

# The reference group and consumer purchasing decisions essay examples

[Business](#), [Customers](#)



In the management practice, the approach on reference groups in scope of managing the purchasing decision-influencing processes starts from studying the profiles of its members, with reference to: evaluating with approximation the number of the members; identification of the internal and external interactions of the group; establishment of the heterogeneity level and its composition; identification of the common objectives of the group members; evaluating potential effects on the group functioning, with respect to the compliance by its members to the existing behavioral rules and norms and the evolutionary dynamics of the group.

Motivation, perception and the attitude of the consumer constitutes a logical starting point, but insufficient, in the analysis of the purchasing and the consumption behavior of the consumer. Logical, as the purchasing decisions are individual facts and insufficient because they allow the highlight of one's preferences and intentions, but not the actual behavior. Therefore, the preferences and the intentions of the consumer have rather a predictive value to the extent in which they are taken into consideration along with other determinants of purchasing behavior and consumption.

There are two factors that may explain the gap between intention and behavior, namely situational factors and the social environment where they activate.

**The situational factors consist of a series of unexpected events that may ultimately change the consumer purchasing behavior.**

The social environment is characterized by the presence of the groups, and it can be affirmed that the most distinctive feature of the human condition is

expressed through affiliation and social interaction. In this context, the notion of group designates a real community, but partial, directly observable and based on collective attitudes, continuous and active, having a joint work to be accomplished, and unity of action and conduct that constitutes of a structural social framework that tends towards a relative cohesion of relations. ( Dawson & Chatman, 2001)

The group typology is very diverse, therefore for its determination, there is several criteria referring to the most important concerns, such as size, purpose and status.

Depending on the status, groups can be groups of belonging, where the individuals belong with or without their consent, and reference groups with whom those individuals identify themselves, adopting their norms and values.

## **Reference Group Influence on Consumer Purchasing Behavior**

The reference groups, in accordance to Kotler( 1999), are “ all those groups who have a direct or indirect influence on the attitudes or behavior of a person (Kotler, 1999), groups that serve as points of comparison in terms of training of the attitudes or behavior of a person. There also exist reference aspects that express consumer’s attitude in wanting to be part of that group, as well as aspects marking the attitude of avoidance or exit of the reference group.

Generally, the reference group performs three functions: normative, informational and comparative.

The normative function of the reference group fixes the level of the norms, of

the values and aspirations of an individual in the process of consumption of products and services. The reward for the individual is constituted of being part of the group. This type of influence occurs mainly in the case of the visible products.

The informational function of the reference group is represented by the source of information in different stages of the decisional process, when the group is a credible source of knowledge, being an expert or having experience in that field.

The comparative function of the reference group validates by comparing options, attitudes, norms and consumer behavior. Thus, the producer may speculate on a strong brand image, demanding higher prices.

The reference groups are influencing the individual purchasing decision by exposing the individual to new behaviors and lifestyles, applying pressure on that so that they would comply with the imposed choice of brands and products, as well as through the opinions and the attitudes of the individual on themselves.

Psycho sociology provides real support in understanding the buying and consumption behavior, explaining the relations established between an individual and the other members of a group. In a study on the matter was highlighted the group influence on the buying and consumption behavior at the level of two types of decisions, namely the generic impact that is usually carries out on the purchased products, be them luxury, expensive, ordinary or relatively inexpensive. The other type is represented by the specific impact, exercised in the choice of a particular brand of all the brands offered. (Bearden & Etzel, 2001)

In that particular study, there have been identified four specific situations, starting from two explanatory existing factors in the consumption pattern: the intimate nature, particularly, less visible or conversely, public, visible, ostentations of consumption and the perceived need of this consumption. (Bearden & Etzel, 2001)

Taking for example a number of products, it is found that the influence of the reference group on the way in which they are being consumed or used is poor in the case of clothing items, furniture, and accessories and powerful in the case of automobiles, sport equipments and so on. On the other hand, consumer involvement is powerful in the case of clothing, furniture and automobiles and very weak in case of detergents, coffee and other such products. (Bearden & Etzel, 2001)

#### Reference Group Types

Consumers are being exposed to a variety of reference groups during their lifetime. For their classification are most often used 4 dimensions, namely, the membership, the degree of personal relations, the affinity towards the group and the group structure.

The consumer behavior may be influenced by certain groups whether or not he is a member of those groups. A group influencing only its own members consists of individuals shaping their behavior one after another. The group's members are regularly in contact with each other, these direct contacts involving family members, a friend's circle, team members or other. The members may share common experience with the members of groups where they do not belong, but may observe their behavior by direct observation or by reference to them. (Dawson & Chatman, 2001)

Classification of the reference groups on the degree of personal relationships reflect the standard terminology and starts with the way relationships are being established in a group. From this point of view, there are two group categories, primary and secondary. The primary groups exert the greatest influence on individuals, being defined as a group of individuals that is small enough in order to allow and facilitate direct and unrestricted interaction between individuals. Within those groups there is a strong cohesion and motivated participation. The secondary groups are social organizations in which the direct and continual interactions occur rarely. They are also influential in shaping the consumer behavior and thinking. (Education Portal, 2014)

The reference group may be characterized by a force of attraction or rejection, exercised directly or indirectly on an individual. Depending on these two types of influences a group may exert, it can be aspirational or dissociative. (Pittard, 2012)

According to Pittard (2012), The aspirational groups are groups, to which an individual feels the desire to adopt their norms, values and behavioral patterns of the other members. The influence of this kind of group, though often indirectly, can play a significant role. On the other hand, the dissociative groups are those whose norms and values an individual is motivated to avoid in association.

Another useful way to categorize groups is in structure. By this, it should be understood the extent to which the group structure, the role and the goal of the group members is clearly defined. From this point of view, groups may be formal or informal. (Bearden & Etzel, 2001) The formal groups are being

characterized by a define structure, with specific roles and certain authority levels, whereas the informal groups have a less known structure and are rather characterized by friendship or peer association. The rules of those groups may sometimes be strict, but they rarely are in writing. The influence of these groups may be very strong if the individuals are particularly motivated by social approval. (Bearden & Etzel, 2001)

It is highly important to admit that the size after which the description of the reference groups is not composed of discrete levels, but rather a continuum with the possibility of taking many other values.

#### The Functions of the Reference Groups

There are basically three outlined functions of the reference groups: socialization, the development of the self-concept and the compliance with the social norms.

Socialization is the process by which a person learns to evaluate the system, the norms and the behavior requested in a society, organization or in the groups to which they belong. Socialization refers to learning the social roles and behavior, this process being performed through the influences of the various reference groups.

The self-concept is very important in the stratification and social mobility. Although the family of the individual develops the self-concept during the childhood, by adulthood other reference groups may determine the self-concept and therefore the consumer behavior. (Bearden & Etzel, 2001)

The pressure for conformity to other's expectations is present in all forms of life. The individuals are subject to the norms of the groups, in order to receive positive results and to avoid negative consequences. People engage

themselves in social exchanges in a manner suitable to their self-interest.

### Conclusions

Reference groups are being identified by the fact that their members assert their identity on their own system of values and behaviors, imposing themselves as long as those that do not fit in those value and behavioral systems are being removed. Therefore, the reference group acts upon individuals on the basis of their beliefs, their behaviors and their lifestyle, forcing them to comply with the norms of the group. Thus, for example, many young people dress like their favourite stars, using the same clothing or accessories and so on.

On this basis, manufacturers and vendors must devise promotional strategies likely to trigger the purchasing decisions through compliance, the trend consisting of imposing consumption patterns which, amid the exercising of the normative function of the reference group, induce purchase decisions by imitation.

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