

Go To Market Strategies: Influence and How Information Spreads

David Bell

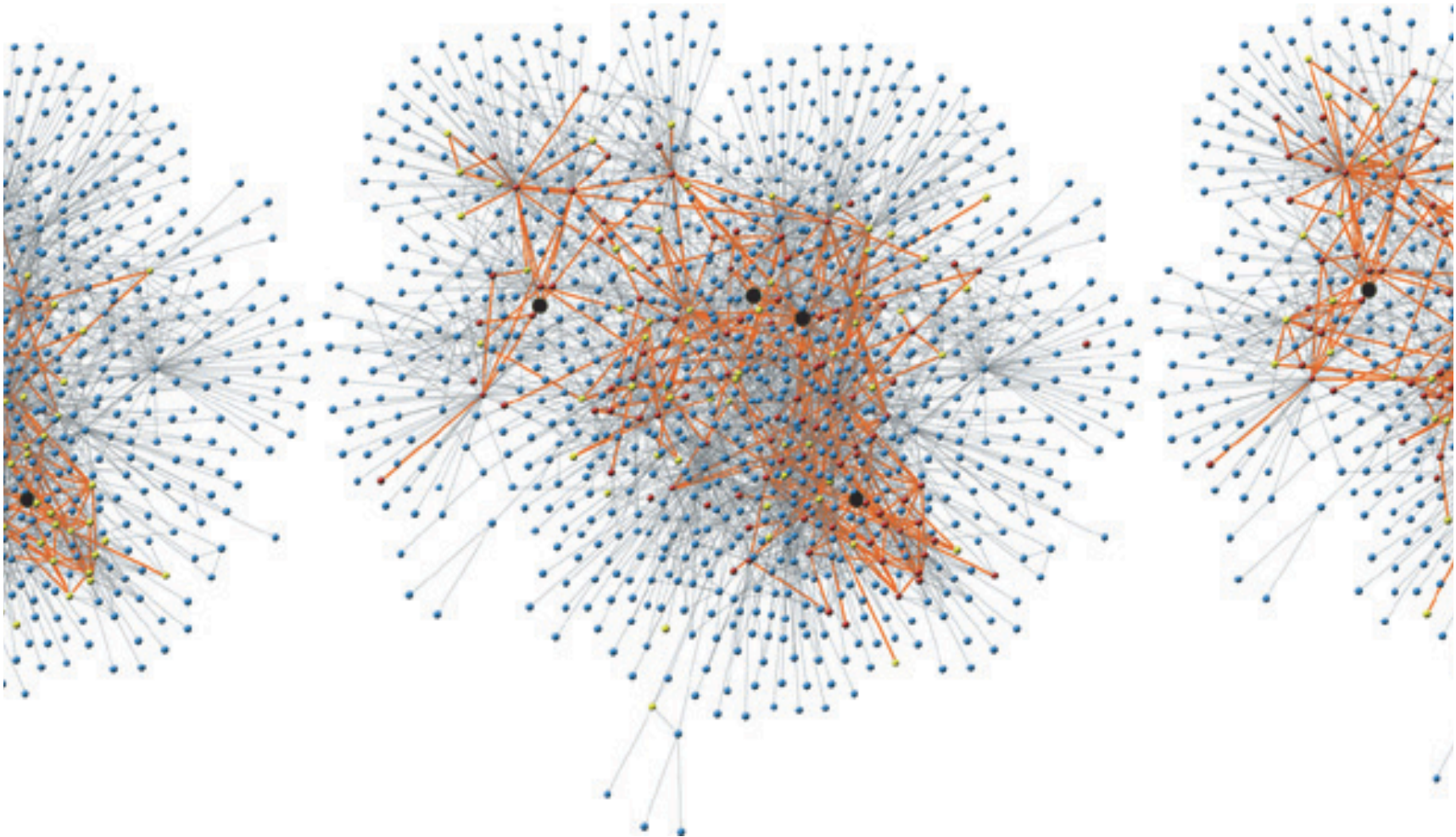
Xinmei Zhang and Yongge Dai Professor

- Controversial Study on Obesity
- Elements of Networks
- Elements of Neighborhoods
- Four Research Studies on Influence and Contagion through Networks and Neighborhoods

- Neighborhood: Internet retailing (diffusion at www.netgrocer.com)
- Network: Influence among users at a social networking site
- Network: Prescribing behavior of physicians in Los Angeles
- Neighborhood: Internet fashion retailing (diffusion at www.bonobos.com)

Controversial Study

Please Watch



<http://www.youtube.com/watch?v=pJfq-o5nZQ4>

Elements of Networks

- “Pathways through which information, advice, resources, and support flow between people”
Aral 2012)
- Networks can be physical or virtual
- *Networks usually exhibit homophily, either in characteristics of participants, or in preferences*

- A “network” can be as simple as a dyad, e.g., two partners, or so complex as to encompass hundreds or thousands of people
 - Nodes (people)
 - Connections (between people)
 - Dynamic behavior as ties form and break
 - Influence, homophily, confounds
 - Constraints (geography, socioeconomics)
 - [More Background
<http://www.youtube.com/watch?v=2U-tOghblfE>]

- Participation in a network is a *choice* (often governed by some form of homophily)
- We also decide *how many* people we want to connect to and how *central* we want to be
- When our relationships are transitive (our friends know each other) then we are deeply *embedded*

- 1960s: Few hundred business people send letters from Nebraska to Boston
- 2002: 98,000 people send emails to unknown targets
- Six degrees of separation 
- Three degrees of influence (decay, instability) 