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## INCREASING ROLE OF CHILDREN IN THE PURCHASE DECISIONS OF FAMILY

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### ABSTRACT

*A tremendous change can be marked over the years in the power of kids in influencing the purchase decisions. Unlike previous generations, the current scenario reveals the importance of children in decisions related to purchase of family groceries, toys, holiday tours, cars etc. Thus now the children are not limited to make choices in toys and sweets but also on goods and services positioned for adults. With the increased exposure to websites, media channels; today's children are much learned, informed and aware of the current market practices. They even at times provide adequate guidance and lead their parents and grandparents for making appropriate selections amongst the competitive brands. Companies have discovered that it is often more effective to target a child while promoting a product than to try to convince a parent to buy their products. Children generally acts on impulses and are more hedonist, due to which lots of marketers specially the fast food industry gives a dominant consideration to this segment.*

*The present research is conceptual in nature and focuses on the perceived influence of children resulting from the communication pattern adopted by parents. The paper attempts to have insight on the growing magnitude of children in the decision roles of family.*

**Key Words-** *Children, Family, Influence, Purchase decision, Role.*

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## INTRODUCTION

In today`s modern life purchase decisions are becoming more collaborative. Kids are growing more influential & their contribution in decision making is gaining weight. In the past, family purchase decision making was considered to be mainly spousal influence & role of children were often overlooked. However trend is now changing. A number of studies & researches concluded that for a wide array of products the children importance cannot be ignored. Due to proliferation of media & growing awareness among children they are no more passive receivers of the commands. Depending on product type children sometimes play roles of active initiators, sometimes they become buyer & in some cases act as influencers. They are emerging as the most powerful influencers in the purchasing decisions. Ward (1974) gave one of the first definitions of Consumer Socialization of children as “processes by which young people acquire skills, knowledge and attitudes relevant to their functioning as consumers in the market place”

In a study conducted by **Chundawat D.S., Gupta Seema (2003)** it was attempted to identify who has & make input for family buying decisions. It was found that for items such as television, demand was initiated & influenced by children while for items like sewing machine, washing machine, mixer grinder, and refrigerator it was mostly females who took & influence purchasing. **Gram Malene (2007)** in his study focus on how much impact does children has on purchase making decisions. As per results majority of parents carried perception that children have moderate impact while according to children they assume they bear high level of impact on purchases making decisions.

From marketing perspective children are being considered as important target market segment. The quantum of impact exerted by children varies from product to product. Market on basis of children impact can be classified as:

- **Primary:** This type of market represents the products that are specifically meant for children & they are the primary buyer. In such case either the children themselves do the purchasing or make choices before their parents could purchase.
- **Influencer:** Here though the children are not the ultimate or only user still they influence the decisions of the family by voicing their choices aloud.
- **Future Segment:** Here decision making undergoes changes merely by the presence of children. This type of `passive dictation` can be witnessed for variety of household items

to daily consumables. The purchase decision of parents tends to get affected by the prior knowledge or views of their children.

The factors which influence children on buying decisions can be classified in two major categories:

- **Cognitive Factors:** These factors are basically age related
- **Environmental Factors:** These factors includes agents like media, family, peers etc

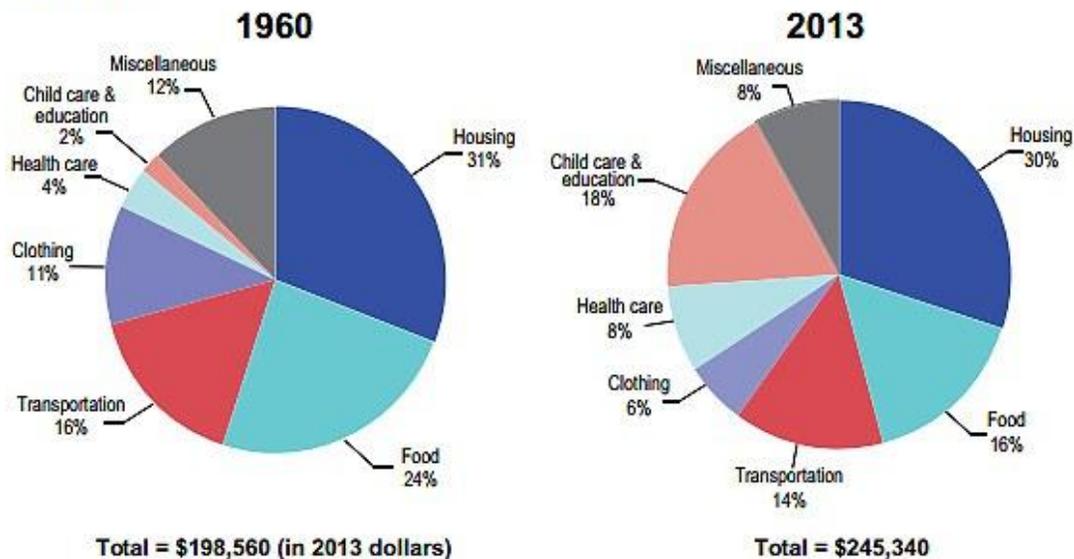
Some of these factors likely to affect children influence in decision making are:

- **Parental Characteristics:** Parental style to a great extent affects child influence in decision making. According to Berey and Pollay (1968) mothers' child-centeredness is inversely related to purchasing the child's favorite cereal. One reason for this may be that child-centered mothers are more concerned with the child's nutrition than are other mothers. Roberts et al. (1981) found that children had less influence in decisions when mothers were more traditional and conservative.
- **Child's Age:** Age factor is an important variable in influencing child impact. Children of the age group 2 to 7 years are found to be self centered, children of age 7-11 years are somewhat logical in decision making & children above 11 years are one who employ storage & retrieval strategies. On the basis of various studies conducted (Atkin 1978; Darley and Lim 1986; Jenkins 1979; Moschis and Mitchell 1986; Nelson 1978; Ward and Wackman 1972) it can be said that older children's influencing power is significantly more as compared to that of younger ones. It may be perhaps due to the cognitive ability. The older children awareness, perception & reasoning is significantly better than those of younger ones.
- **Family Characteristics:** Child's role in purchase decisions of the family also depends on demographic characteristics of the family. Many studies have been conducted but the result concluded is mixed one. According to Atkin (1978) and Ward and Wackman (1972) there is no statistically significant effect for socio-economic status on children's influence attempts but as per Jenkins (1979) children's influence increase with family income & higher socio-economic status (Moschis and Mitchell 1986)
- **Family Size:** This demographic variable is likely to affect the impact of children influence in decision making. Jenkins (1979) found children's influence to increase with

family size but as per Ward and Wackman (1972) there is no significant effect for number of children on children's influence attempts.

- **Sex Role Orientation:** The gender of the child influences the role of child in decision making. For example boys are more influencer in case of purchase of electronic items, video games , CDs etc while girls are more influencer in buying bakery items, clothing etc. Studies by **Cowan & Avants, Maccoby** indicated that boys and girls do not vary in their number of influence efforts, but do vary in their influence style. As per **Kaur & Singh** male adolescents showed greater tendency towards store choice, consumer knowledge, more materialistic values, while as female adolescents showed greater tendency towards information search and cognitive differentiation. According to **Lee & Collins** fathers were more inclined towards sons and felt more comfortable with sons during shopping than daughters. Daughters support their mothers in purchase decisions as mothers felt comfortable discussing several purchases with their daughters.
- **Media:** Another identified socialization agent is mass media. According to Bakir, Rose and Shoham, 2005 family plays a vital role in controlling the exposure of children to media. Media more specifically television influence children perception to a great extent.
- **Socio Economic Status:** Socio economic status of a family is another significant factor that affects the influence of family on children. Teenagers from higher socio economic status were found to mingle faster. ( Moschis and Churchill, 1978) Due to their fast socialization their market knowledge increases and this in turn allows them to influence their parents. The influence of children on family purchase decisions from higher socio economic families has been found to be more intensive than the influence of children from lower socio economic family (Haynes et al, 1993, Tansijah et al, 1991)

Figure. Expenditures on a child from birth through age 17, total expenses and budgetary component shares, 1960 versus 2013<sup>1</sup>



<sup>1</sup>U.S. average for a child in middle-income, husband-wife families.

Source: <http://www.dailymail.co.uk>

### Indian Scenario

Indian economy has witnessed social, economic & cultural changes in the last few decades. As per Laveesh Bhandari (2009) the disposable income per person has rise by 6.57% between 1993-94 & 2003-04. According to McKinsey Global Institute, 2007 compounded annual growth rate of 5.3% is forecasted for average household dispensable income between 2005 & 2025. Further as per 2010 census 30% of Indian population constitutes of children below 15 yrs of age. Indian population is predicted to constitute large number of young people. As Per McKinsey Global Institute, 2007 by 2025 India will become 5<sup>th</sup> largest nation in consumer market. Children get socialized in the role of potential buyer from an early age. Studies & researches on role of consumers in making purchasing decisions though have started in 1960s but were acknowledged in 1970s in the marketing world.

### Legal Aspects

Advertisers are using young generation as a tool to accomplish their goal. Advertisement or promotions are done with so much of charm that resistance becomes very difficult. Many European countries have restricted media for targeting kids. However in India till date no such step has been taken. Marketing is done in such a way that children starts thinking that their opinion shall be considered in each & every purchase decision & if not done so they feel they are

not cared by or felt neglected. Parents now started feeling that the government shall make some regulations in this respect so that younger can be saved from falling in the pits made by the advertisers.

### **Socialization of Children**

Consumer socialization as per Ward (1974): “It is the process by which young people acquire skills, knowledge and attitude relevant to their functioning in the marketplace” The development of socialization begins from the stage of infants when they accompany their parents in shopping. By the age of 3 to 4 yrs they start demanding specific products. Socialization of kids to a great extent is a parental phenomenon. According to Darling and Steinberg,(1993) Parental style is a “constellation of attitudes toward the child that are communicated to the child and that, taken together, create an emotional climate in which the parent’s behaviors are expressed”. Family which is a primary decision making unit in a society plays in vital in the process where children becomes consumers.

As per Ekstrom, Tansuhaj, and Foxman (1987) children contribute to decision outcome through two methods—one by influencing their parents by straight expression of priorities and secondly by conveying new knowledge to the parents and influencing purchases. According to their study children whose family communication prototype is featured by a high concept-orientation will influence (socialize) their parents more as compared to children whose family communication prototype is featured by a high socio-orientation. Other than family mass media is another important factor that influences consumer socialization. Media help children in knowing & using new brands & products. Media has potential physiological impact on the mind of individuals specially children for example when ever the football world cup match is on air kids get equally mad and can be observed playing the game in every nook and corner, in spite of the low popularity of this game in India. Gaumer and Shah (2004) compared the TV watching practice of children in Japan and USA. Due to more TV viewership, understandability of advertisement substance was higher among American children. They concluded that American kids are suspicious and unconvinced purveyors of advertising and are more sophisticated when it comes to analyzing TV advertisements.

<b>CONSUMER SOCIALIZATION STAGES</b>			
Characteristics	Perceptual stage, 3–7 years	Analytical stage, 7–11 years	Reflective stage, 11–16 yrs
Knowledge structures			
Orientation	Concrete	Abstract	Abstract
Focus	Perceptual features	Functional/Underlying features	Functional/Underlying features
Complexity	Unidimensional Simple	Two or more dimensions Contingent( if- then)	Multidimensional Contingent(if-then)
Perspective	Egocentric(own perspective)	Dual perspectives (own 1+others)	Dual perspectives in social context
Decision making & influence			
Strategies			
Orientation	Expedient	Thoughtful	Strategic
Focus	Perceptual features Salient features	Functional/underlying features Relevant features	Functional/underlying features Relevant features
Complexity	Single attributes Limited repertoire of strategies	Two or more attributes Expanded repertoire of strategies	Multiple attributes Complete repertoire of strategies
Adaptivity	Emerging	Moderate	Fully developed
Perspective	Egocentric	Dual perspectives	Dual perspectives in social context

**Source: Consumer Socialization of Children: A Retrospective Look at Twenty-Five Years of Research By Deborah Eoedder John (Reproduced)**

## CONCLUSION

Marketing or promotion is an evitable part of the commercial world where we live in. It is next to impossible to completely shield children from promotional messages. However Indian parents are comparatively luckier than their counter parts in other countries because due to our culture & traditions children still give ears to what their parents speak. Children's authority in family buying process has been accepted as an area in immense need of research. Though the purchasing power of children in India is low as compared to Western countries still they are the apple of the eyes of Indian family systems. Children who are future consumers are enormous powerful medium who apart from influencing their parents purchasing decision have caliber to contaminate the advertisement results. The teens and pre-teens sector is influencing consumption pattern and compelling promoters to design new categories, product lines and service offerings.

## LITERATURE REVIEW

- Albert Caruana, Rosella Vassallo, (2003) "Children's perception of their influence over purchases: the role of parental communication patterns", *Journal of Consumer Marketing*, Vol. 20 Iss: 1, pp.55 – 66, the study is of the view that socialisation by children is seen as taking place within a socio-cultural environment where family patterns of communication play a pivotal role. The socio- and concept-orientation are two predominant parental communication styles that are likely to affect the perceived influence that children believe they hold. This study focuses on the perceived influence of children resulting from the communication pattern adopted by parents. Research is conducted among a dyad consisting of parent and child that visit a recreational site. Results are reported, conclusions are drawn and recommendations for future research are made.
- F. Bahar Isin, Sanem Alkibay, (2011) "Influence of children on purchasing decisions of well-to-do families", *Young Consumers*, Vol. 12 Iss: 1, pp.39 – 52, aims to investigate the influence of preschool children at ages 5 to 6 on purchasing decisions among well-to-do families and its relation with such factors as number of children, product related criteria (low risk, high risk, used by whole family, used by children) and mother's employment status. Most parents acknowledge that their children do influence their purchasing decisions. Findings also revealed that mother's employment status, child's

gender and the number of children in the family are the determining factors for the children's influence on the decision of the family to purchase certain product types.

- John Morley, (1968) "Marketing to children ", European Journal of Marketing, Vol. 2 Iss: 2, pp.139 – 146, Suggests that children are now an important consumer group considering the climate of ever-increasing child-orientation. Describes the available information in child consumption, purchasing, incomes and influences, and reviews the marketing implications in terms of strategy, research and advertising.
- Sarah J.A. Harper, Pearl Jane Dewar, Barbara A. Diack, (2003) "The purchase of children's clothing – who has the upper hand?", Journal of Fashion Marketing and Management: An International Journal, Vol. 7 Iss: 2, pp.196 – 206, This study investigated retail influence on the decision making of both parent and child during the purchase of children's casual-wear clothing. Principally, it analyses the impact of influential agents on the buying outcome by examining the parent-child relationship and the retailer influence in relation to need and motivations. By means of 100 parent and child questionnaires and one retail interview, it was concluded that parents were the most influential in deciding which clothes were bought, but children were found to exert a strong influence. The importance of branding to eight to ten year olds supports previous research in that it is closely correlated to peer pressure and the need to be accepted. Retailers were found to influence decision making mainly by the use of merchandise and branding to attract both children and parents. Recommendations for further research are discussed.

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