UNIT 9: SOCIAL CLASS AND GROUP INFLUENCES ON CONSUMER BEHAVIOUR

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9.1 LEARNING OBJECTIVES

After going through this unit, you will be able to:

- discuss the meaning of social class
- explain the characteristics and categories of social class
- discuss about the money and other status symbols

- explain the meaning of group influence
- discuss the different types of reference group along with its nature
- discuss the reference group influence and its application
- discuss the conformity to group norms and behaviour
- explain the different family life cycle stages
- discussthe nature of family purchase and decision-making
- discuss the husband-wife influences
- explain the parent-child influence and customer socialisation of children and word of mouth communication within groups
- discuss about opinion leadership.

9.2 INTRODUCTION

Social Class refers to the hierarchical divisions between individuals or groups in societies or cultures. Individuals are grouped into classes based on their economic positions and similar political and economic interests within the system.The social class is essentially a status group. Different statuses arise in a society as people engage in different activities. Social class is a range of social positions on which each member of society can beplaced.

Horton and Hunt (1968) have defined "A social class as a stratum of people of similar position in the social status continuum."

According to Giddens (2000), "a social class is a large-scale grouping of people who share common economic resources, which strongly influence the type of lifestyle they are able to lead".

The Social Class can be defined as the division of members of a society into a hierarchy of distinct status classes, so that members of each class haverelatively the same status and the members of all other classeshave either more or less status.

Thus, the social class are based on class identification, class consciousness, wealth, property, income, education, occupation etc. The demographic factors that determine a person's social class include income, wealth, source of income or wealth, occupation and educational attainment.

The social class are described as the life-styles of a particular class. It includes mode of dress, means of recreation, preferences, tastes and values of a class.

9.3 NATURE OF SOCIAL CLASS

Social class is the segment of a society arrived at by a hierarchical classification of individuals and families with a distinct status. The status denotes the aggregate effect of the members of a class. The analysis of the characteristics of the social class helps the marketer to understand the consumption pattern. The important characteristics of the social class are explained below:

- **The members of each class have relatively the same status:** A social class is defined by the amount of status, which the members of that class have in comparison with members of other social classes. The members in a particular social class have relatively the same status. An individual or family achieves social class by acquisition of skills, education, wealth and recognition. The status of the member reflects the aggregate effect of influence and recognition conferred on them by the society.
- **Persons within a given class tend to behave alike/same:** Social classes are homogeneous divisions of the society. Each social class shows similar life-styles, values, status, prestige and interests. So, the buying behavior of the members becomes similar. There are also shared attitudes and among members. For example, a person belonging to middle class prefers economically priced cars. But customer of upper income group will prefer highly priced cars. Thus, social classes exhibit varying buying pattern in purchase of products that meets the life-style, status and prestige of their members.
- **Social class is hierarchical:** Social class is determined by a hierarchical classification of individuals and families with a distinct status. Families can climb the social ladder by achievement of members. When each generation within a family tends to do better,

there is an upward mobility in the social class. When young adults have less disposable income than their successful parents, they may slide down in the class hierarchy. The hierarchical aspect of social class is important to marketers. Consumers may prefer to purchase products favored by their own or higher social class (e.g. imported luxury automobiles). Consumers may avoid certain products because they perceive the products to be lower class products.

- **Social class is measured by a combination of variables:** Researchers use a combination of variables to measure social class. A number of socioeconomic factors are combined to form one over all members of social class standing. They better reflect the complexity of social class than a single variable.
- **Social class is mobile:** Social class membership is not fixed. Individuals can move either up or down in social class. Successful persons move up to the higher class. Today, many young men and women start their own business to have higher social status. Higher social classes become reference groups for ambitious men and women of lower social status.
- **Social class and status differentiation:** Social class is measured in terms of social status. They define each social class by the amount of status of the members of that class. It is also known as "Social stratification". Social stratification has resulted in differentiated roles. For example, a person with higher status owns a car. A middle class status person owns a two-wheeler. A person with lower status owns a bicycle. This is the symbolic identification of role and status based on social classification.



CHECK YOUR PROGRESS

Q 1: State the features of social class.

9.4 SOCIAL CLASS CATEGORIES

Social class are categorised in a hierarchy ranging from low to high status. Marketers use social class to segment consumers because members of the same social class share values, attitudes, and priorities regarding all the aspects of their lives.Warner has classified the society into six classes. The classifications are as follows:

- **Upper-Upper:** They are elite, wealth inherited and value family reputation. This section is socially responsible.
- **Lower-Upper:** This section has wealth of first generation. They are also known as neo-rich. The people choose good schools for children. The future generations have chance to move to top-class. They copy etiquettes of the top-class.
- **Upper-middle:** This section is larger than the above two classes. They are financially stable and secured. The class depends upon three components i.e. cultural, consumption pattern and psychographics. They are moderately successful professionals and businessmen. They like to copy the upper classes.
- **Lower-middle:** This section is one of the large classes of the society. The supervisors, non-managerial staff, traders, clerical staff, sales-people consists this section. The people also believe in value education.
- **Upper-lower:** This section is the largest section of the society. This consists of wage-earners. Most of the working class falls under this. They strive for respectability.
- **Lower-Lower:** The people of this section have the lowest income or are unemployed. This class is basically underdeveloped and uneducated. They are daily wage earners having low occupation.

Thus, social class can said to have a profound effect on consumer spending habits. Perhaps the most obvious effect is the level of disposable income of each social class. Generally, the rich have the ability to purchase more consumer goods than those with less income, and those goods are of higher quality. There is also a distinction in the type of goods purchased. For example, the upper class tend to be the

primary buyers of fine jewelry and often shop at exclusive retailers. The lower class, in contrast, are much more concerned with simply getting by; they focus more on necessities.

9.5 MONEY AND OTHER STATUS SYMBOLS

The status symbol is one of the vital factors in consumer's mind. It is an object that means to signify its owners' high social and economic standing. The status symbols change over time but they are always linked to the primary differences between the upper and lower classes within the society. Expensive goods like luxury vehicles, large houses, and expensive watches, jewellery, clothing, high standard of living etchave become status symbols. These are mostly out of reach for lower economic classes. Themilitary or law enforcement uniform is also an example of status symbol displaying additional insignia of rank, specialty, tenure and other details of the owner's status within the organization. The status symbols change constantly according to cultural values, taste, popularity, branding, psychology, and a host of other factors.

The consumers consume those products which are regarded as status symbols because these products confer perceived and notional benefits like increased social recognition along with high intrinsic value. The marketers also use different marketing techniques to arise the innate desire in the consumers to consume goods and services that are perceived to be superior in value. The people of lower income levels have the aspirations to achieve the status of those in the higher levels and hence each class tends to emulate the ones above leading to a trickledown effect of the product or service on the class consciousness of the consumer.

Apart from the use of celebrities, marketers also rely on reference groups which portray an image for consumers to refer to as a benchmark that can be aspired to by consuming the product. Hence, marketers often use ads featuring settings of a particular class to signify that consumers in other classes can achieve this status in society.

9.6 SOURCE OF GROUP INFLUENCES

Groups consist of two or more individuals related to each other by shared norms or behaviour of values. The group is any number of people who have a common purpose or objective who interacts with one another to accomplish their objectives.

In the words of David Smith, "A group is a set of two or more individuals who are jointly characterised by a network of relevant communications, a sense of collective identity and one or more shared dispositions with associate normative strength."

Stephen Robbins defined "A Group as two or more people, interacting and interdependent who come together to achieve particular goals."

Thus, group is considered with two or more persons who are interacting and inter-dependent and who come together to achieve particular goals.

9.7 TYPES OF REFERENCE GROUPS

Reference groups are the groups that consumers will look to for help in making purchasing decisions.The consumers compare themselves to or associate with the reference group before making any buying decision. Reference groups are similar to opinion leaders. They influence the consumer behavior. They are often groups that consumers will look before make purchasing decisions. If a reference group endorses a product those that look to the group will often purchase that product. On the other hand, if a reference group disapproves a product, those that associate with that group will probably not purchase the product.

In every organisation, reference groups can be divided into five (5) divisions. These are:

- **Formal Group:** Formal group are the part of the organisation structure. They are created by the management to perform the assigned duties. The formal groups are formally organised to get the work done. Clubs,

associations, and religious organizations are the examples of formal reference groups.

- **Informal Group:** These groups are created in the organisation because of the operation of the social and psychological forces operating at workplace. The informal groups arise voluntarily satisfying the social needs of the members of the group. It depends upon the common interest, language, caste, religion, background, mutual liking among the members of the group.Friends and peers are the examples of informal reference groups.
- **Membership Group:** The membership group is that group in which a person has to either belongs or qualify for membership. The members either informally or formally accept the membership of any particular group. For eg.: social clubs, social networking circles,the rotary club etc.
- **Symbolic Group:** The symbolic group is the group in which an individual is not likely to receive membership despite acting like a member by adopting the group's values, attitudes and behaviour. For eg.: Professional cricketers may constitute a symbolic group in India.
- **Friendship Group:** The friendship group are typically classified as informal groups. These groups are usually unstructured and lack specific authority levels.

Additionally, celebrities are also used as a reference group. A company might use a celebrity it feels will match its target market to get that market to purchase its product. For example, a few years ago ShafaliVerma, the Indian female cricketeriscontracted to endorse Pepsi because Pepsi felt she represented the spirit of teenagers.



CHECK YOUR PROGRESS

Q 2: What is membership group?

9.8 NATURE OF REFERENCE GROUPS

The reference individuals or groups influence the opinions, beliefs, attitudes and behaviour of any customer. The following characteristics of Reference Group Behaviour may be pointed out:

- The individual or group considers the behaviour of the other individual or group as ideal behaviour and imitates it.
- The individual or group compares himself or itself with the other individual or group.
- In Reference Group Behaviour, the individual or group desires to rise higher in the social scale and as such the group or individual comes to feel that it is his or her defects or weaknesses.
- The feeling of relative weaknesses or defects leads to the feeling of relative deprivation in the individual or group.

9.9 REFERENCE GROUP INFLUENCES

The concept of reference group helps to understand socialisation, conformity, perception of the people. Reference groups have an important influence on purchasing decisions. This is evident in a number of ways, such as through roles. Everyone is expected to behave in a certain way based on the reference group we belong to. Customers will often modify their own behavior to coincide with group norms. Reference groups communicate through opinion leaders, who influence what others do, act, and buy. In the consumer world, this means that if a reference group purchases a product, those that associate with the group likely will as well. The Reference groups perform three basic functions:

- They serve a normative function by setting and enforcing standards of conduct and belief.
- They also perform a comparison function by serving as a standard against which people can measure themselves and others.
- They serve not only as sources of current evaluation but also as sources of aspiration and goal attainment (as a means of anticipatory

socialisation). A person who chooses to become a professor or a lawyer begins to identify with that group and becomes socialised to have certain goals and expectations.

However, the importance of the reference groupis that it helps to understand about group behaviour of society informing the marketer about the direction of an individual's behaviour in a particular social environment.

9.10 APPLICATION OF REFERENCE GROUP INFLUENCE

The three sources of reference group influence which are relevant for marketers to design their marketing strategy are:

- **Expert Power:** The expert power is exerted when an individual or group have knowledge and experience.
- **Reference Power:** Reference power depends on the individual's identification with members of the group. The greater the similarity between the individual's beliefs and attitudes and those of group members, the greater the reference power of the group. The individual is either the member of the group or he/ she aspires to belong to a group.
- **Reward Power:** It is based on the group's ability to reward the individual. An employer rewards an employee with money and status, family rewards the child with praise and approval.

There are various factors that affect the influence of the reference group. The choice of the consumer depends upon the following factors:

- **Normative Influence:** When reference groups affect behaviour and attitudes through pressures for conformity, then this is known as normative influence. According to Park and Lessig, a consumer is motivated to conform to the norms and behaviour of the group if the group provides significant rewards for compliance and punishment for lack of compliance.

Conformity pressures become important when the positive motivation is required to maintain the group identity and the motivation of threats of sanctioning power in the form of rewards and punishments. Normative influence can occur even when others do not control tangible outcomes because people are concerned with their perceptions of what other think of them.

This means, it may also occur for items such as mouthwash and denture adhesive, even if these items are not visible. Marketing studies reveal that conformity pressures do impact is buying decisions and this is true when the product is conspicuous in its purchase and use and when group social acceptance is a strong motivator. For example- fashion conscious women receives clear signals from their peers which product to buy so that their choices were socially correct.

- **Informational influence:** A consumer will accept information from a group if he or she considers the group a credible source of information and expertise and if he/she believes the information will enhance knowledge about product choices. The information can be collected directly from knowledgeable persons or by observing the behaviour. Consumers usually seek expert advice from personal sources such as friends and neighbors than from commercial source.
- **Comparative Influence:** Comparative influence means comparing oneself to other members of the group and also judging whether groups would be supportive. Consumers constantly compare their attitudes to those of members of important groups. They try to associate themselves with groups with which they agree and by dissociating themselves from groups with which they disagree. Individuals look forward to enhance their concept by associating with groups that will provide reinforcement and ego gratifications. Individual's behaviour toward the group is similar and the source of power is referent power. Comparative influence implies that those being influenced should have characteristics similar to one who is influencing.

Marketers and advertisers use reference group appeals very effectively to communicate with their customers. They use three types

of group influence informational, comparative and normative to develop advertising and personal selling strategies.

9.11 CONFORMITY TO GROUP NORMS AND BEHAVIOUR

Social norms are implicit and explicit rules of behavior that are developed through interactions among members of a given group or society. Essentially, norms are prescriptions for how people should act in particular situations. All groups have established norms that tell members what they should and should not do under certain circumstances. When agreed to and accepted by the group, norms act as a means of influencing the behavior of group members with a minimum of external control. Group members desire acceptance by the group, and because of this desire, they are susceptible to conforming to group norms.

For eg.: listeningto the teacher in a classroom without interrupting, waiting in line until it gets to their turn to purchase concert tickets, agreeing to the views or opinion of the friends despite having different feeling on an issue.

The conformity to the group norms has some practical advantages. The customer behaves "correctly" most of the time generally "doing the right thing". The customers get a fairly good idea of what to expect from each other. But it also has negative connotations. The major reason for the negative connotations of conformity is that by implication conformity seems to negate individual choice and responsibility.

Individuals are members of many groups in domains such as family, friendship, work, and community, and each overlapping group has norms that may be similar or different. Some or all of these norms may influence an individual's behavior, and some norms apply to essentially everyone, whereas others apply only to certain members within a specific context. For example, norms against incest and cannibalism are widely held in nearly all cultures. Other norms, such as those regulating greetings and nonverbal behavior, vary among cultures or even within cultural subgroups. The norms

that are salient at any particular time vary as a function of group and setting, and social norms become more salient when the situation calls attention to group membership.

The conformity to the group norms becomes clearer when the shared nature of group norms is considered. The shared, collective nature of norms means that they are not dependent on any individual; norms are present before we arrive in society and they persist after we have left. But irrespective of whether they are brief or more long-term, norms are in the collective culture and are taught to individuals as they are socialized to become part of the larger society.

The Norms act as signposts for correct behavior, informing individuals of what to do in order to be readily accepted and positively evaluated by the group. The individuals may not like the particular norms, but in not conforming to a norm they also have to consider the typically negative reactions (e.g. rejecting or boycotting) on the part of other group members.

The importance of conformity is that conformity enables the buying behaviour of the customers collectively to proceed smoothly and with efficient use of resources.The individuals know what they and others will most likely do in given situations. However, there must be potentiality for different and new forms of behaviour to emerge meeting the changing challenges of an involving environment.

Individuals obey social norms for several reasons. First, compliance is the simplest, most direct motive for conformity to group norms. It occurs because members wish to acquire rewards from the group and avoid punishment. Compliance is characterized by a change in observable behavior to match the social norm while maintaining a private lack of acceptance of the norm itself. Second, identification occurs when individuals conform because they find other supporters of the norm attractive. Identification as a motive for conformity is often revealed by an imitation process in which established members serve as models for the behavior of others. For example, a newly promoted executive might attempt to dress and talk like her successful, admired boss. Third, individuals may conform to a norm because they have truly and wholly accepted the beliefs, values,

and attitudes that underlie it. Conformity occurs because the norm is seen as right, not because it achieves rewards, avoids punishment, or pleases others. That is, conformity is the result of internal rather than external forces.

9.12 FAMILY LIFE CYCLE STAGES

Families are the foundation of society. The structure of family is influenced by religion, caste and regional differences. Although traditional roles are changing, there are still some important values shared by most Indian families. Most of the families are joint families where each member has their own role. The family plays an integral role in influencing the purchasing behaviour. The choices of the child are determined by the parents based upon the safety and need of child. Whereas, the children also influences the decision-making process related to whole family.

The family life cycle is a series of stages through which a family may pass over time. Typical stages in family development include the periods of a single young adult, a newly married couple, a family with young children, a family with adolescents, launching the children, and a family in later life. The family life cycle emphasizes the effects of marriage, divorce, births, and deaths on families, as well as changes in income, expenses, and assets.

Family life cycle can be a part of the segmentation,targeting and positioningof the consumer. The marketer has to target the buying behaviourof the each generation of people present within an individual family.

Thus, in a joint family, there might be youngsters, parents,grandparents, uncles and aunts, all in different phases of their life. The marketers should take strategies for each of the target market or target demography. The family life cycles focused on shopping styles, information use and decision making differences by a person in the different stages of his life.

Basically, the family life cycles describes the stages through which consumers pass through their lives when they have families. All the stages are based on various criteria like age, marital status, career, disposable income and either presence or absence of children. The various stages of

family life cycle that influence the customer buying behaviour are as follows:

- **Bachelor stage:** During the bachelor stage, people are usually characterized by being interested mainly in appearances. Therefore, people at this stage tend to invest more in fashionable clothing and vehicles. Impulsive buying as well as premium buying is a common characteristic of the Bachelor stage. The bachelors develop intimate peer relationship during this period.
- **The newly married couples:** In this stage, the new married couples are considered to be in a better financial position in the initial stage. It might be possible that both, the husband and wife, are earning members. Thus, the buying decisions focus on quality and not quantity. The married couples will always think about savings and insurances, along with investing in long term products like good furniture, new home, etc.
- **Families with young children:** This segment of the family life cycle consists of families having one or two young children. The purchases of these people are dominated by the children's needs mostly. Thus, people having two kids are likely to save money and spend more in the future of their children. Thisgroup is mostly targeted by insurance companies and marketers for products like Boost and Complan.
- **Families with adolescents:** This phase of family cycle consists of parents with their adolescent children. The buying behaviour is mostly focussed on midlife marital and career issues. Most of the savings are spend on education and career building issues of the children.
- **Empty Nest:** In the empty nest category, children go away from home due to education, job or marriage. This type of segment may be targeted for investing in their children who are away from home or to start spending money for their own vacations and hobbies. The parents also focus on savings for the retirement period.
- **The solitary survivor:** This can consist of either a widow/widower who is still working or who is retired. Their main focus is on savings and their purchases are dominated by accommodation and medication mostly.

This method is considered to be a useful method for segmenting the market. This cycle provides an understanding in customer behavior by looking into various stages of the family life resulting in different buying patterns. It takes into account changes in family structures and behavior accompanying progression from birth to death. Thus, based on all the segments, the typical demography can be made and targeting is carried out accordingly.

The segmenting of the market based on the family life cycle provides a technique of anticipating the market growth through market estimation, by forecasting the number of persons entering into each stage of a cycle in one year. The marketer gets an overview of the variables which affect the entry of a family into the different stages of life.

Thus, the family life cycle concept describes the effect of time on a family through the different stages of life focusing on their patterns of consumption and spending based on their income.

9.13 NATURE OF FAMILY PURCHASES AND DECISION-MAKING

Individual members of families often serve different roles in decisions that ultimately draw on shared family resources. Some individuals areinformation gatherers, who seek out information about products of relevance. These individuals often have a great deal of power because they may selectively pass on information that favours their chosen alternatives.Influencersdo not ultimately have the power decide between alternatives, but they may make their wishes known by asking for specific products or causing embarrassing situations if their demands are not met. The decision maker(s)determine the important issues related to whether to buy, which product to buy, which brand to buy, where to buy it and when to buy.

The sophisticated, complex behaviours adopted by children influence the family purchase decisions. The knowledge and information enhance and facilitate the adoption of other influence behaviours. A distinction can

be made between knowledge and information. Knowledge refers to expertise or experiences initialised by the children that they articulated when a purchase was being make.For example the children had gained knowledge of computer technology through using PC's at school and at friend's homes. In contrast, information was an external resource that the children accessed during a purchase decision. For example, for holiday purchases, some children went on the Internet to gather information on the alternatives and presented this to their parents. In some cases, it was evident that through accessing information the children became more knowledgeable about a purchase and could draw on this source during future purchase decisions.The knowledge and information solve the problem derived their 'experience' strategy.These strategies are focused on drawing on expertise and experience from individuals both within and external to the family and using information from various sources. Knowledge and information supported and enhanced the adoption of other influence strategies, forming the backbone of all influence behaviour.The most significant role knowledge and information played was allowing children to justify their purchase requests by highlighting the benefits and enabling them to 'sell' their idea to others. Most of the child influence behaviour started with this base, and was then enhance by the use of other behaviour.

9.14 HUSBAND -WIFE INFLUENCES

Marketer have found that the spouse of the consumer influence the buying decision of the consumer. The decision-making pattern can be divided into four patterns:

- **Husband-dominated decisions:** these decisions are those where the husband's influence is greater than the wife's.
- **Wife-dominated decisions:** these decisions are those where the wife's influence is greater than the husband's
- **Joint decisions:** these decisions have equal influence of both husband and wife.
- **Autonomic decisions:** these decisions are those where either the

husband or the wife is the primary or only decision maker.

The relative influence of a husband and wife on a particular consumer decision depends mainly on the product or service category. For eg.: when purchasing a new automobile, the buying decision is influenced by husband dominant. In case of food, the decisions were often wife-dominated. Traditionally, women have controlled their families' day to day household spending and husbands were in charge of banking and financial decisions. Husband-wife decision making is influenced by cultural factor. However, in urban cities, married couples share equally in purchase decision rather than rural couples.

9.15 PARENT-CHILD INFLUENCES

Children also plays an active role in the decision making process of the family. The growing influence of the children in the families allows the children to express themselves. The single-parent households push their children to participate in the household decisions and to become self-reliant. There are different tactics used by the children to exert their decision on the parents buying behaviour:

- **Pressure:** the child demands, threatens and tries to intimidate the parents.
- **Exchange:** the child promises something in exchange
- **Rational:** the child uses a logical arguments and factual evidence
- **Consultation:** the child seeks parents' involvement in the decision
- **Ingratiation:** the child tries to get the parents in a good mood and then make the request.

Children constitute a huge secondary market by influencing family purchases, which begin as soon as children have developed the communication skills to make requests. Children's are more likely to influence the purchase decisions that directly affect them and have more influence over less expensive products and those for their own use. Perhaps unsurprisingly, children have been found to have less influence on decision making for products that are of high cost and used by the

whole family. It is argued that parents will take responsibility for these higher-risk decisions. Although some of found minimal child influence for larger, family purchases, others have found higher levels of influence than was anticipated by earlier research. Some of the highest levels of influence are seen for child oriented family purchases such as holidays and leisure activities. Influence levels are lower for family purchases that are classed as adult oriented such as cars, furniture and TV's.

9.16 CONSUMER SOCIALISATION OF CHILDREN

Consumer socialization is the process by which young people acquire skills, knowledge and attitudes relevant to their functioning as consumers in the marketplace. The consumer socialisation is a subdivision of consumer behaviour as its main focus is on how childhood and adolescent experiences affect future consumer behaviour. It attempts to understand how factors such as peers, mass media, family, gender, race, and culture influence and develops the customer behaviour. Some of the factors are discussed below:

- **Television:** Mass media has been shown as an important socialization agent for the family and peers. Children learn from observation of the advertisements.They develop their consumer behavior as well as leaning consumer role, perceptions and lifestyles from the television shows.
- **Family:** Family is also a major influence in consumer socialization. Parent-child socialization is an adult initiated process by which developing children, through insight, training, and imitation acquire the habits and values congruent with adaptation to their culture. Mothers tend to have the most influence in consumer development and can teach consumer behavior through observation, direct discussions, and parent supervision. Parenting style plays an important role in consumer socialization because parent-child interactions determine how parents teach their child consumer behavior. Parents who have negative attitudes toward television advertising tend to have children who request fewer

purchases and are more consumerseducated. Children who spend less time with parents and other familial ties are more likely to be affected by peers and media than children who spend time with their family.

- **Attitude of siblings and grandparents:** The influence that other familial connections, such as siblings and grandparents, may have on consumer socialization has not been studied as extensively as parents. Siblings have been found to rely on each other to gain information on the marketplace.
- **Gender:** Gender has been identified as a critical social structure variable in consumer socialization. Women tend to have a more positive attitude toward advertisements than males. Young girls and teenagers are more affected by peer and family influence than boys. Young girls are also more likely to deem a brand their favourite based on whether their friends have them. Boys tend to be more influenced by non-personal communication than interpersonal interactions.

9.17 WORD-OF-MOUTH COMMUNICATIONS WITHIN GROUPS

Word of mouth (WOM) is product information that individuals transmit to other individuals. Word of mouth is shared by customers and triggered by an event the customer experiences. This often starts when a company does something unusual or unexpected that motivates customers to share the word about it.Word of mouth or viva voce is the passing of information from person to person using oral communication.

Storytelling is a common form of word-of-mouth communication where one person tells others a story about a real event or something made up. Storytelling is one of the forms of word of mouth that plays important roles in folklore and mythology.

Word-of-mouth marketing (WOM marketing) is when a consumer's interest in a company's product or service is reflected in their daily dialogues. Essentially, it is the free advertising triggered by customer experiences. Word-of-mouth marketing can be encouraged through different publicity

activities set up by companies, or by having opportunities to encourage consumer-to-consumer and consumer-to-marketer communications.

Also referred as "WOMM" or "word-of-mouth advertising", WOM marketing includes buzz, viral, blog, emotional, and social media marketing. Though traditional word-of-mouth relies on consumers talking to one another in a direct, personal context like an in-person conversation or a telephone call, Internet-based word-of-mouth uses a variety of platforms that may not involve speaking at all.

Any organization that can encourage people to spread information about a product, a cause, or the organization itself can use word-of-mouth marketing. It is useful in for-profit endeavours as well as in non-profit causes like political campaigns.

An apartment management company, for instance, could encourage tenants to refer their friends and family to the company if they are in the market for a place to live. The company could give incentives for these referrals by offering tenants a cash bonus or some other benefit if someone they refer to the management company signs a new lease.

Word-of-mouth is also a popular technique used by medical professionals to share patients between different specialists. A doctor could suggest a particular dental practice to patients, just as that dental practice could refer patients to specialists like orthodontists and oral surgeons. This is often based on the existing professional networks of the doctors and dentists, as well as each practice's reputation.

The principles of word-of-mouth marketing are simple, so the process of using it should not attempt to be too complex. Thus, the organizations should take different steps to implement a successful word-of-mouth campaign.

Thus, the word-of-mouth marketing differs from natural word-of-mouth references to a company's products and services. The differences come as the result of a promotion, encouragement, or other influence by a company. It does not stop at the first interaction; it tends to lead to a cascade of follow-on interactions.

The characteristics of word of mouth are:

- Word-of-mouth marketing (WOM marketing) is the method of marketing where the consumers talk about a company's product or service to their friends.
- WOM marketing is one of the most powerful forms of advertising as 92% of consumers trust their friends over traditional media.
- Companies can encourage WOM marketing through exceeding expectations on a product, providing good customer service, and giving exclusive information to consumers.
- The encouragement on the part of a company may take one of several forms. The best way is to give them a reason to talk, such as exceeding expectations or providing insider skills or information about a product. Other strategies include offering consumers new ways to share information about a company's products and services, and engaging and interacting with the consumer, such as through exemplary customer service. This is especially valuable with social media-based customer service, which provides for seamless sharing and promotion.

The Word-of-Mouth marketing also has various advantages that help the marketers to promote their product to their targeted customers. Some of the advantages are:

- 92% of people around the world said they trust recommendations from friends and family (earned media) above all other forms of advertising.
- Consumers are more emotionally bonded to a company when they feel they are listened to by the company. That is why many companies will have sales representatives discuss their products and services with consumers personally or through a feedback phone line. This kind of interaction, as well as promotional events, can stimulate conversations about a company's product.
- There is a significant temptation to fabricate word-of-mouth marketing. Accordingly, the Word of Mouth Marketing Association (WOMMA) has crafted a code of ethics for the industry, the best word-of-mouth marketing strategies are "credible, social, repeatable, measurable, and respectful" and there is no excuse for dishonesty.

9.18 OPINION LEADERSHIP

Opinion leaders are people from whom the consumers look to for guidance in making purchase decisions. Opinion leaders are usually people who are more knowledgeable about a certain product or service than the average consumer. The purchase decisions are influenced by different people or groups. The consumers often seek help from the opinion leaders. Thus, opinion leaders can shape how a product is viewed. Consumers seek out the advice of knowledgeable friends or acquaintances that can provide information, give advice, or actually make the decision.

For some product categories, there are professional opinion leaders who are quite easy to identify. For instance, auto mechanics, beauticians, stock brokers, and physicians are some of the opinion leaders. All these professionals can influence the decisions consumers make within their area of expertise. Sometimes, these opinion leaders can actually be groups, known as reference groups.

For example, a local high school teacher may be an opinion leader for parents in selecting colleges for their children. Often, an opinion leader is among the first to use a new product or service, and can then pass on his or her opinions of the product to others. Opinion leaders are often trusted and unbiased and have the social network of friends, family, and co-workers necessary to disperse information.

Opinion leaders are particularly useful in marketing. If a marketer can identify key opinion leaders for a certain group, the marketers then direct their efforts towards attracting these individuals. In marketing, celebrities are often used as opinion leaders. Although they may not actually know more about a product or service, there is usually the perception that they do. Celebrity endorsements in marketing are a way to give clout to a product or service. Opinion leaders can have a profound influence on the success of a product, and on one's own consumer purchases.



9.19LET US SUM UP

- The Social Class can be defined as the division of members of a society into a hierarchy of distinct status classes, so that members of each class have relatively the same status and the members of all other classes have either more or less status.
- The social class are based on class identification, class consciousness, wealth, property, income, education, occupation etc.The members of each social class have the same status, behaving in the same manner.
- The social class can be classified into Upper-Upper, Lower-Upper, Upper-middle, Lower-middle, Upper-lower, Lower-Lower.
- The consumers consume those products which are regarded as status symbols because these products confer perceived and notional benefits like increased social recognition along with high intrinsic value.
- Reference groups are the groups that consumers will look to for help in making purchasing decisions. The consumers compare themselves to or associate with the reference group before making any buying decision.
- Reference groups are divided into formal group, informal group, membership group, symbolic group and friendship group.
- There are various factors that affect the influence of the reference group. The choice of the consumer depends upon normative influence, informational influence and comparative influence.
- Social norms are implicit and explicit rules of behavior that are developed through interactions among members of a given group or society. The norms are prescriptions for how people should act in particular situations.
- The family life cycle is a series of stages through which a family may pass over time. The family life cycles focused on shopping styles, information use and decision making differences by a person in the different stages of his life.
- The various stages of family life cycle influence the customer buying behaviour. These are bachelor stage, the newly married couples, families with young children,families with adolescents, empty nest, the solitary

survivor

- Consumer socialization is the process by which young people acquire skills, knowledge and attitudes relevant to their functioning as consumers in the marketplace. The consumer socialisation is a subdivision of consumer behaviour as its main focus is on how childhood and adolescent experiences affect future consumer behaviour.
- Word of mouth (WOM) is product information that individuals transmit to other individuals. Also referred as "WOMM" or "word-of-mouth advertising. WOM marketing includes buzz, viral, blog, emotional, and social media marketing.
- Opinion leaders are people from whom the consumers look to for guidance in making purchase decisions. Opinion leaders are usually people who are more knowledgeable about a certain product or service than the average consumer.
- A status symbol is generally an object that means to signify its owners' high social and economic standing.
- Reference groups are groups that consumers compare themselves to or associate with. They can heavily influence purchasing patterns.Friends, clubs, religious groups, and celebrities can all act as reference groups.
- If a reference group endorses a product, either through use or statements about the product, those that look to the group will often purchase that product.
- Opinion leaders are those who influence others. Celebrities are often used as opinion leaders in promoting a product.
- Finding opinion leaders can be vital to the success of a marketing plan, as they can then influence others to purchase the product or service.



9.20 FURTHER READING

1) Marketing Management by Philip Kotler
2) Consumer Behaviour by Leon G. Schiffman, Joseph Wisenblit and S. Ramesh Kumar

9.21 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1:

- The members of each class have relatively the same status
- Persons within a given class tend to behave alike/same
- Social class is hierarchical
- Social class is measured by a combination of variables
- Social class is mobile
- Social class and status differentiation

Ans to Q No 2: The membership group is that group in which a person has to either belongs or qualify for membership. The members either informally or formally accept the membership of any particular group. For eg.: social clubs, social networking circles, the rotary club etc.

9.22 MODEL QUESTIONS

Q 1: Define social class. Discuss the nature of social class.

Q 2: Explain the social class categories.

Q 3: Explain the influence of money and other status symbol in the buying behaviour of the consumer.

Q 4: What do you mean by group influence? What are its sources and describe the types of reference group.

Q 5: Describe the characteristics of reference group.

Q 6: Discuss how the reference group influence in the buying behaviour process

Q 7: What are the stages of family life cycle? Explain the stages.

Q 8: Describe the influence of husband-wife in the buying behaviour process.

Q 9: Discuss how the child influence the buying behaviour

Q 10: Write short notes on:

- Word of mouth communication
- Opinion Leadership

Q 11: Discuss the importance of opinion leaders in marketing and how they can influence the success of a product or service

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