# Chapter 10 Role of reference groups in the food and drink sector

## **Multiple Choice Questions**

1. Which of these is NOT an example of a type of reference group?

1. Aspirational
2. Formal
3. Technological
4. Virtual

2. Which theorist spoke about upward and downward comparison?

1. Cooley
2. Festinger
3. Merton
4. Kelley

3. Which of the 5 stages of the consumer decision making process are affected by reference groups?

1. Need Recognition
2. Evaluation of Alternatives
3. Post-Purchase Evaluation
4. All

4. Which of the following is an example of an approach used by businesses to deal with issues surrounding reference groups?

1. Celebrity endorsements
2. Hard-selling
3. Flyers
4. Competitions

5. Which of the following best describes a dissociative reference group?

1. Those an individual wants to identify themselves with
2. Those an individual aspires to be
3. Those an individual does not want to be identified with
4. Close friendships and family members

**Revision questions**

1. Explain 3 different approaches used by businesses to react to reference groups.
2. Identify and explain, using your own examples, Kelley’s two basic distinctions of reference groups.
3. Explain the similarities and differences between Cooley’s theories of the looking glass self, and Festinger’s theory of social comparison.
4. Discuss two of the main factors of reference group influence.
5. How can Marketers use Referent Power to advertise their products?
6. What are socialization agencies? Name and explain the main ones.

**Answers**

### Multiple choice questions

1. C
2. B
3. D
4. A
5. C

### Revision questions

1. *Explain 3 different approaches used by businesses to react to reference groups.*

Businesses use celebrities in their adverts to try and convince customers to purchase their products or services. In other words, they use aspirational reference groups to add credibility to their products and services. When people see a celebrity who they look up to using a new product, they are far more likely to purchase it. Using celebrities in adverts gives customers an illusion of what they could achieve if they purchase that specific product/service.

Word of mouth is one of the most powerful forms of promotion and it is important that businesses remember that. Nowadays social media has a lot of power, especially on the younger generation. This is something that businesses need to consider when making their marketing plans. For example, bloggers can have a lot of influence on potential customers. They usually have a lot of young readers who are in their 20s. When a famous blogger uploads a nice picture of a restaurant on Instagram, it gets a lot of likes and comments. The readers might want to eat in the same restaurant as the blogger, as it looks very trendy and the kind of place where all fashionable people go to.

Similarly, businesses work with virtual reference groups as well. These kind of groups are, for example, discussion boards, review forums and bloggers, as mentioned earlier. Another approach for businesses is to create adverts that ordinary people can relate to. This links with the idea of Identification reference groups. An individual is more likely to buy a product which they can relate to personally because it triggers the emotion and memory behind the product.

2. *Identify and explain, using your own examples, Kelley’s two basic distinctions of reference groups.*

Kelley separated reference groups into two functions; normative and comparative. A normative reference group influences individual’s norms, attitudes and values through direct interaction. It has a great influence on individual’s choices and decisions because he or she wants to maintain the sense of belonging. A normative reference group could be family, friendships or romantic relationships. Culture and religion can be linked to a normative reference group as well, as these factors influence people’s behaviour. For example, in some religions animals are highly respected and sacred which makes eating meat unacceptable.

Parents and siblings have a great influence over the behaviour and perspectives of an individual because it is from them that they learn patterns during their most crucial developmental stages. For example, an older brother may introduce his sibling to a new restaurant which serves Indian food and if the younger sibling enjoys it they might start incorporating this type of food into their own diet.

A comparative group consists of those people who an individual strives to be. He or she compares themselves to that group and make the kind of choices which the comparative group would make. Businesses use this group when promoting their products and services by using celebrities and heroes in their adverts. For example, an individual who idolises David Beckham may believe that if he buys a product endorsed by him, then he will become as successful as him. David Beckham endorses Adidas so he might think that this brand enhances his performance in sport.

3*. Explain the similarities and differences between Cooley’s theories of the looking glass self, and Festinger’s theory of social comparison.*

Both theories are about individuals comparing themselves to others and the “ideal self -perception”. People want to feel included and accepted within society.

In Cooley’s theory, people tend to associate with people they want to be seen with to reflect their ideal perception. They will therefore disassociate themselves from certain groups who they do not want to be seen with. For example, if a person wants to look trendy she might socialise more with fashionable people and try to avoid people who are not so into fashion.

Cooley also talks about the idea of how an individual’s understanding of how others perceive them impacts how they feel about themselves which could be similar to Festinger when looking at downward comparison. According to Cooley, if an individual feels like others are looking down on them, they feel worse about themselves. This might not even be true in reality but is how the individual perceives the situation. Comparatively, Festinger believes an individual may look down on others to make themselves feel better.

Festinger’s theory is more practical. It discusses the ways people motivate themselves by comparing themselves to others, which is where it differs from Cooley’s work. Upward comparison occurs when an individual compares themselves to someone they feel is better or more talented than them. This type of comparison is more common with people who are highly motivated to reach their goals and who can use others as a source of motivation. Downward comparison occurs when an individual compares themselves to someone they think is worse off than them. This type of comparison might be common in a situation where an individual needs a little extra motivation and a better perception of themselves. It can boost their self-confidence and push them to work a harder to improve their talent.

4. *Discuss two of the main factors of reference group influence.*

Socialization: Every individual around the world will be socialized into behaving in generally acceptable ways. There are different set of values and norms in each society that will be inculcated into everybody that belongs to this society. This values and norms are usually reflected in purchase decisions. Reference groups exert the most pressure in adolescents which may lead into unhealthy and dangerous behaviour.

Conformity: Conformity is a change in beliefs or actions as a reaction of real or imaginary group pressure, we usually conform to others pressure for two basic reasons, people who conform because they take others behaviour as evidence of the correct way to act are conforming because of comparative influence and people who conform to satisfy others expectations are affected by normative influence. There are numerous factors that affect conformity such as:

Fear of deviance, this becomes relevant when a person has to choose between going along or not with the group.

Group size, conformity is usually stronger in bigger groups.

Interpersonal influence, people don’t work in isolation and as we interact with each other we also mould and change our behaviour.

5. *How can Marketers use Referent Power to advertise their products?*

Referent power is focused around role models. A consumer tries to be like the role model, identify with them treating the role model as a reference model. Referent power doesn’t only focus on individuals but also on groups having power over consumers setting standards of behaviour, socialisation, attitudes and opinions. Marketers can use this power over consumers by using famous individuals such as world class athletes, film stars or anyone that’s looked to as a role model, in their advertisements. Referent Power is used largely to target aspirational groups, making the consumer want to be like the star in the advert. Athletes are majorly used when advertising food and drink as it’s to do with the nutrition that a person is giving their body. This gives a suggestion that if a highly recognised athlete can eat or drink this product, be fit healthy and is good physical shape then the consumer wants to be like that athlete and may buy that product instead of another.

A good example of a company that has taken over the energy drink market over the last decade is Redbull. They have used their company to sponsor athletes in high adrenaline sports such as motor cross, Formula1 and snowboarding. They also sponsor or host some of the event such as the X-games. Having these world-renowned athletes advertising their energy drink using referent power to target aspirational groups has helped Redbull grow into the giant company it is today.

6. *What are socialization agencies? Name and explain the main ones.*

Social or socialization agencies are the social organizations and institutions that teach group members the culture and ways of living in any one society. These agencies can be divided into formal or informal, being in this case the informal agencies the ones of more importance. There are four main socialization agencies.

The family: Family is usually seen as the most important informal socialization agency, due to the fact that it starts at really the early stages of our life. The mother can be considered as the main influencer due to the close relation that a mother usually has with her new born baby and through his/her early life stages.

The school: School is where an individual will get his education; this will mould behaviour and ideas, which will affect in future decisions.

Peers: Peer group is defined as a group whose values and attitudes are used by a person as a foundation of his present behaviour. This group exert the most pressure during the early stages of adolescence and help the individual to create a separate identity from his parents.

Mass Media: Mass media effects are difficult to measure but there is no doubt that it exerts a powerful socializing influence. Although is normally perceived as a tool an information provider it can also harm and affect negatively its audience.