

# Role of the Opinion Leader in New Product Diffusion- Adoption Process – How Innovation Spreads Beyond Innovators and Early Adaptors to the Majority Population.

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*This article is related to the role played by opinion leaders in taking new product ideas or innovations across the market, to various profiles of customers. Continued research in past five decades has proved beyond doubt that opinion leaders play an important role in diffusion of innovation and new product adoption process (Watts 2007) (Rogers1995). But the earlier theories of opinion leadership on communication processes such as the two-step flow and Multi-step flow were unable to explain the entire process of the innovation adoption process. Work by Duncan Watts and Peter Sheridan Dodds has proposed that the influence network theory is more suitable for explaining the opinion leadership theory. This article sets off by briefly explaining the reference group's impact on consumers; and then moves on to describe the role played by opinion leaders in such groups and further attempts to explain how the opinion leader plays a role to spread innovation related communication and influence to the early majority and late majority segments of the adopter group.*

When we consider the factors behind buying of products which are expensive or having high purchase involvement, there is definitely a great influencing role played by certain people whose opinion we consider as significant. Such groups are generally termed as reference groups, as they become the reference base from where we make our decisions. We buy brands or products which most of our friends have, many a time forgetting the utilitarian aspects behind it. When we get some extra money to spend, we buy those things which most of our group consider as valued. On many such occasions, we do not realize that there is an influence on us to behave in a certain fashion; unconsciously we succumb to peer pressure.

Reference groups are carved out from our normal interactive groups which definitely involve our work groups, friendship groups and other social groups we belong to. Such groups can keep changing as we go through different life phases. When we look back at our various life phases, such as when we joined the college, or got our first job, or when we started our family life, there are a new set of products which we have added based on the recommendations of the groups of people whom we were interacting with. All such groups can be termed as reference groups, because they acted as a reference base in our modified consumption behavior.

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There are a number of experiments as well as empirical research work right from 1950's which indicate the influence exerted by the group in molding individual decision making. Several studies have been conducted by Solomon Asch (Asch 1953) on the importance of the influence exerted by reference groups. One experiment involved a group of seven to nine college students brought together and instructed to judge the lengths of lines drawn on cards. All the group members, except one, were instructed to give the incorrect answer, when posed with the question (on the length of the lines) as a group. The subject of the experiment provided the answer after most of the group had answered. This gave him the opportunity to find out for himself that his judgment was in opposition to that of the rest of the group. The result of this experiment with 123 naïve subjects (tested on 12 critical judgments) showed that 37% of the total number of judgments conformed to the incorrect answers of the group, who were clearly influenced by the group in their decision making.

In another experiment (Muzafer1936) subjects were brought into a dark room and were asked to judge the distance and direction of movement of a small point of light. Although the light was actually stationary, it appeared to move because of the illusion of movement created by the small tremors in our eyes (termed as Auto-kinetic effect). Groups came to a consensus together at first, and then it was observed that such a consensus decision remained unchanged when members separately gave their judgments after the groups were dispersed. In another study<sup>3</sup>, students in groups of four were instructed to evaluate and choose the best suit among three identical men's suits. Three group members who had colluded with the researcher were asked to select suit 'B'. The naïve subject in each group was allowed to make his choice last, so that the influence of the other three group members on the naïve subject could be studied. Without any compulsion whatsoever, it was found that individuals did conform to the choices made by the rest of the group.

These examples show us that consumers often accept information provided by their peer groups without doing a formal check on the veracity of such information. This is what we term as 'peer pressure' and is also an indicator of the limitations brought on the number of choices as a result of group pressure during any consumer decision making process. Most of such studies undertaken also indicate that those who are influenced by the group were projected as the 'good

guys' as they went along with the group's norms. There is clear evidence of group pressure on the naïve subject (those individuals who are put under test) to conform to group's norms and under most circumstances they accept the information provided by their peer groups on aspects such as quality of a product, an acceptable style or design and so forth, which is, in any case, difficult to evaluate objectively. This can be observed in our own environment where an individual conforms to the group norm by buying a new product or by adapting a new style. Reactance is the term used for the situation where the individual resists further reduction in his or her set of free behaviors and avoids total compliance with the inducing agent, which is the reference group in our cases (Venketesan 1966).

## The Process of Socialization

Socialization is how an individual learns about the group norms and the behavioral expectations from him or her by the group. Initially it is one's family that bears an influence on what type of clothes a child wears or the kind of food that the child eats. Later he starts interacting beyond his family and the sphere of influence also shifts to those beyond the family. The school or college friends group influences what programme a teenager watches on the TV or the work groups in an organization, decide what the employees will wear for work. Such groups actually will evolve its own norms which eventually are passed on as information to new members, on how to act and will often put pressure on individual to conform to group norms (Assael).

Over the years marketers have understood this and either used advertising testimonials of experts or of models adorning the role of commoner or through the use of their own sales force to convey the information and the appeal of their brands to the consumers. Today they tap the potential of internet to spread information about their products or brands by hosting their own websites or using other social networking sites. Beyond all these commercial media channels, marketers have always realized the power of the word-of-mouth communication that can happen through friends, neighbors and work associates. Such personal sources of information can be more powerful in influencing the target group compared to commercial sources such as advertising or sales personnel. Studies conducted on the purchase of products such as food items, small appliances and other FMCG items have indicated that reference group influence play a major role in buying compared to advertising or sales people. The crucial

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factor here is the credibility of the influencer. In the case of buying of larger appliances, consumer will base their decisions on a combination of factors which includes word of mouth from reference group along with advice of sales personnel, product literature or even a magazine review.

A study was organized to compare the effect of group discussions vs. lecture or one way communication in molding consumer behavior. In an experiment related to meat consumption habits among households (Lewin 1965), one half of the homemakers were made to listen to a lecture on the subject while the other half was made to sit together and discuss on the issue. Although the information content was same for both the halves, more homemakers from the discussion group used the recommended meat product compared to those who sat through the lecture session. Thus it could be noticed that a group interaction process is much better in changing attitude or has better impact in changing behavior. Further analysis of such situations revealed that there exist people of influence within any group whose opinion is considered important by rest of the members. Such persons are called opinion leaders and they have specific characteristics which includes enduring association with the certain product categories, which makes them to be considered as points of influence. Existence of such opinion leaders have been of much importance to marketers in achieving their larger goal of persuading customers, to consider or purchase their brand, while fulfilling their needs.

**The Theory of Opinion Leadership**

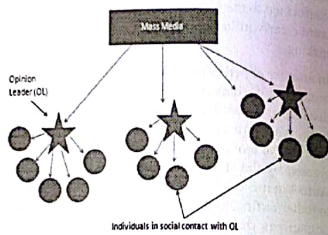
It was during the '50's and '60's that the theory of opinion leadership and the influential role played by them in the purchase process came into existence. Some of the early contributions of Paul Lazarsfeld & Elihu Katz (Katz et al 1955) and (Lazarsfeld et al 1968), actually helped in establishing the theory (Watts 2007). According to the theory put forward by them, individuals will be more effectively influenced by exposure and interactions with each other rather than direct exposure to mass media. This has been found to be true in a variety of situations ranging from political to personal decision making where a small minority of 'opinion leaders' act as intermediaries between the mass media and the larger populace. Information, and thus influence is supposed to flow from the media through these opinion leaders to their set of followers (Katz et al 1955). This model was called the two-step flow, in contrast to the conventional one step communication model where the

information and persuasion flows directly from the media to the entire target audience.

The 1944 study in The People's Chronicle by Lazarsfeld, Bernard Berelson and Hazel Gaudet on the decision process that the electorate undertakes on the Presidential election process, brought in the two-step flow in communication hypothesis (Katz et al 1955). The research was initiated to build empirical support to show the impact that direct media messages will have on voting intentions. However they were surprised to discover that informal personal contacts were mentioned far more frequently than exposure to radio or newspaper as influencing factors. The

Fig: 1

Two-Step Flow Model  
(Source: Katz & Lazarsfeld 1955)

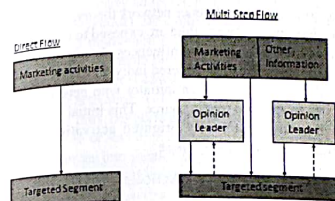


theory actually revolves around the fact that there exists an individual who pay close attention to the media and its messages and receive the information. These people are the 'Opinion Leaders' as they pass on this acquired information from media with their own interpretations to others. The term 'personal influence' was actually hinting at those activities between the receipts of media information to the re-transmission with connotations or interpretations so as to further better understanding and to bring in required response from the receivers of the information.

The relevance of this theory for marketers and advertisers came in as there exist groups with particular buying habits, and if they exist the challenge will be to identify them and also to determine their group norms or their values. Based on this the communicator will have to give priority in developing media strategies to locate these 'gate-keepers' who will act as the links

connecting between group members. Thus Katz and Lazarsfeld defined opinion Leaders as the individuals who are likely to influence other persons in their immediate environment, and this definition remains in use even now. These people do not head formal organization, nor are they notable public figures such as critics, columnists or media personalities, who can wield their influence either by the use of authority or by the usage of organized media. Instead they have capabilities of persuasion and their friendly influence comes out of casual, daily contact with their peers. The two step model, however, does not explain how the influence of opinion leaders shapes the opinions and attitudes. It just explains the movement of information from the media to these individuals and also the movement of influence from them to the larger group.

Single-step Model Vs. Multi-step Model



Source: Hawkins, Best & Coney; "Consumer Behavior – Building Marketing Strategy"  
Fig:2

The two step theory gave way to the multi-step flow theory of mass communication or the theory of diffusion of innovation. According to the multistep flow of communication (Hawkins 2003), the mass media is continued to be used by the marketers for perpetuating the brand awareness and for spreading knowledge about the product-brand. Beyond this, the marketers also communicate, or attempt to communicate, to the various opinion leaders through selected media or expert channels which would be received by people who have an enduring relationship with the category. Such communication will definitely contain more product-market or industry specifications which will help the opinion leaders and other experts to form a positive bias towards their brand. Fig 2 shows how such communication works.

**Diffusion of Innovation and Adoption Process**

The origin of research work related to diffusion of innovation can be traced back to 1903 wherein French sociologists Gabriel Tarde is endowed with developing the idea of the S-shaped diffusion curve and also the role of opinion leadership in the process of imitation<sup>19</sup>. In 1962 research of T.K. Kuhn helped in development of concepts associated with diffusion of innovation (Kuhn 1962). Accordingly diffusion is the process by which a new idea or a new product is accepted by the market and the rate of diffusion is the speed at which the new idea spreads from one consumer to the next. Adoption is another associated term and is similar to diffusion except that it deals with the psychological processes an individual goes through during trial, re-purchase and actions leading to adoption of any new product, (Schiffman 2004).

Adopter categories are innovators, early adopters, early majority, late majority and laggards (Hawkins 2003). These classifications actually show where a customer stand with respect to other customers in the context of purchase time. According to study by Everett M. Rogers (1995), the relative percentage of population that eventually adopts any product can be roughly grouped as: Innovators – 2.5%, early Adopters – 13.5%, early majority – 34%, late majority – 34% and laggards – 16%. Everett and most other researchers of their time adopted this break up on the basis of normal distribution approach. Though this has been criticized by many, it is nevertheless taken as a theoretical base for diffusion-adoption oriented studies.

Marketers and product managers have been interested in the theory of diffusion of innovation as it plays a key role in getting their new product innovations. They try to explain the perpetuation of Product life cycle concept with the concept of diffusion of innovation. This is absolutely relevant considering that new products are innovations in the product front and such innovation has to be communicated to the target groups. For marketers such a communication process typically passes through phases such as – awareness, interest, evaluation and adoption (Rogers 1976).

When we consider which type of media or communication source consumers find important at different stages of the adoption process, it can be noticed that the mass media advertisements are most suitable for spreading the early stages of innovation. So awareness and knowledge about the product can be spread through mass media advertising and other



activities such as media write ups and so on. These ads can create brand beliefs and also positive affect which, by itself, can trigger purchase intent. Such customers will try to get personal advice which will enable the progress towards trial. But for later communication objectives such as developing interest in the product, desire and generating purchase intentions, the importance of word-of-mouth based interpersonal sources increase.

According to initial thinking, the opinion leaders were considered as the central aspect of the 'diffusion of innovations' also. Kelly & others (1991) explained that trends and innovations (in consumption patterns) are initiated by a relatively small segment of opinion leaders as they act as receivers of information and then transmit them to their small circle of opinion seekers. Later Rogers (1995) stated that the behavior of opinion leaders is important in determining the rate of adoption of an innovation in a system, as their persuasive messages will have huge effect on those with a positive purchase intent. Accordingly, the S-shape of the diffusion curve occurs once opinion leaders adopt and start to spread the information about the innovation to others. They persuade innovators to try and purchase the product. The product usage within the group will further the diffusion process, ultimately leading to early adopters buying the product.

#### Influence Network Approach - Role of Opinion Leader as Innovation Diffusers

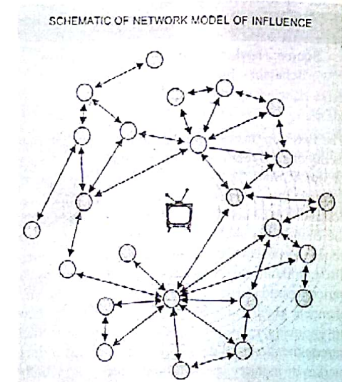
Such early propagation of innovation can be easily understood through the theory put forward by Katz & Lazarsfeld (fig 1). Here opinion leaders are seen as merely opinion disseminators. They receive information from mass media and expert channels and provide them to those who seek such information. This could be true of the early stages, as during this phase such information is lacking and needs the dissemination skills of the opinion leader. But once product usage becomes common within the localized groups then the role of opinion leadership is not so straight forward as the two-step flow or multi-step flow of communication suggest.

From this juncture, the diffusion curve will be heading towards a rapid growth phase, leading to high consumption of the product. The spread of product awareness will have reached a stage of saturation, and hence the role of interpersonal influence will become more critical. From this point, the role of opinion leaders will shift from simple opinion dissemination as suggested by the two-step flow, to a more interactive one. They

will have to interact with product owners to gain further information on use related aspects and other localized issues. The sphere of interaction will also move from localized activities just within the group, to inter group levels, and eventually to a global level. Research by Dodds & Watts (2005) establish evidence which can better explain the role opinion leaders during the stages beyond adoption by innovators and early adopters.

To explain this phenomenon Dodds and Watts introduces the 'Influence Network' hypothesis. The influence network differs from the two step flow on two factors. Firstly in the two step model the information can flow only from the opinion leader to followers. According to influence network theory, these can happen either way. Second factor is on the number of levels through which the persuasion move which is only two in the case of two step flow, while according to the new theory it can propagate for many steps.

According to the influence network theory, the opinion leaders and followers alike are exposed to mixtures of interpersonal and media influences. According to this model, initially all considered individuals are inactive with the exception of an initiator who gets activated from an external media source. This initial activation will lead to internally oriented activation of the individuals' neighbors. These



Source: Duncan J. Watts & Peter Sheridan Dodds; "Influential Networks and Public Opinion formation".

Fig 3.

newly activated neighbors will trigger their own neighbors which, in turn, will lead to more activation. This process goes on thus generating a sequence of activations called a cascade. When all activations associated with a single cascade has happened then the size of the cascade can be determined based on the total number of activations. Such cascades can be classified as either local or global. Local cascades affect only a relatively smaller number of individuals and typically terminate within one or two steps of the initiator. The size of the local cascades is therefore determined by the initiator's immediate circle of influence and not by the size of the network as a whole.

Global cascades, in contrast, affect many individuals and propagate many steps and are ultimately constrained only by the size of the population through which it passes. But most important factor is that global cascades can occur only when the influence network exhibits a critical mass of early adopters, who are the next set of buyers as per product life cycle theory. During initial phases of the innovation only a few people who are called as the innovators buy the product. This can be explained by the local cascade activation. But sooner or later this activation will lead to activation of larger population thus triggering global cascades. Local cascade more or less explains the opinion leadership during the initial introduction stages of any product, but the later impacts can be better represented by the network model of influence as shown in fig. 3.

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#### Conclusion

Even though the role of opinion leaders as influencers has been in circulation for long, the explanation of how the innovation idea gets perpetuated has been limited to theories behind two-step and the multi-step models. These models could explain the initial triggering of trial by innovators, but could not explain how the transmission of communication happens once the initial triggering happen. The 'influence network theory' developed by Watts & Dodds, actually shows a two way communicative and interactive role of the opinion leader, which goes beyond local networks. Moreover the local and global cascading effect explains how initially localized word-of-mouth explodes into the larger population.

Through their work, Watts and Dodds were actually discounting the roles played by the opinion leaders. Though in the initial stages they have a crucial role, opinion seeking may not happen with the same fervor in the later stages with the same influencer as, at this stage, information can be acquired from other innovators and early adaptors in the neighborhood. This is where the opinion leader should look for an interactive role with users within the local network and with opinion leaders and users in other networks. Even other normal customers may start to gain required information from customers beyond their networks. Such a situation will lead to rapid transmission of innovation based on communication and thus leading to higher adoption rates.

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