in the messages used to present the product. For example, advertising that is highly original and entertaining may be the topic of conversation, especially since most of us feel we are experts on effective advertising and can thus speak as critics.²¹

The involvement level of consumers, therefore, is a critical dimension of their behavior as opinion leaders and as innovators. The concept of enduring involvement (a continuing product interest and concern that goes beyond situational influences) is important to understanding opinion leader behavior. Research indicates that enduring involvement motivates opinion leadership that, in turn, results in information sharing and innovative behavior (see Chapter 3 for more on involvement theory).²²

When and Why Consumers Accept Personal Influence

Characteristics related to products, individuals, and groups influence consumers’ acceptance of opinion leadership.²³ Product characteristics play a role because they determine the sphere of personal influence. For example, when consumers buy products that are highly visible or conspicuous (such as clothing as opposed to laundry detergents), they are more likely to be influenced by opinion leaders.

Their susceptibility to personal influence also increases when they buy complex or risky products that are difficult to judge or evaluate. In contrast, when consumers buy products that can be tried or tested or compared against some objective criteria, they become less susceptible to personal influence.

While product risk, visibility, and complexity increase the likelihood of consumers accepting the opinions of others, research also shows that opinion seeking is not limited to specific types of goods but ranges across nondurables and durables, with the highest incidence occurring in the food category. One explanation for this is that consumers use social communications more as a means of acquiring product information than as a means for reducing risk or evaluating complex products.²⁴

Individual consumer characteristics and group influences are also important in determining the extent to which opinion leadership is effective. For example, individuals who are other-directed look to other people for behavioral guidance, in contrast to those who are inner-directed and rely on their own value systems for direction. Also, individuals who face new life experiences (such as newlyweds or retirees) may be more receptive to information and consequently be quite susceptible to personal influence. In addition, those who aspire to membership in particular groups become receptive to personal influence and may emulate the behavior of group members. A final factor to be mentioned that affects the acceptance of opinion leadership is the individual's personality. For example, some of us may simply be more persuadable than others.

Market Mavens

A view that adds to the concept of opinion leaders and influencers is that of the *market maven*. The term "maven" is Yiddish and connotes a neighborhood expert who has information ranging over several topics. Market mavens, a specific group of mavens, are defined as individuals who have information about different kinds of products, places to shop, and other facets of markets, and who initiate discussions with consumers and respond to their requests for market information.²⁵

Market mavens are considered generalists who acquire and use market knowledge and expertise to influence others. They browse and shop to learn about new products and to promote and popularize them through word-of-mouth.²⁶ They share information, provide help to others out of a sense of obligation, and derive pleasure from sharing information.²⁷ For marketers, thus, the goal is simple—identify these market mavens and work with them to promote products and services and increase sales (see Strategy Box on the next page).

Market mavens are found in almost every segment of a market. And although there are no clear demographic or psychographic profiles identified yet for these influencers, studies show that market mavens are more likely to be women.²⁸ While this may be the case, men also assume the role of market mavens. In South Africa, for example, in the retailing sector and in Germany in the Internet music sector, men were more likely to be market mavens. In a study on thrift shopping, defined as purchase of previously owned products, thrift mavens, consumers who provide information about the thrift market such as garage sales, yard sales, estate sales, flea markets, or thrift stores, belonged to both genders.²⁹ Furthermore, teenagers are also more likely to act as market mavens within their families because of their expertise with the Internet.³⁰

Psychologically, market mavens show a strong need to express their uniqueness through product and brand choices but, at the same time, are also found to be susceptible to normative influence of others. This may explain why mavens look for products and brands that distinguish them from others, but which remain aligned with the normative beliefs of the people they interact with.³¹

Another group of influencers, like market mavens, are called citizen influencers. Unlike market mavens, though, citizen influencers are ordinary consumers who like to post their views, opinions, and experiences on the Internet to influence strangers. Citizen influencers can acquire celebrity-like status and become very persuasive when their followers view them as trustworthy, likeable, knowledgeable, similar, and familiar. Their influence flows from two qualities: relatable as normal consumers but viewed as taste leaders.³²

Market Mavens

Market mavens play an outsized role in influencing consumers' purchase decisions. Their importance as influencers comes from the expertise and knowledge they have about products and services and the associated activities around their acquisition and consumption. For marketers, therefore, it is important to distinguish these market mavens from other consumers when they are introducing new products and designing promotional messages.

What motivates consumers to disseminate market information? A research study focused on understanding how the strength of different motives influence the dissemination of market information among consumers. Researchers obtained data for the study from a questionnaire administered by phone in a moderate-sized town in the U.S. Respondents in the study were asked to indicate how true it was that they felt obligated to share information with others, derived pleasure from sharing information, and desired to help others.

Results showed that the strength of motivations to share market information with others varied across the respondents. Based on the results, the respondents were divided into the following three groups: market mavens, moderate mavens, and non-mavens. Market mavens, in contrast to moderate mavens and non-mavens, were influenced more strongly by the three motives, that is, they felt more obligated to share information with others, derived more pleasure from sharing information, and desired more to help others.

Students: Who do you reach out to for obtaining brand and market-related information and why? Do you provide brand and market-related information to family and friends, and, if yes, what motivates you to do this?

Managers: How would you identify market mavens for your firm? How would you reach them and persuade them to disseminate brand-related information?

Source: Gianfranco Walsh, Kevin Gwinner, and Scott Swanson, 2004, "What makes mavens tick? Exploring the motives of market mavens' initiation of information diffusion," *The Journal of Consumer Marketing*, 21/3, 109-122.



Viral Marketing

Viral marketing has been described as “any strategy that encourages individuals to pass on a marketing message to others, creating the potential for exponential growth in the message’s exposure and influence.”³³ Here, “viral” describes how a message is assumed to spread, that is, slowly at first and then rapidly, like a virus, all at low or no cost to the marketer.

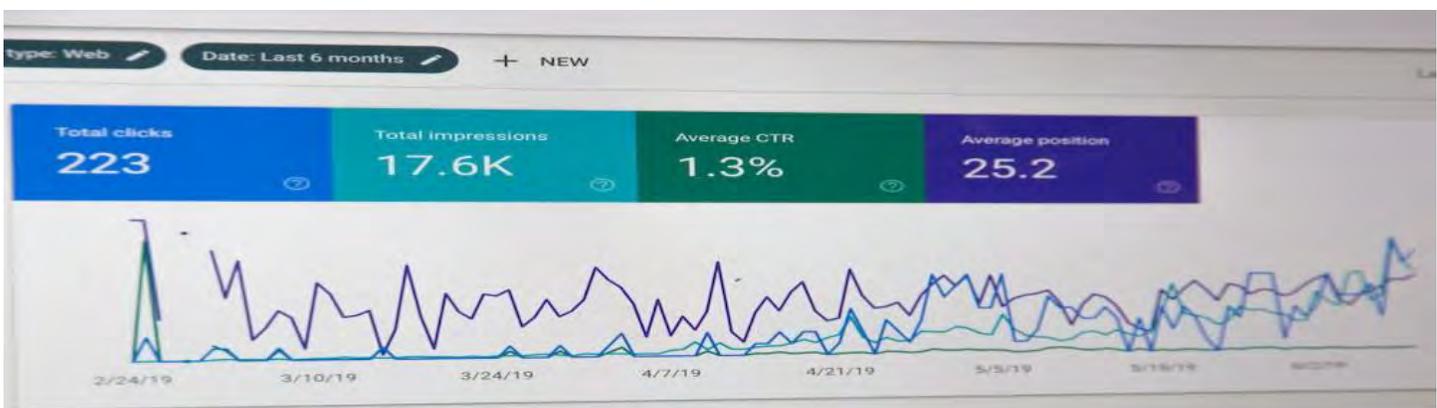
Viral marketing has taken on a new form in recent years with the advent of **guerrilla marketing**.³⁴ Guerrilla marketing focuses on using low-cost, creative, unconventional, and effective strategies of marketing, especially marketing communications. The concept was developed for small firms to use minimal marketing resources but achieve maximum results. The tactic uses nontraditional advertising, often described as marketing stunts, to promote products in ways that are counter to the methods of mass marketers.

Buzz generated by viral marketing comes in two forms: uncodified and codified. **Uncodified buzz** occurs when a consumer, for example, watches a YouTube video or uses a new product that he or she likes and starts telling others about it. Uncodified buzz is also created through blogs and podcasts. Such communications, originating with consumers, are not controllable by the marketer. **Codified buzz**, on the other hand, is incubated, fostered, and underwritten by the firm, such as endorsements, product usage testimonials, hosted chat rooms, and so forth.³⁵

Marketers use viral marketing techniques to generate buzz. One of the most effective viral marketing platforms is Facebook, which attracts millions of visitors each month. Companies that establish pages on these sites devoted to a store or brand can interact with consumers as well as gain valuable real-time feedback.³⁶ The hope is that these sites will attract consumers and generate favorable online discussions about products and services.

Whether executed on YouTube or social media platforms, viral marketing campaigns can succeed and yield measurable results, if firms do the following:

- Use viral marketing tactics to build awareness and trial. The campaigns should have the clear goals of building awareness and promoting trials among customers. They need to tap into consumers’ desire to share news about products and brands with family and friends and make recommendations to them.
- No acquisition without identification. Viral marketing needs to capture customer data. Identifying customers by collecting their email addresses or signing them up for opt-in programs, for example, are essential for building customer relationships that can lead to cross-sell, up-sell, and increased customer lifetime value.
- Looking beyond the transactions. Besides increasing the propensity to make purchases, viral marketing should also motivate customers to become brand advocates.
- Connecting advocates to product development. Viral marketing campaigns should serve as platforms for value co-creation, that is, they should involve customers in the product development cycle, as Lego, American Express, and Dell have done.³⁷



Online or Offline Influence

Consumers use both online platforms and offline conversations to communicate as well as influence each other. Two of the key differences between the offline person-to-person, face-to-face, word-of-mouth (WOM) communications and online electronic communications, eWOM, involve scalability and speed of information diffusion. In the case of eWOM, communications can reach a vast number of people with lightning speed, unlike the more constrained reach and diffusion of the traditional approach.³⁸

Conducted primarily on the Internet, eWOM is defined as “any positive or negative statement made by potential, actual, or former customer about a product or company, which is made available to a multitude of people and institutions via the Internet.”³⁹ The different online platforms function as suitable venues for opinion leaders and influencers to connect and interact with consumers in their networks and influence their purchase decisions.

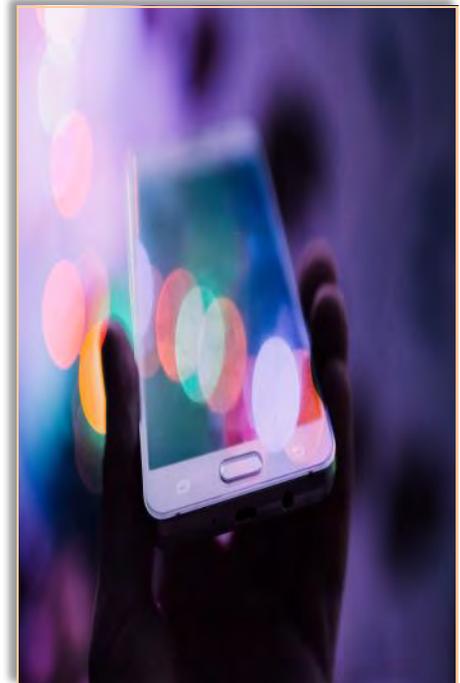
Consumers generally seek information from their family and friends and from the reviews they read on social media and corporate websites before making a purchase. A research study, conducted in Thailand, explored the question, what motivates consumers of luxury cosmetics to go online and search for information. The study identified several motives that covered the entire spectrum of the consumer journey. Consumers, for example, checked eWOM for information validation, to verify the information they gained through the traditional WOM sources, product evaluation, to determine a good fit between the different alternatives and their needs, and purchase and post-purchase validation, to check to see if the purchase they made was right.⁴⁰

For businesses, therefore, a key question is how to use the online platforms to engage customers and generate interests in their products and services? A qualitative study, conducted in Dublin, Ireland, focused on determining the types and styles of eWOM that would work best in increasing restaurant business. Researchers found that promotional campaigns that motivate customer engagement are more likely to generate interest and go viral. A restaurant manager, one of the participants in the study, for example, reported that when they launched a new summer cocktail menu, they requested their Facebook friends to come up with names for the new drinks. The interactive format of the promotional campaign involving consumer participation increased consumer interests in the new drinks and created a buzz the restaurant was seeking.⁴¹

The growing popularity of online platforms as a source of information and an instrument of influence has been fueled by both their ease of use and usefulness. Consumers can now easily join different social media platforms and corporate-sponsored as well as consumers-initiated online brand communities to share their experiences and knowledge and learn about different brands. Data also shows that consumers spend a significant amount of time on their preferred sites during their journey from the pre-purchase to the post-consumption stage. Marketers recognize the significance of these online interactions and have responded by developing their own platforms to attract, engage, and persuade customers.

While the headlong rush into the always-on electronic world of social media gives the impression that online influence is the only influence that matters, research, however, shows that it would be a mistake to view influence exclusively as online influence. Studies consistently show that of the multitude of times U.S. consumers engage in conversations about brands and companies, over 90 percent of them still happen in the offline world, including over three-quarters that happen face to face.⁴²

While online social networks have taken off and drawn attention of marketers, what is important to remember is that the most effective use of influencers needs to be based on people’s real-life



friends and connections, and the influence they spread offline, where most of the word of mouth and social influence takes place. In a study of social interactions, data indicated that consumers mostly participated in offline social interactions and, furthermore, those who engaged more in online social interactions tended to also engage in offline social interactions.⁴³

Social media buzz is surely worth monitoring — it can be great as an early warning system and a customer relationship tool. But online social media should not be the brand's only social channel. Many product categories — food and drink, beauty and household products, and children's and health products — are discussed more offline and less so online. In contrast, technology, travel, and automobiles fit better with social media, but here, too, the volume and impact of offline WOM is significant.

While social media networks play a key role in influencing consumer behavior, what is important to remember is that they are just one of the social channels among many. Innovative companies, while recognizing the power of online tools and technologies, should focus on consumers to understand how, why, when and where they talk about brands and incorporate that in setting marketing strategy. They will need to cultivate the company's social voice — both online and offline.⁴⁴

ADOPTION AND DIFFUSION OF INNOVATIONS

We discuss innovation adoption and the diffusion process in this section to illustrate the way in which communication and interpersonal influence work with new products.

What Is an Innovation?

Product innovation is an essential activity in our dynamic global economy and a critical requirement for marketers to achieve success. Product innovation enables firms to satisfy consumer needs better than the competition, earn a higher rate of return, and solidify market position. However, when firms develop and launch new and improved products, they face an uncertain situation, whether consumers would accept or reject the products. Furthermore, as costs of designing and introducing new products have risen significantly, the need for marketers to understand both the nature of innovation and the process of product adoption has become more pressing.⁴⁵

The term *innovation* can be defined in several ways. One view based on consumer perceptions defines it as “any idea, practice, or material artifact perceived to be new by the relevant adopting unit.”⁴⁶ Another view establishes a continuum or range of newness based on the product's effect on established consumption patterns. Under this conception three categories of innovation are classified as described below:



Continuous innovations have the least disrupting influence on established consumption patterns. Product alteration is involved, rather than the introduction of a totally new product. Examples of products that are representative of this situation are fluoride toothpaste, new-model automobile changeovers, and cell phone cameras.

Dynamically continuous innovations have more disrupting effects than do continuous innovations, although they do not generally alter established consumption patterns. These may involve the creation of new products or the alteration of existing items. Examples of this would include electric toothbrushes, cordless vacuum cleaners, wall-sized television screens, and video phones.

Discontinuous innovations involve the establishment of new products with new behavior patterns. Examples of these situations would include television, computers, and automobiles⁴⁷ and, more recently, autonomous cars and smart phones.

The Adoption Process

Before we examine how products spread among population groups, we need to look at the process as it relates to individuals. The acceptance and continued use of a product or brand by an individual is referred to as “**adoption**,” although there are differing views about when this happens.⁴⁸ A model of the **adoption process** consists of the following stages:

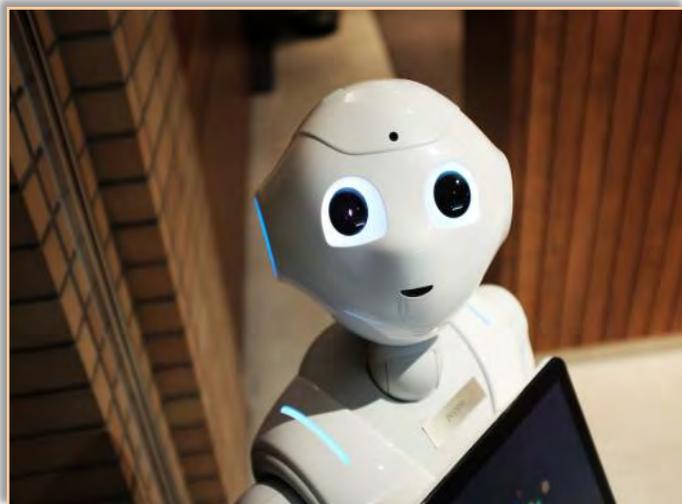
1. **Awareness.** At this stage the potential adopter finds out about the existence of a product but has very little information and no well-formed attitudes about it.
2. **Comprehension.** This stage represents the consumer’s having knowledge and understanding of what the product is and can do.
3. **Attitude.** Here, the consumer develops favorable or unfavorable behavioral predispositions toward the product. Termination of the adoption process is likely at this stage if attitudes are not favorable toward the product.
4. **Legitimization.** Here, the consumer becomes convinced that the product should be adopted. This stage is predicated upon favorable attitudes toward the innovation, and the consumer may use information already gathered as well as additional information to reach a decision.
5. **Trial.** If possible, the consumer tests or tries the product to determine its utility. Trial may take place cognitively, that is, the individual vicariously uses the product in a hypothetical situation, or trial may involve using the product in a limited or total way, depending on the innovation’s nature.
6. **Adoption.** At this stage, the consumer determines whether to use the product in a full-scale way. Continued purchase and/or use of the item completes the adoption process.

Thus, adoption can be seen as a sequence of events through which individual consumers pass over time. Some consumers pass through these stages early in a product’s life while others do so much later. And some may merely think about the product and consider buying it but not end up buying and adopting it.

Thus, the significance of understanding the adoption process is twofold. First, not all consumers pass through the adoption process and with the same speed—some move swiftly, some proceed more slowly, and some do not go past the early stages. Second, the effectiveness of marketing communication varies over the different stages of the adoption process. The consideration of these points can assist the development of an effective promotional program.

It has been found, for example, that for early stages of the adoption process, the mass media appear to be most effective in creating awareness; thus, the marketer would design awareness- and interest-generating messages to be transmitted by such impersonal sources. At later stages in the adoption process, however, personal sources of information appear to become more important, so the marketer would desire to have effective personal selling and word-of-mouth communications at these points. This indicates, then, that as consumers move through the adoption process, the amount of mass-media advertising might be decreased while the amount of personal selling and social media interactions is increased.

In developing communication strategies, it is also important to remember that some consumers, as indicated above, may not complete the adoption process, which means that the innovation will not be adopted. There are several firm or consumer-related problems that may lead to an incomplete adoption process.⁴⁹ At the awareness stage, for example, marketers may use too little or ineffective



communication, while consumers may engage in selective exposure or perception (not pay attention to the ads). At the comprehension stage, marketers may provide communication that is difficult to understand, or consumers may engage in selective retention (remembering only what interests them and not the marketer's message). At the attitude stage, marketing communication may not be persuasive, or consumers may become complacent or suspend judgment. At the legitimating stage, consumers may encounter peer-group resistance against the innovation. At the trial stage marketers may fail to obtain sufficient distribution, leaving consumers with the inability to try the innovation. Thus, care should be taken to minimize marketing problems that can derail the adoption process.

The Diffusion Process

In this section, we discuss the nature of the process by which innovations spread. Marketers are interested in this because it influences the success or failure of any new product brought to market. Marketers usually desire to secure the largest amount of adoption within the shortest time. Whether such an accelerated strategy is chosen (as is the case for most continuous innovations), or one that moves more slowly is chosen (as might be taken with discontinuous innovations), marketers need to understand the **diffusion process** so that they can properly manage the spread of the new product or service.⁵⁰ Although there are many limitations in much of the diffusion research, the research has helped us understand the communication process for innovations and the social structure within which this occurs.⁵¹

We should first distinguish the concept of diffusion from that of adoption. As we saw earlier, the adoption process is an *individual* phenomenon relating to the sequence of stages through which an individual passes from first becoming aware of the product to finally adopting it. The diffusion process, on the other hand, refers to a *group* phenomenon, indicating how an innovation spreads among consumers. The diffusion process, of course, necessarily involves the adoption process of many individuals over time.

Perhaps the best marketing-oriented definition of the diffusion process is “the adoption of new products and services over time by consumers within social systems as encouraged by marketing activities.”⁵² This definition recognizes the various components of the process that play a role in spreading an innovation.

Now, let's look more closely at the general process of diffusion and what it means for the marketer. We must remember that marketing actions should be designed to change the diffusion process to the firm's advantage.

Categories of Adopters: Because we know that people will not all adopt an innovation at the same time, we might classify consumers based on the time of adoption. In so doing, we will also discover that those who adopt new products at approximately the same time have similar characteristics. Armed with such knowledge, the marketer may be able to segment a market by adopter type and aim strategies, in turn, at each group over time. Five adopter categories have been identified: innovator, early adopter, early majority, late majority, and laggard. Each of these groups' characteristics is summarized below.⁵³ The percentages that follow represent the proportion of all who adopt an innovation, which may be only a small proportion of the total market.

Innovators: (2.5 percent of a market) are the first to adopt new products. They are quite venturesome and are eager to try new ideas. They have more risk capital (both material and social) and can afford to take calculated risks. Innovators are well educated, come from well-established families, and are cosmopolitan, having friends outside the community. Their sources of information also transcend the local community, incorporating other innovators and impersonal and scientific sources. They may belong to state, regional, or national organizations and are respected by local community members for their success.

In a distillation of twenty-one studies of new-product diffusion, a profile was developed of the innovative consumer. Because the studies span various product categories, sampling populations, re-

search methodologies, and definitions of innovation, the picture they provide of the consumer innovator must be viewed with caution. Exhibit 12-3 summarizes these characteristics.

EXHIBIT 12-3
A Profile of the Innovator

Findings for the Innovator vs. Noninnovator	
<i>Demographic factors</i>	<i>Attitudinal and perceptual factors</i>
Higher income levels Often younger	More venturesome and perceives less risk in buying new products
Better educated	Perceives himself as an innovator
Higher occupational status	Has favorable attitudes toward new products
Social interaction factors	Consumption patterns
Greater participation in friendship and organizational groups	Higher usage rate for the innovative product category
An opinion leader	Marked willingness to buy new products
Socially mobile	Communication behavior
Favorably disposed to innovation	Reads more print media

Source: Adapted from Thomas Robertson, *Innovative Behavior and Communications*, Holt, New York, 1971, pp. 100-110.

Early adopters: (13.5 percent of a market) are the second group to adopt an innovation. This group is more socially integrated locally than are innovators and has the greatest degree of opinion leadership in most social systems. They are likely to hold positions of leadership within the community and are respected as good sources of information and advice about the innovation. For this reason, they are very important in speeding the diffusion process. They watch the innovators and adopt when the innovation appears successful. They are just ahead of the average individual in innovativeness and so can serve as role models for others in the market.

Early adopters have less risk capital than do innovators. They are younger than later adopters, higher in social status, and above average in education. Early adopters subscribe to more magazines than later adopters (yet not as many as innovators). They also have been found to have the greatest contact with salespeople.

How important are innovators and early adopters in the success of new products? Quite significant. Moreover, when the early adopters begin buying something new, retailers see the product moving and are likely to advertise it more heavily and feature it prominently in stores. This can also enhance the retailer's image as an innovative store by handling hot new products.

Early majority: (34 percent of a market) is the next group to adopt an innovation and is the most deliberate of all adopter categories. Those in the early majority may consider an innovation for some time before adopting; thus, their adoption period is longer than that of the two previous groups. They adopt an innovation just before the average member of a social system, which puts them in a crucial position to legitimize the new idea for others.

Those in the early majority are slightly above average in age and education and in social and economic status. Although they belong to formal organizations, they are likely to be active members rather than leaders. They rely more heavily on informal sources of information than do earlier adopters. The early majority subscribes to fewer magazines and journals than do previous adopters, but they

have considerable contact with salespeople. They are frequently the neighbors and friends of early adopters.

Late majority: (34 percent of a market) adopts an innovation just after the average consumer in the marketplace. This group can be described as skeptical about new ideas and may yield only because of economic necessity or increasing social pressures. Those in the late majority are above average in age and below average in education, social status, and income. They belong to few formal organizations and exhibit little opinion leadership, with communication patterns oriented primarily toward other late majority members in their neighborhood. There is little use of the mass media (for example, fewer magazines are taken), but heavy reliance on informal sources of information and influence.

Laggards: (16 percent of a market) are the last group to adopt an innovation. They are tradition-bound, with decisions based on what has been done in the past. Laggards are suspicious of innovations and perhaps of those who offer them. The length of the adoption process for this group is quite long; when adoption finally comes, a new product has most likely superseded the previous innovation.

Laggards have the least education, the lowest social status and income, and are the oldest of any adopter category. They are the most local in orientation, which tends to be their immediate neighborhood, and they communicate mostly with other laggards, who are their main sources of information. Laggards possess almost no opinion leadership, have little participation in formal organizations, and subscribe to few magazines.

Although these categories and descriptions may vary for different products, they do provide the marketer with a helpful framework for managing an innovation's diffusion. One of the most important facets of the work in this regard will be the development of a sound promotional strategy. Clearly, adopter characteristics differ greatly among categories, and this requires that the marketer tailor promotions to appeal to each group over time. Exhibit 12-4 illustrates the kinds of promotional approaches that appear to be most effective for each adopter category.

EXHIBIT 12-4
How Promotion Varies by Stage in the Diffusion Process

Adopter Category	Successful Promotional Approaches
Innovator and early adopters	<ul style="list-style-type: none"> Stress excitement of ownership. Explain how product is new and revolutionary. Use sophisticated or technical messages and cosmopolitan appeals. Use publicity for new product announcements. Use highly credible spokespersons. Employ narrowly targeted special-interest and prestige publications. Appeal to "enthusiasts"—those highly involved in product category. Use pioneering advertising in specialized mass media. Use personal selling for high-learning products. Distribute trial size of product to homes. Use "event marketing" to introduce new products to media and trade.
Early majority	<ul style="list-style-type: none"> Use mass advertising to build brand preference. Stress benefits and compare brands in ads. Use demonstration-oriented advertising and house party personal selling. Rely on peer pressure to overcome deliberateness. Use price-oriented ads to gain market share. Employ sales promotion tools such as coupons and trial sizes sold in stores. Run dealer promotions to get them to stock and display the product. Feature opinion leaders in ads and use testimonials.
Late majority	<ul style="list-style-type: none"> Overcome skepticism by using guarantees and seals of approval such as Good Housekeeping, Underwriters Laboratory, etc. Demonstrate product in store. Use on-package coupons. Stress extended warranty protection and service/repair centers. Use value-marketing approach in advertising stressing high quality for a low price. Employ straightforward appeals. Use mass advertising to support dealers of the brand.
Laggards	<ul style="list-style-type: none"> Spend little on promotion because interest in product is disappearing.

Factors Influencing the Rate of Diffusion

The rate of an innovation's diffusion could range from several weeks to several years, depending upon consumers' acceptance of the item, which, in turn, is determined by how the innovation is perceived by consumers. There appears to have been, over time, a general increase in the rate of adoption of innovations.⁵⁴ Thus, a rapidly shortening product life cycle appears to be occurring. This trend is important for marketers, public policymakers, and consumer researchers because it may represent a significant change in consumption patterns. For example, more and more rapid adoption rates may preclude involved decision processes, so that other purchase approaches may be increasing, such as conformity, imitation, and recommendation. Even the meaningfulness of adopter category distinctions may lose their usefulness as these cycles are decreased.

The marketer, too, is generally interested in estimating the speed of innovation in a relevant market. There are six product characteristics that seem to influence the rate and extent of adoption of an innovation: (1) relative advantage, (2) compatibility, (3) complexity, (4) trialability, (5) observability, and (6) cost. These characteristics are described below.

Relative advantage is the degree to which an innovation is perceived as superior to preceding products or those with which it will compete. This might be reflected in greater efficiency, longer life, easier maintenance, or other measures. Products that have a strong relative advantage will be adopted more rapidly.

Compatibility is the degree to which an innovation is consistent with existing consumer values and past experiences of adopters. Acceptance will be retarded for new products that are not compatible with consumers' norms.

Complexity refers to how difficult the innovation is to understand and use. Diffusion will tend to be slowed for more complex items.

Trialability (or divisibility) is the extent to which an innovation may be tried on a limited basis. Where an item cannot be sampled on a small, less-expensive scale, diffusion is retarded.

Observability (or communicability) refers to the conspicuousness of the innovation. New products that are highly visible in social situations are those that will be communicated most readily to other adopters.

Cost refers to the magnitude of the financial resources required to obtain and operate this innovation. Innovations high in cost would be expected to diffuse more slowly. However, one study indicates that cost does not appear to be significantly correlated with rate of adoption.⁵⁵

The marketing implications of these characteristics are readily apparent. First, an innovation should exhibit some clear-cut advantages. In addition, products might be designed so that they could be evaluated on a limited basis (for example, small trial sizes of a new toothpaste). With some products, however, such as automobiles and memory foam mattresses, trial may be more difficult. Nevertheless, auto test drives (or in some cases even extended car loans) and free home trials for mattresses have been offered. Products should also be designed with minimum complexity and maximum compatibility (these also may make up part of the product's relative advantage). These features should then be stressed in promotional messages to potential adopters. If complexity and non-compatibility are inherent in the innovation, promotion should seek to overcome these limitations (for example, by stressing warranties or product-servicing facilities).

While product attributes must be carefully considered in developing an effective launch strategy for an innovation, the marketer must also consider target markets. For example, although innovative buyers may be perceived to be homogeneous, one researcher has identified segments of innovators having differing cognitive styles of decision making and problem solving.⁵⁶ Thus, each group might require a separate marketing mix at the launch stage of the product life cycle. For instance, with one group the marketer would emphasize continuity, harmony, and compatibility with existing products and lifestyles. With another group the marketer would need to suggest newness, discontinuity, and novelty.

Target segments and strategies would vary based on the range of newness of an innovation (from continuous to discontinuous).

Clearly not all consumers welcome an innovation. The disruption to their equilibrium that such change can bring may be resisted by them. Thus, consumers sometimes act to maintain the status quo and resist an innovation.



PUTTING THEORY INTO PRACTICE

In this section, we cover various marketing strategies for engaging opinion leaders to achieve marketing goals. However, two caveats are in order. First, it should be noted that opinion leaders are not equally effective in promoting all products—some products are very prone to personal influence, while others are not. For example, opinion leaders are more likely to be effective in product categories in which pleasure or psychological satisfaction is derived from product usage or in which association with the product provides a form of self-expression. Consequently, opinion leaders may be used more effectively to diffuse information about such products as clothing, automobiles, and cell phones, but less effectively for products like lamps and dehumidifiers. Second, it may be difficult and expensive to control the process of personal influence.

Before engaging opinion leaders to promote new products, marketers need to address some key questions: (1) the target market's innovative and early adoption propensities, (2) its heavy volume potential, (3) its susceptibility to personal influence, and (4) the cost of reaching this group. If the results show that the potential for personal influence is strong, marketers can begin the process of identifying and targeting opinion leaders.⁵⁷ Several strategies they can consider are as follows: (1) identifying and using opinion leaders directly, (2) creating opinion leaders, (3) simulating opinion leaders, and (4) stimulating opinion leadership

Identifying and Using Opinion Leaders Directly

In pursuing this strategy, marketers face two major difficulties. First, locating opinion leaders who are influential over a particular product is difficult. Characteristics of opinion leaders, which were discussed earlier in this chapter, make it clear that they are not easy to isolate. Moreover, for the con-

sumer-goods marketer the task of locating opinion leaders becomes challenging because of the large number of consumers. Thus, to identify the leaders, businesses would need to conduct market research. Second, there is evidence that in some cases opinion leaders may not be reached by certain advertising media any more effectively than the average consumer in a market would be.⁵⁸ Thus, identifying opinion leaders and appealing directly to them may not always be the most effective approach.

However, if the direct approach is adopted, the first step would be to identify opinion leaders. There are several ways to do this. One set of techniques involves measuring the degree of opinion leadership among consumers. In this instance, consumers evaluate themselves on the extent of their role as opinion leaders, which forms the basis for identifying opinion leaders. Another approach to identifying opinion leaders involves the *sociometric* technique, which consists of asking group members to identify those they reach out to for advice and information about a product or an idea. Finally, *key informants* in a group may be asked to designate opinion leaders.

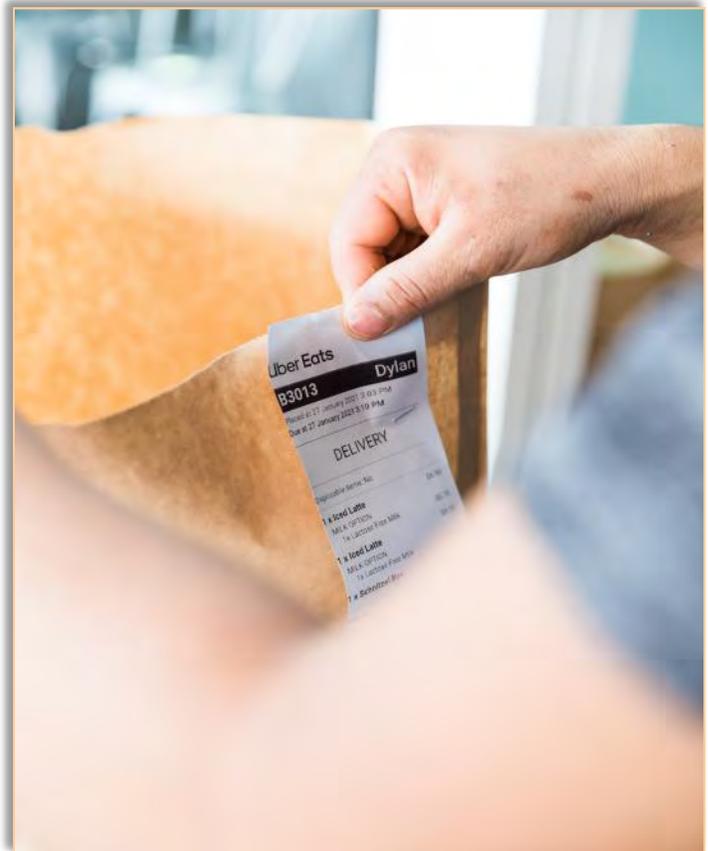
One of the best ways to identify those who may be influential for a company's product is to examine purchase records. For instance, many products today use a warranty card return system or online ownership registration whereby the marketer can locate specific individuals who are early adopters of the product and identify their characteristics. Of course, one disadvantage of relying exclusively on this approach is that not all buyers return these cards or register online.

Nevertheless, identifying and communicating with present owners may lead to effective incorporation of personal influence in marketing strategy.

Study of past purchases may also indicate which consumers are most likely to adopt new products. For example, by knowing that the most likely adopter of new telephone-system services, such as a videophone, would be those who had previously bought more sophisticated phone equipment and extensive services, the telephone company might access available records to determine the households in the service area which would have the greatest likelihood of adopting the new equipment. Another approach that may work well is to obtain mailing lists containing names of people who have a high level of interest in a particular product category. In other words, identify the enthusiasts for a specific product.⁵⁹ These people are quite likely to be heavy readers of information relating to the product.

It is also significant to realize that people who try products early also tend to be heavy users.⁶⁰ Thus, the marketer of a new product might engage in a two-step consumer identification program. First, heavy users of products within the same category as the to-be-introduced item should be characterized in terms of relevant background and behavioral variables so that a marketing program that appeals to these people can be developed. Second, once the product is introduced, a description of the earliest people trying the product should be obtained quickly so that the marketer may develop inducements for consumers with similar backgrounds.

Names and addresses of potential opinion leaders might be gathered not only from purchase records, but also from sponsorship of consumer contests, use of reader-service cards in magazines, and similar activities. To illustrate, Campbell Soup Company received over 94,000 entries in a recent Creative Cooking Contest, in which original recipes were submitted. Once names of potential opinion



leaders have been secured, they may be reached through direct-mail advertising, if the cost is not prohibitive, or emails if marketing permission has been obtained. Marketers can provide these opinion leaders with inside information about new products so that they are in a strategic position to pass along the information to others. Opinion leaders could also be provided with free samples (if it were an inexpensive product),⁶¹ discounts off the price of new products, or loan of the item (in the case of expensive durables).

Another approach popular in the clothing industry is to use opinion leaders as models or salespeople. For example, many clothing stores have established fashion advisory boards on which high school or college opinion leaders are placed. These fashion leaders may act as retail salespeople for the store, model the store's newest fashions for customers, or appear in store advertising. Some companies focus on college peer-to-peer programs, using university students, called brand ambassadors or campus evangelists, to promote their products.

Creating Opinion Leaders

When opinion leaders cannot be easily identified or used, it may be possible to create them. Such an approach is frequently attempted by aluminum siding and swimming pool manufacturers. Companies will typically select homeowners (especially those with central locations in their neighborhoods) and induce them to buy the product at a very low price if they will then demonstrate the product to others. The homeowner opinion leader is, in effect, being created by the company.

Several companies have attempted to create opinion leadership by getting the product into the hands of people who have a great deal of public contact or exposure. Ford Motor Company successfully utilized this approach for its Fiesta automobile:

To attract a new generation of Ford car buyers, the "Fiesta Movement" marketing effort was launched almost a year before the car was available to buyers. Ford enticed 100 Web-savvy test drivers with a free Fiesta for six months, auto insurance, and gas and asked the drivers to complete different tasks each month. Some of the missions involved Meals on Wheels, Harry and David goodies to the National Guard, and wrestling alligators. In return, they agree to upload their adventures and impressions on sites such as YouTube, Flickr Facebook, and Twitter. Ford picked the group from more than 4,000 video submissions viewed more than 640,000 times online. They gave applicants two scores: a "social vibrancy" rating that considered how much they were followed online and across how many platforms; and an overall grade that also incorporated creativity, video skills and their ability to hook a viewer within the first 10 seconds. In addition, Ford did background checks including their driving histories.

Ford targeted this passionate group of "culture creators" in hopes that the participants' digital storytelling would serve as "opinion leaders" and generate a grassroots following for the Fiesta and capture a new kind of buyer — the sophisticated, coastal, Generation Y buyer who may have never considered a domestic model. The campaign was very successful with 6.5 million YouTube views and 500,000 requests for more information about the Fiesta.⁶²

Simulating Opinion Leaders

In this approach, personal influence is simulated by various means, especially advertising. Advertisers frequently simulate opinion leadership by approximating the position of the disinterested and noncommercial speaker who would engage in word-of-mouth communication. By taking such a position, the need for personal influence may be replaced to a certain extent by advertising.

There are several ways in which the marketer can simulate opinion leadership. One advertising approach that is frequently taken is the slice-of-life promotion for many detergents, foods, laxatives, and other products, in which a person (the simulated opinion leader) tells another person about the virtues of the sponsored item. Visual communication also is frequently used in commercials simulating opinion leadership, whereby one shopper watches to see what another shopper (the opinion leader)

purchases, and then is seen to buy the same item based on this visual recommendation. Commercials of the sort in which a friend recommends the product to another often use nonprofessionals to enhance the believability and use a script that is written in authentic consumer language based on focus-group research.

Often, the advertiser simulates personal influence by using a *testimonial* approach, in which the user of the product conveys a favorable experience or opinion about the item. One testimonial approach uses typical people in a seemingly unsolicited recommendation for the product. Commercials featuring man-on-the-street recommendations, hidden camera interviews, and similar techniques may serve to influence viewers through a simulation of opinion leadership. Other testimonials often feature a famous actor or athlete as the endorser. Such celebrities are endowed with cultural meaning based on their status, class, gender, age, personality, and lifestyle; and they transfer this meaning from themselves to the product, and from the product to the consumer.⁶³

What effectiveness do celebrity endorsers have?⁶⁴ Not the automatic influence many marketers probably expect of them.⁶⁵ Celebrities will be most effective when there is a close match of personalities with products and advertising copy.⁶⁶ A review of hundreds of celebrity commercials over a twelve-year period indicates that only 41 percent obtained above-average scores in either brand awareness or attitude shift tests, and only 19 percent were above-average in both categories.⁶⁷ It appears that women, athletes, and veteran actors scored best, while younger dramatic actors, comedians, and nonentertainment personalities scored poorly. The effectiveness varies depending on the situation. For instance, a laboratory experiment of print advertising indicated that for the products of costume jewelry, vacuum cleaners, and cookies the best endorsers were celebrities, experts, and typical consumers, respectively. Furthermore, these particular product-endorser combinations resulted in better overall attitudes toward the product, greater intent to purchase the advertised product, and more credibility for the endorser. However, regardless of the type of product, the celebrity endorser was most effective in sustaining brand-name recall and recall of the advertisement in the viewer.⁶⁸ Thus, if the advertiser most desires brand name and advertisement recall, then a celebrity endorser is appropriate. If, on the other hand, believability of the endorsement, overall attitude toward the advertised product, and initial intent to purchase the advertised product are desired, celebrities may be best when the product purchase involves psychological or social risk. When the product involves financial, performance, and/or physical risk, the advertiser might utilize an expert endorser. For products with little inherent risk, a typical-consumer endorser should be chosen.



Marketers who use celebrities in their advertising must be careful to follow certain regulations. Federal Trade Commission (FTC) guidelines require, for instance, that celebrity or expert endorsers must actually use the product if the advertisements represent that they do and that the copy must represent the endorser's honest view of the product, with product claims substantiated.

The success of the testimonial approach depends on several things, therefore. First, the customer must believe that the speaker is talking to the interviewer spontaneously and disinterestedly (that is, the speaker is not simply being paid to speak about a product). Second, the speaker needs a believable relationship to the product. Third, the language used must sound authentic. In any event, it has been claimed that the use of a testimonial can increase advertising recall by 18 percent, while a celebrity's testimonial will boost it 75 percent.⁶⁹

A final approach to simulating opinion leadership is to use a company's chief executive as the spokesperson for the product or service. It is claimed that commercials featuring company spokesper-

sons generate three times the response of those using actors.⁷⁰ However this may not always be the case as in the former Daimler-Chrysler “Ask Dr. Z” campaign that featured Chief Executive Officer Dr. Dieter Zetsche whisking around and touting the excellent merger of German and American engineering in its automobiles. It was just a year after this commercial aired that Daimler and Chrysler split due to poor sales.⁷¹

Stimulating Opinion Leadership

This strategy is designed to get people to talk about the product and thereby exert personal influence. One way this may be encouraged is by using a *teaser* promotional campaign. Such a technique provides only enough information about the new item to pique the customer’s curiosity. A second advertising strategy is to develop such highly entertaining or emotional campaigns that consumers engage in discussions about the product and its advertising.

Other advertising strategies encourage consumers to talk about the product. For example, Firestone’s ads prompt the reader to “Ask a friend about Firestone.” This approach attempts to instigate personal influence through having users disseminate product information, and potential users request product information. Obviously, the marketer would desire only favorable word-of-mouth communications to be imparted about the product. This suggests that a monitoring system is needed to find out what present and potential customers are saying about the product and to help in the formulation of advertising strategies designed to react to word-of-mouth communication.

A final strategy is for the marketer to secure high visibility of the item. One approach is to use in-store demonstrations and displays at favorable locations. Another approach is to have the product placed in a movie or television show.⁷² The use of brand name products in movies comes about in several ways: producers may simply use a product without contacting the manufacturer; companies may solicit studios and pay for on-screen plugs; studios may solicit manufacturers for use of the product for a fee or for free; or brokers may try to get products of the companies they represent used on screen. The result of such usage and the implied endorsement that it represents can have a startling impact on the success of the product.

Contests and sweepstakes are another way to build visibility and interest and to get consumers talking about products and services. Similarly, when brand names are linked with athletes or athletic events in media coverage, corporate sponsors may score points in the marketplace. That is why many U.S. companies are now involved in sports marketing. They act as official sponsors of a variety of athletic events hoping to boost brand awareness among armchair and arena audiences and to reinforce the product image created from advertising. Such events also offer the chance for consumer product sampling.⁷³

Ethics in WOM Marketing

The **Word-of-Mouth Marketing Association (WOMMA)** is an official trade association that represents the interests of the word of mouth and social media industry. Its members are committed to compliance with laws and regulations that govern the prevention of unfair, deceptive, or misleading marketing practices. WOMMA has adopted a Code of Ethics and Standards of Conduct as a requirement of membership into the association, with the hope that the Code and Standards reflect an attempt by industry members to do the right thing by engaging in responsible self-regulatory efforts concerning their marketing practices. The following eight items constitute the group’s standards:⁷⁴

1. Members’ representatives must disclose their relationships or identities with consumers in relation to the marketing initiatives that could influence a consumer’s purchasing decisions.
2. Members shall require their representatives to disclose meaningfully and prominently all forms of consideration or compensation they received from the member, marketer or sponsor of the product or service.

3. Members shall require their representatives involved in a word-of-mouth initiative to disclose the material aspects of their commercial relationship with a marketer, including the specific type of any remuneration or consideration received.
4. Members shall comply with the FTC Guides Concerning Use of Endorsements and Testimonials in Advertising.
5. Members shall exhibit genuine honesty in communication by not telling their representatives what to ultimately state in their communications about a particular product or service, so as to enable the consumer to reflect his or her honest opinions, findings, beliefs, or experiences.
6. Members shall respect the rights of any online or offline communications venue (such as a Website, blog, discussion forum, traditional media, and live setting) to create and enforce its own rules as it sees fit.
7. Members shall not include children under the age of 13 in any of its word-of-mouth marketing programs or campaigns; and shall comply with all applicable laws dealing with minors and marketing, including the Children’s Online Privacy Protection Act (“COPPA”).
8. Members shall comply with existing media-specific rules regarding marketing to children.

As cited in Standard 4 above, the FTC has adopted a set of regulations designed to control the misuse of endorsements and testimonials in advertising. It has issued a Guide that sets forth the general principles that the Commission will use in evaluating endorsements and testimonials, together with examples illustrating the application of those principles.⁷⁵

MANAGERIAL REFLECTIONS

For our product or service situation:

1. What communication and influence flows are exhibited between us and our customers?
2. Who are the opinion leaders relevant in this product category?
3. To what extent do our customers seek to influence others about the item?
4. What type of innovation is it considered to be, based on behavioral changes required of consumers?
5. Are there marketing or consumer barriers that may lead to an incomplete adoption process?
6. Which adopter category are we seeking in the diffusion process and how may the group be effectively marketed to?
7. Are there characteristics of the product that need modifying in order to encourage its rate and extent of adoption?
8. How may opinion leaders be identified and used directly?
9. Can additional opinion leaders be created?
10. Should attempts be made to simulate personal influence?
11. What techniques can be adopted to stimulate the process of personal influence?
12. Are we prepared to stifle negative opinion leadership?

KEY TERMS TO KNOW

Adoption

The acceptance and continued use of a product or brand by an individual.

Adoption Process

The sequence of stages of adopting a brand or product, including awareness, comprehension, attitude, legitimization, trial, and finally, adoption.

Categories of Adopters

The classification of consumers on the basis of time of adoption, where those who adopt new products at approximately the same time have similar characteristics.

Codified Buzz

Messaging that is incubated, fostered, and underwritten by the firm, such as endorsements, product usage, testimonials, hosted chat rooms, etc.

Compatibility

The degree to which an innovation is consistent with existing consumer values and past experiences of adopters.

Complexity

Refers to how difficult the innovation is to understand and use; diffusion tends to be slowed for more complex items.

Consequential WOM

When consumers pass on messages about marketing campaigns or brands they are directly exposed to.

Cost

The magnitude of the financial resources required to obtain and operate this innovation; those higher in cost would be expected to diffuse more slowly.

Diffusion Process

The adoption of new products and services over time by consumers within social systems as encouraged by marketing activities.

Early Adopters

The category of adopters who are the second group to adopt an innovation.

Early Majority

The category of adopters who are third in line to adopt an innovation; and the most deliberate and one of the largest of all adopter categories.

Experiential WOM

The most common and powerful word of mouth form, which results from a consumer's direct experience with a product or service.

Guerrilla Marketing

Focuses on using low-cost, creative, unconventional, and effective strategies of marketing, especially marketing communications.

Innovation

Any idea, practice, or material artifact perceived to be new by the relevant adopting unit; a continuum or range of newness based on the product's effect on established consumption patterns.

Innovators

The category of adopter who is the first to adopt new products, typically comprised of 2.5% of the market.

Intentional WOM

When marketers use celebrity endorsements to gain positive buzz for a product launch.

Laggards

The category of adopters who are the last group to adopt an innovation.

Late Majority

The category of adopters who adopts an innovation just after the average consumer in the market place.

Market Mavens

Individuals that have information about many kinds of products, places to shop, and other facets of markets, and

who initiate discussions with consumers and respond to their requests for market information.

Observability (or Communicability)

The conspicuousness of the innovation; new products that are highly visible in social situations are those that will be communicated most readily to other adopters.

Opinion Leaders

People who are able, in a given situation, to exert personal influence; the ones to whom others look for advice and information.

Personal Influence

The effect or change in a person's attitudes or behavior as a result of communication with others.

Relative Advantage

The degree to which an innovation is perceived as superior to preceding products or those with which it will compete.

Trialability (or Divisibility)

The extent to which an innovation may be tried on a limited basis; where an item cannot be sampled on a small, less- expensive scale, diffusion is retarded.

Uncodified Buzz

When an innovator uses a new product, sees a new movie, etc. that he or she likes, and starts telling others about it.

Viral or Buzz Marketing

Any strategy that encourages individuals to pass on a marketing message to others, creating the potential for exponential growth in the message's exposure and influence.

Word-of-Mouth (WOM)

Interpersonal communication within networks that reflects our preferences.

CHAPTER 12 NOTES

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