

Module - 7

CONSUMER BEHAVIOR

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**MODULE 7.7:
OPINION LEADERSHIP (1 hour)**

MODULE 7.7: OPINION LEADERSHIP(1 hour)

- 7.7.1 Word-of-Mouth Communication and Opinion Leadership**
- 7.7.2 Opinion Leaders and Opinion Receivers/Seekers**
- 7.7.3 Role played by Opinion Leaders**
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- 7.7.8 Relevance of Opinion Leadership for a Marketer**

LESSON – 38

OPINION LEDERSHIP

Instructional Objectives:

After completion of this lesson, the student shall know about:

- 7.7.1 Word-of-Mouth Communication and Opinion Leadership**
- 7.7.2 Opinion Leaders and Opinion Receivers/Seekers**
- 7.7.3 Role played by Opinion Leaders**
- 7.7.4 Dynamics of Opinion Leadership Process**
- 7.7.5 Dynamics of Opinion Leadership Process**
- 7.7.6 Measurement of Opinion Leadership**
- 7.7.7 Traits and Characteristics of Opinion Leaders**
- 7.7.8 Relevance of Opinion Leadership for a Marketer**

7.7.1 WORD-OF-MOUTH COMMUNICATION AND OPINION LEADERSHIP:

The previous lesson has dealt elaborately on word-of-mouth communication, and the important role that it plays in the marketing of goods and services. Mention has also been made about Opinion Leaders who act as a vital link between the marketer and consumers. This lesson deals with the Opinion Leaders and the Opinion Leadership process in greater detail.

As explained earlier, the informal interpersonal communication that occurs between two people is referred to as Word-of-Mouth (WOM) communication. In terms of marketing, such a conversation relates to purchase activity and consumption behavior, and thus pertains to anything and/or everything about product and service offerings. The major characteristic features of WOM communication are:

i) WOM is informal in nature.

ii) It is interpersonal and takes place between two or more people. The people could be actual consumers or prospects; and are in no way representative of the marketer.

iii) Unlike commercial sources, the people involved in WOM communication do not have ulterior or hidden motives of making a sale and earning profit.

Word-of-mouth communication generally relates to face-to-face informal communication. However, it could also occur through a telephonic conversation or chatting and blogging on the Internet. It could assume verbal and non-verbal forms (in the form of behavior).

As people communicate with each other in a purchase decision making situation, one of those involved in the informal communication process is able to influence the attitude and purchase decision of others. He is an Opinion Leader and the process is known as Opinion Leadership. Schiffman defines Opinion Leadership as “the process by which one person (the opinion leader) informally influences the actions or attitudes of others, who may be opinion seekers or merely opinion recipients”.

An identification of Opinion Leaders, their behavior and the very dynamics of the Opinion Leadership process is helpful to the marketer. Once the marketers have identified the Opinion Leaders, marketers can target their marketing efforts to them. They can provide product information and advice to them and Opinion Leaders through WOM can make the task easier for marketers.

7.7.2 OPINION LEADERS AND OPINION RECEIVERS/SEEKERS:

One of those people who indulge in informal product related communication, usually provides information about a product or product category, whether it would be useful to buy, how it would be used etc. He would also offer advice as to which of several brands is the best and from where it should be bought. This person is known as the Opinion Leader and the process is known as Opinion Leadership.

In some cases, the Opinion Leader just likes to talk and discuss about a product or service category. He voluntarily provides information about the product and product

category and/or about brands. The people who form the audience and listen to him are called Opinion Receivers.

In other cases, prior to a purchase, people could approach an Opinion Leader and request him for information and advice about the product category and/or about brands. That is, the Opinion Leader would provide information only when asked for. In such cases, the persons (audience/or the receiver of information) are known as Opinion Seekers. Individuals who on their own seek information and advice about products and brands are called Opinion Seekers.

There is a two-way exchange of information, and both opinion leaders and opinion receivers/seekers interact with each other. Opinion leaders provide the receivers/seekers with product information, advice, and relate to them their experiences. In return for this, they gather more information, personal opinion and personal experiences from the receivers/seekers.

Opinion Leaders are not generic in nature; they are specific to a product category and the Opinion Leader for a product category would become an Opinion Receiver/Seeker for another product category.

7.7.3 ROLE PLAYED BY OPINION LEADERS:

Opinion leaders play a key role and act as a vital role between the marketer and the consumer. He communicates informally about product and service offerings and/or brands; he gives product news and advice to consumers (current and potential) and also narrates his personal experience to others. The major roles played by opinion leaders are, i) authority figure; ii) trend setter; and iii) local opinion leader. These roles are discussed as follows:

i) Authority figure: The role that is played by an Opinion Leader when he gives product news and advice, and also narrates his personal experiences to consumers, is known as the authority figure role. By providing product news and advice, as also narrating his personal experiences, he helps current and potential consumers satisfy their needs and wants.

Opinion leaders are highly involved with a product category. They gather information about new, technically complex and risky products by reading about them in newspapers, journals and magazines (also special interest magazines). They attend product launch parties, trade fairs and trade shows, conferences and symposiums etc. They also enter into conversations and discussions with subject experts, researchers, scientists, and even innovators. Innovators provide them with accounts of their first hand experience. It is noteworthy that sometimes even Opinion Leaders act as innovators and are the first to try out a new product offering in the product category of their interest.

Opinion Leaders are said to be performing the authority figure role as they act as experts and authorities for a particular product category. They have knowledge, expertise and experience with the product category. They are aware of the various evaluative criteria on which the product and service offerings should be assessed and they are also aware of the decision rules that need to be applied to make a final purchase decision. Opinion Leaders are also aware of the various brands that are available, and the value associated with each. So they are in the best position to provide information and advice to consumer as to i) whether to make a purchase? ii) If yes, which brand to buy? Because of this role that they perform as experts, consumers prefer approaching them for information and advice. This helps the consumers i) reduce the level of physical and cognitive effort associated with a purchase; ii) reduce the level of risk associated with the purchase.

Opinion Leaders enjoy playing this role because of the prestige and pride associated with it. As mentioned above, they may voluntarily play this role and enjoy talking about a product category, or they may be approached and requested for it by the consumers. In any case, they derive pleasure and pride in acting out the expert's role.

Opinion Leaders are specific to a product or service category. It is very rare that an Opinion Leader is an expert or authority for more than one product category. This is because of the fact that it would involve a lot of effort and would be difficult for a person to be well informed and educated about any and every product category. Further, the expertise would be maintained only if it is an ongoing effort of information gathering, storage and retention. It would involve a huge amount of effort to develop and maintain expertise in more than one or few areas. Thus, as an expert, Opinion Leaders specialize in one product category. However, Opinion Leadership could tend to overlap across certain

combinations of interest areas, i.e., Opinion leaders in one product category can often be Opinion Leaders in related areas, like kitchen ware and household goods, fashion apparel and cosmetics, computers and mobiles, tourism and travel.

ii) Trend setter: Opinion Leaders act as trend setters. They are inner oriented and do not bother about what others in the society say or do. They are also innovative and often go in for purchase of new product and service offerings (of their interest category) and through the purchase and usage, they set the trend.

Opinion Leaders play the trend setter role when they narrate accounts of their personal experiences to others to copy and emulate. In other words, if they purchase a new innovative product of their interest, they speak of their experience as acts of behavior that the audience (opinion receivers/opinion seekers) should emulate.

Unlike the authority role (of providing news and advice), they emphasize more on narrating their personal experiences. Rather than knowledge and expertise being the source of credibility, it is the personal experience that provides credibility.

Once a trend is set by trend setters, people begin to copy them. In fact they act as a reference group for others who want to use the same product and service offerings that are used by former. As trend setters, Opinion Leaders could belong to membership or non-membership reference groups.

iii) Local Opinion Leader: People like to behave like others in their reference groups. They desire social approval from contactual (membership) and aspirational (non-membership) groups. People from such groups directly or indirectly provide information and advice that helps consumers to make purchase decisions, and buy such goods and services and/or brands that the contactual and aspirational groups approve off.

Opinion Leaders are said to act a local opinion leaders when a) they constitute a person's positive reference group; and b) they provide information about such product and service offerings and/or brands that help satisfy their needs and wants of the consumer group in a manner that is consistent with group values and norms. As local opinion leaders, they provide knowledge and advice, and narrate personal experiences about product and service offerings. Their credibility lies in the fact that as they belong to

the same group as others who approach them, they are able to advise on the “good” or “bad”, and thereby guarantee social approval and appreciation.

7.7.4 MOTIVES BEHIND OPINION LEADERSHIP:

Both Opinion Leaders and Opinion Receivers/seekers have their own reasons for providing information and receiving/seeking product information and advice. Opinion Leaders give product related information and advice sometimes voluntarily on their own and sometimes when are approached and asked for. Similarly Opinion Receivers/Seekers request for information or listen with listen with patience to all that the Opinion Leader has to say. There are various reasons as to why such communication exchange takes place between Opinion Leaders and Opinion Receivers/Seekers, be they relatives, friends, acquaintances or even strangers. Some of the reasons why Opinion Leaders provide information and why Opinion Receivers/Seekers receive or seek information and advice are discussed below. These explain the motives behind the Opinion Leadership process.

i) Why do Opinion Leaders provide information?

- Opinion Leaders like to give product news, provide expert advice and also love to share their experiences with others. This is because they are involved and interested in a product or service category, and love to talk about it (product involvement).
- WOM communication gives them an opportunity to talk about their interests to others. Further they may feel so positively and favorably or negatively and unfavorably about a product and/or brand that they feel like telling about it to others (product involvement, self involvement and social involvement)
- As they possess knowledge, expertise and experience with a product category, they feel important and powerful when people approach them for information and advice. It confers upon them a sense of superiority or special status over others. They take pride in providing information and advice (self gratification, power and pride). They also feel that others to whom they have given information and advice on new products or services have bought them because of them.

- They may be genuinely be benevolent and generous, and out of altruistic concerns may like to help others, especially family, friends, relatives and neighbours (selfless motive: social involvement).
- Opinion Leaders may be also trying to reduce their own level of post-purchase cognitive dissonance (self-interest).
- Interestingly true, many provide information as a) they may be wanting to try out a new product or service offering after someone else buys and uses it first; or b); or c) they may themselves be trying to reassure themselves of their own purchase decision by recommending it to others; and d) they may be dissatisfied with a purchase and like to complain about the purchase of the product and service and/or brand and/or company and/store from where it has been purchased

ii) Why do Opinion Receiver/Seekers request for information?

- Opinion Receivers/Seekers gather information so that they can make the right purchase decision, with respect to the right product and service offering, the right brand, at the right price, from the right store and at the right time. Especially in cases of high involvement products, a person may be less knowledgeable and less involved and can take advice from someone who is more experienced and knowledgeable for that product category.
- They obtain information about new-product or new-usage.
- It reduces the physical and cognitive effort that the Opinion Receivers/Seekers has to take to gather information, evaluate alternatives and take the right decision. They also save on time required to gain information about product and the varying brands.
- Product knowledge and advice reduces the level of uncertainty associated with a purchase. It helps them reduce the perceived risk as they are able to gain product and/or brand knowledge from experts, who are also many a times innovators and first-time users of the product (Opinion Leaders are innovative by nature and this has been discussed in the previous lesson).
- They prefer word-of-mouth communication over other marketing communication as they believe that while the latter have an ulterior interest in making sales, the former is more credible with no ulterior motives.

- People also turn to Opinion Leaders so as to confirm their purchase decisions. This is particularly true for high involvement products, as also for products that need social approval and/or match social class and social status.

7.7.5 DYNAMICS OF OPINION LEADERSHIP PROCESS:

The Opinion Leadership process is highly dynamic in nature. Opinion Leaders communicate informally about product and service offerings and/or brands. They offer product information and advice, and narrate experiences. They are not generic in nature; they are specific to a product category, and an expert in one product category would not be an expert for another product category. Thus, a person may be an Opinion Leader for a product category and an Opinion Receiver for another. The dynamic nature of Opinion Leadership is discussed as follows:

Opinion Leaders provide product information, advice and narrate experiences: Opinion Leaders communicate informally about product and service offerings and/or brands; they give product news and advice to consumers (current and potential) and also narrate their personal experience to others. As such they act as authority figures, trend setters and local opinion leaders.

Opinion Leaders provide both positive and negative information: Opinion Leaders provide both favorable and unfavorable information about product and service offerings and/or brands, and this adds to their credibility. Compared to positive and neutral information and/or evaluation, the impact of negative information and/or evaluation is much greater and has a bigger impact on Opinion Receivers/Seekers. Thus, they would avoid such product and service offerings and/or brands that are spoken negatively by Opinion Leaders.

Opinion Leaders are influential and persuasive: Opinion Leaders are highly influential and very effective at persuading people around them. They are credible informal sources of product knowledge, information and advice. People look up to them for advice and they are good at influencing the former because of the following:

- they are regarded as subject experts, i.e. it is believed that opinion leaders are knowledgeable and experienced about a product or service category.
- since they receive no monetary compensation, their information, advice, opinion and experiences about a product or service category, are perceived as genuine, objective and unbiased.
- they are thought to have no selfish, ulterior or hidden motives, and this adds to their credibility (unlike a marketer who wants to make a sale).
- because they have no self-interest, their advice is regarded as being in the best interests of others (potential and actual consumers).

Opinion Leaders are not generic in nature: They are specific to a product or service category, and possess expertise and specialization in it. Because of the in depth knowledge they have about the product category, people approach them for information and advice for that product or service category.

It is important to distinguish between Opinion Leaders and Market Mavens. There are some people who seem to know about everything and offer their advice about anything and everything. Such people are called market mavens. They are different from Opinion Leaders in the sense that actually they do not provide information about a product or service category. They provide information, advice and narrate experiences of general buying and consumption behavior. They also seem to know less intensive about a product or service category, and more extensively about many products and services. They know more about what should be bought, how should it be used, when it should be bought, where it would be available (retail outlets) etc. In a nutshell, they possess more of general knowledge or market expertise.

Opinion Leaders could also become Opinion Receivers/Seekers: As explained above, Opinion Leaders are category specific. They are experts in one product/service category, and act as Opinion Leaders. However, when it comes to another product/service category, they may become Opinion Receivers/Seekers. They may even seek information from people to whom they had given information earlier about another

product category. Thus, the roles may get reversed from Opinion Leaders to Opinion Receivers/Seekers in the context of other product/service categories.

Sometimes a person may become an Opinion Receiver/Seeker for the same product also. This is when he is in a product-related conversation/discussion with a Opinion Receiver/Seeker who is more informed, enlightened and updated with information product knowledge. This information then adds to the Opinion Leaders' knowledge database in his memory (adds to his associated network).

7.7.6 MEASUREMENT OF OPINION LEADERSHIP:

As Opinion Leaders act as a vital link between marketers and consumers, the marketers are always concerned with i) the identification of such people in a social structure who are Opinion Leaders; ii) the identification of people who have the potential to become Opinion Leaders; and iii) the measurement of Opinion Leadership.

In order to measure Opinion Leadership, it is essential that Opinion Leaders with respect to the product/service category are identified. It is also important that people who have the potential to become Opinion Leaders are also identified. There are three ways in which Opinion Leaders can be identified; these are listed as follows:

- a) marketers directly ask the consumers whether they are Opinion Leaders.
- b) they ask a subject expert to identify who the Opinion Leaders are.
- c) they study the communication patterns and flows among consumers, interpret the dynamics and identify the leaders

These methods, in particular the third one help marketers to identify the traits and characteristics that make up an Opinion Leader for a type of product or service category. It also helps the marketer understand the behavior of Opinion Leaders and the dynamics underlying the Opinion Leadership process. Marketers are interested in identifying, measuring and analyzing the impact of the opinion leadership process on consumption patterns and consumption behavior.

An understanding of the traits and characteristics of Opinion Leaders, their behavior and the very dynamics of the Opinion Leadership process is helpful to the marketer. Once the marketers have identified the general traits and characteristics of Opinion Leaders, they can target their marketing efforts, particularly the communication

programme at all such consumers who possess such traits and characteristics. Marketers would provide them with information about the product and product category, about the brand, about the usage, its benefit and utility etc. They would also tell them about the various attributes and features, the price and the availability. Once such people (Opinion Leaders or those who have the potential to become Opinion Leaders) are exposed with such a message, they would in turn talk about it to others in their social group. This would make the job easier for a marketer.

All this would ultimately lead to an informal spread of product news, advice and experiences. As has been discussed earlier, WOM communication has a greater impact on consumption behavior as it is regarded as being credible, without any hidden/ulterior motives.

As far as measurement of Opinion Leadership is concerned, researchers make use of various methods. According to Rogers, there are four basic techniques for measuring Opinion Leadership, viz., i) the self-designating method; ii) the sociometric method; iii) the key informant method; and iv) the objective method. Each of these is explained and critically assessed as follows:

i) The self-designating method: A marketing survey is conducted and people are asked a series of questions to determine the degree to which they behave as Opinion Leaders. Questions pertain to:

- a) the extent to which they have given information and advice about a product/service category and/or brands to others in the social system
- b) how often they have been able to influence the purchase decisions about others.
- c) how often they have been approached by others for information and advice about that particular product/service category

Advantages: It is easy to include and apply in market research questionnaires. It helps measure an individual's perception and assessment about his/her actual Opinion Leadership and related capacities.

Disadvantages: As the technique is based on self assessment and evaluation, it could be to lead to over-estimation of self and thus, suffer from bias. People could portray

themselves as being “knowledgeable and important advisors” to others when it comes to making purchase decisions. It is also difficult to assess the outcome of the informal communication in terms of knowledge and advice. While a person may report that he provides information and advice, and helps people make purchase decisions, it may not be essential that the receivers may be actually using this information and advice. Thus, success of the technique would depend on the objectivity with which a respondent can identify, assess and report his personal influence.

The final assessment needs to be made by the marketer. The marketer must understand the degree of relevance the Opinion Receivers/Seekers attach to the information and advice that they receive from the various so called Opinion Leaders. This assessment would help the marketer identify who among the many are Opinion Leaders and who are not.

ii) The sociometric method: The sociometric method of measuring Opinion Leadership basis itself on the study of the social system, and particularly the communication patterns and flows to identify those to give information and advice as act as Opinion Leaders. Researchers examine complete patterns of informal information flows among consumers of a particular product/service category, and identify those who provide information to others as Opinion Leaders.

While the technique makes use of the analysis of the communication flow, it also uses questionnaires that are administered to people in a social system. People in a social system are asked to identify:

a) those people to whom they have given information and advice about a product/service category. In case the respondent identifies one or many people to whom he has provided information and advice, he is regarded as an Opinion Leader. Researchers could cross-examine by contacting and questioning the Receiver/Seekers of information and confirming from them.

b) those people to whom they have gone for information and advice about a product or service category and/or brand. Here again, researchers could cross-examine by contacting and questioning the Opinion Leaders and confirming from them.

Advantages: The technique can meet tests of validity and reliability. Chances of misconception and bias are less.

Disadvantages: It is costly in terms of both money and time. In order to obtain results that are valid and reliable, it requires intensive and extensive data, i.e. a large amount of information from a large sample of respondents. This could be expensive and time consuming. The analysis could also be complex and would require experts in the area.

iii) The key informant method: Based on careful observation and analysis of social communication, key informants in a social system are identified. These key informants are asked to identify and/or designate individuals in the social group who are Opinion Leaders or who are most likely to be Opinion Leaders.

The key informants are those who are aware about the communication patterns in a social environment and able to provide a fair and impartial assessment of these patterns. They may or may not be a member of such group(s); they may be active participants or passive observers. In this way (where an expert is asked to identify Opinion Leaders), the technique is better than the self-designating method (where a person is asked to assess himself as an Opinion Leader).

Advantages: This is relatively less expensive and time consuming, as compared to the sociometric method. The study is based on a chosen few rather than large samples in the self-designating and sociometric methods.

Disadvantages: If informants are not carefully chosen, they may provide wrong information.

iv) The objective method: The objective method is based on simulation. It identifies and measures Opinion Leadership by placing people in controlled environments (just as controlled experiments). People are chosen, given information about new products and

service categories, and the asked to act out as Opinion Leaders. The resulting “web” and “patterns” of informal interpersonal communication regarding the relevant product or service category are traced and analyzed. The technique thus measures the results of their efforts and assesses how successful their impact is on consumption behavior.

Advantages: It measures people’s abilities to provide news and advice and influence purchase decisions in controlled environments.

Disadvantages: It is time consuming as it requires setting up of experimental designs. It is a complex process and requires subject experts and trained psychologists.

7.7.7 TRAITS AND CHARACTERISTICS OF OPINION LEADERS:

As discussed above, an understanding of the traits and characteristics of Opinion Leaders is helpful to marketers so that they can target their marketing efforts, particularly their promotional efforts and their communication programme at all such consumers. Marketers assume that given their characteristics, the Opinion Leaders would indulge in WOM communication and spread product news, advice and experiences. They would successfully be able to influence consumption patterns and consumption behavior of others.

Consumer researchers and market practitioners have successfully identified traits and characteristics of Opinion Leaders, and developed their profile. Such traits and characteristics are discussed as follows:

- i) Opinion leaders possess high levels of involvement and interest in a specific product or service category. They gather information from various sources (print, electronic and audio visual, internet and websites etc.) about product development, and are updated about information. They have greater interest for exposure to media and news specifically relevant to their subject areas of interest and specialization. They like to read and hear more about what interests them. The information search is ongoing because of the level of interest that they possess.
- ii) They are subject experts and have tremendous knowledge about the specific product or service category. They are well-informed about product attributes and features, benefits

and utility, knowledge about brands, price and availability. Because of their knowledge and expertise, people turn to them for advice. They are authority figures and provide information, advice and narrate experiences to Opinion Receiver/Seekers.

iii) They are product or service category specific; a person who is an opinion leader in a particular product/service category would be an Opinion Receiver/Seeker for another. However, Opinion Leadership could tend to overlap across certain combinations of interest areas, i.e., Opinion leaders in one product category can often be Opinion Leaders in related areas, like kitchen ware and household goods, fashion apparel and cosmetics, computers and mobiles, tourism and travel.

iv) In most cases, Opinion Leaders are also consumer innovators. Because of their interest in a product or service category, they have a tendency to purchase a new product offering as soon as it is launched in the market. Also, because with their first hand experience with the product, they speak with authority and experience. They act as trend setters and are in a better position to give advice and convince others to make a purchase.

v) Opinion Leaders also possess certain personal characteristics; by nature, they are self-confident and gregarious. Because of the knowledge and experience that they possess, they are self-confident. They are extroverts and sociable by nature, who enjoy being in company of others, love talking to others and provide them with product news and advice and share their experiences.

vi) As far as characteristics related to social class and social standing are concerned, Opinion leaders generally belong to the same socioeconomic group as Opinion Receivers/Seekers. The reasons for this are quite logical. First, Opinion Leaders indulge in informal communication, and the Receivers/Seekers would in most cases be their own friends, neighbours, peers and colleagues. It is with them and other members of their social class that a regular exchange of information takes place, and it is to them that they would give information and advice and share their experiences. Secondly, it is only when there is a match of economic class, that Opinion Receivers/Seekers would approach an Opinion Leader. This is because there would be a better level of comfort and

understanding between the two. Opinion Leaders would recommend a product and/or brand that he has been able to monetarily afford and use and it would also be something that the Receivers/ Seekers can also afford. Thirdly, the Receivers/Seekers desire social approval and social approval and acceptance, and thus all the more reason that he approaches someone from his socio-economic class.

7.7.8 RELEVANCE OF OPINION LEADERSHIP FOR A MARKETER:

The study of informal interpersonal communication, particularly through Opinion Leadership holds relevance for a marketer. The Opinion Leader provides product news, advice and experience to Opinion Receivers/Seekers (potential consumers). This reduces the latter's physical and cognitive effort associated with the purchase decision making process. It also reduces their level of perceived risk. Marketer realize that Opinion Leaders are regarded as credible sources of WOM communication. They also successfully exert tremendous amount of influence on consumers' choice and preferences as also the actual purchase activity. Thus, the study of Opinion Leadership holds relevance for a marketer.

As Opinion Leaders act as a vital link between marketers and consumers, the marketers should concern themselves with the identification of Opinion Leaders, as also the identification of those who have the potential to become Opinion Leaders. For this they need to have an understanding of the traits and characteristics that make up an Opinion Leader for a type of product or service category. Once they have identified the general traits and characteristics of Opinion Leaders, they can target their marketing efforts, particularly the communication programme at all such consumers. Marketers would provide them with information about the product and product category, about the brand, about the usage, its benefit and utility etc. They would also tell them about the various attributes and features, the price and the availability. Once such people (Opinion Leaders or those who have the potential to become Opinion Leaders) are exposed with such a message, they would "carry around the word" to the masses, by talking about it to others in their social group. This would make the job easier for a marketer.

Marketers often attempt to encourage Opinion Leadership through their marketing strategies:

- through schemes like “share your experiences”, “tell others that you like our brand”, etc., marketers encourage consumers to discuss their experiences with others (eg. Electronic goods etc).
- through showing advertisements that portray product/service informal discussions about products/services amongst people (eg. health drinks, skin and hair care products etc.).

It needs to be mentioned here that WOM communication is difficult to manage and control. When a person is satisfied with the purchase of a product and/or brand, he would speak in favor of it. On the other hand, when he is dissatisfied with the purchase and the usage, he would speak unfavorably about it to others. Similarly, Opinion Leaders provide information that could be both favorable and unfavorable to a product or service category and/or brand. Negative remarks could also arise in the form of rumors, especially with new product categories. Needless to say, quite logical that the unfavorable or negative information has a deeper and profound effect. To counter this, marketers are desirous of handling customer relations in a better manner, and have introduced help lines and toll free numbers.

Marketers should also measure and analyze the impact of the Opinion Leadership process on consumption patterns and consumption behavior. This would help him understand those amongst Opinion Leaders who are genuine and powerful and those who are fake and superficial. This is because they can then focus more on the former than on the latter.

All this would ultimately lead to an informal spread of product news, advice and experiences. As has been discussed earlier, WOM communication has a greater impact on consumption behavior as it is regarded as being credible, without any hidden/ulterior motives.

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FAQS (FREQUENTLY ASKED QUESTIONS):

Ques 1 Discuss the Motives behind the Opinion Leadership Process.

Ans 1 Both Opinion Leaders and Opinion Receivers/seekers have their own reasons for providing information and receiving/seeking product information and advice. Opinion Leaders give product related information and advice sometimes voluntarily on their own and sometimes when are approached and asked for. Similarly Opinion Receivers/Seekers request for information or listen with listen with patience to all that the Opinion Leader has to say. There are various reasons as to why such communication exchange takes place between Opinion Leaders and Opinion Receivers/Seekers, be they relatives, friends, acquaintances or even strangers. Some of the reasons why Opinion Leaders provide information and why Opinion Receivers/Seekers receive or seek information and advice are discussed below. These explain the motives behind the Opinion Leadership process.

Opinion Leaders provide information because of the following reasons:

- Opinion Leaders like to give product news, provide expert advice and also love to share their experiences with others. This is because they are involved and interested in a product or service category, and love to talk about it (product involvement).
- WOM communication gives them an opportunity to talk about their interests to others. Further they may feel so positively and favorably or negatively and unfavorably about a product and/or brand that they feel like telling about it to others (product involvement, self involvement and social involvement)
- As they possess knowledge, expertise and experience with a product category, they feel important and powerful when people approach them for information and advice. It confers upon them a sense of superiority or special status over others. They take pride in providing information and advice (self gratification, power and pride). They also feel that others to whom they have given information and advice on new products or services have bought them because of them.
- They may be genuinely be benevolent and generous, and out of altruistic concerns may like to help others, especially family, friends, relatives and neighbours (selfless motive: social involvement).
- Opinion Leaders may be also trying to reduce their own level of post-purchase cognitive dissonance (self-interest).
- Interestingly true, many provide information as a) they may be wanting to try out a new product or service offering after someone else buys and uses it first; or b); or c) they may themselves be trying to reassure themselves of their own purchase decision by recommending it to others; and d) they may be dissatisfied with a purchase and like to complain about the purchase of the product and service and/or brand and/or company and/store from where it has been purchased

ii) Opinion Receiver/Seekers request for information because of the following reasons:

- Opinion Receivers/Seekers gather information so that they can make the right purchase decision, with respect to the right product and service offering, the right brand, at the right price, from the right store and at the right time. Especially in cases of high involvement products, a person may be less knowledgeable and less involved and can take advice from someone who is more experienced and knowledgeable for that product category.
- They obtain information about new-product or new-usage.
- It reduces the physical and cognitive effort that the Opinion Receivers/Seekers has to take to gather information, evaluate alternatives and take the right decision. They also save on time required to gain information about product and the varying brands.
- Product knowledge and advice reduces the level of uncertainty associated with a purchase. It helps them reduce the perceived risk as they are able to gain product and/or brand knowledge from experts, who are also many a times innovators and first-time users of the product (Opinion Leaders are innovative by nature and this has been discussed in the previous lesson).
- They prefer word-of-mouth communication over other marketing communication as they believe that while the latter have an ulterior interest in making sales, the former is more credible with no ulterior motives.
- People also turn to Opinion Leaders so as to confirm their purchase decisions. This is particularly true for high involvement products, as also for products that need social approval and/or match social class and social status.

Ques 2 Critically assess the various techniques used to measure Opinion Leadership.

Ans 2 Marketers are interested in identifying, measuring and analyzing the impact of the opinion leadership process on consumption patterns and consumption behavior. Researchers make use of various methods to measure Opinion Leadership. According to Rogers, there are four basic techniques for measuring Opinion Leadership, viz., i) the self-designating method; ii) the sociometric method; iii) the key informant method; and iv) the objective method. Each of these is explained and critically assessed as follows:

i) The self-designating method: A marketing survey is conducted and people are asked a series of questions to determine the degree to which they behave as Opinion Leaders. Questions pertain to:

- a) the extent to which they have given information and advice about a product/service category and/or brands to others in the social system
- b) how often they have been able to influence the purchase decisions about others.
- c) how often they have been approached by others for information and advice about that particular product/service category

Advantages: It is easy to include and apply in market research questionnaires. It helps measure an individual's perception and assessment about his/her actual Opinion Leadership and related capacities.

Disadvantages: As the technique is based on self assessment and evaluation, it could be to lead to over-estimation of self and thus, suffer from bias. People could portray themselves as being "knowledgeable and important advisors" to others when it comes to making purchase decisions. It is also difficult to assess the outcome of the informal communication in terms of knowledge and advice. While a person may report that he provides information and advice, and helps people make purchase decisions, it may not be essential that the receivers may be actually using this information and advice. Thus, success of the technique would depend on the objectivity with which a respondent can identify, assess and report his personal influence.

The final assessment needs to be made by the marketer. The marketer must understand the degree of relevance the Opinion Receivers/Seekers attach to the information and advice that they receive from the various so called Opinion Leaders. This assessment would help the marketer identify who among the many are Opinion Leaders and who are not.

ii) The sociometric method: The sociometric method of measuring Opinion Leadership basis itself on the study of the social system, and particularly the communication patterns and flows to identify those to give information and advice as act as Opinion Leaders. Researchers examine complete patterns of informal information flows among consumers of a particular product/service category, and identify those who provide information to others as Opinion Leaders.

While the technique makes use of the analysis of the communication flow, it also uses questionnaires that are administered to people in a social system. People in a social system are asked to identify:

- a) those people to whom they have given information and advice about a product/service category. In case the respondent identifies one or many people to whom he has provided information and advice, he is regarded as an Opinion Leader. Researchers could cross-examine by contacting and questioning the Receiver/Seekers of information and confirming from them.
- b) those people to whom they have gone for information and advice about a product or service category and/or brand. Her again, researchers could cross-examine by contacting and questioning the Opinion Leaders and confirming from them.

Advantages: The technique can meet tests of validity and reliability. Chances of misconception and bias are less.

Disadvantages: It is a costly in terms of both money and time. In order to obtain results that are valid and reliable, it requires intensive and extensive data, i.e. a large amount of information from a large sample of respondents. This could be expensive and time consuming. The analysis could also be complex and would require experts in the area.

iii) The key informant method: Based on careful observation and analysis of social communication, key informants in a social system are identified. These key informants are asked to identify and/or designate individuals in the social group who are Opinion Leaders or who are most likely to be Opinion Leaders.

The key informants are those who are aware about the communication patterns in a social environment and able to provide a fair and impartial assessment of these patterns. They may or may not be a member of such group(s); they may be active participants or passive observers. In this way (where an expert is asked to identify Opinion Leaders), the technique is better than the self-designating method (where a person is asked to assess himself as an Opinion Leader).

Advantages: This is relatively less expensive and time consuming, as compared to the sociometric method. The study is based on a chosen few rather than large samples in the self-designating and sociometric methods.

Disadvantages: If informants are not carefully chosen, they may provide wrong information.

iv) The objective method: The objective method is based on simulation. It identifies and measures Opinion Leadership by placing people in controlled environments (just as controlled experiments). People are chosen, given information about new products and service categories, and the asked to act out as Opinion Leaders. The resulting “web” and “patterns” of informal interpersonal communication regarding the relevant product or service category are traced and analyzed. The technique thus measures the results of their efforts and assesses how successful their impact is on consumption behavior.

Advantages: It measures people’s abilities to provide news and advice and influence purchase decisions in controlled environments.

Disadvantages: It is time consuming as it requires setting up of experimental designs. It is a complex process and requires subject experts and trained psychologists.

Ques 3 Discuss the traits and characteristics of Opinion Leaders.

Ans 3 Consumer researchers and market practitioners have successfully identified traits and characteristics of Opinion Leaders, and developed their profile. Such traits and characteristics are discussed as follows:

- i) Opinion leaders possess high levels of involvement and interest in a specific product or service category. They gather information from various sources (print, electronic and audio visual, internet and websites etc.) about product development, and are updated about information.
- ii) They are subject experts and have tremendous knowledge about the specific product or service category. They are well-informed about product attributes and features, benefits and utility, knowledge about brands, price and availability.
- iii) They are product or service category specific; a person who is an opinion leader in a particular product/service category would be an Opinion Receiver/Seeker for another. However, Opinion Leadership could tend to overlap across certain combinations of interest areas, i.e., Opinion leaders in one product category can often be Opinion Leaders in related areas, like kitchen ware and household goods, fashion apparel and cosmetics, computers and mobiles, tourism and travel.
- iv) In most cases, Opinion Leaders are also consumer innovators. Because of their interest in a product or service category, they have a tendency to purchase a new product offering as soon as it is launched in the market. They act as trend setters and are in a better position to give advice and convince others to make a purchase.
- v) Opinion Leaders also possess certain personal characteristics; by nature, they are self-confident and gregarious. Because of the knowledge and experience that they possess, they are self-confident. They are extroverts and sociable by nature, who enjoy being in company of others, love talking to others and provide them with product news and advice and share their experiences.
- vi) As far as characteristics related to social class and social standing are concerned, Opinion leaders generally belong to the same socioeconomic group as Opinion Receivers/Seekers. The reasons for this are quite logical. First, Opinion Leaders indulge in informal communication, and the Receivers/Seekers would in most cases be their own friends, neighbours, peers and colleagues. It is with them and other members of their

social class that a regular exchange of information takes place, and it is to them that they would give information and advice and share their experiences. Secondly, it is only when there is a match of economic class, that Opinion Receivers/Seekers would approach an Opinion Leader. This is because there would be a better level of comfort and understanding between the two. Opinion Leaders would recommend a product and/or brand that he has been able to monetarily afford and use and it would also be something that the Receivers/ Seekers can also afford. Thirdly, the Receivers/Seekers desire social approval and social approval and acceptance, and thus all the more reason that he approaches someone from his socio-economic class.

SELF EVALUATION TESTS/QUIZZES:

Section A True/false:

1. Opinion Leaders are specific to a product or service category.
2. Opinion Leaders provide only negative information about a product/service category.
3. Sometimes a person may become an Opinion Receiver/Seeker for the same product also.
4. In most cases, Opinion Leaders are also consumer innovators.
5. Opinion leaders generally belong to the same socioeconomic group as Opinion Receivers/Seekers.

Section B Fill up the blanks:

1. _____ act as a vital link between the marketer and consumers.
2. Opinion Leaders are said to be performing the _____ role as they act as experts and authorities for a particular product category.
3. There are some people who seem to know about everything about the market and offer their advice about anything and everything. Such people are called _____.
4. The _____ method is based on simulation. It identifies and measures Opinion Leadership by placing people in controlled environments.

Section C Multiple choice questions:

1. A marketing survey is conducted and people are asked a series of questions to determine the degree to which they behave as Opinion Leaders. This is called the _____ of measuring Opinion Leadership.

- a) discussion method
- b) interview method
- c) self designating method
- d) objective method

2 Which of the following statements about the sociometric method of measuring opinion leadership is false?

- a) It basis itself on the study of the social system, and particularly the communication patterns and flows.
- b) It also makes use of questionnaires that are administered to people in a social system.
- c) The technique lacks validity and reliability.
- d) It is a costly in terms of both money and time.

3. _____ WOM information about a product category has a deeper and profound effect on consumers.

- a) Positive
- b) Negative
- c) Neutral
- d) All of the above

Section D Short answers:

- 1. Define Opinion Leadership.
- 2. Mention the three roles played by Opinion Leaders.
- 3. Explain briefly the key informant method of measuring Opinion Leadership.
- 4. Give instances how marketers can encourage Opinion Leadership through their marketing strategies.

KEY

Section A True/false:

1. True
2. False
3. True
4. True
5. True

Section B Fill up the blanks:

1. Opinion Leaders
2. Authority figure
3. Market mavens
4. Objective

Section C Multiple choice questions:

1. c
2. c
3. b

Section D Short answers:

1. Opinion Leadership is defined as “the process by which one person (the opinion leader) informally influences the actions or attitudes of others, who may be opinion seekers or merely opinion recipients” (Schiffman).
2. The three roles are, i) authority figure; ii) trend setter; and iii) local opinion leader.
3. Based on careful observation and analysis of social communication, key informants in a social system are identified. These key informants are those who are aware about the communication patterns in a social environment and able to provide a fair and impartial assessment of these patterns. These key informants are asked to identify and/or designate individuals in the social group who are Opinion Leaders or who are most likely to be Opinion Leaders. As a technique, it is relatively less expensive and time consuming. However, if informants are not carefully chosen, they may provide wrong information.
4. Marketers can encourage Opinion Leadership through their marketing strategies. Examples,
 - through schemes like “share your experiences”, “tell others that you like our brand”, etc., marketers encourage consumers to discuss their experiences with others (eg. Electronic goods etc).
 - through showing advertisements that portray product/service informal discussions about products/services amongst people (eg. health drinks, skin and hair care products etc.).