



FACULTY OF JURIDICAL SCIENCES

COURSE: B.B.A.LL.B. IInd Semester

SUBJECT: CONSUMER BEHAVIOUR

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Lecture-29



External Determinants of Consumer Behavior

Reference groups:

Reference groups are groups of people that influence an individual's attitude or behaviour. Individuals use these groups as reference points for learning attitudes, beliefs and behaviour, and adapt these in their life.

Family and close friends are considered to be primary reference groups in an individual's life due to their frequency of interaction with the individual and primacy of these significant others in an individual's life. Schoolmates, neighbourhood, colleagues, other acquaintances are a part of the secondary reference groups of an individual.

An individual may or may not personally interact with others to imitate their behaviour, and thus, even those individuals or groups from whom an individual learns by mere observation are also part of his reference group.

Reference groups influence product and brand purchases, particularly when the consumption is conspicuous in nature. Where a product is conspicuously consumed, the brand chosen may be influenced by what buyers perceive as acceptable to their reference groups.

In case of conspicuous luxuries, even product consumption is influenced by reference groups. In case of inconspicuous products, reference group influence is lower, as there are little or no consequences (sanctions) for not buying the 'right' choices.

Among various members in a reference group, there are some who are referred to as opinion leaders. Members respect the views of an opinion leader, and seek his counsel and guidance on a particular issue. An opinion leader can influence purchase decisions because members respect them for their expertise, or their social standing.