

Reference groups and families

Questions

1. What are reference groups?

Reference groups are people in a consumer's micro-social environment who are salient or relevant for the consumer. Reference groups can influence an individual's cognitions, affective responses, and behaviors. The many types of reference groups include formal, informal, primary, secondary, membership, aspirational, and dissociative. Combinations of these are possible. (PS - make sure you can describe each type of reference group)

2. Distinguish between informal primary groups and formal secondary groups

An informal group is not specifically structured with a clear mission. A primary group involves face-to-face interactions. Families and peer groups are the most commonly studied informal primary groups because they impact many product behaviors. Formal secondary groups would have little or no face-to-face interaction and would have specific structure or mission; professional societies would be examples. For most products, formal secondary groups would have little influence.

3. When is an informational reference group influence likely to impact consumers and influence their behavior?

Consumers are likely to be influenced if the information is perceived as enhancing their knowledge of the environment or their ability to cope with some aspect of it. That is, if they believe it will help them to achieve some goal, they will respond.

4. What is utilitarian reference group influence?

Utilitarian influence occurs when a person complies with perceived expectations of what others want in order to achieve rewards or avoid punishments. Product and/or brand purchases may be influenced.

5. Why would an individual respond to value-expressive reference group influences?

Individuals can use reference groups to enhance or support their own self-concepts. They may accept a reference group position to bolster their self-concepts through association with the group, or to affiliate or associate with group members that represent desirable values

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6. Why kind of influence would be expected for private necessities?

These types of products tend to be influenced only weakly in terms of either product or brand issues

7. What influence are reference groups likely to have for products that are a public luxury?

Product ownership will be strongly influenced by reference groups, and brand selection will also be strongly influenced. Prestigious recreational equipment is likely to be in this category.

8. How are purchases of public necessity affected by group influence?

Generally speaking, if ownership of the product is both necessary and obvious, the group has less impact on decisions about buying the product, since almost everyone owns the product. However, even if product ownership is obvious, influence on brand choice can be strong

9. Use social visibility and the necessity of the product as a means to identify the nature of reference group influence on a decision

Information influence occurs when direct or indirect communication of knowledge enhances the knowledge base or decision strategies of the consumer. Utilitarian influence occurs when consumers comply with the expectations of other to receive rewards or avoid punishment. Value-expressive influence occurs when a consumer uses a group's position to bolster his/her ego through identification or association with the group.

10. How can means-end research help in understanding the influence of reference groups?

Marketing managers hope to encourage consumers to construct new means-end chains that link the product to a consumer's values or goals. Reference groups can influence the types of means-end chains consumers create. Marketers might influence consumers' means-end chains by using reference group appeals such as celebrity endorsements in advertisements.

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11. From a marketing manager's viewpoint, what are some advantages and problems associated with each type of reference group influence?

Several distinctions are made between types of reference groups: formal versus informal, primary versus secondary, and membership versus aspirational versus dissociative

Marketers face several difficulties in working with reference groups. First, marketers have to identify the relevant reference group for their product. Usually they will find that controlling or influencing the groups is difficult. Predicting effects on consumers' behaviors is difficult, especially in the face of multiple conflicting influences.

There are three basic types of reference groups: informational, utilitarian, and value-expressive.

Informational influence can be powerful, and is perhaps the most easily affected by a well planned marketing strategy. Marketers might direct certain information directly to experts and opinion leaders who serve as reference points for groups of consumers. Problems arise because this marketing information has to be processed by multiple individuals. Thus, the information may be selectively attended to and interpreted by both the reference person and the group members to whom it is transmitted. There is not guarantee that the reference person will transmit positive information.

Utilitarian influence is very difficult for marketers to use directly, since the reference group members control the possible rewards or punishments. However, marketers can devise advertising strategies that portray people receiving reinforcements (or punishments) for appropriate behaviors. Through vicarious learning, consumers might develop these same behaviors.

To use the value-expressive influence, marketers should have a good understanding of the key values in the reference group and how the group influences the self-concepts of individuals. These values could be portrayed in advertising or salespeople could be trained to bring out the values during their presentation. The expressive value of the product may not be consistent with marketer objectives. Sometimes different segments have conflicting values that are expressed by product usage.

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Sample questions

1. Which of the following would not be considered a reference group?
 - A. You and your mother
 - B. Everyone at the stadium watching a football game
 - C. The members of your sports team
 - D. The members of a golf club
 - E. The members of a health cub

Answer is B

2. _____ influence from a reference group can be described as relevant and reliable information from sources that are trustworthy
 - A. Informational
 - B. Utilitarian
 - C. Value-expressive
 - D. Dissociative
 - E. Primary

Answer is A

3. Aspirational reference groups are most likely to exert _____ influence.
 - A. value-expressive
 - B. cognitive
 - C. utilitarian
 - D. associative
 - E. affective

Answer is A

4. The expert information about a product provided by a highly influential reference individual:
 - A. can have positive or negative impact
 - B. is easily controlled by marketing strategy
 - C. uses value-expressive influence
 - D. is not likely to be a practical part of marketing strategy
 - E. is mainly useful in decisions about services

Answer is A.