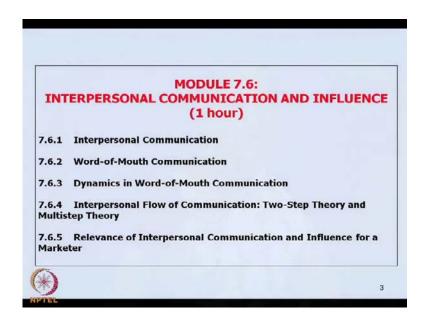
## Consumer Behaviour Prof. S. Sahney Department of Vinod Gupta School of Management Indian Institute of Technology, Kharagpur

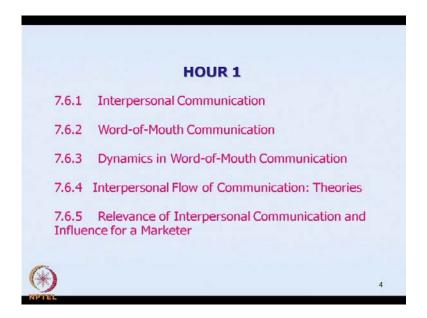
## Lecture - 37 Interpersonal Communication and Influence

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We would be continuing with our discussion on the sociological influences on consumer decision making, and we shall be discussing module 7.6 today, which is interpersonal communication and influence. So, we shall be speaking about this module in one hour and we shall be covering topics, like interpersonal communication, word-of-mouth communication, dynamics of word-of-mouth communication, the interpersonal flow of communication theories, the two step theory and the multistep theory and relevance of interpersonal communication and influence for a marketer (( )).

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So, we shall be covering these topics in this particular hour on our session on interpersonal communication and influence.

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So, beginning with interpersonal communication when as, as, as, you know we have discussed communication earlier, and we have discussed the communication process, which was defined as an exchange of ideas between a sender and a receiver, with the sender encoding the message, the receiver decoding it via a channel or via media and the receiver following it up with a feedback mechanism. So, the same process works here in

terms of interpersonal communication and marketing, where we speak of this interpersonal communication with respect to the marketing in consumption behavior in terms of the word-of-mouth communication. So, as consumers while we think of making purchases, we go through this process of communication.

And there are two kinds of communication; one is communication from the marketer and another is communication, which takes place between consumers themselves. So, marketing communication is any form of communication, that takes place between the, by, between the seller and the buyer or between the marketer and the consumer and this kind of an exchange of ideas with respect to the product or the price or the place or the promotion and all of it actually comprises, what we refer to as, a marketing communication. It is essentially the communication that takes place between a marketer and a consumer and pertains to the 4Ps or through the consumption process or to consumer behavior and this process is initiated by the marketer, essentially takes place through the communication mix or the promotion mix.

Now, there is another kind of a communication which we refer to as interpersonal communication which takes place between consumers themselves. So, you know, this interpersonal communication, it operates interpersonally with family, friends, peers, colleagues, strangers, opinion leaders, who, who talk about a product or service offering, its attributes, benefits, features, the various brands, the prices, the stores or even the, the you know, the advertisement, that is portrayed on broadcast media or on print media. So, this kind of a communication, that takes place between family, friends, peers, colleagues, strangers, opinion leaders, is referred to as interpersonal communication and this particular lesson deals with this kind of communication, which is the, which is actually communication, that takes place between buyers or between prospects or between a buyer and a prospect or between a buyer and opinion leader and so forth.

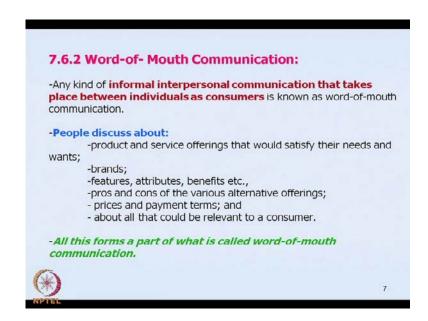
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So, as a process it is its similar to any communication process. There is two-way exchange of information, that happens between two people and there is a channel, there is a media and all of the components, which we saw in the communication process, are also seen in this interpersonal communication process. There is a, there is a source, there is a message, there is encoding that takes place, there is a medium, there is a receiver, there is decoding that takes place and there is a feedback and there is also noise. But the focus here is on the word consumer.

So, it is going to take place between consumers or between prospects or between a consumer and a prospect and the focus lies on individuals purely and purely as consumers or as buyers. It is different from marketing communication in the sense, that interpersonal communication takes place between individual consumers, between buyers while marketing communication essentially, takes place between a buyer and a seller or a seller and a buyer or between the, the marketer and the consumer. So, while interpersonal communication is that happens between consumers, between buyers or between buyers and prospects, marketing communication happens between the marketer and the consumer. So, this is the difference between the both of them.

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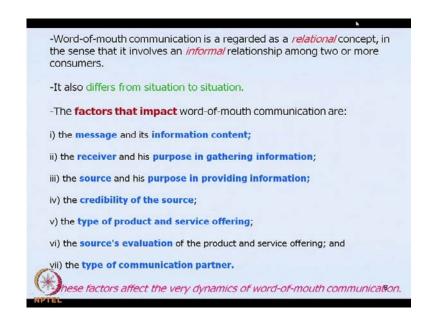
Now, let us speak about word of mouth communication. So, any kind of informal interpersonal communication, that takes place between individuals who function as or who behave as consumers, is known as word-of-mouth communication. So, any exchange of ideas, any informal or information exchange or interpersonal communication, that takes place between individuals as buyers or at consumers, is referred to as word-of-mouth communication.

So, people discuss, as buyers they discuss a lot of things, they discuss about product and service offerings, which could fulfill their needs and wants. They talk about products, they talk about services, they talk about brands, they also talk about products features, benefits, attributes, the, the, they talk about the different pros and cons of using different brands or different alternative offerings. They discuss prices, they discuss, they talk about sales, discounts, they talk about payments, they talk about negotiation, they talk about the advertisement or anything and everything relevant to the, to the, to the buying processes discussed between consumers. And this entire communication, that takes place, is referred to as, as word-of-mouth communication.

So, it basically is regarded as a relational concept in the sense that it actually refers to an informal relationship between two or more consumers. So, it is a very relational concept that talks about the informal relationship that develops between consumers or different buyers or different buyers and prospects or between you know buyers and opinion

leaders or prospects and opinion leaders and so forth. So, it is a, it is interaction that takes place between two individuals who function as consumers and this, this relationship is purely, this exchange is purely relational in the sense, that it leads to forging of relationships also. So, an informal relationship tends to develop between people who are involved in this interpersonal communication.

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Now, the various factors, that affect a word-of-mouth communication are: one, the message and its information content; two, the receiver and his purpose in gathering information; three, the source and his purpose in providing information; four, the credibility of the source; five, the type of product or service offering; six, the source's evaluation of the product and service offering and seven, the type of communication partner.

So, when we talk about the, the various factors, which affect interpersonal communication, we talk of these as the message and the information content, the sender and his purpose or the source and his purpose of providing information, the receiver and his purpose of gathering information, the credibility of the source, the type of the product or service offering, the source's evaluation of the product or service offering or the brands and the type of the communication partner. Now, all of these factors will constitute what we referred to as the dynamics of the word-of-mouth communication.

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So, we talk about the dynamics of word of mouth communication. We will start with the message, move on to the receiver, to the sender, to his, to the credibility of the source or the sender, to the type of communication partner to the source's evaluation of the product or service offering and to the type of communication partner. So, let us discuss about these various constituents of, of the word-of-mouth communication.

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We will start with the message and a message here is, will, may be different messages here may be of different kinds and they will assume different forms. We have a message strategy, we have a media strategy, we have a creative strategy, now the message is going to be put forth and given a creative form. So, we, there is something to do about the message, which is what to say and how to say; so what to say and how to say it symbolically as well as how to say it logically. So, the message here may assume different forms.

But nevertheless, the content here or the message itself actually comprises three, three components. It could, you know, the message here could be classified into three types, the first is the product news, the second is the advice and the third is personal, a personal experience. So, we start with what is product news, what is advice and what is personal experience. This, all of these are, could be the basis of a message. So, when we talk of a message, the message could be in the form of either product news or it could be in the form of advice or it could be in the form of personal experience.

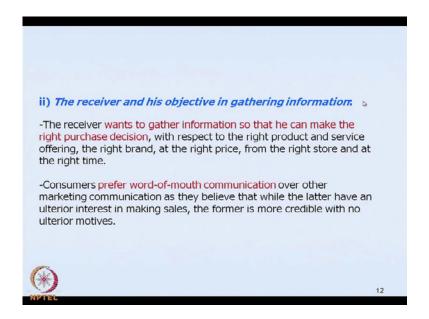
Now, let us talk first about product news. So, product news is any information that the consumer gathers during his search process. So, any kind of information about the product, about the brand, about the product attributes, benefits, features, about the various, you know, varying alternatives, all of these basically comprise, what we refer to as, product news. So, product news is information, that a consumer gathers for the purpose of making his purchase during the search for information stage in the decision making process.

The second is advice. Advice is in the form of statements or opinions and beliefs and valued judgments made, made, you know, explicit and and they deflect the personal attitudes opinions and views about product and service offerings or about brands. So, these are statements, these are value judgments, these express opinions, these express beliefs about a particular product category or a brand. So, it is more in the form of a, a, a, you know, opinion. It is more in the form of a statement, that exhibits attitudes, opinions, values and believes.

And the third is personal advice. People also, sorry, personal experience, people also discuss their experiences with each other, they as, they communicate informally with family, with friends, with peers, with colleagues or even with strangers or even with opinion leaders. They, they share their experiences, they hear experiences of each other and all of this actually is, takes the form of a message, so as people communicate

informally with each other, they hear of personal experiences of others. So, whether it is product news or advice or personal experience, any or all of these, actually are the basis of a message.

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Now, let us come next to the receiver and his objective in gathering information. The receiver, basically, or here the consumer or a prospect wants to gather information, so that he can make the right purchase decision, he can make the right decision with respect to the product or service offering, the right brand at the right price to be bought from the right store and at the right time.

You know, the, the receiver here wants to be very correct, he wants to be very accurate in his judgment or in his purchase decision with respect to a product or a brand and in order to do so he gathers information, so that he can make the right decision at the right time, and with respect to a product or service offering he can buy it at the right price, at the right store, at the right time or right, right season. So, so this is what his objective is when he is thinking of making a, making a purchase and he is soliciting information from others. So, this, this is his basis of gathering information either through self or through word-of-mouth communication.

Now, consumers prefer word-of-mouth communication over marketing communication because they believe, that marketing communication always has an ulterior motive, that of a sale, that of profits, that of revenue. But here, in the case of the informal,

interpersonal word-of-mouth communication, there is no ulterior motive and so they feel that out of the two, out of interpersonal word-of-mouth communication and marketing communication, the former is more credible with no ulterior motives. So, the, the formal here, meaning, informal, interpersonal, word-of-mouth communication is regarded to be more credible where there are no hidden or where there are no ulterior motives.

Now, there are lots of other advantages of word-of-mouth communication, like word-of-mouth communication reduces the physical and cognitive effort that a consumer will have to expand with respect to gathering information evaluating it, analyzing it and making the right decision. So, the word-of-mouth communication reduces the amount of physical effort that a person will have to spend in gathering information as also the cognitive effort, which he will have to put in to evaluate information and to make the right decision.

It, the word-of-mouth communication also helps, you know, take advice or seek advice from a person who has knowledge, who has interest and who has an experience with the product or service category. So, that in a way also tends to reduce the level of perceived risk associated with the product category. Consumers, generally, seek advice from people who are, you know, involved in a product category or who have experience with the product category, especially if they are buying high involvement products. So, this, that is how, you know, they, they go to experts or they go to people who are highly experienced and they also seek advice from what we call as opinion leaders, which is something, which we will discuss in the next section.

So, when people, when consumers or when we should, say, prospects go to such experts or go to such people with experience or go to such opinion leaders, they seek advice with respect to a product category or with brands and he expects, that he will be able to get the right advice, right information and right experience, hearsay of experience from such people and so this would reduce his level of perceived risk associated with the product or service category or with the brand. So, it reduces the level of uncertainty associated with the product or with the purchase of a product or service offering or a brand. So, this is, of course, as I said, more to do with high involvement purchases.

People look up to experts for advice, people look up to opinion leaders for advice, they also look at their, you know, they seek help from, they seek help from their reference

groups and while experts provide them with knowledge, which makes the consumers feel more sure about the product, alternative reference groups also have an impact and they lead to an increased confidence about making a product or buy, about buying a product or service offering, that will make such consumers more socially acceptable and you know, approved in a social structure. So, consumers, as prospects, they seek advice from, from experts, from opinion leaders and from the, the reference groups in order to, one, reduce the level of physical cognitive active effort and two, reduce the level of perceived risk.

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iii) The source and his purpose in providing information: -People provide information to others, sometimes voluntarily and sometimes when asked for. -Interestingly, they have varied reasons of providing information to others be it relatives, friends, acquaintances or even strangers. -Some of the reasons why people providing information to others are: a) People like to give product news, provide expert advice and also love to share their experiences with others. b) They are often interested in a product or service category. -Word-of-mouth communication gives them an opportunity to talk about their interests to others. c) Some people act benevolent and generous, and out of altruistic concerns, they like to provide assistance to others. d) Others derive a sense of being important and feel powerful when people approach them for information and advice. ey take pride in providing information about product and service offerings (as

Now, when we talk about this you will see, that while the, the receiver has a purpose of seeking information or gathering information, the source also has a purpose in providing information. People provide information to others sometimes voluntarily and sometimes when they ask for it. They, they have a large number of reasons of providing information to, to seekers or to receivers, be it in the form of family or friends or relatives or even strangers. So, some people, they like to test, you know, provide information voluntarily. They directly talk about a product or service category or about a brand and they, they talk about the, in terms of the product news or in terms of advice or in terms of experience.

On the other hand, there are, in other cases this may not be voluntary, but is only, you know, information is provided when requested or when asked by somebody who is a

prospect. So, there are large number of reasons why people like to talk or like to give information or, or share information about product or service categories or about brands and they love to share information with family, friends, strangers or acquaintances.

Now, some of the reasons why people want to provide information or like to provide information are, one, they love to share their experiences with others, so they give news, they share advice, they give news, they share their experiences, they provide advice and they love to share their experiences with others. Another reason why they provide information is because they are interested in a product category and such kind of informal interpersonal word-of-mouth communication gives them a chance or give them a, gives them an opportunity to talk about a product or service category, which they are, which they are involved in or which they are fond of and which they are interested in.

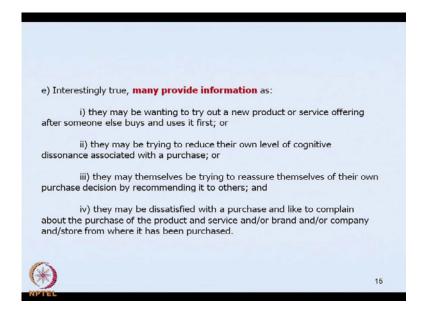
Three, some people act very benevolent, they act very generous and out of altruistic concerns they like to provide assistance to others. So, they, they, you know, if somebody says or even mentions, that he or she wants to buy a particular product, say a refrigerator, so some people around him who will love talking about refrigerators, the various brands and they try to, you know, come forth with all help and assistance in the form of advice or opinion, so as to help the other person or the prospect to make the right choice. So, out of their benevolence, out of generosity and out of a feeling of altruism they would like to provide assistance to others.

Also, the other reasons are, you know, some people derive a sense of accomplishment, they derive a sense of feeling, very important feeling, very powerful when people approach them for information and advice. So, you know, this particular feeling, very feeling, that somebody has approached them for, for help or for you know, product advice or for opinion and judgment about what to buy and what not to buy is very feeling gives them a, gives them, you know, makes them feel very important, very powerful and it gives them a sense of being important and very, feel very powerful when people approach them. In fact, they take a lot of pride in providing information and this is very true of people, like opinion leaders.

They, they love to talk about a product category, which they are involved in and they have a sense of pride, that the other people have approached them for assistance, for help with respect to the knowledge or with respect to information regarding a product

category or a brand. So, they, they, out of their pleasure, out of there, you know, sense of pride, in doing so they try and help others. So, these are some of the reasons why, you know, the source loves to provide information.

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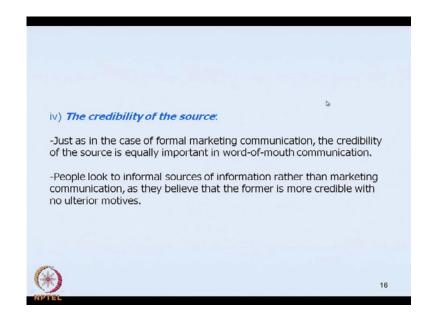
Now, there is something very, very interesting, which also could act as a purpose of information, you know, providing information. Many people provide information because one, they may be wanting to try out a new product or service offering after someone else uses it first. So, here there is a motive, here there is an ulterior motive, that somebody, say X provides ZYS to Y just because X wants Y to buy the product or the brand, try it out and if Y is happy with it, Y is successful with its use, performance, Y is satisfied or delighted with it, then X would go ahead and buy. So, here he has a motive that he wants the other party or other person to try it out first and then subsequently he would buy.

So, he wants, he wants somebody else to try out a new product or service offering, you know, and use it first and subsequently he would want to use it. So, he gives advice to others to buy or he talks very favorably about a product or a brand and encourages another one to buy it. In another case, he may provide advice to reduce the level of cognitive dissonance that he has been facing. Just because X has bought the product, about the brand and he is in a state of anxiety, he is in a state of tension and with respect to, whether he has made the right choice or not and he is actually facing a situation of

cognitive dissonance. So, in order to rid himself of such a feeling, of uncertainty feeling of dissonance and not to basically reassure himself, that he has made the right choice, he also makes Y, you know, buy the same product. So, you know he, X may be trying to reduce his own level of cognitive dissonance associated with the purchase and so he wants Y also to jump into the purchase and make the same, you know, decision.

Another reason why people would want to provide, give information is when they want to reassure themselves, that they have made the right choice. So, in order to reassure them, that they have made the right choice or right purchase decision, they recommend the same brand to others. And you know, another reason why many people would provide information is that they are dissatisfied with the purchase and they like to complain about the purchase of a product or a brand or a company or a store from which it has been purchased. So, they talk negative word-of-mouth about it. So, you know, it, you know, the person is unhappy with the purchase or with, of a particular brand he is dissatisfied, he wants to talk negative about the brand and about the store or the shop from which he has purchased. So, in this case also he would like to talk voluntarily about it and give a lot of advice against the purchase of that particular brand. So, these are all of the various reasons why, you know, the, the, the source wants to provide information and that is his purpose of providing information.

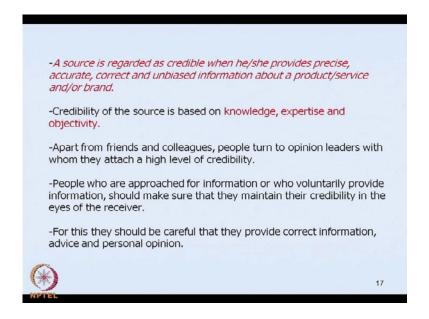
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Now, this brings us to the credibility of the source. We have discussed earlier issues of credibility when we did communication earlier. The same holds true here. Just as in the case of formal marketing communication, the credibility of the source is equally important here in, in, in informal interpersonal word-of-mouth communication. People look for such informal interpersonal word-of-mouth communication because they feel it is more credible, it is more trustworthy, it is more, you know, reliable and there would be no hidden or ulterior motive.

So, what the, the receiver or what the prospect here expects is that whatever information he gets from the source or from the sender is something, which is very dependable, very reliable and so it is very important, that the source or the sender must be who is very credible. So, people, you know, have look for information sources, informal information sources rather than marketing communication, because they believe these sources to be more credible with no ulterior motives.

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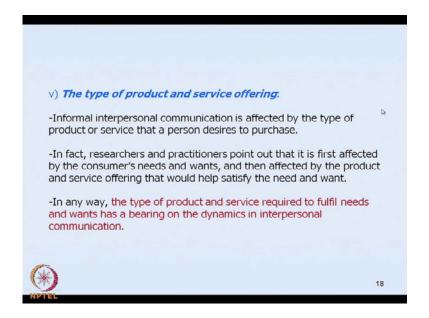


Now, when is a source regarded as credible? Sources regarded as credible when he or she provides precise, accurate and unbiased information about a product or a brand and credibility of the source here is based on his knowledge, on his expertise and his objectivity. Apart from family, apart from friends, consumers often turn to opinion leaders whom they attach a lot of credibility too...

And people who approached, who are approached for information or who voluntarily provide information should make sure, that the kind of information that they provide is credible. They should be very careful, that they provide the right kind of information advice and personal opinion. So, when we talk about credibility, we, we talk about the credibility of the source and this credibility comes from knowledge, from some expertise and comes some objectivity and as consumers, as prospects, we turn to people who we find are credible, who we find are reliable with respect to the product news, that they will share with us or the advice, that they will give to us or the experiences, that they will share to us, share with us.

So, people often turn to experts because they feel that experts, because of their expertise will be credible. They turn to opinion leaders, again because they feel, opinion leaders are involved in a product category and would be able to provide the right kind of information. People also turn to family, to friends, to relatives because they trust them more and they feel, that such sources could be credible and reliable. So, it is very important that the source is reliable, it provides correct information, correct advice, shares the right kind of you know, experiences and will provide the correct personal opinion.

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Now, this brings us to the next component in the dynamics of word-of-mouth communication, which is type of product or service offering. Now, informal

interpersonal communication is also affected by the type of a product or service that a person desires to purchase. In fact, researchers have said that it is first affected by the needs and wants and then it is affected by how the particular product or service offering would help satisfy a need or want. So, in this way, the type of product or service required to fulfill the need or wants has a bearing on the dynamics of interpersonal communication.

So, you know, we start with the need based. On the need we have a product or service and how well this product or service will help, you know, meet a particular need is what is of prime importance here. So, informal interpersonal word-of-mouth communication is impacted by the type of product or service category that a person is wanting to purchase. So, the type of product or service category required to fulfill needs has a bearing on the dynamics.

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Now, elaborating on this, you know, we are basically talking about the nature of the product or service offerings. So, the, you know, if you go deeper into it, consumers will always seek information when the product is high involving product, which is expensive, it is high value for money, level of perceived risk is high. When the product is such, which is not going to be purchased very frequently and action or purchase action is irrevocable in the sense that once the product is purchased you cannot go and return it. So, consumers seek information about such high involving products.

Consumers also seek information about products, which are technically complex or either complex in terms of technology or in terms of usage. So, they seek information and advice when the product is expensive, when it is technically complex, when it is risky and when it is not purchased frequently. Another case where consumer seek advice is when the product or service offering is new, it is something new to the consumer, it is something, which is probably an innovation and or a new product, you know, which has entered into the market and the level of perceived risk associated with such new offerings is high. So, they seek advice from others to reduce this level of perceived risk and so that you know, they can be reassured, that they are making the right choice. Another case, where consumers seek advice or seek opinion and advice information is when the product relates to lifestyle image and social class.

Now, you know, in order to seek social approval, social acceptance, either in the group or in the, you know, in the family or in you know, reference group or in the social class. Also, in order to avoid any kind of fun or ridicule, consumers often need to buy or they often prefer buying products, which others are buying and others in their social class or others in the reference group are buying and using. So, you know, again they look to others for advice, they look to others for, you know, opinion and judgments about the purchase of a particular product and or a brand.

So, they want to buy a particular product, which people in, other people in their social class or in their reference group are using or buying and so they turn to them for advice when it comes to, you know, their purchase of such a particular product or brand because until unless they buy this and to not be, they would not, they may not be socially acceptable or they may not seek social approval.

So, in order to seek social acceptance and seek social approval, in order to avoid any kind of fun and ridicule, they, they want to buy products, which others in their social class are using and so they turn to others for advice. So, they look to others in their reference group and in their social class and this is more true for products, which are you know, publically used, publically viewed and used in visible settings. We have discussed this earlier where we spoke about Bearden and Edison's model, where we saw how, you know, the social class has an impact on the product and on the brand that you buy. So, people will, you know, seek information for products, which are you know, publicly viewed and used in, used in visible settings.

So, the different kinds of products where you seek information or where consumer seeks information is where it is a high involvement product or where it is a, it is a matter of social acceptance and so you know, social approval or it is where a product is a new product and the consumer would feel more comfortable talking to others or taking others opinions before venturing into a purchase process for, for the new product. So, these are the various reasons why people will, you know, prefer an interpersonal informal word-of-mouth communication.

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Now, the source's evaluation of the product or offering may be favorable or unfavorable. When a person is happy or satisfied with the purchase of a particular brand, he or she would speak in favor of it. On the other hand, when he is dissatisfied with the purchase of and usage of a product or a brand, he or she would be aggrieved and his complaints, as his complaints with the retailer have not been addressed, probably he would vent out his dissatisfaction and would speak unfavorably about the brand or about the dealer. So, this is more for a product, which are high involving products.

So, depending upon word-of-mouth, depending upon, you know, the source's evaluation of the product or service offering, you know, the word-of-mouth can be both, positive and negative, with negative word-of-mouth having a more profound and deeper impact. So, what we are talking of here is, that the source, making favorably or unfavorably about a product or service offering, when he thinks favorably about it means, that he is

satisfied with the product or with the brand and the usage of the same and he likes to talks favorably about it. But in case he is dissatisfied, it would actually mean, that he would like to, he would be speaking unfavorable of such product or such brand and he will address, he is, you know, if his complaints or if, maybe issues are not addressed properly, he would not only speak negatively about the product or the brand, but also speak negatively about the store. And such negative comments hold greater weight than the favorable statements or favorable opinion made about a product or service offering.

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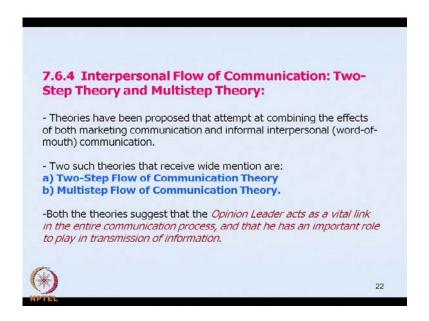


Finally, we come to the type of communication partner. Communication partners may be of different kinds. People may seek information and advice from family, friends, peers, colleagues or acquaintances, which are their generally or primary reference groups. They may also be influenced by celebrities and experts, which are secondary reference groups. In order to gain social acceptance and approval, people generally prefer, you know, seeking advice from the people of the primary reference groups and they prefer choosing product or brands, which are used by people in their positive reference groups.

Sometimes they are attracted by people of the immediately upper class, so and they aspire, you know, what we call as aspirational reference groups. And so they, they want to be like them, they want to behave like them and so they seek advice from them and they are attracted towards social mobility and they move up the social ladder and in that case, they look up to people of the higher, you know, people of the immediately upper

class and they are influenced by aspirational reference groups. So, this brings us to its conclusion on our decision with respect to the dynamics of, in, informal interpersonal word-of-mouth communication.

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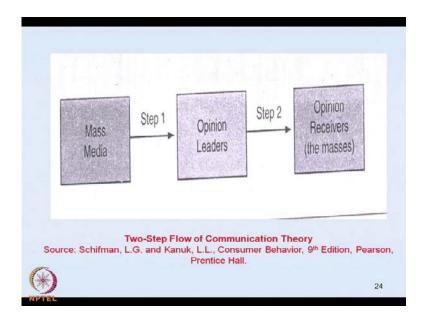
Now, let us move now to the interpersonal flow of communication theory where we talk about two theories, the two-step flow communication theory and the multistep flow of communication theory. Now, there have been large number of theories, which have been proposed, which tried to combine effect of both, marketing, communication and interpersonal word-of-mouth communication. So, various researchers have proposed different kinds of theories, which try to come up with a blend of, of both, the marketing, communication and the informal interpersonal word-of-mouth communication. Two such theories are the two-level flow of communication theory and the multilevel flow of communication theory. In both the theories you will see that the opinion leader, has is, has a vital, has a vital role to play in the entire communication process and he has a role to play in the transmission of information.

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So, we will start with the two-step of flow of communication theory.

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According to this particular theory, if we see here, the, the message, the message, which is the information content from the marketer flows from the mass media, both print and broadcast audiovisual visual media to the opinion leader and from there it is transmitted to the masses or to the opinion receivers. So, the theory is two-stepped in the sense, that it presents opinion leaders as the direct recipients of information from the mass media

and it is, it is they, who in-turn transmit this, you know, interpret it and transmit this information to the general public or to the masses who are consumers or the potential.

So, the opinion leaders act as a middle man. You have the step one where information flows in a single direction, one-way from the interpersonal, sorry, from the impersonal mass media. Impersonal mass media meaning the broadcast media, print media and the audiovisual broadcast media, it moves to the opinion leaders. And in step two, it flows from opinion leaders, who interpret or verify or assimilate the information, that is received from impersonal mass media, they, they transmit it to the opinion receivers who are the masses, in our case the public or the consumers or the prospects and the consumers.

So, you have the stage one or the step one where information from impersonal sources, from the marketers end, moves to the opinion leader and then from step two, the opinion leader, you know, receives this, interprets this, analyzes it, comprehends it and then transmits it to the masses or the opinion receivers or the general public.

Now, here, while we with the theory lays emphasis on the vital role, the opinion leaders play it, reject the belief, that mass media left alone can influence the masses and enable a sale. So, while it lays emphasis on the vital role, that opinion leaders play it, reject the belief, that mass media alone can have a big role to play and it can influence the masses and enable a sale.

So, as a major contribution, the theory supports the premise the social interaction between people serves as, serves as a major means of spread of information, development of attitudes, and and leading to acts of behavior. So, opinion leaders are more likely to be influenced, I am sorry, the opinion receiver is more likely to be influenced by an opinion leader than directly by the mass media. So, this theory basically acknowledges the fact, that social interaction between people, between opinion leader and opinion receivers will have a major hold on, on share of information development of attitudes and subsequent act of behavior.

So, you know, it gives a lot of weightage to the vital role, that is played by an opinion leader who transmits this information to, to the opinion receivers and this information that he transfers or transmits has greater weight than information being coming from impersonal mass media or through marketer's information. So, it, basically, the theory

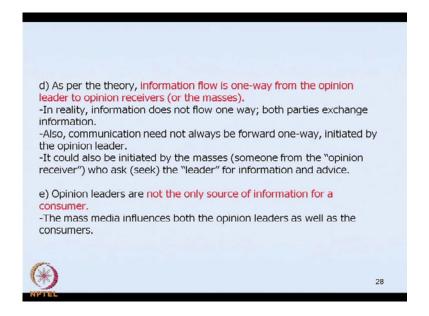
lays emphasis on the role played by the opinion leader. But the problem with the theory is that it kind of underplays or underestimates the role, that mass media directly has to play on, on the opinion receivers or on the masses.

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So, we go beyond and we, you know, with passage of time it was seen, that if the theory came to be regarded as, as inadequate and as inaccurate on account of following. One, you know, the opinion leaders are not generic in nature, they, they are specific to a particular product or service category and will vary from product category to another. So, an expert in one product category will not be an expert in another product category. This was one shortfall or one limitation of this theory. Second is, opinion leaders are not a permanent elite and different social groups have their different opinion leaders.

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Also, as per the theory, information flow is one-way from opinion leader to opinion receiver. In reality, however, if we see information does not flow one-way, it happens both ways. So, it goes from the, from the source to the receiver and from the receiver back it comes in the form of, you know, kind of a feedback. Both the parties exchange their thoughts, their feelings, their experiences.

So, communication need not be one-way, it is, it, it, it may, it also may not be initiated just by the opinion leader, it could be initiated by opinion receivers as well, it could be initiated by the masses, it could be somebody who is seeking information. So, the, it could be initiated by the masses who are seeking an opinion, who are, who seek the leader or opinion leader for information and advice. So information does not flow only from the opinion leader to the receivers, it is both ways. And opinion leaders are not the only source of information for a consumer. The mass media equally has an important role to play and influences both, the opinion leaders, as well as, as consumers.

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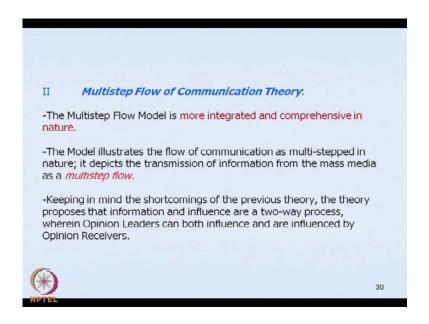


So, you know, also it was seen, that marketers are, do not only, and marketers do not only or not always communicate with consumers via opinion leaders. Marketers do not communicate always with the consumers by an opinion leader, they directly communicate through various tools of the communication mix. In fact, the integrated marketing communication calls for a blend of the various tools to be used together, so as to bring a maximum impact on the consumer. So, consumers are also exposed to other sources of information, other means of information and do not solely rely on the opinion leaders. So, that is why, this theory came in for a criticism and this, this gave way to the two-flow theory of communication, gateway to the multistep theory of communication.

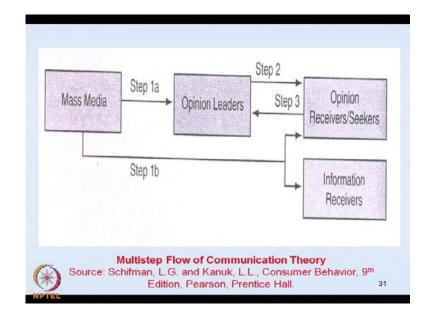
Again, I would repeat here, that the major shortfall was, that marketers can communicate with the masses directly. They do not always need an opinion leader. In fact, whatever the marketers say, very often comes as a direct, you know, message to the, to the consumers, especially when we talk about the various tools of the marketing, especially when we talk about a blend of the integrated marketing communication. Also, opinion leaders do not always say, they are, you know, they are not the ones who initiate a message or a conversation. They, they do not always provide information voluntarily, they, it may also be asked by the receiver.

So, communication happens both ways, it is not going to be initiated only by the leader and it is not going to be, that the receivers are going to be mere recipients. They could be actively involved in this exchange of information. So, because of this, this theory came in for criticism and it gave way to the multistep theory of communication, which was subsequently proposed. This multistep theory of communication is more comprehensive in nature. It looks up on the flow of communication as multi-stepped in nature and it, it depicts the transmission of information from the media or from the marketer as a multi-stepped process.

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And here, keeping in, you know, line with the, the short comings of the previous theory, it proposes, that information and influence are a two-way process where opinion leaders can both, influence and influenced by opinion leaders.



So, we have this, you know, information is both, you know, the opinion leaders are going to, here we see can influence both and are influenced by their opinion receivers. So, they influence the opinion receivers, they are also influenced by opinion receivers. So, there is a two-way exchange.

So, what this theory tries to do is, one, it tries to say and tries to show, how information is transmitted through a multi-stepped flow where the marketer can directly, you know, influence the masses or influence the opinion receivers or seekers. And two, the opinion leader, their interaction between the opinion leader and opinion receiver and seekers is going to be two-way. So, opinion leader not only influences the opinion receiver, but can also be influenced by the opinion receivers.

So, opinion leaders and opinion receivers, there is a two-way channel of communication, that works as a two-way communication that works and opinion leaders will influence opinion receivers, but they can or seekers, but they can also be influenced by them. So, let us move into this and see this here where we look at the three components, in fact, four components: the mass media, the opinion leaders, the opinion receivers or seekers and the information receivers.

So, here in step one is, if you know, if information through mass media flows simultaneously to opinion leaders, opinion receivers or seekers and information receivers. So, opinion seekers are those who solicit information and advice. They initiate

the process from opinion leaders. Information receivers are those amongst the masses who neither influence nor neither are influenced by others. So, opinion seekers are those who seek information and advice from opinion leaders, and opinion receivers are those who receive without being, without asking for such information from opinion leaders. They get this information from him. So, the seekers are going to solicit or request the opinion leaders. On the other hand, receivers are just going to act passively and receive information without asking any help or any advice from opinion leaders. There is another group which we refer to as the information receivers, who are, who are those amongst the masses, who neither influence nor are influenced by others.

Now, in step two, both information and influence are transmitted from opinion leaders to opinion receivers and to opinion seekers. So, opinion leaders, you know, share their experiences, their, their knowledge, their information with opinion receivers and opinion receivers react with their own, you know, come up with their own reactions with respect to any kind of, you know, opinion or value judgment or beliefs. So, both information and influence are transmitted from the opinion leader to the opinion receiver and from opinion receiver to the opinion leader. So, information and influence is transmitted both ways.

And in step three, if we see at the two-way exchange process is completed and it, you know, it shows the transfer of information from the opinion receiver to the opinion leader. So, this, look at step two, both information and influence are transmitted from opinion leader to opinion receivers and to opinion seekers. And in steps three, the two-way exchange process is completed and it illustrates the transfer of information and the influence from opinion receivers to opinion leaders. So, two, in two and three, if we put them together, there is an exchange of information and influence from the leader, opinion leader to the opinion receiver or seeker and viz a viz, from the opinion receiver to the opinion leader. So, that is how a two-way exchange process is completed.

Now, in, in step b, 1b, if you see, the information from mass media is going to the information receivers who neither influence, nor are going to be influenced by other. So, this mass media is impacting information receivers. Mass media is also impacting directly opinion receivers and opinion seekers. So, the, the there is an element called opinion leader, but mass media also directly communicates with opinion receivers and

seekers, as well as, directly communicates with the information receiver. So, this is how the model works.

Now, this particular model is an improvisation over the earlier existing two-step flow of communication theory. It tries to overcome some of the limitations. One, it says, that all forms of mass media or mass communication basically affect the consumers directly. So, here if we see, opinion receivers, opinion seekers, as well as, information receivers are all directly receiving information from the mass media. Two, transmission of messages from mass media is received by opinion leaders, opinion receivers and opinion seekers in the same way.

So, whatever message is going to be communicated to the opinion leader, the same message is going to be, going to opinion receivers and to the opinion seekers. So, transmission of messages through mass media is received by opinion leaders, opinion receivers and opinion seekers in the same fashion. Opinion leaders receive information from the mass media. They will interpret this information, they will, you know, comprehend it and you know, then then forward it to the opinion receivers or to the opinion seekers. Opinion seekers, those who ask them for this information and opinion receivers, those who do not ask, but the opinion leader voluntarily provides them with the information.

So, whatever information is received from the mass media by the opinion leader is going to be interpreted by him and transmitted accordingly. And consumers, which is opinion's receivers and opinion seekers receive information in two ways. One, they receive information directly from the mass media and two, they receive the processed and interpreted versions of information from the opinion leader. So, you know, this is how there has been improvisation in this particular theory over the earlier existing theory.

Now, the distinction between opinion leaders and opinion receivers is a fluid and (()). Opinion leaders are not generic in nature, they are specific to a product or service category, they are also not a permanent elite and the person may serve as an opinion leader for some product and for some social groups and be a receiver for another product and for another social group, and there is always a two-way exchange of information in both, opinion leader and opinion receivers or seekers interact with one another. Opinion leaders provide the receivers or the seekers with information advice and they relate their

experiences. In return, they gather more information or personal opinion or beliefs and experiences from receivers or seekers. So, this leads to an addition or modification or deletion of thoughts, which are present in the opinion leader and adds to, what we have referred earlier as, associated network. So, the process is on going with transmission of added on or modified bits of information to be passed on from one to another.

Now, this is how we see, that this theory is an improvised version over the existing two-stepped or two-stepped flow of information theory and we see how the mass media impacts the opinion leaders and the information receivers, I am sorry, the opinion receivers and the opinion seekers similarly. And here we have the mass media having an impact on information receivers as well. And then we saw how the communication between leader and the receiver or the seeker takes place as a two-way interaction where the seeker may ask the leader for, opinion leader for, for help, for assistance, for advice or for sharing of experiences or the opinion leader on his own voluntarily provides it and it goes to the opinion receiver.

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Now, this is what brings us to the more, you know, important, how is interpersonal communication more relevant for a marketer. So, we have discussed how consumers are exposed to two kinds of information, two kinds of communication, marketing communication and interpersonal communication and how interpersonal communication

is regarded as more valid. It is, you know, it is something, which is given a lot of importance by, by the consumers.

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And while the marketing communication can succeed in informing people about product or service offering. When creating a favorable attitude the final push actually comes from this interpersonal informal word-of-mouth communication. People are influenced by people in their social groups or in their reference groups and consumers prefer a word-of-mouth communication over other marketing communication because they feel, that it is more credible with no ulterior motives.



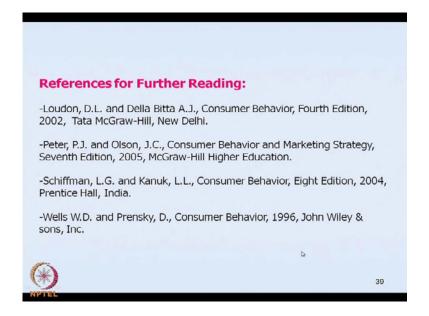
So, word-of-mouth communication reduces their amount of physical or cognitive effort that a consumer will have to put in to make a purchase. It makes purchase decisions more easy, more sure, more certain for them. People also turn to experts, people turn to opinion leaders for advice. They also look at the, the reference groups and so the credibility of the source is very important. The impact of informal interpersonal communication is affected by the nature of the product or service, which a person is wanting to buy. So, in cases the product is highly, high involving, technically complex, risky or where the product is new, you know, they, people would, you know, indulge into word-of-mouth communication to be more, you know, comfortable while making the final purchase decision.

When people are satisfied with the product or service offering, they speak very favorably about it and when they are dissatisfied, they would talk unfavorably. Of course, favorable information and communication holds much more weight than it, the, sorry, the unfavorable communication and unfavorable information about a particular product or service offering gathers more weight and it is, you know, it is more bearing on consumer's decision making rather than the formal information for the favorable or the, you know, positives.

So, it is very important, that marketers continue to satisfy their customers because a positive word-of-mouth is, is, is is actually something, which is favorable, which is,

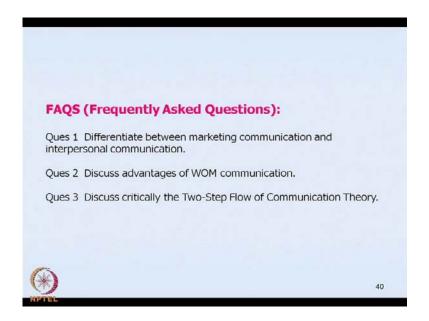
which is, which will be more fruitful and in case there is a negative word-of-mouth or in case there is unfavorable communication, then the consequences will really be disastrous because unfavorable and negative word-of-mouth has a larger or heavier bearing on, on, on consumer psyche than favorable information. So, you know, negative information has a more profound and a deeper effect.

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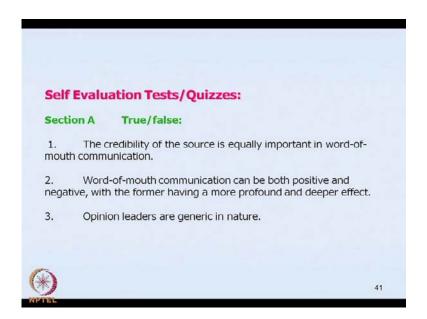
Now, this brings us to a conclusion of our session on interpersonal communication and influence. The references for further reading: Loudon and Della Bitta, Consumer Behavior TATA McGraw-Hill; Peter and Olson, Consumer Behavior and Marketing Strategy, McGraw-Hill Higher Education; Schiffman Kanuk, Consumer Behavior, Prentice Hall and Wells and Prensky, Consumer Behavior, John Wiley and sons.

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The frequently asked questions, question one, differentiate between marketing communication and interpersonal communication. Question two, discuss advantages of word-of-mouth communication and question three, discuss critically the two-step flow of communication theory.

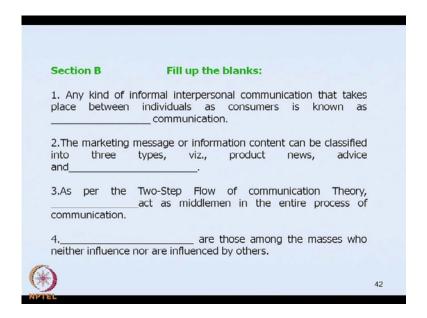
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Coming to a quiz, a self evaluation test, section A, true-false, one, the credibility of a source is equally important in word-of-mouth communication. So, this is true or false? Absolutely true, the credibility of source is equally important in WOM communication.

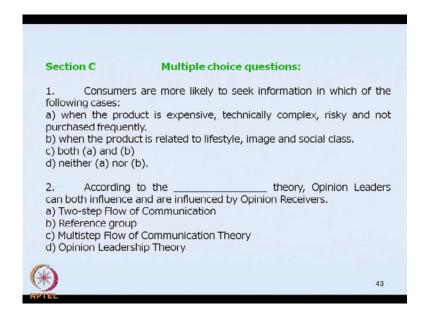
Two, WOM communication can be positive and negative, with the former having a more profound and deeper effect. Is this a true statement or a false? This is the false statement with the latter having a more profound and deeper effect is the correct statement. The word should not be former, it should be latter because negative word-of-mouth has more profound and deeper effect. Three, opinion leaders are generic in nature. This is again false; opinion leaders are not generic in nature

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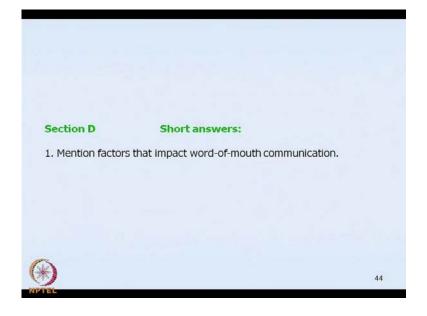
Fill in the blanks, one, any kind of, information, informal interpersonal communication, that takes place between individuals as consumers is known as dash, dash communication. It is known, known as informal interpersonal communication or word-of-mouth communication. Two, the marketing message or information content can be classified into three types, product news, advice and dash, personal experiences. Three, as per the two-step flow of communication theory, dash acts as middlemen in the entire process of communication, opinion leaders. Four, dash are those amongst the masses who are neither influenced or nor influenced by others. They neither influence nor are influenced by others, answer is information receivers.

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Multiple choice questions, one, consumers are more likely to seek information in which the, in which of the following cases: a, when the product is expensive, technically complex, risky and not purchased frequently; b, when the product is related to lifestyle, image and social class; c, both a and b; d, neither a nor b. Answer is c, both a and b. Question number two, according to the dash theory, opinion leaders can both influence and are influenced by opinion receivers: a, two-step flow of communication; b, reference group; c, multistep flow of communication theory; d, opinion leadership theory. The answer is multistep flow of communication theory.

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Short answers; mention the factors that impact word of mouth communication. So, with this we come to a conclusion of our session on interpersonal communication and influence. We shall be speaking about opinion leaders in the next section.

Thank you.