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A.5 External Consumer Influences

EXTERNAL CONSUMER VARIABLES AND THEIR INFLUENCE ON CONSUMER DECISION MAKING

The **consumer decision-making process** by which individuals select products and services that will serve their needs is described in GLOSSARY entry A.2. That decision-making process is influenced by both internal and external variables. In this entry, seven important external variables are examined to demonstrate their influence on consumer **decision making and their application to marketing decision making**. The external consumer variables to be examined are culture, subculture, social class, reference groups, the family, personal influence, and situational variables.

Culture. The broadest of the external consumer influences is culture. **Culture** consists of the socially shared elements of our society. It includes material elements such as art and architecture and nonmaterial elements such as shared norms, beliefs, values, and

ways of solving problems. The scope of culture is society wide. We speak, for example, of a United States culture or a Western European culture.

Cultural values, the shared, central beliefs of a society, are of particular importance to marketers. Individualism, a belief in the importance, worth, and freedom of individuals, is an example of a value widely held by members of the U.S. culture. Like other elements of the culture, cultural values are learned by members of the society, usually at an early age, with the family being particularly influential. Cultural values are stable, yet they do slowly change to adapt to new conditions. There are indications, for example, that belief in the equality of all members of society has increased while a belief in the value of work or the work ethic has declined in recent decades.

In consumer decision making, cultural values serve the consumer as guidelines to acceptable and tested modes of behavior. As consumers search for information to determine ways to solve problems, one source of

information is culture, for it can suggest solutions that are not only tested and known to be satisfactory, but also represent socially acceptable behavior in the society. Cultural norms and values tend to provide broad guidelines to acceptable product types, but less often provide guidance in brand selection.

Culture results in common values within a society, but there are frequently differences in values across societies. These **cross-cultural differences** are one of the reasons why consumer product choice varies from society to society. Marketers must adapt to these cultural differences in developing global marketing strategies.

Subculture. Subgroups within the society that are homogeneous in their values, traditions, customs, and problem-solving patterns are termed **subcultures**. Identifiable subcultures in the United States include ethnic groups (blacks and Hispanics, for example), religious groups (Catholics), age groups (teenagers, the elderly), and regional groups (Southerners). The strength of subcultures varies considerably. Subcultures that are highly homogeneous and whose members closely identify with the subgroup will have greater influence on consumer behavior.

Subculture influences consumer behavior in much the same way culture does. Members of a subculture look to the values and traditions of the subculture as guidelines to successful and acceptable modes of behavior. As in the case of the culture, members of a subculture will treat the subculture norms, values, and customary ways of behaving as a source of information that aids in finding a satisfactory solution.

Social Class. Social classes result from the stratification of the society into groups of equal status or prestige. A **social class**, then, is made up of people or families with equivalent social standing. Social class is the result of the perceptions of others in society, but it is usually measured using such objective and, therefore, more easily measured indicators as source of income, occupation class,

and nature of dwelling. Various social class schemes have been proposed, each based on somewhat different measurement criteria. Most result in three basic classes: upper, middle, and lower. Each of these is usually divided into two or more subclasses.¹

Opinions vary as to the influence of social class on consumer behavior. It has been demonstrated that members of a social class share some values, attitudes, and behavior patterns. Members of a social class are believed to emulate the behavior of the social class to which they belong so that they are known and accepted as members of that class. Members of a social class also make choices that will put them in association with members of their own social class. Socially visible and status-oriented products are more likely to be influenced by social class. Automobiles, clothing, and furniture are examples of such products. Consumers make many recreational and vacation choices that will place them in association with people in their own social class. This also seems to be true of shopping behavior. People feel most comfortable shopping in stores that cater to their social class and whose patrons are in their class. Media viewing and reading patterns also appear to differ by social class. **Upper classes, for example, view less television and read more print media than lower classes.** There are also substantial differences within each medium by program type or publication subject.

Reference Groups. Consumers come in contact with many groups of related people, but the reference group is particularly important as an influence on consumer behavior. **Reference groups** are groups that consumers refer to in gaining information, forming attitudes, and deciding upon behavior. There are several ways to classify reference groups. The relationship may be primary (contact is regular) or secondary

¹For a review of recent work in defining social classes, see Richard P. Coleman, "The Continuing Significance of Social Class in Marketing," *Journal of Consumer Research* 10 (December 1983), pp. 265-80.

(occasional association) and formal (highly organized) or informal (loosely structured). They may be groups of which one is a member or they may be groups to which one aspires to belong. A group can be a positive reference (want to be like them) or a negative one (do not want to be like them).

Reference groups are influential with consumers for several reasons. They are often seen as a source of unbiased and believable information. Reference groups are generally considered more credible sources of information than commercial sources, such as advertising or salespersons, especially for information about the social acceptability and psychological benefits of a product. Reference groups may include members who are perceived as experts on a particular problem. Consumers are also led to accept reference group influence because of their desire to identify with the group and thereby strengthen their own self-image. Finally, consumers are influenced to accept reference group influence because of the power of the group to accept or reject them and their behavior.

Reference groups serve as an important source of information used by consumers in their decision making. They serve as sources of expert information about available products and their characteristics. They can provide information on the social acceptability of various problem solutions and they can provide a basis against which consumers can contrast their own attitudes and product choices. Because of the social influence of reference groups, they are believed to be especially influential in the purchase of products that are socially visible. Examples might be automobiles, clothing, and beer.²

The Family. Families are a form of reference group, but because of their great influence in consumer decision making they are considered separately. Family decision mak-

ing is a group process with family members playing a variety of roles. The **initiator** is the one that recognizes the problem and begins the decision-making process. The **information gatherer** seeks information about available products and their characteristics and the **influencer** exerts personal influence on the decision. The **decision maker** makes the final product decision and the **purchasing agent** makes the purchase. The **consumer** uses the product. Husband, wife, and children can play any of these roles in a particular situation.

The relative influence of husband and wife in product selection varies by role and by product type. Husbands are thought to be more concerned with the instrumental or functional aspects of a purchase while wives are more concerned with the expressive values such as the emotional or social values of the product. Husbands are supposedly more influential in solving problems external to the family while wives focus more on solving internal family problems. Joint decision making is likely to appear for products to be used by the whole family and for large, high risk purchases. Research on purchase roles by product class has proven consistent with these husband-wife roles. Wives are dominant in the purchase of food and household products, husbands dominate selection of financial services and insurance, and purchases of a home, vacation, or furniture tend to be jointly determined.³

Several significant changes are taking place in the structure of families that influence family member roles and other aspects of family decision making. One change has been in the traditional role of the wife as full-time homemaker and the husband as wage earner. Increasingly, husband and wife share the household roles with both members working, sharing responsibility for maintaining the household, and rearing the children. This has led to more shared decision making, different economic capability,

²For recent evidence, see William O. Bearden and Michael J. Etzel, "Reference Group Influence on Product and Brand Purchase Decisions," *Journal of Consumer Research* 9 (September 1982), pp. 183-94.

³See Harry L. Davis and Benny P. Rigaux, "Perception of Marital Roles in Decision Processes," *Journal of Consumer Research* 1 (June 1974), pp. 51-62.

and demand for different types of products. Related to this change has been the trend to smaller families with married couples having fewer children. There is also some evidence that children are increasingly influential in the purchase of products for which they are the consumers. Finally, there has been a notable increase in the number of single households due, in large part, to later marriages. These households have notably different needs in many product categories.

The family life cycle is a concept borrowed from the behavioral sciences that has proven useful in explaining some aspects of consumer behavior. The **family life cycle** suggests that families go through a series of stages, each marked by a change in family composition. A modernized version of the family life cycle has five primary stages: young single, young married without children, young married with children, middle aged, and older.⁴ As families move through their life cycle, financial capability changes, product needs change, and some elements of consumer behavior change. For example, the move into the young-married-with-children stage puts a sudden strain on finances with new needs for a larger home, more furniture, and larger appliances, and, at the same time, there tends to be an increase in joint decision making.⁵

Personal Influence. The flow of word-of-mouth communication between consumers is termed **personal influence**. It is the means by which reference groups, for example, transfer their information and influence to members.

Considerable work has been done to trace the flow of word-of-mouth communication and it is now accepted that media information provided by marketers does not always directly affect consumers. Instead, in some

cases, media information influences opinion leaders who, in turn, exert personal influence on other consumers.

What are the characteristics of these influential persons who serve as opinion leaders? They are believed to be influential because they are knowledgeable about the product class (they were likely early adopters of the product), they pay selective attention to media relevant to the product, they are well accepted, socially active members of the group, and they have the same social and economic characteristics as the receivers of influence. Opinion leaders tend to specialize; an opinion leader in one product class is not likely to be an opinion leader in another. Identifying opinion leaders separate from influence receivers tends to be difficult, creating further difficulties for marketers who wish to reach opinion leaders separately with marketing information. (See also GLOSSARY entry A.12 on **new product adoption**.)

The reasons why consumers seek word-of-mouth information parallel the reasons for accepting reference group influence. Word-of-mouth represents credible information that also has a social stamp of approval. Marketers believe it is highly influential in product choice. Word-of-mouth, of course, can be negative as well as positive. Marketers have found that negative word-of-mouth is particularly damaging and difficult to counteract because it tends to have greater credibility than the marketer's promotion that attempts to overcome it. The problem is similar to the one of changing negative attitudes (see GLOSSARY entry A.6).

Situational Variables. A consumer purchase decision is frequently influenced by situational variables. Two appear particularly important to the marketer: One is usage occasion and a second is the purchase situation.

The occasion for which a product is to be used will influence the consumer's choice criteria and, perhaps, amount of purchase effort. For example, a dessert product chosen to serve to guests will likely be different from one chosen for an everyday family

⁴Patrick E. Murphy and William A. Staples, "A Modernized Family Life Cycle," *Journal of Consumer Research* 5 (June 1979), pp. 12-22.

⁵For a detailed review of consumer behavior changes over the family life cycle, see Ronald W. Stampfl, "The Consumer Life Cycle," *Journal of Consumer Affairs* 12 (Winter 1978), pp. 209-17.

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meal; the dress selected for a party is likely to be governed by different considerations than one chosen for work.

Consumer behavior is also influenced by the purchase situation. Purchases made in emergency situations or under time constraints involve less deliberation and utilize different choice criteria than those purchased under relaxed conditions. Purchases made in self-service outlets demand greater reliance on internal information while availability of salespersons in a department or specialty store permits external information search at the time of purchase. Door-to-door sales and home parties create buying pressure situations in which purchase decisions may be made simply to relieve the pressure. The recreational shopping trip that has no product goal at all is very different.

APPLICATION OF EXTERNAL CONSUMER VARIABLES TO MARKETING DECISION MAKING

The marketing decision maker needs an understanding of the external variables that influence consumer product choice so that the product marketing strategy can be adjusted to these largely uncontrollable variables.

Culture and Marketing Decision Making. Consumers use cultural values as guidelines that product decisions must meet. Marketers must treat cultural values as uncontrollable variables and adapt marketing programs to them. A university, for example, that offered "education for education's sake" would find itself in conflict with the increasing value that our culture places on lifetime careers for both men and women. This problem might be solved by adapting the educational offering to the career values of consumers.

Although culture changes slowly, such changes, if they can be anticipated, create opportunities in the form of new markets. The increasing acceptance of women in the workforce has created growth markets for child care, family restaurants, and labor saving home appliances.

In developing international marketing

strategies, marketers must be particularly insightful in order to adapt to cross-cultural differences. Although globalization (standardization) of marketing programs (GLOSSARY entry C.14) offers attractive economies, it will likely fail if it creates conflicts with the values in the cultures in which offered.

Subcultures and Marketing Decision Making. It is sometimes useful to segment a market using subculture as the segmentation base. In trying this, the marketer should use normal **segmentation evaluation** criteria to evaluate the effectiveness of the segmentation (see GLOSSARY entry B.2). Subcultures tend to be large and are usually easy to identify. Some, such as the black and Hispanic subcultures, can be reached separately with marketing programs because of specialized media directed to the groups and because retail shopping patterns are identifiable.

Whether or not a subculture should be selected as a target market depends upon normal **target market selection** criteria, especially on the responsiveness of the group. If because of differing values, traditions, and problem-solving approaches the subculture requires a different **marketing mix**, then the marketer should consider it a separate target market. Some marketers have found it profitable to treat subcultures as separate target markets. Food and beverage marketers, for example, have attempted to tailor marketing programs to the different values and traditions of the Hispanic and black subcultures. On the other hand, some subcultures, especially those that are increasingly integrated into society, do not wish to be singled out and do not respond to such treatment. A leading example of this has been the elderly subculture that has resisted "geriatric" marketing strategies (see GLOSSARY entry B.4 on target market selection).

Social Class in Marketing Decision Making. Social class serves as a potential segmentation base. Measured against the segmentation evaluation criteria, social classes are large enough, can be identified with objective measures, and, in some cases, can be separately reached because media and shop-

ping patterns vary by social class. However, social classes are not strongly responsive to separate marketing mixes. Although different product preferences by social class have been demonstrated for a few product categories (furniture, for example), most products are broadly purchased by all social classes with little class differentiation. Social class as a variable tends, in most cases, to be overwhelmed by other consumer concerns.

Although social class may not prove effective as a segmentation base, it can be very helpful as a means of describing consumers in a target market. Knowing the social class characteristics of a target market allows more efficient targeting, especially of promotion and distribution. The sophistication of advertising copy, the settings used in ads, and the type of presenter used in ads can all be guided by knowing the social class of the target market. Media selection can likewise be guided since consumer media habits are known to vary by social class. In selecting stores in which to distribute the product, the marketer should recognize shoppers' tendency to shop where others of their social class shop and select outlets known to be frequented by members of the target market social class.

Reference Groups in Marketing Decision Making. Consumers rely upon reference groups as a source of credible information, particularly for the social dimensions of product purchases. Marketers can do little to influence this flow of information except to provide a need-satisfying product. However, the marketer, understanding the need of consumers to identify with groups and support their self-image, can sometimes support the social or psychological values of the product. As an example, many beer marketers, lacking any real product news, have focused their promotional efforts on making their brands socially acceptable.

The Family in Marketing Decision Making. Understanding the role of the family in consumer decision making provides important guidance to the marketer in marketing strategy formulation. In segmenting markets, seg-

mentation bases are usually defined in terms of families or households. However, in selecting the target segment on which the marketing effort will focus, the marketer needs to define not only the families of interest, but the individual within the family. If more than one family member is involved in the decision-making process, all will be of interest to the marketer, but the person who makes the brand decision will be most important and should be the focus of the marketing effort. Understanding the division of power in households may assist the marketer in predicting whether this target should be the husband, the wife, or, in the case of joint decision making, both.

The family life cycle can sometimes be used as a market segmentation base, but if it isn't, it often serves as a means of describing the target segment. Family life cycle is particularly helpful in segmentation or segment description for family-related products such as homes, furniture, appliances, vacations, and financial services.

Personal Influence in Marketing Decision Making. Because of the importance of opinion leaders, especially to the successful introduction of new products, marketers would like to single them out for special promotional effort. However, it is very difficult in most cases to identify opinion leaders and separately reach them with promotion. Opinion leaders do not differ significantly by demographic characteristics from other consumers and they are likely not the same person from product to product. They do, however, have more aggressive media habits and tend to be innovative in new product purchases and are thus self-selecting to some extent.

The greater product interest of opinion leaders can sometimes be used to reach them by promoting through experts, using technical or special interest media, offering product trial or samples to consumers showing early interest, or by targeting leaders of relevant clubs or organizations. In the final analysis, however, marketers should realize that favorable word-of-mouth results from satisfaction derived from the product. Prob-

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lems with negative word-of-mouth should be treated as a problem of attitude change (see GLOSSARY entry A.6).

Situational Variables in Consumer Decision Making. Product choice has been shown to vary by usage occasion. The product required by consumers appears to vary by situation for products as diverse as food, clothing, and rental cars. For such markets, segmentation of market by usage occasion offers promise. Such a segmentation approach would allow positioning a product in a selected usage segment and building a marketing mix tailored to that occasion.

Consumer behavior also varies by purchase situation. The marketer can influence the amount of consumer search and the amount of deliberation by the choice of outlet in which the product is distributed. Use of specialty and department stores encour-

ages search and evaluation while use of self-service outlets tends to discourage it (see GLOSSARY entry C.33 on **retailer selection**).

SUGGESTIONS FOR FURTHER READING

- BEARDEN, WILLIAM O., and MICHAEL J. ETZEL. "Reference Group Influence on Product and Brand Purchase Decisions." *Journal of Consumer Research* 9 (September 1982), pp. 183-94.
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