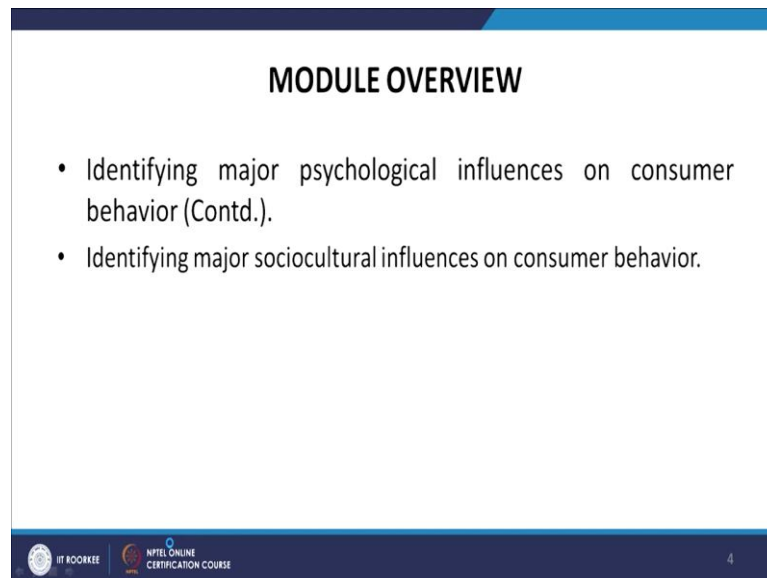


**Introduction to Marketing Essentials**  
**Prof. Zillur Rahman**  
**Department of Management Studies**  
**Indian Institute of Technology, Roorkee**

**Lecture - 09**  
**Understanding Consumer Behavior – III**

Welcome to this course on Introduction to Marketing Essentials and we are talking about the first topic of the 2nd part that is Understanding Consumer Markets. This topic is spread over 3 modules that are 7, 8 and 9. We have already talked about the module 7 and 8. Now, we will start with module 9.

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**MODULE OVERVIEW**

- Identifying major psychological influences on consumer behavior (Contd.).
- Identifying major sociocultural influences on consumer behavior.

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Let us see, what are the things that will be covered in this module. So, first we will continue from module 8, we will continue identifying major psychological influences on the consumer behavior and after that we will try to identify some major socio-cultural influences on consumer behavior. Just to give a brief introduction in the last module, we studied four of the psychological influences namely motivation, personality, perception and perceived risk.

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## INTRODUCTION

- In the last module, we studied four of the psychological influences namely; motivation, personality, perception and perceived risk.
- Today, we'll continue with the remaining psychological influences.
- As discussed in the previous module, these psychological concepts are useful for interpreting buying processes and directing marketing efforts.

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In this module, we will continue with the remaining physiological influences. As discussed in the 8th module, these psychological concepts are useful for interpreting buying processes and directing marketing efforts.

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## PSYCHOLOGICAL INFLUENCES ON CONSUMER BEHAVIOR (LEARNING)

- Much consumer behavior is learned.
- Consumers learn:
  - which information sources to consult for information about products and services,
  - which evaluative criteria to use when assessing alternatives, and,
  - more generally, how to make purchase decisions.
- **Learning** refers to those behaviors that result from:
  - 1 – repeated experience
  - 2 – reasoning

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Next on the psychological influence on consumer behavior is learning. Most of the behavior that consumer display is learnt. So, much of the consumer behavior is learned. Consumer learns which information sources to consult for information about products and services, which evaluative criteria to use when assessing alternatives, and more

generally how to make purchase decisions. Learning refers to those behaviors that result from these two things; repeated experience and reasoning. So, this learning happens because of repeated experience and reasoning.

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**PSYCHOLOGICAL INFLUENCES ON CONSUMER BEHAVIOR  
(LEARNING)**

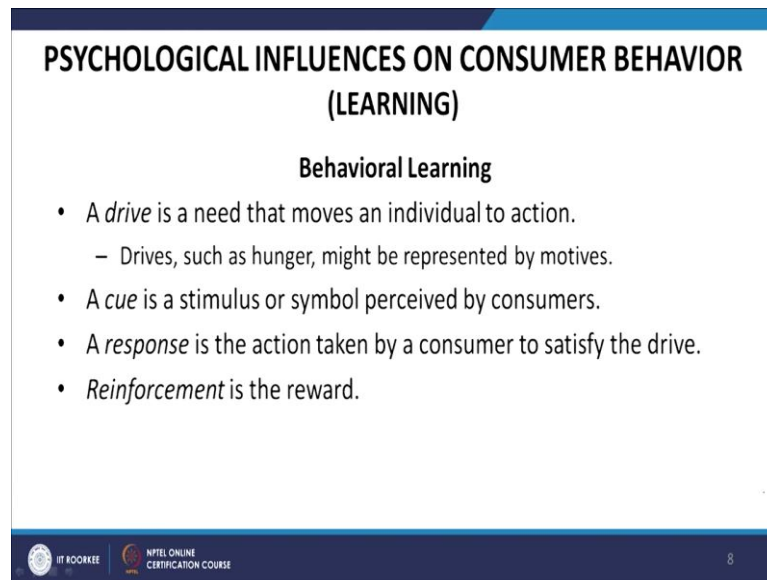
**Behavioral Learning**

- *Behavioral learning* is the process of developing automatic responses to a situation built up through repeated exposure to it.
- Four variables are central to how consumers learn from repeated experience:
  - 1 - Drive
  - 2 - Cue
  - 3 - Response
  - 4 - Reinforcement

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So, let us look at what is behavioral learning. Behavioral learning is the process of developing automatic responses to a situation, built up through repeated exposures to it. Now, these four variables are central to how consumer learn from repeated experience. So, our behavioral learning happens because of repeated experience and repeated experiences include these four variables; the first is drive, the second is cue, the third is response and the fourth is reinforcement.

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**PSYCHOLOGICAL INFLUENCES ON CONSUMER BEHAVIOR  
(LEARNING)**

**Behavioral Learning**

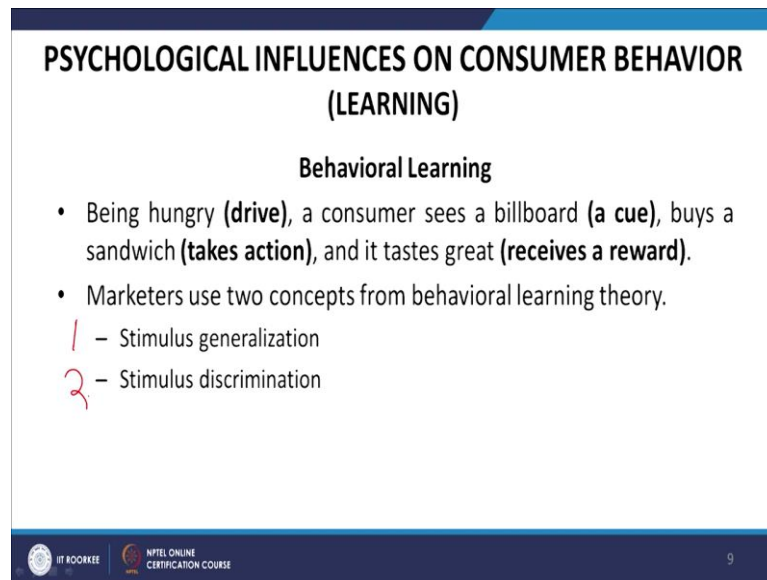
- A *drive* is a need that moves an individual to action.
  - Drives, such as hunger, might be represented by motives.
- A *cue* is a stimulus or symbol perceived by consumers.
- A *response* is the action taken by a consumer to satisfy the drive.
- *Reinforcement* is the reward.

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What is drive? A drive is a need that moves an individual to action. Drive such as hunger , might be represented by motives. A cue is a stimulus or symbol perceived by consumer. A response is the action taken by the consumer to satisfy the drive and reinforcement is the reward. So, these are the four components of this learning.

So, we start with a drive that is a need that moves us to action. Cue is the stimulus or symbol that is perceived by the consumer. A response is the action taken by the consumer to satisfy that drive and reinforcement is the reward that we get after the response.

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**PSYCHOLOGICAL INFLUENCES ON CONSUMER BEHAVIOR  
(LEARNING)**

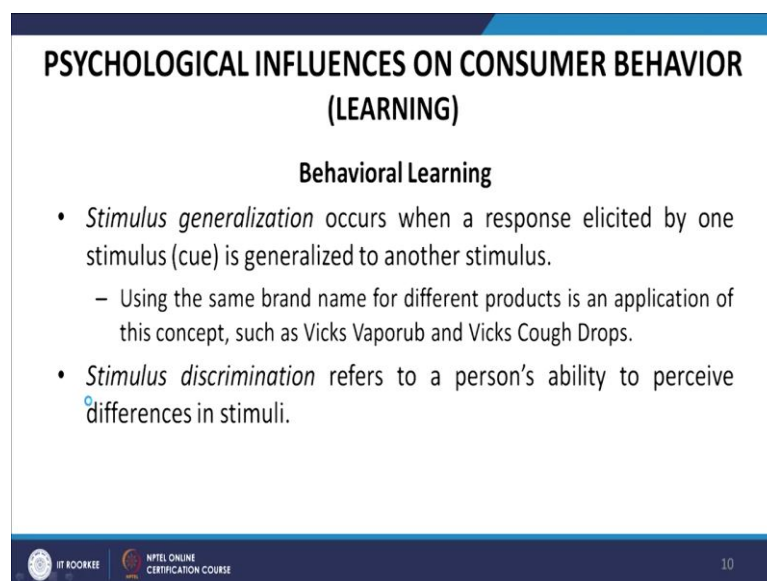
**Behavioral Learning**

- Being hungry (**drive**), a consumer sees a billboard (**a cue**), buys a sandwich (**takes action**), and it tastes great (**receives a reward**).
- Marketers use two concepts from behavioral learning theory.
  - 1 – Stimulus generalization
  - 2 – Stimulus discrimination

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Being hungry, that is the drive; a consumer sees a billboard that is the cue; buys a sandwich, take action and it and it taste great, receives a reward. So, this is an example of these four things; the drives, cues, actions and reward. So, the drive is hunger, the cue is billboard, then he takes action and after that he receives a reward. So, marketers use two concepts for behavioral learning theory; one is stimulus generalization and another is stimulus discrimination. So, now, we are talking about generalization and discrimination of stimulus.

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**PSYCHOLOGICAL INFLUENCES ON CONSUMER BEHAVIOR  
(LEARNING)**

**Behavioral Learning**

- *Stimulus generalization* occurs when a response elicited by one stimulus (cue) is generalized to another stimulus.
  - Using the same brand name for different products is an application of this concept, such as Vicks Vaporub and Vicks Cough Drops.
- *Stimulus discrimination* refers to a person's ability to perceive differences in stimuli.

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What is stimulus generalization? It occurs on a response elicited by one stimuli that is cue is generalized to another stimuli. So, a cue is a stimuli, when we generalize the response from one cue, one stimuli to another stimuli, that is called as stimulus generalization. Using the same brand name for different products is an application of this concept; such as Vicks Vaporub and Vicks Cough Drops and Vicks lavenders. So, this we are extending the stimuli related with Vicks to the different forms; the vapor rub and the cough drops and the lavenders.

While this stimulus discrimination; it refers to a person's ability to perceive differences in stimuli. So, on the one hand, they perceive generalization and on the other hand, they perceive discrimination. So, if I say there is a Vicks cold drink. So, that will not move you to buy that or may not move you to buy. So, that is an example of stimulus discrimination.

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**PSYCHOLOGICAL INFLUENCES ON CONSUMER BEHAVIOR  
(LEARNING)**

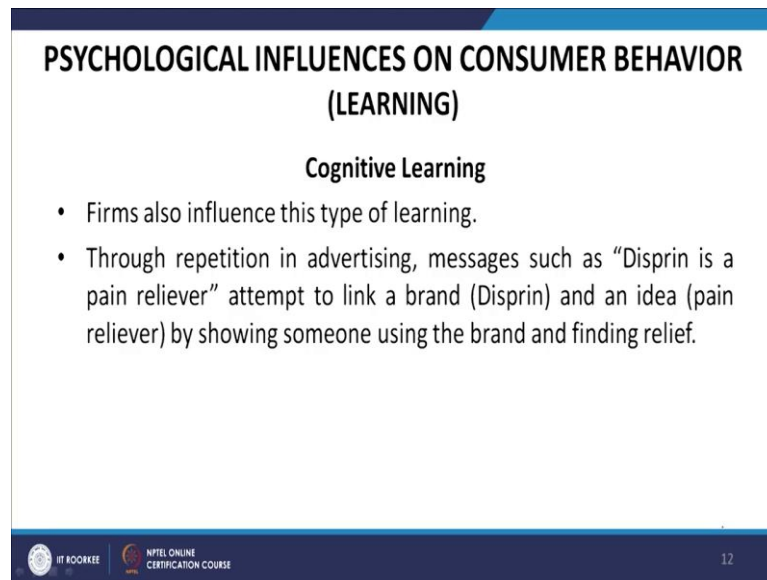
**Cognitive Learning**

- Consumers also learn through thinking, reasoning, and mental problem solving without direct experience.
- This type of learning, called *cognitive learning*.
- It involves:
  - 1 – making connections between two or more ideas, or
  - 2 – simply observing the outcomes of others' behaviors and adjusting your own accordingly.

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Then, what happen is, consumers they also learn through thinking, reasoning and mental problem solving without direct experience. This type of learning is called as cognitive learning and it involves making connections between two or more ideas. So, this cognitive learning, it involves making connection between two or more ideas or simply observing the outcome of others behavior and adjusting your own accordingly. So, this is cognitive learning, it happens when you do not have a prior direct experience.

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**PSYCHOLOGICAL INFLUENCES ON CONSUMER BEHAVIOR  
(LEARNING)**

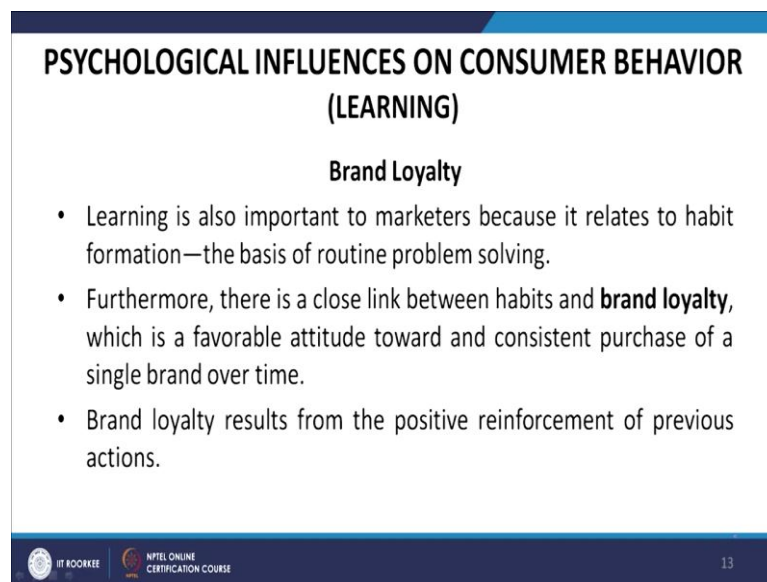
**Cognitive Learning**

- Firms also influence this type of learning.
- Through repetition in advertising, messages such as “Disprin is a pain reliever” attempt to link a brand (Disprin) and an idea (pain reliever) by showing someone using the brand and finding relief.

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So, firms also influence this type of learning, through repetition in advertising, messages such as “Disprin is a pain reliever” attempt to link a brand that is Disprin and an idea that is pain reliever by showing someone using the brand and finding relief.

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**PSYCHOLOGICAL INFLUENCES ON CONSUMER BEHAVIOR  
(LEARNING)**

**Brand Loyalty**

- Learning is also important to marketers because it relates to habit formation—the basis of routine problem solving.
- Furthermore, there is a close link between habits and **brand loyalty**, which is a favorable attitude toward and consistent purchase of a single brand over time.
- Brand loyalty results from the positive reinforcement of previous actions.

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Now, in this context, I will now bring about this concept of brand loyalty. So, learning is also important to marketers because it relates to habit formation that is the basis of routine problem solving. Furthermore, there is the close link between habits and brand loyalty, which is favorable attitude toward and consistent purchase of a single brand over

a period of time. Brand loyalty results from the positive reinforcement of previous actions.

So, in the earlier example, when the person purchased a burger or a sandwich and that tasted great, the reward was positive. So, similarly brand loyalty results from positive reinforcement of previous actions. A consumer reduces risk and save time by consistently purchasing the same brand of shampoo.

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**PSYCHOLOGICAL INFLUENCES ON CONSUMER BEHAVIOR  
(LEARNING)**

**Brand Loyalty**

- A consumer reduces risk and saves time by consistently purchasing the same brand of shampoo and has favorable results—healthy, shining hair.
- There is evidence of brand loyalty in many commonly purchased products in the global marketplace.

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And has favorable results like healthy and shining hairs. There is evidence of brand loyalty in many commonly purchased products in the global marketplace.



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**PSYCHOLOGICAL INFLUENCES ON CONSUMER BEHAVIOR  
(VALUES, BELIEFS, AND ATTITUDES)**

**Attitude Formation**

- An **attitude** is a “learned predisposition to respond to an object or class of objects in a consistently favorable or unfavorable way.”
- Attitudes are shaped by our values and beliefs, which are learned.
- Values vary by level of specificity.
- There are some **core values** like material wellbeing and honesty.
- We also have **personal values**, such as thriftiness and ambition.

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So, after having understood the brand loyalty, let us look at attitude formation. An attitude is a learned predisposition to respond to an object or class of objects in a consistently favorable or unfavorable way. Attitudes are shaped by values and beliefs, which are learned. So, attitude is a learned predisposition to respond to an object in a consistently favorable or unfavorable way and how attitudes are formed? They are formed by values and beliefs and these values and beliefs, they are learned. Values vary by level of specificity.

There are some core values, like material wellbeing and honesty and there are some personal values, such as thriftiness and ambition. So, this attitude is based on values and beliefs. These values are of two types one are the core values, which are related to material wellbeing and honesty and then, there are some personal values, such as thriftiness and ambition.

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## PSYCHOLOGICAL INFLUENCES ON CONSUMER BEHAVIOR (VALUES, BELIEFS, AND ATTITUDES)

### Attitude Formation

- Marketers are concerned with both but focus mostly on personal values.
- Personal values affect attitudes by influencing the importance assigned to specific product attributes.

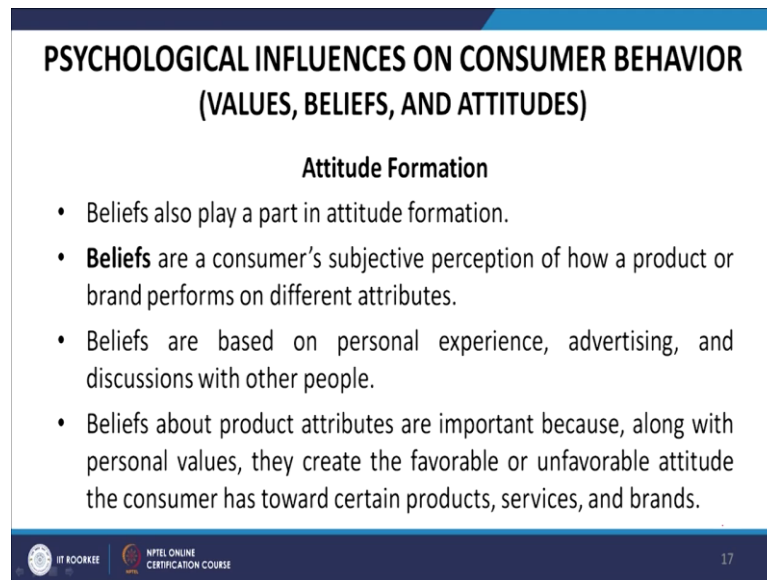
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graph LR; A[Suppose thriftiness is one of your personal values.] --> B[When you evaluate cars, fuel economy (a product attribute) becomes important.]; B --> C[If you believe a specific car brand has this attribute, you are likely to have a favorable attitude toward it.];
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Now, let us look at how attitudes are formed. So, now, we are talking of attitude formation. Marketers are concerned with both but focused mostly on personal values. So, as a marketer, we are not disturbing core values, we are talking of personal values. So, marketers, they try to influence the personal values. Personal values affect attitudes by influencing the importance assigned to specific product attributes. So, let us start from this block.

Suppose thriftiness is one of your personal values. Now, that leads to the second box when you evaluate cars, fuel economy that is a product attribute becomes important and then, if you believe a specific car brand has this attribute, you are likely to have a favorable attitude towards it. So, this is how the personal values, they affect attitudes and then, they affect the specific product attributes. Now, beliefs also play an important part in attitude formation. Beliefs are consumer subjective perceptions of how a product or brand performs on different attributes. So, these are beliefs.

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**PSYCHOLOGICAL INFLUENCES ON CONSUMER BEHAVIOR  
(VALUES, BELIEFS, AND ATTITUDES)**

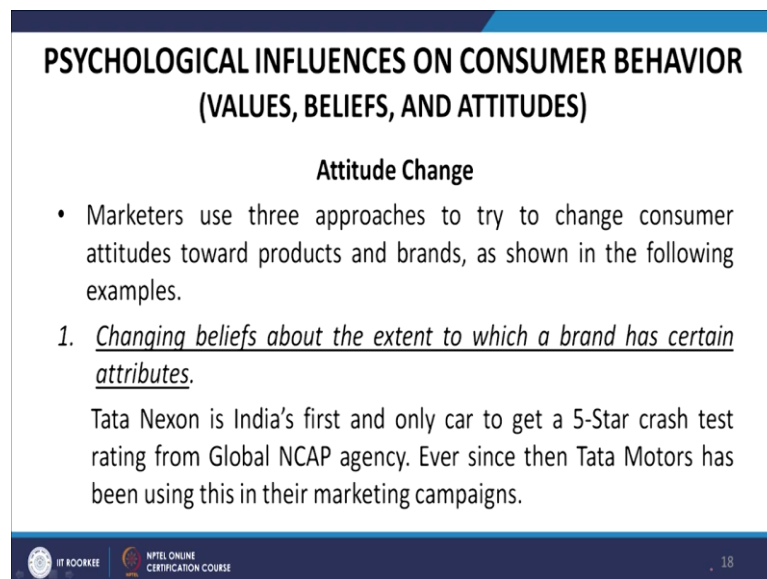
**Attitude Formation**

- Beliefs also play a part in attitude formation.
- **Beliefs** are a consumer's subjective perception of how a product or brand performs on different attributes.
- Beliefs are based on personal experience, advertising, and discussions with other people.
- Beliefs about product attributes are important because, along with personal values, they create the favorable or unfavorable attitude the consumer has toward certain products, services, and brands.

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Beliefs are based on personal experience, advertising and discussion with other people. Belief about product attributes are important because, along with personal values, they create the favorable or unfavorable attitude the consumer has towards certain products, services and brands.

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**PSYCHOLOGICAL INFLUENCES ON CONSUMER BEHAVIOR  
(VALUES, BELIEFS, AND ATTITUDES)**

**Attitude Change**

- Marketers use three approaches to try to change consumer attitudes toward products and brands, as shown in the following examples.
- 1. Changing beliefs about the extent to which a brand has certain attributes.  
Tata Nexon is India's first and only car to get a 5-Star crash test rating from Global NCAP agency. Ever since then Tata Motors has been using this in their marketing campaigns.

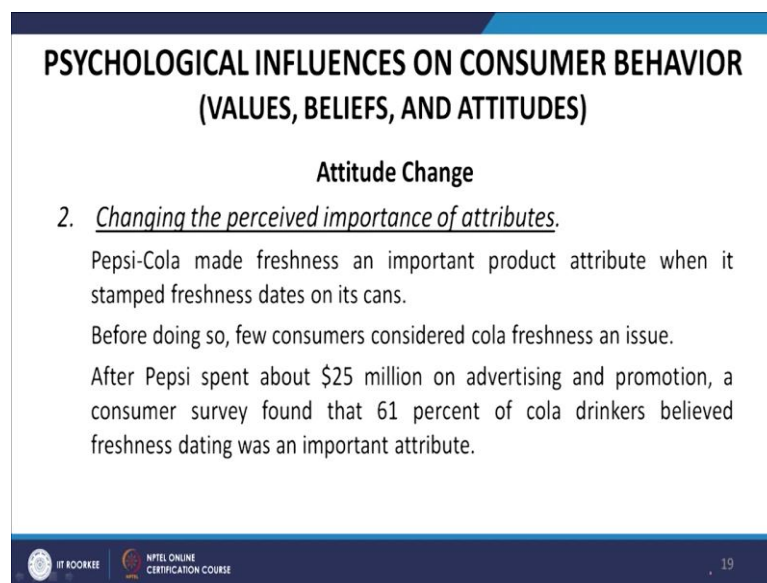
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So, after these attitudes are formed, how to go about changing attributes. Because for one brand the attitude that was formed may be more suitable but for other brand, it may not be; or for other marketers, it may not be. So, what should other marketers do in order to

change attitude? So, marketers use three approaches to try to change consumer attitude towards products and brands, which will be shown in the following example.

First is changing beliefs about the extent to which a brand has certain attribute. So, there are these beliefs about a brand. Now, how to go about changing those beliefs? So, Tata Nexon is India's first and only car to get a 5-star crash test rating from Global-NCAP agency. Ever since then, Tata Motors has been using this in their marketing campaign, that this is the safest car.

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**PSYCHOLOGICAL INFLUENCES ON CONSUMER BEHAVIOR  
(VALUES, BELIEFS, AND ATTITUDES)**

**Attitude Change**

2. Changing the perceived importance of attributes.

Pepsi-Cola made freshness an important product attribute when it stamped freshness dates on its cans.

Before doing so, few consumers considered cola freshness an issue.

After Pepsi spent about \$25 million on advertising and promotion, a consumer survey found that 61 percent of cola drinkers believed freshness dating was an important attribute.

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The next is changing the perceived importance of attributes. Pepsi-Cola made freshness important products attribute when it is stamped freshness dates on its cans. Before doing so, consumers considered cola freshness an issue.

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**PSYCHOLOGICAL INFLUENCES ON CONSUMER BEHAVIOR  
(VALUES, BELIEFS, AND ATTITUDES)**

**Attitude Change**

3. Adding new attributes to the product.

Colgate-Palmolive included a new antibacterial ingredient, triclosan, in its Colgate Total Toothpaste and spent millions in marketing the brand.

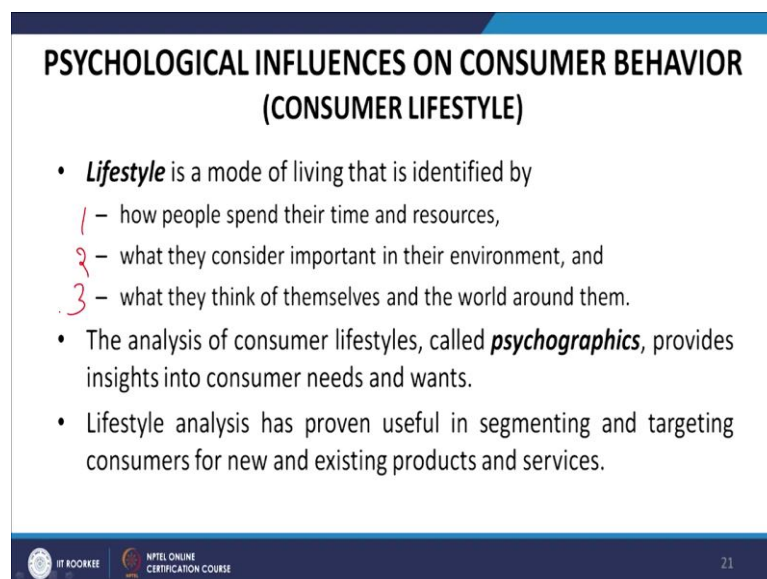
The result?

Colgate Total Toothpaste is now a billion-dollar-plus global brand.

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After Pepsi spent amount dollar 25 million on advertising and promotion, a consumer survey found that 61 percent of cola drinkers believed freshness dating was an important attribute of the cola. Next important thing here is how to go about adding new attributes to a product. Colgate-Palmolive introduced a new antibacterial ingredient, triclosan, in its Colgate Total toothpaste and spent millions in marketing the brand. The result was Colgate Total Toothpaste is now a billion-dollar-plus global brand.

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**PSYCHOLOGICAL INFLUENCES ON CONSUMER BEHAVIOR  
(CONSUMER LIFESTYLE)**

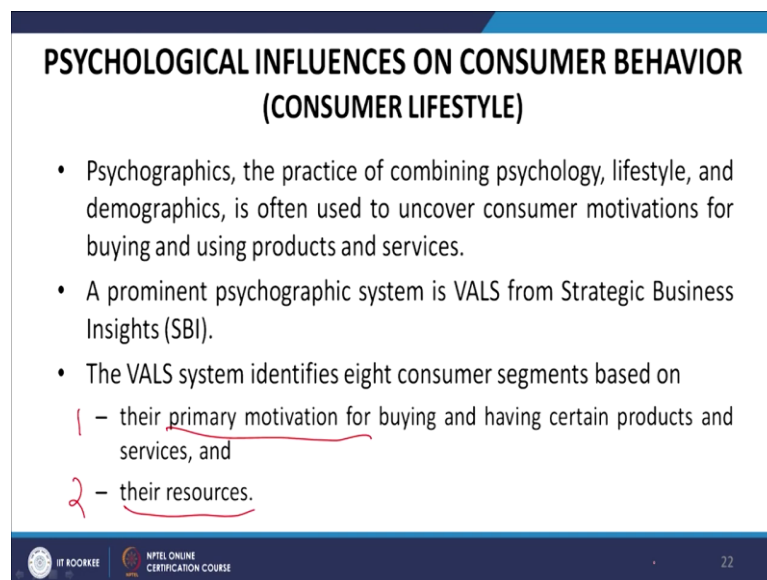
- **Lifestyle** is a mode of living that is identified by
  - 1 – how people spend their time and resources,
  - 2 – what they consider important in their environment, and
  - 3 – what they think of themselves and the world around them.
- The analysis of consumer lifestyles, called **psychographics**, provides insights into consumer needs and wants.
- Lifestyle analysis has proven useful in segmenting and targeting consumers for new and existing products and services.

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Another psychological influence on consumer behavior is the consumer lifestyle. So, what is this lifestyle? Lifestyle is a mode of living that is identified by: how people spend their time and resources, what they consider important in their environment, and what they think of them self and the world around them. So, these are the three things that represent lifestyle; how people they spend their time and resources, next is what they consider important in their environment and what they think of them self and the world around them.

The analysis of consumer lifestyle is called psychographics, and it provides insight into consumers' needs and wants. Lifestyle analysis has proven useful in segmenting and targeting consumers for new and existing products and services.

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**PSYCHOLOGICAL INFLUENCES ON CONSUMER BEHAVIOR  
(CONSUMER LIFESTYLE)**

- Psychographics, the practice of combining psychology, lifestyle, and demographics, is often used to uncover consumer motivations for buying and using products and services.
- A prominent psychographic system is VALS from Strategic Business Insights (SBI).
- The VALS system identifies eight consumer segments based on
  - 1 – their primary motivation for buying and having certain products and services, and
  - 2 – their resources.

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Psychographics, the practice of combining psychology, lifestyle, and demographics, is often used to uncover consumer motivation for buying and using products and services. A prominent psychographic system is VALS that was developed by Strategic Business Insights. So, this VALS system identifies eight consumer segments based on, first their primary motivation for buying and having certain products and services, and the second is their resources. So, first is their primary motivation, why do they buy and second is what are the resources that they have.

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**PSYCHOLOGICAL INFLUENCES ON CONSUMER BEHAVIOR  
(CONSUMER LIFESTYLE)**

- According to SBI researchers, consumers are motivated to buy products and services and seek experiences that give <sup>1</sup>shape, <sup>2</sup>substance, and <sup>3</sup>satisfaction to their lives.
- But not all consumers are alike.
- Consumers are inspired by one of three primary motivations—<sup>1</sup>ideals, <sup>2</sup>achievement, and <sup>3</sup>self-expression—that give meaning to their self or the world and govern their activities.
- The different levels of resources enhance or constrain a person's expression of his or her primary motivation.

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According to Strategic Business Insight researchers, consumers are motivated to buy products and services and seek experiences that give shape, substance, and satisfaction to their lives. So, these are the three things that consumers look for, when they buy goods or services; first is the shape second is substance and the third is satisfaction. But not all consumers are alike; consumers are inspired by one of the three primary motivations. Although all the consumers may seek shape, substance and satisfaction.

But consumers are inspired by one of the three primary motivations. What are these primary motivations? One is ideals, second is achievement and the third is self expression that gives meaning to their self of the world and govern their activities. The different level of resources enhances or constrains a person's expression of his or her primary motivation.

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### PSYCHOLOGICAL INFLUENCES ON CONSUMER BEHAVIOR (CONSUMER LIFESTYLE)

- A person's resources include **psychological, physical, demographic,** and **material capacities** such as income, self-confidence, and risk-taking.
- The VALS system seeks to explain why and how consumers make purchase decisions.

Figure 9.1: VALS classification system  
Source: Roger, K., Steven, H. & William, R. (2013). Marketing: The Core. McGraw-Hill Irwin, Fifth Edition.

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Now, this figure on the right hand side shows VALS classification scheme. So, a person's resources include psychological, physical, demographic and material capacities such as income, self-confidence, and risk-taking. The VALS system seeks to explain why and how consumers make purchase decisions.

So, now, here you will find those people with high resources and high innovation, while here these are the people with low resources and low motivation. These are the three primary motivations that we have talked about; one is the ideal, the second is achievement and the third is self-expression and then, we have these eight types of people. This categorized all the consumers in these 8 type, we will talk about these eight types in detail.



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**PSYCHOLOGICAL INFLUENCES ON CONSUMER BEHAVIOR  
(CONSUMER LIFESTYLE)**

**Ideals-motivated groups**

- Consumers motivated by ideals are guided by knowledge and principle.

✓ **Ideals-motivated groups** **Thinkers** ↑

- They are mature, reflective, and well-educated people who value order, knowledge, and responsibility.
- They are practical consumers and deliberate information-seekers who value durability and functionality in products over styling and newness.

**Ideals-motivated groups** **Believers** 2

- They are with fewer resources, are conservative, conventional people with concrete beliefs based on traditional, established codes: family, religion, community, and the nation.
- They choose familiar products and brands, favor American-made products, and are generally brand loyal.

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So, the first is ideal-motivated consumers. We are talking about this one. Consumers motivated by ideals are guided by knowledge and principle. So, let us talk of the ideals motivated groups. First of this group are Thinkers.

So, we are talking of these thinkers. How do the thinkers look like? They are mature, reflective, and well-educated people, who value order, knowledge, and responsibility. They are practical consumers and deliberate information seekers, who value durability and functionality in products over styling and newness.

Another type of ideal motivated groups is called as Believers. Now, these believers, they are with fewer lesser resources, they are conservative, conventional people with concrete belief based on traditional, established codes about family religion, community and the nation.

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**PSYCHOLOGICAL INFLUENCES ON CONSUMER BEHAVIOR  
(CONSUMER LIFESTYLE)**

**Achievement-motivated groups**

- These consumers look for products and services that demonstrate success to their peers or to a peer group they aspire to.

**Achievement-motivated groups** **3** **Achievers**

- They have a busy, goal-directed lifestyle and a deep commitment to career and family.
- Image is important to them.
- They favor established, prestige products and services and are interested in time-saving devices given their hectic schedules.

**Achievement-motivated groups** **4** **Strivers**

- They are trendy, fun-loving, and less self-confident than Achievers.
- They also have lower levels of education and household income.
- Money defines success for them.
- They favor stylish products and are as impulsive as their financial circumstances permit.

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Now, let us look at the achievement-motivated groups. These consumers' looks for products and services that demonstrate success to their peers or to a peer group they aspire to. So, first of these achievement motivated group is these Achievers. So, now, we are talking about this third one that is achievers. They have a busy goal-oriented lifestyle and deep commitment to career and family. Image is also important to them. They favor established, prestige products and services and are interested in time saving devices given their hectic schedules.

Another type of achievement motivated groups is called as Strivers. These strivers, they are trendy, fun-loving and less self-confident than Achievers. They also have lower levels of education and household income. Money defines success for them. They favor stylish products and are impulsive as their financial circumstances permit.

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**PSYCHOLOGICAL INFLUENCES ON CONSUMER BEHAVIOR  
(CONSUMER LIFESTYLE)**

**Self-expression-motivated groups**

- Consumers motivated by self-expression desire social or physical activity, variety, and risk.

Self-expression-motivated groups

*Experiencers*

- They are young, enthusiastic, and impulsive consumers who become excited about new possibilities but are equally quick to cool.
- They savor the new, the offbeat, and the risky.
- Their energy finds an outlet in exercise, sports, outdoor recreation, and social activities.
- Much of their income is spent on fashion items, entertainment, and socializing and particularly on looking good and having the latest things.

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Yet another type of consumer is self-expression-motivated consumers. So, consumers motivated by self-expression desire social or physical activity, variety and risk. So, they are called as experiencers.

They are young, enthusiastic and impulsive consumers, who become excited about new possibilities, but are equally quick to cool. They savor the new, the offbeat, and the risky. Their energy finds an outlet in exercise, sports, outdoor recreation, and social activities. Much of their income is spent on fashion items, entertainment, and socializing and particularly on looking good and having the latest things.

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**PSYCHOLOGICAL INFLUENCES ON CONSUMER BEHAVIOR**  
**(CONSUMER LIFESTYLE)**

**Self-expression-motivated groups**

- Consumers motivated by self-expression desire social or physical activity, variety, and risk.

Self-expression-motivated groups **Makers**

- With fewer resources, they express themselves and experience the world by working on it—raising children or fixing a car.
- They are practical people who have constructive skills, value self-sufficiency, and are unimpressed by material possessions except those with a practical or functional purpose.

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Then, consumers another self-expression-motivated group is called as Makers. These are group of people with fewer resources, lesser resources, they express themselves and experience the world by working on it - raising children or fixing a car. They are practical people who have constructive skills, value self-sufficiency, and are unimpressed by material possessions except those with a practical or functional purpose. Now, let us look at another set of people with high or low resource group. So, now, we are talking about; this is the sixth one and this is the seventh one.

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**PSYCHOLOGICAL INFLUENCES ON CONSUMER BEHAVIOR**  
**(CONSUMER LIFESTYLE)**

**High- and low-resource groups**

High- and low-resource groups **Innovators**

- They are successful, sophisticated, take-charge people with high self-esteem and abundant resources of all kinds.
- Image is important to them, not as evidence of power or status, but as an expression of cultivated tastes, independence, and character.
- They are receptive to new ideas and technologies.
- Their lives are characterized by variety.

High- and low-resource groups **Survivors**

- With the least resources of any segment, focus on meeting basic needs (safety and security) rather than fulfilling desires.
- They represent a modest market for most products and services and are loyal to favorite brands, especially if they can be purchased at a discount.

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Innovators, they are successful, sophisticated, take-charge people with high self-esteem and abundant resources of all kinds. Image is important to them, not as evidence of power or status, but as an expression of cultivated taste, independence, and character. They are receptive to new ideas and technologies and their lives are characterized by variety.

The last one of these types of people are called as survivors. These are people with the least resources of any segment, focus on meeting basic needs that is the safety and security rather than fulfilling desires. They represent a modest market for most products and services and are loyal to favorite brands, especially if they can be purchased at a discount.

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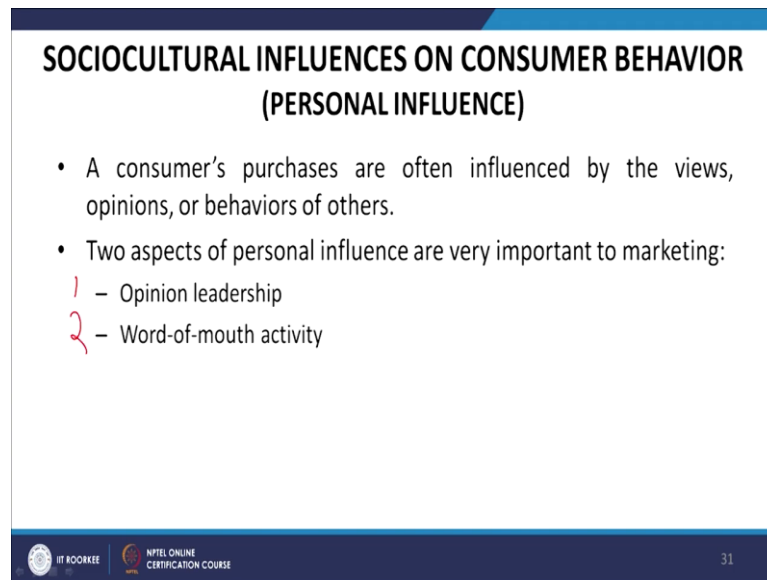
**SOCIOCULTURAL INFLUENCES ON CONSUMER BEHAVIOR**

- Sociocultural influences, which evolve from a consumer's formal and informal relationships with other people, also exert a significant impact on consumer behavior.
- These involve:
  - 1 – Personal Influence
  - 2 – Reference Groups
  - 3 – Family Influence
  - 4 – Culture and subculture

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Now, let us move on and look for the socio-cultural influences on consumer behavior. So, socio-cultural influences, which evolve from a consumer's formal or informal relationship with other people, also exert a significant impact on consumer behavior. So, that involves first is personal influence, second is reference groups, the third is family influence and the fourth is the cultures and the subcultures. So, these are the four types of socio-cultural influences that affect the consumer's behavior.

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**SOCIOCULTURAL INFLUENCES ON CONSUMER BEHAVIOR**  
**(PERSONAL INFLUENCE)**

- A consumer's purchases are often influenced by the views, opinions, or behaviors of others.
- Two aspects of personal influence are very important to marketing:
  - 1 – Opinion leadership
  - 2 – Word-of-mouth activity

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Now, let us look at each one of them. What are we talking about, when we talk of personal influences. A consumer's purchases are often influenced by the views, opinions, and behaviors of others. Two aspects of personal influences are very important to marketing; first is opinion leadership and the second is word-of-mouth activity.

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**SOCIOCULTURAL INFLUENCES ON CONSUMER BEHAVIOR**  
**(PERSONAL INFLUENCE)**

**Opinion Leadership**

- Individuals who exert direct or indirect social influence over others are called **opinion leaders**.
- Opinion leaders are considered to be knowledgeable about or users of particular products and services, so their opinions influence others' choices.
- Opinion leadership is widespread in the purchase of cars and trucks, entertainment, clothing and accessories, club membership, consumer electronics, vacation locations, food, and financial investments.


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Now, let us look at what is this opinion leadership. Individuals who exert direct or indirect social influences over others are called as opinion leaders. Direct or indirect social influence over others, they are called as opinion leaders. Opinion leaders are

considered to be knowledgeable about or users of a particular product or service, so their opinion influence other people choices.

Opinion leadership is widespread in the purchase of cars and trucks, entertainment, clothing and accessories, club memberships, consumer electronics, vacation locations, food, and financial investments. Identifying, reaching and influencing opinion leader is a major challenge for the company.

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**SOCIOCULTURAL INFLUENCES ON CONSUMER BEHAVIOR  
(PERSONAL INFLUENCE)**

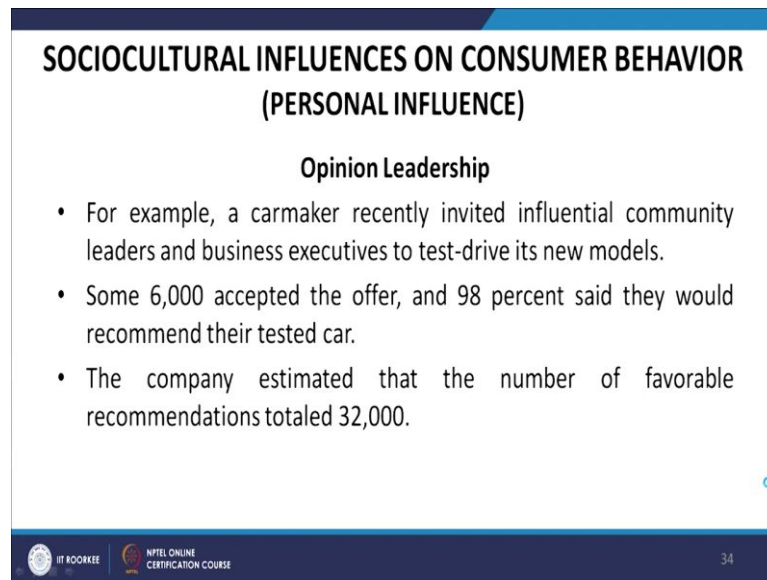
**Opinion Leadership**

- Identifying, reaching, and influencing opinion leaders is a major challenge for companies.
- Some firms use actors or sports figures as spokespersons to represent their products.
- Others promote their products in media believed to reach opinion leaders.
- Still others use more direct approaches.

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Some firms use film actors or sport figures as spokespersons to present their product. Other promotes their products in media believed to reach opinion leaders. Still others use some more direct approaches.

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**SOCIOCULTURAL INFLUENCES ON CONSUMER BEHAVIOR  
(PERSONAL INFLUENCE)**

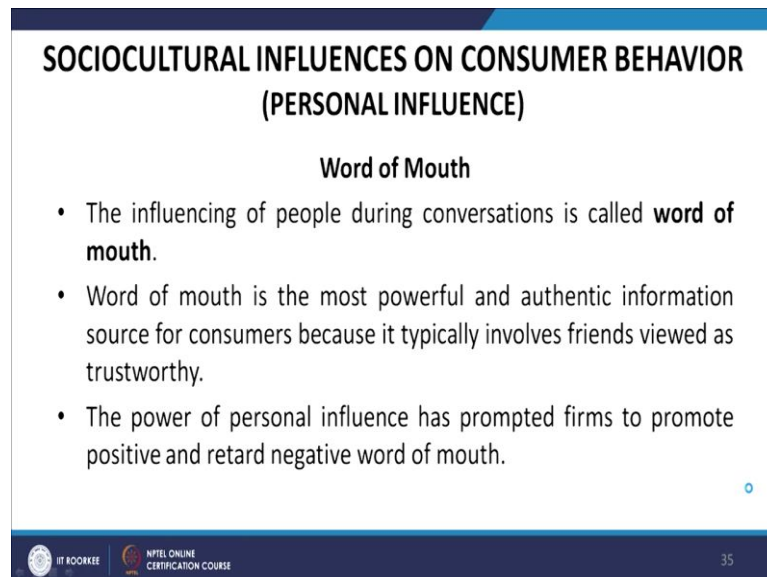
**Opinion Leadership**

- For example, a carmaker recently invited influential community leaders and business executives to test-drive its new models.
- Some 6,000 accepted the offer, and 98 percent said they would recommend their tested car.
- The company estimated that the number of favorable recommendations totaled 32,000.

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For example, a carmaker recently invited influential community leaders and business executives to test-drive its new models. Some 6,000 accepted the offer, and 98 percent said they would recommend their tested car. The company estimated that the number of favorable recommendation totaled 32,000.

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**SOCIOCULTURAL INFLUENCES ON CONSUMER BEHAVIOR  
(PERSONAL INFLUENCE)**

**Word of Mouth**

- The influencing of people during conversations is called **word of mouth**.
- Word of mouth is the most powerful and authentic information source for consumers because it typically involves friends viewed as trustworthy.
- The power of personal influence has prompted firms to promote positive and retard negative word of mouth.

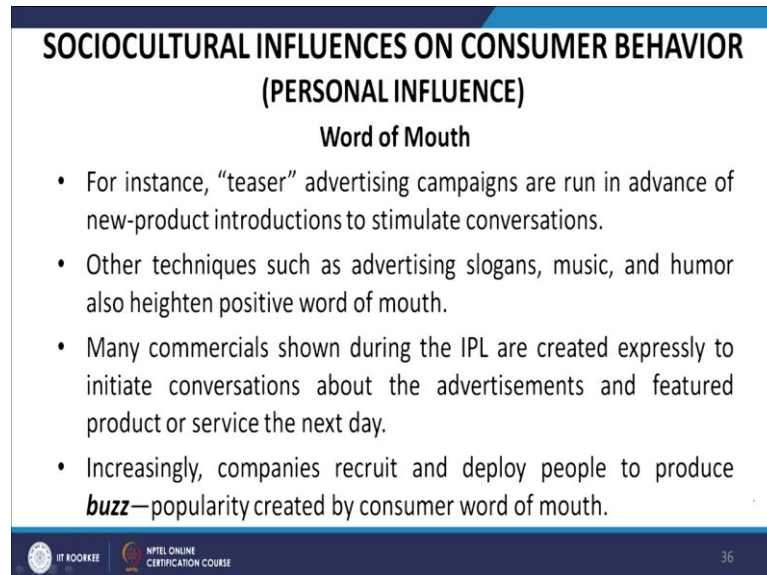
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Now, what is this word of mouth? The influencing of people during conversation is called as word of mouth. Word of mouth is most powerful and authentic information source for consumers because it typically involves friends viewed as trustworthy. The



power of personal influence has prompted firms to promote positive and retard negative word of mouth.

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**SOCIOCULTURAL INFLUENCES ON CONSUMER BEHAVIOR**  
**(PERSONAL INFLUENCE)**

**Word of Mouth**

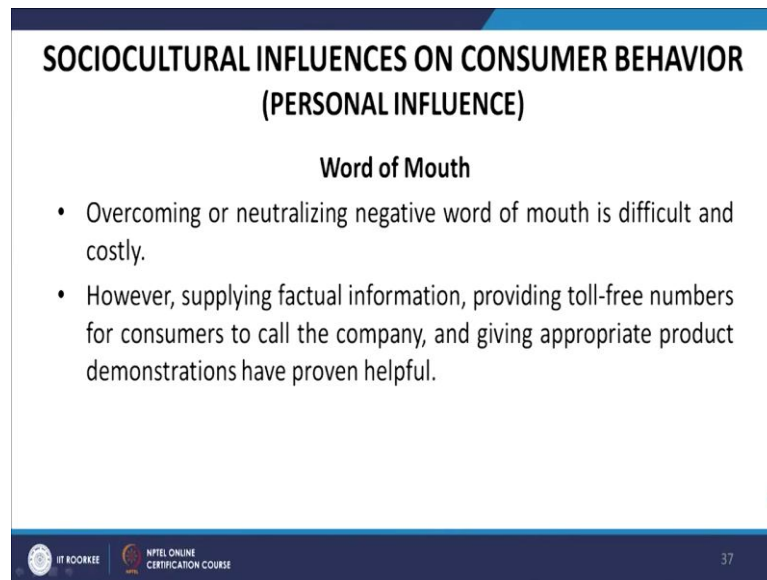
- For instance, “teaser” advertising campaigns are run in advance of new-product introductions to stimulate conversations.
- Other techniques such as advertising slogans, music, and humor also heighten positive word of mouth.
- Many commercials shown during the IPL are created expressly to initiate conversations about the advertisements and featured product or service the next day.
- Increasingly, companies recruit and deploy people to produce **buzz**—popularity created by consumer word of mouth.

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For instance, “teaser” advertising campaigns are run in advance of new-product introduction to stimulate conversations. Other technique such as advertising slogans, music, and humor also heighten positive word of mouth. Some commercials shown during the IPL are created expressly to initiate conversation about the advertisement and featured product or services the next day.

Increasingly, companies recruit and deploy people to produce buzz that is popularity created by the consumers’ word of mouth. Overcoming or neutralizing negative word of mouth is difficult and costly.

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**SOCIOCULTURAL INFLUENCES ON CONSUMER BEHAVIOR  
(PERSONAL INFLUENCE)**

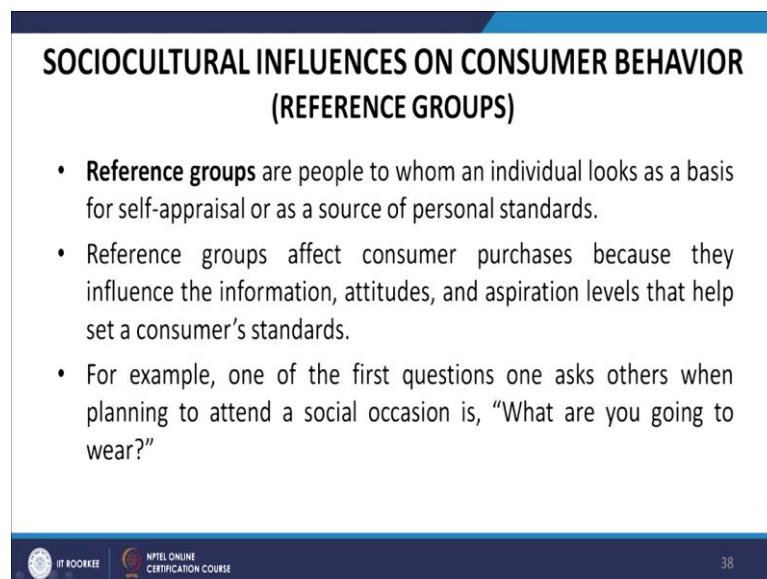
**Word of Mouth**

- Overcoming or neutralizing negative word of mouth is difficult and costly.
- However, supplying factual information, providing toll-free numbers for consumers to call the company, and giving appropriate product demonstrations have proven helpful.

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However, supplying factual information, providing toll-free numbers for consumers to call the company, and give appropriate product demonstrations have proven to be helpful in such cases.

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**SOCIOCULTURAL INFLUENCES ON CONSUMER BEHAVIOR  
(REFERENCE GROUPS)**

- **Reference groups** are people to whom an individual looks as a basis for self-appraisal or as a source of personal standards.
- Reference groups affect consumer purchases because they influence the information, attitudes, and aspiration levels that help set a consumer's standards.
- For example, one of the first questions one asks others when planning to attend a social occasion is, "What are you going to wear?"

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Now, what are reference groups? Reference groups are people to whom an individual looks as a basis for self-appraisal or as a source of personal standards. Reference group affect consumer purchases because they influence the information, attitude and aspiration levels that helps set the consumer's standard. For example, one of the first questions one

asks others when planning to attend a social occasion are, what are you going to wear in that occasion?

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**SOCIOCULTURAL INFLUENCES ON CONSUMER BEHAVIOR  
(REFERENCE GROUPS)**

- Reference groups influence the purchase of luxury products but not necessities—reference groups exert a strong influence on the brand chosen when its use or consumption is highly visible to others.
- Consumers have many reference groups, but three groups have clear marketing implications.
  - 1 – Membership
  - 2 – Aspiration group
  - 3 – Dissociative

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Reference groups influence the purchase of luxury product, but not necessities. Reference groups exert a strong influence on the brand chosen, when it use or consumption is highly visible to others. Consumers have many reference groups, but three types of groups have clear marketing implications.

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**SOCIOCULTURAL INFLUENCES ON CONSUMER BEHAVIOR  
(REFERENCE GROUPS)**

1 Membership group	2 Aspiration group	3 Dissociative group
<ul style="list-style-type: none"><li>• A <i>membership group</i> is one to which a person actually belongs, including fraternities and sororities, social clubs, and the family.</li><li>• Such groups are easily identifiable and are targeted by firms selling insurance, insignia products, and charter vacations.</li></ul>	<ul style="list-style-type: none"><li>• An <i>aspiration group</i> is one that a person wishes to be a member of or wishes to be identified with, such as a professional society.</li><li>• Firms frequently rely on spokespeople or settings associated with their target market's aspiration group in their advertising.</li></ul>	<ul style="list-style-type: none"><li>• A <i>dissociative group</i> is one that a person wishes to maintain a distance from because of differences in values or behaviors.</li></ul>

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The first is the membership group; the second is the aspiration group and the third is dissociative group. Now, what are these three types of groups? Let us start with the membership group. A membership group is one to which a person actually belongs including fraternities and sororities, social clubs and the family. Such groups are easily identifiable and are targeted by firms selling insurance, insignia products and charter vacations.

Next is the aspiration group. An aspiration group is one that a person wishes to be a member of or wishes to be identified with such as a professional society. Firms frequently rely on spokespeople or settings associated with their target market's aspiration groups in their advertising. The third types of groups are associative groups or are dissociative group. A dissociative group is one that a person wishes to maintain a distance from because of differences in that groups values or behaviors.

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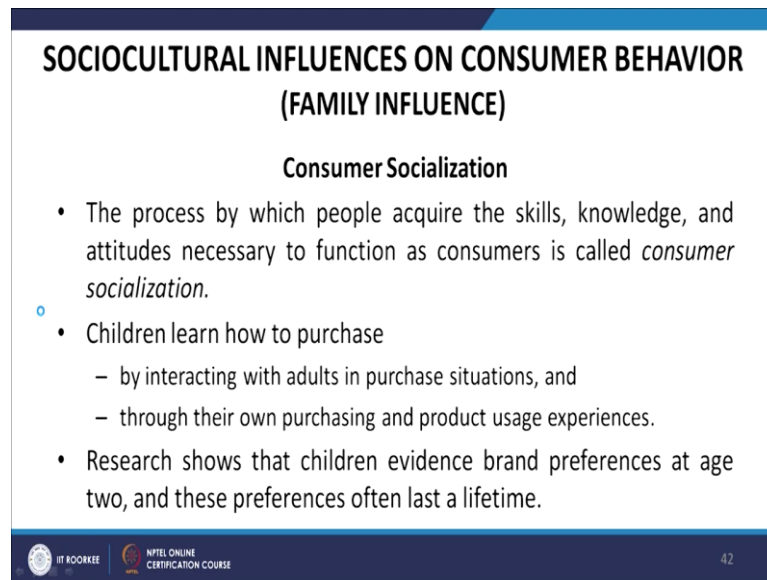
**SOCIOCULTURAL INFLUENCES ON CONSUMER BEHAVIOR  
(FAMILY INFLUENCE)**

- Family influences on consumer behavior result from three sources:
  - 1 – Consumer Socialization
  - 2 – Passage through the family life cycle
  - 3 – Decision making within the family or household

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So, now, let us look at how does family influence the consumer behavior. Family influence on consumer behavior results from three sources; one is consumer socialization, second is passage through the family life cycle and the third is decision making within the family or household. So, these are the three sources that affect the consumer behavior.

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**SOCIOCULTURAL INFLUENCES ON CONSUMER BEHAVIOR  
(FAMILY INFLUENCE)**

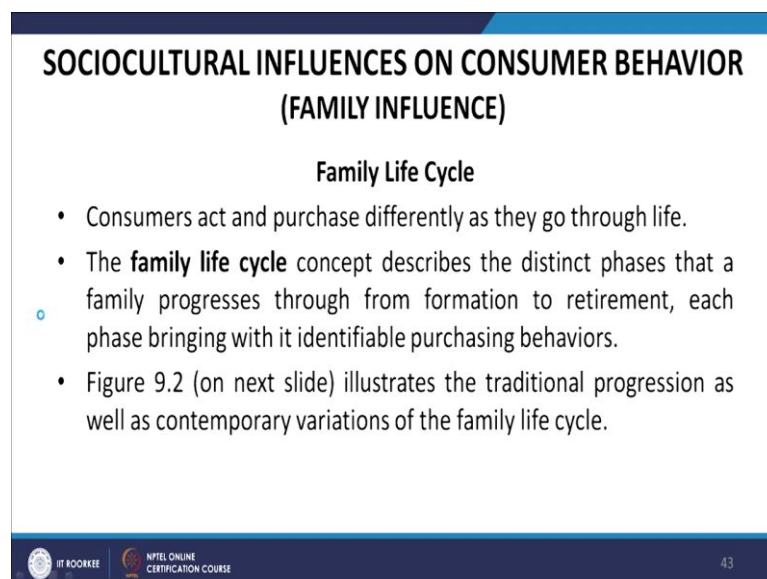
**Consumer Socialization**

- The process by which people acquire the skills, knowledge, and attitudes necessary to function as consumers is called *consumer socialization*.
- Children learn how to purchase
  - by interacting with adults in purchase situations, and
  - through their own purchasing and product usage experiences.
- Research shows that children evidence brand preferences at age two, and these preferences often last a lifetime.

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Now, let us start with to understand each one of them. What is consumer socialization? The process by which consumers acquire the skills, knowledge, and attitude necessary to function as consumers is called as consumer socialization. Children learn how to purchase. How do they learn? By interacting with adults in purchase situations, and through their own purchasing and product usage experiences. Research shows that children evidence brand preference at age two and these preferences often last a lifetime.

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**SOCIOCULTURAL INFLUENCES ON CONSUMER BEHAVIOR  
(FAMILY INFLUENCE)**

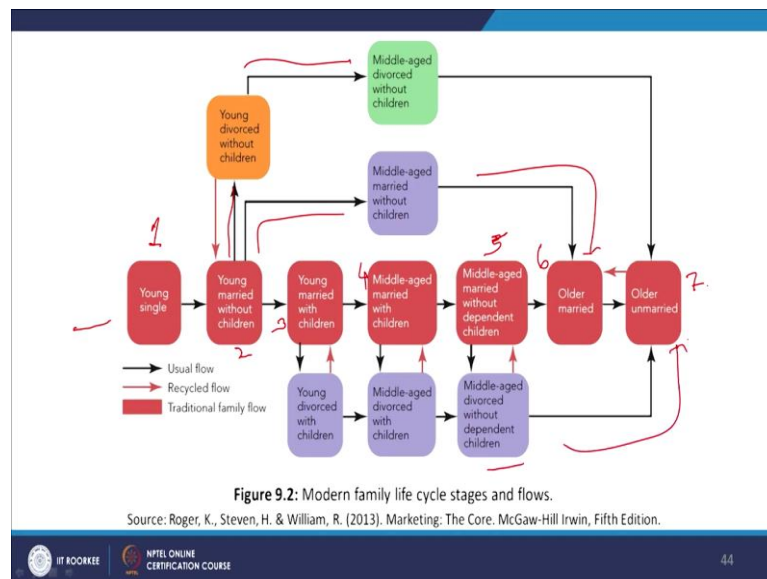
**Family Life Cycle**

- Consumers act and purchase differently as they go through life.
- The **family life cycle** concept describes the distinct phases that a family progresses through from formation to retirement, each phase bringing with it identifiable purchasing behaviors.
- Figure 9.2 (on next slide) illustrates the traditional progression as well as contemporary variations of the family life cycle.

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Another important family influence is the family life cycle. Consumers act and purchase differently as they go through the life. The family life cycle concept describes the distinct phase that a family progresses through from formation to retirement, each phase bringing with it identifiable purchasing behavior. The figure 9.2 on next slide illustrates the traditional progression as well as contemporary variations of the family life cycle.

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So, this is the modern family life cycle stages and flows. This is a young single that is the first stage and the black arrow it represents, the usual flow. Then, he moves on to the next and young married, but without children. In the third stage, he is young married with children, Middle aged married with children, Middle aged, married without dependent children, now the children have moved out. Then, they become older married and then, seventh is the older unmarried.

Now, next is recycled flow. So, this person was young married without children, he moved here; but then, several times a person may move in this direction also, that is young divorced without children. Then, he moves to the middle aged divorced, without children and then, the older unmarried, then he can also moved to move in this direction that is middle aged married without children and then, they move on to the older married.

Now, in place of this, the third thing can be young divorced with children or middle aged divorced, with children; middle aged divorced, without dependent children and then, he moves on; he or she moves on to older unmarried.

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SOCIOCULTURAL INFLUENCES ON CONSUMER BEHAVIOR						
(FAMILY INFLUENCE)						
1	2	3	4	5	6	7
Young singles	Young married couples without children	Young married couples with children	Single parents with children	Middle-aged married couples with children	Middle-aged couples without children	Older married and older unmarried
<ul style="list-style-type: none"> <li>•Young singles' buying preferences are for nondurable items, including prepared foods, clothing, personal care products, and entertainment.</li> <li>•They represent a target market for recreational travel, automobile, and consumer electronics firms.</li> </ul>	<ul style="list-style-type: none"> <li>•Young married couples without children are typically more affluent than young singles because usually both spouses are employed.</li> <li>•These couples exhibit preferences for furniture, housewares, and gift items for each other.</li> </ul>	<ul style="list-style-type: none"> <li>•Young marrieds with children are driven by the needs of their children.</li> <li>•They make up a sizable market for life insurance, various children's products, and home furnishings.</li> </ul>	<ul style="list-style-type: none"> <li>•Single parents with children are the least financially secure of households with children.</li> <li>•Their buying preferences are often affected by a limited economic status and tend toward convenience foods, child care services, and personal care items.</li> </ul>	<ul style="list-style-type: none"> <li>•Middle-aged married couples with children are typically better off financially than their younger counterparts.</li> <li>•They are a significant market for leisure products and home improvement items.</li> </ul>	<ul style="list-style-type: none"> <li>•Middle-aged couples without children typically have a large amount of discretionary income.</li> <li>•These couples buy better home furnishings, status automobiles, and financial services.</li> </ul>	<ul style="list-style-type: none"> <li>•Persons in the last two phases—older married and older unmarried—make up a sizable market for prescription drugs, medical services, vacation trips, and gifts for younger relatives.</li> </ul>

Now, what is this young singles? Young singles buying preferences are for non durable items including prepared foods, clothing, personal care products and entertainment. They represent a target market for recreational travel, automobiles and consumer electronics firms.

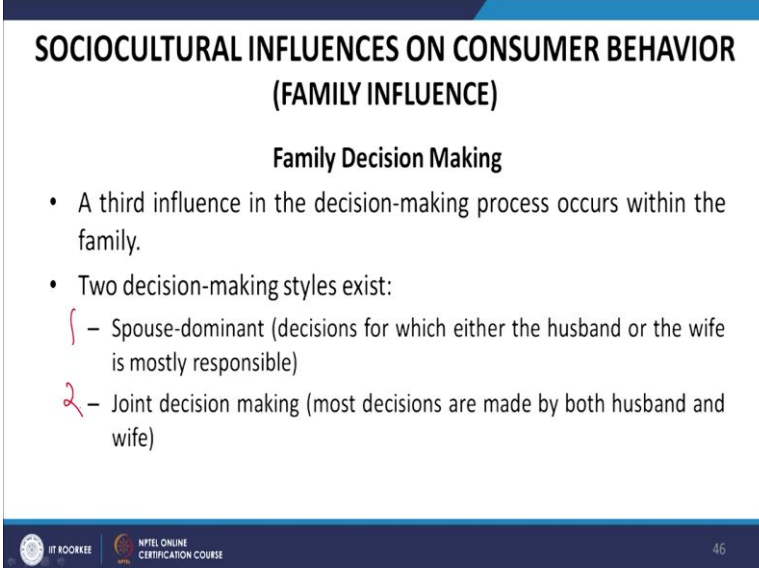
So, these were the first type of people that is a young singles'. Young married couples without children, now what do they buy? They are typically more affluent than young singles because usually both the spouses, they are working. These couple exhibit preferences for furniture, house wares and gift item for each other. The third is young married couples with children.

Young married young married couples with children are driven by the need of their children; they make up a sizable market for life insurance, various children's product and home furnishings. Then, there are the single parents with children they are the least financially secured households with children. Their buying preferences are often affected by a limited economic status and tend towards convenience foods, child care services and personal care items. Then, let us move on to the sixth category that is the middle aged couples without children.

So, they typically have a large amount of discretionary income, these couples buy better home furnishings, status automobile and financial services and then, comes the last category that is the older married and older unmarried person.

In the last two phases older married or older unmarried make up a sizable market for prescription drugs, medical services, vacation trips and gifts for younger relatives. The next influence is the family decision making. The third influence in the decision making process occurs within the family, there are two decision making styles that exist.

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**SOCIOCULTURAL INFLUENCES ON CONSUMER BEHAVIOR**  
**(FAMILY INFLUENCE)**

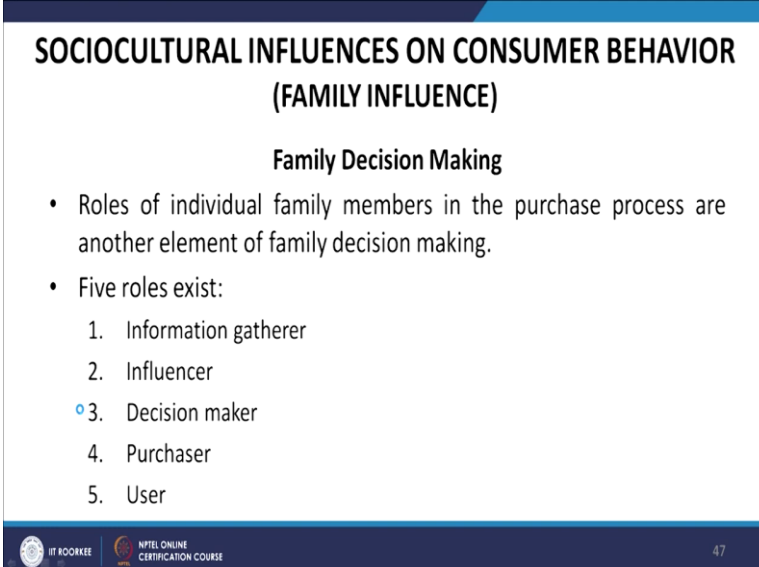
**Family Decision Making**

- A third influence in the decision-making process occurs within the family.
- Two decision-making styles exist:
  - 1 – Spouse-dominant (decisions for which either the husband or the wife is mostly responsible)
  - 2 – Joint decision making (most decisions are made by both husband and wife)

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The first is spouse dominated decisions for which either the husband or the wife is mostly responsible and the second is the joint decision making; most decisions are made by both husband and wife.

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**SOCIOCULTURAL INFLUENCES ON CONSUMER BEHAVIOR**  
**(FAMILY INFLUENCE)**

**Family Decision Making**

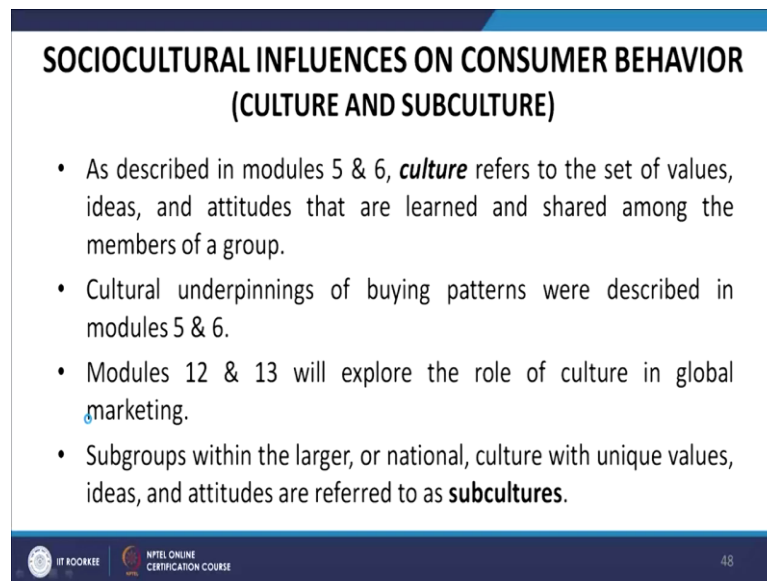
- Roles of individual family members in the purchase process are another element of family decision making.
- Five roles exist:
  1. Information gatherer
  2. Influencer
  3. Decision maker
  4. Purchaser
  5. User

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Role of individual family member in the purchase process are another element of the family decision making. There can be five roles; the first is information gatherer, the second role is influencer, the third is decision maker, the fourth is purchaser and the fifth one is the user. Now, let us look at the culture and the sub culture. As described in module 5 and 6 culture refers to the set of values ideas and attitudes that are learned and shared among the members of a group. Cultural underpinnings of buying patterns were described in module 5 and 6.

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**SOCIOCULTURAL INFLUENCES ON CONSUMER BEHAVIOR  
(CULTURE AND SUBCULTURE)**

- As described in modules 5 & 6, **culture** refers to the set of values, ideas, and attitudes that are learned and shared among the members of a group.
- Cultural underpinnings of buying patterns were described in modules 5 & 6.
- Modules 12 & 13 will explore the role of culture in global marketing.
- Subgroups within the larger, or national, culture with unique values, ideas, and attitudes are referred to as **subcultures**.

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Module 12 and 13 will explore the role of culture in global marketing. Subgroups within the larger or national culture with unique values ideas and attitudes are referred to as subcultures.

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**CONCLUSION**

- We understood how Learning; Values, Beliefs & Attitudes; and Consumer Lifestyles influence consumer behaviour.
- Next, we studied the major sociocultural influences on consumer behavior. Under this, we talked about:
  - Personal Influence
  - Reference Groups
  - Family Influence

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To conclude this module, we have understood how learning values, beliefs and attitudes and consumer lifestyle influence consumer behavior. Next, we studied the major socio-cultural influences on consumer behavior. Under this, we talked about the personal influences, reference groups and family influences.

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These are the three books from which the material for this module was taken.

Thank you.