

Consumers seek product information based on social standing, research finds

February 27 2013

(Phys.org)—When it comes to buying decisions, it's more about who you know than what you know for some people, according to a Colorado State University researcher, whose work may have a significant impact on how marketers tailor product messages to consumers.

"We found that a person's standing in his or her social network determines whether he or she will be more likely to seek out product-related information or network-related information," explained S.H. Mark Lee, assistant professor of marketing in CSU's College of Business. "What sort of information they look for depends on both their level of expertise with the product and their network position."

Lee's study, published online in the <u>Journal of Business Research</u>, examined the differences between experts and novices in researching specific products. He found that central experts – those who have a high level of both product information and social <u>network connections</u> – and peripheral novices – "newbies" to both the product and the network – are more likely to ask other people in the network about their experience with a product than to gather hard data on the product itself.

On the other hand, central novices – people with lots of network connections but little knowledge about the product – and peripheral experts – those who know a lot about the product but have fewer <u>personal connections</u> within the network – are more likely to look for more facts and figures about the product.



"The study was designed to help understand how the desire for power – social or personal – motivates information-seeking behavior," Lee said. "Social power is based on interdependence; personal power is based on independence. Central experts use network-related information to connect with other people and use their knowledge to bolster their influence within the group. Central novices, on the other hand, desire personal power, and seek to enhance their product knowledge to be less dependent on others."

Lee said the findings about people on the outskirts of a group – either experts without many social interactions or novices without many connections – were counterintuitive. While intuition would suggest the experts would want to increase their social power and the novices would want to learn more about the product, the results were just the opposite.

"Peripheral experts are already equipped with product knowledge, and are in a disadvantaged position to bolster their social power through network interactions," he said. "So they enhance their personal power through increasing their product knowledge. Perhaps they have no desire for greater social interactions. But peripheral novices seek to arm themselves with network-related information to gain better access to the group."

The implications for marketers wishing to reach influential consumers are significant.

"Marketers can use this knowledge of selectively target and customize their message to their brand community, delivering network-related information to central experts and peripheral novices, and product-related information to central novices and peripheral experts," Lee said. "The challenge will be to determine both the consumer's level of expertise and his or her network position to better predict the kind of information they really want."



Lee conducted his research on two groups who interacted both socially and around specific products: An investment club and a food and culinary club. Both groups worked together in person, which Lee said makes it unclear whether his current findings can be translated into virtual online networks, where the advantages and benefits of centrality remain largely unexplored.

"In online settings, the lack of face-to-face interactions may increase one's <u>personal power</u> while reducing one's social power," he said.
"Comparing online and offline communities offers a further research opportunity."

More information: The entire paper, "The role of consumers' network positions on information- seeking behavior of experts and novices: A power perspective," *Journal of Business Research* (2012), can be found at the journal's website, dx.doi.org/10.1016/j.jbusres.2012.07.002

Provided by Colorado State University

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