INTERPERSONAL INFLUENCE

I. Interpersonal influence is a change in beliefs, attitudes, or behavior due to interpersonal communication.

   A. Interpersonal communication need not be only verbal (word of mouth); it can be visual, for example (e.g., early study of room air conditioners, fashion, hair styles, sports souvenirs)

   B. There are many aspects of interpersonal influence to consider: opinion leadership, diffusion of innovations, family decision making, and group influence.

II. Opinion Leadership

   A. Word of mouth about products is more likely if the product is visible, risky, high-involvement, distinctive, new, and self-image related.

   B. Word of mouth is most often initiated by situation or circumstance; half of such situations involve family members, 2/3 are dyads, most episodes occur in the home.

   C. One can try to present situations which encourage/stimulate product discussion or present contexts in ads that model such discussion - but must ring true.

   D. Not all consumers are of equal influence or equally active in word of mouth; the most influential and active are termed opinion leaders.

      1. Characteristics - gregarious, self-confident, socially active, high category interest and knowledge.

      2. Overlap between categories not that much unless categories are related.

      3. Reasons for doing (understanding reasons can help to stimulate word of mouth) include status, product involvement or interest, help others, reinforce own decision.

   E. Applications

      1. Simulate word of mouth - slice of life, drama vs. lecture - needs to ring true

      2. Stimulate - teaser campaigns, use original themes likely to be repeated, "tell a friend" campaigns, introduce product or sample it to opinion leaders to creat a 'buzz'

      3. Monitor what people are saying

      4. Directly targeting opinion leaders (e.g., teachers and TI calculators)

      5. Combatting product problems, rumors

         a. Perrier, Intel, Coke in Europe - how not to do it (denial of problem, inconsistent statements, slow response)

         b. Tylenol, some on-line firms after sabotage - how to do it (acknowledge problem, quick action, show concern for customers)

      6. Word of mouth and Internet

         a. The internet can be a tool for consumer dissent, a way of magnifying the impact of word of mouth by making it more accessible;
II. Internet and Influence

b. Opinion leadership on the net (e.g., ‘experts’ on various net boards - basketball, pets examples)

7. Using the interactive properties of the web for “interpersonal” influence – e.g., implementing a smoking cessation program on the web

III. Diffusion of Innovations - diffusion is the adoption over time of an innovation spread by communication through a target market.

A. The classification of innovations is based upon the degree of disruption of established patterns (continuous - new brand of cereal; dynamically continuous - self-focus cameras; discontinuous - personal computer)

B. Who is an innovator? - Midgley and Dowling define an innovator as an individual who does not rely on interpersonal influence or communication in making an adoption decision.

C. The adoption process models the sequence of steps an individual goes through in deciding on an innovation: awareness, interest, evaluation, trial, adoption.

D. The diffusion process refers to the spread through the population and is usually depicted as a bell-shaped curve using time of adoption (see pg. 533): innovators (2.5%), early adopters (13.5%), early and late majority (34% and 34%), and laggards (16%).

E. Product characteristics greatly affect the speed and extent of diffusion:
   1. Relative advantage
   2. Compatibility
   3. Complexity
   4. Trialability/divisibility
   5. Observability/communicability
   6. Analysis of these factors a priori can help to understand the likely obstacles or aids to diffusion
      a. Dryel
      b. Webvan

F. Dealing with ‘really new products’
   1. Lack of ‘frame of reference’ for consumers
   2. Benefits not necessarily obvious a priori (e.g., Febreze)
   3. Benefits often learned or discovered by consumers over time (need for extensive use testing)
   4. Predicting sales a priori is often extremely difficult, therefore. To help improve such predictions, one can
      a. Attempt to understand critical benefits and how they may differ by segment (e.g., for digital cameras, ease of use vs. resolution may differ in weight across segments)
      b. Provide analogies, encourage mental simulation to help consumers
envision the product before assessing the possible future demand.

5. Examples
   a. E-Ink K
   b. Electronic sunglasses K
   c. “Wired” seats at sporting and other events K

G. Characteristics of innovators, early adopters
   1. Personality/life style - inner-directed, risk-taking, socially active, cosmopolitan.
   2. Demographics - younger, higher income and education, more mobile, more special interest media.

H. Consumers and technology – consumers are ambivalent about technology and feel multiple paradoxes about it (e.g., freedom/enslavement, new/obsolete). They use multiple coping strategies to address these paradoxes (e.g., avoidance, confrontative) (Mick and Fournier, JCR, 9/98, 123-143).

IV. Family Decision Making

A. General issues
   1. Who plays what role in consumer choices (e.g., shopper vs. consumer, gatekeeper role)?
   2. To what extent do different family members use different brands, desire different benefits?
   3. How do families deal with limited resources and different wants - compromise, conflict?
   4. How do children learn about consumer behavior?

B. Roles in Family Choices
   1. Decisions can be dominated by one individual family member or be joint (this can vary by stage of the decision)
   2. Joint decisions more likely for high involvement choices, under low time pressure, for younger, for more educated, less likely for cultures with strong traditional sex-role norms
   3. Roles in joint decisions can vary by stage - information gatherer, influencer, decider, purchaser, user. Knowing which member takes which role is very important for the marketer, so there are many studies of degree of influence.
   4. Studies of who influenced a decision most show that disagreement between influencers is common (about 1/3)
   5. It is important to understand degree of influence so that the marketer can target appeals more precisely - media, psychographics, message (pool products, males and females in supermarket, jewelry, men’s clothing (see Solomon, pg. 384))

C. Children’s Roles
   1. Understanding the role of children is important K
      a. They are increasingly consumers themselves
      b. They influence many decisions
c. They are a future market where it can be crucial to get loyalty early -
McDonald's, Toyota - Lexus strategy, clubs, cameras

2. Consumer socialization, learning to buy
   a. Some companies or interest groups target kids directly (e.g., banks,
supermarket chains, web sites (e.g., http://www.nabiscokids.com)
   b. Role of parents in influencing kids – both verbal, observational
   c. Role of advertising and tv – also both verbal, observational
   d. Kids recognize consumption stereotypes by sixth grade or earlier
   e. Intergenerational influence - e.g., almost 40% of families have auto
insurance with same company as husband's parents.

3. Effect of ads on kids
   a. Discrimination between ad and program by about 6 or 7
   b. Understanding of persuasive intent by about 7 or 8
   c. Understanding of discrepancies between message and product by
about 9 or 10
   d. Is it lack of strategies or lack of knowledge? Sometimes kids can
perform better than adults for areas where they have greater
knowledge - e.g., allosaurus (actual) vs. tyrannosaurus (label) on
Chef Boyardee dinosaur pasta.

4. Kids' influence
   a. Increases with age, number of attempts
   b. Higher for high tech items that parents don't understand, for some
‘adult' products for which they are major users (e.g., minivans)

5. Implications
   a. Promotion in-store, since more yielding there for many products
   b. Target to both parents and kids for many products - movies, some food
items, high tech

V. Group Influence

A. Groups provide norms, roles, information, and status.

B. Group identification and influence can be very strong
   a. Asch studies - 37% yield to the group's judgment, even though their own
perceptions say that the group is wrong
   b. Group consumer situations – Tupperware and other sales parties (e.g.,
computers) K
   c. Affinity cards
   d. Strongest for products that are complex, risky, visible consumption
   e. Effects of groups on decisions include social loafing, decision polarization
   f. People overestimate the extent to which they are the focus of others' attention
(the spotlight effect – Gilovich, Medvec, and Savitsky, Journal of

C. Degree of influence depends upon public vs. private, luxury vs. necessity

Public
<table>
<thead>
<tr>
<th>Necessity</th>
<th>Product</th>
<th>Weak reference group influence</th>
<th>Strong reference group influence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strong reference group influence</td>
<td>Public necessities - weak product, strong brand Examples: wristwatch, automobile, man's suit</td>
<td>Public luxuries - strong product and brand Examples: golf clubs, snow skis, sailboat</td>
<td></td>
</tr>
<tr>
<td>Weak reference group influence</td>
<td>Private necessities - weak product, weak brand Examples: mattress, floor lamp, refrigerator</td>
<td>Private luxuries - strong product, weak brand Examples: trash compactor, icemaker, VCR</td>
<td></td>
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</tbody>
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D. Personal Positioning - how does the consumer position himself/herself through consumption?

1. Deciding to conform vs. differentiate - impression management
   a. cultural norms (East vs. West)
   b. group power - fear of sanction, commitment
   c. individual differences
   d. reactance, perceived threat to freedom

2. Positive and negative reference groups - being like vs. being different

3. Sources of data
   a. Ad frequency
   b. Observation of others' consumption, both positive and negative groups
   c. Distribution - number of stores, extent of display in store
   d. Depending upon goals, product popularity with others can be positive or negative for a consumer (e.g., negative – body piercing, Altoids; positive – network externalities such as for software or tape/disk formats, Palm Pilots)