WINTER 2008 VOL.49 NO.2

MITSloan Management Review

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REPRINT NUMBER 49220

Applying (and Resisting) Peer Influence

Awareness of peer influence helps managers orchestrate the actions of others — and interpret their own behaviors.

Vladas Griskevicius, Robert B. Cialdini and Noah J. Goldstein

If everyone else jumped off a cliff, would you do it, too? In many ways, it's a ridiculous question. People don't follow one another, lemming-like, off cliffs. Moreover, although teenagers may be notorious for mimicking whatever their peers seem to be saying, doing or wearing, intelligent adults don't do something simply because others are. Or do they?

Scholars of various kinds have long documented the degree to which people are influenced by similar others,[1] and social commentators have recently registered this phenomenon as well. For instance, *Time* magazine recently bestowed its coveted "Person of the Year" designation on an unsuspecting winner — us! In defense of the selection, the *Time* editors chronicled the extent to which consumers are abandoning traditional expert sources in favor of the perspectives of their peers. And because of the vast reach of the Internet, the range of "one anothers" now available is unprecedented. As a consequence, bloggers have become fonts of political wisdom; user groups dispense insights on everything from tea to technology; scholarship is entrusted to next-door-neighbor *Wikipedia* contributors; book sales are heavily influenced by Amazon.com customers' reviews; and the dominant restaurant guide in the United States — the *Zagat Survey* — recruits its raters exclusively from the ranks of nonprofessional critics.

Given all that, it's surprising how little business executives take note of the potency of peer influence at two crucial (and often-encountered) times: when, as tacticians, they seek to influence the actions of others, and when, as observers, they attempt to interpret the causes of their own actions. A close examination of these two failings reveals a number of ways in which they hamper effective managerial decision making.

Influencing the Actions of Others

Savvy managers are aware of how people can be affected by the actions of similar others, but even they can fail to appreciate the full power of peer influence or to anticipate its unintended consequences. Such mistakes can be costly. Consider the Petrified Forest National Park in Arizona, which loses more than a ton of petrified wood each month because of theft. In hopes of preventing the vandalism, the park has instituted a deterrence program in which prominently

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placed signs make visitors aware of past thievery: "Your heritage is being vandalized every day by theft losses of petrified wood of 14 tons a year, mostly a small piece at a time."

Obviously, park officials want to deter potential offenders by describing the dismaying size of the problem, but an understanding of the inner workings of peer influence suggests that such a message might have undesirable unintended consequences. When one of our former graduate students visited the park with his fiancée — a woman he described as someone who would never take even a paperclip or rubber band without returning it — he was astonished when, after reading the sign decrying vandalism, she whispered to him, "We'd better get ours now."

What could have spurred that law-abiding woman to thievery and to think little of depleting a national treasure? The answer has to do with a mistake that park officials made when creating the sign. They tried to alert people to the problem by informing them of the scale of the losses. But in doing so, they inadvertently triggered the precise behavior they had hoped to suppress because they made thievery appear commonplace — when, in fact, only 2% of the park's millions of visitors have ever taken a piece of wood.

The park officials are far from alone in their error. Managers responsible for shaping or enforcing policy within an organization make similar blunders all the time. Because they don't give sufficient weight to the power of peer influence, they will frequently call attention to a problem behavior, such as supply room theft, by depicting it as regrettably frequent. Although such admonitions might be well-intentioned, the communicators have missed something critically important: Within the lament "Look at all the people who are doing this undesirable thing" lurks the powerful and undercutting disclosure "Look at all the people who *are* doing it." And in trying to alert people to the growing occurrence of a problem — which could be anything from expense account padding to safety violations — managers can inadvertently make it worse.[2] Consider what occurred after the IRS announced that it was going to strengthen the penalties for tax evasion because so many citizens were cheating on their returns. In the following year, tax fraud actually *increased.*[3]

To explore how such messages can backfire, we conducted a test with our colleagues at the Petrified Forest.[4] In the experiment, we used one of two signs in high-theft areas of the park. The first sign urged visitors not to take wood, and it depicted a scene showing several different thieves in action to highlight the problematic prevalence of the behavior. The second sign also urged visitors not to take wood, but it depicted only a lone thief. The results were unequivocal: Visitors who passed the first type of sign (which, incidentally, displays the type of information contained in the actual signage at the Petrified Forest) were more than twice as likely to steal the precious wood as those who passed the second type of sign. Thus, by failing to take into account the effects of peer influence, park administrators were actually achieving the opposite of what they had intended. Similarly, managerial efforts to stop a problem by calling attention to its prevalence can not only be ineffective but markedly counterproductive.

Going Green With Peer Influence

Frequently, that same mistake — underestimating the power of peer influence — also prevents managers from using persuasion tactics that *can* be highly effective in changing people's behaviors. Consider, for instance, the trend of businesses to become more environmentally conscious.[5] Instead of highlighting how existing practices are harming the planet (not to mention a company's bottom line), shouldn't managers focus on what many employees have already been doing to preserve the environment, such as turning off lights and computers at the end of the day, recycling paper and so on?

To answer that question, we investigated the conservation efforts of hotels that display cards in rooms asking guests to reuse their towels. The cards can urge the action in various ways. Sometimes they request compliance for the sake of the environment; other times they ask guests to conserve for the sake of future generations; and still other times they urge people to cooperate with the hotel in order to save water, energy and expense.[6] But what the cards *never* say is that the majority of hotel guests do in fact reuse their towels when given the opportunity.[7] We suspected that this omission was costing the hotels — and the environment — plenty.

So we tested that suspicion. In collaboration with the management of a major hotel in the Phoenix area, we put one of three different cards in the guestrooms. One card said HELP SAVE THE ENVIRONMENT, followed by information stressing the respect for nature. A different card stated PARTNER WITH US TO HELP SAVE THE ENVIRONMENT, followed by information urging guests to cooperate with the hotel in preserving the environment. A third card, using an appeal based on peer influence, said JOIN YOUR FELLOW GUESTS IN HELPING TO SAVE THE ENVIRONMENT, followed by information that the majority of hotel guests reuse their towels. The outcome? Compared with the first two messages, the peer influence appeal resulted in a 34% increase in towel reuse.[8]

The main lesson of the hotel experiment is that peer influence can be a powerful lever for change, but there's something else worth noting. The message that was the most successful in getting people to recycle their towels was one that, to our knowledge, no hotel has ever deployed. Apparently, the managers in charge of hotel conservation programs do not realize how effective a simple appeal based on peer influence can be.

Maximizing the Power of Peer Influence

By now, you've probably resolved never to make similar mistakes in your own efforts to persuade customers, clients, business prospects and coworkers. Good, but to maximize the effect of peer influence, consider this: The impact of peers increases during periods of uncertainty. Intuitively, this makes sense. After all, when people are unsure of what's happening around them, they don't look inside themselves for answers because all they'll see there is confusion. Instead, they look to the outside (that is, toward others) for clues about what to do. Thus, when business conditions have changed because of a merger, recent government regulation, a new competitor or some unforeseen economic event, employees will be especially attentive and responsive to information about how similar others are dealing with the unfamiliar conditions. That means that leaders will gain great persuasive leverage if they marshal and employ such information in their communications precisely at these times. All too often, though, managers rely on the wrong individuals to deliver important messages regarding impending change within the organization. That mistake can occur in one of two ways.

When consumers have little or no experience with a brand or even with a general type of product or service, the resultant uncertainty will make them especially receptive to peer influence.

First, managers frequently take sole responsibility for communicating the wisdom of a new policy or initiative. But in doing so, they typically make the mistake of assigning too much power to their position in the organizational hierarchy or to their own persuasive abilities. In truth, the most effective communicators are those who know when they are *not* the best people to deliver a message. More specifically, they recognize that, particularly during a period of uncertainty, the best route to influence others can be from the side rather than from above. For leaders, this means allowing employees who have yet to accept a change to hear from those who have, perhaps through team meetings. Even just one exposure to the favorable position of a peer can have a greater impact than multiple exposures to the similar position of a supervisor.

Second, when working to ensure that the voices of supportive employees will be heard, managers often select those who are the most articulate when they should instead favor those who are the most similar in circumstances to the individuals who are still unconvinced. So if resistance to an initiative is strongest among employees with the longest tenures, then a fellow old-timer who has genuinely embraced the change could be a better advocate than someone who might be more eloquent but has only recently come on board.

There's a related implication for marketers. When consumers have little or no experience with a brand or even with a general type of product or service, the resultant uncertainty will make them especially receptive to peer influence. That simple insight enabled one man to become a multimillionaire. His name was Sylvan Goldman and, after acquiring several small grocery stores in 1934, he noticed that his customers would stop buying items when their hand-held shopping baskets became too heavy. This led Goldman to develop the shopping cart. In its earliest form, the invention was a folding chair equipped with wheels and a pair of heavy metal baskets hanging off the sides. The contraption was so unfamiliar looking, though, that at first none of Goldman's customers was willing to use it, and their reluctance persisted even after he built an adequate supply, placed several of them in a prominent place in the store and erected signs describing the cart's use and benefits. Frustrated to the point of giving up, Goldman tried one more tactic: He hired shoppers to wheel the carts through the store while accumulating the items they wanted to purchase. As a result, his regular customers soon began following suit, and his invention swept the nation.[9] Today, over three-quarters of a century later, the basic principle of Goldman's peer-based approach is the foundation of the increasingly popular form of word-of-mouth advertising called buzz marketing, in which companies employ highly visible consumers to use their new products and to create a "buzz" around them in the process.[10]

But what about products and services that don't possess the flash and panache normally associated with buzz techniques? After all, every company can't manufacture ultra-thin cell phones, flavored vodkas or large-screen, high-definition televisions. What then? And how can a company trumpet the past favorable choices of other consumers when promoting a new offering? If something is truly new, the prior choices of others don't exist, right? Well, that's only true for companies that have failed to test market the novel item in small or localized rollouts. But businesses that have conducted such tests will possess a trove of peer influence data, including satisfaction ratings and preference scores. Assuming that information is favorable (and if it isn't, then perhaps the product needs to be revamped), a company would be remiss if it didn't use the data. But that's a mistake even highly sophisticated marketers make all the time.

Consider fast food giants such as McDonald's, Burger King and Taco Bell. Those companies are careful to test market each newly developed menu item before distributing and advertising it widely. But, when was the last time that such ads contained information about the impressive consumer sales or taste test ratings that led to the major rollout decision? We can't recall ever seeing or hearing such information in an ad for a new fast food or, for that matter, for any new product. One reason is that, here again, executives have underestimated the power of peer influence.

That's not the only type of mistake that managers regularly make, however. Indeed, a more subtle problem occurs when they fail to recognize how peer influence is affecting their own decisions. Such situations can be particularly dangerous, leading people to do exactly what they shouldn't, all because they inadvertently — and often subconsciously — have listened to the wrong voices.

Making Better Decisions

In 1761, two moderate-sized earthquakes struck London exactly a month apart. The coincidence convinced a soldier named Bell that a third, much larger quake would occur in another month, and he began spreading word that the city would be destroyed on the fifth of April. At first, few paid him any heed. But those who did took the precaution of moving their families and possessions to surrounding areas. The sight of this small exodus stirred other people to follow, which then spurred others, eventually leading to a large-scale evacuation and near panic. According to Charles MacKay's classic text on crowd behavior, the terrified throngs included "hundreds who had laughed at the prediction a week before, [but who] packed up their goods, when they saw others doing so, and hastened away."[11]

When the designated day came and went with nary a tremor, the evacuees returned to the city, furious at Bell for leading them astray. But their anger was misdirected. It was not the crackpot soldier who had convinced them of impending doom. It was their fellow Londoners, each to the other. As frequently happens with peer influence, however, they were unable to identify the true culprit.

In a more recent example, we conducted an experiment at a busy subway station in New York City. In the test, we observed whether people chose to compensate a street musician by putting money in his hat. After getting a good measure of the percentage of passersby who gave to the performer, we changed the conditions slightly: Just before an approaching individual made a decision whether to make a contribution or not, we had another person (one of our colleagues) reach into his pocket and toss a few coins into the hat. The results were impressive: Passersby who saw someone make a donation were eight times more likely to contribute than those who didn't see anyone giving money.

But that wasn't the only noteworthy result. When the people who made a donation were interviewed, they all failed to attribute their action to the fact that they had seen someone else give money. Rather, they claimed that something else had been the cause — "I liked the song he was playing" or "I felt sorry for the guy" or "I had some extra change in my pocket." But because we had altered only one thing in the experiment — namely, the presence of a charitable individual — we knew that it wasn't any of those other factors that had made the difference. Instead, the key factor was the action of another person. Yet when our study's subjects thought about the reasons for their choices, not one of them hit upon the true cause. That finding illustrates a general psychological principle: People are often poor at recognizing why they behave as they do.[12] The subway study also shows that people can be particularly clueless at recognizing that the actions of another person might be the cause of their own behavior.

To probe that issue further, we conducted another experiment in which we and some colleagues arranged for residents of a midsize California community to receive appeals to conserve energy at home. The messages were printed on door hangers and were placed on the front door of each resident's house once a week for a month. The residents received one of four types of notes, emphasizing that energy conservation (1) helps the environment, (2) benefits society, (3) saves them money or (4) is common in their neighborhood — that is, the peer influence appeal. Subsequent interviews with household residents revealed that those who received the peer influence appeal rated it as the least likely to motivate them to conserve energy. Yet when we examined the actual energy usage of the community by recording electricity meter readings, we found that the peer influence appeal was the most effective, resulting in significantly greater energy conservation than any of the other messages.[13]

Managers need to recognize the stealthy impact that others' decisions can have on their own choices. The trick is to screen irrelevant information before it has biased the decision process.

The lesson from such studies is clear: When it comes to estimating the causes of their own conduct, people seem especially blind to the large role of peer influence. They don't just fail to get this right; they frequently get it precisely wrong. Consequently, managers need to recognize the stealthy impact that others' decisions can have on their own choices. When gathering information about the wisdom of a new initiative, for example, executives often collect data about the similar undertakings of decision makers in other units, organizations or industries. Because of the unrecognized power that such evidence will likely have, it is imperative that the data be culled only from those entities whose business circumstances and challenges are comparable to the situation at hand.

In other words, managers should resist the tendency (and the conventional wisdom) to start by casting the widest net possible and then later discounting information that isn't relevant. The potential pitfall is that this approach inserts the filtering process too late, after any irrelevant data might have already had a subconscious impact on a person's decision making. The trick is to screen information *before* it has biased the decision process. By investing the time and energy necessary to qualify the set of peer choices allowed into the information system in the first place, executives can help ensure that at least they will be affected by the decisions of properly matched counterparts. The goal is to jump on the appropriate bandwagon — and not off a steep cliff.

ANYONE WHO HAS EVER RELIED on income from a tip jar has probably learned a valuable lesson in peer influence: An empty jar tends to stay empty; a jar with some cash fills quickly. But people who choose to put money in the jar are rarely aware of how the tipping decisions of previous customers influence their own decision — so much so that they are likely to say that the amount of money in the tip jar has no influence at all. A large body of scientific evidence, however, has proven otherwise. Although individuals of all kinds underestimate the effects of peer influence on their own decisions, that influence is both potent and omnipresent.[14] Yet this powerful and low-cost source of persuasion remains systematically underutilized by managers, policy makers and leaders. And who can blame them? After all, it's easy to overlook a simple tool when the would-be persuaders believe that it doesn't work on them.

As with any technique for persuading others, peer influence can be used in unethical ways. Some individuals might be tempted to sway people by misinforming them about the beliefs, preferences or behaviors of "folks just like you." Consider the recent tactics of John Mackey, CEO of the Whole Foods Market Inc. grocery chain. In addition to hosting a blog on his company's Web site, Mackey regularly posted comments in Yahoo chat rooms to pump up his company's stock and degrade that of his main rival, all the while using an alias and proclaiming himself to be just another interested investor.[15] The ethics of such behavior aside, that kind of covert misdirection — once brought to light — is likely to entail long-term costs for both the individuals using it and the companies that employ them.[16]

Fortunately, peer influence can also be utilized in many ethical ways. A hotel, for example, doesn't need to resort to underhanded means to increase its towel reuse rate; it just needs to make guests aware that others are reusing their towels during their stay. Yet, as we've noted, that simple but effective measure has yet to be deployed. In sum, the opinions, experiences and behaviors of people's friends, neighbors and coworkers can provide an invaluable goldmine of persuasive resources. And that mine is, well, a terrible thing to waste.

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