

MNM1505: Introduction to Consumer Behaviour

Lecturer:

Ms KM Ngobeni

(012) 429 4938

ngobekm@unisa.ac.za



Define tomorrow.

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college of
economic and
management sciences

TOPIC 3:

Group factors influencing consumer behaviour

Family

Culture

**Reference
groups**

**Opinion
leaders**

Social class

Learning Unit 8: Family and cultural influences on consumer behaviour

- Family influences on consumer behaviour

A **family** comprises a group of people who live together as a social entity or unit and can be divided into nuclear, dual-career, extended or binuclear families.

A **household** refers to an individual or a group of people who may be related or unrelated occupying a single housing unit and can be grouped as either family or non-family households (Mpinganjira et al, 2014:219).

- Family households
- Non-family households



Learning Unit 8: Family and cultural influences on consumer behaviour

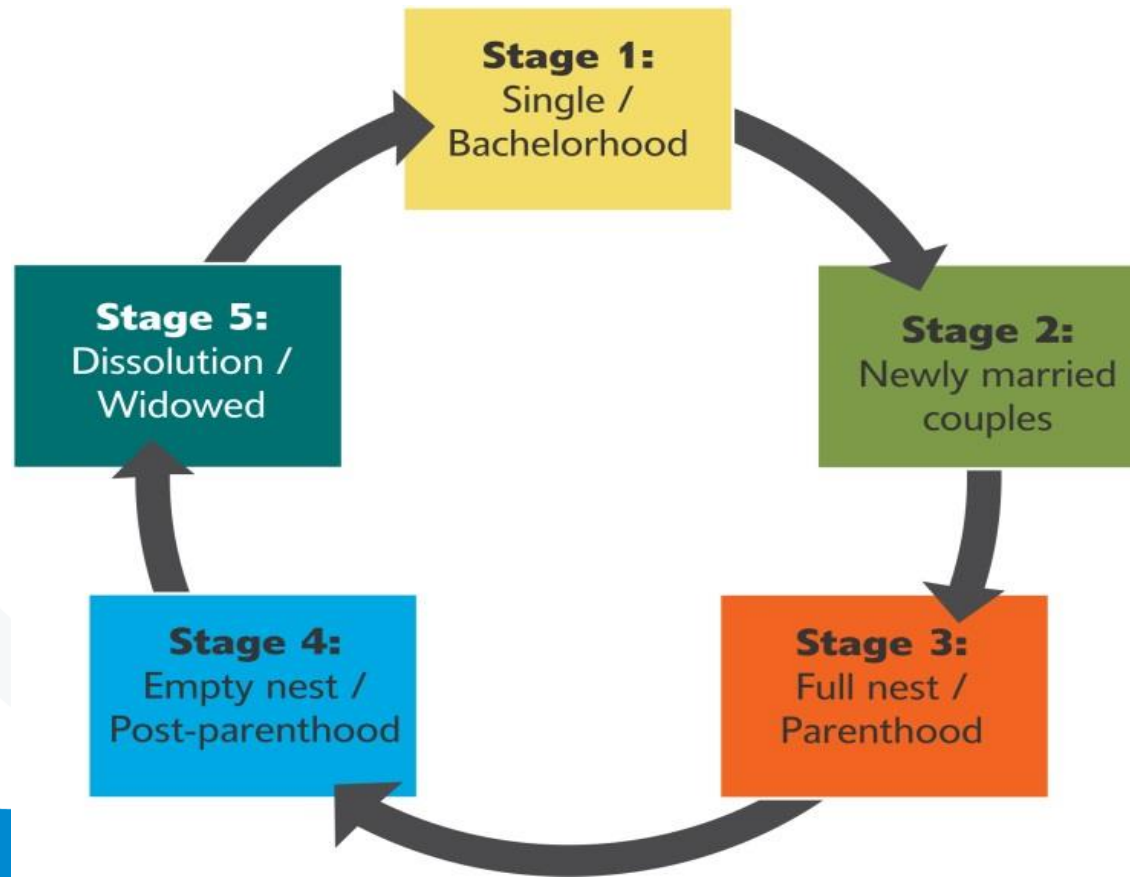
- Types of family structures:
 - Traditional or nuclear family
 - Dual-career or dual-earner family
 - Extended family
 - Binuclear, or co-parenting family



Learning Unit 8: Family and cultural influences on consumer behaviour

- The family life cycle (FLC)

The **family life-cycle (FLC)** is a series of stages determined by a combination of age, marital status and the presence or absence of children (Lamb, Hair & McDaniel, 2017:136).



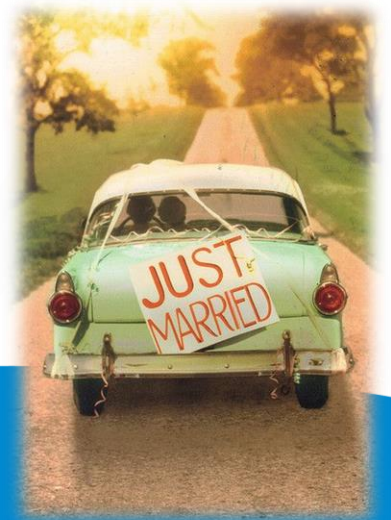
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- The family life cycle (cont.)
 - **Stage 1: Single/bachelorhood**
 - Individuals move away from their parents to establish their own household
 - Are single and just starting a new job
 - Tend to have a low income, but also have more spendable money
 - Their income is used to pay rent, for entertainment, leisure, fashion items and their hobbies



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- The family life cycle (cont.)
 - **Stage 2: Newly married couples/honeymooners**
 - Generally no children
 - Dual-income earning households and they are therefore usually wealthy
 - Expenditure and buying decisions are now negotiated because two people have to decide together
 - Couples spend more money on durables, home furnishing and appliances
 - More sceptical to advertising



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- The family life cycle (cont.)
 - **Stage 3: Full nest/parenthood**
 - Arrival of children
 - Spending and buying decisions revolve around the children
 - Seen that when the children are young, many mothers stop working to look after the kids, which means that the family has to survive on only one income
 - Instances where the mother does work, expenses include paying for daycare
 - As the children become older, they also start to become involved with the buying decisions in the family

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- The family life cycle (cont.)
 - **Stage 4: Empty nest/post-parenthood**
 - Parents are no longer caring for any dependants
 - More spendable income, and spend their money on entertainment and hobbies, luxury items and retirement
 - Paid off their mortgage and also any big items bought on credit
 - Save more money for their retirement
 - Some rely on their children for financial support



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- The family life cycle (cont.)
 - **Stage 4: Dissolution/widowed**
 - Also referred to as *solitary survivors*
 - Occurs with the death of one of the spouses or when the members in the household are retired
 - They don't get a monthly income from working
 - Biggest expenditure can be medical expenses
 - If a person is widowed, they will probably move to a smaller house or retirement village if they need special care



Learning Unit 8: Family and cultural influences on consumer behaviour

- Roles in the household decision-making process
 - **Initiator** - the person in the family who sees that there is a need for a specific product. That person then tells the others in the family
 - **Gatekeepers** - the individuals who control the flow of information about a product or service. Gatekeepers take the responsibility of searching for information, looking for alternatives and setting the evaluation criteria
 - **Influencer** - the influencers are the family members who provide the information about the product or service

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- Roles in the household decision-making process (cont.)
 - **Decider** - the family member who decides whether or not to buy a product
 - **Buyer** - the member of the family who does the actual purchase of the products
 - **Consumer/user** - the member of the family who consumes the product
 - **Disposers** - those individuals who decide on carrying out the disposal or discontinuation of a particular product or service

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- Strategic marketing applications
 - Segment the market optimally
 - Forecast demand for different products
 - Target marketing efforts at the right people
 - Design products that appeal to member involved in family decision-making
 - Design appropriate placing strategies

Learning Unit 8: Family and cultural influences on consumer behaviour

- Cultural influences on consumer behaviour
 - **Individualistic cultures** - individuals who only look out for themselves and their immediate families and they value their own standards and beliefs when making decisions.
 - **Collectivistic cultures** - rely on the considerations of others before making a purchasing decision

Learning Unit 8: Family and cultural influences on consumer behaviour

- What is culture?

Culture is the set of learned values, norms and behaviours that are shared by a society and are designed to increase the probability of the society's survival (AMA, 2016).

- Nature and characteristics of culture

- Culture satisfies needs
- Culture is learnt
- Culture guides behaviour
- Culture is enduring yet dynamic
- Culture is shared socially



Learning Unit 8: Family and cultural influences on consumer behaviour

- South African cultural values
 - Afrocentricity (Africa-centred): the “African notion of collectivism”.
 - It values participation, sharing and doing life together above individual success.
 - Afrocentricity is therefore centred on the belief that the highest value in life lies in the interpersonal relationships between individuals
 - Eurocentricity (Europe-centred): the Western value system where the focus is on individuality

Learning Unit 8 Outcomes:

- You should be able to differentiate between a family and household, as well as a family household and a non-family household.
- You should know the different family structures and be able to practically apply each to an example.
- Know the FLC and be able to apply each stage to a practical example.
- Know the different roles in the household decision-making process and be able to apply each practically.
- Differentiate between individualistic and collectivist cultures.
- Be able to define culture and know the characteristics of culture.
- Differentiate between Afrocentricity and Eurocentricity.