



Relevance of actors in bridging positions for product-related information diffusion[☆]



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ABSTRACT

Research in marketing examines concepts that deal with social interaction, for example opinion leadership and word-of-mouth. Two types of actors play key roles in social networks where social interaction takes place: actors who have a lot of contacts (so called hubs) and actors in bridging positions. Given their importance in social networks, the lack of studies in marketing literature that focus on bridges is surprising. Information on bridges' roles in the diffusion of product-related information on an individual level is important for companies to take relevant actions. Therefore, this paper analyzes the relevance of actors in bridging positions for product-related information diffusion in a representative study of consumers in the mobile phone market of a large European country. The study shows that bridges display lower degrees of information seeking as well as lower levels of opinion leadership. Therefore, although in central positions, they are less suited to be used in company-initiated actions, for example in seeding strategies.

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1. Introduction

The diffusion of information plays a substantial role in the formation of consumers' preferences (Ariely, 2000). If they receive additional information or recommendations from their peers, consumers may form or alter their preferences and thus their product choices (Godes & Mayzlin, 2009). Thus, marketing managers need to account for the diffusion of product-related information in many core marketing decisions: product development (e.g., correctly measuring preferences), pricing (e.g., determining consumers' willingness-to-pay), promotion strategy (e.g., promoting word-of-mouth) and distribution strategy (e.g., via an exclusive channel).

Between peers, the information spreads in their social networks. Social network data increasingly becomes available to researchers and practitioners. As a result, marketers experiment with different forms of network marketing (Iyengar, Van den Bulte, & Valente, 2011). A detailed analysis of consumers' networks concerning bidding behavior (Hinz & Spann, 2008) and seeding strategies (Hinz, Skiera, Barrot, & Becker, 2011) may lead to new approaches and findings in the fields of market segmentation, product positioning or communication (Van den Bulte & Wuyts, 2007).

On a macro-level, researchers from many disciplines such as sociology, organization science, and marketing study the influence of

the social network and its structures, for example on adoption and diffusion processes (Iyengar et al., 2011; Newman, 2005). On a micro-level, research relates network positions to personality traits (Burt, Jannotta, & Mahoney, 1998) and psychographic constructs (Iyengar et al., 2011; Kratzer & Lettl, 2009). Two network positions in particular are more important than others: those with a lot of contacts (i.e. hubs) and those who are in bridging positions (Burt, 1992). Bridges connect actors that otherwise would be unconnected. Marketing literature studies hubs (or influentials) extensively. Hubs have a higher adoption probability (Katona, Zubcsek, & Sarvary, 2011) as well as a higher degree of opinion leadership and influence on the adoption process (Goldenberg, Han, Lehmann, & Hong, 2009). Actors in bridging positions play important roles in sociological studies (Burt, 1992, 1999; Burt et al., 1998; Granovetter, 1973, 2005) and organizational science (Burt, 2004). But despite their significance in the aggregated diffusion process (Granovetter, 1973, 2005), marketing studies hardly describe these actors on a micro level yet. One notable exception are Kratzer and Lettl (2009), they indicate the relevance of bridges by showing that a bridging position can be associated with a high degree of lead users.

Due to their network position, bridges potentially possess information benefits: as a receiver of information, they possess access to heterogeneous information. Once they possess the information, they can decide whether to send this information to others or not (Burt, 1992). Due to this promising network position, one might attribute a high importance to bridges in diffusion processes. However, their importance is potentially based on two assumptions that have not yet been assessed in the process of product-related information. The first assumption is that bridges are motivated to transform their beneficial network position into actual information benefits. Although this has been shown in the context of job-related networks (Burt,

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1999, 2004), innovation research in companies (Tushman & Katz, 1980) indicates that this assumption need not always hold. In fact, where in job-related networks the bridge receives the payoff from his network position, for example in the form of a higher salary and promotions (Burt, 2004), in a marketing campaign the company is likely to receive that payoff. The second assumption is that bridges pass on these information benefits to other consumers. If either one of these two assumptions was violated bridges would not be more important in the context of product-related information diffusion than other consumers.

Thus, the goal of this study is to analyze the relevance of actors in bridging positions in the diffusion of product-related information on an individual level. In order to do so, the study analyzes the sociometric and psychographic characteristics of a representative sample of consumers who bought a mobile phone within the last six months or who will buy a mobile phone within the next three months.

The paper proceeds as follows: Section 2 provides a literature overview on information diffusion and consumers in bridging positions. Section 3 develops hypotheses about personality constructs of consumers in bridging positions and how they relate to social influence, as well as the importance bridges put on price and brand. Section 4 describes the empirical study and hypotheses tests. Section 5 concludes with a general discussion.

2. Related literature: concept of bridges

In dense subgroups of a network, norms and rules have a higher value and are easier to enforce than in subgroups with low density (Granovetter, 2005). Dense networks enable the transfer of information and other resources, for example complex knowledge (Nahapiet & Ghoshal, 1998). A downside of density in networks is that when everyone talks to everyone else, no one possesses unique information (Van den Bulte & Wuyts, 2007). Information benefits of individual actors occur, when they serve as a bridge between otherwise unconnected clusters (Burt, 1992). In sociology, a largely equivalent concept is also known as a broker (Burt, 1992, 1999, 2004; Van den Bulte & Wuyts, 2007) or a gatekeeper (Tushman & Katz, 1980), in the context of inter-organizational transaction networks also as a liaison, representative, or coordinator (Fernandez & Gould, 1994; Gould & Fernandez, 1989).

Fig. 1 illustrates the concept of bridges in a network. Actor A and actor B are two actors within the network. Both of them have the same number of contacts. However, actor A's contacts are all members of the same group, group 3. Irrespective of to which of her contacts she talks to, a lot of the information she receives will be redundant. The reason is that her contacts also talk to one another. Therefore she is likely to receive the same information from different sources.

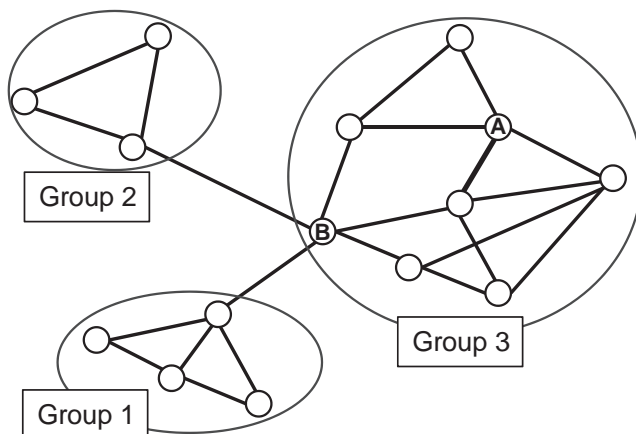


Fig. 1. Bridging position in a network (cf. Burt, 1992).

Contrarily, actor B is in a bridging position. The majority of her contacts do not communicate with each other. Although three of her contacts are also members of group 3, they do not communicate directly.

Therefore, actor B receives information from different parts of group 3, as well as information from group 1 and group 2. Information that travels between the groups has to pass through B. She has access to heterogeneous information from all three groups and can decide what type of information to pass on and what type of information to withhold. Without her, the information would not spread between the groups. She possesses information and control benefits, which she can use to gain profits for herself. An example between firms would include a commercial broker. Further, a bridge possesses information benefits. These information benefits include access to more non-redundant information as well as the opportunity to compare information from various sources and thus to benefit from the ability to efficiently compare this information and to come to a better conclusion regarding the true value of that information.

In a series of studies that analyze the concept of bridges, Burt analyzes actors in bridging positions, which he calls brokers, in detail (Burt, 1992, 1999, 2004; Burt et al., 1998). He associates bridges with opinion leadership, because they control the information that is passed on between groups (Burt, 1999). In a company, bridges receive a higher compensation, better job evaluations and tend to have good ideas (Burt, 2004). In a study with 51 MBA students and 252 personality statements, Burt et al. (1998) find out that bridges state that they like to be in positions of authority and that they are able to create an aura of excitement. Further, they do not prefer to take the safe approach and they do not closely follow the original mandate of the group.

All of Burt's studies focus on organizational networks. Whether the results are relevant for personal networks or not remains subject to future research. If Burt's results held for personal networks, this could have relevant implications for marketing. Both, entrepreneurial opportunities as well as high salaries potentially indicate wealth. This wealth could potentially turn bridges in a lucrative segment to be targeted for marketing activities. Several studies show that wealth can be related with early adoption of new products (Rogers, 1995) as can the access to heterogeneous information and the ability to spread information within the network. Hinz et al. (2011) show that actors in bridging positions can be good seeding points to spread information. Both, early adoption and the ability to reach a lot of people could make bridges potentially a very interesting group to target, because the diffusion of new products could be speeded up and also help a new product to gain access to a higher number of consumers, for example, because bridges trigger awareness of new products.

However, several studies exist which raise doubts about the relevance of the concept of a bridge in a marketing context. Frenzen and Nakamoto (1993) show that consumers pass on valuable information, that is information about high discounts, to strong and weak ties when costs are low, but they only pass them on to strong ties, when costs are high. Hansen (1999) argues that within an organization, the ability to share relevant information depends a lot on the ability to transfer this information. Whereas simple knowledge can easily be passed on to weak and strong ties, more complex knowledge can only be transferred to strong ties.

The results of these two studies indicate that the advantages of bridges mainly hold if information is simple and if the costs to transfer this information are low. A study of job search in China confirms this finding and even contradicts Granovetter's line of argumentation (Bian, 1997). Bian (1997) shows that in a condition in which many people are interested in a few lucrative jobs, people prefer to give the information about the good jobs to their strong ties. This finding indicates that the benefits of a bridging position are likely to be context specific. Further, the literature review above indicates that much of the research on the bridging position stems from an organizational context. Thus, literature needs more research about the role of bridges in the diffusion of product-related information in a marketing context.

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