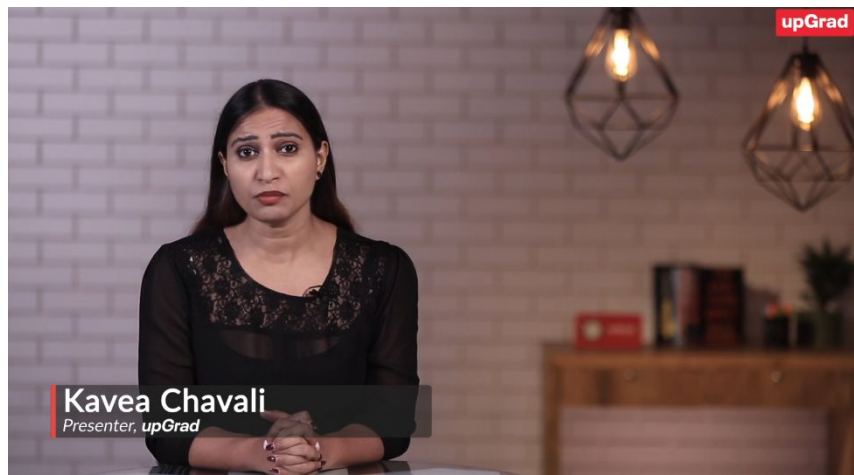
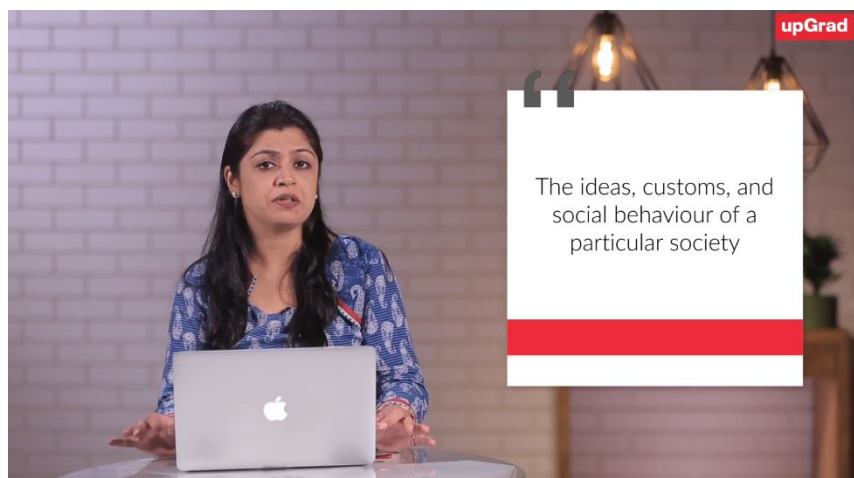


Transcription

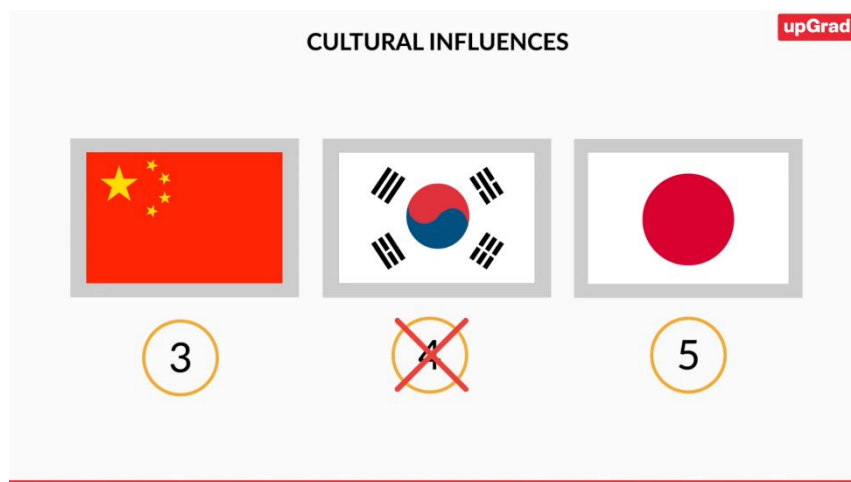
External Influences



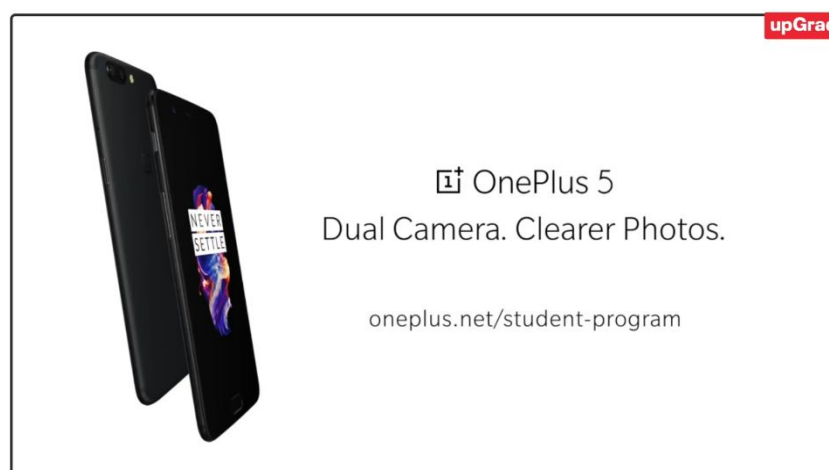
In the previous session, we learned about the internal factors that impact the behavior of a human and hence by extension of consumers as well. There professor Chhavi also mentioned some external factors that can impact this behavior. If you asked me for a country as diverse as India, all religions, regions, languages, customs, rituals, and so many of the factors can influence our behavior as consumers. Let's hear more about these from professor Chhavi.



The dictionary definition of culture says that culture is the ideas, customs and social behavior of a particular society. As a very office fact, cultural differences exist in different international markets and these differences provide opportunities for innovation and localization of products for the marketers.



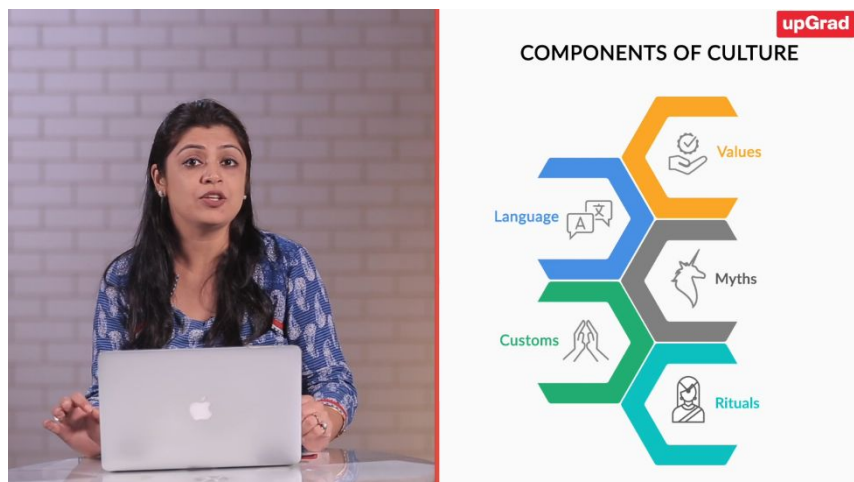
For instance, in a China, Korea and Japan, the number four is considered unlucky, so the people there prefer to purchase products in groups of threes or fives. This will certainly impact the SKU sizes for the brands.



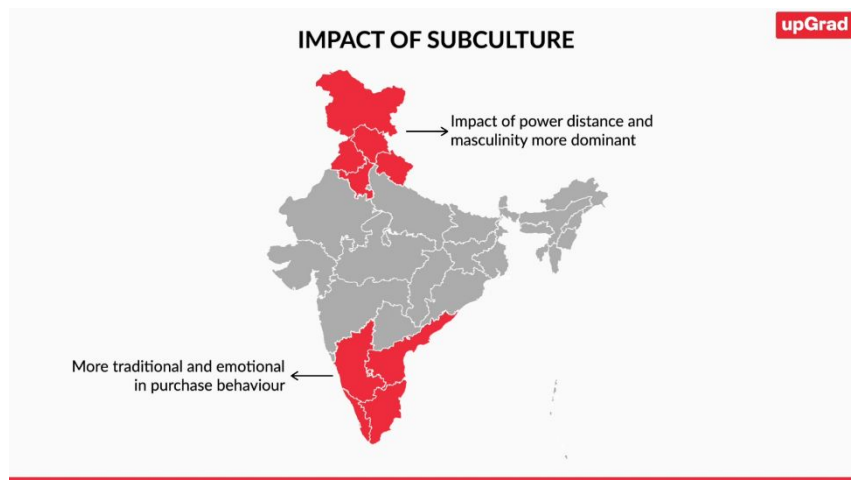
For a similar reason, One Plus skipped launching the one plus four and branded the phone after the one plus three as one plus five. Similarly, in India, we seem to have a fixation with the number 13 or rather the lack of it and wearing heavy makeup on daily basis is considered synonymous to being overdressed in India. While the US counterpart considers this to be completely normal. This impacts the communication and the imagery that brands portray.



For instance, while this TVC would work perfectly for the Indian consumers, brands would use the other type of TVC for the American consumers. If you wish to further understand the impact that culture can have on the behavior of individuals, I suggest you watch the Ted talk by Julian Beryl where he very clearly outlines this phenomenon.

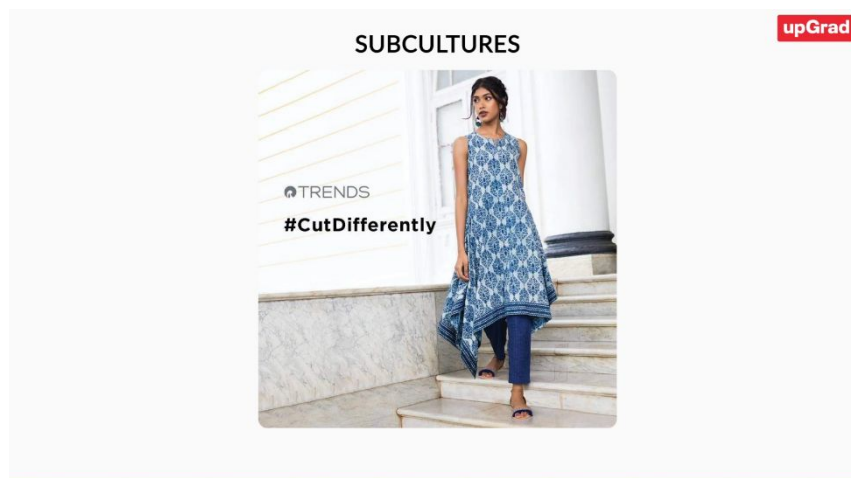


Now the different components of culture that you as a marketer would need to keep in mind while looking at consumers from a particular society are the values, the language, the myths, the customs and the rituals of that particular society. You need to ensure that your product or your communication does not violate any of these five elements or else you are likely to find yourself facing an issue similar to a Nike air max.



So far, we've talked about culture in the context of an entire country, but do you think somebody from a Punjab, or a Haryana will showcase the same behavior as someone from say Kerala or Karnataka? Most likely not. And this is where the concept of a subculture comes into the picture. Now, the key challenge for a marketer here is to address the need of different regions with the same strategy or else to create Taylor Made strategies for the respective regions.

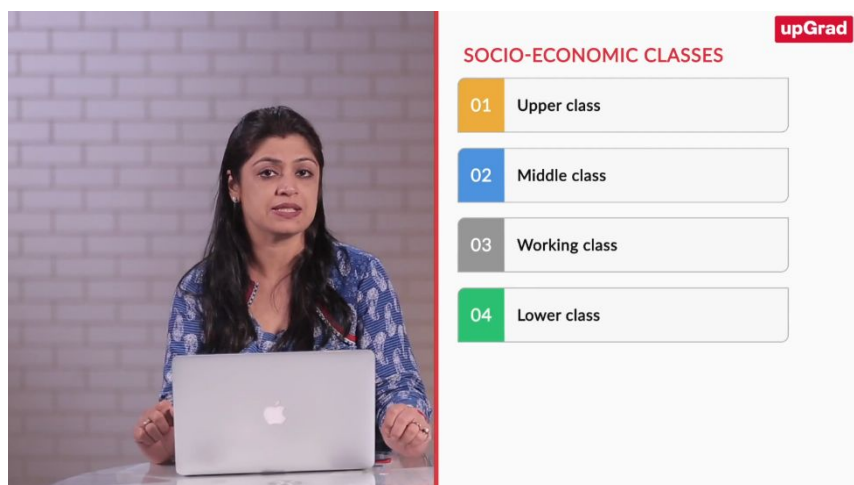
Just for an illustration, a recent research indicated that the impact of power, distance and masculinity is more dominant in the North as compared to the South India. On the other hand, South Indians are more traditional and emotional in their purchase behavior. Needless to say, differences are stuck and in line with this, marketers need to tweak the communication and the imagery in the different regions in accordance with the culture that exists.



For instance, for the apparel industry, the same brand would need an M for more on an elevated status symbol in the North but talk about tradition in the South.

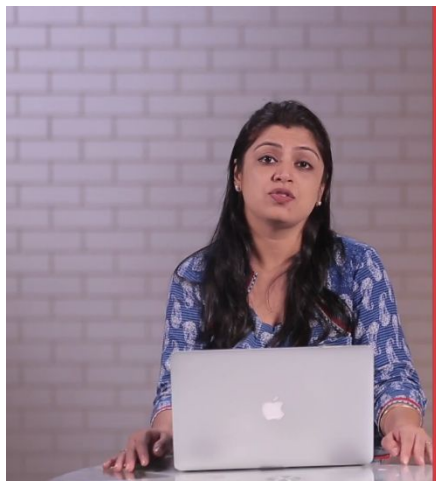


As we just saw, one can define culture as the ‘personality, ideas and beliefs of a society’. So, every person that belongs to a particular culture would behave in a similar manner? Well quite obviously not. While culture helped us in defining the behavior of consumers as a large group, we will now look at the smaller groups that exist within a culture. One of the critical factors that impacts behavior is the social class or economic status.



Let's try and understand the influence of the socio-economic standing of a consumer on their purchase decisions. The different social classes that we are going to look closely at are:

1. Upper class
2. Middle class
3. Working class, and
4. Lower class



The slide is titled "SOCIO-ECONOMIC CLASSES" and lists three categories:

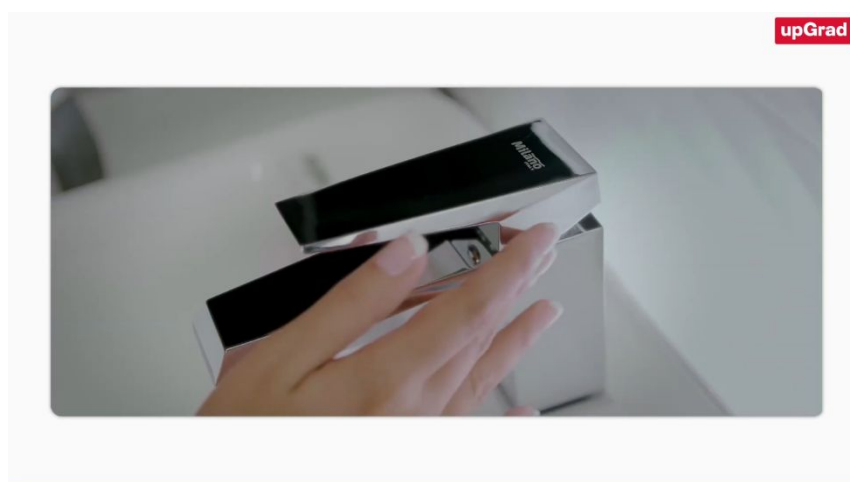
- 01 Upper class
 - a. Lifestyle orientation
 - b. Purchasing tendencies
 - Prefer quality merchandise
 - Expensive hobbies and recreation activities
 - Art
 - Books
 - Travelling
- 02 Middle class
- 03 Working class

Let's start with the first one: The upper class. The lifestyle orientation of this class involves:

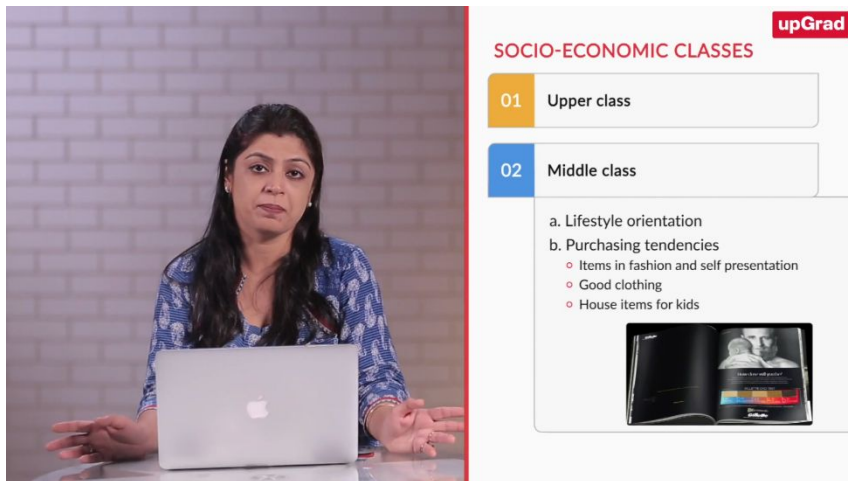
- Good taste,
- Graceful living,
- Individual expressions and an
- Interest in art and culture

Consequently, their purchasing tendencies reflect the same, that is:

- They prefer quality merchandise,
- Expensive hobbies and recreation activities,
- Art,
- Books and
- Travelling



So, as a marketer, your focus also needs to be on the same. For example, take a look at this advert from Milano. Even while you are selling something like bathroom fittings, you need to present it as quality merchandise, artful.



The image shows a woman with long dark hair, wearing a blue patterned top, sitting at a desk with a silver laptop. She is gesturing with her hands as if speaking. To her right is a presentation slide titled 'SOCIO-ECONOMIC CLASSES' with the upGrad logo in the top right corner. The slide lists two classes: '01 Upper class' and '02 Middle class'. Under '02 Middle class', it lists 'a. Lifestyle orientation' and 'b. Purchasing tendencies', which includes 'Items in fashion and self presentation', 'Good clothing', and 'House items for kids'. There is a small image of a magazine or book at the bottom of the slide.

Next, the middle class is more inclined towards:

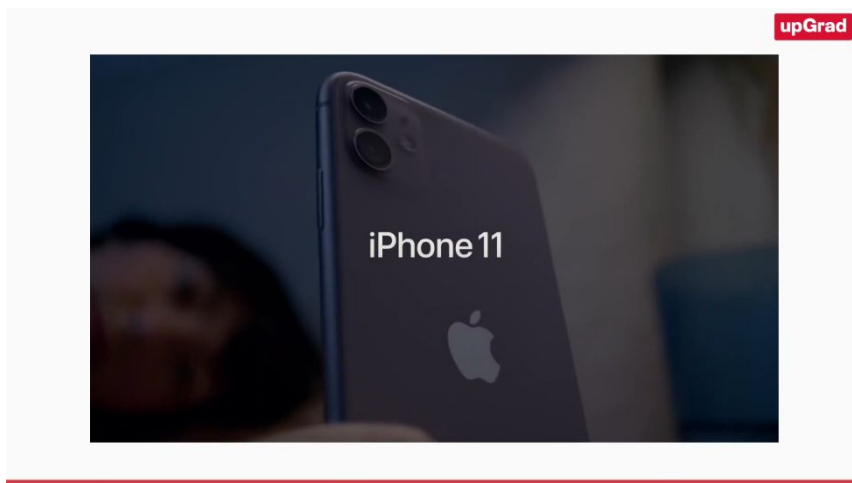
- Respectability,
- Conformity and
- Social esteem

Consequently, their purchasing tendencies tend to be:

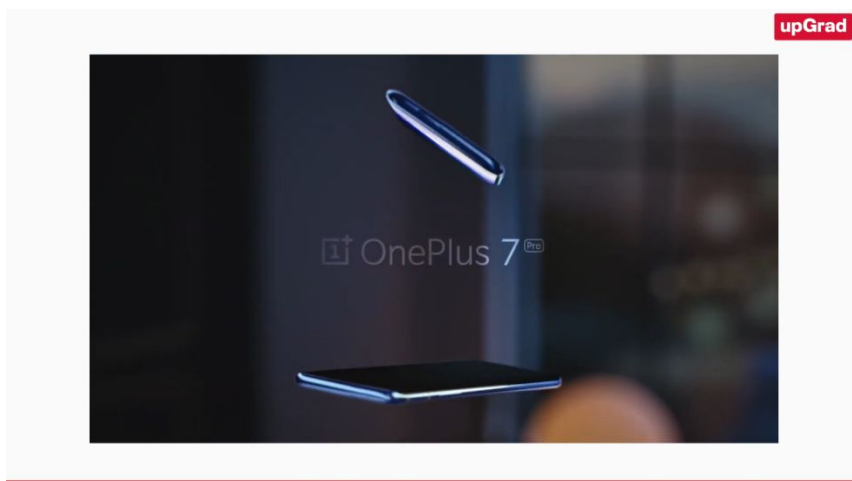
- Items in fashion and self-presentation,
- Good clothing and
- House items for kids

Hence, when you are targeting this class, your communication also needs to focus on the same. Similarly, the other two classes: working class and lower class are more interested in status symbol products, enhancing self-esteem and newest appliances.

Now, if your product category is targeted towards a particular class, it's all well, good and simple. But what about a category like, say smartphones, that all of these classes would be using? Let's have a look at how the communication differs for the different classes for the same product category. First, take a look at this advert from apple:



Next, take a look at this communication from OnePlus.



It focuses more on the aspect of social esteem, looking good with a touch of art and is clearly targeted at the upper middle class.



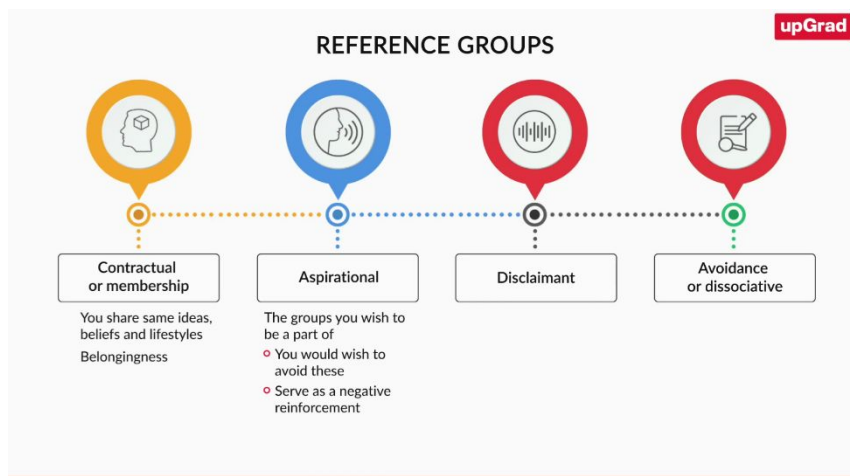
Finally, this advert from Oppo focuses on not missing out on innovation, enhancing self-esteem: What do you think the target class for this advert is? Well, this is targeted at the working class. If you take a closer look, you will notice that the pricing of these different brands also varies according to the social class these are targeted at.



Apart from culture and class, the other social factors that influence the behavior of a consumer are:

- Reference groups, and
- Family

Let's take a look at these two factors of influence one by one.



The different types of reference groups that you, as a marketer, need to be aware of are:

- Contractual or membership reference group,
- Aspirational reference group,
- Disclaimant reference group, and
- Avoidance or dissociative reference group

The first one, contractual or membership reference group is the one where you share the same ideas, beliefs and even lifestyles. You belong to this group and hence, the purchase behavior of other members influences your own purchase decisions. An excellent example of this is the HOG or the Harley Owners Group:



Looking at this video surely makes one want to be a part of this group, doesn't it? Well, in that case, this would be an aspirational group for you. For example, this advert from apple also hones in on the impact of aspirational groups:

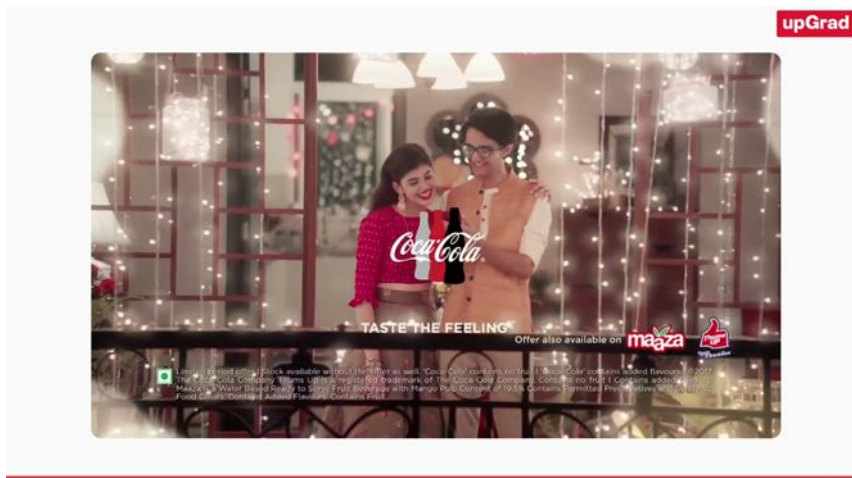


Next, the disclaimant and dissociative groups are the ones that you would wish to avoid. These groups tend to influence consumer behavior to that sense that they would serve as negative reinforcement for the brand.

For example, consider that there is a group of bullies in a college - disliked one and all. Now, if they tend to wear a particular brand of clothing, and you dislike the group, you will most likely just steer clear of the brand itself! Similarly, if there are brands preferred by an older group of customers, the young would be less likely to pick them up.

Having learnt about reference groups, let's now move on to the second influence: Family. Though being discussed at the end of this session. Well a family is perhaps the very first and the most important influencer for purchase

decisions, especially in country like India. Take a look at the advertising from coke focusing on dynamics between a brother and a sister:



Or this one, linking diamonds to family:



In some categories such as automobile and buying a vacation package, families even make the decision together. To sum it all up, while you are looking at the behavior of your individual consumers, you need to see them as a part of multiple groups influencing their behavior.

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