

# Groups, Reference Groups, Family, Gender & Age Influences

# Groups, Social Class and Reference Groups

- With the exception of those very few people who can be classified as hermits, people tend to be involved with others on a rather constant basis. Like almost all behavior, an individual's social relationships are often motivated by the expectation that they will help in the satisfaction of specific needs. For example, a person might become a volunteer ambulance driver to satisfy a need for community recognition. Another person might join a computer club in an effort to find compatible friends to satisfy social needs. A third person might join a health food cooperative to obtain the benefits of group buying power. These are just a few of the almost infinite number of reasons why people involve themselves with others

# What Is A Group?

- A group may be defined as two or more people who interact to accomplish some goals. Within the broad scope of this definition are both an intimate “group” of two neighbors who informally attend a fashion show together and a larger, more formal group, such as a neighborhood.

# Types of Groups

- 1. Primary versus Secondary Groups
- 2. Formal versus Informal Groups
- 3. Large versus Small Groups
- 4. Membership versus Symbolic Groups (symbolic e.g. prosperous business people, rock stars, and sports heroes).

In summary, we can say that small, informal, primary membership groups are of the great interest to marketers because they exert the greatest potential influence on consumer purchase decisions.

# Consumer-Relevant Groups

- The Family: Has a greater extent of influence on the establishment of a wide range of values, attitudes, and behavior.
- Friendship Groups: usually unstructured and lack specific authority levels
- Formal Social Groups: A person joins a formal social group to fulfill such specific goals as making new friends. Because members of a formal social group often consume certain products together, such groups are of interest to marketers.

- Shopping Groups: Two or more people who shop together-whether for food, for clothing, or simply to pass the time, can be called a shopping group. The research found that shopping parties of at least three persons deviated more from their original purchase plans
- Consumer Action Groups: Consumer action groups can be divided into two broad categories: those that organize to correct a specific consumer abuse and then disband, and those that organize to address broader, more pervasive, problem areas and operate over an extended or indefinite period of time.
- Work Groups: Both the formal work group and the informal friendship/work group have the potential for influencing consumer behavior.

# Reference Group

- A reference group is any person or group that serves as a point of comparison (or reference) for an individual in the formation of either general or specific values, attitudes, or behavior.
- Reference group can be normative reference groups, and comparative reference groups
  1. Reference groups that influence general values or behavior are called **normative reference groups**. An example of a child's normative reference group is the immediate family.
  2. Reference groups that serve as benchmarks for specific or narrowly defined attitudes or behavior are called **comparative reference groups**. A comparative reference group might be a neighboring family whose lifestyle appears to be admirable and worthy of imitation.

- Both normative and comparative reference groups are important. Normative reference groups influence the development of a basic code of behavior; comparative reference groups influence the expression of specific consumer attitudes and behavior. It is likely that the specific influences of comparative reference groups are to some measure dependent upon the basic values and behavior patterns established early in a person's development by normative reference groups.



# Broadening the Reference Group Concept

- As originally employed, reference groups were narrowly defined to include only those groups with which a person interacted on a direct basis (e.g., family and close friends). However, the concept has gradually broadened to include either direct and indirect individual or group influences. **Indirect reference groups** consist of those individuals or groups with whom a person does not have direct face-to-face contact, such as movie stars, sports heroes, political leaders, or TV personalities.

# Types of Reference Groups

Reference groups can be classified in terms of a person's membership or degree of involvement with the group and in terms of the positive or negative influences they have on his or her values, attitudes, and behavior. Four types of reference groups that emerge from a cross-classification of these factors:

1. Contractual group (positive influence on an individual's attitudes or behavior)
2. Aspirational group (positive influence)
3. Disclaimant group (the person tends to adopt attitudes and behavior that are in opposition to the norms of the group)
4. Avoidance group

E.g. Consider Ron, a senior, majoring in advertising at the state university in the southwestern United States. The school's Advertising Club, of which he is vice-president, serves as one of Ron's **contractual groups**. Ron believes that continuing his education to obtain an MBA will enhance his career opportunities. It is clear that individuals who hold the MBA degree serve as an **aspirational group** for him. Still further, although he enjoys his position as a reporter on the university's newspaper, the recent editorials (endorsed by most of the staff) urging students to adopt a more conservative political philosophy run counter to his own views. Thus the newspaper staff is currently a **disclaimant group**. Finally, Ron personally knows a number of students who have quit college during their final year; these former students serve as an **avoidance group**.

# Factors that Affect Reference Groups Influence

- Information and Experience
- Credibility, Attractiveness, and Power of the Reference Group
- Conspicuousness of the Product
- Reference Group Impact on Product and Brand Choice: In some cases, and for some products, reference groups may influence both a person's product category and brand (or type) choices.
  - product-plus, brand-plus items
  - product-plus, brand-minus items
  - product-minus, brand-Plus items
  - product-minus, brand-minus items

# Benefits of the Reference Group Appeal

- Reference group appeals have two principal benefits for the advertiser:
  1. they increase brand awareness
  2. they serve to reduce perceived risk

# Age & Gender Influence on Consumer Behaviour

- Among the four major age groups, **Teens**, who need to establish an identity, are the consumers of tomorrow and have an increasing influence on family decisions. The somewhat disillusioned **Generation X** consists of smart and cynical consumers who can easily see through obvious marketing attempts. **Baby boomers** grew up in a very dynamic and fast changing world, and this has affected their values for individualism and freedom. **The 50 and older segment can be divided into two groups-the young again and the gray market.** Neither group likes to be thought of as old.
- The affect of **gender** differences on consumer behavior is also important. Gender roles are changing. Women are becoming more professional and independent, and men are becoming more sensitive and caring. Also, men and women can differ in terms of traits, information processing, decision styles, and consumption patterns. Gender shows different consumption patterns and perceptions of consumption situations.

- As the gender gap narrows, husband and wife decisions are increasingly made jointly. Qualls studied family decisions concerning vacations, automobiles, children's education, housing, insurance, and savings. Prior studies showed that decisions regarding these products were usually reported as wife or husband dominant. Qualls found overwhelmingly that joint decisions are now the norm for these products, with 80 percent of children's education and housing decisions made jointly. Increasing resources of women and shift toward egalitarianism are producing more joint decision-making in product and service categories of perceived high risk.