# **Stockholm School of Econmics**

Institution of Marketing & Strategy Bachelor Thesis 2013

# The Diffusion Process - The Influencer's Tale

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### **Abstract**

Costumer response to peer recommendation is not to be underestimated. Nor is the impact of the key persons driving the Diffusion Process of an Innovation. The success or failure of a product balances on exogenous variables which among other things are represented by Influentials' willingness to pass a message on to their peers. This ability of bringing an idea, brand or concept to mainstream consciousness is what identifies a true Influencer. Screening an Influencer group within a costumer segment is valuable for marketing teams worldwide. Thus, in this thesis an attempt is made to identify an Influencer segment and map the internal differences affecting the various ways the concept Word of mouth can be expressed. The thesis springs from existing theories and research made on the subject and suggests a way to identify this group based on the two aspects; Knowledge level and Word of mouth-intention. These parameters are valid tools in order to detect Influencers and the results presented reveals internal differences among this group. One explanation for the discrepancy proved to be the reason as to why an Influencer spreads information. The thesis covers these aspects and provides an analysis of this phenomena based on relevant theory and own ideas which have been consulted with experts in the area.

Keywords: Diffusion of Innovations, Influencers, Early Adopters, the Tipping Point, the Chasm

**Authors:** 

Natalie de Brun Skantz 22217 Jessica Backsell 22097 **Supervisor:** Erik Modig Examinator:

Micael Dahlén

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### 1.0 INTRODUCTION

With an ever-changing society the task of reaching targeted client base is challenging marketing management industries across the globe. With innovative methods companies try to keep up with the evolvement of personal and social conditions in customer segments. The diminishing effectiveness of television advertising and other traditional techniques has resulted in that marketing has embarked on a road where one relies on the premise of the effectiveness of word of mouth (Dichter, 1966; Kaikati & Kaikati, 2004). Stealth marketing<sup>1</sup>, buzz marketing<sup>2</sup> and viral marketing<sup>3</sup> are all examples of new ways to profit on the positive affects created by the effective form of promotion created by peer recommendation (Kaikati & Kaikati, 2004).

Business, eager to stay up to date with consumer movements has embraced this new way of communicating, and has with the opportunistic mindset of developing businesses facilitated the way of how to adapt to this ground breaking way of sharing information. The prevailing situation with the new technology has led to a pop-up of various online communities and services. Information on different topics and products are spreading ubiquitously due to the online social networking industry (Brown & Hayes, 2008).

Aside from the odd monopolistic redoubt, the customer today rules the business word with the numerous choice alternatives prevailing as well as the possibility to confirm these choices among multiple sources. In fact an increasingly important aspect of marketing communications is conversation between customers. The dynamic communications flows give organisations the best chance of understanding how their costumers are changing.

In order to understand consumer movements it is key to gain insight in what causes changes to thrive. It is often the result of certain information spread, and assumably these events can be mapped according to the formation of a normally distributed curve similar to the one of the *Diffusion of Innovation*<sup>4</sup>, with key actors (*Innovators, Early Adopters/Majority etc*). Thus, changes within consumer segments thrive due to the early segment- consumer's eagerness to seek, explore and discover these changes and when succeeding also spreading the word to their peers. If one as a business could go as far as not only understanding these

<sup>&</sup>lt;sup>1</sup> Undercover marketing where consumers do not know they are being marketed to e.g. advertising that's done secretly by planting reviews about a product

<sup>&</sup>lt;sup>2</sup> A method of selling a product by getting people to talk about to it

<sup>&</sup>lt;sup>3</sup> Merketing techniques incorporating word of mouth and buzz

<sup>&</sup>lt;sup>4</sup> Everett M. Rogers' theory about how and why new ideas, products and technology spread

influential segments but also create a property of how to influence these, one have reached something equivalent to the holy grail of communication strategy. Even though this might be a far too ambitious goal it is equally important to try to understand *why these influencers matter and what in turn drives them to spread information.* 

# 1.1 Background

The background is based on three theories that each one is a piece of the puzzle leading up to our purpose. The Diffusion of Innovations describes how different consumer segments adopt a new idea or product introduced to the market. G. A. Moore expanded the theory adding on a chasm between the segments Early Adopters and Early Majority meaning there is a gap one must cross between the Early Adopters and the mass market. Further, M. Gladwell explains there is a Tipping Point where a product or an idea gets commercialized. How to cross the chasm i.e. reach the Tipping Point is a challenge most companies face and the ways to surmount this defiance are several. Reaching the Tipping Point is connected with reaching a self-sustainable level where profitability can be attained.

Gladwell argues there are three key factors that each play role in whether an idea or product will "tip" and transfer to a bigger market. The key factors are depicted in the concepts Law of the Few, the Stickiness Factor, and the Power of Context. The Law of the Few declares that in order to reach the Tipping Point, a few key persons must champion an idea, a concept or a product (Gladwell, 2000). A parallel can be drawn from this concept regarding key persons to the critical role Influencers play in the adoption process of a new product (Feick & Price, 1987).

According to prior research Influencers have proven to have more central network position and possess higher level of knowledge of a precise area or product of which they will influence (van Eck, Jager, & Leeflang, 2011; Montgomery & Silk, 1971). Influencers notably use word of mouth (hereinafter referred to as WoM) as a mean for influencing. WoM is, as aforementioned, widely accepted as a powerful tool particularly when it comes to influencing marketplace choices and in spreading information on new products (Cheung, Anitsal & Anitsal, 2007). WoM is a core part of the mechanics of an Influencer from a Marketing perspective (Brown & Hayes, 2008).

The impact posed by Influencers may vary across industries and even product categories, mainly due to that different products demand different types of recommendations. In this thesis, we chose to use music as a measurement tool when identifying Influencer segment, based on the fact that the probability of finding these persons is greater than focusing on simply one product segments. This was asserted by van Eck, Jager and Leeflang, who said

that virtually everyone has an opinion about movies, music, and other entertainment and the interlink with social media makes it easy to share and recommend. Also, Feick and Price (1987) emphasize product involvement being the predominant explanation for Influencers' conversation about products, music being a high involvement "product" translating into a product many are prone to spread information about. Subsequently, in order to create an overview of the mechanisms and relations among different segments we argue this measurement tool should give a relevant picture.

### 1.2 Problem Area

The area of study in this thesis are the key persons identified that are known to have an impact on the diffusion of an innovation, enabling an idea, a concept or a product to "tip" into a wide-scale acceptance or popularity, known as Influencers. The theories Diffusion of Innovation and the Chasm versus the theory of the Tipping Point are rarely linked and sometimes viewed as theories illustrating separate phenomena. By incorporating the three in relation to Influencers' function we see a not yet fully investigated area, although a lot of research has been done about Influencers the past decade after the arrival of the web (Brown & Hayes 2008).

Former research has sought to explain the benefits with Influencers in marketing, and described it hard to identify Influencers. Less effort has been directed at identifying the motives underlying Influential behaviour or understanding why influence occurs. Robert Cialdini examines influence in his book *Influence: Science and Practice,* Brown and Hayes examine how to use Influencers in marketing showing that decision-makers act within communities of Influencers. One research related to ours, is Emanuel Rosen's investigation in Network Hubs, what he names Influencers, finding division among Influencers and their characteristics. Empirical studies have been made about Influencers and are increasing in popularity and the parameters we intend to measure are normally personal attributes associated with someone one would identify as an Influencer (Brown & Hayes, 2008). However, in this thesis we aim to identify parameters that collaboratively describe an Influencer personality.

Grounded in previous research performed, the parameters chosen in this screening process are Knowledge and WoM-intention and explanations for choosing these will be described in much greater depth in the Theoretical Framework-section. We will there form a balanced argumentation of the specific reasons as to why these are, *in our opinion*, the most important attributes.

# 1.3 Purpose

The purpose of this thesis is to examine whether we can find an Influencer segment based on two parameters identified as key attributes for an Influencer, Knowledge and WoM-intention. Based on theory available we further wish to investigate if a division of this group can be done and if so, what causes such a division?

With an exploratory angle we hope to shed light on Influencer behaviour and their relation to other segments. Our hope is that this thesis could work as a building block for further studies within the areas Influencers and diffusion processes.

### 1.4 Delimitations

To accommodate the study to fit within the scope of a bachelor's thesis, delimitations are required that follow the following outline. We chose music as a measurement tool to see the WoM-intention among music listeners as well as knowledge level. It is important to remember that what we aim to measure in this thesis are relatively intangible elements such as psychographic as well as behavioural aspects.

Due to sample convenience the age range among respondents was mainly comprised to 20-25, which could be an aspect of improvement - the sample was collected via Facebook and email contacts, which comprised the age spread radically. However, the representativeness among these respondents we argue still is strong and applicable to current conditions prevailing among influencers in the music industry. This is due to that what we ultimately want to identify are the characteristics applicable to a person more prone spread information, such characteristics are closely incorporated in ones behaviour and personality (van Eck, Jager & Leeflang, 2011). Consequently it is not something which radically changes due to age.

In addition, we chose to examine only two attributes as key when it comes to Influencers; Knowledge and WoM-intention. Other attributes such as confidence and other more normative factors would have been interested to study, however with the requisites and timeframe we have decided to focus only on two variables, leaving the others for future research. The delimitation was due to what is measurable with the means available, and also, to make a more focused study using only the, *what we consider*, most important attributes.

### 1.5 Problem Formulation

In order to fit the purpose and the scope of this thesis following questions are to be investigated further:

- Is it possible to identify a group as Influencers based on the prerequisites Knowledge and WoM-intention?
- If possible, can one further analyse this group and find segments that differ within it?
- What are the key drivers identified for influencing others i.e. sharing information among these groups?

Grounding on these questions we aim to discover results plausible to current theories.

# 1.6 Expected Contribution

If our results proved successful, we can contribute with a useful way of how to identify Influencers, and get a deeper understanding for what drives their behaviour. Our contribution is primarily directed, however not exclusively, towards academics and marketers. To academics since this could be a base to enlarge and build new theory upon. Our findings are also of interest for marketers; exploring Influencers' motives and subjects incorporating word of mouth are highly important. Peer recommendation is especially effective today, where it exists so many channels of information, and WoM still has proven to be one of the most effective ways (Kaikati & Kaikati, 2004). By understanding what drives key persons such as Influencers it is possible to use them in marketing, allocating resources in new ways instead of using solely traditional marketing such as advertising.

### 1.7 Definitions

This is how we define the words and concepts used throughout the thesis

# Adoption

Similar to diffusion but includes the psychological processes an individual goes through. The decision to use or accept a particular idea or product.

### Chasm

G. A. Moore's theory where he expands the Diffusion of Innovation theory (E. Rogers) by arguing that there is a chasm between the Early Adopters and Early Majority. This implies the hardest part of the diffusion is between these groups.

### **Diffusion**

The process by which a new idea or new product is accepted by the market

# **Diffusion of Innovations**

Theory that seeks to explain how, why, and at what rate new ideas, products and technology spread through cultures. With successive groups of consumers adopting the new idea/product/technology, the categories of adopters are; Innovators, Early Adopters, Early Majority, Late Majority and Laggards.

### **Influencer**

A person who communicates with more people about a certain product or idea than the average person does, a person who exerts influence.

Researchers have traditionally referred to them as Opinion Leaders, in industry they are called Influencers, Lead Users or sometimes Power Users, and Rosen calls them Network Hubs. All names indicate more or less the same.

# **Tipping point**

Defined by M. Gladwell as "The moment of critical mass, the threshold, the boiling point". The point where a product gets commercialized and reaches mass market.

# Word of Mouth (WoM)

The passing on of information, spoken communication

### 2.0 THEORETICAL FRAMEWORK

### 2.1 Diffusion Processes - Diffusion of Innovations

Diffusion of Innovations is a theory that seeks to explain how, why, and at what rate new innovations spread through cultures and are taken up in a population. An innovation can be an idea, behaviour, or object that is perceived as new by its audience. According to Everett M. Rogers diffusion is the process by which an innovation is communicated through certain channels over time among the members of a social system. The innovation must be widely adopted in order to self-sustain. Within the rate of adoption, there is a point at which an innovation reaches a significant amount of people; mass market. The population can be broken down into five different segments, based on their propensity to adopt a specific innovation: Innovators, Early Adopters, Early Majority, Late Majority and Laggards (Rogers, 1962).

# 2.2 Innovators & Early Adopters

In accordance with Rogers, at some point, when the product has reached a certain market penetration, an innovation reaches a critical mass, after which the continued diffusion is self-sustainable. In the early stages of diffusion, targeting Innovators and Early Adopters is crucial for its acceptance. Once the benefits of an innovation start to become apparent, Early Adopters leap in. They are people who find it easy to imagine, understand and appreciate the benefits of an innovation and do often relate these potential benefits to their other concerns. Early Adopters do not rely on well-established references when making buying decisions and prefer instead to rely on their own intuition and vision (Rogers, 1962).

Both Influencers and Early Adopters reveal similar characteristics, which makes it likely that many Influencers are Early Adopters and vice versa. However, the concept of Early Adopters refers only to the position of the consumer in the adoption process; whereas the concept of Influencer refers to the influence those consumers have on others. Their role in the diffusion process is critical with respect to how information spread and how this influences rest of consumer segment (Rosen, 2000).

# 2.3 The Chasm & Influencer's Impact

In the early 90's Geoffrey Moore added the so called Chasm to the model Diffusion of Innovations. The Chasm is a suggested gap between the visionary Early Adopters and the pragmatic majorities and the critical stage experienced when launching a new product before it reaches a self-sustainable level. Moore believes visionaries and pragmatists have very different expectations, and he attempts to explore those differences and suggest techniques to successfully cross the "Chasm", including the impact of Influencers (Moore, 1991).

# 2.4 The Tipping Point

The element presented above is a key aspect also when looking at disposition and purpose of this thesis. Numerous of attempts have been made to try to understand market forces that drive the element of "Crossing the Chasm". In his book "the Tipping Point", Malcolm

Gladwell argue that the processes involved for all evolutions of any major phenomenon follow a certain pattern.

Interlinking this theory to the one of "Crossing the Chasm" one can identify as Gladwell asserts three key factors that each affects whether a particular trend will "tip" into wide-scale popularity and calls them the "rules of epidemics"; the Stickiness Factor, the Power of Context and The Law of the Few.

Gladwell defines the Stickiness Factor as the quality that compels people to pay close, sustained attention to a product, concept, or idea. It is hard to define stickiness and its presence or absence depends on the context. The second factor, Power of Context, determines whether a particular phenomenon will tip into widespread popularity. If the environment or historical moment in which a trend is introduced is not right, it is not as likely that the Tipping Point will be attained.

"The Law of the Few" explains that before widespread popularity can be attained, a few key types of people must champion an idea, concept, or product. Even though Gladwell not directly describes the attributes of these persons, there is a strong interlink of the persons Gladwell assert make something reach a Tipping Point as the characteristics of an Influencer.

# 2.5 Knowledge Level Among Influencers

Opinion leaders, Influencers, Early Adopters - as argued earlier there are many designations to this specific segment of "Early Adopters" which creates confusion regarding the roles associated with each person. Actually, van Eck, Jager and Leeflang posit that different types of influential consumers possess varying characteristics which implies their varying influence on the consumers around them, the typology of influential consumers include:

- Innovators/Early Adopters (Engel, Kegerreis & Blackwell, 1969), who influence other consumers through their innovative behaviour and knowledge about a specific product category;
- Market mavens (Feick & Price, 1987), who may not have knowledge about a specific product category but rather about markets in general; and
- Opinion leaders (Katz & Lazarsfeld, 1955), who represent a combination of innovative behaviour and market knowledge.

Reconnecting to theory, an Influencer holds a certain level of knowledge regarding the subject he/she will influence someone else with, it does not necessarily have to be

remarkably high but still high enough for the information given by the influencer to be reliable (van Eck, Jager & Leeflang, 2011; Montgomery & Silk, 1971). Thus we have chosen *Knowledge* as a key parameter to identify Influencers.

# 2.6 Word of Mouth-Intention Among Influencers

Consumers have always valued opinions expressed directly to them. Marketers may spend millions of dollars on elaborately conceived advertising campaigns, yet often what really makes up a consumer's mind is both simple and free; a word of mouth recommendation from a trusted source<sup>5</sup>.

The flow of information is unique to each market, product and niche yet word of mouth is the primary factor behind 20 to 50 per cent of all purchasing decisions<sup>6</sup>. Its influence is greatest when consumers are buying a product for the first time or when products are relatively expensive, factors that tend to make people conduct more research, seek more opinions and contemplate longer than they otherwise would (Rosen, 2000). And its influence will probably grow: the digital revolution has amplified and accelerated its reach to the point where Word of mouth is no longer an act of intimate, one-on-one communication. Today, it also operates on a one-to-many basis: product reviews are posted online and opinions disseminated through social networks<sup>7</sup>.

The direct impact from Influencers in this aspect is that they are people who transmit information and who tend to influence other people's decisions about products. These are individuals that communicate with more people about a certain product than the average person does (Rosen, 2000). WoM is a core part of the mechanics of Influential behaviour (Brown, Duncan & Hayes 2008). Being willing to spread information and to have a relatively high WoM-intention is a qualification for being an Influencer (Richins & Root-Shaffer, 1988).

# 2.7 Division of Influencers in Social Hubs & Expert Hubs

If one manages to identify a group existing such as influencers one might be able to analyse the matter further in order to understand the drivers of this segment. Research currently at hand is scant when it comes to these specific areas, however, one interesting division has been made by Emanuel Rosen in the book Anatomy of Buzz as aforementioned. Rosen

<sup>&</sup>lt;sup>5</sup> <a href="http://www.mckinsey.com/insights/marketing">http://www.mckinsey.com/insights/marketing</a> sales/a new way to measure word-of-mouth marketing 2013-03-11

<sup>6</sup> http://www.mckinsey.com/insights/marketing\_sales/a\_new\_way\_to\_measure\_word-of-mouth\_marketing http://www.mckinseyquarterly.com/A\_new\_way\_to\_measure\_word-of-mouth\_marketing 2567 2013-03-11

presents a theory he calls "Network Hubs" (which is equivalent to Influencers as stated in the book), where he on the basis of qualitative study does the following division of influencers:

Social Hubs are people who are central and listened to because they are charismatic and trusted by their peers, or socially more active. Expert Hubs are people that influence because they have demonstrated significant knowledge of a certain area (at the very least, they have convinced others of their authority on a subject). Everyone knows someone like this, it is a person who knows much about many things, however they tend to specialize.

This division among the otherwise relatively homogeneous group is of interest because if there is a difference in motivational factors for seeking, finding and spreading novelties the information aimed at these groups must be customised in order to attract both fields.

### 3.0 METHODOLOGY

Reconnecting to the purpose this thesis aims to identify an Influencer group and within this group reveal segment division which can be further analysed. In order to fulfil this purpose we built a research model in which we incorporated both a phenomena identified as well as the theories available supporting this phenomena. Thus initially we had to build a research model allowing us to set certain prerequisites in order to identify an Influencer group.

# 3.1 Scientific Approach

In order to be able to pursue as study answering the problem formulation set out we have conducted both a quantitative and qualitative method. The qualitative method was primarily used as a study interlinking theories with the phenomena of Influencer behaviour and accounted several interviews with mainly two companies.

Eventually, following the qualitative study, our purpose culminated in examining WoM-intentions and level of knowledge when spreading music, and Influentials' drivers when spreading music, henceforth bringing the findings to a more general context.

Our approach has been a combination of deductive and inductive method, initiating with both examining existing theory and observing existing behaviours and phenomena (Bryman & Bell, 2011). Thus, applying an abductive method, our point of departure was a combination of studying existing theory related to our examined subjects and further examining these with empirics found through a qualitative and quantitative study

(Alvesson & Sköldberg, 2008). When examining Influencers' behaviour we used existing theories yet with an explorative approach.

# 3.2 Qualitative Study - Identifying a Phenomena

As for our qualitative study we essentially conducted interviews with two selected companies; a prominent company in the music business and a world famous sports equipment company. The companies for our qualitative study were selected strategically, representing different industries.

# 3.2.2 Empirics from Qualitative Study

The first interview was with the music company. We set out with questions regarding Influencers and the commercialization of products and songs. In collaboration with the interviewee we started to look at Early Adopter's underlying motivations for adopting a product/song early. By plunging into the matter we understood there were different motivators for adopting early, and further on different willingness in passing on the information, i.e. WoM-intentions.

In addition to exploring the willingness of spreading music, we discussed the underlying drivers for spreading music. The drivers identified through our discussion were firstly people being genuinely interested and passionate for music, and secondly people being driven by the wanting of attention or to evince a certain image. This classification of drivers would in other words imply some people being experts or having a significant level of knowledge and some people being less knowledgeable but still spreading but with other motives.

Interlinking this discussion with the theory presented by Rosen we further processed the idea with understanding Influencer behaviour. As indicated by Rosen, there is an interesting division made among this group, Social Hub and Expert Hub. Evidently, this theory supported the initial idea posed in problem formulation that there must be different key drivers for spreading information. Subsequently, we formed a variable which we called the *Confirmational Aspect*. In order to measure this we posed a number of questions with psychographic angle in our survey, for instance how the respondents adapts to novelties and why one spreads and shares information. We argue that if these questions give us an interesting outfall we might have an indication on what drives Influencer behaviour confirmation.

In our meeting with the sports equipment company we gained an insight of how companies work at an early stage of a new product and the dealing with the introduction of it to the market. The first thing they do in conjunction with a release is to try the product on experts i.e. an Innovator segment. Until getting the approval for a product from this segment, they do not move further in their bringing a product to market. In conclusion this reflects how important it is to no go for the mass market first, but rather following the natural curve of the diffusion process initiating with Innovators followed by Early Adopters and *then* Early Majority. After being approved by the knowledgeable Innovators, they work with Influencers to grasp the Early Adopter segment and to influence the larger market.

The key findings from our qualitative study are that behaviours, strategies and theories regarding WoM- and Influencer-behaviour are similar in the different industries. No matter if launching a new brand, a new pair of running shoes or a new song; companies seek the right people in each stage of the diffusion process to pass the word on to the next group. More effort and money invested is made at the stage where the brand or product is to lift from being adopted by early segments to a larger market thus reaching more people.

# 3.3 Quantitative Study - Building the Matrix

# 3.3.1 Survey Design

The survey was throughout designed to enable a division of our sample into a matrix according to level of knowledge and WoM-intention. Further, our objective is to analyse these different groups that are to be find more thoroughly. The survey was built in Qualtrics based on 26 questions and data was collected between 27 March and 10 April 2013. The distribution of the survey was enabled via Facebook and e-mail. In total we had 216 completed. The survey was constructed in two parts, the first part hereinafter referred to as Part 1, and a second part including two songs i.e. Part 2.

### Part 1:

The first part is built on different types of questions, the most part of the questions based on seven-point semantic differential scales. The objective of Part 1 is primarily to investigate our respondents' WoM-intentions and degree of knowledge regarding music. In addition, a main objective is to find different segments among our respondents, thus to divide them into a matrix with one axe describing the level of knowledge regarding music, and the other one indicating level of WoM-intention.

Our survey included questions exploring WoM-intentions, level of knowledge regarding music, influencer-behaviour, behavioural questions, and other psychographic questions examining personality, values, attitudes, interests and lifestyle and lastly demographical

questions (gender, age)<sup>8</sup>. With the combination of psychographic and behavioural questions we aimed to find motivational factors that drive the behaviours of spreading music/songs, but also the spreading of information in a more general context.

# Part 2:

The second part of the survey constituted of questions including two songs. The choice of the two songs used in the experiment was made based on how novel they were meaning date of release and how well known the songs were in general to our sample of respondents.

Firstly the respondent were exposed to a mainstream song; Kanye West, *Niggas In Paris*, testing the respondents' WoM-intention and general attitude towards the song. Secondly the respondent listened to an innovative, less mainstream song; Vita Bergen, *A Picture of Before*.

The questions were made so a division between respondents with high versus low WoM-intention could be done. With the Kanye song we investigated how prone the respondents, or if a certain group among them, were to spread a mainstream song. The second song was chosen to investigate the willingness to spread a more novel, alternative but yet unknown song. The two songs were chosen to differ and our intention were to explore the respondents willingness to spread these songs and how it relates to their WoM-intention general, knowledge and influential behaviour.

### 3.3.2 Identifying the Two Key Variables

Knowledge was chosen as the primary variable; hence having a relatively high level of knowledge about the subject to influence and spread is a prerequisite for being an Influencer (van Eck, Jager & Leeflang, 2011; Montgomery & Silk, 1971). The variable was constructed by three questions; *My friends ask me for music recommendations, My friends would describe me as a music nerd* and *I actively seek new music*.

WoM-intention was chosen as an equally important variable for Influential behaviour, though it was measured as a second step after the screening with the *Knowledge* variable described below in 3.3.3 (van Eck, Jager & Leeflang, 2011). The second variable, WoM-intention was based on the three question *I often share links, I often share music in social medias* and *When I discover new things I like to share it.* 

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<sup>&</sup>lt;sup>8</sup> See table in appendix

These two key variables were used for independent t-tests, when pursuing in between groups comparisons.

### 3.3.3 Matrix Formulation

In order to construct a matrix we chose the question *I share music on social medias* representing WoM-intention and the calculated ranking parameter *Knowledge* to rank our groups according to the level of knowledge. To define the ranking parameter *Knowledge* a set of 19 questions with yes/no answers was used. These 19 questions were names of different bands/artists where the respondent had to answer yes or no to whether they have heard this band/artist. The 19 bands/artists chosen were picked out with a music-expert's help, and is a sample of songs on a scale from very unknown/innovative to very known/mainstream. The ranking parameter *Knowledge* was computed based on this question, scaled from 1 to 19, with each point indicating how many "yes" the respondent has answered. Meaning a person with *Knowledge* of 10 has heard 10 of these bands/artists.

Notably, when formulating the matrix we did not use the *variables* as in the independent t-test and in between group comparisons. The matrix was formed on the basis of stand-alone parameters *Knowledge* and *WoM-intention* because this is what resulted in the most intuitive matrix formulation but that was still reliable. However, to really be able to claim a significant difference among the groups we also formed variables constituting of three questions each, which increased the reliability of the result and conclusion.

The groups among the respondents could then be positioned according to these two parameters, and in turn, examined closer in a matrix. The tool used to analyse our data gathered with the survey was SPSS, tests conducted were done with independent t-test, ANOVA analysis and cluster analysis. Our analysis was made principally in three steps; *Clustering respondents, Positioning* and *Examination*.

After positioning our segments according to the parameters in the matrix we investigated the groups more profoundly. Going forward we identified ten questions<sup>9</sup> which in a preferable manner measured our parameters of interest; *WoM-intentions* and *level of Knowledge*.

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<sup>&</sup>lt;sup>9</sup> See Appendix for questions

# 3.4 Study's Reliability

To ascertain the credibility and relevance of the thesis, reliability and validity must be taken into consideration. The two measurements are connected, but they are not to be considered as equal (Bryman & Bell, 2003).

We assessed the reliability by implementing internal consistency, in other words in order to improve the reliability of our experiment we used several questions measuring the same thing. To ensure the measurements' reliability a common approach is to compare several independent measures of the same parameter and how these relates to each other (Söderlund, 2001). In order to prove how variables measured covariates we pursued a reliability-test where we computed Cronbach's alfa. Questions that together resulted in a Cronbach's alfa that exceeded 0,7 was regarded in accordance with Malhotras (2010) recommendations having a satisfying covariation and were thus used in the analysis going forward in our cluster analysis.

We measured the variable Knowledge based on three questions - *My friends would describe me as music nerd, my friends ask me for music recommendations* and *I actively seek new music* which gave a Cronbach's alfa 0,854. Our WoM - variable was mainly based on the following three questions *I often share links in social medias, I often share music in social medias* and *When I discover new things I like to share it* these questions gave an Cronbach's alfa of 0,806.

When measuring the *Confirmational Aspect* we had greater problem finding internal consistency among the questions. Psychographic measurement we experienced was a bit tougher to measure than we initially thought since questions posed are to reveal key drivers such as "*I spread music because I want to show that I am up to date*" - respondents are prone to embellish the picture of themselves as more independent. However, we found an internal consistency among two psychographic questions which we chose to analyse further which were *I spread music because I want to show others I have discovered a new song* as well as *I spread music because I want to be associated with good music.* These two questions proved to be internally consistent with a Cronbach's alfa of 0,743.

All questions that proved to have an internal consistency were individually analysed in an index. With proven statistical relevance among these questions the results and analysis conducted will be further explored in the upcoming section.

# 3.5 Validity

# 3.5.1 Internal Validity

Validity is defined as "the extent to which differences in observed scale scores reflect true differences among objects on the characteristics being measured" (Malhotra, 2010). It refers to how well the scale items adequately cover the entire domain of the construct being measured. There are no statistical tests for this but the validity can be supported if the scales have been developed based on existing theory in the relevant field.

The parameters examined, WoM and Knowledge are supported by current theories to be aspects that possibly could identify an Influencer (Goldenberg, Han, Lehmann & Hong, 2009). Knowledge level is an important aspect in order to have other people trusting the recommendation posed (van Eck, Jager & Leeflang, 2011). To actually recommend or as exerted in this thesis, have a high level of WoM-intention, ought to be another relevant aspect when measuring (Richins & Root-Shaffer, 1988).

Notably, this is a deficient area of our study, mainly due to that there is no direct theory to support the assumptions made. Neither is there any contradiction among existing theories upon which we could do hypothesis testing. Important to bear in mind is that we have conducted an explorative study and on own initiative drawn interlink between existing theories. What we wish to investigate is whether these assumptions made regarding parameters are plausible when screening Influencers.

# 3.5.2 External Validity

External validity is concerned with the extent to which the results from the study can be generalized beyond the specific research context (Bryman & Bell, 2011). Our findings are in line with previous studies regarding Influencers and our findings can be backed up from existing theory such as Rosen's theory regarding different types of Influencers.

However, for the validity of measurement tool used in this thesis Rajiv Garg, Michael D. Smith, and Rahul Telang evinced an important aspect when conducting an experiment on an online music site. It proved that users who listen to more songs are more likely to see diffusion - the research conducted showed that a 1 per cent increase in the average number bands listened to increases the odds ratio of recommending a new band by 0.07-Supporting a theory that even within a business such as music industry it is possible to discern affects caused by Influencers.

Our survey did not solely contain questions regarding music but also questions treating WoM and Influential aspects in a more general aspect, making the study more externally valid. This was done by asking questions about spreading other products in general, and

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<sup>&</sup>lt;sup>10</sup> ge odds ration

willingness to recommend. However, we recognize the survey's shortcomings and understand similar studies should have been conducted in other industries to increase the validity.

### 4.0 RESULT & ANALYSIS

In this part will we present the results from the conducted research. Starting off by identifying a relevant cluster to then present our *variable analysis* of *Knowledge* and *WoM-intention*. Going forward we will outline the matrix based on parameters measuring the same thing as the variables mentioned above, only difference being that the matrix outline is based on stand alone parameter analysis of individual questions of *Knowledge* and *WoM-intention*. In each section we will shortly present an analysis of the results for deeper understanding. Lastly we will present the results from the Confirmational Aspect measurements.

# 4.1 Cluster Analysis

As a first step in our analysis of data we wanted to divide our respondents into different groups by clustering them. The basis for how we chose to cluster our respondents was the Early Adopter related questions. Since our interest lies in identifying Influencers among Early Adopters and understand how they and other Influential's behave, it was natural to cluster our sample based on questions regarding how Early Adopter and how innovative you are.

The questions used as base when clustering were:

- 1) It is important people perceive as innovative
- 2) I follow current fashions
- 3) Innovations interest me
- 4) I like to be at the forefront

Firstly, when identifying 4 groups in our cluster, finding one group, Group 3, distinguishing itself on the Knowledge variable and another, Group 1 distinguishing itself by it's large size containing 91 respondents. Examining the group of 91 we see the standard deviation generally being high indicating there is a larger spread in the responses within this group.

Having such a large group was found to be problematic as a result of the incertitude whether how homogenous the group was.

		My friends would describe me as a music nerd	I often share music in social medias	My friends ask me for music recommendations	Knowledge
Group 1	Mean	3.27	2,71	3,39	9,37
N=91	Std. dev.	1,92	1,74	1,72	<b>3.30</b>
Group 2	Mean	3,64	3,14	4,10	9,69
N=76	Std. dev.	1,69	1,91	1,64	2,99
Group 3	Mean	2,75	2,13	3,38	9,75
N=16	Std. dev.	1,39	1,20	1,71	2,59
Group 4	Mean	2,78	1,52	2,41	6,76
N=27	Std. dev.	1,89	1,05	1,71	3,33

Consequently, we then pursued a cluster analysis in which we divided the cluster into 5 groups. This lead to a more favourable restructure of the groups since we could discern a two-segment split within a high level knowledge group. We will present going forward how these conclusions were drawn.

		My friends would describe me as a music nerd	l often share music in social medias	My friends ask me for music recommendations	Knowledge
Group 1	Mean	4,50	4,05	5,23	9,91
N=56	Std. dev.	1,58	1,82	1,14	3,15
Group 2	Mean	3,14	2,35	2,77	8,72
N=60	Std. dev.	1,83	1,48	1,17	3,51
Group 3	Mean	4,10	2,90	5,17	11,20
N=30	Std. dev.	1,58	1,88	0,87	2,39
Group 4	Mean	1,89	1,73	1,89	7,82
N=37	Std. dev.	0,97	0,93	0,70	2,59
Group 5	Mean	2,16	1,38	2,00	8,00
N=26	Std. dev.	1,25	0,85	1,02	3,41

### 4.2 Knowledge

In the cluster analysis displayed in the report we have ranked the groups on the basis of our matrix ranking parameter *Knowledge*. The mean comparison then identifies one group, Group 3, to be the one with highest knowledge. On second place we find Group 1, both these groups have a mean well above average ( $\mu$ =11,20 and  $\mu$ =9,91 in comparison to average mean  $\mu$ =9,16). The outcome for these two groups in our variable *Knowledge* which included questions *My friends would describe me as a music nerd, I actively seek new music* and *My friends ask me for music recommendations* gives a statistically significant difference

when analysing the between group difference on a single group basis, this test was done with ANOVA.

		Group 1	Group 2	Group 3	Group 4	Group 5
		N=56	N=60	N=30	N=37	N=26
My friends would	Mean	4,50	3,14	4,10	1,89	2,16
describe me as a	Std. dev.	1,58	1,83	1,58	0,97	1,82
music nerd						
My friends ask me	Mean	5,23	2,77	5,17	1,89	2,00
for music	Std. dev.	1,14	1,17	0,87	0,70	1,02
recommendations						
I actively seek new	Mean	5,16	5,27	5,83	2,16	3,00
music	Std. dev.	1,24	1,10	0,79	0,69	1,74

In order to create a better overview of the results we decided to recode the groups 1 and 3, meaning that we "clustered" these two segments into a single group which we renamed "High level knowledge". With the other three groups we did the same practice only we named them "Low level knowledge". This made it possible for us to pursue between group comparisons with independent t-tests which gave us a statistically significant difference meaning that based on the questions *I actively seek new music* and *My friends ask me for music recommendations* together creating the *variable Knowledge* there is a significant difference between the groups coded as "High level knowledge" and "Low level knowledge".

VARIABLE	GROUP	MEAN	STD. DEV.	SIGN.
I actively seek new	Higher knowledge,	5,72	1,102	,000*
music	N=86			
	Lower knowledge,	3,85	1,832	,000*
	N=123			
My friends ask me	Higher knowledge,	5,21	1,053	,000*
for music	N=86			
recommendations	Lower knowledge,	2,34	1,093	,000*
	N=123			

<sup>\*</sup>p<0,001

### 4.3 Word of Mouth-Intention

The recoded groups used in earlier test was in this case also used for an in between group comparison when measuring the difference in WoM intention. Meaning that when analysing the questions *I often share links, I often share music in social medias* and *When I discover new things I like to share it* constituting the *variable WoM-intention*. We found significant difference between the groups were the group with higher level of knowledge also have a higher level of WoM-intention.

VARIABLE	GROUP	MEAN	STD. DEV.	SIGN.
I often share music	Higher knowledge,	3,65	1,914	,000*
in social medias	N=86			
	Lower knowledge,	1,96	1,277	,000*
	N=123			
I often share links in	Higher knowledge,	4,12	1,824	,000*
social medias	N=86			
	Lower knowledge,	2,81	1,830	,000*
	N=123			
When I discover	Higher knowledge,	4,70	1,503	,000*
new things I like to	N=86			
share it	Lower knowledge,	3,88	1,598	,000*
	N=123			

<sup>\*</sup>p<0,001

### 4.4 Conclusion of Results Part 1

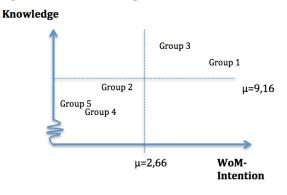
On the basis of these key findings we believe us to have managed to identify two groups (which up until now have been clustered as one group) which in comparison to other groups have:

- Obtained a higher *level of knowledge* within the area of interest, in this case music, and are perceived among peers to be persons one turns to when seeking music advice
- A high level of WoM-intention where they significantly distinguish themselves as a group that recommends and shares music as well as other products.

The findings also indicate that it could be possible to divide these groups in two since they revealed similar characteristics but still differed. How they differed is presented below.

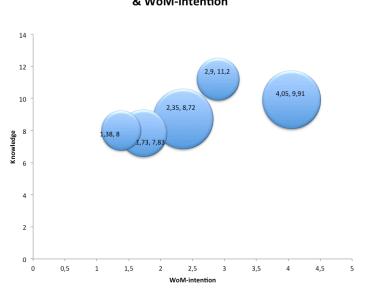
### 4.5 Matrix Formation

On the basis of the data presented above, we positioned our respondents in a matrix were we positioned the groups identified on the basis of our two parameters, with Knowledge level on one axis and WoM-intention on the other. Our aim was to pose an illustrative example of the discrepancy between level of knowledge and WoM-intentions which evidently is not as one might would have expected. The matrix is displayed below.



As this matrix illustrates the probability of having that recommendation from a *True expert* ( $\mu$ =11,20) within the field of music for instance is lower than having it from the *Second best expert* ( $\mu$ =9,91). This is due to that the *Second best expert* is more prone to spread information due to the relatively higher level of WoM-intention. Hereinafter we refer to Group 1 as the *Second best expert* and to Group 3 as the *True expert*.

These findings about influencers characteristics was interesting partly because it insinuates that highest WoM-intentions not necessarily has to be associated with highest knowledge level. Furthermore, it called for a further analysis between the groups that we had managed to identify as Influencers.



5 groups positioned according to level of knowledge & WoM-intention

# 4.6 The Confirmational Aspect

When analysing the matter further we wanted to understand the differences between these two groups that we had identified as Influencer- groups. How is it that one of these groups is more prone to spread information than the others? In order to answer this we recoded the variable in the initial cluster again and depicted group one and three, from that we created a new group that we named *Influencers*.

In this section of the analysis we wanted to see if we could prove a statistically significant difference in the group of Influencers. The matrix indicates that there is a difference among the influencer segment when it comes to WoM-intention and Knowledge.

We believe this had something to do with that one group in much greater scale has a need of outing when a new song has been discovered by them and this is were our Confirmational Aspect entered the analysis. When posing the question *I spread music because I want to show others I have discovered a new song* we found a significant difference between the two Influencer groups. *True experts* group had a mean score well below average in this case, actually when looking at all the groups in general their mean is the lowest whereas *Second best experts* score highest. Thus when pursuing an independent t-test we have a significant difference between these two groups in terms of *why they spread music.* 

VARIABLE	GROUP	MEAN	STD. DEV.	SIGN.
I spread music because I	Second best expert,	5,88	0,955	,000*
want to show others I	N=56			
have discovered a new	True expert, N=30	3,07	1,507	,000*
song				

\*p<0,001

Analysing the Confirmational Aspect further was interesting in order deeper understand the characteristics of these individuals - *Second best expert that spread most.* In accordance with theory and the discussion held with interviewee it could be that a part of the population has a greater need of actually outing their latest finding. In order to create an easy overview we sampled a number of questions in an index where we aimed to target the need of being perceived as novel and get affirmation for publicly expressing their views. The last question confirming this assumption where this group seems to be least concerned regarding sharing things openly for other people to see.

		Group 1	Group 2	Group 3	Group 4	Group 5
		N=56	N=60	N=30	N=37	N=26
I prefer not to	Mean	3.93	4,57	4,77	4,44	5,00
share things	Std. dev.	1,67	1,54	1,59	1,64	1,58
openly for						
everyone to see						
It is important	Mean	5,89	5,23	4,80	5,59	4,96
that people	Std. dev.	0,87	1,21	1,24	1,26	1,64
perceive me as						
successful						
I share things	Mean	2,27	1,72	1,63	1,42	1,15
publicly e.g. on	Std. dev.	1,14	0,92	0,77	0,73	1,58
my Facebook						
wall						

### 4.7 Results From Part 2 - the 2 songs

The results from Part 2; the part with the mainstream versus the novel/alternative song proved to be relevant for the mainstream song and less so for the alternative. A result found is that Group 1 is more willing to spread the mainstream song than the rest of the

groups. This implies Group 1 is more prone to spread the mainstream song than Group 3, thus one main finding in Part 2. This result is significant on a  $10\,\%$  level.

Regarding the novel/alternative song no significant difference between the Influencer groups was found, however Group 1 and Group 3 are more prone to spread both the songs compared with the rest, thus in line with these two groups being Influencers.

VARIABLE	GROUP	MEAN	STD. DEV.	SIGN.
WoM Mainstream song	Second best expert,	4,7	1,994	0,086
	N=56			
	True expert,	3,9	2,098	0,093
	N=30			
WoM Novel/alternative	Second best expert,	3,655	1,490	0,284
song	N=56			
	True expert,	4,017	1,459	0,282
	N=30			

### 4.8 Conclusion From Results

Our key findings from results include, firstly, the finding of a group with higher *Knowledge* than the rest and also, higher *WoM-intention* indicating the finding of an Influencer group among our respondents. This was done by comparing the groups labelled "High knowledge" and "Low knowledge" which resulted in significant difference.

There is a group of Influencers among our respondents that can be identified by the variables Knowledge and WoM-intention.

Further, within the influencer segment we identified two different Influencer groups, named *True expert* and *Second best expert*. Further, we could illustrate our findings in a matrix, indicating level of knowledge (within music) and WoM-intention. In this matrix we can clearly see that the two identified Influencer groups differ. The *Second best expert* having less knowledge than the other influencer group but still the most willing to spread information. On the other hand, the *True expert*, being the most knowledgeable but not the most prone to spread music.

We distinguished two groups within the Influencer segment. By presenting our results in a Knowledge/WoM-intention matrix we can clearly illustrate that they differ.

Analysing the aspect that the group of Influencer differ internally as well was an interesting finding that answered to our supposition based on phenomena identified which were interlinked with relevant theory indicating that such division could be made. We managed to identify an aspect named Confirmation as one reason to why they differ.

With the result regarding whether our groups seek confirmation we can see an important way of how the two groups differ.

The results from the questions with the two songs only gave significance regarding the mainstream song, thus we choose to leave out the alternative/novel song in our discussion.

The test with the two songs indicates the Second best expert is the most willing to spread the mainstream song.

### 5.0 DISCUSSION & IMPLICATIONS

In this section we will discuss the results from the survey and incorporate the conclusions drawn with the ideas received from the interviews. Also, we will treat the practical implications these found results will have, how they can be applied in a more general context and relate the findings to relevant theory on the topic. Reconnecting to our question at issue and purpose to investigate Influencer groups, we will stepwise discuss our findings and evince why this matter is of importance.

# **5.1 General Implications**

Marketing has become more challenging over the years and companies struggle to convey their messages to their consumers, whilst consumers face overwhelming amount of information<sup>11</sup> and are forced to filtrate. A first step to mediate a message as a company is to understand the *diffusion process*; both of the product as in how the consumers adopt the product, but equally important it is to understand the diffusion of the information spread<sup>12</sup>.

Reconnecting to theory, Gladwell suggests three factors that contribute to reaching the tipping point. With one of these being Law of the Few revealing a large role of a small cadre of Influencers. The Influencers within the Innovator segment pushes the dispersion into the Early Adopter segment, and in turn the Influencers within this segment affect the proliferation into the Early Majority segment i.e. the more mainstream mass market.

Both the information and the product follow a natural diffusion curve where it is of major importance to understand the Innovators at a first instant, before beginning the journey along the curve. One mistake that companies do is the one of going after the Early Majority

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<sup>&</sup>lt;sup>11</sup> http://www.mckinsey.com/insights/marketing sales/a new way to measure word-of-mouth marketing

<sup>&</sup>lt;sup>12</sup> The spreading of information, WoM related

first, before getting a solid anchorage in the Innovator and Early Adopter segments<sup>13</sup>. Escaping the natural diffusion entails backlash rather than faster reaching the tipping point.

### 5.2 Discussion From Results - The Matrix Revisited

An intriguing finding in itself, is that is was possible to identify Influencer segments due to our key variables. Different theories showed indications for Influencers possessing a certain knowledge and others for WoM being of great importance, due to these indications we managed to interlace the variables into a way of identifying Influencers in a relatively reliable way (Richins & Root-Shaffer, 1988; Dichter, 1966; Montgomery & Silk, 1971). This suggests we have found a useful, measurable way of screening Influencers in a sample.

Finding a group in our sample with influencer characteristics was aligned with our expectations, what gave the result a more profound dimension was the possibility of dividing this one group into two. The key findings from our results included not only that there is a group of Influencers among our respondents but also that two groups can be distinguished within the Influencer segment. By presenting our results in the Knowledge/WoM-intention matrix we illustrated our findings and the groups' discrepancies. The pattern shown in the matrix differs from what could have been expected. Indications show that Knowledge and WoM are not necessarily directly correlated for Influencers, since the pattern shows lower level of knowledge accompanies high WoM-intention, and in contrary, high level of knowledge goes hand in hand with a relatively lower WoM-intention.

# 5.3 Influencer Differences - The Confirmational Aspect

As appears in the matrix and stated, we have two Influencer groups that differ. This can be related to a theory asserted by Rosen regarding two types of Influencers; the Social Hub and Expert Hub. The Expert Hub is illustrated as someone who is listened to because they demonstrate knowledge of a certain area, convincing authority on a subject. A parallel can be drawn to the group we have chosen to call *True Expert*, due to their high level of knowledge.

The other group of Influentials, the Social Hub, is less knowledgeable than the aforementioned and rather listened to due to their charisma or their high WoM-intention (Rosen 2000). A connection is possible to make between this group and our *Second best expert*. The *Second best expert*, more willing to spread a mainstream song and less

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<sup>&</sup>lt;sup>13</sup> CEO of a newly started beverage company in Stockholm

knowledgeable is the most willing to spread information in general. This group is very willing to spread music openly e.g. on a Facebook wall indicating a certain social activity the other groups among our respondents lack. Based on this theory we can assume the groups operate in different ways due to different motives.

In the conducted research we found *one* aspect which hypothetically could explain the reason for this internal differences within the group of Influencers which we refer to as the Confirmational Aspect. It would require much deeper understanding of the psychological behaviour of these individuals in order to state that this aspect is confirmatory due to the complex character of measuring such personal characteristics.

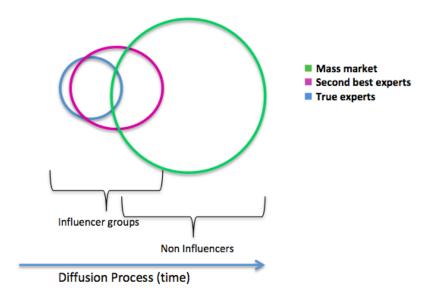
However, the results do indicate a significant difference which could be based on the fact that one of the groups has a drive of being perceived as someone "in the know". The general implications of this we will let be unsaid, however we do believe it is an interesting finding to be further analysed

# 5.4 Legitimacy Created

Discussing the aforementioned problem regarding companies focusing on subsequent segments instead of anchoring in the segments stepwise is a key assumption asserted in earlier section. Thus analysing the matter is of great interest on our part since it contributes to understanding the mechanism affecting the Diffusion Process on a deeper level. Even though the discussion held below is of hypothetical character it is equally interesting to test the idea based on findings presented in this thesis.

In order to anchor a new to the market product, legitimacy must be created. Innovations must be consolidated within the most knowledgeable group before other segments find confidence enough to adopt. "The approval" is in the hands of the experts. Whenever the product has reached this approval, a platform is created from which *Second best experts*, who are more prone to spread information, feel confident enough to leap in. Our supposition is that the group *Second best experts* are people with more general knowledge in many areas while the *True Expert* group is rather specialized.

The interpretation is therefore that it is important to not overlook the importance of the *True Experts* since they play a crucial role as *legitimacy creators*. However, when it comes to spreading information, *Second best Experts* are the ones more likely to spread, partly due to the Confirmational Aspect treated above. In other words the two Influencer groups are not replaceable with one another, and one must understand that they cannot act as substitutes - rather they complement each other in the diffusion process of information.



This hypothetical Venn diagram displays the interplay among the groups aforementioned. The interlink remains between *True expert* and *Second best experts* but what it also displays is the key role of *Second best experts* since they to a great extent communicate to mass market. This is a simplified analysis of a subject linked to our area of study, however, we do not feel confident in further discussing the mechanisms since they are primarily assumptions based. That would require a deeper analysis of how receivers of information respond to such interaction, and the study would be extended to treat subjects not plausible to this specific area. We rather conclude that this could lay a foundation for further studies in the area of consumer behaviour.

# **5.5 Concluding Discussion**

Reconnecting to two of the theories building the foundation of this thesis, "The Chasm" and "The Tipping Point" we have treated influential prospects who are more in touch with new developments and argued for how brands and companies today use these as a social multiplier effect on their marketing efforts (Van den Bulte & Joshi, 2007). Based on attributes we acknowledged as key variables for identifying these key players, *Knowledge* and *WoM-intention*, we managed to outline a matrix and proving that these variables can be used as significant measurements when screening Influencers.

In conclusion, the benefits which could potentially be enjoyed if managing the insights of Influencers in a preferable manner is an incitement to further understand consumer behaviour. The idea of this area being relatively unexplored is intriguing and we hope and believe to see further studies conducted going forward.

### 5.6 Critics & Limitations

Although this research was carefully prepared, and conducted thoroughly in the best way possible, we are aware of its limits and shortcomings.

# 5.6.1 Sampling method

Our experiment gave us both relevant and intriguing results enabling us to examine our area of purpose, however we are aware of the limitations done. One of the most significant limitations made is the number of respondents we had for our experiment. By having a greater number of respondents our experiment could have given more reliability.

We must also direct some criticism at the range of respondents chosen. Most part of the respondents were friends, acquaintances or students at SSE, possibly making the results somewhat biased. On the other hand, by choosing respondents differently we may have got less number of respondents.

### 5.6.2 Survey Questions

Some questions in our survey could have been misinterpreted, or the respondents might have answered in line with how they want to be perceived by others or how they perceive themselves instead of remaining sincere. More psychographic questions in order to identify underlying key drivers for influential behaviour more accurately could also have been included. Undoubtedly, time was a scarce resource and in order to conduct a deeper research on psychographic level would have required a set of questions proven to measuring our sought aspects in a relevant manner.

### 5.6.3 Limitations

In accordance with theory presented by Manski, in "Identification of endogenous social effects: The reflection problem", it is suggested that the individual behaviour is also reflected by internal factors among a groups of peers. Adding complexity to cleanly estimate diffusion in an online social network because of the presence of endogenous effects, which can be defined as an environment.

This endogenous effect implies that behavioural aspects among a group of peers can be interpreted incorrectly as influence since the similar characteristics within this group causes people to adapt to things mutually and at the same time. This difficulty is to some extent applicable to our study, however, we are not as limited by this fact as one might think since we did not measure *why someone adapts to something recommended to them.* 

Another relevant aspect which is key when discussing the matter of influence it that there are two main types of interpersonal influence: informational and normative influence (Deutsch & Gerard, 1955). Informational influence refers to aspect of accepting information from others as evidence of reality while the normative influence, on the other hand, entails the tendency to conform to the expectations of others (Burnkrant & Cousineau, 1975). Hence, normative influence exerts a sort of *social pressure*, and could be considered as the intangible element that affects people in the influence stage - making this subject overall difficult to measure. The intangible elements included in the group mechanisms among how people interact will be an aspect causing unreliable measurements since there will be exogenous variables which can not be controlled for.

# 5.8 Suggestions for Further Studies

As mentioned, the results put forward in this thesis does in our opinion lay a foundation for further studies within the area of consumer behaviour, first and foremost deeper research could be conducted of the underlying motives for spreading information, adding on to the assumption of he existence of such a thing as a Confirmational Aspect. Also the mechanisms affecting the adoption among groups such as *True expert* and *Second best expert* could be of great relevance to try to understand in greater depth. For instance it could be interesting to further explore the information receiver's perspective, if a study were to be conducted where one could map the interplay between the incentives for spreading information as well as why someone adapts to certain information. This could even better explain the information diffusion process.

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2013-03-11

### **APPENDIX**

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Ward N	Method	My interest in music-I am interested in music	My interest in music-My friends would describe me as a music nerd	My interest in music-I am passionate about music	Sharing and recommendi ng-I often share music in social medias	I spread music becauseI want to show others I have discovered a new song	Finding music–l actively seek new music	Finding music-My friends ask me for music recommenda tions	WOM_MAINS TREAM	WOM_ALTER NATIVE	Knowledge
1	Mean	6,43	4,50	6,18	4,05	5,88	5,66	5,23	4,7000	3,6545	9,9107
	N	56	56	56	56	56	56	56	55	55	56
	Std. Deviation	,710	1,584	,993	1,823	,955	1,240	1,144	1,99444	1,49032	3,15235
2	Mean	5,92	3,14	5,36	2,35	4,05	5,27	2,77	3,4417	3,2881	8,7167
	N	60	59	59	60	60	60	60	60	59	60
	Std. Deviation	1,169	1,833	1,494	1,482	1,320	1,103	1,170	2,02964	1,73504	3,51313
3	Mean	6,57	4,10	6,10	2,90	3,07	5,83	5,17	3,9000	4,0167	11,2000
	N	30	30	30	30	30	30	30	30	30	30
	Std. Deviation	,504	1,583	,845	1,882	1,507	,791	,874	2,09844	1,45912	2,39828
4	Mean	4,78	1,89	4,00	1,73	3,54	2,16	1,89	3,6486	3,2838	7,8286
	N	37	37	37	37	37	37	37	37	37	35
	Std. Deviation	1,272	,966	1,312	,932	1,609	,688	,699	1,54948	1,53451	2,59508
5	Mean	4,96	2,16	4,00	1,38	3,27	3,00	2,00	3,0769	3,0577	8,0000
	N	26	25	25	26	26	26	26	26	26	26
	Std. Deviation	1,483	1,248	1,708	,852	1,589	1,744	1,020	2,10092	1,68717	3,40588
Total	Mean	5,83	3,30	5,28	2,66	4,21	4,62	3,52	3,8317	3,4614	9,1594
	N	209	207	207	209	209	209	209	208	207	207
	Std. Deviation	1,252	1,822	1,564	1,775	1,714	1,820	1,776	2,02534	1,60504	3,28703

Specification of answers from survey

# The 10 main questions used to analyse data were:

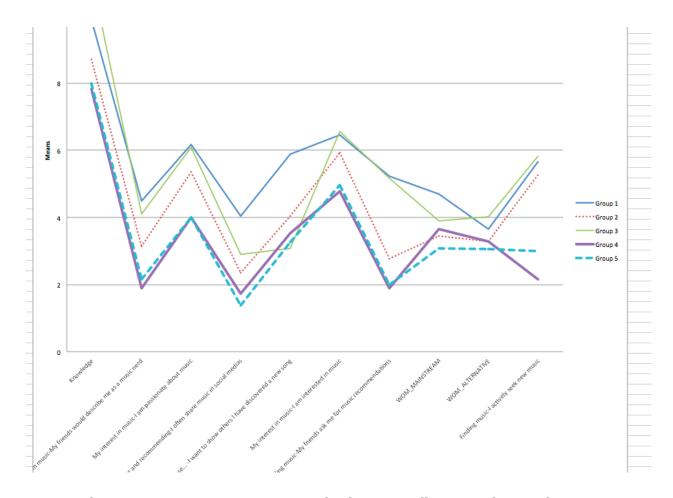
- 1) I am interested in music Indicating level of interest in music
- 2) My friends would describe me as a music nerd Indicates a combination of knowledge and interest in music
- 3) I am passionate about music Indicates passion and interest in music
- 4) I often share music in social medias Indicates WoM-intention
- 5) I spread music because: I want to show others I have discovered a new song Indicates the reason for spreading, an underlying driver
- 6) I actively seek new music Indicates level of interest and knowledge
- 7) My friends ask me for music recommendations Indicates whether the respondent is perceived as an influencer
- 8) WOM\_ MAINSTREAM- Redefined variable indicating WoM-intention of the mainstream song in Part 1 of the experiment
- *9) WOM\_ALTERNATIVE-* Redefined variable indicating WoM-intention of the alternative song in Part 1 of the experiment
- 10) Knowledge Computed variable indicating knowledge, based on how many artists/bands the respondent has heard of, scaled 1-19

GROUP	I often share music in	Knowledge
	social media	
Group 1, N=56	4,05	9,91
Group 2, N=60	2,35	8,72
Group 3, N=30	2,9	11,2
Group 4, N=37	1,73	7,83
Group 5, N=26	1,38	8

 $Specification\ of\ the\ Knowledge/WoM\mbox{-}\ intention\ matrix$ 

Type of question	Questions / Statements
PART 2	I would share this song
The 2 songs	I would recommend this song to a friend
The 2 songs	This sort of song resonates with the music I usually listen to
	I would classify this song as alternative/mainstream, narrow
	audience/broad audience, unknown/well known,
	inaccessible/accessible
PART 1	
WOM-intentions	When I discover a new things I like to share it
W ON Threatening	I often share music in social medias,
	I often share links in social medias
	I often recommend products I use to friends
Expertise (music)	I am passionate about music
	My friends would describe me as a music nerd
	I know which kind of music I like
	How did you discover the last song you liked: A friend
	recommended it to me/I found it on my own/TV, radio/Other source
	I actively seek new music
	I like to be up to date in music genres I listen to
	I like to be up to date within various music genres
	Have you heard this artist/band (list of 19 artists/bands ranging from
	very innovative to very mainstream)
Influencer	My friends ask me for music recommendations
behaviour	I take inspiration in music from people I know
Other behavioural	Social media I use (11 options given)
	I spread music because: I support the artist/I want to show others I
	have discovered a new song/I want to be associated with good music
	I listen to music because: I find it entertaining/It makes me feel
	good/It associates me with a certain crowd/It is self fulfilling
	I share music on social media (frequency)
	How do you share music: Publicly (i.e. Facebook wall)/Personal
	messages/Publicly and directed (i.e. on friend's Facebook wall)/Tell
	in person
	I discover new music (frequency)
Other	I like to be at the forefront
psychographic	Innovations interest me
	It is important that people perceive me as
	innovative/independent/insightful/intelligent/opinionated/successful
Demographic	Gender
	Age

Main questions from survey



 $Answers\ from\ main\ questions\ in\ our\ survey,\ the\ dispersion\ illustrates\ the\ significance$