Relative Influence of Reference Groups on Product and Brand Choice Decisions

Abstract

Group pressure to conform is referred to in the consumer and social psychology literature as “social influence” or “interpersonal influence”, which has an impact on consumer product and brand preferences, on evaluations of product quality and also on buying decisions. Market researchers have long strived to understand the effects of social influence on consumer attitudes and behaviors. That is, how, why, and when do consumers conform to social norms? Researchers around the world have tried to study how people behave in a particular situation and why do they behave like that? The results however have not been commensurate with the efforts made, primarily due to the diversity that people exhibit in their behavior. Thus, it is imperative for marketers to keep track of their customers by undertaking researches on the various facets of consumer behavior on a regular basis.

Reference Groups: Olson and Peter (1996), define a reference group as “one or more people that someone uses as a basis for comparison or point of reference in forming affective and cognitive responses and performing behaviors”. Reference groups expose an individual to new behaviors and lifestyles and influence attitudes and self-concept; they create pressures for conformity that may affect actual product and brand choices. Consumers use informal groups as a source of information about products and as a frame of reference in product evaluations and why informal groups influence purchasing behavior. It is argued that the individual has a need to compare himself on various attributes with other individuals in order to judge the consequences of his behavior when physical evidence is unavailable. Social comparison increases the stability of one’s evaluation and offers an occasion for expressing affection and other interpersonal rewards (Clarke, 1971).

Consumer susceptibility to group influence is assumed to be a general trait that varies across individuals and is related to other individual traits and characteristics. The construct is defined as the need to identify with or enhance one’s image in the opinion of significant others through the acquisition and use of products or brands, the willingness to conform to the expectations of others regarding purchase
decisions, and/or the tendency to learn about products and services by observing others or seeking information from others (Bearden et al., 1989).

The reference group concept is used by advertisers to persuade consumers to purchase products and brands by portraying products being consumed in socially pleasant situations, or else, using prominent and attractive people to endorse products and brands, by using stereotype group members as spokespersons in advertising. Reference group appeals have two benefits to advertising. They provide frames of reference for the consumers. Moreover, their use in advertising results in increased brand awareness because they draw attention to the product through their own popularity.

**Indian Context of the Present Study:** India with a population of more than a billion consumers offers a great marketing opportunity to the marketers of products and services. The consumers provide opportunity in the form of rising incomes, higher personal disposable incomes and an increased tendency to consume. Coupled with exposure to international lifestyles and media, easier finance options and a growing economy, the Indian consumer is fast evolving. However the challenge is to understand the value conscious Indian consumer having a traditional mindset, value system and who even seeks an explanation for the high priced luxuries. Further the diversity of the Indian market based on rural-urban consumers, languages and dialects, religious affiliations, castes, sub-cultures, etc. makes the task of the marketers even difficult.

This study seeks to examine the consumer perceptions of reference group influence on product and brand choice decisions. As the promotion of products and brands through the non-personal channels of communication gets severely hampered, reference group influence on product and brand choice decisions assumes strategic relevance for the marketers who are keen on reaching out to their target market in an effective and efficient way. The changed marketing scenario calls for revisiting the concept of reference group influence on consumer behaviour. It is equally important to ascertain the current relevance of the reference group influence construct developed by Park and Lessig (1977) and refined by Bearden et al. (1989). Equally important it is to examine whether the distinction between luxuries and necessities, and between public and private product is getting blurred.
Literature Review in Brief: The influence that groups have on the behavior of the individuals has been recognized for quite some time in academic research as well (Merton and Rossi, 1949). Individuals appear to act in a manner that is consistent with a social group with which they identify themselves (Childers and Rao, 1992). Marketing and consumer behavior scholars have shown that reference groups influence consumer choice, especially for branded products such as candy (Ratner and Kahn, 2002), clothing (Batra, Homer and Kahle, 2001), snack foods (Ratneshwar and Shocker, 1991), mineral water and sodas (Van Trijp, 1994), fragrances (Chow, Celsi, and Abel, 1990) and wine (Quester and Smart, 1998). Hyman and Singer (1968) have noted that the concept has been applied in the studies of farmers, scientists, alcoholics, newspaper people, the mentally ill, consumers, voters, juvenile delinquents, and opinion leaders. Further studies are in the contexts of steel distributors (Kreisberg, 1955), physicians (Coleman, Katz and Menzel, 1966), auto owners (Grubb and Stern, 1971), cosmetic users (Moschis, 1976), students and housewives (Park and Lessig, 1977) and women during maternity process (Tinson and Ensor, 2001). Some of the recent researches conducted between 2006 and 2010 also show that reference group influence is all pervasive across a wide array of decision areas like real estate pricing, investment decisions, travelling decisions, pro-environmental consumption, choice of vocational education, etc.

The reference group literature typically distinguishes between three types of reference groups: membership groups, aspirational groups, and dissociative groups. Membership reference groups are groups to which an individual currently belongs (e.g., a family, a peer group, one’s gender group). This is a type of positive reference group that the individual belongs to, identifies with, is attracted to, and feels psychologically involved with (Turner, 1991). Aspirational reference groups are also positive groups that the individual identifies with and is attracted to, but also that the individual aspires to be member of (e.g., celebrities, a desired social group membership, etc.; Englis and Solomon, 1995). Dissociative (or negative) reference groups are those groups an individual wishes to avoid being associated with and “disidentifies” with (Englis and Solomon, 1995; Turner, 1991).

At the most three motivational influences of reference groups have been identified and discussed by the researchers – informational, value expressive and utilitarian.
Informational influence is the tendency to accept information from others as evidence about reality (Deutsch and Gerard, 1955). When making purchase decisions, consumers tend to seek others' evaluations of different alternatives or derive inferences from the brands reference group members own (Park and Lessig, 1977).

Utilitarian reference group influence is reflected in attempts to involuntarily comply with the expectations or preferences of others to achieve rewards or avoid punishments, especially when these outcomes are viewed as important, he or she will find it useful to meet the expectations of these significant others.

Value-expressive reference group influence is characterized by the need for psychological association with a person or group to enhance one's self image and is reflected in the acceptance of positions expressed by others.

Bourne (1957) proposed that susceptibility to reference group influence in product and brand choice depends on product conspicuousness. At the product level, conspicuousness refers to the extent to which a product “stands out” or is noticeable by consumers. At the brand level, conspicuousness refers to the ease with which people can identify a specific brand of a product that other person is using.

It has been reported that informational social influence operates independent of product conspicuousness. Normative influence, however, is expected to be greater under conditions of high rather than low product visibility. Some consumer behavior studies show that product conspicuousness is positively related to value expressiveness (Bearden and Etzel, 1982; Sirgy, Johar and Wood, 1986).

Although the relative importance of informational versus normative influence has not been tested, theory indicates the dominance of normative over informational influence for public products (Johar and Sirgy, 1991; Kelman, 1961).

The extent to which purchase decisions are accompanied by affective or cognitive buying motives may partly explain consumers' susceptibility to reference group influences. Cognitively motivated purchases entail information search to learn about products that are superior in terms of attributes such as price, quality, and value (Ratchford, 1987). For such products, informational influence is likely to dominate.
normative influence since referents are mediators of facts relating to product attributes. Affectively motivated purchases are characterized by the desire to satisfy social belonging, ego gratification, or self expression needs. For such products, normative influences, whether they be utilitarian or value expressive in nature, are likely to dominate informational influence. Information processing for cognitively motivated purchases focuses on the functional aspects of the product and economic appeals. Information processing for affectively motivated purchases focuses on image, symbols, and expression of personality (Johar and Sirgy, 1991; Park and Mittal, 1985; Snyder and Debono, 1985).

Mishra et al. (1999) suggest that interpersonal orientation of individuals can be a significant predictor of consumers’ willingness to conform to the interpersonal influence in their decision making especially in purchase situations. This very fact underlines the contention that diversity of personalities of consumers does matter when it comes to measurement and anticipation of their behavioral pattern in purchase situations. A study by Campbell et al. (1986) shows that individuals high in self-doubt conformed significantly with others more than those with low self doubt. Another set of factors relating to reference group susceptibility is the consumer’s demographic attributes. For example, differences in reference group influence have been found between males and females, married couples and singles, younger and older people and between different nationalities.

Park and Lessig (1977) were the first to develop a useful but somewhat imperfect measure of susceptibility to interpersonal influence. In addition to the fact that the individual items used to measure susceptibility to interpersonal influence were product- and situation-specific in nature, Park and Lessig (1977) did not report reliability, validity, or dimensionality of their instrument (Bearden, Netemeyer and Teel 1989). Subsequently, Bearden, Netemeyer, and Teel (1989) developed and tested a two-factor scale to measure consumer susceptibility to interpersonal influence as a personality trait that varies across individuals. A high susceptibility to interpersonal influence score signifies a tendency to be influenced by others in making decisions, whereas a low susceptibility to interpersonal influence score suggests more independence in the decision-making process (Lalwani, 2002). Given the potential impact that reference groups can have on individual decision making
and consumption behavior, scholarly scrutiny of reference group influences is clearly desirable.

Need for the Study: Consumer markets are evolving on a continuous basis, making it imperative for researchers and marketers to keep track of the changes taking place in consumer tastes, preferences and aspirations. Short product life-cycles, changing consumer life styles, faster technology adoption, rapid product diffusion, environmental concerns, etc. are further necessitating the need to keep a constant watch on the consumer behavior (Majumdar, 2010). Over a period of time, a product may shift from a category in which reference group influence is weak to another in which it is strong especially through the use of heavy promotional efforts designed to create a favorable image and make a product or brand socially conspicuous (Loudon and Della Bitta, 1993). Reference group influence on consumers’ purchase decisions has been researched upon time and again (Park and Lessig, 1977; Bearden and Etzel, 1982; Childers and Rao, 1992). These studies were conducted over long intervals of time and in different cultural contexts. Prior studies on reference groups have mainly focused on whether some groups are more susceptible to reference group influence than other groups are e.g. students versus housewives (Park and Lessig, 1977), whether reference group influence is varied from one consumption context to another e.g. public versus private products and luxuries versus necessities (Bearden and Etzel, 1982) and whether a different referent generates difference in influence on individual consumer behavior e.g. family versus peers (Childers and Rao, 1992). Not many researchers have probed into the demographic factors affecting consumer’s susceptibility to reference group influence. Since very few researches based on reference groups have been conducted in the Asian cultural context, exploring the veracity of reference group theory in a tradition bound, collectivist Indian cultural context appears to be a logical sequel to the past researches done in this area.

Methodology Adopted for this Study

Objectives of the Study

The main objective of this study is to measure consumer susceptibility to reference group influence on product and brand choice decisions.
The study has the following specific objectives:

- To present a conceptual framework of reference group influence on product and brand choice decisions.
- To classify the selected products into categories such as: Public Luxury, Public Necessity, Private luxury and Private Necessity.
- To explore the differences between respondents’ susceptibility to reference group influence for product choice decisions vis-à-vis demographic variables.
- To explore the differences between respondents’ susceptibility to reference group influence for brand choice decisions vis-à-vis demographic variables.
- To explore the differences between selected product categories with respect to different forms of reference group influences on product choice decisions.
- To explore the differences between selected product categories with respect to different forms of reference group influences on brand choice decisions.
- To explore the differences between selected product categories with respect to the influence exerted by different referents on product choice decisions.
- To explore the differences between selected product categories with respect to the influence exerted by different referents on brand choice decisions.

**Data collection:** Using an adapted version of the questionnaire developed by Bearden *et al.* (1989) responses were obtained from 574 respondents comprising students, teachers and housewives mainly. The research design called for separate reference group influence evaluations of product and brand choice decisions for 16 products, for a total of 32 evaluations. To have a manageable questionnaire and to reduce respondents’ fatigue, it was decided that an individual respondent should be required to deal with a total of 4 evaluations. Thus, 8 different versions of the survey instrument were constructed. 4 versions contained only product choice decisions and 4 contained brand choice decisions. One product was selected from each of the four categories—Public Luxuries-PUL, Public Necessities-PUN, Private Luxuries-PVL and Private Necessities-PVN to make up each of the versions.
In order to address the objectives for this study, the following hypotheses were formulated.

**Hypotheses Based on Forms of Influences Exerted by Reference Groups**

**Product Choice Decisions**

1. \( H_0 TP_1 \): All the three forms of reference group influences (informational, value expressive and utilitarian) are higher for publicly consumed luxuries than publicly consumed necessities (PUL\(>\)PUN).

2. \( H_0 TP_2 \): There is no difference in all the three forms of reference group influences (informational, value expressive and utilitarian) for publicly consumed luxuries and privately consumed luxuries (PUL=PVL).

3. \( H_0 TP_3 \): All the three forms of reference group influences (informational, value expressive and utilitarian) are higher for publicly consumed luxuries than privately consumed necessities (PUL \(>\)PVN).

4. \( H_0 TP_4 \): All the three forms of reference group influences (informational, value expressive and utilitarian) are higher for privately consumed luxuries than publicly consumed necessities (PUN \(<\)PVL).

5. \( H_0 TP_5 \): There is no difference in all the three forms of reference group influences (informational, value expressive and utilitarian) for publicly consumed necessities and privately consumed necessities (PUN=PVN).

6. \( H_0 TP_6 \): All the three forms of reference group influences (informational, value expressive and utilitarian) are higher for privately consumed luxuries than privately consumed necessities (PVL \(>\)PVN).

**Brand Choice Decisions**

1. \( H_0 TB_1 \): There is no difference in all the three forms of reference group influences (informational, value expressive and utilitarian) for publicly consumed luxuries and publicly consumed necessities (PUL=PVN).

2. \( H_0 TB_2 \): All the three forms of reference group influences (informational, value expressive and utilitarian) are higher for publicly consumed luxuries than privately consumed luxuries (PUL\(>\)PVL).
3. $H_0\text{TB}_3$: All three forms of reference group influences (informational, value expressive and utilitarian) are higher for publicly consumed luxuries than privately consumed necessities ($PUL > PVN$).

4. $H_0\text{TB}_4$: All three forms of reference group influences (informational, value expressive and utilitarian) are higher for publicly consumed necessities than privately consumed luxuries ($PUN > PVL$).

5. $H_0\text{TB}_5$: All the three forms of reference group influences (informational, value expressive and utilitarian) are higher for publicly consumed necessities than privately consumed necessities ($PUN > PVN$).

6. $H_0\text{TB}_6$: There is no difference in all the three forms of reference group influences (informational, value expressive and utilitarian) for privately consumed luxuries and privately consumed necessities ($PVL = PVN$).

**Hypotheses Based on Influences Exerted by Different Referents**

**Product Choice Decisions**

1) $H_0\text{RP}_1$: The influences of family, peers, experts and others are higher for publicly consumed luxuries than publicly consumed necessities ($PUL > PUN$).

2) $H_0\text{RP}_2$: Familial influence is higher for privately consumed luxuries than publicly consumed luxuries ($PUL < PVL$).

3) $H_0\text{RP}_3$: There is no difference in the influences of peers, experts and celebrity between publicly consumed luxuries and privately consumed luxuries ($PUL = PVL$).

4) $H_0\text{RP}_4$: Familial influence is higher for privately consumed necessities than publicly consumed luxuries ($PUL < PVN$).

5) $H_0\text{RP}_5$: The influences of peers, experts and celebrity are higher for publicly consumed luxuries than privately consumed necessities ($PUL > PVN$).

6) $H_0\text{RP}_6$: The influences of family, peers, experts and celebrity are higher for privately consumed luxuries than publicly consumed necessities ($PUN < PVL$).

7) $H_0\text{RP}_7$: Familial influence is higher for privately consumed necessities than publicly consumed necessities ($PUN < PVN$).
8) $H_0\text{RP}_8$: There is no difference in the influences of peers, experts and celebrity between publicly consumed necessities and privately consumed necessities (PUN=PVN).

9) $H_0\text{RP}_9$: There is no difference in the familial influence between privately consumed luxuries and privately consumed necessities (PVL=PVN).

10) $H_0\text{RP}_{10}$: The influences of peers, experts and others are higher for privately consumed luxuries than privately consumed necessities (PVL>PVN).

**Brand Choice Decisions**

1) $H_0\text{RB}_1$: There is no difference in the influences of family, peers, and celebrity between publicly consumed luxuries and publicly consumed necessities (PUL=PUN).

2) $H_0\text{RB}_2$: Experts’ influence is higher for publicly consumed luxuries than publicly consumed necessities (PUL>PUN).

3) $H_0\text{RB}_3$: Familial influence is higher for privately consumed luxuries than publicly consumed luxuries (PUL<PVL).

4) $H_0\text{RB}_4$: The influences of peers, experts and celebrity are higher for publicly consumed luxuries than privately consumed luxuries (PUL>PVL).

5) $H_0\text{RB}_5$: Familial influence is higher for privately consumed necessities than publicly consumed luxuries (PUL<PVN).

6) $H_0\text{RB}_6$: The influences of peers, experts and celebrity are higher for publicly consumed luxuries than privately consumed necessities (PUL>PVN).

7) $H_0\text{RB}_7$: Familial influence is higher for privately consumed luxuries than publicly consumed necessities (PUN<PVL).

8) $H_0\text{RB}_8$: The influences of peers, experts and celebrity are higher for publicly consumed luxuries than privately consumed luxuries (PUN>PVL).

9) $H_0\text{RB}_9$: Familial influence is higher for privately consumed necessities than publicly consumed necessities (PUN<PVN).

10) $H_0\text{RB}_{10}$: The influences of peers, experts and celebrity are higher for publicly consumed necessities than privately consumed necessities (PUN>PVN).
11) **H_{0RB11}:** There is no difference in the influences of family, peers, and celebrity between privately consumed luxuries and privately consumed necessities (PVL=PVN).

12) **H_{0RB12}:** Experts’ influence is higher for privately consumed luxuries than privately consumed necessities (PVL>PVN).

**Hypotheses Based on Demographics**

**Product Choice Decisions**

1) **H_{0DP1}:** Significant differences do not exist among age groups with respect to their susceptibility to informational, value expressive and utilitarian influence on product choice decisions.

2) **H_{0DP2}:** Significant differences do not exist among educational groups with respect to their susceptibility to informational, value expressive and utilitarian influence on product choice decisions.

3) **H_{0DP3}:** Significant differences do not exist between family types with respect to their susceptibility to informational, value expressive and utilitarian influence on product choice decisions.

4) **H_{0DP4}:** Significant differences do not exist between genders with respect to their susceptibility to informational, value expressive and utilitarian influence on product choice decisions.

5) **H_{0DP5}:** Significant differences do not exist among income groups with respect to their susceptibility to informational, value expressive and utilitarian influence on product choice decisions.

6) **H_{0DP6}:** Significant differences do not exist among occupational groups with respect to their susceptibility to informational, value expressive and utilitarian influence on product choice decisions.

**Brand Choice Decisions**

1) **H_{0DB1}:** Significant differences do not exist among age groups with respect to their susceptibility to informational, value expressive and utilitarian influence on brand choice decisions.
2) \( H_0DB_2 \): Significant differences do not exist among educational groups with respect to their susceptibility to informational, value expressive and utilitarian influence on brand choice decisions.

3) \( H_0DB_3 \): Significant differences do not exist between family types with respect to their susceptibility to informational, value expressive and utilitarian influence on brand choice decisions.

4) \( H_0DB_4 \): Significant differences do not exist between genders with respect to their susceptibility to informational, value expressive and utilitarian influence on brand choice decisions.

5) \( H_0DB_5 \): Significant differences do not exist among income groups with respect to their susceptibility to informational, value expressive and utilitarian influence on brand choice decisions.

6) \( H_0DB_6 \): Significant differences do not exist among occupational groups with respect to their susceptibility to informational, value expressive and utilitarian influence on brand choice decisions.

The above hypotheses were tested by analyzing the data using ANOVA procedure. Paired sample t test was also performed on the data to confirm the hypotheses.

**Results of the Study**

**Product and Brand Choice Decisions Based on the Forms of Reference Group Influence:** Twenty three (23) out of thirty six (36) hypotheses are supported for product and brand choice decisions. The study shows that informational influence is all pervasive for product as well as brand choice decisions. It is high for luxuries and moderate for necessities on consumer product as well as brand choice decisions. The second most important is utilitarian influence which is moderate-high for luxuries and moderate for necessities on product choice decisions. It is moderate-high for luxuries as well as for private necessities and moderate for public necessities on brand choice decisions. For product choice decisions, value expressive influence is found to be moderate for public products as well as for private luxuries and with almost no scope for self enhancement value expressive influence is moderate-low for private necessities. Indicating a greater scope of self enhancement in brand choice decisions, value expressive influence is found to be moderate-high for public
products. It is moderate for private luxuries and with almost no scope for self enhancement value expressive influence is moderate-low for private necessities in brand choice decisions as shown in Table1.1.

<table>
<thead>
<tr>
<th>Influence Type</th>
<th>Product Choice Decision</th>
<th>Brand choice Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PUL</td>
<td>PUN</td>
</tr>
<tr>
<td>Product category</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Informational</td>
<td>H</td>
<td>M</td>
</tr>
<tr>
<td>Value Expressive</td>
<td>M</td>
<td>M</td>
</tr>
<tr>
<td>Utilitarian</td>
<td>M-H</td>
<td>M</td>
</tr>
</tbody>
</table>

Mean Values ≤ 2 = Low(L), 2.1 to 2.50 = Moderate Low (M-L), 2.51 to 3.0 = Moderate(M), 3.1 to 3.5 = Moderate High(M-H) and > 3.5=High(H)

**Product and Brand Choice Decisions- Based on Different Types of Referents**

Twenty nine (29) out of forty eight (48) hypotheses are supported for product and brand choice decisions. The study shows that family influence is all pervasive and the most important, followed by expert influence across product categories for product and brand choice decisions. The third most important referents are peers while, celebrity influence is the lowest across product categories for product and brand choice decisions. Family influence is higher for luxuries than necessities on product as well as brand choice decisions. Expert’s influence is higher for luxuries than necessities on product choice decisions however, for brand choice decisions expert’s influence is higher for PUL than PVL and moderate for necessities. For product as well as brand choice decisions, peers exert higher influence on PUL than PVL and also on PUN than PVN. Celebrities influence may be considered to be somewhat higher for luxuries than necessities and also for PVL than PVN on
product choice decisions, while in case of brand choice decisions they seem to exert a higher influence on publicly consumed products than privately consumed ones and somewhat higher influence on PUL than PVL as shown in Table 1.2.

Table 1.2: Influence of Types of Referents—A summary

<table>
<thead>
<tr>
<th>Referents ↓</th>
<th>Product Choice Decisions</th>
<th>Brand choice Decisions</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>PUL</td>
<td>PUN</td>
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<tr>
<td>Product category →</td>
<td></td>
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<tr>
<td>Family</td>
<td>H</td>
<td>M</td>
</tr>
<tr>
<td>Peers</td>
<td>M-H</td>
<td>M</td>
</tr>
<tr>
<td>Experts</td>
<td>H</td>
<td>M</td>
</tr>
<tr>
<td>Celebrity</td>
<td>M-L</td>
<td>M-L</td>
</tr>
</tbody>
</table>

Mean Values ≤ 2 = Low(L), 2.1 to 2.50 = Moderate Low (M-L), 2.51 to 3.0 = Moderate(M), 3.1 to 3.5 = Moderate High(M-H) and > 3.5=High(H)

Product and Brand Choice Decisions—Based on Consumer Demographics

In the analysis of the demographic profile of the respondents of the present study only five (5) out of eighteen (18) hypotheses are supported. The study shows that the age of the consumers has no implications for their susceptibility to reference group influence on product and brand choice decisions. Young people have been found to be somewhat more susceptible to reference group influence since they appear to have more limited capacity to cope with uncertainty and risk than more mature individuals.

Though educational background of the respondents hardly seems to have any bearing on their susceptibility to reference group influence, consumers with lower educational qualification have been found to be more susceptible to reference group influence for product and brand choice decisions.
On the whole the family type does not seem to impact the reference group influence on product and brand choice decisions, however value expressive influence is found to be significantly higher for consumers belonging to joint families than those belonging to nuclear families in case of brand choice decisions.

The study shows that male and female consumers experience almost similar degrees of value expressive and utilitarian influence, while informational influence is significantly higher for females against males in product choice decisions. For brand choice decisions value expressive and utilitarian influence are significantly higher for females than male consumers, however they are subject to almost similar degrees of informational influence.

Income of the respondents has no implications for their susceptibility to reference group influence on product and brand choice decisions. However, consumers with low income and also those with high income are found prone to higher value expressive influence for product choice decisions.

Occupation or profession of the respondents has no implications for their susceptibility to reference group influence on product and brand choice decisions. However, for value expressive influence students, housewives and ‘others’ are found to have a higher susceptibility than teachers in case of product choice decisions. For brand choice decisions, teachers, housewives and ‘others’ are found to have a higher susceptibility to informational influence than the students, while for value expressive influence, students, housewives and ‘others’ are found to have a higher susceptibility than teachers and for utilitarian influence, teachers show a higher susceptibility than students, housewives and ‘others’.

On examining the results of product and brand choice decisions in individual product groups, similarities in reference group influence is also noted between unrelated product pairs like pen-home theatre system, shoes-air conditioner, trousers-bath tub, car-mattress, etc. This may be surprising but can be explained mainly on the basis of inter-product category mobility of the products. It has already been explained in case of individual product groups that some products cannot be confined within the boundaries of a single product category only. This effect may be remotely attributed to rapid product diffusion taking place in the present times.
Managerial Implications

Based on the results of the study, reference group influence can be effectively used by marketing managers, who can segment the market based upon group membership. Naturally existing groups of consumers make outstanding target market for firms because they are readily identifiable and reachable. Product and service offerings can be developed specifically for the members of the groups. Promotional strategies can be built around the concept that the product or service is positioned as being offered specifically to the members of the group.

Limitations

Limitations of time, funds and willingness of the respondents dictated that the sample could not be larger than the present one. India being a multilingual, multi religious and multi regional country, the sample drawn may not be representative of the entire population. There is a lack of extensive prior research in this field in India. The scope of this research is limited to the sixteen products shortlisted for the study. In addition to these there are several other limitations which are mentioned in the thesis.

Directions for Future Research

Based on the insights gained from the present research and the limitations faced by the researcher, some areas of research are being highlighted to be taken up by researchers in future. Further research is recommended in several areas. First, a follow-up study should be conducted to confirm the results of the present study. Probabilistic sampling design, such as geographical cluster and random sampling, could be considered for future research. Efforts should be made to replicate the study in the service sector keeping in mind the tremendous growth potential in the services. The present study is an exploratory one which has a limited scope with respect to its contribution to theory and practice. The researcher strongly feels a pressing need to conduct experimental research in the Indian context to establish causal relationships. The processes through which reference group influences operate and affect information processing, evaluation of alternatives and final decision making are in need of study.