


Consumer Behaviour
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Lecture - 32
Consumer Groups and Reference Groups

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MODULE 7:	
SOCIOLOGICAL INFLUENCES ON CONSUMER DECISION	
MAKING (7 hours)	
7.1	Consumer groups
7.2	Consumer reference groups
7.3	Family and Family Life cycle
7.4	Social class and mobility, Lifestyle analysis
7.5	Culture, Sub-Culture and Cross Culture
7.6	Interpersonal Communication and Influence
7.7	Opinion Leadership

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We will be continuing with our with our course on consumer behavior. And today we will be beginning the seventh module on on consumer behavior, which is the psychological influences on consumer decision making. We will be covering this particular module number 7 in 7 hours and we will be speaking about topics like consumer groups, consumer reference groups, family and family life cycle, the social class and mobility, lifestyle analysis, culture, sub-culture, cross culture, interpersonal communication and influence and we will we summing it up finally, under with the focus on opinion leadership.

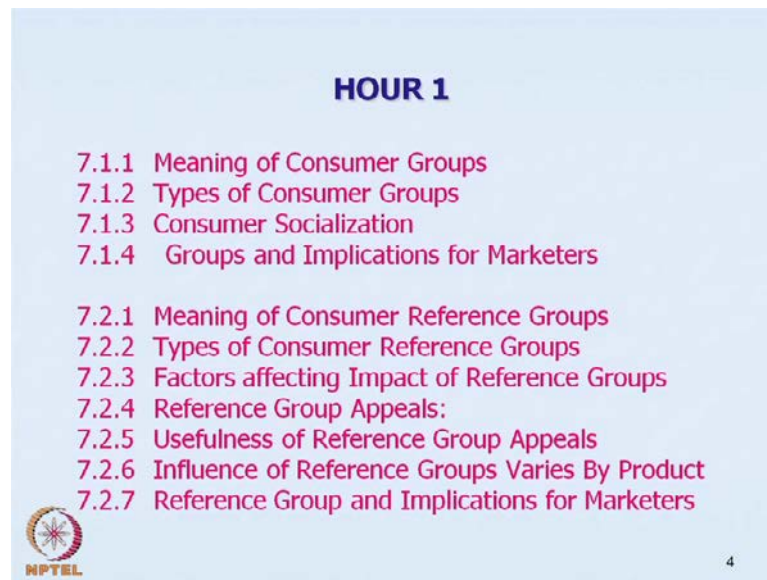
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MODULE 7.1 and 7.2:	
CONSUMER GROUPS AND REFERENCE GROUPS	
(1 hour)	
7.1.1	Meaning of Consumer Groups
7.1.2	Types of Consumer Groups
7.1.3	Consumer Socialization
7.1.4	Groups and Implications for Marketers
7.2.1	Meaning of Consumer Reference Groups
7.2.2	Types of Consumer Reference Groups
7.2.3	Factors affecting Impact of Reference Groups
7.2.4	Reference Group Appeals
7.2.5	Usefulness of Reference Group Appeals
 7.2.6	Influence of Reference Groups Varies By Product
7.2.7	Reference Group and Implications For Marketers

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In today's session we will be covering the first two modules first two sub topics of this particular module. And we shall be covering the meaning and nature meaning of consumer groups, the types of consumer groups, consumer socialization, groups and implications for marketers. And then we will be talking about the meaning of consumer reference groups, types of consumer reference groups, factors affecting the impact of reference groups. We will also be speaking about the reference group appeals and the usefulness of reference groups appeals and we shall be talking about the influence of reference groups which varies by product and we will also be talking about how reference groups and the study of reference groups is valuable for a marketer.

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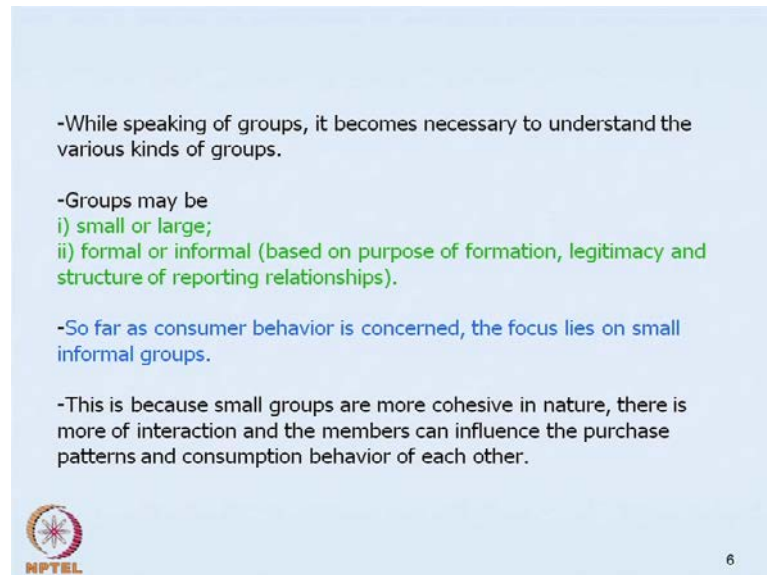
So, in in this particular module 7.1.1 we focus on consumer groups and types of consumer groups and socialization process. And in 7.2.1 we talk about the meaning of consumer reference groups various types, factors influencing impact of reference groups, various appeals and the influence of reference groups which varies according to the product category.

So, let us begin with our discussion on consumer groups. So, when we talk of a group, we say group is a any it is a two or more people who get together to accomplish certain goals or to accomplish certain mutually accepted goals or agreed upon goals. Now, such in terms of consumer behavior a group, a consumer group will be will be say few individuals or group of individuals or a family who have a particular need and a desire and they intended going in for a purchase of good or service offering, in order to fulfill that particular need or want and ultimately derive satisfaction. So, these goals here relate to the, relate to an individual or group of individual who get together for accomplishment of the objectives.

Now, when we speak about groups, it is important to discuss different kinds of groups. Groups can be small or large, groups can be formal or informal based on the purpose of formation, based on the legitimacy and the structural structure of operational relationships or reporting relationships we can classify groups into formal and informal. So, when we talk about groups there are different types they could be large, they could

small and when we are talking about formal and informal; they essentially defining them in terms of the purpose of formation, the legitimacy associated with the formation, the operational or the reporting relationships.

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-While speaking of groups, it becomes necessary to understand the various kinds of groups.

-Groups may be

- i) small or large;
- ii) formal or informal (based on purpose of formation, legitimacy and structure of reporting relationships).

-So far as consumer behavior is concerned, the focus lies on small informal groups.

-This is because small groups are more cohesive in nature, there is more of interaction and the members can influence the purchase patterns and consumption behavior of each other.



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Now, in the consumer behavior our focus basically is on small informal groups. This is because small groups are cohesive in nature and there will be more interaction and the members in the group can influence each other. They can influence the purchase decision making, they can influence consumption patterns and consumer behavior of the each other.

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7.1.2 Types Of Consumer Groups:

-Groups may be classified on various bases like:

- i) number and size;
- ii) regularity of contact; and
- iii) structure and hierarchy.

- A) **Primary and Secondary Groups**
- B) **Formal and Informal Groups**
- C) **Membership and Symbolic Groups**



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Now, let us come to the the types of consumer groups in little more of a detail. Now, groups may be can be classified according to number and size. They could classified in terms of regularity of contact and also they can classified in terms of structure and hierarchy. So, based on these different bases either in terms of whether they are small or large or whether they meet frequently or infrequently or whether they are formal in structure or informal in structure whether there are reporting relationships or operational relationships or not; so, depending on that we can classify groups into three categories or three forms; primary and secondary groups, formal and informal groups and membership and symbolic groups.

So, talking about the first category, which is the primary and the secondary groups. So, based upon the the regularity of contact and the subsequent importance given to given to you know interaction groups can be classified into primary groups and secondary groups. So, depending upon the interaction that occurs between the members and depending upon the frequency of contact which they have with each other or the regularity of contact which they have with each other and the important to the subsequent interaction that takes place we can classify groups into primary groups and secondary groups.

Now, when people interact with each other on a regular basis and they regard each others opinions as very valuable, as very significant they are concerned to constitute a primary group. For example; the family, the neighbours, the peers, the work colleagues, co-

workers all of these are people with whom you interact daily, you are regularly in contact with them, you interact frequently with them and they are said to their opinions are often regarded as to be very valuable and significant. So, we call them a primary group. On the other hand there are groups with whom the level of interaction is very infrequent, it is very irregular, very occasional and not much of importance may be given to their opinions, to their values, to their believes or to their judgments. So, we call such groups as secondary groups.

Now, as far as consumer behavior is concerned the the focus of our study when we compare with primary groups and secondary groups, our focus will be on primary groups. Where the the the people are in regular touch with each other, they meet each other, there is frequency of interaction and whatever values opinions judgments are placed by one or looked up with value and significance by the others in the groups. So, our focus is on primary groups.

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- B) **Formal and Informal Groups**
- C) **Membership and Symbolic Groups**

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Now, we also have something called as formal groups and informal groups. Now based on the groups structure and membership, based on the rules, the norms as well as the purpose of formation, groups may be classified into formal and informal groups. When the group structure and the membership is very clear, there is a membership role list and when the various roles or various positions are clearly defined, the groups norms are clearly spelled out that is the do's and don'ts are clearly defined and the reason for

existence of a particular group is clearly mentioned, we call such for the purpose of existence of that groups is clearly specified. We we call such groups as formal groups. On the other hand where the group structure is ill defined, the roles and norms and even the purpose of existence of groups is not defined at all or even if it is defined it is very ill defined, we call such groups as informal groups.

So, again so far as consumer behavior is concerned our our focus here is on informal groups. Because the level of interaction that takes place is more to do with everybody being equal, everybody being with par, everybody having the freedom to say what they feel like saying. So, there are no do's and don'ts. It could absolutely be free and opened expression of values, expression of opinions, expression of belief's and judgments and there are no rules and there no regulations, there are no reporting relationships or a feeling of a boss and a subordinate and so forth. So, people are all at par, people all are at equal standing. And so the kind of interaction that takes place between them is much more valuable. There is a better exchange of influence and there is a better exchange of information and greater influence of each other of consumption patterns and behavior.

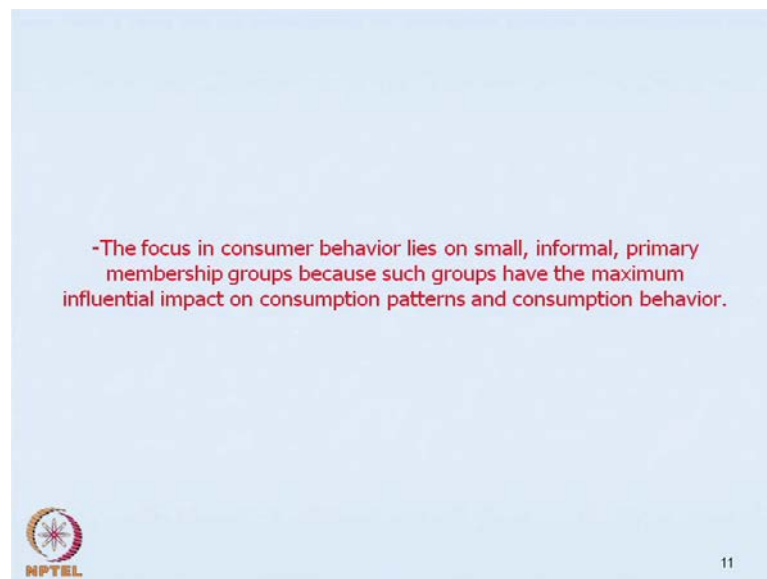
Now, the third type of groups which we speak of are membership and symbolic groups. So, groups can be classified on the basis of membership and you know as as symbolic groups they can be classified on the basis of membership as either membership groups or symbolic groups. Now, in when a person belongs to a particular group by virtue of his membership or he qualifies as a member to that group, he qualifies for a membership to that group. It is called a membership group.

On the other hand, when a person does not form a part of the group he does not become a, he is not a member of group but, he adopts the values, the norms, the belief's, the the patterns of behavior similar to members of such groups, he is said to be a person from the symbolic groups. Again as far as consumer behavior is concerned our focus is on is on more on membership group, because here in membership groups people meet each other, they interact with each other, their cohesiveness is higher, it is larger, it is stronger and so the impact on consumption behavior and consumer behavior is much larger as compare to symbolic groups. But, then nevertheless symbolic groups are important as well because in some form or other they also become a part of the aspirational group. And you know we have spoken earlier about the self image and the ideal self image or

the self concept and ideal self concept. So, we can relate aspirational groups with these and we can relate symbolic groups with other aspirational groups.

So, they are important but, if we compare membership and symbolic groups, membership groups are more important. So, here you know if we if primary groups, where people meet each other very frequently have an impact on each other directly, secondary groups where they do not meet each other. So, the... So, the impact of primary groups is much larger, much stronger. Formal and informal where formal where structures are defined do's and don'ts are clearly spelled out. Informal where such things are absent, there is no structure and there are no reporting relationships there are no do's and there are no don'ts. So, it is a open free forum and informal groups are much stronger and in the case of primary groups and secondary groups and in the case of membership groups and symbolic groups again it is the membership groups which are more stronger.


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Now, the focus in consumer behavior lies on small groups, informal groups, primary membership groups because such groups have the maximum impact on consumption patterns and consumption behavior.

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Relevant Groups in the Study of Consumer Behavior	
Groups	Definition/Impact
Family	<ul style="list-style-type: none">-The family has the maximum impact on consumption patterns and consumption behavior because of the socialization process that an individual as a family member undergoes through.-The family is the most influential group. Why? Because of frequency of contact and maximum interaction, and influence on values and lifestyles, attitudes and opinions.-Family of orientation: Parents, Grand-parents and Siblings- Family of procreation: Spouse and Children



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Now, let us talk a little bit about this relevant you know groups in the study of consumer behavior and we will talk about it where we will speak about definition of these groups and we will also talk about impact that generated by such groups. Now, let us start with the family which has the maximum impact on consumer consumption patterns and consumption behavior because of the socialization process that an individual as a family member goes through. The family is the most influential group, why because there is frequency of contact is maximum interaction and there is influence on values, lifestyle, attitudes, opinions, belief's, judgments, etcetera.

We speak about the family of orientation where one is born with which is with your parents, your grandparents and your siblings and you also have the family of procreation where we have the spouse and your children. So, both during the family, the family here in terms of both family of orientation and family of procreation will have an impact on one's own attitude, opinions, lifestyle, values, judgments and as because of the frequency of contact and because of the regular interaction that takes place they are going to have a maximum impact on consumption behavior. So, the most influence group, the most influential group and it is because people go through socialization process.

Now, when we talk of a socialization process we will elaborate it in later on. We would like to mention here the socialization process is something which happens throughout life. It is not just restricted to you know a child socialization, it could happen even during

adult as another adult and that is referred to as adult socialization. And it could happen across generation we call it as inter generational socialization. So, the the family as a social unit, as a basic unit has a maximum impact on a person's on a person's life and so consumption behavior and consumer behavior is no exception. Our attitudes, values, lifestyle, judgments, belief's, opinions, everything you know comes to us from our family and so the family has the maximum amount of influence either as family of procreation or as family of orientation.

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Relevant Groups in the Study of Consumer Behavior	
Groups	Definition/Impact
Friendship groups and informal social groups	<p>-As far as influence on purchase decisions is concerned, second in importance lie friendship groups.</p> <p>- Consumers tend to interact with their friends and others in their social groups and get influenced by them with respect to purchases and consumption patterns.</p> <p>-They are regarded as informal as they are loose, unstructured with no power and authority relationships.</p> <p>-</p> <p>-The interaction that occurs is casual in nature; Opinions and beliefs regarding product and service offerings as also brands are discussed. Such discussions impact a person's decision with respect to the product and/or brands that he finally buys.</p> <p>- The assumption is that such friends belong to similar social classes and have similar values and lifestyles.</p> <p>- Thus, marketers tend to use a social appeal in their advertisements so as to illustrate how friends can influence each other.</p>

The second group which has impact on us is the friendship groups and the informal social groups. So, as for as an influence on purchase decision is concerned second in importance is the family, second importance is the friendship groups or the informal social groups. Now, consumers tend to interact with their friends in their social groups they get influenced by them. They like to buy what their friends are buying. They like to eat things what they are eating, dress up how they are dressing up. Develop activities, interest and opinion and their hobbies which their friends develop. So, they interact with their friends they greatly influenced with them with respect to their purchases and consumption patterns and these social groups are informal in nature they are loose unstructured, no power and authority relationship. So, information that occurs is very casual it is a free flowing information exchange. They are no do's they are no don'ts so it is very casual in nature; opinions and belief's about product and service offerings are discussed about brands are discussed and such information is actually you know such


discussion will actually impact a person's decision to buy a particular product or service offerings or a brand.

And the assumption here very correctly is that people you know friends belong to similar social class and they have similar social values and similar social lifestyle and because they share you know such things with each other and because they they prefer you know social acceptance and social approval from the each other they tend to behave like others, they tend to adopt what other people are buying or other people are using. And so that is the reason why marketer also use a social appeal for many of the product and service offerings. So, that these appeals basically illustrate how neighbours or friends or a people in a social group are influencing each other towards purchase of certain product or service offerings.

So, this is a second group which is very informal, very casual, regular they meet regularly and then regular contact with each other and they get influenced by each other. So far as their daily lifestyle patterns are concerned and even their purchase pattern and consumption behavior is concerned and also they seek social approval people tend to behave like others in their social group.

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Relevant Groups in the Study of Consumer Behavior	
Groups	Definition/Impact
Official work groups:	-Social groups could also be official in nature. This would include peers and colleagues who work together as a team and interact with one another.
Superiors, Peers, Subordinates (Formal)	-As considerable time is spent at the workplace, and there also occurs informal interaction between peers, official work groups also influence consumption patterns and behavior. - Superiors may act as reference groups and subordinates may admire them and desire to their purchase patterns and behavior.



Then we have the official work groups which basically comprises the superior or the subordinate or the peers. This is more formal in nature and they basically they are also social groups but, now official they are official in nature they are formal in nature. And

as people spend a lot of time in their office, in their work place they also tend into getting influenced by their peers or their colleagues or their subordinates and their superior. They often enter into discussions with respect to a product or service offerings or brand or a store or a advertisement or something to do with a sales promotion or discount going on somewhere around nearby.

So, because of that they they talk about these things they and share information, they share experiences, they talk about, they share information about the product, so product news, they give advice to each other. So there is advice and then there is also sharing of experiences as such dialogue or such communication between them influences consumption patterns and and behavior. Superiors also acts as reference groups and subordinates may admire them and desire to their adopt purchase patterns and consumption behavior.

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Relevant Groups in the Study of Consumer Behavior	
Groups	Definition/Impact
Formal social groups	<ul style="list-style-type: none"> -Social groups can also be formal, such as membership to clubs, societies. -Members of formal social groups also influence each other with respect to consumption behavior.
Consumer-action groups	<ul style="list-style-type: none"> -With the consumerist movement gaining strength all over the world, consumer-action groups have emerged that also have an impact on how the consumer behaves. - Consumer-action groups could be of two types; one, that emerge in order to fight and rectify a specific issue, and disband after the issue has been solved; two, that deal with general issues and remain in existence over longer periods even after a problem has been solved.

Then, we have other formal social groups, where we where there is a need for a membership to club membership to society. So, members of formal groups are also influence each other and then there are consumer action groups. Now, with the consumer movement gaining a lot of importance all over the world. These consumer forums or these consumer action groups have become very, very important and they have gained a lot of you know importance and they are regarded as highly influential on on consumption pattern and consumption behavior. They have huge impact on the manner

in which people behave. So, for example, now that people are moving towards eco friendly product or environment friendly products. And many of these consumer forum or consumer action groups basically talk about the the ban on plastics or the ban on polythene. So, many of the consumer today are preferring to use jute bags or cotton bags to carry to purchases back home, rather than bring them in polythene which could be dangerous for or which could be harmful for the environment and for animal and human species.

So, such groups similarly, lot of action groups like we have something called. Where they try to make consumer aware about lot of things quality or accreditation or certification or even things like say that consumer have a right to bargain on M R P or a consumer has a right to ask for a bill and a receipt. So such things a consumer action groups through their campaigns like, teaching people are making people aware about such things. So, that people become more aware of both informed and respond to and respond to the social ethical and legal and environment norms in a better manner

So, when we talk of consumer actions groups they could be of two kinds, one that basically comes into being to fight a specific issue and after the issue has been solved it disbands. So, they are more temporary in nature and more specific to a particular problem. Another is another type of action groups are those which are which deal with general issues and remain in existence for longer periods of time even after a problem has been solved. So, they pick up issues one after the other and they work in perpetuity in for a longer period of time. So, these are the basic very many kinds of relevant groups which could actually have a impact on consumption pattern and consumption behavior.

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7.1.3 Consumer Socialization:

-The **socialization process** begins as we begin to realize the world around us.

-Of course the **first influence** comes from our family that comprises our **parents and siblings**.

-It could also include the **extended family** if staying together in the form of grand-parents, uncles, aunts and cousins. Interaction with family leads to what is referred to as child socialization.

-The child begins to learn the language, the dressing pattern, the eating pattern, the lifestyle, religion, customs, values and our culture.



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Now, let us come to the socialization process. I just make mention of the socialization process we will go about it in little deeper. Now, the socialization process you know begins the movement we come into this world, as soon as we begin to realize the world around us the super process of socialization begins. We find ourselves midst a family which could be a nuclear family our parents and our siblings or it could you know. So, the first influence comes to us from this family in the form of our parents and our siblings it could also be extended family in the form of a grandparents or a uncles and aunts or cousins. And we we interact with them on a daily basis and this particular interaction at during child hood is referred to as childhood socialization or childhood socialization. So, the child here begins to learn everything, everything with respect to say start with the language the dressing pattern, the eating pattern, the lifestyle, the religion, the custom, the tradition, the values everything about our culture. So, all of that you know it begins process where we are going to learn all of these starts and we call this process as a socialization process

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-As he grows up, he is influenced by his friends, peers and colleagues, and there occurs what is known as **adult socialization**.

-They may belong to his culture or other cultures with varying lifestyles, values and customs.

-He is also influenced by his **spouse and later on even by his children**. His reference groups, both primary and secondary also have an impact on his behavior.

-The **media also has a role to play**, where the marketer indirectly plays a role.



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Now, the socialization process starts with the as as during our childhood and it extends as we grow up. And as we are grouping up one gets to be also influence by our friends, by neighbors, by peers, by colleagues and this is referred to as what we call as adult socialization. So, even these people who basically in the form of our colleagues or peers or superiors, subordinates they come from different culture, different sub culture with different values, different lifestyle and different customs and traditions; so they have an impact upon us they have a impact upon our you know thinking patterns, our lifestyles, our values, our opinions, our judgments, our belief's and so forth. And then while we have a family of orientation with our parents and siblings.


And we have gone through adult socialization and then we come to the family of procreation with the spouse and with the children. So, a person is also influenced by the spouse and later on by children. The reference groups both formal, informal, primary, secondary, all of these also have an impact to play on a person's you know behavior on socialization. And the media also have role to play where the marketer indirectly has role to play. So, the media, the way in which you know things are portrayed on audio visual broadcast media or in print media you know you know articles about culture, cross culture or sub culture, customs, traditions, religions, festivals, you know social issues or you know ethical or environmental issues or political issues all of this is going to be there in the form of print media, in the form of a broadcast audio visual media. you know The marketer is going to inform us about lot of things about his products, his brand, his

usage. He is going to use different kinds of appeals like social appeal or emotional appeal or you know the rational appeal. So all of these is also going to have a impact on our socialization process, where we learning lots of things about about the product its usage, its benefits how it is also particular need or a problem and so forth. So, this entire process where we are learning how to behave? We are learning what to eat? How to dress up? What lifestyles to adopt? Our values, our opinions, our judgments our you know day to day behavior, day to day everything about life is generally is being impacted either by family or by friends or by neighbour or colleagues or by the media. So, all of these has a role to play in the in the socialization process

So, socialization process basically influences an entire individual entire personal makeup. It will be have impact upon how a person acts out his specific instances of behavior as well as general instances of behavior. And this also you know as a impact on consumption behavior. So, whatever people are going to learn from an interaction with primary groups, secondary groups, membership groups you know or symbolic groups or formal groups and informal groups or from the family of orientation and family of procreation or as a part of child socialization or adult socialization or any of these, this is also going to have a impact on not only with general instances of behavior but, specific instances of behavior as well. And consumption behavior is one part which is one specific instance which is not going to left out at all. It is also impacted by this socialization process. So, socialization process also impacts our consumption patterns and our consumption behavior.

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- When a person acts out instances of behavior which relate to consumption patterns and behavior, it is known as **consumer socialization**.
- Consumer behavior gets influenced by various groups like family, friends, social class, reference groups, one's own culture, other cultures and sub-cultures.
- Right from the childhood, **parents** educate the children about products and service offerings, and/or brands, and inculcate within children favorable and unfavorable attitudes towards such offerings.
- Children also make observations about the manner in which the parents go through the purchase process.



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So, when a person acts out instance of behavior which relate to consumption pattern we call it consumer socialization. And consumers gets influenced by various groups like family, friends, social class reference groups, once own culture, other cultures, sub culture. Right from our childhood parents educate us about product and service offerings, about brands and they inculcate in us feelings about favorable or unfavorable attitudes towards product or service category or brands or towards stores or they make conscious about you know the pricing issues and what to shop? Where to shop? How to shop and how much to shop? So, we learn all this. In fact, a perfect example is where a daughter accompanies her mother and see's how her mother is purchasing a products and service offerings and she tries to enact or she tries to role model her mother when she comes into that stage of buying. So, if a mother is inclined towards buying branded atta the daughter also become inclined towards going to the store and buying a branded atta. As children we observe our parents, it's a learning process where we are attentive to their behavior.

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7.2.1 Meaning of Consumer Reference Groups:

- Each one of us looks towards another individual or a group as a point of comparison.
- This group to which a person looks up as a point of comparison is known as a **reference group**.
- A **reference group** may be a **person or a group to which an individual looks up as a frame of reference for his general and specific acts of behavior, values, opinions, attitudes etc.**
- The reference person or the reference group exercises tremendous influence on an individual.
- This is true for consumer behavior as well.



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Now, let us come to the consumer reference groups. So, begin with meaning of consumer reference groups, each one of us looks towards the individual or group of individual for comparison. So, this particular person this particular individual or a group of individual to which or to whom we look up as a reference point or as a you know the bench mark or as a standard or a point of comparison is referred to as reference groups. So, reference groups acts as somebody who is a comparative person or a comparative entity or a comparative group, he may be treated as a bench mark or as a standard and we try to compare ourselves with them. So, reference group is a person or the person or a group of people to which an individual looks up as a frame of reference for his general or specific acts of behavior his values, opinions, attitudes etcetera.

Now, a reference groups have a great role to play, tremendous influence on human beings on consumer as well and the reference group of a person exercises a lot of influence on a person himself and consumer behavior is no exception. So, the reference group basically impacts the manner in which the consumer selects, purchases and uses product or service offerings or brand. they He influence the purchase decision process as well the purchase decision, the consumption patterns and resultant behavior. Now, consumers have different kinds of reference groups, they may look towards one for guidance and advice for particular type of group and they look towards another for purchase and you know another product category. So, consumers have different

reference groups they look towards one for guidance and advice for one product and may look to another for guidance and purchase of another product.

So, generally they gradually they began to adopt standards and norms used by the reference groups and they behave like them. So, marketers make effective use of a reference groups in bringing about changes in consumer thinking patterns and purchasing patterns. So, if we talk about reference groups it is anybody whom you look up with as a comparison, anybody whom you look as a standard, as a bench mark and in terms of consumer behavior anybody to whom you look up to behave in terms of consumption patterns or consumption behavior. Anybody whom you like to emulate or you know in terms of how the other party or how the other person selects purchases and uses goods and services becomes a reference group. People have different kinds of reference groups they will vary across product categories and gradually they began to have exert a tremendous amount of influence on the specific acts of behavior as well as the general acts of behavior, in terms of either talking about brand or in talking about more general in terms of product or service categories. So, they have influence either very broad general influence or they could also have a specific influence and they basically exert tremendous amount of influence and how people select purchase and use goods and service.

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7.2.2 Types of Reference Groups:

-Broadly speaking, based on the **kind of contact** (regularity, frequency, direct/indirect), reference groups could be of two kinds, viz., *primary reference groups* and *secondary reference groups*.

-Such group(s) with which a **person has a direct (face-to-face) contact** and where a direct influence occurs, is known as a **primary reference group(s)**.

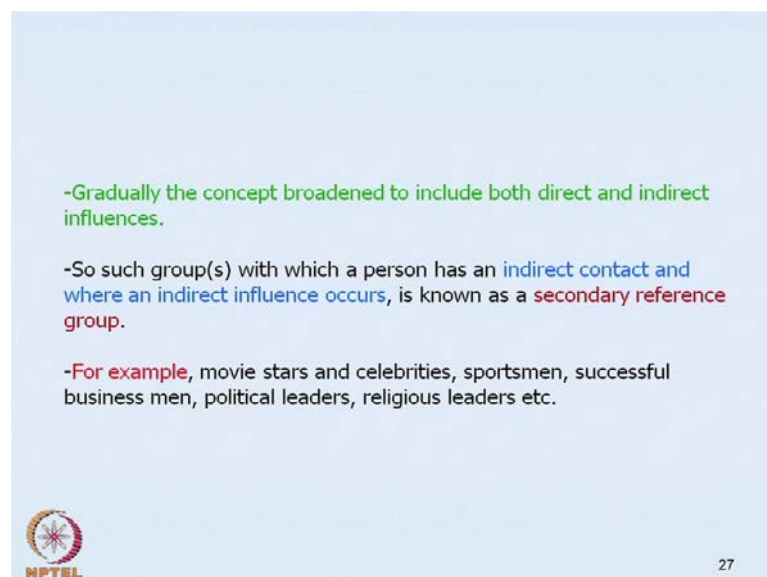
-**For example**, family, friends, neighbours, superiors, peers, colleagues etc.

-*At the time of its origin, reference groups were narrowly defined so as to include only such groups.*



Now, talking about reference groups let us come to the types of reference groups. Broadly speaking based on the kind of contact whether it is a regular contact or a frequency contact or whether it is direct or indirect contact, reference groups could be of two kinds primary groups and secondary groups. So, you have primary reference groups and secondary reference groups. People with whom a person has direct face to face contact, persons people whom may a person meets regularly and where a direct influence occurs we call such groups as primary groups, primary reference groups. For example, family, friends, neighbors, superiors, peers, colleagues etcetera. Initially reference groups were narrowly defined to include only such groups.


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-Gradually the concept broadened to include both direct and indirect influences.

-So such group(s) with which a person has an indirect contact and where an indirect influence occurs, is known as a secondary reference group.


-For example, movie stars and celebrities, sportsmen, successful business men, political leaders, religious leaders etc.

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So, talking about you know later on we extended the definition to include both direct and indirect influence. So, such people with whom you have indirect contact and there in indirect influence occur we call them as indirect reference group or secondary reference group. For example, movies stars, celebrities, experts, successful business man, political leaders, religious leaders or sports persons. So, you know based on the regularity of contacts or based on the frequency of contact we could have two kinds of reference groups the primary reference groups and the secondary reference groups. Primary reference groups are those whom with you have direct contact, you have frequent contact with them and direct contact with them and they have direct influence on your consumption patterns and consumption behavior. So, we call them primary you know reference groups and the other hand when we speak about those where there is a indirect

contact or very little contact if at all there is no frequency of contact we call such groups as a secondary reference groups. So, while family, friends, colleagues, peers, superior, subordinates they comprise the primary reference groups; movie stars, film stars, or celebrities, spokesperson, successful business man, religious leaders, political leaders and very famous people all of them could be put into this category called the secondary reference groups and they do not have a direct contact with you. They do not have a direct information exchange with you, they do not meet you, they do not have a any kind but, they exert a indirect influence on you on general acts of behavior as well as specific acts of behavior and consumption behavior as well.

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-Based on the *kind of influence* that they have, reference groups can also be classified as *normative reference groups* and *comparative reference groups*.

-Those groups that influence general or broadly defined values, attitudes and/or behavior are known as *normative reference groups*.

-*For example*, for a child the family acts as a normative reference group.

-Those groups that influence and serve as standards for specific or narrowly defined values, attitudes and/or behavior are known as *comparative reference groups*.

-*For example*, for the same child, his friend's family or a neighbor may constitute a comparative reference group.

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Now, based on the kind of influence which reference groups can have, we also classify them into normative reference groups and comparative reference groups. Now those groups which influence the general or broadly defined values, attitudes or behavior are called as normative reference groups. For example, for a child a family acts as a normative reference groups, we tries to influence the you know the general or broadly defined values attitudes and behavior. On the other hand the groups that influence and serve as a standard for a specific or narrowly defined values, attitude or behavior and we call them comparative reference groups. So, for the same child his families, his family may be the normative reference groups but, his friend family or neighbour constitute a comparative reference groups. So, your own family would become normative reference groups, which is going to have impact on the general or the broadly defined values,

attitudes and behavior. On the other your friends family or your neighbours family or his family will be a comparative reference groups, which will have a impact which will is a more specific or more narrow, narrowly defined in terms of values attitudes and behavior.

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In terms of consumer behavior:

- the **normative reference group** may exert influence on the kinds of products that should be bought e.g. hygienic food, clean clothes, fresh fruits and vegetables etc.
- the **comparative reference group** may exert influence in terms of the things like junk food versus traditional food, fashion and fad as also the latest styles etc.
- Both normative and comparative reference groups have relevance for a marketer.
- While the former set the basic norms of behavior in terms of products to purchase, the latter is more specific in terms of brands to buy.
- In fact the latter depends on the former; i.e. the specific acts of behavior are governed by the general.




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So, in terms of consumer behavior, if we see the normative reference groups may exert influence on the kind of product that should be brought, that is food should be hygienic, clothes that you should wear should be clean, you should buy fresh fruits and vegetables. This This is going to be thought to us by a family, so it is a general, so it is very in general in terms of a values, attitudes or a behavior, it is part of the normative reference group. On the other hand, the comparative reference groups will talk more in terms of things like junk food versus traditional food or fashion and fad as also latest style so, that comes from the comparative reference group or from the neighbour or from the friend's family. So, both normative and comparative reference groups have a relevance for a marketer. While the normative reference groups set out the basic norms of behavior in terms of product to purchases, the latter or the comparative reference groups basically speak about the more specific acts of behavior. That means the probably the brands to buy.

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7.2.3 Factors Affecting Impact of Reference Groups:

- The impact of reference groups on the behavior of a person is subjective in nature.
- It varies across
 - a) people;
 - b) product and service offerings; as also
 - c) situational factors.
- Nevertheless there are certain factors that affect the impact that a reference group generates on people.
- The factors that impact reference group influence on consumption behavior are explained as follows:
 - i) *Information and Experience*
 - ii) *Power, credibility, and trustworthiness*
 - iii) *Conformance with group and social approval*
 - iv) *Visibility and Conspicuousness of the Product*



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So, let us now move further and talk about factors affecting the impact of reference groups. Now, the the impact of reference groups is very subjective in nature it will vary from person to person, from product and service offerings, one particular category to another particular product or service offerings category, it will also depend upon the situation factors. So, the impact which is generated by a reference groups is something which is very subjective it would vary across people, it will vary across product and service category, it will also vary across situation. Nevertheless, they exert a maximum influence of on us, they have a big role to play, they impact on general as well specific acts of behavior, they impact our consumption patterns and consumption behavior and they have big role to play as far as impact on people and impact of consumer is concerned.

So, the impact of reference groups is something which is which is which is it is relevant very relevant for a marketer. Now, the factors that affect or that impact reference groups influence on the consumption behavior could be information and experience, power and credibility and trustworthiness, conformance with groups and social approval and visibility and conspicuousness of the product. So, the various factors which affect the impact of reference groups are you know information and experience, power and credibility and trustworthiness, conformance with groups and social approval and visibility and conspicuousness of the product.

So, let us speak few about these you know, as I just said the the impact is something which is very subjective it will vary across people, it will vary across product and service category, it will also vary across situation. But, we have these four different parameters, which will actually act as factors which impact the impact or which actually have the effect the impact or effect the influence which reference groups have on consumption behavior.

To start with it is information. So a person who has information about a product or service offerings or about a brand or about the 4 p and he also possess some experience would not look for advice from his reference groups and he is unlikely that he carried away by the advice that they give him. On the other hand, a people who as no experience or no information about a product or service category or about a brand or with very little information about a product or service category or about a brand he would look towards both primary groups and secondary groups for more information, so and sharing of experience.

So, the first factor which affects the impact of reference groups influence is the information and experience, where people have information and experience with respect to product category and a brand, the impact that would be generated by a reference groups will be weak. On the other hand were people are unaware about product or service category and they do not have much experience with the product category or with thr brand impact will be much stronger. Second is power credibility and trustworthy so, when the reference groups is powerful, it is regarded as credible and trustworthy, there is greater probability of influencing other people around it. So, a person who looks towards reference groups for information and other wise about product category and about brand always examines the credibility and trustworthiness of the group.

If you recall, if we spoken about the credibility and trustworthiness of the source as a sender as you know when we did communication so, the credibility of the source and trustworthiness of the source and the power of the source, here in terms of the source, the source here being referencely group or reference person is going to be a much stronger. If you know the impact is going to be much stronger if he is powerful in terms of he as the expert power if he is credible and if he is trustworthy. So, anybody who looks toward the reference groups always looks up to a credibility and trustworthiness of the group

and he may look for social approval and acceptance also from others in his reference group.

Now the third factor which affects the impact of reference groups is conformance with groups and social approval. Now, wherever people seek social approval, the impact that is exerted by reference groups should be much higher. It will be much stronger in cases when people are inner directed and do not seek social approval; they do not seek some kind of social acceptance. In that case, the impact of reference groups on consumption patterns and consumption behavior will be weaker. So, conformance with groups and social approval is also a factor which will influence the impact of reference groups on consumption patterns. So, because a person wants to be identified with others in his group because he wants to be accepted by others in the groups, you know he would do it out of fear or out of a desire for social acceptance. He would like to confirm to what a people in the reference groups are saying or believing or you know he will try to confirm to the values, attitude, the behavior, opinion, the judgments of the people in the reference group.

So, he would confirm to them and he would actually be ready to buy a particular brand which people in the reference groups are buying and using or as suggested to him. So, that he can basically conform with the groups and seek social approval. Lastly, the factors which affect the impact of reference groups is also the visibility and conspicuousness of the product. When a product offering is visible and conspicuous such that it relates to esteem and is status revealing, could be fashion, could be a car, could be upholstery or jewelry and other items, a luxurious item the consumer tends to be conscious while purchasing it because of a reaction of others or which could be in the form of you know a fear of social disapproval or any kind of a social embarrassment. So, he would keep such things in mind and basically he would keep such he would buy such product keeping in mind the advice, the likes and dislikes of people around him.

So, when the product is something which is low on visibility is less likely to be influenced by others. So, where there is a visibility with respect to the usage of the product or the purchases of the product and where there is you know some level of you know issues of conspicuousness of the product in those cases because in order to seek social approval on one hand in order to seek social acceptance on one hand and to avoid any kind of social embarrassment and ridicule, on the other hand he would basically conform to you


know buying a particular brand in which other people in a reference groups are buying and using.

On other hand where visibility and conspicuousness are low you know where the product is low on public visibility conspicuousness one is less likely to be influenced such products. So. you know depending upon these factors which is you know information and experience power, credibility, trustworthiness, conformance to groups and social approval and as well as the visibility and conspicuousness of the product all of these will have impact on the on the influence which reference groups can exert on a person as far as the consumption pattern and consumption behavior are concerned.

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7.2.4 Reference Group Appeals:

- While designing the messages, marketers may use various kinds of appeals so that the consumer can identify himself with the spokesperson (from the reference group) in the advertisement.
- The commonly used reference group appeals are:
 - i) celebrity appeals;
 - ii) expert appeals;
 - iii) common man appeals;
 - iv) executive appeals, trade or spokes-character appeals.

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Now, let us come to reference group appeals. Now, while designing a message marketer use different kinds of appeals so, that consumer can identify himself with the spokesperson or with the reference groups in the advertisement. If we recall we have spoken about a appeals when we did communication, where we spoke about the marketer who uses basically uses two kinds of appeals rational appeal and the emotional appeal; the another appeal which he uses is the social appeal. So, he uses these appeals basically where people tend to identify themselves with with the product or service offerings with the need with their social class with their values with their lifestyle and so forth.

Here, when we talking about reference groups appeals, marketer make use of different kinds appeals so, that the consumer can identify himself with the with the reference

groups as portrayed in advertisement. There could be different kinds of appeals we have the celebrity appeal, the expert appeal, the common man appeal and the executive appeal or the trade or spokesperson or spokes person or spokes-character appeal.

So, let us begin with the celebrity appeal. Now, the celebrity appeal we all know most commonly used kind of appeal you know as far as reference groups of appeal is concerned. Public, people admire film stars, they admire a t v stars or any kind of celebrities, be it sports person or be it you know successful you know people. They basically they look up to celebrities with a lot of or with a lot of admiration and these people also represent a kind of lifestyle, which people aspire to be in. So, people idealize them, people hold them in hold him with a lot of respect, people want to become like them they want to aspire to be like them one day. And so they prefer using such product and services or brands which these people are shown as to be using on t v so, if a particular film star is using a particular soap and looking beautiful and nice other people who hold these film star in admiration, would also like to use this particular soap because she wants to be like film star one day. So they all represent lifestyle, they shown using product, they shown using certain brands and people idealize them and they want aspire to become like them. So, they want to buy such product and service offerings.

So, that is the reason why marketers use a lot of these celebrity particular in you know in f m c g products. So, celebrity in the advertisement could be use in a variety forms they could be use as a spokesperson, where they are basically educating the public about, a product category or about a brand they can be used as giving a testimonial or a endorsement, which is basically the statement and support of the claims made by a product or a brand. They could also be used as an actor or as a model. So, whatever the form may be, whatever the form may be commercial with celebrity appeal have a big impact. So, these celebrities who are held with the a lot of admiration with a lot of respect and people want to idealize them are used either is an actor or a model, they are used as you know endorser or a person who is giving a testimonial or a endorsement or a you know can be used as a spokesperson who is trying to educate the people about the usage of a product or a brand.


The second appeal which is used is the another thing, which we would like to mention here about celebrities is that marketers must be very careful about the credibility of a celebrity; in terms of the expertise and their trustworthiness and marketers must make

regular use of celebrities and their advertisements and they make use of these celebrities and they presume that the image associated with them also get translated to the product. So, this is known as proto typical bonding where a person's traits, personality, image associated with the particular brand. So, Aishwarya Rai is said to advertise for Lux and look beautiful or Sachin Tendulkar is said to use Boost.

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7.2.6 Influence of Reference Groups Varies by Product:

- The influence of Reference Groups varies **according to the nature of the product and/or service.**
- Bearden and Etzel have examined the issue from two perspectives, viz.,
 - a) the decision to purchase the type of product; and**
 - b) the choice of the brand.**
- They conclude that **reference group influence varied by:**
 - 1) **the type of product**; whether it is a **luxury or a necessity**; and
 - 2) **its visibility**; whether it is used in **public or private settings** or environment.
- Reference groups have varied influence on consumers depending upon *the type of the product, whether a luxury or a necessity, and whether it is used in public and viewed by others or whether it is used in private.*

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Now, let us come to the influence reference groups, which varies by product category. So, the influence of reference groups varies according to the nature of the product or the service and there are two researchers by the name of Bearden and Etzel, they have examined the issue from two perspectives; one is the decision to purchase the type of the product and two is the choice of the brand. So, the consumer is faced with two decisions one whether to buy or not to buy; two what to buy and what brand to buy. And they say that the impact of reference groups is basically influence by two things; one the type of the product whether it is a luxury product or it is a necessity product and two the visibility of the product, whether to be used in private settings and whether it is going to be used in public settings. Now, again the issue is two fold; one whether to buy a product or not to buy a product, this is the first issue and second is the type the brand which you going to buy. So, this is going to be basically talked about in two ways one is whether the product is a luxury product or a necessity product and two whether it is going to be used in public or in private.

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BRAND	PRODUCT	
	Weak reference group influence (-) on product	Strong reference group influence (+) on product
Strong reference group influence (+) on brand	PUBLIC NECESSITIES Influence: Weak for product and strong for brand Eg. Cars, Cell phones	PUBLIC LUXURIES Influence: Strong for product and strong for brand Eg. Carpets, Paintings, Antiques
Weak reference group influence (-) on brand	PRIVATE NECESSITIES Influence: Weak for product and weak for brand Eg. Towels, Soaps and Detergents	PRIVATE LUXURIES Influence: Strong for product and weak for brand Eg. Body massagers, Sauna bath

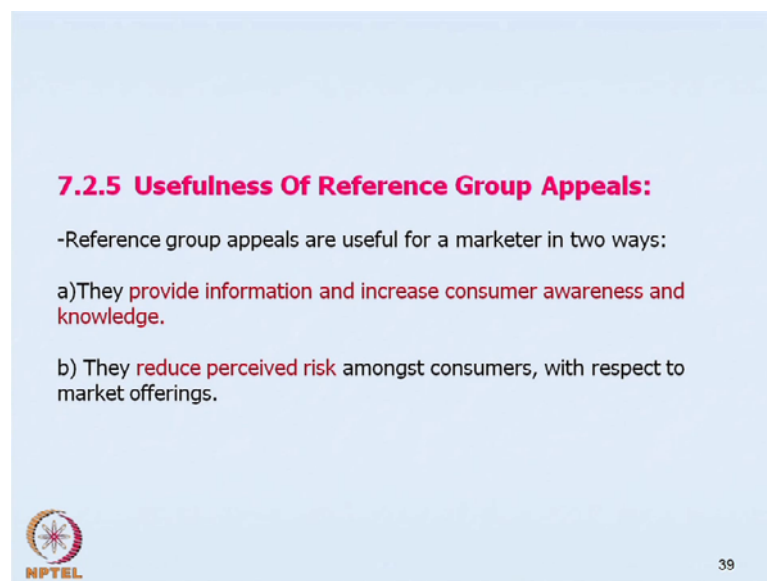
Figure 1: Effects of Reference Groups on product purchases and Brand Choices
 Adapted from Wells W.D. and Prensky, D., Consumer Behavior, 1996, John Wiley & sons, Inc.

Now, this the matrix here which, we see where we talk about public necessities, public luxuries, private necessities and private luxuries and we have brand on one side and the product on the other side and where we see the reference groups influence the positive on the brand, negative on the brand, positive on the product or negative on the product. So, the reference group could be influence could be positive on the product, negative on the product, positive on the brand or negative on the brand. And all of these will determine will be based on whether the the product is a public necessity, a public luxury, a private necessity or a private luxury.

So, let us first start here with respect to public luxury. So, according to Bearden and Etzel, reference group influences is strong both for purchase decision as well as for the brand in the case of public luxuries like carpet, painting, antiques etcetera. The consumer does not possess such product but, requires them for social acceptance and social approval and he find these purchases very crucial in order to avoid any kind of ridicule or embarrassment. So, the reference group influence here with the both for the consumers need for the product as well as and for the choice of the brand is going to be very very strong and very very positive. On the other hand, when in the case of products which are public necessity like car or cell phone reference groups influence is weak with respect to the product category because the product is something which is necessity and as to be purchased irrespective of what the people in the reference groups has to say. But, it is definitely stronger or with respect to the choice of the brand, because what brand


you are going to buy is going to be impacted by what other people say. Further Bearden and Etzel say, that reference groups influence is weak both for purchase decision as well as the brand as a private luxury like towels, soaps and detergents etcetera. The private necessity so, the consumer is aware of such necessities then will purchase them irrespective of what other say. After all it is going to be part of it necessity and it is going to be privately viewed so, it is a private necessity. So, because he will not be, he will purchase them irrespective of what reference groups says he would not be conscious social approval or embarrassment as these products are going to be viewed in private.

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7.2.5 Usefulness Of Reference Group Appeals:

- Reference group appeals are useful for a marketer in two ways:
 - a) They provide information and increase consumer awareness and knowledge.
 - b) They reduce perceived risk amongst consumers, with respect to market offerings.

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So, let us now talk about the usefulness of reference group appeals. Reference groups appeals are useful for a marketer from two ways; one they provide information and increase consumer awareness and knowledge about the product or service category and about a brand. So, they basically make the consumer aware about the product the service or about the various brands, the various benefits or the usage with respect to the brand or a product on the other hand they also help reduce the level of perceived risk. Now, the reduced the reference groups basically help reduce the level of perceived risk amongst the consumer with respect to a to a market offerings. This is particularly true for new product and service offerings where the the consumer approaches are familiar with a lot of defense with a lot uncertainty and lot of anxiety. So, it this is point of time where a reference groups through their expert appeal or through their you know endorsement and testimonial or through of companies spokesperson the marketers tries to instill in the

customers sense of confidence with respect to the product or service category or with respect to the brand. So, reference groups basically help a marketer in two ways; one they help a consumer get more educated about a product or service category and about a brand and two they reduce the level of persuasive risk associated with a product.

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7.2.6 Influence of Reference Groups Varies by Product:

- The influence of Reference Groups varies **according to the nature of the product and/or service.**
- Bearden and Etzel have examined the issue from two perspectives, viz.,
a) the decision to purchase the type of product; and
b) the choice of the brand.
- They conclude that **reference group influence varied by:**
 - 1) **the type of product**; whether it is a **luxury or a necessity**; and
 - 2) **its visibility**; whether it is used in **public or private settings** or environment.
- Reference groups have varied influence on consumers depending upon *the type of the product, whether a luxury or a necessity, and whether it is used in public and viewed by others or whether it is used in private.*

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Now, let us come to influence of reference groups you know and we will see how they vary by product category. So, the influence of reference groups varies across according to the nature of the product or service offerings and the two researchers by the name of Bearden and Etzel and they tried to address two questions; one the decision to purchase the type of a product and two the choice of a brand. Now they have concluded that the impact of reference groups' appeal varies across product categories and is impacted by one the type of the product whether it is a luxury product or a necessity product and two the visibility that is whether it is going to be in public or private settings in the environment. So, they say the impact of reference groups will vary, one according to type of the product whether it is a necessity product or a luxury product and two in terms of visibility whether it is going to be in publicly viewed or privately viewed. So, here we have two things public versus private and luxury versus necessity.

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BRAND	PRODUCT	
	Weak reference group influence (-) on product	Strong reference group influence (+) on product
Strong reference group influence (+) on brand	PUBLIC NECESSITIES Influence: Weak for product and strong for brand Eg. Cars, Cell phones	PUBLIC LUXURIES Influence: Strong for product and strong for brand Eg. Carpets, Paintings, Antiques
Weak reference group influence (-) on brand	PRIVATE NECESSITIES Influence: Weak for product and weak for brand Eg. Towels, Soaps and Detergents	PRIVATE LUXURIES Influence: Strong for product and weak for brand Eg. Body massagers, Sauna bath

Figure 1: Effects of Reference Groups on product purchases and Brand Choices
 Adapted from Wells W.D. and Prensky, D., Consumer Behavior, 1996, John Wiley & sons, 43

So, if we look at it and we put it in the form of made picture, we have a quadrant where we have brand on one side and the product on the other side. And we see that with respect to the brand a strong influence, a positive influence on the brand or the negative influence on the brand. And similarly, we have products; we have the negative influence on the product or the positive influence on the product.

So, the impact of reference groups will vary across product and across brand depending upon it could be positive or negative, depending upon 2 things whether the product or service is the luxury product or a necessity product and whether it is going to be viewed in public or in private. So, we have here the four different quadrants where, we see a public necessity, public luxury, private necessity and private luxury. So, according to Bearden and Etzel reference groups influence is strong both for the purchase decision as well as for the brand in case of public luxuries like carpet paintings and antiques. The consumer does not possess a need for them but, requires them either for social approval of acceptance and he finds purchases of such products in essential in order to avoid any ridicule or any social embarrassment. So, the reference group's impact is going to be much stronger on the product category also, it will be very strong on the brand.

So, it is strong for both product as well as the brand because it is something which is, 1. luxury product and people in your social class have such product. So, they impact is stronger 2. Because they going to be viewed by others because they are publically

watched and viewed by others the reference groups impact on the brand is also very, very strong.

Then, you have the second category which is a public necessities which could be in the form of a car or a cell phone where, reference groups influence weak with respect to the purchases decision but, strong with respect to the choice of the brand reference groups does not affect the decision to make a purchase as the product is already regarded one of necessity and will be purchased regardless of what members of the reference groups have to say. The only impact that reference groups can make is with respect to the brand. And so, the impact on the brand is much stronger. Then, Bearden and Etzel conclude that reference group's influence is weak both for purchases decision as well as the brand in the case of private necessities like towel, soaps and detergents.

The consumer is aware of such necessities will purchase them irrespective of what the reference groups has to say. Further, he would be conscious of social approval or embarrassments of these product are not viewed publically and so, the influence of reference groups with respect to brand will also be low. Finally, in the case of product which process luxury like sauna bath, body massages etcetera. Reference group's influence strong with respect to purchase decision but weak with respect to choice of the brand because the product is not going to be used publically and the brand purchase will not cause any kind of social embarrassment. So, here we see that across public luxuries, private luxuries, public necessities and private necessities; the impact of reference groups will vary, will be strong on negative with respect to product and with respect to brand.

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7.2.7 Reference Group and Implications for Marketers:

- Reference groups have relevance for the marketer in the sense that reference groups help impact consumer values, attitudes and behavior; reference groups inform and educate the consumers (potential) about a product/service offering.
- By acting as a standard and as a frame of reference, they also influence potential consumers towards adoption and usage of such product and service offerings.



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Now, what are the implications of reference groups for marketers? Reference groups have relevance for marketer in the sense they have impact on values, attitudes and behavior and they inform and educate consumer product or service offerings. And by acting as a standard in the field of reference they influence potential consumer towards adoption and usage of product and service offerings. Marketers often use them to communicate with masses, for example: Celebrities, spokes person, TV stars, film stars they all use to educate the people about product or service offerings or brand. These people are also used to reduce the level of perceived risk associated product or service offerings category. Many a times the reference groups are used as a standard of reference for others to emulate.

So, people in the just below lower class would find people just above them standards of reference to emulate and that is how which gives or you know that boast the phenomenon of social mobility. So, this brings us to an end of this particular topic.

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And here are the references for further reading: Loudon and D. L. and Bitta, consumer behavior, fourth edition Tata McGraw-Hill. Peter and Olson, consumer behavior and marketing strategy, McGraw-Hill. Schiffman and Kanuk, consumer behavior, prentice hall and Wells and Prensky, consumer behavior, John Wiley.

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FAQs (Frequently asked Questions):

Ques 1 What do you mean by a consumer group? Discuss the various types of consumer groups?

Ques 2 What is a reference group? Why does a consumer look up towards a reference group?

Ques 3 What are the factors that affect the influence of Reference Groups?

Ques 4 Does Reference Group appeal vary by product? Discuss in reference to Bearden's and Etzel's model?



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Coming to frequently asked questions:

Question 1: What do you mean by consumer group? Discuss the various types of consumer groups?

Question 2: What is a reference group? Why does a consumer look up towards a reference group?

Question 3: What are the factors that affect the influence of reference groups?


Question 4: Does reference group appeal vary by product? Discuss in reference to Bearden's and Etzel's model?

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Self Evaluation Tests/Quizzes:

Section A True/false:

1. Based on the group structure and membership, roles and norms, as well as purpose of formation, groups may be classified as legitimate and illegitimate.
2. A group where people hold membership, meet face-to-face and have interaction, and where people abide by the values, norms, opinions and judgments that the group entails, is known as a compliant group.
3. The impact of reference groups depends on the visibility and conspicuousness of a product.
4. According to Bearden and Etzel, reference group influence is strong both for the purchase decision as well as for the brand in case of public necessities.



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Short quiz, Section A: True or false.

1. Based on the group structure and membership, roles and norms, as well as purpose of formation, groups may be classified as legitimate and illegitimate. This is wrong. Groups will be classified as form.

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Section C Multiple choice questions:

1. This group to which a person looks up as a point of comparison is known as a
a) reference group
b) social group
c) formal group
d) None of the above.
2. Which of the following is true about Bearden and Etzel's Model: Bearden and Etzel have examined the issue from two perspectives, viz.,
a) the decision to purchase the type of product; and the choice of the brand.
b) Reference group influence varied by the type of product; whether it is a luxury or a necessity;
c)) It is also influenced by the visibility; whether it is used in public or private settings or environment.
d) All of the above.



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C: Multiple choice questions:

1: This group to which a person looks up as a point of comparison is known as dash,

- a. reference group
- b. social group
- c. formal group
- d. None of the above.

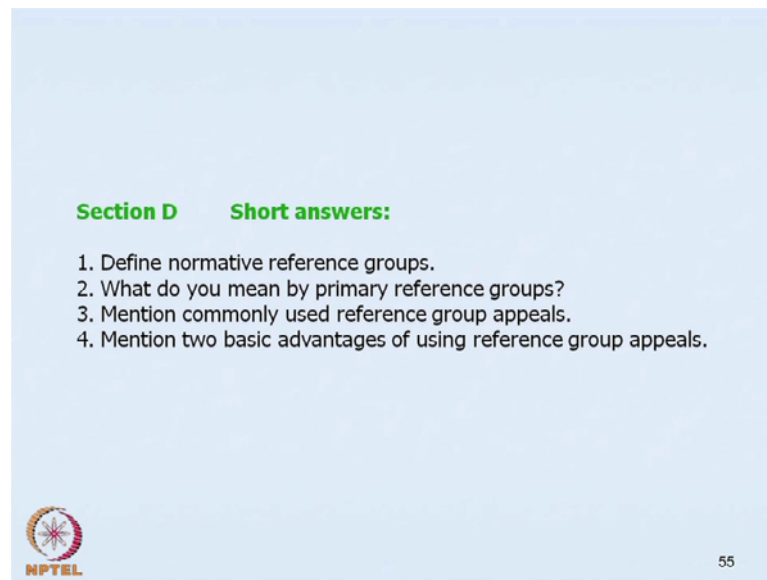
So, it is called the reference group.

2. Which of the following is true about Beardon and Etzel's model, Beardon and Etzel have examined the issue from 2 perspectives, viz,

- a. The decision to purchase the type of product and choice of the brand.
- b. Reference group influence varied by the type of the product; whether it is luxury or necessity.
- c. It is also viewed by the visibility whether it is used in public or private settings or environment.
- d. All of the above.


So, the answer is D, all of the above.

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Section D Short answers:

1. Define normative reference groups.
2. What do you mean by primary reference groups?
3. Mention commonly used reference group appeals.
4. Mention two basic advantages of using reference group appeals.

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Short answers:

1. Define normative reference groups?
2. What do we mean by primary reference groups?
3. Mention the commonly used reference group appeals?
4. Mention 2 basic advantages of using reference group appeals.

So, with this we come to a conclusion of this particular session. We shall be continuing with the session on sociological influence on consumer.