Opinion Leadership

When mass communication theorist Harold Lasswell introduced his simple model of communication in 1948, he included five basic steps:

- Who Says

- What

- In which channel

- To whom

- With what effect (Lasswell, 1948, p.37).

After its introduction, other theorists focused their studies on how communication works, especially in terms of Lasswell's fifth step, the effect. The diffusion of information and how it influences lies at the heart of opinion leadership. In order to better understand the theory of opinion leadership, one can dissect it in terms of Laswell's communication model.

Perhaps the most famous research on opinion leadership was that done by Elihu Katz and Paul Lazarsfeld showcased in their book Personal Influence. Katz and Lazarsfeld define opinion leaders as individuals who receive information from the media and pass it along to their peers. They are individuals who are knowledgeable about various topics and whose advice is taken seriously by others (Solomon, 1994, p. 385). Opinion leaders can be found in all types of groups: occupational, social, community, and others. They often tend to be very socially active and highly interconnected within the community. Moreover, "effective opinion leaders tend to be slightly higher than the people they influence in terms of status and educational attainment, but not so high as to be in a different social class". This way, the leaders are still a part of their audience's reference group. The opinion leader is the agent who is an active media user and who interprets the meaning of media messages or content for lower-end media users. Typically the

opinion leader is held in high esteem by those that accept his or her opinions. Opinion leadership tends to be subject specific, that is, a person that is an opinion leader in one field may be a follower in another field. An example of an opinion leader in the field of computer technology, might be a neighbourhood computer service technician. The technician has access to far more information on this topic than the average consumer and has the requisite background to understand the information.

From marketing point of view the key characteristic of the influence is that it is interpersonal and informal and takes place between two or more people, none of whom represents a commercial selling source that would gain directly from the sale of something. One of the parties in a word-of-mouth encounter usually offers advice or information about a product or service, such as which of several brands is best, or how a particular product may be used. This person is the opinion leader and may become an opinion receiver.

Influential people, opinion leaders are almost four times more likely than others to be asked about political and government issues, as well as how to handle teens, three times more likely to be asked about computers or investments; and twice as likely to be asked about health issues and restaurants.
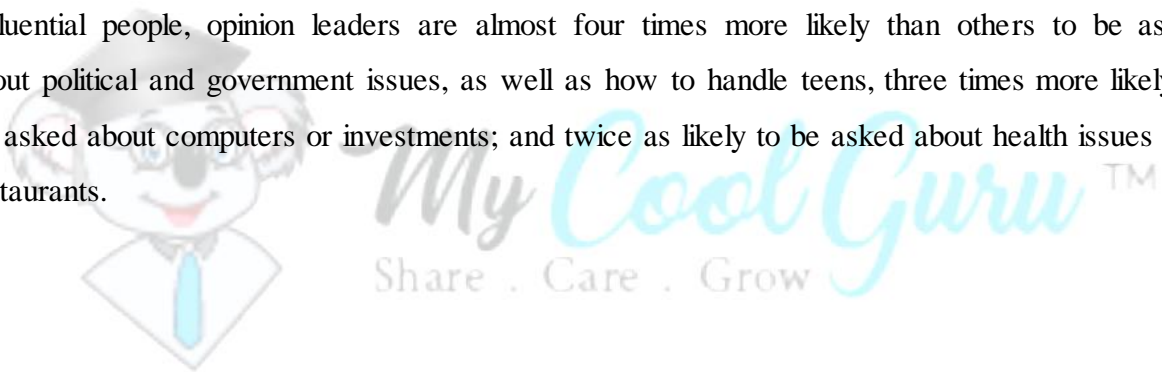
Characteristics of Opinion Leader

- As mentioned above, anyone can be an opinion leader, depending on the moment in time and the issue at hand. Opinion leaders can be as small-scale as family members or as grand as celebrities.

- Opinion leaders are highly credible sources of information, because they usually are perceived as objective concerning the product or service information or advice they dispense. Their intentions are perceived as being in the best interests of the opinion recipients.

- Opinion leaders provide positive as well as negative information about any product or brand.

- Opinion leaders spread their influence through messages covering all types of topics. Levels of expertise determine the messages sent.

- Basically, opinion leaders can be of two types: those who are monomorphic and those who are polymorphic. Monomorphic leaders tend to be influential on one topic while polymorphic leaders are influential on a variety of topics.

- As mentioned above, opinion leaders impart their influence on a variety of topics. Some of the most common topics of expertise among these leaders involve everyday decisions. Four such areas of influence are marketing, fashion, public affairs/political life, and movie-going.

- It is also important to note that due to the subtle nature of opinion leadership, the messages transferred to the audience need not be verbalized. Opinion leaders' actions, if visible, can result in others imitating their behaviour. Regardless of whether the influence is verbal, visual, or both, it is still very much real.

- Opinion leaders are the source of both information and advice. They may simply talk about their *experience* with a product, *relate* what they know about a product, or, more aggressively, *advise* others to buy or to avoid a specific product.

- Consumers who are opinion leaders in one product-related situation may become opinion receivers in another situation, even for the same product. An opinion leader may also be influenced by an opinion receiver as the result of a product-related conversation.

Marketing implications of Opinion Leadership

We know that opinion leaders possess certain characteristics that differentiate them from other group members. They also transmit messages and influence on a variety of topics. Now, one must look at what channels opinion leaders use to disseminate their messages of influence. One should also consider the fact that not only do leaders choose media, they can also actually become the medium.

Researchers have been intrigued about how to best reach opinion leaders through media. Katz and Lazarsfeld's Ohio study found that opinion leaders were more likely to "expose themselves to magazines and broadcasts especially tuned to their level of education and interest" (Katz & Lazarsfeld, 1955, p. 4). Consumer researchers believe that targeted specialty media can be used to reach the leaders. This is true in the case of products that have abundant amounts of specialty media targeted towards them-- like women's clothing fashions or sports cars. However, for products that have broad markets and low consumer interest, marketers must use more general media schedules and trust the inclination of opinion leaders to seek out the information they require. (Reynolds & Wells, 1977, p. 280).

Contrary to a static view of opinion leadership, not all conversation takes place in a rigid "lecture" format, where one person does all the talking. Rather, information is passed along through informal, interpersonal communication.

Opinion leadership theory has many implications for advertising and marketing. First, opinion leaders can affect diffusion of innovation. Because of this, they can also spur new product interest as well as trial. In contrast to other people, they generally get more involved in a product category and will aggressively search for information on it. As a result, they will be more likely to talk about products with others and solicit others' opinions, too (Solomon, 1994, p. 386). Therefore, if a company wants to spread the word about a new product, they need to do whatever it takes to get the product in the hands of opinion leaders. Second, famous people (like celebrity endorsers) can bring legitimacy to a product. However, this can be effective only when the audience believes the endorser has special knowledge about the product or service.

Unfortunately, unlike celebrities or influential industry executives, everyday opinion leaders among consumers can be very difficult to locate. Therefore, it is imperative that companies conduct careful research to identify representative opinion leaders. The knowledge gained from these studies can then be utilized to properly target information to the appropriate settings and media. Next, although consumers get information from personal sources, they do not tend to ask just anyone for advice about purchases (Solomon, 1994, p. 384). They tend to seek out personal contacts who are knowledgeable about the product they are looking to purchase. In terms of consumerism, opinion leaders are seen as valuable sources of information for a number of reasons. Opinion leaders are often among the first to buy and try new products, so they absorb much of the risk, which reduces uncertainty for people who are not as courageous (Solomon, 1994, p. 385). In addition, this hands-on product experience makes opinion leaders more likely to give both positive and negative information about the product's performance—unlike paid communication which focuses exclusively on a product's positive aspects (Solomon, 1994, p. 385). In other words, product opinion leaders are more than just innovators. They are innovative communicators (Solomon, 1994, p. 386) because they go one step beyond being merely early purchasers to actually communicate both positive and negative information about the product. Furthermore, opinion leaders are seen as having special kinds of power: expert, knowledge, social and referent. First, these leaders are perceived to possess "expert power" because they are technically competent and are convincing (Rogers, 1983). Second, product opinion leaders have knowledge power because "they have pre-screened, evaluated, and synthesized product information in an unbiased way" (Menzel, 1981). They are attributed social power due to their standing in the community (Solomon, 1994, p. 385). Finally, they have referent power since they usually tend to be homophilous, or similar in terms of education, social status, and beliefs with their opinion-seeking counterparts (Rogers, 1983).

Opinion leadership can turn uncontrollable as well. Negative comments, frequently in the form of rumours that are untrue, can sweep through the marketplace to the detriment of a product. Some marketers have used toll-free telephone numbers in an attempt to head off negative word-of-mouth, displaying an 800 number prominently on their products' labels. A particularly challenging form of "negative" word-of-mouth can be generated today over the Internet, when a dissatisfied consumer decides to post his or her story on a bulletin board or start blogging for all to see.

1. **Opinion leadership** (or word-of-mouth communications) is the process by which one person (the opinion leader) informally influences the actions or attitudes of others who may be opinion seekers or opinion recipients.

2. The key characteristic of the influence is that it is interpersonal and informal and takes place between two or more people, none of whom represents a commercial selling source that would gain directly from the sale of something.

3. Word of mouth implies personal, or face-to-face, communication, although it may also take place in a telephone conversation or within the context of e-mail or a chat group on the Internet.

4. One of the parties in a word-of-mouth encounter usually offers advice or information about a product or service, such as which of several brands is best, or how a particular product may be used.

   a) This person is the **opinion leader** and may become an **opinion receiver**.

   b) Individuals who actively seek information and advice about products are sometimes called **opinion seekers**.

   c) The terms opinion receiver and opinion recipient will be used interchangeably.

5. Most studies of opinion leadership are concerned with the measurement of the behavioural impact that opinion leaders have on the consumption habits of others.

6. Influential opinion leaders are:

   a) Almost four times more likely than others to be asked about political and government issues, as well as how to handle teens

   b) Three times more likely to be asked about computers or investments

   c) Twice as likely to be asked about health issues and restaurants

7. When an information seeker knows little about a particular product or service, a strong-tie source will be sought.

8. When the consumer has some prior knowledge of the subject area, a weak-tie source is acceptable.

<u>Word of Mouth in Today's *Always in Contact* World</u>

1. Today, many people find themselves, by choice, to be "always" available to friends, family, and business associates.

2. An interesting phenomenon of the increased use of cell phones is the generation of younger users (consumers) who are the "thumb generation" because they use their thumbs to manipulate the functions on their cell phones. Does this make them unique?

Dynamics of the Opinion Leadership Process

1. Opinion leadership as a process is a very dynamic and powerful consumer force.

   a) As informal communication sources, opinion leaders are remarkably effective at influencing consumers in their product-related decisions.

Credibility

1. Opinion leaders are highly credible sources of information because they usually are perceived as objective with regard to the product or service information or advice they dispense.

   a) Their intentions are perceived as being in the best interest of the opinion recipients because they receive no compensation for the advice and apparently have no "ax to grind."

   b) Because opinion leaders often base their product comments on firsthand experience, their advice reduces for opinion receivers the perceived risk or inherent anxieties.

Positive and Negative Product Information

1. Information provided by marketers is invariably favorable to the product and/or brand.

2. The very fact that opinion leaders provide both favorable and unfavorable information adds to their credibility.

Information and Advice

1. Opinion leaders are the source of both information and advice.

   a) They may simply talk about their **experience** with a product, **relate** what they know about a product, or, more aggressively, **advise** others to buy or to avoid a specific product.

2. The kinds of product or service information that opinion leaders are likely to transmit include:

   a) Which of several brands is best

   b) How to best use a specific product

   c) Where to shop

   d) Who provides the best service

Opinion Leadership Is Category-Specific

1. Opinion leadership tends to be **category-specific**; that is, opinion leaders often "specialize" in certain product categories about which they offer information and advice.

2. When other product categories are discussed, however, they are just as likely to reverse their roles and become opinion receivers.

Opinion Leadership Is a Two-Way Street

1. Consumers who are opinion leaders in one product-related situation may become opinion receivers in another situation, even for the same product.

2. An opinion leader may also be influenced by an opinion receiver as the result of a product-related conversation.

The Motivation Behind Opinion Leadership

The Needs of Opinion Leaders

1. Motivation theory suggests that people may provide information or advice to others to satisfy some basic needs of their own.

   a) Opinion leaders may be unaware of their own underlying motives.

   b) Opinion leaders may simply be trying to reduce their own post-purchase dissonance.

2. The information or advice that an opinion leader dispenses may provide all types of tangential personal benefits; it may confer attention, imply some type of status, grant superiority, demonstrate awareness and expertise, and give the feeling of possessing inside information and the satisfaction of "converting" less adventurous souls.

3. In addition to **self-involvement**, the opinion leader may also be motivated by product involvement, social involvement, and message involvement.

4. Opinion leaders who are motivated by product involvement may find themselves so pleased or so disappointed with a product that they simply must tell others about it.

5. Those who are motivated by social involvement need to share product-related experiences.

   a) Individuals who are bombarded with advertising messages and slogans tend to discuss them and the products they are designed to sell.

The Needs of Opinion Receivers

1. Opinion receivers satisfy a variety of needs by engaging in product-related conversations.

   a) First, they obtain new-product or new-usage information.

   b) Second, they reduce their perceived risk by receiving first-hand knowledge from a user about a specific product or brand.

   c) Third, they reduce the search time entailed in the identification of a needed product or service.

   d) Moreover, opinion receivers can be certain of receiving the approval of the opinion leader.

2. Research reveals that women and men differ with respect to the types of products and services they are likely to seek advice about.

Purchase Pals

1. Purchase pals serve as information sources that actually accompany consumers on shopping trips.

2. Although purchase pals were used only 9 percent of the time for grocery items, they were used 25 percent of the time for purchases of electronic equipment.

3. Male purchase pals are more likely to be used as sources of product category expertise, product information, and retail store and price information.

4. Female purchase pals are more often used for moral support and to increase confidence in the buyer's decisions.

Surrogate Buyers Versus Opinion Leaders

1. There are instances in which surrogate buyers replace opinion leaders in this role.

2. For example, working women are increasingly turning to wardrobe consultants for help in purchasing business attire, most new drugs start out requiring a doctor's prescription, and many service providers make decisions for their clients.

Measurement of Opinion Leadership

1. In measuring opinion leadership, the researcher has a choice of four basic measurement techniques:

   a) The self-designating method

   b) The sociometric method

   c) The key informant method

   d) The objective method

2. In the self-designating method, respondents are asked to evaluate the extent to which they have provided others with information about a product category or specific brand or have otherwise influenced the purchase decisions of others.

    a) The self-designating technique is used more often than other methods for measuring opinion leadership because consumer researchers find it easy to include in market research questionnaires.

    b) Because this method relies on the respondent's self-evaluation, however, it may be open to bias.

3. The sociometric method measures the person-to-person informal communication of consumers concerning products or product categories.

    a) Respondents are asked to identify:

        i)   The specific individuals (if any) to whom they provided advice or information about the product or brand under study.

        ii) The specific individuals (if any) who provided them with advice or information about the product or brand under study.

    b) Individuals designated by the primary respondent are tentatively classified as opinion leaders.

    c) This approach has useful applications to the study of consumer behavior.

4. A key informant is a person who is keenly aware or knowledgeable about the nature of social communications among members of a specific group.

    a) The key informant is asked to identify those individuals in the group who are most likely to be opinion leaders.

    b) The key informant does not have to be a member of the group under study.

    c) This research method is relatively inexpensive, because it requires that only one individual or at most several individuals be intensively interviewed, whereas the self-designating and sociometric methods require that a consumer sample or entire community be interviewed.

d) The key informant method, however, is generally not used by marketers because of the difficulties inherent in identifying an individual who can objectively identify opinion leaders in a relevant consumer group.

5. The objective method is much like a "controlled experiment"—it involves placing new products or new product information with selected individuals and then tracing the resulting "Web" of interpersonal communication concerning the relevant product(s).

A Profile of the Opinion Leader

1. Just who are opinion leaders?

    a) Marketers have long sought answers to this question.

    b) If they are able to identify the relevant opinion leaders for their products, they can design marketing messages that encourage them to communicate with and influence the consumption behaviour of others.

2. Consumer researchers have attempted to develop a realistic profile of the opinion leader.

    a) They reveal a keen sense of knowledge and interest in the particular product or service area, and they are likely to be consumer innovators.

    b) They also demonstrate a greater willingness to talk about the product, service, or topic; they are more self-confident; and they are more outgoing and gregarious.

3. Within the context of a specific subject area, opinion leaders receive more information via non-personal sources and are considered by members of their groups to have expertise in their area of influence.

4. They also usually belong to the same socioeconomic and age groups as their opinion receivers.

5. Mass media exposure or habits—opinion leaders are likely to read special-interest publications devoted to the specific topic or product category in which they "specialize."

    a) The opinion leader tends to have greater exposure to media specifically relevant to his or her area of interest than the non-leader.

b) The opinion leader tends to have greater exposure to media specifically relevant to his or her area of interest than the non-leader.

Frequency and Overlap of Opinion Leadership

1. Opinion leadership is not a rare phenomenon.

   a) More than one-third of the people studied in a consumer research project are classified as opinion leaders with respect to some self-selected product category.

2. Do opinion leaders in one product category tend to be opinion leaders in other product categories?

   a) The answer comes from **opinion leadership overlap** research.

   b) Opinion leadership tends to overlap across certain combinations of interest areas.

   c) Overlap is likely to be highest among product categories that involve similar interests.

Market Mavens

1. **Market maven**—these consumers possess a wide range of information about many different types of products, retail outlets, and other dimensions of markets.

   a) They both initiate discussions with other consumers and respond to requests for market information.

   b) Although they appear to fit the profile of opinion leaders in that they have high levels of brand awareness and tend to try more brands, unlike opinion leaders their influence extends beyond the realm of high-involvement products.

   c) Market mavens appear to be motivated by a sense of obligation to share information, a desire to help others, and the feeling of pleasure that comes with telling others about products.

   d) Market mavens are not primarily concerned with price, but are nevertheless more value conscious than other shoppers and are heavy users of coupons.

e) Research on the market maven has uncovered another category of consumers—the **social hub**.

    i) These individuals direct social traffic, have relationships with many people, frequently bring people together and do so for personal pleasure.

    ii) It is possible that social hubs may prove to be an excellent way to predict the number of people that are told about a consumption experience.

The Situational Environment of Opinion Leadership

1. Product discussions generally occur within relevant situational contexts (e.g., when a specific product or a similar product is used or serves as an outgrowth of a more general discussion that touches on the product category).

2. Opinion leaders and opinion receivers often are friends, neighbours, or work associates, for existing friendships provide numerous opportunities for conversation concerning product-related topics.

3. Close physical proximity is likely to increase the occurrences of product-related conversations.

Advertising Designed to Stimulate/Simulate Word of Mouth

1. In a world before the Internet, Weblogs, and viral or buzz marketing, firms' advertising and promotional programs largely relied on **stimulating** or **persuading** consumers to "tell your friends how much you like our product."

2. The objective of a promotional strategy of stimulation is to run advertisements or a direct-marketing program that is sufficiently interesting and informative to provoke consumers into discussing the benefits of the product with others.

3. Another related form of advertising message are ads designed to simulate word of mouth. This was from time-to-time used by a small number of marketing firms to supplement their regular advertising image or brand advertising.

a) Ads designed to **simulate word of mouth** portrayed people in the act of informal communication.

Word-of-Mouth May Be Uncontrollable

1. Informal communication is difficult to control.

2. Negative comments, frequently in the form of rumours that are untrue, can sweep through the marketplace to the detriment of a product.

3. Some common rumour themes are:

   a) The product was produced under unsanitary conditions.

   b) The product contained an unwholesome or culturally unacceptable ingredient.

   c) The product functioned as an undesirable depressant or stimulant.

   d) The product included a cancer-causing element or agent.

   e) The firm was owned or influenced by an unfriendly or misguided foreign country, governmental agency, or religious cult.

MARKETERS SEEK TO TAKE CONTROL OF THE OPINION LEADERSHIP PROCESS

1. Marketers have long been aware of the power that opinion leadership exerts on consumers' preferences and actual purchase behaviour.

2. For this reason, marketers are increasingly designing products with characteristics or design factors that make them easy to talk about.

   a) They are also looking for ways to more directly intervene and take control of the word of mouth process.

   b) Marketers are now moving beyond primarily employing advertising to stimulate or simulate word of mouth to an environment where they are seeking to manage word of mouth.

Creating Products With Built-In Buzz Potential

1. New-product designers take advantage of the effectiveness of word-of-mouth communication by deliberately designing products to have word-of-mouth potential.

2. A new product should give customers something to talk about.

3. High demand products have attained market share advantages because consumers are willing to "sell" them to each other by means of word of mouth.

Strategy Designed to Simulate Buzz

1. The nature and scope of the Internet has inspired marketers to expand opportunities to take control of the process of word of mouth.

2. For instance, they are increasingly hiring buzz marketing agencies that maintain large armies of largely volunteer consumer buzz agents who seem to greatly enjoy telling other consumers about a product that they have been exposed to and feel that they would like to talk about.

3. Some marketers prefer to hire actors to go out and simulate for a product.

4. There has also been a tremendous growth in product placements over the past few years.
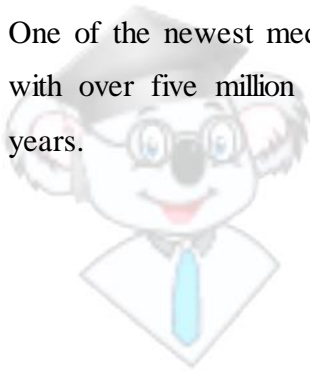
Viral Marketing

1. Also known as "buzz marketing," "wildfire marketing," "avalanche marketing," or any one of a dozen names, **viral marketing** "describes any strategy that encourages individuals to pass on a marketing message to others, creating the potential for exponential growth in the message's exposure and influence.

2. Viral marketing is the marriage of e-mail and word of mouth.

3. It is named "viral" because it allows a message to spread like a virus.

4. There appears to be two principal types of "buzz:"

a) **Uncodified buzz** occurs when an innovator encounters a new product, movie, etc., that he or she likes and passes on the information.

   i) While the level of trust and credibility that a consumer gives such communication, because it comes from a friend, is very high, this type of buzz is not something that is controllable by the firm, and could be either positive or negative.

b) **Codified buzz** is something that is "incubated, fostered, and underwritten by the firm," and may take the form of trial versions, testimonials, observable usage, endorsements, gift certificates, hosted chat rooms and so on.

5. One way in which the "buzz" can spread quickly is through the forwarding of emails.

Weblogs as Word of Mouth

1. One of the newest mediums for disseminating word-of-mouth is the blog (short for weblog), with over five million of these Web journals appearing on the Internet over the past few years.