

The Characterization of Alpha Communicators in the Context of Communication and Diffusion of Innovations

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Abstract: The diffusion of innovations is a dynamic process within a social system. This process is driven by communication: company's communication such as advertising as well as individual (e.g., word-of-mouth) communication within the social system (market, segment, target group). It is a matter of fact, that social communication has a higher impact on the buying decision of potential customers as mass communication media. As members of different social systems we all are part of social and behavioral dynamics every day. These dynamics are determined by complex structures and interactive processes. By these means the structures are powered by networks and the processes are powered by communication. In terms of marketing every company should be keen on knowing the structures and communication processes. Specific communicators are responsible for spreading the information and others are responsible for giving trust in an adoption decision for an innovation. In order to identify these key-communicators, we examine social systems and networks to gain advantage for value-oriented marketing and subsequently for the diffusion of modern technology. The main purpose of this paper is to show the possibility for marketing researchers and marketing managers as well to display, analyze and manage successfully the diffusion of innovations.

Key words: innovation; adopters; social system; communication

JEL codes: M31, O41

1. Introduction

We already might have experienced a specific phenomenon of social systems. Most of us have already talked to a stranger on a party or on another occasion. After a while talking about interests, it is pretty astonishing, when both realize that they have a friend or at least a specific person in common. This implies a particular level of being connected that comes from the feeling of being a member of the same network, and thus sharing the same friends. If this happens quite often we can say that "It is a small world".

The diffusion process of innovations is determined by the social system. The social system is built by the individuals and their interrelations. Their behavior within this system makes it a complex and dynamic structure. Hence, innovations penetrating complex social systems, the success of the modern technology depends on it. But what drives dynamic and complexity? It is not the amount of members, but more the variety of interactions between the members that makes the social system complex. Furthermore, dynamic is also driven by the

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interaction of the members regarding a certain period of time. The independent communication, learning processes and the image related imitation of people are responsible for a steady change of social systems. The complex coherences have to be taken into account in order to serve global markets successfully. This paper focuses rather on social dynamics and on the diffusion of innovations than on marketing in general. But what makes an innovation so valuable for the company? The answer is diffusion! The diffusion of innovation is a social, psychological and marketing related theory that describes the distribution and adoption process of an innovation in a society or generally in a social system. The following paragraphs figure out, which conditions are responsible and relevant for driving an innovation through certain channels in a social system over time (Hofbauer, 2004).

Specific types of communicators are responsible for sharing and multiplying the information and giving trust into customer's decision to adopt an innovation. In order to create value in communicating with customers, it is important to identify and target these key communicators.

The approach is a theoretical approach giving a systematic overview on different types of communicators. Because they have an overriding importance, they are called "alpha communicators". This paper could be the basis of continuing academic research.

2. Typical Innovation Diffusion

An innovation can diffuse very differently. Predominantly it depends on the knowledge of the members in a social system, its structure, its networks, its members as well as the technology itself. This process is driven by communication. Considering the diffusion over a certain period of time the graph in Figure 1 describes its course (Hofbauer, Sangl, 2011, p. 137).

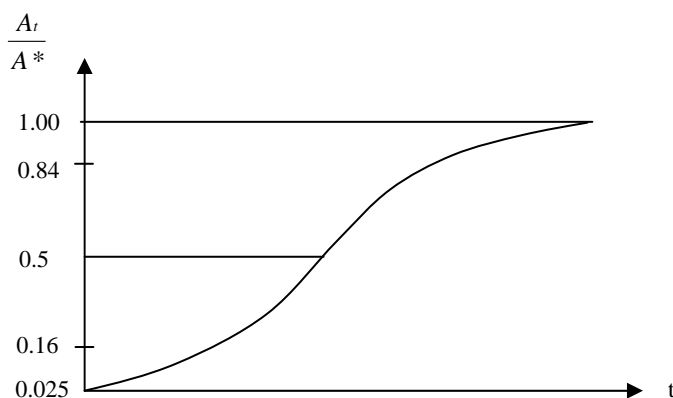


Figure 1 Ideal and Typical Course of the Diffusion of Innovation

For the innovation diffusion process the graph (A_t : cumulative adopters of an innovation in period t) should reach the maximum potential (A^*) in a short period of time to ensure a maximum and quick exploitation of the whole market. Moreover the offering company should gain the highest market share. How can a company do that in times of saturated markets? The answer lies in the social system, its structure and dynamic processes. The result of these processes can be displayed in the diffusion curve (see Figure 1).

The whole innovation diffusion process can be divided into two parts. First the information distribution process (IDP) which determines the level of information amongst the individuals of the social system. Once an individual knows that an innovation exists, the adoption decision process (ADP), which is intra-personal, can be started. Thus it is an obligation to have a closer look at both processes to understand the dynamics of the social

system within the innovation diffusion process. The Adoption Decision Process underlies a concrete sequence, which is shown in Figure 2 (Hofbauer, 2003, p. 11).

The closer an individual is to his or her decision, the more they are influenced and convinced by members of the social network.

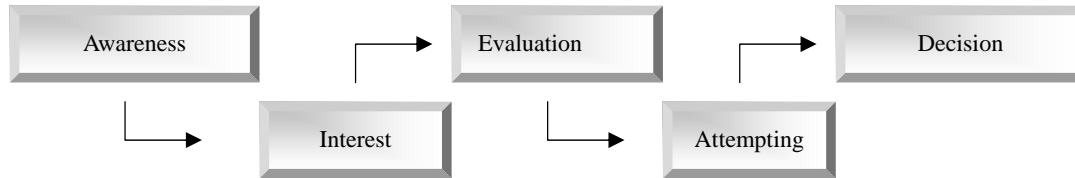


Figure 2 The Adoption Decision Process

3. Adopter Categories

Regarding the diffusion process over the time, different categories of adopters can be characterized. Typical categories can be shown with the standard distribution model, where the mean divides early and late majority (Hofbauer et al., 2009, p. 126).

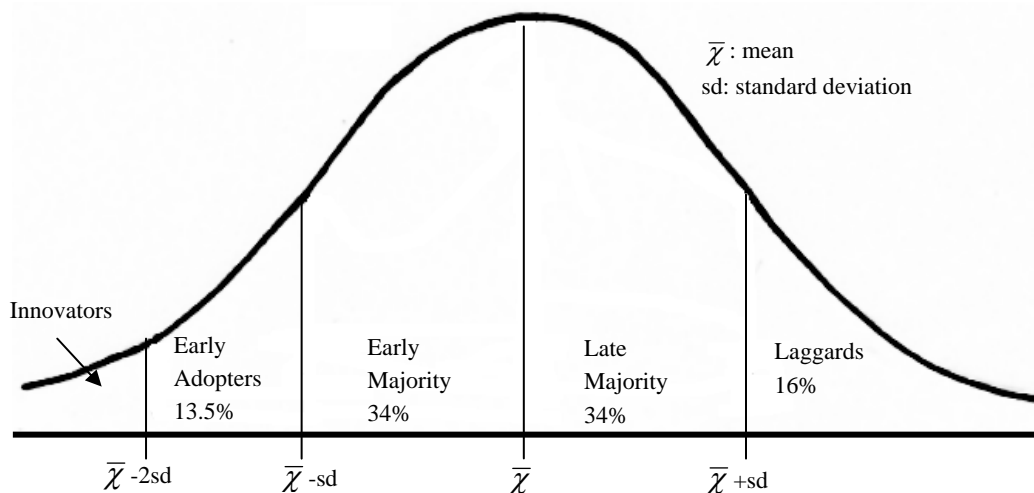


Figure 3 Typical Categories of Adopters

For example, innovators adopt immediately and walk through the intra-personal process very quickly. The Early Adopters balance their decision and watch the use of the modern technology from the innovators. They are facing a comparatively lower risk, with regard to the adaptability of the modern technology and their individuality, than the innovators do. Measures of time frames proved that the later an innovation is adopted by an individual there is a rise in time between awareness and purchasing decision.

Because of different attitudes and behavior amongst the members of the social system, both, intra-personal and inter-personal processes are leading to different time periods for decision making (see Figure 4, Hofbauer et al., 2009, p. 111).

As we already know, a social system in which communication takes place is the basis of the diffusion process. Every member of this social system can usually be an adopter of the innovation because of his or her ability to acquire the innovation. Furthermore (s)he can also foster the diffusion if (s)he convinces other members of the social system to adopt the innovation. In order to influence the above mentioned process in the best interest of the

company it is important to identify the structure of the social system, its members and their quantity, behavior and connection to each other (Hofbauer et al., 2009, p. 206).

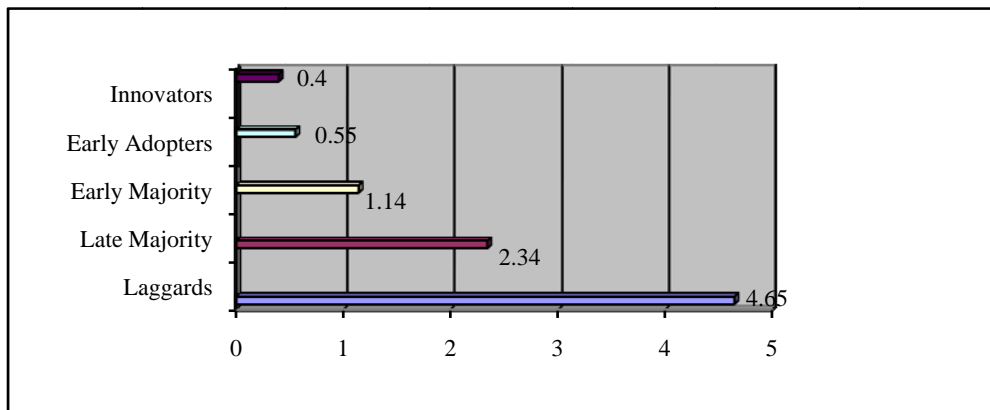


Figure 4 Time Span from Awareness to Purchasing Decision

4. The Contribution of the Social System

The dynamic of social systems is driven by permanent changes in the structure itself and by varying interactions over time. These interactions are again driven by the cumulated amount of adopters. Moreover the structure is very complex and at the same time very heterogeneous due to its members and their different behavior in terms of communication and product adoption. So it is very difficult to predict the diffusion process in a social system. The quality and the type of communication are not only important for the initiation of the diffusion process, but also for the degree of diffusion. A rather sparse communication process for example slows down the adoption of an innovation, whereas accuracy in the communication process can speed up the diffusion. Therefore we can say that the quality of the communication is one of the most important success factors for the diffusion of innovations. The quality is with respect to a sticky message and with respect to the targeted persons (Hofbauer, 2005).

Studies like the “small world” and “six degrees” (Hofbauer et al., 2009) proved that the social system is not as complex as we expected it to be, at least in case of interconnection between the members of the system. And that’s the jumping point we must take into consideration in order to gain valuable information for the company. How can potential adopters be contacted in the best way by the company? Sometimes it’s pretty hard to get entrance in such a society. Supposing that we were trying to pursue a society that preselects information, it would be hard work to solely reach the striven community without even having impact on it. A recent study, conducted by the Berkeley University, reveals that almost 800 MB of recorded information is produced per person each year. On the one hand the information explosion can accelerate the diffusion process, but on the other it handicaps the diffusion for innovations due to the lower penetration and lower density of information (Hofbauer et al., 2009, p. 205).

After having taken the hurdle of getting access to a social system the structure of this system is determining the further development of the diffusion process. The social structure of a system is the hierarchical arrangement of its members. This hierarchy dictates, who will influence whom within the system; either directly, as in the case of a bureaucratic chain of command, or more subtly, such as a prominent public figure’s influence. Other aspects of system structure are several behavior patterns that will establish in a community over a long period of time.

They often determine whether an innovation is accepted or at which speed it is adopted of the corresponding social system. The structure of a social system directs the path of diffusion whereas the communication process including behaviors of the system's individual members dictates the rate and volume of its flow.

The ability of empowering the innovation diffusion process is driven by the connection and relationship between separated networks. In the case, the relationships are in a concrete network linking to relationships into other networks, the diffusion process can reach incredible empowerment. The awareness of the existence of a modern technology is spreading over a larger geographical area in fewer steps if the networks are highly clustered. Nevertheless, it is a necessity to market successfully an innovation. The high distribution effect of the social system can only be maintained if the individuals are pleased or satisfied with the innovation, due to their function as a multiplier in one step of distribution.

5. The Contribution of Communication and Communicators

The communication or more specific, the communication channels play another big role in the diffusion of innovations. A rather sparse communication process caused by using the wrong communication channels for example slows down the adoption of an innovation, whereas accuracy in the communication process can speed up the diffusion. Therefore we can say that the communication between the members of a social system is the essence of diffusion (Hofbauer, Hohenleitner, 2005, p. 32).

A communication channel is the path of information flow between and among individuals. We distinguish between two types of channels: The mass media channel: any means of transmitting information through a mass medium such as radio, television, journals, and newspapers. And the interpersonal channels: the face-to-face exchange of information between two or more members of a system. While slower than the use of mass media, interpersonal channels are always more effective (Hofbauer, Hohenleitner, 2005).

Hence, the role of the Alpha-Communicators is getting more and more important (Hofbauer, 2005). They are like centers in networks, which are responsible for the diffusion of innovation in every stage of the diffusion process. Three types of Alphas can be distinguished in general.

- Firstly there are distributors who primarily distribute information with no special own interest.
- Secondly there are boosters, especially opinion leaders are in this category. The boosters distribute information and give the diffusion of an innovation a thrust by their more credible attitude concerning the product. They have no own economic interest.
- Thirdly there are Salesmen on the other hand, they really do have an own economic interest. Due to their continuously precise information they have the intention to sell.

They all distribute the information through a complex social system with more or less effort and of course with more or less impact. According to this the closer the decision comes up to the potential adopter, the more information is needed. Regarding the information, the need for information over the time span of the diffusion process increases, whereas the number of potential adopters is decreasing at the same level.

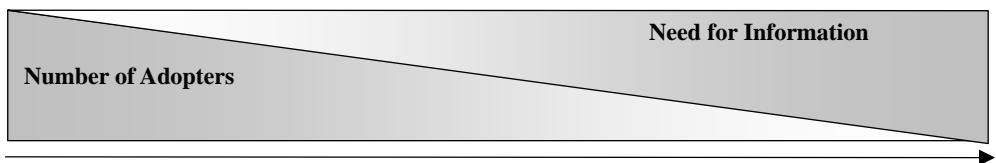


Figure 5 Increasing Need for Information

Not only the communication channels are influencing the process of diffusion but also the extent to which individuals are similar in attributes such as beliefs, education and profession etc. It is quite normal that people are connected to persons with the same interest or context. The more context two people share, the closer they are, and the more likely they are to be connected. Thus the more homogenous the attitudes are and subsequently the more people are connected, the easier the innovation diffusion process can be conducted.

6. The Concept of Alpha Communicators

Alpha Communicators can be characterized as members of social networks (more distant) or social groups (closer to the decider) and thus they are connected to many other members. They have or they collect information and comparable to relay stations they hand over their information to people around them. These communicators communicate in a very efficient way: the combination of high impact and high frequency makes the difference between “conversation” and “alpha communication”. High impact means that something is new (innovation) and the receiving person is happy to get this information to do a better buying decision. High frequency means that there is a multiplier effect like a relay station works.

6.1 The Portfolio of Alpha Communicators

All Alpha Communicators show a very busy communication habit, but they have differences in the effectiveness. There are differences in the tenor and intention of their communication. Depending on the social affiliation: social group or network, and according to the impact on the buying decision: (just) information or (buying stimulus) impulse, they can be displayed in the following Figure 6.

The figure shows the person, who is deciding about the adoption of an innovation, in the middle as a circle. This decider is surrounded by different people belonging either to his (familiar) social group (right side of the figure) or coming from the (more distant) network (left side of the figure).

Communicators (opinion leaders, experts, market mavens), who are closer to the decider, can be asked directly and we can notice in this case a communication up on demand (reactive).

Communicators like innovators, chatter boxes, celebrities and sales people communicate in a proactive way to the decider, without knowing, whether the information is required for a specific buying decision.

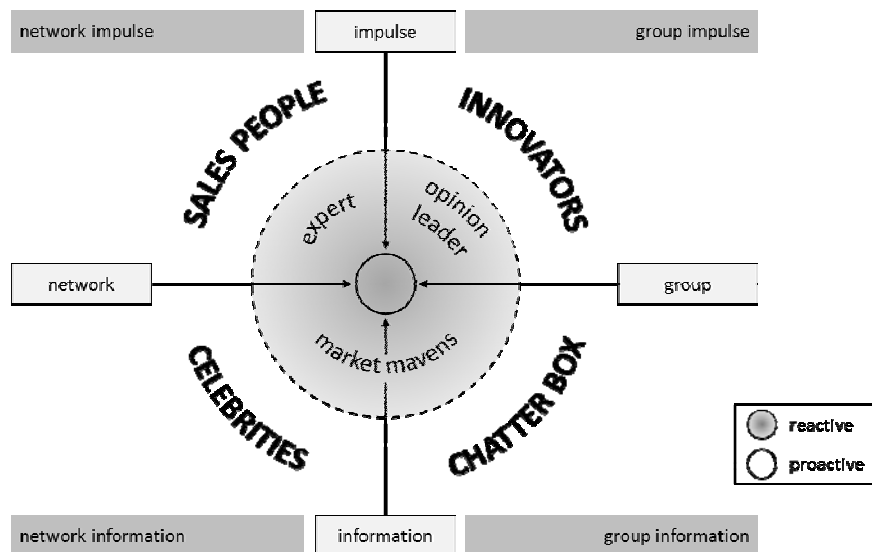


Figure 6 Portfolio of Alpha Communicators

Communicators from the lower part of the figure communicate more general messages (information), which increase the awareness and perception of an innovation. These Alpha Communicators do the basic work for the diffusion, because they make the innovation known.

In the upper part of the figure, there are communicators with substantial and detailed information, which is needed to accelerate the individual adoption process of the decider (impulse). These impulses may have the essential impact on the buying decision and thus on the diffusion of innovation.

6.2 Characterization of Alpha Communicators

The different types of Alpha communicators will be characterized in this chapter. We begin with the inner circle of the portfolio.

6.2.1 Opinion Leader

This type of communicator is already well known from other research. Opinion leaders are specialists in their field of interest, in this context they provide high quality in their communication. They are experts and they do not have a self-interest, they are proud to give some advice, if needed. Thus the credibility is extremely high. Further on, opinion leaders stem out of the own social group and this increases the credibility, because they do not want to disappoint someone within their own group. These are the reasons why opinion leaders are so important for innovating companies: they have a maximum impact, because they are close to the adopters and they have the highest credibility.

6.2.2 Market Mavens

The market mavens are information brokers, they are well informed and they share the information upon request. The broadness of topics is very high, but not very detailed. They provide information in the social group and in the network as well about new products, bargain buys, hot trends etc. Market mavens are very actively consuming trendy information from companies and they adopt relatively early.

6.2.3 Experts

We can summarize here professionals, practitioners, authorities, professors, specialists and scientists, they are very familiar with their field of work. The communication is quality oriented and they communicate reactively. These experts have special experience and they are independent, thus they have a high importance for the distribution of information about innovations. But they only communicate about what they are convinced.

6.2.4 Sales People

The sales department is a part of the innovating company and of course has to care about the diffusion of information and about diffusion of innovation. Sales people are also experts in their field of work, but they do have a specific motivation: they have to sell and they want to earn money. They provide specific information to the decider and they support the decision process, thus they are able to accelerate the decision process. The sales people have a high coverage and achieve a high frequency within the network.

6.2.5 Innovators

Innovators adopt new products immediately after market introduction, they are the first users and this behavior can be recognized by other people. They are considered as advanced and up to date. They do not necessarily need to have a specific expertise. They are an authentic source of information because they use the innovation themselves. This buying behavior shall be imitated by the early adopters and early majority.

6.2.6 Chatter Box

These communicators have a broad spectrum of information and they are willing to communicate proactively. They have a high frequency of communication in their social group, but not in the network. They set a high value

on social contacts, they tell stories and they are the first to talk about rumors. In doing this, they help to spread the information about a new issue, rather than giving support to a buying decision.

6.2.7 Celebrities

Prominent persons, who are well known, have also an impact on the buying behavior of customers. They have a special status and other people, who want to be like the celebrity, are willing to imitate their buying behavior, their consumption and habits. Celebrities may be movie actors, managers or politicians. They are well known to a broad public and they serve as an ideal. Especially movie actors are very active in communicating to their followers and they often intend to communicate advertising messages, they get paid for. Because they are present in all mass media, they have a large range of communication and a lot of contacts. But the message is not very detailed, this is why they can contribute to a quick awareness level, but not to support the buying decision.

7. Conclusion

The main result in general is a systematic overview on the different types of communicating people. This behavior within the social system is complex and dynamic. The driver of complexity and dynamics is not the amount of members of a social system, it is the variety of interactions between the members of that social system.

According to the findings in the social and behavioral dynamics, it can be concluded, that the diffusion of innovation is more located in the field of social sciences than in the field of business administration. Understanding the processes between the members of a social system and the context of the potential customer's environment will become more essential for companies than ever. The scope of this paper is to increase the awareness towards the driving forces of diffusion of innovations. It is necessary for companies to recognize the power of dynamics in social systems in order to meet the needs of the customers and to increase value to the customer as well as to the companies.

The specific findings can be summarized in:

- (1) Providing the context between diffusion and communication
- (2) Giving a systematic overview on the portfolio of communicators
- (3) Separating in having an impact from the network or from the social group
- (4) Distinguishing in reactive and proactive communicators
- (5) Characterizing communicators in giving information or giving an impulse to buying decision

The practical implication is to show the different types of communicators for the diffusion of innovations. Furthermore marketing managers should have a clear understanding of the dynamics of individual communication, especially using social media for communication, e.g., tweets, blogs and so on.

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