# Social factors influencing purchase behaviour

Man is a social animal. Hence, our behaviour patterns, likes and dislikes are influenced by the people around us to a great extent. We always seek confirmation from the people around us and seldom do things that are not socially acceptable. The social factors influencing consumer behaviour are:

- Family
- Reference Groups
- Personal influence
- Roles and status

# Family

There are two types of families in the buyer's life viz. nuclear family and Joint family. Nuclear family is that where the family size is small and individuals have higher liberty to take decisions whereas in joint families, the family size is large and group decision-making gets more preference than individual. Family members can strongly influence the buyer behaviour, particularly in the Indian contest. The tastes, likes, dislikes, life styles etc. of the members are rooted in the family buying behaviour.

The family influence on the buying behaviour of a member may be found in two ways

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- The family influence on the individual personality, characteristics, attitudes and evaluation criteria and
- The influence on the decision-making process involved in the purchase of goods and services. In India, the head of the family may alone or jointly with his wife decide the purchase. So marketers should study the role and the relative influence of the husband, wife and children in the purchase of goods and services.

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An individual normally lives through two families:

*Family of orientation:* This is the family in which a person takes birth. The influence of parents and individual's upbringing have a strong effect on the buying habits. For instance, an individual coming from an orthodox Tamil or Gujarati vegetarian family may not consume meat or egg even though s/he may appreciate its nutritional values.

*Family of procreation:* This is the family formed by an individual with his or her spouse and children. Normally, after marriage, an individual's purchasing habits and priorities change under the influence of spouse. As the marriage gets older, the people usually settle in certain roles. For instance, a father normally takes decisions on investment whereas the mother takes decision on health of children.

From a marketing viewpoint, the level of demand for many products is dictated more by the number of households than by the number of families. The relevance of families to marketing is therefore much more about consumer *behaviour* than about consumer *demand levels*. In terms of its function as a reference group, the family is distinguished by the following characteristics:

*Face-to-face contact:* Family members see each other every day and interact as advisers, information providers and sometimes deciders. Other reference groups rarely have this level of contact.

*Shared consumption:* Durables such as refrigerators, washing machines, televisions and furniture are shared, and food is collectively purchased and cooked. Purchase of these items is often collective; children even participate in decision making on such major purchases as cars and houses.

*Subordination of individual:* Because consumption is shared, some family members will find that the solution chosen is not one that fully meets their needs.

*Purchasing agent:* Because of the shared consumption, most families will have one member who does most, or all, of the shopping. Traditionally, this has been the mother of the family, but increasingly the purchasing agents are the older children of the family and even pre-teens are sometimes taking over this role. The reason for this is the increase in the number of working mothers who have less time for shopping. This has major implications for marketers, since pre-teens and young teens generally watch more TV than adults and are therefore more open to marketing communications.

*Role specialisation:* It is critical in family decision making because of the sheer number of different products that must be bought each year in order to keep the family supplied. What this means in practice is that, for example, the family member responsible for doing the cooking is also likely to take the main responsibility for shopping for food. The family member who does the most driving is likely to make the main decision about the car and its accessories, servicing, fuelling and so forth; the family gardener buys the gardening products, and so on.

Four kinds of marital role specialization have been identified:

Wife dominant	This is the case where the wife has most say in the decision		
Husband dominant	This is the scenario where the husband plays the major role		
Syncratic or democratic	The decision is arrived at jointly		
Autonomic	The decision is made entirely independently of the partners		

For example, the wife may have the biggest role in deciding on new curtains, the husband may have the lead role in choosing the family car, they both may decide on their children's education and the husband alone might choose the deodorant and wife can chose perfume. Davis conducted a survey in U.S. from which he identified 3 patterns of decision-making within the family and product category to which each is associated.

- Husband dominant role is prominent for purchase of life insurance, cars and televisions
- Wife dominant is applicable for washing machines, kitchenware and non-living furniture
- Equal role is evident in purchase of living-room furniture, holiday packages, entertainment and furnishings

Marketers need to identify which role specialisation type is mainly operating within a target market in order to know where to aim the promotional activities.

**Product category** affects role specialization and decision-making systems. When an expensive purchase is being considered, it is likely that most of the family will be involved in some way, if only because major purchases affect the family budgeting for other items. At the other end of the sale, frequent shopping of low-price convenience goods like bathing soap or detergents entails very little collective decision-making. Where the product has a shared usage (a holiday or a car) the collective decision making component is likely to increase greatly. Conversely, where the product is used predominantly by one family member, that member will dominate the decision making even when the purchase is a major one. For example, female members in a family normally make most of the decisions about the new cooker, frying pan or other cooking utensils.

*Culture* has a marked effect on family decision-making styles. Religion and nationality will often affect the way decisions are made. Indian cultures tend to be male dominated in decision-making, whereas European and North American cultures show a more egalitarian pattern of decision-making.

There are two issues here for the marketer: first, what is the effect on the marketing mix of the multi-ethnic society like in India; and secondly, what is the effect when dealing internationally? This is a somewhat sensitive area and the marketers are still getting to grips with.

*Social class* creates patterns of decision-making. Among very wealthy families, there appears to be a greater tendency for the husbands to make the decisions, but at the same time the norms of purchase tend to be well established and therefore discussion is unnecessary. Lower-class families, with low incomes, tend to be more matriarchal, with the wives often handling the financial decisions about rent, insurance, grocery and food bills without reference to the husbands. Middle-class families tend to show greater democratic involvement in decision-making. These social class distinctions are gradually breaking down, however, as a result of increasing wealth and mass education.

The family may well adopt different roles according to the *decision-making stage*. At the problem recognition stage of, for example, the need for new shoes for the children, the children themselves may be the main contributors. The mother may then decide what type of shoes should be bought, and the father may be the one who takes the children to buy the shoes. It is reasonable to suppose that the main user of the product might be important in the initial stages, with perhaps joint decision making at the final purchase.

*Other determinants* might include such factors as whether both parents are earning. The double-income families generally take decisions jointly because each has a financial stake in the outcome. Gender role orientation is clearly crucial to decision making. Husbands (and wives) with conservative views about gender roles will tend towards the assumption that most decisions about expenditure will be made by the husband. Even within this type of decision-making system, however, husbands will usually adjust their own views to take account of their wife's attitudes and needs.

**Conflict resolution** tends to have an increased importance in family decision-making as opposed to individual purchase behaviour. The reason for this is that, obviously, more people are involved, each with their own needs and their own internal conflicts to resolve. The conflict resolution is explained below.

#### Persuasion through information exchange

When a conflict occurs, each family member seeks to persuade others of his or her point of view. This leads to discussion and ultimately some form of compromise.

#### **Role expectation**

If persuasion does not work, a family member may be designated to make the decision. This is usually somebody who has the greatest expertise in the area of conflict being discussed. This method appears to be going out of fashion as greater democracy in family decision-making is appearing.

#### **Establishment of norms**

Families will often adopt rules for decision-making. Sometimes this will involve taking turns over making decisions (perhaps over which restaurant the family will go to this week, or where they will go on holiday).

#### **Power exertion**

This is also known as browbeating. One family member will try to exert power to force the other members to comply; this may be a husband who refuses to sign the cheque unless he gets his own way, or a wife who refuses to cook the dinner until the family agree, or a child who throws a tantrum. The person with the most power is called the *least dependent person* because s/he is not as dependent on the other family members. Using the examples above, if the wife has her own income, she will not need to ask the husband to sign the cheque; if the other family members can cook, they can get their own dinner; and if the family can ignore the yelling toddler long enough, eventually the child will give up.

The family is a flexible concept, and families go through life cycles, known as **Family Life Cycle** (FLC). Influence of children on buying decisions, known as **Pester Power** has become quite important for last few years.

# **Family Life Cycle**

There have been various versions of the Family Life Cycle (FLC), but most are based on the original work of Wells and Gubar. The stages of FLC are described below.

# Single/Bachelor stage

Single people like student, unemployed youth or professionals at their age tend to have low earnings, but also have low outgoings so have a high discretionary income. They tend to be more fashion and recreation orientated, spending on clothes, music, alcohol, eating out, holidays, leisure pursuits and hobbies, and 'mating game' products. They may buy cars and items for their first residence away from home.

#### Newly married couples

Newlyweds without children are usually dual-income households (Double Income No Kids commonly known as DINK) and therefore usually well off. They still tend to spend on similar things to the singles, but also have the highest proportion of expenditure on household goods, consumer durables and appliances. Appear to be more susceptible to advertising.

### Full nest I

When the first child arrives, one parent usually stops working outside the home, so family income drops sharply. The baby creates new needs, which alter expenditure patterns: furniture and furnishings for the baby, baby food, vitamins, toys, nappies and baby food. Family savings decline, and couples are usually dissatisfied with their financial position.

# Full nest II

The youngest child is over 6, so often both parents will work outside the home. The employed spouse's income has risen due to career progression, and the family's total income recovers. Consumption patterns still heavily influenced by children: bicycles, drawing or swimming lessons, large-size packages of breakfast cereals, cleaning products, etc.

# Full nest III

Family income improves, as the children get older. Both parents are likely to be working outside the home and both may have had some career progression; also, the children will be earning some of their own money from paper rounds, part-time jobs, etc. Family purchases might be a second car, replacement furniture, some luxury items and children's education.

# Empty nest I

Children have grown up and left home. Couples are at the height of their careers and spending power, have low mortgages and reduced living costs. Often go for luxury travel, restaurants and theatre, so they need fashionable clothing, jewellery, diets, spas, health clubs, cosmetics or hairdressing.

#### **Empty nest II**

Main breadwinner has retired, so some drop in income. Expenditure is more health orientated, buying appliances for sleep, over-the-counter (OTC drugs like Crocin, Disprin, Gellusil) remedies for indigestion. They often buy a smaller house or move to an apartment in suburbs.

#### Solitary survivor

If they still are in the workforce, widows and widowers enjoy a good income. They may spend more money on holidays, as well as the items mentioned in empty nest II.

#### **Retired solitary survivor**

Same general consumption pattern is evident as above, but on a smaller scale due to reduced income. They have special needs for love, affection and security, so may join local clubs for aged etc.

The family life cycle is a useful rule-of-thumb generalisation, but given the high divorce rate and the somewhat uncertain nature of career paths, it is unlikely that many families would pass through all the stages quite as neatly as the model suggests. The model was developed in 1965 and 1966 and should therefore be treated with a degree of caution.

# **Pester Power**

#### Influence of children on buying decisions

First-born children generate more economic impact than higher-order babies. First-born and only children have a higher achievement rate than their siblings, and since the birth rate is falling, there are more of them proportionally. More and more couples are choosing to have only one child and families larger than two children are becoming a rarity. Childlessness is also more common now than it was 30 years ago.

Children also have a role in applying pressure to their parents to make particular purchasing decisions. The level of 'pester power' generated can be overwhelming, and parents will frequently give in to the child's demands. This is substantiated by the spurt of cartoon channels like Cartoon Network, Pogo, Nick, Animax, Hungama or Splash, all of which depend on the advertisements of all possible products in which children have their influence over their parents. Although the number of children is steadily declining, their importance as consumers is not. Apart from the direct purchases of things that children need, they influence decision making to a marked extent. Children's development as consumers goes through five stages:

- 1. Observing
- 2. Making requests
- 3. Making selections
- 4. Making assisted purchases
- 5. Making independent purchases

Recent research has shown that pre-teens and young teens have a greater influence on family shopping choices than do the parents themselves, for these reasons:

- Often they do the shopping anyway, because both parents are working and the children have the available time to go to the shops.
- They watch more TV, so are more influenced by advertising and more knowledgeable about products.

They tend to be more attuned to consumer issues, and have the time to shop around for.

# **Reference group**

A group is two or more persons who share a set of norms and whose relationship makes their behaviour interdependent. A reference group is a group of people with whom an individual associates. It is a group of people who strongly influence a person's attitudes, values and behaviour directly or indirectly. Therefore knowledge of reference groups is quite essential for marketers for successful marketing. This makes easier for the marketers to know why

consume behave in a particular way. Hendon highlighted how reference group behaviour changes as per product life cycle as discussed below.

- In the introduction stage, the question of whether to buy is heavily influenced by others, although the choice of brand is so significant
- In the growth stage, the group influences both the product and brand choice
- In maturity stage, brand and not the product is subject to influence
- Influence of reference groups in the decline stage is almost inevitably weak in terms of both the product and brand choice

		Influence on product choice	
		Low	High
	Low	Decline stage	Introduction stage
Influence on brand choice	High	Maturity stage	Group stage

Reference groups fall into many possible grouping, which are not necessarily to be exhaustive (i.e. non over-lapping). The various reference groups are:

i) <u>Membership or contractual groups</u>: They are those groups to which the person belongs, and interacts. These groups have a direct influence on their member's behaviour.

ii) <u>Primary or normative groups</u>: They refer to groups of friends, family members, neighbours, co-workers etc. whom we see most often. In this case, there is fairly continuous or regular, but informal interaction with cohesiveness and mutual participation, which result in similar beliefs and behaviour within the group.

iii) <u>Secondary groups</u>: They include religious groups, professional groups etc, which are composed of people whom we see occasionally. These groups are less influential in shaping attitudes and controlling behaviour, but can exert influence on behaviour within the purview of the subject of mutual interest. For example, you can be member of a philately or literary club where you can discuss on mutually interesting subjects.

iv) <u>Aspirational groups</u>: These are groups to which a person would like to join as member. These groups can be very powerful in influencing behaviour because the individual will often adopt the behaviour of the aspirational group in the hopes of being accepted as a member. Sometimes the aspirational groups are better off financially, or will be more powerful; the desire join such groups is usually classed as ambition. For example, a humble office worker may dream of one day having the designation to be present in the company boardroom. Advertising commonly uses images of aspirational groups, implying that the use of a particular product will move the individual a little closer to being a member of an aspirational group. Just consider Nokia 6230 ad campaign where an young man with Nokia mobile is shown to be capable to go the top position in the company, thus instigating you to use the same model in order to join the same aspirational group.

v) <u>Dissociative or avoidance groups</u>: These are groups whose value an individual rejects and the individual does not want to be associated with. For example, a senior corporate executive does not want to be taken as a teenager. Hence, the individual will try to avoid certain products or behaviours rather than be taken for somebody from the dissociative group. In the just given example, the executive may not use cigarette, perfume or car, which are very much teenager-oriented. Like aspirational groups, the definition of a group as dissociative is purely subjective and it varies from one individual to the next.

vi) <u>Formal groups</u>: These groups have a known list of members, very often recorded somewhere. An example might be a professional association, or a club. Usually the rules and structure of the group are laid down in writing. There are rules for membership and members' behaviour is constrained while they remain part of the group. However, the constraints usually apply only to fairly limited areas of behaviour; for example, the association of Chartered Accountants (CA) or the Cost Accountants have laid down the codes of practice for their members in their professional dealings, but has no interest in what its members do as private citizens. Membership of such groups may confer special privileges, such as job advancement or use of club facilities, or may only lead to responsibilities in the furtherance of the group's aims.

vii) <u>Informal groups</u>: These are less structured, and are typically based on friendship. An example would be an individual's circle of friends, which only exists for mutual moral support, company and sharing experiences. Although there can be even greater pressure to conform than would be the case to a formal group, there is nothing in writing. Often informal groups expect a more rigorous standard of behaviour across a wider range of activities that would a formal group; such circles of friends are likely to develop rules of behaviour and traditions that are more binding than written rules.

viii) <u>Automatic groups</u>: These are those groups, to which one belongs by virtue of age, gender, culture or education. These are sometimes also called *category groups*. Although at first sight it would appear that these groups would not exert much influence on the members' behaviour, because they are groups, which have not been joined voluntarily, it seems that people are influenced by group pressure to conform. For example, when buying clothes, older people are reluctant to look like a teenager and hence they normally do not buy jeans.

ix) <u>Indirect groups</u>: In this case, the customers are not in direct contact with the influencers. For example, a film star like Shah Rukh Khan pitches for Santro car, it obviously has a deep influence over the blind fans.

x) <u>Comparative groups</u>: The members of this group are those with whom you compare yourself. For example, you may compare yourself with your brother or sister (sibling rivalry) or the colleagues and try to emulate by possessing some unique products or brands like Modava watch or Christian Dior perfume.

xi) <u>Disclaiment group</u>: You belong to some groups, but not conform to the norms and standards of those groups.

xii) <u>Contactual group</u>: The group with which we are in regular contacts like college friends, office colleagues.

The above categories of group are not mutually exclusive. A dissociative group could also be an informal one; a formal group can be a secondary group (and often is) and so forth. For example, one may not wish to become friends with a group of drunken hooligans (who see themselves as an informal group of friends having a good time). Likewise the golf club could be a place of refuge to which one retreats to have a quiet drink with like-minded people, as well as a place where golf is played.

Reference groups affect consumer choice in three ways, as shown in following table.

# Influence of reference groups

Type of influence	Definition	Explanation	Example
Normative compliance	The pressure exerted on an individual to conform and comply	This works best when social acceptance is a strong motive, strong pressures, strong pressures exist from the group and the product or service is conspicuous in its use	Street gangs require their when social members to wear specific jackets, or other uniform. The members want to be pressures exist from accepted, the pressure to the group, and the wear the jacket is great, product or service is and the jacket itself is a conspicuous in its conspicuous badge of membership.
Value- expressive influence	The pressure that comes from the need	The desired outcome is respect from for psychological others; this pressure comes from the need group for esteem, rather than from the need to belong.	The businessman in his pinstripe suit or the teenager in his colourful shirt, sweatband and jeans are both seeking respect from others by expressing a set of
Informationa l influence	The influence arising from a need to seek information from the reference group about the product category being considered	People often need to get expert advice and opinion about their product choices. This can often be provided by the appropriate reference group.	Many professional organisations and trade bodies offer their members free advice about useful products for their businesses. Clearly a recommendation on, say, computer software for the steel or chemical industry would be well received if it came from the association of steel manufacturers or chemical producers.

Of these influences, *normative compliance* is probably the most powerful. The source of normative compliance lies in *operant conditioning;* individual finds that conforming behaviour results in group approval and esteem, whereas non-conforming behaviour results in the group disapproval. Eventually the 'good' behaviour becomes automatic and natural, and it would be difficult to imagine any other way of doing things. The principles of good moral behaviour are not absolutes; they are the result (in most cases) of normative compliance with a reference group.

Of course, the pressure to conform will only work on someone who has strong motivation to be accepted. If the pressure is coming from as aspirational group, this is likely to be the case; if, on the other hand, the pressure is coming from a dissociative group, the reverse will be the case and the individual will not feel under any pressure to conform. For example, most lawabiding citizens would comply with instructions from the police, and would usually go out of their way to help the police. Criminals, on the other hand, might avoid helping the police even in circumstances where their own crimes were not at issue.

The conspicuousness of the product or service is also crucial to the operation of normative compliance. For example, if all your friends vote BJP or Congress, you might be under some pressure to do likewise; but since the ballot is secret, nobody will know whom you have voted and hence there is little pressure for normative compliance. Likewise, if all your friends drink Coca-Cola, you may feel under pressure to do the same, but might be happy with other brand like sprite or Fanta when you are having at your own dining room. Advertisers often appeal to the need to belong to an aspirational group. The TV campaign for Mountain Dew, in which a group of young men boast of their adventurous sporting accomplishments, is an example of this. The campaign is intended to appeal to those who see the group as exciting, and would like to belong.

Normative compliance is in decline in the urban society due to the shifting social paradigm towards a more *inner-directed* society. The reduction in face-to-face interaction may be leading to this move away from normative compliance as people now more communicate by impersonal means such as telephone, E-mail and fax.

The reference group will not exert influence over every buying decision. Even in circumstances where group influence does come into play, the consumer will be influenced by other variables, which are shown in the following table.

# Determinants of reference group influence

Determinant		<b>_</b>	Example
Judgement	The criteria	Judgement standards are	Indian joint families maintain a
standards	used by the	objective when the group	system of drawing a
	individual to	norms are obvious and when	unanimous decision and the
	evaluate the	the group approach is clearly	individual members believe it
	need to	the sensible course of action.	is important to conform,
	conform	The standards are subjective	whereas in the individualistic
		when it is not clear which is	Western society, members of a
		the most sensible course of	family do not see a need to
		action	conform

Duadaat	The features	The two main characteristics	In last form many the mabile
Product characteristics	The features of the	The two main characteristics necessary for group influence	In last few years, the mobile phone became the symbol of
characteristics		to work are that the product	-
	product those are salient to	should be <i>visible</i> , and that it	the teenagers and youths. First, it was obvious when in use
	the group	should stand out (non-	because it was almost
	influence	universal ownership)	invariably used in public
			places, and second, it was
			something that not everybody
Member	The traits of	Deeple years considerably in	had.
	The traits of	People vary considerably in	It transpires that university
characteristics	the group	the degree to which they are	students are much more likely
	member,	influenced by the pressures	to conform to group norms
	which make	from the group. Some people	than housewives. This is
	him or her	remain fairly independent,	possibly because the university
	more or less	where others conform	students are young, poor and
	susceptible	habitually. Personality, status	away from home, so they have
	group	and security all seem to play	a greater need to belong.
	pressures	major roles in determining	
		whether an individual will	
		conform or not.	
Group	The features	The power of the group to	Most smokers take up the habit
characteristics	of the group	influence the individual	as a result of peer group
	that influence	varies according to size,	pressure when they are young.
(C) Or	individuals to	cohesiveness and leadership.	If a child's friends are strongly
Ker man	conform	Once the group is bigger than	anti-smoking, the influence
		three members, the power to	from advertisers and even
1		influence levels off. This is	family background is likely to
	/ Sha	probably because the group	be much less of an influence.
	/	has difficulty reaching a	
$\sim$		consensus. Likewise, the	
		stronger the leadership the	
		greater is the influence, and	
		the greater the cohesiveness	
		the stronger the influence,	
		because the group reaches a	
Dala		clear decision.	The enderson (
Role model	An individual	A role model is a hero, a star	The endorsements of various
	whose	or just somebody the	brands by Amitabh Bachchan,
	influence is	individual respects and	Shah Rukh Khan or Sachin
	similar to that	admires, and wishes to	Tendulkar create the demand
	of a group	imitate.	for those brands among their
			followers

In a reference group, there may be a group leader who acts as an 'opinion leader' and whose life style is most likely to be adopted by others in the group. The opinions provided by the opinion leaders are taken up by 'opinion followers' and the psychology behind advertisements showing various endorsements by well-known sporting or film personalities is an application of this principle in practice. Hence, marketers must try to contact and impress upon the opinion leader to popularise their products. This is the reason why Amitabh Bachchan, Shah Rukh Khan or Sachin Tendulkar gets so many endorsement offers.

Francis Bourne carried out another research on influence of reference groups to consumer behaviour where he argued that the requirement that must be fulfilled in order for a product to come under reference group influence is that it must be conspicuous in terms of being visible and identifiable by others. Bourne suggested 4 possibilities regarding the influence of others in the purchase of a product and in the choice of a particular brand or type of the product.

# Bourne's model on influence of others in purchase

Strong

Influence of others in the Purchase of a product

Weak

Product (+)	Product (+)
Brand (-)	Brand (+)
Product (-)	Product (-)
Brand (-)	Brand (+)

Weak Strong Influence of others in the choice of a Particular brand or type of the product

1. <u>Product (+) Brand (+)</u>: In this case, reference groups influence in both selecting product and the brand. For example, both the decisions of whether to smoke and what brand to smoke are influenced by reference groups.

2. <u>Product (+) Brand (-)</u>: Here the product decision is influenced by the reference groups, but the brand or type of product not. Bourne has suggested that air conditioners, television sets and instant coffee are the examples of these kinds of products. In case when markets become saturated, the products are no longer conspicuous in a relative sense and tend to drop to product (-) brand (-) category (discussed later).

3. <u>Product (-) Brand (+)</u>: In this case, the products like clothing are so common that reference groups do not influence the decision. But the decisions on brand (Raymonds/Vimal or Van Heusen/Peter England) or type (sarees/ salwars/ skirts/ cholis) of product are influenced heavily by the reference groups.

4. <u>Product (-) Brand (-)</u>: These types of products have low social significance and conspicuousness. These products like salt, steel are normally commodities and hence, the

reference groups have least influence on both selecting the product and the brand or type of the product

# **Personal influence**

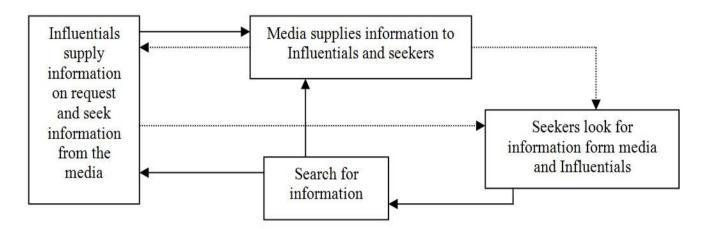
Groups and individuals obviously have a strong influence on people's attitudes and behaviour. There are three main theories regarding the mechanisms whereby this personal influence is exerted.

1. Trickle-down theory: This theory says that lower-class people often imitate the upper-class people. Influence is transmitted down from the wealthier classes to the poorer classes, as the poorer groups in society seek 'better themselves' There can be 'trickle-up', where the consumption trend transmits from lower class to upper class. One good example if jeans, which started as a cheap clothing alternative for the miners, have emerged as a major fashion trend amongst even the rich people. Trickle-down theory is now being replaced with *homophilous influence*, which refers to transmission between those of similar age, education, social class etc. i.e. between those who have a lot in common.

2. Two-step flow theory: This theory states that the new ideas flow form the media to 'influentials', who then pass the information on to the rest of society. For example, a new technology such as camera-in mobile only gets accepted to us when some knowledgeable persons advocate us to purchase that.

**3.** *Multistage interaction theory:* This model agrees that some people are more influential than others, but also recognises that the mass media affect both influential and seeker. The influential does not mediate the information flow, as the two-step model suggests, but rather acts as a mechanism for emphasising or facilitating the information flow. Within this model, there is continuous dialogue between marketers, seekers and Influentials, with many stages of influence before the new idea is adopted or rejected.

# Multistage Interaction Model



The influencers like to pass on their knowledge for following reasons:

- Involvement: The influencer is actually interested in the subject area and wants to share the excitement with others. For example, a purchaser of new model of stereo system wants to tell friends and relatives to get the pleasure of owning the equipment.
- 2. *Self-enhancement:* It is about airing one's superior knowledge. People like to appear to be 'in the know'. For instance, many influencers strive for appearing to be a connoisseur of delicious foods, works of art, nice holidays or classic cars.
- 3. Concern for others: The genuine desire to help a friend to reach a good decision often prompts the expert to say, 'OK, I'll come with you when you go to the shop.' This factor works most strongly when there is a strong link between the people involved, and when the influencer has been very satisfied with the product or service concerned.
- 4. Message intrigue: It is the factor concerned with comments about advertising messages. If an advertisement is particularly intriguing or humorous, people will discuss it, which enhances the message by repetition. For example, the long series of ads of Amir Khan starred Coca-Cola campaign ("thanda matlab …") created a lot of interest among the viewers.
- 5. Dissonance reduction: It is about reducing doubts after making a major purchase. As word-of-mouth influence, this can be good or bad: sometimes the influencer will try to reassure him or herself by telling everybody about the good points of the product; more often, though, the disappointed customer will use word-of-mouth to complain

bitterly and explain how the wicked manufacturer has cheated him or her. This is sometimes a way of passing the responsibility over to the supplier rather than admitting that the influencer has made a bad decision or a bad choice. This occurs quite often in case of purchasing car, washing machine or television sets.

Overall, word-of-mouth influence is much stronger than advertising or other marketer-produced communications. For marketers, then, the problem lies in knowing how to use word-of-mouth to its best advantage. Following table offers some comparisons and strategies.

Strong influence	Weak influence	Tactical suggestions	
Seeker initiates	Source initiates	Advertising could emphasise the	
conversation with	conversation with seeker	idea of 'Ask the person who owns	
source		one'.	
Negative information	Positive information	Because marketers are uniformly	
		positive about the product, the	
		seeker is more alert to any	
		negatives. The essential thing for	
66.60		marketers to do is to ensure that	
		any complaints are dealt with	
		immediately and thoroughly.	
Verbal communication	Visual communication is	Where appropriate, marketers	
is stronger for thinking	stronger for awareness	could encourage satisfied	
and evaluation	and stimulation of	customers to show their friends	
	interest	the product	

Power	of	word-of-mouth	influences

# **Roles and status:**

A person participates in many groups like family, clubs, and organisations. The person's position in each group can be defined in tern of role and status. A role consists of the activities that a person is expected to perform. Each role carries a status. People choose products that communicate their role and status in society. Marketers must be aware of the status symbol potential of products and brands.