WORKING WOMEN AND NON–WORKING WOMEN BUYING BEHAVIOR: INFLUENCE OF SOCIAL REFERENCE GROUPS ON THE PURCHASE OF PRODUCTS – A REVIEW

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ABSTRACT

The aim of this paper is to review research available on reference groups with special focus on working women and non-working women on the purchase of products. This research study would add to our knowledge of how the influence of society vary across different product categories consumed by working women and non-working women. Specifically it focuses on social reference groups of working and non-working women’s product purchase decisions.

The 42 reviewed papers which were searched using keywords of Consumer behavior/reference groups/working women were grouped under the following categories: 1. Working Women which consisted of 12 articles, 2. Housewife → 2 articles, 3. Students → 3 articles, 4. Women → 1 article, 5. Young adults → 1 article, 6. General → 12 articles, 7. Female entrepreneurs → 12 articles.

However, on reference groups’ topics alone, 10 research papers were identified where-in:
- Only 1 research paper was on working women based in Singapore in the services area and not products
- 4 were on Housewives, Housewives/students
- 5 were on general consumer segment

The prime objective of the study would be to analyze the gaps between the previous study and the present study at large which would be addressed in this conceptual paper of literature review.

Keywords: working women, non-working women, buying behavior, reference groups, product categories.

Introduction:

The Center for Women’s Business Research reports that businesswomen especially the working women and female entrepreneurs are the primary decision makers in majority of the households making almost 95 percent of the purchasing decisions. To be more specific and drive home this point, the statistics are: Women are responsible for 70 percent of all travel decisions, 57 percent of all consumer electronics purchases, and they buy 50 percent of all new vehicles (influencing 80 percent of overall automobile sales) (Johnson, et. al. 2004).

Working Women:

As quoted by the Authors Blackwell, Miniard and Engel in their book on Consumer Behavior; Feminine roles are of great concern today to consumer analysts and marketers. A role specifies what the typical occupant of a given position is expected to do in that position in a particular social context. One of the challenges working women face today is balancing their roles as a wife-partner, mother, wage-earner and consumer. Married working women experience time constraints and pressures dealing with household responsibilities and their jobs in the marketplace. Working women could be part of several groups and organizations, a member of a family, working in a certain firm, member of a professional forum, a part of a political group, a member of Rotary club of the city, active worker of a trade union, regular participant in local social activities etc.
Female Entrepreneurs (FE) - (Henry, 2002) stated that female entrepreneurship is an under-researched area with tremendous economic potential and one that requires special attention. (Carter et al., 2002) add further and state that despite the extent of women entrepreneurs’ involvement in new business formation, the economic impact of women led businesses has been down-played (academic journals, 2010).

Based on the literature review study carried out, it was indicative that female entrepreneurs segment was researched in terms of studying their role in socio-economic changes and development and not per-se in their buying behavior.

Consumer Buying Behavior:

Understanding the consumers and knowing them is very difficult task. The manner in which they think and decide on purchases is very complex. Usually consumer buying behavior is influenced by culture, social, personal and psychological factors and such forces are called as social influences which include:

- Role and family influences
- Reference groups
- Social classes
- Culture and sub-culture

Consumers must constantly make decisions pertaining to what products and services to buy and where to buy from. Usually such complex decisions arise because with every decision of theirs there are certain risks that are associated with (Lin and Chen, 2009).

Reference Group Construct:

A reference group is defined as an actual or an imaginary institution individual or group conceived of having significant relevance upon an individual’s evaluations, aspirations, or behavior. From a marketing perspective, reference groups are groups that serve as frames of reference for individuals in their purchase or consumption decisions (Lessig and Park, 1978).

The various types of reference group include primary groups, secondary groups, formal groups, informal groups, membership, aspirational groups and the different types of influences which affect consumer decisions include Normative influence, Value-expressive influence and Informational influence. Informational reference groups are based on desire to make informed decisions. Utilitarian reference group is based on complying to the wishes of others to received rewards or avoid punishments. Value-expressive is based on psychological association with a person or groups and is reflected in the acceptance of positions expressed by others (Blackwell et al., 2001). These influences are motivational reference group functions and act as an individual’s motivational force in decision making (Lessig, V & Park, C.).

Data Analysis & Interpretation:

Based on the review of literature, studies in the past on reference groups have been done on:

1. Paper titled “Differences in susceptibility to reference group influence” where-in students and housewives were respondents taking into consideration the product-wise analysis of decisions (Park, C., Lessig, V., 1977).

Methodology: Manifestation Statements, Study was conducted in Kansas Metro city randomly selected from telephone directory, 100 housewife’s responded and 37 students responded, Reference group scores were calculated for each products, T test was conducted (to test if the two groups are statistically different from each other).

2. In 1978, A study on “Promotional perspectives of reference group influence: Advertising implications” by Lessig and Park was conducted in Kansas on housewives to examine the role of reference groups and promotional appeals in satisfying consumer motivations across 20 products.

Methodology: Motivational functions including informational, value-expressive and utilitarian for a number of products was analyzed and scores were presented for each of the 20 products. A Questionnaire on the 14 manifestation statements for each product across the 100 housewife sample size.

3. In 1982, a study on “Reference Group Influence on product and brand purchase decisions” was carried out by William Bearden and Michael Etzel on non-student adults in Columbia to understand the differences in the reference group influences across 16 products which were classified as publicly and privately consumed products and luxuries and necessities (Etzel, M & Bearden W, 1982).

Methodology: Consumer perception on 16 products was analyzed and their differences across informational, utilitarian and value-expressive influences were identified. Method included 645 members of consumer panel and 151 respondents on follow up study. Differences in Publicly and privately consumed products and luxuries and necessities were studied. Target audience was non student adults through questionnaire in Columbia.

4. In 1992, a study was conducted specifically on “The influence of Familial and per-based reference groups on consumer decisions”. The respondents were students from Thai & US market and reference group influence was analyzed on product decisions and brand decisions which were categorized under 4 types: public luxury/ public necessity, private luxury/ private necessity (Childers, T., Rao, A., 1992).

Methodology: Hypothesis testing was administered for publicly consumed luxuries, publicly consumed necessities, privately consumed luxuries, privately consumed necessities affecting product decisions and brand decisions resp.
US – was considered for MBA students (current and past) samples representing nuclear families and Thai for extended families.

196 – were US responses and 149 were Thai responses

5. In 2001, a study in Singapore was carried out on working women but it is with reference to the different services offered and not products. Paper titled “Reference group influence & perceived risk in services” (Mehta, S., Lalwani, A., Ping, A., 2001).

Methodology: Methodology divided into 3 sections: I – manifestation statements, II – perceived risk on likert scale, III – demographic differences.

150 responses were received in full data. Factor analysis was used across the 3 reference group influences for the 4 services (comparison of RG influence across 4 services), One Way ANOVA among services on reference group influence (mean), One Way ANOVA among RG influence (mean) on Services was used.

6. In 2003, a study was conducted on “Participation of working women in decision-making process as consumer” by S. Bhatti & Srivastava in Faridabad where in Working Women involvement in food/non-food items was explored. But this study did not specifically focus on reference groups.

Methodology: Questionnaire

7. In 2007, a study was administered on “Social reference group influence on mobile phone purchasing behavior: a cross-nation comparative study” by Jiaqin Yang, Xihao He and Huei Lee between the mobile phone users of USA and China. The results further indicate that among three influences tested, the informational influence has the strongest impact on cell phone consumers.

Methodology: The data for this study are collected from a web-based questionnaire survey with over 200 participants in each country.

8. In 2006, research paper titled “To Be or Not to Be? The influence of dissociative reference groups on consumer preferences” by Katherine White and Darren Wahl was analysed in the USA to explore the dissociative reference group influence on consumer preferences.

Methodology: 41 males and 41 females from North American University were representatives for filling the questionnaire regarding menu selection for course credit.


Methodology: Focus is on media consumption pattern of college-educated Chinese youth . Impact of mass media and the influences of reference groups in relation to the attitude towards global brands is discussed.

10. In 2009, a study was carried out “A study on the influence of purchase intentions on repurchase decisions: the moderating effects of reference groups and perceived risks” by Long-Yi Lin & Wen Chen amongst the Taiwan train travelers. Purchase intentions and repurchase decisions were analyzed to check its effect on reference group influences.

Methodology: The travelers of Taiwan tourist trains were reviewed through convenience sampling. A total of 1155 samples were collected through questionnaires. Regression analysis was used to test hypothesis. A 13 point manifestation statement questionnaire was framed using Likert’s 7 point scale.

11. In 2010, paper titled “Reference group Influence on Consumer Decision Making Process: A study in the Brazilian sports utilitarian vehicles segment” was conducted by Serralvo, Francisco et.al across the owners of sports utilitarian vehicles in the Brazil market.

Methodology: A survey was carried out across 28 statements framed under the manifestation statements measured in a Likert’s 5 point scale. Survey was distributed via email using SPSS and analysis included descriptive analysis, cluster analysis, correspondence analysis and chi-square test. Target audiences were owners of SUV to understand RG influence across consumer decision making process.

Conclusion:

Working women and Non-working women are the upcoming focus of marketers in the country due to their affluent and spending power and decision making ability. The literature study focuses on the reference groups’ influence of the working women, housewives, students, adults in terms of purchases in either products or service consumption. Most of the studies involve reference group influence in the product category buying behavior with an exception of only one study which emphasizes on the services side and the risks associated with the consumption of such services.

Considering the fact that most of the purchases are in some form managed by women (working or non-working) and since majority women are entering the workforce area, these segments are of prime importance for the marketers today. Such studies on social reference groups help managers to understand the manner in which consumers buy certain product or services.

Based on the literature review, the scope for future research is very evident that a comparison on the two women segments viz-a-viz working women and non-working women which no study reveals and studying the differences in their buying behavior would be of utmost importance.
References:


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investigated in a nested repeated measures design. The results support hypothesized differences in reference group influence between publicly and privately consumed products and luxuries and necessities. and utilitarian influence which could also be tested in terms of privately and publicly consumed products, luxuries and necessities.

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