The Social Context of Consumption: Analysing Social Reference Group Factors that influence Millennial Mobile Phone Purchasing Behaviour

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Abstract
The purchase decision making process is highly characterised inter-alia, by complex socio-economic factors and the influence of the social setting under which the product/brand is purchased and or consumed. This research paper sought to empirically investigate the social reference group factors that influence the mobile phone purchase decisions among millennial consumers in Southern Zimbabwe. The study results were largely dependent upon primary data collected through the survey method. A self-administered questionnaire which comprised of questions on the different types of referent groups influences was used to collect data from a sample of 180 respondents systematically selected. The major findings were that peer group factors such as friends, college-mates, church-mates and work-mates highly influence the millennial consumers’ purchase decisions followed by family group factors such as parents and relatives having a moderate influence whilst the influence of aspirational group factors such as role models, though subtle can be noted. The implication for mobile phone firms is that they should endeavour to craft marketing strategies that specifically adopt and exhibit various collections of social reference group appeals that influence the different tastes, attitudes and preferences of the millennial consumers.

Key terms: Mobile phone, social reference groups, millennials, purchasing behaviour

1. Introduction

For the young consumer, the reference group may act as a pivotal ideal point of consultation whether consciously or unconsciously when deciding between brands to purchase. Conventional marketing thinking suggests that reference group influences tend to shape and guide consumer choice particularly for branded products. The mobile phone market proffers a motivating testing ground for investigating the influence of social reference groups. In essence, the particular mobile phone brand a young consumer uses or intends to use can be reflective of their associative or dissociative group. Moreso, the individual’s decision to or not to be loyal to a specific brand can largely be determined by the type of reference group which contributes valuable brand information. Notwithstanding, consumers may buy particular brands because of the “need to identify with” or “need to belong to” particular associations. Most importantly, the millennial consumer group in Zimbabwe pose a panorama for mobile phone brands and thus identifying and understanding the influence of reference group can prove important for the brand marketers. Essentially, the study seeks to establish the extent to which consumer evaluation and preference of specific mobile phone brands are a resultant of the reference group influence specifically the parents, friends, peers, siblings.

There has been a growing body of literature and documented research on the consumptive behaviour of variant consumers groups that seem to correspond with the growth in the consumption of mobile communication globally. (Barnes and Corbitt, 2003; Siau and Shen, 2003; Scornavacca and Barnes, 2004; Laukkanen and Lauronen, 2005). Various areas research interest that have been probed include inter-alia, mobile market, mobile applications and m-commerce as well as determinants of consumer preferences and

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choice in the consumption of mobile phones (Kumar, 2004). A plethora of studies have since shown that other than the influence of the phone and service related factors such as (newest technology applications, phone design and appearance, the relative price,) social reference groups (such as friends, family, work associates and etc.) have a huge influence on the final purchase decisions among consumers of mobile phones, (Heikki Karjaluoto et.al. 2005: Singh, 2009; Ebrahim, 2012; Haverila, 2011; Milena and Natalia, 2010). From the consumer psychology and sociological point of view, Merton & Rossi (1949) argue that “the influence that groups have on the behavior of the individuals has been recognized for quite some time in academic research” and Childers& Rao (1992) concur by stating that “individuals appear to act in a manner that is consistent with a social group with which they identify themselves”.

2. Social Reference Groups

According to Olson and Peter (1996) a reference group “is one or more people that someone uses as a basis for comparison or point of reference in forming affective and cognitive responses and performing behaviours”. The authors assert that reference groups “expose an individual to new behaviours and lifestyles and influence attitudes and self-concept; they create pressures for conformity that may affect actual product and brand choices.” Hawkins et al., 1998 cited in Yang, He and Lee (2007) concur with the above assertions and point out that the reference group consists of the groups used by an individual to direct one’s purchasing behaviour in a particular situation. These are social groups that the individual is frequently in touch with as well as those that the individual does not have a membership in or a direct contact with, such as certain expected groups or people in a certain social group. A reference group is defined as “an actual or imaginary individual or group conceived of having significant relevance upon an individual’s evaluations, aspirations, or behaviour”. (Park & Lessig, 1977) Reference groups provide to the individual some points of comparison more or less direct about their behaviour, lifestyle, desires or consumer habits (Schiffman & Kanuk, 2000). Resultantly, social reference groups influence the image that the individual has of himself as well as his behaviour since they are usually related to an individual’s social origin, age, place of residence, work, hobbies, and leisure. To this end, common consumption trends among the members of a same group are generally observable.

Furthermore, Stanton, Etzel & Walker,(1994) postulate that consumer attitudes, goals, aspirations, opinions, and brand or product information is driven by such factors as the reference group influence which is a concept that represents that ‘social constituency’ to which the individual actually belongs or purports to affiliate with. In essence , reference groups ,whether actual or imaginary are yardsticks or ‘models’ that determine customer standards and expectations in any decision making process towards products and services, (Park and Lessig, 1977). The influence of reference group on consumer buying decisions made over branded products has been considered in a number of researches that include (Ratner & Kahn, (2002) on candy, Batra, Homer & Kahle, (2001) on clothes, Ratneshwar & Shocker, (1991) on snack foods and, Chow, Celsi & Abel, (1990) on fragrances. However, in this current study the objective is to explore the relevance and influence of the social reference group factors in the purchase of mobile phones by young consumers in Zimbabwe.

Reference Group Classification

Reference groups have been classified into three main categories and these include the contactual group also referred to as membership group, the aspirational group and the disclaimant group also known as the dissociative group. According to Schiffman & Kanuk, (2000) the basis of the above classification include the individual’s membership or degree of interaction with the group as well as whether the group has a positive or negative influence on the individual ‘s behaviour, attitudes and values. Reference groups can be (large and formal) or (small and informal) with the latter exerting a high and more powerful normative influence on the individual since there is generally high levels of daily interaction whilst the former is more pronounced in as far as comparative influence is concerned, Bamossy et al(2006). According to Schiffman & Kanuk, (2000) the social reference groups can be classified into three main categories, as follows:
Membership/ Contractual group

Examples of this type of group include social clubs, social networking circles, one’s family, friends, religious denomination, residential neighbourhood association, country club. This is a group which the individual has regular and usual interface with and whose culture (values, attitudes, and standards) they subscribe to. Resultantly, a contractual group impresses a matching influence on the behaviour of the individual.

Aspirational Group

It is made up of individuals whom the consumer idealizes and idolizes and some they actually know, while others are composed of people the consumer can either identify with or admire. The individual does not necessarily hold membership to the aspirational group or have any contact but receives high levels of positive influence.

Avoidance/ Disclaimant Group

It is a group that consumers avoid or distance away from, whose influence is considered as negative and as such the consumers study the behaviour, “dress or mannerisms of a disliked group and scrupulously avoid buying anything that might identify him or her with that group”, Bassomy (2006).

Types of Reference Group Influences

Research has shown that reference groups influences which are central to consumer purchasing behaviour can be classified into three: informational influence, utilitarian influence and value-expressive influence (Bearden and Etzel, 1982, Park and Lessig, 1977; cited in Yang et.al, 2007).

Informational Influence

The purchasing decision making process is highly complex depending on the nature of the product and exposure to marketing stimuli. Consumers also have to grapple with post-purchase dissonance (cognitive dissonance) as well as perceived risk and as such, in most cases, young consumers are predisposed to probe for others’ judgments and opinions which therefore translate into some consultation of the reference group member when choosing between alternative brands. The assumption is that family members, friends and peers are sources of credible information and knowledge regarding the ‘best’ brands in a product category. Other than actively seeking for information from opinion leaders or from a group of experts, young consumer may make purchasing decisions premised on simple observations of how the referent member(s) behave or put simply the brands they use, like or prefer.

Utilitarian Influence

Individuals belonging to a certain group have a tendency of behaving in similar fashion, ‘talk the same language’, and have generally accepted traits and informally agreed behaviours. As such, for young consumers, the utilitarian influence is explained by the catchy phrase: ‘if you don’t fit, you don’t belong’. The implication is that the young consumers is drawn into making a purchase based on the ‘reward’ or punishment ‘motive’ premised upon the informal constituted group norms, values and beliefs. In studying the influence of social reference groups on mobile phone purchase decisions of the young Chinese and American consumers, Yang et.al (2007) discovered that the utilitarian influence significantly impacted on their purchase decisions. Conventional marketing thinking suggest that an individual consumer may obtain approval or disapproval by using or neglecting brands that are endorsed by friends, family and other referral groups. Thus therefore the concept is applied in most ads relating to ‘social’ products such as mobile phones, deodorants, and other beauty care products.

Value-Expressive Influence

It is imperative to note that young consumers purchasing decisions may reflect the desire for psychological association with an individual or members whom they perceive as enhancing their self-image. By doing so, they are endorsing the already accepted predispositions which they are willing to embrace and accept in order to identify with the referent group. In marketing and advertising, the value expressive
influence is demonstrated by the use of celebrities and other well-known personalities in endorsing certain products and services.

3. Data Collection Procedure

The methodology adopted in this research study was a descriptive survey method, for the sole purpose of describing the relationship if any between type of reference groups and its purported influence on consumer purchasing behaviour. The study results were largely dependent upon primary data collected through the survey method. The researcher used a self-administered questionnaire to which comprised a set of questions on the different types of referent groups influences. The set questions were sub-divided into subsections. Section A comprised questions on the influence of family that is parents, relatives, siblings, section B, focused on peers that is friends, schoolmates, church-mates and workmates and the finally section C which sought data on respondents’ demographics. Basically, the questionnaire consisted of fixed-choice questions to ensure objectivity and guarantee validity of data gathered. For this study, the research population included all millennial mobile phone consumers in Masvingo city, Zimbabwe. Resultantly, a sample of 180 respondents was administered in this research.

The study participants for the survey were selected using the multi-stage sampling wherein most probability sampling techniques were employed. Firstly, stratified sampling was used wherein the target population was divided into four strata. Stratum one consisted of high school students, stratum two: polytechnic college students, stratum three: teacher training college students and finally stratum four: which comprised of state university students. The second stage of sampling involved the use of systematic sampling technique whereby every 10th name in the class list was identified until the sample number was reached. Data was then gathered through the help of two research assistants and other contact points at each respective stratum. The computation of statistics for analysis was done using the SPSS package. Pre-testing of the questionnaire was done in consultations with subject specialists to cross-check on all questions. Prior to analysis, the reliability and validity of instrument was tested using the Cronbach’s Alpha test which for all the construct was above 0.6 which is considered valid and reliable for discussion and analysis.

4. Discussion of Findings

Research study findings are presented by means of a Component analysis derived and generated from Factor Analysis which was used to explain how social reference group influences affect consumer millenials’ purchase of mobile phones.

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<th>Communalities</th>
<th>Initial</th>
<th>Extraction</th>
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<tr>
<td>influence of parents</td>
<td>1.000</td>
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<td>influence of relatives</td>
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<td>influence of siblings</td>
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<td>influence of friends</td>
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<td>influence of workmates</td>
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<td>influence of college-mates</td>
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<td>influence of church mates</td>
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<td>influence of celebrity</td>
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<td>influence of role model</td>
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<td>influence of opinion leaders</td>
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Extraction Method: Principal Component Analysis.
The table above represents communality which is the amount of variance a variable shares with other variables under consideration in the research. The results show that the influence of parents, relatives and siblings represent 63.1 percent, 78.0 percent and 95.8 percent respectively of the information.

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<th>Component Analysis</th>
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<td>Component 1</td>
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It is important to highlight that the research study identified three fundamental social reference group factors that are likely to influence millennials’ attitudes, goals, aspirations, opinions, and brand or product information. Below is a summary of data interpretation and discussion of findings based on the table above.

**Peer Influence**

The variables contained in Component one include influence of friends, influence of workmates, influence of college-mates and influence of church-mates. These findings seem to suggest and concur with the notion that young consumers, herein study referred to as millennials, are predisposed to probe for ‘others’ judgments and opinions when buying or choosing mobile phone brands. It may suffice to say that these ‘others’ input is highly regarded as the young consumers seek ‘social acceptance’ and belonging. To this end, for millennial consumers of mobile phone brands, the utilitarian influence that affects their choice and preferences may be explained by the catchy phrase: ‘if you don’t fit, you don’t belong’. As such, young consumers are drawn into making a purchase based on the ‘reward’ or punishment ‘motive’ premised upon the informal constituted group norms, values and beliefs.

It is important to note that, this outcome is also influenced by the nature of the product under research. Mobile phones can be classified as a ‘publicly consumed luxuries’ which are socially accepted as representing and reflective of one’s social identity and personal values. As such, peer group consultation is made on the pretext that, friends, college-mates and workmates are sources of credible information and knowledge regarding the ‘best’ brands in a product category. This conforms with the theory of reasoned action which suggests “that a person's volitional (voluntary) behaviour is predicted by his/her attitude toward that behaviour and how he/she thinks other people would view them if they performed the behaviour”. Fishbein & Ajzen(1975). Thus, group conformance, the need to “belong” as well as social acceptance are key drivers that may explain millenials’ behaviour when making mobile phone brand choice.

**Family Influence**

The variables in Component two are influence of the parents and influence of relatives. Parents and relatives are generally considered as the ‘significant’ others which are normally held with high regard and constantly identified with and associated with high levels of credibility. Park & Lessig, (1977) argue consumers generally seek independent evaluations of various alternatives based on brand preferences of reference group members they belong to. Findings of the study indicate that, parents and relatives act as key referents that young consumers of mobile phones identify with and who assist by availing useful information in solving and helping the young consumers make brand choices.
Role Models

In the table above, in Component three lies the influence of ‘role model’ on young consumers’ brand purchase of mobile phones as a variable. Role models include, inter alia, individuals or a person consumers actually and personally know or those that they idolize or identify with. Bamsoony (2006). For this reason, the findings indicate that in their purchase of mobile phones, millennials are also influenced by their role models. As such, this suggests that young consumers of mobile phones reflect the desire for psychological association with an individual or members whom they perceive as enhancing their self-image. By doing so, they are endorsing the already accepted predispositions which they are willing to embrace and accept in order to identify with the referent group.

5. Conclusions and Managerial Implications

The research study was conducted to analyse the various social reference group factors that influence young consumers of mobile phone in Southern Zimbabwe. From the study, it can be discerned that different reference groups factors have varying influence on young consumers of mobile phones purchase behaviour. The research findings indicate that peer group factors such as friends, college-mates, church-mates and work-mates have significant influence on the millennial consumers’ purchase decisions followed by family group factors such as (parents and relatives) having a moderate influence whilst the influence of aspirational group factors such as role models, though subtle can be noted. It therefore implies that mobile phone marketers must understand that young consumers identify with, admire and belong to many different social reference groups and that their purchase decisions are largely influenced by the need for group acceptance and identification. To this end, mobile phone firms should craft marketing strategies that specifically adopt and exhibit various collections of social reference group appeals that influence the different tastes, attitudes, and preferences of the millennial consumers.

References


