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Consumer Behavior

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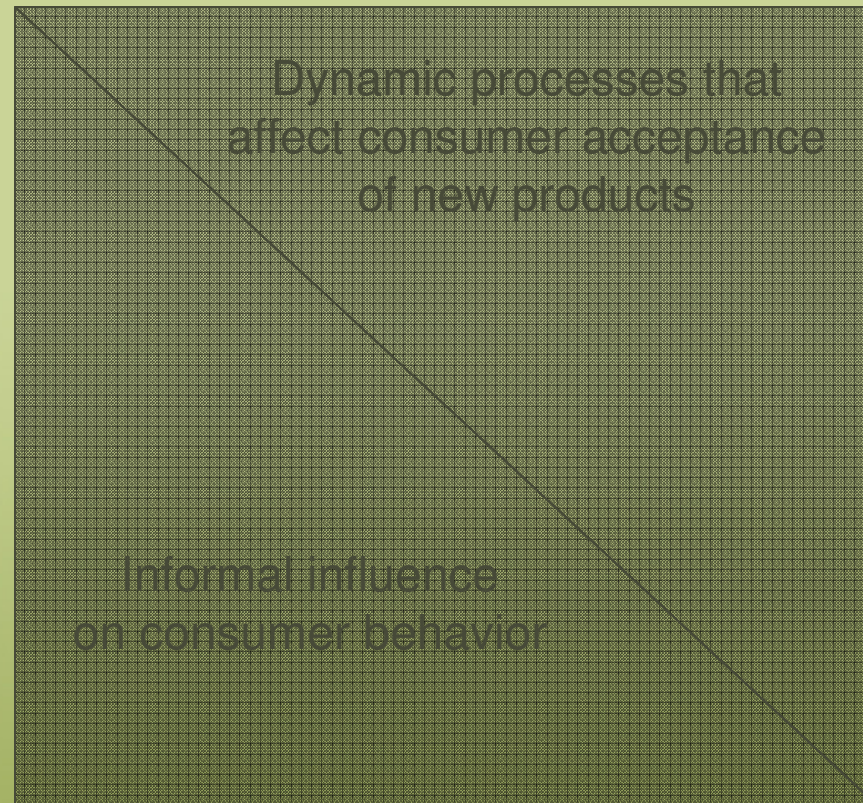
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Consumer Influence and the Diffusion of Innovations

Chapter 15



introduction





Opinion Leadership

- Opinion leader informally affects opinion seekers



Examples

- Family gas barbeque
- Film photograph
- New TV series



Statistics

- 4 times likely to be asked about political
- 3 times likely to be asked about computers
- 2 times likely to be asked about health



WOM effectiveness

- 71% “friends recommendation”
- 63% “past experience:
- 15% “advertising”



Dynamics of opinion leadership process

- Credibility
- Positive & negative product information
- Information and advice
- Opinion leadership is category specific
- Opinion leadership is a two-way street



Credibility

- Objective “no incentive” of using the product
- 200-1,000 sales communication a day
- Thousands of times to respond to friend recommendation



Positive & negative product information

- Marketers favor their product/brand
- Opinion leader provide both
 - Favorable
 - Unfavorable



Information and Advice

- Talk about their experience
- Advice to buy or to avoid



Opinion leadership is category specific

- Specialize in certain products
- Becomes opinion seeker for other products



Opinion leadership is a 2 way street

- Opinion leader becomes opinion receiver for the same product
- They might change their opinion after conversation



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The motivation behind Opinion Leadership



The needs of opinion leaders

- To satisfy some basic needs
- May be unaware of their underlying motive
- Benefits to opinion leaders



The needs of opinion receivers

- New product information
- Reduce their perceived risk
- Reduce search time
- Opinion leader approval



Profile of opinion leader, general

- Innovativeness
- Willingness to talk
- Self confidence
- Gregariousness
- Cognitive differentiation



Profile of opinion leader, category specific

- Interest
- Knowledge
- Special interest media exposure
- Same age
- Same social status
- Social exposure outside group

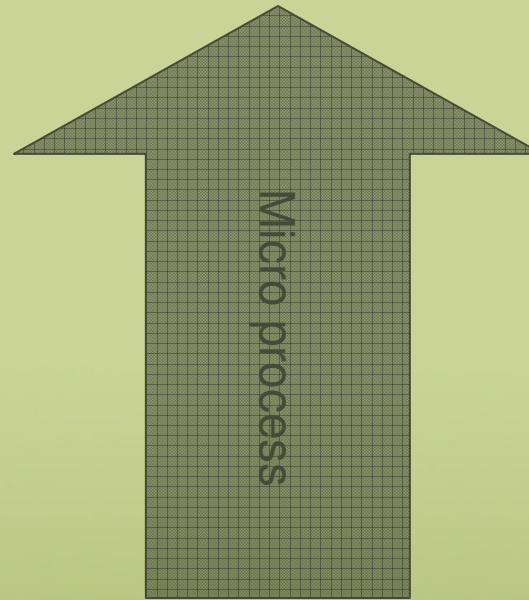
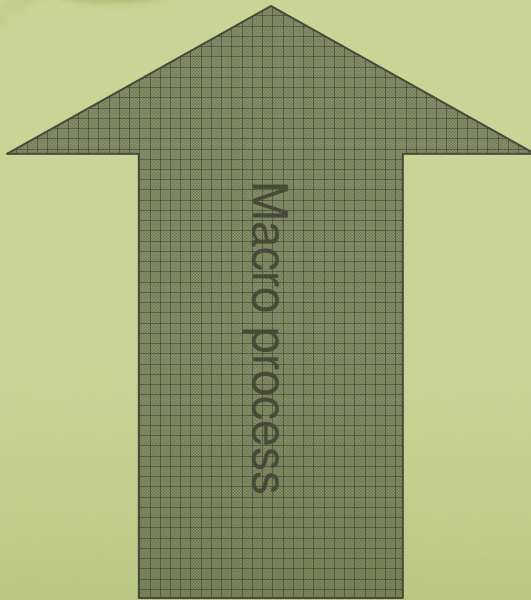


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Diffusion of innovations



Diffusion AND adoption process





The Diffusion Process

- Innovation
- Channels of communication
- Social system
- Time



Innovation

- No universally accepted definition
- Innovation
 - Firm
 - Product
 - Market
 - Consumer oriented definition



Product characteristics that influence diffusion

- Not all products diffuse in the same manner
- Marketers need to anticipate consumers reactions to their products



5 Characteristics

- Relative advantage
- Compatibility
- Complexity
- Trialability
- Observability



Innovation overload

- Too much information or options
- Complexity of products waste time and reduce chance of acceptance of new products



Channels of communication

- Communication between marketers and consumers
- Communication among consumers



The social system

- Social setting
- Market segment and target market
- Physical, social, or cultural environment



Social system acceptance of innovation

- Modern orientation have high acceptance of new products.
- Traditional orientation have low acceptance of new products



Typology of modern social system

- Positive attitude toward change
- Advanced technology
- General respect for education and science
- Emphasis on rational
- Interaction with outsiders
- Members can see themselves in new roles



Time

- Amount of purchase time
- Identification of adaptor categories
- Rate of adoption



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The adoption process



Stages in the adoption process

- Awareness
- Interest
- Evaluation
- Trial
- Adoption (or rejection)



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