

## Group and Interpersonal Influence



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1

## Learning Outcomes

- LO<sup>1</sup>** Understand the different types of reference groups that influence consumers and how reference groups influence value perceptions.
- LO<sup>2</sup>** Describe the various types of social power that reference groups exert on members.
- LO<sup>3</sup>** Comprehend the difference between informational, utilitarian, and value-expressive reference group influence.
- LO<sup>4</sup>** Understand the importance of word-of-mouth communications in consumer behavior.
- LO<sup>5</sup>** Comprehend the role of household influence in consumer behavior.

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2

**LO<sup>1</sup>**

Understand the different types of reference groups that influence consumers and how reference groups influence value perceptions.

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3

**LO<sup>1</sup> Reference Group**


A group of individuals who has significant relevance for a consumer and who impacts the consumer's evaluations, aspirations, and behavior.

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4

**LO<sup>1</sup> Group Influence**

- Refers to the ways in which group members influence the attitudes, opinions, and behaviors of others within the group.
- Group members:
  - Share common goals and interests
  - Communicate with, and influence, one another
  - Share a set of expectations, rules, and roles
  - View themselves as members of a common social unit

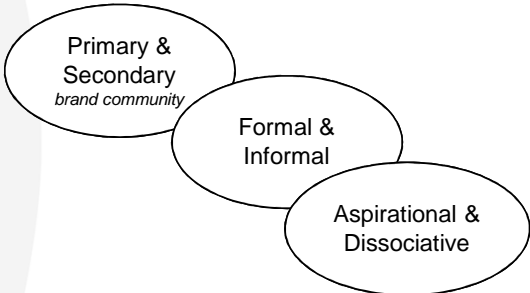


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5

**LO<sup>1</sup> Types of Groups**



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## LO<sup>1</sup> Conformity

**Peer Pressure**  
The extent to which group members feel pressure to behave in accordance with group expectations.

### Conformity

A result of group influence in which an individual yields to the attitudes and behavior of others.



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7

## LO<sup>2</sup>

Describe the various types of social power that reference groups exert on members.

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8

## LO<sup>2</sup> Exhibit 10.1 Types of Social Power

Type of Power	Description	Example
Referent Power	A consumer admires the qualities of a group and emulates their behavior as a way to identify with the group.	A new resident desires to join the local Rotary club.
Legitimate Power	Specific agreements are made regarding group membership and the punishment for nonconformity is understood.	Bosses have legitimate authority over their employees.
Expert Power	Groups possess knowledge that members, or aspirant members, desire to gain.	Consumers seek out groups that have health-related information such as the American Dental Association.
Reward Power	A group has the power to reward members for various behaviors.	Sports teams give MVP honors to a team member.
Coercive Power	A group has the power to sanction members for failing to follow expectations or rules.	A college football player is kicked off a team for using illegal substances.

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9

## LO<sup>3</sup>

Comprehend the difference between informational, utilitarian, and value-expressive reference group influence.

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10

## LO<sup>3</sup> Reference Group Influence

- **Informational influence** – consumers use the behaviors and attitudes of reference groups as information into making their own decisions.
- **Utilitarian influence** – consumers conform to group expectations to receive a reward or avoid punishment.
- **Value-expressive influence** – consumers internalize a group's values or join groups to express their own values and beliefs.

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11

## LO<sup>3</sup> Value and Reference Groups

- **Utilitarian value** – group membership becomes a means to a valued end state.
- **Hedonic value** – value is an end in and of itself.
- Information obtained from referents impacts consumer expectations, which then affect value perceptions and satisfaction.

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12

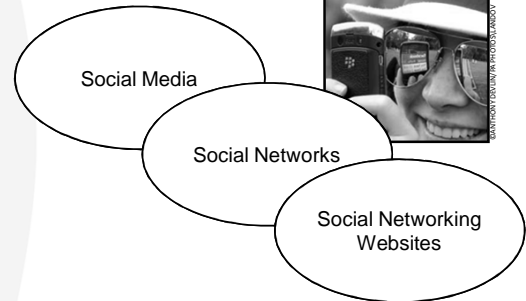
### LO<sup>3</sup> Groupon Is a Valuable Group

- With online participation, consumers receive utilitarian and hedonic value.
- Groupon provides online users with electronic coupons, and in return marketers benefit when consumers tell their friends about Groupon and the coupons they have received.

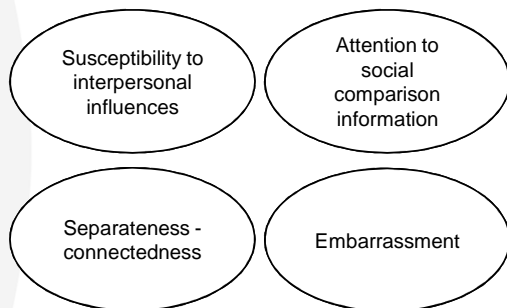


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### LO<sup>3</sup> Social Media and Group Influence



### LO<sup>3</sup> Individual Difference in Susceptibility to Group Influence



### LO<sup>4</sup>

Understand the importance of word-of-mouth communications in consumer behavior.

### LO<sup>4</sup> Word-of-Mouth (WOM)

Information about products, services, and experience that is transmitted from consumer to consumer.

Organic

Amplified

### LO<sup>4</sup> Digital WOM

Consumers seek and deliver advice online and through text messaging on the value of products and services. Marketers may encourage digital WOM in order to help build brand communities. They also attempt to monitor and respond to negative digital WOM.

## LO<sup>4</sup> Buzz Marketing

- Includes marketing efforts that focus on generating excitement (“buzz”) that is spread from consumer to consumer.
- A form of **guerilla marketing** – the marketing of a product using unconventional means.
- **Viral marketing** – uses online technologies to facilitate WOM by having consumers spread marketing messages through their online conversations.

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19

## LO<sup>4</sup> Stealth Marketing

- A guerilla marketing tactic that is similar to buzz marketing, but consumers are completely unaware that they are being marketed to.
- Often considered unethical, along with practices called “shilling” and “infiltrating.”

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20

## LO<sup>4</sup> Consumer Influencers



**Opinion Leaders**  
Consumers who have great influence on the behavior of others relating to product adoption and purchase.

**Surrogate Consumer**  
Hired by another consumer to provide input into a purchase decision.

**Market Maven**  
A consumer who spreads information about all types of products and services.

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21

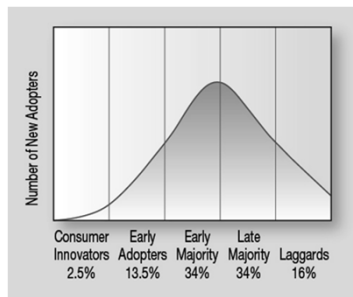
## LO<sup>4</sup> Diffusion Process

The way in which new products are adopted and spread throughout a marketplace.

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22

## LO<sup>4</sup> Exhibit 10.4 Adopter Categories



Adapted from Everett M. Rogers, Diffusion of Innovation, 4th ed., New York: The Free Press, 1995.

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23

## LO<sup>5</sup>

Comprehend the role of household influence in consumer behavior.

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24

## LO<sup>5</sup> Traditional Family Household

At least two people who are related by blood or marriage who occupy a housing unit.

Nuclear family

Extended family

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## LO<sup>5</sup> Emerging Trends in Family Structure



"Nontraditional" household arrangements

Blended families

Single parent households

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26

## LO<sup>5</sup> Exhibit 10.6: Traditional Household Life Cycle Categories

	Under 35 Years	35 – 64 Years	Older than 64 Years
One-adult household	Bachelor 1	Bachelor 2	Bachelor 3
Two-adult household	Young Couple	Childless Couple	Older Couple
Two adults + children	Full Nest 1 (children < 6 years old) Full Nest 2 (children > 6 years old)	Delayed Full Nest (children < 6 years old) Full Nest 3 (children > 6 years old)	
One adult + children	Single Parent 1 (children < 6 years old) Single Parent 2 (children > 6 years old)	Single Parent 3	

Adapted from Mary C. Gilly and Ben M. Eris (1982), "Recycling the Family Lifecycle: A Proposal for Redefinition," in *Advances in Consumer Research*, Vol. 9, Andrew A. Mitchell, ed., Ann Arbor, MI: Association for Consumer Research, 271–276.

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## LO<sup>5</sup> Household Purchase Roles

Influencer

Gatekeeper

User

Decision Maker

Purchaser

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28

## LO<sup>5</sup> Gender Roles and Household Decision Making

Sex role orientation—a family's set of beliefs that influences the way household decisions are made.

Children play a much larger role in influencing household purchases than ever before.



Consumer socialization—a process in which young consumers develop attitudes and learn skills that help them function in the marketplace.

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29