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RESEARCH ARTICLE

THE INFLUENCE OF REFERENCE GROUPS ON THE BUYING BEHAVIOUR OF SINGLETONS

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ABSTRACT

Little research has been conducted on the growing Singletons segment in South Africa. Singletons have greater purchasing power and a high disposable income due to their lack of dependents. Organisations tend to overlook this segment. The buying behaviour of Singletons are different compared to those of family households. One of the primary aims of marketing is to study consumer decision-making and factors that affect buying behaviour. Understanding these factors will allow marketers to adapt their product offering and marketing messages accordingly to reach their target markets more effectively. The objective of this study was to determine the influence of reference groups on the buying behaviour of Singletons. Non-probability, convenience sampling was used, and data was collected by using a self-administrated questionnaire. A sample size 207 respondents was realised. The results of the study indicate that reference groups have a moderately low level of influence on the buying behaviour of Singletons.

KEYWORDS

Consumer Behaviour, Reference Groups, Singletons, SUSCEP-scale.


1. INTRODUCTION

A group researchers propound that the concept of being “single” has been a topic of great interest for research fields like social psychology, sociology, and marketing on a global scale (Bouhleb et al., 2011). The growing number of single-person households around the world has led to the identification of a new market segment known as Singletons (Hodgson, 2019). According to a study, Singletons are classified into different age groups, each with different needs and preferences, varying stages of their respective lifecycles, income levels and demographic makeup (Cardona, 2013). Marketers should bear in mind that Singletons are not identical, but rather constitute a market segment comprised of single consumers with varying characteristics and buying behaviours. Manickam and Sriram explain that a more profound understanding of Singletons’ buying behaviour will enable marketers to satisfy the needs and wants of this particular market segment more effectively and efficiently (Manickam and Sriram, 2013). Schiffman and Kanuk define consumer buying behaviour as the study of consumers, groups or organisations whilst searching, purchasing, using and disposing of products to satisfy their needs (Schiffman and Kanuk, 2014). The study of consumer behaviour enables marketers to gain deeper insight into the preferences of different consumers. It is important for an organisation to understand the various needs and wants of their consumers and identified market segments as this will enable them to cater to the needs of their consumers more efficiently and will allow them to meet consumer expectations more effectively (Cant, 2010; Manickam and Sriram, 2013).

Reference groups refer to consumers who have their own perspectives regarding products and services. Research indicates that consumers frequently base their consumption choices on the influence and perspectives of different reference groups (Schulz, 2015). It is important for organisations to gain insight into the different referents in consumers’ lives and the level of impact that these referents have on consumer buying behaviour (Cant, 2010). Marketers will benefit from studying the influence of these referents on Singletons, as it will provide them with an indication of what products and services the single consumer needs and desires (Sankar, 2016). The primary objective of an organisation from a marketing perspective is to identify the specific needs and desires of their consumers (Kardes et al., 2015).

Schiffman and Kanuk state that sociological (group) variables can be used as a consumer rooted segmentation base (Schiffman and Kanuk, 2014). Reference groups represent a group whose beliefs, attitudes and behaviours align, which in turn contribute towards aligning their consumer purchasing behaviour (Thanyamon, 2012). Considering the above, marketers can use reference groups as a base for segmentation as they represent a group of consumers who all have a need or desire to consume the same type of product or service in a particular way. Identifying and understanding the reference groups to whom Singletons refer when making buying decisions will allow marketers to position their products and services accordingly. Thus, by identifying the influence of reference groups on the buying behaviour of Singletons will enable marketers to reach this segment more effectively by developing fitting products, services and marketing strategies.

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2. LITERATURE REVIEW

2.1 Consumer Behaviour

Kotler and Keller emphasise that the aim of marketing is to identify and understand consumers by studying their buying behaviour, which in turn will enable marketers to develop products and services that will align with specific needs and desires (Kotler and Keller, 2016). The study of consumer behaviour is therefore regarded as a core component of marketing. A group researchers assert that marketers firstly strive to understand consumer behaviour, then to predict consumers' buying patterns and lastly attempt to influence the purchase decisions made by consumers (Lamb et al., 2010). Once marketers gain a better understanding of the buying behaviour of consumers in different segments, as well as the factors that influence such behaviour, then they will be able to adjust their marketing strategies accordingly so as to provide consumers with products and services they need and desire (Horner and Swarbrooke, 2016).

Schiffman and Kanuk state that the study of consumer buying behaviour is conducted in order to devise effective and efficient marketing strategies to assist consumers whilst proceeding through the decision-making process (Schiffman and Kanuk, 2014). According to a study, the decision-making process concerns the various stages through which consumers move when deciding on how to spend their effort, time and money on products and services they wish to purchase (Al Zoubi and Bataineh, 2011). Marketers should not only understand the different decisions made by consumers, but also the factors that influence these purchase decisions (Parkash, 2017). Rani confirms that consumer decisions are influenced by numerous factors, specifications and characteristics (Rani, 2014). According to Parkash, marketers who understand such influences will be better equipped to customise their marketing efforts in an attempt to satisfy the specific needs of their consumers (Parkash, 2017).

Schiffman and Kanuk affirm that the factors influencing the consumer decision-making process can be either psychological or external in nature (Schiffman and Kanuk, 2014). Psychological influences are those internal factors that determine a consumer's preferences and which, in turn, affect their buying decisions (Parkash, 2017). Ramya states that the five most important psychological factors include motivation, perception, learning, attitude and personality (Ramya, 2016). According to a study, the consumer decision-making process is directly or indirectly affected by external influences (Peter and Donnelly, 2011). Rani continues by stating that some of the more profound external influences on the consumer decision-making process include family, social class, culture and reference groups (Rani, 2014).

2.2 Reference Groups

Szmigin and Piacentini state that consumer consumption does not take place in isolation (Szmigin and Piacentini, 2018). This is because the people they know, whom they surround themselves with and the groups with whom they associate influence a consumer's buying behaviour. Reference groups infiltrate the social lives of its members, altering their perceived needs and values of products and services, which greatly affect their buying behaviour (Babin and Harris, 2018). Sankar states that the influence of reference groups on individuals can be either normative or informational in nature (Sankar, 2016). Consumers who purchase or consume certain products or services in order to comply with someone else's expectations are being influenced normatively, whereas the influence of consumers who obtain information from other individuals and then base their purchasing decisions on the information gathered is informational in nature. Reference groups aid marketers' abilities to develop products, brands and effective communication strategies by using the information and knowledge gained when studying the particular reference group(s) to whom the consumer belongs (Parumasur and Roberts-Lombard, 2014).

2.2.1 Types of Reference Groups

Reference groups provide consumers with a framework for comparison and guidance when forming their respective buying behaviours (Babin and Harris, 2018). A consumer's social identity is formed based on the type of reference group(s) to which he/she belongs (Lei et al., 2017). Peter and Donnelly classify reference groups into primary and secondary reference groups (Peter and Donnelly, 2011). Family, close friends, peers and co-workers comprise primary reference groups. Individuals have social ties with these referents through frequent and direct interaction (Babin and Harris, 2018). Secondary reference groups consist of religious groups, professional associations, sports stars and celebrities (Peter and Donnelly, 2011). Parumasur and Roberts-Lombard use basic descriptors such as

formality, importance, aspiration and affiliation to accurately describe different reference groups (Parumasur and Roberts-Lombard, 2014).

a) Formality of the reference group: Differentiating between formal and informal reference groups determines the level of formality thereof. Formal reference groups represent a group to which a consumer becomes a member of (Babin and Harris, 2018). Szmigin and Piacentini assert that a group of consumers who interact due to some commonality in a mutual interest or through friendship effectively form an informal reference group (Szmigin and Piacentini, 2018).

b) Importance of the reference group: Parumasur and Roberts-Lombard explain that the buying behaviour of a consumer is influenced based on how important the consumer perceives the reference group to be (Parumasur and Roberts-Lombard, 2014). Primary and secondary reference groups can be distinguished in this regard

c) Aspiration to the reference group: Aspirational reference groups are those groups to which consumers do not currently belong to, but would like to belong (Joubert, 2013). Babin and Harris state that consumers aspire to belong to aspirational groups as they often appeal to the consumer's "ideal self" (Babin and Harris, 2018).

d) Affiliation to the reference group: Parumasur and Roberts-Lombard propound that affiliation or membership has an effect on the buying behaviour of consumers (Parumasur and Roberts-Lombard, 2014). Membership to a reference group suggests that a consumer has qualified to become part of that particular group.

2.2.2 Influence of Reference Groups on Consumer Behaviour

Considering the influence that reference groups exert on consumers, marketers should take note that reference groups may influence consumers based on the product category, type of product consumed, or the preferred brand used. However, it is also possible for a reference group to have no influence on a consumer whilst purchasing certain products or brands (Sankar, 2016). Schulz explains that consumers base their purchasing and consumption decisions on the interests, preferences and values of a specific reference group to ensure it corresponds with its particular beliefs and values (Schulz, 2015). Parumasur and Roberts-Lombard identify the following determinates of reference group influence (Parumasur and Roberts-Lombard, 2014):

a) The influence that reference groups have on consumers is the strongest when the product or brand is noticeable to the members belonging to the group. For example, consumers who form part of a high-end fashion reference group supporting the Gucci brand will be more likely to purchase fashion items from Gucci stores and make the branded clothing visible by wearing it around other group members.

b) Reference groups are more influential when consumers are considering buying a luxury product such as designer clothing. Consumers who wish to purchase everyday products like hand soap find that the influence exerted by reference groups is considerably low.

c) Consumers are more likely to conform to the requirements and norms of a reference group when they are completely devoted to the reference group and its members.

d) The importance of certain activities within a group, which accounts for the functioning of a reference group, will determine the pressure experienced by a consumer in order to conform to the norms of the group.

Marketers should identify the strength of consumer ties formed with specific reference groups, as this will provide them with the knowledge and ability to communicate their product offering more effectively with targeted consumers within identified market segments.

2.3 Singletons

One is no longer the loneliest number, as single consumers currently represent the largest, rapidly growing and untapped consumer segment globally (Mascolo, 2017). This has led to the identification of a new market segment known as Singletons (Hodgson, 2019). Goldberg defines a Singleton as a person who is not married or in a long-term relationship and who lives alone and follows a specific lifestyle (Goldberg, 2021). Singletons are further classified into two categories, namely: (a) those who have voluntarily decided to live alone and fully embrace the Singleton lifestyle; and (b) those who live alone due to bereavement or divorce (Bouhleb et al., 2011).

The Singletons market segment is becoming one of the largest and fastest growing market segments around the world (Kerns, 2018). Danziger adds

that there are now more Singletons than married adults for the first time in history (Danziger, 2018). Jacobs affirms that Singleton households are predicted to increase by 15.7% by the year 2030 (Jacobs, 2013). Singletons are generally wealthier due to their lack of dependents and other financial responsibilities associated with a married lifestyle (Krasny, 2014; Mascolo, 2017). According to Kerns the Singletons market segment has a combined value of over \$600 billion (Kerns, 2018). It has been reported that in the United States of America, Singleton households spent more than \$2.5 trillion across all product categories (Kislev, 2019).

Even though Singletons comprise of a single market segment, Jacobs warns that it is a dangerous notion for marketers to define Singletons as a homogenous group (Jacobs, 2013). Euromonitor and Thompson discern between seven distinctive sub-segments of Singletons, each demonstrating different behavioural characteristics (Euromonitor, 2017; Thompson, 2013). Table 1 presents the sub-segments of the Singletons market segment.

Sub-Segment	Description
Suddenly Singletons	Singletons who are in their early 40s and who are well-paid executives.
Solus Singletons	Elderly Singletons who have downsized to modern small flats and receive the majority of their income from their private pensions.
Struggling Singletons	Aged between 18 and 25 years, unskilled and have no tertiary education. These Singletons have a 60% likelihood of being unemployed.
Staring Out Singletons	Aged between 25 and 30 years, skilled and tend to have well-paid jobs in advertising, telecoms, media, IT and pharmaceuticals. These Singletons have the financial capability to rent or buy a small house or an apartment.
Freemales	Independent women aged between 23 and 44 years who are career-driven and confident. These females have been dubbed "Freemales" as they embrace the single life.
Male Singletons	Successful and intelligent men who opt to remain single, not because they fear commitment or marriage, but usually because of an unsuccessful marriage.
Regretful Loners	Male Singletons aged between 25 and 44 years who have been dubbed "Regretful Loners" due to the belief that these Singletons are living lonely, miserable and unfulfilled lives.

Source: (Euromonitor, 2017; Thompson, 2013).

Despite the fact that the Singletons market segment is one of the largest and fastest growing market segments in the world, organisations are still missing the mark when it comes to communicating with this segment (Kerns, 2018). By realising the market value of the Singletons market segment, marketers are now trying to alter their marketing and communications strategies as well as their product and service offerings in order to reach this lucrative segment more effectively (Kislev, 2019). One method, in which marketers can improve their marketing efforts, is to gain a more profound understanding of the buying behaviour of Singletons. In addition, by considering the various influences on their purchase decisions, they will be able to customise their marketing strategies and product offerings according to the precise needs of the Singleton consumer. By conducting the relevant research on the Singletons segment, marketers will be able to gain a deeper understanding of the buying behaviour and purchase decisions of Singletons (Cunningham, 2018).

The aim of this study is to determine the influence of reference groups on the buying behaviour of Singletons. The insight gained by conducting this study will provide marketers with a more comprehensive perspective with regards to the extent of reference group influence on the decision-making process of Singletons. This, in turn, will assist marketers to devise more effective marketing strategies and improve their reach of the Singletons market segment (Stankevich, 2017). In addition, at the time of conducting this study, no prior research has been conducted on the Singletons market segment with regards to reference group influence on their buying behaviour. As such, this study aimed at contributing to the literature with regards to the specific subject field.

3. METHODOLOGY

3.1 Research Objective

To determine the influence of reference groups on the buying behaviour of Singletons.

3.2 Research Design

The empirical research for this study was based on a quantitative research approach by implementing a descriptive research design.

3.3 Sampling

The target population included consumers aged 18 and above who formed part of the Singletons market segment in South Africa. A non-probability convenience sampling technique was used to obtain data from 207 respondents. Trained fieldworkers ensured that the respondents were indeed Singletons as per the definition provided in this study.

3.4 Data Collection

Trained fieldworkers were assigned to distribute self-administered questionnaires to respondents at high-density public areas in the Gauteng province of South Africa. Screening questions were asked to determine whether the respondents meet the criteria for participating in the study. The Susceptibility to Interpersonal Influence (SUSCEP) scale was used to measure the influence of reference groups on the buying behaviour of Singletons. The normative influences constitute statements B1 to B8, whereas statements B9 to B12 constitute informational influences. A Likert-type scale was used to measure the responses to the statements where 1 = strongly disagree and 7 = strongly agree.

3.5 Data Analysis

Data obtained from the questionnaires were captured on the Statistical Package of Social Science (SPSS). The reliability of the questionnaire was determined by calculating the Cronbach-Alpha values. Confirmatory Factor Analysis (CFA) tested the validity of the questionnaire. The appropriateness of the CFA was determined by using the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy. Bartlett's test of sphericity calculated a p-value to determine whether there is sufficient correlation between the items.

4. RESULTS

4.1 Reliability

The reliability of the data regarding reference groups was determined by deriving the Cronbach alpha value, and as such, determining the homogeneity or correlation between the 12 items of the SUSCEP scale. The Cronbach alpha coefficient values were determined for the normative scale, which comprised of items B1 to B9 and the informational scale which consisted of items B10 to B12. An overall Cronbach alpha value was determined by considering items of both the normative and informational scale, and this is the value that was considered for this study. Table 2 presents the Cronbach alpha values of both the normative and informational scales, along with the overall Cronbach alpha value for the SUSCEP scale used to determine the influence of reference groups on the buying behaviour of Singletons.

Construct	Cronbach Alpha Value
Normative Items (B1 - B9)	0.95
Informational Items (B10 - B12)	0.89
Reference Groups (Overall Cronbach Alpha)	0.95

The overall Cronbach alpha value of >0.8 was found, which serves as an indication that the 12 items of the SUSCEP scale used to measure the influence of reference groups on the respondents has a high-level of reliability.

4.2 Validity

The construct validity of the items used in the SUSCEP scale was

determined by CFA. The KMO measure of sampling adequacy was used to determine the appropriateness of the factor analysis. The SUSCEP scale used in section B of the questionnaire comprised of items B1 - B12. By conducting a CFA on the SUSCEP-scale's items, a variance of 75.91% was obtained. The KMO measure of sampling adequacy was 0.93, which represents superb sampling adequacy. The p-value of Bartlett's test of sphericity was calculated as <math><0.001</math>, which is an indication of a sufficiently large correlation between the items, making them suitable to perform an exploratory factor analysis. The communalities varied between 0.44 and 0.86. Considering the above-mentioned findings, the construct validity of the SUSCEP scale was therefore confirmed.

4.3 The Influence of Reference Groups on Buying Behaviour

The SUSCEP scale made use of a 7-point Likert scale to rate the response to each of the scale's 12 items where 1 = strongly disagree and 7 = strongly agree. Considering the response options, the following four independent groups were identified:

- Respondents who responded between 1 and 3 were placed in a group representing low levels of reference group influence.
- Respondents who responded between 3 and 4 were placed in a group representing moderately low levels of reference group influence.
- Respondents who responded between 4 and 5 were placed in a group representing moderately high levels of reference group influence.
- Respondents who responded between 5 and 7 were placed in a group representing high levels of reference group influence.

The mean and standard deviation (SD) derived from the responses with regards to this section of the questionnaire are listed in Table 3.

Table 3: Mean and Standard Deviation of Reference Groups		
Construct	Mean	Standard Deviation
Reference Groups	3.62	1.48

From Table 3 it can be deduced that a moderately low level (mean=3.62) of reference group influence is exerted upon the buying behaviour of respondents. The standard deviation (SD=1.48) is relatively low, indicating that the responses provided by respondents did not differ much.

5. CONCLUSION

A moderately low level of reference group influence is exerted on the buying behaviour of Singletons. Since reference groups have a moderately low effect on the buying behaviour of Singletons, it is recommended that marketers and organisations should understand the concept of reference groups and the effect these may have on consumers in general. However, marketers and organisations should not spend a significant amount of resources on trying to identify and understand the various reference group influences of Singletons, as these do not affect their buying behaviour significantly. The moderately low effect of reference groups on the buying behaviour of Singletons signals the ability of consumers in this segment to make purchase decisions by themselves without much consultation with others. Marketers should capitalise on this aspect by exposing Singletons to impulse purchase products or providing them with an immediate payment option or platform for goods and services, as not much time is required to lapse between the exposure to the product or service and the decision to purchase.

Upon conducting a research study, it is unavoidable to experience limitations that influence the study and the results thereof. Firstly, a sample size of only 207 respondents was used for this study, which is not big enough to represent South Africa as a whole and to obtain conclusive results. Secondly, no sample frame of Singletons in South Africa was available for this study, resulting in the choice of using a non-probability convenience questionnaire. Lastly, the study had more female than male respondents, which also indicated a possible misrepresentation of the larger South African Singleton population. Considering the limitations discussed in the previous section, various recommendations can be made

for future research. Future studies can consider determining the effect of other external influences such as culture, family and social class that may influence the buying behaviour of Singletons.

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