

**THE EXTENT OF EFFECT ON A PROSPECTIVE BUYER
FROM NORMATIVE CUES EMANATING FROM THE USAGE
OF A PRODUCT BY A DEMONSTRATIVE USER IN THE
CONTEXT OF MOBILE PHONE PURCHASES**

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Abstract

A study to assess the impact of a user's demonstrative effect on the person who might be the prospect of the product, Mobile phone, is attempted here .The buyers of the product Mobile Phones were asked to figure out the extent to which they subscribe to the viewpoint that they got attracted to their purchase of this durable on the effect of seeing an user's own usage of the product and the resultant demonstrative effect of the product impacting them in their choice behavior.

Keywords:

*Demonstrativeeffect ,
Informational influence,
Normative influence,
Usage effect.*

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1. Introduction

Consumer Durable Industry is one which touches each and every individual's life, rather the lifestyles, and often helps define the person himself. Individuals purchase products of the Consumer Durables industry for long term use and also for satisfying their inner esteem needs.

Considering the long period of usage and the "repair and use" style common in India, there exists a potent chance of these appliances lasting a few more years than normally is the case in many other countries. But on this front also the duration of usage of a consumer durable is on the decline even in India with many reasons being attributed; better exposure to newer products, changes in the usage needs and consequent improved features and utilities being added frequently by manufacturers, better communication facilities and lastly the increasing affordability.

Though there happens to be many types of durables in the consumer realm, because of the huge popularity, the growing indispensability of the product, the multitude of uses the product possess to aid the day- to-day living of a person, helped zeroing in on the product, Mobile phones for this study. Further, the extent of involvement by all profiles of people from aged to the young, from the urban to the rural and all levels of income distribution, make mobile phones a very new and more extensively owned and used type of a product.

1.1 About the study

The study was conducted to find out the extent of the demonstration effect of a product in the normal routine of using it by a user, has an impact on someone, who is known to be the prospect himself, in his purchase decision of the product. The erstwhile prospects who had bought Mobile phones during the year 2014 in the city of Coimbatore were taken as the population and a sample from that was selected using a convenience sampling method. This said influence is measured through a query on whether the Mobile phone purchase of the receiver is largely influenced by someone else and if so whether the demonstration effect of the equipment by the user in his normal process of usage got a positive impact to the extent of making the purchase by the respondent himself. The extent of agreement to this was on a five point scale of "very much" to "not at all".

1.2 Review of literature

The literature on the adoption process of a Consumer Durable is extensive. A number of studies have gone into the nature of adoption. Rogers(1983), in his study, categorized customers as Innovators, Early Adopters, Late Adopters and Laggards. Other studies have looked into the aspect of innovator's purchase behavior and have explored and concluded that the level of newness of products is one important influencer in their purchase behavior (Heinz, 1966).

1.2.1 Innovation-Diffusion Model

The study which was a pioneering one on the effect of varied influences on individuals on the purchase was the one initiated by Bass and later called as Bass Model or Diffusion Model. Bass (1969) developed an Innovation - Diffusion Model in which he proposed that the potential adopters of an innovation are influenced by two means of communication, "mass media" or "external influence" and "word of mouth" or "internal influence". He suggested that the adopters are divided between these two groups and went on to describe the members of the first group as Innovators and of the second as Imitators.

1.2.2 Inter-personal contact

Personal sources get frequently rated by consumers as very important information source (Katona and Mueller 1954 and Katz and Lazarsfeld 1955; LeGrand, Udell 1964; Price and Feick 1984; Robertson 1971; Thoreili 1971), or when consumers are generally susceptible to others influence (Bearden, Nctemeyer, and Teel 1989).

1.2.3 Innovator-Non innovator Discriminators

A study conducted by Robertson and Kennedy (1968) on adoption of new consumer appliances found that venture-someness (risk taking mentality) and social mobility to be the most discriminating variables which distinguished innovators from non-innovators. He put the discriminant variables as venture-someness, social mobility, social integration, cosmopolitanism. -Here this study states the possible discriminating variables for identifying innovators but we can make a judgment that the opposite is true with imitators..

1.2.4 Socio-Economic Factors and the diffusion Model

- Uhl (1970) who studied 16 new grocery products found out laggards and late adopters as individuals with low income and greater loyalty to known brands than innovator or earlier adopters. This is identified from a set of variables as brand switching behavior, age, formal education, family income, family size, club participation. This study identifies the demographic profile of the laggards and late adopters. It also tells about loyalty level of the said categories...

Review related to advertising

- Study by Smith and Swinyard(1982) showed that direct experience is more trustworthy for consumer than any other information from external source. The frequency and intensity of an outsider's influence may also depend on situations, service Quality, types of products and markets, social networks, social class, individual personality, and culture of the individuals.

1.2.5 Cultural dimensions and consumer behaviour

Hofstede (1980) found many differences between the perceptions and the working styles of individuals in 53 countries. Hofstede identified four basic dimensions which defines the differences between national cultures, such as individualism, masculinity, uncertainty avoidance, and power distance.

This study assessed through hofsteds dimensions inventory, tried to assess cultural value and the relationship buyer behavior, it was found out that masculinity and power distance dimensions have influence on consumer's behaviour. A more masculine person will show aggression in his brand communication especially with out-groups defined as people much away from their group.

1.2.6 Characteristic of receiver of Interpersonal information

Beatty and Smith (1987) found a negative correlation between interpersonal search and product class knowledge. Dowling and Staelin(1994) found that product-specific perceived risk affects the use of risk-reduction strategies, including seeking others advices.

1.2.6 Normative and Informational Influences on purchases

A study “Differences in Normative and Information al Social Influence” by Kenneth R. Lord, Mercer University and Myung-Soo Lee, City University of New York, Peggy Choong, Niagara University, *Advances in Consumer Research*, Volume 28, 2001; interpersonal Influence in purchases could be normative (motivated by social norms/rewards) or informational (means the seeker’s level of perceived referent expertise), here normative and informational social influence, purchase decision, differences between the seekers, and seeker-referent relationship nature associated with recent purchase episodes involving advice from others were studied and Levels of involvement and complexity were shown to be greater in informational influence situations than in normative. Conspicuousness, the continuity and consistency of meeting the advisor and advice solicitation, and homophily between seeker and referent person with respect to the value attached to warm relationships were greater when normative influence was involved. Some feel that opinions or usage of products by people whom one think as credible as proof of a product's quality or characteristics.

Normative social influence relates to conformity with the expectations of other persons or groups to achieve rewards or avoid punishment (Homans 1961)..

- Childers and Rao (1992) proved that luxury aspect of the product in question determined the level of peer influence.
- Fisher and Price(1992) states that "perceived visibility of consumption" which means conspicuousness of consumption, determines consumer’s assessment of his social approval from referents.

2. Objectives and Methodology of the study

The study proceeded to test the premise that a normative influence as the “product- in- use” and the usage attractiveness by a person who is seen as highly attractive to the receiver could influence the purchase and so the possible areas of such a consequence are as follows.

- a. conspicuousness of consumption
- b. homogenous (identified as same type /demographics)

2.1 Frame work of the study:

The reviews also helped to identify the demographics that were needed to find out the relationship that may be in existence between certain type of lifestyle, demographics and the specific instance of a prospect getting normatively attracted by the usage of a product by a demonstrative person (herein a person who inadvertently uses the product but was noticed by the prospect, got attracted to and acted upon).

- As proposed earlier in reviews what extent of influence if at all are there on this type of an influence from such aspects as lifestyle, and demographics is tested and the relationship established.

2.2 Objectives of the study

The above mentioned aspects can lead to phrasing the Objectives as follows

To study the effect of a prospect getting normatively attracted to by the usage of a product by a demonstrative person thus leading to the purchase of the product by the prospect (herein erstwhile) in the context of New Mobile phone purchases.

Specifically,

- To study the extent to which a prospect is getting normatively attracted to by the usage of a product by a demonstrative person thus leading to purchase of the product.
- To study if there are differences in this type of influence on different customers in the purchase according to their socio- economic and other demographic factors.

2.3 Hypothesis developed:

H1: The socio- economic and demographic factors do not have any influence on a prospect getting normatively attracted to by the usage of a product by a demonstrative person

Specifically,

H_{1a}: There exist no relationship between monthly family income and a demonstrative user's own use of the product being liked by receiver who had noticed that usage and got impressed to the extent of acting upon it.

H_{1b}: There exist no relationship between size of home and the episode of the use of product by a demonstrative user being liked by the receiver thus impelling him to purchase the product.

H_{1c}: There exist no relationship between age of the child in the House hold and a demonstrative user's own usage of the product influencing the receiver.

H_{1d}: There exist no relationship between number of children in the household and demonstrative user's usage of the product liked by the receiver and thus purchased .

(Please note that many other socio-graphics and demographics were found not significant and so is not included in the analysis)

3. Research design

Descriptive Research: A direct query on the important influence of different sources of information on the purchase decision of the buyer was asked and if it was found out that a third person is the influencer then the query was asked on to what extend the prospect has got normatively attracted to by the usage of a product by a demonstrative person.

3.1 Sampling unit

Purchasers of different brands of mobile phones in Coimbatore city in the year 2014-15 (different brands)

3.2 Sample selection: The sample for the study is selected from the 4 different areas of Coimbatore city .The sampling method used is convenience sampling .To get representation 4 different directions of the Coimbatore city is selected.

3.3 Sample size: Were 192 customers of Mobile phones

3.4 Instrument for Data collection was a questionnaire

3.5 Tools for Data Analysis

a) Mean b) Correlation.

4. Analysis and interpretation

4.1 Family Income influence

Table 1: Percentage of respondents- Monthly Family Income

	Frequency	Valid Percent	Cumulative Percent
Valid 15000.00	46	24.0	24.0
25000.00	50	26.0	50.0
35000.00	46	24.0	74.0
45000.00	50	26.0	100.0
Total	192	100.0	

Table 2: Family Income to the demonstrative user's own use of the product being liked by receiver of and acted upon

Family Income	hisuseprodtownliked					Total
	not at all true	not true	neutral	true	very true	not at all true
15000.00	2	0	0	21	23	46
25000.00	26	0	24	0	0	50
35000.00	42	2	0	2	0	46
45000.00	47	1	0	1	1	50
Total	117	3	24	24	24	192

Hisuseprodtownliked: The statement that "I saw the product being used by a third person and I liked it and bought"

Table 3: Family Income to the demonstrative user's own use of the product being liked by receiver and acted upon

	Value	Asymp. Std. Error(a)	Approx. T(b)	Approx. Sig.
Interval by Pearson's R	-.746	.040	-15.464	.000(c)
Ordinal by Spearman Ordinal Correlation	-.741	.043	-15.188	.000(c)
N of Valid Cases	192			

- a Not assuming the null hypothesis.
b Using the asymptotic standard error assuming the null hypothesis.
c Based on normal approximation.

Analysis and Interpretation:For average monthly family income level of Rs.15,000 the Mean when demonstrative user's own use of the product is liked by receiver and ended up in purchase is 4.37.In all other higher income levels this influence is ineffective.It is inferred that there exist a high correlation and so there is a relationship between monthly family income and demonstrator's own use of the product being liked by receiver and acted upon. It is found out that higher the income, lower is the chance of acting upon it

H_{1a}: The null hypothesis is rejected and there exist a relationship between monthly family income and a demonstrative user's own use of the product being liked by receiver to the extend of acting on it..

4.2 Relationship between size of the Home and influence received from outsider person source

Table 4 : Frequency table for the size of the Home

	Frequency	Valid Percent	Cumulative Percent
Valid 1500.00	96	50.0	50.0
2000.00	48	25.0	75.0
2500.00	24	12.5	87.5
3000.00	24	12.5	100.0
Total	192	100.0	

4.3 Relationship between size of the Home and the use of product by a demonstrative user being liked by prospective purchaser noticing it leading him to buy the product

Table 5: Relationship between size of the Home and use of product by a demonstrative user liked by receiver

	hisuseprodtnliked					Total
	not at all true	not true	neutral	true	very true	not at all true
hmesize 1500.00	24	0	24	24	24	96
2000.00	48	0	0	0	0	48
2500.00	23	1	0	0	0	24
3000.00	22	2	0	0	0	24
Total	117	3	24	24	24	192

Hisuseprodtnliked: The statement that "I saw the product being used by a third person and I liked it and bought"

Table 6: Relationship between size of the Home and use of the product by a demonstrative user being liked by receiver leading to purchase.

	Value	Asymp. Std. Error(a)	Approx. T(b)	Approx. Sig.
Interval by Pearson's R	-.594	.031	-10.168	.000(c)
Ordinal by Spearman Ordinal Correlation	-.676	.035	-12.654	.000(c)
N of Valid Cases	192			

a Not assuming the null hypothesis.

b Using the asymptotic standard error assuming the null hypothesis.

c Based on normal approximation.

Analysis and Interpretation: : When average size of the Home is 1500 sq.ft, influence emanating from a demonstrative user's usage of the product is liked by receiver and acted upon is 3.25. For those with an average 1500.00 sq.ft home the demonstrator's usage liked by the receiver is the most prominent and for other ranges of home size influence look insignificant.

H1b: Hypothesis is rejected and so there exist a correlation between size of home and the episode of the use of the product by a demonstrative user being liked by the receiver thus leading to him purchasing the product.

Table 7 : Frequency table for the Age of the child in the house hold

	Frequency	Valid Percent	Cumulative Percent
Valid .00	96	50.0	50.0
2.50	48	25.0	75.0
7.50	24	12.5	87.5
12.50	24	12.5	100.0
Total	192	100.0	

4.4 Age of the child to the demonstrative user's own usage of the product influencing the receiver to buy the product

Table 8: Age of the child to a demonstrative user's own usage of the product influencing the receiver to buy

	hisuseprodtownliked					Total
	not at all true	not true	neutral	true	very true	not at all true
childage	93	3	0	0	0	96
1.00	24	0	0	18	6	48
2.50	0	0	24	0	0	24
7.50	0	0	0	6	18	24
12.50	117	3	24	24	24	192
Total						

Table 9: Age of the child to a demonstrative user's own usage of the product influencing the receiver to buy

	Value	Asymp. Std. Error(a)	Approx. T(b)	Approx. Sig.
Interval by Pearson's R	.791	.033	17.834	.000(c)
Ordinal by Spearman	.815	.026	19.396	.000(c)
Ordinal Correlation				
N of Valid Cases	192			

a Not assuming the null hypothesis.

b Using the asymptotic standard error assuming the null hypothesis.

c Based on normal approximation.

Analysis and Interpretation: : In households with child having age of 1 to 5 years, the mean of the demonstrative user's usage of the product being liked by the receiver is 2.62 while for age

group 5 to 10 years mean is 3 and for the range of 10 to 15 the mean stands at 4.7. As the age of the child in the House hold rises, the influence of a demonstrative user's own usage of the product influencing the receiver towards purchasing the product also becomes substantial.

H_{1c} : The hypothesis that there exist no relationship between age of the child in the House hold and the influence of a demonstrative user's own usage of the product influencing the receiver is rejected

Table 10: Frequency table of Number of Children in household

		Frequenc y	Valid Percent	Cumulative Percent
Valid	.00	96	50.0	50.0
	1.00	72	37.5	87.5
	2.00	24	12.5	100.0
	Total	192	100.0	

4.5 Number of Children in household to a Demonstrative user's use of the product liked by the receiver and thus purchased

Table 11: Number of Children in household and a demonstrative user's use of the product liked by the receiver and thus purchased

Crosstab

Count		hisuseprodtownliked					Total
		not at all true	not true	neutral	true	very true	
childno	.00	93	3	0	0	0	96
	1.00	24	0	0	24	24	72
	2.00	0	0	24	0	0	24
Total		117	3	24	24	24	192

Table 12 : Number of Children in household and a demonstrative user's use of the product liked by the receiver and thus purchased

Symmetric Measures				
	Value	Asymp. Std. Error ^a	Approx. T ^b	Approx. Sig.
Interval by Interval Pearson's R	-.580	.037	-9.818	.000 ^c
Ordinal by Ordinal Spearman Correlation	-.544	.052	-8.937	.000 ^c
N of Valid Cases	192			

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

c. Based on normal approximation.

Analysis and Interpretation: For the House hold with no children a demonstrative user who is seen as one whose usage of product is liked by receiver and bought, the product got a mean value of 1.03 and for those households with only one child the mean value of this type of influence is 3.33 and when the children were 2 in number this influence is 3.00. As the Number of children in the house hold increases there is less effect of the demonstrative user's use of the product liked by the receiver and thus purchased

H_{1d} : Hypothesis that there exist no relationship between number of children in the household and demonstrative user's use of the product liked by the receiver and thus purchased is rejected .so there exist a relationship between the two.

5. Findings

1. There exist a high correlation between monthly family income and demonstrator's own use of the product being liked by receiver and acted upon. It is found out that higher the income, lower is the chance of acting upon it

H_{1a}: The null hypothesis is rejected and there exist a relationship between monthly family income and demonstrative user's own use of the product being liked by receiver and acted upon

2. For those with an average 1500.00 sq.ft home the demonstrator's usage liked by the receiver is the most prominent and for other ranges of home size influence look insignificant.

H_{1b} : Hypothesis is rejected and so there exist a correlation between size of home and the episode of the use of product by a demonstrative user's usage being liked by the receiver

3. As the age of the child in the House hold rises, the influence of a demonstrative user's own usage of the product influencing the receiver also becomes substantial.

H_{1c} : The hypothesis that there exist no relationship between age of the child in the House hold

and the influence of a demonstrative user's own usage of the product influencing the receiver is rejected

As the Number of children in the house hold increases there is less effect of the demonstrative user's use of the product liked by the receiver and thus purchased

H_{1d} : Hypothesis that there exist no relationship between number of children in the household and demonstrative user's use of the product liked by the receiver and thus purchased is rejected .so there exist a relationship between the two.

6. Conclusion:

The study looked into the aspect of whether a demonstrative user's effect is being influenced by demographic and socio-graphic factors and the study came up with a significant influence on this effect from such demographic influences as age of the child in the family, number of children in the family, size of the home and the family income. Though the study discusses only the above mentioned demographics in its analysis other socio-demographics were put in the study such as the occupation, residential area, residential type and number of working members. But they were found not having an influence on the said demonstrative effect and thus are not featuring in the study. The study brings out a facet of the demonstration effect of the product usage on a potential customer when the user goes on in his usage of the product in a routine manner.

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