

Consumer Influencer Diffusion of Innovation

- <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 seekers*

What is Opinion Leader

**Opinion
Leader**



**Opinion
Seeker**

**Opinion
Leader**

A person who
gives product
and advice

Opinion Seeker

An individual
actively seeks
information
receives
info

**Opinion
Receiver**

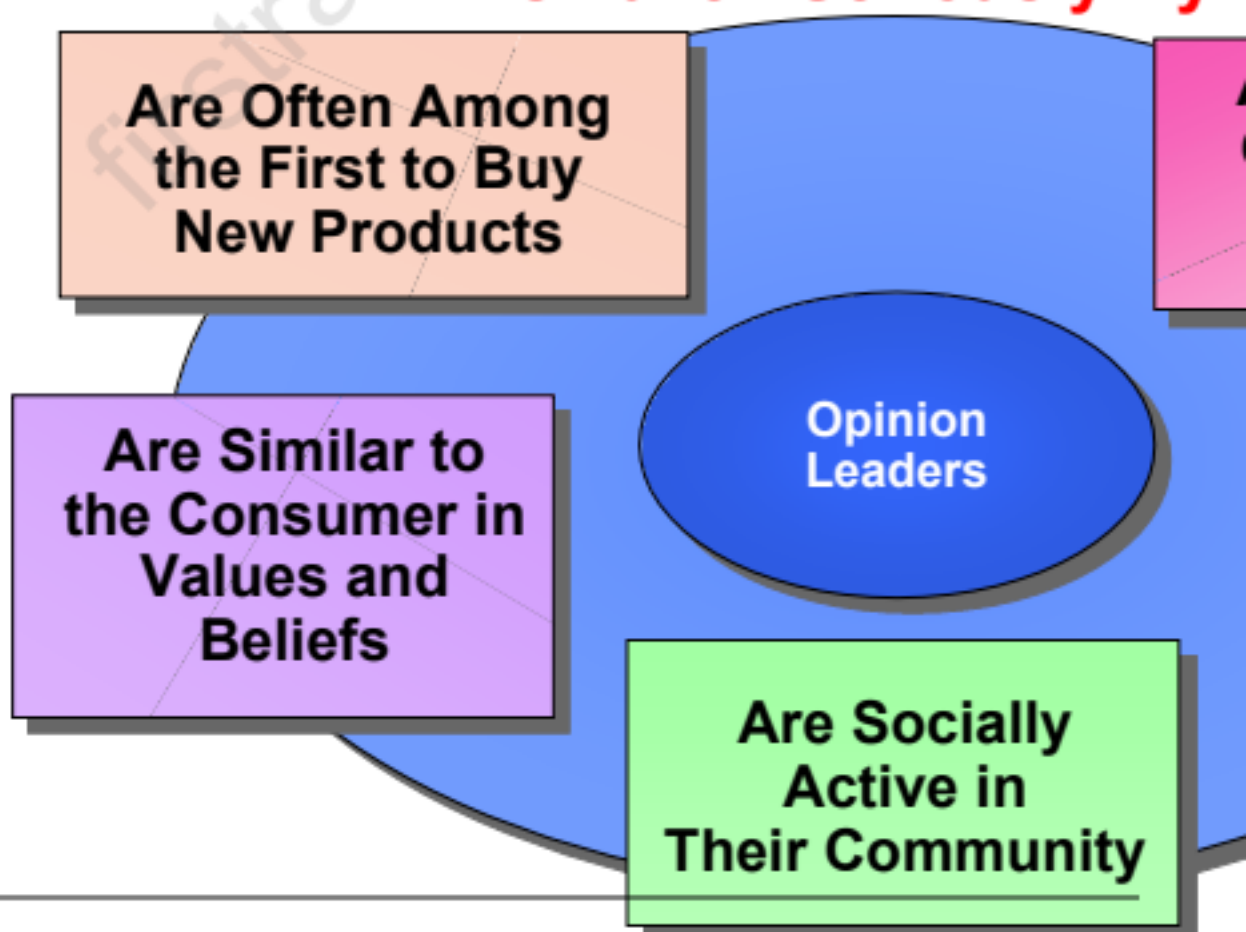
The person who
opinion offered
person

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Dynamics of opinion

Opinion Leaders

An Opinion Leader is Someone Who is Knowledgeable About Products and Services and whose Opinion is Taken Seriously By Others



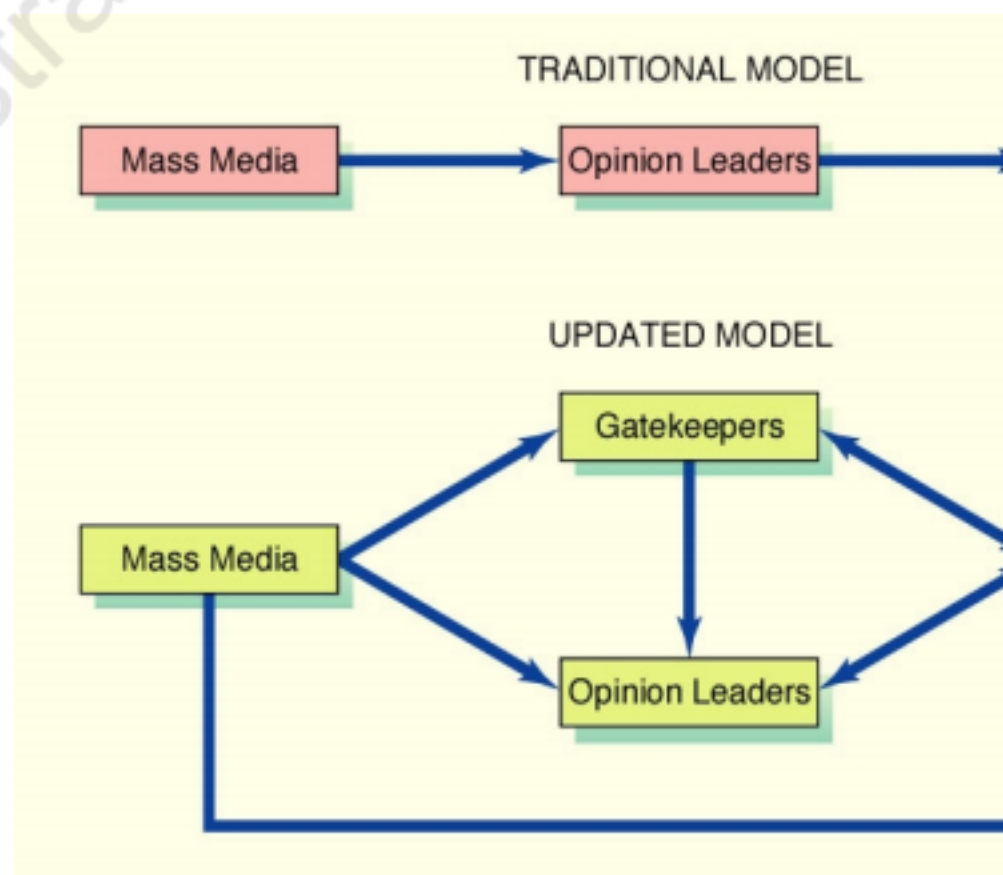
Characteristics of Opinion Leaders

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 series of questions to determine the degree to which he or she perceives himself or herself as an opinion leader.
SOCIOMETRIC METHOD	Members of a social system are asked to identify to whom they give advice and to whom they seek for advice.

Measuring Opinion Leaders

OPINION LEADERSHIP MEASUREMENT METHOD	DESCRIPTION OF METHOD
KEY INFORMANT METHOD	Carefully selected key informants in the social system are asked to describe opinion leaders.
OBJECTIVE METHOD	Artificially places individuals in a position to act as opinion leaders and measures results of their efforts.

The Market Maven



Market maven: an individual who is skilled in transmitting information of

- Just into shopping and knows what's happening in marketplace
- Overall knowledge of where to get products

Opinion Leadership and Mar

- Identify and provide samples to
- 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 the public, even if it will harm your company and the goodwill of the company. When a company believes its products, then it is easy to create opinion leaders.
- **2- Do not create enemies:** – Creating enemies or negative opinion leaders, they will kill your business. It is difficult to enter in such target segment.



- **3- The brand value:** – Brand value is the most important thing that can make opinion leaders, for example, obviously the opinion leaders are high for their products due to its brand value and the trust.
- **4- Experience:** – Opinion leaders must have experience with the value and the benefits of the product or service. Without experience, no opinion leader. This is why celebrities are chosen as opinion leaders for almost all the personal care products.

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The Interpersonal Communication

- Two-Step Flow
 - A communication model that portrays opinion leaders as direct receivers of information from mass media. They in turn, interpret and transmit this information to their contacts.
- Multi-step Flow
 - A revision of the traditional two-step theory, which suggests multiple communication flows.

FIGURE 13-8

Two-Step Flow of Communication

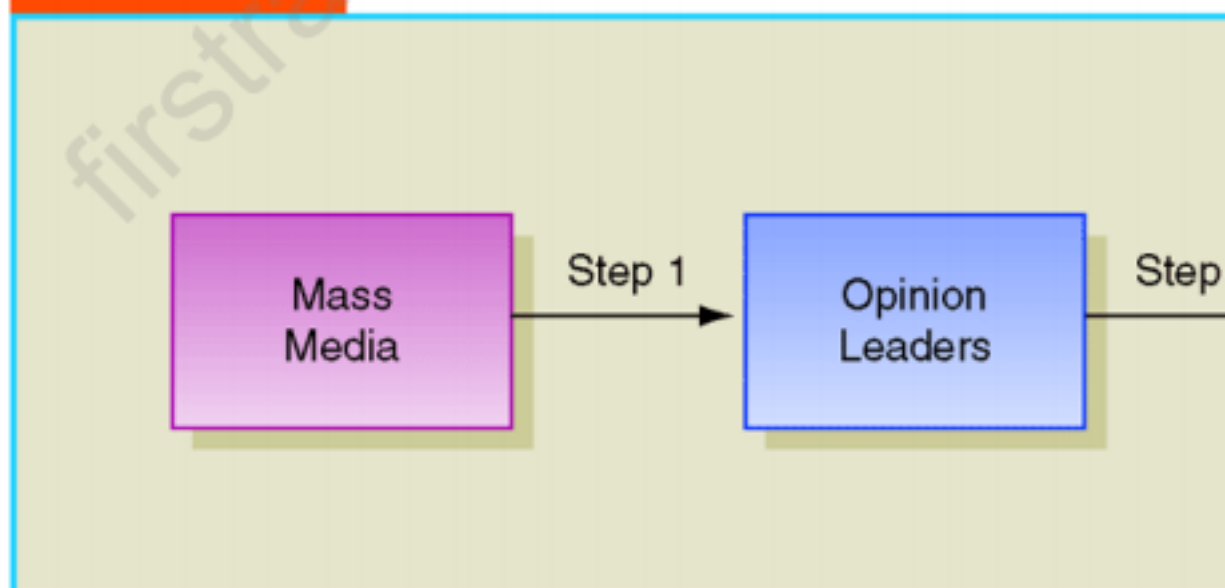
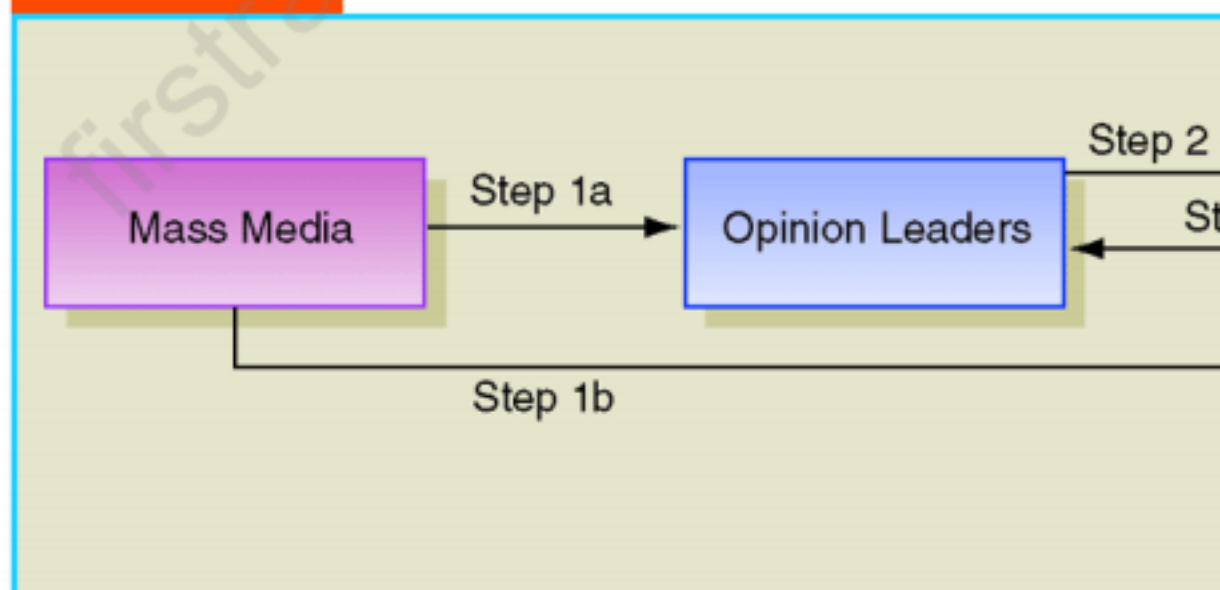


FIGURE 13-9

Multi-step Flow of Communication





Diffusion Process

- The process by which the acceptance of an innovation is spread by communication among members of a social system over time.

Elements of the Diffusion

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



Defining Innovation

- 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 product
an improved
version of
product rather
new product
innovation
disruptive
established
pa

- Kindle
- Web services
- Amazon Prime
- Drones?

- Think
- Focus
- Disrupt Kindle
- Set up Lab 12
- Acquis
- Missio
disrup
(calcu



**Dynamically
Continuous
Innovation**

A new product
sufficiently
have some of
on established
practices

Dynamically Continuous

- ▶ Dynamically continuous innovation
A pronounced modification to
product
 - Requires a small amount of
behavior change





iPhone 5c



iPhone 5s



iPhone 6



iPhone 6 Plus

appappapps.com

 **WATCH**

Discontinuous Innovation

A dramatically
— entry that re
establishme
consumption

2005



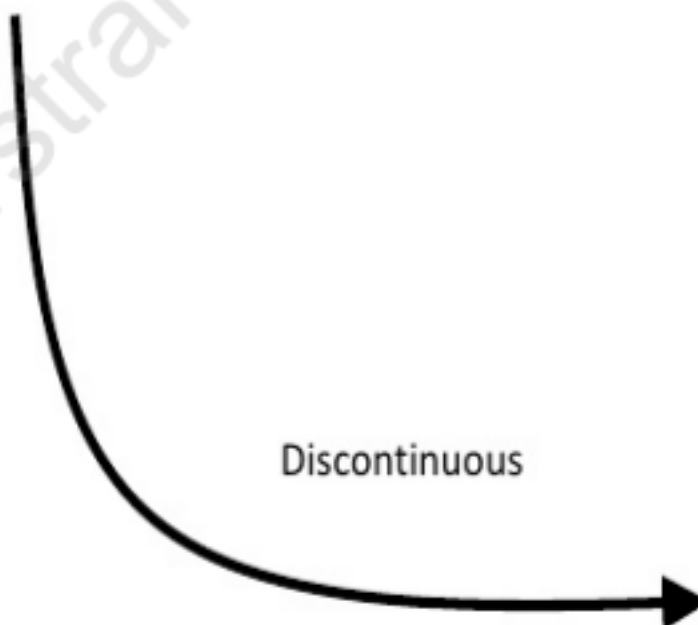
Continuous



2010



Discontinuous



Social System and Diffusion

Does the target market have

- A positive attitude toward
- Technological skill?
- A general respect for education?
- A focus on rational and organized relationship?
- An outreach perspective?
- The ability to accept differences?

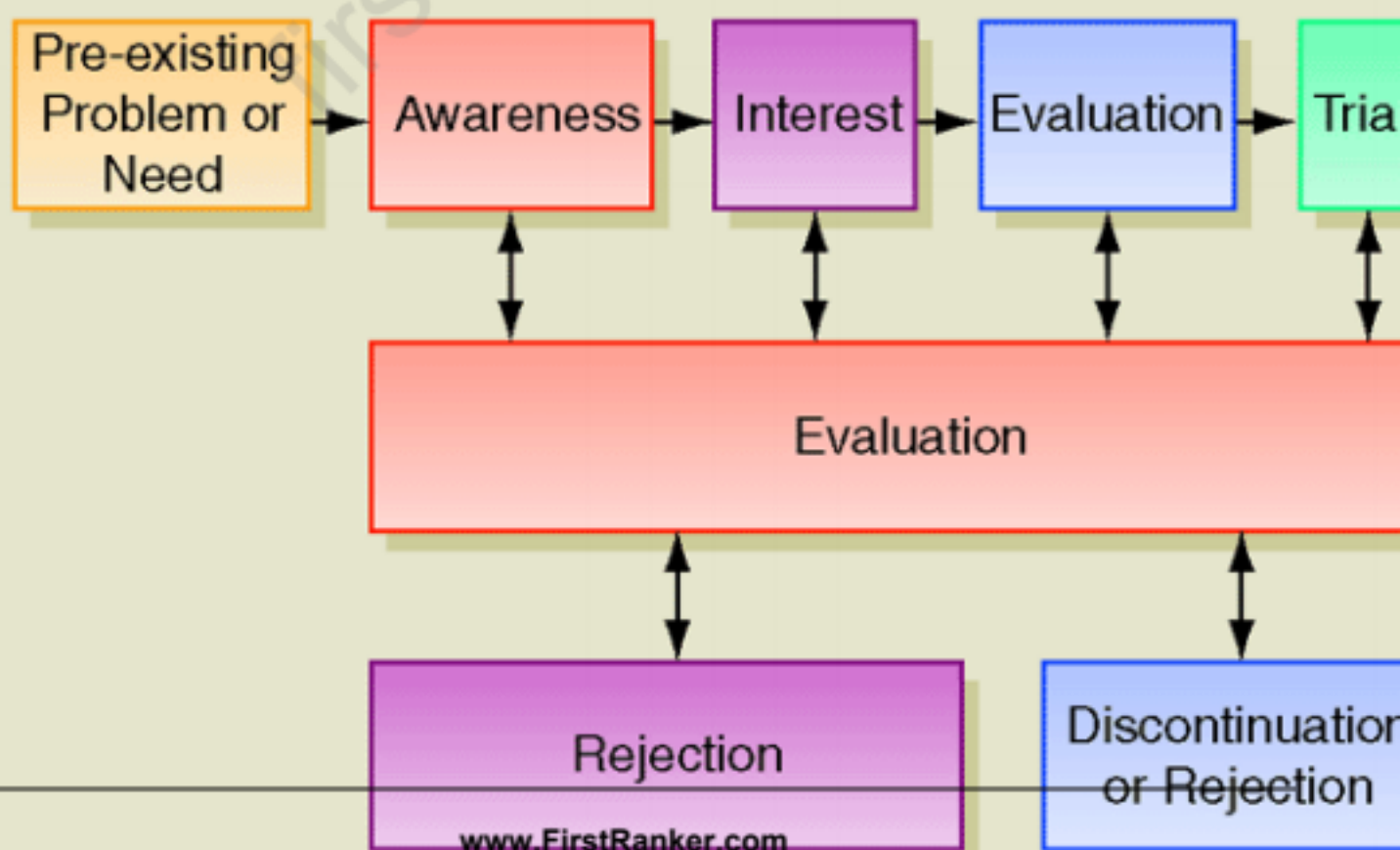
Time and Diffusion

- Purchase Time
- Adopter Categories
- Rate of Adoption

Adoption Process

- The stages through which an organization passes in arriving at a decision to continue using (or discontinue using)

FIGURE 13-18 An Enhanced Adoption Process

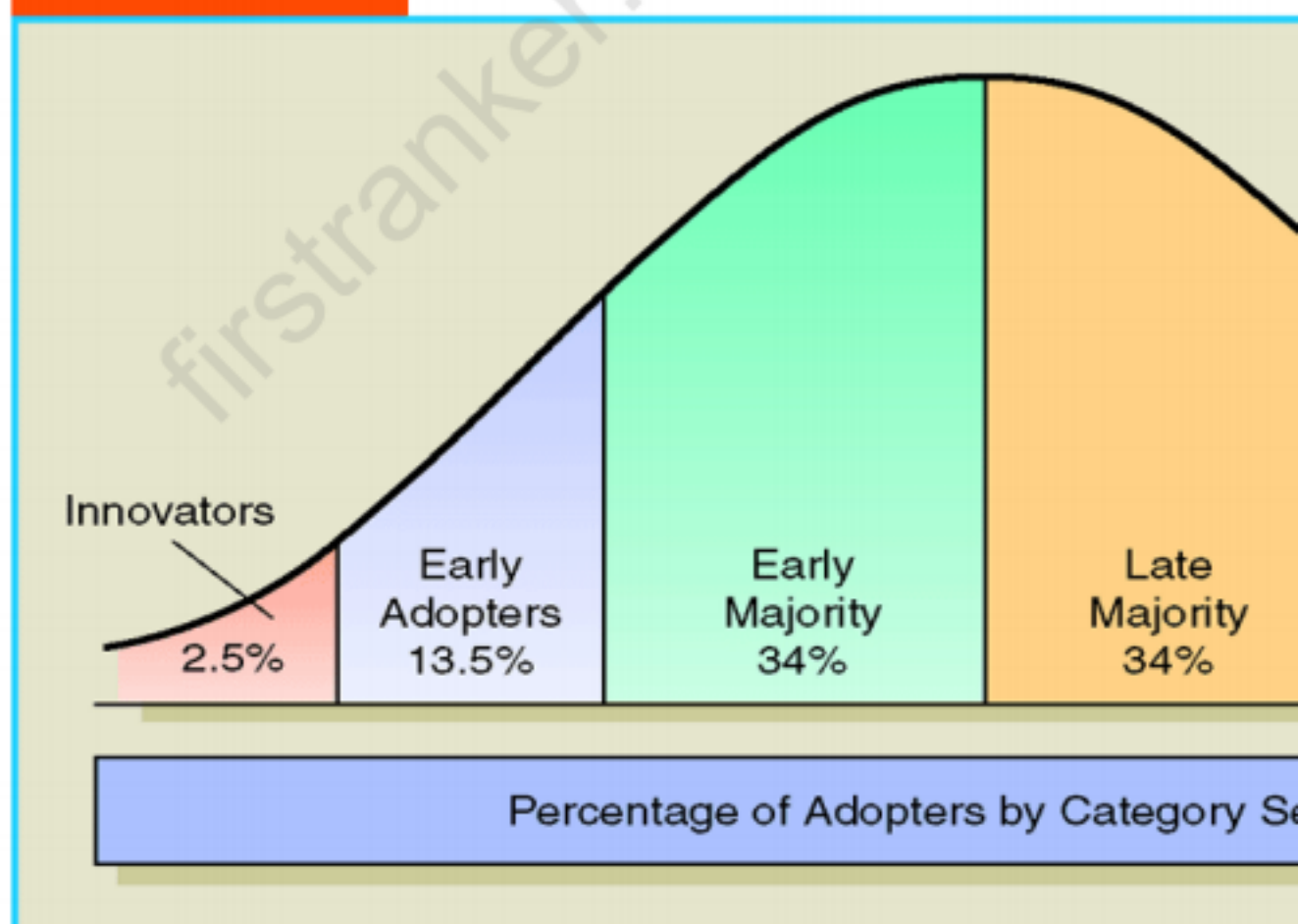


Adoption Catego

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

FIGURE 13-15

Sequence and Proportion of Adoption among Population That Eventually



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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 opinions
- Are role models



Early Majority: Description

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

Late Majority: Descriptions

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

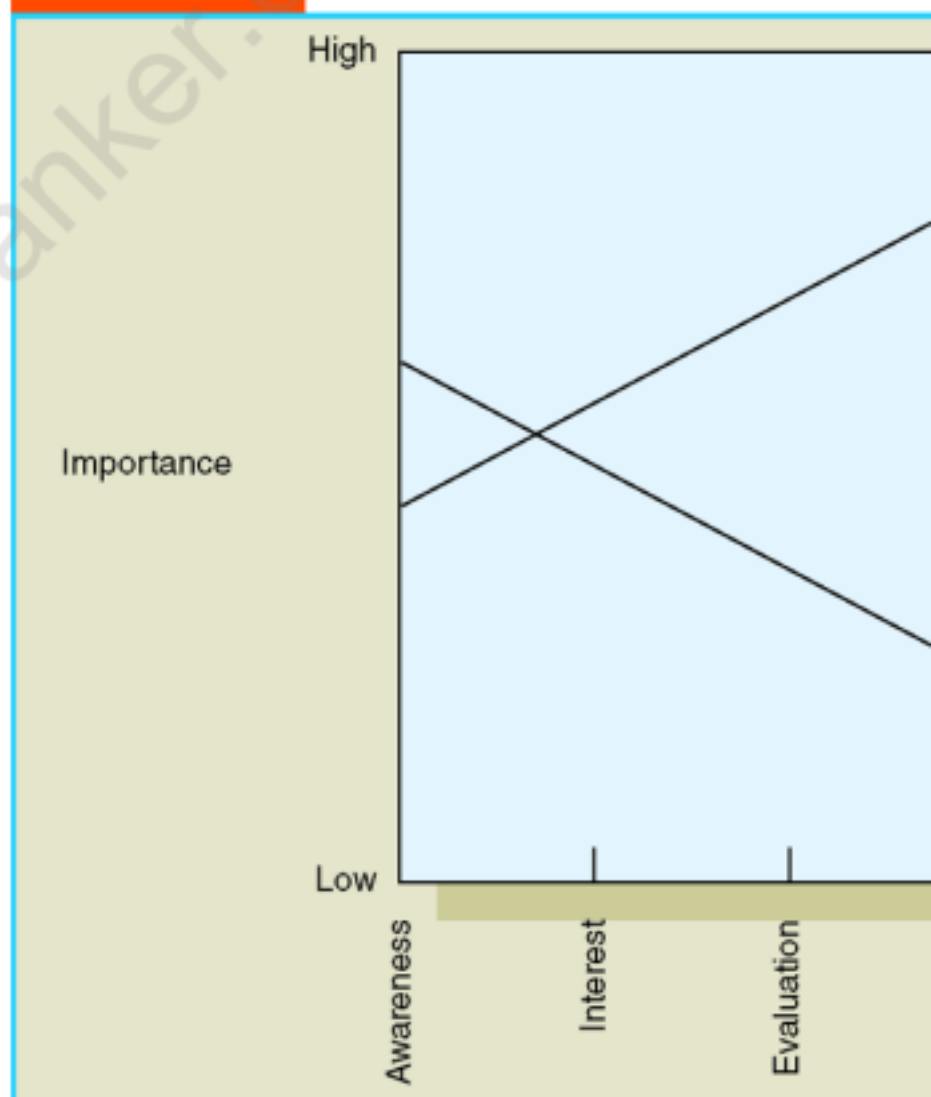
Laggards: Descriptions

- 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 Adoption

- Insert Figure 13-16 A, B and C as small figures. If it is not possible, then have one or two of them.

FIGURE 13-19 Relative Importance of Different Sources in the Adoption Process



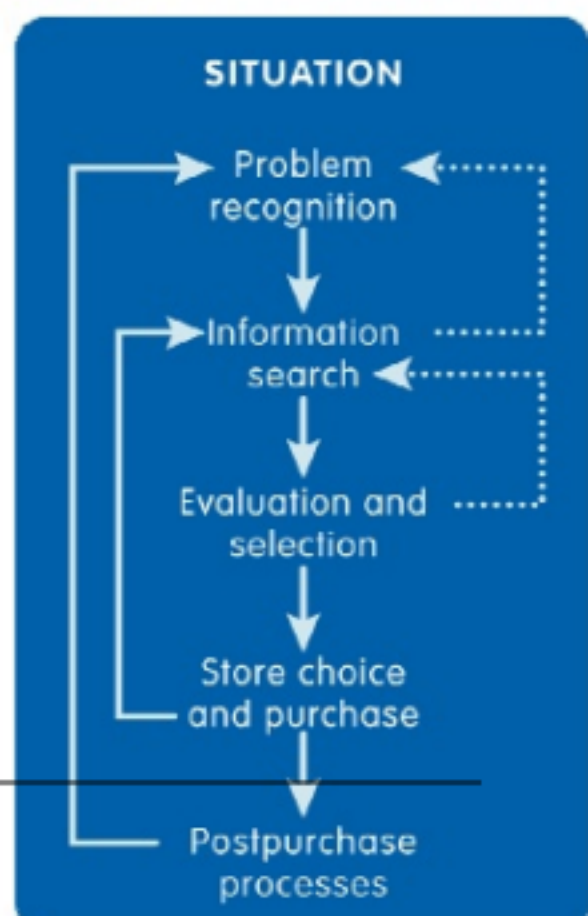
Post Purchase Processes

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

Post-purchase processes, customer satisfaction, and consumer loyalty

Final consideration in the consumer decision making process

FIGURE 1.6 / The consumer decision





Postpurchase process

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



Post purchase dissonance

- Some purchases are followed by purchase dissonance
- Probability of post purchase dissonance and the magnitude of dissonance is a function of the:
 - **degree of commitment and/or w**
 - **decision can be revoked**
 - **importance of the decision to th**
 - **difficulty of choosing among the**
 - **individual's tendency to experie**



Postpurchase Dissonance

Consumption guilt - when guilt feelings are aroused by the product/service use.

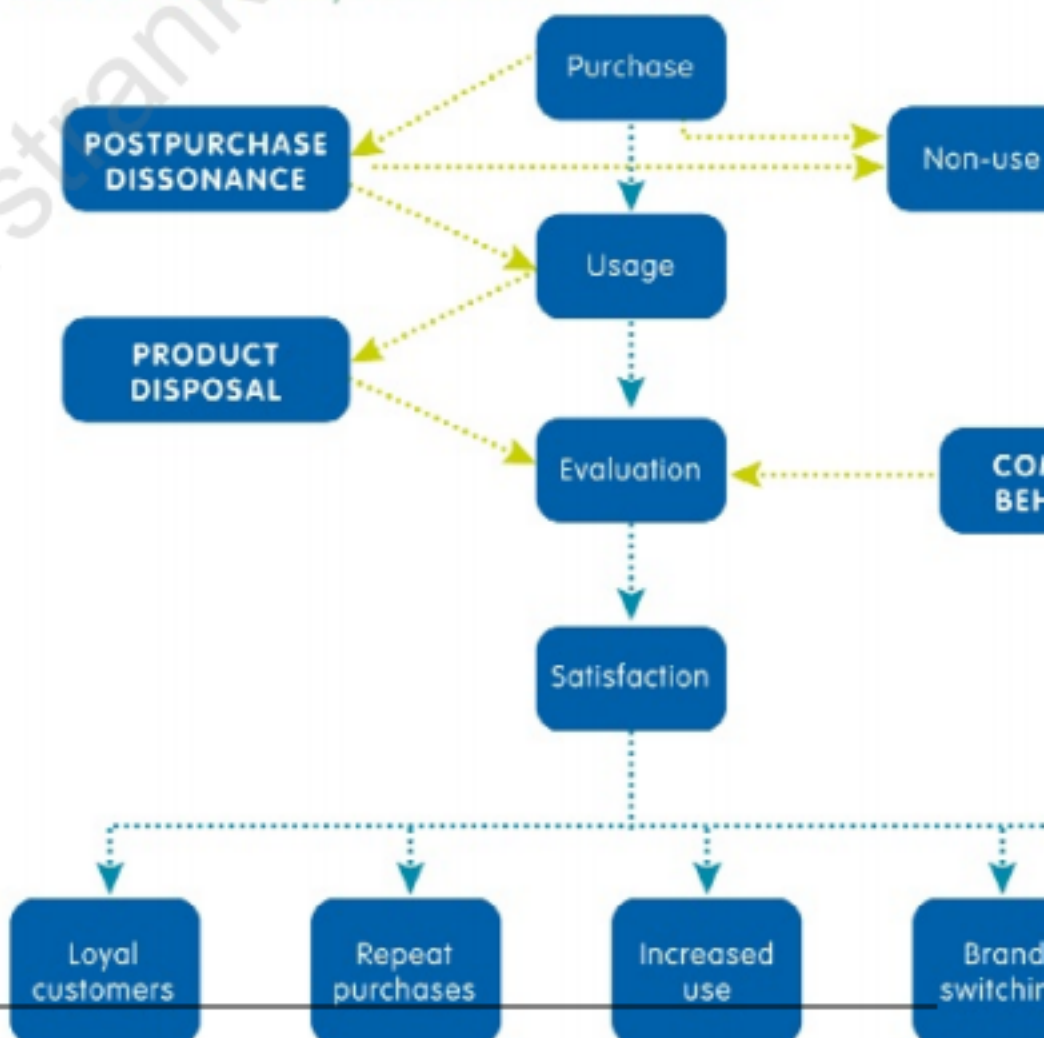
Marketers need to focus on validating the consumption for “high guilt” products.



Indulging in chocolate
consumption guilt

Post-purchase consumer

FIGURE 7.1 Postpurchase consumer behaviour



Product use and non-use

- 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 consumers use their 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.



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FirstRanker's choice

www.FirstRanker.com

www.FirstRanker.com

Applications in Consumer Behavior

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



www.FirstRanker.com

Unique packaging for competitive

NEW

NEW

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

Nasi Goreng

Nasi Goreng is an Indonesian dish made of rice, ginger, red chili and sweet soy sauce. It is a popular street food in Indonesia and is loved by many people. The kit is a convenient way to enjoy this delicious dish at home. It includes everything you need to make a restaurant-quality meal, including the rice, sauce, and toppings. The kit is easy to use and the instructions are simple to follow. You can have a delicious meal in under 30 minutes. The kit is perfect for busy days when you don't have time to cook. It is also a great option for those who want to enjoy a different cuisine without the hassle of cooking. The kit is a great way to introduce your family to Indonesian cuisine. It is a delicious and healthy meal that is perfect for any occasion. The kit is a great way to enjoy a different cuisine without the hassle of cooking. It is a delicious and healthy meal that is perfect for any occasion.

How to use:

- Take out the Nasi Goreng Kit.
- Heat 1 tsp oil in a pan. Fry 200g chicken or pork or prawns in a pan until cooked. Remove from wok and set aside.
- Add Nasi Goreng water to wok. Bring to a boil. Allow to cook for 5 minutes.
- Add 2-3 cups mixed vegetables (bean sprouts, corn, green shalloes, etc.) and cook for 5 minutes.
- Transfer to a serving plate. Garnish with sliced cucumber and chili. Serve hot.

Serves 4.



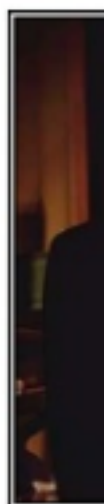
Product Use and Nonuse

Product Use

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

Retailers can promote such items

- jointly
- display them together, or
- train sales personnel to make relevant complementary sales



Display
together

Product Use and Nonuse

Product Nonuse

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

The division between the initial purchase decision to consume is particularly strong in online purchases.



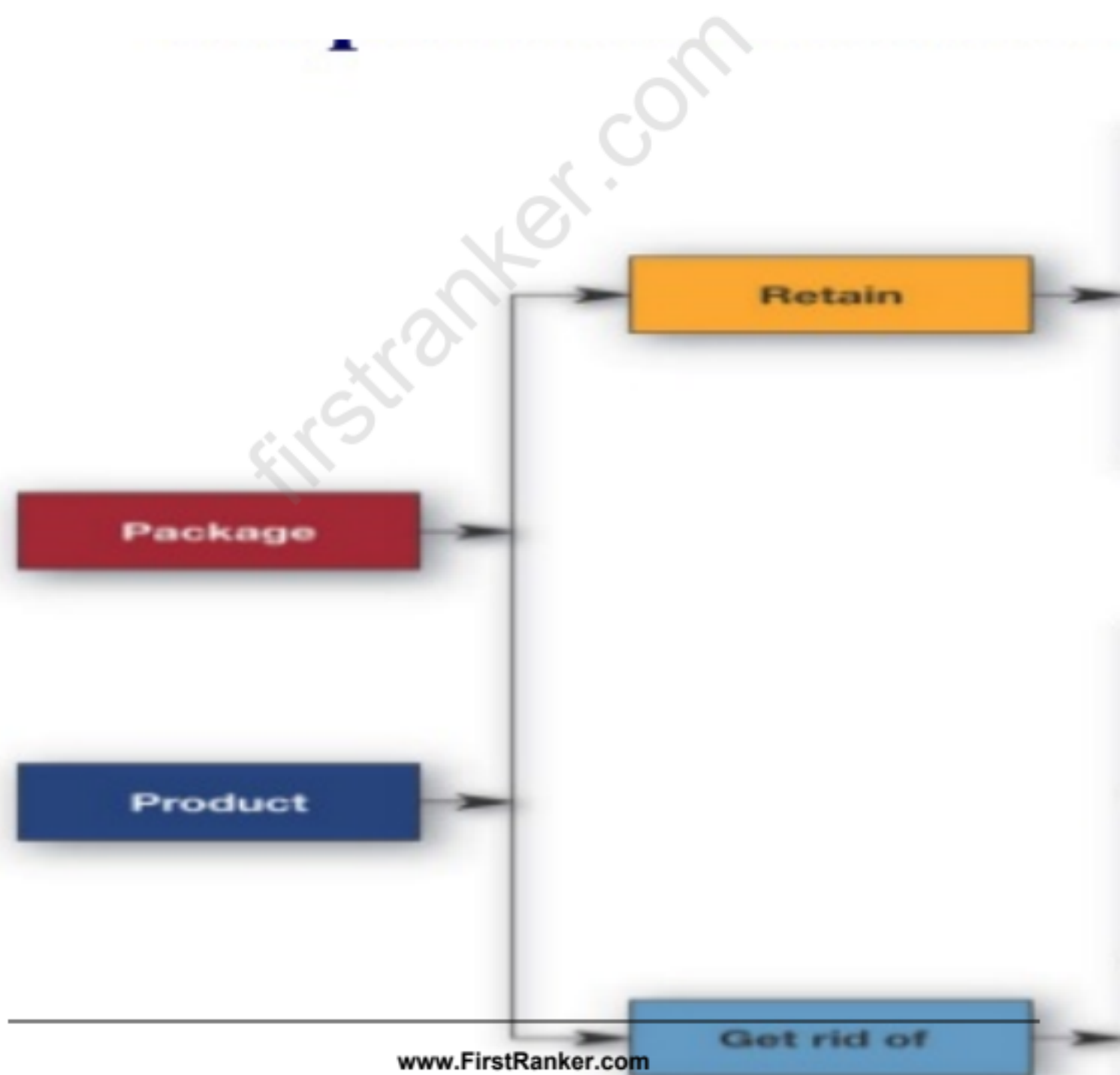


Disposition

Disposition of product or product container before, during, or after use. Or, for products completely consumed, no disposition needed.

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.





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 Market

Five major ways disposition decision
firm's marketing strategy:

1. Reluctance to purchase a new item
“gotten their money's worth” from the old item
2. Requiring disposition to occur before
replacement due to space or financial constraints



Disposition

Product Disposition and Marketing

3. Consumer selling, trading, or giving away products may result in a large used-product market.
4. Many consumers are concerned with how their purchase decisions affect waste.
5. Environmentally sound disposition decisions benefit society as a whole, including the firms that serve that society.



Purchase Evaluation and Customer Satisfaction

The Evaluation Process

Determinants of Satisfaction and Dissatisfaction

- **Instrumental performance** relates to the product's performance relative to the product.
- **Symbolic performance** relates to aesthetic and self-expression performance.
- **Affective performance** is the emotional response to the product or outlet provides

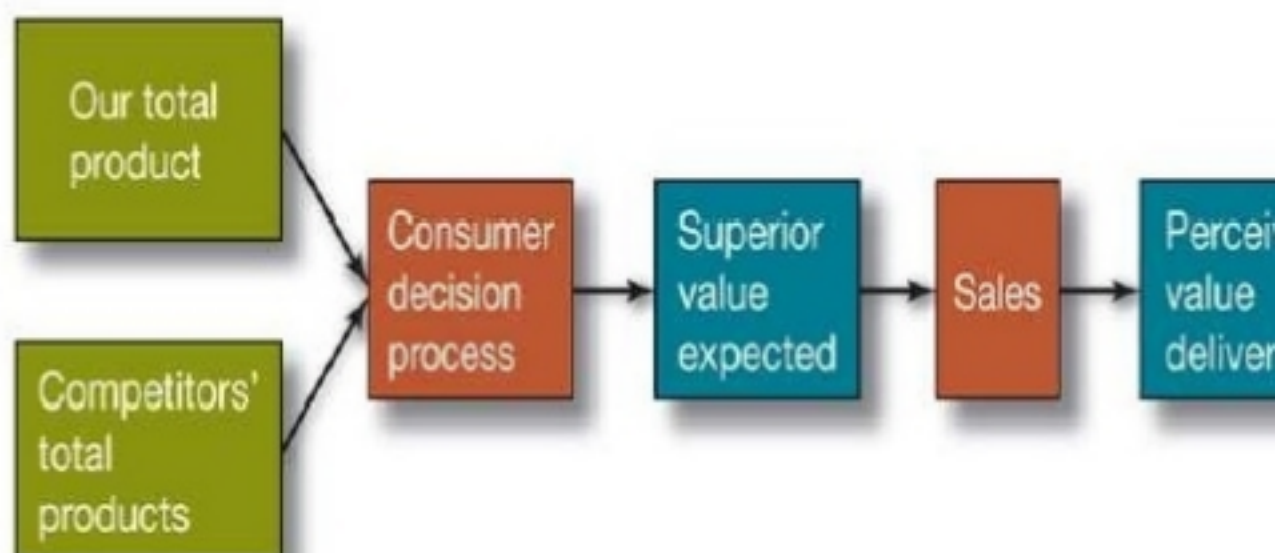


Importance of customer

- The business of business is g
keeping customers.
(Drucker, 1979)
- Delivering high-quality service
customer satisfaction is close
profits, cost savings, and mar
(PIMS, Profit Impact of Marke

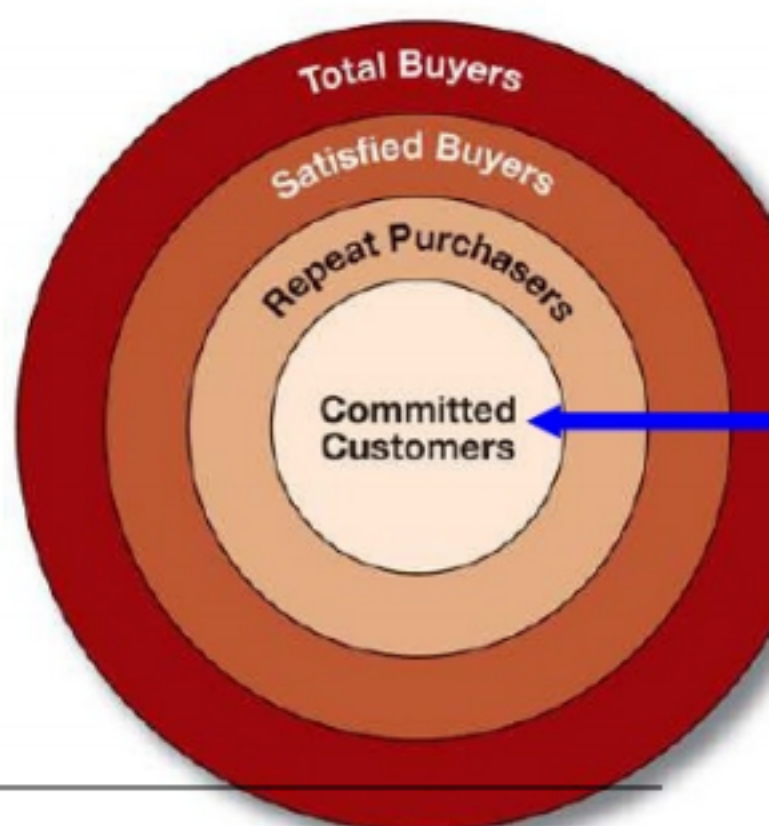
Customers Satisfaction, Rep and Customer Commitment

Customer Satisfaction Ou



Customers Satisfaction, Repeat and Customer Commitment

Creating Committed Customers
Is Increasingly the Focus of Marketing





Customers Satisfaction, Repeat and Customer Commitment

Repeat purchasers continue to buy a brand though they do not have an attachment to it.

Switching costs are the costs of evaluating, and adopting another brand.

Brand loyalty involves commitment; 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 communication**
- **advanced employee training and**



Customers Satisfaction, Repeat Business, and Customer Commitment

Relationship Marketing

Customer loyalty programs, such as frequent flyer programs, are designed to generate repeat business. However, they do not necessarily create committed customers.

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



Measuring customer sat

1. Qualitative measurement
2. Focus groups
3. Monitoring surveys

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