

## CONSUMERS' SUSCEPTIBILITY TO REFERENCE GROUP INFLUENCE: A SEGMENTATION ANALYSIS

### ABSTRACT

*The purpose and main objective of this study is to find out whether the individuals' susceptibility to reference group influence could serve as the basis for market segmentation. Empirical research was carried out on the sample of 250 respondents in the Split-Dalmatian County. To identify segments, cluster analysis was used. Three customers' segments were identified and named: "independent", "neutral" and "dependent – directed by others". For a better description of individual segments the socio-demographic variables as well as social comparison and personality variables are also included in the analysis. The research results indicate that consumers belonging to the particular segments require separate advertising strategies. For that purpose, some suggestions for each segment are proposed.*

**Keywords:** consumers, market segmentation, reference group influences, marketers

### INTRODUCTION

Opinions, attitudes and behavior of others are elements that can considerably affect the decision-making process and consumer choice decisions. Marketers and advertisers have long recognized the influence of reference groups on consumers' decision. The influence of referent groups on consumer behavior has been analyzed in numerous research studies in the last five decades. These studies differ in terms of problems and goals, and they have mostly dealt with:

- The influence of reference groups on the choice of product and brand (Bourne, 1957 according to Bearden and Etzel, 1982; Park and Lessig, 1977; Bearden and Etzel, 1982; Brinberg and Plimpton, 1986; Childers and Rao, 1992; Witt 1969; Witt and Bruce, 1970, 1972)
- The dimensions of susceptibility to interpersonal influence and its effects upon product evaluations (Burnkrant and Cousineau, 1975; Cohen and Golden, 1972)
- Relationship between consumer susceptibility to interpersonal influence and attribution sensitivity (Calder and Burnkrant, 1977; Netemeyer, Bearden and Teel, 1992);
- Susceptibility to reference group influence across different groups of consumers (Sheth, 1970; Park and Lessig, 1977; Bearden and Rose, 1990; Kropp et al., 2002).
- Differences in consumer susceptibility to interpersonal influence in terms of personal and demographic characteristics (McGuire, 1968, according to Bearden, Netemeyer, and Teel, 1989; Solomon, 1963; Churchill and Moschis, 1979; Bearden and Rose, 1990; Bearden, Netemeyer, and Teel, 1989, 1990; Rose, Boush and Friestad, 1998; Clark and Goldsmith, 2005; Murali, Laroche and Pons, 2005;).

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## CONSUMERS' SUSCEPTIBILITY TO REFERENCE GROUP INFLUENCE

A reference group is any «person or group of people that significantly influences an individual's behavior» (Blackwell and Engel, 2001). Broadly defined reference groups are persons, groups and institutions whom one looks to for guidance for one's own behavior and values, and whose opinion about oneself is valued (Widing et al., 2003). Of course, an individual can have a number of reference groups, each of which can be his/her model for behavior in a different situation. Also, the same person or group may be a reference group for one individual but not for another.

Behavioral theorists differ in their approach to explanation of the way in which referent groups affect consumer behavior. Thus Deutsch and Gerard (1955, according to Brinberg and Plimpton 1986) distinguish two types of reference group influence – informational and normative. Based on the theories of Deutsch and Gerard (1955), Kelman (1961) and Jahoda (1972), and later Park and Lessing (1977), identify three forms of influence: informational, utilitarian, and value-expressive influence (according to Bearden and Etzel, 1982)<sup>1</sup>. *Informational reference group influence* is reflected in individual - consumer's information on other people or aspects of physical environment, such as products, services and points of sale. Information can be transferred directly - by oral communication or indirectly - by observation. This type of influence operates through the process of internalization which occurs when an individual accepts information from others because it is consistent with his/her value system and beliefs. Informational influence has been found to affect consumer decision processes regarding product evaluations (Burnkrant and Cousineau, 1975; Cohen and Golden, 1972) and product/brand selections (Bearden and Etzel, 1982; Park and Lessig, 1977).

*Utilitarian or normative influence* exists when an individual fulfills the expectations of the group in order to be rewarded or to avoid sanctions. This influence will be reflected in the purchase of a product (e.g. purchasing a popular clothing brand to get the approval of his/her friends), or in the decline of a product (e.g. giving up the purchase of a fashionable brand to avoid being ridiculed by his/her friends). Normative influence is based on the conformity concept of «it-is-dangerous-not-to-conform» (Asch, 1952, according to Park and Lessig, 1977) and the process of compliance (Kelman, 1961; Jahoda, 1972).

*Value-expressive influence* occurs when an individual uses the perceived group norms and values as His/her behavior model and values. This influence is pronounced in the young population, e.g. teenagers influenced by their peers (being “cool”, smoking, wearing tight clothes, etc.) Value-expressiveness operates through the process of identification (Burnkrant and Cousineau, 1975; Park and Lessig, 1977) which occurs when an individual adopts some opinions, attitudes or behavior in order to identify himself or establish a satisfying relationship with another person or group.

## REVIEW OF PREVIOUS RESEARCH RESULTS

Several researchers have demonstrated consumers' susceptibility to reference group influence when purchasing some product or brand. One of the most famous and most frequently quoted studies on reference group influence on product and brand choice reveals that the importance of group influence on consumer behavior is proportional to the public use

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<sup>1</sup> The thesis on the existence of the three stated types of interpersonal influence is confirmed by a number of other consumer behavior studies - Witt and Bruce, 1972; Pincus and Waters, 1977; Ford and Ellis, 1980; Bearden and Etzel, 1982; Price, Feick, and Higie, 1987 (according to Bearden, Natemeyer, and Teel 1990).

of a product, i.e. its conspicuousness to the group and its prestige (Bearden and Etzel, 1982). This research is based on the probably most recognized marketing discussion on the influence of others on product and brand decisions (Bourne, 1957).<sup>2</sup> Bearden and Etzel' findings as well as Bourne's theory are supported by results of some recent studies. For example, Brinberg and Plimpton (1986) found that products perceived as conspicuous were more susceptible to group influence. Childers and Rao (1992) extended the study performed by Bearden and Etzel by combining public-private and luxury-necessity dimensions with product and brand decisions for peer and familial influences. The results of the study generally support previous theoretical approach and empirical findings and also show how reference-group influence may vary depending on whether it is performed by a member of a peer group or by a family member.

Several researchers have also noted that reference group influence is affected by the type of product or situation studied. Two separate studies, Witt (1969) and Witt and Bruce (1970), examined the influence of small, informal social groups on brand choices and showed that group influence varied across products and that reference group influence was related to the amount of social involvement associated with the product. For products high in social involvement (e.g. cigarettes, beer), the power of group cohesiveness in predicting brand choice was greater than for products low in social involvement - e.g. deodorant (according to Witt and Bruce, 1972).

Some research studies examine the relationship between consumer susceptibility to interpersonal influence and attributional sensitivity (Netemeyer, Bearden and Teel, 1992; Calder and Burnkrant, 1977).<sup>3</sup> The results suggest that individuals high in attributional sensitivity scored higher on various measures of consumer susceptibility to interpersonal influence than individuals low in attributional sensitivity. This is more pronounced for normative than informational influence.

Research studies which explored differences in susceptibility to reference group influence across different groups of consumers are few or limited to certain segments of respondents. Several studies examined differences between students and housewives (Enis and Stafford, 1969; Sheth, 1970; Khera and Benson, 1970; Enis, Cox and Stafford, 1972; Shuptrine, 1975; Copeland et al., 1973). However, none of these studies provided adequate, satisfactory, and clear conclusions regarding differences between the two populations (according to Park and Lessig). However, in a later study Park and Lessig (1977) reveal significant differences between students and housewives in terms of the influence which the three types of reference groups have upon product and brand selection. In a series of research studies, Bearden and Rose (1990) describe the impact of attention to social comparison information (ATSCI) on buyer behavior among college students and found that high ATSCI subjects are more likely to comply with normative pressures. Kropp, Lavack, Silvera and Cho (2002) examined interrelationships between normative component of consumer susceptibility to interpersonal influence (CSII) and values, distinguishing between two groups of consumers. The study revealed differences in four of the nine possible values for high versus low conformers. Namely, "high conformers" place a higher value on *being well respected, fun and enjoyment in life, security and sense of accomplishment*, than „low conformers“. Some authors have suggested that people differ in their responses to social influence (e.g. McGuire, 1968 according to Mourali, Laroche and Pons, 2005). Although all consumers are susceptible to interpersonal influence, some individuals are more susceptible to social

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<sup>2</sup> Bourne originally proposed that reference group influence represents a function of two forms of product „conspicuousness“. First, the product must be „exclusive“ in some way, namely not owned by everyone. Second, the item must be „seen of identified by others“ (according to Bearden and Etzel, 1982).

<sup>3</sup> Sensitivity to the attributions others make (or might make) about (from) their product choice and usage behavior.

influence than others. Such susceptibility is affected by individual-level differences (Triandis, 1989; Markus and Kitayama, 1991; Hofstede, 2001 according to Murali, Laroche and Pons). Thus Murali, Laroche and Pons (2005) found that individualistic orientation had a significant negative effect on susceptibility to the utilitarian and value-expressive influence, while it was not significantly related to informational influence. Both the psychological and consumer behavior literature suggest a negative correlation between self-esteem and susceptibility to interpersonal influence. Studies have also found a negative correlation between the two observed concepts (Janis, 1954; Berkowitz and Lundy, 1957; Cox and Bauer, 1964; McGuire 1968; Bearden and Rose, 1990; Bearden, Netemeyer, and Teel, 1989 i 1990; Clark and Goldsmith 2005). Interestingly, the results of one study (Rose, Boush and Friestad, 1998) reveal that self-esteem is negatively related to CSII for adolescent girls, but not in the boys' sample. Another personal characteristic observed in the studies is self-monitoring. Even though the results showed that an individual's self-monitoring orientation had limited relation to reference group influence and brand choice, in the case of luxury products positive correlation was found between self monitoring and sensitivity to reference group influence (Brinberg and Plimpton 1986). One study relates market mavenism with the susceptibility to interpersonal influences and shows that market mavens are somewhat more susceptible to the normative influences of those who are more likely to conform. Although they are susceptible to normative influence, market mavens<sup>4</sup> do have a need for uniqueness expressed through their product and brand choices. In other words, they desire unique products and services that are readily accepted by other consumers (Clark and Goldsmith, 2005).

Some studies examined differences in susceptibility to interpersonal influences based on the demographic characteristics of consumers such as gender and age. Some research showed that females have a stronger interpersonal orientation toward others than males (e.g. Solomon, 1963 according to Bearden, Netemeyer, and Teel, 1990) and that females interacted more frequently with their peers about consumption matters and were more susceptible to social influence than males (Churchill and Moschis, 1979). Marquis (2004) found significant differences between boys and girls where boys gave more importance than girls to selecting and eating foods similar to those eaten by others. Overall, age might exhibit a curvilinear relationship with the highest levels of susceptibility to interpersonal influence occurring during the teen and early adult years. However, research studies indicate that the influence of others - the extended family (Phillips and Sternthal, 1977 according to Bearden, Netemeyer, and Teel, 1990) and peers (Churchill and Moschis, 1979) as sources of information increases with the age.

The way individuals relate to the group could also be determined by the cultural and societal values and norms. Thus Murali, Laroche and Pons (2005) found that French Canadians were significantly more susceptible to normative influence than English Canadians, French Canadians being also less individualistic than the English ones.

## **RESEARCH METHODOLOGY**

The purpose and main objective of this study is finding out whether the individuals' susceptibility to reference group influence (informational, utilitarian and value expressive) could serve as the basis for market segmentation.

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<sup>4</sup> Market mavens are consumers who are highly involved in the market-place and represent an important source of marketplace information to other consumers (Clark and Goldsmith, 2005).

### ***Sample, data collection and research hypothesis***

Empirical research was carried out on the sample of 250 respondents in the Split-Dalmatian County. In the selection of sample units, non-probability and within it proportional quota sample was used. Control characteristics were sex and age of the citizens of Split-Dalmatian County<sup>5</sup>, and care was taken to include respondents of different education and income level. The research was carried out in September 2005. Survey methodology was used to collect data.

The questionnaire (Table 1) consists of 36 questions of which 25 refer to the indicators of consumers' susceptibility to the influence of referent groups, 5 refer to the indicators of social comparison and personality factors, and the last 5 on respondents' characteristics and their households. The questions were formed as multiple-choice structured questions. Namely, the respondents were offered a set of statements and asked to express the extent of their agreement or disagreement. As the objective was to examine the respondents' attitudes and opinions the five point Likert scale was mostly used. The extents were coded by numbers from 1 to 5, where 1 represents the most negative attitude and 5 the most positive one.

Starting from the problem and research goals, the study states the basic hypothesis:

H<sub>1</sub>: Based on the individuals' opinions and attitudes on influence of others (family, friends, acquaintances and colleagues) on their purchasing behavior, and choice of products and brands sufficiently different segments of shoppers can be distinguished.

### ***Variables used in segmentation***

To identify segments we used cluster analysis that sorts similar variables into the same cluster. The basic variables for segmentation of shoppers from the sample were cognitive and behavioral variables (variables of group influences on shoppers' behavior, or variables of susceptibility to group influence). For better and more complete description of separated segments, the socio-demographic variables as well as social comparison and personality variables are also included in the analysis.

*Variables of group influences* refer to the consumers' opinion on the extent of influence effected by their referent groups on their behavior and product/brand choice. This includes three types of influences: informative, normative and value-expressive or identifying. Informative influence includes statements from 1.2 to 1.6, normative influence includes statements from 1.7 to 1.16 and 1.18 and 1.19, and value-expressive influence includes statements 1.1, 1.17, and 1.20 to 1.25. Informative influence variables refer to the influence of the surroundings and sales staff as source of information and facilitating of purchasing choice. Normative influence includes indicators of influence on the choice of clothes and footwear, restaurant food, choice of products in general and following of fashion trends. Value-expressive influence includes indicators of a) identification of an individual with the group in terms of accepting its values as his/her own; b) in terms of the desired self-expressing and presentation.

*Demographic variables* included in the analysis are sex, age, education, household income and marital status.

*Social comparison variables* include two different processes of reference group comparison: reflected appraisal<sup>6</sup> (statement 1.26) and comparative appraisal<sup>7</sup> (statements 1.27 and 1.28).

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<sup>5</sup> According to the data of the Central Bureau of Statistics

<sup>6</sup> Reflected appraisal is «any evaluation of the self that is inferred from the behavior of other persons during interaction with them» (Jones and Gerard, 1967 according to Moschis, 1976)

*Personality variables* include individualistic orientation (statement 1.29) and global self-esteem (statement 1.30).

### **CLUSTER ANALYSIS RESULTS**

Cluster analysis does not provide ready information on the optimal number of clusters, but decision on that has to be taken by the researcher himself, in accordance with the purpose and aims of his research. Within the cluster analysis K-means method was used on the basis of which, as the best one, the three-segment solution was chosen. The mean values of particular variables for each segment and F-ratios are shown in Table 1, demographic characteristics of segments in Table 2, while the indicators of social comparison and consumer personality in terms of segments are given in Table 3.

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<sup>7</sup> Comparative appraisal is the “evaluation of one’s own relative standing with respect to an attitude, belief, ability, or emotion by observing the behavior of appropriate reference persons” (Jones and Gerard, 1967 according to Moschis, 1976). Moschis in his study found the significant correlation between information-seeking and co-oriental measures of social comparison where information-seeking measure correlates more strongly with reflected appraisal than with comparative appraisal. Moschis explained this by stating that consumers may seek information from their peers not only to determine their standing in relation to them but also to reduce uncertainty.

**Table 1.****Cluster Means and Analysis of Variance**

<b>Variable<sup>8</sup></b>	<b>Cluster 1</b>	<b>Cluster 2</b>	<b>Cluster 3</b>	<b>F-ratio</b>
P1.1.	2,069767	3,025000	3,833333	62,1943**
P1.2.	2,325581	2,975000	4,095238	52,4110**
P1.3.	2,558140	3,025000	3,738095	33,1135**
P1.4.	1,744186	2,425000	3,285714	47,2144**
P1.5.	1,976744	2,700000	3,666667	66,8593**
P1.6.	2,627907	3,225000	3,928571	25,8784**
P1.7.	3,139535	2,875000	3,095238	1,4795
P1.8.	3,558140	4,100000	4,476191	23,6343**
P1.9.	3,558140	2,950000	3,738095	10,6907**
P1.10.	2,232558	2,400000	3,809524	64,9905**
P1.11.	1,860465	1,650000	3,428571	137,6849**
P1.12.	1,953488	2,200000	3,571429	56,1623**
P1.13.	1,860465	2,500000	3,571429	70,2020**
P1.14.	1,976744	3,350000	3,547619	52,3795**
P1.15.	1,604651	2,900000	2,642857	34,0327**
P1.16.	2,139535	3,500000	3,595238	51,3111**
P1.17.	1,325581	2,300000	2,476191	29,9835**
P1.18.	1,976744	2,575000	2,333333	5,0087**
P1.19.	1,930233	2,350000	2,833333	12,3326**
P1.20.	2,093023	3,100000	3,476191	44,8752**
P1.21.	1,162791	2,375000	2,000000	37,8315**
P1.22.	1,906977	3,650000	2,642857	47,5313**
P1.23.	1,465116	2,525000	2,976191	51,9620**
P1.24.	1,279070	2,200000	2,261905	27,0650**
P1.25.	3,348837	3,875000	4,261905	16,9391**

\*\* Significant at  $p < 0.01$

Source: Research

<sup>8</sup> In variables 1.3, 1.7, 1.13 and 1.15. the data were entered and coded in reverse order, where 1 represents the most positive attitude and 5 the most negative one (1 denoting complete agreement and 5 complete disagreement).

**Table 2.**

**Demographic characteristics of segments**

<b>Characteristics</b>	<b>Total (250)</b>	<b>Cluster (86)</b>	<b>Cluster 2 (80)</b>	<b>Cluster 3 (84)</b>
<b>Sex:</b>				
female	52,00%	53,49%	52,50%	50,00%
male	<u>48,00%</u>	<u>46,51%</u>	<u>47,50%</u>	<u>50,00%</u>
	100,00%	100,00%	100,00%	100,00%
<b>Age:</b>				
0 to 19 years	8,80%	4,65%	12,50%	9,52%
20 to 29 years	16,80%	20,93%	25,00%	4,76%
30 to 39 years	17,60%	18,60%	25,00%	9,52%
40 to 49 years	19,20%	16,28%	15,00%	26,19%
50 to 59 years	15,20%	23,26%	7,50%	14,29%
60 + years	<u>22,40%</u>	<u>16,28%</u>	<u>15,00%</u>	<u>35,71%</u>
	100,00%	100,00%	100,00%	100,00%
<b>Education:</b>				
elementary school or less	11,20%	2,33%	12,50%	19,05%
skilled worker	6,40%	6,98%	5,00%	7,14%
high school	40,00%	46,51%	42,50%	30,95%
highly skilled w. college	4,00%	2,33%	7,50%	2,38%
university graduate	18,40%	20,93%	12,50%	21,43%
postgraduate degree	13,60%	16,28%	12,50%	11,90%
	<u>6,40%</u>	<u>4,65%</u>	<u>7,50%</u>	<u>7,14%</u>
	100,00%	100,00%	100,00%	100,00%
<b>Household income:</b>				
to 2000 kn	4,80%	4,65%	2,50%	7,14%
to 3000 kn	1,60%	4,65%	0,00%	0,00%
to 4000 kn	9,60%	9,30%	12,50%	7,14%
to 6000 kn	13,60%	13,95%	15,00%	11,90%
to 8000 kn	25,60%	20,93%	20,00%	35,71%
to 10000 kn	19,20%	13,95%	27,50%	16,67%
to 13000 kn	12,80%	18,60%	12,50%	7,14%
to 16000 kn	6,40%	6,98%	5,00%	7,14%
to 20000 kn	3,20%	6,98%	2,50%	0,00%
20000 kn +	<u>3,20%</u>	<u>0,00%</u>	<u>2,50%</u>	<u>7,14%</u>
	100,00%	100,00%	100,00%	100,00%
<b>Marital status:</b>				
married	54,40%	53,49%	45,00%	64,29%
single	31,20%	30,23%	42,50%	21,43%
divorced	7,20%	9,30%	7,50%	4,76%
widowed	<u>7,20%</u>	<u>6,98%</u>	<u>5,00%</u>	<u>9,52%</u>
	100,00%	100,00%	100,00%	100,00%

Source: Research



**Table 3.**

**Social comparison and personality characteristics of segments**

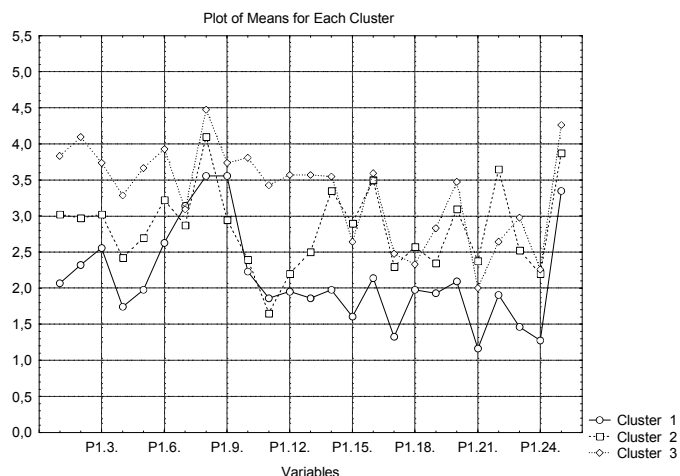
<b>Statements</b>	<b>Total (250)</b>	<b>Cluster (86)</b>	<b>Cluster 2 (80)</b>	<b>Cluster 3 (84)</b>
<b>Reflected appraisal (impressing others– 1.26):</b>				
Completely disagree	4,00%	4,65%	2,50%	4,76%
Mostly disagree	6,40%	13,95%	5,00%	0,00%
Neither agree nor disagree	32,80%	51,16%	40,00%	7,14%
Mostly agree	31,20%	20,93%	32,50%	40,48%
Completely agree	<u>25,60%</u>	<u>9,30%</u>	<u>20,00%</u>	<u>47,62%</u>
	100,00%	100,00%	100,00%	100,00%
<b>Comparative appraisal (1.27):</b>				
Completely disagree	4,80%	11,63%	0,00%	2,38%
Mostly disagree	16,80%	18,60%	15,00%	16,67%
Neither agree nor disagree	36,00%	37,21%	45,00%	26,19%
Mostly agree	30,40%	23,26%	30,00%	38,10%
Completely agree	<u>12,00%</u>	<u>9,30%</u>	<u>10,00%</u>	<u>16,67%</u>
	100,00%	100,00%	100,00%	100,00%
<b>Comparative appraisal (1.28):</b>				
Completely disagree	2,40%	6,98%	0,00%	0,00%
Mostly disagree	16,00%	20,93%	12,50%	14,29%
Neither agree nor disagree	44,00%	32,56%	55,00%	45,24%
Mostly agree	24,00%	20,93%	20,00%	30,95%
Completely agree	<u>13,60%</u>	<u>18,60%</u>	<u>12,50%</u>	<u>9,52%</u>
	100,00%	100,00%	100,00%	100,00%
<b>Individualistic orientation (1.29):</b>				
Completely disagree	2,40%	2,33%	2,50%	2,38%
Mostly disagree	8,00%	0,00%	17,50%	7,14%
Neither agree nor disagree	13,60%	16,28%	10,00%	14,29%
Mostly agree	42,40%	39,53%	35,00%	52,38%
Completely agree	<u>33,60%</u>	<u>41,86%</u>	<u>35,00%</u>	<u>23,81%</u>
	100,00%	100,00%	100,00%	100,00%
<b>Global self-esteem (1.30):</b>				
Completely disagree	3,20%	4,65%	0,00%	4,76%
Mostly disagree	5,60%	2,33%	0,00%	14,29%
Neither agree nor disagree	25,60%	25,58%	35,00%	16,67%
Mostly agree	38,40%	37,21%	42,50%	35,71%
Completely agree	<u>27,20%</u>	<u>30,23%</u>	<u>22,50%</u>	<u>28,57%</u>
	100,00%	100,00%	100,00%	100,00%

Source: Research

Based on the analysis of variance and graph (Figure 1), we can see that this solution separates three sufficiently different segments. Namely, the results of the ANOVA-F-ratio (Table 2) indicate that the differences between the individual cluster means are statistically significant. This difference is not significant only in the case of statement 1.7.

Figure 1.

Plot of Means for Each Cluster



The three separated segments are called: «independent», «neutral» and «dependent–directed by others».

*Cluster 1* comprises 86 or 34.4% of respondents. It is called «independent» because it includes consumers who mostly follow their own preferences, attitudes and opinions in the choice and purchase of products. Namely, the members of this segment mostly disagree with the proposed statements, while in several cases they completely disagree.<sup>9</sup> In terms of demographic structure, this segment is characterized by a smaller number of the youngest respondents (under 19), as well as the respondents who have only elementary education, while the number of respondents in the age group 50–59 is here larger in comparison to the other two segments. «Independent» respondents to a lesser extent agree with the statement «It is important to me what impression I will make on others», as well as with the statement that other people often ask them for advice on some product or service. Although respondents in all the three segments mainly agree with the statement that they tend to keep their opinion even if the majority of people think differently, the first segment, in comparison with the other two, comprises fewer respondents who tend to change their mind if their environment is of a different mind.<sup>10</sup>

*Cluster 2* includes 80 or 32% of consumers. This segment comprises all the respondents who mostly neither agree nor disagree with the proposed statements and is, therefore, called «neutral». It is to be noted that members of this segment to a smaller extent agree with the statements 1.9 and 1.11 than the members of the first segment, while they agree to a greater extent with the statements 1.15, 1.18, 1.21 and 1.22 than the consumers in the third segment.<sup>11</sup> This is not surprising given that this segment, in comparison with the other two, is characterized by a lower age structure. Namely, a little less than 2/3 of the respondents

<sup>9</sup> Interestingly, respondents belonging to this segment mainly agree with the statement that they choose inconspicuous clothes/footwear, which corresponds to the range of answers among the respondents in the third segment. However, they feel better if in their choice they are supported by their environment.

<sup>10</sup> The questionnaire also contains the (controlling) statement opposite to 1.29: «If most people think differently about some object, event or idea, I will accept their opinion». The respondents in the third segment agree with this statement to a larger extent than the respondents from the other two segments, which corresponds with the expectations, but is somewhat different from the results related to the statement 1.29, where there is no significant difference between the respondents of the second and third segment.

<sup>11</sup> The opinion in respondents of the second segment does not significantly differ in the statements 1.14, 1.16, 1.17 and 1.24 in comparison to the members of the third segment.

in this segment are consumers under 39, among whom the number of those under 19 is not negligible. Furthermore, this segment has a larger number of respondents who are skilled workers, and those whose income is 8001 - 10000 kunas, and a smaller number of respondents with higher education and higher household income than the first and the third segment. In terms of marital status, this segment is characterized by a larger share of single individuals than the other two segments.

*Cluster 3* comprises 84 or 33.6% of respondents. As reference groups have the greatest influence on these consumers, this segment is called «dependent - directed by others». Members of this segment agree with most of the proposed statements (more than 50%). These statements refer to informative and normative influence, while with the other statements (related mostly to the value-expressive influence) they mostly neither agree nor disagree.<sup>12</sup> This segment is generally characterized by older population. Namely, the share of older consumers (over 60) and of those aged 40-49 is in this segment considerably larger than in the first and the second segment. Furthermore, this segment, in comparison to the other two, includes more respondents with only elementary education, a smaller number of those with secondary education, as well as a larger number of married respondents. To most of the respondents in this segment (88.1%) it is very important what impression they make on other people. Also, consumers in this segment agree to a larger extent than the respondents in the other two segments to the statement that other people often ask them for advice and opinion on some product or service.

## CONCLUSION AND MARKETING IMPLICATIONS

It can be concluded that the research results confirm the hypothesis stating that by using the analyzed influence-variables it is possible to separate sufficiently different consumer segments.

The respondents of the first segment (34.4%) are mainly not influenced by reference groups. The respondents of the second segment (32%) can be only partly affected by reference groups, while the respondents of the third segment (33.6%) can generally be considerably influenced by reference groups. This influence (on the members of the last segment) is mainly informative or normative, while most of the value-expressive factors do not have a significant influence on consumer behavior.

Relating demographic, personality and other characteristics of separated segments to the susceptibility to the interpersonal influence, the obtained results are partly different from the expected ones. Namely, in this research the share of men and women in the segments is similar, which is different from the results of previous studies (Solomon, 1963; Churchill and Moschis, 1979) according to which women are more susceptible to opinions and influence of others. Furthermore, although income from the first to the third segment tends to rise there are no considerable differences in terms of household income among the analyzed segments. Analyzing the segments in terms of age it can be stated that "mature" consumers are more susceptible to the influence of reference groups, which in terms of informative influence corresponds to the results of previous research (e.g. Phillips and Sternthal, 1977). However, opposite to the expectations, the second segment, which in comparison with the other two is characterized by younger consumers, is neutral to the influence of reference groups. The results of this research have confirmed the theoretical assumption that individuals with lower education rely more on the opinion of reference groups. Notably, the «neutral» segment has the largest share of single respondents, which is opposite to expectations. Namely, this type of

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<sup>12</sup> The respondents in this segment agree to the least extent, or mainly disagree with the statements 1.21, 1.24 and 1.18.

consumers, in theory, holds that the opinion of others about them is very important. Consequently, it is no wonder that this segment agrees with the statement «I usually purchase those product brands which show who I am or would like to be». Furthermore, as was expected, the results show that to the «dependent» respondents (segment 3) it is very important what impression they make on others, while the «independent» consumers (segment 1) are prone to stick to their opinions even if most people have different ones. Although the members of the third segment rely on opinions of others in their purchasing behavior and choice, the results show that they also represent a significant source of information for their environment. Finally, it is to be noted that in the statements 1.28 and 1.30 in the separated segments there is no significant difference in respondents' opinions. Namely, the respondents of all the three segments generally neither agree nor disagree with the statement «Persons from my environment frequently ask me for information or advice to a larger extent than I ask them». Also, respondents from all the three segments mainly stated that they have a high level of self-confidence, which is opposite to the results of previous research (e.g. Bearden and Rose, 1990; Clark and Goldsmith, 2005) according to which the level of self-confidence is negatively correlated with susceptibility to interpersonal influence. Research results suggest that consumers belonging to different segments require separate advertising strategies and messages for communication. Thus, starting from the ideas of the consumers in the first segment, marketers are suggested to appeal not to group belonging but to individuality, to "being different", and to expression of an individual style. Considering the shoppers' responses from the second segment and part of the first segment (see statements 1.8 and 1.9) marketers are suggested to appeal to the similarity to others (acceptance of group values), but also to appeal to individual style and identity (this strategy was used by IBM in their adverts for the Chinese market). Following the research results and consumers' opinion from the third segment marketers may be given the following recommendations:

- Advertising messages should show contented owners of products and their testimonials; that is known as the *common-man* approach. Similarly, amazon.com offers to their visitor average customers' reviews and reviews written by Star Wars fans.
- Advertising messages should suggest that by purchasing the product consumers will be rewarded by approval of their environment (the illustration or the text showing admiration or approval of others).
- Adverts should present celebrities using a particular product or talking about it (e.g. Jennifer Lopez, David Beckham and African-American hip-hop artist Kanye West endorse Pepsi Cola in ads). Here attention should be paid to the fact that the product complies with their basic values and behavior.
- Advertising messages should use experts, or persons who because of their occupation, specific knowledge, or experience can help consumers to evaluate the product under consideration; e.g. ad for volleyball shoes might feature the endorsement of a champion volleyball team (Schiffman and Kanuk, 2000).
- Advertising should encourage group purchasing and the positive effects of such purchase (security and acceptability of choice, companionship, etc) and depict friendship situations.
- It is necessary to maintain product quality and good relations with independent sources that can have a great influence on the target group (consumer protection organizations, various associations, professional magazines, etc.)
- Marketers should organize or sponsor special events related to the product, which represent an efficient way to create informative influence.

Beyond advertising, reference group influence is also often used by marketers in the areas of personal selling. The sales person can thus create an impression of a reference group

stating the similarity of the shopper with previous shoppers («Last week a young couple similar to you was here. They bought the product»), taking himself or his family as an example of such group (such influence), and stating which persons or groups use the product (the young, athletes, etc.) Direct selling organizations like Tupperware, Zepter, Golden, Avon, etc. use group presentations at home or office as reference group influence model. Here it is important to "win" one buyer, which will result in the chain reaction of others. Besides, in such situations people feel obliged to buy something.

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*Appendix 1.*

*Extract from the questionnaire*

	<b>OFFERED STATEMENTS</b>
1.1.	For me it is important to know what impression some products (brands) make on my friends or acquaintances.
1.2.	Before purchasing some <i>new</i> product (brand) I want to know the opinion of my friends or acquaintances.
1.3.	When choosing a product I seldom ask others for advice.
1.4.	I usually buy cosmetics recommended by friends or acquaintances.
1.5.	When buying clothes or cosmetics I often ask for and follow the sales person's advice.
1.6.	Knowledgeable and helpful sales person of clothes/footwear may significantly affect my decision.
1.7.	I seldom buy the same products as my acquaintances, friends or colleagues.
1.8.	I feel better and more comfortable when my friends, colleagues or family support my choice.
1.9.	I choose inconspicuous clothes/footwear.
1.10.	I may not buy a product if my friend or a member of my family tells me that she does not like it.
1.11.	Even a small sign of disapproval from somebody from my environment can make me change my mind and choice.
1.12.	I seldom buy fashionable items if I am not sure whether my friends or family will like it.
1.13.	When I choose and buy clothes and footwear I find the opinion of others completely irrelevant.
1.14.	I pay attention to the clothes and footwear worn by others.
1.15.	When buying a product I do not mind whether it is trendy.
1.16.	If the clothes or footwear that I am about to buy are trendy, that will reinforce my purchasing decision.
1.17.	I love buying clothes worn by celebrities (film stars, entertainers, athletes, politicians).
1.18.	At a restaurant the presence and attitude of others can affect my choice of food and drink.
1.19.	I read the same magazines and watch the same TV programs as my friends.
1.20.	When I choose clothes or footwear I take into account the impression it may make on others.
1.21.	Sometimes I want to identify myself with the person/model presented in the advertisement.
1.22.	I usually buy such product brands that will show who I am or who I would like to be (e.g. a successful person, sporting type, relaxed and easy-going relaxed person).
1.23.	Buying the same or similar products as others I feel socially "accepted".
1.24.	I tend to buy the same or similar brands as someone who I admire.
1.25.	In company I always try to conform in order to be accepted.
1.26.	The impression I make on other people is very important to me.
1.27.	Other people often ask me for advice and opinion on some product/service or store.
1.28.	People from my surrounding more frequently ask me for information, opinion or advice than I ask them.
1.29.	I tend to maintain my opinion even if most people have a different one.
1.30.	I possess a high level of self-confidence.
	*) The possible responses were: <i>agree strongly, mostly agree, neither agree nor disagree, mostly disagree, disagree strongly.</i>

## **OSJETLJIVOST POTROŠAČA NA UTJECAJ REFERENTNIH GRUPA: SEGMENTACIJSKA ANALIZA**

**Sažetak:** Svrha i glavni cilj ovog istraživanja je utvrditi može li osjetljivost pojedinaca na utjecaj referentnih grupa poslužiti kao osnovica za segmentiranje tržišta. Istraživanje je provedeno na uzorku od 250 ispitanika splitsko-dalmatinske županije. Za identifikaciju segmenata korištena je klaster analiza, temeljem koje su izdvojena tri segmenta nazvana: «neovisni», «neutralni», i «ovisni – rukovođeni drugima». Za bolji opis izdvojenih segmenata, u analizi su korištene i demografske varijable, varijable «odnosa-usporedbe s drugima» te osobni pokazatelji. Rezultati istraživanja upućuju na to da potrošači iz pojedinih segmenata zahtijevaju različite strategije promidžbe i temeljem toga se za svaki segment daju odgovarajuće preporuke.

**Ključne riječi:** potrošači, segmentacija tržišta, utjecaj referentnih grupa, marketeri