External Influenc
Consumer Beha

Part 1

Module 5

Social Class

- The division of members of a society

  distinct status classes, so that membe

  either higher or lower status than mem

Characteristics of Social Class

- Is hierarchical

- Is a natural form of segmentation

- Provides a frame of reference for consu

- Reflects a person's relative social statu

Social Class and Socia

Status is frequently thought of as the rel

members of each social class

- Wealth

- Power

- Prestige

Status Consumpt

- The process by which consumers acti

  social standing through noticeable

  possessions.

Social Class Measure

- **Subjective Measures**: individuals are ask *own* social-class positions

- **Reputational Measures**: informants concerning the social-class membership community

- **Objective Measures**: individuals socioeconomic questions and then are c to answers.

Objective Measu

- **Single-variable indexes**
  - Occupation
  - Education
  - Income
  - Other Variables

- **Com index**
  - In C
  - S S

Index of Status Character

• A composite measure of social class tha

✓ occupation,

✓ source of income (not amount),

✓ house type / dwelling area

into a single weighted index of social cla

Socioeconomic Status Sc

- A multivariable social class measure used by

  of the Census that combines **occupational st**

  educational attainment into a single measur

Social Class Structure

- Five–Category Social Classes
  - Upper
  - Upper-Middle
  - Middle
  - Lower-Middle
  - Lower

FIGURE 11-4   Social-Class Profiles

The Upper-Upper Class—Country Club Establishment

- Small number of well-established families
- Belong to best country clubs and sponsor major ch
- Serve as trustees for local universities and hospital
- Prominent physicians and lawyers
- May be heads of major financial institutions, owne
- Accustomed to wealth, so do not spend money con

The Lower-Upper Class—New Wealth

- Not quite accepted by the upper crust of society
- Represent "new money"
- Successful business executives
- Conspicuous users of their new wealth

Figure 11-14 (continued)

The Upper-Middle Class—Achieving Professionals

- Have neither family status nor unusual wealth
- Career-oriented
- Young successful professionals, corporate manage
- Most are university graduates, many with graduat
- Active in professional, community, and social activ
- Have a keen interest in obtaining the "better thin
- Their homes serve as symbols of their achievem
- Consumption is often conspicuous
- Very child-oriented

Figure 11-14 (continued)

The Lower-Middle Class—Faithful Followers

- Primarily non-managerial white-collar workers and
- Want to achieve respectability and be accepted as g
- Want their children to be well-behaved
- Tend to be churchgoers and are often involved in ch
- Prefer a neat and clean appearance and tend to avoi
- Constitute a major market for do-it-yourself produc

Figure 11-14 (continued)

The Upper-Lower Class—Security-Minded Majority

- The largest social-class segment
- Solidly blue collar
- Strive for security (sometimes gained from union
- View work as a means to "buy" enjoyment
- Want children to behave properly
- High wage earners in this group may spend impu
- Interested in items that enhance their leisure tim
- Husbands have a strong "macho" self-image
- Males are sports fans, heavy smokers, beer drinke

Figure 11-14 (continued)

The Lower-Lower Class—Strugglers

- Poorly educated, unskilled labourers
- Often out of work
- Children are often treated poorly
- Tend to live a day-to-day existence

Social Class and Marketin

- ## Clothing, Fashion, and Shopping
  - ### Where one shops
  - ### External point of identification

- ## The Pursuit of Leisure
  - ### Type of leisure activities differ
    - continued

Social Class and Marketin

- Saving, Spending, and Credit
  - Level of immediate gratification sought varies

- Responses to marketing communicatio
  - Upper classes have a broader and more general
  - Regional variations in language rise as we move
  - Exposure to media varies by social class
    - continued

Features of Social Class

- Multidimensional

- Hierarchical

- Restrict behaviour

- Homogeneous

- Dynamic

Culture: The Original D

- **E.B. Tylor**, an
  founder, gave
  with:

- "**That comple**
  includes

- **Knowledge,**
  morals, law,

- And any other
  habits

- Acquired by **m**

- As a member

Characteristics Of C

- All cultures have at least five characteristics in common:
- Culture is **learned**
- Culture is based on **symbols**
- Culture is **shared**
- Culture is **patterned** or **integ**
- Culture is usually **adaptive**

Factors Affecting Culture

- 1   social factors
  - Reference Groups
  - Family
  - Roles and status
- 2   personal factors
  - Age and stages in lifecycle
  - Occupation and Economic circumstance
  - Personality
  - Lifestyle
  - values

CHARACTERISTIC OF CULTURE

- × **Culture is invented:** It cannot be viewed as son just exists and is waiting to be discovered. Peop responsible for inventing their culture.

- × **Culture is learnt:** It is not biological feature or i The process of learning cultural values begin ea largely through social interactions among famili

- × **Culture is Shared:** Culture by at large is shared group of human beings, generally religion, langu

- × **Culture satisfies needs:** Culture offers order, d societies in all phases of life by providing tried a meeting physiological, personal and social need

- × **Cultures are similar but different :** There are c among all cultures and many elements are prese as cooking, dressing, etc.

- × **Culture is not static:** Culture do change gradua These change however may be very slow or ver

Customs

- These are the ways of behaving under specif

- how you react to the situation

- Different culture may have different customs

Characteristics of customs

- Generation to generation

- Reactions to situation

- Provide clues to culture

- Specific behaviours under circumstance

Role of Customs

- Determines customs and Traditions
- Predicts consumer buying behaviour
- Helps in Understanding
- Society's Culture
- Understand purchase pattern
- Predict customers' acceptance towards prod

BELIEFS, VALUES
ATTITUDES,
AND BEHAVIORS

Everyone has a philosoph
your philosophy is what
believe, your thoughts,
ideals, your eternal purs
truth and wisdom. As we
we live; and how we live
a pretty good indication
we think.

- Albert A. Mon

A belief is an internal feeling
something is true, even though
may be unproven or irrational.

eg: *I believe that wal*
under a ladder brings
or *I believe that there*
after death.

Beliefs are the convi
hold to be true, usually
evidence.

Beliefs are basically assumptions
the world and our values stem from

Our beliefs grow from what we see, hear, ex
read and think about. From these things we de
opinion that we hold to be true and unmovable
time. From our beliefs we derive our values, wh
either be correct or incorrect when compared v
evidence, but nonetheless hold true for us.

IDEAS WHERE OUR BE
COME FROM

* CULTURE
* PEERS
* EDUCATION
* EXPERIENCES
* MENTORS

WHAT IS VALUES

A value is a measure of the v
importance a person attaches
our values are often reflected i
live our lives.

eg: *I value freedom of s*
value my family.

WHAT IS VALUES

Set of values adopte
individual or society tha
behavior

Categories of Va|

- **Personal**

- **Social**

- **Economic**

- **Political**

- **Religious**

Media

School

Pe

Where do values can

Our values come from a variety of sources. Some of these include:

- family
- peers (social influences)
- the workplace (work ethics, job roles)
- significant life events (death, divorce, losing jobs, major accident and trauma, major health issues, significant financial losses and so on)

Role of Customs, Val
Beliefs in Consumer B

?

Culture and Marketing Strateg

- Identify key cultural values that affect the co
product

- Ensure the marketing mix appeals to these v

- Examine changes in cultural values and adap
needed

- Modify marketing mix to subcultures if the c

- Be aware of symbols and ritual

Subculture

A concept from the academic fields of sociology an

group of people within a culture that differentiates

culture to which it belongs, often maintaining

principles.

Subcultures develop their own norms and values reg

and sexual matters

EXAMPLES FOR SUB CULTURE

Category	Sub- Culture
Geography	North Indian, South Indian, East Indi...
Regional	Gujarati, Marathi, Punjabi, Tamilians... Malayalees, etc.
Age	Children, Teenagers, Youth, Working... professional, etc.
Elderly People	50 Plus.
Women	Children, Teenagers, Youth, Married... etc.
Caste	Muslims, Christians, Hindu, etc.

Sub-Cultural division and Consum consumers in India

- The influence of culture is inevitable in our s

- However, within a larger society, there ar exhibiting variations in behavioral pattern.

- Marketers have begun to segment large subgroups that are homogeneous in relation

Sub-Cultural division and Consun consumers in India

- The individuals of a specific subculture va patterns.

- They show variation in lifestyle, financial via reading habits, purchase of specific brands category, purchase time, store patronage, et

Multi Culture in India

- India is said to be a country of multi cultures

- It is so because of its long history of civilizatio

- Different rulers have ruled the country.

- These rulers had different systems of govern
However, now there is unity in diversity whic
marketer in framing strategy for marketing.

- The diversity has given birth to ever increasi India is a country with 29 states and six unio

- Each state has its own own culture.

- There are more than one subculture is found

- There are major religions such as Hindus, Mu Jains and Bhuddhas.

- Each state and religion has its own traditiona style of dressing, wearing ornaments, food preferences etc.

- Wheat and wheat products are consumed more in north India. People in south India consume rice.

- Certain communities do not eat non-vegetarian food, while among the other communities non-vegetarian food is popula

Differences in Consumption p

- Differences are found in the consumption pa
  urban sub-cultural division.

- Variations are found in preferences for food
  home, furnishing, transport vehicles used, re
  activities, saving pattern, etc.

Economic Status – Classes of p

- Economic status is another important sub-cu
  According to economic status, people can be
  classes:

- the upper or affluent class,

- the middle class, and;

- the lower class.

- The **affluent class accounts for only a negli**
society. Luxury items are consumed more by

- On the other hand, the **lower class spends m**
People in the lower class have very little pur

- What is **more important to the marketers is** forms a big chunk.

- Marketers have evinced a keen interest in th **of the middle class**.

- In spite of the regional, linguistic and cultura middle class consumers follow a common pa buying behavior.

SUBCULTURE

Types of subcultures

Categories	Examp
Nationality	German, Polish, Macedonian
Religion	Catholic, Orthodox, Muslim, B
Race	Black, white, brown
Geographic region	Balkan, Baltic, Scandinavia, E
Age	Kids, teenagers, adults, senior
Gender	Male, female
Occupation	Professors, bus drivers, mecha
Social class	Lower, middle, upper

TYPES OF SUB-CULTURE:

- Based on the varying criteria, there can be di
cultures.

- The important subcultural categories are nat
location, religion, race and caste, gender and

- From a marketing perspective, these could a
market segments, which need to be studied
before deciding on a product/service offering
marketing mix for a particular segment(s).

Nationality:

- Sub-cultures could be based on nationality.

- While we are all Asians, we are distinct with
  are different in terms of language, customs a

- Thus, we are classified as Indians, Burmese,

Geographical location:

- Within a country, we could be different acro
  conditions, regions and terrains, and density

- This is more so in cases where the country is
  across a huge population occupying a vast te

- People tend to develop regional affinity and
  gets reflected in the food they eat, clothes th
  pursue, etc.

Religion:

- People also exhibit differences when it come
they belong to.

- Hindus, Muslims, Christians, Sikhs, Parsis etc
one another and have different values and b
traditions etc.

- As consumers, they make purchase choices a
that are influenced by the dictates of their re
scriptures, and holy books.

Race and caste:

• Culture and its components also vary across

• Pathans and Yadavs are all different from on

Such racial sub-cultures also impact buying be patterns.

Gender:

- Because gender roles have an impact on acts constitutes an important cultural sub-group. across all cultures are assigned different trait make them masculine and feminine. They als in society and are two distinct sub-groups.

Cross-Cultural Consumer An

To determine whether and how to enter in a for
conduct some form of cross-cultural consume

- *__Cross-cultural consumer analysis can be def__*
  determine to what extent the consumers of tw
  similar or different.

- Such analysis can provide marketers with an
  psychological, social, and cultural characteris
  consumers they wish to target, so that they ca
  marketing strategies for the specific national

Cross-Cultural Con
Analysis

Issues

- Similarities and differences among people
- The growing global middle class
- The global teenage market
- Acculturation

- Grow South Easte
- Mark focus mark

What are three similarities be
culture and American culture.

- *Political systems*: Both the countries ha

  democratic culture.

- The U.S is the world's oldest democracy w

  largest democracy.

- Both the countries were former British color

What are three similarities be culture and American culture.

- *Political systems*: Both the countries ha

  democratic culture.

- The U.S is the world's oldest democracy w

  largest democracy.

- Both the countries were former British colon

What are three similarities be
culture and American culture.

Entrepreneurship:

- Both the countries love to take risks to create wealt

- However, India's full potential has not yet been unl
  socialist policies from 1947-1992.

- The recent wealth creation in the Indian economy v
  the Indian economy post 1992 and these policies ar

- Also, the US and India trade has been increasing rap

- The IT industry links between both the countries are

Here are the differences between bo

Ten Differences Between Collectivist and Ind

Individualism	Collectivism
• Everyone is supposed to take care of him- or herself and his or her immediate family only	• People families them in
• "I" - consciousness	• "We" -c
• Right of privacy	• Stress
• Speaking one's mind is healthy	• Harmo maintai
• Others classified as individuals	• Others out-gro
• Personal opinion expected: one person one vote	• Opinion predete
• Transgression of norms leads to guilt feelings	• Transg shame
• Languages in which the word "I" is indispensable	• Langua is avoi
• Purpose of education is learning how to learn	• Purpos how to
• Task prevails over relationship	• Relatic

Here are the differences betw
countries:

Shame based vs guilt based society:

In this aspect, India is similar to its Asian neighbor

India is predominantly a Shame based society wi

society.

For instance, if you take a bribe in India you wou

unless you are caught. However, in the U.S

ashamed regardless, because the US is a guilt bas

Cross-Cultural Consum

Issues

- Similarities and differences among people
  - The growing global middle class
  - The global teen market
  - Acculturation

- The g
  betw
  more
  relati
  mark

- Mark
  the sa
  consu

Cross-Cultural Consume

Issues

- Similarities and differences among people

- The growing global middle class

- The global teen market

- Acculturation

- Growi...
  Ameri...
  Europ...

- Marke...
  on the...

Cross-Cultural Consume

Issues

- Similarities and differences among people

- The growing global middle class

- **The global teen market**

- Acculturation

- There affluen young

- They a interes consu matter

Cross-Cultural Consumer

Issues

- Similarities and differences among people

- The growing global middle class

- The global teen market

- **Acculturation**

- Market everyth relevan usage and pro in forei

Research Issues in Cross-Cultu

Table 13.8

FACTORS	EXAMPLES
Differences in language and meaning	Words or conc... same in two dif...
Differences in market segmentation opportunities	The income, so... target custome... in two differen...
Differences in consumption patterns	Two countries ... the level of cor... products or ser...
Differences in the perceived benefits of products and services	Two nations ma... same product i...

Table 13.8 (conti

FACTORS	EXAMPLES
Differences in the criteria for evaluating products and services	The benefits differ from
Differences in economic and social conditions and family structure	The "style" may vary sig country.
Differences in marketing research and conditions	The types a and direct-n among cour
Differences in marketing research possibilities	The availabi researchers country to c

Major Challenges in Cross Cul

- Ambiguity

- Cultures provide people with ways of thinkin
  hearing, and interpreting the world. Thus the
  different things to people from different cult
  talk the "same" language. When the languag
  translation has to be used to communicate, t
  misunderstandings increases

- Inflexible Attitude

- Some people when they enter a different cu
  avoid exposure or experience of the host cul
  introvert behavior and closed mindset, leadi
  the visitor is not accepting the host culture.
  on new experiences to learn and adapt to th

- An Indian boss planned to delegate a task to
  an India, the supervisor was quite comfortab
  ambiguous instructions and assumed that th
  the same and he would immediately start w
  But, the intern did not move a single step fo
  his boss to provide clear instructions. Rather
  cultural context of this situation, the boss tu
  opinionated arguments with the intern and t
  behavior of the trainee to accommodate mu
  instructions. Such scenarios, often lead to po
  team dynamics.

- Ethnocentrism

- Ethnocentrism is the assumption that the cu
  is right, moral and rational, and that other cu
  ethnocentrism is often an unconscious behav
  difficult to prevent in advance. When confro
  culture, individuals judge it with reference to
  and make no attempt to evaluate the new cu
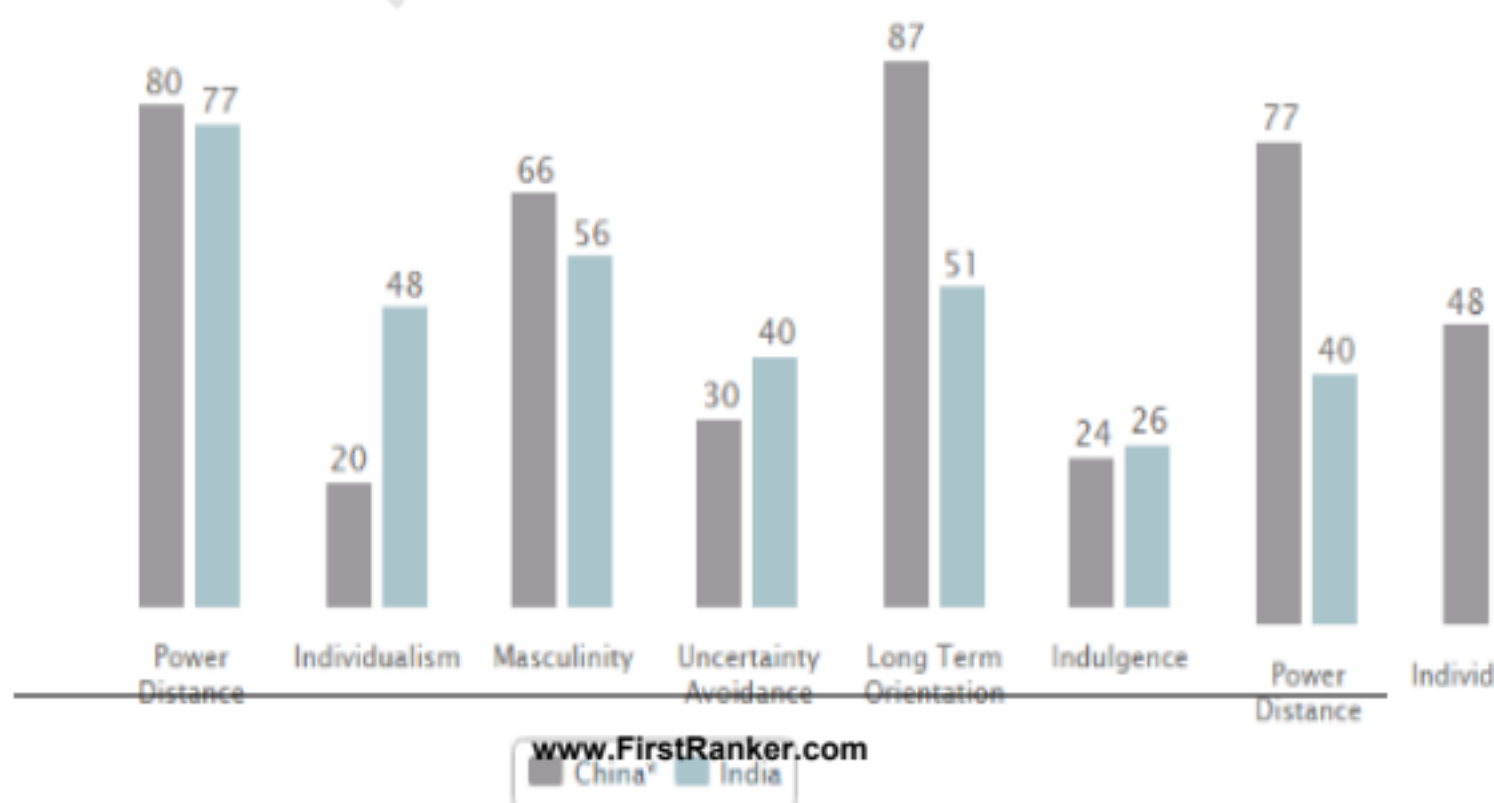 country's point of view.

Strategies to overcome cross-problems

- **Understanding the Communication style**
- Different cultures have different communica of communication context, cultures are divid and "low context" cultures. Examples of High African, Chinese, Indian, Japanese, among ot context cultures include Australian, German,

- **Understanding the Cultural Values**

- According to [Geert Hofstede](#), there is no suc
  management method. Management interact
  society including politics, family, religion, bel

Here's the comparison of India, C
States on the basis of Hofstede's
dimensions.

China*
in comparison with India

Dimension	China*	India
Power Distance	80	77
Individualism	20	48
Masculinity	66	56
Uncertainty Avoidance	30	40
Long Term Orientation	87	51
Indulgence	24	26
Power Distance	77	40
Individ...	48	

Legend: ■ China* ■ India

- **Developing right competencies**

- Once we understand the various facets of a
  need to develop the right competencies to e
  with the right frame of mind, attitude, and sh
  and business-ready in the host culture.

Groups

- Groups exist in every formal and informal typ
  groups are created by the members for its sa
  groups get formed automatically because of
  socio psychological factors. Such groups affe
  members.

Meaning of Group:

- Marvin E. Shaw has defined groups as "two o
interacting with one another in a such a mar
influences and influenced by each other"

- Clouis R. Shepherd defines groups as "A grou
aggregation of small number of persons who
develop a shared attitudes and are aware th
group and perceive themselves as such".

Characteristics of Groups:

- 1.   Two or more persons: To form a group there shoul[d]
  because a single individual cannot interact. Though no m[ore]
  the size of the group should be such so as to allow mean[ingful]
  members of group.

- 2.   Collective identity: Each member of the group must [identify with]
  the group and also be aware of his participation in the gr[oup]
  group of boys are room-mates staying together in the ho[stel]
  studying in the same class but because of their identity [they decide]
  to go out together for shopping.

- 3.   Interaction: Members of the group will interact with[]
  necessary for all members of the group to interact simult[aneously]
  must atleast occasionally interact with the members of t[he group]

- 4.   Shared goal interest: Members of the group should [have common]
  objectives each one must atleast share one of the groups[]

The changing structure of fam

- Basic functions provided by the family are pa discussion of consumer behavior.

- These include:

- ·   Economic well being

- ·   Emotional support

- ·   Suitable family lifestyles

Emotional well-being

- Although families in the affluent nations of N
  and Asia are no longer formed primarily for e
  providing financial means to its dependents
  family function. How the family divides its re
  providing economic well-being has changed
  30 years. No longer are traditional husband a
  wife as home maker and child-rearer still val

- Emotional support

- The provision of emotional nourishment (inc
  and intimacy) to its members is an importan
  contemporary family. In fulfilling this functio
  support and encouragement and assists its n
  decision making and with personal or social p
  easier for working parents to show their love
  to their children, greeting card companies ha
  creating cards for parents to give to their chi

- Suitable family lifestyle

- Another important family function in terms o
  the establishment of a suitable lifestyle for t
  experience, and the personal and jointly hel
  determine the importance placed on educati
  on television viewing, on the learning of com
  frequency quality of dining out, and on the s
  entertainment and recreational activities.

- Family lifestyle commitments, including the a
  generally influencing consumption patterns.

Family decision making and co related roles

- When two or more family members are dire in the decision making process, it is called fa Such family decisions differs from individuals For example, if we consider the purchase of of the relevant aspects to think about can be need for bicycle? How a brand is selected? W child plays?

- Joint decisions are more likely to operat family life cycle when both spouses are relat After gaining experience, they usually delega concerning buying decisions to each other.

Key family consumption roles

- For a family to function as a cohesive unit, tasks
preparing meals, setting the dinner table, taking
walking the dog must be carried out by one or m
dynamic society, family related duties are consta
we can identify either distinct roles in the family

- For example, a family member may be walking
local supermarket when she picks out an interes
Her selection does not directly involve the influe
members. She is the decider, the buyer and, in a
however, she may not be the sole consumer. Pre
by a single family member, consumed or used d
family members, or consumed indirectly by the

FIGURE 12-8   The Eight Roles in the Family De

ROLE	DESCRIPTION
Influencers	Family member(s) who provide inform about a product or service
Gatekeepers	Family member(s) who control the flov product or service into the family
Deciders	Family member(s) with the power to d jointly whether to shop for, purchase, u a specific product or service
Buyers	Family member(s) who make the actua product or service
Preparers	Family member(s) who transform the p able for consumption by other family
Users	Family member(s) who use or consume service
Maintainers	Family member(s) who service or repa provide continued satisfaction
Disposers	Family member(s) who initiate or carr continuation of a particular product or

Dynamics of husband-wife de

- Marketers are interested in the relative amo
  husband and a wife have when it comes to fa
  choices. The relative influence of husbands a
  classified as: husband dominated, wife domi
  autonomic.

- The relative influence of a husband and wife
  consumer decisions depends in part on the p
  category. For instance, during 1950s, the pur
  automobile was strongly husband dominated
  financial banking decisions more often were
  years later, the purchase of the family's prin
  often husbands dominated in many househo

- Husband wife decision making also appears t
  influence. Research comparing husband wife
  patterns in the people's republic of china and
  revels that among Chinese there were substa
  decisions and more "husband dominated" de
  household purchases.

- However, when limiting the comparison to u
  households, the research showed that in a la
  married couples were more likely than rural
  in purchase decisions. Still further, because o
  policy and the ensuring custom of treating a
  emperor", many of the parents purchase de
  the input of their child.

- In another recent cross-culture study, husba
  was studied among three groups: Asian India
  Indians living in the United States, and Amer
  show a decrease in husband decisions and ar
  dominated decisions, going from Asian India
  Indians in the United States, to American nat
  seems to indicate the impact of assimilation

The expanding role of children decision making

- Over the past several decades, there ha

children playing a more active role in what t

in the family decision making process.

- This shift in influence has occurred as a resul

  children, more dual income couples who can

  children to make greater number of the choi

- Also the single parent households often pu
  household participation and self reliance.

- For example kids in supermarkets with a pa
  15 requests, of which about half are typically

- The table shows some of the tactics en
  influence their parents.

Tactics used by children to influe

- **Pressure tactics**

The child makes demand uses threats, or intimi
comply with his /her request

- **Upward appeal**

The child seeks to influence you, saying that the
supported by an older member of the family, a te

- **Exchange tactics**

The child makes an explicit or implicit promise
service such as washing the car in return for the fa

- **Coalition tactics**

The child seeks the aid of others to persuade yo
request or uses the support of others as an argu
him/her

- **Ingratiating tactics**

The child seeks to get you in a good mood or t
her before asking you to comply with a reques

- **Rational persuasion**

The child uses logical arguments and factual e
to agree with his/her request

- **Inspirational appeals**

The child makes an emotional appeal or
enthusiasm by appealing to your values and id

- **Consultation tactics**

The child seeks your involvement in making a

Family life cycle stages

- The concept of household or family life cycle is impo[...] segmenting the market. In 1966, William wells and C[...] stages to describe the family life cycle.

- The following life cycle stages are typical of families:

1. **The bachelor stage:** young, single person under [...] are generally low since they have started careers, but[...] burdens and sufficient discretionary income.

2. **Newly married:** young couples, no children. If bot[...] have high level of discretionary income.

Family life cycle stages

3. **Full nest 1:** young married couples with youngest
   There would be greater squeezes on income becau
   However, if they are members of a joint family, t
   likely to be high.

4. **Full nest 2:** young married couples with children
   age. Better financial position because income of b
   spend more hours outside their parents influence.

5. **Full nest 3:** older married couples with depende
   home. Financial position of family continues to improv
   of college education for children.

Family life cycle stages

6.   **Empty nest 4**: older married couples wit
them, parents still employed. Reduced exp
savings and highest discretionary income.

7.   **Empty nest 5**: older married couples wit
them and parents retired. Drop in income and
and fixed income from retirement benefits.

8.   **Solitary survivor 6**: older single person
increasing medical needs.
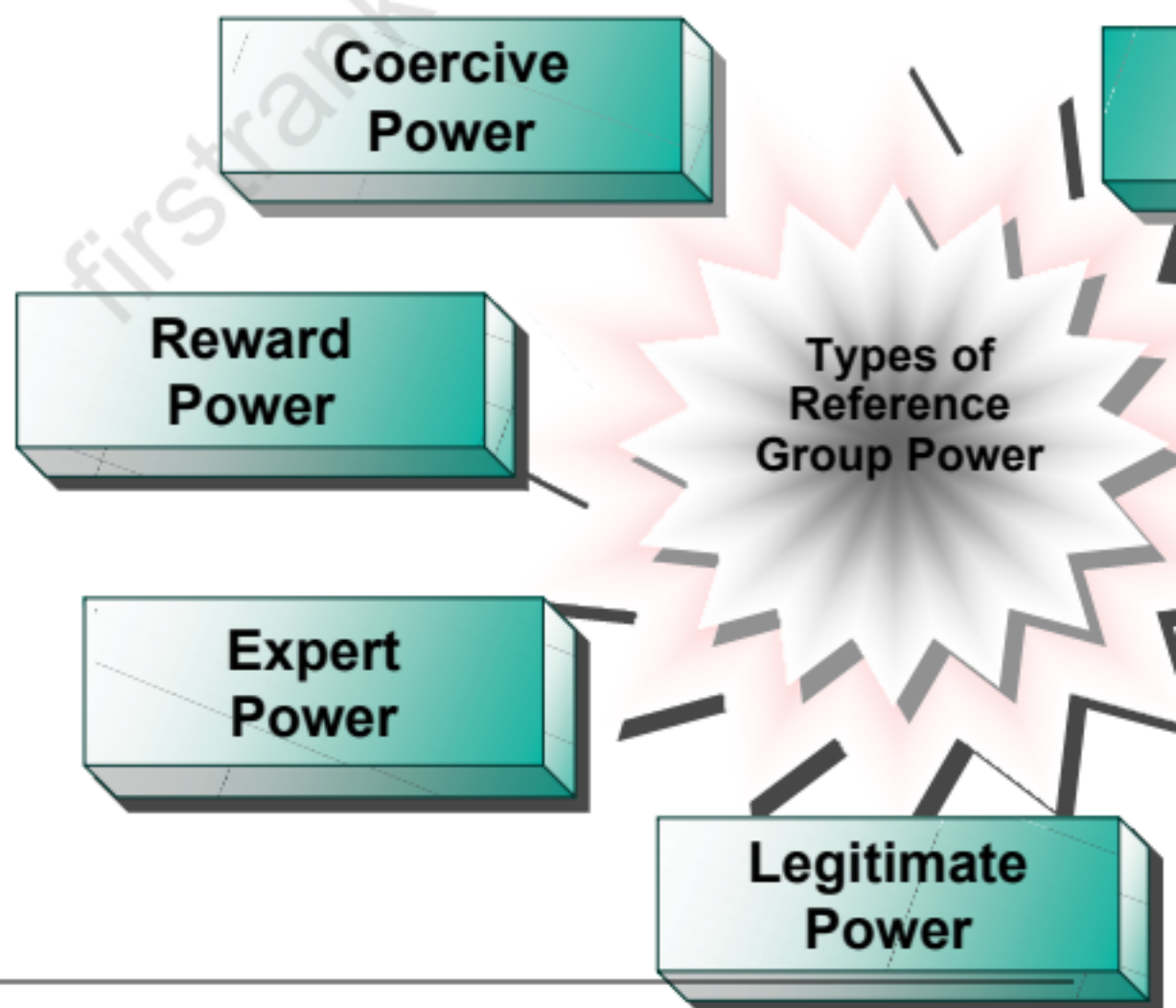
FirstRanker.com
Firstranker's choice

Family and Marketing Strategy

- Use the FLC for segmentation and posit
- Recognize the diverse consumption rol family
- Understand and use the dynamics of hu decision making
- Understand and use the consumer soci played by the family
- Recognize the changing nature of Cana

Reference Group

- **A Reference Group** is any person or group comparison (or reference) for an individual in fe specific values, attitudes, or a specific guide for be

- **From a marketing perspective**, reference groups frames of reference for individuals in their pu decisions.

- These groups place no restriction on group size or require that consumers identify with a tangible gro

- Reference groups that influence general or br behavior are called **Normative Reference G Normative Reference Group is the immediate fa

- Reference Groups that serve as benchmarks f defined attitudes or behavior are called **Compar (A Comparative Reference Groups might be ne lifestyle appears to be admirable and worthy of

The Power of Reference Gro

Coercive Power

Reward Power

Expert Power

Types of Reference Group Power

Legitimate Power

Factors that affect refere[nce] influence

- Influences consumers in three ways:
  - Information
  - Utilitarian
  - Value-expressive

Selected Consumer-Re
Reference Groups

▸ **Friendship Groups**

▸ **Shopping Groups**

▸ **Work Groups**

▸ **Virtual Groups or Communities**

▸ **Brand Communities**

▸ **Consumer-action Groups**

▸ **Celebrities**

Friendship Groups

▸ Friendship groups are typically classified as inf
are usually unstructured and lack specific author

▸ In terms of relative influence, after an individual
are most likely to influence the individual's purc

▸ Seeking and maintaining friendships is a basic dr

▸ Friends fill a wide range of needs: They provid
and opportunities to discuss problems that an ind
discuss with family members.

▸ **Marketers of products such as brand-nam
snack foods, and alcoholic beverages recog
group influence and frequently depict frien
advertisements.**

Shopping Groups

- Two or more people who shop together, whether
  simply to pass the time, can be called a shopping g

- Such groups are often offshoots of family o
  therefore, they function as what has been referred

- The motivation for shopping with a purchase pa
  social motive to helping reduce the risk whe
  decision.

- A special type of shopping group is the **in-hom**
  typically consists of a group that gathers togethe
  friend to attend a "party" devoted to demons
  specific line of products.

Work Groups

- The sheer amount of time people spend at their jo
  35 hours per week, provide ample opportunity fo
  a major influence on the consumption behavior of

- **Formal Work Group:** it consists of individuals w
  of a team, and thus have a sustained opportunity
  consumption related attitudes and actions.

- **Informal Work Group:** it consists of people wh
  a result of working for the same firm, whether or
  a team, and they can influence the consumption b
  during coffee or lunch breaks or at after-work mee

Virtual Groups or Con

- A **virtual team** (also known as a g team or **distributed team**) is a group of individ space and organizational boundaries with lin of communication technology.

- Powell, Piccoli and Ives define virtual teams article "as groups of geographically, organizatio workers brought together by information technologies to accomplish one or more organiza

- Ale Ebrahim, N., Ahmed, S. & Taha, Z. in th review paper, added two key issues to definition **temporary groups** of geographically, organa dispersed **knowledge workers** who coordinate with electronic information and communicatio accomplish one or more organization tasks".

Brand Communities

▸ A **brand community** is a community formed o
a product or marquee.

▸ Recent developments in marketing and
behavior result in stressing
between brand, individual identity and cult
developed to explain the behavior of consume
community focuses on the connections between

▸ A brand community can be defined as an end
actors sharing a system of values, standards an
and recognizing bonds of membership with each

▸ Brand communities are characterized in shared
traditions, and a sense of moral responsibility.

Contd...

▸ The term "brand community" was first presented b
Thomas C. O'Guinn in a 1995 paper for the As
Research Annual Conference in Minneapolis, Minnesc

▸ In a 2001 article titled "Brand community", publi
Consumer Research (SSCI), they defined the concep
geographically bound community, based on a structu
among admirers of a brand." This 2001 paper
by Thomson Scientific & Healthcare to be one of the
field of economics and business.

▸ Many brands provide examples of brand commun
electronics: Apple Inc. (Macintosh, iPod, iPhone), Ho
and Palm and Pocket PC Ultra-Mobile PCs.

  • **In vehicles: Ford Bronco, Jeep, automobiles, a**
  • **Royal Enfield and Harley-Davidson motorcycl**
  • **In toys: Barbie and Lego.**

Consumer–action Group

▸ A particular kind of consumer group-A **Consumer Ac**
in response to the consumerist movement. Today the
such groups that are dedicated to providing consumer
responsible manner, and to generally add to the overal

▸ For example, a diverse range of consumer concerns b
and public consumer-action groups: neighborhoo
development, forest and wildlife concerns, children
ethnicity, community volunteerism, legal assistance
relief, energy conservation, education, smoking, the
telecommunications, science in the public interest, c
issues, and children and internet.

Two broad categories of Consumer Action Groups:

▸ Those that organize to correct a specific consumer
(**Agitation against liquor shop in a community**).

▸ Those that organize to address broader, more persu
operate over an extended or indefinite period of time
driving).

Celebrities

▸ A **celebrity** is a person who has a prominent profi[le]
degree of public fascination and influence in day-t[o]
often synonymous with wealth (commonly denoted a[s]
fortune), implied with great popular appeal, promin[ent]
and is easily recognized by the general public.

FIGURE 12-3	Types of Celebrity Appeals
TYPES	**DEFINITION**
Testimonial	Referring to personal use, a celebrity att[ests to a] product or service.
Endorsement	Celebrity lends his or her name and app[ears on behalf of a prod]uct or service in which he or she may or [not be an expert.]
Actor	Celebrity presents a product or service a[s part of a character] endorsement.
Spokesperson	Celebrity represents the brand or compa[ny over an extended peri]od of time.

Other Reference Grou

- A variety of other promotional strat
creatively as frames of reference for
- Respected retailers and the editorial
special interest magazines can also
of reference that influence consu
behavior.
- e.g. **Indian Dental Association's se**
toothpaste.

Trade or Spokes-Char

▸ These are often employed as attentio
as spokespersons to promote children

▸ Trade characters are intended to bond
so that the child's brand awarenes
basis of brand preference either imm
life.

▸ **e.g. Animated characters used**
advertisements for children produc

The Executive and Employee Spol

- ▸ The popularity of this type of advt. pro
  success and publicity received by a n
  spokespersons.

- ▸ Like celebrity spokespersons, executive
  to be admired by the general populatio
  achievements and the status implicitly co
  leaders.

- ▸ e.g. **Ratan Tata, K. Birla, Mukesh Amba**

- https://www.youtube.com/watch?v=FDu7Rl