Advertising relies heavily on group influence and often appeals to consumer needs for group identification, belongingness and adherence to social and community norms. Products like deodorants, perfumes, fairness creams, toothpaste, mouthwash, clothing, shoes, watches, and a lot of other products rely on group influence for their marketing. Appropriate reference group influence to direct consumer attitude depends on buying motives and product conspicuousness. Advertising for publicly consumed products dominated by emotional motives may utilize value expressive and utilitarian influence. The importance of affective or emotional buying motives suggests that advertisers might show how the advertised brand satisfies self expression, social belonging, or ego gratification needs. For example, Brooke Bond Tazaa\textsuperscript{56} tea uses the need for self expression in a series of advertisements which show that a house wife gets a fresh idea to use her hidden talent in a new venture while sipping Brooke Bond Tazaa tea and subsequently becomes a dance teacher, party decorator, caterer etc. in respective advertisements. The advertisement emphasizes on the recognition of hidden talent, monetary independence, appreciation and respect one earns in the society. The advertisement also invites the target audience to share their success story which could be later broadcast on the television. For products in this category, the source i.e. celebrities or spokespersons should be selected on the basis of likeability, popularity, status, or appearance.

For publicly or privately consumed products dominated by rational motives, advertisers might use informational influence. For these products, the source or referents used in advertising might be selected based on the degree to which they are perceived to be credible and trustworthy or

\textsuperscript{56}A brand of packaged tea marketed by Hindustan Unilever. It used to be Lipton Taaza, now known as Brooke Bond Taaza.
have specialized knowledge concerning product attributes and function. For example, Proctor and Gamble\textsuperscript{57} India uses Manish Malhotra\textsuperscript{58} a famous fashion designer in India, who after visiting Ariel laboratory testifies that Ariel Oxyblue\textsuperscript{59} is not a harsh detergent; it rather protects the fabric texture and color. It would be appropriate to recall the Coca Cola\textsuperscript{60} advertisement featuring Amir Khan\textsuperscript{61} who takes the audience on a visual tour of a bottling plant of Coca Cola and testifies for the international standards being followed there and also invites the audience to visit the plant personally. This campaign was successful in restoring the confidence of the consumers in the brand after pesticide traces were found inside Coca Cola bottles.

Informational reference group influence has the most influential impact on all four product categories. This conveys a clear message that marketers should focus primarily on informational influence exerted by reference groups in their communication efforts. One form of informational reference group influence is Word-of-Mouth (WOM). It has been estimated that as much as eighty per cent of all buying decisions are influenced by someone’s direct recommendations (Voss, 1984). Marketers should be attentive to the existing WOM activity in the market place and try to adjust their marketing efforts to generate positive WOM. For luxury products, psychological risk can be reduced by positive WOM from friends, family members and colleagues. Marketers could also discuss the quality of their products in the media by using real life spokespersons or celebrities to speak about their experiences with the product. This strategy also applies to publicly consumed products which are also high in psychological risk. In addition to above, marketers should essentially provide quality products and services to generate positive WOM. This may be even more pertinent to services which are difficult to be evaluated prior to purchase and thus, any information provided by friends, relatives and colleagues is valued strongly. In addition, promotions such as discounts to existing customers who generate new customers by their positive WOM may also prove to be effective.

Marketers can also generate informational reference group influence through the use of experts and professionals who can use product feature appeal and competitive advantage appeal to promote the product and brand. For example, marketers of automobiles could invite experts like

\textsuperscript{57} It is a American multinational corporation that manufactures and markets a wide range of consumer goods.
\textsuperscript{58} He is considered to be India's leading and most successful fashion designer.
\textsuperscript{59} It is a laundry detergent made by Procter & Gamble.
\textsuperscript{60} It is a carbonated soft drink brand of Coca-Cola Company, U.S.A. which is sold worldwide.
\textsuperscript{61} He is an Indian film actor, director and producer.
Murad Ali Baig\textsuperscript{62} to do a write up in the media such as \textit{The Overdrive}\textsuperscript{63}. This could prove to be a credible source of information for the consumers who do not have the time to spend on information search. In addition, marketing firms can hire experts and professionals to recommend their products and brands to the TV audience. This would prove to be effective since they are the experts in their respective fields.

Value expressive reference group influence is found to be high for publicly consumed Products. This signals that marketers should focus on image enhancement by using emotions like recognition, pride, achievement, ambition, status, respect, etc. Thus, messages that are emotionally charged may be preferred. For example, Taj Mahal Tea\textsuperscript{64} advertisement featuring Saif Ali Khan\textsuperscript{65} against the backdrop of Eiffel Tower\textsuperscript{66} portrays the exclusive lifestyle of the rich and famous which most people aspire to have. It indirectly enhances the self-image of consumers through the concept of referent identification by transmitting the message that they too could enjoy that kind of lifestyle if they drink Taj Mahal Tea.

Utilitarian influence is also found to be strongly affecting consumer’s choice of luxury products as well as socially visible products. The preferences, expectations and approval of friends, family members and colleagues are critical in the selection process of such products. It is imperative for marketers to present an affective message using emotions like security, love, affiliation, togetherness, happiness, etc. suggesting that their products and brands are regularly being used by the above mentioned referents may prove to be equally effective for the target audience.

Research findings are helpful in gaining an insight into the research outcome and thus recommending specific marketing actions needed for some of the products used in the study. They are presented in Tables 6.1 and 6.2:

\textsuperscript{62} An automotive journalist, presenting an overview on all matters motoring in India.
\textsuperscript{63} It is India's No.1 Car and Bike Magazine.
\textsuperscript{64} It is a premium tea in India, marketed by Hindustan Unilever Ltd.
\textsuperscript{65} An Indian film actor having aristocratic background also the brand ambassador of Taj Mahal Tea.
\textsuperscript{66} It is an iron lattice tower located in Paris. It is one of the most recognizable structures in the world.
Table 6.2 : Product Choice Decisions- A Cross Comparison*

<table>
<thead>
<tr>
<th>Referents→</th>
<th>Family</th>
<th>Peer</th>
<th>Expert</th>
<th>Celebrity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Influence type↓</td>
<td>PUL(DC, Car) PVL(HA, AC, MW), PVN(Refrigerator)</td>
<td>PUL(DC, Car) PVL(HA, AC)</td>
<td>PUL(DC, Car) PVL(HA, AC, MW), PVN(Refrigerator, TP^1)</td>
<td>–</td>
</tr>
<tr>
<td>Value expressive Influence</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>PUL(TD), PVL(AC) PUN(Shoes)</td>
</tr>
<tr>
<td>Utilitarian Influence</td>
<td>PUL(DC, Car) PVL(HA, AC)</td>
<td>PUL(DC, Car) PVL(HA, AC)</td>
<td>PUL(DC, Car) PVL(HA, AC)</td>
<td>–</td>
</tr>
</tbody>
</table>

(* Only those products are included for which reference group influence is significantly higher than others. TP falls only under expert’s influence.)*

DC: Digital Camera, AC: Air Conditioner, HT: Home Theatre, MW: Microwave Oven, TP: Toothpaste

Table 6.2 : Brand Choice Decisions- A Cross Comparison*

<table>
<thead>
<tr>
<th>Referents→</th>
<th>Family</th>
<th>Peer</th>
<th>Expert</th>
<th>Celebrity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Influence type↓</td>
<td>PUL(DC, Car) PVL(HA, AC, MW)^2 PVN(Refrigerator^2, Mattress^2)</td>
<td>PUL(DC, Car) PVL(HA, AC, MW)^2 PVN(Refrigerator^2)</td>
<td>PUL(DC, Car) PVL(HA, AC)</td>
<td>–</td>
</tr>
<tr>
<td>Value expressive Influence</td>
<td>–</td>
<td>PUL(DC, Car, TR) PVL(HA, AC) PUN(Shoes, Trousers), PVN(Pen^3)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Utilitarian Influence</td>
<td>PUL(DC, Car, TR) PVL(HA, AC)</td>
<td>PUL(DC, Car, TR) PVL(HA, AC)</td>
<td>PUL(DC, Car, TR) PVL(HA, AC)</td>
<td>–</td>
</tr>
</tbody>
</table>
(Only those products are included for which reference group influence is significantly higher than others. MW and Refrigerator fall only under Peer and family influence\(^2\). Mattress falls only under family influence\(^3\). Pen falls only under value expressive influence\(^4\).

**DC:** Digital Camera, **AC:** Air Conditioner, **HT:** Home Theatre, **MW:** Microwave Oven, **TP:** Toothpaste

In order to induce product choice through informational influence on PUL (DC, Car) and PVL (HT, AC) family, peers and experts seem to be suitable referents. Family and experts appear to be more appropriate referents in case of PVL (MW) and PVN (Refrigerator), while peers especially co-players seem to be more relevant for PUL (TR) and experts like a dentist are more appropriate for PVN (TP\(^1\)). For influencing the brand choice decision, the desired informational input may be provided by family, peers and experts for PUL (DC, Car) and PVL (HT, AC). While family and peers are more appropriate referents for PVL (MW\(^2\)) and PVN (Refrigerator\(^2\)) to influence brand choice decision. Family influence is also significantly high for PVN (Mattress\(^3\)). It is worth noting that despite having an influence on product choice decisions for PVL (MW) and PVN (Refrigerator) experts do not have any influence on brand choice decision for them.

The influence of these referents can be effectively utilized by the marketers as “source” in advertising and as channels of personal influence through WOM communication. BPL limited used block parties or kitty parties for introducing the concept of microwave cooking in 1996 where a chef used to demonstrate cooking Indian dishes in a microwave oven. Membership of a club called “Wavelength” was thrown open to ladies interested in this new way of cooking. Thus BPL marketers used expert (chef) and peer influence for creating a sensation around a new product. Now-a-days special shows like “Gadget Guru\(^67\)” on NDTV India\(^68\), rope in product experts to give their opinion on the new products and brands in the market which is an innovative channel for the communication of information about products and brands.

For product choice decisions value expressive influence seems to be exerted by peers and celebrities on PUL (TR), PVL (AC) and PUN (Shoes). Peers also exert significant value expressive influence on PUL (DC, Car), PVL (HT) and PUN (Trousers). Besides the functional benefits these products seem to provide emotional benefits as well in terms of self image enhancement. For brand choice decisions value expressive influence seems to be exerted by

\(^{67}\) One of the longest running and very popular gadget shows on Indian Television.

\(^{68}\) It is a premier Hindi language news channel in India that is owned by New Delhi Television Ltd.
peers and celebrities on PUL (DC, Car, TR), PVL (AC, HT) and PUN (Shoes). Peers also exert significant value expressive influence on PUN (Trousers). Significant value expressive influence is also found on PUN (Pen). One in four advertisements features celebrities today as opposed to one in eight in 1995 (Seno & Lucas, 2007). Several studies suggest that when a brand becomes associated with a celebrity via the endorsement process, information regarding the celebrity’s activities and achievements get transferred to the brand and have an effect on its image (Till & Shimp, 1998). When a celebrity endorses a brand, the brand hopes that it can benefit from customers’ awareness of the celebrity, which could include the perception of quality (Chattopadhyay et al., 2010), educational value, or a certain image. Celebrity endorsement can be used for a variety of purposes e.g. to attract attention towards the product or brand (Kaikati, 1987), communicate its merits (Kamins, 1990) and penetrate commercial clutter (Miciak & Shanklin, 1994). Spielman (1981) showed that celebrities could be employed to enhance the subject’s attentiveness to the advertisement, make the copy more memorable, credible, or desirable, and effectively glamorize the product.

Thus, celebrity influence is often used by marketers for their publicly consumed products. For example, the lissome model cum actress Deepika Padukone\(^69\) endorses the sleek Cybershot digital camera by Sony\(^70\), Mahendra Singh Dhoni captain of the Indian cricket team endorses Reebok shoes and Shahrukh khan endorses Hyundai i-10\(^71\) car. Interestingly, BlackBerry Mobile phones is targeting generation ‘Y’ by using peer influence in advertising their range of phones on television and on the internet. BlackBerry sales promotion contest “Win a night out for you and 3 Black Berry Mobile friends to one of the best night spots in your city” is directed at peer groups. Friday dressing concept of Allen Solly\(^72\) also uses peer influence for promoting informal dressing in the office on Fridays. Product placement in reality shows is also catching up fast as a tool for promoting products and brands effectively. For example MTV Roadies which promotes Hero Honda Karizma\(^73\) bike besides several other products by using peer group influence. Peer

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\(^69\) She is an Indian actress and a former model.

\(^70\) It is a leading Japanese manufacturer of electronics products for the consumer and professional markets.

\(^71\) It is a hatchback bodied city car produced by the Hyundai Motor Company, Korea.

\(^72\) Launched in 1993 in India, it is an apparel brand targeted at the executives.

\(^73\) It is the flagship motorcycle of Hero Honda group, India.
influence can also sell in-home to groups as in the case of Tupperware\textsuperscript{74} parties. In such instances many individuals buy mainly to conform to group norms.

A uniform utilitarian influence is exerted by family, peers and experts on PUL (DC, Car) PVL (HT, AC) for both product and brand choice decisions. In such situations it makes marketing sense to harness emotions like appreciation, acceptance, rejection, embarrassment, approval, agreement etc. in the advertising for product and brand. For example in an advertisement for Hyundai Santro\textsuperscript{75} car a couple is shown returning after buying a Santro and when they reach their home there is a celebration waiting for them showing that everybody back home including the neighbors, is happy thus reinforcing their brand choice decision. Lenovo advertisement shows an unrelenting father agreeing to the new laptop range by Lenovo for his son, using the punch line, “\textit{Finally the new fun range your dad will say yes to and packed with features your dad will pay for}”.

Generally, there is no one distinct reference group influence to follow for any particular product. It may require a combination of the different types of reference group influence with varying degrees of usage. For instance beauty/personal care products are greatly influenced by all three types of reference group influence, marketers could address some of the needs by providing factual information about their products as well as showing its success stories on celebrities, a communication strategy commonly used by the Unilever\textsuperscript{76} group for their brand ‘\textit{Lux}’ across nations for years.

As per a recent report (Singh & Zachariah, 2010), a quiet revolution is taking shape at the top end of the pyramid, where companies are now eyeing a fortune. During 2010, the average consumer spends, have grown 15\% in the premium cosmetics market. Almost similar trends are visible in consumer durables too.

According to Samsung India deputy MD R. Zutshi, flat-panel TV volumes are doubling year on year, while the split air-conditioner (AC) contribution to total AC sales is now hovering between 65-70 \% compared to a market totally dominated by window ACs a few years ago. A similar

\textsuperscript{74} It is the name of a kitchen products line that includes preparation, storage, containment and serving products which is marketed by means of direct sales force of approximately 1.9 million consultants worldwide.

\textsuperscript{75} It is a city car produced by the Hyundai group, Korea. This car is very popular in India.

\textsuperscript{76} It is a British-Dutch multinational corporation that owns many of the world’s consumer product brands.
situation exists in frost-free refrigerators and fully automatic washing machines, which are growing at a healthy rate of 15-20%. Increasingly people are switching over to more spacious and premium cars.

The change from mass to premium is clearly taking place across industries with disposable incomes going up, growth in the number of double-income households and a number of banks doling out easy financing options. According to data from National Council of Agriculture & Economic Research\(^77\), the affluent class is on its way to more than treble by 2013 (from 3 million households in 2003) and so will the number of aspirers (from 46 million households to 124 million). According to Saloni Nangia, Vice President, Technopak Management Consultants\(^78\), the Indian luxury market is pegged at $3 billion and is set to grow at 20% for the next couple of years. Thereafter, the Indian luxury market shall grow at 15% to $6.5 billion by 2015. Thus, all marketing action is directed at gaining a higher share of a growing premium market.

Due to rapid product diffusion taking place nowadays, exclusive products (luxuries) are fast becoming mass products (necessities). Mobile phones and laptops are common examples of products which diffused faster than the expectations of marketing experts. Flat screen television has been forced out of the private viewing in the bedroom by the sleek LCD TV which adorns the walls of drawing room. Refrigerator too is on its way out of an obscure corner to a more visible spot of the household with the new range of high capacity 3-4 door refrigerators with aesthetic exteriors by LG, Samsung, etc. exhorting the consumers to create an impression on others. It seems that the present consumer is more receptive to new products ideas and is shaken out of the buying inertia for luxury products. Marketers must bear in their minds that India is still a collectivist society as a whole. People in collectivist societies such as India interdependently interpret advertising messages and make implicit or explicit joint product purchase decisions, conforming to in-group members’ dominant opinions and behavior, thereby diluting the impact of advertising.

It is therefore mandatory to adopt a judicious mix of mass media and personal influence to market products. Mass media and non personal sources of influence tend to be most important at

\(^77\) It is India's premier economic research institution, specializing in policy research and applied economics.

\(^78\) A leading Management Consulting firm offering strategic advice in the areas of retail, fashion, healthcare, education, etc.
the early stages of awareness and interest, and WOM and personal influence (opinion leaders) tend to be most important in the later stages of evaluation, trial and adoption (Batra et al., 1999). WOM has been found to be more pervasive under certain market conditions inclusive of evaluation of high involvement products and services. Kapferer (1990) explains this stating that high involvement products are important to consumers and the services received on such products could be classified as credence goods that are goods for which buyers have difficulty evaluating even after they consume the same. Under such conditions, consumers rely on information that represents the experiences of others and only such information is perceived as credible. Goldsmith and Horowitz (2006) proved that consumers relied on other consumers’ opinions to reduce their risks and obtain pre-purchase information.

It is also possible to simulate directly personal influence in the content of advertising itself. This is used in ‘slice of life’ advertising execution. An advertisement can show people similar to the viewer are buying and using the product and, in this sense, act as a personal influence (Belch and Belch, 2004). For example when some stain causing liquid accidentally spills over the dress of one of the friends visiting Sridevi79, she allays the fear of a permanent stain on the dress by successfully demonstrating to them that ‘Vanish’80, stain remover removes the toughest stains.

Marketers should also try to reach opinion leaders by identifying demographic and psychographic characteristics associated with opinion leadership, identifying the media consumption habits of opinion leaders and directing messages at opinion leaders. To market Kitkat kubes81 by Nestle82 created a buzz among opinion leaders in the age 16 to 25 by sending SMS to a database of 20000 out of which 100 opinion leaders were selected who were sent a large box of kitkat kubes to create a craze around the product in the market (Kotler et al., 2007).

In personal selling sales people may attempt to create reference group influence by describing how a customer is similar to previous purchasers of the product. Sales people could describe themselves as a reference group (oh, your children go to ‘xyz’ school? my kids go there too. We bought them an ‘abc’ PC to help them with their history project.) Soliciting experts to aid in

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79 She is an Indian actress who has starred in hundreds of Tamil, Hindi, Telugu and Malayalam language films.
80 This is a brand that pioneered the stain removal fabric care product category in India.
81 These are square-shaped miniature pieces of Kit Kat chocolates produced worldwide by Nestle.
82 It is one of the largest food and nutrition companies in the world, founded and headquartered in Vevey, Switzerland.
direct sale of products can also be a useful strategy e.g. soliciting doctors, dentists, mechanics etc. (Olson and Peter, 2005).

Now-a-days word of web is joining word of mouth as online visitors increasingly create product information on the internet. One does not need to reach 2 million people to let them know about a new product- one needs to reach the right 2000 people in the right way and they in turn will help to reach 2 million (Mount, 2001). Recent survey research also suggests that bloggers, across issue areas, hold strong opinion-leader-like traits and, therefore, should be targeted and used as resources (Pew Internet and American Life Project, 2006). Organizations can engage with bloggers using techniques similar to the cultivation of journalists, developing personal relationships while also providing bloggers with content pitches that fit easily into their posts and that match their reader preferences and interests.

Further, markets can be segmented on the basis of consumer susceptibility to reference group influence. Markets having consumers with high susceptibility to reference group influence can be separated from those having consumers with low susceptibility. Markets can also be segregated on the basis of various forms of reference group influence e.g. Information seeking consumers, approval seeking consumers and self enhancement seeking consumers. Similarly, markets can also be defined as family-inclined consumers, peers-inclined consumers, celebrity-inclined consumers, etc. Several permutations and combinations of the various forms of reference group influence and different referents can be made to arrive at new market segments.

An easy option before the marketers is to segment the market based on the demographic variables. The multiple comparison analysis in the present study does bring up some segments which are somewhat more susceptible to reference group influence e.g. young consumers, student consumers, consumers with low income, etc. However, these are superficial indicators of consumer behavior. In the opinion of the researcher, the marketers should try to locate the real motives and drivers of consumption by researching the psychographics of the consumers. Anandan et al. (2006) in their study based on values and lifestyle (VALS) framework have shown that psychographic profile of customers of three leading English news papers goes hand-in-hand with the brand image of the newspapers leading to greater brand loyalty. BlackBerry Mobile phones are using personality based segmentation to market their handsets. The Dreamer,
the Explorer, the Achiever, the Leader and the Winner are the different personas of BlackBerry users which have been identified after an extensive study of the market. These personas with their psychographic profile are easily accessible on their official website as well distinctly highlighted in their advertising campaign, “Do what you love, love what you do”.

Further, product and service offerings can also be developed specifically for the members of the specific groups. For example, Harley Davidson Motorcycles\(^{83}\) are made for special type of bikers. World over, Harley owners ride along with people who share a common affection to big shiny V-twin engines\(^{84}\). The groups call themselves the Harley Owners Group (HOG).

\(^{83}\) It is an American motorcycle, which sustains a loyal brand community which keeps active through clubs, events, and a museum. Licensing of the Harley-Davidson logo accounts for almost 5% of the company's net revenue.

\(^{84}\) These are two cylinder internal combustion engines where the cylinders are arranged in a V configuration.