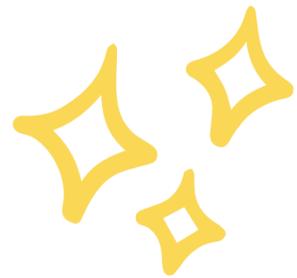SUAN SUNANDHA RAJABHAT UNIVERSITY
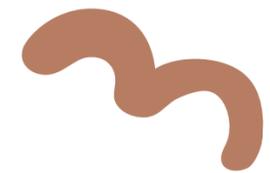
Individual Differences and Consumer Behavior

KARDPAKORN NINAROON

Introduction

- In the study of buying behavior, understanding individual differences is a key factor that helps marketers systematically distinguish the diversity of human beings.
- Individual differences are the result of social and cultural socialization, which consists of family, reference groups, social class, and culture, which are the main structures in shaping identity and tastes.
- Understanding this mechanism, therefore, helps marketers develop various strategies to more accurately meet the needs of the differences of each consumer group.

Family

Family means two or more people who are related by blood, marriage, or the adoption of individuals who come to live together.
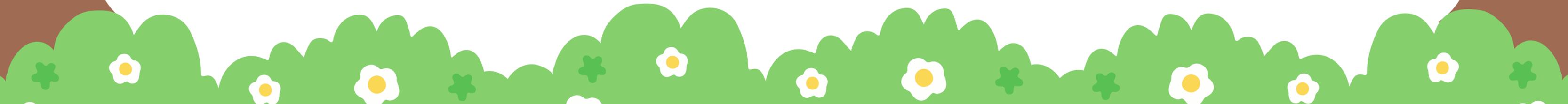
(Schiffman & Kanuk, 2007)

Characteristics of the Family

Family has significant characteristics (Minuchin, 1974) as follows:

1. The family is an open socio-cultural system, meaning the family is constantly affected by external factors, such as from schools, workplaces, or the economic and social conditions of the country.

2. The family undergoes constant change and development, such as from a newly married family to a family with young children, a family with teenagers, and a family where children grow into adults and eventually move out to start their own families.

3. The family has internal organization, meaning the family manages relationships, roles, duties, and various rules within the home.

Characteristics of the Family

Family has significant characteristics (Minuchin, 1974) as follows:

4. The family has communication, both between subsystems or internal family members and with external systems.
5. The family has rules that members must follow, which govern the relationships between members and are constantly adjusted to remain appropriate.
6. The family has boundaries, both between individuals within the family and between families.
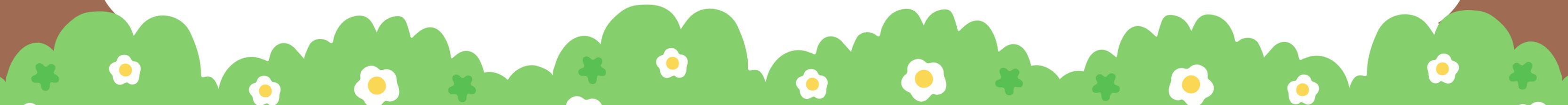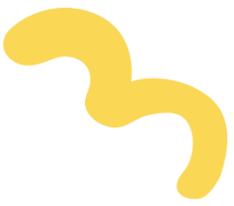
Family Functions
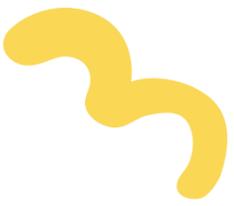
Whether a family is healthy or functional depends on the effectiveness of its family functioning. The "McMaster Model" (Epstein, Bishop & Baldwin, 1982) explains that families perform various functions as follows:

1. Problem Solving: The ability to manage problems quickly and systematically so that the family can continue to function without the situation escalating.

2. Communication: The exchange of information regarding both daily life and emotions, which is essential for mutual understanding within the family.

3. Role Assignment: The clear definition of duties and behaviors so that everyone can live together happily and orderly.
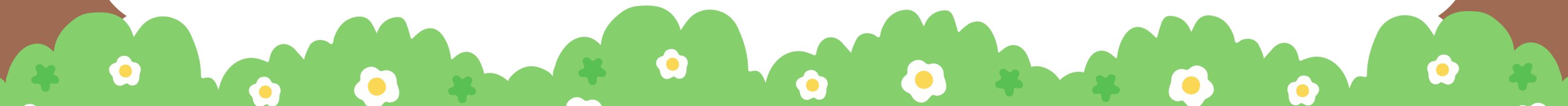
Family Functions

Whether a family is healthy or functional depends on the effectiveness of family functioning. The "McMaster Model" (Epstein, Bishop & Baldwin, 1982) explains that families perform various functions as follows:

4. Affective Responsiveness: The appropriate and balanced expression of feelings toward one another, both in normal times and during crises.
5. Affective Involvement: The level of care and value that members have for each other to create strong family bonds.
6. Behavior Control: The supervision and setting of behavioral boundaries for members to ensure peace and to avoid causing trouble to others.
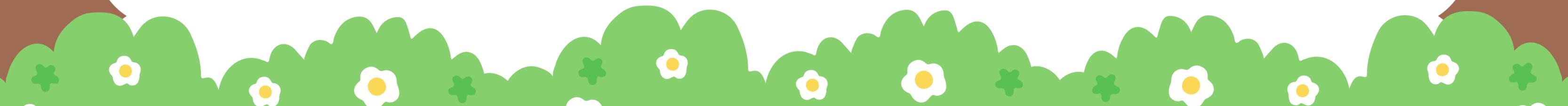
Influence of the Family on Consumer Behavior

The family is the primary institution in the consumer socialization process, which instills the skills, knowledge, and attitudes necessary for consumption from early childhood so that members behave in accordance with societal expectations. Understanding the learning experiences within the family helps marketers effectively predict the consumption behavior of individuals as they grow into adults, as it serves as the essential foundation for behavior and social coexistence.
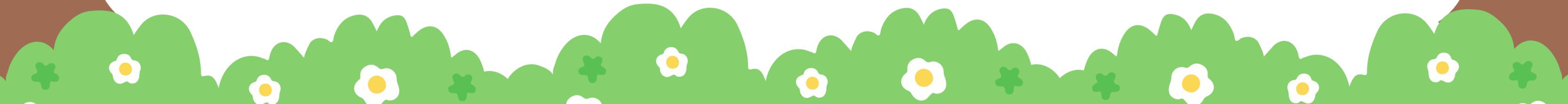
The Family and Buying Decisions
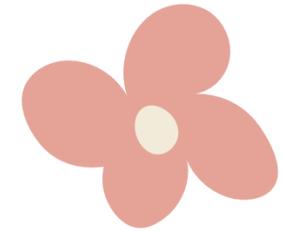
Family buying decisions differ from individual decisions because they involve collective consumption or impact all members. Each member typically plays a significant role in any given purchase of a product or service. This process consists of 5 primary roles: (1) Initiator, (2) Influencer, (3) Decider, (4) Buyer, and (5) User. One member may take on one or multiple roles simultaneously in each purchase.
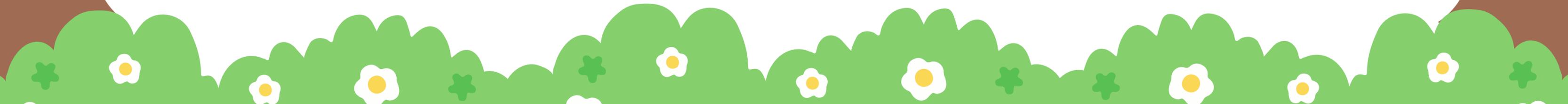
Types of Family Buying Decisions

Family decisions to purchase various products and services can occur in several forms (Solomon, 2009) as follows:

1. Husband-Dominated Decisions: These typically occur in cases of decisions to purchase tools for housework, such as lawnmowers, gardening tools, and various machinery.

2. Wife-Dominated Decisions: These are usually decisions regarding the purchase of children's products and household consumer goods, such as children's clothing and accessories, kitchen tools and equipment, and daily consumer goods (soap, toothpaste, detergent).
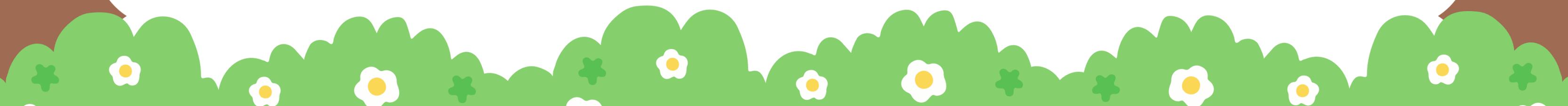
Types of Family Buying Decisions

Family decisions to purchase various products and services can occur in several forms (Solomon, 2009) as follows:

3. Autonomic Decisions: These are independent decisions made without relying on the opinions of others. Most often, they involve decisions to purchase products used for individual leisure activities, such as sports equipment, cameras, and toys.

4. Syncretic (Joint) Decisions: These are usually decisions to purchase products and services or large items that family members must use together, such as vacation destinations and televisions.
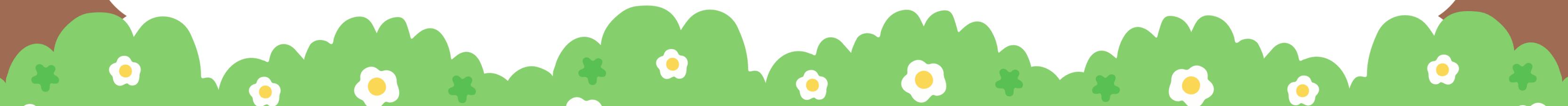
Family Life Cycle
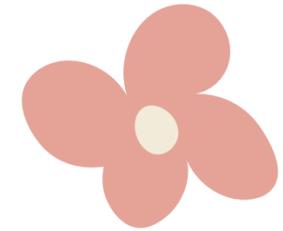
Family life cycles mean the stages of family existence that change according to a sequence of steps, which can be divided into 9 stages (Wells & Gubar, 1966) as follows:

1. The Bachelor Stage: Starting to work, low income, focusing on spending for themselves and entertainment.
2. Newly Married Couples: Dual income, focusing on building financial stability, purchasing housing and household items.
3. Full Nest I (Family with young children): Income decreases (mother stops working), expenses increase for baby products and insurance.
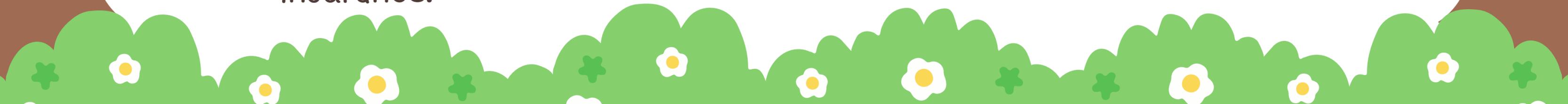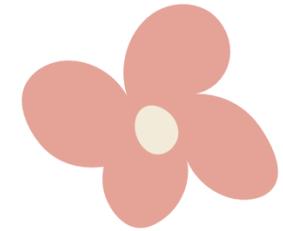
Family Life Cycle

Family life cycles mean the stages of family existence that change according to a sequence of steps, which can be divided into 9 stages (Wells & Gubar, 1966) as follows:

4. Full Nest II (Family with young children): Financial situation improves. Spending focuses on food and children's skills (tutoring/sports), and purchasing products in large quantities.

5. Full Nest III (Family with adolescent children): Financial status is stable. Focusing on replacing original products with better ones (cars/furniture) and seeking new forms of entertainment.

6. Empty Nest I (Family without burdens): Children have moved out. Parents have high incomes, focusing on purchasing luxury goods and traveling.
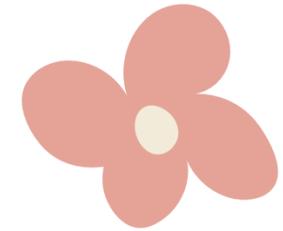
Family Life Cycle

Family life cycles mean the stages of family existence that change according to a sequence of steps, which can be divided into 9 stages (Wells & Gubar, 1966) as follows:

7. Empty Nest II (Retired family): Income decreases. Must be more economical, focusing primarily on health care.

8. Solitary Survivor I (Solitary family): Spouse has passed away. Income decreases significantly, with spending on health being a priority.

9. Solitary Survivor II (Final stage family): Living alone. Income is very low, with spending only on life necessities and medical treatments.
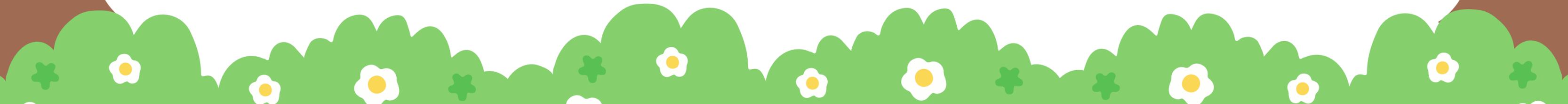
Applying Knowledge of Family in Marketing

Since a consumer's family has a significant influence on an individual's consumption behavior, business organizations have applied knowledge on this subject to marketing in several ways, as follows:

1. Designing and developing products appropriate for the family: Families in different stages of the family life cycle certainly have different needs and consumption behaviors. Designing products to align with needs that change according to the family life cycle-for example, shifting from selling furniture for couples to selling products for infants.

Applying Knowledge of Family in Marketing

Since a consumer's family has a significant influence on an individual's consumption behavior, business organizations have applied knowledge on this subject to marketing in several ways, as follows:

2. Advertising planning that reaches the target audience: Studying family concepts enables marketers to plan media and messages to reach the actual decision-makers in the household—for example, focusing communications on the mother for baby products or communicating with the father regarding technology.
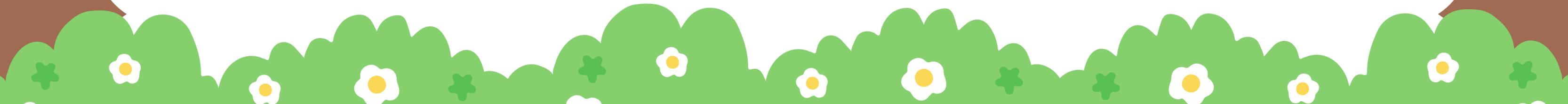
Applying Knowledge of Family in Marketing

Since a consumer's family has a significant influence on an individual's consumption behavior, business organizations have applied knowledge on this subject to marketing in several ways, as follows:

3. Designing an appropriate marketing mix: Studying the family enables the design of price, channels, and promotions to cover all members involved in the decision-making process. That is to say, it can win the hearts of both "children," who are the initiators who want the product, and "parents," who are the deciders who pay the money.
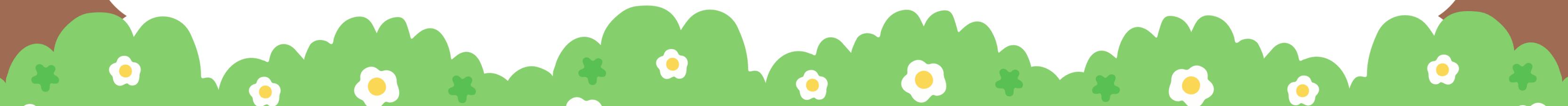
Reference Group

Reference groups mean individuals or groups of individuals who have a significant influence on behavior, whereby the perspectives and values of the group are used as a guideline for the expressions and decisions of consumers. Reference groups can be both individuals, such as celebrities or famous people, or groups of people, such as friends or sports teams, which influence the choice of clothing, food, and various social activities in daily life. Every consumer is a member of social groups that function as reference groups, shaping consumption behaviors to align with the standards or expectations of those groups (Blackwell et al., 2006; Quester et al., 2007).
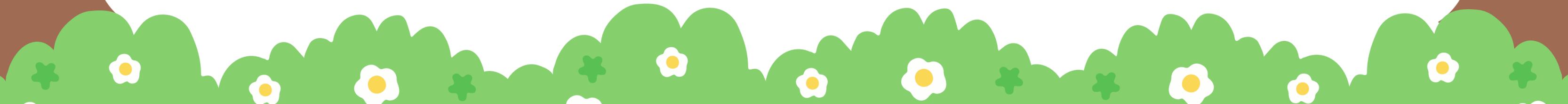
Types of Reference Groups
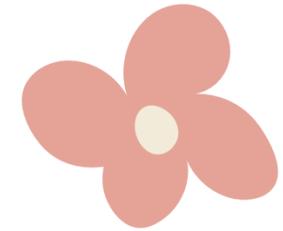
The classification of reference groups can be performed based on 3 criteria: membership, the degree of contact, and attractiveness (Quester et al., 2007) as follows:

1. Membership vs. Non-membership: Classified by the status within the group, including both formal (associations/professions) and informal (classmates), or groups that one is not yet a member of but is interested in.

Types of Reference Groups

The classification of reference groups can be performed based on 3 criteria: membership, the degree of contact, and attractiveness (Quester et al., 2007) as follows:

2. Degree of Contact (Primary vs. Secondary):

- Primary Groups: Very close, high bonding, and have the most influence on behavior (e.g., family, close friends).
- Secondary Groups: Occasional contact and have less influence on behavior (e.g., clubs, business associations).
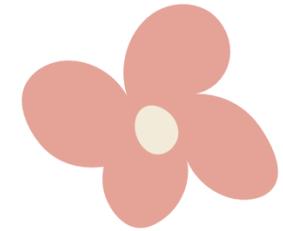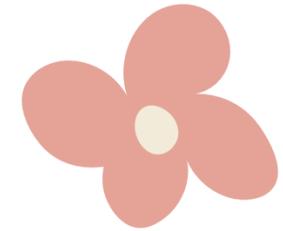
Types of Reference Groups

The classification of reference groups can be performed based on 3 criteria: membership, the degree of contact, and attractiveness (Quester et al., 2007) as follows:

3. Attractiveness (Aspirational vs. Dissociative):

- Aspirational Groups: Groups that an individual desires to be a part of, leading to attempts to follow or use products according to the group (e.g., idols, sports teams).

- Dissociative Groups: Groups that an individual does not want to be like, leading to attempts to do things differently to distance themselves (e.g., teenagers acting differently from older generations).

Reference Group Influence

Reference groups can influence consumer behavior in 3 characteristics as follows (Quester et al., 2007):

1. Informational Influence: Using reference groups as a source of information to help with decision-making (e.g., believing friends' recommendations or expert reviews before purchasing products).

Reference Group Influence

Reference groups can influence consumer behavior in 3 characteristics as follows (Quester et al., 2007):

2. Normative Influence: Following the group to be accepted or to avoid being rejected (e.g., dressing according to the trends of friends in a group to fit in and not appear alienated).

Reference Group Influence

Reference groups can influence consumer behavior in 3 characteristics as follows (Quester et al., 2007):

3. Value-Expressive Influence: Following the group because of an actual acceptance and belief in the values of that group, performed voluntarily (e.g., using environmentally friendly products according to a group one admires).

Internet Social Networks

Currently, consumers interact through "Social Media," leading to the creation of "Virtual Communities," which are networks where members extensively exchange information, experiences, and lifestyles with one another. Consumption-based virtual communities have a high influence on buying decisions, as the majority of consumers use webboards or blogs to find product information, and nearly half decide to purchase based on recommendations or information received from these online communities. Participation in a community typically begins with information searching before developing into active engagement.

Facebook   TikTok
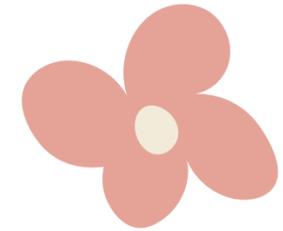
Opinion Leaders

An Opinion Leader is an individual who influences the attitudes or behaviors of others, often serving as a key advisor when consumers must decide to purchase products that are complex, high-priced, or when they lack sufficient knowledge. The influence of an opinion leader stems from specialized expertise, direct and impartial experience from using the product, a prominent role within the community, as well as having values and beliefs that align with those of the consumers. Seeking advice from these individuals helps reduce risk and creates peace of mind in buying decisions, as opinion leaders act as information filters and provide quality assurance for products through their own perspectives.

Applying Knowledge of Reference Groups in Marketing

Knowledge regarding the influence of reference groups on consumption behavior has been applied in various marketing aspects, as shown in the following examples:

1. Creating party-style sales situations: Utilizing the power of peer groups and social gatherings to stimulate purchases (e.g., direct sales systems) so that the group atmosphere helps drive buying decisions more easily.

2. Advertising design based on knowledge of reference group influence characteristics: Using models from groups that the target audience desires to join to communicate that "if you want to be a part of this group, you must use this product" (emphasizing normative and informational influence).

Applying Knowledge of Reference Groups in Marketing

Knowledge regarding the influence of reference groups on consumption behavior has been applied in various marketing aspects, as shown in the following examples:

3. Using celebrities or credible individuals as opinion leaders: Utilizing stars, singers, or experts (Celebrities/Influencers) to build confidence, especially for products that are difficult to choose or have high complexity.

4. Leveraging virtual communities to sell products or services: Creating online spaces for groups of people with similar interests to exchange opinions or participate in product design (e.g., voting on shirt designs) to build brand engagement.

Culture and Social Class

Culture is a pattern of living and human creations, both in material and non-material forms, such as knowledge, beliefs, and values, which members of a society hold in common and pass down from generation to generation. Culture can be classified into 2 types: (1) Material culture, including inventions and various technologies; and (2) Non-material culture, including ideas, language, morals, and traditions. Culture functions as a "blueprint" in determining behavioral patterns and the lifestyle of humans in society, enabling members to coexist systematically according to inherited norms.
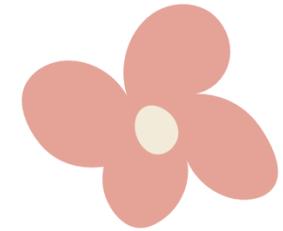
Characteristics of Culture
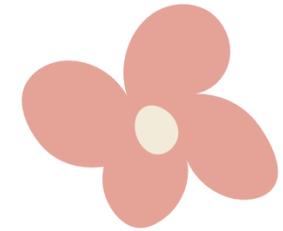
Scholars have concluded that the culture of each society has 6 significant characteristics (Yos Santasombat, 1997) as follows:

1. Culture is a shared idea: Members of society have a mutual understanding of meanings and norms (e.g., the "Wai" is a form of greeting).
2. Culture is something learned by humans: Culture is not an instinct but results from social grooming from generation to generation.
3. Culture is based on the use of symbols: Communicating through language, currency, or signs so that people have a systematic and mutual understanding.

Characteristics of Culture

Scholars have concluded that the culture of each society has 6 significant characteristics (Yos Santasombat, 1997) as follows:

4. Culture is a holistic body of knowledge and wisdom: It is the accumulation of knowledge to meet basic needs and help humans adapt to the environment.

5. Culture is a process in which humans define meanings: It determines the value of life through beliefs, religions, and various rituals.

6. Culture is dynamic: It is constantly changing and fluid according to the times and the integration of other cultures.
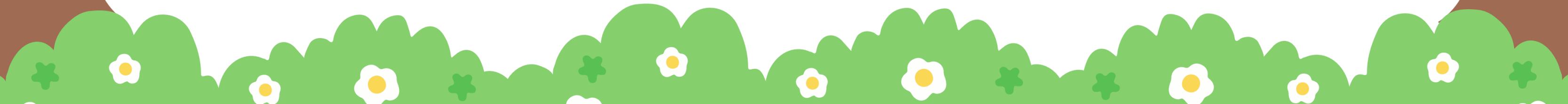
Levels of Culture

Culture varies in levels according to the size and scope of society, which can be classified into at least 3 levels as follows:

1. National Culture: The collective culture shared by people within a country, representing a unique national identity (e.g., Thailand emphasizes the seniority system, while America emphasizes freedom).

2. Subculture: Specific groups within the national level, categorized by ethnicity, religion, or region, which result in members having certain behaviors that differ from other groups (e.g., Thai-Chinese culture or youth subcultures).

3. Group Culture: Norms and regulations created within small groups or organizations to ensure that members work or coexist smoothly (e.g., corporate culture or various club cultures).
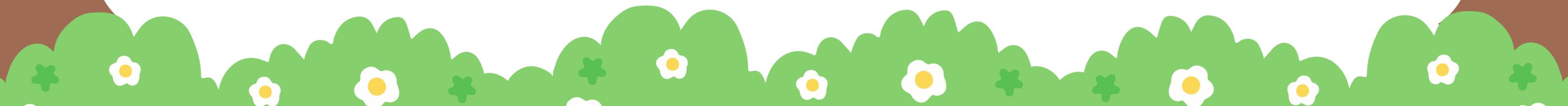
Subculture

Subculture refers to a group of people with unique identities in terms of thoughts, beliefs, and behaviors that differ from other groups in society. This primarily stems from differences in gender, ethnicity, religion, or geographic location. Members within the same subculture share similar lifestyles and values. For instance, Thai-Chinese people have specific traditions and ways of life that clearly distinguish them from Thais of other ethnicities. Understanding subcultures helps reveal the human diversity within a larger society, where each group possesses a unique identity that shapes their consumption behaviors and lifestyles into a specific system for their own group.
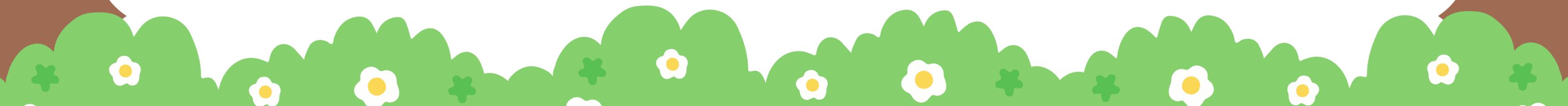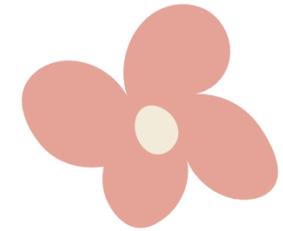
Subculture

The classification of subcultures varies according to the suitability of each country. They may be divided by lifestyle or physical characteristics as follows:

1. Ethnicity: such as Thai, Chinese, Indian, etc.
2. Religion: such as Buddhism, Christianity, Islam.
3. Geographic Location (Domicile): such as the North, the Northeast.
4. Occupation: such as farmers, businessmen, civil servants.
5. Age: such as children, teenagers, adults, the elderly.
6. Gender: such as male, female, LGBTQ+.

Influence of Culture on Consumption Behavior

Culture, whether at the national or subcultural level, has an influence on an individual's consumption behavior. Culture dictates which behaviors are appropriate and which are contrary to customs and traditions, causing an individual's consumption behavior to align with the norms established within society. This can be observed through various consumption behaviors as follows:

1. Pre-purchase and Purchase Behavior: Culture determines needs and choices (e.g., Thais eat rice, while Westerners eat bread), including influence on decision-making. In Thai society, importance is often given to the advice of elders and family more than other factors.

Influence of Culture on Consumption Behavior
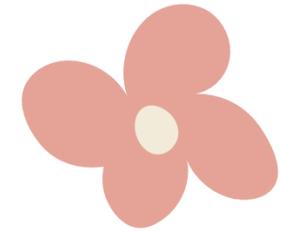
2. Usage and Disposal of Remains: Culture determines the "methods and quantities" of product usage (e.g., Chinese people drink tea all day and everywhere), as well as waste disposal or recycling behaviors, which depend on the environmental values of that particular society.

3. Impulsive Buying (Self-Indulgent Purchasing): People in Eastern cultures tend to exercise more self-restraint and engage in less impulsive buying compared to Westerners, as they often prioritize group norms and appropriateness over personal desires.
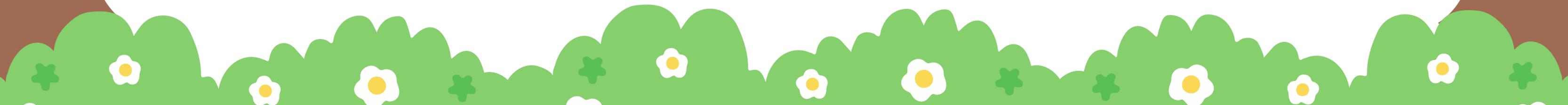
Social Class

Social class is the classification of people based on status levels, where members in the same class share similarities in values, lifestyles, and behaviors. Criteria such as income, education, and family background are typically used as determinants. Social class is dynamic and can change; individuals often tend to move toward higher levels and frequently reference the tastes or consumption behaviors of those in superior social classes as a blueprint for elevating their own status.
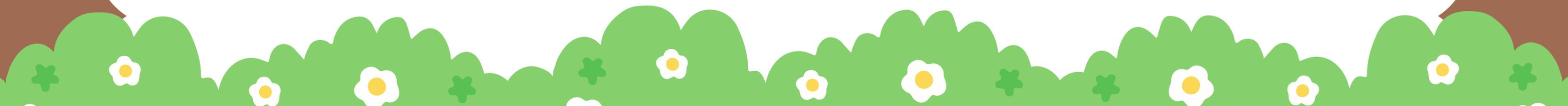
Methods of Social Class Classification

Social class classification consists of 3 primary approaches (Schiffman & Kanuk, 2007) as follows:

1. Reputational Method: Having other people in the community evaluate one another. This is suitable for small societies where people know each other well, but it is ineffective in large urban societies.

2. Subjective Method: Having individuals "evaluate themselves." This is easy to implement but may be inaccurate due to personal feelings, such as being too humble or over-exaggerating.

3. Objective Method: Using measurable real-data criteria (such as income, education level, and occupation) as determinants. This is the most popular method in marketing.
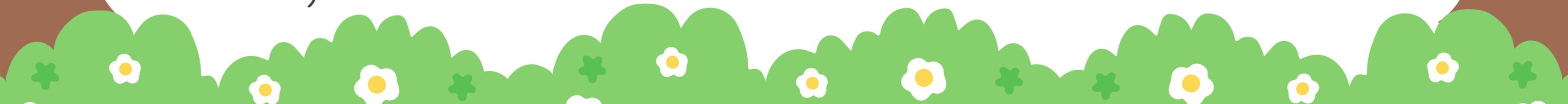
Social Class Structure
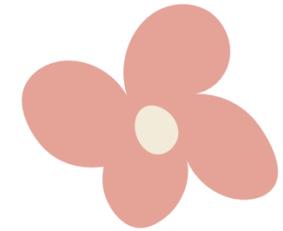
The social class structure consists of several layers, ordered from the highest to the lowest. Scholars have classified social classes into 3 major classes, and each major class is further divided into a total of 7 sub-classes as follows (Coleman & Rainwater, 1978):

1. Upper Class – The wealthy and successful group

- Upper-Upper Class: Families with old money, wealthy, and famous multi-millionaires.
- Lower-Upper Class: The "nouveaux riches" or new money group, consisting of high-level executives who are self-made.
- Upper-Middle Class: Highly successful professionals, such as doctors and lawyers.

Social Class Structure
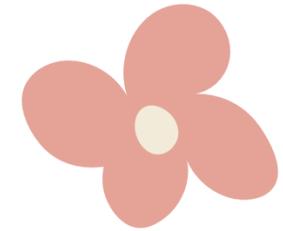
2.Middle Class – The main group of society

- Middle Class: Office workers who use knowledge and skills in their work.
- Working Class: Manual workers or laborers with specialized craft skills.

3.Lower Class – The low-income group

- Upper-Lower Class: Laborers with incomes near the poverty line.
- Lower-Lower Class: The unemployed or those dependent on government welfare, categorized at the lowest level.
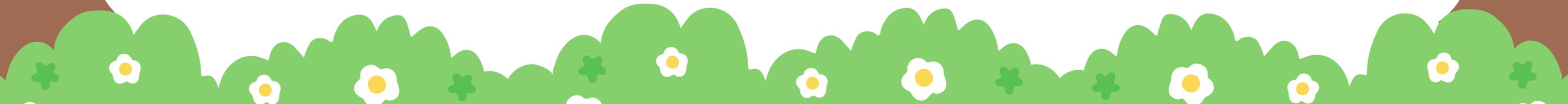
Social Class Classification in Thailand
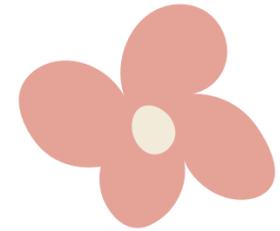
In Thailand, income is frequently used as the primary criterion for social class classification. Research by Witawat et al. (2007) categorized people in Bangkok into 4 classes as follows:

1. Upper Class (Platinum):

- Group A+ (200,000 THB and above): Primarily business owners.
- Group A (100,001–200,000 THB): Primarily business owners and specialized professionals.2.

2. Upper-Middle Class (Gold): Income of 50,001–100,000 THB; mostly consisting of private business owners.

3. Middle Class (Silver): Income of 15,000–50,000 THB; primarily private company employees, followed by private business owners and civil servants.

4. Lower Class (Bronze): Income not exceeding 15,000 THB; primarily company employees and general laborers.

Social Class and Consumption Behavior

Social class results in consumers having distinctly different values and buying decision behaviors. Individuals within the same social class tend to associate with one another and share similar tastes, while what satisfies one class may be rejected by another. Notably, groups with higher status have a significantly higher proportion of ownership and purchasing budgets.
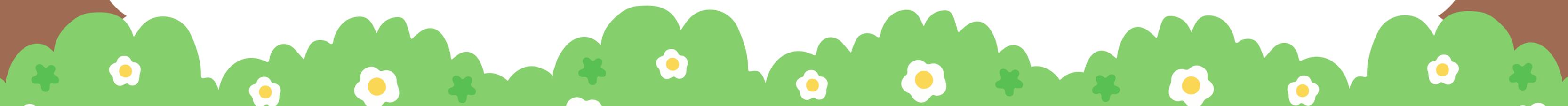
Applying Knowledge of Culture and Social Class in Marketing

Knowledge regarding culture and social class enables business organizations to understand the lifestyles and consumption behaviors within each group, allowing them to strategically plan how to motivate consumers. This includes:

1. Advertising: Advertising planning must align with the culture and social class of the target audience.
   - Utilizing Cultural Capital: Incorporating rituals, traditions, and legends that people are familiar with as a medium (e.g., Justice Bao, Santa Claus) to reach the hearts of consumers and communicate the brand more effectively.
   - Advertising by Social Class:
     - Lower Class: Focuses on "concrete" content, showing clear and easy-to-understand activities.
     - Upper Class: Focuses on content that communicates "status," superiority, distinction, and symbols reflecting identity and success.
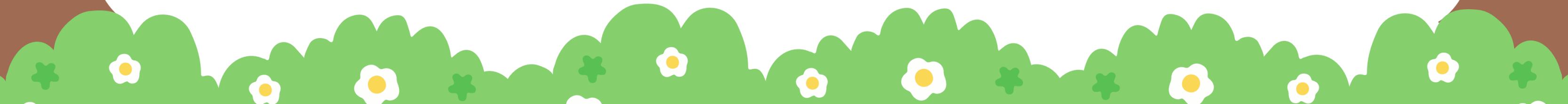
Applying Knowledge of Culture and Social Class in Marketing

2. Marketing and Distribution
- Channel Selection Behavior: Consumers from different social classes select different purchasing channels.
  - Lower Class: Focuses on economy and prefers stores that offer low prices.
  - Middle to Upper Class: Prioritizes convenience and image, typically purchasing products in department stores.
3. Geographic Context: There are significant differences in the consumption behaviors of urban and rural populations. Marketers must therefore plan product distribution to suit each specific area.

# Applying Knowledge of Culture and Social Class in Marketing

3. Market Segmentation and Product Development

- Segmentation Criteria: Using social class and culture as determinants for product attributes.
  - Upper Class: Focuses on Luxury, brand prestige, and pricing that reflects social status.
  - Lower Class: Focuses primarily on Functional benefits, durability, and value for money.
- Alignment: Product design must satisfy the authentic needs of each culture and social class to ensure consumer acceptance.
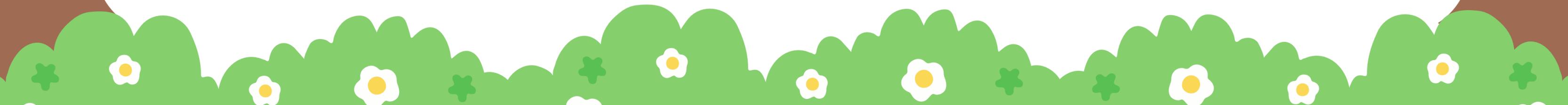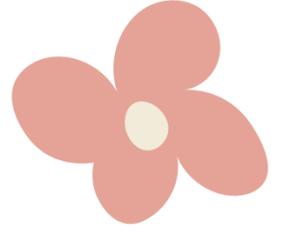
Conclusion
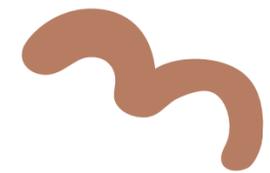
- Buying behavior is fundamentally shaped by social and cultural factors, ranging from the family—which nurtures consumer skills from a young age—to reference groups that dictate norms, and social class and culture that serve as blueprints for establishing an individual's tastes and status. Understanding these external factors allows marketers to precisely segment their target audiences.

- However, these influences must be considered alongside the "Black Box"—the internal psychological processes. These include perception, learning, attitudes, and motivation, which act as the final variables in interpreting information. Psychological factors function by transforming social influences into concrete actions, serving as the ultimate key to deeply understanding consumer behavior.