

**Influence of Reference Groups and Demographic  
Factors on Consumer Involvement: A Comparative  
Analysis on Different Product Categories**

By

**Jayawickrama Withanage Dushan Chaminda**

**GS/MC/2355/2004**

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GS/MC/2355/2004

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award of the Degree of Master of Science in Management

on

01.06.2009

## **SUPERVISOR'S DECLARATION**

I certify that the above statement made by the candidate is true and that this thesis is suitable for submission to the University for the purpose of evaluation.



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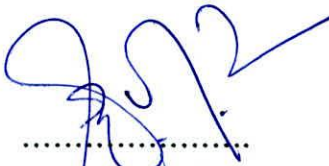
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### CANDIDATE'S DECLARATION

The work described in this thesis was carried out by me under the supervision of Dr. B.N.F. Warnakulasuriya, Head/Senior Lecturer, Department of Marketing Management of the University of Sri Jayewardenepura, and a report on this has not been submitted in whole or in part to any university or any other institution for another Degree/Diploma.



.....  
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# **Influence of Reference Groups & Demographic Factors on Consumer Involvement: A Comparative Analysis on Different Product Categories**

**Jayawickrama Withanage Dushan Chaminda (GS/MC/2355/2004)**

## **ABSTRACT**

This study examined “The impact of reference groups and demographic factors on the degree of Consumer Involvement (CI)”. The objectives of the study were to examine whether or not the degree of CI varies in terms of product category; (products that are high in search qualities, experience qualities and credence qualities), to investigate whether or not the reference groups have an impact on degree CI and to test whether or not the demographic factors (gender, age, education, occupation, income and marital status) influence the degree of CI. To achieve these objectives three hypotheses were developed and tested. Based on the literature review, four products; buying clothes and buying a refrigerator (products that are high in search qualities), selecting a restaurant (a product that is high in experience qualities), and selecting a doctor to get a medical test done (product that is high in credence qualities) were selected. The major variables measured in the study were CI, (Reference Group Influence) RGI and the demographic factors. CI was measured by using the scale developed by Laurent & Kapferer (1985). RGI was measured by the scale developed by Bearden et al (1989). However, the validity and the reliability of the measurement scales were tested against the survey



data. The type of this study is descriptive and it was conducted in the natural setting with less interference of the researcher (non-contrived). The study is a cross-sectional in time and the primary data were collected from a randomly selected sample of 800 adult consumers in Dehiwala Mount Lavinia Municipal Council area. The unit of analysis was at individual level. To test the hypotheses, paired sample tests, independent samples T-tests, ANOVA, correlations tests were performed. Findings of the study reveal that degree of CI varies in terms of the product category. Further, there is a positive (but not strong) association between reference groups and the degree of CI of all the product categories. Normative reference group influence is more powerful on degree CI of all the products than that of informational reference group influence. Further, it shows that demographic factors have significant influence on the degree of CI and on the dimensions of CI too. Therefore, marketers should pay their attention on these in designing appropriate marketing strategies such as segmenting, targeting, poisoning and marketing mix strategies. In addition, market can be segmented taking CI as a variable and these characteristics can be used to explain the segment differences. Further, it should be noted that degree of CI should not be measured through a single index; all the facets/dimensions of the involvement profile must be taken into account simultaneously to yield better results. Looking at the facets/dimensions of the CI, marketers could understand better the sources of originations of CI and these dimensions/facets provide clues as to what types of appeals should be used in communicating with each of the market segments.

## TABLE OF CONTENTS

	Page No.
Acknowledgement	i
Abstract	ii
List of tables	ix
<b>CHAPTER 1:INTRODUCTION</b>	<b>1-7</b>
1.1 Introduction	1
1.2 Background of the study	1
1.3 Research problem	3
1.4 Research questions	3
1.5 Research Objectives	4
1.6 Research Hypotheses	4
1.7 Significance of the study	5
1.8 Research Methodology	6
1.9 Structure of the report	6
1.10 Limitations of the study	7
<b>CHAPTER 2: LITERATURE REVIEW</b>	<b>8-22</b>
2.1 Introduction	8
2.2 Consumer Involvement (CI)	8
2.2.1. The multi dimensional nature of the CI	11
2.2.2. Measuring CI	12



2.3	CI among product categories	14
2.4	The reference groups (RG) and CI	15
2.5	Demographic factors and CI	19
2.5.1	Gender & CI	19
2.5.2	Age & CI	19
2.5.3	Occupation & CI	20
2.5.4	Income & CI	20
2.5.5	Education & CI	21
2.6	Conceptual Framework	22
 <b>CHAPTER 3: RESEARCH METHODOLOGY</b>		<b>23-39</b>
3.1	Introduction	23
3.2	Research Design	23
3.2.1	Type of the study	23
3.2.2	Purpose of the study	24
3.2.3	Study setting	24
3.2.4	Time horizon of the study	24
3.2.5	Data sources used for the study	24
3.2.6	Research approach	25
3.3	Sampling plan	25
3.3.1	Population of the study	25
3.3.2	Sample unit	26
3.3.3	Sample frame	27
3.3.4	Sampling procedure	27

3.3.5 Unit of analysis of the study	27
3.3.6 Sample size	27
3.4 Research instruments	29
3.5 Contact methods of respondents	30
3.6 Operational definitions and measurements	30
3.6.1 Consumer Involvement	31
3.6.2 Reference group influence	33
3.6.3 Demographic characteristics	34
3.6.4 Selected product categories	35
3.7 Validation of measurement properties	36
3.7.1 Content validity	36
3.7.2 Construct validity	37
3.7.3. Reliability of the constructs	38
3.8 Data analysis	39
<b>CHAPTER 4: DATA ANALYSIS</b>	<b>40-105</b>
4.1 Introduction	40
4.2 Sample profile	40
4.3 Degree of consumer Involvement	43
CI between P1 & P2	45
CI between P2 & P3	46
CI between P3 & P4	48
CI between P1 & P3	49
CI between P1 & P4	51

CI between P2 & P4	52
Summery of paired sample tests	53
4.4 Reference group influence on degree of CI	54
Degree of reference group influence	55
Reference group influence on dimensions of CI	56
Reference group influence on dimensions of CI	57
Normative reference group influence on the Dimensions of CI	58
Informational reference group influence on the Dimensions of CI	59
4.5 Influence of demographic factors on degree of CI	60
Influence of gender on degree of CI	61
Influence of age on degree of CI	68
Influence of education on degree of CI	76
Influence of occupation on degree of CI	83
Influence of income on degree of CI	90
Influence of marital status on degree of CI	98
<b>CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS</b>	<b>106-124</b>
5.1 Introduction	106
5.2 Conclusions	106
5.2.1 Objective one: conclusions	106
5.2.2 Objective two: conclusions	109
5.2.3 Objective three: conclusions	111

5.3	Implications and recommendations	119
5.5.2	Objective one - Implications and recommendations	120
5.5.2	Objective two - Implications and recommendations	122
5.5.3	Objective three - Implications and recommendations	123
5.5.4.	Overall recommendations	124
	<b>References</b>	125
	<b>Appendices</b>	
	Appendix 1 - Questionnaire - Sinhalese	XV
	Appendix 1 - Questionnaire - English	XXIX

## LIST OF TABLES

<b>Table No.</b>	<b>Description</b>	<b>Page No.</b>
3.1	Population by G.N division, age and sex	25
3.2	Number of households number of occupants and the number of the selected households for the study by G.N. divisions	26
3.3	Testing the sample adequacy: KMO and Bartlett's Test (Product 1)	28
3.4	Testing the sample adequacy: KMO and Bartlett's Test (Product 2)	28
3.5	Testing the sample adequacy: KMO and Bartlett's Test (Product 3)	28
3.6	Testing the sample adequacy: KMO and Bartlett's Test (Product 4)	29
3.7	Operationalisation of Consumer Involvement (CI)	31
3.8	Operationalisation of Reference Group Influence (RGI)	33
3.9	Selected products for the study	36
3.10	Construct validity	37
3.11	Reliability Statistics (Cronbach's Alpha of Each Construct of CI & RGI)	38
3.12	Reliability Statistics (Cronbach's Alpha of Dimensions of CI & RGI)	38
4.1	Selected products for the study	41
4.2	Gender composition of the sample	41
4.3	Age categories of the sample	41
4.4	Education categories of the sample	42
4.5	Occupational Categories of the sample	42
4.6	Income Categories of the sample	42
4.7	Marital status of the sample	43
4.8	Degree of CI and dimensions of CI (Product 1 to 4)	45



4.9	Paired Samples Statistics – CI of P1& P2	45
4.10	Paired Samples Test - CI of P1 & P2	46
4.11	Paired Samples Statistics- CI of P2 & P3	47
4.12	Paired Samples Test - CI of P2 & P3	48
4.13	Paired Samples Statistics- CI of P3 & P4	48
4.14	Paired Samples Test - CI of P3 & P4	49
4.15	Paired Samples Statistics- CI of P1 & P3	50
4.16	Paired Samples Test - CI of P1 & P3	51
4.17	Paired Samples Statistics - CI of P1 & P4	51
4.18	Paired Samples Test - CI of P1 & P4	52
4.19	Paired Samples Statistics - CI of P2 & P4	53
4.20	Paired Samples Test- CI of P2 & P4	54
4.21	Summery of the Paired Sample Test	54
4.22	Degree of Reference Group influence (RGI) (P1- P4)	55
4.23	Correlations - Reference Group influence on Degree of (P1-P4)	56
4.24	Correlations - Reference Group influence on the dimensions of CI	57
4.25	Correlations - NRI on the dimensions of CI	58
4.26	IRGI on the dimensions of CI	59
4.27	Group Statistics (Gender & Degree of CI of P1 – P4)	61
4.28	Independent Samples Test - Gender and CI of P1 to P	62
4.29	Group Statistics - Gender and Dimensions of CI - P1	63
4.30	Independent Samples Test - Gender and Dimensions of CI - P1	63
4.31	Group Statistics - Gender and Dimensions of CI - P2	64
4.32	Independent Samples Test - Gender and Dimensions of CI - P2	64

4.33	Group Statistics - Gender and Dimensions of CI - P3	65
4.34	Independent Samples Test - Gender and Dimensions of CI - P3	66
4.35	Group Statistics - Gender and Dimensions of CI - P4	67
4.36	Independent Samples Test - Gender and Dimensions of CI - P4	67
4.37	Degree of CI by age groups (P1 – P4)	68
4.38	ANOVA- Age & Degree of CI (P1 – P4)	69
4.39	Measures of Association (Age & Degree of CI (P1 –P4)	69
4.40	Dimensions of CI by age groups (P1)	70
4.41	ANOVA- Age & Dimension of CI of P1	70
4.42	Measures of Association (Age & Dimensions of CI - P1)	71
4.43	Dimensions of CI by age groups (P2)	71
4.44	ANOVA - Age & Dimensions of CI - P2	72
4.45	Measures of Association (Age & Dimensions of CI - P2)	72
4.46	Dimensions of CI by age groups (P3)	73
4.47	ANOVA - Age & Dimensions of CI - P3)	73
4.48	Measures of Association (Age & Dimensions of CI – P3	74
4.49	Dimensions of CI by age groups (P4)	74
4.50	ANOVA - Age & Dimensions of CI - P4	75
4.51	Measures of Association (Age & Dimensions of CI – P4)	75
4.52	Degree of CI by educational groups (P1 to P4)	76
4.53	ANOVA – Education and CI (P1 to P4) & Dimensions of CI – P3)	77
4.54	Measures of Association (Education & Degree of CI – P1 to P4)	77
4.55	Dimensions of CI and education (P1)	78