Role of Reference Group on Consumer Purchase Behaviour: A Study

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Abstract:

From the past decades, the market has been witnessing lot of behavioural changes in the purchase patterns of consumers. There is a need to find out the factors influence on the consumers. The current research paper investigates the influence of the social factors on purchase behaviour of consumers in the Hyderabad city, telangana. To achieve the objectives, the data has been collected from 132 respondents with the structured questionnaire used to impact of reference group factors on the consumer purchase behaviour and every age group of the respondents were targeted, the study is limited to Hyderabad. The study data was analysed with descriptive statistics, Pearson correlation and multiple regression by using 23.0 version. The research results show that friendship group, family group, Celebrities, Role and status are positively impact on the consumer purchase behaviour and work group, shopping group is negatively associated in the study area.

Keywords: friendship group, family group, Celebrities, Role and status, work group, shopping group**.**

INTRODUCTION

The changing over style in this day and age is the lord of the business sectors, the merchandise are structured and manufactured with regards to the necessities and requests of the clients. The business sectors have altered to the volume that the business sectors are presently called "supporter pushed markets". The client conduct keeps up changing over with the changing over components and conditions. In spite of the fact that the business visionaries keep up in view the capacity components influencing the buyer conduct anyway at sure purpose of occurrences one of the most significant elements which effects benefactor conduct isn't noted which could affect and definitely affect their direct are reference establishment and jobs and status factors. With regards to benefactor or customer conduct, these are exceptionally entangled idea. In spite of the fact that in basic terms, client conduct is characterized in light of the fact that the see of individuals, enterprises or organizations and the systems used by them to pick, agreeable and utilization of product, administrations, studies, or considerations to satisfy needs and its effects on the customer and society. Benefactor conduct is likewise recognized

to be a subset of human conduct. The time span reference organization alludes back to the group of friends to which we have a place. It comprises of companions, claim relatives, peer establishment and relates, etc. The assessments given through them are of greatest basic for us, as these shape a principle part of the likings and hating for a particular item or administrations. Now and again, a buyer will in general shop for a definite item not because of his own enjoying or loathing but rather in light of the fact that it is supported by method for the family people or the companion association they have a place. Reference establishment isn't really somebody or a gathering of individuals handiest, on occasion when somebody will in general observe somebody wearing a wearing a convey sack of a particular image furthermore goes about as a piece of reference bunch on its own. The effect of grandparents on way of life and most significant purchase determinations of their increasingly young ages are decreasing, **Gupta (2000).** The buy determination of an item is made by an accumulation of people inside the hover of relatives and never again by utilizing a solitary character.

The choices for purchasing an object are usually made with the aid of a solitary character as well as a gathering of humans in an own family. As an instance, the selection for the outfitting of domestic is taken through a couple collectively which makes it large for the advertisers to publicize their item in the sort of manner, that both are targeted in the period in-between. For example, commercial indicating spouse buying furniture with husband's endorsement. Within the meantime, individuals from a family impact purchasing conduct. Collecting people have direct impact on character's buy conduct. Some are crucial gatherings though some are acknowledged to be auxiliary gatherings. Important gatherings are those with whom the man or woman associates fairly constantly and casually, for example, family, companions, acquaintances and associates. Although, auxiliary gatherings are the gatherings which incorporate non secular, professional and employee's guild bunches which might be an increasing number of formal and do not have ceaseless association. An individual is offered to new approaches of existence, practices

and make weights for similarity which affects the emblem dispositions and object decision. People get impacted by the two gatherings to which they have got a place, simply as by gatherings to which they do not have a place. In each reference gathering, there exists an evaluation head, the individual that offers his recommendation casually or gives facts approximately a selected item, as an example, which brand will be the quality and the way to make use of a specific item. The buying behaviour of the purchaser is firmly impacted by numerous gatherings.

Some other basic issue in impacting the customer conduct is jobs and status of the supporter. Each character holds novel jobs in the possess family just as the general public, the capacity of a dad, sibling, child or possibly the position performed at his place of employment. At the equivalent time, a client might be a child, spouse, father, labourer, companion, educator, or a master. These uncommon jobs furthermore assume a central job in affecting a customer's purchasing conduct. Each man or lady has a capacity in a solitary's hover of relatives, foundation, and organization and so on. The job of an individual inside the family characterizes the arrangement of capacities and exercises that a man or lady should complete. At occasions its miles unmistakable that an individual can be eager to look for a specific item or a logo but since of the job so performed by him doesn't the two lets in or puts a few limitations on the decision of this kind of brand or item. Supporter needs should be perceived and his desires from an item or a logo should be coordinated with the option monetary and social components, so he is responsive to the item.

LITERATURE REVIEW

Grimm et. Al. (1999) determined that the standardizing social effect is articulated when full of feeling shopping concept procedures are stirred for apparent items at the same time as instructive social effect became observed to be major while the buy intentions are highbrow in nature paying little mind to object prominence. **Lascu and Zinkhan (1999)** directed an exam and discovered that there exists a positive connection and impact in customer similarity. **Jung and Kau (2004)** discovered that Individualism suggests in practices in the direction of reference gathering effect, statistics sharing, supposition authority and ethnocentrism and self concept and circle of relatives route of a person. **Kaur and Singh (2004)** noticed that in households from diverse income collecting, their normal standards and characteristics and task of children within the own

family is the imperative factor that aides within the primary leadership process in any circle of relatives unit. **Heinz and Kuhling (2009)** determined that a huge variety of famous person natural usage altogether impacted the utilization examples of reference companies, particularly if there need to be a prevalence of herbal nourishments. **Kumar et. Al. (2009)** led an exploration and discovered that clients who have been fame and pleasant cognizant were determined to visit shops for taken care of our nourishment and staple things as the advantages of buying in a shop with respect to self-willpower, assortment of merchandise handy and boundaries and so forth while contrasted with the traditional retail places. **Aggarwal (2010)** It was discovered that consumers saw marks as giving each passionate benefits (show of fame, riches and notoriety) and utilitarian benefits (quality and low fees) and men were discovered to lean towards brands more than ladies and economic and social basis influences their discernment. Publicizing, deals advancement and revenue were moreover discovered to have effect on client recognition. **Garima chaudhary (2018)** studied that the impact of reference group and roles and standing on the client buying conduct. The information has been gathered from one hundred respondents each from Jallandhar and Ludhiana. The effects display that the reference institution impacts patron behaviour greater than roles and standing and the affect is discovered to be higher in Ludhiana than in Jallandhar

OBJECTIVES AND HYPOTHESES OF THE STUDY

The prime objective of the research is to investigate the influence of reference group factors like friendship group, family group, shopping group, work group, celebrities and role and status on the purchase behaviour of the consumers.

HO: There is no significant association of reference group on consumer purchase behaviour

METHODOLOGY

The research design of the study is Descriptive research type. The study is concerned with the influence of the reference group factors on the consumer purchase behaviour, based on that source of the data collected from Primary source of data is collected from the respondents through structured questionnaire and interviews. It was in order to collect data on the social factors which affect on the consumer purchase behaviour. Secondary data is collected from various Journals, Periodicals such as Magazines, Business newspapers, and from subject related books and websites. A structure

questionnaire was developed to investigate the influence of the social groups on the purchase behaviour of consumers in the Hyderabad city. The sample size of the study is 132 from Hyderabad city. Data has been collected using structure questionnaire through customer survey method and personal interview of consumers with help of Convenience sampling method, Statistical tools like Correlation and Multiple Regression using SPSS 20.0 has been used.

Demographical profile of the respondents: The frequency distribution of demographic variables is presented in the following table.

Table 1: Respondents profile (n = 132)

Particulars	Classification	Frequency	%
Age	20-25	30	22.7
	26-30	39	29.5
	31-35	36	27.3
	36-40	20	15.2
	41 and above	7	5.3
Gender	Male	91	68.9
	Female	41	31.1
Education	Below Degree	13	9.9
	Degree	40	30.3
	PG	52	39.4
	PG and above	27	20.5
Occupation	Student	18	13.6
	Govt employee	44	33.3
	Private employee	39	29.5
	Business	15	11.4
	Self employed	16	12.1
Monthly income (in rupees)	Below 20,000	10	7.6
	20,001-30,000	67	50.8
	30.001 - 40,000	16	12.1
	40,001-50,000	23	17.4
	50,001 and above	16	12.1
Total		**n = 132**	**100%**

Table 1 revealed that Age group has five groups. Out of 132, 39 respondents were 26-30 years (29%), 36 were between the age of 31-40 years (27%), 30 of them were below 20 years age (22%), 20 of the respondents were 41-50 years (15%), only 7 of them were 51 and above years age (5%); gender order of the respondents has two groups, 91 of the respondents were male (70%) and 41 of them were belongs to female gender (31%); Graduation has been divided in four different education group. 52 of the respondents belongs to post graduation with 39%, 40 of them were degree (30%), 27 of them were PG and above, 13 of the were below degree (9%); respondents occupation was grouped in five. 44 (33%) of the respondents were worked as Govt employees, 39 (29%) of them were private employees, 18 (13%) of them were students, 16 (12%) and 15 (11%) of them were belongs self employees and business people; Monthly income has been divided in five groups. 67 respondents monthly income level is 20,001-30,000 (67%), 23 respondents for 40,001-50,000 monthly income level (17%), 16 respondents were belongs to 30.001 - 40,000 (12%), 16 (12%) of the respondents belongs to 50,001 and above and 10

(7%) of the respondents of them were below   20,000 respectively.

7. RESULTS AND DISCUSSIONS

Table 2: Scale construction

Cronbach's Alpha	N of Items
.774	7

This confirms the validity and reliability of present studies paper. Major variables are Friendship group, family group, and work group, shopping group, Celebrities, Role and status, consumer purchase behaviour. Alpha values were calculated one after the other for each the variables to test for the reliability and validity of the destiny take a look at. The Cronbach's alpha values for social factors and consumer purchase behaviour are observed to be 0.774.

Table 3: Descriptive statistics

Social Factors	N	Mean	Std. Deviation	Variance
	Statistic	Statistic	Statistic	Statistic
Friendship group	132	3.49	.502	.252
Family group	132	4.36	.831	.691
Shopping group	132	3.79	.801	.642
Work group	132	3.03	.687	.472
Celebrities	132	4.20	.880	.775
Role and status	132	3.06	1.138	1.294
Consumer purchase behaviour	132	3.72	1.079	1.165
Valid N (listwise)	132			

Table 3 explores the mean, std.deviation and variation of the social factors. The mean value of the Friendship group, family group, and work group, shopping group, Celebrities, Role and status, consumer purchase behaviour are found to be 3.49, 4.36, 3.79, 3.03, 4.20, 3.06 and 3.72; followed by Std. Deviation values are .502, .831, .801, .687, .880, 1.138 and 1.079 and Variance values are .252, .691, .642, .472, .775, 1.294 and 1.165 and respectively.

RESULT OF PEARSON CORRELATION AND MULTIPLE REGRESSIONS

Pearson correlation is used to identify the linear relationship between the two sets of variables, here to identify the association between the reference group factors and consumer purchase behaviour. And, multiple regressions explain the impact of the predictors on the criterion variables. R square helpful to identify the variance caused in the criterion variables.

HO: There is no significant association of reference group on consumer purchase behaviour.

Table 4: Pearson correlation

S.no	Variables	Correlation (r)
1	Friendship group	.614**
2	Family group	.521*
3	Shopping group	-.465**
4	Work group	.476*
5	Celebrities	.554**
6	Role and status	.597**

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

Disk 4 investigates the association between the social factors and consumer purchase behaviour, the Pearson correlation result shows that there is a strong correlation between friendship group with consumer purchase behaviour with r = 0.614** at the 1% significance level. Similarly, Role and status of customer have significant association with purchase behaviour with r = 0.597**, Celebrities have good correlation with purchase

behaviours of the consumers with r = 0.554[**] at the 1% significance level; whereas shopping group (r = -0.465[**]) have negatively correlation with purchasing behaviour.

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	.272[a]	.572	.237	.43459	7.794	.000[b]

a. Predictors: (Constant), Friendship group, family group, work group, shopping group, Celebrities, Role and status.

Table 5 explores the regression model summary, Model summary used to measure the correlation between the predictors and criterion variables of the study. F value is the statistically significant; R^2 is the proportion of variance in the criterion factors, which is explained by the predictor's factors. R^2 value found to be 0.572, meaning there by that 57.2% of the version in established variable is defined through predictors.

Table 6: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.163	.831		3.808	.000
	Friendship group	.780	.135	.465	5.756	.009
	Family group	.162	.176	.072	.921	.020
	Shopping group	-.043	.100	-.035	-.428	.075
	Work group	-.048	.084	-.054	-.574	.067
	Celebrities	.133	.115	.093	1.157	.001
	Role and status	.398	.154	.243	2.588	.000

a. Dependent Variable: Consumer purchase behaviour

Table 6 indicated that the coefficient of Friendship group, family group, Celebrities, Role and status are positively associated with the consumer purchase behaviour and on the other side, the coefficient of work group, shopping group is negatively associated. Further, Friendship group (0.780) and role and status (0.398) are emerged as the maximum credibility with purchase behaviour of consumer and they are statistically significant, because its p-values are less than significant values; whereas work group (-.043), shopping group (-.048) were not statistically significant. Thus from the above analysis, the following observation could be made. The following factors like Friendship group, family group, Celebrities, Role and status are positively impact on the consumer purchase behaviour in the study area.

CONCLUSION

Customers have various roles in acquiring items and services. Here, a role is characterized as the normal conduct of a person in a general public. This role can be as a major aspect of the purchaser's family, work, or societal position, in addition to other things. In spite of the fact that there are various roles that can impact how a buyer acts, A marketer regularly targets impacts instead of the whole objective market, in light of the fact that these impacts can adjust the conduct of other individuals. The social factors encompassing Friendship group, family group, work group, shopping group, Celebrities, Role and status. The investigated that friendship group, family group, Celebrities, Role and status are positively impact and work group, shopping group is negatively impact on the consumer purchase behaviour.

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