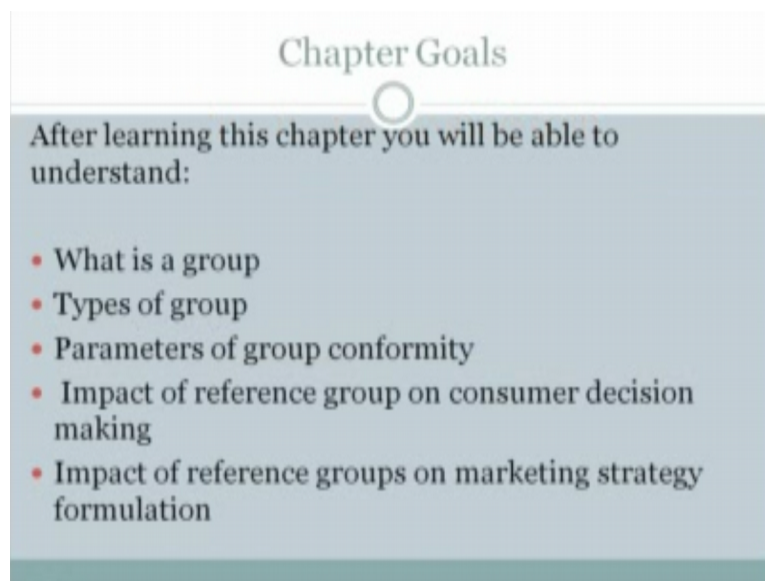


Consumer Behaviour
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Lecture 25
Group Influences on Consumption

Welcome. Today we are going to discuss on the group influences on consumption and I am Dr. Srabanti Mukherjee from Indian Institute of Technology, Kharagpur will take you through this particular topic.

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Chapter Goals

After learning this chapter you will be able to understand:

- What is a group
- Types of group
- Parameters of group conformity
- Impact of reference group on consumer decision making
- Impact of reference groups on marketing strategy formulation

The chapter goals of this particular session is what is a group, types of group, parameters of group conformity, impact of reference group on consumer decision making, impact on reference groups on marketing strategy formulation.

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GROUPS DEFINED

A group may be defined as two or more people working together to achieve either individual or mutual goals.

The wider scope of this definition ranges from an intimate group of two next-door neighbours who do their daily grocery shopping together to a bigger and more formal group, such as a trade union whose members are equally concerned with the benefits of the work force.

So first, how do we define a group? A group maybe defined as 2 or more people working together to achieve either individual or mutual goals. A wider scope of this definition ranges from an intimate group of two next-door neighbours who do their daily grocery shopping together to a bigger and more formal group, such as trade union whose members are equally concerned with the benefits of the work force.

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TYPES OF GROUPS

Dimensions	Types of groups	Definition	Example
Content or function	Family	This group is dependent on the size and the type of relationships that exist in the family	Joint family, nuclear family, etc.
	Ethnic origin	This group depends on the genetic country—origin of the individuals	American, Hispanic, etc.
	Age	This group shows how individuals can be classified according to their age	30–40, 50–60, etc.
	Sex	This group is gender-specific	Male, female
	Others	This group considers many other factors like education, occupation, etc. Sometimes social networking groups are also considered under this kind of group.	www.linkedin.com, University Professors Association, etc.
Degree of personal involvement and perceived importance	Primary group	It consists of those interpersonal relationships which take place generally at one to one level, with high rate of occurrence and on an intimate level. These groups have shared norms and interlinking roles	Families, work groups, and some entertaining groups
	Secondary group	If a person interacts only intermittently with others and does not reflect in their opinions too seriously, the group is called a secondary group	Guardian's forum, citizen's forum, etc.
Degree of organization	Formal group	If a group has a highly defined structure (for example, a formal membership list), specific roles and authority levels (e.g., a president, treasurer, and secretary), and specific goals (e.g., to assist the elderly, anti-smoking), then it may be called a formal group	Rotary, lions, Jaycees, labour unions, social clubs and societies, etc.

Now, what are the different type of group? So, we have certain dimensions based on which we try to talk about different groups. Here there are five dimensions in which we will discuss, like the first dimension is content and functions; second dimension is degree of personal involvement and person importance. Third is degree of organization.

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TYPES OF GROUPS			
Dimensions	Types of groups	Definition	Example
	Informal group	An informal group is usually a primary group, featured by a somewhat loose structure, a lack of clearly defined goals or objectives, unstructured interface, and understood rules. Because of the degree of its influence on individuals' values and activities, informal group is perhaps of greater importance to us in the process of understanding consumer behaviour.	Peer group, local clubs, etc.
Degree of attachment	Membership group	It is a group to which a person either belongs or qualifies for the membership.	The marketing practitioners in American Marketing Association, members of booksellers' guild.
	Symbolic group	It is a group in which it is improbable to receive a membership for an individual, despite acting like a member by adopting the group's values, attitudes, and behaviour.	Young boys wearing Indian Cricket jerseys and cap feel their association with the team but do not belong to it.
Degree of association	Aspirational group	It is a group in which the individuals aspire to be someone.	Former Miss World Aishwarya Rai symbolizes beauty and hence is in the aspirational group of young Indian ladies. Lux, which has positioned itself as beauty soap used Aishwarya as their brand endorser.
	Dissociative group	It is the group in which the individuals do not like to be associated with someone.	Traditionalists may not like bare bodied portrayal of John Abraham and thereby avoid the brands endorsed by him as they might think that those brands will clash with their self-image of traditionality.

Fourth is degree of attachment and fifth is the degree of association. So based on function we have mainly 4 functional groups and rest we group under others. So family is a group and this is dependent on size and the type of relationship that exists in the family. It maybe joint family, it maybe nuclear family, depending on ethnic origin this group depends on the genetic country, origin of the individuals like American, Hispanic, Bangladeshi or Indian like this.

Age wise this group shows how individual can be classified according to their age. So 30-40, 50-60 like this. Sex, groups gender specific, male, female. Others, these two considers many other factors like education occupation etc. Sometimes social networking groups are also considered under this kind of groups like LinkedIn.com, universityprofessors.com like this. So degree of personal involvement and perceived importance.

Here we have primary group, secondary group. So primary group these are the more informal actually. So this consists of those interpersonal relationship which take place generally at one-to-one level and with a high rate of occurrence on an intimate level. These groups have shared norms and interlinking roles. Families, work groups or entertainment groups, so like this. Another one is the secondary group.

Secondary group is where the person interacts only intermittently with others and does not reflect in their opinions too much seriously, only when they are with those group they think of behaving like them. So this is like (()) (03:41) forums, citizen's forum, club members, so like this. Then we have degree of organization wise formal group and informal group.

So formal group are groups that has highly defined structure, like I mean it has formal membership, and it also has a like, specific hierarchy like a president, treasurer, secretary like this, have specific goals, like some may be to assist the elderly. Some maybe to assist the destitute or poor, some maybe for anti smoking campaign. Some maybe environment friendly group.

So these are the different kind of formal groups, like Rotary Club, Jaycees, then Lions club, then labor union, social club societies all this. Informal group if we talk about, it is an informal group is usually the primary group featured by somewhat loose structure, a lack of clearly defined goals or objectives, unstructured interface are understood rules.

They informally interact with each other but they also have certain kind of norms and sanctions amongst themselves. So because of the degree of its influence and individual values and activities informal group is perhaps of greater importance to us than the formal group while discussing about the process of understanding the customer behavior. It is like peer group for local club and all this.

Understanding this particular aspect, several organizations they declare prizes for different Pooja committees during our celebration of Durga Pooja or Kali Pooja or all this. You know different companies they actually sponsor different events may be the best prandal, may be the best idol, may be the best lighting and this way. So the degree of attachment. Degree of attachment wise it is like membership group or symbolic group.

So definition is it is a group to which, membership group, I am first defining, it is a group to which a person either belongs or qualifies for a membership. The members of American Marketing Association, the ICWA, then the Chartered Institute Members, so like this or booksellers (()) (06:01) all this.

Symbolic group like, it is a group in which it is improbable to receive a membership for an individual despite acting like a member by adopting the rules, values attitude and behavior gives the customer a feeling that they belong to this particular group. It is like young boys wearing the Indian cricket cap, Indian jersey. Wearing the number 10 jersey of Messi or wearing the Argentina jersey.

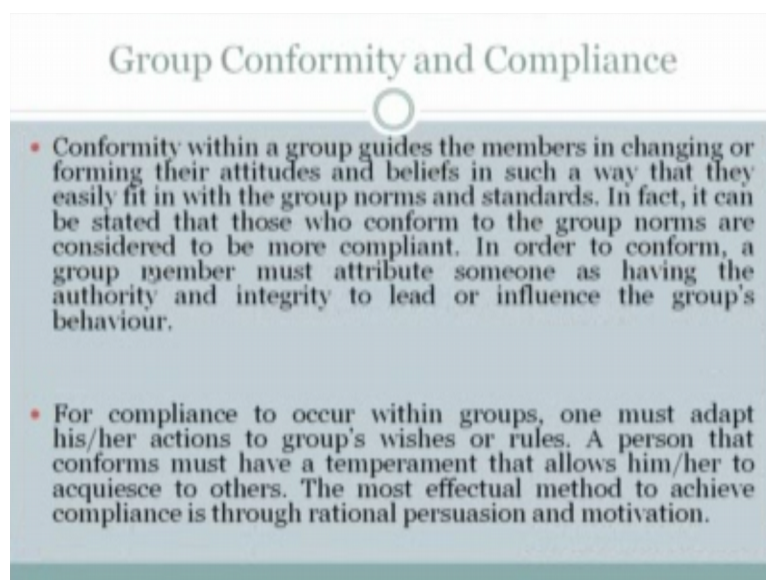
So this you know an Indian football fan of Argentina can never be a part of the Argentina football team but just by wearing that jersey he tries to associate himself with that Argentina Football team. So degree of association is another dimension on which this groups can be classified. One is the aspirational group and other is the dissociative group. Aspirational group is like, like home individuals wants to aspire.

Like someone wants to be beautiful like Aishwarya Rai. So they may buy the products which Aishwarya Rai like L'Oreal. Now earlier Aishwarya Rai used to promote for Lux also. Now Lux is promoted by Kareena Kapoor. So they are in our aspirational group. People want to be beautiful like that. So they are in aspiration.

Then Sachin Tendulkar says that boost is the secret of my energy when Kapil Dev says boost is the secret of my energy or when MS Dhoni says that, boost is the secret of my energy, it means that the kids or the youngster want to aspire like them. They want to be successful like them. So that concept has been used by the marketers very well particularly in context of celebrity endorsement. Another is dissociative group.

Dissociative group like people do not want to be like them. Some people may not like the bare body portrayal of John Abraham and therefore they avoid the brands which he is going to promote because they think that his personality is not like that, so therefore he tries to dissociate himself with that particular brand.

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Group Conformity and Compliance

- Conformity within a group guides the members in changing or forming their attitudes and beliefs in such a way that they easily fit in with the group norms and standards. In fact, it can be stated that those who conform to the group norms are considered to be more compliant. In order to conform, a group member must attribute someone as having the authority and integrity to lead or influence the group's behaviour.
- For compliance to occur within groups, one must adapt his/her actions to group's wishes or rules. A person that conforms must have a temperament that allows him/her to acquiesce to others. The most effectual method to achieve compliance is through rational persuasion and motivation.

So now here comes the concept of group conformity and group compliance. So conformity within the group guides the members in changing, by forming the attitudes and believes in such a way that they can easily fit into the group norms and standards. So in fact it can be stated that those who confirm to the group norms are considered to be more compliant. In order to confirm a group member must attribute someone as having the authority and integrity to lead or influence the groups behaviour.

On the contrary compliance if you talk about, it occurs within the group once must adopt his or her actions to groups wishes and rules. Now one may feel that these two are synonymous terms, these two are not synonymous, conformity is when you accept that culture. You accept certain cultural norms or you accept certain group norms that you are a member of the Indian team and Indian team should be behaving in certain way.

You are a member of a particular club, Lions club maybe, so as a member of Lions club, you should be conscious about the society, you may go for donating something. So that is particular lifestyle you want to be associated and you believe that, that you should be like that and that is why you develop that belief within yourself and you behave in that that way.

However, compliance is like, it is also like you behave as per the other group members are behaving but the person who is complying to the norms does not mean that they will also confirm to the group norms. Okay? They may not, for example, when I am with my friends that is my informal group, I am with my friends and I want to have a soft drink.

So they all are liking Coca Cola so I am also buying Coca Cola because I want to confirm, I want to be compliant to the group norms. That is why I am complying to that and I am buying Coca Cola but I may not like Coca Cola I may be found of Pepsi otherwise. But my primary concern is to be compliant to that particular group. So that is the hairline difference between these two concepts.

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REFERENCE GROUPS—CONCEPT

- Reference group is 'an actual or imaginary individual or group conceived of having significant relevance upon an individual's evaluations, aspirations, or behaviour' (Park and Lessig, 1977).
- Reference group is a person or a group that has considerable influence on the behaviour of an individual (Bearden and Etzel, 1982).
- Reference groups are usually conformed by the social network of an individual: family members, friends, colleagues, and inspirational figures (Bachmann, John, and Rao, 1993).
- Reference groups are the source of brand associations that mold the self image of a consumer (Escalas and Bettman, 2003)

Now we come to a very important concept in terms of groups and which is practically relevant for the marketers and this is known as the concept of reference group. Reference group is an actual or imaginary group, imaginary individual or group concept of having similar or significant relevance up on the individual's evaluation aspirations and behaviour.

This has been said by Park and Lessig in the year 1977 long back. In 1982, Bearden and Etzel has defined reference group as a person or a group that has considerable influence on the behaviour of an individual. In 1993 Bachmann, John and Rao has defined reference groups as usually the groups which are usually confirmed by the social network of an individual like family members, their friends colleagues, inspirational figures like this.

And recently Escalas and Bettman in 2003 has defined reference group as the source of brand association that mould the self image of the customers. So which means the reference group are the source of brand association that mould the self image of the customer.

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Types of Groups

- *Aspirational reference group* refers to those members of the society like whom an individual aspires to become.
- *Associative reference group* includes people who more pragmatically symbolize the individuals' present equals or near-equals—e.g., coworkers, neighbours, or members of churches, clubs, and organizations.
- *Dissociative reference group* includes people like whom the individuals do not aspire to be.

Now we go little bit in details to explain that what are the types of this kind of reference groups, ideally three. So one is the aspirational reference group, second is the associative reference group and third is the dissociative reference group. Aspirational reference group is like as I have said that like whom I aspire to become. I aspire to become, successful like MS Dhoni, so that is my aspiration.

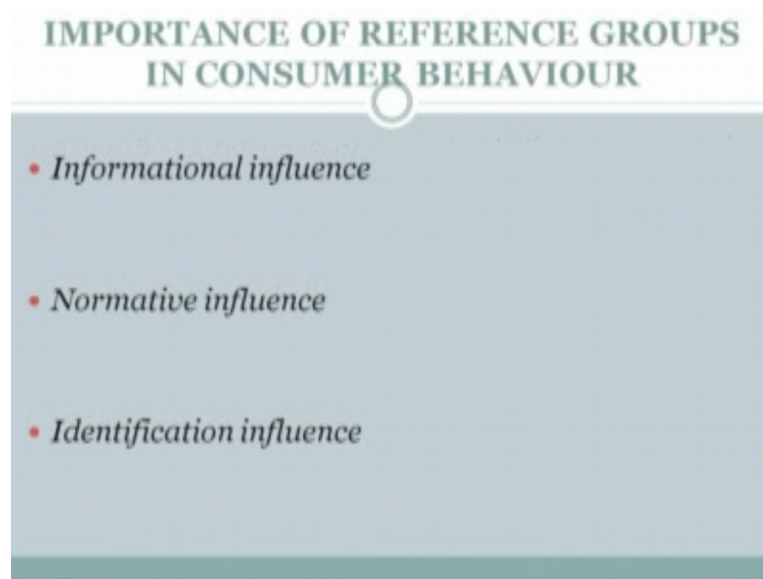
So many brands like Sony Bravia, Boost, they have used MS Dhoni to promote their brand. Associative reference group includes the people who are more pragmatically symbolize the individuals present equals or near equals, this is like coworkers, neighbours, members of churches, clubs and organization. Now here actually, here it is actually like in context we may refer the study of Paco Underhill who is a famous anthropologist and he has done Retail Consultant and author of the book “Why We Buy”.

Now he had concluded that most of the teenagers in the process of buying apparels follows two stage process. In the first place, they seek approval from their peer group, the influences of the purchase for the choices made. Second is seek permission from their parents, the peers of the purchase. And through this two stage process they are actually more inclined towards confirming to the peer pressure.

Now associated reference group is also this concept is also used in promotion. When we see that in Safola, the Safola ad particularly the middle aged wife is concerned about her husband's health who is also a middle aged person. So the portrayal of the ambience is like they are middle class or slightly upper middle class family.

So any other housewife of similar standard, similar age group they will very easily identify themselves with this particular group and therefore this ad can be a slice of life to them. They can associate this ad with their own life. So this is how by creating slice of life the marketers can attract the customers and this is how the associate reference group is used. Dissociative reference group, like whom you do not want to become.

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Now the importance of reference group in consumer behaviour. What are the influences they really assert to us? A, is the informational influence. Informational influences like in case of, in this case an individual adopts the behaviour and opinion of the reference group members as constructive bits of information. In such a case conformity is simply the result of interpersonal trust and reliance, on the information shared by the group members.

For example, what am I like to try, nearly introduced burger from McDonalds because friends with similar taste are recommending it. We fill it movies from the IMDB reviews. Which means that this particular movie, is the movie reviews from a particular social group or maybe from the Facebook reviews of that movies. What are my friends writing in the Facebook about a particular movie.

Sometimes I decide to go to a movie based on that. So this is how, this provide some information to the customers about the products. In not only movie, for many other products actually this word of mouth plays a very important role. We seek information actively these days from our peer group about different products. Then is normative influence.

Normative influence is referred as an utilitarian influence, it is an impact where an individual works in accordance with the groups expectations to gain a direct reward or to avoid being the odd men out. So this maybe that one may wear Reebok shoes instead of Action shoes because all other group members or all other teammates are wearing Reebok shoes. So he doesn't want to be ridiculed or he doesn't want to be the odd man out in the group.

The other one is the identification influence. Identification influence this is also known as the value expressive influence and it occurs when an individual confirms to the perceive group norms and values as a guide for his own attitude and values. Thus the individual perceives the group norm as the reference point of his or her self image.

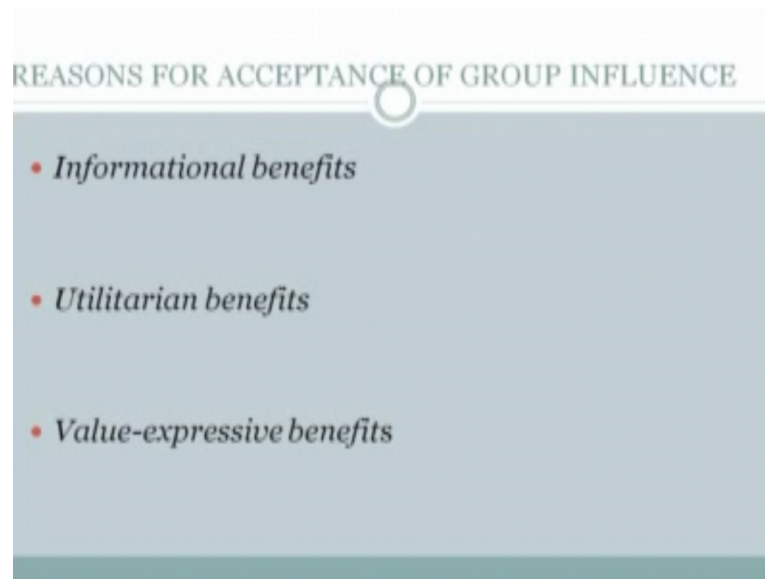
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Now, the levels of group involvement. There are 3 levels of group involvement. One is compliance which I have already discussed, the second one is the identification. Again I have said that, again this also I have said that how close you feel with the particular group, like if my friends think that Pepsi is a better choice, I may go for Pepsi where individually I like Coke more.

Internalization of the brands, so this is like the individuals they internalize certain value system of a group so much so that even when the other group members are not there they behave according to the group norms. For example, the disciples of Ram Krishna Mission may buy the religious books of may be by Swami Vivekananda or the publications of Ram Krishan Mission even when other group members are absent.

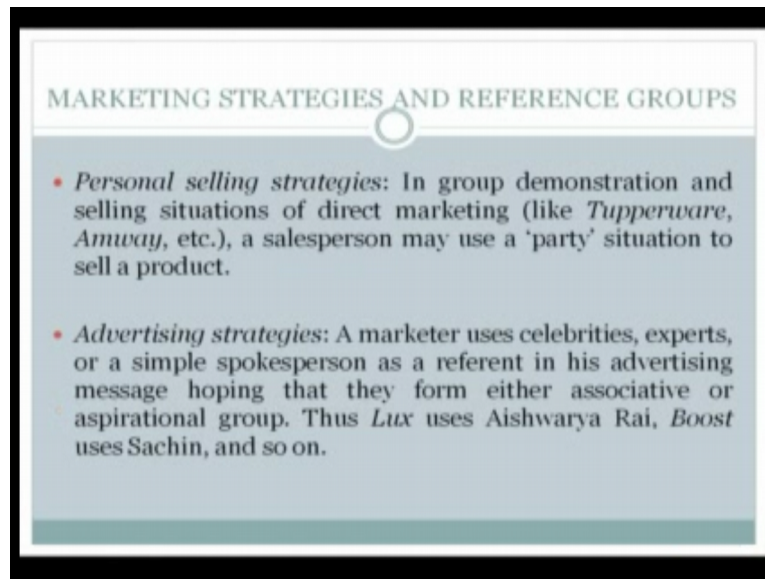
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Now, why to accept the influence of groups. Again as I told earlier also, because of these three reason. A, is the informational benefit because I think that, my friends may know better than me about a particular product they may give me some expert opinion, a friend of mine maybe better informed than me about laptops, so I can get informational benefit from them. Then utilitarian benefit, this is like there is this reason refers to the force on the individual to confirm to the preferences or expectations of another individual or group.

In a product purchase situation, a customer will confirm if he things that his behaviour is observable and will be known to the others. So this is where utilitarian benefit and the value expressive benefit is this refers to the individual's choice motive to augment a proper a self concept by associating himself with positive reference group and dissociating himself with the reference group he does not want to be like.

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Now what are the marketing strategy for the reference groups. See, there are several kind of strategies which can be used but one is of course the personal selling strategy where it has a meaning like in a group demonstration and selling situations of direct marketing like Tupperware a sales person may use a party situation or in an office amongst a group of women working in a particular office.

When they are visiting and showing their items and if somebody is little bit inclined and buying that they are giving some incentives to this person so that later on this person can be a spokesperson for the brand and knowingly spread the word of mouth about it to the other office colleagues. The other one is of course to the advertising strategy. Marketer uses several celebrity experts for this like there is a celebrity endorsement part.

Like Lux can use, they used to use Aishwarya Rai, now they are using Kareen Kapoor, Boost used to use Sachin. Now they are using MS Dhoni and so on. So this is in short the different marketing strategy, we were talking about for reference groups. And this is all for today's session and in the next session we will meet with celebrity endorsement.