

Peer Influence on Adolescent Purchase Decisions

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Abstract

This paper explores how peer influence impacts adolescent's choices when buying products. By surveying individuals under 19 and 20 years and old, the research examines how much peer's opinions influence decision-making. The questionnaire focused on how often peers make recommendations, how much we trust their opinions, how likely we are to buy based on their advice, how important peer approval is, and how often we talk about purchases with friends. The analysis of these questions revealed trends in peer influence among various age groups. The results offer useful information for marketers and professionals looking to utilize peer influence effectively.

Keywords: Peer influence, purchasing behaviour, adolescents, adults, social validation, conformity, peer pressure, social networks.

Introduction

Young adults' behaviours and decisions are significantly influenced by peer effects, particularly in the domain of consumer behaviour. As people grow up, they become increasingly dependent on the judgements of their contemporaries when it comes to making purchasing choices for different commodities. Marketers need to grasp how peer influence functions within this framework if they are to effectively relate to this market segment. This research therefore seeks to study the effect of peer influence on young adults' product purchase decisions concentrating on two groups; those aged 19 years and below and those above 20 years.

Consumer behaviour studies have long seen peers and other reference groups as influencing individual attitudes towards products. These reference groups also serve as means of information sharing, social comparison, and social validation that shape individuals' perceptions about products and brands in general. In relation to peer-driven behaviour, this particular age group tends to resort to their friends' advice, confirmation or even acknowledgement when they want to buy goods or services. Consequently, this is common in an era where daily activities revolve around social relationships as well as digital networks.

While earlier investigations have looked into the effect of friends on buyer behaviour, there is still a great necessity for further exploration, especially in age groups. Aiming to discover differences among age groupings concerning peer influence, this research has divided participants into two categories. Appreciating why and how peer influence varies between younger and older adults contributes towards understanding purchasing determinants within this demography.

This research will use questionnaires to examine the responses of people from each of the two age groups with regard to factors such as frequency of peers' recommendation, trust in their opinion, propensity to buy on recommendation of others, and importance of peer acceptance. These aspects would assist the study in explaining how youth make purchase decisions by understanding what factors are important when taking into account other people's opinions.

This survey's results will not just add to knowledge about how customers behave, but will also be of benefit to marketers and practitioners. By identifying the elements that cause peer pressure and understanding how these dynamics differ among age brackets, companies can design their marketing campaigns in a way that resonates with young adult buyers. To summarize, the key aim of this study is to provide useful information regarding the impact of peer influence on consumer behaviour among young adults and thereby contribute towards an enhanced understanding of social influences as well as decision-making.

The study of peer influence on consumer behaviour has had a lot of interest but little is known about how this phenomenon is experienced by young adults when it comes to their purchases. Although the influence of peers on customer preferences, attitudes and brand choices has been extensively studied, most research has been done on specific demographic groups or product categories with little focus on subtleties in young adult consumer dynamics.

In addition, much of the research in this field has focused on Western countries while giving scant attention to socio-economic factors and cultural differences that might affect variations in the extent and types of peer influences across different regions. Consequently, there is an obvious need for empirical investigations that could shed more light on the ways in which peer influence occurs among diverse populations including those in developing countries or cultures outside Western ones.

Literature Review

This study researches the influence of peers on young adults' product purchase decisions. The research, therefore, continues from previous literature, especially in the works of Childers and Rao 1992 and Bearden and Etzel 1982, which propose that the conspicuousness and categorization of products influence peer influence dynamics. This study, however, specified its products of study to be relevant to the Botswana context by considering cultural diversity and economic status in the university setting. The questionnaire design was adapted and drew from established scales in consumer behaviour research to measure the level of peer influence on products.

Earlier research has highlighted the seriousness of peer influence among young adults, especially in the university setting where the young adults find themselves surrounded by peers and subjected to pressures from a group. This study, however, shows that among university students, the level of peer influence is not high and varies according to product type. The results showed that social acceptability would depend more on the products that are consumed in a way where peers can 'see' an individual with them. For instance, this study showed that the consumption of sunglasses or the consumption of shoes was more likely to be dictated by peer influence than the consumption of necessities like toothpaste. In addition, products perceived to be essential for social acceptance seemed to be more susceptible to normative influences.

Although the present study provides insight into the level of peer influence in young adults' product consumption, it is prone to some limitations. The limitations include convenience sampling and the need for further research on the level of peer influence at the brand level and the reference group of peers. In conclusion, this study promises great insight into how peer influence shapes young adults' product preferences and purchase behaviours, offering insights for marketers who might leverage peer influence in promotional strategies targeting the demographic.

Objectives

- To quantitatively assess the extent and nature of peer influence on purchasing decisions among young adults, and to compare patterns of peer influence across the age demographic (19 and below, 20 and above).
- To identify the psychological and situational mediators and moderators of peer influence on consumer behaviour in the context of young adults.
- To explore possible differences in the influence of peer recommendations in order to investigate whether parts of the reasoning for increased purchasing behaviour is for want of more status and social approval.
- To investigate possible cross-cultural and socio-economic variations in peer influence on consumer behaviour among young adults, and to determine whether the presence, absence, or measurement of such differences may influence subsequent study findings.
- To test the reliability and validity of the tools and measures used in the study to assess peer influence and consumer behaviour.
- To explore the implications of peer influence on young adults' consumer behaviour for marketing strategies, particularly advertising, branding, and product marketing in the role of both explicit marketing tactics and consumer-created marketing tactics.
- To provide both marketing practitioners and policymakers with a set of practical recommendations based on the findings for how to more effectively engage in consumer behaviour, as well as improve consumer behaviour.
- To advance the literature on consumer behaviour and social influence by addressing the gap in the body of knowledge on the dynamics of peer influence among young adults.

Research Methodology

The research methodology for this study is based on a quantitative approach, focusing on investigating the impact of peer recommendations on the purchasing decisions of young adults across two distinct age groups: those under 19 years old and those 20 years old and above. We're using a cross-sectional research design to gather data from a diverse sample of young adults living in various locations. To make sure our sample is representative of both age groups, we're using a stratified random sampling technique.

The data collection process will happen online, using a survey questionnaire that we'll distribute through different channels like social media, university campuses, and community organizations. The questionnaire will have a mix of Likert scale items and closed-ended questions to measure trust in peer recommendations, purchasing behaviour, demographic info, and other relevant factors. Participants will be informed about the study, their consent will be obtained, and they'll be promised anonymity and confidentiality throughout the process.

After collecting the data, we'll analyze it to better understand the dynamics of peer influence and purchasing behaviour among young adults. We'll use descriptive statistics to summarize demographic info and response patterns, and inferential statistical techniques like t-tests and chi-square tests to compare trust levels and purchasing behavior between the two age groups. We might also use regression analysis to figure out what factors predict purchasing behaviour and how strong the relationship is between peer influence and buying decisions. To make sure our measurements are valid and reliable, we'll use established theories of consumer behaviour and validated measurement scales, and we'll run reliability tests too.

Throughout the study, we'll prioritize ethical considerations like obtaining informed consent and keeping participants' privacy protected. We'll make sure everyone knows their info will be kept confidential and anonymous, and we'll follow best practices to uphold ethical standards and maintain participant trust.

Statistical Tools

There will be a good variety of data collection tools to be applied, offering information relevant to achieving the objectives of the study. The primary collection tool will be an online survey questionnaire. For this reason, the selected sample of young adults 19 years old and above will be sent the questionnaire. The collection instrument will contain Likert scale items and closed-ended questions to measure the various constructs that might be relevant. Likert scale items will include items that can be rated on a scale of agreement and disagreement statements. This will help gather quantitative data for a quantitative analysis of peer influence and purchasing decisions. Most closed-ended questions will help categorize answers and take the quantitative form. It is this kind of quantitative data that will be needed in exploring chi-square-type statistical tests.

Internal consistency reliability of the survey instrument will be computed for the Cronbach's alpha coefficient. Cronbach's alpha is the most commonly used measure of the extent to which items within a scale are interrelated or correlated with one another. It is a reflection of the reliability of the instrument or at least an estimate of internal consistency. Thus, calculating Cronbach's alpha of the Likert scale items related to trust in peer recommendations and purchasing behaviour will represent an estimate of the degree of consistency within responses and a robust measure of the reliability of the survey instrument in capturing the desired constructs. Ideally, internal consistency or a high Cronbach's alpha value would be more than 0.70 and, therefore, would have exhibited great internal consistency and a reliable tool for grasping the desired constructs. Overall, the online survey questionnaire with Likert scale items and closed-ended questions, together with the inclusion of internal consistency with Cronbach's alpha, ensures robust data collection and the rigour needed in analyzing peer influence dynamics and purchasing behaviour in young adults.

Reliability Test Findings

The reliability test score computed using Cronbach's alpha for this research study is 0.6899. Cronbach's alpha is a measure of internal consistency reliability, which gauges the degree to which items within a scale or questionnaire correlate with one another. In this case, Cronbach's alpha coefficient evaluates the reliability of the survey instrument used to measure constructs related to peer influence and purchasing behaviour among young adults.

A Cronbach's alpha coefficient value of 0.689 9 indicates only moderate internal consistency reliability for the survey instrument used in this research. Although this value falls short of the usual recommended threshold of 0.70 for acceptable reliability, it still reflects a decent degree of consistency in the Likert scale items composed in the questionnaire.

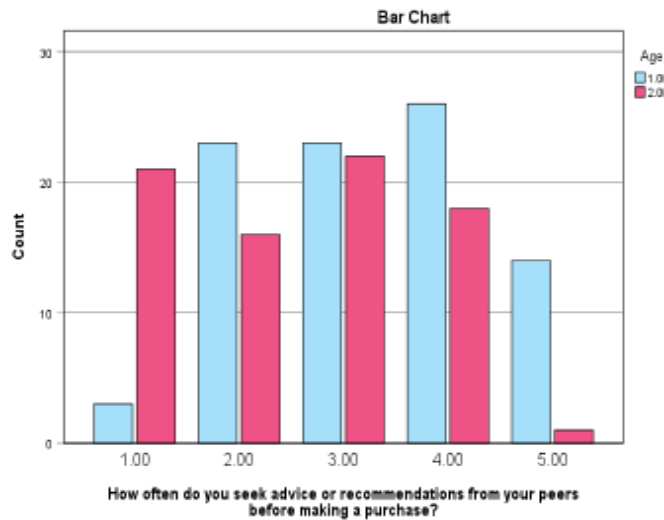
Hypothesis

This hypothesis suggests that peer pressure influences decision-making among the two groups of age; that is, the two groups respond differently to peer pressure when making decisions. This implies that the extent to which individuals take influence from their peers will differ from one age group to another. This

hypothesis shall set the stage for looking at how to investigate and analyze peer pressure in the differences within decision-making among the different age groups to be studied.

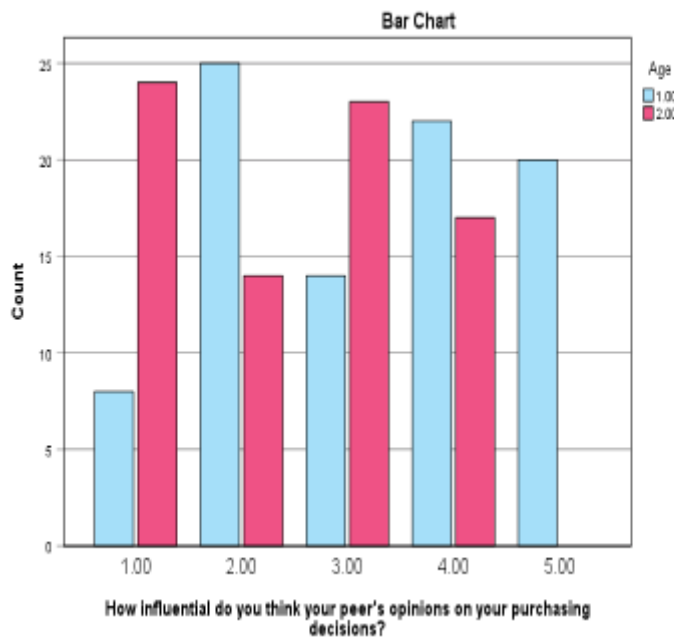
Question-wise Discussion of findings

1. On a scale of 1 to 5, how much do you trust the recommendations of your peers when it comes to purchasing products?



Oftentimes, consumers rely on peer advice and recommendations. This is motivated by a need for reassurance and confirmation, as well as a need to tap into the collective wisdom and experiences of their social circle. In this context, people seek their friends, family, or any other relevant online communities' opinions and considerations on specific products.

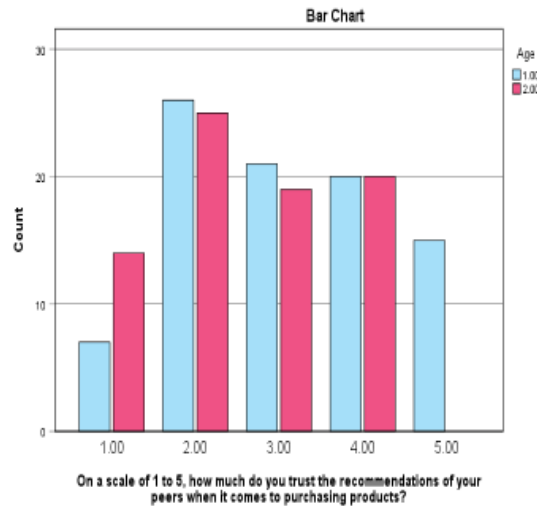
2. How influential do you think your peer's opinions on your purchasing decisions?



In general, peer opinions are a huge determinant of individuals' purchasing decisions. Basically, this is founded on trust, credibility, and relateability. For example, when friends share their experiences or

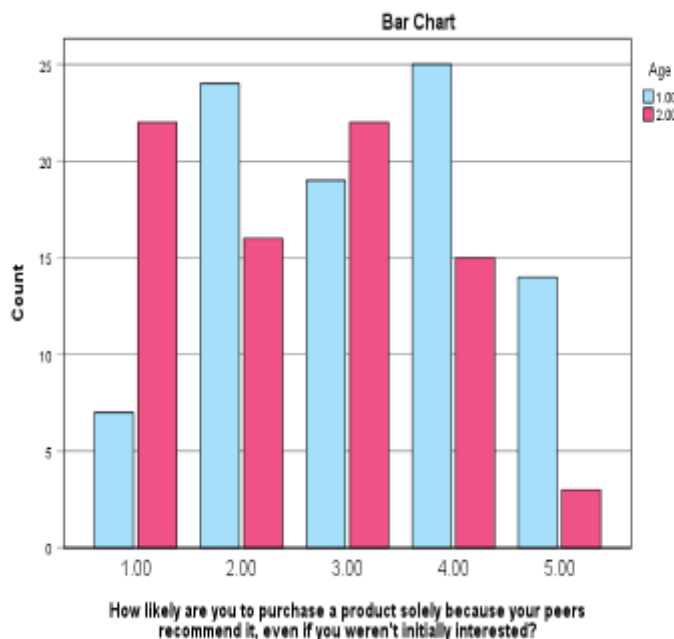
recommend their products, people are bound to consider and act on the said suggestions because such a person is trusted and known.

3. On a scale of 1 to 5, how much do you trust the recommendations of your peers when it comes to purchasing products?



This suggests that trust is a very important criterion in the efficacy of peer recommendation. People tend to trust the opinions and recommendations of their peers because they feel that recommendations are honest, unbiased, and based on personal experience. This trust is normally cultivated over a period of time through shared experiences and a history of reliable advice.

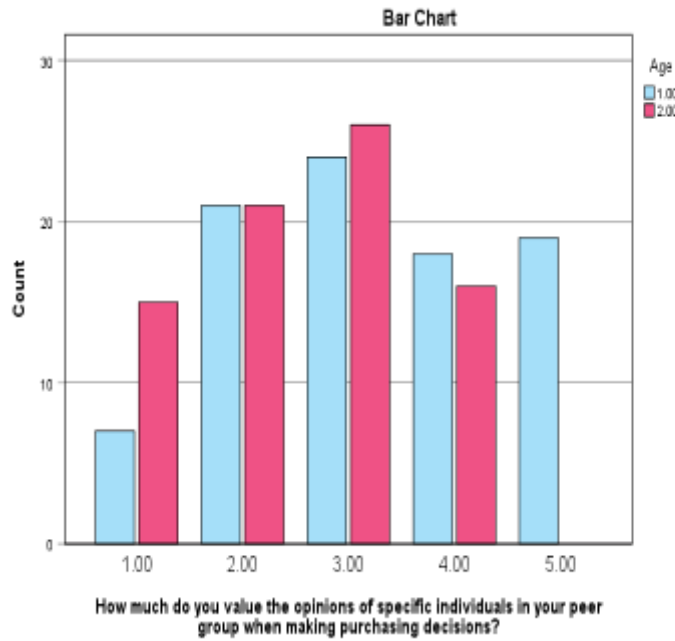
4. How likely are you to purchase a product solely because your peers recommend it, even if you weren't initially interested?



People are further influenced into buying products they might not otherwise have considered due to peer recommendations. This is because people value their peers' opinions and tend to perceive their suggestions

as credible and trustworthy. Thus, they are more likely to try new products or brands based on the endorsement of their peers.

5. How much do you value the opinions of specific individuals in your peer group when making purchasing decisions?



Although peer opinion is influential in its own right, the opinions of some selected individuals in a person's peer group may be weighted even more. Those people may appear as experts and authorities on some matters, or they have a much closer personal relationship with the individual who needs advice. Thus, their judgment and suggestions are highly valued and trusted.

Conclusion

For teenagers, peers have a significant influence on consumer behaviour. The desire to fit in, maintain social status, and conform to group norms will often lead the teen to seek advice and recommendations from their peers before making a purchase. Peer recommendations are highly valued and trusted as the basis for product preferences and brand choices. Additionally, pressure to emulate peers' purchasing habits and the importance of having the same products predispose teenagers to peer influence in consumer decision-making. However, while peer recommendations might drive teenagers to make a purchase, there is also the probability that the product will not live up to expectations or that the decision was made under pressure from peers.

But adults, too, turn to peer recommendations, although not to the extent that teens do. Adults are more autonomous in decision-making, but they continue to give value to the opinions of their peers in making their purchasing decisions. Peer recommendations become a source of information and validation for adults in the vast array of choices for products and services. But adults tend to do more research on the product and its underlying factors beyond peer influence, like quality, value for money, and personal tastes. Still, the popularity of a product among peers and the influence of celebrity endorsements or influencer marketing can shape the perceptions and attitudes of adult consumers toward certain products.

In conclusion, this study points to the complex interplay between peer influences and purchasing behaviour among adolescents and adults. While adolescents showcase an extraordinarily high sensitivity to peer suggestions, fueled by social validation and conformity, adults are more tempered in their reliance on peer opinions, balanced between personal preferences and independent research. Despite the differences, both generations are influenced by peer pressure and the desire to maintain social connections. Adolescents are more inclined to follow peer preferences and feel guilty if decisions are made under pressure, whereas adults demonstrate a greater degree of autonomy tempered by social validation. Understanding these differences is crucial for marketers to design strategies that are effective, recognizing the role of the peer in different life stages. Navigating the complex landscape of peer influence requires a nuanced approach, respecting the autonomy and individuality of consumers while harnessing the power of social networks to inform and inspire purchasing decisions.

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