

8

Family Buying Influences, Family Life Cycle and Buying Roles

Help your children to take and make decisions, educate them with examples and stories. The road to success is filled with women pushing their husbands along.

A family is a cohesive social unit, and the members have a great influence on each other and play an important role in decision-making. The goal of this chapter is to make the student understand:

- *Reciprocal influence of family members on each other*
- *Family buying influences*
- *Intergenerational influence*
- *Family life cycle*
- *Consumption pattern*

Family Buying Influences, Family Life Cycle and Buying Roles

■ 8.1 Introduction

A family is two or more people living together who are related by blood or marriage. It is a part of a household which consists of individuals living singly or together with others in a residential unit.

Consumer behaviour is influenced not only by consumer personalities and motivations, but also by the relationships within families (family is a familiar social unit).

In a family, members must satisfy their individual and shared needs by drawing on a common and shared, relatively fixed supply of sources.

The individual family is a strong, most immediate and most pervasive influence on decision-making.

The husband, wife and children influence each other and are influenced by others.

A consumer is influenced by many factors as shown below:

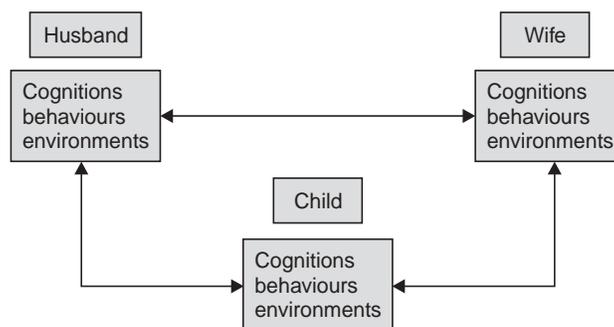


Fig. 8.1 The reciprocal influence of family members

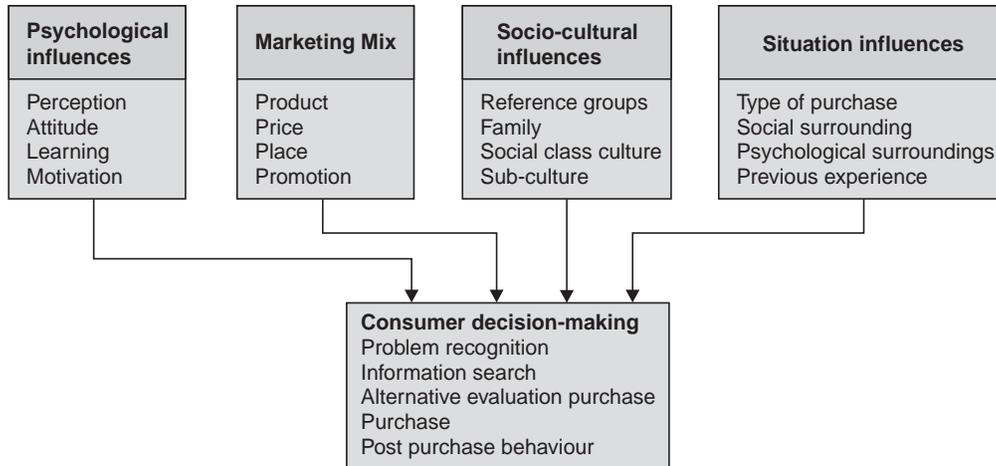


Fig. 8.2 Factor influencing a consumer

Family Life Cycle and Buying Roles

It is important for a marketer to know the family structure and its consumption characteristics. He should be able to understand the family which is a subset of a household. A household is made up of persons who live and occupy a housing unit. These include both, nuclear and extended families. A household is a basic consumption unit for most consumable goods. Major items such as housing, automobiles, electrical appliances, washing machine, etc. are used more by households than individuals. In a household, many items can be shared and possessed, whereas individuals some times do not posses many such items individually.

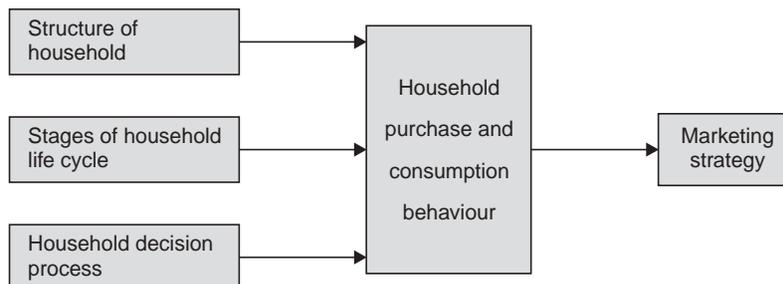


Fig. 8.3 Marketing strategy

Family types

Nuclear family: It consists of two adults of opposite sex living in a socially approved sex relationship with their children. It consists of husband, wife and their offspring.

Joint family: It includes a nuclear family and other relatives such as parents of husband/wife, aunts, uncles, and grandparents, also.

■ 8.2 Family Buying Influences

Family is a social group. It is also an earning, consuming and decision-making unit. All purchases are influenced by family members. Family is a closely-knit unit, and the bonds in a family are more powerful than in other groups. A reciprocal influence operates in all family decisions. There are three main influences which are father, mother and other family members. Every member has his own motives, beliefs and predisposition to the decision process. Every member is influenced and influences other family members. There is a reciprocal influence exerted in the decision process other family members. There is a reciprocal influence exerted in the decision process which is shown in Fig. 16.4. It becomes important for a marketer to sort out all family influences, and formulate a strategy for effective marketing.



Fig. 8.4 Reciprocal influences in a family

Consumer socialisation is the process by which young people acquire the skills, knowledge and attitudes relevant to their functioning as consumers. Interactions take place in a family which develops tastes, preferences, shopping styles, choice of clothes to wear. How much money to spend, where to buy from, what to use at which occasions. The figure shows how a consumer is socialised. There are a number of background factors like the age, sex, social class, etc. Then there are the socialising agents from whom they learn. These are media, family members, peers and teachers.

These influence the learning mechanism and the result is a socialised consumer. Advertising and promotional activities have a strong influence on consumer socialisation. It can also be done by the family members through:

- (a) *Instrumental training*: In this the parent teaches the children the value of food, which to consume which to keep away from. What choice is to be made for clothes, what products to refrain from. How to avoid dysfunctional behaviour.
- (b) *Modeling*: When a child learns the behaviour by observing others. It can be consciously or subconsciously learnt. One such example is smoking.
- (c) *Mediation*: To make the children realise the facts by discussion, or by demonstration, or by any other method available.

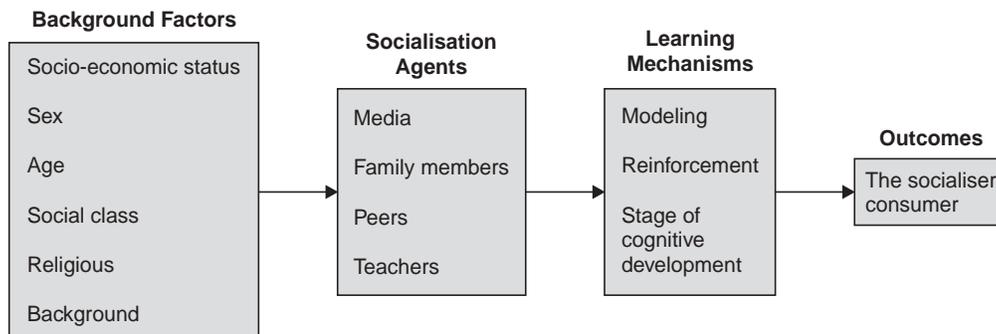


Fig. 8.5 A model of consumer socialisation

Inter-generational Influences

By this we mean that children learn from their fathers and forefathers. A child is influenced through generations, which develop religious and cultural values. The attitudes are developed towards sports, leisure, education, social life. This is known as the intergenerational carry over. Children learn to use products and services used by their family members, mostly parents and grand parents and some take pride in it too.

Family Decision-making

In a family there is the

Instrument role: Taken by the head of the family for the achievement of special goals.

Expressive role: Undertaken by the wife and other family members to provide emotional support.

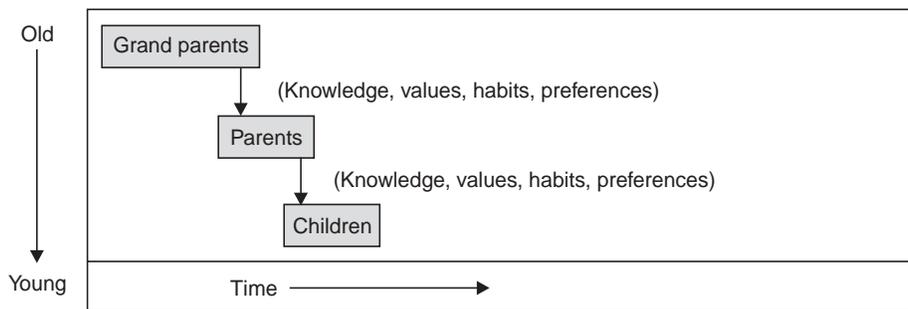


Fig. 8.6 The concept of intergenerational carry over

Important buying roles are:

1. *The instigator* (initiator): Person who first suggests the idea of a product/service and initiates the purchase process.
2. *The influencer:* Person having direct/Indirect influences, on final purchase decision.
3. *The decider:* Person who makes the final decision.
4. *The purchaser* (buyer): Person who actually purchases the product, pays for it, takes it home.
5. *The consumer:* User of goods/service.

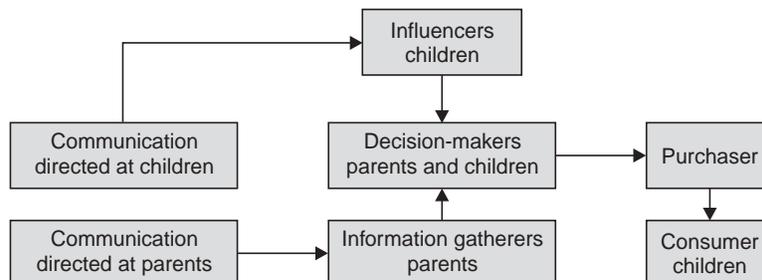


Fig. 8.7

Family Decision Stages

1. Problem recognition
2. Search for information
3. Evaluation of alternatives
4. Final decision

Husband-wife influence studies, classify consumer decisions as:

Wife-dominant decisions, *e.g.*, food, purchase of groceries.

Husband-dominant decisions, *e.g.*, automobiles, life insurance.

Syncratic decisions (joint), *e.g.*, vacations, choice of schools for children.

Automatic decisions (unilateral)

Decisions may either be:

Consensual: Everyone in the family may agree with the desired outcome.

Accommodative: Need conflict resolution by persuasion or bargaining.

Element of power within the family is obtained from:

Economic resources: Persons making greater economic contribution have more economic power.

Cultural norms: In a male dominated society—husband has greater powers.

Expert power: More knowledge a person possess. Husband may know more about cars—wife may know more about household items.

Legitimate power: This depends on the role the family members play.

Bargaining power: Power through give and take method.

Reward/referent power: Giving rewards to others which are liked and appreciated.

Emotional power: Purchase decisions are influenced by emotions, sentiments and feelings of one partner.

■ 8.3 The Family Life Cycle Stages

1. The bachelor stage—young and single.
 2. The newly married couples—young, no children.
 3. Full nest 1—young, married, with child.
 4. Full nest 2—older, married, with children.
 5. Full nest 3—older, married, with dependent children.
 6. Empty nest—older, married, with no children living with them.
 7. Solitary survivor—older, single, retired people.
1. *The bachelor stage*: Young and single is characterised by being young which can stretch upto 35 years of age and not married. Some singles live with their family, others live independently. They have an average age of about 24 and are free from worldly cares, live an active and carefree life. They do not have financial obligations. They manage their affairs themselves, and are fond of sports and other recreational activities.

2. *Newly married couples*: Young no children (empty nest). After getting married, the life style changes slightly. They lead a joint life style. They share new experiences and responsibilities. Start spending on furnishing and household goods. They also tend to have a dual income and spend heavily on outings, vacations, luxury, restaurants, meals, etc.
3. *Full nest 1*: Young married with child. With the addition in family, purchases are concentrated on baby foods, clothings, medical care, health products. A change is brought about in the lifestyle and most activities revolve round the care of the child. Discretionary funds are also reduced.
4. *Full nest 2*: Older married with children. More children lead to more expenses. Children start going to school and there is more expenditure on books, stationery and college fees. Toys, bicycle, insurances also become a part of the expenses, parents start spending less on themselves.
5. *Full nest 3*: Older married with dependent children. Income is high at this stage. Parents grow older. They become experienced buyers and are less interested in new product purchases. Expenditure high due to replacement buying luxury products.
6. *Empty nest*: Older married with no children living with them. Financial position stabilises and there is no expense on children. The couple is free to enjoy their own pursuits and spend on luxury or self-improvement items and medical care.
7. *Solitary survivor*: Older single retired people. Retired people living alone after the death of a partner. Life becomes lonely and income may reduce due to retirement. This again changes the consumption pattern and living style of old people.

Another point to note, is that the family life cycle concept segments the families on the basis of demographic variables, and ignores the psychographic variables (families interest and opinions) of family members. Family life cycle is also related to the spare time and the available income, education, etc. A marketer has to take these elements into consideration.

The stages at which families find themselves, affect the nature of the goods and services required, their wants and consumption patterns, as well as the volume of consumption on specific products.

The traditional view of the family life cycle has been criticised for failing to recognise that a single family unit may not exist throughout the life of an individual. Families may be created by second marriages, and these may involve children from prior marriages. The traditional model also ignores the existence of single parent households. The modern family life cycle which takes into account the existence of working women, is a more complex and more useful model than the traditional model.

Marketing strategy for family decision-making

It is realised that various purchasing tasks are performed by various members of the family. The products are bought for joint use of the family. Refrigerator, TV, sofa set, car, etc. The product is to be purchased by family funds where more than one person may be contributing to the fund. Sometimes the funds are not enough and other products may have to be sacrificed to own an expensive product. Some family members may not be agreeable to the choice made for the product, and may consider it as a profligate expenditure. These are the main influences in the family decision making, which are the outlets preferred by the family members for the

purchase of the product. All the above considerations are important, and once all this is known strategy can be formulated in a better manner.

Table 8.1 Consumption patterns of families in life cycle strategy

Stage	Consumption patterns
1. Young single (Bachelor)	Outdoor sporting goods, sports cars, fashion clothing, entertainment and recreation services.
2. Young married with no children	Recreation and relaxation, insurance, home furnishings, travel, home appliances, high purchase rate of durables.
3. Young married with child	Baby food, clothing, and furniture, invests in housing insurance, washer-dryers, medical services/supplies for children, toys for children.
4. Middle aged with children at home	Children's lessons, large food purchases, dental care, higher priced furniture, auto and housing, fast-food restaurants.
5. With no children at home	Luxury products, travel, restaurants, condominiums, recreation, make gifts and contributions, high discretionary income, solid financial position.
6. Older (married or single)	Health care, home security, specialised housing, food products, recreation geared to the retired, general cash poor.
7. Solitary survivor	Money-saving products, frozen foods, rental house, child care, time-saving appliances and food, cash poor.

■ 8.4 Personal Influences

Each individual receives the information and processes and evaluates the product in his own way. This is irrespective of the family, social class or cultural heritage etc. His own personality ultimately influences his decision. He has his own personal reasons for likes, dislikes, price, convenience or status. Some individuals may lay greater emphasis on price, others on quality and still others on status, symbol, convenience of the product etc. Personal influences go a long way in the purchase of a product. The personal influences can be linked to the following:

- Age and life cycle stage
 - Bachelor, married.*
 - Full Nest I, II*
 - Empty Nest I, II*
 - Solitary Survivor*
- Occupation, Blues Collar, White Collar.
- Economic Circumstances
 - High Income Group*
 - Low Income Group*
 - Middle Income Group*

- Life Style --- Pattern of Living.
- Personality --- It is an internal determinant which influence our consumption patterns.
- Self concept --- How one perceives himself and his behaviour.

Personal influence is the effect or change in a person's attitude or behaviour as a result of communication with others.

- The change in behaviour may be influenced by communication. It may be *source initiated* (by the influencer) or *recipient oriented* by the influence).
- Communication may result in one-way or two-way influence *i.e.*, The individual may influence while being influenced.
- Communication resulting in influence may be verbal or visual.

Personal influence is synonymously used as word-of-mouth, although the word-of-mouth is only a verbal communication. Word of mouth communication is more effective than advertising whether it is product or services. The executives of the Paramount Motion Pictures has remarked that "Word of mouth is the most important Marketing element that exists. "There can be 'Synthetic' or simulated word of mouth (When celebrities talk to us on T.V. It creates a situation as if they have entered our house and are actually talking to us). The other is the real word of mouth. Both can be very convincing. The communication should be positive, to be effective. The word of mouth of communication is strong because:

- Consumers view word of mouth as trustworthy information which helps in making better decisions.
- Personal contacts provide special support and give a stamp of approval to a purchase which is not the case in Mass Media.
- The information provided is backed by social group pressures and forces the purchase.

When choosing the products and services consumers are also influenced by advice from other people. Today 80% of all buying decision are influenced by some one's direct recommendation. Decision such as which Air Conditioner to buy, which Movie to see. There are a lot of interaction which helps the individual to make decisions. An individual can also be personally influenced by neighbours, friends, co-workers, acquaintances. Those who influence are the opinion leaders and those who are influenced are opinion receivers.

Personal influences are dependant on the process of communication. For a long time marketing communication was a one-way process media which was dissipated by opinion leaders. Audience now are not passive receivers of communication but take active part in the two-way communication.

The verbal flow of communication and personal influence may take between a source and receiver in the following stages:

1. **Source initiated**—one-way influence

"Ram told me how good his Fridge was, so I decided to buy one".

2. **Receiver initiated**—two-way influence

"I asked Ram what brand of Fridge he recommends"

3. **Source initiated**—two-way influence

"I showed my cupboard to Ram. He got interested and said that he would buy one as soon as possible".

4. **Receiver initiated**–two-way influence

“I asked Ram what he know about electric ranges. We had a nice discussion of the features of various brands”.

Opinion leaders exert their opinion on individuals

Opinion leaders are persons who informally give product information and advise to others. Opinion leaders are persuasive and they influence the individuals in a number of ways:

- The Opinion leaders are Credible and give free information which is genuine and can be trusted.
- They give both **Positive and Negative** information.
They give neutral comments as well. The negative information is given only when it is very necessary.
- They give information and advice. They may talk about their experiences with a product, give advice to others to buy or avoid a specific product. The advice, such as:
 - Which product is the best.
 - How to best use a specific product.
 - Where to shop.
 - Who provides the best service.

Opinion leaders **give categorically** specific information. They specialise in certain specific products on which they give information *e.g.*, automobiles, white goods, consumable products etc.

Opinion leaders do a two-way job

An opinion leader may also himself get influenced and personal influences **by word of mouth may be uncontrollable**. Although, it is believed that word of mouth communication is extremely effective, but informal communication is hard to control.

There are certain rumour themes that adversely affect the personal behaviour of the consumers, these can be:

- The product was produced under unsanitary conditions.
- The product has culturally unacceptable ingredient.
- The product has undesirable depressant or stimulant.
- The product has a cancer-causing element.
- The firm was owned by a misguided or misguided foreign country etc.

Word of mouth is used by telephones to remove misconception of consumers who have been dissatisfied with the product. Their dissatisfaction removal is the job of the marketeer.

All these are ways by which personal influences are affected and personal influences make the consumer to take his own decision.

Questions

1. How is consumer behaviour influenced by relationships within families? Discuss with context to various family types.
2. Discuss the family lifestyle stages and the changing consumption patterns.