INFLUENCE, PARTICIPATION, AND INVESTMENT IN FAMILY DECISIONMAKING

Bernard J. Jaworski
Deborah J. MacInnis
William J. Sauer

Reprint Series

DEPARTMENT OF MARKETING
Karl Eller Graduate School of Management
University of Arizona
Tucson, Arizona 85721
Interest in family decisionmaking has generated a wealth of research over the past decade (cf. Davis 1976; Sheth 1974: Chapter 2). A central concept within this literature is relative influence, which refers to the amount of influence one spouse has with respect to the other in affecting choice outcomes. For the most part, relative influence has been utilized as a proxy for the structure of marital roles in family decisionmaking (Baran 1978; Davis 1970; Davis and Rigaux 1974; Ferber and Lee 1974). Despite several reformulation attempts (Burns 1977; Davis 1970), it remains a central and popular concept in family decisionmaking research.

At least four factors have contributed to its popularity. First, it is easy to measure and employ. It is typically operationalized by the following three-point Likert scale: "husband has more influence," "equal influence," "wife has more influence" (Baran 1978; Cunningham and Green 1974; Davis 1970; Davis and Rigaux 1974; Ferber and Lee 1974; Hempel 1974, 1975; Hendrix and Qualls 1978; Munsinger, Weber, and Hansen 1975; Sharp and Mort 1956; Shuptrine and Samuelson 1976; Wilkes 1975; Woodside 1975). Three- (or five-) point indices of this nature make data collection on influence relatively straightforward. Second, information on relative influence has practical value for marketing managers. Once the dominant spouse has been identified, managers can design marketing campaigns directed toward the more influential partner. Third, widespread use of the concept in the family decisionmaking literature allows for comparison...
strategies—namely, it may be premature to conclude that the mere position of family dominance should be a basis for any type of advertising effort. The extent to which other family members possess even slight influence is suggestive of their power in swaying decision outcomes.

Finally, the current use of relative influence lacks conceptual precision. Prior research has often used the term “influence” interchangeably with two other concepts—investment and involvement. It is argued in the following section that while these concepts are theoretically meaningful in family decisionmaking, each has a distinct meaning in a decision-making context.

DEFINING CONCEPTS

In this paper, “influence” is defined as the extent to which a family member directly or indirectly affects the process or outcome of a decision. A close examination of this definition indicates that influence may be viewed as a stage (process or outcome) by type (direct or indirect) matrix as shown in Table 15-1. The stage aspect of influence is consistent with some empirical data on influence in the family decisionmaking literature. Davis and Rigaux (1974), for example, have shown that influence varies depending on the stage (recognition, information search, or final outcome) of the decision process. In addition to stage, the nature of influence may vary by type of influence. According to Webster, the noun “influence” means “the act or power of producing an effect without apparent exertion of force or direct exercise of command” and the verb “to influence” means “to affect or alter by indirect or intangible means.” According to this definition, influence is indirect or intangible since it does not imply any behavioral action on the part of the influence. Family characteristics such as social class, role structure, and stage in the family life cycle constitute sources of indirect

<table>
<thead>
<tr>
<th>Process stage</th>
<th>Direct Type (Behavioral)</th>
<th>Indirect Type (Nonbehavioral)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problem recognition</td>
<td>Family structure:</td>
<td></td>
</tr>
<tr>
<td>Redirect decision</td>
<td>Roles</td>
<td></td>
</tr>
<tr>
<td>Family life cycle</td>
<td>Family life cycle</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Outcome stage</th>
<th>Outcome-oriented</th>
<th>Family structure:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Family structure:</td>
<td>Roles</td>
</tr>
<tr>
<td></td>
<td>Family life cycle</td>
<td></td>
</tr>
</tbody>
</table>

Table 15-1. Influence by Stage and Type.
influence. These aspects of family structure represent nonbehavioral or
unspoken boundaries that permeate each decision and extend across most
family decisions. We call this concept indirect influence.

The second type of influence is situation-specific and includes behavioral
actions that are directed at changing the process or outcome of a decision.
Direct influence is a social phenomenon that requires a tangible display of
action aimed at changing the behavior of another individual. Typically,
consumer-behavior literature emphasizes this dimension of influence.
For example, Ferber and Lee (1974) and Davis (1976) discuss how a husband or
wife exerts influence. More recently, using a methodology other than
relative influence, Filatotchev and Ritchie (1980) referred to an "influence
structure." Their analysis also focuses on tangible measures of influence.
While this paper recognizes the significance of direct influence in family
decisionmaking, it also suggests that indirect sources are important as well.

It is interesting to note that influence has often been confused with a
second concept, involvement. Indeed, it is not unusual to see in the
published literature terms such as "relative influence/involvement." Part of
the reason for the confusion lies in imprecise definitions. The term has been
used in many ways and has undergone several definitional revisions.
A consistent theme, however, running through the various definitions is the
notion that involvement is a "motivational state of mind that is goal
directed" (Zaltman and Wallendorf 1983:550). One indicator of
involvement is actual participation in decision situations. The participation
component of involvement is the dimension most often referred to in the
family literature. In keeping with this spirit, this paper limits the discussion
of involvement to actual participation in the decision process.

By defining involvement in participatory terms, the distinction between
influence and involvement (participation) becomes quite clear. Influence is
a social phenomenon requiring more than one person. In addition,
influence is change-oriented. Participation, by contrast, describes the
composition of family members who participate in a given decision. There is
no necessary definitional between participation and attempts at changing
decision outcomes.

The third concept in a decisionmaking strategy is investment. Investment
has previously been defined by Davis (1976) as the motivation that a
family member has to exert influence. Generally, investment has been
described in monetary terms; however, it is equally plausible that one could
be highly invested in nonmonetary aspects of decisions (e.g., curfew of
children, grades of children). Rather than speaking of investment in the
narrow monetary sense, here it is more broadly defined as the perceived loss
or gain of valued resources (e.g., economic, social, psychological) that may
result from a given decision.

Additional insights into the nature of family decisionmaking may be

gained by examining family decisions in a family rather than a dyadic
context. Furthermore, we postulate the existence of three distinct concepts
that may affect decision processes and outcomes. We have suggested that
influence is comprised of two dimensions—direct and indirect. Participation
is distinct from influence and refers to desire to partake in
decisionmaking. Investment is defined in terms of perceived loss from
decision outcomes and can be conceptualized in both monetary and
nonmonetary terms. Direct influence, participation, and investment
constitute decision-strategy variables. They are termed "strategy variables"
since the degree to which they are employed varies with each decision
outcome. The next section focuses on the interrelationships among these
concepts.

INTERCONSTRUCT RELATIONS

A crucial step in the construction of a theoretical model is to specify how
concepts may be related. This section suggests that influence, participation,
and investment form a network of decisionmaking strategies for each
family member. The next section extends the development to include
several family members.

By definition, indirect influences are determined by family structure. In
other words family structure can be viewed as a boundary that determines
individual family members' decisionmaking strategies. Indirect influence
may therefore place limits and constraints on the investment, level of
participation, and direct influence attempts of a given family member.
Central to this line of reasoning is the assumption that indirect influences
are not decision specific but rather are exogenous to the system of variables
called strategy variables. Figure 15.1 shows family structure affecting the
strategy system.

The position of indirect influence as an exogenous variable suggests that
it may have causal implications for the level of investment in a given
decision. Two examples illustrate this point. First, consider a situation
where a father has sole responsibility for lawn and garden care. Since he is
performing this landscaping role, he has a high level of investment
(monetary and nonmonetary) in any decision to buy lawn or garden
equipment. Consider a second situation where the father is deciding to
purchase a flute for his daughter. His role as income earner determines his
level of investment (monetary) in the purchase decision. These two
examples lead to the first proposition.

Proposition 1: Indirect influence determines the level of perceived
investment in a given decision.
Indirect influence also affects decision participation. In a situation where the mother assumes the role (indirect influence) of family financial officer (Ferber and Lee 1974), it is hypothesized that any financial decision of major consequence will require her participation. In addition to familial role, social class may play an important part in participation. Sherf (1974) has suggested that middle-class families are more likely to plan, discuss, and participate in a decision than lower- or upper-class families because of differences in discretionary income.

Proposition 2: Indirect influence determines the level of participation in a given decision.

Family roles and social class (indirect forms of influence) also affect individual family members’ capacities to directly influence decisions. For example, one would expect general family characteristics such as father’s or mother’s role as income producer to relate to his or her capacity to alter a given decision. 4

Proposition 3: Indirect influence determines the likelihood of direct influence.

As previously discussed, direct influence, participation, and investment refer to situation-specific decision contexts. By defining the concepts in somewhat more precise terms than they have been previously, we are able to construct propositions that are easily testable. The interrelations between these concepts are discussed below.

First, the more a particular family member has to gain or lose from a decision the more likely it is that he or she will participate. For example, in a situation where a child would like to have a new bicycle (high nonmonetary investment), he or she may participate in family conversations, watch television advertisements, and collect information related to the desired product.

Proposition 4: The greater the perceived investment in a decision, the higher the level of participation.

If an individual family member perceives an investment in the outcome of a decision, he or she may attempt to influence the outcome. To elaborate on the previous example, if a child would like to own a new bike (investment), he or she will probably try to influence the decision to purchase a bike.

Proposition 5: The greater the perceived investment in a given decision, the greater the level of direct influence.
Typically, the more an individual participates in a decision the more he or she will attempt to influence the final decision. It is possible, however, to be highly involved in a decision yet have very little success with respect to influencing the final decision. Brey and Pollay (1968) found that the children who participated in the decision to buy certain cereals were no more likely to influence the outcome of the decision than those less assertive.

Proposition 6: Participation is positively related to direct influence attempts.

This section developed a model of family decisionmaking that specifies the interrelationships of four constructs: indirect influence, direct influence, investment, and participation. Each component can be causally related to form a model of family decisionmaking. Note, however, that the discussion has focused only on the interconstruct relationships for a single family member (i.e., how the investment of family member A influences the participation of family member A). The next section extends the model to include the family as the relevant unit of analysis.

NETWORK OF DECISION PROCESSES

The remaining task is to examine the network of decisionmaking processes that exists both within and between family members. The primary goal is to explicate the interrelationships of decision strategies among family members. Hence, discussion centers on the three variables that comprise the decision-specific strategy.

Viewing family decisionmaking as a network of interrelated strategies has several advantages. First, it allows the researcher to test direct and indirect effects of investment, participation, and influence of one family member on the network of decisionmaking strategies of another family member. Thus, one can test the extent to which participation of one family member is related to (or predictive of) participation, investment, and involvement of other family members. Second, by viewing influence in the context of the entire family unit, we can overcome a major criticism of family decisionmaking by explicitly modeling the influence of children (Davis 1970, 1976; Sheth 1974). Third, modeling the decision process in this fashion encompasses a temporal view of family decisionmaking. Family decisionmaking is not static but is a process. A causal framework makes it possible to take a process-oriented perspective on decisionmaking, where several family members reciprocally affect one another over time.

When the model is extended to each family member and takes into account the relationships across family members (e.g., mother’s participation predicting father’s participation), the testable family network becomes increasingly complex. For example, in a situation where there is a mother and father with no children one would have seven constructs to model. If we were modeling a family of four, thirteen constructs would be necessary. Further complexities arise because the network of decision processes varies depending on the type of family decision, the stage of the decision process (Davis and Rigaux 1974), and the typical styles of family decisionmaking across situations (autonomous versus joint). As a starting point we will decompose the model into its component parts. In the following discussion, various constructs for a given family member are elaborated in terms of their effects on the decision network of other family members.

Indirect Influence

While indirect influence reflects characteristics shared by all family members, it must be recognized that it (1) differentially affects various family members and (2) affects interrelationships between family members. First, indirect influence affects family members’ participation in decisions. To illustrate, if it is typical for a single family member to make all decisions related to grocery purchases, it follows that his or her role as family shopper will have an impact on the participation of others within the family. Second, indirect influence of one family member should affect the degree of direct influence among other members. As an example, consider a traditional father who determines the curfew hours of his daughter. His role as authoritarian determines the lack-of-influence attempts by his daughter.

Direct Influence

It is hypothesized that direct influence within the family is a reciprocal process. For example, one family member influences a second family member not to buy product X. In turn, the second family member influences the first family member not to buy product Y. Together they decide to buy product Z. In this situation, influence can be viewed as a reciprocal interactive process between family members.

In addition, direct influence attempts necessarily affect the level of participation and perhaps perceived investment of other family members. Simply trying to overtly change someone’s attitude or behavior necessitates their participation.
Perceived Investment

If one family member is highly invested in a decision outcome, he or she may increase the participation of other family members. Others’ participation may take the form of a consultant role, as when a child asks a parent for help in buying a first car or for information about birth-control methods.

In addition, the perceived investment of a given family member may affect the investment, participation, and direct influence of other members. This is especially true where the product is to be consumed by the entire family. A child who wants a home computer system may try to involve both siblings and parents. The parents then become involved in the decision and while excited about the prospect of a home computer also are concerned about product cost and quality. At this point, all family members participate in the decision, all have some investment in the decision outcome, and all reciprocally influence one another, having an interactive effect on the ultimate decision outcome.

Participation

If a family member is participating in a given decision, it is hypothesized that he or she may try to involve other family members in the process. For example, a mother considering a new car purchase may include other family members. If other family members do participate, it is possible that they may have some degree of direct influence.

It is also possible for participation of one family member to affect the direct influence of another family member. For example, a sixteen-year-old may want to purchase a used car. However, when the parent is consulted for help in paying for the vehicle, the parent immediately rejects the idea. In this respect, the parent’s participation is minimal, but his or her influence in the final outcome is considerable.

Finally, the participation of a family member may affect the level of investment of other family members. In the home computer example, participation by the children may bring new issues to light, thereby changing investment of other members of the family. To summarize, family decisionmaking is a complex process that requires measuring several constructs that comprise decision strategy, participation, investment, and influence. Moreover, it is hypothesized that these constructs are interrelated both within and between family members.

METHODOLOGICAL CONSIDERATIONS

In order to model the type of family decision structure we propose, several methodological considerations must be addressed. First, it is important to recognize that accurate representations of constructs require that several indicators of constructs be implemented. In other words, it is inappropriate to use a single measure to assess any of the concepts. This is particularly true of the indirect-influence construct. Components of indirect influence (e.g., role structure, social structure, life cycle stage) require measures that accurately reflect family characteristics and social structural dimensions. In order to maintain a degree of construct validity, the use of multiple measures is necessary.

Second, family decisionmaking can best be understood from a process-oriented view and requires an analysis method that is capable of modeling reciprocal relationships. The most appropriate technique for analysis appears to be a structural equation methodology such as LISREL (Bagozzi 1980; Joreskog and Sorbom 1979). From a measurement perspective, LISREL allows one to theoretically build reliable and valid constructs to measure the relevant dimensions. It therefore establishes some degree of construct validity. Structurally, LISREL enables one to assess both direct and reciprocal relationships within and between family members.

Third, the proposed framework is most informative if data on all family members is available. More recent research concerning the reliability and validity of key informant data in organizations suggests that reliance on individual data at best provides mixed conclusions (John 1982) and at worst provides inaccurate results (Phillips 1981). Similar conclusions can be drawn in a family context. The analysis of group decision processes, either in an organizational or family environment, is most accurate if the interconstruct relations between all relevant members are considered.

Finally, as a starting point in this type of research it is recommended that families of the same size be studied (e.g., family of four). The methodological problems associated with trying to model different-sized decisionmaking units has been addressed in another context (Bagozzi and Phillips 1982; Phillips 1981). Since we currently do not know how interrelationships between participation, investment, and influence exist between family members, it seems most appropriate to study families of a fixed size before attempting to assess the influence of smaller and larger family units.

IMPLICATIONS FOR MARKETING

The implications of this theory extend beyond family decisionmaking to both group decisionmaking and organizational buying behavior. Most past research has been outcome-oriented and has not been focused. Furthermore, only direct effects have been tested. Possible indirect relationships bearing on decision processes and outcomes have been ignored. To use the ANOVA analogy, if second-order effects are found, then the focus should be on
interaction terms. In a similar way, the key individuals who influence and participate in group decisions may not directly affect decision processes and outcomes. Influence, investment, and participation in an interactive framework may provide a more accurate description of decision processes and insights into the nature of decision outcomes.

To extend this argument to a specific example in family decisionmaking, we would hypothesize that advertising should not be directed only at the dominant individual, even in situations where one family member appears to be dominant (e.g., husband's influence on car purchase). To the extent that we have failed to model possible interaction effects, we have failed to specify the possible pathways of influence. In a situation where the dominant individual's influence is mediated entirely by other family members, it suggests that the marketing effort should be directed toward less dominant family members as well.

**Extensions**

Interestingly, work to date has not focused on how or whether relationships between family members change over time. For example, one may hypothesize that offspring influence increases proportionally with age. Thus, when offspring reach, say, age 20, the relationships between participation, investment, and influence between family members may be very different from what they were at age 15. Several factors may be responsible for these changes. One possibility is that social structural characteristics change over time. For example, as children grow older and move into their adult years it is likely that the power of family members changes. A second possibility is that the relationships between the four constructs themselves change over time.

Within the present framework, however, longitudinal assessments on interconstruct changes can be made. One may, for example, sample families at various stages of the life cycle and apply a multigroup option in LISREL (Joreskog and Sorbom 1978). In constructing such a model one could test whether the measured construct relationships change over time (i.e., participation relationship for an individual at age 13 is different for the participation relationship for the same individual at age 20). Furthermore, one could test whether the structural coefficients themselves change over time.

A second advantage of this type of model is that it helps to explain how influence may be related across a host of product decisions. Including different family decisions helps the researcher to begin to model the interrelationships between decisions. To what extent does participation in one type of family decision relate to participation in a second type of decision? Davis (1970) has offered some insight into this area, yet this proposed type of modeling would highlight connections between family members.

**CONCLUSIONS**

In sum, family decisionmaking is a complex phenomenon that cannot be understood from a relative influence perspective. If the proposed theoretical model is correct, it follows that relative influence models have both mis-specified and underestimated the total effect of influence taking place in family decisions. By beginning to specify the components of the family decisionmaking system we hope to stimulate research toward more developed models of family decisionmaking.

**NOTES**

1. Alternative frameworks have been offered to understand decisionmaking in the family (Filitrault and Ritchie 1980; Park 1982).
2. In part, this exclusion may be related to the operationalization of the relative influence as a measure of influence between two individuals. To extend the analysis to more than two individuals requires comparisons between each possible combination of two family members (e.g., in a family of four there would be six comparisons). As the number of analyses increases, the findings become increasingly cumbersome to interpret. Therefore, one might hypothesize that the failure to develop adequate models for incorporating the influence of children may be related to an overreliance on the concept of relative influence.
3. Note that participation is only one aspect of involvement. Though an individual who participates in a decision is involved, it is not necessarily true that one who is psychologically involved participates. Children, for example, may be emotionally involved in the decision of a family vacation but lack the status for participating. Restricting involvement to participation is more precise.
4. To extend this argument one step further, it is likely that the relationship between indirect influence and direct influence is mediated by the father's investment in the decision. For example, if a father assumes a role of disciplinarian in raising the children (indirect influence), it is likely that he will have an investment in setting curfew hours. If the children ignore curfew hours, then he may exert influence.
5. Indirect influence pertains to all family members. The three variables that form decision-specific strategies for each family member would have to be measured independently.