**UNIT-4**

# Family, Gender & Age Influences

### Family

The family is the main reference group that may influence the consumer behaviour. Nowadays, children are well informed about goods and services through media or friends circle, and other sources. Therefore, they influence considerably in the decisions of buying both fast moving consumer goods and durable items.

A person performs certain roles in a particular group such as family, club, organization, and so on. For example, a person may perform the role of a vice president in a firm and another person may perform the role of a marketing manager.

The vice president may enjoy higher status in the organization as compared to the marketing manager. People may purchase the products that conform to their roles and status, especially in the case of branded clothes, luxury watches, luxury cars, and so on.

### **Gender**

Gender is the range of characteristics pertaining to, and differentiating between, masculinity and femininity. Depending on the context, these characteristics may include biological sex (i.e., the state of being male, female, or an intersex variation), sex-based social structures (i.e., gender roles), or gender identity. Traditionally, people who identify as men or women or use masculine or feminine gender pronouns are using a system of gender binary whereas those who exist outside these groups fall under the umbrella terms non-binary or genderqueer.

Sexologist John Money introduced the terminological distinction between biological sex and gender as a role in 1955. Before his work, it was uncommon to use the word gender to refer to anything but grammatical categories. However, Money’s meaning of the word did not become widespread until the 1970s, when feminist theory embraced the concept of a distinction between biological sex and the social construct of gender. Today, the distinction is followed in some contexts, especially the social sciences and documents written by the World Health Organization (WHO).

In other contexts, including some areas of the social sciences, gender includes sex or replaces it. For instance, in non-human animal research, gender is commonly used to refer to the biological sex of the animals. This change in the meaning of gender can be traced to the 1980s. In 1993, the US Food and Drug Administration (FDA) started to use gender instead of sex. Later, in 2011, the FDA reversed its position and began using sex as the biological classification and gender as “a person’s self representation as male or female, or how that person is responded to by social institutions based on the individual’s gender presentation.”

The social sciences have a branch devoted to gender studies. Other sciences, such as sexology and neuroscience, are also interested in the subject. The social sciences sometimes approach gender as a social construct, and gender studies particularly do, while research in the natural sciences investigates whether biological differences in males and females influence the development of gender in humans; both inform debate about how far biological differences influence the formation of gender identity. In some English literature, there is also a trichotomy between biological sex, psychological gender, and social gender role. This framework first appeared in a feminist paper on transsexualism in 1978.

### **Age**

Age is an important demographic factor that affects consumer behavior. As people grow, their needs change. Similar changes come to their buying decision making patterns. With age, our health needs change and so do many other needs.

Age brings changes to people’s lifestyle and with it their needs and personal values are also affected. When people are young, they spend more on their lifestyle needs from fun and movies to fashion.

As they grow older, their expenses on these things shrink. Elderly people mostly remain indoor, however, their health related expenses may rise.  In this way, age becomes one of the fundamental demographic factors affecting consumer behavior and buying decisions.

Age does not just affect buying behavior, it is also an important factor affecting market segmentation and marketing strategy. Marketers segment their target market on the basis of age. There are several products that are marketed only to the millenials.

Similarly, there are products meant for the elderly and which meet the needs of people past their middle ages. Lifestyle gadgets and magazines are mostly marketed to the youth or the millennial generation.

Since, the taste of this generation is vastly different and they are more digitally inclined, this affects not just the choice of marketing strategy but also the marketing channels used to market to them.

People’s choice of brands and products start changing as they grow older. A young man’s choices can be vastly different from the elderly since age brings changes that affect our flavor. An older person may have more serious choices and will be less fun loving than when he was young. Chocolates are meant for kids and young people.

Their consumption among the elderly is much lower.  Age determines several things and when we retire our consumption patterns also change according to the change in income.   Elderly people are less digitally inclined and therefore their consumption of digital products can also be lower.

# Reference Groups

Every consumer prefers to evaluate his opinion based on the comparison of opinions of others. Moreover, consumers are influenced by people that they come in contact with or what they observe.

Consumer reference groups are groups that serve as frames of reference for individuals in their purchase decisions.

The type of group that an individual uses as a point of reference in determining his own judgement, preferences, beliefs and behavior.

Thus, it can be said that a consumer’s reference groups are those groups, which may have a direct or indirect influence on one’s attitude or behavior. It provides points of comparison by which to evaluate attitudes and behavior. A consumer can either be a member of reference group or aspire to belong to a group.

### **Types of Reference Groups**

Schiffman and Kanuk have specified the following specific reference groups

**(1)** Friendship groups

**(2)** Shopping groups

**(3)** Work groups

**(4)** Virtual groups or communities; and

**(5)** Consumer action groups.

### Friendship groups

Friendship groups are classified as informal groups. They are usually unstructured and lack specific authority levels. Friends are more likely to influence an individual’s purchase decisions. Friends influence the consumption pattern of individuals in certain category of products (choice of food habits, drinks etc.)

The Influence of friendship groups is important to the marketer. The opinions and preferences of friends greatly influence a consumer while selecting brands. Marketers of products such as clothing, fine jewellery, watches, snack, foods beverages etc., have recognized the importance of peer group. So, they frequently depict friendship situations in their advertisements.

### Shopping groups

Shopping group comprises of two or more people who shop together. These groups are sometimes the off shoots of family or friendship groups. Generally, the shopping group has a social motive to share time together and enjoy lunch after shopping. It reduces the chances of making an incorrect purchase. The group may feel more confident with collective decisions. The shopping group prefers to shop around and select goods after comparing the quality, terms, style, customer services, price, etc. The buyer is influenced by group pressure and group’s brand preference. He has lot of confidence in the views expressed by his shopping group.

A special type of shopping group is the in-home shopping party. It typically consists of a group that gathers together in the home of a friend. The marketer demonstrates the features of his products simultaneously to a group of potential customers. Thus, the in-home shopping party is devoted to demonstrating and evaluating a specific line of products. Undecided persons overcome a reluctance to buy as their friends make positive purchase decisions.

### Work groups

People spend considerable time at their jobs. So, it provides ample opportunity for work groups to serve as a major influence on the consumption behavior of members.

The work group may be a formal group or informal group. Formal work groups are deliberately created by companies in order to perform specific work. The formal work group may again be divided into

* Permanent formal work group and
* Temporary formal work group.

**(A) Permanent formal work groups**

They are part of the top management team, various departments of the organization and staff groups rendering specialized services to the line staff in the organization.

**(B) Temporary formal work groups**

They are formed for a particular purpose. They review salary policies to suggest measures to maintain a smooth relationship between the union and management. They also contemplate new products and services. Temporary formal work groups come to an end after the accomplishment of the mission assigned to them. The members of the group are permanent employees of the company.

**Informal work groups**

Members of informal work groups consist of people who have become friends as a result of working for the same company. They may or may not work together as a team. Informal work groups may influence the consumption behavior of members during coffee or lunch breaks or after-work meetings.

Work groups are important to the marketer. In the past, firms sold their products exclusively by directly calling on housewives in their houses. But nowadays many women go to work. So, marketers direct their sales efforts to offices during lunch break. Sales representatives reach working women at their places of employment.

1. **Virtual groups or communities**

The term virtual groups refers to web-based consumer groups. Use of computers and Internets has paved the way for the emergence of a new type of group — virtual groups or communities. Adults and children log on to the web. They visit special interest websites often with chat rooms. A person can chat online with others who share his interest. He can send or receive instant messages. Thus, an exchange of knowledgy takes place within a virtual community on a wide range of topics and interests (vegetarianism, cooking, collecting, trading, finance, film making, romance, politics, technology, art, hobbies, spiritualism, age grouping, online game, voice-video chats, See e-mail, travel and vacations, educational opportunities and a host of life style options. On the internet, people are free to express their thoughts. The anonymity of web gives its users the freedom to express their views freely.

1. **Consumer action groups**

Consumer action groups have emerged in response to consumer movement. Consumer movement provides consumers with assistance in their effort to make the right purchase decisions. Consumer action groups are organized to correct a specific consumer abuse. Women action groups are opposed to any advertising that may have a negative impact on them.

# Social Class & Consumer Behavior

Social class is the **segment of a society** arrived at by a **hierarchical classification of individuals** and families with a distinct status. The members of each class have relatively the same status. The status denotes the aggregate effect of the members of a class. Analysis of the characteristics of the social class will help the marketer to understand its consumption pattern.

### 1. The members of each class have relatively the same status

A social class is **defined by the amount of status**, which the members of that class have in comparison with members of other social classes. The members in a particular social class have relatively the same status. An individual or family achieves social class by acquisition of skills, education, wealth and recognition. The status of the member reflects the aggregate effect of influence and recognition conferred on them by the society. This in turn is either more or less than the status of other classes.

### 2. Persons within a given class tend to behave alike

Social classes are **homogeneous divisions of the society**. Each social class shows similar life-styles, values, status, prestige and interests. So, the behavior pattern of the members become similar. There are also shared attitudes and behavioral pattern among members. So, the behavioral pattern differs among social classes. For example, a person belonging to middle class prefers economically priced cars. But upper income group will prefer highly priced cars. Thus, social classes exhibit varying buying pattern in purchase of products that meets the life-style, status and prestige of their members.

### 3. Social class is hierarchical

Social class is determined by a hierarchical classification of individuals and **families with a distinct status**. Families can climb the social ladder by achievement of members. When each generation within a family tends to do better, there is an upward mobility in the social ladder. When young adults have less disposable income than their successful parents, they may slide down in the class hierarchy. The hierarchical aspect of social class is important to marketers. Consumers may prefer to purchase products favored by their own or higher social class (e.g. imported luxury automobiles). Consumers may avoid certain products because they perceive the products to be lower class products.

### 4. Social class is measured by a combination of variables

Researchers use a combination of variables to measure social class. A number of **socioeconomic factors are combined to form one** over all members of social class standing. They better reflect the complexity of social class than a single variable. For example, to know the consumer perceptions of mail and phone order shopping, the socioeconomic status was studied by using a composite of income occupational status and education. It reveals that higher the socioeconomic status, the more positive are the **consumers ratings** of mail and phone order buying, relative to in-store shopping.

### 5. Social class is mobile

Social class membership is not hard and fixed. Individuals can move either up or down in social class standing. The availability of free education and opportunities for self-development prompts success in business and in life. **Successful persons move up to the higher class**. Today, many young men and women start their own business to have higher social status. Higher social classes become reference groups for ambitious men and women of lower social status. **Signs of upward mobility** are found in India. For instance, plastic surgery was once affordable only for movie stars and other wealthy people. Today, consumers of all economic strata undergo cosmetic surgery.

### 6. Social class and status differentiation

Researchers measure social class in terms of **social status**. They define each social class by the amount of status of the members of that class. It is also known as “**Social stratification**“. Social stratification has resulted in differentiated roles. For example, a person with higher status owns a car. A middle class status person owns a two-wheeler. A person with lower status owns a bicycle. This is the symbolic identification of **role and status based on social classification**.

# Steps in Consumer Decision Making

Consumer decision making process involves the consumers to identify their needs, gather information, evaluate alternatives and then make their buying decision. The consumer behavior may be determined by economic and psychological factors and are influenced by environmental factors like social and cultural values.

The consumer decision making behavior is a complex procedure and involves everything starting from problem recognition to post-purchase activities. Every consumer has different needs in their daily lives and these are those needs which make than to make different decisions. Decisions can be complex, comparing, evaluating, selecting as well as purchasing from a variety of products depending upon the opinion of a consumer over a particular product. This renders understanding and realizing the basic problem of the consumer decision making process for marketers to make their products and services different from others in the marketplace.

### **5 Stages of Consumer Decision Making Process**

The buying behavior model is one method used by marketers for identifying and tracing the decision making process of a customer from the start to the end. The process is categorized into 5 different stages which are explained as follows:

#### **Need Recognition**

Need recognition occurs when a consumer exactly determines their needs. Consumers may feel like they are missing out something and needs to address this issue so as to fill in the gap. When businesses are able to determine when their target market starts developing these needs or wants, they can avail the ideal opportunity to advertise their brands. An example who buys water or cold drink identifies their need as thirst. Here; however, searching for information and evaluating alternatives is missing. These consumer decision making steps are considered to be important when an expensive brand is under buying consideration such as cars, laptops, mobile phones, etc.

#### **Information Search**

The information search stage in the buyer decision process tends to change continually as consumers require obtaining more and more information about products which can satisfy their needs. Information can also be obtained through recommendations from people having previous experiences with products. At this level, consumers tend to consider risk management and prepare a list of the features of a particular brand. This is done so because most people do not want to regret their buying decision. Information for products and services can be obtained through several sources like:

* **Commercial sources: a**dvertisements, promotional campaigns, sales people or packaging of a particular product.
* **Personal sources:**The needs are discussed with family and friends who provided product recommendations.
* **Public sources:**Radio, newspaper and magazines.
* **Experiential sources:**The own experience of a customer of using a particular brand.

#### **Evaluation of Alternatives**

This step involves evaluating different alternatives that are available in the market along with the product lifecycle. Once it has been determined by the customer what can satisfy their need, they will start seeking out the best option available. This evaluation can be based upon different factors like quality, price or any other factor which are important for customers. They may compare prices or read reviews and then select a product which satisfies their parameters the most.

#### **Purchase Decision**

When all the above stages have been passed, the customer has now finally decided to make a purchasing decision. At this stage, the consumer has evaluated all facts and has arrived at a logical conclusion which is either based upon the influence from marketing campaigns or upon emotional connections or personal experiences or a combination of both.

#### **Post Purchase Behavior**

The purchase of the product is followed by post-purchase evaluation which refers to analyzing as to whether the product was useful for the consumer or not. If the product has matched the expectations of the customer, they will serve as a brand ambassador who can influence other potential consumers which will increase the customer base of that particular brand. The same is true for negative experiences; however, it can halt the journey of potential customers towards the product.

# Consumer Communication process

**Consumer communication and persuasion is an essential part of any Marketing Strategy**. In fact, it is the starting point of all improvement as consumer voices provide companies with the data such as where they are lacking and what all they could do to improve the product or service.

Do all companies listen to the consumer voices? Not really. It is only the ones which have an effective consumer communication process in place, that are really able to focus on consumer needs. Are you one of them? Let us take a look at the consumer communication process at Suntory to understand the Consumer Communication Process.



This company has set up a Customer Centre which takes up all inquiries, complaints, and proposals from customers. Though most of the queries are answered, the customer voices are sent across to related departments of the company. These departments analyze the gap between the customer needs and the products and services. After doing so, the quality improvements are suggested and the product development takes place in keeping with the customer demands.

**Consumer communication should be used effectively to drive maximum benefits to the company**. You must be thinking how. Let us look at few ways which will help you market effectively even in a downturn.

1. When economy is changing, it is all the more important to get the customer feedback. It is not a good idea to fill their inboxes and mobiles with promotional messages. More so, you can use online surveys to understand how they are thinking and what they want. You can then make changes in your strategies, processes and so on to deliver the product that your consumers are aiming for.
2. It is just not important to feed information to your consumers. Having a dialogue with them from time to time is also important. You can use the email marketing newsletters to invite them for such conversations. Apart from understanding their concerns, showing your consumers that you care is also very important. This will have far-reaching consequence and will benefit your company’s image.
3. Try and co-host an event with another local business. This will highlight your product’s image in a positive manner. This is a kind of customer relationship building activity where you interact face-to-face with the consumer and show him your expertise.
4. Consumers are becoming more and more environmentally aware these days. Anything against the environment would put you in a bad light. So focus that your product or service is following all the environment friendly standards. You can also show your concern by teaming up with local charity and involving your consumers in the event too.

The above points can also be used for consumer persuasion too. Face-to-face meetings are more effective in persuading people to buy your stuff. People can judge easily whether what you are saying has substance or not. Therefore, try your level best to portray the positive image of your product in a positive fashion. Once you learn the essence of consumer communication, you would never have to look back.

### **Elements of the Communications Process**

* The Message Initiator (the Source)
* The Sender
* The Receiver
* The Medium
* The Message
* The Target Audience (the Receivers)
* Feedback – the Receiver’s Response
* Medium can be:
* Impersonal (mass media)
* Interpersonal (with salesperson or a friend)
* Interactive (direct feedback possibility exists)

Marketing communications is essentially a part of the marketing mix. Promotion is what marketing communications is all about.

Marketing communication aims at conveying a firm’s message as effectively and accurately as possible.

The process is as follows:  Sender, Encoding, Transfer Mechanism, Feedback, Response and Decoding.

* **Source:** A source is also referred to as a sender.  The sender has a message to convey to others. The sender can be anyone from a brand manager (in a major corporation such as Nike or Budweiser) to a salesperson in a smaller organization.  At times, celebrities are used to endorse products and act as a sender for the product.  It is always important to make sure that     the source is credible and trustworthy.
* A direct source can be a salesperson delivering a message about a product.
* An indirect source uses a well known public figure to draw attention to a product.
* **Encode:** The source encodes or translates ideas into a message.  For example, a brand manager decides to     promote a new product.
* **Message:** After defining the target market, the marketer designs an effective message that will achieve the communication objectives.
* **Receiver:** The receiver is the person or group with whom the sender attempts to share ideas.  Marketers want a response, the reactions of the receiver, after being exposed to the message: for example, a consumer receiving the message about the new product.
* **Decode:** The receiver decodes or interprets the message. For a message to be decoded by a receiver the way it was intended by the sender, the sender and receiver need to have common experiences.  In other words, a receiver may not decode a message the way it was intended to if her background and experience differ greatly from the sender’s.  A marketer has to be sensitive to the intended audience.
* **Noise:** Noise interferes with or disrupts effective communication.  This can include a poor television or     radio signal.
* **Feedback:** Feedback is monitoring and evaluating how accurately the intended message is being received.  This can be done by conducting market research. Essentially, this involves asking consumers if they have seen the message, if they recall the message, and what their attitude was towards the product.

**Consumer Satisfaction**

* Customer satisfaction indicates the fulfillment that customers derive from doing business with a firm. In other words, it’s how happy the customers are with their transaction and overall experience with the company.
* Customers derive satisfaction from a product or a service based on whether their need is met effortlessly, in a convenient way that makes them loyal to the firm. Hence, customer satisfaction is an important step to gain customer loyalty.
* Organizations calculate the customer satisfaction score (CSAT), which is the average rating of a customer’s responses, the net promoter score (NPS), which indicates the probability that a customer refers a brand to another person, and the customer effort score (CES), which indicates how easy it is for a customer to do business with a firm. The customer satisfaction metrics are then used to estimate consumer behavior.
* **Customer satisfaction is a part of customer’s experience that exposes a supplier’s behavior on customer’s expectation**. It also depends on how efficiently it is managed and how promptly services are provided. This satisfaction could be related to various business aspects like marketing, product manufacturing, engineering, quality of products and services, responses customer’s problems and queries, completion of project, post delivery services, complaint management etc.
* Customer satisfaction is the overall essence of the impression about the supplier by the customers. This impression which a customer makes regarding supplier is the sum total of all the process he goes through, right from communicating supplier before doing any marketing to post delivery options and services and managing queries or complaints post delivery. During this process the customer comes across working environment of various departments and the type of strategies involved in the organization. This helps the customer to make strong opinion about the supplier which finally results in satisfaction or dissatisfaction.
* **Customer satisfaction is the measure of how the needs and responses are collaborated and delivered to excel customer expectation**. It can only be attained if the customer has an overall good relationship with the supplier. In today’s competitive business marketplace, customer satisfaction is an important performance exponent and basic differentiator of business strategies. Hence, the more is customer satisfaction; more is the business and the bonding with customer.
* Customer’s perception on supplier helps the customer choose among the supplier on basis of money value and how well the delivered products suit all the requirements. The supplier’s services never diminishes after the delivery as customer seeks high values post marketing services which could help them use and customize the delivered product more efficiently. If he is satisfied with the post marketing services then there are good chances for supplier to retain the customers to enhance repeated purchases and make good business profits.
* **It is necessarily required for an organization to interact and communicate with customers on a regular basis to increase customer satisfaction**. In these interactions and communications it is required to learn and determine all individual customer needs and respond accordingly. Even if the products are identical in competing markets, satisfaction provides high retention rates. For example, shoppers and retailers are engaged with frequent shopping and credit cards to gain customer satisfaction, many high end retailers also provide membership cards and discount benefits on those cards so that the customer remain loyal to them.
* Higher the satisfaction level, higher is the sentimental attachment of customers with the specific brand of product and also with the supplier. This helps in making a strong and healthy customer-supplier bonding. This bonding forces the customer to be tied up with that particular supplier and chances of defection very less. Hence customer satisfaction is very important panorama that every supplier should focus on to establish a renounced position in the global market and enhance business and profit.