Consumer Influer
Diffusion of Inno

- https://www.youtube.com/watch?v=nUxDq
- https://www.youtube.com/watch?v=ONgMa

Opinion Leaders

- The process by which one person informally influences the consumption of others who may be *opinion seeker*

What is Opinion Leade

Opinion Leader

Opinion Seeker

Opinion Leader

A person wh
gives produc
and advic

Opinion Seeker

An indivic
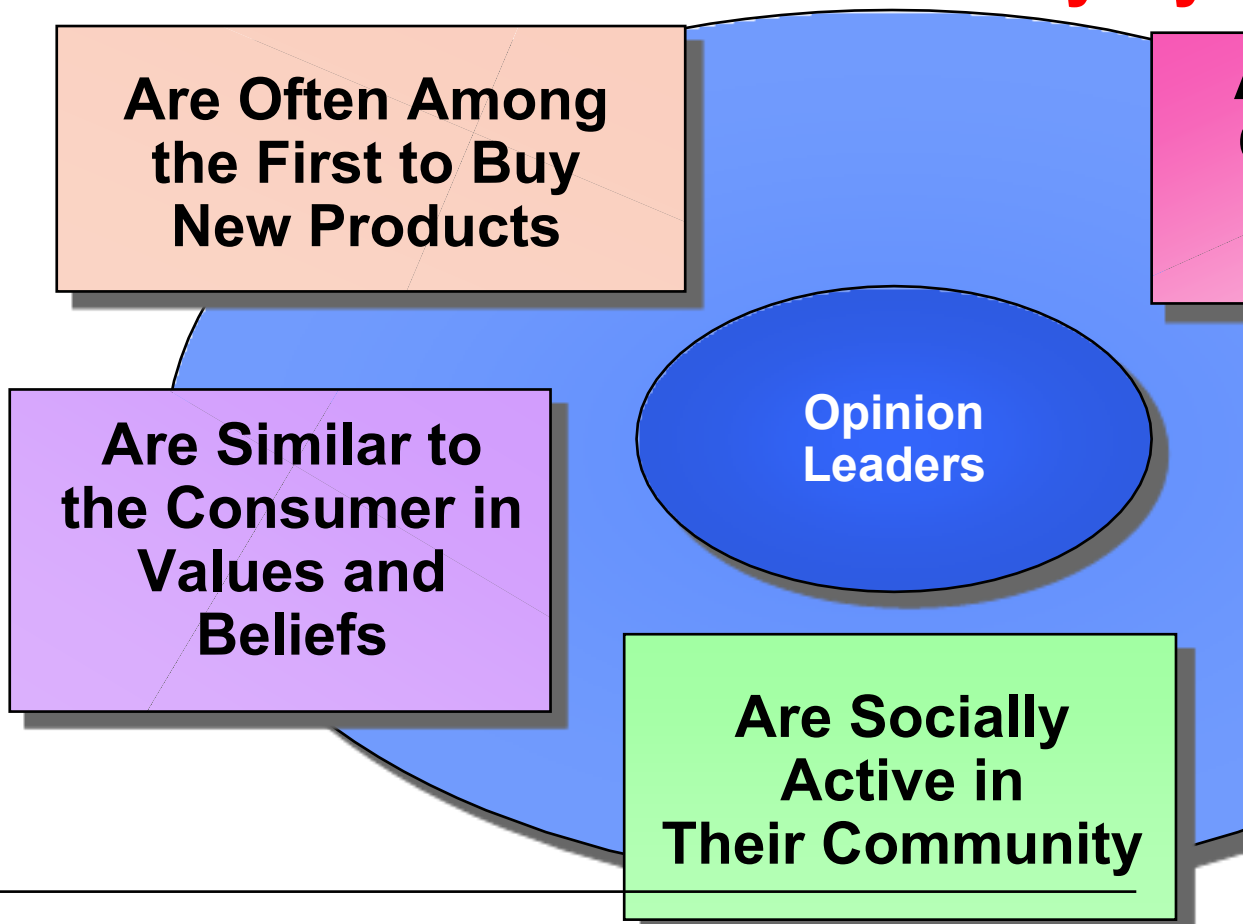actively s
informatior
receives
info

Opinion Receiver

The person w
opinion offer
pers

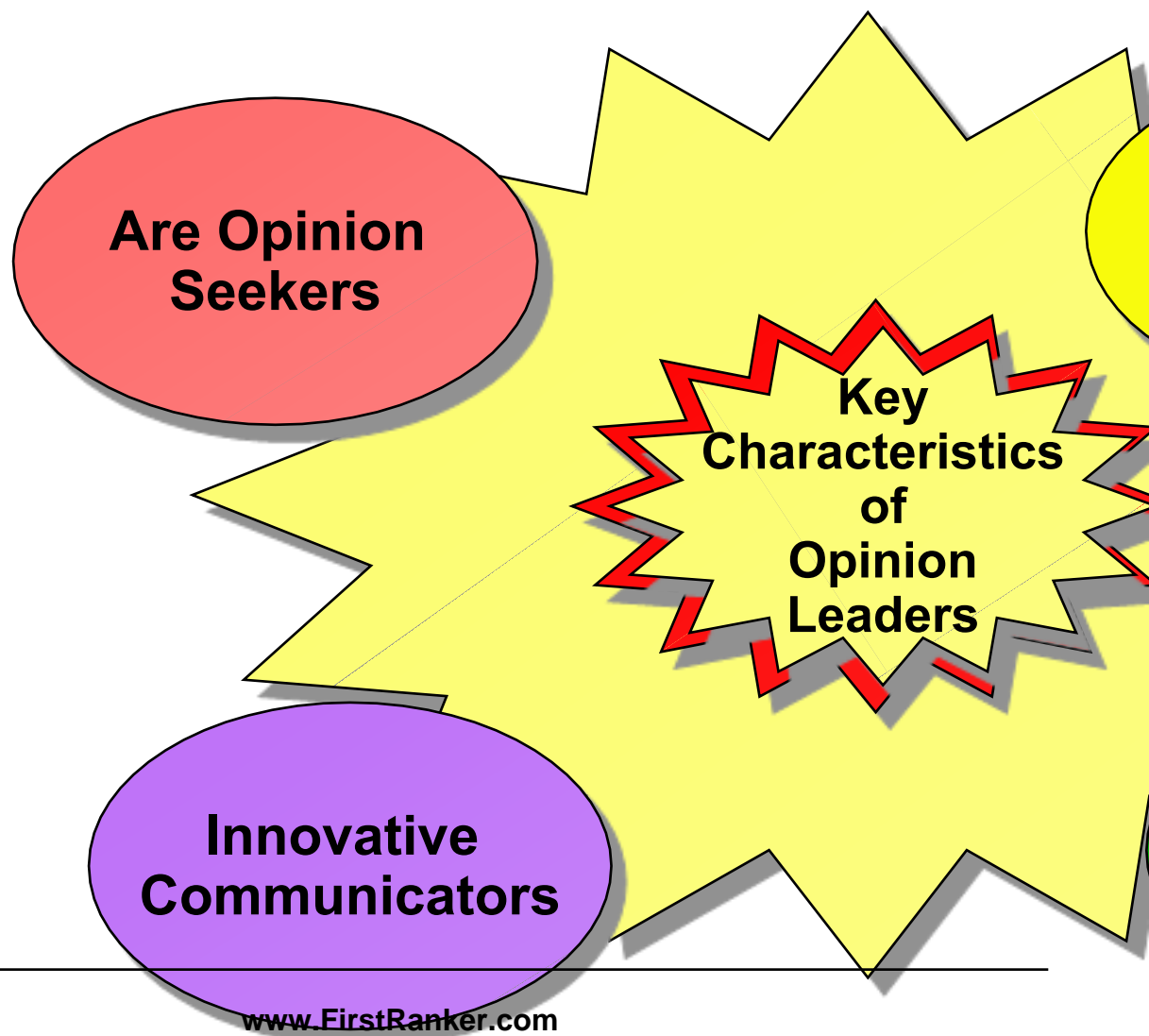# Dynamics of opinion

Opinion Leaders

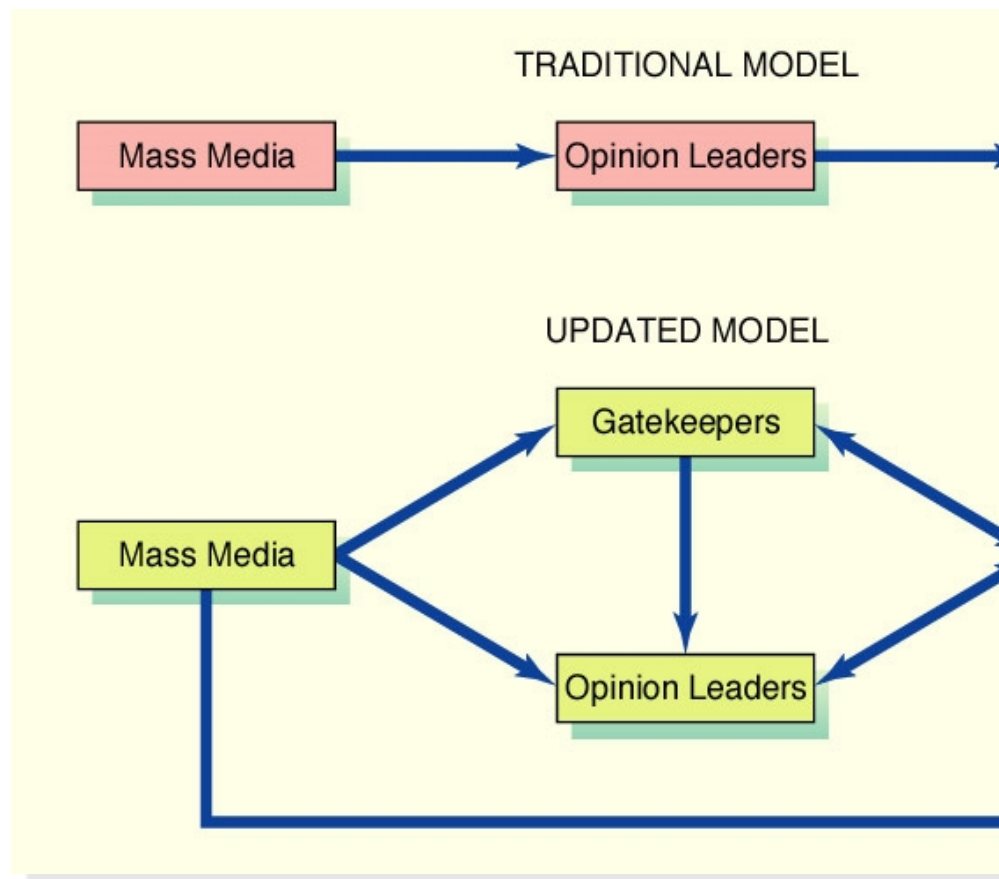**An Opinion Leader is Some... Knowledgeable About Products a... is Taken Seriously By (...**

Are Often Among the First to Buy New Products

Are Similar to the Consumer in Values and Beliefs

Opinion Leaders

Are Socially Active in Their Community

Characteristics of Opinion Leaders

Are Opinion Seekers

Key Characteristics of Opinion Leaders

Innovative Communicators

Opinion Leadership Scale

Measuring Opinion Le

OPINION LEADERSHIP MEASUREMENT METHOD	DESCRIPTION OF METHOD
SELF-DESIGNATING METHOD	Each respondent is asked a of questions to determine t degree to which he or she perceives himself or herself an opinion leader.
SOCIOMETRIC METHOD	Members of a social system asked to identify to whom t give advice and to whom th for advice.

Measuring Opinion Leaders

OPINION LEADERSHIP MEASUREMENT METHOD	DESCRIPTION OF METHOD
KEY INFORMANT METHOD	Carefully selected key informa... social system are asked to des... opinion leaders.
OBJECTIVE METHOD	Artificially places individuals i... position to act as opinion lead... measures results of their effo...

The Market Maven

Market maven: ac
in transmitting
information of

- Just into shopp
  what's happeni
  marketplace

- Overall knowle
  where to get pr

Opinion Leadership and Mar

- Identify and provide samples t
- Design programs to stimulate
- Develop ads simulating opinio
- Create opinion leaders
- Control negative word-of-mou

How to create opinion leaders

- **1- Tell the truth: –** Always tell the truth to th
it will harm your company and the goodwill o
When a company believes its products, then
to create opinion leaders.

- **2- Do not create enemies: –** Creating enemie
negative opinion leaders, they will kill your b
difficult to enter in such target segment.

- **3- The brand value: –** Brand value is the mos
  thing that can make opinion leaders, for exan
  obviously the opinion leaders are high for th
  its brand value and the trust.

- **4- Experience: – O**pinion leaders must have
  value and the benefits of the product or serv
  no opinion leader. This is why celebrities are
  for almost all the personal care products.

The Interpersona
Communicat

- Two-Step Flow
  - A communication model that portrays op direct receivers of information from mass in turn, interpret and transmit this inform

- Multi-step Flow
  - A revision of the traditional two-step theo multiple communication flows

FIGURE 13-8 | Two-Step Flow of Communicat

Mass Media → Step 1 → Opinion Leaders → Step
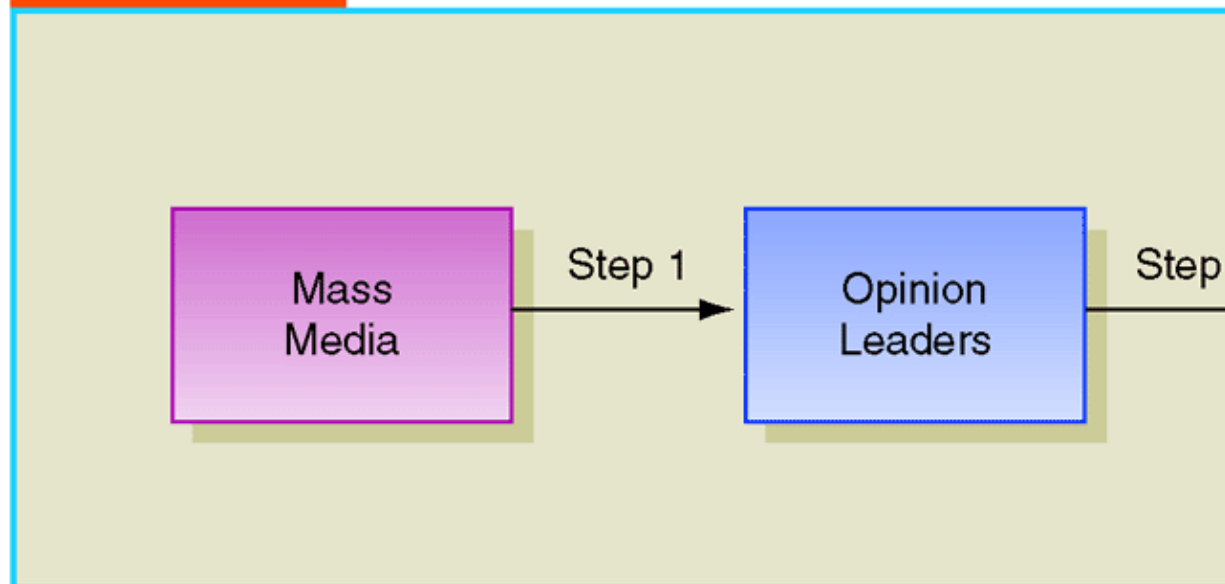
FIGURE 13-9 Multi-step Flow of Communica[tion]

Mass Media — Step 1a → Opinion Leaders

Step 2

Step 1b
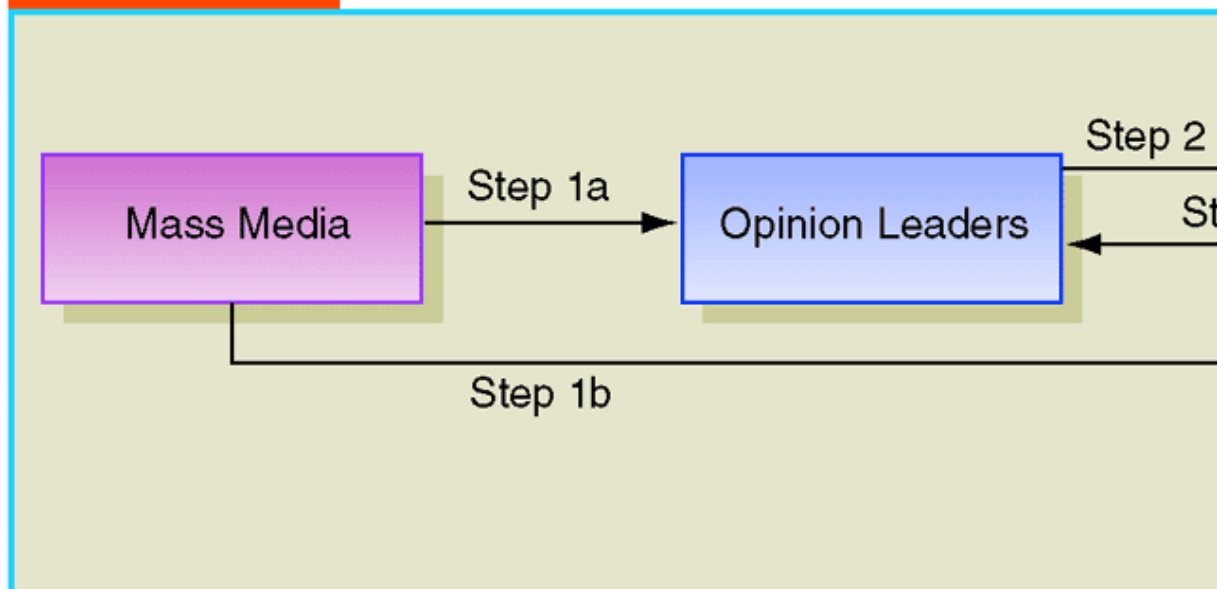
Diffusion Proce

- The process by which the accep innovation is spread by comm members of social system over time.

Elements of the Diffusion

- The Innovation
- The Channels of Communication
- The Social System
- Time

Defining Innovati

- Firm-oriented definitions
- Product-oriented definitions
- Market-oriented definitions
- Consumer-oriented definitions

Product-Oriented Def

Continuous Innovation

**Dynamical
Innovation**

**Discontinuous
Innovation**

Continuous Innovation

A new prod
an improv
version o
product rath
new produc
innovation
disruptive
established
pa

Amazon's *Continuous Innova*

Innovation Examples

- Kindle

- Web services

- Amazon Prime

- Drones?

Managem

- Think

- Focus

- Disrup
  Kindle

- Set up
  Lab 1

- Acquis

- Missio
  disrup
  (calcu

Dynamically Continuous Innovation

A new proc
sufficiently
have some o
on establish
pra

Dynamically Continuous

▸ **Dynamically continuous innov**
A pronounced modification to
product
  ◦ Requires a small amount of
  behavior change

Discontinuous Innovation

A dramatically
entry that re
establishme
consumption

2005

2010

Continuous

Discontinuous
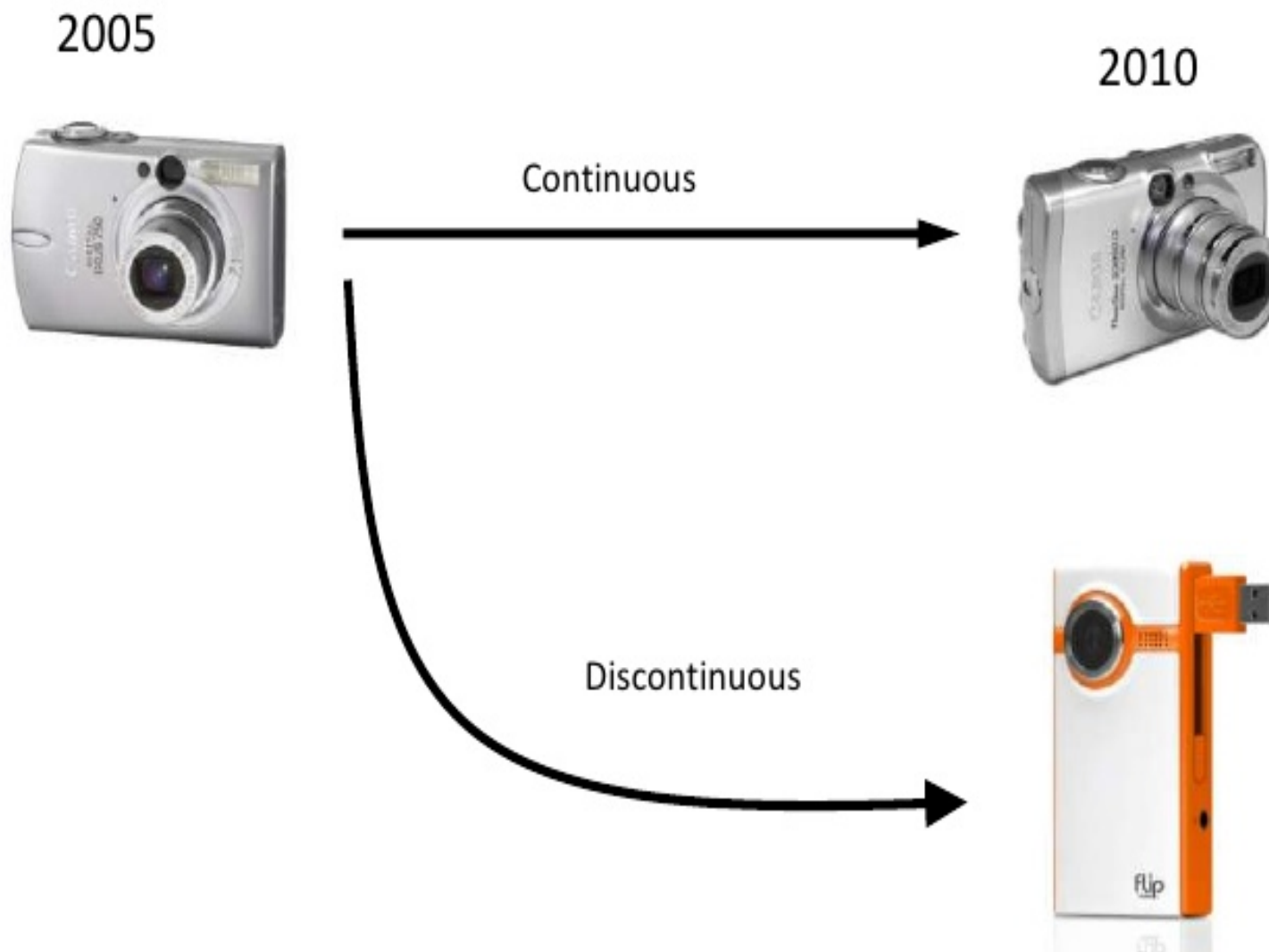
Social System and Diffusion

Does the target market hav

- A positive attitude toward

- Technological skill?

- A general respect for educ

- A focus on rational and or
relationship?

- An outreach perspective?

- The ability to accept differ

Time and Diffusi

- Purchase Time
- Adopter Categories
- Rate of Adoption

Adoption Proce

- The stages through which an

passes in arriving at a decision to

continue using (or discontinue usi

FIGURE 13-18 An Enhanced Adoption Proc

Pre-existing Problem or Need → Awareness → Interest → Evaluation → Tria

Evaluation

Rejection

Discontinuation or Rejection
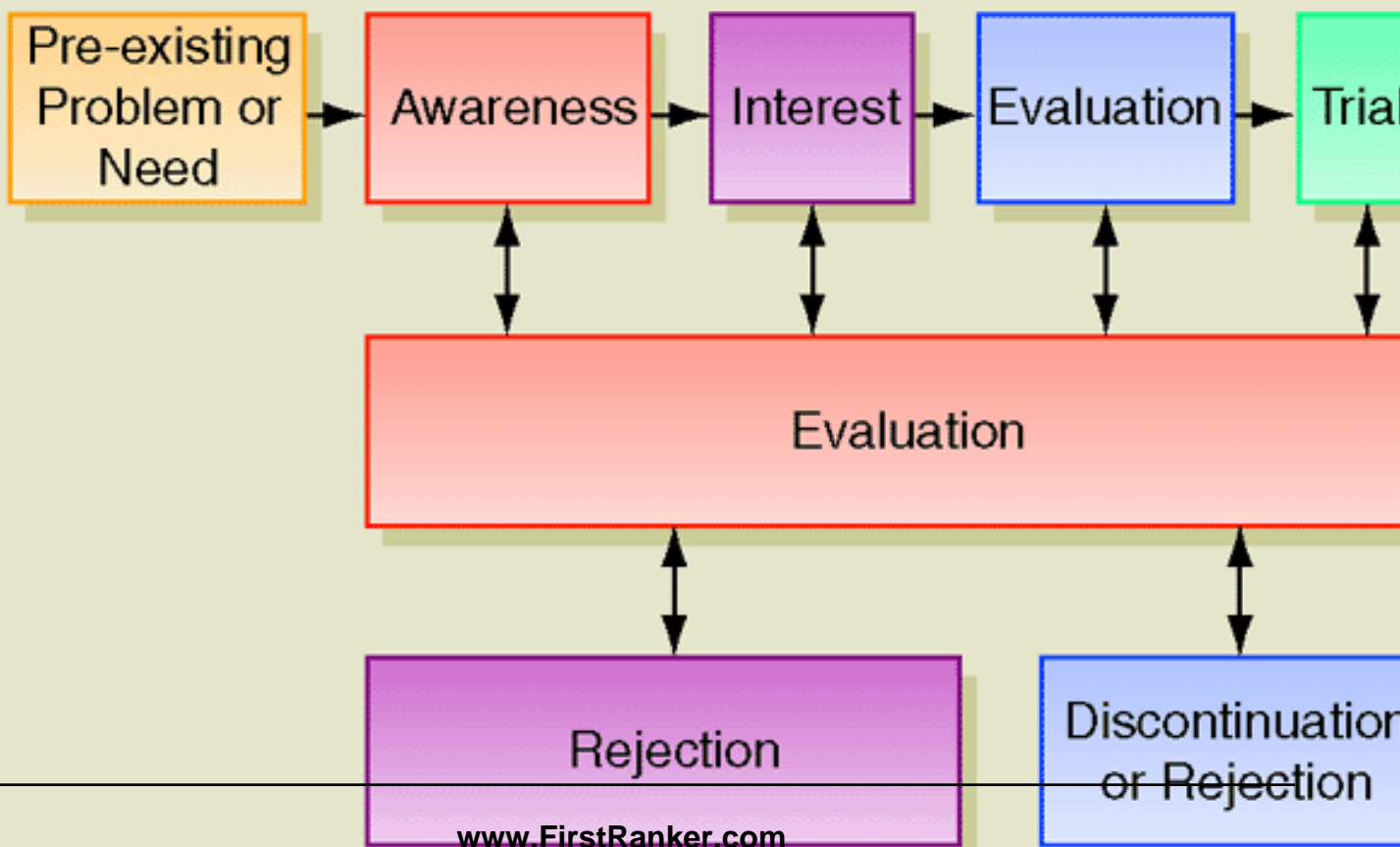
Adoption Catego

- A sequence of categories that describes how
  consumer adopts a new product in relation t

FIGURE 13-15 Sequence and Proportion of A...
among Population That Event...

Innovators

Early Adopters 13.5%

Early Majority 34%

Late Majority 34%

2.5%

Percentage of Adopters by Category Se...
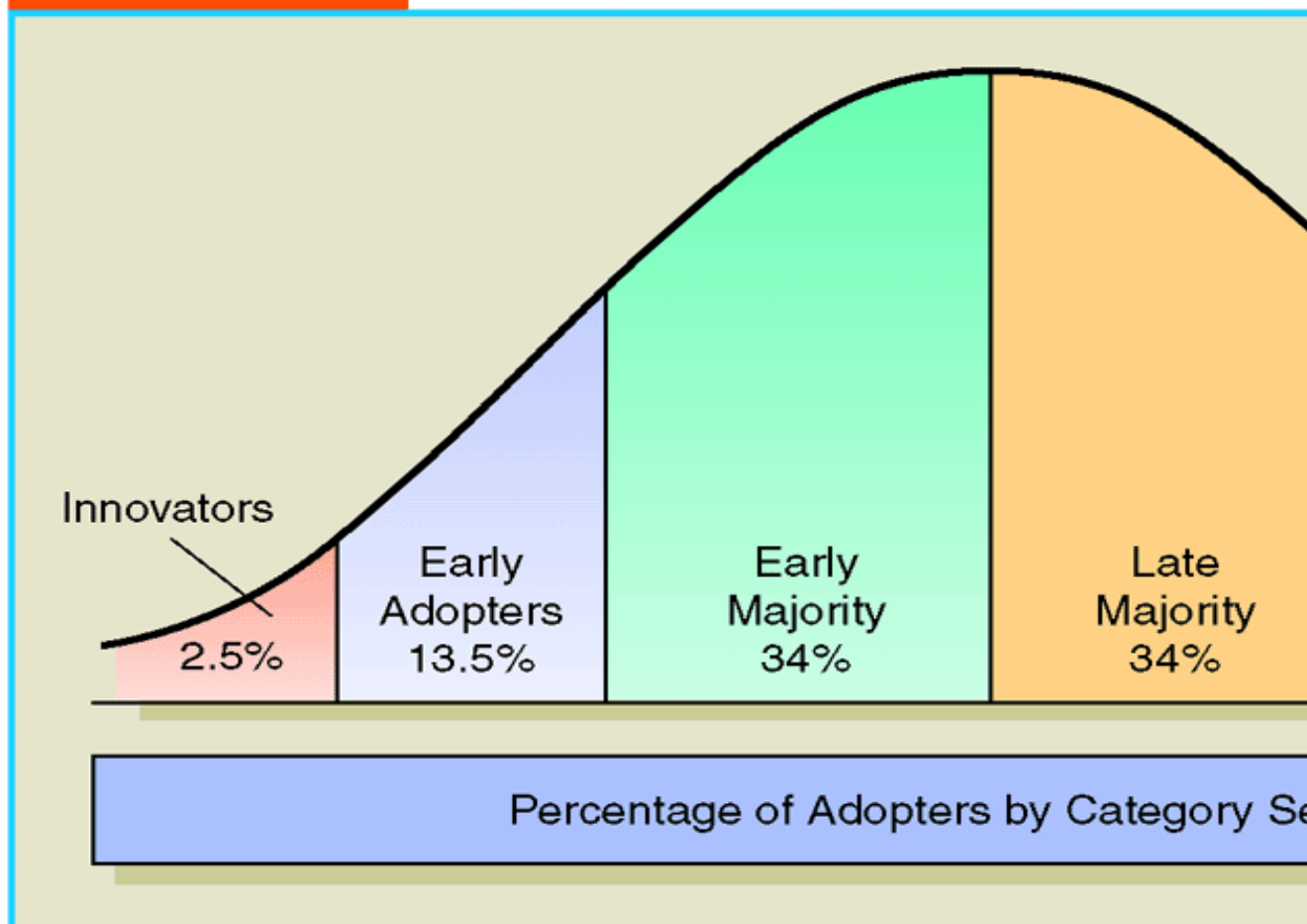
Source: Adapted/reprinted with the permission of The Free Press, a divi...
of Innovations, 3rd edition, by Everett M. Rogers. Copyright © 1995 by...
1971, 1983 by The Free Press.

Early Adopters: Desc

- 13.5% of population
- Respected
- More integrated into the local social system
- The persons to check with before adopting a
- Category contains greatest number of opinic
- Are role models

Early Majority: Descr

- 34% of population
- Deliberate
- Adopt new ideas just prior to the average tim
- Seldom hold leadership positions
- Deliberate for some time before adopting

Late Majority: Descr

- 34% of population
- Skeptical
- Adopt new ideas just after the average time
- Adopting may be both an economic necessit pressures
- Innovations approached cautiously

Laggards: Descrip

- 16% of population
- Traditional
- The last people to adopt an innovation
- Most "localite" in outlook
- Oriented to the past
- Suspicious of the new

Rate of Adoptic

- Insert Figure 13-16 A, B and C as sm
  not possible, then have one or two c

FIGURE 13-19 Relative Importance of Diffe...
Sources in the Adoption Pro...

High

Importance

Low

Awareness   Interest   Evaluation
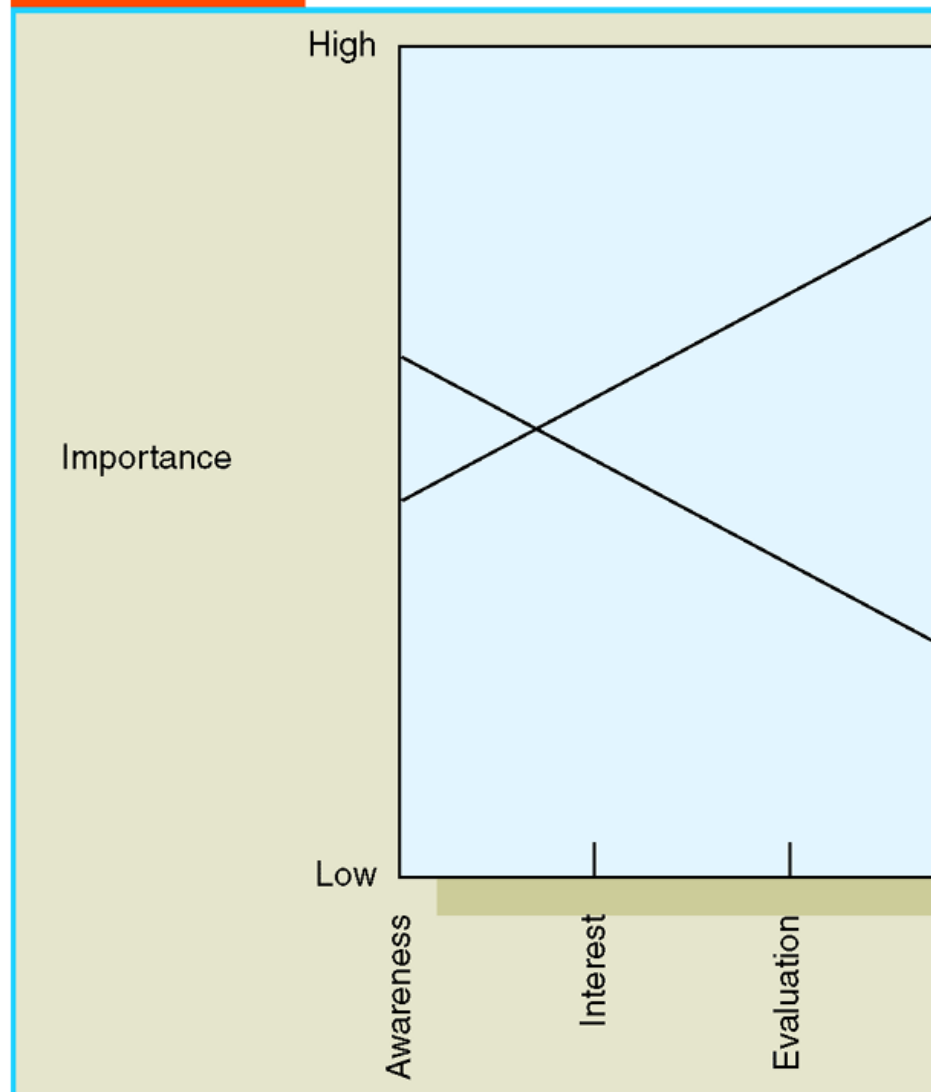
Post Purchase Processes

- Post Purchase Processes
- Customer satisfaction
- Customer commitment/ loyalty

Post-purchase processes, custome
and consumer loyalty
Final consideration in the consun
making process

FIGURE 1.6 / The consumer decision

SITUATION

- Problem recognition
- Information search
- Evaluation and selection
- Store choice and purchase
- Postpurchase processes
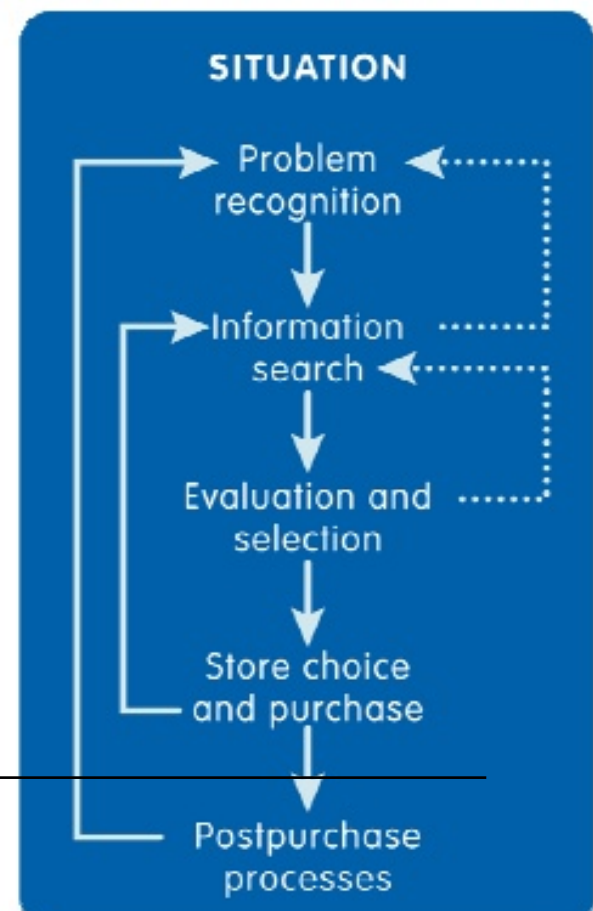
Postpurchase process

- Postpurchase dissonance
- Product use and non-use
- Disposal
- Purchase evaluation
- Customer satisfaction, repeat behaviour and consumer loya

Post purchase disson

- Some purchases are followed by purchase dissonance

- Probability of post purchase diss and the magnitude of dissonanc function of the:

  - degree of commitment and/or wl decision can be revoked

  - importance of the decision to the

  - difficulty of choosing among the

  - individual's tendency to experie

Postpurchase Dissonance

Consumption guilt - when guilt feelings are aroused by the product/service use.
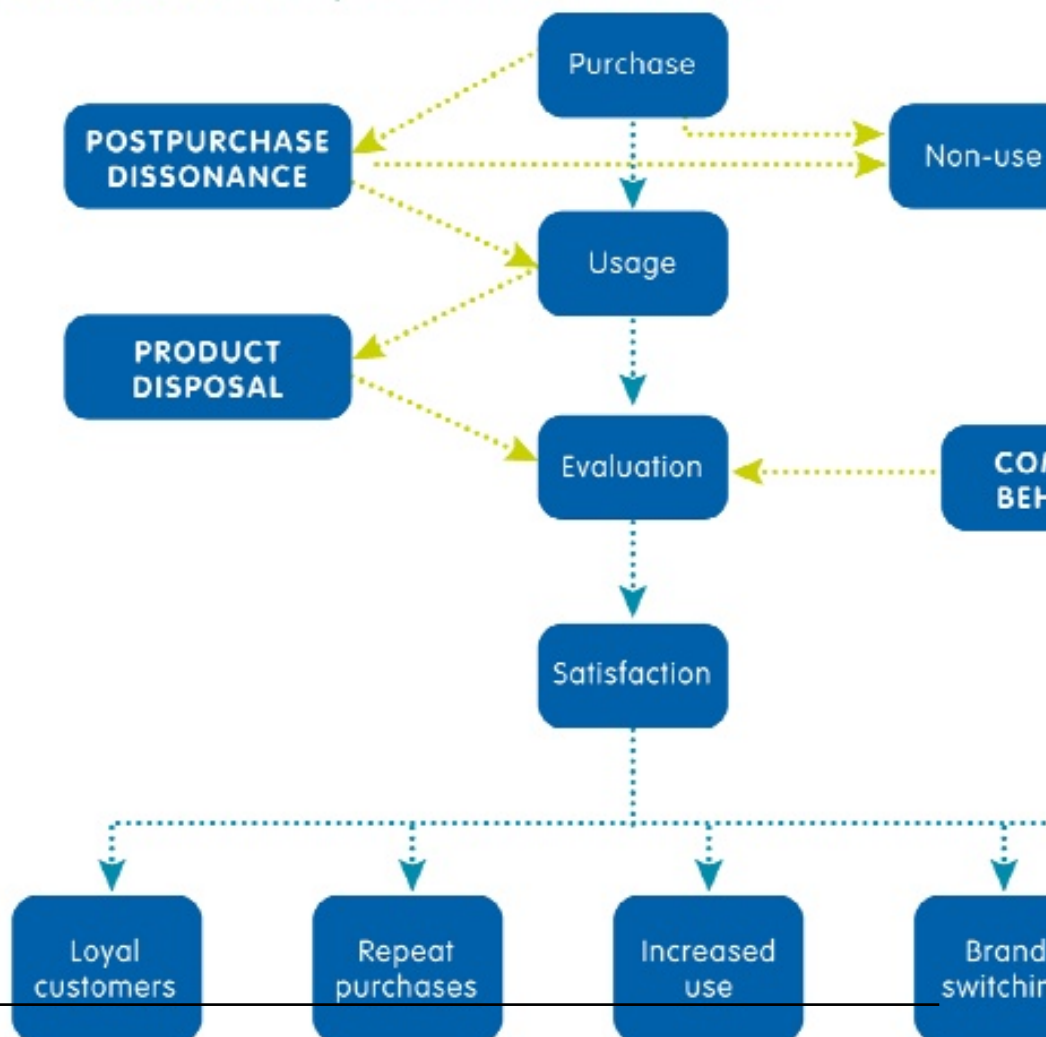
Marketers need to focus on validating the consumption for "high guilt" products.

Indulging in chocolate consumption guilt

Post-purchase consumer

FIGURE 7.1 / Postpurchase consumer behaviour

```
                    ┌──────────┐
                    │ Purchase │
                    └──────────┘
┌──────────────┐        │         ┌──────────┐
│ POSTPURCHASE │◀───────┤────────▶│ Non-use  │
│  DISSONANCE  │········ │ ·······▶└──────────┘
└──────────────┘        ▼
                    ┌──────────┐
                    │  Usage   │
┌──────────────┐    └──────────┘
│   PRODUCT    │◀·······│
│   DISPOSAL   │        ▼
└──────────────┘    ┌────────────┐      ┌──────┐
              ·····▶│ Evaluation │◀·····│ CO   │
                    └────────────┘      │ BEH  │
                         │              └──────┘
                         ▼
                    ┌──────────────┐
                    │ Satisfaction │
                    └──────────────┘
                         │
      ┌──────────┬───────┴────────┬──────────┐
      ▼          ▼                ▼          ▼
 ┌─────────┐ ┌──────────┐   ┌──────────┐ ┌────────┐
 │  Loyal  │ │  Repeat  │   │Increased │ │ Brand  │
 │customers│ │purchases │   │   use    │ │switchin│
 └─────────┘ └──────────┘   └──────────┘ └────────┘
```

Product use and non-us

- Product use
    - use innovativeness
    - regional variations
    - multiple vs single use
- Packaging
- Defective products
    - product recalls

Product Use and Nonuse

Product Use

Marketers need to understand how consu[mers use]
products.

Use innovativeness refers to a
consumer using a product in a new
way.

Marketers who discover new uses
for their products can greatly
expand sales.

Clas[sifying]
inno[vations based on]
incre[...]

Applications in Consumer Behavi

The Arm & Hammer web site provides another avenue for marketers to communicate new uses!

Unique packaging for competitiv

NEW

NEW   NEW

pad thai kit   singapore   laksa   thai chilli   red curry   NASI GORENG   mongolian
               noodle kit   kit   jam   paste   stir fry sauce

Nasi G
made

**Restaurant quality Nasi Goreng
(practically handed to you on a plate)**

Nasi Goreng is an Indone
ginger, red chilli and swee
skilfully blended to an a
sesame seeds all in one
easy to prepare Nasi Gor
three steps: from **pack** to

NASI GORENG

Take asia go home
Nasi Goreng Kit.

Heat 1 tsp oil in
Stir-fry 200g chic
pork or prawns a
sachet of sesame
until cooked. Rem
from wok and set
Add Nasi Goreng
water to wok. Bri
allow to cook for
during cooking. A
2-3 cups mixed w
bean sprouts, ca
green shallots, an

Transfer to a serv
sliced cucumber
impressive restau
Serves 4.

asia

Product Use and Nonuse

Product Use

Retailers can frequently take advantage
the use of one product **may require or**
of other products, e.g., dresses and s

Retailers can promote such items

- jointly

- display them together, or

- train sales personnel to make
  relevant complementary sales

Displa
togeth

Product Use and Nonuse

Product Nonuse

Product nonuse occurs when a consu... acquires a product that is not used or ... relative to its potential use.

The division between the initial purcha... decision to consume is particularly stro... online purchases.

Disposition

Disposition of product or product conta
before, during, or after use. Or, for proc
completely consumed, no disposition n

A physical product often continues to
exist even though it may no longer
meet a consumer's needs.

Exploding demand and short product
spans for high-tech items is creating a
growing concern over e-waste.

Retain

Package

Product

Get rid of
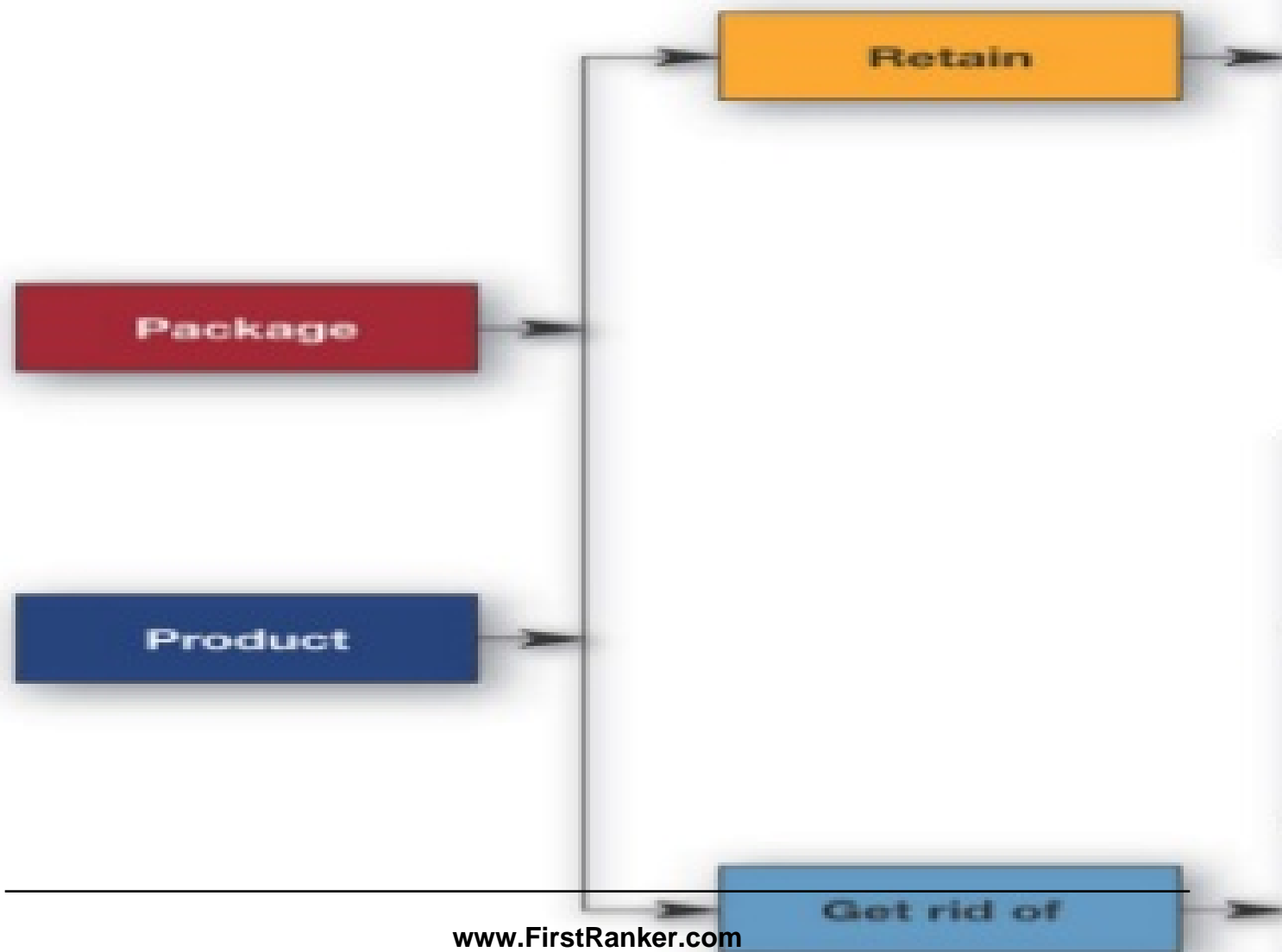
Product disposal marketing strate

- **Recycling**
  - product
  - package
- **Trade-ins**
  - to motivate replacement
- **Second-hand markets**
  - E.g. textbooks, clothes
  - 'Cash converters'

Disposition

Product Disposition and Mark

Five major ways disposition decision
firm's marketing strategy:

1. Reluctance to purchase a new iter
   "gotten their money's worth" from t

2. Requiring disposition to occur befo
   replacement due to space or finan

Disposition

Product Disposition and Marketing

3. Consumer selling, trading, or giving aw
   products may result in a large used-pr

4. Many consumers are concerned with
   their purchase decisions affect waste.

5. Environmentally sound disposition dec
   society as a whole, including the firms
   that society.

Purchase Evaluation and Cust Satisfaction

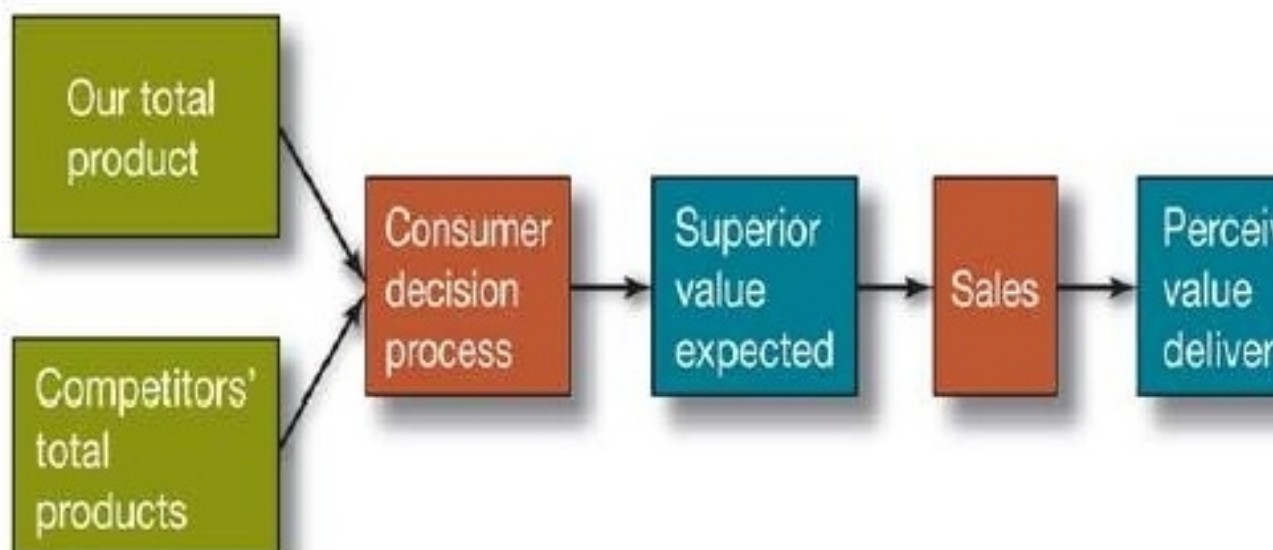## The Evaluation Proces

Determinants of Satisfaction and Dissatisfa

➢**Instrumental performance** relates to the p the product.

➢**Symbolic performance** relates to aestheti enhancement performance.

➢**Affective performance** is the emotional re using the product or outlet provides

Importance of custome

- The business of business is g
  keeping customers.
  (Drucker, 1979)

- Delivering high-quality servic
  customer satisfaction is close
  profits, cost savings, and mar
  (PIMS, Profit Impact of Marke
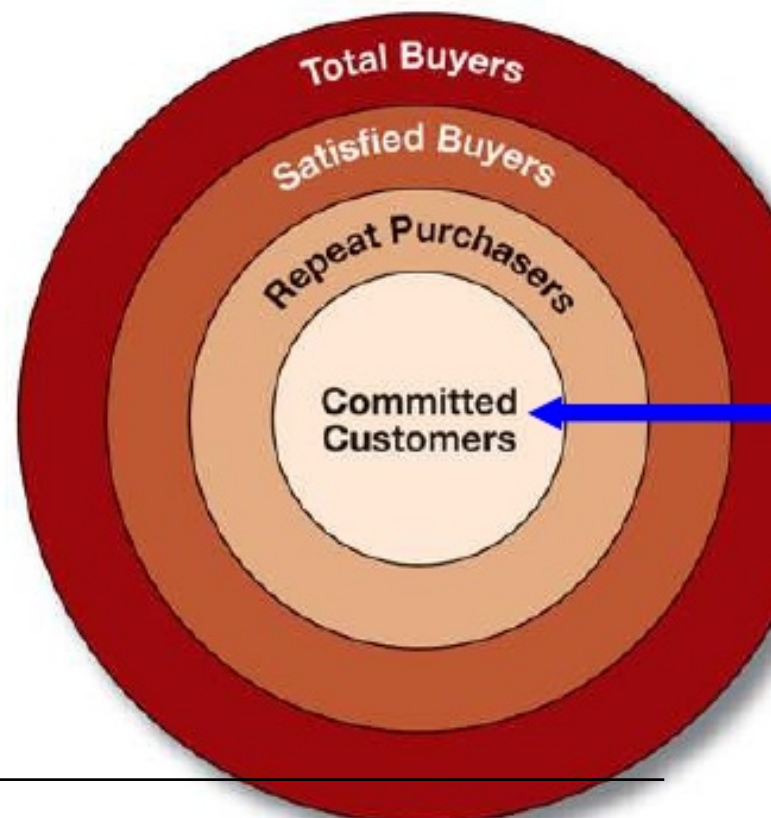
Customers Satisfaction, Rep and Customer Commitment

Customer Satisfaction Ou

Customers Satisfaction, Repea
and Customer Commitment

Creating Committed Custor
Is Increasingly the Focus of Marketi

Total Buyers

Satisfied Buyers

Repeat Purchasers

Committed Customers

Customers Satisfaction, Repea[t] and Customer Commitment

Repeat purchasers continue to b[uy a] brand though they do not have an[y] attachment to it.

Switching costs are the costs of [finding,] evaluating, and adopting another s[olution].

Brand loyalty involves commitme[nt because] it is a biased behavioral response [over] time.

Customers Satisfaction, Rep and Customer Commitment

Relationship Marketing

Relationship marketing is an attempt to expanding exchange relationship with

Relationship marketing involves:

- databases
- customized mass communicatio
- advanced employee training an

Customers Satisfaction, Repe and Customer Commitment

Relationship Marketing

Customer loyalty programs, such as fr programs, are designed to generate re However, they do not necessarily crea customers.

> Generating committed customers requires a customer-focused attitude in the firm.

Measuring customer sat

1. Qualitative measurement

2. Focus groups

3. Monitoring surveys