
A Study of Opinion Leadership among Owners of High End Smartphone Products in India and the Desired Action Points for the Marketers

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This study extends the international research that has studied opinion giving in computer mediated environment to India to derive a comprehensive understanding of opinion leadership phenomenon in high end smart phone category specifically in the context of Apple iPhone. It has attempted to develop a comparative understanding between opinion leaders and non opinion leaders given that research has found that substantial differences exist between the two groups. The key contribution of the paper lies in providing a comprehensive picture about initial sources of awareness building for smart phone products. Usage of various sources of initial information (both impersonal and interpersonal) like peers (users), advertisements in the electronic and print media and mobile related websites and forums has been analyzed. In addition, this study has attempted to understand the importance of innovative product features that influence decision making of opinion leaders. Subsequent to the owner survey, a focus group with 14 young enthusiasts of the category (who are all owners of high end smartphones) has been conducted to understand some of the key focus areas and action points for marketers required to address the Indian high end smart phone market properly in terms of product and promotion strategies. The scope of the focus group is synergistic with the scope of the owner survey conducted for this research.

INTRODUCTION

Opinion Leadership

Tellis et al. (2004) identify opinion leadership as one of the dimensions of consumer innovativeness. Opinion leaders are product specialists who provide other consumers with information about a particular product class. A consumer opinion leader is defined as a person who informally influences the attitudes or behaviors of others by means of product related conversation, referred to as "word-of-mouth (WOM) communication" (Stern and Gould, 1988). Opinion leaders provide advice or information about products and services in a perceptibly more credible and persuasive manner than either mass advertising or a firm's personal sales force (Stern and Gould, 1988).

Though opinion leadership has been defined in many ways, the concept is consistently associated with influence (Rogers and Cartano, 1962; Flynn et al., 1996; Rogers, 2003) or with information sharing (King and Summers, 1970) or with both (Engel et al., 1990). Rogers and Cartano (1962) define opinion leaders as "individuals who exert an unequal amount of influence on the decisions of others ... those individuals from whom others seek advice and information" (p.435). Flynn et al. (1996) indicate, "it is their influence that is important and central to the theory of opinion leadership." Rogers (2003) defines

opinion leadership as the “degree to which an individual is able informally to influence other individuals' attitudes or overt behavior in a desired way with relative frequency” (p. 300). As opinion leaders do not represent commercial interests, their opinions in a category are considered more reliable than those directly coming from marketers operating in the relevant product category (Rogers, 2003). The opinion leadership phenomenon is especially prominent in high involvement categories and the role of opinion leaders in new product introduction requires some understanding. The major innovation incorporated in the design of high end smart phone products has contributed significantly to their success in some international markets. The top brands in the highest end of smart phone product category in India are Samsung Galaxy S II, Apple iPhone 4, Blackberry Bold 9900, HTC Incredible S and Sony Ericsson Xperia Arc among others. In view of the same, there is a need to study the innovative features of some of the high end smart phone products in India which will be done in due course in this paper.

Role of Opinion Leaders in New Product Introduction

Opinion leaders are a key group for marketers to target in the sense that they are critical to the diffusion of product information (Rogers, 1995). They influence others directly by providing advice and verbal direction for search, purchase and use (Flynn et al., 1996). Opinion leaders are important to the success of new products because their influence is interpersonal, informal and verbal. Opinion leadership has been a central construct in studies of new product diffusion models (Shoham and Ruvio, 2008). The following section discusses the hypothesis development in Indian context for high end smart phone product users by applying the relevant learning from computer and other relevant areas to this area as opinion leadership construct has been found to have potential in explaining adoption behavior in the categories related to computers internationally.

MOTIVATION FOR THE STUDY AND THE RESEARCH GAP

Role of Opinion Leadership in Adoption of Consumer Electronics and Computers

Contextual factors such as one's social environment generally have significant impact on technology adoption and usage behaviors (Lewis et al., 2003; Magni et al., 2008; Tripathi and Siddiqui, 2008). In Wang et al. (2008), among the ten product categories analyzed in Chinese market, cellular phone was chosen as one of the new and innovative product categories. Hence, there may be a need to study the influence of opinion leadership in the category in an emerging country like India.

Lyons and Henderson (2005) study investigates the characteristics of opinion leaders within the computer mediated environment, analyses the differences between online opinion leaders and online non opinion leaders and examines the implications of opinion leadership theory for e commerce. Shoham and Ruvio (2008) study seeks to extend the product context of previous examinations of opinion seeking and opinion leadership to a new product domain (computers and software).

Indian telecom industry is growing at a high pace and may provide a worthwhile base to study the opinion leadership phenomenon. The growth in telecom industry is happening primarily because of the explosive growth witnessed by the wireless segment. At the end of 2003, the total telephone subscriber base in India was around 70.5 million (with a tele density of 7.0) out of which mobile phone subscriber base was 28.2 million and fixed line subscriber base was 42.0 million.² The number of total subscriber base (wireless+wireline) in India has reached 965.52 million at the end of June 2012 with the overall teledensity of 79.58. It comprises of wire line subscription of 31.43 million and wireless subscription (GSM, CDMA and FWP) of 934.09 million.³ There has been increased availability of smart phone brands in India in last few years. In

view of the same, there is a need to have detailed understanding about the role of opinion leadership in smart phone category given the presence of large number of technology enthusiasts and high level of word of mouth activity in the category. Given that high end smart phone category is moderately high in terms of consumer involvement level; it may be worthwhile to study the perception of opinion leaders and non opinion leaders about relevant aspects of the adoption of the category. However, research gap exists and there is little research published in major academic journals about high end smart phone purchase and usage behaviors of Indian customers.

The following section discusses relevant review of extant literature in opinion leadership which may provide the necessary theoretical framework to study the adoption of mobile phone related services by customers for development of hypotheses for this research. In this context, the comparison of opinion leaders and non opinion leaders may be useful here given that Summers (1970) has found that substantial differences exist between opinion leaders and non opinion leaders on a variety of attitudinal and communication measures among others. Also, in addition to the discussed personal influence and interpersonal communication aspect, there is a need to study the importance of design features in adoption of mobile phone related services.

Importance of Design Features in Adoption of Mobile Phone Related Services

Ling et al. (2007) have investigated the relationships among the design features of the cell phone and have identified the most important design features. They have also studied the relationship between these features and the user's overall satisfaction employing user's preference data. In the study, 20 design features have resulted in nine design factors. The study while doing multiple regression has used user's overall satisfaction as the dependent variable and the nine cell phone design factors extracted in factor analysis as the independent variables. The result has provided five important design factors

(together accounting for 47.22% of user's overall satisfaction). A similar study has been done by Han et al. (2004) who have studied the relationship between multiple features and user's satisfaction employing user testing method.

DEVELOPMENT OF HYPOTHESES

Initial Sources of Product Related Information

Opinion leaders are influential and play central role in the interpersonal communication networks of their social system. Opinion leaders are new product adopters who transmit product information and usage experience to their peer group (Baumgarten, 1975). Two step flow of communication (multistep flow theory of mass communication) is a study of social influences that states that media effects are indirectly established through the personal influence of opinion leaders. It says that most people form their opinions based on opinion leaders that influence the media. Two step flow of communication model hypothesizes that ideas flow from mass media to opinion leaders and from them to a wider population i.e. mass media information is channeled to the “masses” through opinion leadership (Katz and Lazarsfeld, 1955). People with maximum access to media and having a more knowledgeable understanding of media content diffuse the content to others.

Shoham and Ruvio (2008) indicate that opinion seekers rely more on expert advice from opinion leaders. Keynes (1973) highlights that late majority (with little opinion leadership) interact with peers who are mainly early or late majority. Also, for laggards (with little if any opinion leadership), neighbors, friends and relatives with similar values are main information source. Hence, non opinion leaders probably are looking for advice from their peer groups in more cases compared to opinion leaders especially during the initial stages of product introduction. Hence, this study has hypothesized that:

H1A: Higher proportion of non opinion leaders than

opinion leaders seek information from peers (users) for a new high end smart phone product for initial product related information

Opinion leaders are heavy consumers of the mass media (Summers, 1970; Rogers, 1983). Reynolds and Darden (1971) indicate that opinion leaders are more exposed to relevant mass media. Goldsmith and Hofacker (1991) focus on innovativeness and include opinion leadership in two studies. They document that opinion leadership is related positively to media usage including readership of magazines. Shoham and Ruvio (2008) indicate opinion leaders use a variety of sources including category specific newspapers and magazines. Stocking (1992) highlights that adopters in the early and late majority category (with moderate or little opinion leadership) are much more influenced by other people than by publications. Stocking (1992) highlights that early adopters, are often, the opinion leaders in the group. Innovators and early adopters display moderate to high level of opinion leadership and moderate to high level of usage of mass and category specific media whereas late majority and laggards have little or no opinion leadership and less usage of mass media (Keynes, 1973).

Accordingly, it is hypothesized that:

H 1B: Higher proportion of opinion leaders than non opinion leaders seek information from advertisements in electronics and print media for a new high end smart phone product for initial product related information

Lyons and Henderson (2005) study results indicate that the internet opinion leaders possess higher level of computer skills and possess higher levels of self-perceived knowledge about the internet than non opinion leaders. Internet opinion leaders demonstrate higher level of involvement with internet than non leaders. Opinion leaders log online more often and spend more time on the internet with each of their sessions. Internet opinion leaders are likely to surf the internet just to see what is there and explore unfamiliar websites simply out of curiosity (exploratory tendencies). All this contributes to developing product knowledge and experience with this medium. Shoham and Ruvio (2008) results show

opinion leadership is positively related to interest in and knowledge about a product category as evidenced by knowledge of a new version of Internet Explorer (software operating systems) among others.

Schiffman and Kanuk (2007) highlight that "opinion leader tends to have greater exposure to media specifically relevant to his or her area of interest than the nonleader" (p.510). Hence, it may be deduced that many of these opinion leaders use product related websites for acquiring knowledge and sometimes possibly for sharing it also. As opinion leaders use a variety of sources including category specific newspapers and magazines (Shoham and Ruvio 2008); logically, it can be extended that opinion leaders will also look for information from dedicated mobile related websites and forums for more technical details but the non opinion leaders are unlikely to look for too much technical details from these sites in the initial stages of gathering product related information. This conceptualization is more in line with the theoretical relationship between product involvement, product knowledge and opinion leadership.

Accordingly, the hypothesis can be

H 1C: Higher proportion of opinion leaders compared to non opinion leaders seek information from mobile related website and forums for a new high end smart phone product for initial product related information

Perception about Innovative Attributes

Opinion leaders tend to be competent or expert technically vis-à-vis being able to use new high-tech products (Summers, 1970; Rogers, 1983; Hazeldine and Miles 2010). It is widely believed that product category knowledge and interest (Reynolds and Darden, 1971) are the basic prerequisites for a person to become an opinion leader in a category.

In the Hazeldine and Miles (2010) study, a dynamically continuous innovation of graphic user interface (GUI) computer software (examples of which include smart phone touch screens) has been examined. Specifically, the role of communicative

adopters (who are both innovator/early adopter and opinion leader), adopters and opinion leaders are found to be important to marketers of new GUI computer software. Also, it may be noted that consumers' need for stimulation may be achieved by acquisition and consumption of new products. Empirical research highlights that need for stimulation is positively associated with consumer innovativeness (Joachimsthaler and Lastovicka, 1984; Venkatesan, 1973). Also, new products may often serve as stimuli or sources of excitement to consumers as they introduce new and unique benefits, features, functions and looks. Further, Eighmey and McCord (1998) suggest that people can derive pleasure simply from the act of exploring the computer mediated environment.

Accordingly, it is hypothesized that:

Hypothesis 2: Opinion leaders have more positive perception about innovative features in a new high end smart phone product compared to non opinion leaders

The following section discusses the methodology of the owner survey including the operationalization of key variables in line with the developed hypotheses in this study.

RESEARCH DESIGN

Sampling Method

Within high end smart phones, it may be important to note that Apple iPhone has generated some excitement among consumers. Apple has created buzz about the product and much of the hype has been created through word of mouth marketing. Specifically, research gap exists in understanding consumer buying behavior of products like Apple iPhone in India which was launched in August 2008 in India. Apple has established a unique reputation in the consumer electronics industry through its expertise in product development and marketing and it has consistently achieved excellence in innovation in computer industry. Also, there is a research need given that Apple iPhone, though a very successful product globally, has faced several problems in some parts of the globe and in India.4

Hence, it has remained niche in India and there is a need to understand the relevant customer perception issues about the product.

This study involves primary data collected from a sample size of 84 owners of Apple iPhone in Delhi NCR area through systematic sampling method. The structured questionnaire by judgment has been directed to the social system of educated, modern youth segment and data has been collected primarily in front of large consumer electronics outlets in select Delhi and Ghaziabad shopping areas by interviewing every fifth person after the initial person interviewed on the interviewing dates. Questionnaires have been given to people if they are in the 19-28 age groups, if they have completed at least Class XII and if they have owned an Apple iPhone (all these verbally confirmed before giving questionnaire to the respondents). This is so given that youth is the growth driver of telecom industry in India and hence the iPhone as a high end, techno rich gadget is expected to have takers among the youth. The data has been analyzed through statistical software SPSS 16.0 for Windows. The research questionnaire administered to the sample has been enclosed in the appendix. Based on a focus group with 14 young, knowledgeable enthusiasts of the category (who are all owners of high end smartphones) conducted in the middle of 2012 subsequent to the administration of the owner survey questionnaire, the paper highlights some of the key focus areas and action points on product and promotion issues required from Apple to address the Indian high end smart phone market. The focus group is synergistic and complementary to the survey of the owners given that the survey of the owners addresses product and promotion issues.

Domain Specific Opinion Leadership Scale

Flynn et al. (1996) domain specific opinion leadership scale has been used for measuring the respective construct (scale adapted for the category provided in the appendix). In six item opinion leadership scale, three positive worded (items 1, 3 and 5) and three negatively worded items (items 2, 4 and 6) are there.

Variables and Statistical Measures Used in Hypothesis Testing

This research has attempted to understand the importance of some of the main channels of communication between the marketer and customers (through impersonal sources) as well as word of mouth communication among customers (through interpersonal sources) pertaining to Hypotheses 1A, 1B and 1C. These have been tested using the methods for testing for the difference between two population proportions using z test with $\alpha=0.05$. The null hypothesis is that the difference between two population proportions is equal to zero (indicating they are equal). Here, the samples are independent random samples and the true population proportions are estimated based on sample proportions.

The research has attempted to evaluate the perception of respondents regarding five important features of Apple iPhone namely storage space, application store, physical appearance, multi touch screen user interface and post purchase service (identification of important features based on an initial focus group involving 12 techno savvy young respondents). These features include some of the key innovative features pertaining to hypothesis 2. Hypothesis 2 has been tested using a hypothesis about the difference between the means of two normally distributed populations when the population variances are unknown. It is done using t test with $\alpha=0.05$.

Respondent Profile

The profile of the respondents is given as below in table 1.

Table 1: Respondent Profile		
Variable	Number of Respondents	% of Total Respondents
Age		
19-21	24	29
22-25	36	43
26-28	24	29
Gender		
Male	67	80
Female	17	20

The following section discusses the results of the study including details about hypotheses testing.

RESULTS AND ANALYSIS

Reliability of the Domain Specific Opinion Leadership Scale

The internal consistency reliability of the scale has been evaluated through Cronbach alpha. The opinion leadership scale has been found to possess Cronbach alpha (on 6 variables, 84 cases) value of 0.938. The scale has been found to be unidimensional with 78.5% of total variance being explained by the single factor. The factor loadings are 0.873, 0.943, 0.566, 0.957, 0.985 and 0.924 respectively. Kaiser-Meyer-Olkin measure of sampling adequacy value is 0.634. The Chi-Square value is 854.781, df value of 15 and significance value of $<.001$ in Bartlett's test of sphericity.

Cutoff Used for Opinion Leadership Ratings

Research indicates domain specific innovativeness scale may be used to classify target audience into innovator or noninnovator groups (Goldsmith and Flynn, 1992). Goldsmith and Flynn (1992) have used average rating of 3.5 and above, Beaudoin et al. (1998) and Goldsmith et al. (1999) have used 4.0 and above and Phau and Lo (2004) have used 3.667 and above as the cut off point for identification of innovators and followers (out of maximum possible average rating of 5 in the 1-5 scale). In line with the mentioned review in related area of consumer innovativeness and in accordance with the distribution of opinion leadership data in this study, people with scores of 3.667 and above on the opinion leadership scale have been designated as the opinion leaders in this category and the rest have been classified as non opinion leaders.

The average opinion leadership ratings have varied in the range of 2.667-5.0 (on a 1-5 scale) with a mean of 3.693, median of 3.7 and standard deviation of 0.813. There are 51 opinion leaders with mean opinion leadership rating of 4.23. The rest of the respondents with opinion leadership scores of 3 or

below have been classified as non opinion leaders. This includes 33 non opinion leaders with mean opinion leadership rating of 2.85.

The Channels of Communication for Awareness Building for Apple iPhone

In the present study, highest proportion of 59% of opinion leaders use advertisements (electronic and print media) as initial sources of product related information whereas non opinion leaders primarily use feedback from peers (users) (61%) for the same (table 2). Information from peers (users) is used by higher proportion of non opinion leaders than the opinion leaders ($z=-3.62$; $p<0.05$) (table 2). Hence, hypothesis 1A is supported. Higher and statistically significant proportion of opinion leaders use source like advertisements (electronic and print media) ($z=5.50$; $p<0.05$) compared to non opinion leaders (table 2). Hence, hypothesis 1B is supported. Higher and statistically significant proportion of opinion leaders use a source like mobile related websites and forums ($z=2.86$; $p<0.05$) compared to non opinion leaders (table 2). Hence, hypothesis 1C is supported.

In terms of the respondent satisfaction rating,

opinion leaders give maximum satisfaction feedback to multi touch screen user interface (mean rating of 4.22) followed by to storage space (rating of 3.84) (table 3). Non opinion leaders have maximum satisfaction from physical appearance (rating of 4.39) followed by from user interface (table 3). Table 3 also provides comparative evaluation of the perception of opinion leaders and non opinion leaders regarding the three innovative features of storage space, application store and multi touch screen user interface vide hypothesis 2. Opinion leaders derive higher and statistically significant satisfaction from innovative features of storage space ($t=2.36$; $p<0.05$), application store ($t=3.57$; $p<0.05$) and multi touch screen user interface ($t=1.87$; $p<0.05$). Hence, hypothesis 2 has been supported. This gives a deeper insight into the adoption and user readiness towards innovative products, as the attributes that are quite unique to the iPhone have been given high ratings by the opinion leaders. Also, non opinion leaders have higher and statistically significant satisfaction from physical appearance and there is no statistically significant difference on post purchase service between opinion leaders and non opinion leaders (table 3).

Table 2: Sources of Information for Initial Awareness

Media/Contact Option	Opinion Leaders proportion	Non Opinion Leaders proportion	Test statistic (z): difference between opinion leaders and non opinion leaders
Peers (Users)	0.22	0.61	-3.62 *
Advertisements (Electronic and Print Media)	0.59	0.00	5.50 *
Mobile related Websites and Forums	0.22	0.00	2.86 *

* Difference statistically significant at $\alpha=0.05$ level

Table 3: Key Attributes of Apple iPhone by Opinion Leaders and Non Leaders

Key Attributes	Opinion Leaders Mean	Opinion Leaders Std. Deviation	Non Opinion Leaders Mean	Non Opinion Leaders Std. Deviation	Test Statistic (t): Difference between Opinion Leaders and Non Opinion Leaders
Storage Space	3.84	0.76	3.18	1.49	2.36 *
Application Store	3.82	0.39	2.58	1.98	3.57 *
Physical Appearance	3.63	0.82	4.39	0.93	-3.85 *
Multi Touch Screen User Interface	4.22	0.42	3.79	1.27	1.87 *
Post Purchase Service	3.22	0.42	3.30	0.47	-0.87

* Difference statistically significant at $\alpha=0.05$ level

CONCLUSIONS AND MANAGERIAL IMPLICATIONS

Survey of the 84 Owners

The smart phone category is booming in India and many manufacturers are vying for success with new models being introduced at a steady pace. It may be worthwhile to do opinion leadership research in an emerging country like India. This study extends the international research that has studied opinion giving in computer mediated environment to India to derive a comprehensive understanding of opinion leadership phenomenon in high end smart phone category specifically in the context of Apple iPhone. This study has attempted to develop a comparative understanding between opinion leaders and non opinion leaders given that research has found that substantial differences exist between the two groups.

The opinion leaders gather, use and disseminate information creating knowledge base for less informed consumers through the information exchange and transfer mechanism. The key contribution of the paper lies in providing a comprehensive picture about initial sources of awareness building for smart phone products. Usage of various sources of initial information (both impersonal and interpersonal) like peers (users), advertisements in the electronic and print media and mobile related websites and forums has been analyzed. In addition, this study has attempted to understand the importance of innovative product features that influence decision making of opinion leaders.

Non opinion leaders primarily use feedback from peers (users) highlighting especially the need for detail and explanation from knowledgeable sources for these people. Information from peers (users) is used by higher proportion of non opinion leaders than the opinion leaders for initial product related information. Hence, non opinion leaders are receiving feedback from users who have used the product already whereas for many of the opinion

leaders that option was not there as many of them were the first among the product adopters also. With information dissemination from opinion leaders, the diffusion of these products will become easier to the non opinion leaders and will raise the penetration of the category.

Higher and statistically significant proportion of opinion leaders use source like advertisements (electronic and print media) compared to non opinion leaders. Hence, high end smart phone makers need to have an active communication strategy in India. There should be significant focus on marketing communication. Hence, service providers need to advertise more aggressively in Indian mainstream as well as in category specific media.

The findings on the usage of peers (users) and advertisements (electronic and print media) is broadly in line with international research on multi step flow of communication (Katz and Lazarsfeld, 1955; Summers, 1970; Rogers, 1983; Stocking, 1992). Also, higher and statistically significant proportion of opinion leaders use sources like mobile related websites and forums compared to non opinion leaders.

The research has provided comparative evaluation of the perception of opinion leaders and non opinion leaders regarding the chosen five salient attributes of smart phone products. Opinion leaders derive higher satisfaction from innovative features of storage space, application store and multi touch screen user interface compared to non opinion leaders. This gives a deeper insight into the adoption and user readiness towards innovative products, as the attributes that are quite unique have been given higher ratings by the opinion leaders.

In the present study, opinion leaders attach higher ratings to multi touch screen user interface, however, as novelty wears off over time; non opinion leaders who buy later attach less ratings to this feature compared to the opinion leaders. Hence, there is a need to incorporate novelty factor and focus on style/design improvements in each new

version. In the present study, opinion leaders have given higher rating to application store feature. The marketers need to display more interest in India by providing more localized applications for Indian consumers. In line with the findings of this study, the product can be advertised in smart phone category specific magazines to target the opinion leaders. Also, branding of category specific websites, forums and blogs can be considered to target the opinion leaders. This study provides ideas on product and promotion strategies for marketers below given that the high end smart phone market in India is still relatively new and small and the 3G infrastructure is not adequate.

The study findings have key managerial implications given that in recent times opinion leadership has been found to be a well established tool often playing a significant part in the marketing communication mix in different industries like the pharmaceutical sector (Smith, 2009) and on brand communication and online social behaviors (Acar and Polonsky, 2007). Accordingly, the consumer research has attempted to provide a few pointers to smart phone marketers for tapping upmarket audience in India with proper media and contact options and for focusing their marketing efforts towards opinion leaders.

Focus Group of 14 Category Enthusiasts

The focus group highlights the market dynamics and attempts to provide insights to high end smartphone manufacturers like Apple to help them in increasing the penetration of the category by assisting them in understanding how best to target the consumers in the category through focused product and promotion strategies..

Product Strategy

iPhone may have to improve upon audio facilities for music and video player which are sub optimal on some respects at present. Huge battery back up is required in the products. Consumer awareness campaign is required to educate and to ensure that battery life and battery lifespan remain longer. Apple may consider feature based improvements in

its FM radio, video calls functionality and stereo speakers in some of its products.

Localized applications for Indian consumers are critical as applications are becoming commonplace in smart phone owner's life and localization will provide relevance and widespread adoption. Those applications will be useful to consumers which provide real benefits whether social, entertainment or functional. The marketer needs to focus more on usage based applications like web transaction and mobile money related applications. The customized applications should be based on Indian consumers' specific requirements and should not be more or less the replicas from west. Specialized features like local language feature (e.g. keyboard in Hindi and regional languages) may be useful. Application makers in India need to incorporate applications like traffic information, train time tables and other banking and investment related useful information among others.

Urban youth audience with access to internet and social networking websites can be tapped more actively with information like college admission details and suitability of various Institutes for different streams of higher studies (information on ratings of the Institutes from reputed sources) which may be quite useful for them. Periodic evaluations of the usefulness of each of the additional features can be quite useful.

Promotion Strategy

For success, Apple should be positioned as the real deal (unique product) but with marginally lower prices than the price points at which Apple products have been made available in Indian market. More affordable and somewhat lower prices will provide a better value for money proposition for consumers and will help Apple to compete better with Android based high end smart phones. Better value for money proposition should help the innovators and opinion leaders to buy the more advanced 3G models and upwards. With subsequent information dissemination from opinion leaders about the advanced 3G models and upwards, the diffusion of

these products will become easier to the non opinion leaders and will raise the penetration of the category. This is important given that presence of informed interpersonal sources helps in development of market economics and efficient functioning of the same.

Apple through its promotion strategies need to penetrate into tier II cities by extending beyond the main metros. This is important because some of India's fastest growing cities are in tier II cities. Economic prosperity and job opportunities are rising in some of these cities creating a demand base for many lifestyle products.

Brand acceptance of Apple is less in India compared to in many western markets. Apple needs to develop emotional connect with Indian consumers and requires to understand Indian consumer psychology. iPhone is the ultimate smart phone. Apple needs to have an active communication strategy compared to the low profile communication strategy that it has employed in India till date. There should be significant focus on marketing communication. Apple and its service providers need to advertise more aggressively in Indian mainstream as well as in category specific media with simple communication strategy. Product communication needs to focus on the iPhone user experience as the touch screen of most of the competing Android based products is not as effective as the touch feel in iPhone. Youth segments need to be targeted aggressively. It also needs to introduce its products in India either simultaneously or immediately after the worldwide launch of its products to ensure that it does not lose the market share to the growing Android phenomenon. Apple can target the key opinion leader segment with unique services like electronic newsletters or with special promotions to build long term relationships with the segment. It may be also promoted through select TV Shop 18 types of channels in an innovative manner.

Apple should put a lot of focus on corporate tie ups (B2B) also for diversification. In US, Apple is

winning acceptance from corporate IT managers; however, in India it has not got the same acceptance from this segment. For this, it needs to carry out awareness campaigns targeted to local corporations who are willing to shell out US \$700 equivalent for Blackberrys but not for Apple iPhone products as many of them perceive iPhone as an entertainment tool for young people. For this purpose, large enterprise and small and medium enterprises need to be focused extensively to tap the business smart phone market.

Limitations and Directions for Future Research

The limitations of the paper lie in the fact that iPhone has been used as a proxy for smart phone category in this study. As for future research directions, marketers need to conduct comprehensive consumer research with larger sample size in India for understanding the measures of preference for their product and understanding how really the information exchange and transfer mechanism develops within the broader youth target audience in different age groups. This is important as at each generational stage, the psychological needs vary and so also the lifestyle and consumption needs. With respect to classifying the respondents into opinion leaders and non opinion leaders, one stream of future research with bigger sample size may be considered whereby the need is to divide the sample into three groups and use only the groups with high and low scores ignoring the middle group. Finally, for future research, it needs to be understood that the different iPhone market segments might be different from each other, each with their own opinion leaders and seekers and may have to be studied separately and comprehensively for Indian market.

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BIOGRAPHY

Somnath Chakrabarti is Associate Professor in Marketing Area at Indian Institute of Management (IIM), Kashipur, India. He has done Ph.D. on "Consumer Innovativeness: A Select Study of Organic Food and Fashionable Ethnic Wear in India." from the Department of Management Studies, IIT Delhi, India. He did MBA from Oklahoma State University, Stillwater, Oklahoma, USA and Bachelor of Engineering (B.E.) from Regional Engineering College (REC, now termed NIT), Durgapur, India. He has about nine and a half years of corporate experience and more than ten and a half years of teaching experience. His research papers have been published in reputed journals like *Decision* (IIM Calcutta); *IIMB Management Review* (IIM Bangalore); *Metamorphosis* (IIM Lucknow); *Amity Business Review*; *International Journal of Advertising*, UK; *International Journal of Consumer Studies*, UK and *British Food Journal*, UK among others. He has done research work (sales response modeling) in McCann Erickson, Sydney, Australia while being in the corporate world. His research interests are in the area of consumer behavior, integrated marketing communication and international marketing.

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Questionnaire for Survey of the Owners

Name of the respondent:

Age of the respondent: ; Gender:

1. How did you first hear about the Apple iPhone? (Choose one if appropriate and tick multiple ones if appropriate)

- a. Peers (Users)
- b. Advertisements (Electronic and Print media)
- c. Mobile related Websites and Forums

2. Rate the following attributes of the Apple iPhone (on a 1-5 scale) from below (please put one option)

1 - Very unsatisfactory; somewhat unsatisfactory; Neither satisfactory nor dissatisfactory; Somewhat satisfactory; 5 - Very Satisfactory

-Storage Space

-Application Store

-Physical Appearance

-Multi Touch Screen User Interface

-Post-Purchase Service

3. Please put appropriate rating against each item (please put one option)

5-Strongly Agree (SA), Agree (A), Neither agree nor disagree (N), Disagree (D), 1-Strongly Disagree (SD)

- I often persuade other people to buy smartphone products that I like -----
- Other people rarely come to me for advice about choosing smartphone products -----
- People that I know pick their smartphone products based on what I have told them -----
- My opinion on smartphone products seems not to count with other people -----
- I often influence people's opinions about smartphone products -----
- When they choose smartphone products, other people do not turn to me for advice -----