

The Influence of Peers in Consumer Decision Making Process of College Going Young Adults from Pune Region

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Abstract:

The current research focuses on the influence of peers in consumer decision making process of college going young adults. Researcher has worked on getting an insight on the impact of peer pressure on buying decisions, product/service category wise peer pressure and peer influence while buying branded versus unbranded products/ services. Researchers collected responses from 90 college going young adults from Pune. The respondents chosen were from the age category of 15 to 25 years of age. The data was collected using google forms and it was analysed using Google's analytical tools. It was found that young adults tend to buy branded products due to peer pressure. Majority of the young adults spend a good amount of time with their peers. It was clearly seen that majority of the young adults are influenced by the choice of products used by their friends. Specifically, there was a high level of peer pressure while buying products or services from technology, entertainment, clothing and automobile categories.

Keywords: *Peer pressure, Consumer behaviour, Young adults*

Introduction:

The influence of friends that the young consumers have is tremendous while they make decisions on what to try out and what to purchase. The pressure could be positive or even negative. It has been observed that this peer pressure can cause young adults to catch good or even bad habits. Youngsters tend to show contagious behaviour because of the peer pressure and pressure for social conformance(Tranell, 2014).In a research paper by J. Jamison and L. B. Myers(2008),it was found that binge drinking was influenced by peers and social-situational factors. Males were more pressurized for drinking. The undergraduates were influenced by factors like 'special offer' prices, the availability of alcohol and the size of the group.

This peer influence has a great role in marketing too. Nunes and Agante found out that there is a relationship between brands' segmentation according to usage per age segment and peer pressure and brand loyalty(Nunes & Agante, 2014). It was also observed that brand loyalty in teens is more vulnerable to peer pressure. The results implied that customer relationship management strategies also need to be differentiated according to the age segments.

In a study on teenagers' preferences and choice behaviour(Shahimi Mohtar, 2014)with respect to branded and unbranded products, it was observed that female teenagers were more influenced socially for fashion and leisure related spending. Interestingly, young males showed more reliance on media, they were brand conscious and spontaneous consumers. It was observed that children showed strong association with the branded products.

In the present study, researcher worked upon finding out the influence of peers in consumer decision making process of college going young adults and also to find out their inclination

towards branded or unbranded products with respect to the peer influence that they experience.

Objective

- To study the extent of peer influence among the college going young adults.
- To find out level of peer influence for particular products and services category.
- To find out the impact of peer influence towards branded and unbranded products of services.

Research Methodology

The research is exploratory in nature. The researcher used structured questionnaire to collect the data analyzing variables like peer pressure, product/service category wise peer influence and peer influence towards branded and unbranded products. Likert scale technique was used in the questionnaire to get responses and to collect either a favourable or unfavorable attitude towards asked questions.

Sampling Technique

The researchers used simple random convenience sampling for the data collection.

Literature review

B. Bradford Brown (1982) found in a study that females had to face more peer pressure than males. Also, the areas for intense peer pressure differed for males and females. Peer pressure can be highly influential and one of the most difficult things to face as an adolescent. Brian Borsari and Kate B. Carey (2001) observed that Interpersonal processes and peer environment can highly contribute to alcohol use by college students. It can happen through direct influence, perceived social norms or modelling. Peer pressure is one of the reasons for excessive alcohol use by college students.

Smoking is considered as one of the most harmful addictions. An experiment was conducted by Zeena Harakeh, Wilma A.M. Vollebergh to study the influence of antismoking peer groups on young individual's smoking habits (Harakeh & Vollebergh, 2011). Young individuals, without being forced tend to imitate their peers; they are more likely to engage in smoking with a heavy-smoking group than antismoking group. It was also observed that many young adults tried quitting smoking but the rate of people actually quitting was very low.

According to Jessica M. Dennis, Jean S. Phinney, Lizette Ivy Chuateco (2005), personal and career motivation and peer support can influence a student's academic performance and can have positive and negative effects on it. Lack of peer support can result in poor grades. To avoid negative assessment by peers and to achieve social acceptance, students tend to increase their alcohol consumption. These students believe that heavy alcohol consumption is a usual activity for a college student (Crawford & Novak, 2007). It was also found that certain students, to minimize the negative effects of alcohol consumption refrain from consuming it or voluntarily reduce its consumption.

Ellyn Charlotte Bass, Jonathan Bruce Santo, Josafa M. da Cunha, Cara Neufeld (2016) in their study observed that students who experience peer victimization and social withdrawal (isolation and unsociability) are vulnerable to its negative consequences. They are at a greater risk of experiencing depression, instability and anxiety. Due attention is required to understand the students' relationships. Socially withdrawn individuals need special

attention, specific programs and different strategies for a healthy overall development. Sandra E. Black, Paul J. Devereux, Kjell G. Salvanes (2013). It is a perception that individuals are highly influenced by their peers but there is a little evidence proving this. The number of girls in classroom (lower secondary school) seems to matter; high proportion of girls has proven to be bad for boys but good for girls in the long run. It also improves test scores for both boys and girls in the short run. It is observed that the average age of the peers doesn't affect the long run outcomes. Kim Tranell (2014) observed that the resistance to pressure by peers is lowest in the age of 14. He suggests that the way and individual responds to peer pressure is friendfluence itself and it can be used in a positive way. It is observed by Eric Bettinger, Jing Liu, Susanna Loeb (2016) that students tend to perform better in classrooms than in online courses, possibly because actions of peers and teachers engage students which an online course is unable to do, and this can improve their academic performance and benefit educational outcomes. Vivian Howard (2010) suggests that peers can influence an individual's reading habits. Some individuals believe that they were inspired and motivated by their friend circle to read for pleasure hence peer influence on their reading habits was very complex.

Gwen Rae Bachmann, Deborah Roedder John, Akshay R. Rao (1993) studied children's consumer behaviour and found that children's consumer behaviour, product decisions and product preferences are affected by their group of peers. When children progress through their elementary school years, peer purchase influence is developed; increasing age does not increase peer purchase influence, however they are more vulnerable to peer influence for eye-catching or noticeable products with advancing age.

In a study conducted by Eric Robinson, Andrew Jones, Paul Christiansen, Matt Field, it was observed that for social acceptance, people tend to imitate the behaviour of their peers and this could be a possible explanation of why peer's drinking habits influence individuals. However, self-control is considered as an important determinant of an individual's likelihood to succumb to peer pressure. People with low self-control are more acceptable to drinking than people with high self-control.

Nunes Rita Catela, Agante Luisa (2014) observed that peers can have an influence on the brand loyalty of an individual. Brand awareness in children comes in a very young age and with advancing age, the awareness of latest trends and fashion also grows. Parents have less control over what their children want to buy, they are more influenced by what their peers have. In contrast, it is also observed that after a certain age, peer influence is not a factor anymore to determine what people buy.

Sneh. S. Jhaveri and Sairaj M Patki (2016), found that young adults are becoming more concerned about their body image and this accelerates the rate of eating disorders. It was found that both the genders were influenced by their peers to lose weight. Students staying away from their parents are more likely to experience peer pressure of dieting.

A study was conducted by Reema Frooghi, Dr. Arsalan Mujahid Ghouri. Sayeda Nazneen Waseem and Shamim Zehra (2017) to find out the online purchasing pattern of young adults aging from 16-35. Businesses have now entered the online markets and it is vital to understand the online purchasing behaviour of a young consumer. An important relationship was found between attractiveness of the website, the services that the website provides and peer influence which drives the young consumer to make an online purchase. They tend to buy products and services which will make a positive impact and make them acceptable in their peer circle. They also rely on the past experiences and present purchases made by their friends.

Data Analysis and Interpretation

A survey was conducted on 90 students, the majority of the age group being 18-20 years old. The following are the interpretation from the data analysed.

1)The results indicate that 36.7% of the total respondents spend 6 or more hours in a day with their peers and the exact same percentage of respondents (i.e. 36.7%) spend less than 3 hours in a day with their peers.

2)It was found that 28.8% of individuals don't consider it necessary to conform with the social group norms whereas 27.7% individuals consider it necessary.

3)It was observed that 76.6% of the respondents agreed on doing things just to make their friends happy against 8% respondents who disagreed.

4)It was found that 72.2% of the total respondents agreed on expressing riskier behaviour when they are with their friends.

5)The results indicate that 18.8% of the respondents tend to lie about certain things that will make their peers think different about them. However, 62.2% of the respondents disagreed on this.

6)46.6% of the total respondents are influenced by the choice of products used by their friends against 35.5% who are not influenced by the product choices of their peers.

7)21.1% of people agreed on competing in terms of fashion and brands with their friends. 66.6 % of people deny any competition between them and their peers in terms of fashion and brands.

8)It was observed that 60% of the respondents consult and ask for the opinions of their friends before making any purchases.

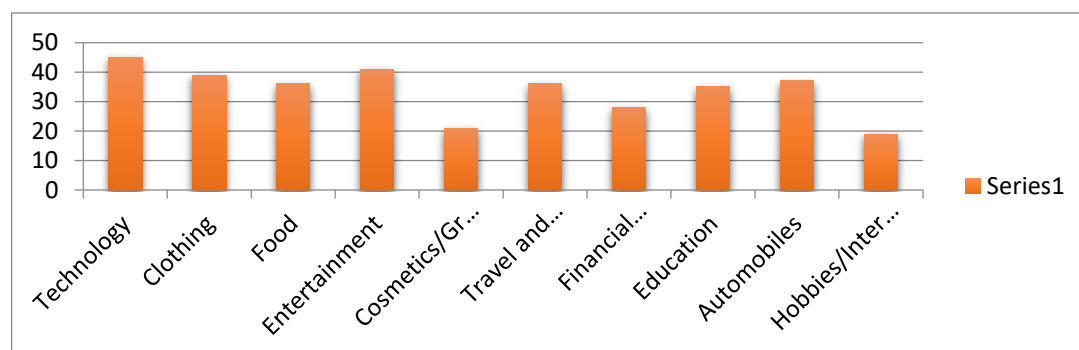
9)Of the total respondents, 20% agreed on arguing with their parents on buying something that their friends have. However, 67.7% diverged from that.

10)It was found that 52.2% of the respondents denied feeling a sense of belonging by using the same products that their friends do while 21.1% agreed on feeling a sense of belonging by using the same products

11)77.7% of people disagreed on buying brands that their peers will approve of, even when they don't need/want it whereas 10% of the respondents agreed on this.

12)It was observed that 28.8% of the respondents enjoyed shopping with their friends rather than their family members. 44.4% of the respondents disagreed on enjoying shopping with their friends rather than their family.

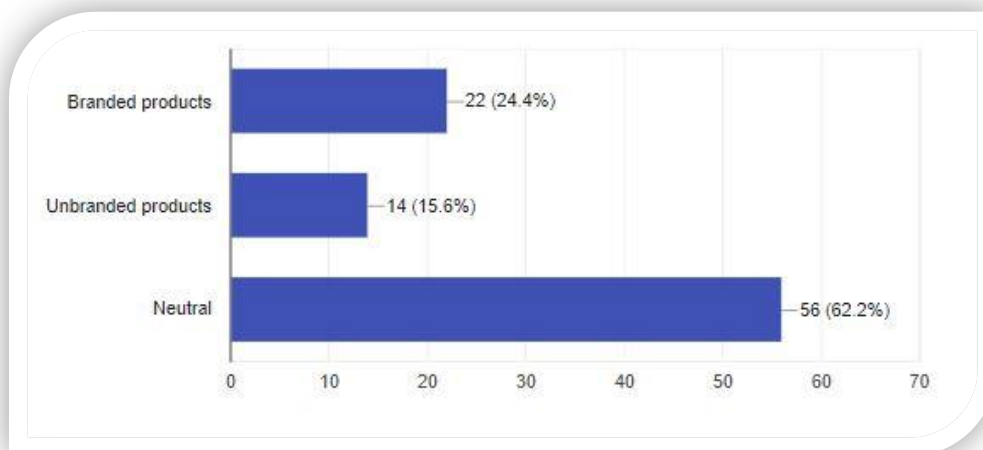
13)Individuals seek the opinions of their peers while purchasing or using any particular product or service. The following graph shows how and to what extent the buying decisions of an individual are influenced by his/her social group/peers across different products and services.



(Ref: Researchers' own contribution)

As shown in the above graph, technology, entertainment and clothing are the sectors where individuals agree that seeking an opinion from their peers is valuable and important. These sectors have a strong peer influence on the purchase decision of a consumer.

14) It was observed that more number of young adults tend to buy branded products because of peer pressure as compared to unbranded products.



(Ref: Researchers' own contribution)

Conclusion and Discussion

Magnitude of peer pressure

It was found that majority of the young adults spend a good amount of time with their peers. A huge majority of respondents agreed that they do certain things just make them happy. This indicates the high level of peer pressure on them. Another surprising finding was that, a big number of respondents tended to take more risk when they were with their friends. Majority of the respondents denied lying with friends to make them feel different about themselves.

Peer pressure on buying behaviour

It was unquestionably evident that majority of the young adults are influenced by the choice of products used by their friends. There was rarely any competition amongst peers in terms of fashion and brands. The respondents showed strong inclination towards asking their peers before making any purchases. However, the young adult respondents were sorted enough not to buy the products under peer pressure even when they don't need/want.

Category of products and services and the extent of peer pressure

The respondents provided their responses on impact of peer pressure on various product/services categories like technology, clothing, food, entertainment, cosmetics/grooming products, travel and tourism, financial services, education, automobiles and hobbies or interests.

Out of these, the top four categories for which there was a high level of peer pressure were technology, entertainment, clothing and automobiles.

Buying in the categories like food, travel and tourism, education had moderate level of peer pressure.

The lowest level of peer pressure was while buying financial services, cosmetics/grooming products and hobbies/interests respectively.

Branded/unbranded products and peer pressure

Young adults tend to buy branded products because of peer pressure as compared to unbranded products.

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