Chapter 1

Introduction
Introduction

Consumer behaviour is defined as a field of study, focusing on consumer activities. Historically, the study of consumer behaviour focused on buyer behaviour or “why people buy”. More recently researchers and practitioners have focused on, “why and how they buy”\(^1\). Consumer behaviour is also defined as the behaviour that consumers display in searching for purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs\(^2\). Children constitute three different markets: the primary, the influencer, and the future market. According to McNeal\(^3\), children qualify themselves as an important primary market, future market and finally, children are an important market of influencers. Certain products are children’s products for which they are the primary users/buyers. They sometimes either purchase a product themselves or select the product before it is purchased by the parents. There are some products where children wield direct influence or pester power by overtly specifying their preferences and voicing them aloud. Parents’ buying patterns are affected by prior knowledge of the tastes and preferences of their children. This ‘passive dictation’ of choice is prevalent for a wide


variety of daily consumed product items as well as products for household consumption. Also, decision making in household is seen to change with the mere presence of children. Filiatrault and Ritchie\(^4\) noted that the nature of joint decisions in couple decision making units and family decision making units is seen to be different. 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 behaviour in the marketplace, they gradually acquire relevant consumer skills from their parents.

Children today are becoming an influential power in marketing. McNeal and Yeh\(^5\) demonstrate that children have great influence on their parents’ spending. McNeal and Ji\(^6\) point out that children have substantial input into their parents’ decision making, related to weekend activities inside and outside home. Children have been reported to wield a lot of influence in purchase decisions for children products such as toys\(^7\). In the opinion of Del Vecchio\(^8\), toys help children to have fun and to transform themselves to creators, masters, emulators, nurturers, friends, collectors, story lovers, and


\(^7\) Burns A.C and M.C.Harrison (1985). Children’s self-perceptions of their participation in Retail store Patronage Decisions, Advances in Consumer Research , 12

\(^8\) Del Vecchio, G.(2003), The Blockbuster Toy: How to Invent the Next Big Thing, Pelican Publishing Company, Gretna, LA.
experience seekers. Toys play a big part in a child’s life. Babies need toys which are safe and stimulating. Bright, contrasting colours, unusual textures and interesting sounds are good things to look for. Toys that make noise or light up in response to the baby’s actions provide an opportunity to learn about cause and effect. Toddler toys should allow the child to develop motor skills or learn about shapes, colours, animals and other basic things. Those are incorporating both motor skills and intellectual development. Social skills are also beginning to develop at this stage. The items that toddlers share with other children help to encourage social skills which will influence proper emotional development in the child’s life. Preschool toys also support cognitive and physical development of the children. Educational toys also help to develop the social skills of the children. Children while normally playing with other kids, they are learning the value of sharing their possessions. They also learn the value of communicating with their playmates. This can teach them the feelings of others. Puzzles teach younger children about letters, numbers, colours and shapes. For a little older child they help with memory skills, mathematical and geographical ability, and sharpen analytical skills and problem solving skills. Toys are an essential part of children’s living environment. There are new toys suitable for a one-day-old child to 12-year-old child in the market. Toys are also used by parents to encourage children to eat and display appropriate behaviours at mealtime. Researchers have recommended the use of toys to provide contingencies to
prevent food refusal or to eliminate mealtime problem behaviours\(^9\). The present study is to evaluate the consumer behaviour in toys market. Consumer behaviour is defined as *activities people undertake when obtaining, consuming and disposing of products and services.* Obtaining refers to the activities leading up to and including the purchase or receipt of the product. Some of these activities include searching for information regarding the product features and choices, evaluating alternative products or brands, and purchasing\(^{10}\). The study helps to predict consumer behaviour in the toys market; and it is concerned not only with what customers buy but also with why, when, where, how and how often they buy it. In order to meet competition at the market place, the marketing managers are using various methods to add value to the final product which will reach the hands of the consumers. In the competitive toys market; the marketers make careful study of the consumer behaviour and formulate strategic planning and decisions for maximizing the sales.

### 1.1 Statement of the Problem

People are virtually unaware of the “quality” toys and its usage. They buy toys randomly, and choose toys which are available in the market. But cheap toys are flooding in the domestic market. Large number of toys, mostly made of PVC, are imported cheaper and also made in the informal sector. Toy


\(^{10}\) Roger D. Blackwell , Paul W. Miniard, James F. Engel (2001). *ibid.*
industry is worth 1.5 billion dollars in the unorganized sector; and soft toys made of PVC account for 35 per cent of India’s total production. In a study conducted in the unorganized sector of toys, Lead and Cadmium were found in the PVC toys\textsuperscript{11}. THE WEEK randomly picked various toys made of plastic, wood and metal both branded and unbranded from the streets and toy stores of Bangalore, and tested them at the National Referral Centre for Lead Poisoning; and the result was that 95 percent of the toys contained lead at much higher than the permissible level of 0.06g per 100g of dry paint. The toys included trains, balls, spin tops, stacker’s abacus, cars, plastic animals and other common playmates. Crayons of various brands that claim to be non-toxic contain up to 0.26 per cent lead\textsuperscript{12}. Lead can easily enter a child’s body. All that requires is hand-to-mouth contact, which is common among children from snacking to thumb sucking. Lead, which is absorbed by the body, causes anemia, low IQ, retarded mental growth, kidney malfunction and high blood pressure. It also harms the nervous and the reproductive systems. Many parents know little about toy companies, where toys are made or what they are made of, or about the industry’s social responsibility initiatives. The parents tend to form closer relationships with the toy retailers rather than specific manufacture’s brands. While choosing toys, value for money and the child’s influence were important triggers for purchase decisions. The buyers are unaware of the creative & non toxic type toys and they also consider generally inexpensive toys. Toys can be

\textsuperscript{11} Ravi Agarwal, Director of Toxics Link, \textit{The Hindu}, Friday October 6, 2006.

\textsuperscript{12} Maithreyi, M.R, Poisonous playmates, \textit{The week}, Feb 8, 2009, P. 25
divided into traditional (such as dolls, plush, action figures, building bricks, vehicles, puzzles, etc.) and video games (such as video games, computer games, internet games, etc.). The sales growth of traditional toys has been stagnant while sales of video games have been growing steadily\(^{13}\). Toy manufacturing rivals have been competing against each other for innovation. Innovation is critical because most of the new toys fail in the market\(^{14}\). Furthermore, creativity and innovative ideas of toy designers are challenged by the falling retail price. Unfortunately, falling price has forced many toy manufacturers to produce more retro toys (old toys or toys with old ideas); because they have an in-built brand awareness and they require lower marketing investment than the completely new concepts. Another problem in the toys market is changing consumer preferences; high impulse purchase, concentrated seasonality and intensifying price-competition are among the main factors that contribute to high uncertainty in consumer demand. Toys market has revealed that people seem to be unaware of the growth, creativity and development of kids towards the usage of toys; and the consumer decision made in the family about the toy purchase is poor. Present study is to evaluate the different stages of decision making process, usage of toys by the children and attitude of upper primary school children in the toys market of Kerala. It helps to identify the gap and weakness in the toys market of Kerala.

1.2 Significance of the study

Children are the vanguards and supreme powers of the world of tomorrow. Therefore, a sound knowledge of the needs of children is essential for guiding them properly. The term “need” is commonly used in circumstances in which there is an object or organism with certain requirements, and an environment or a society which can contribute to the fulfillment of these requirements\textsuperscript{15}. Need is also referred to as a condition of lack or deficiency in the organism of an individual\textsuperscript{16}. According to psychologists, toys are not just playthings but are supposed to aid mental growth and development and fulfillment of need of children. The toy purchases are unlimited due to the smaller family size and the growing incidence of both parents working in various jobs. So, analysis of the consumer behaviour in toys market is significant in the present environment. Consumer research is the methodology for identifying the needs and various stages of the consumption process: before, during and after the purchase. The process of consumer decision making is viewed as three distinct but interlocking stages which are input stage, the process stage and the output stage. The input stages influence the consumer recognition of the need of a product and consist of two major sources of information: the firm’s marketing efforts (the product itself, its price, its promotion and where it is


sold) and the external sociological influences on the consumer (family, friends, neighbours, other informal and non-commercial sources. The family, friends and neighbors and society's existing code of behaviour are all inputs that are likely to affect what consumers purchase and how they use what they buy. In the process stage of consumer decision making, the psychological factors inherent in each individual make pre-purchase search for information and evaluation of alternatives. In the output stage consumer decides the purchase and makes post-purchase evaluation. Consumer decision-making model consists of two closely related post-decision activities which are purchase behaviour and post-purchase evaluation. Children’s toys serve many purposes, including support for learning through play, reinforcement to modify behaviour and engaging in play with others for fun. Toys are playing a significant role in the development of children and the study is evaluating the role of consumer decision making stages in toys market of Kerala, and examines the usage of toys by the children and attitude of upper primary school children in the toys market of Kerala. Studying consumer behaviour enables marketing researchers to realise more about the consumer decision making process, and it helps the marketers to design marketing strategies and promotional messages that will influence consumers more effectively. The importance of consumer behaviour made marketers to think of a separate branch in marketing research - Consumer research, to deal exclusively with consumer related issues in toys market.
1.3 Scope of the study

The consumer behaviour has very wide scope to study how the consumers take a decision to purchase a toy. The toy industry is internationalised today with the introduction of new materials and technologies. Toy companies have put lots of effort and money to create newer and newer toys every year. A toy may mean different to children of different age groups, and hence exposure pathways also differ accordingly. The present study is an attempt to sketch the behavioural aspects of parents and children and different stages of the consumer decision making process in the toys market of Kerala. Hence, the present study offers ample scope for generating new dimensions of information catering to the requirements of strategic decision-making in the toys market.

1.4 Objectives of the study

Consumer behaviour focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption related items. That includes what they buy, why they buy it, when they buy it, where they buy it, how often they buy it, how often they use it, how they evaluate it after the purchase and the impact of such evaluations on future purchases and how they dispose it\(^\text{17}\). The study of consumer behaviour on toys market is to reveal the consumer decision making process of the

\(^{17}\) Schiffman and Kanuk, (2004), *Ibid. P.8*
parents, involvement of the family and the children in the purchases and usage of toys. The specific objectives of the study are given below:

1. To determine the factors affecting the buying behaviour of parents in the toys market.
2. To find out the usage of various toys by the children.
3. To determine the attitude of upper primary school children in the toys market.

1.5 **Hypotheses of the study**

1. There is no significant difference in the identification of new toys among the various income groups of parents, size of family and age groups of children.
2. There is no significant difference in the persuading factors among the various age groups and income groups of parents.
3. There is no significant difference in the alternative evaluation of toys among the socio-demographic variables of parents like income, occupation and family size.
4. There is no significant influence of toy attributes and income of parents on various toy purchases.
5. There is no significant difference between the various toy purchases by the parents and gender of children.
6. There is no significant relationship between the purchase habit and education of parents in the toy purchases.

7. There is no significant relationship between the retail outlet and purchase habit of parents in the toy purchases.

8. There is no significant difference between the determination of quality after purchase and socio-demographic variables of parents like education and family size.

9. There is no significant difference in the usage of various toys among the different age groups of children.

10. There is no significant difference in the spending nature, persuading factors and usage of toys among the gender of upper primary school children.

1.6 Research methodology

The study is confined to the examination of the consumer decision making process, usage of toys and attitude of upper primary school children in toys market of Kerala. The research design for the study is of descriptive nature. The primary data is used for the study after the classification and tabulation process.

1.6.1 Pilot testing

The researcher designed the questionnaire and gave to experts for getting their point of view about the questionnaire. After that the
questionnaire was refined by incorporating experts’ suggestions; and a pilot test was conducted to detect weakness in design and effectiveness of the questionnaire. In order to do the pilot test, the researcher used simple random method and selected the parents of 72 children of the English medium school in Ernakulam District belonging to the age group of 3-12 and distributed the questionnaires. Both the English medium School and the district Ernakulam were selected using the lottery method. 10 percent of the children and their parents were selected from each division of the school from L K G to 7th standard. The questionnaire for the upper primary school children were distributed among 31 children belonging to the age group of 10-12.

The validity and reliability of the questions in the questionnaire were checked statistically. During the testing of reliability, some unrelated items were found and omitted from the questionnaire. Factor analysis method was used to test the scaled items of questions and the unrelated variables were removed from the questionnaire.

1.6:2 Sampling design

Children passively generate awareness, interest and the desire towards toys. The buying intentions may be mediated by parents. Thus parental authority holds significance in the purchase decisions. The impressionistic minds of children try to force their parents to buy the
promoted products.\textsuperscript{18} Past studies of children’s consumer socialization have highlighted that children below the age of 12 may be particularly vulnerable as consumers\textsuperscript{19}. The Studies of MC Neal and C.H. Yeh\textsuperscript{20} demonstrate that children have great influence on their parents’ spending. Moreover, parents of the children have an important role to play in protecting them from invasive marketing. The respondents selected for the study are parents of the children in between 3-12 age groups and Upper primary school children in between 10-12. Two phases are used for selecting the samples.

**Phase I**

In the first phase, multi-stage sampling was adopted for designing the sample frame for the study. Parents of the children falling into the age group of 3-12 were selected for the study. The researcher distributed the questionnaire to the parents through schools. Three stages were used for selecting the samples.

Stage I- In the first stage, the State was divided on the basis of geographical location into three regions-Northern, Central and Southern and the sample districts were selected on random basis. The districts Thiruvanathapuram, Kollam, Ernakulam, Thrissur, Kozhikode and Kannur were selected by lottery method.


6 taluks were randomly selected from the 27 taluks of the selected districts. Lottery method was used for selecting the taluks as shown below:

**Table 1.1 Taluks and Villages selected for the study**

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Taluks</th>
<th>Total Villages</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Neyyattukara</td>
<td>29</td>
</tr>
<tr>
<td>2</td>
<td>Kollam</td>
<td>30</td>
</tr>
<tr>
<td>3</td>
<td>Aluva</td>
<td>20</td>
</tr>
<tr>
<td>4</td>
<td>Thrissur</td>
<td>74</td>
</tr>
<tr>
<td>5</td>
<td>Kozhikode</td>
<td>53</td>
</tr>
<tr>
<td>6</td>
<td>Kannur</td>
<td>34</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>240</strong></td>
</tr>
</tbody>
</table>

Source: Primary data

24 villages belonging to rural and urban areas were randomly selected from the taluks. The lottery method was used for the selection.

Stage II- 230 schools were selected from these villages in the Municipal, Corporations and Panchayath areas. 23 schools were selected from the selected villages for the study. Proportional stratified sampling method was used for selecting the samples as shown below:
Table 1.2 Total Schools from the selected areas

<table>
<thead>
<tr>
<th>Schools</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>English medium(N1)</td>
<td>150</td>
</tr>
<tr>
<td>Malayalam medium(N2)</td>
<td>80</td>
</tr>
<tr>
<td>Total</td>
<td>230</td>
</tr>
</tbody>
</table>

Source: Primary data

\[
n/N=\frac{23}{230}=0.1
\]

Therefore, 

\[
n_1= n/N \times N_1=0.1 \times 150=15
\]

\[
n_2= n/N \times N_2=0.1 \times 80=8
\]

15 English medium Schools and 8 Malayalam medium Schools and the children belonging to one division of each standard of the schools were selected for the study as per the lottery method.

Stage III- Total population was 7200 children and their parents selected from the school as per the list. Systematic sampling methods were used for selecting the samples. Every 10\textsuperscript{th} of the child and their parents were selected from the list of total population; and questionnaires were distributed among them. PTA meetings in the schools were also used for collecting the primary data. 720 respondents were selected for the study out of which 462 were from the municipal and corporation areas and the rest 258 from the village areas.
Phase II

The researcher distributed the questionnaire among the 124 upper primary school children of 10-12 age groups (selected in stage III) and collected the data. It helped to analyse the attitude of the upper primary school children towards the toy purchases.

1.6.3 Collection of data

Probability sampling method was used in the study for collecting the data. Primary and secondary data were used for the study. The primary data collection instrument was the structured questionnaire, and by sending it to the parents of the children through schools. The close-ended questions like dichotomous, multiple choice and rating or ranking questions were used in the questionnaire-that means, the respondents could choose answers from the questionnaire. Additionally, it makes the interpretation of answers with the analysis and tabulation easier than in the case of unstructured answers. The secondary data used for the study were obtained from internet, business newspapers, periodicals, various books and publications.

1.6.4 Data analysis

The collected primary data has been statistically processed, classified and tabulated using the appropriate methods. The computer software called SPSS (Statistical Package for Social Science) has been used in the study. Two kinds of hypotheses are used in the study which are null and

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21 Rajendra Nargundkar. (2008), Marketing Research, text and cases, Tata Mc Graw-Hill, New Delhi
alternatives. The null hypothesis is used for testing. Parametric tests like t-test, ANOVA and multiple regressions are used for the study which is more powerful as the data are derived from the interval measurements. t-test is used to determine the statistical significance between the mean. ANOVA (Analysis of Variance) is used for testing the means of several populations and Post-hoc comparisons to compare the means whenever the hypothesis is rejected. Scheffe’s test is used for the post-hoc analysis. Cross-tabulation and Chi-square test have been used to know the relationship between the variables (Independent and dependent). Multiple regression is explaining the variation of multiple independent variables in a single dependent variable. Overall significance of the regression model has been tested in terms of the R-square and F-test values. The various scales are used for the study like nominal, ordinal and likert scale. The statistical tools like average, percentage, rank test are also used in the study.

1.6.5 Period of the study

The study covers a period of three years, i.e. 2007-08, 2008-09 and 2009-10. The survey for the study has been conducted during the year 2008-09.

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1.7 Limitations of the study

The main area of focus in the study was consumer decision making process in the toys market; but excluded the toddlers and the disposing of unused toys. The study has included parents of school going children and excluded toddlers and children who have not attended the school. Another limitation of the study is that the involvement of parents in the purchasing of toys is lower than the other household products. Regarding the primary data, the opinion of respondents at the different levels may be biased.

1.8 Chapter Scheme:

Chapter I    - Introduction
Chapter II   - Review of literature
Chapter III  - An overview of toys market and consumer behaviour
Chapter IV   - Analysis & Interpretation of data
Chapter V    - Findings, Suggestions and Conclusion