Chapter 8
Social Group Influences

ABSTRACT

Continuous growth in information and communication technology over the twentieth century has turned consumers more community-oriented in making buying decisions. The interaction of consumers with society and family has shifted its focus from conventional to virtual platforms. Social media plays an important role in determining consumer behavior. Increasing consumer education and social interactions are driving consumers to critically examine the corporate marketing policies, competitive advantages, and value for money to get associated with the vital brands in the marketplace. This chapter maps the consumer dynamics in setting the behavior and decision-making parameters moving through the changing social and group influences. The discussions in the chapter argue that social media has emerged as a powerful tool to develop consumer behavior. Accordingly, most companies are engaged in empowering consumers through various customer-centric strategies for sustainable business growth.

SOCIETY AND FAMILY INFLUENCES ON CONSUMER BEHAVIOR

Family influence on consumption is gradually decreasing in the western hemisphere as well as in Europe and Asia as the globalization is growing fast in these markets. Globalization and competitive market communications are driving individualism among consumers in making their preferences and buying decisions. Young con-
consumers frequently face an agonizing experience when the family watches their consumption pattern and corrects their consumption behavior different than the peers. While bitter consumer power struggle peaks within the family, consumer products companies go aggressive with their strategies in the market. To avoid problems a critical network of family members, relatives, and outsiders must focus upon facilitating family consumers through mediation, dialogue, and future role building. The healthiest transitions involve those old-versus-young struggles in which both the family members and the business change partners should actively participate.

Consumer culture is an integrated pattern of behavior that is consistent and compatible in its components. It is not a collection of random behaviors of consumers but of behaviors that are related and integrated by the firms in a marketplace. It is a learned behavior and not biologically transmitted. It depends on market environment and referrals. Consumer behavior is driven by the motivations of firms and consumer perceptions. Accordingly a marketing manager of an international firm is supposed to be familiar with the reference groups, social class, consumption systems, family structure and decision making, adoption and diffusion, market segmentation, and consumer behavior in order to understand the consumer cultural in the marketplace (Adamson, 1969). Global firms make the corporate culture visible to the consumers and elevate it to priority status, often by highlighting desired values and behaviors that favor consumers.

Since the mid-twentieth century there has been emergence of a powerful individualism among the consumers that has resulted from a combination of diverse phenomena such as globalization, regional integration processes, and family cultures encouraging buying independency and self-reference criterion in decision making among the consumers. Such behavior has been induced among consumers in the global marketplace through progressively transforming the traditional forms of family oriented consumer education and dissemination of new insights of self-feeling in the consumer practices. The issue of “culture and trade” has now acquired prime strategic significance. Consumer goods and services convey and construct cultural values, produce and reproduce cultural identity, and contribute to social cohesion. However, at the same time they constitute a key free factor of developing the new knowledge on market economy. Family and individual dispositions are essential dimensions of business development and most multinational companies tailor their consumer marketing strategies to locally relevant traditions and institutions based on the local expertise and knowledge. The companies entering some of the family oriented market destinations like Latin America and South-east Asia including India and China should ensure that consumers, family, their cultures, and society are
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