

A Study on Influence of Reference Group and Role and Status on Consumer Buying Behaviour

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ABSTRACT

The market has been witnessing lot of behavioural changes in the consumer in the past few years. A very unpredictable and unsure behaviour prevails all around. There is a need to find out the reason for the same and efforts have to be made to retain the consumers. This research paper emphasises on the influence of reference group and roles and status on the consumer buying behavior. The data has been collected from 100 respondents each from Jalandhar and Ludhiana. The results show that the reference group influences consumer behaviour more than roles and status and the influence is found to be higher in Ludhiana than in Jalandhar.

Keywords: Reference group, role and status, consumer behaviour.

INTRODUCTION:

The changing trend in today's world is the king of the markets, the products are designed and manufactured according to the requirements and demands of the consumers. The markets have changed to the extent that the markets are now known as "consumer driven markets". The consumer behaviour keeps changing with the changing factors and circumstances. Though the marketers keep in view the potential factors affecting the consumer behaviour but at certain point of times one of the major factors which affects consumer behaviour is ignored which can influence and drastically affect their behavior are reference group and roles and status factors. When it comes to consumer or consumer behaviour, these are very complex concept. Though in simple terms, consumer behaviour is defined as the study of individuals, groups or organizations and the processes used by them to select, secure and use of products, services, experiences, or ideas to satisfy needs and its impacts on the consumer and society. Consumer behaviour is also known to be a subset of human behaviour. The term reference group refers to the social circle to which we belong. It includes friends, family members, peer group and colleagues etc. The opinions given by them are of utmost important for us, as these form a major part of the liking and disliking for a particular product or services. At times, a consumer tends to buy a certain product not because of his own liking or disliking but because it is liked by the family members or the peer group they belong. Reference group is not necessarily a person or a group of persons only, at times when a person tends to see someone carrying a carrying a carry bag of a particular brand also acts as a part of reference group on its own. The influence of grandparents on lifestyle and major purchase decisions of their younger generations is diminishing, Gupta (2000)¹. The purchase decision of a product is made by a group of persons in the family and not by a single person.

The decisions for purchasing a product are usually made by not only a single person but a group of persons in a family. For example, the decision for the furnishing of home is taken by husband and wife together which makes it important for the marketers to advertise their product in such a manner that both are targeted at the same time. For example, advertisement showing wife buying furniture with husband's approval. At the same time, members of a family have a strong influence on buying behaviour. Group members have direct influence on individual's purchase behaviour. Some are primary groups whereas some are known to be secondary groups. Primary groups are the ones with whom the person interacts fairly continuously and informally such as family, friends, neighbours

and co-workers. Whereas, secondary groups are the groups which include religious, professional and trade union groups which are more formal and do not have continuous interaction. An individual is exposed to new lifestyles, behaviours and create pressures for conformity which affects the brand preferences and product choice. People get influenced by the both groups to which they belong, as well as by groups to which they don't belong. In every reference group, there exists an opinion leader, the one who offers his advice informally or provides information about a specific product such as which brand would be the best and how to use a particular product. The buying behaviour of the consumer is strongly influenced by many groups.

Another important factor in influencing the consumer behaviour is roles and status of the consumer. Every individual holds different roles in the family as well as the society, the role of a father, brother, son or even the role played at his workplace. At the same time, a consumer can be a son, husband, father, employee, friend, teacher, or a professional. These different roles also play a major role in influencing a consumer's buying behaviour. Every individual has a position in one's own family, group, organization etc. The role of a person in the family defines the set of functions and activities that an individual is supposed to perform. At times it is seen that a person may be willing to buy a particular product or a brand but due to the role so played by him doesn't either allows or puts some restrictions on the choice of such a brand or product. Consumer wants have to be identified and his expectations from a product or a brand must be matched with the other economic and social factors, so that he is receptive to the product.

LITERATURE SURVEY:

Grimm et. al. (1999)² found that the normative social influence is pronounced when affective buying motives are aroused for conspicuous products whereas informational social influence was found to be dominant when the purchase motives are cognitive in nature regardless of product conspicuousness. Lascu and Zinkhan (1999)³ conducted a research and found that there exists a positive correlation and influence in consumer conformity. Jung and Kau (2004)⁴ found that Individualism manifests in behaviours towards reference group influence, information sharing, opinion leadership and ethnocentrism and self concept and family orientation of an individual. Kaur and Singh (2004)⁵ observed that in families from different income group, their traditional norms and values and role of children in the family is the major factor that helps in the decision making process in any household. Heinz and Kuhling (2009)⁶ found that all kinds of pro-environmental consumption significantly influenced the consumption patterns of reference groups, especially in case of organic foods. Kumar et. al. (2009)⁷ conducted a research and found out that customers who were status and quality conscious were found to be visiting stores for organized food and grocery items as the benefits of shopping in a store with regard to self-selection, variety of goods available and discounts etc. as compared to the traditional retail stores. Aggarwal (2010)⁸ It was found that consumers perceived brands as providing both emotional benefits (display of status, wealth and prestige) and utilitarian benefits (quality and low prices) and males were found to be preferring brands more than females and socio economic and cultural background has an impact on their perception. Advertising, sales promotion and income were also found to have influence on consumer perception.

RESEARCH METHODOLOGY:

A questionnaire was developed to identify the relationship between the consumer buying behaviour with respect to the influence of reference group and roles and status and their occupational level.

Source of The Data:

Data has been collected through questionnaires. The language of the questionnaire was kept simple and the respondents were helped personally also in order to understand the questions of the questionnaire clearly. Efforts have been made to collect data from respondents from different occupational level. Interview method was also used in order to collect the details formation from the respondents. Sample size for each city was 100 respondents who buy branded readymade garments.

Scope of the Study:

The data has been collected from the respondents from Ludhiana and Jalandhar. Respondents of more than 18 years of age and from different occupational level have been taken into consideration.

Objectives of the study:

The study has been conducted to study the following objectives:

- 1) To study the influence of reference group on consumer buying behaviour.
- 2) To examine the impact of roles and status on consumer preferences.

Hypotheses:

For the purpose of research, null hypothesis has been taken into consideration:

- 1) There is no relationship between consumer buying behaviour and reference group.
- 2) Roles and status of a consumer does not influences consumer buying behaviour.

RESULTS DISCUSSED:

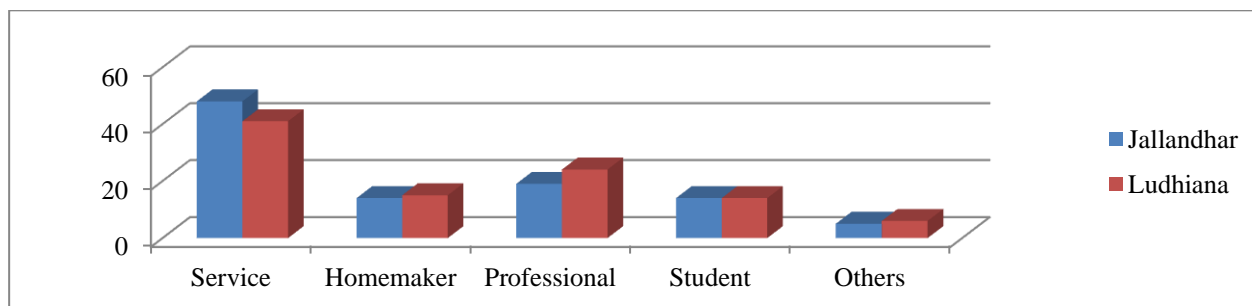
Demographic profile of respondents:

The data has been collected from the respondents form Ludhiana and Jallandhar and as shown in the table:1.1 below, as far as respondents from Jallandhar are concerned, 48% respondents are from service background, 14% respondents comprise of homemakers, 19% professionals, 14% are students and 5% are the respondents belonging to “others” as their occupation. “Others” includes respondents in banking, insurance, corporate, agriculture etc. The respondents from Ludhiana comprise of 41% in service, 15% are homemakers, 24% are professionals, 14% are students and 6% belong to others as their occupation. It can be easily analysed from the above data that almost half of the population are from service family.

Table: 1.1 showing demographic profile of the respondents in Ludhiana and Jallandhar

Occupation	City			
	Jallandhar		Ludhiana	
Service	48	48.0%	41	41.0%
Homemaker	14	14.0%	15	15.0%
Professional	19	19.0%	24	24.0%
Student	14	14.0%	14	14.0%
Others	5	5.0%	6	6.0%
Total	100	100.0%	100	100.0%

Fig.:1.1 showing demographic profile of the respondents in Ludhiana and Jallandhar



The table: 1.2 shows the mean distribution of reference group and role and status, which shows a higher mean distribution, in case of reference group than roles and status.

Table: 1.2 showing mean distribution of reference group and role and status

	Reference Group	Role and Status
N	200	200
Mean	28.58	12.05
Median	29.00	12.00
Mode	27.00	12.00
Std. Deviation	3.25	1.59
Skewness	-0.21	-0.67
Kurtosis	-0.46	1.44

The table: 1.3 below shows descriptive statistics of respondents in Jalandhar and it clearly shows that the highest mean in case of reference group is found in case of respondents who are homemakers and least in case of respondents who are professionals. Similarly, in case of roles and status, highest significance is found in case of homemaker respondents and least in case of professionals. This clearly states that the homemaker respondents in Jalandhar are more influenced by reference group and role and status whereas the professionals are least affected by reference group and role and status.

Table 1.3: Showing descriptive statistics of respondents in Jalandhar

		N	Mean	Std. Deviation
Reference group	Service	48	28.937	2.891
	Homemaker	14	29.286	4.140
	Professional	19	27.421	3.372
	Student	14	27.929	3.626
	Others	5	28.200	4.266
	Total	100	28.520	3.347
Role and status	Service	48	12.208	1.320
	Homemaker	14	12.500	2.279
	Professional	19	11.737	1.240
	Student	14	11.857	1.460
	Others	5	11.800	2.168
	Total	100	12.090	1.525

The above table clearly states that the consumer behavior is highly influenced by reference group more than the role and status so enjoyed by the respondent. Homemakers are not found to be going out too often so they are lacking updated knowledge of the brands or trends going on in the market so they are found to be more reliable on the suggestions given by their family members, friends and peer groups. At times, a simple reference by an advertisement also plays its part for them. The respondents from service background are also found to be highly influenced by reference group, as they listen to the brand and product suggestions given by their colleagues in order to stay updated at their workplace.

The table: 1.4 below shows the descriptive statistics of respondents in Ludhiana and it clearly states that the mean in case of professionals is the highest in case of influence of reference groups and least in case of respondents in others as their occupation. "others" includes respondents involved in insurance, corporate industry, agriculture, business etc. The reason could be the professionals are more inclined to buy something so referred by their peer groups, family members or colleagues etc. Whereas the respondents in others as their occupation, does not seem to be too much influenced by the reference of the people around them. The influence of roles and status is found to be highest in case of homemakers and least influence is found in students. The reason could be that the homemakers stay at home and they play so many roles both at home as well as in the society, the role of a mother, sister, daughter or daughter in law etc. so they buy the branded goods depending upon the different roles played by them in the house and surroundings.

Table 1.4: Showing descriptive statistics of respondents in Ludhiana

		N	Mean	Std. Deviation
Reference group	Service	41	28.463	3.377
	Homemaker	15	28.867	2.031
	Professional	24	29.333	3.266
	Student	14	28.429	3.155
	Others	6	27.000	3.742
	Total	100	28.640	3.161
Role and status	Service	41	11.732	1.467
	Homemaker	15	12.667	1.291
	Professional	24	12.208	1.888
	Student	14	11.714	2.091
	Others	6	12.000	1.673
	Total	100	12.000	1.664

Homemakers are more influenced by the reference given to them as they are not regularly going out so they are not aware of the ongoing trends so for them the knowledge given by their friends etc play a major role. At times, homemakers shift their choice because they have to take care of everybody's demands at home, and they act as a mother, sister, daughter, daughter in law and so on. So, in this case, they have to make sure that their demand or choice is not affecting the other family members or not giving a negative impact in the family. At the same time, the students do not seem to be under the pressure of any role played by them or any status pressure to stay updated so the influence of this factor seems to be the least on them.

Table: 1.5 shows that the correlation between reference group and role and status is found to be at 0.333 which is quite significant thus stating that the reference group and role and status do not give a joint influence on the consumer buying behaviour. There does not exist a positive correlation between the two. Reference group and roles and status are not related to each other, in simple words, it can be stated that if the consumer behavior is affected by reference group then it is not necessarily be affected by role and status at the same time.

Table 1.5: Showing the correlation between reference group and role and status

Correlations			
		Reference	Role and status
Reference group	Pearson Correlation	1	.333**
	p-value		.000
	N	200	200
Role and status	Pearson Correlation	.333**	1
	p-value	.000	
	N	200	200
**. Correlation is significant at the 0.01 level (2-tailed).			

CONCLUSION:

Though consumer behaviour is very unpredictable but the factors which influence them are of utmost importance. The reference group comprising of family members, peer group, colleagues etc influences the choice of a brand to a great extent. The role played by a consumer in the society as well as at home also has a huge impact on the buying behaviour. Reference group is found to be influencing the consumer behaviour more than roles and status. Also, the respondents both in Ludhiana and Jalandhar are influenced by these factors on a whole. The homemakers and respondents from service background are the highest affected ones and students are not found to be too much affected by these factors.

SUGGESTIONS:

The marketers need to focus on other category of consumers also, i.e. business, students, professionals and others so as to make sure that the demand of their product or service increases so forth. At the same time, there is a need to retain the existing consumers by giving them the best of the quality as per their demand. There is a need to focus on all the categories of consumers in order to sustain their market position. These are not the exclusive factors affecting consumer behaviour, there are many other factors also, which effect consumer buying behaviour and these results are not applicable on whole of the population, wherein different results with different factors can be achieved.

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