

7

Social Group

If there is any secret of success, it lies in the ability to get the other person's point of view, and seeing things from his angle—*Henry Ford*.

This chapter explains:

- *Groups of various types*
- *How groups influence behaviour*
- *Influence of reference groups on individuals*
- *Opinion leaders and their role*

Social Group

■ 7.1 Introduction

All of us belong to some group or the other and, we also associate ourselves with different groups in our daily life. Of course, the most primary group with whom we are mostly in touch with, is our family. The groups that we associate with or the groups that we meet and interact with influence our behaviour to a certain extent.

Definition

A group consists of two or more individuals who share a set of norms, values or beliefs and have certain implicitly or explicitly defined relationship with one another, such that their behaviour is interdependent. Groups give an opportunity to individuals to learn and socialise. Marketeers use the knowledge of group influences when designing market strategy.

Reference group is a group of people whom you refer to, while making buying decisions. They help you in buying items like clothing, etc. Reference groups influence consumer behaviour by building aspirations for the individual and, helping him to choose the product for a particular lifestyle. They are small groups and consist of family, close friends, work groups, neighbours or any other group of people you associate with.

These groups regulate the lives and set standards for norms and conduct. In a family, influence is exerted by the members of the family in the purchase consumption process.

Reference groups affect consumers by imparting information and by influencing value expressive needs of the consumers. If one wants to be a member of the group, one has to conform to the standards of the group. Their values and attitudes have to be appreciated and adopted, and one tends to buy and use the products which the group uses and appreciates. More homogeneous groups, or group members having similar characteristics are more susceptible to attitude changes than the groups whose members are less homogeneous. Some individuals have a strong sense of identification with a group because they derive strong material or psychological benefit by being associated with that group. Sometimes, there are pressures of buying, known as conformity pressures, and one adheres to the norms of the group. Conformity pressures can be noticed with norms set by schools and colleges, other membership organisation and military or police organisation and the like. These can be exerted directly or indirectly on the members of the group.

There are three levels of group involvement. These are:

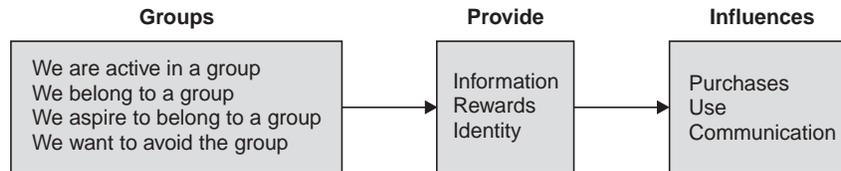


Fig. 7.1 Group influence consumption

Compliance

The members of the group have to comply only by overt or open behaviour with the norms and standards, *i.e.*, comply by paying certain fixed fees. Being present on time. Wearing the same clothes, etc. It makes no demand on the change of attitudes, beliefs of the person concerned. You can only be a passive member of a service organisation, pay fees, eat food, meet people and go away without being service minded, *e.g.*, Lions Clubs and Rotary Clubs.

Identification

This is a deeper relationship where the individual not only complies to the standards, but also maintains a social relationship and changes his perception to a great extent, *i.e.*, you can join a service organisation only for being a member or, you can change your perception and become service minded and actually start believing in service doing and, appreciating to achieve the service objectives of the organisation. You can become involved deeply and take pride in identifying yourself as a Lion or a Rotarian.

Internalising

Here you become more committed and, not only believe in service, but also try to enforce the objects and views on others, to get more deeply involved in it. You make or force others to follow the norms and rules of the organisation.

An example of the process can be that you are born in religious surroundings and perform rituals enforced on you. The next stage is that you start being religious yourself and the third stage is that you start preaching the same to others.

There are four types of reference groups. These are:

Membership and Non-membership Groups: This is a simple and self-explanatory classification. A membership group is one to which one belongs. Non-membership group are groups of which you are not a member but may aspire to belong to.

Formal or Informal Group: A formal group has a structure and some objectives and the roles of the members are defined. Certain rules and regulations are followed. An informal group has no structure. People come and go at random, *e.g.*, a group meeting in the market place having tea and snacks together, meeting without much purpose.

Primary or Secondary Group: This depends on the frequency of contact. Primary groups consists of family, close friends, peers and business associates with whom one has regular contact. Secondary groups meet infrequently and are not so closely knit. Club membership groups and shopping groups are secondary groups.

Aspirational Groups: Aspirational groups are the groups you aspire to belong to and want to join at some future time. These are known as anticipatory aspirational groups. We also have symbolic aspirational groups to which a person is attached but not likely to belong to. These are professional sports groups, or some other elite group.

Marketeers use a symbolic group by using celebrities to advertise the products.

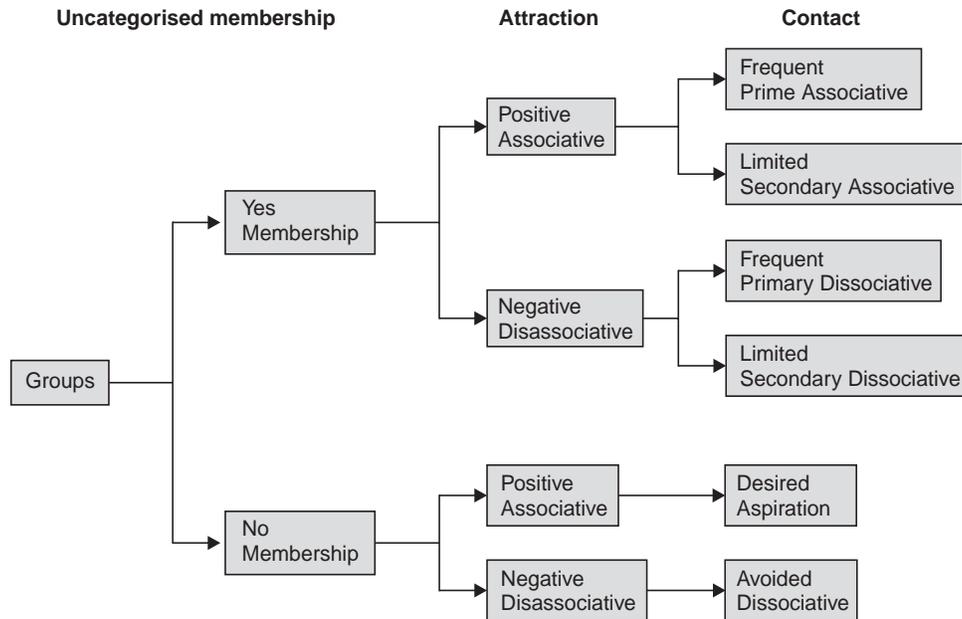


Fig. 7.2 Classification of groups

Source: Adapted from Hawkins, Best and Coney, p. 147.

The above figure shows the classification of groups. It is important for marketers to make a study of the behaviour of groups and accordingly formulate strategies. Consumers use these groups as a point of reference at different times. Primary groups exert greater and more direct influence on purchasing behaviour, and the advertisers use family settings and family events as a means of advertising them to influence consumers.

■ 7.2 Reference Groups and the Influence Exerted by Them

Reference groups can be further classified into four categories given below, depending on the functions they perform and, the kind and degree of influence exerted by them. These groups lay down certain norms, roles and status that are followed by members.

Norms are unwritten codes, or standards of conduct that are assigned to individuals within a group.

Roles are the part that the members play as initiator, influencer, gate keeper, decision maker, the purchaser and final user.

Status is the position of authority that is designated within a group. High status relates to more power, e.g., father and mother in a family have greater status than the other family members. Also the chief executive has greater authority and power than the subordinates in an organisation. Products are also bought and consumed, which relate to the status of the individual or group.

Thus, there are four categories of reference groups namely normative, comparative, status and dissociative groups. We shall discuss these one by one.

Normative Groups: These are groups that uphold the norms of the groups. There are values that must be adhered to, while exhibiting consumer behaviour. There is also the judgement or the perspective one uses in defining personal situations.

These norms also influence the choice of clothing or how much a person should eat or drink at a party— normative influence may lead to normative behaviour. The influences are exerted on purchase of clothing, furniture, appliances, food, etc. These are visible items. Other items like mouth-wash, perfumes, etc. may not be visible, but are used for the approval of group members. Normative influence is also known as utilitarian influence, which occurs when an individual fulfills group expectations to receive a direct reward or to avoid a sanction. You may purchase a given brand of coffee to win approval from a spouse or a neighbourhood group, or you may refrain from wearing the latest fashion for fear of being teased by friends.

Comparative Reference Groups: These are groups with whom the individual compares himself and his attitudes. He compares himself to other members of the group to find out whether they support his views and attitudes.

The new resident in the neighbourhood are attracted to neighbours who are similar to themselves, because they reinforce existing attitudes and behaviours. Advertisers also use spokesmen who are perceived by consumers as similar to themselves, because they reinforce existing attitudes and behaviour. Comparative reference groups provide the basis for validating beliefs, values and attitudes. Consumers need not be in direct social contact with a reference group to be influenced by it.

In the case of comparative reference groups, if values are expressed, they can be practised and one can come closer to the group and be accepted by it. This is known as value expressive influence, *e.g.*, where drinking is prohibited and expressed. One practices the same to be accepted by the group. In groups where chappals and sandals are not allowed and is expressed, then one has to conform with the values of the group to come closer to it.

Dissociative Group: Some individuals do not want to be likened to, or identified by a group of individuals. They try to dissociate themselves from that group. These groups are known as dissociative groups. You may try to dissociate yourself from a group in your office who may be dishonest and you want to uphold your image of honesty. This is also done to move upwards into a higher social class. You may not buy products used by the dissociative group. You may want to move away from this dissociative group of people.

Status Reference Group: When one refers to the status or a position of the people in a group, he is referring to status reference group. An individual who may not belong to this group may aspire to achieve that status and, want to be a member of that group (aspiration group).

■ 7.3 Reference Group, Social Influence and Social Power

The influence of reference groups as consumer behaviour is felt through the influence of social power. There are five basis of social power. These are:

Reward Power: It is the ability to give rewards in the form of money, gifts, psychological rewards such as recognition practice. In some cases, products like clothes, durables goods, etc. are also offered.

Coercive Power: It is the ability to give threats or withhold rewards. It is the threatening or coercive power to influence consumer behaviour *e.g.*, the purchase of accepted clothing, deodorants, mouthwash and LIC Policies, are sold by using coercive power.

Legitimate Power: It is linked to cultural or group values. The groups influences the consumption pattern to which they belong. It is the power one has, because of his legitimate position in an organisation *i.e.*, a manager.

Referent Power: It is used to by a status-oriented product which identifies the feeling of oneness with the group. The group member is urged to obtain a similar status by purchasing the recommended items.

Expert Power: Buying behaviour is influenced by the expertise of the people in the group. People who are experienced and technically qualified in an area.

A person may be attracted to and conform to group norms, either in order to gain praise or recognition, or in response to coercive power.

Factors Affecting the Influence of Reference Groups

A reference group provides benefits to individuals and that is why people associate with reference groups. It exerts an influence on the individual's behaviour and the degree of influence is determined by:

Firstly, how informed and experienced the individual is? If the individual is less informed, he relies heavily on the reference group or, if he has little or no experience even then he looks up to the groups for information and guidance.

Secondly, if the group has high credibility, greater influence can be exerted by it on the individual's behaviour. It can thus change the attitudes and beliefs of the consumers. Consumers will look upon it and refer to it more for information on product quality.

The Nature of Reference Group Influences on Products and Services

When people meet in a social setting they discuss their experiences with the products that they have used and, express their likes and dislikes and preference and, attributes of the product. The individuals also buy products or use services which they see others using or buying.

Reference group influences the product and brands when the product is conspicuous. The conspicuousness can be measured by:

Exclusivity and Visibility Dimensions

Exclusivity refers to few people possessing or using the product, and if many are using the product it is less exclusive. Necessity goods are less conspicuous than luxury goods. Products which are necessary will be used by many consumers whereas, luxury products will be used by few chosen customers only.

Exclusivity Visibility	<i>Necessity</i> Weak reference group influence (–) on product	<i>Luxury</i> Strong reference group influence on product (+)
<i>Public</i> Strong reference group influence on brand (+)	<i>Public Necessities</i> Influence—weak product and strong brand wrist watch, automobile, men's suit.	<i>Public Luxuries</i> Influence—strong product and brand, e.g., golf club
<i>Private</i> Weak reference group influence on brand (–)	<i>Private Necessities</i> Influences—weak product and brand, e.g., mattress, floor lamp and refrigerator.	<i>Private Luxuries</i> Influence—Strong and weak brand, e.g., home video-game, ice maker.

Fig. 7.3 Reference group influence on product and brand purchase decision

Source: Peter J.P. Olson, J.C. *Consumer Marketing Strategy Perspective*, p. 443.

Visibility Dimension

If the product can be seen and identified by many, it is more visible. Products consumed in public are more conspicuous than products consumed in private.

The figure shows four categories which are public necessities and public luxuries and private necessities and private luxuries. The examples of products used in each category is shown in Fig. 7.3 on page 63.

■ 7.4 Reference Group Applications in Marketing

A wide application of reference groups is used in advertising by marketers. They use pleasant situations and attractive and prominent people to promote their products. The products are used by these people who are sought after and, have made a mark in life. They try to identify lifestyle characteristics of a certain group and then design effective advertising strategies. The designing of advertising is done by:

Using Celebrities

Celebrities who endorse the product to the consumer, *e.g.*, film stars for beauty products including soaps (Lux), etc. sports people for the use of healthy products, *e.g.*, Kapil Dev for Boost; Shahrukh Khan for Smoodles; Pierce Brosnan for Reid and Taylor; Cindy Crawford for Revlon.

Use of Experts and Professionals

Experts in various fields are used to promote the products. The prospective customers evaluate the products advertised by experts and are affected by these experts and professionals.

Doctors are used to promote tooth-pastes, *e.g.*, Forhans, Sachin Tendulkar promoting Visa Cards, etc.

Use of Spokesman

For product endorsements, spokesmen for a particular product refer to the appeal for the common man. It is propagated that somebody from the common man uses the product and is satisfied. Lalitaji of the Surf advertisement.

Opinion Leaders

These are key persons in a group who influence their group and are innovators or early buyers. The marketer focuses his strategies on key persons in the group, some are opinion leaders, and others are opinion seekers. Thus, key persons are knowledgeable with a lot of experience. They are also known as influencers and others are receivers. They consist of friends, associates, neighbours, etc. In this group, persuasive communication is more fruitful, as opinion leaders can affect and influence the behaviour of others in a group.

There are opinion leaders who mediate the transmission of information from mass media to the general public:

- (a) Firstly, the Mass Media transmits information to the general public.
 Mass Media → Transmission
 of Information → General Public
- (b) Secondly, Media may send through opinion leaders to general public.
 Mass Media → Opinion Leaders → General Public
 (Target Customers)

- (c) Thirdly, there is interaction between people and information goes forward and backwards, interaction and positive and negative discussions are made, attitudes are made, and thus information goes to the general public.

Mass Media → Opinion Leader → General Public
(Target Customers)

The opinion leaders transmit the products relative information, which consists of:

- (a) use of specific product, *e.g.*, washing machine, vacuum cleaner, electric shaver etc.
- (b) which of several brands is the best—Whirlpool, Kelvinator, BPL, etc.
- (c) which is the best place to shop from, which dealer, locality, etc.

Opinion leaders for one specific product may not be the opinion leaders for other products, as well. An opinion leader for infants foods may not be the opinion leader for kitchen ware, etc. Opinion leaders in one area may not necessarily influence other areas.

Characteristics of Opinion Leaders

Opinion leaders are more knowledgeable, and have a keen level of interest.

- More involved in the product category.
- Have local friendship and social interaction.
- Can disseminate information.
- Have high credibility.
- Have more self-confidence, are more sociable and cosmopolitan, can rake risks.

Opinion leaders are activated greatly to reduce distance process for the products they have bought; may want to influence neighbours and friends. They involve themselves, to confirm their own judgement.

They are younger, have more education, have a higher income, and higher occupational status.

They are exposed to media. See more movies and television. Also read information magazines and technical publication devoted to the product category. Having greater knowledge about the product, they can disseminate more and true information about the products and their usage. Opinion leaders are therefore a case of study to marketers and their strategies are evaluated and formed, keeping the opinion leaders and their roles in mind.

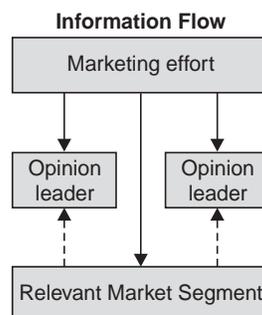


Fig. 7.4 Information flow

The figure shows that the opinion leaders seek relevant information from the mass media and other sources, and transmit the same to members of the group. The dashed line show the feedback from the group to the opinion leaders.

Gate-keepers: They may be distinct from opinion leaders. They introduced ideas and information, but are not able to influence the group.

Market Maven: Maven is an expert having knowledge and information over many kinds of products. Shopping places and other facts of the markets. Their expertise is of a general market rather than of a product specific market. They enjoy browsing and shopping and participate in marketing activities. They are well read, they read classified newspapers mail advertising etc. Communication can be source initiated or recipient initiated and may have one or two way influence.

Source Initiated: The marketeer or the user transmits information to the user *e.g.*, Mohan told me how good is the performance of his washing machine so I bought one.

Receiver Initiated: (One way influence) The receiver makes an effort to get the information:

I asked the salesman which mixie does he recommend.

Source Initiated: (2 way influence) I showed my expensive set of crockery to Mohan and he now plans to buy one for himself. He felt that it was a good set. This made me feel better and offset my anxiety of having bought an expensive one.

Receiver Initiated: (2 way influence) Mohan asked me to show my collection of arms to him. We had an interesting discussion on the subject and both learnt from the comments of each other.

Word of Mouth Communication to be Effective: For communication to be effective the following points must be considered:

1. The product is visible and purchase behaviour is apparent.
2. The product is distinctive and can be matched with life style, taste and personal likes.
3. The product is newly introduced and the consumers have not formed any opinion about it.
4. The product is important to the reference group's norms and belief systems. Sugar free coca cola for diabetic patients or low cholestrol foods for older people prone to disease.
5. When consumers have doubt about the product and considered it risky and initiate a lot of discussion and product related discussions (Maruti Van) risky from the accident point of view.

Marketing Strategy and Opinion Leadership

There are different opinion leaders for different products. The marketeer must determine through research, experience or logic, the role an opinion leader plays in the existing situation for product or service.

Consumers talk to each other about their experiences and performance of the product. If their experiences do not meet expectations then there is cause for concern, and the marketeer must take relevant steps to redress their complaints. When the product falls short of the customer's expectations, dissonance occurs, which has to be reduced or removed by the marketeer.

This can be reduced by utilising the knowledge of opinion leaders, which are rather difficult to identify. Opinion leaders are gregarious and tend to belong to clubs and associations. Some product categories have professional opinion leaders who are also very influential.

Hairstylists serve as opinion leaders for hair-care products. For healthcare products-pharmacists are important opinion leaders. Computer professionals can give an opinion about the purchase of personal computers. The idea is to identify the opinion leaders, and then undertake a marketing research on them and formulate a marketing strategy.

The marketing research conducted on opinion leaders gives ideas of the likes and dislikes of the product users and their categories. Various tests should include the product use test, the pre-testing of the advertising copy, the media preferred for customers to respond favourably to the firm's marketing mix. The sampling should be done from amongst the opinion leaders. In retailing and personnel selling various techniques can be adopted to attract customers like, one meal extra for every three meals or, pay for two and take three or, a "fashion advisory board" can be constituted in clothing stores. An automobile dealer can provide a free wash or a free servicing or oil change to the customers and opinion leaders who send customers to their workshop. Estate agents may offer a free stay in attractive locales for people who promote or bring in customers for real estates.

In advertising, people of prominence and, owners can be used and their experiences and satisfaction received can be projected through conversation and, by giving their impression to the general public and non-owners of the product. Opinion leaders can be used effectively in commercials to promote the product to the masses.

Questions

1. What is a group? Give some examples of groups and their level of involvement.
2. How can groups be classified?
3. What are factors affecting the influence of reference groups? What are the basis of social power?
4. What are opinion leaders? What role do they play in transmitting information?
5. What are the characteristics of opinion leaders?
6. What factors influence reference groups to make decisions on products and brands?