

# Part III

# Consumers in Their Social and Cultural Settings

The 5<sup>th</sup> Wave

By Rich Tennant



"Take that ridiculous thing off your neck and put on a proper shrunken monkey head!"

## *In this part . . .*

**A**s if internal influences weren't enough to understand, you also must consider the external influences that have an impact on your consumers and their purchasing patterns. In this part, I help you explore those influences. I examine cultures and subcultures and explain how they affect your marketing strategy.

Also, because families go through stages as well as change household structures, I explore the family life cycle. In this discussion, I include some information on why the roles of men and women have changed over the years. All this information will help you understand how each stage creates different consumer demands. Knowing the phase each of your consumers is in enables you to help them in the decision-making process.

Consumers also identify with social groups. In the discussion regarding social group influences, I show you how to identify social groups and understand their influences. I also provide you with steps that you can take to locate the group leader. Knowing the group leader helps you have an even greater impact when marketing to social groups.

Finally, an interesting segment you'll find in this part of the book is on consumer misbehavior. I explain to you the different categories of misbehavior as well as give you insight on what motivates it and how to detour it from happening in your place of business.

## Chapter 8

# Cultural Influences

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### *In This Chapter*

- ▶ Harnessing the power of culture on purchasing decisions
  - ▶ Getting to the root of cultural conditioning
  - ▶ Letting consumer culture guide your marketing strategy
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**M**any factors leverage consumer behavior, including the disposition of a consumer toward a specific product. Culture is one of the most basic external influences on a consumer's needs, wants, and behavior, because all facets of life are carried out against the background of the society in which a consumer lives. Culture is the all-encompassing force that helps to form an individual's personality, which in turn is the key determinant of consumer behavior. The culture of a consumer affects her everyday behavior, and there's experiential support for the concept that culture determines what a consumer purchases and when she purchases it.

When you understand the culture of your consumers, you have a better concept of how to serve them and guide them toward purchasing your product or service. This chapter looks at the power of culture, how consumers pick it up, and what you can do with your knowledge of culture to better serve your customers.

## *Defining Culture*

The two basic things to understand about culture are that

- ✓ **Culture is a standard of excellence within its own society.** To participate in a given culture, you must hold the standards of that culture in high regard. Individuals are held to a standard that's deemed acceptable, and they must follow these standards in order to uphold the beliefs and values of that culture. This means that when purchasing your product, the consumers must evaluate whether your product supports or opposes the beliefs and values of their culture.

- ✔ **Culture is a way of life.** You must live it as a way of life in which you share common experiences, a common language, and values with others in the culture. Individuals as consumers are very protective of their culture. Their culture is what forms their beliefs and values and is reflected in the way they live their lives, including purchases and consumption patterns. Culture is often as natural to consumers as breathing.

The three major parts of culture — beliefs, values, and norms — have distinct and powerful effects on consumers (see Figure 8-1), and you can tap into these elements in order to market your product in a way that's more effective and appealing to consumers:

- ✔ **Norms:** These are rules within a culture that designate forms of acceptable and unacceptable behavior. In short, they're the way a culture does things. Norms aren't statistical averages; they're linked with acceptable social standards of appropriate behavior within a culture. They may or may not coincide with laws and policies; for example, it's a common norm to drive 5 miles per hour over the posted speed limit.

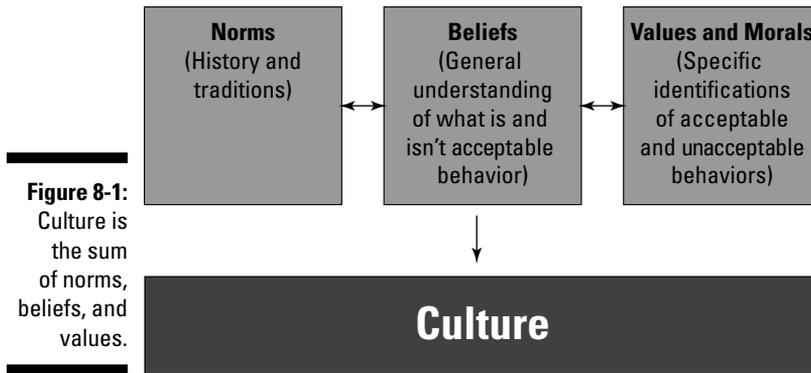
Norms have different strengths, and the consequences for violating a norm can vary. Cultural norms often are so strongly ingrained in an individual's life that he is unaware of certain behaviors until they're contrasted with a different culture that has different norms.

- ✔ **Beliefs:** These are mental and verbal statements that reflect a consumer's particular knowledge and assessment of something and that affect an individual's behavior. The belief system of a culture is created through stories or myths whose interpretations can give consumers insight into how they should look, feel, think, and behave. The most prominent systems of beliefs tend to be associated with formal religion.
- ✔ **Values:** Values are based on the beliefs of a consumer. What a consumer believes is what he sees as valuable. Consumer values are deep-seated motivations that are instilled into the consumer from culture. The values of a culture differentiate right feelings, thoughts, and behaviors from wrong feelings, thoughts, and behaviors. An individual's set of values plays an important role in consumption activities, because in many cases, people purchase products and services that they believe will help them attain a value-related goal. Every culture has a set of values that it imparts to members.



It's important to understand the following specific characteristics of value, because values are often used to guide consumers in their purchasing behavior as well as in their consumption patterns:

- Values are few in number.
- Values are difficult to change.
- Values aren't linked to specific objects or situations.
- Values are widely accepted by members within a cultural society.



A couple of examples of different cultures and their effects on individuals include the following:

- ✓ **American culture:** In America, consumers have a way of life that they try to uphold according to beliefs, values, and norms. What people in this culture may consider acceptable may not be seen as acceptable in other cultures.
- ✓ **Generational culture:** Each generation carries its own beliefs, values, and norms. For example, my mother's generation didn't necessarily believe the same things that my generation believes. The things that I see as acceptable probably aren't acceptable for her generation. I will experience the same generation gap as my son grows older. His generation will have different beliefs, values, and norms than my generation does.

## Breaking Culture into Subcultures

Each culture contains *subcultures*, or groups of people who share values. Subcultures can include nationalities, religious sects, racial groups, or groups of people sharing the same geographical location. Hobbies or activities can even create subcultures.



Think of a subculture as a subdivision of a national culture, based on unifying characteristics. Members of a subculture share similar behavioral patterns that are distinct from those within the national culture.

### *Ethnicity or nationality*

*Ethnicity*, or *nationality*, defines a group bound by similar values, customs, dress, religion, and language. You can use this information to create marketing messages that are specific to the culture you're targeting. For example,

when researching an ethnic subculture that you are interested in marketing to, keep in mind that consumers strive to purchase products that support their heritage and appeal directly to the identity they associate with. I would create my marketing message in order to get the consumer's attention and gain her interest in my product.

Here's a look at examples of consumer subcultures based on ethnicity and nationality:

- ✔ **Hispanic consumers:** This subculture represents Americans of Cuban, Mexican, Central American, South American, and Puerto Rican descent. They buy approximately \$425 billion in goods and services each year and have long been a target of marketing for food, beverage, and household products in the United States.
- ✔ **African American consumers:** Although this subculture has proven to be more price conscious than other segments of the American consumer population, members are strongly motivated by quality and selection. They display strong brand loyalty and do less shopping around.
- ✔ **Asian American consumers:** This segment is the fastest growing consumer subculture and the most affluent one in the U.S. The group now numbers more than 10 million and has a disposable income of \$229 billion per year.

## Religion

Religion is important to people, because it provides them with a set of beliefs. Identifying subcultures based on religion allows you to create messages that identify with the beliefs and values of specific religious groups. Religion and the rules and guidelines it establishes can prevent the consumption of certain products, making it even more important to understand the subcultures you're marketing to. As with most cultures, you must be cautious not to offend or contradict the beliefs and values of those in that culture.

You can segment the market by focusing on religious affiliations, delivery, targeted messages, and promotions using certain media that will reach each segment.

Here are some examples of religious subcultures:

- ✔ **Islam:** Followers don't believe in extravagance, and they wear modest clothing. They discourage the use of alcohol, the charging of interest, and the participation in anything that offends the Koran (their holy book).
- ✔ **Jehovah's Witnesses:** Followers use conventional foods, including the modest use of alcohol. They're prohibited from celebrating birthdays, Christmas, and Easter.

- ✔ **Mormonism:** Followers participate in mainstream society within reason, but they're discouraged from using alcohol, tobacco, coffee, and caffeine. They're also discouraged from eating excessive amounts of meat. They're prohibited to gamble.
- ✔ **Fundamentalist Christianity:** Followers are encouraged to listen to various religious broadcasts, read religious books, and attend Christian schools. Alcohol is commonly prohibited, and followers are also discouraged from viewing entertainment that's inconsistent with their values.
- ✔ **Buddhism:** Followers are encouraged to fulfill their essential needs in life, but they also are taught to keep life simple and free of attachments to things. It's acceptable for Buddhists to keep replicas of religious objects, and they're discouraged from consuming meat under certain circumstances.



An understanding of these religious subcultures and others should guide you in creating marketing messages. You don't want to make a cultural faux pas in your advertising, for example, by marketing your latest hamburger to a congregation of Buddhists.

## *Age or gender*

Consumers undergo predictable changes in values, lifestyle, and consumption patterns as they move through their life cycles. You can identify a subculture within a culture by segmenting consumers according to age and/or gender.

When you understand the different age and gender subcultures, you can use that information to cater your marketing message and advertising to draw in their attention and gain their business.

For example, consider the four major age groups in the U.S. and the characteristics of each group:

- ✔ **Baby boomers:** Represent approximately 77 million people born in the U.S. between 1946 and 1964 who share lifestyle similarities. They're the largest and most affluent age group in history, and they have the strongest impact on the housing and car markets.
- ✔ **Generation X:** Represents a younger crowd than the baby boomers that's known for valuing religion, formal rituals, and materialism. They were born between 1965 and 1977. This group is smaller in number than the baby boomers but possesses \$125 billion in discretionary income. The members of Generation X have a more negative attitude when it comes to work and getting ahead than baby boomers had at the same age.

- ✓ **Generation Y:** Represents the 72 million children of the baby boomer generation. This generation is more mixed in racial and socioeconomic terms than the baby boomers.
- ✓ **The elderly:** Represents Americans over age 55 that, by 2020, will outnumber teenagers two to one. This generation tends to process information differently from the other groups. When it comes to comprehending marketing messages and advertisements, members of this group have difficulty with fast talking. They have an easier time with written text, which is the opposite of the other age groups.



When it comes to subcultures based on gender, it's important to realize that traditional sex roles have changed and continue to change (see Chapter 9 for more). However, the specifics of these roles tend to depend on the culture. For example, the majority of women in the U.S. are in the workforce, sometimes at the cost of delaying marriage and children. However, this may not be the norm in other cultures.

## *Understanding the Power of Culture*

Although every individual is different, the culture that the individual grows up in and lives in shapes the person's values, beliefs, attitudes, and opinions toward people, things, and events in life.

The impact of culture is so natural and automatic that its influence on behavior is usually taken for granted. As a result, consumers often make subconscious decisions when it comes to purchases. With an understanding of the power and history of cultures, you're able to cater your marketing messages and advertisement to specific cultures, enhancing your positive effect on consumers and diminishing negative attitudes that they may carry toward your products.

### *How culture affects people and their purchasing behavior*

The culture of a consumer not only shapes his attitude toward products and buying decisions, but it also creates many detriments that are behind the buying behavior and consumption patterns of that consumer. Here's what I mean: Culture often causes *uncertainty avoidance* in consumers — the avoidance of products that are unknown to them or that they consider to be uncertain. Culture can also be a detriment if you aren't careful to understand the values and beliefs of the cultures you're marketing to. Some cultures can be easily offended.

The behaviors of different cultures at first may seem somewhat strange to anyone outside of the culture, but obviously they make sense to those within the culture. A consumer's needs and culture are closely linked and can create a consumer need, either directly or indirectly. Culture also can influence the satisfaction of needs and the manner in which the need is met.

Culture serves the following functions:

- ✔ It promotes social system stability and facilitates collective commitment.
- ✔ It provides individuals with a feeling of belonging and positive self-esteem.
- ✔ It helps individuals create their own identities by situating themselves in a historical itinerary shared with others.
- ✔ It helps individuals make sense of their surroundings, particularly in attempting to answer the question, "What is the meaning of life?"



In other words, culture gives individuals a road map and directions to follow during times of uncertainty. It can provide a feeling of psychological security and can contribute to a clearer understanding of why society functions as it does and how it pertains to their futures.

As you can see in the preceding list, culture meets many of the emotional needs of individuals. Because of this, individuals strive to protect the beliefs and values of their cultures, which are in turn reflected in their behavior as consumers. Here's how culture specifically impacts consumer behavior:

- ✔ It serves as the lens through which consumers view products as well as your company.
- ✔ It impacts the consumers' values, attitudes, motives, and goal-directed behavior as well as their personalities.
- ✔ It influences the overall priorities that consumers attach to different activities and products.

Culture is often expressed in material objects such as clothing, jewelry, cars, computers, and music systems. Consumers are always working to uphold the values and beliefs of their culture and not to violate the norms. Consider, for example, the generation of kids who enjoy hip-hop music. This culture influences the clothes they wear, the places they hang out, and the music they listen to. You could also look at religion and the attire that some cultures require. For example, in the Islamic religion, women are required to cover all areas of their bodies, except the front part of their face and their hands. This affects the clothes that they purchase.

Culture has a stronger impact on impulsive purchases than on planned purchases. Marketing experiments show that culture-based differences tend to show up when information is processed in a quick and spontaneous manner.

When consumers have more time to deliberate on a purchase, cultural factors tend to have less effect on the decision.



Culture changes continuously, so as a marketer you should be aware of what's happening all the time. Cultural shifts are important environmental changes that can make your marketing strategy obsolete. So, it's important to always keep your eyes and ears open for cultural shifts that can point to new products that consumers may want or to the possibility of an increase in demand for existing products. When you notice a shift, you need to change your marketing tactics in order to meet the needs of the culture.

For example, a cultural shift toward greater concern about health and fitness has created opportunities and even new industries that service consumers who want to buy

- ✓ Low-calorie food
- ✓ Health and gym memberships
- ✓ Exercise equipment
- ✓ Activity or health-related vacation packages

Another fantastic example is the increased desire for leisure time. This has resulted in an increased demand for convenience products and services, such as microwave ovens, oven-ready meals, telephone banking, and online bill pay.

## ***How cultural understanding increases marketing effectiveness***

When you understand the basics of why consumers are affected by culture, you can take a deeper look at the components that make up culture. You then use those components to understand the different cultures. This process enables you to make your marketing more effective and appealing to the culture you've targeted.

Understanding how culture influences consumer purchasing leads you to the issue of how consumers from different cultures can behave in radically different ways and yet be completely convinced that they're right.

For example, when you consider different religious cultures, you may find one that believes you shouldn't work on Sunday while the other believes it's okay to do so. Both groups believe they're right, and the truth is that neither is wrong because the belief is held within the norms of their own culture. By understanding these cultural differences, you would know that marketing to the consumer who doesn't work on Sunday could be a waste of your marketing dollars.

Culture is the broadest of social influences that marketers and business owners have to deal with. Products and services that resonate with the priorities of a culture at any given time have a much better chance of being accepted by consumers. Here's why:

- ✔ **Consumption choices don't make sense without considering and understanding the cultural context in which they're made.** Before a consumer can make a purchase, she must validate the purchase with her culture's values and beliefs to ensure it supports and doesn't violate them.
- ✔ **Culture determines the success or failure of your specific product or service.** If your product or service offends core beliefs and values that a culture supports, your chances of selling within that culture are decreased. However, if your product supports the culture, consumers are more likely to purchase from you. The same can be said of your marketing communications.

Sometimes a subculture creates a substantial and distinctive market segment on its own. For example, in the previous section, I show you two different examples of culture: American culture and generational culture. In each of these cultures, you can segment subcultures in order to create marketing materials that appeal to the different segments. You can use age groups in each of these cultures, or you can use gender or nationality. If I specifically target my marketing message to women in the American culture that are between the ages of 30 and 35, I have the ability to speak directly to their needs based on their beliefs, values, and norms.



Marketing strategies are ineffective when they don't adapt to the specific culture that's predominant in your target market segment. Potential customers will respond to advertising messages that are congruent with their culture, rewarding you — through purchasing — for understanding their culture and tailoring your advertisements and marketing messages to them and their needs.

## *Seeing Cultural Conditioning in Action and in Effect*

Consumers acquire their culture through cultural conditioning. Cultural conditioning not only produces certain behaviors but also affects the values and beliefs behind those behaviors.

Culture is acquired at a very young age through

- ✓ Playing
- ✓ Schooling
- ✓ Sports participation

- ✓ Family and home life
- ✓ Media

Each of these influences plays a role in how culture is acquired and learned. It's difficult to distinguish whether one is more important than another, because the influence is really dependent on the culture itself. The different parts of culture — including beliefs, values, and norms — are often learned and processed differently as you see in the following sections.

## *Conditioned behavior: Norms*

Culture is present in three distinct learning forms:

- ✓ **Formal learning:** When parents teach children how to behave
- ✓ **Informal learning:** When a child imitates the behavior of others
- ✓ **Technical learning:** When a child learns from teachers and instructors



Although cultural conditioning occurs mostly in early childhood, adults continue to be conditioned as they acquire new behaviors throughout their lives.

Following are the five phases in the process of cultural conditioning. Pay attention to these phases when you're researching cultures that you want to market to; then you can see specific ways the consumers in that culture have been conditioned by that culture and how you can appeal to them with your marketing message.

### **1. Observation/instruction**

An individual is only beginning to become aware of a particular behavior or activity and hasn't tried to perform it yet. For example, in some cultures it's customary to eat with your hands rather than with utensils. In this phase, you may be observing or being instructed on how to eat with your hands, but you haven't yet tried to do it.

### **2. Imitation**

An individual tries to carry out the behavior or activity being learned. For example, you sit down and begin to imitate those within the culture by eating with your hands, no matter how awkward the activity.

### **3. Reinforcement**

An individual is encouraged by those within the culture to continue the cultural norm. For example, you receive encouragement to continue trying to eat with your hands.

#### 4. Internalization

An individual begins to internalize the cultural norm, leading it to feel like a natural behavior or activity. For example, it begins to feel natural to eat with your hands rather than use utensils.

#### 5. Spontaneous manifestation

An individual is no longer conscious of performing the behavior or activity and does it without paying attention because it's not strange or unusual. For example, you're no longer conscious of the fact that you're eating with your hands and don't notice the absence of utensils.

## *Conditioned beliefs and values*

Three basic organizations transmit culture values; if you understand the influence these organizations have and have had on the consumers in your target market, you can use those organizations to assist you in speaking directly to those consumers in a way that they will understand and relate to. The three organizations are

- ✓ **Family:** The family is the first to instill a child's belief system, attitudes, and values. It also teaches the language of the culture, and language is the fundamental facet of culture because it binds members of the culture together through basic communication. The family is the primary agent for teaching consumer-related values and skills that are in line with cultural teachings.
- ✓ **Religious organizations:** Religious organizations are responsible for reinforcing the belief systems that a family instills in a child. A child who grows up within a religious organization is continually taught the values and belief systems of the culture. Religious organizations continue to nurture cultural values throughout the life of an individual, providing religious consciousness, spiritual guidance, and moral training.
- ✓ **Educational institutions:** Within a culture, educational institutions work to instill skills, ideas, attitudes, and training in particular disciplines that fit into the cultural setting. Charged with imparting basic learning skills, history, patriotism, citizenship, and technical training, educational institutions transmit cultural norms and values to each new generation.

## *Applying Cultural Perspective to Your Marketing Strategy*

It's important to realize the impact that culture has on how you market to consumers in different cultures. Consumers uphold the beliefs, values, and norms of their cultures. This affects what they buy, how they buy it, and

often who they buy it from. When consumers go to purchase an item, they take the information about that product or your marketing message and subconsciously compare it to the values and beliefs of their cultures. This comparison happens immediately.

## *Identifying common cultural factors among your consumers*

When marketing to a specific culture, you want to be sure that you have all aspects of that culture in mind. This means looking at how the culture affects the members' lifestyles, the way they talk, and even the rituals they participate in. As I mention earlier, you can do more damage than good by marketing to a culture that you aren't familiar with. So you must take extra steps to make sure that your message isn't only pertinent to your consumer, but that it supports their beliefs and values as well. You need to take some time to gather more information in order to successfully market to a culture segment.

### *Where and how to gather the info needed*

A culture's values are the fundamental force that drives markets. Look at indications of how people within a specific culture want to live and how they express that desire in the marketplace.



When evaluating specific cultures and working to market to those cultures, ask yourself the following questions:

- ✓ Why are customers doing what they're doing?
- ✓ Who are the customers?
- ✓ When do customers purchase your products?
- ✓ How and where can the media reach customers?
- ✓ What's new on the product front that you can present to customers?



When you're evaluating the values within a culture, it's important to understand why consumers behave a specific way. The reasons behind behaviors and actions can predict the products consumers will use. They also can predict the marketing channel that will be most effective in reaching that culture.

You can find out these reasons by doing some fieldwork. Chapter 12 instructs you in market research, but here are my top suggestions:

- ✓ Monitor a small sampling of consumers in their natural environments. Focus on their behavior and find the answers to the preceding questions. However, remember that it's important that consumers aren't aware that you're monitoring them.
- ✓ Use focus groups and interviews.

### *What to look for*

It's important to understand how the culture you're trying to reach communicates through language, symbols, and rituals. This way you can communicate with them in a way that they understand.

- ✔ **Language:** Consumers use language as an expression of culture. The language of a culture creates a shared meaning. As a marketer, you should focus not necessarily on what is said but rather on how it's said. For example, you don't want to use words that have a different meaning in one culture than they do in yours. You also don't want to communicate in a way that's considered offensive to those that you're marketing to.
- ✔ **Symbols:** Cultures use symbols to communicate ideas, emotions, and thoughts. Keep in mind that your brand also can be seen as a symbol. Different types of symbols include numbers, colors, gestures, animate objects, and inanimate objects.
- ✔ **Rituals:** Rituals are symbolic activities that consist of a series of steps occurring in a fixed sequence and repeated over time. Cultures use them to uphold their beliefs and values in ceremonial ways. Rituals can be both public and private and are often formal and scripted. Examples of different types of rituals include
  - Religious rituals, such as baptism, meditation, and religious services
  - Rites of passage, such as graduation and marriage
  - Cultural rituals, such as festivals and holidays
  - Civic rituals, such as parades, elections, and trials
  - Family rituals, such as mealtimes and birthdays
  - Personal rituals, such as personal grooming and housekeeping.

You can use language, symbols, and rituals to gain a better understanding of how specific cultures communicate and behave. This information can then be used to communicate with them and market to them in a way that they will understand and be receptive to.

## *Appealing to your target audience's cultural background*

Consumers are overloaded with advertising and marketing messages each day, so it takes something personally appealing to get their attention on you and your product. When you can appeal to a consumer's cultural background and support his values and beliefs, he takes an interest in what you have to say. In fact, consumers will go out of their way to support businesses that support them, their culture, and the things that they hold dear. To gain this attention, use messages that consumers can relate to and images that reflect their cultural heritage.

For example, suppose you're trying to appeal to the Hispanic market, but you don't speak the language of that culture or understand what they value and believe in. How do you market to this group in a way that the members understand? You can appeal to this market by constructing a radio spot that broadcasts on a Spanish-speaking radio station or creating television commercials to air on a Spanish-speaking television station. You also could put an ad in a magazine that's specifically geared toward Hispanic culture.



The key is this: Before you do any of these things, it's your job and duty to gain the information necessary to understand a consumer's culture. It's a mistake to think you can enter into any culture and market to them without researching first.

## Chapter 9

# The Influences of Household Structure and Role

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### *In This Chapter*

- ▶ Examining home life, including household structures and roles
  - ▶ Taking a look at traditional and nontraditional households
  - ▶ Using household information to market successfully
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**P**eople grow and develop as individuals and as consumers. Over the course of a lifetime a family will go through many stages of development, and with each stage comes an entirely new set of consumer developments. So you must determine the marketing campaigns that will work best not only in targeting the family, but in specifically targeting the structure that the family has.

## *Looking at Home Life*

In today's society, we have traditional households as well as nontraditional households, so instead of using the older term *family life cycle*, we now use the more modern term *household structure*. Household structure represents the number of people living in a home, the ages of those occupants, and the household income. Household structure is important because it affects the consumption and purchasing patterns of those living in the home. It also has an effect on the roles that individuals in the household play. These roles are used in the decision-making process.

## *A primer on household structures*

The term *family* can be defined many different ways. So in order to take full advantage of marketing directly to families, it's important to understand the different structures that they can have. Consider the following terms:

- ✓ **Family:** A group of two or more people related by blood, marriage, or adoption who reside in the same home
- ✓ **Nuclear family:** The immediate group consisting of a father, mother, and a child or children that live together
- ✓ **Extended family:** The nuclear family plus other relatives, such as grandparents, uncles and aunts, cousins, and parents-in-law
- ✓ **Family of orientation:** The family into which a person is born
- ✓ **Family of procreation:** The family that's established by marriage

As you study households, you may also notice that some include pets as important parts of the family. So, when I speak of families, I'm not only talking about a family in a traditional sense. Instead, I'm referring to the representation of families in many walks of a consumer's life.



Different households have different needs, so by understanding the different categories of households, you can create effective marketing messages that appeal to the different categories. Households are grouped into the following two categories:

- ✓ **Family households:** The *family household* represents groups or persons that are related by blood or marriage. The following four types of family households are the most common:
  - Married couple that lives alone
  - Married couple with children
  - Single parent with children
  - Extended family, which may include parents, children's spouses, grandchildren, and occasionally cousins
- ✓ **Nonfamily households:** The *nonfamily household* is a household that consists of nonfamily members. Nonfamily households include the following:
  - A single person living alone in a dwelling unit
  - Roommates living together
  - Persons living in boarding houses
  - Elderly persons living with nonfamily members
  - Persons of the opposite sex sharing living quarters
  - Same-sex couples



Family households are most common, but recently there has been a rapid rise in the number of nonfamily households. This means that it isn't enough to just market to the traditional households. You must also look to see how your products can fill the needs of the nontraditional households by creating marketing messages that they can relate to.

## *Defining an individual's household role*

Household decision making is much different than individual decision making. That's because you have input from more people. Individual household members often serve different roles in decisions that ultimately draw on shared family resources. Just like you have roles in the household, you also have roles when it comes to the decision-making process for the household. Each role is important in the family decision-making process. These household roles include the following:

- ✔ **Influencer:** The person in this role is responsible for influencing the purchase decision. This person doesn't necessarily have the power to make the ultimate decision between alternatives, but he makes his wishes known by asking for specific products or acting out if the demands aren't met. Example: The child who screams throughout the discount store because he wants a particular color bicycle.
- ✔ **Gatekeeper:** The person in this role is responsible for controlling the flow of information to the other family members. Example: The mother updates everyone on the purchase information and decision as well as when the purchase will be completed.
- ✔ **Decider:** The person in this role is the family member who makes the final decision regarding the purchase. The decider evaluates whether to buy, which product to buy, which brand to buy, where to buy it, and when to buy it. Ultimately this person has the power of decision over each of these issues. Example: The father who decides which bicycle to purchase after reviewing the features and costs of two different bicycles.
- ✔ **Buyer:** The person in this role is responsible for engaging in the actual transaction or purchase. Example: The mother who goes to the discount store to purchase the desired bicycle.
- ✔ **Preparer:** The person in this role is responsible for preparing the goods for use. Example: The dad who puts the bicycle together so the child can ride it.
- ✔ **User:** The person in this role is responsible for using the product that has been purchased. Example: The child who rides the bicycle.
- ✔ **Maintainer:** The person in this role is responsible for maintaining the purchased product. Example: The child who puts air in the tires of the bicycle or cleans it after running it through mud puddles.
- ✔ **Disposer:** The person in this role chooses when and how to dispose of the product. Example: The dad who's cleaning out the garage and realizes that the child has finally outgrown the bicycle. He may choose to put the bike in the trash, or he may donate it.



It isn't uncommon for family or household members to play multiple roles in the decision-making process. And these roles can also often break tradition. For instance, dad isn't always the decider. Mom and child can also play the role of the decider.

## *Recognizing how household structure and role affect purchasing behavior*

It's important to realize that consumer purchase patterns can be determined by the household structure. Various stages in family life — that is, the household structure at a given time — result in different buying patterns. At each stage, the person plays a different household role and buys symbols of that particular role at that time. For example, when a couple marries in a traditional household, the man buys the woman a ring. Then when the couple has a baby, they buy furniture to prepare for the new addition.

Household roles also play a part in consumption patterns and buying habits. For example, it's the role of the decision maker to decide to buy, what product to buy, what brand to select, when to buy, and where to buy it from. Figure 9-1 shows how all the factors fit together.

### *Factors that affect a household's purchasing behavior*

Consumption factors within the family are determined by the following:

- ✔ **Number of people within the family:** This factor affects consumption because with more people in the family, the more products you need to care for the family.
- ✔ **Ages of the family members:** This factor affects consumption because it determines what types of items you need. If you have infants, you will need diapers, baby formula, and other items. If the family members are older, you may need other types of products to care for the family.
- ✔ **Number of employed adults:** The main reason this factor affects consumption is because it affects income. The more income a family makes, the more they're likely to spend.

### *Variables that change the household structure*

Five structural variables can change the household structure. The five variables include

- ✔ Age of head of household or family
- ✔ Marital status
- ✔ Employment status
- ✔ Disposable income
- ✔ Discretionary income
- ✔ Presence or absence of children

Children dramatically change how the family functions in terms of relationships, employment, and purchases. For example, children often reduce

parents' participation in the labor force. This change alone affects how families spend money, and it reduces the amount of time and money available to the family for leisure activities.

You may be shocked to know that children influence approximately \$1.88 trillion dollars in purchases globally each year. You may wonder how these little tykes can do this. Here's how: Children exert direct influence over parents when they request specific products and brands. They also can exert indirect influence when parents buy products and brands that they know their children prefer without being asked or told to make a specific purchase.

Parents aren't the only ones making purchases; children also make their own purchases with family money or with their own money. Children like to shop for toys, candy, clothing, school supplies, and other personal items. Retailers spend exorbitant amounts of money to adapt specific departments to these young, but significant consumers.

## *Understanding how you can market to the many household influences*

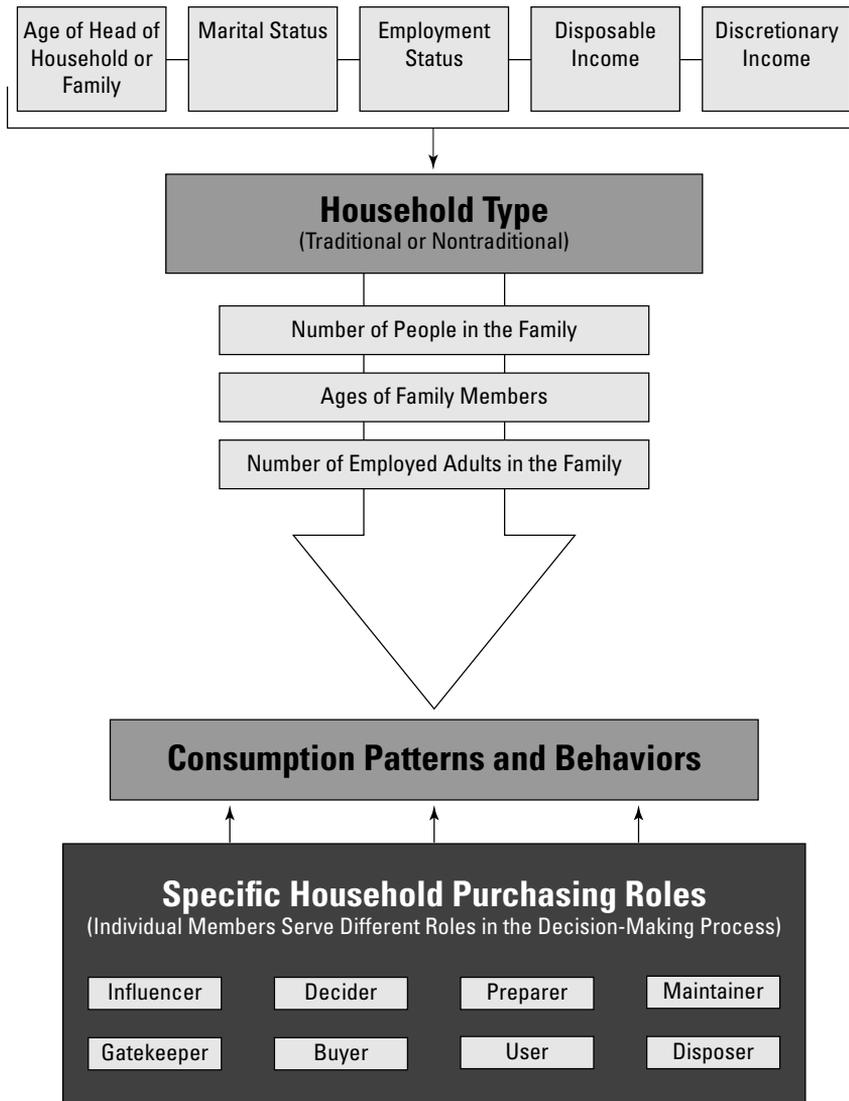
Common household structures and roles help explain how families change over time. You can use them to identify core target markets and use that data to modify your marketing message. These influences are great predictors of family and household spending.

When you understand the common household structures a family can have, you can better understand the products that consumers use as the structure changes. You can find information through market research that shows you what interests and motivates them and what kind of financial status the average person has. Doing so helps you create a marketing message that's appealing and enticing to them. You also can use the household variables to monitor, measure, and predict changes in demand for specific product categories.

Household structure serves as a more accurate tool than chronological age because there are significant differences in consumer spending habits. Differences include consumption patterns, the amount of money spent, the products purchased, and the products that are of interest to the consumer.



The decision-making process within families is crucial to your business. When you understand the structure and lifestyle of the household you advertise in, you can cater your message to meet its needs. This increases your chance of drawing the household into your business, purchasing your products, and using your services. If you aren't catering your advertising in this way, you're missing what could potentially be a large market.



**Figure 9-1:**  
This flowchart shows the many influences of household purchasing behaviors.

## *Examining Traditional Household Stages and Their Buying Influences*

Every household goes through stages over time. During these stages, the household's basic structure changes. Nine primary stages have been identified, but not all households go through all the stages. The number of stages that a family goes through depends in part on the family's lifestyle choices. In

the following sections, I show you the different stages within the traditional family household structure.

The term *traditional family* has been used since the 1950s when TV shows portrayed the ideal family as a husband who was the breadwinner and the wife who stayed home to take care of the two children who were under the age of 18.

In this section, *traditional* refers to a husband and a wife that have children. The reason it's important to distinguish between traditional and nontraditional families is that it plays a large part in how you market your products.



Market research shows that in today's world of families, less than 6 percent of American families fit into the traditional role. You want to be able to distinguish between the two so that neither the traditional nor nontraditional household takes offense to your marketing message. For example, if you have a commercial that appeals to the wives that do stay home and take care of their children, are you losing the other 74 percent that don't?



It's possible for individuals to repeat family stages if their family situations change, or if they find themselves in stages that are different from most people their own age.

## *Young singles*

The young singles stage is often referred to as the *bachelor stage*. It's representative of both male and female individuals. In this stage, the consumers don't live at home with their parents; they have branched out on their own.

Young singles are new in their careers and usually have the income level of an entry-level employee. They have few financial burdens. They lead the fashion world with their opinions, and they're recreation oriented. They tend to spend money on basic kitchen equipment, furniture, entertainment, vacations, dating, and clothing.

## *Newly married couples*

Newly married couples are typically young with no children. They typically have two incomes, and they tend to be better off financially than they are in later stages. They're present and future oriented.

Newly married couples have the highest overall purchase rate and the highest rate of purchasing *durable products*, which are products that are purchased infrequently, such as appliances, furniture, and consumer electronics. They buy automobiles, refrigerators, stoves, and sensible and durable furniture. Like

young singles, they still spend money on entertainment, and they like to spend money on vacations.

### ***Full nest I***

The consumers in the full nest I stage are married, and their youngest child is under the age of 6. They have one to one and half income sources. Home purchases peak in this stage. These consumers have low liquid assets, and they're future oriented.

In this stage, most consumers are dissatisfied with their finances. They're interested in newly advertised products, and they buy washers, dryers, televisions, baby food, vitamins, and children's toys.

### ***Full nest II***

In the full nest II stage, consumers are married, and their youngest child is 6 years or older but still dependent on them. They're in a better financial position than they were in the previous stage, and they're future oriented.

These consumers have one to two sources of income. One of the spouses is established in a career at this stage. The other spouse may work or may stay home to take care of the children. The consumers in this group are less influenced by advertising. They buy larger automobiles, larger cars, a variety of foods, bicycles, and music lessons. They enjoy luxury and comfort. They tend to put more money in savings than in other stages.

### ***Full nest III***

The married couple in the full nest III stage is typically older with older dependent children who are typically in their teenage years. These consumers are still in a better financial position and are considering retirement.

More income is available because many times both spouses and even the children have jobs. Advertising has even less of an influence at this stage. Couples in this stage have a high average rate of purchasing durable products, buy more tasteful furniture, travel more by car, and purchase nonessentials like appliances, boats, dental services, and magazines. They enjoy comfort and luxury.

## ***Empty nest I***

The empty nest I stage represents an older married couple with no children living at home with them. The head of the household is still in the labor force. Home ownership is at its peak. Some of the couples have even purchased the homes they will retire in. These consumers have a good income and are satisfied with their finances. They're considering retirement.

Consumers in this stage have an interest in travel, recreation, and self-education. They make gifts and contributions to charities and organizations that they support. They buy vacations, luxuries, and home improvements.

## ***Empty nest II***

The consumers who are in the empty nest II stage are usually older married couples with no children at home. The head of the household has retired, and so they've experienced a drastic income cut. They're present oriented.

The consumers in this group tend to keep their homes. They enjoy travel, recreation, and sometimes a new home to better suit their lifestyle. They buy medical appliances and medical-care products that aid their health, sleep, and digestion. Their interest is comfort at a fair price.

## ***Solitary survivor***

In this stage, one spouse is still alive, and the other is deceased. The living spouse is typically employed. That spouse has a good income and is present oriented.

Solitary survivors enjoy their jobs and friends. They like to travel, buy clothing, enjoy recreation, and spend money to take care of their health. They're likely to sell their homes in order to find new homes that better suit their lifestyles.

## ***Retired solitary survivor***

In the retired solitary survivor stage, one spouse is still alive, and that spouse has retired. The spouse has a low source of income due to a drastic income cut.

Retired solitary survivors enjoy traveling, social activity, and recreation. They have special needs for medical products, attentions, affection, and security. They have concern for their security and the economy.

## *Familiarizing Yourself with Common Stage Variations*

The stages I introduce you to in the previous sections represent the traditional stages. But you have to keep in mind that our society has changed, causing variations within today's families and households. In order to incorporate the variations into your marketing strategy, you have to expand your view of the household stages.



Certain stages don't necessarily fit into the traditional stages. For example, consider single parents, married couples with no children, and older singles. These consumers represent a large percentage of our society today. So when you leave one of them out of your marketing mix, you're missing a selling opportunity. So be sure to create messages that appeal to the market you're specifically targeting. Sometimes this may mean having more than one marketing message.

In the following sections, I give you an in-depth look at the recent trends and how they're affecting household structures and gender roles.

### *Exploring the changes and trends*

In today's society, households are changing. A larger market share is continually growing outside of the traditional household structure. You have to evaluate the changes in order to understand how they can and do affect your marketing strategy. These changes affect the various stages of the consumer decision-making process and can provide more marketing opportunities if you better understand them. I introduce some of the more recent trends in the following sections.

#### *Trends in marriage*

Many consumers today are delaying the age at which they get married. So you'll see more consumers cohabitating rather than saying "I do." The unfortunate truth is that in today's society more than 50 percent of marriages end in divorce, so it isn't uncommon for consumers to shift between married and single status. These shifts change consumption patterns and spending habits. The changes have been so significant that often divorce is called the "new marriage." These trends are changing the spending habits on household products, homes, therapy, travel, and more.

#### *Trend in singles*

In recent years our society has seen an increase in single households. Singles that are cohabitating with other singles is the fastest-growing segment of the singles market. It isn't just younger singles either. The mature singles

population is growing as well. The median age of singles is 66 and most of them are women. These women make up 61 percent of the singles market in the United States. The majority of these women are widowed. The facts are different when it comes to single men. The men are usually divorced or have just never married.

If you haven't tapped into this market share you could be missing out on a large opportunity. This market is most often targeted with travel, financial services, entertainment, and social recreation.

### *Trends in the gay and lesbian population*

The increased gay and lesbian population is a prime example of why you can no longer depend on the traditional household structures when it comes to your marketing. Many companies are now targeting the gay community, and they're finding that there's money to be made from this consumer group. A recent study by public relations and marketing firm Witeck-Combs reported that by the year 2011, the buying power of this consumer group will be more than \$800 billion in the United States alone.



The key is to understand how you can reach this market. You'll have more success reaching this market by creating market activities that build relationships with the members of the group. Marketers have found success in sponsoring gay-oriented events and creating advertising that specifically targets the gay consumer group.

## Considering trends in gift giving

It's important to consider rituals within a family structure. Consider, for example, gift giving. Gift giving occurs through family traditions, rituals, and celebrations. When you're familiar with the gift-giving seasons, you can gear up and market your products heavily during that time to increase sales. Take, for example, Christmas. Many people purchase gifts around this time. If your product isn't out there or you aren't marketing during that time, you could lose out on a great deal of market share.

Gift giving and the celebration of holidays within families are increasing in importance. You can tell this by the number of holiday employees that stores hire to accommodate consumers as well as the increased rate of travel during the holidays. In fact, traditional holiday spending

and promotions have shifted to other holidays throughout the year, and more retailers are marketing on other holidays throughout the year rather than just during Christmas. Physical movement of large gifts has become difficult, which has led to an increase of gift certificates, gift cards, and Internet gift purchases.

To take advantage of the gift-giving seasons, create a holiday marketing calendar and use specific holiday marketing techniques to attract consumers to do their holiday shopping with you. You also can market by reminding consumers of holidays coming up that they may forget. Think of all the husbands that purchase a Saint Valentine's Day gift because a promotional marketing piece reminded them that the holiday was coming up.

## *Identifying new structures that have emerged*

Our society is changing. What we used to consider abnormal is now considered normal. We've seen the acceptance of couples that live together but don't marry. We've seen the couples that decide they don't want to have children. We've also witnessed the rise of gay and lesbian couples as well as individuals that decide to live alone by choice. Changes will continue to happen in our society that will reflect in the acceptable and changing lifestyle structure. By continually being aware of the new trends within household structures, you can understand how they're affecting the current marketplace.



Nonfamily households and the trends within the household structure that I explain earlier in the chapter are expected to grow more rapidly than traditional families over the next two decades. However, with that in mind, remember that the highest incomes today are still within the traditional family households.

The following sections explore the newest structures that have emerged as a result of recent trends.

### *Single parents*

Single parenthood can result from either divorce or from the death of a spouse. Divorce usually entails a significant change in the relative wealth of each spouse. In some cases, the noncustodial parent may not pay the required child support. Even if the child support is paid, however, the custodial parent and children still may not be as well off as they were during the marriage. On the flip side of that situation is the situation where the noncustodial parent is called to pay a large portion of her income as child support. This situation is particularly problematic when the noncustodial parent remarries and has additional children in the subsequent marriage.

Single parenthood generally results in the purchase of low-cost furniture and household items. However, the purchases increase when it comes to time-saving goods and services. If you're marketing to single parents, keep this in mind and make special note of how your products fit into the lives of single parents. Do you have low-cost solutions that you can market directly to them? Do you have a service that can enhance and make their lives a little easier at an affordable price? Really think about how your product benefits single parents, and then market those benefits directly to them.

### *Married couple with no children*

It's common in today's society for a married couple to decide that they don't want to have children. This decision may be a personal choice or may come as a result of complications in having children.

In this household structure, the couple bypasses the full nest cycles (shown in the earlier section “Examining Traditional Household Stages and Their Buying Influences”) and moves forward in the solitary phases. The couple’s priorities are different than they would be if they had children. They tend to spend more money on luxury and comfort. They also travel more and enjoy more leisure activities. They’re able to save more and spend more on the finer things in life. They’re focused on the future, but enjoying the present. This couple is generally supported by two income sources, because they’re typically both established in their careers.

### *Older singles*

A person settles into this structure either because of the death of a spouse or the desire to never marry. This group doesn’t fit easily into any of the other household structures, so it’s rarely the focus of marketing or advertising messages. And rarely will you find market research on this growing demographic.



This doesn’t mean they can’t be reached, however. It’s actually a market that isn’t acknowledged and that is somewhat untapped. So determine how your products fit into the lifestyle of older singles. If you believe your products offer this group a benefit, sit down and clarify those benefits and put your marketing message out there to them. I think you’ll be surprised at the results, because they, too, are consumers.

In the past, this group has been known to have low levels of income and not much wealth. However, times are changing and the status of being an older single has become even more common in today’s society.

## *Seeing how the trends affect gender roles*

In today’s society, the old stereotypes surrounding the gender roles in a household are no longer one-size-fits-all. The roles that each gender fills are diversified and sometimes even unique. Some would even say their gender roles have become more balanced over time.

Obviously the importance of masculinity and femininity isn’t going away any time soon, but as a society we’ve become comfortable with roles that are less centered on what sex we are and centered more on our lifestyle and household structure.

When you market your products, you need to know who you’re marketing to in order to give consumers a message that grabs their attention and entices them to purchase from you. Keep in mind that sometimes focusing more on the lifestyle of your targeted consumers produces better results.

### *The changing roles of women*

The number of female consumers now outweighs the number of male consumers. This imbalance is mostly due to the fact that women tend to outlive men. Also, over the years, women have improved their purchasing abilities and have established a greater importance within the workplace. In fact, the employment of women has increased and is continuing to increase around the world. It has increased household incomes and family buying power, but it has also increased family expenditures. Families are spending more money on child care, clothing, dining out, and gasoline.

These changes have had an effect on women and the amount of time they have for leisure activities. As their roles outside of the home increase, their leisure time decreases. In turn, their interest and desire for time-saving products, such as eating out, has increased as well. The demands outside of the home have put a greater demand on the women, so they're often unable to perform the tasks women once did when they traditionally worked only within the home. As women find themselves contributing more to the family income, they're expecting in return that other household members pitch in and assist with the household responsibilities.



How do you reach women now that they have gone through this metamorphic change? Well, women are still sensitive to the marketing messages and advertisements that appeal to the “mother” category. However, keep in mind that different segments exist within the demographic of women — even more so than in the past — so you must create your marketing messages and advertisements specifically for the different segments. Each segment looks at advertising, the Internet, products, time, and brands differently. (Refer to Chapter 13 for more information on how to identify key segments within your market.)

As you can see, women face different challenges today than they did in previous years. So depending on the career orientation and responsibilities in and out of the home, time pressure, and society pressures, you need to adapt your ads in order to reach women and grab their attention. For example, a retail shop may advertise special services, such as a personal shopper, or may extend its hours in order to accommodate a woman's work schedule.



Marketing to women isn't a difficult task, but to be successful at it, you must identify the needs that your product provides a solution to and then create that message in a way that will appeal to them directly.

### *The changing roles of men*

Today the roles of men are changing. They're becoming more involved in family activities, social functions, and household duties. In fact, today men often go to the store to purchase products for the family.

Men are also experiencing a gender role transcendence and are beginning to use products previously seen as feminine and only used by women. This explains the “retro,” “uber,” and “metro” descriptions recently created for

men. For example, companies now frequently use the following terms as marketing tools:

- ✔ **Metrosexual:** This term is used to encourage men to take an interest in their personal appearance. This tactic has had great success, and the market of personal-care products is a great example. The increased attention to their personal appearance has had a positive effect on markets such as men's clothing, accessories, and toiletries.
- ✔ **Ubersexual:** This term indicates that the male is still macho but also in touch with his feminine side.
- ✔ **Retrosexual:** This term has been used to refer to men who reject metrosexuality and prefer to stay with the old-school style. They can be distinguished by their classical masculine identity.

As a society, we have caused a major shift in the perceptions of men, and because of that we have created different market shares for the changing roles.

It's also becoming increasingly common for men to stay at home with the children while the woman focuses on her career. Similarly, our society has seen an increase in single dads having custodial care of their children when marriages end in divorce.

An increase in the number of males with the caregiver role has had implications in terms of widening the range of products that men regard as acceptable. Consider, for example, the commercials that now show men making dinner. Also present is a shift in the number of household products and children's products that target their market messages to the male market. I'm sure you've also seen commercials in which the father is changing a baby's diapers or giving a child a bath.

## *Targeting Your Marketing to Specific Household Types and Roles*

When you understand the common household structures and stages and keep on top of the current trends, you can use the information to create your marketing strategy and advertising messages. In other words, you need to define your product as it relates to each household structure and stage, and then you can create a marketing or advertising message to reach out to each.

I've talked about the household structure both from a traditional and nontraditional perspective. I've also spent some time on the different role changes that are occurring for consumers. You must take all these things into account when marketing to consumers. When you make your message more appealing to the

market you're targeting, you can entice them to buy and use your products. If you don't do this, you could be missing out on gaining a larger market share. Marketing messages also must be sensitive to the consumer and their needs in order to be effective.

In this section, I show you how to take the information you've gained and create a marketing message that not only gets the attention of consumers that you're targeting, but increases your sales by doing so.

## *Assessing your consumers' household income*

Knowing the income of your consumers helps to ensure that you're actually marketing to people that have the means to buy your product. For example, if you're selling a car that's \$75,000, you don't want to market it to a single parent who's only making \$12,000 per year. You can also use this information to gauge the lifestyle of the consumers you're interested in. Refer to Chapter 7 for more information on the lifestyle of consumers.



Three types of income exist:

- ✓ **Disposable income:** This is the take-home pay of the consumer. It's the income the consumer brings home after deductions for taxes, social security, and insurance are taken out.
- ✓ **Real income:** This is the consumer purchasing power. It's the income after adjusting for inflation.
- ✓ **Discretionary income:** This is the consumer's disposable income that's left over after regular commitments, such as mortgage or rent and payment of utilities, are deducted.

It's important to recognize the difference in income so you gain a true picture of the consumer's spendable income.

## *Factoring in family dynamics and disagreements*

Every consumer goes through a decision-making process, and household structure plays an important part in this process. Because you're more than likely dealing with more than one consumer that has input into the decision-making process, you may find that the process is more difficult. You may even encounter conflict. When you understand the process, you can step in and help guide the consumers by answering questions, reassuring, and guiding them into the purchase.

When families are making decisions, they come to one of two conclusions:

- ✔ **Agreement:** This conclusion, which is called the *consensual decision*, is where the family agrees on the purchase and the only thing that may differ among family members is how the purchase will be achieved. They may not yet have a decision on the terms of the purchase or on the purchase place.

A great example of a consensual decision within the family is the purchase of a pet. All family members have decided that they want to add a dog to the family, but they may not know where to get Rover or what kind of dog he will be.

- ✔ **Disagreement:** This conclusion, the *accommodative decision*, is where family members may have different preferences and can't agree on a purchase that will satisfy everyone within the family.

Take, for example, the purchase of a movie. Children in the family may want to purchase a cartoon; dad may want a suspense movie; and mom prefers a drama flick. Not everyone in this situation will be satisfied, so the decision will accommodate only one or some of the family members.



Family decisions in particular are often subject to a great deal of conflict. Conflict occurs where there isn't a clear understanding of the needs and preferences of each family member. However, by understanding the two types of conflict, you can position yourself to solve these conflicts. The conflict is caused by either logical or social factors. You can use your knowledge of the degree of conflict to help in the resolution. Involve all family members in the process. And remember that in order to be successful in helping in the decision-making process, you must be able to identify the roles of each family member and understand the conflicts each may be encountering. By understanding and being able to identify the level of conflict, you can step in and address the family's concerns and needs.

### ***Logistical factors***

Specific factors dealing with logistics determine the degree of conflict in the decision-making process. These factors include the following:

- ✔ **Interpersonal need:** This factor deals with a family or household member's level of investment within the group. Conflict can arise when members of the family have different levels of participation in the investment.
- ✔ **Product involvement and utility:** This factor pertains to the degree to which the product in question will be used or how successful it will be in satisfying a need. Consider, for example, when a family purchases a washer and dryer. Conflict can come up because perhaps the person responsible for doing the laundry feels as if he should have more say in the purchase because he will be the one using the washer and dryer the most.

- ✔ **Responsibility:** This factor refers to the person responsible for procurement, maintenance, and payment of the purchase. Consider the purchase of a car. Conflict may come up when there isn't an agreement on who will take responsibility for that car.
- ✔ **Power:** This factor represents the power that one family member may have over the others in making a decision. For example, a parent may express power over the children by making a decision and saying to them "because I said so."

### *Social factors*

Certain social factors affect families and households as well. These factors deal with the way the members of the family socialize and relate with one another. Consider the following:

- ✔ **Cohesion:** This factor refers to the emotional bonding between family members. Conflict can come up when a family member feels that she isn't being heard or that her opinion is being overlooked because she isn't as close to a family member as another member is.
- ✔ **Adaptability:** This factor pertains to the ability of a family to change its power structure, role relationships, and relationship rules in response to situational and developmental stress. Conflict can arise when new members enter the family structure and the other family members can't adapt to the change.
- ✔ **Communication:** This factor pertains to the ability that a family has to communicate, specifically regarding communication about a purchase. Conflict can happen when not all family members feel like they're being equally communicated with about a purchase.

## *Dealing with interests and responsibilities*

All consumers have different interests and responsibilities that they have to take care of. When marketing to consumers, take into consideration what they're interested in and what their responsibilities are. For example, if you're dealing with a father who's interested in golf, perhaps you want to market a family golf trip to him. If your consumer is a mother who works outside of the home and has three children, you probably want to take into account the workload that she carries and how your product can help her in feeling less tired and stressed.



As you know, consumers see hundreds of marketing messages daily, so you need to stand out from the crowd. Use the interests and responsibilities of the consumers to attract them to your product by appealing to those components in your message. Doing so helps them feel as if you have a genuine interest in their needs and are willing to help. It also makes them feel like you have really taken the time to find out more about them before releasing another marketing message.

## Chapter 10

# The Power of the Masses: Group Influences

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### *In This Chapter*

- ▶ Understanding the different types of groups
  - ▶ Exploring consumers' reactions to groups
  - ▶ Increase your marketing effectiveness to groups
- 

**I**ndividuals identify with groups to the extent that they can take on the values, attitudes, and behaviors of a particular group. Consumers who belong to different groups often have similar tastes, traditions, likes, and dislikes of others within the group.

In this chapter, I take you through an in-depth look at the different types of groups that typically affect consumer behavior, how they impact it, and how you can adapt your marketing strategies to target particular groups of like-minded people. I also delve into the psychology behind the formation of those groups, as well as their communal behavior, so you can better understand the folks you're targeting with your marketing efforts.

## *Getting a Glimpse of the Strength in Numbers*

Consumers are social creatures who want contact with others. As a result, consumers often belong to a number of formal and informal groups. A *group* represents two or more individuals who share a set of norms, values, or beliefs. The group members have certain relationships that make their behavior interdependent. A group also has a collective identity; the members interact with one another, and they have a shared goal or interest.

When it comes to marketing, groups are referred to as *reference groups* because they provide consumers with a point of reference. This reference

point explains a consumer's behavior. An individual uses the reference group's perspective or values as the basis for his behavior. The reference group provides an individual with a point of comparison for personal attitudes, behaviors, and performance. Major consumer reference groups include family, friends, social class, selected subculture, one's own culture, and other cultures.

In the following sections, I identify three categories of groups, explain how consumers behave in response to groups, and reveal the marketing opportunities that groups offer you.

## *Recognizing the major types of groups*

There are three types of groups, which can be broken down into more specific groups. Knowing what types of groups a consumer belongs to can tell you how much influence the groups have in a consumer's lifestyle and over the consumer's decisions. The types of groups include

- ✓ **Primary groups:** These groups are intimate, face-to-face groups, such as family or peer groups. Family and peer groups are considered *informal groups* within the primary group category. *Formal groups* are highly defined in their structure, and they tend to interact less frequently. School groups, business groups, or work groups are examples of formal groups within the primary category. Examples of primary groups include the following:
  - **Peer group:** This is a group of individuals who share the same age, social status, and sometimes interests. In this group, individuals are relatively equal in terms of power when they interact with each other.
  - **Clique:** You can usually find these informal, tightknit groups in high school or college settings. The members seem to share common interests. This group establishes power among its members, but it can shift.
  - **Household:** This group represents all individuals who live together. This category can include traditional families, blended families, roommates, or people living in group homes.
- ✓ **Secondary groups:** These are groups that are seen less frequently; they're considered more impersonal than primary groups because they interact only occasionally. Examples include shopping groups, sports groups, alumni organizations, and technical associations. Here are some examples of secondary groups:
  - **Club:** A club can be dedicated to a particular activity, such as a car club or sports club. You usually have to apply to become a member.

- **Community:** This group represents individuals that develop a relationship based on a shared interest. They often have group leaders and a well-organized structure.
  - **Gang:** A gang is usually an urban group that gathers in a particular area. They are similar to clubs, but they tend to be less formal.
  - **Mob:** This is a group of individuals who have taken the law into their own hands. They usually gather temporarily for a particular reason.
  - **Squad:** This is a small group, usually comprised of three to eight people. They work as a team to accomplish a shared goal.
  - **Team:** This group is similar to a squad, but is typically made up of more people. The members work together to accomplish shared goals.
- ✔ **Symbolic groups:** These are groups that you never join, but you try to take on their values. Your favorite football team, basketball team, or baseball team would be considered symbolic groups.



By understanding the different types of groups and the extent of the influences they have on consumers, you can better understand your consumers.

## *Seeing how groups influence consumer behavior*

Groups carry significant weight when it comes to the influence they have on consumers. Consumers often believe that others hold a great deal of power over their own behavior. Because of this belief, social power can greatly influence the types of products that consumers buy, the attitudes they hold, and the activities they choose to participate in.

Groups influence consumers and buying patterns in two ways:

- ✔ **Individual decisions:** Groups can affect an individual's buying habits and purchases. Individuals often evaluate themselves by comparing themselves to others. Groups provide a reference point that consumers use to measure their behaviors, opinions, abilities, and possessions.
- ✔ **Collective decisions:** Group members sometimes make a decision as a group, usually as a result of discussion. The majority often rules, so even if an individual in the group disagrees with the group decision, the individual will often still side with the group.

By knowing how a group makes its decisions, you can determine where to focus your marketing efforts in order to have the best chance of influencing that group decision. For example, if you know a group focuses more on making

collective decisions than individual decisions, you should focus on the group leaders in order to have a greater impact and influence on the group's decision. If the group is more focused on individual decisions, focus on the impact and influence you have one on one with the individuals.



Group influence doesn't just affect buying behavior. Consumer attitudes, opinions, and values are heavily influenced by reference groups, even if a specific purchase doesn't directly result. Groups that consumers belong to, want to belong to, or want to avoid provide them with information, rewards, and punishments that they use to shape their behavior and identity. This, in turn, influences purchases, consumption, and communication.

### *What groups do*

Reference groups influence behavior in three general ways:

- ✓ **Groups provide information needed to make decisions.** *Informational influence* gives consumers the information they seek and the advice that pertains to their purchases. Consumers use the reference group's behavior and attitudes to help them to make their own decisions, because they view the group as a reliable source of information.

Informational influence can result from an explicit search for facts, but it's also present when a consumer isn't searching for information. For example, if a consumer is looking for a physician, she often asks friends for suggestions and recommendations. When a consumer isn't seeking information, her friend's behavior may influence her actions. For example, a consumer may see a friend drinking a new beverage and decide to try one.

If the group has a negative perception of your product or service, you need to change that perception at the group level in order to gain a positive outcome from the individual consumers in the group.

- ✓ **Groups reward or punish behavior to encourage compliance.** *Normative influence* occurs when consumers conform to a group's expectations to receive a reward or avoid punishment. Compliance with these expectations often leads to valued rewards. For example, when a teenager wears clothing that her peer group approves of, she feels accepted, or rewarded. If she wears clothing that isn't accepted, she may feel shunned by the group; she considers this rejection a punishment.

It's important to understand the standards of compliance within a group in order to ensure that you're providing the individuals in that group with products they'll be rewarded for; otherwise, the consumers within the group will avoid your product in order to avoid group punishment.

- ✓ **Groups project shared values to influence members to behave similarly.** *Value-expressive influence* refers to how consumers internalize a group's values or why an individual joins a group to express her own values and beliefs. Individuals seek membership into groups that hold values that

are similar to their own. Also, they often choose to adopt the values that are held by the group.

Because consumers internalize the group's values, if your products or your marketing message doesn't support those values, you'll lose consumers in that specific group rather than gain them.



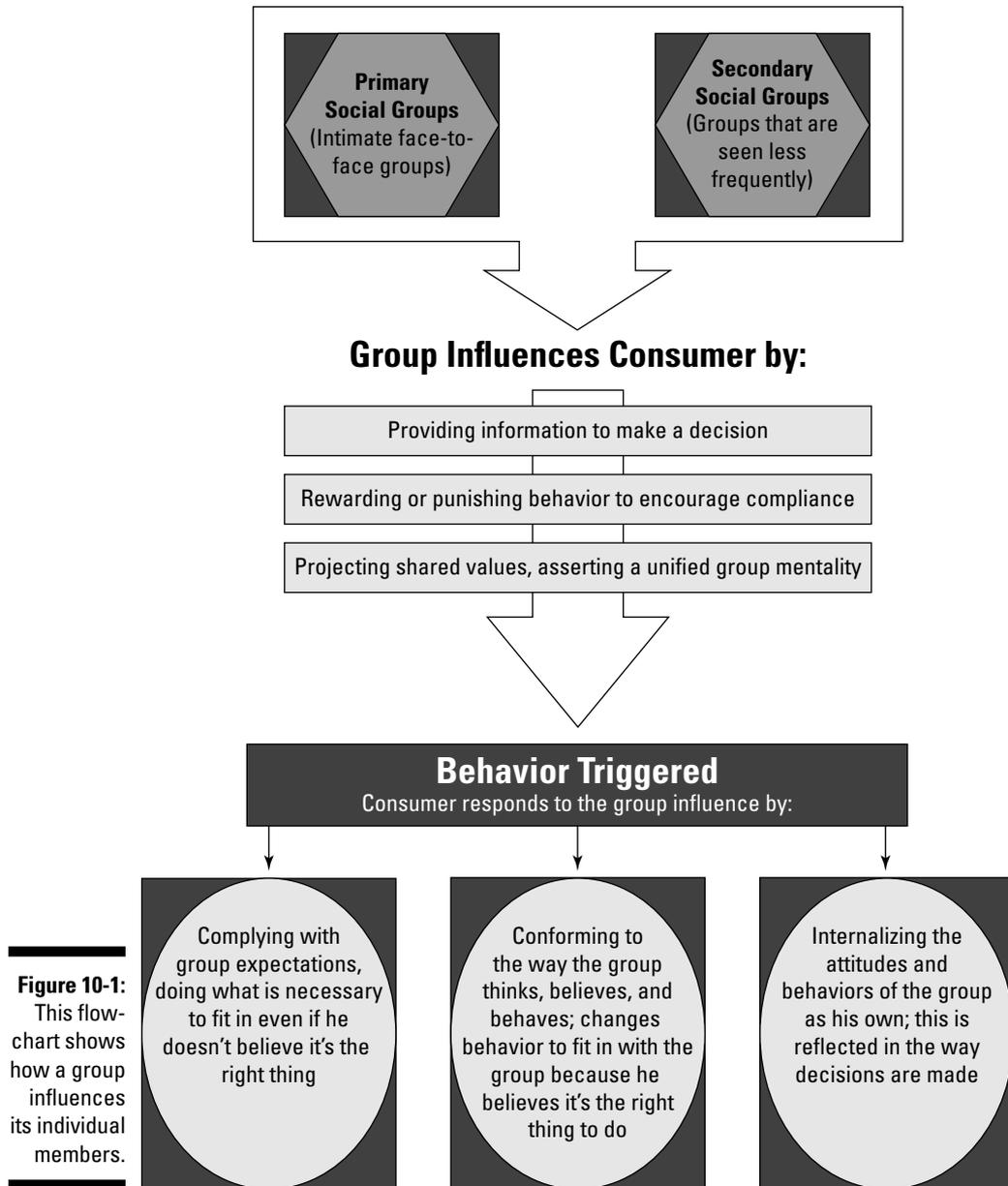
Many groups influence consumer behavior, but not all groups have the same influence. It depends on how much contact an individual has with a group. The degree to which a reference group affects a purchase decision depends on an individual's susceptibility to the group's influence and how involved she is with the group.

### *How consumers respond*

Individual consumers can react to groups in different ways. In other words, they can go through three processes of social influences. They can

- ✓ **Comply with the group's expectation.** When it comes to compliance, it's not uncommon for individuals to do something overtly, even though they don't necessarily believe in it. For example, someone may arrive to work on time, even though he'd rather sleep in an extra hour. But he arrives when he's scheduled to because, within the work group, it's a compliance issue. He complies to fulfill his role within the group.
- ✓ **Conform to the group's way of thinking, believing, and behaving.** Sometimes consumers find satisfaction from conforming. An individual conforms to the group by changing his behavior, views, and attitudes to fit in with the group's views. This often helps an individual find his identification within that group. That is why you often find that individuals dress like members of a group that they admire. Take a look at the students at your local high school and notice how they all tend to have the same style and fashion sense. This is one way students identify with their peers as a group. They conform to the style of the majority to fit in. (I discuss conforming in further detail later in this chapter in the section entitled "Why customers succumb to group influence.")
- ✓ **Internalize attitudes and behaviors that agree with their own values.** Group members internalize the group's teachings, particularly if the person teaching is viewed as an expert. Parents, teachers, and ministers are great examples of people within groups who can teach attitudes and behavior. An individual internalizes the information that's presented because of the respect he has for the person doing the teaching.

These processes help develop a consumer's attitude, which influences how an individual thinks and why he acts and responds as he does (see Chapter 6 for more on consumer attitudes). All three reactions can in some cases be prompted by a single reference group. The way that a consumer reacts or responds to group influences is really determined by the type of group, type of influence it has, and the amount of influence it has on the consumer. Figure 10-1 shows the influencing factors and possible purchasing behavior outcomes.



## *Identifying the marketing opportunities groups provide*

By understanding the influences that a group has on the consumers you're targeting, you can adapt your marketing strategy to influence a number of people simultaneously. You can market to the group's commonalities as well as to their leadership. You also can influence the purchasing behavior of that group so it turns to you when it needs to purchase items and services for the group itself.

Information within groups often spreads by word of mouth. Individuals hear about what others are doing, what they are using, and whether they like certain products. Consumers share all kinds of information — both positive and negative — about purchases, services, experiences, and more. This information can have a major impact on consumer behavior. As I explain in the earlier “What groups do” section, individuals find out about new products from friends and reference groups by observing or participating with them as they use the product, or by seeking and receiving advice or information from members of the group.



When it comes to your marketing strategy, word-of-mouth information exchange can have a positive or negative effect (or both), depending on how a group feels about your product. If a group supports your product, selling it to the individuals in that group is much easier; if the group doesn't like your product, you'll have a tough time gaining market share from that group. Opinion leaders within groups have a great deal of influence over how a group feels about your product. (Refer to the later section “Targeting the leader of the pack” for more on opinion leaders.)

## *Gaining a Deeper Understanding of Group Influence*

It isn't uncommon for reference groups to change as situations change for individuals. For example, a college student's reference groups change during her years in college. Before a student begins college, her strongest reference group is her family. She relies on the values, beliefs, and attitudes that her family instilled in her while growing up. During her college years, however, her strongest reference group changes to her peers. This is especially true for students who attend college outside of their hometowns. Even though both of these groups can work simultaneously, one may carry more influence over an individual at certain times.

In the following sections, I explain how groups affect a consumer's behavior and why individuals follow the herd. I also discuss the amount of influence that groups have over their members.

## *Where a group gets its power of influence*

Groups carry a level of social power with them. *Social power* is the ability of an individual or a group to alter the actions of others. Groups get their power because consumers respond to the following:

- ✓ **People they admire:** When consumers imitate qualities by copying behavior of a prominent person they admire, this is called *reference power*. Consumers are often persuaded by groups that are either similar to or represent someone they want to be like. Belonging to such groups allows consumers to feel as though they fit in.
- ✓ **People with information:** A group or individual can influence a consumer through knowledge of or experience with a specific subject. This is called *information power* (or sometimes *expert power*). Consumers may alter their behavior based on the perceived expertise of the source of information. When a group provides superior expertise to consumers, it often increases the group's trustworthiness.
- ✓ **People with authority:** Groups gain *legitimate power* by granting people authority, which is sometimes conferred by a uniform. In this scenario, the group has a legitimate right to try to influence the individual. Take, for example, religious leaders. An individual gives a rabbi or a priest the right to influence him.
  - **Ability to reward:** A person within a group can use *reward power* to provide positive reinforcement. Parents and supervisors often use rewards. Advertisements use reward power to attract consumer groups. Groups frequently have the power to reward members for compliance with expectations.
  - **Ability to punish:** A group can use social or physical intimidation to give the perception that a consumer will be punished if he doesn't do what the group wants. This is called *coercive power*. When consumers fail to give in to a group's expectations or rules, disapproval can be harsh and may even result in the loss of membership.



It's important to understand the social power that groups have on consumers in order to gauge the type and amount of influence they have on their members. This tells you how you can use the social power of the group to influence consumers. If the group has a great deal of influence, you need the support and backing of the group in order for the consumer to purchase your product; if their influence is minimal, the support of the group may be less important.

## *Why customers succumb to group influence*

A group meets certain internal needs for its member individuals, including the following:

- ✔ **Desire for reward or fear of punishment:** When a group carries the perception that it can give rewards and punishment based on compliance, the group's influence on an individual is strong. Consumers usually comply with the group to receive a benefit; sometimes people do what the group wants to avoid negative consequences.
- ✔ **Need to protect or modify their self-image:** Group members often use their membership to protect their own self-image or self-concept. For example, an individual may join a group that represents a specific cause because she feels strongly about that cause. After she has joined, she begins to project the group's values as well.
- ✔ **Desire for social acceptance:** This type of influence comes into play when a consumer conforms to the group's expectations. Real or perceived pressures from a group on an individual can change the individual's beliefs or actions. To be accepted in the group, a person may conform to the group's wishes without necessarily accepting all of its beliefs or behaviors.

In order to become or remain part of a group, consumers oblige the group's expectations in order to meet their own internal needs; this outcome applies to the way they behave as consumers — what products they buy and where they buy from.

## *What determines the strength of a group's influence*

Individual loyalty and dedication to a group determines the strength of a group's influence in terms of the number of people it influences as well as the level of control it has over those people. By understanding how strong of an influence a particular group has over its members, you can identify whether you'll market to the group or to its individual members. The following sections show you how to assess the strength of a group's influence on its members.

### *Members' attraction and commitment to the group*

When you classify groups, you understand why consumers are attracted to the group, which helps to measure the depth of influence that group has on its members. Groups can be classified in three ways:

✔ **Nature of association:** This area of classification considers how consumers are connected to the group; this information helps you determine its members' dedication and loyalty to the group. For example, does the group require a paid membership? Is it a group of family members or peers? Groups within this category can be further separated into the following subcategories:

- **Membership groups:** These are groups that individuals already belong to. An example is a local gym that an individual belongs to.
- **Aspirational groups:** These are often nonmembership groups. Individuals have a strong, positive attraction to these groups and an interest in joining them. Aspirational groups can have a strong influence on the purchase and support of products. An example of an aspirational group is the Olympic team. An individual aspires to be a part of that group.
- **Associative groups:** These groups include people who represent the individual's peers. Examples would be co-workers, neighbors, and members of a church, club, or organization to which the person belongs.
- **Dissociative groups:** These groups have values that an individual rejects or doesn't agree with. Individuals have a negative attraction to them and don't want to join them. People often go out of their way to avoid these groups or the products they promote.
- **Virtual groups:** These groups are based on virtual communities rather than geographic communities. Examples are social networking groups such as online forums, Twitter, or Facebook.



You want to associate your products with aspirational groups, and you need to accurately represent associative groups in your marketing pieces. You should try to avoid referencing dissociative groups in your marketing materials and advertisements so you don't turn consumers off to your product.

✔ **Frequency of contact:** The frequency that group members have contact with one another often determines depth of information that they share and the amount of influence the group has on them. Members of primary groups generally have frequent interpersonal contact, while people in secondary groups generally have limited interpersonal contact. Larger groups tend to have less contact.

✔ **Attractiveness:** Attraction refers to how appealing (or unappealing) a group is to an individual. Individuals can be interested in specific groups for different reasons. When you understand why individuals are attracted to a group, you can use the information to market to those members with specific interests.

For example, suppose a young professional is attracted to a group that has an interest in wine. He feels that this group is a great source of wine education and assists him in donning sophisticated social graces in

situations where wine is served. You know that he's attracted to sophistication; knowing that, you can research the group more in order to home in on his personality and find out what attracts his interest. If this is a group that you see as having an interest in your product, you want to take these personality cues to create your marketing message. In other words, your marketing message must carry a sophisticated, upper-class, graceful tone in order to gain the attention of the group members.

### *Need or desire that a product or service fulfills*

The influence that reference groups have on a consumer to purchase a specific product varies. There are four categories of influence, which involve product and brand, and you can put each purchase of an item or service into at least one of these categories. The categories are as follows:

- ✔ **Public necessity:** These are products that are a necessity to the consumer and easily seen by the public. Examples of a public necessity purchase include a wristwatch, automobile, or man's suit. With a public necessity, the influence a group has is weak for the product, but strong when it comes to the brand.
- ✔ **Private necessity:** These are products that are a necessity to the consumer, but not easily seen by the public. Examples of a private necessity purchase include a mattress, floor lamp, or refrigerator. With a private necessity, the influence is both weak for the product and weak for the brand.
- ✔ **Public luxury:** These are products that the consumer feels are a luxury and are often in view of the public. Examples of a public luxury purchase include golf clubs, skis, or a speedboat. The influence of a group on the purchase of public luxuries is both strong for the brand and strong for the product.
- ✔ **Private luxury:** These are products that the consumer views as a luxury, but they aren't often seen by the public. Examples may include a video game, an undercounter wine cooler, or an icemaker. The influence of a group on the purchase of private luxury items is strong for the product, but not for the brand.



When you understand these categories and can place your product into one of them, you can measure how much influence a reference group carries and how you should cast your marketing message to reach the consumer. You can cater your marketing message by classifying your product and gauging how much influence reference groups have on the purchase of your product. This information tells you whether you need to be concerned with the reference groups your consumers belong to.

## Tailoring Your Marketing Strategy to Groups

When you understand the factors that groups implement to encourage like-mindedness, you can better understand your consumers' preferences and allegiances as well as the amount of influence the group has on them. By implementing into your own marketing strategy the same tactics that the group does, you can often see great results — especially when reaching out to specific groups and understanding how they appealed to an individual to join them in the first place.

The following sections help you pinpoint the group concerns and interests that your marketing strategy should focus on. I also reveal how you can best appeal to those groups.

### Identifying what group members have in common

Groups have core characteristics that help you understand the individuals within a group. These core characteristics hold the group together. The characteristics not only tell you the influence the group has on its members, but it also can provide you with a basis of the members' belief systems, norms, and habits. Core characteristics include

- ✔ **Social status of group's members:** Have the members attained a certain status level? Are they wealthy or poor? Do they believe in luxury or necessity only? When you evaluate status within a group, you can identify what the individual members value. For example, if a group is wealthy and belongs to a specific country club, you can market golf clubs to their higher-end tastes.
- ✔ **Common values, attitudes, and behaviors among group members:** Members within a group develop particular ways of interacting with each other. They develop norms within the group. *Norms* are considered to be the rules that a group uses to determine appropriate and inappropriate values, behaviors, and attitudes. Are you violating norms within a group you're trying to reach? When you evaluate a group's norms, you can identify their traditions and habits.
- ✔ **The role the group fills for its members:** What is the role of the group to its members? Every member within a group has a role, in the same way the group plays a role in the consumption patterns of individuals. For example, some roles within the group relate to task aspect of the group; others may relate to social interaction. When you evaluate a group's role, you can identify what is important to its members.

- ✓ **Nature of social interactions among group members:** How do group members get along with each other? Where can they be reached? When you evaluate the social interactions of a group, you can identify how they communicate with one another.
- ✓ **Amount of social power the group holds over its members:** The amount of social power that a group carries measures its capacity to alter the actions of its members, who can sometimes influence those outside of the group.



You can use a group's characteristics to tailor your message. Making your message specific to the group members helps you speak their language. When you know how a group encourages conformity, you can use that information to help encourage conformity around your product.

## *Assessing the strength of the group to understand its influence*

An individual is attracted to a group based on the group's ability to satisfy the individual's internal needs. An individual looks for positive ways to conform with the group consciously and subconsciously. When working to create a marketing strategy toward a specific group, it helps to understand the group characteristics that an individual looks for, because then you can understand why the group appealed to the individual and focus on those appealing characteristics in your marketing strategy. Characteristics that affect the strength of a group's influence include

- ✓ **Attractiveness:** How interesting and engaging the group is for its members
- ✓ **Expertise:** How much individuals rely on the group for information and expertise about a specific area of interest
- ✓ **Credibility:** Whether and how much reliable insight the group gives individuals
- ✓ **Past success:** Whether and how much hope and trust the group gives individuals that they can claim the group's past successes as their own
- ✓ **Clarity of group goals:** Whether the group gives its members a feeling of accomplishment



If you aren't sure what groups to target, you can look at your individual consumers and the groups to which they belong. You can then determine whether that group is worth going after with your marketing strategy and, if so, how you can best do so.

## *Determining how you can appeal to the group*

You can gain a lot of information about consumers when it comes to the way that groups appeal to them. A group can encourage conformity by following these steps:

- 1. Raise awareness of a specific brand, product, or service.** You can try several strategies to increase a group's awareness of your product or service:
  - **Target groups of interest for market research.** By doing this you can make sure that your marketing message accounts for the influence of reference groups within that target market.
  - **Offer product samplings and free trials to groups.** By offering free trials and samplings to groups, you can enhance the chances of positive word-of-mouth marketing that spreads throughout the group.
  - **Identify the opinion leader and use your advertising to motivate her to purchase your product or service.** Opinion leaders within groups carry a great deal of influence; sometimes you need only reach one opinion leader and sell her on your product, and then she'll turn around and sell your product to the entire group. This tactic is often a great way to reach the masses in a short amount of time.
- 2. Provide the individual with the opportunity to compare her thinking with the group's attitudes and behaviors.**
- 3. Encourage the individual to adopt attitudes and behaviors that are consistent with the norms of the group.**
- 4. Legitimize the decision to use the same products as the group.**

How do you appeal to the group to gain an interest in your product? You can appeal to consumers with their reference groups by using

- ✓ Celebrities
- ✓ Experts
- ✓ The "common man"
- ✓ An executive or employee spokesperson
- ✓ A trade or spokes-character
- ✓ Other reference group appeals that consumers may be affiliated with

You often find that it is not only the messenger that's important in a reference group; sometimes it's also the message you share and how you share it that is of interest. You also can use different types of appeals by celebrities to attract group members' attention. Examples include the following:

- ✔ **Testimonials:** A celebrity attests to the quality of the product or service based on personal use.
- ✔ **Endorsement:** A celebrity lends her name and appears on behalf of a product or service for which she may not be an expert.
- ✔ **Actor:** A celebrity presents a product or service as part of a character endorsement.
- ✔ **Spokesperson:** A celebrity represents the brand or company over an extended period of time.

The way that you get your message to a group depends on the group itself and the target market you're trying to reach. You must do your market research to be effective and understand the group. (Refer to Chapter 12 for more information on market research.)

When you have the information that you need to gain a better understanding of who you're marketing to, you then need to create a marketing message that's specific and appealing to that group. (Refer to Chapter 16 for more information on drafting your marketing message.)



You can also locate group leaders or other prominent members to ask for advice on marketing specifically to their group. Opinion leaders are well respected in their groups, and many times they will accept promotional opportunities and act as a spokesperson for your product. (See the following section for more on opinion leaders.)

## *Targeting the leader of the pack*

An opinion leader can hold great sway over the members of his group. The *opinion leader* is the gatekeeper of the group; he is a knowledgeable, accessible individual who provides information about a specific sphere of interest to his followers. This person can be very persuasive.

Here are some characteristics of an opinion leader

- ✔ Knowledgeable about products
- ✔ Heavy user of mass media

- ✓ Early adopter of new products; he buys products when they're first introduced into the marketplace
- ✓ Self-confident and sociable
- ✓ Willing to share product information

For these reasons, you want the opinion leader to focus his attention on your product or service. Opinion leadership happens in a two-step process:

- 1. The mass media delivers the message to the opinion leader.**
- 2. The opinion leader delivers the message to the group.**

You must specifically target opinion leaders, use them in your marketing communication, and refer consumers to them. In other cases, you can use buzz marketing by enlisting or even creating opinion leaders to spread the word about your brand.

As a marketer or business owner in need of a strong group influence, you must figure out how to reach opinion leaders. In order to find an opinion leader in a group, look for the top influencer — the person that everyone knows. This person may have written articles or books or may have spoken or held training sessions and seminars. You can find this information by conducting your own marketing research on the targeted group. The answer may even be as close as a search on the Internet. (Refer to Chapter 12 for more information on market research.)



When you've found the opinion leader, it's time to reach out. But I caution you: Reach out to this person tactfully and professionally. The majority of the time, opinion leaders — especially those of large groups — are bombarded with companies trying to sell products, so make sure you reach out and just have a conversation to see if in some way your product can benefit the group. If so, then you can take the next step forward, but don't do so without permission — if you do, you could start a negative word-of-mouth marketing campaign that you wish you hadn't.

## Chapter 11

# Defying Legislated or Moral Laws: Consumer Misbehavior

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### *In This Chapter*

- ▶ Understanding consumer misbehavior
  - ▶ Grasping the motivations behind the misbehaviors
  - ▶ Managing the misbehavior
- 

**I**n this chapter, I focus on *consumer misbehavior*, which is behavior that violates laws and generally accepted norms of conduct in today's society. It's important to be familiar with consumer misbehavior because it disrupts the flow of consumption activities. And this disrupted flow can cause loss to your business by the way of time and money. This loss can be caused by theft or by distractions or disturbances that chase consumers away.

Consumer misbehavior is a big problem nowadays. More than \$13 billion worth of merchandise is shoplifted from retailers each year. And more than 10 million people have been caught shoplifting in the last five years. The software industry alone loses billions of dollars annually due to pirating of licensed material, both software and entertainment media. Identity theft has become a huge problem as well. More than 15 million individuals were victims of identity theft in 2006 alone. Even though lawmakers have begun to combat the problem with laws created to protect individuals from identity theft, it hasn't slowed this category of consumer misbehavior. In fact, it's growing annually. I share these alarming statistics with you in order to put consumer misbehavior in perspective and so you can see the importance of marketing your intolerance of consumer misbehavior.

Understanding the motives behind consumer misbehavior can be difficult. This chapter is designed to help. In it, I explain the different types of misbehavior and discuss the common motives that cause those behaviors. I also discuss how the morals and beliefs of consumers influence the choice of whether to engage in consumer misbehavior. Finally, I show you how you can adapt your marketing strategy to aid in minimizing the occurrence and effects of consumer misbehavior — at least, as far as they affect *your* business.

## Discovering What Consumer Misbehavior Is All About

Consumer behavior is all about value; the ironic thing is that consumer misbehavior is also based on value. The difference is the way that consumers attempt to obtain that value: morally or immorally.

For instance, consumers who shoplift or keep excess change that's accidentally given to them, think they're receiving value. (They're getting something for nothing after all!) Consumers who purchase items with bad checks also feel they're getting value. The truth is that other consumers suffer because of these consumers who are exhibiting misbehavior in exchange for what they consider value. Consumers who break societal norms and laws usually have no remorse for how it affects other consumers.

Some folks consider consumer misbehavior to be a division of *human deviance*, which is behavior that's considered unacceptable and not in line with accepted social standards. This classification is often due to the fact that human deviance has a long history of research behind it and consumer misbehavior has only begun to be recognized, making the research on this topic difficult to find. You'll notice that throughout this chapter, the topics that I discuss are similar to the topics studied in sociology and human deviance research.

### Recognizing the difference between misbehavior and problem behavior

To get a complete grasp on consumer misbehavior, it's important to note that misbehavior isn't the same as problem behavior. *Misbehavior* describes behavior deliberately harmful to another party in the consumption process; *problem behavior* refers to behaviors that are outside of the consumer's control. Even though the line of misbehavior and problem behavior can be blurred, the deciding line has to do with the issue of self-control.



This difference is important to recognize because if it's a problem outside of the consumer's control, there isn't much you can do to prevent it. These are problems that individuals would like to stop, but they find difficult to do so. Examples include drug addiction, compulsive shopping, and alcohol problems. You can't do much to detour these situations; it takes professional help to intervene. However, you can take some preventive measures to stop the misbehavior — or at least lessen the effect it has on your business.

Table 11-1 shows some of the common misbehaviors and problem behaviors. Notice that the behaviors in the left-hand column affect more than just the person who's participating in the behavior, and the behaviors in the right-hand column affect only the person participating. (Also note that the behaviors in each row don't correspond with one another.)

<i>Consumer Misbehavior</i>	<i>Consumer Problem Behavior</i>
Shoplifting	Compulsive buying or overspending
Fraud	Eating disorders
Abusive consumer behavior	Problem gambling
Dysfunctional sports behavior	Binge drinking
Aggressive driving or drunk driving	Drug abuse

## *Understanding the common forms of misbehavior and their effects*



Consumer misbehavior disrupts the consumption process. In order for the process to occur in an orderly fashion, the expectations of the consumers, marketers, business owners, and other consumers must coincide with one another. If they don't, conflicts can occur between the parties involved. These conflicts can often cause frustration and sometimes even the loss of a sale.

For example, when you go shopping the day after Christmas, you expect to wait in line to make your purchases. You hope that your wait won't be a lengthy one and that management does all it can to ensure that the wait isn't long. Management expects customers to conduct themselves in an orderly fashion, keep their places in line, and wait their turns to check out. Customers expect the same from each other. When you see consumers become disruptive and abusive by cutting in line or exhibiting rude behavior, it makes you feel uncomfortable — the nice, tidy process is disrupted. Similarly, the process is disrupted by shoplifters and consumers that write bad checks, because these behaviors increase your costs.

Some of the most common acts of consumer misbehavior include the ones I explain in the following sections.

### *Shoplifting*

*Shoplifting* is officially understood to be theft of goods from a brick-and-mortar store. Thousands of dollars are lost daily from the act of shoplifting. This misbehavior affects all consumers because it increases the prices to cover store losses.

### *Computer fraud*

*Computer fraud* refers to any activity conducted illegally by using a computer and Internet technology. Here are some of the main forms of computer fraud:

✓ **Identity theft:** This is the theft of another person's name and private information by another individual for the sole purpose of stealing their identity to open credit card accounts or other financial accounts. The increased reliance on the Internet and technology has contributed to the rapid spread of identity theft. This type of fraud costs businesses thousands of dollars. Businesses also suffer because of liability suits, fines, and the loss of clientele that occurs when their security is breached.

✓ **Illegal downloading of electronic material:** Improvements in technologies have enhanced the ability for consumers to participate in the sharing of illegal software, video games, and music. Consumers often can illicitly download electronic material from a number of sources, such as peer-to-peer networks. Consumers have been provided with alternatives to purchase immediate downloads, but they still continue to share music and software in illicit and illegal ways.

This misbehavior costs businesses thousands of dollars in theft. They not only lose money from the direct sale of the product, but they also lose money from the product being passed on from consumer to consumer for free. This sharing obviously decreases the demand for the purchase of the product.

✓ **Computer hacking and virus spreading:** Literally thousands of computer viruses are circulated from computer to computer. Unfortunately, viruses range from being mildly annoying to devastating for individuals and businesses. Hacking and virus spreading are devastating because they affect critical daily business functions, thereby drastically affecting the business's bottom line.

### *Consumer fraud*

*Consumer fraud* is a deceptive practice or scam that results in financial loss for innocent consumers. Examples of consumer fraud include fraudulently obtaining credit cards, opening fraudulent bank accounts, using someone's identity, and submitting bogus insurance claims. It's extremely difficult to estimate exactly how much consumer fraud ends up costing innocent consumers. The price of this misbehavior is the price of trust for consumers.

Consumer fraud has made consumers cautious and leery to make purchases over the Internet or sometimes even over the telephone.

### ***Hostile behavior***

Some consumers become so incredibly upset when they don't get their way that they become obnoxious and belligerent. When you encounter rude or aggressive consumers, they're usually abusive. They may be

- ✓ Verbally or physically abusive
- ✓ Uncooperative
- ✓ Drunk
- ✓ The type of customer who breaks company policy with no regard to how it may affect others

Abusive behavior often has a negative effect on employees. It affects their self-esteem and morale. It can do the same to other consumers. For example, if an individual comes into your store upset about a specific situation and they're loud and belligerent around other consumers, those consumers may feel uncomfortable and leave without purchasing. In fact, those consumers may not return because of the emotional impact it has had on them.

### ***Alteration and destruction of marketing materials***

I've seen an increase in what's called *culture jamming*, an attempt by individuals to disrupt advertisements and marketing campaigns by altering messages put out by marketers. Defacement of billboards is one example. The defacement changes the message and delivers it in a way that's different than it was intended. This can cause negative reactions by consumers, especially if the defacement is vulgar, if it offends consumers' cultural beliefs and heritage, or if the changed message attacks specific groups of consumers. This can cause consumers to be turned off by your message and not purchase from you, even though you had nothing to do with it.

### ***Unfounded complaints***

Consumers complain about products and services even when there isn't a problem. You can do everything imaginable to meet their needs and they still complain. This has an obvious effect on other consumers; when they hear negative word-of-mouth marketing from consumers that spew unfounded complaints, they may be inclined to not purchase from you because they may believe those complaints.

### ***Product misuse***

Consumers often try to use products in ways they weren't meant to be used, and when the use doesn't work out you have a situation on your hands.

Consumers become injured and sometimes die due to misuse. These injuries can be costly to the economy and the companies that produce the products.

The motivation behind the misuse of products is simply not as cut and dried as it is with other misbehaviors. It can be the result of ignorance, ego, thrill, or just plain deviance.

### ***Compulsive buying or shopping***

*Compulsive buying* can be defined as chronic and repetitive purchasing behaviors that are often the result of negative events or feelings. Consumers use the act of buying to rid themselves of the feelings associated with negative events. A compulsive buyer usually suffers from low self-esteem and feelings of inadequacy. He may suffer from obsessive-compulsive tendencies, fantasy-seeking motivations, and materialism. The sad fact about compulsive buying is that the individual experiences the same feelings before and after purchases are made. The results of compulsive buying include high levels of debt, domestic problems, and feelings of frustration. Compulsive buying is truly a vicious circle.

*Compulsive shopping* is a manifestation of compulsive consumption that is related to compulsive buying, but it isn't the same thing. When it comes to compulsive shopping, consumers are more drawn to the *function* of shopping — anything that will provide them with a mental high or escape in regard to the hunt. They frequently shop four to seven days per week and they often think about shopping nearly nine hours per day. They will typically spend two or more hours shopping during each trip. Compulsive shopping is not only a problem for women consumers, but recent studies also show that it affects men.



Regardless of whether a consumer is a compulsive buyer or shopper, the effect of the misbehavior is the same: He will likely face buyer's remorse on a regular basis. When this happens he usually will bring the product back to the store. The problem with this is that there are times when you can't resell the product or you must mark it down and take a significant loss due to the product being opened. This can end up costing you a lot of money. These two behaviors are the reasons that many stores set very strict return policies.

## ***Seeing how marketing efforts can derail misbehavior***

If you take the time to understand the motivations behind consumer misbehavior, you still may not be able to avoid all the misbehaviors that affect your business. However, you can avoid some. Most of the time, misbehaviors aren't personal; usually they're internal issues that consumers deal with. At times, these issues come with no explanation.



Use the information and knowledge that you've gained from studying your consumers to better understand and deter their misbehaviors. Just as you market great prices and products, you must market the fact that you won't tolerate misbehavior. Do so by applying deterrents such as signs and policies. If you don't have a no-tolerance policy that's public, some consumers may think that misbehavior won't be punished.

For example, if you want to deter shoplifting, you not only have to be aware of the signs of a shoplifter, but you must show that you have a no-tolerance shoplifting policy. You show off your policy by having security cameras and signs within your store that state you won't tolerate shoplifting. If you own a large store, you may even want to consider a security guard.

Just as you can classify behavior into areas of consumer misbehavior or problem behavior, you can do the same by categorizing them into immoral and illegal categories. Behaviors that are considered immoral — but not illegal — limit the action that you can take against the individual involved. It's important to understand the differences between these categories, because the knowledge can help guide your response when encountering such behaviors.

For example, shoplifting is considered illegal and almost always considered immoral. Speeding, on the other hand, is illegal, but it's often considered an acceptable behavior. Keeping excess change that a retail employee has mistakenly given you isn't illegal but is viewed as immoral. As you can see, consumer misbehavior can be illegal and immoral (or one or the other), but it can also be viewed differently by individuals and society.

Many behaviors can be considered misbehaviors, but it's important to realize that what one person or culture views as a misbehavior may be seen as perfectly fine to other individuals or cultures. The term can be somewhat subjective based on your own moral standards and what society considers acceptable conduct. Behaviors are often cautiously classified because opinions regarding what's acceptable or normal depend on individual ethical beliefs and ideologies. Keep this in mind as you handle certain behaviors, because while you may not see a behavior as appropriate, it could be very normal to the person that was involved in the behavior.

## *Examining the Tale behind the Act*

It's difficult to avoid consumer misbehavior altogether, but you can be aware of it and know it when you see it. Each misbehavior reflects specific signs and activities that you can watch for. Consumers also conduct misbehavior due to internal reasons, and that's what I take a look at in this section.

## *Why do they do it? Considering the underlying motivations*

There are many motivating factors behind consumer misbehavior, and the fact is that a consumer can be motivated by more than one reason.



Understanding the motivation doesn't necessarily make the misbehavior easier to handle or avoid, but it does provide you with the knowledge that helps to make sense of the behavior. This knowledge, in turn, helps you to be aware and take preventive measures to avoid the misbehavior when possible.

In the following sections, I discuss several common motives to give you an understanding of the reasons behind the actions.

### *Unfulfilled aspirations*

Unfulfilled aspirations are often the influence behind consumer misbehavior. Consumers experience *anomie*, which is the state that occurs when a disconnect exists between cultural goals and norms and the capacity of society members to act within the norms to achieve those goals.

Consider, for example, the emphasis that the United States puts on attaining material possessions and getting ahead in life. You could argue that not all society members have the necessary tools, skills, and resources to get ahead and enjoy the things that we as a society deem as important. As a result, these consumers turn to deviance in order to achieve what society sees as important and teaches them that they should enjoy. They might write bad checks or shoplift to get what they want. They believe that it's the only way to acquire the products they desire.



Anomie doesn't mean that all consumers turn to illegal acts when they feel deprived, but it does help to explain some of the misbehavior exhibited by consumers.

### *Thrill seeking*

Even though it seems absurd, some consumers misbehave just for the simple thrill of the action. For example, some consumers may shoplift items even though they don't need or want them. They do it just for the excitement. Yes, that's right. Individuals may steal for the excitement associated with the activity. Typically, most of the individuals that consider thrill seeking a motivation are adolescents. They're especially susceptible to the influence that gives them a level of excitement in performing this behavior.

Emotions and feelings play a large role in shoplifting as well. The fear of being caught plays an important role in the ability to predict shoplifting intentions. There are often signs you can watch for in the actions of a shoplifter. She often will watch you, at first, more than you watch her. She also will be

obscure and even have a difficult time looking you in the eye or carrying on a conversation. These actions are especially true of first-time shoplifters, though seasoned shoplifters may display them as well. The truth is that shoplifting intentions — especially among young consumers — are more heavily influenced by emotions than moral beliefs. The opposite is true for older individuals, however. It's also not uncommon for shoplifters to be acting from repressed feelings of stress and anger.

### ***Lack of learned moral constraints***

Some consumers simply don't have a set of moral beliefs or even a conscience that keeps them from performing immoral acts. They're so disillusioned that they see no problem at all with their misbehavior. This is often true for younger individuals who haven't been taught anything different than to live by doing what feels good to them with no regard to moral beliefs, laws, or concern for others.

### ***Differential association***

*Differential association* is the explanation of why groups of people replace one set of acceptable norms with another set that only a few others view as acceptable. By acting in opposition to the prevailing acceptable standards, group members can forge their own identities, and by doing so they strengthen their own sense of group unity. When differential association serves as the motivation behind consumer misbehavior, the consumer can view the deviate behavior as a way to belong to a specific group.

An example of differential association is gang members who often accept behaviors and ideals that other members of society would find unacceptable. Adolescents also often use this motivation. They steal to show off and gain acceptance into a particular group. They see shoplifting as a way to fit in, because the group they're involved with may see it as funny or cool.

### ***Pathological socialization***

*Pathological socialization* refers to consumers that deviate from those in ownership or control as way of "getting back" at their success. These consumers have a desire to harm you as a service provider or company. This motivation occurs when a consumer sees misbehavior as way to get revenge against big companies. The sheer size of major companies sometimes produces feelings of resentment, and so some consumers view the misbehavior as a method to get back at big businesses.

An example of this motivation is when consumers justify shoplifting as a way of getting back at a bigger company, because they see the loss as being insignificant. They believe that the company can absorb the loss. These consumers are less likely to perform the misbehavior against a small, local company, because they feel it would in fact hurt the local company more so than the larger corporation.

### *Situational factors*

Factors like retail crowding, flight delays, excessive heat, or noise can all contribute to consumer misbehavior. These types of situational factors play important roles in guiding consumer behavior. For example, normally well-mannered, quiet people may lose their cool after having to wait in line for 20 minutes at a retail store. They may end up taking out their frustrations on the employees.

The best way to understand this motivation is to remember that although the behavior is deemed unacceptable, it's also seemingly beyond the control of the consumer as well.

Another situational factor example would be the consumer who's tempted because retailers present merchandise in an enticing way, and the consumer is then willing to steal to obtain the merchandise.

### *Opportunism*

Misbehavior can be the outcome of a deliberate, rational decision-making process that weighs the risk and rewards of the behaviors. Consumers may simply believe that the rewards associated with the behavior outweigh the risks or consequences. Opportunism focuses specifically on self-interest when weighed against all other consequences.



Consumers often believe that only a small portion of offenders actually get caught, so they feel safe performing the act (which is most often shoplifting). They strike when stores are busy and crowded so they won't be noticed.

Research reveals that how consumers view illegal downloading depends on the motivation behind the consumer. Motivation is primarily based on utilitarian value, or for personal gain. When a consumer views the motivation as morally ethical, justified, or socially acceptable, they find the behavior easier to be a part of than if the behavior was occurring just for fun.

When consumers make unfounded complaints, for the sole purpose of monetary gain, it's often because they're looking for discounts or perhaps free products as a resolution to their complaints. This is also a way for them to evade personal responsibility for the misuse of the product you sold them.

### *Compulsion*

Compulsive consumptions aren't the same as addictive consumptions. *Addictive consumption* has to do more with physiological dependency, whereas *compulsive consumption* refers more to repetitive and excessive behavior that's performed in order to avoid internal anxiety.

An individual who's addicted to a product physically needs that product or the body will suffer from withdrawal effects. When an individual has a com-

pulsive need, it's more psychological. However, keep in mind that a compulsive need can be just as controlling as an addictive need. So both addiction and compulsion can be problematic to consumers. When you recognize the differences in individuals, you can better understand the reasoning behind the behavior and possibly assist them in getting the help that they need.

## *The decision-making process that leads to misbehavior*

Consumer behavior is guided by ethical decision making. In other words, consumers are influenced by their moral beliefs and how they evaluate those beliefs. This influence guides them in the decision-making process. When you understand the components of moral beliefs, you have a better chance of marketing your intolerance of misbehaviors in a way that can appeal to consumers' morals. A consumer's moral beliefs contain three components:

- ✔ **Fairness:** An individual's moral equity represents beliefs regarding an act's fairness or justness. For example, he may ask, "Is it fair that I write this check even though I know the money isn't in the bank and the store will never collect?"
- ✔ **Contractualism:** *Contractualism* deals with the beliefs an individual has regarding the violation of written or unwritten laws. He may ask, "Does my action break a law? Does it violate an unwritten promise of how I should act? Is writing this check really illegal?"
- ✔ **Relativism:** *Relativism* is representative of beliefs about the social acceptability of an action. For example, an individual may wonder, "Is writing a bad check acceptable in this culture? Does it matter to me if the action is socially acceptable or not?"



As consumers consider each of the alternative courses they can take in their actions, they bounce the decisions against their moral beliefs. Then they go through a two-step evaluation process. Just like understanding the decision-making process and being able to use that in your marketing strategy, you can do the same when it comes to misbehavior and how a consumer acts. The idea is to be able to recognize these phases in order to deter the consumer from the activity. Here's the process:

### **1. Go through the deontological evaluation.**

This evaluation focuses on the inherent rightness or wrongness of a consumer's anticipated action. It focuses on how he will accomplish his goal. The anticipation of "how" he'll accomplish a goal is actually more important than achieving the goal.

## 2. Proceed through the teleological evaluation.

This evaluation focuses on the consequences of the behavior and the individual's assessment of those consequences. In this phase, the consumer considers four major issues:

What are the perceived consequences of the action for those involved?

What's the probability that the consequences will occur?

What's the desirability of the consequences of those involved?

Are the people involved important to me?

Here's an example showing a consumer proceeding through the process: Suppose an individual is considering shoplifting in your store. You realize that in the first step he has evaluated whether the act is right or wrong. He then enters into the second step in order to decide whether to proceed with the misbehavior or to walk away from the situation. If you have signs within your store that remind him that the misbehavior is wrong and that punishment will follow the behavior, he may be encouraged to forgo the shoplifting.

## *Minimizing Consumer Misbehavior*

Everyone is affected by consumer misbehavior. In order to protect your regular customers, it's your job to be aware of the misbehaviors and do what you can to deter and avoid them when possible. This section offers some tips for minimizing misbehavior:

### *Exercising an ounce of prevention*

Stay in tune with the consumers that enter your store. Recognize the warnings signs of misbehavior and apply strategies and techniques that deter that behavior.

For example, shoplifters often come in with large bags or oversized coats in order to hide the merchandise they're lifting. They also may work in pairs. One person distracts store personnel while the other lifts the merchandise.



Use strategies that deter shoplifting. Set up cameras in the building, post signs informing consumers of the prosecution of shoplifters, require receipts for merchandise returns where the customer wants cash, and encourage employees to check consumers' parcels when they enter your store. You want consumers to know that you're watching them, but you must check on them in a way that doesn't make your behaving consumers feel uncomfortable.

## *Setting up policies and consequences*

If consumers can continually get away with misbehaviors at your store, they will continue to visit and misbehave — your business becomes a delinquent’s buffet. Instead, be sure to have consequences in place for when misbehavior occurs.

For example, if you have a consumer who continually writes bad checks, it’s time to stop taking those checks. Make sure that other personnel are aware that you won’t accept checks from that specific consumer. Employ services that provide you with information on bad-check writers so you have the right to refuse a check from a habitual bad-check writer. Also avoid taking checks without first seeing photo identification. You can even consider not taking low-numbered checks from consumers you aren’t familiar with. And be sure to post notification that you prosecute those who write bad checks.



Similarly, set up policies and consequences to take control of abusive consumer behavior. Make sure that customers know you won’t tolerate abuse. If a customer is reeling out of control, using obscene language, or threatening employees or other customers, ask her to leave. If the customer won’t leave, call the police and have her escorted out. Tell the customer she’s no longer welcome in your store.

