



# Children as an Emerging buyers: Influence of various factors on children construct making process during purchase: - An empirical study in the selected region of North India

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## Abstract

**Purpose-** In the present scenario children establish a significant marketing zone and today they have a more important place in the society than their parents ever had. They are not only consumers but have emotional involvement directly or indirectly on parents buying decisions. The nagging effect which they exhibit over their parents is increasing day by day with the increase in small family system in which child remain the centre of importance. The amount of influence exerted by children differs from product type, decision stage, family, children and parental demographic characteristics etc. Cultural background also has an important role to play on child's participation. Although India has preserved its values but still its culture has undergone through the process of metamorphosis resulting in to various changes in family structure, increase in number of working couples, delegation of authority etc. This type of research has been strenuous in Delhi (India) and metropolitan cities of India. Hence, the present study cater two major capital cities of North India which are Chandigarh and Shimla where children influence upon parents buying process and decision making process of children have been explored to have better insight on the influence of children during purchase decision directly or indirectly in the family

**Design/methodology/approach-** The study was approached from parents and children perspective. A quantitative approach was adopted in data collection, using questionnaire method and structured interview method was used for parents and children respectively, with a response rate around 95 percent.

**Research limitations/implications-** The present study caters two major capital cities of North India whereas in previous studies were confined to major metropolitan cities only. Findings of the present study can be applied in designing advertisements for existing and new products.

**Findings-** Family patterns influences the purchase decisions of the family and children plays more role in the nuclear families as compared to joint families.

**Key words:** - Children buying role, consumer behavior, family buying behavior

## Introduction

The phenomenal growth of the youth market and its implications for marketing strategy has been the subject of investigation in recent times. For example, in the United States alone, the estimated value of the kids' market is about US\$188 billion. In less developed countries the trend appears to follow the same pattern as in the developed world, although the market size may be fairly small. Increasingly, children have become not passive observers, but active participants in the family purchase decisions. Not only children have their 'own money' to spend on a variety of products and services of their choice, they also have extensive influence on how their parents buy products and services. According to McNeal (1992), American children spent over \$132 billion on 62 product categories and on average 17 percent of family spending in selected categories of products were influenced by children. In China, kids are known as "Little Emperors" and they are being showered with everything from candy to computer games. With at least 300 million people in China under the age of 15 a huge market is emerging in China that caters to kiddy dynasty (Zikmund and d'Amico 1998:158). In Australia, the teenage market is estimated to be worth about \$A3.9 billion, and in New Zealand it is about A\$800,000 (Person, 1989). In India according to (McKinsey and Company Global report 2007) children market will grow up to three times by 2020.

The tremendous increase in the child-influenced sales volume in most countries can be attributed to several factors. First, most families have fewer children, thereby increasing the influence of each child; secondly, working couples can afford to allow their children to make the choice; thirdly, due to constant exposure to media, children learn a great deal about products/services and are in a position to convince their parents as to what is 'good' and 'bad.' Marketers use television as the most powerful medium of communication. Over the five years the spread of multi-channel Television reception around the world has led to an exponential growth in the number of channels targeting children. Finally, the single parents foster household participation and self-reliance among their children. As McNeal (1992) suggests, the trend since the 1980s has been towards "fliarchy," which means, 'families in which the children are the central decision makers. Although the influence of children in the family decision making process has been accepted as a force which neither academics nor practitioners can ignore, Consumer socialization in families is a two-way process, that is, the kids also acts as a medium to socialize the parents by influencing the family purchase decisions.

Children sometimes either purchase a product themselves or select the products before they are purchased by their parents. For other products, such as ones which are used by the entire family unit, they may influence purchases made by the parents. There are some products where children exert direct influence or pester power by openly specifying their preferences and voicing them aloud. For other products, parents' buying patterns are affected by prior knowledge of the tastes and preferences of their children. This passive dictation of choice is widespread for a wide variety of daily consumed product items as well as products for household consumption. Also, decision making in households is seen to change with the mere presence of children. It is also observed that children are socialized by their parents to act as rational consumers. After years of direct or indirect observation of parental behavior in the marketplace, they gradually acquire relevant consumer skills from their parents.

The amount of influence exerted by children varies by product category and stage of the decision making process. For certain products they are instrumental in initiating a purchase, while for others, they make the final selections themselves. Family, peers and media are key socializing agents for children wherein family-specific characteristics such as parental style, family's Sex Role Orientation (SRO), and patterns of communication play key roles. The Indian families have become more modern in SRO, such that the decision-making has become more egalitarian (Chadha, 1995; Dhobal, 1999). Compared to this, the West is experiencing an increase in the number of single parent or female-headed households (Ahuja and Stinson, 1993; Mangleburg et al., 1999). Such a shift in family composition and structure has a bearing on the strength in the role that children are expected to play as buyers in the family.

## Review of Literature

Saraswathamma and Jose (2014), the authors after the finding revealed that the cartoon associated with the brand have been found great influence in influencing the buying behavior of the children. It was also found that advertisement in TV is the major source of information for kids. Thakur (2014) said advertisement in TV is the major source of information among the kids regarding the product and which influencing the buying behavior of kids most. The author also found after the finding that any specific gift or toys attached with the product influence the children buying behavior and they are also influence by their friends and packaging of the product also. Chaudhary and Gupta (2012), the authors after their finding found that children play important role in influencing the loud goods like car, electronic gadget, mobile and other white goods. It was also observed during the research that children's are always allowed in the family household decision making process due to the financial constraints. Malenburg (1990); Jensen (1995) and Levy and Lee (2004) they said that children influence is significant in product decision for the products like cereals, snacks, toys, foods, children cloths for which they are primary consumers. It was also found that for loud goods children influence is higher at the initial stage but diminishes significantly in other stage of decision making like searching and evaluation stage and is increase slightly in the final decision making stage. Gulla and Purohit (2012) the stated in their research that advertisement in TV have significant impact on attitude of the teenagers towards the TV commercials. The

authors found that entertainment, credibility, likability and informativeness factors associated with the advertisement play important role in building positive attitude about a product among the teenagers. Alia and Batra (2011) they said that children have more impact on the buying decision while buying the product which are children specific like- lays, chockate, toys and shoes as compared to the other products in the household consumptions. It was also observed that demographic factors like age, income, gender also impact on parent's product selection. Pandey and Singh, (2010) the authors said that there is a strong relationship between watching TV and likelihood of advisement. It was also found during the research that 92% of respondents agreed that per day they watch one to two hours TV. Jam, Akhtar and Khan (2010) they analyzed the impact of the marketing activities on children and found that advertisement do not create negative impact on children memory and buying behavior. Priya, Baisya and Sharma, (2009), the demand of the product is largely influenced by the children's attitudes towards the particular advertisements. Guneri, et al. (2009) the children in family decision is limited to the products which are of direct use to children in Turkey. Children's are more influential at initial stage of buying i.e. need recognition. Fan and Li, (2009), the authors after their finding concluded their research that television commercial is one of the main source of information of information among children for new products. It was also observed during the research that trust of interpersonal information source especially in their parent's perceived to be the most credible information source among children. Agrawal, Tripathi and Aditya, (2008), the TV advertisement is most preferred source of information among children .but online advertisement have also created buzz. Panwar and Agnihotri, (2006), children ability to decode the advertisement message is influenced by their abilities at the different stages of cognitive decision making process but also their social and personal environment, Shoham and Dalakas, (2006) the adolescents in Israel use rational tactics in decision more often against emotional tactics. Grant and Stephen, (2005), the key factors which influence the buying behavior of the children's are parents and peer group approval. In case of fashion items it is strongly influence by brand name and its associations. . Darian, (1998) it is recommended that while designing the retailing strategies for merchandise they should train the sales force and in store promotion keeping in mind the need of both parents and children's

### **Objectives of the study:**

- 1) To study the nature of parent-child interaction in the purchase of selected products.
- 2) To study the influence of various elements of advertisement which appeal children the most in the construct making process?
- 3) To study the influence of family patterns on purchase decision suggested by the children in the family.

## Research Methodology

For the present study, descriptive research was used and data has been collected from primary as well as secondary resource. The target population for the present study was the parents having at least one child of minimum 8 years and maximum 16 years. For this purpose structured questionnaire was personally administered through a group of research assistants who personally interviewed the parents and children respectively. The sample consisted of 250 children in this study was random using convenience sampling technique. Similarly, the research assistants were also selected. The target families had at least one child above the age of 8, in their respective hometowns. Out of 250 questionnaires, 104 were discarded due to inappropriate answers, 146 usable ones were selected for further study and analysis. The sample represents a broad diversity of socio-economic status of families. Approximately 30% of the respondents belonged to low-income class and 20% were in the upper class (this categorization is a subjective judgment based on the annual average income of a household); 35% were females and 65% were males. Almost 19% of the respondents were in the age group of 35 to 40, 35% were in between 40 to 45, 28% were in the age group of 45 to 50 and 19% of respondents were above 50 years of age. In the sample, 125 families had less than 3 children and 21 families had more than three. Of the children, 52% were males and 48% females. Most of the respondents were from Shimla, the capital of Himachal Pradesh, and Chandigarh. The demographics cited above indicate reasonable representation of the North Indian population. Further, the SPSS 23 and Microsoft office excel have been used for data analysis.

## Analysis of Data

**Objective 1:** To study the nature of parent-child interaction during the purchase of selected product categories.

H<sub>0</sub>: There is no interaction between parent and child during the purchase of selected product categories.

H<sub>1</sub>: There is significant interaction between parent and child during the purchase of selected product categories.

Responses	Children Age				Total
	8 to 10	10 to 12	12 to 14	14 to 16	
Always	1	12	13	25	51
Sometimes	4	17	19	29	69
Never	21	3	2	0	26
<b>Total</b>	<b>26</b>	<b>32</b>	<b>34</b>	<b>54</b>	<b>146</b>

$$df = 6 \quad \chi^2 = 87.673 \quad P < .05 \quad \text{Significant}$$

**Analysis:** Chi square test is used to find out the result of first objective. Chi square test revealed the significant association between two variables which are the age of child and their opinion consideration for purchasing goods for family consumption. The chi square test was carried at 95% confidence level (equivalent to 100-95 divided by 100 or 0.05 level of significance). From the chi square test output table we depict that in a chi square test, for a 95% confidence level is less than 0.1, and then it signifies that there is a significant relationship between the selected variables. Here out of 146 respondents 51 respondents said that their parents always consider their opinion during making purchase decision, 69 responded that their parents consider their opinion sometimes whereas 26 denied that their parents do not consider their opinion while making any purchase decision. So our null hypothesis is rejected and we can say that there is significant interaction between child and parent during the purchase decision of products for family consumption and children of age group 14-16 have high interaction in the purchase decision of selected products for family consumption.

**Objective 2: To study the influence of various elements of advertisement which appeals the children most during the construct making process?**

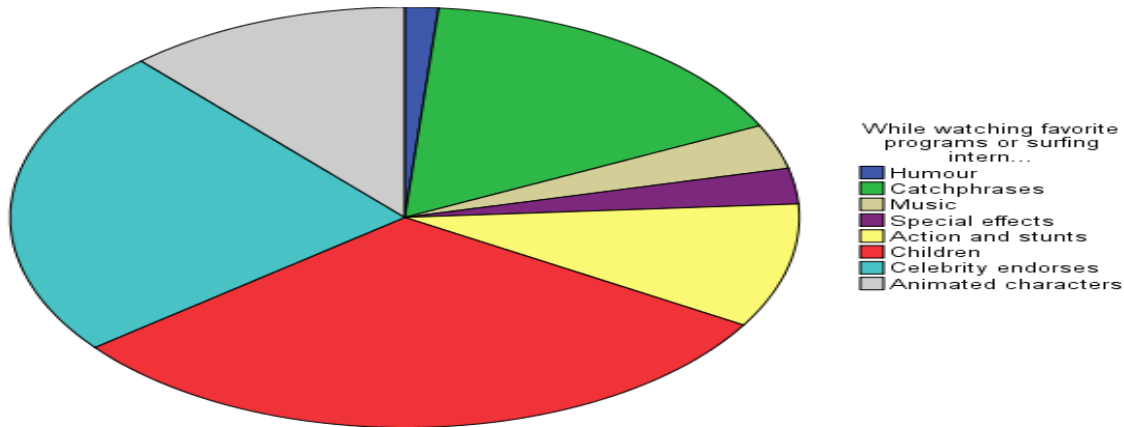
H<sub>0</sub>: There is no influence of various elements of advertisement which appeals the children most during the construct making process.

H<sub>1</sub>: There is significant influence of various elements of advertisement which appeals the children most during the construct making process.

Advertisement elements	Children Age				Total
	8 to 10	10 to 12	12 to 14	14 to 16	
Humor	0	1	1	0	9
Catchphrases	2	3	10	9	24
Music	0	1	3	1	5
Special Effects	0	3	1	0	4
Action & Stunts	0	5	1	8	14
Children	22	12	5	6	45
Celebrity Endorses	2	2	11	20	35
Animated Characters	0	5	2	10	17
<b>Total</b>	<b>26</b>	<b>32</b>	<b>34</b>	<b>54</b>	<b>146</b>

df = 21  $\chi^2 = 79.505$  P < .05 Significant

While watching favorite programs or surfing internet which element of advertisement appeals them to purchase the same product



**Analysis:** For the above objective, chi square and cross tabs were used to know the influence of various elements of advertisements which appeals the children during the purchase making process and helps them in construct making process. With the help of chi square and cross tabs we are able to conclude that there is significant influence of various elements of advertisements which appeals the children most during the construct making process of purchase decision. So, the null hypothesis is rejected and the alternate hypothesis for this objective is accepted. From the frequency table, it can be concluded that “children” as element in the advertisements has highest influence in the age group of 8 to 10 years as well as in overall age groups followed by celebrity endorses and catchphrases are responsible for construct making process. From chi square it can be concluded that there is significant association between element of advertisement which appeals the children and they insist their parents to buy the same product.

**Objective 3: To study the influence of family patterns on purchase decision suggested by the children in the family.**

H<sub>0</sub>: There is more influence of children suggestions on purchase decision in nuclear families as compared to children suggestions on the purchase decision in joint families.

H<sub>1</sub>: There is no statistical association of children suggestions on the purchase decision in nuclear families as compared to children suggestions on the purchase decision in joint families.

Responses	Family Type		Total
	Joint	Nuclear	
Strongly	0	25	25
Agree	4	55	59
Do not Agree	3	26	29
Rejects	6	27	33
<b>Total</b>	<b>13</b>	<b>133</b>	<b>146</b>

$$df = 3 \quad \chi^2 = 6.348 \quad P > .05 \quad NS$$

**Analysis:** With the help of chi square, mean and standard deviation null hypothesis is accepted and the alternate hypothesis is rejected. From the above tables it can be concluded that children in nuclear families have their say in purchase decisions as compared to joint families. Nuclear families are more influenced by children during purchase decision making process as compared to the children in joint families.

## Result and Discussion

In relation to previous studies conducted by various researchers in this field in various parts of world the children of North India also influences the purchase decisions of their parents directly or indirectly. Further, the present study also supports that advertisement plays crucial role in the construct making process of the children in the selected product categories. Finally the family patterns also influences the purchase decisions of the family and children plays more role in the nuclear families as compared to joint families. In case of element of advertisement appeals the “children” as element has highest influence on the parents and the children insisted to buy the same product in which “children” are used as element of expression. We started with the aim to find out that is there any influence of children on purchasing decisions of selected product categories in the family or not. Our findings provided astonishing insights for future researchers and marketing managers. We ended up with the findings that there is an important role of children in purchasing decision of selected product categories in family, and they influence the purchasing decision directly or indirectly. There are some factors which influence the decisions of children while selecting any products and most important factor that came out is the advisement. So we can conclude that advertisement have lot of influence on the children because it is one of the most important factor which influences the decision of children while selecting any products as well as it is one of the powerful media source through which children are getting more information regarding products and they usually consider TV advertisement as an informative source. What we believe this study has a great importance for marketers involved in positioning and advertisement strategies and will definitely add value in marketing



literature regarding impact of marketing practices on society especially on children because now days children are frequently taking purchase decision rather than parents.

### Scope for further research

From the findings of the above study it can be recommended that the marketer should pay attention towards the children because in the present scenario role of children are increasing and parents also give priority to their suggestions and decisions of purchase directly or indirectly. As the dual career and nuclear family pattern is increasing where the husband and wife both are working, sometimes do not find time for shopping so they give this responsibility to their children. In that case the role of kids automatically goes increase. Companies should focus on children as an “element” for their advertisement so that the message reaches to the right person than it will give benefit to the company. The marketer should also pay attention towards the packaging of products because children are easily influenced by packaging of products

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