

**Dr. Oluwole Iyiola**

Department of Business  
Studies, College of  
Business and Social  
Studies, Covenant  
University, Ota, Ogun  
State, Nigeria.  
[oluwoleiyiola@yahoo.com](mailto:oluwoleiyiola@yahoo.com);  
[olu.iyiola@covenantuniversity.edu.ng](mailto:olu.iyiola@covenantuniversity.edu.ng),

# **SOCIOECONOMIC AND DEMOGRAPHIC PROFILE OF MARKETPLACE INFORMANT: THE INFLUENCE OF MARKET MAVEN ON THAILAND SHOPPERS**

## **Abstract**

*The buying decisions of customers are influenced to a greater extent by the suggestions or references given by their friends and near ones than the information obtained by means of advertising or any other medium. The concept of word of mouth is independent of the products and services or the producer. It is a known fact that satisfied customers share their satisfaction with their group, either formally or informally. This satisfaction is shared in the form of information, which is nothing but publicity for the product which comes free of cost. This information sharing which spreads cumulatively is called word of mouth. This paper therefore, looked into the socioeconomic and demographic profile of marketplace informant and their influence on Thai shoppers. A total of 380 shoppers (who are able to read and write Thai language and have indicated to the research assistants that they share market information with friends) were surveyed from three strategic cities across Thailand; to respond to the instrument of survey (questionnaire) that was tested and deemed to be reliable. Reliability testing of the scale originally yielded a Cronbach's alpha of 0.82. A strong association ( $r = .609$ ,  $p < .0001$ ,  $n = 380$ ) is evident*

*between the number of respondents that considered themselves outgoing and will share information about their experiences in the marketplace.*

**Key Words:** Consumer Behavior, Thailand Shoppers, Word-of-Mouth, Advertisement.

## **Introduction**

Billions of dollars are spent each year by businesses to market their products and services to consumers, with increasing competition in the marketplace and the increasing cost of promotion, a well-designed targeted marketing approach is necessary for the survival of the business. Furthermore, rising costs, increasing competition, and flattening demand in many markets are causing firms to seek greater efficiency in their advertising expenditures (i.e. advertising dollars spent relative to competitors) (Keller, 1993). As objects of these targeted communications, some consumers are more valuable than others because they influence others through interpersonal communication. One thing that has also been shown to be very relevant for choosing products and services is interpersonal communication (Ennew et al., 2000) and for the diffusion of information on new products/services. Word-of-mouth (WOM) style of

communication is generally accepted to have a substantial influence on product choice (Price and Feick, 1984). Firms stand to gain or lose, when either a satisfied or dissatisfied consumer tells their family members and friends about their experience of a particular organization. Customer satisfaction and retention efforts by organizations have relied on strategic and marketing investments in creating sustainable advantages for companies in the long-run (Srivastava et al., 1998). Customer satisfaction affects a firm's performance levels under reasonable assumptions of firm and consumer behavior, as a result firms will be able to build sustainable competitive advantages and hence obtain superior firm performance.

Information search behavior positively influenced purchasing intentions and consumers who thought missing information in print apparel advertising to be important tended to find missing information from other sources like media, word-of-mouth, salespersons, and in stores. Consumers with higher levels of involvement tended to pay more attention to information and were more likely to search for information (Hsu and Mo, 2009). An information search is an essential phase in the process of decision-

making. Certain information could be relevant for one consumer but irrelevant for another, as individuals differed in how they processed information and what information they processed. Programs that foster customer referral and communication among customers, has been significantly invested in by companies primarily to foster acquisition of new customers. Conversely firms are also encouraging communication among existing customers by establishing customer communities and customer clubs, because there is evidence that positive effect of WOM leads to loyalty among existing customers, showing that receipt of WOM referrals reduces switching behavior (Wangenheim and Bayón, 2004).

### **Literature Review:**

Market mavens are social consumers who are highly involved in many discussions and represent an important source of marketplace information to other consumers (Clark and Goldsmith, 2005). Due to their influence on other consumers across a wide range of product domains, market mavens are particularly interesting to retailers. Findings support the notion that mavens disseminate both positive and negative marketplace information and do so more frequently than non-mavens (Edison and

Geissler, 2011). For example, mavens tend to be socially oriented by given away coupons than non-mavens

Technically, through the use of social media, mavens have adopted the use of technology, primarily to influence family, friends, and neighbors. Mavens' influence may extend well beyond acquaintances and to a much larger number of consumers through the use of new technology to communicate marketplace information with others. They can use e-mail, chat rooms, blogs, text messaging, and social networks (e.g., Facebook, Teitter, MySpace, and YouTube). Numerous Web sites allow consumers to rate and comment on companies, products, and services. Examples include eBay which allows buyers and sellers to rate one another and post short comments following transactions. Epinions.com encourages consumer ratings of brick-and-mortar businesses. Moviefone.com includes not only professional reviews of new movies, but also solicits and presents consumer feedback. Recently, the diffusion literature has examined social networks in the context of the Internet. As consumers began to embrace online word-of-mouth, it became apparent that this technology provided an unprecedented increase in the

size of social networks (Dellarocas, 2003) and the amount of information available to consumers far exceeded traditional word-of-mouth.

To fully understand the role of networks in diffusing market information, researchers seek to identify and understand the originators of the networks. According to Reynolds and Darden (1971), marketing literature has identified and defined three distinct categories of marketplace informants or influencers as: opinion leaders, innovators and 'market mavens'. Opinion leaders tend to have influence within a specific domain or product category, innovators are early product adopters who spread the word to others about the benefits (or faults) of the product or service, while marketing mavens tend to be the most sought-after supporters by retailers as they influence the decisions of other consumers in multiple product domains (Feick and Price, 1987).

Much of the existing WOM research assumes that a person who disseminates information is doing so from a direct relationship with the product or service. Numerous studies report that many retailers and service providers lose substantial numbers of customers each year due to post-purchase dissatisfaction that can arise from inadequate and

defective products and service offerings, or poor customer service (Grainer, 2003). Customers who are dissatisfied have been found to exhibit certain behavior to demonstrate their dissatisfaction including complaining to the seller, the manufacturer, or by communication negative word-of-mouth, switching supplier, or taking legal action (Voorhee and Brady, 2005).

### **Methodology:**

The survey instrument was specifically designed to measure mavens' personality and propensity to spread both positive and negative word of mouth communication (WOMC) about the marketplace. The questionnaires (which contained twelve question and few psychographics), were also designed to measure socioeconomic and demographic profile of marketplace informant. This helped the researcher to understand the profile of the respondents. It is equally important that if such profiles are available, it will help marketers to identify such consumers.

A total of 400 shoppers (who are able to read and write Thai language and have indicated to the research assistants that they share market information with friends) were surveyed from three strategic cities across Thailand; to respond to the

instrument of survey (questionnaire) that was tested and deemed to be reliable. The three cities are – Bangkok, Korat, and Hat-Yai. The three locations were strategically selected because they represent the geography, culture, and economy of the country. Korat is located north of Bangkok; while Hat-Yai is located south of Bangkok towards Malaysia. The three cities also represent high level of commercial activities and multinational organizations are established and operating in these cities. Data were collected with the use of self-report questionnaires distributed among the marketing students of Institute of International Studies of Ramkhamhaeng University from January–August 2011, who were trained to administer the questionnaires to shoppers in shopping centers. The questionnaire was originally written in English language; but was later translated to Thai language with the help of the students. The students were awarded five points as part of their continuous assessment in the course, towards their final grades. The questionnaire required approximately 15 minutes of respondents' time for completion and was composed of a mix of open and closed-ended questions and a Likert-type response format from 1 - strongly disagree to 5 - strongly agree,

which collected both psychographic and socioeconomic profile of respondents. The research instrument was to measure respondents personality and, as such were asked to rate their personality characteristics most importantly, given the focus of the present analysis, information source usage was measured by asking respondents to indicate from a list of information sources their personal profile.

The data collection was part of an undergraduate extra-credit exercise in marketing research. Students were required to complete one survey themselves and then were trained to obtain a nonstudent quota sample following detailed restrictions. Specifically, each student was instructed to acquire two completed surveys from nonstudent consumers that frequent a popular local shopping complex, who are between 20–35 years old; two completed surveys from nonstudent consumers aged 35–45, and two surveys from individuals 45 and older. Other restrictions placed on the quota sample were (a) students were instructed to strive for an approximately equal distribution of gender, (b) respondents could not be students or employees of the university, and (c) each questionnaire had to have a valid phone number and first name for the respondent. Random

verification of approximately 15% of the questionnaires was conducted by telephoning the respondents. No illegitimate questionnaires were detected in the verification process.

The usable sample consisted of 387 consumers aged 20 to 45 years with a mean of 26.7 ( $SD$  -13.6). The sample contained 187 males (48%) and 200 females (52%). Thirteen questionnaires were not usable. Eight respondents did not indicate their sex and five respondents declined to respond to the question on whether they are computer literate.

#### **Data Analysis:**

Adopting the research on mavens by Feick and Price (1987), we used the mavenism scores (see Appendix 2) to identify mavens from non-mavens. About 380 (98 %) of the respondents scored significantly higher (as determined by a simple t-test comparing means) on the mavenism scale and were considered to be mavens; while the remaining 2% scored lowest on the mavenism scale and was classified as non-mavens. The researcher only used the 380 respondents in the analysis.

A Multivariate Analysis of Variance (MANOVA) was run on the key indexes further reveal significant differences ( $p < .05$ ) between mavens and

their possible profile. The frequency of disseminating marketplace information is significantly correlated ( $r = .609, p < .0001, n = 380$ ). This shows that, respondents' inclination to make negative comments about products or services highly correlates with their propensity to make positive remarks. A strong association ( $r = .764, p < .0001, n = 380$ ) is also evident between the number of people that respondents would be willing to share negative information and opinions (*NEGMIO*) with their friends, i.e. tell negative marketplace information and opinions and the number of people to whom they would convey positive information and opinions (*POSMIO*).

Mavens tend to be more caring to fellow consumers ( $r = .467, p < .001, n = 380$ ), also, mavens release information significantly ( $r = .438, p < .001, n = 380$ ). This provides additional support for the notion that other consumers seek and value mavens' opinions. Mavens tend to be variety seekers (i.e., they like new and different styles, like to try new things, and are open-minded ( $r = .480, p < .001, n = 380$ )). In a similar vein, mavens seem to be more willing to take risks ( $r = .262, p < .001, n = 380$ ). Mavens tend to be more individualistic and less likely to be communal followers than non-mavens ( $r$

=.189,  $p < .02$ ,  $n = 380$ ). Thus, it appears that their helpful behavior and self-perceived expertise may be more of a manifestation and reinforcement of their self-concept than an indication that they are more altruistic than other consumers. That is, mavens seem to also benefit from helping other consumers.

### **Social Implications And Interactions:**

To a great extent existing WOM research assumes that consumer who disseminates information about the marketplace, is doing so from a direct relationship with the product or service. In their work, Thompson, Rindfleish, and Arsel (2006), however, reveal the power and influence of social perceptions with respect to WOM. They suggest, "...brand image is much more a matter of perceived meaning and cultural mythology ... than an aggregation of verified evidence" (p. 55). In social situations, consumers may alter their personal narrative as a means of fitting-in with others, adopting a particular position on a brand to solidify in-group membership without necessarily having had that direct experience (Pyle, 2010). In other words, at a social gathering a person may identify himself as anti-Pizza Hut without ever having been into one of the restaurants, simply because the cultural

meaning of such a position can be used to enhance and clarify his identity.

Marketing researchers have extensively sought an understanding of the marketplace influencers' motivation for disseminating product information. Mavens are motivated to spread information among consumers, in general, with the notion of helping other consumers (which is behavior often associated with), while others are not. According to Sundaram, Kaushik, and Webster (1998), four primary motivations for spreading negative WOMC among others include: 1) unselfishness (to help ensure that others do not get burned); 2) anxiety-reduction (telling someone else about a negative experience allows one to air grievances and to validate one's reaction as reasonable and appropriate); 3) advice seeking (where one person has a negative experience and seeks the aid of another to help in deciding how to respond); 4) vengeance (wanting to get back at a company).

Word of mouth recommendations have been found to be very influential in consumers' decision making for a wide variety of product categories. Word of mouth is particularly important in service industries because customers often perceive high levels of risk and have

difficulty in evaluating a service both before and after purchase (Gremler, 1994). This study's support for the significant role of customer commitment as an important predictor of WOM activity is another of its contributions to managerial practice.

### **Conclusion:**

This research generally supports the claim that WOM is more influential on behavior than other marketer-controlled sources. Generally speaking, everyone agrees that there is no better advertising than word of mouth. Following a personal recommendation from a friend or colleague is more likely that such recommendation will be followed with a purchase. Consumers often rely on the advice of others, who act as agents by providing product recommendations and evaluations. Such agents can include professionals, such as movie and wine critics, as well as laypeople, such as friends and Internet posters (Gershoff and Johar, 2006; Schlosser, 2005). The results also indicated that market mavens are socially oriented, information shearer, and can exact influence on others.

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## Appendix 1

### Questionnaire

(1 = “strongly disagree,” and 5 = “strongly agree”)

Items	ITEMS	1	2	3	4	5
1	Friends of mine already have good experiences with their shopping					
2	Friends of mine have recommended other store to me.					
3	Friends of mine have told me positive things about other stores.					
4	I received excellent service anytime I shop generally					
5	Employees of most stores I shop are competent and has a lot of expertise.					
6	When I complain most stores will handle it well to my satisfaction.					
7	I consider myself a social person					
8	I always like to share information with my friends					
9	I shop around for sales items in stores					
10	If I have an unpleasant experience in a store, I will tell my friends					
11	I have a Facebook account and I use it to communicate with my friends.					
12	Positive word-of-mouth will lead to more sales					

### Personal Data

Gender: Male ( ) Female ( )

Age: (a) Below 20 ( ) (b) 21-30 ( ) (c) 31-40 ( ) (d) 41 and above ( )

Marital Status: (a) Single ( ) (b) Married ( ) (c) Divorced ( ) (d) Widow ( )

Education level: (a) High School ( ), (b). Diploma ( ), (c) B.Sc ( ), (d) M.Sc ( ), (e) PhD ( )

Income level per year: (a) Bath 5,000-10,000 ( ) (b) 10,001-20,000 ( ) (c) 20,001- 25,000 ( ) (d) 25,001-30,000 ( ) (d) 30,001 and above ( ).

## APPENDIX 2

### Market Maven Scale Items

I like introducing new brands and products to my friends
I like helping people by providing them with information about man kinds of products.
People ask me for information about products, places to shop, or sales
If someone asked me to get the best buy on several types of products, I could tell him or her where to shop.
My friends think of me as a good source of information when it comes to new products or sales.
Think about a person who has information about a variety of products and likes to share this information with others. This person knows about new products, sales, stores, and so on, but does not necessarily feel he or she is an expert on one particular product. How well could you say this description fit you?

Source: Feick, L. F. and Price, L. L. (1987). The Market Maven: A Diffuser of Marketplace Information. *Journal of Marketing*; (51, 1); pg. 83.