

REFERENCE GROUPS

A reference group refers to a set of people whose norms and values are used by an individual as a basis for his/her behavior.

Types of Reference Groups

- ★ Based on type of contact
 - Primary groups
 - Secondary groups
- ★ Based on formality of structure
 - A formal group
 - An informal group
- ★ Based on attraction
 - An aspirational group
 - A dissociative group

How Reference Groups Function

- ★ Kelman's Socialization Processes
- ★ Homans' Theory of Social Exchange
- ★ Social Power
- ★ Roles
- ★ Opinion Leadership

Kelman's Socialization Processes

- ★ Compliance: a person feels pressure to follow a group's "rules."
- ★ Identification: a person wants a role in a group and takes on behaviors associated with it.
- ★ Internalization: a person accepts values of a group as his/her own.

Homans' Theory of Social Exchange

- ★ All social activity has rewards & costs associated with it.
- ★ People want to maximize the value of their social interactions.
- ★ This motivation can be symbolized as:
PROFIT = REWARDS - COSTS
- ★ A group having trouble getting members to engage in activities should increase perceived rewards &/or decrease perceived costs.

Social Power

★ Definition: *Social Power refers to the ability of a group to get a person to do something that he/she would not otherwise have done.*

★ Bases of social power:

- Reward
- Coercive
- Referent
- Expert
- Legitimate

Roles

- ★ Roles are *patterns of behavior expected of people who occupy a position in a group.* (Roles are based on positions, not individuals.)
- ★ Role conflict occurs when multiple roles are performed that have conflicting demands.
- ★ A role-related product cluster is a set of products considered necessary to properly fulfill a role.



Marketing Implications of Reference Groups

- ★ Greater group stability leads to greater pressure to conform.
- ★ However, people may also conform when no overt pressure exists.
- ★ Most people go along with the majority . . . but, what group is viewed as the majority?

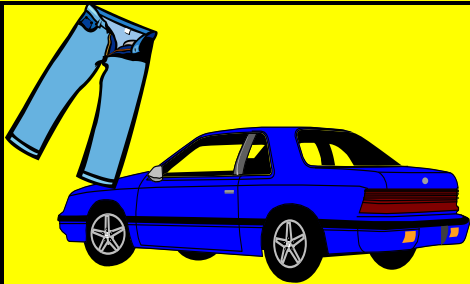
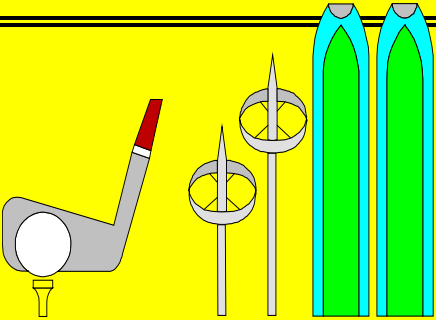


Implications (con't)

- ★ The bases of power can be used in promotion to bring about change.
- ★ Does a product fit into a target's role-related product cluster?
- ★ Role conflict can be an opportunity to provide goods and services which may help reduce conflict.
- ★ Reference group norms influence the purchase of particular products, particular brands, or both.

Strength & Specificity of Group Influence on Consumption

Product

Brand

	Weak	Strong
Strong		
Weak		

OPINION LEADERSHIP

- ★ Definition: *Opinion leadership is the degree to which an individual is able to informally influence other individuals' attitudes or behavior in a desired way with relative frequency.*
- ★ It is not a dichotomous attribute.
- ★ It's informal influence that must be earned and maintained.
- ★ The leadership is used on a relatively frequent basis.

Ways that leaders differ from their followers

- ★ Greater exposure to mass media.
- ★ Greater change agent contact.
- ★ Greater social participation, sociable.
- ★ More cosmopolitan, outgoing.
- ★ Slightly higher socioeconomic status.
- ★ More innovative (if social system favors change)
- ★ Other

How Generalized is Opinion Leadership?

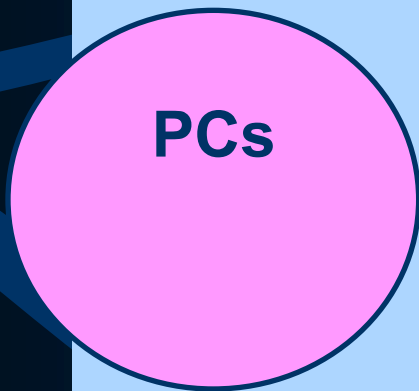
- ★ Polymorphism is *the degree to which an individual acts as an opinion leader for a variety of topics.*
- ★ Monomorphism is *the tendency for an individual to act as an opinion leader for only a single topic.*
- ★ When the norms of a system are more modern, opinion leadership is more monomorphic.

Likelihood of Polymorphism

★ Polymorphism is more likely among related product categories.

No overlap in opinion leaders

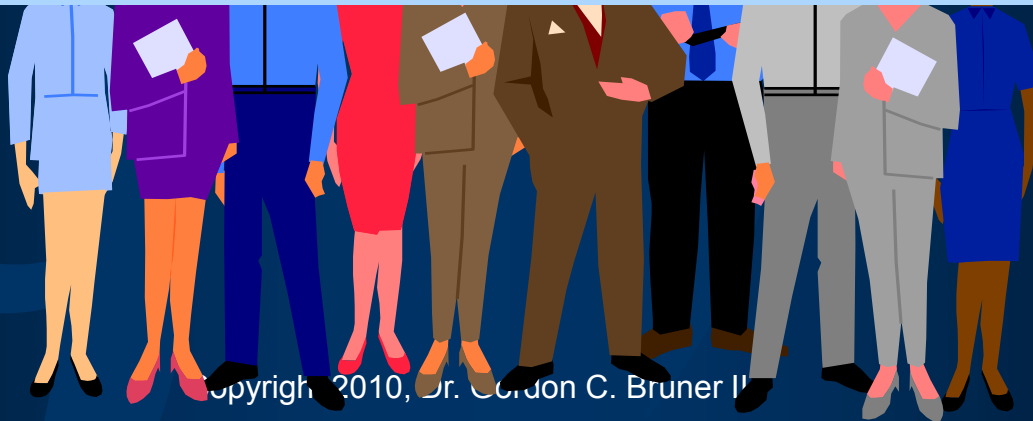
Some overlap in opinion leaders



★ Market Maven is very polymorphic.

Marketing Implications

- ★ Can you find the real opinion leaders?
- ★ If not, can you use proxy opinion leaders?



SUMMARY & CONCLUSIONS

- ★ We are all members of several reference groups.
- ★ The task for marketers is to figure out which groups have the most influence on a target market when it comes to the purchase of a particular product.
- ★ Opinion leaders are extremely important; can they be reached and influenced or should proxy leaders be used?