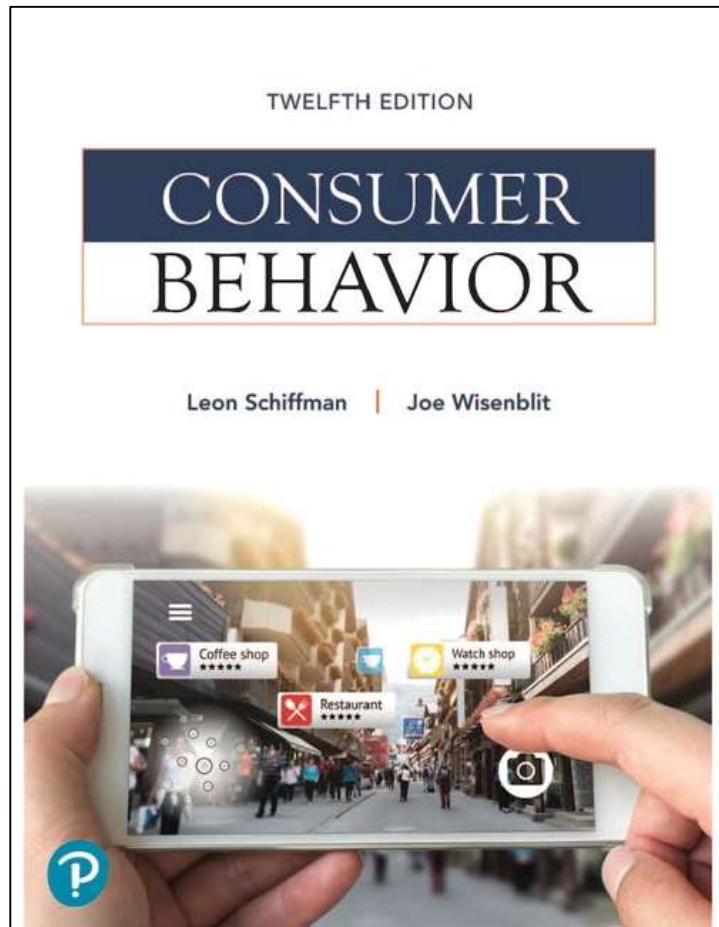


Consumer Behavior

Twelfth Edition



Chapter 9

Reference Groups and
Communities, Opinion
Leaders, and Word-of-Mouth

Learning Objectives

9.1 To understand the credibility and influence of reference groups.

9.2 To understand the persuasive power of spokespersons, endorsers, celebrities, salespersons, vendors, and media.

9.3 To understand the dynamics of opinion leadership and word-of-mouth.

9.4 To understand word-of-mouth's online prevalence, strategic applications, and perils.

9.5 To understand how consumers adopt innovations over time.

Personal Contacts are Credible



Source: Campbell Soup Company

Reference Groups

Defined

Groups that serve as sources of comparison, influence, and norms for people's opinions, values, and behaviors

Culture

Defined

The collective values, customs, norms, arts, social institutions, and intellectual achievements of a particular society which express its principles, standards, and priorities.

Learning Objective 9.1

9.1 To understand the credibility and influence of reference groups.

Source Credibility

Defined

A source's persuasive impact, stemming from its perceived expertise, trustworthiness, and believability.

Source Types and Influence

- Formal sources
- Informal sources
- Normative influence
- Comparative influence

Reference Group Influence (1 of 2)

- Membership group
- Symbolic group

Table 9.1 Group Membership and Type of Influence

	Normative Influence	Comparative Influence
Membership Group	High level of conformity to the standards of immediate membership groups, such as family and peers. The influencer and influenced belong to same socioeconomic group and are both aware of the influence.	Conformity to the standards of groups that the influenced aspires to join, and probably will. The two parties are one or two socioeconomic groups apart. The influenced and influencer probably know each other and are aware of the influence.
Symbolic Group	No significant influence. The influencer is outside the influenced reference group. The influenced are unaware of the unlikely influencers' norms.	High degree of influence, although the influenced know that they will never join the influencers. Socially, the parties are far apart, but the influencers recognize the degree of their influence.

Consumption-Related Reference Groups

- Friends
- Fellow shoppers
- Virtual communities
- Advocacy groups

Conformity

To influence its members, a reference group must:

- Inform members that the brand or product exists.
- Provide opportunity to compare thinking with the attitudes and behavior of the group.
- Influence individual to adopt attitudes and behavior that are consistent with the group's norms.
- Legitimize the member's decision to use the same products as other members.



Characteristics of Conformists

1. They feel that if someone is behaving in a certain way in a group, that it is the right way to behave.
2. They prefer wearing stylish clothing and they pay attention to what others are wearing.
3. They try to fit in during social gatherings so as not to be out of place.
4. They are guided by others' behavior if they feel unsure how to behave in a situation.
5. They often behave in a manner they feel others want them to behave.
6. They change their mannerisms and approaches if they feel that someone they are interacting with disapproves of them.
7. They often pick up slang expressions from others and start using them.
8. They always pay close attention to others' reactions to their behaviors.

Reference Group Influence (2 of 2)

- Group power
- Product expertise
- Product conspicuousness

Table 9.2 Product Conspicuousness and Reference Group Influence



Product or Service	To Buy or Not?	If to Buy, Which Brand?
Piercing	High	High
Tattoo	High	High
Jewelry	Neutral	High
Baseball Cap	Neutral	High
Smartphone and Apps	Neutral	High
Magazine Read Online	Neutral	High
Visiting Clubs	Neutral	High
Gambling Online	Low/none	Low/none
Contact Lenses	Low/none	Low/none
Undergarments	Low/none	Low/none
Toothpaste	Low/none	Low/none

Learning Objective 9.2

9.2 To understand the persuasive power of spokespersons, endorsers, celebrities, salespersons, vendors, and media.

Conveying Company Credibility

- Past performance
- Good Reputation
- Product Quality
- Good Service
- Image and attractiveness of spokespersons
- Reputation of retailers that carry offerings
- Media where they advertise

Institutional Advertising

Defined

Advertising that promotes a company's overall image without referring to specific products.

Endorsers and Spokespersons

- Synergy between endorser and type of product/service advertised important
- Endorsers with demographics similar to target audience more credible & persuasive
- Consumers must trust the marketer (even if they like the endorser)
- Message contents must be congruent with spokesperson's qualifications

Celebrities

- Celebrity testimonials
- Celebrity endorsements
- Celebrity actors
- Celebrity spokespersons

Slice-Of-Life Commercials

Defined

Promotional messages showing typical consumers in everyday situations

Credibility

- Salesperson credibility
- Vendor credibility
- Medium credibility

Learning Objective 9.3

9.3 To understand the dynamics of opinion leadership and word-of-mouth.

Opinion Leader Motivations

Table 9.3 The Motivations of Opinion Leaders and Receivers

Self-Involvement

Opinion Leaders	Opinion Receivers
Reduce post-purchase dissonance Gain attention from others Show off expertise Experience “converting” others	Reduce perceived risk Reduce search and shopping time

Product Involvement

Opinion Leaders	Opinion Receivers
Express satisfaction or complain about a product or service	Learn additional and more efficient ways to use products Learn about newly introduced products

Social Involvement

Opinion Leaders	Opinion Receivers
Express friendship by providing others with consumption-related information	Buy products that have the approval of others

Characteristics of Opinion Leaders

- Knowledgeable in product category
 - Self-confident, outgoing, sociable
 - Read special-interest publications and websites
 - Often same socioeconomic & age group as receivers
1. I am usually the first one in my circle of friends to know about new technologies.
 2. I know more about technologies than most people.
 3. My opinions about technologies count with other people.
 4. When considering buying a new technological product, people turn to me for advice.
 5. I often influence others' opinions about technologies.
 6. People know that I use the same products that I recommend.
 7. I often influence people to buy the same technological products that I like.

Measuring Opinion Leadership

- Self-designation method
- Social interactions
- Identifying experts
- Online influence

Key Informants

Defined

Persons who are keenly knowledgeable about the nature of social communications among members of a specific group.

Learning Objective 9.4

9.4 To understand word-of-mouth's online prevalence, strategic applications, and perils.

Social Networks

Defined

Virtual community where people share information about themselves with others, generally with similar interests, with whom they had established relationships that, for the most part, exist only in cyberspace.

Engagement in WOM

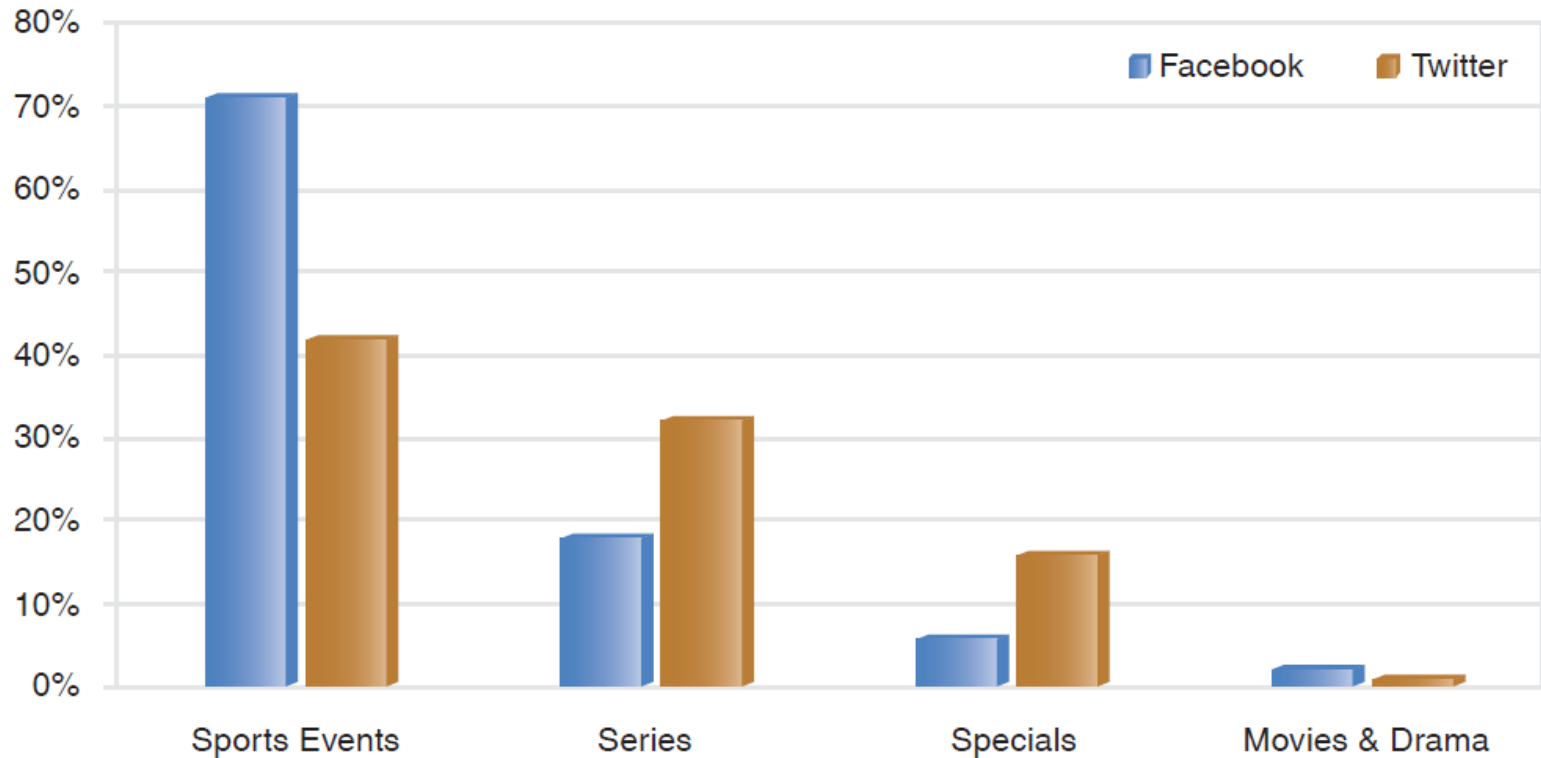
- Tie strength
- Similarity
- Source credibility

Brand Community

Defined

An online community formed by consumers who share an attachment to a brand

Word-of-Mouth Online



Viral Advertising

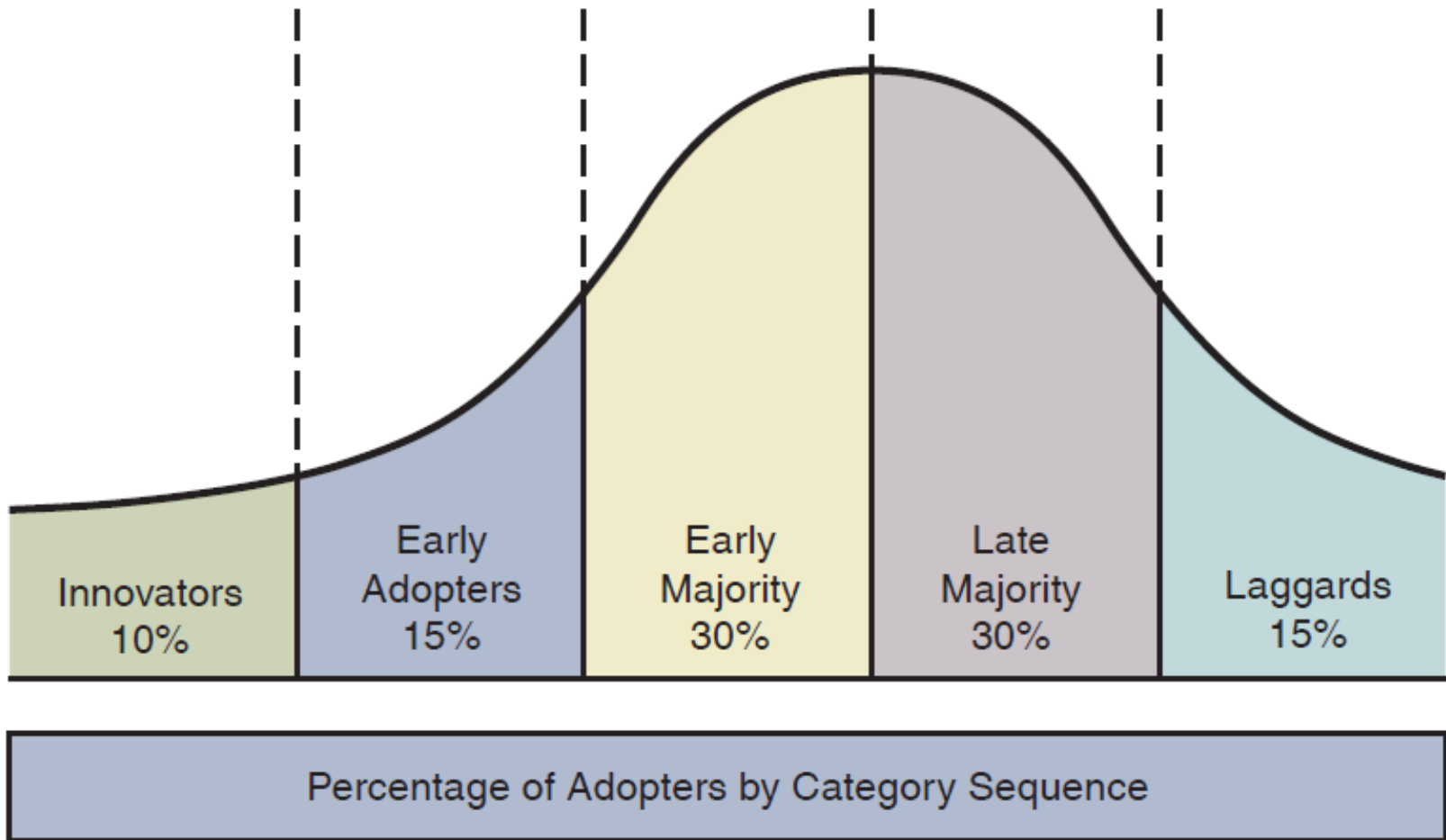
Defined

A marketing technique that uses social networks to increase brand awareness by encouraging individuals to pass along online email messages or other contents.

Learning Objective 9.5

9.5 To understand how consumers adopt innovations over time.

Adopter Categories



Time to Reach Laggards

- Nature of the group involved
- Type of innovation decision required
- Extent of marketing effort
- Strength of felt need
- Compatibility with values
- Relative advantage
- Complexity
- Observability
- Ease of trial
- Perceived Risk

Risk Aversion

- Reluctance to take risks
 - Low tolerance for ambiguity
1. They always read and follow the manufacturers' warnings about removing products' tags and back plates and use products exactly as instructed by manufacturers.
 2. When it comes to medications (including over-the-counter products), they always obey the instructions on how to take the medicines and carefully read the restrictions and potential side effects.
 3. They feel reluctant to buy products that they have never used before.
 4. If products come in assembled or unassembled forms, they buy the assembled versions even if these are a bit more expensive.
 5. They do not improvise when they cook and follow recipes fully.

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