

Examining Reference Group Influences on Young Consumers' Product and Brand Decisions

Nathathida Kovitcharoenkul*

Saravudh Anantachart*

Abstract

This research study aimed to examine the influences of three types of reference groups on young consumers' product and brand decisions. Self-administered questionnaires were used to collect survey data from 400 undergraduate students who were studying in public and private institutions in Bangkok Metropolitan Areas, Thailand. Three product categories were tested and selected to represent a) publicly-consumed, luxurious product (handbags), b) publicly-consumed, necessary product (mobile phones), and c) privately-consumed, luxurious product (perfumes). As a result, informational influence was found to be the most outperformed approach shown to impact on all products and brand selections. Meanwhile, normative influence shows less impact on young adults since they are likely to be an influencer rather than being influenced by others. However, value-expressive influence presents non-significant evidence to explain its power on consumer product and brand decisions. Therefore, this research supports Deutsch and Gerard's (1955) original work with the non-U.S. samples that there should be only two types of reference group influences.

KEYWORDS: Reference groups, Branding, Consumer behavior, Young adults

*Nathathida Kovitcharoenkul (M.A. in Strategic Communication Management, Chulalongkorn University, 2014) is currently Managing Director of M Capital Holding Co., Ltd. Saravudh Anantachart (Ph.D., University of Florida, USA., 1998) is an associate professor and Deputy Dean for Planning and Development, Faculty of Communication Arts, Chulalongkorn University.

*This article is based on a master's thesis under the topic, "Reference group influences on consumer's product and brand decisions," by Nathathida Kovitcharoenkul under the supervision of Saravudh Anantachart. It is supported by the 90th Anniversary of Chulalongkorn University, RatchadaphisekSomphot Fund.

Introduction

Many research studies have been given much attention to "reference group" in the late 1980s as it is one of the biggest factors that trigger on consumers' thoughts, attitudes, and behavior (Bearden & Etzel, 1982; Bearden, Netemeyer, & Teel, 1989; Brinberg & Plimpton, 1986; Childers & Rao, 1992). A widely known research from Park and Lessig (1977) defines that there are three types of reference group influences; normative, informational, and value-expressive. Even though many studies have agreed upon this matter, but there have still been controversial issues on their value-expressive dimension on consumers (Bearden & Etzel, 1982; Bearden et al., 1989; Brinberg & Plimpton, 1986; Burnkrant & Cousineau, 1975; Tudor & Carley, 1998). Later research studies either support Park and Lessig's research or oppose it by employing only the other two types of reference group influences, following the original work by Deutsch and Gerard (1955).

As there are many businesses growing and competing in the marketplace, consumers can choose and compare products and brands that match with their needs and wants. In consequence, consumers nowadays would behave differently from the past, especially young adult consumers who tend to switch from one brand to other brands. This results as the declining of brand loyalty (Rick, 2013). However, Taylor and Cosenza's (2002) research found that the young adult consumers often establish brand preference between the ages of 15 to 25, depending on product categories. It is therefore very crucial for marketers to understand the behavior of young adults as it can be seen as a long-term investment for businesses. Hence, this research aims to examine the influences of three types of reference groups on young consumers' product and brand decisions.

Reference Groups

Many past research studies have given attention to reference groups on how they influence on individuals. Even though many researchers have distinguished the definition of reference groups in their own ways, but there are some similarities among those meanings. Park and Lessig (1977) state that a reference group is a person or group that has significant effect on individual's evaluation while Bearden and Etzel (1982) define a reference group as a person or group that significantly influences an individual's behavior. Stafford (1966) summarizes that reference group is a group that person actually belongs, wish to belong, or wish not to belong as it is a personal source of values, norms, and perspectives.

Aside from the definitions of reference group, Assael (2004) illustrates that there are four types of reference group which can be viewed from individual's attitudes toward the group and membership with group. As a member of the group and having a positive attitude toward the group, a consumer belongs to a positive membership group. Second, a disclaimant group is the one that consumer is a member, but s/he has a negative attitude toward the group. Meanwhile, a consumer would have a group that s/he is not a member yet, but has a positive attitude toward the group. This is called an aspirational group. Last, a dissociative group is the one that a consumer is not a member, and has a negative attitude toward the group.

In terms of influences that reference groups have on group members, two types are originally proposed by Deutsch and Gerard (1955). First, normative or utilitarian influence is a desire to conform the group's expectation while informational influence is an acceptance of the obtained information from others (Tudor & Carley, 1998). However, Park and Lessig (1977)

then proposed the third type of influence which is value-expressive influence where it is fragmented from normative influence. Value-expressive influence is an influence that an individual mainly focuses on the self-image concept to comply with the expectation of others (Kelman, 1961). While Park and Lessig's (1977) findings are widely accepted among researchers, few studies have re-examined their work and have failed to confirm it (Bearden & Etzel, 1982; Bearden et al., 1989; Brinberg & Plimpton, 1986; Burnkrant & Cousineau, 1975; Tudor & Carley, 1998). Later research studies either support Park and Lessig's research or oppose it by employing only the other two types of reference group influences, following the original work by Deutsch and Gerard (1955).

As cited in Piron (2000), Bourne (1957) investigated that the impact of reference group on product and brand decisions are a function of two forms of conspicuousness, which are exclusivity and visibility (Piron, 2000). For exclusivity, it is the factor that can affect product decision, which must be luxurious and possessed by only a few people (or else it is necessary and possessed by many people). For visibility, it relates to the product that is usually consumed or used publicly, where other people can see one using the product (or else it is used privately where no one can see it). When combining these concepts from Bourne (1957) on the relationship between reference group influences and product conspicuousness, it creates four conditions which are: (1) publicly consumed luxuries (PUL), (2) publicly consumed necessities (PUN), (3) privately consumed luxuries (PRL), and (4) privately consumed necessities (PRN) (Bourne, 1957, as cited in Bearden & Etzel, 1982). First, publicly consumed luxury (PUL) is a product that is consumed in the public area and it is not commonly

owned or used. Second, publicly consumed necessity (PUN) is a product that is consumed in the public area and virtually everyone owns it. Next, privately consumed luxury (PRL) is a product that is consumed out of public area and is not commonly owned or used. Last, privately consumed necessity (PRN) is a product that is consumed out of public area and virtually everyone owns it.

Branding

There are many definitions of brand given by many researchers through both perspectives of marketers and consumers. This shows that branding issues are still gaining attention among various sectors. Therefore, it can be seen that brand is the core value of business. Kotler and Keller (2012) defines that brand is a name, symbol, design, or combination of them that identifies the good and service which is used to differentiate itself from competitors (Kotler & Keller, 2012). However, Wood (2000) adds that brand should be defined to cover an intangible product as well while Mootee (2013) also agrees that a brand is an intangible asset that lives in people's hearts and minds.

Similarly, when mentioning brand, people often infer to a name or a logo but a brand is including the whole system in building the concept of differentiation that enhance in value the products or services. This brand concept can be summarized by Kapferer (2008) into a unique set of attribute including both tangible and intangible that composed the value of the brand. Therefore, brands can only be developed through a long-term consistency. Keller (1993) states that the component that builds up a brand is called, "brand identity" in the perspective of the marketer, or "brand image" in the perspective of the consumer. Nevertheless, Kapferer (2008) adds that on the

sender's side, it is to identify the brand's meaning, objective, and its self-image as an image of brand. Hence, the identity that is created by the sender later builds up an image before projecting the image to the public with the brand message that can be sent through communication, product, people, or places. On the other hand, brand image is on the receiver's side (consumer) where image in this context refers to the way that receiver (consumer) decodes the signal from the product, service, or communication that is sent through the brand by the sender (marketer).

Apart from brand image, brand personality is also important as it is defined as a set of human characteristics associated with a brand (Aaker, 1997). Plummer (1984) prescribes that the brand personality is a perceptual reality from the consumer perception which reflects how consumer feels about the brand, not how marketer wants consumers to feel about the brand. Goldberg (1990) indicates that "Big-Five" factors of personality description can be used to apply with the study of brand personality. The big five factors are agreeableness, extroversion, conscientiousness, emotional stability, and openness (Goldberg, 1990). Later, Aaker (1997) develops a framework of the five brand personality dimension that is systematically chosen set of brands across product categories. Aaker (1997) findings found that consumers perceived brands in five distinct personalities, which are sincerity, excitement, competence, sophistication, and ruggedness.

Brands have financial and psychological values as they can create assets in heart and mind of the consumers, distributor, and opinion leaders. These assets are brand awareness, brand belief, and emotional bonding (Kapferer, 2008). Therefore, it is essential to measure

brands whereas Young & Rubicam Advertising Agency (Y&R) has developed findings to create brand measurement model by using Brand Asset Valuator or BAV Model. It is used to measure brand value, which is created in consumer's mind. Brand Asset Valuator can be used to measure brand across product categories. It measures brand using the four key indicators, which are a) differentiation to distinguish among competitors, b) relevance to connect the brand with consumer, c) esteem to gain consumer respect toward the brand, and d) knowledge to measure the consumer understanding of the brand (Y&R, 2014).

Consumer Behavior

Consumer behavior is a process of consumer buying behavior that links from pre-purchase to post-purchase whereas the relationship of cognitive, affective, and conative of consumer affect in consumer purchasing behavior. Solomon (2013) defines consumer behavior as a study of process that involves individual or groups who select, purchase, use or disposed of products, services, ideas, or experiences in order to satisfy needs and desires. Consumer behavior covers all the stages of consumer consumption process, which includes pre-purchase, purchase, and post-purchase.

While marketer plays a major role in creating and shaping consumer perception toward their product or brand, it is fundamental to know how consumer perceive and comprehend things around them. As mentioned by Solomon (2003), Perception is a process when people select, organize, and interpret the sensations from the sensory receptors (eyes, ears, nose, mouth, and skin). Perception consists of three stages of process, which are exposure, attention, and interpretation. Whereas Hudson (2007) defines

that perception is an overall mind-picture of the world, which is shaped by information that people send and receive. Since people choose to expose, attend, and interpret in different way, it can be considered as a concept of bias and distortion.

While consumer perception plays active role in consumer behavior, the term “attitude” is often used in ordinary days through different contexts. However, attitude has a deeper meaning in the context of psychology, which is one of the key aspects that connect other aspects together within consumer behavior field. Based on the definition of attitude (Fishbein&Ajzen, 1975, as cited in Lutz, 1991), attitude is a learned predisposition to respond in a consistently favorable or unfavorable manner with respect to a given object. Lutz (1991) concludes that attitudes are unobserved internal actions and no one can see it. Even though attitude is a covert behavior, it is often used as a guide to predict the consumer behavior, since many theorists believe that attitudes can lead to action or behavior and it can explain the cause of action.

Based on Lutz (1991), there are two perspectives in terms of theoretical orientation of attitude; tripartite view and unidimensional view. Firstly, attitudes are made up of cognition, affect, and conation whereas each attitude is consists of greater or lesser degree. However, this model is no longer used as Lutz (1991) specifies that attitude is a unidimension in that it belongs in only the affective part. Belief (cognition) is viewed as an antecedent of attitude while intention to buy and behavior (conation) are viewed as the consequences of attitude. There are several attitude models that are widely accepted in academic, which can be used to explain individual's relationship on cognitive, affective, and

conative. In other words, attitude is the key in explaining individual's cognitive and conative parts. Fishbein (1963, as cited in Lutz, 1991) has developed many theories and one of the most popular models is the multi-attribute attitude model, which is related with the relationship between attitudes and cognitions. However, multi-attribute attitude model is mainly explains about belief and attitude, which cannot accurately measure the behavior. Fishbein (1963, as cited in Assael, 2004), then, made an attempt to better explain the link between attitude and behavior by developing from the multi-attribute attitude model, which result as a theory of reasoned action (Assael, 2004). Theory of reasoned action has connected belief, attitude, intention, and actual behavior while focusing on person's intention to perform (or not to perform). The behavior is determining the action as person is expected to act based on intention.

Apart from the needs and wants of the consumers, marketers are eager to know how consumer chooses to buy products or brands in order to develop a guideline to create effective marketing strategies. According to American Marketing Association (2014), decision making is a process of selecting products, brands, or ideas from several choices. There is a process for consumer decision, which consists of five stages following by problem recognition, information search, evaluation of alternatives, purchase, and outcomes. The five steps can be used to describe the behavior processes from consumer recognizing problem until the post-purchase step of the brand (Engel, Kollat, & Blackwell, 1973; Solomon, 2013). Nevertheless, Assael (2004) mention that consumer decision making is not a uniform process. There are distinctions between decision making versus habit, high-involvement versus low-involvement, and how situation influences

on consumer purchasing decision. The four types of consumer purchasing decisions are based on the two dimensions; the extent of decision making and degree of involvement in the purchase. Apart from the four types of consumer purchasing decisions, Schiffman and Kanuk (2010) clarify that there are levels of consumer decision making due to consumer faces a problem. It can be distinct by the search of information and the process of brand evaluation in order to cope with the encountered problem.

Methodology

This study on reference group influences on young consumers' product and brand decisions is a research that utilizes quantitative research method by using a survey research method (cross-sectional study) to measure the participants' attitudes on product and brand purchase decisions and how they are influenced by their reference groups.

Sampling Method

This study focuses on young adults with the age range of 17 to 24 years old that are undergraduate students who are studying in university around Bangkok Metropolitan Areas, Thailand. Therefore, 400 respondents are reached from public and private university in Bangkok Metropolitan Areas. Purposive sampling method is used in order to select the target by choosing the top five public and private universities based on the highest ranking of undergraduate students that are studying in the university. From the 10 universities, 40 students are selected from each university using the quota sampling method. Then, purposive sampling method is used again to select students from each university. The screening questions is asked at the beginning of the survey to make sure that each participant is using the three product categories, which

are handbag, perfume, and mobile phone that represent the dimensions of product consumptions.

Product and Brand Selections

The product categories that are used in the research are selected from the pretesting questionnaire in order to study how reference group influence on the target's product and brand decisions. The pre-test was given to 15 students to rank the top three product categories and brand names that they perceived to which each belongs to the four dimensions of product consumptions. In the pre-test survey, all definitions of the three dimensions of product consumptions were given which there are publicly consumed luxuries (PUL), privately consumed luxuries (PRL), and publicly consumed necessities (PUN). However, the fourth type which is privately consumed necessities (Bearden & Etzel, 1982) is not significantly different because the reference group does not have influence on both product and brand.

As a result, handbag is selected to represent publicly consumed luxuries product whereas perfume is chosen to represent privately consumed luxuries product and mobile phone is chosen to represent publicly consumed necessities product.

MEASURE FOR THE VARIABLES

Within the research study, the three types of reference group influences on product decision is measured based on the 7-pointed Likert scale developed from Bearden et al. (1989) on 8 questions of normative influence and 4 questions of informational influence, ranging from 7 as strongly agree to 1 as strongly disagree while 6 - pointed, Likert scale is used based on Park and Lessig (1977) to measure value-expressive influence which consists of 5 questions. This research adapted the scale into 4-pointed, Likert scale in order to eliminate respondent's neutral decision.

Aside from measuring the reference group influences on product decision, the scale developed from Park and Lessig (1977) is also used to measure all three types of influence on brand decision which consist of 4 questions on normative influence, 5 questions on informational influence, and 5 questions on value-expressive influence. An original 6-pointed, Likert scale was adapted to 4-pointed Likert scale is adapted to employ in the survey in order to reduce the respondent's exhaustion.

Data Analysis

After all data have been collected, they are coded and analyzed in the computer in order to do statistical calculation, this includes descriptive statistics and inferential statistics. For descriptive statistics, it indicates the results in percentages and means. This also includes standard deviations in order to analyze the data related to the samples. For inferential statistics, it is used to indicate the differences among each type of reference group influences on product and brand decisions by using t-test and F-test. Relationships among different types of influences and decisions will be run by correlation coefficient. The significance level is set at .05.

Findings

According to all 400 respondents that were collected from the research survey, there are 202 young adult women (50.5 percent) and 198 young adult men (49.5 percent) whereas majority age of 234 samples are around 20 – 22 years old (58.5 percent). Moreover, 164 samples (41.2 percent)

received monthly allowance around 5,001-10,000 Baht. Meanwhile, 200 undergraduate students (50.0 percent) are studying in public universities and the other 200 undergraduate students (50.0 percent) are studying in private universities. Within the universities, 303 samples (75.8 percent) are studying in regular programs while only 97 samples (24.2 percent) are studying in international programs. It is also found from the research that there are 282 samples (71.2 percent) who are studying in non-science fields while 114 samples (28.8 percent) are studying in science fields.

Reference Group Influences On Consumers' Product and Brand Decisions

Within this research study, *F*-test analysis is employed to measure each type of influence and which one has most effect on which types of product by comparing among handbag, perfume, and mobile phone. By using LSD in Post-hoc analysis, the results in Table 1 show that normative influence has an effect on consumer's decision on publicly-consumed necessity product (mobile phone) more than privately-consumed luxury product (perfume) ($p < .048$). Moreover, informational influence is found to impact on consumer's decision toward publicly-consumed necessity product (mobile phone) more than publicly-consumed luxury product (handbag) and privately-consumed necessity product (perfume) ($p < .00$). However, value-expressive influence does not show any significant result.

Table 1 : Type of Influences on Product Decision

Types	F	p	Post-hoc Analysis
			(Handbag, Perfume, Phone)
Normative Influence	3.05	.048	Phone > Perfume
Informational Influence	14.92	.00	Phone > Handbag, Perfume
Value-expressive Influence	1.23	.29	
Grand Total	6.31	.00	Phone > Handbag, Perfume

On the other hand, the result of the measurement of reference group influences toward brand decision is found that informational influence turns out to be the only type of influence which is similar to the product decision (see Table 2). Publicly-consumed necessity product (mobile

phone) is still the most effective product category that is affected by informational influence, followed by publicly-consumed luxury product (handbag), and then privately-consumed necessity product (perfume) ($p < .00$).

Table 2 : Type of Influences on Product Decision

Types	F	p	Post-hoc Analysis
			(Handbag, Perfume, Phone)
Normative Influence	2.77	.06	
Informational Influence	68.21	.00	Phone > Handbag > Perfume
Value-expressive Influence	1.24	.29	
Grand Total	14.46	.00	Phone > Handbag, Perfume

Differences Between Product and Brand Type

Aside from the types reference group influence on product and brand decisions, *F*-test is also used to measure and compare the three types of reference group influence toward each type of product. According to the survey research, publicly-consumed luxury product (handbag) and privately-consumed luxury product (perfume) are shown in Table 3 with the same results

that informational influence and value-expressive influence have more impact on consumer's product decision than normative influence ($p < .00$). For publicly-consumed necessity product (mobile phone), it is seen orderly to be affected by informational influence, followed by value-expressive influence, and then normative influence ($p < .00$).

Table 3 : Comparison for the Product Types

Types	F	p	Post-hoc Analysis
			(Handbag, Perfume, Phone)
Handbag	47.56	.00	Informational, Value-expressive > Normative
Perfume	35.91	.00	Value-expressive, Informational > Normative
Phone	50.82	.00	Informational > Value-expressive > Normative
Grand Total	128.1	.00	Informational, Value-expressive > Normative

On the other hand, it is found that not only types of product shows a significantly result, but types of brand also show the same significant results ($p < .00$) but when involving with brand, informational influence, again, became the most effective approach toward all types of product studied. For publicly-consumed necessity product (handbag brand), informational influence and value-expressive influence are shown

to have more impact on consumer's brand decision than normative influence. Meanwhile, Informational influence has the highest effect on publicly-consumed necessity product (mobile phone brand) and privately consumed luxury product (perfume brand), followed by value-expressive influence, and then normative influence, respectively.

Table 4 : Comparison for the Brand Types

Types	F	p	Post-hoc Analysis
			(Handbag, Perfume, Phone)
Handbag	29.67	.00	Informational, Value-expressive > Normative
Perfume	34.44	.00	Informational > Value-expressive > Normative
Phone	92.38	.00	Informational > Value-expressive > Normative
Grand Total	128.1	.00	Informational, Value-expressive > Normative

Differences Between Product and Brand Decisions

In this part, paired samples t-test is employed to compare between consumer's product and brand decision toward each type of product and types of reference group influence. Publicly-consumed necessity product (mobile phone) is found to be affected by informational influence on brand decision more than product decision ($p < .00$) while normative influence is also likely to be most influenced on individual's brand decision than product decision ($p < .047$) (see

Table 5). Moreover, informational influence is the only type of influence in privately-consumed luxury product (perfume). As a result, individual is more likely to be influenced by informational influence toward brand decision more than product decision ($p < .00$). Nevertheless, none of the result in publicly-consumed luxury product (handbag) is shown to be affected by the three types of influence toward product and brand decisions.

Table 5 : Product vs Brand Decisions

Products	<i>Types of Influence</i>	<i>Product</i>	<i>Brand</i>	<i>t</i>	<i>p</i>
		(<i>M</i>)	(<i>M</i>)		
Perfume	InformationalInfluence	2.43	2.58	-4.29	.00
Phone	NormativeInfluence	2.22	2.29	-1.99	.047
Phone	InformationalInfluence	2.70	2.98	-8.11	.00

Discussion

This research explores in the area of the three types of reference group influences on individual's product and brand purchase decisions. They are normative influence, informational influence, and value-expressive influence (Park & Lessig, 1977). In order to measure the three types of reference group influences on product and brand decisions, scales from Bearden et al. (1989) and Park and Lessig (1977) are borrowed to ensure reliability and validity. In measuring reference group influences on product decision, the survey is consisted of 17 questions while a total of 14 questions are used to measure reference group influences on brand decision. In addition, the three

types of product decision that were used to measure in this research are handbag (publicly-consumed luxury), perfume (privately-consumed luxury), and mobile phone (publicly-consumed necessity).

Based on Nelson et al. (2008), the study focuses on young adults with the age range from 17 to 24 years old. The data are collected from 400 students living in Bangkok Metropolitan area since these groups of people are financially supported by their parents and spend most of the time with friends in the college. This implies that these groups of target have the purchasing potential and are likely to be susceptible to peer influence. The target

samples are collected from the top five universities from both public and private institutions in Bangkok Metropolitan area. In each university, 40 undergraduate students using handbag (publicly consumed luxuries product), perfume (privately consumed luxuries product), and mobile phone, (publicly consumed necessities product) are chosen as the target sample. The discussion part is divided into 3 aspects which are types of reference group influences on product and brand decisions, differences between product and brand types, and differences between product and brand decisions.

Types of Reference Group Influences on Product and Brand Decisions

Based on the research results, informational influence is more likely to impact on consumer's decision on publicly-consumed necessity product (mobile phone) more than publicly-consumed luxury product (handbag), and privately-consumed luxury product (perfume) because mobile phone is comparable in terms of the specification and functional attribute. Besides, consumer often consults peers whenever one is lack of experience of product usage as it is publicly-consumed necessity product. Apart from informational influence on consumer's product selection of publicly-consumed luxury product (mobile phone), young adults also tend to search for information before they purchase an expensive product like a luxurious handbag (publicly-consumed luxury product) in an in-store shop (Chehab & Benjaminsen, 2013). In addition, Makgosa and Mohube (2007) also mention that young adults tend to comply with expectation from peers and seek for information from them whenever the product is observed when consumed which corresponds with the findings in the research. Even though informational influence has less impact on consumer's decision

on privately-consumed luxury product (perfume) compared to publicly-consumed necessity product (mobile phone), many studies agree that consumer seeks for information on all types of luxury product before purchasing it to reassure that they have chosen the best one (Chehab & Benjaminsen, 2013; Dauriz, Remy, & Sandri, 2014).

Normative influence is another type of influence that has an effect on product decision mainly on publicly-consumed necessity product (mobile phone) more than privately-consumed luxury product (perfume). However, in this case, having or not having publicly-consumed necessity or mobile phone does not result as a punishment but one need to conform to own the product in order to show one's presented and stay connected with the group. Moreover, mobile phone serves as a main source of internet access while owning mobile phone in this context symbolizing them as well-educated persons who own technology asset with an affordable income to afford a smartphone (Smith, 2011). The reason that normative influence has a less effect on privately-consumed luxury product (perfume) than publicly-consumed necessity product (mobile phone) is because privately-consumed luxury product (perfume) is owned and consumed inconspicuously. Makgosa and Mohube's (2007) findings coincide with the result in this research which state that since product is not publicly-consumed on everyday basis, the motivation to comply the expectation of the group member is lesser compared to the consumption of publicly-consumed product.

Whereas value-expressive influence has failed to influence on consumer's product selection on all three types of product including handbag (PUL), perfume

(PRL), and mobile phone (PUN), many studies have seen value-expressive influence as another component of normative influence (Bearden et al., 1989 ; Brinberg & Plimpton, 1986; Burnkrant & Cousineau, 1975; Grimm, Agrawal, & Richardson, 1999).

On the other hand, the most and the only type of influence that is shown to effect on the consumer's brand decision is the informational influence. Among the three types of product dimensions, informational influence is mainly influencing on publicly-consumed necessity product (mobile phone), followed by publicly-consumed luxury product (handbag), and then privately-consumed luxury product (perfume), respectively. Based on the result, family serves as an informative influencer on brand preference in every type of product dimensions as most of Thai students are given allowance by their parents or family which they would somehow have an influence on an individual's decision. Tovikkai and Jirawattananukool's (2010) work is found to support with the findings.

When brand decision is involved based on Keller (1993), consumer knowledge of brand determines how one perceived about the brand especially, in this case that informational influence play the most active role in influencing consumer on brand decision toward publicly-consumed necessity product (mobile phone) because the product is to be consumed in the public. As a result, this leads to several influencing factors that effect on brand purchase decision that consumer tends to seek for information about brand from various sources including reviews and recommendations from friends and experts in order to reassure their risk of purchasing the brand (Laja, 2014).

Publicly-consumed luxury product (handbag) came after publicly-consumed necessity product (mobile

phone) as the second in the rank of brand decision to be influenced by informational influence. Although, it is luxurious product where consumers seek for pleasure when consuming the brand but consumers tend to be influenced by informational influence to cope with the risk of uncertainty in purchasing the brand. In contrast, publicly-consumed necessity product (mobile phone) is based on necessity product where consumers tend to seek for the value of brand's functional attributes.

Informational influence is still having a minor influence on privately-consumed luxury compared with the two previous types of product dimension, since the brand is being consumed privately. In addition, Childers and Rao (1991) findings show that there is a weak link on brand influence among peers while appeared as a strong link among family members in influencing the product decision since it is not being consumed conspicuously. Therefore, the results of consumer's brand decision on privately-consumed luxury product (perfume) toward informational influence is different from product decision where consumers are strongly influenced by peers.

Aside from informational influence that has an effect on individual's brand decision, normative influence and value-expressive influence do not have an impact on consumer's brand decision while Tran, Balas, Shao, Dubinsky, and Jackson (2014) discuss in their research findings that brand decision is derived from a social norm in a group which an individual is motivated to follow by making a brand selection (Tran, Balas, Shao, Dubinsky, & Jackson, 2014). However, different places or organizations contain different standards and norms (Americorps, 2014) which result as respondents using varieties of brand, and does not show any influence

on consumer's brand decision in any type of product dimensions.

Despite many studies mentioning that value-expressive influence is a component of normative influence, value-expressive influence is a type of influence that involves with social class and self-image. Likewise, all of the three types of product dimension represent one's self in different ways with a similar degree level of influence, such as level of education and occupation, income, and social status (Roach, 2014)

Differences Between Product and Brand Types

In the types of product on publicly-consumed luxury product (handbag), it is likely that informational influence and value-expressive influence have effects on publicly-consumed luxury product (handbag) more than normative influence does. Since the product is consumed in the public while it has a degree of luxury, this tends to drive attention among peer influences (Childers & Rao, 1992). Makgosa and Mohube (2007) findings also coincide that young adults tend to conform the expectation of their peers while seeking for information from them regardless of luxury or necessity. Meanwhile, value-expressive influence is another approach that is shown to have an effect on consumer's decision on the type of product. Whereas McFerran, Aquino, and Tracy (2014) findings show that one consumes luxury product in the public while at the same time gaining pleasure and enhancing self-esteem from owning the product which represents social status, wealth, and exclusiveness.

Consumer's decision on privately-consumed luxury product (perfume) is mainly influenced by value-expressive influence and informational influence more than

normative influence. Since the product is not consumed in public, one usually seeks for social gratification and personal achievement with the pleasure of owning or using the product (Tovikkai&Jirawattananukool, 2010). In the meantime, informational influence also plays a role in influencing an individual on decision due to its luxurious-based nature and high-involvement type of product. In consequence, one must find information about the product before purchasing it.

Consumer's decision on publicly-consumed necessity product (mobile phone) is found to be most influenced by informational approach. The reason behind this is because the product is being consumed in the public and it is a necessary product that one needs to own it. Then, one needs information in order to make careful judgment on the product by seeking for more recommendations from people around them as a useful reference to reduce the social risk (Yi, Yuan, & Kumah, 2013). Moreover, experienced internet users often search for more product information from many websites online (M. R. Ward & Lee, 2000).

Consumer's decision on the types of brands containing publicly-consumed necessity product (mobile phone), publicly-consumed luxury product (handbag), and privately-consumed luxury product (perfume) are shown with the similar results. Based on the findings, publicly-consumed luxury product (handbag) is shown to be influenced by informational approach and value-expressive approach more than normative approach since the product is luxurious and being consumed conspicuously. Publicly-consumed necessity product (mobile phone) and privately-consumed luxury product (perfume) are also shown to be affected by informational influence, followed by value-expressive influence, and then normative influence. Based on the results, it can

be seen that informational influence has the highest influence on consumer's brand decision, since brand names is represented as consumers' gathering for direct information, especially on the internet (Ward and Lee, 2000). Ratchford, and Talukdar (1997) findings also support that when there is a relative uncertainty about brands which mean consumers are uncertainty about which brand is the best, it leads to an increasing of information search.

Difference Between Product and Brand Decisions

In terms of consumer's product and brand decisions of publicly-consumed necessity product (mobile phone), informational influence and normative influence are shown to be influenced on consumer's decision. This is because consumer seeks for information in terms of product image and quality to reduce their uncertainty of product and brand (Naing & Chaipoopirutana, 2014). Although, privately-consumed luxury product (perfume) is shown to be influenced by informational influence more on brand decisions rather than product decisions, but publicly-consumed luxury product (handbag) has no effect on any types of influence due to variety of brands among the respondents (Naing & Chaipoopirutana, 2014). In addition, value-expressive influence does not show any significant result between product and brand decisions whereas there are many research studies that have similar results and have gone back to support Deutsch and Gerard's (1955) work that there are only two types of influence which are normative influence and informational influence (Bearden et al., 1989; Brinberg & Plimpton, 1986; Burnkrant & Cousineau, 1975).

Directions for Future Research

The research aims to study on the reference group influence on young adult's product and brand decisions. Nevertheless, this study only focuses on young adults with the age range of 17 to 24 years old who are financially supported by their parents and will become a large target group in the future. Therefore, the findings may not apply to all consumers in Thailand. However, this lies an interesting area to explore and examine similar consumer behavior in other countries in and compare the result. Furthermore, it is suggested for future research to expand the age segmentation to compare and contrast on the reference group influences on consumer's product and brand decisions on other age groups, such as high school students and office workers within the context of Thailand in order to see a transition between ages and which types of influence can effect on each target group. Moreover, it can also be done to compare and contrast on reference group influences on product and brand decisions among different generations, such as generation z, generation x, and the baby boomer.

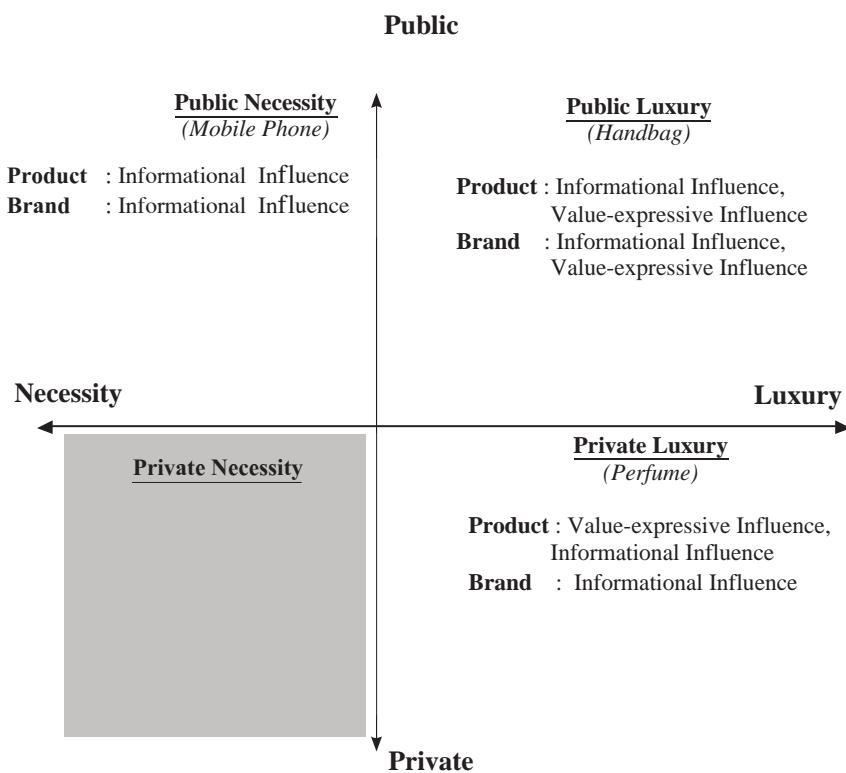
Since this research has already been studied employing quantitative method, a qualitative method can also be used for future research on reference group influences on consumer's product and brand decisions, such as an in-depth interviews to collect more detail personally without others' interference. A group discussion can also be employed in order to tackle the thoughts and attitudes toward the group. Lastly, an experimental design may also be used to observe an individual's behavior and factors influencing them.

Practical Implications

Within the exploring topic, informational influence is considered as the most effective influence. It has an effect on an individual's product and brand decisions

as the product is being conspicuously consumed while in another case is that the product is luxurious-based nature (see Figure 1).

Figure 1: Public-Private and Luxury-Necessity Dimensions



While an informational approach has an effect on product decision on public necessity (mobile phone), it also has an effect on brand decision as well. Therefore, it is crucial for marketers to be informative by using various techniques to attract young consumers since the product and brand is conspicuously consumed. Hence, young adult targets tend to seek information from their family, peers, experts, and reviewing website about the product or brand in order to reduce performance risk, physical risk, psychological risk, and social risk.

For public luxury (handbag), product decision is shown to be influenced mostly by informational influence and value-expressive influence while brand decision shown with the similar results. Therefore, this can be implied that marketers should provide enough information in order to ensure the quality and strengthen the brand image of the product and brand so that young consumers can perceive the value from owning or using it. Moreover, marketers should promote self-fulfillment based on value-expressive approach in order to enhance

on a self-uplifting emotional feeling since it is luxurious-based type of product which is consumed in the public. Therefore, it is very important toward one's self on how others perceive of them.

Lastly, value-expressive influence and informational influence are shown to be effective on product decision in private luxury (perfume) as it is privately consumed and others do not perceive that one is using it. However, owning the private luxury product or brand can fulfill

an individual's self-esteem which an individual tends to seek for pleasure when consuming it. On the other hand, marketers should ensure that young consumers can access to information available through various channels whenever they want. In conclusion, this research study shows that informational influence plays a major role in effecting on the young adults' product and brand decisions more than any other type of reference group influence.

References

Aaker, J. (1997). Dimensions of brand personality. *Journal of Marketing Research*, 34, 347-356.

Americorps.(2014). **Organizational culture and norms**. Retrieved November 24, 2014, from <https://www.nationalserviceresources.gov/filemanager/download/473/m.ch10.pdf>

Assael, H. (2004). **Consumer behavior: A strategic approach**. Boston, MA: HoughtonMifflin.

Bearden, W. O., & Etzel, M. J. (1982). Reference group influence on product and brand purchase decisions. *Journal of Consumer Research*, 9(2), 183-194.

Bearden, W. O., Netemeyer, R. G., & Teel, J. E. (1989). Measurement of consumer susceptibility to interpersonal influence. *Journal of Consumer Research*, 15(4), 473-481.

Brinberg, D., & Plimpton, L. (1986). **Self-monitoring and product conspicuousness on reference group influence**. *Advances in Consumer Research*, 13, 297-300.

Burnkrant, R. E., & Cousineau, A. (1975). Informational and normative social influence in buyer behavior. *Journal of Consumer Research*, 2(3), 206-215.

Chehab, M., & Benjaminsen, J. M. (2013). **A look at luxury shoppers around the world**. Retrieved November 26, 2014, from <https://www.thinkwithgoogle.com/articles/luxury-shoppers-around-world.html>

Childers, T. L., & Rao, A. R. (1992). The influence of familial and peer-based reference groups on consumer decisions. *Journal of Consumer Research*, 19(2), 198-211.

Deutsch, M., & Gerard, H. B. (1955). A study of normative and informational social influences upon individual judgment. *Journal of Abnormal and Social Psychology*, 51(3), 629-636.

Engel, J. F., Kollat, D. T., & Blackwell, R. D. (1973). **Consumer behavior** (2nd ed.). New York: NY: Holt, Rinehart, and Winston.

Goldberg, L. R. (1990). An alternative description of personality: The big-five factor structure. *Journal of Personality and Social Psychology*, 59(6), 1216-1229.

Grimm, P. E., Agrawal, J., & Richardson, P. S. (1999). Product conspicuousness and buying motives as determinants of reference group influences. *European Advances in Consumer Research*, 4, 97-103.

Hudson, S. (2007). **Tourism and hospitality marketing: A global perspective**. London: Sage.

Kapferer, J. N. (2008). **The new strategic brand management: Creating and sustaining brand equity long term** (4th ed.). London: Kogan Page.

Keller, K. L. (1993). Conceptualizing, measuring, and managing customer-based brand equity. **Journal of Marketing**, 57(1), 1-22.

Kelman, H. C. (1961). **Processes of opinion changes**. **Public Opinion Quarterly**, 25, 57-78.

Khan, M. (2006). **Consumer behavior and advertising management**. New Delhi, India: New Age International.

Kotler, P., & Keller, K. L. (2012). **Marketing management: Analysis, planning, and control** (14th ed.). New York: Pearson.

Laja, P. (2014). **Nine things to know about influencing purchasing decisions**. Retrieved November 27, 2014, from <http://conversionxl.com/9-things-to-know-about-influencing-purchasing-decisions/#>

Liu, C., & Laird, R. (2008). Parenting, peer influence, and role model on compulsive buying tendencies of early adolescent consumers. **Advances in Consumer Research**, 35, 1036-1037.

Lutz, R. J. (1991). The role of attitude theory in marketing. In H. H. Kassarjian & T. S. Robertson (Eds.), **Perspectives in consumer behavior** (4th ed., pp. 317-339). Englewood Cliffs, NJ: Prentice Hall.

Makgosa, R., & Mohube, K. (2007). Peer influence on young adults' products purchase decisions. **African Journal of Business Management**, 1(2), 64-71.

Mangleburg, T. F., Doney, P. M., & Bristol, T. (2004). Shopping with friends and teens' susceptibility to peer influence. **Journal of Retailing**, 80, 101-116.

Maurya, U. K., & Mishra, P. (2012). What is a brand? A perspective on brand meaning. **European Journal of Business and Management**, 4(3), 122-133.

McFerran, B., Aquino, K., & Tracy, J. L. (2014). Evidence for two facets of pride in consumption: Findings from luxury brands. **Journal of Consumer Psychology**, 24(4), 455-471.

Mootee, I. (2013). **Sixty-minute brand strategist: The essential brand book for marketing professionals**. Hoboken, NJ: John Wiley & Sons.

Mora, R. J., & Kloet, B. (2010). **Digital forensic sampling: The application of statistical sampling in digital forensics**. Retrieved August 24, 2014, from <https://blogs.sans.org/computer-forensics/files/2010/03/statisticalforensictriage.pdf>

Naing, K. W., & Chaipoopirutana, S. (2014). **The factors affecting purchase intention of a smartphone in Yangon, Myanmar**. Retrieved November 25, 2014, from <http://icehm.org/siteadmin/upload/5343ED0814095.pdf>

Nelson, M., Story, M., Larson, N. I., Sztainer, D. N., & Lytle, L. A. (2008). **Emerging adulthood and college-aged youth: An overlooked age for weight-related behavior**. **Obesity**, 16(10), 2205-2211.

Park, W. C., & Lessig, V. P. (1977). Students and housewives: Differences in susceptibility to reference group influence. **Journal of Consumer Research**, 4(2), 102-110.

Piron, F. (2000). Consumers' perceptions of the country-of-origin effect on purchasing intentions of (in)conspicuous products. **Journal of Consumer Marketing**, 17(4), 308-321.

Plummer, J. T. (1984). How personality makes a difference. **Journal of Advertising Research**, 24(6), 27-31.

Rick, T. (2013). **Customer loyalty is declining but it not going to be solved through loyalty programs.** Retrieved August 28, 2014, from <http://www.torbenrick.eu/blog/business-improvement/customer-loyalty-is-declining-but-it-is-not-going-to-be-solved-through-loyalty-programs/>

Schiffman, L. G., & Kanuk, L. L. (2010). **Consumer behavior** (10th ed.). Upper Saddle River, NJ: Prentice Hall International.

Smith, A. (2011). **Platform differences in smartphone adoption.** Retrieved November 26, 2014, from <http://www.pewinternet.org/2011/07/11/platform-differences-in-smartphone-adoption/>

Solomon, M. R. (2013). **Consumer behavior: Buying, having, and being** (10th ed.). Upper Saddle River, NJ: Prentice Hall.

Stafford, J. E. (1966). Effects of group influences on consumer brand preferences. **Journal of Marketing Research**, 3(1), 68-75.

Taylor, S. L., & Cosenza, R. M. (2002). Profiling later aged female teens: Mall shopping behavior and clothing choice. **Journal of Consumer Marketing**, 19(5), 393-408.

Tovikkai, K., & Jirawattananukool, W. (2010). **An Exploratory Study on Young Thai Women Consumer Behavior toward Purchasing Luxury Fashion Brands.** (Master Thesis), Mälardalen University, Sweden.

Tran, E., Balas, A. N., Shao, C. Y., Dubinsky, A. J., & Jackson, L. (2014). Influence of brand differential on motivation to conform and manufacturer versus store brand purchase intention. **International Journal of Business Science and Applied Management**, 9(1), 12-23.

Tudor, K. R., & Carley, S. S. (1998). **Reference Group Theory Revisited** *Southwestern Marketing Association Conference* (pp. 1-7). Georgia, GA: Kennesaw State University.

Ward, M. R., & Lee, M. J. (2000). Internet shopping, consumer search and product branding. **Journal of Product & Brand Management**, 9(1), 6-20.

Wood, L. (2000). Brands and brand equity: Definition and management. **Management Decision**, 38(9), 662 - 669.

Y&R. (2014). **Brand Asset Valuator.** Retrieved August 15, 2014, from <http://www.yr.com/BAV>

Yi, J., Yuan, M. F., & Kumah, S. (2013). The Attitude, motivation influence people's buying luxury goods : A survey of Chinese in China. **Journal of Business and Management**, 15(3), 15-24.