Chapter 1

Introduction

1.1 MARKET MAVEN AND MARKET PLACE

Market Maven is a shopper. Maven is a marketplace information seeker, information provider. It doesn't matter what the market is – mobile phones, computers, clothes, automobiles, dishwashers, retail stores, theme parks, movies, restaurants - the maven is the person with reasonable knowledge about the marketplace. The maven is the person in the next door, classmate, colleague, and co-passenger to yours who knows exactly what the next version of the Samsung smart phone is going to look like and do.

“In recent years, economists have spent a great deal of time studying mavens, for the obvious reason that if marketplaces depend on information, the people with the most information must be the most important” (Gladwell, 2000, p.60).

According to Kumar, et al., (2007) your most valuable customers are those, whose WOM brings in the most profitable new customers, regardless of how much they themselves buy. With advancement of technology WOM is channelized through emerging networking including the likes of MySpace, Facebook, Consumercomplaints.com, MouthShut.com, Flicker, Blogging, Twitter, and many more (Barnes and Pressey, 2012; Thakur et al., 2013).

Sen and Lerman (2007) have opined that product reviews posted by consumers on the internet constitute one of the most important forms of online WOM communication. Zhu and Zhang (2010) have stated that it is increasingly common for consumers to browse online for product reviews while gathering pre-purchase product information, and for shaping purchase intentions (Zhang and Tran, 2009). Jalilvand and Samiei (2012) asserted that positive WOM and e-WOM play vital role in enhancing customers’ purchase intentions and creating a favourable image of the brands.

Increasing urbanisation, rising incomes and widening aspirations for a better life, are some of the factors reshaping the Indian consumer market. The result of this is a new Indian consumer who is more discerning than ever, ready to place his money on brand, quality, convenience and eager to explore the organized market. Manufacturers and service providers today are laying intense focus on how to market their offerings to the customers and hence are devoting substantial time, energy and finances to devise appropriate strategies to communicate and influence the consumers.
Taking cognition of above scenario and inspired by the effect of emerging phenomenon, which is beyond formal conventional marketing communication, toward influencing consumer buying decision, researcher endeavoured to study the phenomenon’s motives and the strength of its impact to indulge in such consumer behaviour influencing act.

1.2 BACKGROUND OF THE STUDY

Word of mouth (WOM) has increasingly become an important aspect of interpersonal communication in the broad sense due to increasing peer–to peer connectivity. It has been argued that the effectiveness of traditional advertising appears to waning and that often WOM is more effective (Khermouch and Green, 2001; Arndt, 2007; Sinha and Foscht, 2007).

Moreover, interpersonal communication is more effective than commercial communication in terms of influencing consumer behaviour and it is the cheapest way to gain new customers without great investment, which helps to curb communication costs (Tax et al., 1993; Sheth et al., 1999).

Traditional approaches to interpersonal influence have focussed on two types of influencers – the opinion leader and the early purchaser or adopter. Research suggests opinion leaders and early adapters influence other consumers owing to their expertise in the specific product category or due to their experience gained through early usage in particular product class. Studies on purchase decisions (Feick and Price, 1984) suggested that market mavens should exhibit more frequent information provision behaviour across product categories than other consumers. Market mavens derive ability to influence others from useful knowledge about the marketplace which was acquired by information seeking across products and situations (Feick and Price, 1987).

According to William and Slama (1995) market mavens are considered to be an important category of consumers because of the disproportionate influence they possess on other consumers through interpersonal word of mouth communications. Many research have been conducted over decades to understand the market maven better, but a clear understanding on demographic profile of market maven has not emerged. This has necessitated need for identifying possible predictors of mavenism (Price, et al., 1995). Walsh and Mitchell (2001, p.103) suggested the need for future research to “shift the research focus to psychographic traits which may be a more appropriate way to identify and profile mavens.
Consumers rely more on word of mouth than an advertising messages owing to the perceived greater credibility of interpersonal information sources (Keller and Berry, 2003). It is reported in earlier studies that firms communicate the marketing message directly to mavens. And, market mavens disseminate this information via frequent interactions with other consumers. By using this two-step flow model the marketing message is conveyed at a low cost by the firm.

“If you look closely at social epidemics, it becomes clear that just as there are people we rely upon to connect us to other, there are also people we rely upon to connect us with new information. There are people specialists, and there are information specialists” (Gladwell, 2000, p.59) thus has indicated the purposefulness the study on market maven would have in this information era.

According to Stern and Goul (1988) 80 percent of all buying decisions can be traced back to direct recommendations. Over the last five decades, word–of–mouth communication has evolved from a phenomenon to a manoeuvrable marketing strategic tool that enhances the effectiveness of marketing communication within the market place.

The marketing strategy such as “Viral Marketing” and “Relationship Marketing” has been strategized by consumer behaviour researchers based on the research which underpinned the role of word-of-mouth communication in marketing communication.

India has emerged as the most optimistic market in terms of consumer confidence. The Indian consumption market will grow two and a half times by 2025 to Rs.110 trillion (US $1.96 trillion) from Rs.43 trillion (US $764.58 billion) in financial year 2010 (http://www.ibef.org/industry/indian-consumer-market.aspx, 2012). Businesses spend billions of rupees to communicate to consumers about their products and services. The growing competition with plethora of products, information overload and ever rising advertising and promotion cost, warrants a well designed, meticulously planned and targeted marketing communication strategy and approach for the success of the business.

For attracting the consumers and their attention towards the marketers’ products and services the market communication plays an important role. Among many channels through which the consumers get information about the marketers’ products and services, the word–of–mouth communication has high credibility and influence on consumers’ purchase decisions. To achieve effective targeted
communication, it is imperative to identify more valuable consumers who can influence others’ buying decisions through word of mouth communication. Feick and Price (1987) have identified market maven as more valuable consumer who tends to provide information to the market place and possess the ability to influence the consumers.

The author felt the purpose for undertaking this research to study the motives of market maven, and his consumer relevant behavioural facet. The findings of the study will provide insight to psychologically profile market maven. Marketing managers could leverage on this insight to craft the marketing communication strategies for effective dissemination of marketplace information in favour of their brands through market maven.

1.3 FUNCTIONAL DEFINITIONS OF CONSTRUCTS

Market Maven: Feick and Price (1987, p. 85) introduced the concept of the market maven, an influencer characterised by general marketplace expertise. They have called such individuals “market mavens” and defined them as “individuals who have information about many kinds of products, places to shop, and other facets of markets and initiate discussions with consumers and respond to requests from consumers for market information”.

Feick and Price (1987) did trichotomization of respondents’ distribution of market maven scores into low: medium: high and referred to respondents scoring in the high category as market mavens. In this study the term market maven is used to refer respondents in the top one-third category of market maven scale score. Term ‘maveness’ is used to denote degree/intensity of market maven tendency of respondents expressed as continuous variable corresponding to market maven score. Term ‘mavenism’ is used to denote market maven tendency of respondents expressed as nominal/categorical variable. This pattern (‘ess’ and ‘ism’) of nomenclature has been used for referring all the constructs in this study.

Consumer Innovativeness: Rogers and Shoemaker (1971, p.27) define innovativeness as the “degree to which an individual is relatively earlier in adopting an innovation than other members of his system”. Consumer innovativeness refers to an interest in new products and a willingness to try them (Goldsmith and Forall, 2003).

Consumers’ Need for Uniqueness (Creative Choice Counterconformity): Tian, et al. (2001) view that Consumers’ need for uniqueness (creative choice counter
conformity) dimension is a consumer behavior that the consumer seeks social differentness from most others, but that this consumer makes selections that are likely to be considered good choice by these others.

Status consumption: Eastman, et al. (1999. p.42) for their research defined status consumption as “the motivational process by which individuals strive to improve their social standing through the conspicuous consumption of consumer products that confer and symbolize status both for the individual and surrounding significant others”.

Market helping behavior: Price, et al. (1995, p.259) defined market helping behaviours as acts performed in the marketplace that benefit others in their purchases and consumption. Price, et al. (1995, p.255), cited Ditcher (1966) for having identified ‘people of goodwill’ consumers, who helped each other in marketplace activities, and indicated that “to more recent research on information sharing there is an accumulation of evidence that consumers help each other in marketplace activities” and termed this behavior as market helping behavior. For the market helping behaviour construct, Price, et al. (1995) used two dimensional indicators: one for task performed and the other was for information provided.

1.4 OPERATIONAL DEFINITIONS OF CONSTRUCTS
Market Maven: Individuals who seek and possess information about many kinds of products, places to shop and general Knowledge on marketplace. Initiate discussions with consumers to provide market information and respond to requests from consumers.

Consumer innovativeness: Consumer innovativeness is the latent personality trait underlying preference for new and different experiences. Consumer innovativeness is considered as the tendency to willingly embrace change and try new things and buying new products more often and more quickly than others.

Consumer Need For Uniqueness (Creative Choice Counterconformity): The need for uniqueness is the need of an individual to express his/her differentness from other individuals. Creative choice counterconformity reflects that the consumer seeks social differentness from most others but that this consumer makes selections that are likely to be considered good choices by these others.

Status Consumption: This consumption-related need for status is the tendency to purchase goods and services for the status or social prestige value that they confer on their owners - regardless of income or social class level.
Market Helping Behavior: Behavior by consumers to help each other in marketplace activities.

1.5 PROBLEM STATEMENT

India is the 12th largest advertising market in the world and the fourth fastest growing market on advertising grounds (http://www.exchange4media.com/49778_ad-spends-to-grow-only-by-7-4-in-2013-pitch-madison-report.html).

Table 1.1 India Advertising Revenue

<table>
<thead>
<tr>
<th>Media Category</th>
<th>Television</th>
<th>Newspaper</th>
<th>Internet</th>
<th>OOH</th>
<th>Radio</th>
<th>Magazines</th>
<th>Cinema</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan-Dec 2012INR MM</td>
<td>141519</td>
<td>131137</td>
<td>20576</td>
<td>17366</td>
<td>12723</td>
<td>8162</td>
<td>2111</td>
<td>333593</td>
</tr>
</tbody>
</table>

(Source: http://www.nextbigwhat.com/indian-print-medias-innovation-dilemma-digital-natives-are-coming-297/)

Ennew, et al. (2000) have opined based on empirical evidence from India that WOM could be a powerful marketing tool because of its greater perceived reliability and indicated that the impact of WOM is probably at its strongest when it originated from social contacts. The Nielson Company (2012) reported “92 % of consumers say they trust recommendations from friends and family above all other forms of advertising – an increase of 18 percent since 2007”, and it also stated that Asia-Pacific place a higher level of trust in recommendations from friends and family members and consumer opinions.

Considering the dynamic business terrain, favourable economic conditions with increased awareness about marketplace due enhanced social interactions, the change in communication methods between people, vibrant marketing conditions, the escalating cost of advertising, the glut of products and explosion of product information, the author felt it would be an important problem and challenge for managers to design an effective and efficient integrated marketing communication strategy.

1.6 RESEARCH GAP

In marketing literature WOM is not a new phenomenon but market maven is a recently identified an emerging phenomenon. Author of this study observed a gap in profound understanding of market maven as conduit for marketplace WOM diffusion. Clear insights on market mavens’ motives and consequential behavioral
facet as a model have not been researched. Identification of the said gap has led to this empirical study on market maven.

Although many studies on market maven (MM) have studied on antecedents or motives, of market maven, no study has examined market helping behavior—(MHB) as consequence to market maven.

Earlier studies have not tested the relationships of consumer behavior constructs namely CIN, CNFU-CCC and SC as antecedent constructs, to MM construct and MHB as a consequence construct and this researcher has identified such a void in the body of consumer behavior science, research gap, in general and with specific reference to Indian context, felt the need and purpose to conduct this study to fill the research gap.

1.7 RESEARCH QUESTIONS

1) Do demographic factors affect market maveness?
2) Is market maveness affected by identified motives and does market maveness influence market helping behavior? If so, does it intervene (mediate) between motives and behavior?

1.8 RESEARCH OBJECTIVES

The objectives of this study were to investigate the motives of market maven so as to design methods and strategies for marketing communications to positively affect market maven to diffuse favourable information about marketers’ products through market helping behavior.

1) To establish whether or not the market maven construct, conceptualised by Feick and Price (1987) seminal research, exists in Indian context.
2) To ascertain the influence of demographic factors on market maveness.
3) To develop theoretical structural models (conceptual/mobile phones/fashion clothings) with identified motives and behavioural facet of market maven and to empirically test the relationships between motives (consumer innovativeness, consumer need for uniqueness, status consumption) and market maveness and the relationship between market maveness and market helping behavior.
4) To investigate the mediating role of market maven between the independent variables consumer innovativeness, consumer need for uniqueness and status consumption and dependent variable market helping behaviour.
1.9 SIGNIFICANCE OF THE STUDY

The existence, the psychology, and the characteristics of market maven have been researched to a great extent by Feick & Price (1987); Higie, et al. (1987); Lichtenstein and Burton (1990); Slama and Williams (1990); Slama, et al. (1992); Elliot and Warfield (1993); Schneider and Rogers (1993); Abratt, et al. (1995); Williams and Slama (1995); Price, et al. (1995); Mooradian (1996); Christiansen (1998); Walsh and Mitchell (2001); Wiedmann, et al. (2001); Belch, et al. (2005); Goldsmith, et al. (2003); Walsh, et al. (2004); Clark and Goldsmith (2005); Geisser and W.Edison (2005); Goldsmith, et al.(2006); Ruvio and Shoham (2007); Chelminski and Coulter (2007); Clark, et al. (2008); Goodey and Robert East (2008); Kim, et al (2010); Goldsmith, et al. (2012b); Barnes and Pressey (2012).

The extent, frequency & depth of the above researches related to market maven indicate the significance of insight sought on market maven in the context of consumer behavior and marketing communications studies. Till date, no empirical research has been undertaken in India to study market maven’s motives and behavioural facet in Indian context. Hence this study about the pattern, strength and direction of relationships between constructs of the new proposed models would be of great significance to both the researchers and the marketing managers.

1.10 OUTLINE OF THE STUDY

This study first explored the existence of market maven, conceptualised by Feick and Price (1987) seminal research, in Indian context. Second, this study ascertained the influence of demographic factors on market maveness. Third, this study evaluated the strength of relationships between identified motives and the market maven. Fourth, the influence of market maveness on market helping behavior was examined. Fifth, this study investigated the mediating role of market maven between different motives and market helping behavior.

1.11 CONTRIBUTIONS OF THE STUDY

This study has indicated the existence of market maven, conceptualised by Feick and Price (1987) seminal research, in Indian context. This study has captured the demographic factors of market maven in Indian context. This research has established statistically significant positive relationships between motive variables CIN, CNFU – CCC, SC and MM and between MM and MHB. This study has
empirically established the pattern and strength of association between the identified variables. This study has validated the proposed conceptual model by applying it specific to mobile phones and fashion clothings. Thus it will provide the theoretical support for profiling market maven specific to Indian context. The outcomes from this study would immensely aid marketing managers toward targeting and motivating market mavens for triggering enhanced market helping behavior in favour of their brands.

The findings of this study would provide great insight to the marketers to craft effective integrated marketing communications and would add to the body of knowledge of consumer behavior field.

1.12 ORGANIZATION OF THE DISSERTATION

This dissertation is organized in five chapters as stated below: Chapter 1 describes the background of the study, the functional definitions of constructs, the research problems, the study’s purpose and questions upon which the study is based. The research objectives and the significance of the study are stated. It then presents the outline of the study and discusses the potential contributions to both researchers and managers.

Chapter 2 reviews the literature relevant to each of the proposed models’ constructs. The theoretical framework and previous seminal research findings are discussed. The nature of the research and the general approach of this study are discussed. Research hypotheses, derived from the literature are presented.

Chapter 3 discusses the methodological aspects. It outlines the research design, including the study population, sampling, data collection, pre-test and data collection methods. It then discusses on measurement scales and data analysis methods used to analyze the data.

Chapter 4 discusses the results and analyses part of the dissertation.

Chapter 5 discusses the findings of the study. The theoretical, methodological and managerial implications of the study are presented. Contributions of the study to marketing communications field are presented. The chapter ends with discussion of the limitations of the study and suggestions for future research.

The last part of the dissertation will include: references and appendices.