Factors Influencing Purchase Decision of a Consumer.

The consumer decision process helps you understand the steps people go through when they are deciding whether and what to buy. Many different factors can influence the outcomes of purchasing decisions.

Some of these factors are specific to the buying situation: what exactly you are buying and for what occasion. Other factors are specific to each person: an individual's background, preferences, personality, motivations, and economic status. Because no two people are exactly alike, it is difficult to predict how the tangled web of influencing factors will ultimately shape a final purchasing decision.

For marketers, an understanding of these factors provides a more complete view into the mind of the customer. As you learn more about what influences decisions for your particular target segment, product category, brand, and competitive set, you can use these influencing factors to your advantage. What you say to customers, the words you use, the people who say them, the images they evoke—all of these things can link back to that web of influencing factors at work in a purchaser's mind. Great marketing uses those connections powerfully and effectively to win the minds and hearts of customers.

What, Exactly, Influences a Purchasing Decision?

While the decision-making process itself appears quite standardized, no two people make a decision in exactly the same way. People have many beliefs and behavioral tendencies—some controllable, some beyond our control. How all these factors interact with each other ensures that each of us is unique in our consumer actions and choices.

Although it isn't feasible for marketers to react to the complex, individual profiles of every single consumer, it is possible to identify factors that tend to influence most consumers in predictable ways.

The factors that influence the consumer problem-solving process are many and complex. For example, as groups, men and women express very different needs and behaviors regarding personal-care products. Families with young children tend to make different dining-out choices than single and married people with no children. A consumer with a lot of prior purchasing experience in a product

category might approach the decision differently from someone with no experience. As marketers gain a better understanding of these influencing factors, they can draw more accurate conclusions about consumer behavior.

We can group these influencing factors into four sets, illustrated in the figure below:

- **Situational Factors** pertain to the consumer's level of involvement in a buying task and the market offerings that are available
- **Personal Factors** are individual characteristics and traits such as age, life stage, economic situation, and personality
- **Psychological Factors** relate to the consumer's motivation, learning, socialization, attitudes, and beliefs
- **Social Factors** pertain to the influence of culture, social class, family, and reference groups
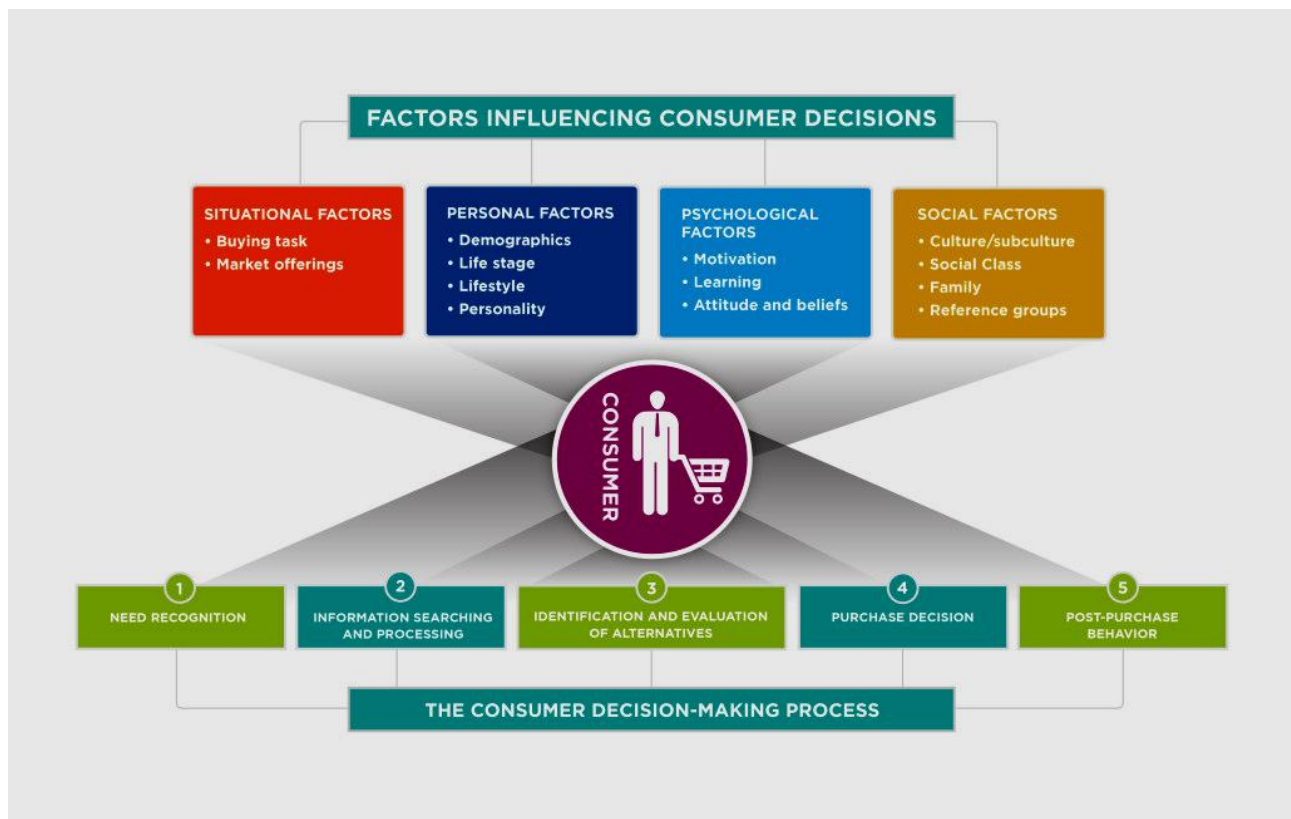
1. **Cultural Factors**

Culture is one of the key factors that influences a consumer's buying decisions. These factors refer to the set of values, preferences, perceptions, and ideologies of a particular community. At an early age, buyers learn to recognize acceptable behavior and choices when selecting products.

For example, it is our culture that teaches us that, as a buyer, we need to make payments and honor contracts, pay on time, observe rules, and assume responsibility when seeking information. Sometimes 'cultural shifts', due to the influence of different cultures indicate the need to introduce new products.

Each culture is further divided into various subcultures based on age, geographical location, religion, gender (male/female), etc.

2. **Social Factors**

Social factors, which includes the groups to which the customer belongs, and his or her social status, also affect purchase decisions. Human beings are innately social. They need people to interact with, and make decisions. Social groups, like families, can influence the buying decisions of consumers. These factors are further divided into:

3. **Family**

Family is one of the most important buying organizations in our society and, is thus, the most influential group. Family has a direct or indirect influence on the behavior and attitude of a buyer. In the traditional setting, it was the wife in a husband-wife model relationship who was responsible for making buying decisions related to product categories such as household products, food, and clothing. However, with more women opting for full-time professional careers, these roles have changed. Today, it may be a man doing the household shopping. So, it is important to have a marketing mix that targets these consumers as well.

4. **Social Status**

Social class or status can also influence buying decisions. The members of a social class are one that share similar behavior, values, and interests. Apart from income, people in the same occupation, neighborhood, or educational system can belong to a shared social classes.

5. **Free Shipping**

With a contribution of 49%, free shipping is the second most significant factor that influences the consumer decision making process. Free shipping usually attracts customers who purchase very often from online stores and websites. Free shipping helps to keep the customers hooked for a longer period of time.

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To avoid bearing the entire burden of shipping costs, you can add a fraction of shipping costs into your products but remember that prices have to be competitive too.

6. Product and Information Quality

One of the most important factors that influence the consumer's buying behavior is product quality and product information. Promoting and selling good quality products at the right time and the right platform are vital to a business's success.

Product descriptions, specifications, product videos, and more can be utilized to influence the consumer's decision making process.

7. Easy Returns

Undeniably, a lack of personal touch is something which an eCommerce business suffers from. But, it can overcome this challenge by putting an easy return policy in place. Defined and easy return policies are really very helpful if they are in favor of consumers. In a business where sie or color of the product can mismatch, easy return policy helps you get the consumer's trust.

8. Great Navigation

A Great Navigation in the eCommerce website helps in getting positive user experience. It will help the consumers in getting the idea where they are and where to move on. Good navigation includes everything from well-defined categories to site maps. It gives a simple sneak-peek into the list of products that the company offers.

9. Easy Checkout

The process of checkout must be really simple. If the checkout process is complicated, there are chances that the customer might lose interest in purchasing the product. Ensure a great CX for the consumer buying process.

Pro tip: There are a few things which can make the check out process easy. For example, customers are able to send 2 different products in 2 different states, they are able to apply discount coupons easily, send personalized cards with different products and more.

10.   **New Product**

Customers often lookout for new products. Try to add new launches to the product catalog. Consumers always look for something that is new and innovative. Moreover, new products attract more traffic too.

Pro tip: To increase the traffic on your website, it is considered as a good practice (from an SEO point of view) to add a 'New Products' section.

With the above seven factors in mind, analyze the business model of your business. Take necessary actions to positively influence your customer's purchase decision. There are many factors that influence the customer's decisions. Thereby, analyze the requirements of your business and focus on providing maximum CX to your customers. To keep your business on top of the competition, make sure that you analyze the marketing trends properly and include them in your strategy.

Personality

The term 'personality' has been derived from the Latin term 'persona' OF which means to 'speak through'. The Latin word denotes the masks worn by ancient Greece and Rome. Therefore a very common meaning of the term personality is the role which the person (actor) displays to the public. Personality is a very frequently used word but still there is no consensus about its meaning. There is a great deal of controversy about the meaning of the word personality.

According to Gordon Allport, "Personality is the dynamic organisation within the individual of those psychological systems that determine his unique adjustment to his environment."

According to Floyd L. Ruch, "Personality includes external appearance and behaviour, inner awareness of self as a permanent organizing force and the particular pattern or organisation of measurable traits, both inner and outer."

According to Fred Luthans, "Personality means how a person affects others and how he understands and views himself as well as the pattern of inner and outer measurable traits and the person-situation interaction."

According to Salvatore Maddi, "Personality is a stable set of characteristics and tendencies that determine those commonalities and differences in the psychological behaviour (thoughts, feelings and actions) of people that have continuity in time and that may not be easily understood as the sole result of the social and biological pressures of the moment."

Nature of Personality

Bonner provides six propositions to classify the nature of personality within the context of change and development:

(i) Human behaviour is composed of acts

(ii) Personality visualized as a whole actualizes itself in a particular environment

(iii) It is distinguished by self consistency

(iv) It forms a time-integrating structure

(v) It is a goal directed behaviour

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(vi) It is a process of becoming

From the above, it becomes very clear that personality is a very diverse psychological concept.

Determinants of Personality

Now that we have understood the meaning of personality, the next question is what determinants go into the development of personality? Was the individual born with that personality or was it developed afterwards as a result of his interaction with his environment? Generally the consensus is that heredity and environment jointly affect the individual's personality development.

The factors affecting personality development are illustrated as follows:

The impact of these factors is explained in detail as follows:

(A) Heredity

The concept that heredity is a determinant of personality is embedded in our minds. In our day to day life, so many times we use the term "Like father like son" as "Like mother like daughter." When we use these terms we generally refer to the traits like physique, eye colour, hair colour, height, temperament, energy level, intelligence, reflexes etc. However, the importance of heredity varies from one personality trait to another. For example, heredity is generally more important in determining a person's temperament than his values and ideals.

According to S.P. Robbins, the heredity approach argues that the ultimate explanation of an individual's personality is the molecular structure of the genes, located in the chromosomes. Three different streams of research lend some credibility to the argument that heredity plays an important part in determining an individual's personality. The first looks at the genetic underpinnings of human behaviour and temperament among young children. The second addresses the study of twins who were separated at birth and the third examines the consistency in job satisfaction over time and across situations.

(B) Environment

If all personality traits are determined by heredity, they would be fixed at birth and would not be changed throughout the life. But this is not so. The personality

traits are not completely dictated by heredity, environment also plays a very important role in the development of personality of a person.

Environment comprises of culture, family, social and situational factors:

1. Culture

According to Hoebel, "Culture is the sum total of learned behaviour traits which are manifested and shared by the members of the society."

"It is a unique system of perceptions, beliefs, values, norms, patterns of behaviour and a code of conduct that influences the behaviour of individuals in a given society."

Culture establishes norms, attitudes and values that are passed along from generation to generation and create consistencies over time. Every culture expects and trains its members to behave in the ways that are acceptable to the group. Persons belonging to different cultural groups generally have different attitudes towards independence, aggression, competition, cooperation, artistic talent etc.

While growing, the child learns to behave in ways expected by the culture of the family in which he was born. Most cultures expect different roles from males than from females. Similarly, every culture has its own sub cultures with different views about such qualities as moral values, style of dress, etc.

Although culture has significant influence on personality development, a linear relationship cannot be established between culture and personality due to the following reasons:

(i) Individuals within the same culture can differ in their behaviour and personality formats because of the existence of several sub systems within the same culture.

(ii) The workers are not influenced by the same culture as managers are. Moreover, skilled workers have different behaviour patterns than unskilled workers.

Management must recognize and understand these differences while dealing with the people in the organization.

2. Family

One of the very important determinants of the personality of a person is his immediate family. Families influence the behaviour of a person especially in the early stages.

The nature of such influence will depend upon the following factors:

(i) Socio-Economic level of the family

(ii) Family size

(iii) Birth order

(iv) Race

(v) Religion

(vi) Parent's educational level

(vii) Geographic location

To elaborate, a person brought up in a rich and prestigious family has a different personality as compared to the people who belong to a poor family. The family size will also affect the behaviour of a child. The personality of a single child is different from the personality of a person who is brought up in a family of more than two siblings.

Similarly, the personality of a person brought up in a nuclear family will be different from that of a person brought up in a joint family. Studies have also shown that first born children are more responsible, rational, independent, ambitious and more sensitive to social acceptance. Empirical evidence also suggests that the home and family environment, created by the mother and the father as well as their own behaviour is highly influential on personality development of the child.

Every child tries to identify himself with some person whom he feels ideal in the family. Generally a child in the family tries to behave like his father or mother.

This process can be examined from three different perspectives:

(i) Firstly, identification can be viewed as the similarity of behaviour (including feelings and attitudes) between child and model.

(ii) Secondly, identification can be looked upon as the child's motives or desires to be like the model.

(iii) Lastly, identification can be viewed as the process through which the child actually takes on the attributes of the model.

This identification process is fundamental to the understanding of personality development.

3. Social

Socialization is a process by which an infant acquires from the enormously wide range of behavioural potentialities that are open to him at birth, those behaviour patterns that are customary and acceptable to the family and social groups. Initially socialization starts with the contact of the infant with the mother when he grows up.

Contacts with the other members of the family and social groups influence his socialization process. These social groups include school mates, friends, then friends or colleagues at work place, groups to which an individual belongs. Because "A man is known by the company he keeps," all these social groups influence the behaviour of the individuals.

A lot of evidence has been accumulated which suggests that socialization may be one of the best explanations of why employees behave the way they do in today's organisations. There are some norms and laws of every society in which the individual exists. Much of the behaviour arises out of the respect for these norms and laws. Thus, we can say that social life has a considerable impact on the individual's behaviour.

4. Situational

Apart from the above factors, situational factors also play a very important role in determining the personality of a person. Migram's research study indicates very powerful role the situation may play in human personality. On the basis of his research study he states that "A situation exerts an important press on the individual. It exercises constraints and may provide push. In certain circumstances, it is not so much the kind of person a man is, as the kind of situation in which he is placed that determines his actions."

That is why it is often said that life is a collection of experiences. Every individual goes through different type of experiences and events in his life. Some of the events and experiences can serve as important determinants of is personality.

A trauma suffered by a person in the childhood can sometime change the structure of his own personality. In addition to this, certain incidents or situations reveal a specific aspect of the personality of a person that was so far hidden. For example, a very weak and coward person may spontaneously perform heroic action in saving some one's life without regard to his own safety.

The role of psychiatrists in personality shaping and changing is wide known. From the preceding discussion of the determinants of personality, it is clear that personality is a complex concept that reflects many influences both from within and outside the individual.

Self-Concept

Self-concept is defined as the way, in which we think, our preferences, our beliefs, our attitudes, our opinions arranged in a systematic manner and also how we should behave and react in various roles of life. Self concept is a complex subject as we know the understanding of someone's psychology, traits, abilities sometimes are really difficult. Consumers buy and use products and services and patronize retailers whose personalities or images relate in some way or other to their own self-images

Traditionally, individuals are considered to be having a single self-image which they normally exhibit. Such type of consumers are interested in those products and services which match or satisfy these single selves. However, as the world became more and more complex, it has become more appropriate to think of consumers as having multiple selves.

Major aspects of Self-concept

Self-Concept is Organized

We all have various views about ourselves. We all may think we are kind, calm, patient, selfish, rude and what not. It doesn't matter what perception you have about yourself, but the one perception that facilitates all these insights is organized self-concept. When a person believes in something that matches his self-concept he sticks to his view and does not agree to change the same and even if does, it takes a lot of time.

Self-Concept is Learned

It is believed that self-concept is learned and no person is born with a self-concept. It develops as and when we grow old. Our self-concept is built when we meet people socially and interact with them. We are the ones who shape or alter our self-concept and its quite natural that we may have a self-concept different for ourselves as compared to what people think about us.

For example − If an individual thinks, he is very generous and helpful, it may not necessarily be the case with others. Others may see him as a selfish person.

Self-Concept is Dynamic

Our self-concept in life is not constant and it may change with instances that take place in our lives. When we face different situations and new challenges in life, our insight towards things may change. We see and behave according to the things and situations.

Thus, it is observed that self-concept is a continuous development where we let go things that don't match our self-concept and hold on those things that we think are helpful in building our favorable perception.

Self-concept is the composite of ideas, feelings, emotions and attitudes that a person has about their identity and capabilities.

Life-Style

The decision making is also influenced by life style of family which has been discussed to a certain extent in the section on socialization of family members but there are certain other aspects of life style which influences consumption behaviour. The consumption of many products depends upon the life style of the family which in turn is influenced by income, education, profession of members and their culture. For instance, in India persons below the poverty line and poor persons which fall in low income group have different life style than persons in higher income groups.

Consumption habits are very much influenced by family life style. A poor family preferences are food, clothing and shelter i.e. 'Roti, Kapra and Makan'. But there are others for whom AC, big car or at least a car, posh house has become a necessity. Lifestyle is also influenced by profession. For a doctor an automobile, mobile phone and AC in the clinic is necessary. A modern consultant should own a PC, Fax, e-mail or other gadgets.

An office of any sizeable consultant should also have photocopy machine and he must subscribe to the journals and magazines of his profession. A modern housewife who works in an office must have kitchen aids like dishwasher and microwave oven in the west and maid servant in India.

In the States, Europe or Japan family servants and drivers are rarely found but in India full or part-time servant to clean the utensils and house is a life style of even middle class families and full time domestic servants are engaged by high income families who also often engage drivers; separate car for each family member. Holiday and vacations is becoming part of life style for rich and availing leave travel concessions for government servants, banks employees and those working in big companies.

For some upper class families' idealing their time in gossiping, playing cards, going to the clubs and drinking is the life style while for others going to the temple, listen to discourses, attending bhajans, kirtans, is a life style. These factors play an important role in decision making of the family. A person who is in top bracket will buy well known branded products.

The price is not a criteria, actually they will buy costly cars, garments, and jewellery. They will visit posh hotels, will visit costliest medical practitioner for treatment and when need hospitalization will prefer private hospitals like Apollo with five star hotel comforts. If admission is no problem, they will put their children in best schools and colleges.

If they are not admitted on merit they will pay hafty donations to schools, colleges and professional institutes where 15 percent seats are at management discretion. They feel that high price hall mark of quality is point to boast. But middle class family will select government hospitals and colleges and schools where merit is the criteria for admission.

This class has no time and money for vacations and their ladies either do domestic work or are employed in offices. They have simple house and furniture and give more preference to utility in decision making than to fashion. Since they are not able to afford expensive articles the preference in decision making is on quality, durability but they do not ignore brands and look for discount sales and free samples which is becoming trend in Indian marketing.

Psychographics

Psychographics is commonly known as study of 'lifestyle' of consumers. It plays an important part in building consumer behaviour and helps in the promotion of those products and services which are related to items of personal care, fashion, automobiles, telephone services, alcoholic drinks, news papers, magazines, food products like milk, tea, coffee (which are sold by brand names).

In a country of the size of India where life style differs widely from region to region the study of consumer psychographic is of great significance to marketer. What is demanded or liked in Bengal may not be demanded in Punjab, Maharashtra, Gujarat or South India because of vast differences in lifestyle.

For instance, a Bengali may like to wear dhoti at least on functions and religious places but people of some other states do not feel it necessary. People of Punjab may like showy products, but it is not so in South India or Bengal where they will prefer simple products. The music of Bengal is entirely different than that of Punjab or Karnataka.

The life style depends not only on the regions but also on ones profession. The life style of film actress is entirely different than that of common person. They may like to have posh house, high priced, showy things of glamour which are not part of others life style so that they may be different from others.

A poor person has no life style and looks only for necessities and things of utility. But a rich person whether he is a businessmen or high placed executive will require best cars, best TV's, best ' schools for their children, AC for every room and every best things of life.

The psychology of highly educated author, writer or thinker is different than that of a common person; he likes to stay in calm place away from hussel of city. He would like to buy latest books of his interest irrespective of price and would like to read all possible magazines of subject of his liking.

Types of Psychographic Variables:

There are a large number of variables which influence psychographic.

In brief as already referred they may be divided into three groups namely:

- Activities

- Interests

- Opinions

1. Activities

Activities relate to research how the time spent by an individual, family or a group on various activities such as working, resting, vacation, hiking, riding, playing, studying, recreating, etc. By asking suitable questions various activities of an individual, household or group are studied and measured. Based on these replies society is divided into various groups.

The various activities depend upon social class one belongs, status i.e. the level of income, level of education, profession, vocation or calling, area of residence, personality, knowledge, interest among other factors also depend upon age. Young boys or girls or recently married couples may prefer to own a house or spend more on fashion, travel as compared to middle aged person. Old family member's interest may be more on quiet simple life as compared to outing.

2. Interests

The interests also depend upon level of education. A person highly educated may have greater interest in reading books of his subject while less educated person may not read books or may prefer go to a movie or watch TV.

The preferences and priorities are also affected by the region one lives. A person living in hot place like towns of South India or Delhi may prefer to own a refrigerator, cooler or air-conditioner but they are not on preference list of persons living in cold climate of Jammu and Kashmir, Himachal Pradesh or Uttaranchal. For persons living in cold climate room heater, water heater, warm clothes may be on priority list.

The culture and social set up also decides or at least influences preferences and interests. A person living in South India or Bengal likes traditional music, simple traditional dress while those living in high society may prefer to spend more on fashion, going to clubs, spend more on personal care, cosmetics and modern shorts or Jeans.

Again within same social group the interest of youngsters may be different than that of elders in almost everything like eating, drinking, playing and researcher has to find out all these points through well structured questions. Social and cultural set up also affects social customs, dress, functions and what not.

A tribal of Madhya Pradesh or Orissa does not bother about clothing and covers smaller portion of his body compared to urban elate or a person of high social class who prefers to have modern dress, may prefer smoking, drinking and entertaining themselves even with outsiders which may be taboo for some other cultures.

Religion is another variables which decides interests in certain respects and sometimes influences entire thought process. A Jain muni has no interest in anything and believes to forego all worldly things; same may be case of nagas. The food habits of those who believe in vegetarianism are quite different than non-vegetarians based largely on religion.

A devotee of Hinduism will prefer to go to pilgrimage to temples, places of workshop like Vaishnov Devi and Tirupati Balaji sometimes at the cost of other goods or recreation. The believer in Muslimism may prefer to go to Mecca Madina at the cost of other comforts. A believer of Sikhism may like to spend time in Golden Temple of Amritsar or other Gurdwaras rather than in other activities and so on.

Language is another variable which influences ones and families interest. A person from Bengal, Tamil Nadu or Kerala will like to read newspapers, magazines and story books in their state language. The language not only influences reading habits but also liking for films, music, dances and so on.

As language differences are much more in India as compared to most other countries its impact on interest is more in India than in many other countries. Any number of examples can be given about the impact of language on ones interest. How educated one may be his mother tongue has a lasting impact on ones thinking, interest and priorities.

It affects the overall environment in the family and those who drift away from their language their interest changes, it is said but this is not fully true; NRIs from Gujarat, Kerala, Rajasthan, Punjab even after generations in foreign lands like

music, films etc. in their language. They like to read magazines, story books of their language and because of this factor there is market for them abroad.

3. Opinions

The opinion about various activities, products, services, health, fashion, books, beauty, nature of consumption, politics, tours, travels, education, nature of education, institute, houses, buses also decides consumer behavior and so the consumption of various goods and services.

Therefore researcher wants to study through formal or informal surveys, opinion poles etc. find out opinion of consumers so that the goods and services may be modified, improved, restructured and innovation may be carried out to introduce new products to satisfy the requirements of various consumers.

In these researches consumers are asked their personal or family opinion on varied social, economic, political, cultural, personal issues, products and services. One who is studying the opinion on various major blades of Gillets available in India from users may tabulate the questions to find out their opinion on various major blades and degree of their satisfaction and the reasons of satisfaction. Then he can find out percentages for various items in the table and arrive at a conclusion to help the company to modify the product or strategy.

Another research may be studying the opinion of Lux Soap or various washing powders like Surf, Surf Excel, Nirma, Arial, Tide etc. and through scientific survey he can know the opinion of consumers. Similar studies, opinion surveys can be conducted for various other products and services. These opinion studies are also conducted to find out opinions on various events which have taken place, films, social issues, political or cultural issues.

It has become an important tool to find out consumers opinion but this tool is successful when questions are very few and properly structured first to get response from respondents and secondly to arrive at a conclusion to modify the strategy.

Application of Psychographic Analysis in Market Segmentation

Psychographic research about activities, interests and opinions on various products, services and issues is an important tool to segment the market for

various sections of the society according to their life style and then introduce products to satisfy the needs of various groups.

For instance, in India for two wheelers the opinion is building in favour of motor bike instead of scooters among youngsters and rural people who want sturdy vehicles to carry heavy loads like milk cans for distribution of milk in urban areas. For these two classes speed and sturdiness is more important than petrol consumption and price. Therefore, some motor bikes have been made to satisfy their demand.

There is another group of people who are more concerned about petrol consumption. Therefore to cater their demand Honda emphasis is on economy in driving. Third group the ladies prefer self starting two wheeler because two wheeler requiring kick does not suit them. Therefore for them Kinetic Honda has produced a scooter for them which company does not call it a scooter.

The psychographic research about cars has revealed that consumers requirements are different in terms of size, getup, capacity etc. Some persons prefer big cars even when they are priced at Rs. 10 lakhs or more. Actually big industrialists, and other wealthy persons prefer big cars and therefore for this segment big cars are being manufactured.

The large number of persons in middle income group wants economy, therefore to satisfy their requirements numbers of companies are producing economy cars in the range of Rs. 2 to Rs. 3 lakhs. There are big families who want capacity of 8-10 persons so that whole family may travel together with lot of luggage.

Therefore for this segment companies like Telco and Honda have produced cars to meet the need of the family. There is another group who want both large capacity with price economy; to meet their demand Maruti Van has been modified to have capacity of 8 persons including driver. This psychographic study has helped the industry to segment the market according to the requirement of different consumer groups. It would not have been possible to segment the market without psychographic studies.

The study of activities of various consumers has helped to find out needs of different persons and families, segment the markets and produce the product for different segments. The research has revealed that people of different professions, different income groups, educational and cultural back ground,

people of different geographical regions, languages, religion, culture, climate have different needs. This has helped marketer to adjust products for different groups and promote their sales accordingly.

It has been found that people of same profession, same income group, same educational and cultural background and so on always do not have similar interests; their preferences and priorities differ due to their personality and psychology.

Therefore even within people of same activity there are subgroups according to their priorities. Therefore, after detailed psychographic research they have been segmented to produce goods and services required by them which helps in promoting sales.

The opinions of different persons in same psygraphic group always are not similar; one may want close shave for which best razor is needed. Opinions about color in lipsticks or flavour in scents also differs. On various economic and political issues opinion differs, so on health care, creams, lotions, soaps, food, restaurant, photocopying machine, courier agency, shipping line, airline etc.

The research finds two things. First, he studies the opinion of different persons surveyed and reasons for their different opinions. It helps marketer two things first to segment the market according to opinion, second to make effort to change the opinion, and third to improve their services or products.

Application of Psychographic Analysis in Promotional Campaigns

The purpose of all consumer behaviour studies and so psychographic analysis is to promote sales of existing products or develop a new product according to AIO (activity, interest and opinion) study, if someone wants quality razor blade, soap or cosmetics it is produced for specific classes and their activities, interest and opinions are used for sales promotion.

When it has found that some persons like very cool AC KENSTAR has accordingly made its ad campaign when it was discovered that consumers want the service promised IODEX made a campaign for its balm that if there is no relief, the price will be refunded. When Nestle found out that people opinion in new noodle is not as god as for old formula it reverted to old formula magee.

When scientists and doctors found that smoking is injurious to health and may cause cancer governments started campaign against smoking (which is negative campaign) which had its affect and the consumption of cigarettes in absolute quantity has started declining in certain countries including India.

When psychographic research revealed that in matters of cars price is not always the constraint, high priced cars were produced and sales was pushed. When it was found that many consumers in middle income group have interest in discount sales, these schemes have been introduced. There are certain shops which have discount sales throughout the year and doing roaring business.

There are some companies like Bombay Dyeing who announces discount sales every year and creates interest in them to push sales. Large number of consumers is attracted by big prizes, therefore number of companies introduced prize schemes. But when surveys revealed that customers interest declines when he does not get prize certain companies guaranteed prize in every pack.

One can quote many more examples of use of psychographic research for sales promotion. But in order the scheme succeeds the psychographic research is done in scientific manner. The size of the sample should be large enough to be representative and the questions should be pointed so that they may help to arrive at proper and correct conclusions. If the research is not done properly and scientifically it may instead of promoting sales through campaigns may even harm if the results are contrary to the facts.

Reference Group

Sociologists use the term 'reference group' for such groups that individuals use as a standard for evaluating themselves and their own behaviour. These are the groups to which we psychologically identify with to which we may and may not belong but we may aspire to belong. People do not actually have to be members of the group to which they refer. Mustafa Sherif (1953) defined reference groups as "those groups to which the individual relates himself as a part or to which he aspires to relate himself psychologically".

This definition points clearly to the importance of defining the groups with which an individual identifies, whether or not he belongs to them. These are the groups whose values, standards and beliefs guide the person in carrying out his actions and in evaluating himself.

It is not uncommon to orient ourselves to more than one reference group at a time. One's family members, teachers, neighbourhood and co-workers shape different aspects of our self- evaluation. In addition, certain reference group attachments change during the life cycle. We shift reference groups as we take on different statuses during our lives. A reference group may be an actual group, a collectivity or an aggregate, a person or personification of an abstraction.

The term 'reference group' was coined by Herbert Hyman in Archives of Psychology (1942) to refer to the group against which individual evaluates his or her own situation or conduct. Hyman distinguished between a membership group to which people actually belong, and a reference group which is used as a basis for comparison and evaluation.

A reference group may or may not be a membership group. Later on Robert Merton and Alice Kitt (1950) refined the concept and provided a functionalist formulation of it. Their work was stimulated by Samuel Stouffer's. The American Soldier (1949) in which the concept of relative deprivation was developed.

Merton and Kitt point out that feeling of deprivation were less related to the actual degree of hardship they experienced, than to the living standards of the group to which they compared themselves. Thus, relative deprivation is a special case of comparative reference group behaviour. Merton later

distinguished reference groups and interaction groups (in Social Theory and Social Structure, 1957).

The originator of this concept, Hyman found in his study of social class that people thought of as their status could not be predicted solely from such factors as income or level of education. To a certain extent, an individual's self-evaluation of status depended on the group used as a framework for judgment. In many cases, people model their behaviour after groups to which they do not belong.

Quite often, an individual is torn between the demands of a membership group to which he belongs but with which he does not identify and the motivational dictates of a reference group of which he is not a member. Social psychologists have termed this position as marginality.

A familiar example is that of a principal of a private college who is officially a member of the management group but who identifies with the teachers on the college floor. This is a classic dilemma of the marginal man (principal) who seeks to join a reference group to which he is excluded and in doing so, he is rejected by the group to which he already belongs.

Characteristics of Reference Group

1. Psychological attachment

2. Certain norms, rules & regulations: we follow these of our own group and also that of the reference group. This gives emotional satisfaction. Sanskritisation is an example (the lower castes follow rules and regulations of higher casters).

3. Ideal Person: Example of Mahatma Gandhi – when you read about the Mahatma you want to be like him. He is the ideal person in your view.

4. Every person or group may have different reference group. One may like or dislike a particular group. If you like you imitate and if you don't you don't imitate.

5. Reference group changes with time, situation etc. For a particular time you may have one reference group and at another time you may not like that group and do don't make it your reference group.

6. When he is not satisfied with the group to which he belongs he wants to join another group and so you imitate. This gives rise to 'Marginal Man'.

7. Mahatma Gandhi and reference group may vary from time to time therefore sometimes the reference group could become your Mahatma Gandhi.

8. Social adjustment: When we follow the norms etc. of the reference group we are actually adjusting to that group and this leads to us adjust more easily to our society.

9. Social control

• Social transformation: Development a betterment of society.

Types of Reference Group

Sociologists have identified two types of reference groups as described below:

1. Positive Reference Groups

These are the ones we want to be accepted by. Thus, if we want to be a film actor, we might carefully observe and imitate the behaviour of film actors. These are the groups, collectivities or persons that provide the person with a guide to action by explicitly setting norms and espousing values.

2. Negative Reference Groups

These groups we do not want to be identified with, also serve as sources of self-evaluation. A person might, for example, try to avoid resembling members of a particular religious group or a circus group. A group rejected by or in opposition to ego's own group, it is 'the enemy' or the negative group.

Importance and Functions of Reference Group

The concept of reference group is important for understanding socialisation, conformity, and how people perceive and evaluate themselves, especially in relation to the self.

Reference groups perform three basic functions:

(i) They serve a normative function by setting and enforcing standards of conduct and belief.

1. Newcomb (1953) writes: "The significant thing about a reference group is, in fact, that its norms provide frames of reference which actually influence the attitude and behaviour of a person."

(ii) They also perform a comparison function by serving as a standard against which people can measure themselves and others.

(iii) They serve not only as sources of current evaluation but also as sources of aspiration and goal attainment (as a means of anticipatory socialization). A person who chooses to become a professor or a lawyer begins to identify with that group and becomes socialized to have certain goals and expectations.

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