Chapter 1

The Research Perspective

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1.1 Introduction

Marketing starts with the consumer and ends with the consumer. Satisfaction of the consumer becomes the most important goal of a business enterprise. The key to ensure customer satisfaction lies in understanding the consumer, his likes and dislikes, his expectations and motivations, in short consumer behaviour. Marketers have come to realise that their effectiveness in meeting consumer needs directly influences their profitability. The better they understand the factors underlying consumer behaviour, the better able they are to develop effective marketing strategies to meet consumer needs. Companies that fail to recognise consumer needs are more likely to make costly mistakes. Marketers benefit by understanding how consumers take consumption decisions which enable them to formulate suitable marketing strategies. Individuals significantly vary in terms of incomes, occupations, education, taste, attitude, interests and residences. It would not be possible for the marketer to design an appropriate marketing mix to appeal and influence all the customers. Hence one of the major contributions of consumer behaviour to marketers is the identification of meaningful variables upon which to segment the markets.

Consumer Behaviour is a complex and a multi-dimensional process. To survive in a competitive environment, an organisation must provide target customers more value than is provided by its competitors. Providing superior customer value requires the organisation to do a better job of anticipating and reacting to customer needs than the competitor does.

Consumer behaviour is a dynamic concept. The study of consumer behaviour is important for marketers in response to the question, how do consumers buy and how will this change, if the marketing programme is changed? As Berelson and Steiner¹ have rightly said that, human behaviour itself is so enormously varied, so

delicately complex, so obscurely motivated that many people despair of finding valid generalizations to explain and predict the actions, thoughts and feelings of human beings—despair that is, of the very possibility of constructing a science of human behaviour. Consumer behaviour is thus complex as it changes over a period of time, due to the changes in income, life-cycle and other factors. Multiple environmental factors too influence consumer behaviour out of which some of them are societal, economic, ethical, political, religious, cultural etc. These factors too are dynamic with reference to time, space and causes.

Though consumer behaviour study has always been important, there is a renewed interest in recent years. This is due to the complexities and realities of the marketplace. The crux of the issue lies in the fact that the freedom of consumer choice is relative rather than absolute. The most important determinant is the affluence of consumers and the society in question. The 1990’s have borne witness to dramatic shifts in the marketplace triggered by sharp changes in demography, drastic differences in the lifestyle patterns of the past and present and the radical revolution in communication technology. Time-tested concepts of brand loyalty and mass marketing are being turned on their heads as they fail to gauge the behaviour of new generation of customers.

The Indian market, one of the most promising in the world, is fast evolving. Rising incomes, multiple households, exposure to International lifestyles, continuous media hammering and an upbeat economy are enhancing aspirations and consumption patterns among the Indian consumers. In these fast changing times, it becomes imperative for companies reaching out to the Indian market, to catch the pulse of the Indian consumer. At the risk of stating the obvious, India 2008 is a very different country from what it was in 1994. There have been several changes that have been taking place in the last two decades, the impact of which is being partially felt today. The full impact of these changes will unfold in coming years, and at the same time, many marketing and branding paradigms would have had to be rewritten.
The most important change in India has been the demographic one. India is a nation with very young population. Almost half of India\(^2\) was born after 1982 - an incredible statistics when we compare the 500 plus million Indians who are below 22 years of age. India is still adding about 25 million newly born each year, ensuring that the median age in India remains in mid-twenties for the next 15-20 years. Most of the ‘new’ customers have no recall or affinity to brands or companies that have existed for decades or centuries. This young consumer’s mind space is currently a blank canvass and almost every company has a chance to make an impression on this canvass. They are the new ICE consumers-meaning young minds with maximum dose of information, communication and entertainment. The dominant mental model\(^3\) of the ICE age consumer is driven by the fact that he uses internet, cell-phone and is entertainment oriented. But this bracket is just the tip of an iceberg, which is growing silently, shaping a new India. The main drivers of change are television and telephone. The impact of television is widespread among women, children and lower income groups. Television has a deep impact on a person’s view about the world and also helps in shaping his or her identity.

Since the consumer class stratification by National Council of Applied Economic research (NCAER), consumer India has moved to newer dimensions. The latest brand of consumers is the new urban family (NUF). The roles of family members-father, mother and children-are changing in buying products and services. Yesterday’s deciders and buyers are becoming today’s users, yesterdays users are becoming today’s influencers or deciders, yesterday’s initiator is becoming today’s influencer. Therefore today’s children in the age group of 8 to 14 years are growing in importance as consumers due to their rapidly growing influence on adult consumption. They have strong views about what their parents should buy for them and even what they would buy for themselves. Everything from

\(^2\)Singhal Arvind, Chairman, KSA Technopak, India, 2008.
groceries, eatables to computers and cars have to withstand the scrutiny of the suspicious but knowledgeable N-Geners (New Generation). They are instrumental in changing the marketing jargons and the old marketing strategies. Today’s generation is smart, net savvy, alert, aware of the options available and also aware of their parents financial position. They cannot be cheated or taken for a royal ride. The highlight of this generation is that they are aware that they are smart and confident and make no bones about pretending to be ignorant. This makes them class apart.

Children today are innocent yet sophisticated; they value price-quality combination, are aware of the choices available and more importantly know that everything costs a lot of money. Once they know this they try and take advantage of this situation. Children are very good judges of their parent’s behaviour and financial capacity and very well know to manipulate the same. The following table describes the growth and sophistication of a child as a consumer from the age of 3 years to 16 years and their views on various aspects of marketing.
## Table 1.1
### Developmental Growth of Sequence of Children as Consumers

<table>
<thead>
<tr>
<th></th>
<th>Perceptual Stage</th>
<th>Analytical Stage</th>
<th>Reflective Stage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3-7 Yrs.</td>
<td>7-11 Yrs.</td>
<td>11-16 Yrs.</td>
</tr>
<tr>
<td><strong>Advertising Knowledge</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Can distinguish ads from programmes on perceptual features</td>
<td>Can distinguish ads from programmes on persuasive intent</td>
<td>Understand persuasive intent and ad tactics</td>
</tr>
<tr>
<td></td>
<td>Believe ads are truth full</td>
<td>Believe ads lie and contain bias</td>
<td>Believe ads lie</td>
</tr>
<tr>
<td></td>
<td>Positive attitude towards ads</td>
<td>Negative attitude towards ads</td>
<td>Sceptical attitude towards ad</td>
</tr>
<tr>
<td><strong>Product and Brand Knowledge</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Can recognize brand names</td>
<td>Increasing brand awareness</td>
<td>Substantial brand awareness</td>
</tr>
<tr>
<td></td>
<td>Perceptual cues are used</td>
<td>Functional cues are used</td>
<td>Functional cues are used</td>
</tr>
<tr>
<td></td>
<td>Beginning to understand symbolic aspects of consumption</td>
<td>Increased understanding of symbolic aspects of consumption</td>
<td>Sophisticated understanding of consumption</td>
</tr>
<tr>
<td></td>
<td>Egocentric views of retail stores</td>
<td>Understand retail stores</td>
<td>Enthusiasm for retail stores</td>
</tr>
<tr>
<td><strong>Shopping Knowledge and Skills</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Can understand value of product and prices based on perceptual features</td>
<td>Can understand prices based on theories of value</td>
<td>Can understand prices based on abstract reasoning</td>
</tr>
<tr>
<td><strong>Decision Making Skills</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Limited awareness of information sources</td>
<td>Increase awareness of mass media</td>
<td>Contingent use of information sources</td>
</tr>
<tr>
<td></td>
<td>Emerging ability to adapt to cost – benefit</td>
<td>Able to adapt to cost benefit</td>
<td>Able to adapt to cost benefit</td>
</tr>
<tr>
<td><strong>Product Evaluation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Use of salient attribute information</td>
<td>Focus on important attribute information</td>
<td>Focus on important attribute information</td>
</tr>
<tr>
<td></td>
<td>Use of single attributes</td>
<td>Use two or more attributes</td>
<td>Use of multiple attributes</td>
</tr>
<tr>
<td><strong>Negotiation Strategies</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Use direct requests and emotional appeals</td>
<td>Bargaining and persuasion strategies</td>
<td>Bargaining and persuasion strategies</td>
</tr>
</tbody>
</table>

It has been estimated⁴ that children between the ages of 4 to 12 years influence decisions to the tune of $70 billion a year. This includes a substantial influence over parental decision-making on an estimated $50 billion in household items annually. As many parents know, children often have more than equal say in what goes into the shopping cart at the super market every week. Children perceive and absorb a lot of things when they are young and reach the reflective stage quickly say at about the age of 11 years due to media exposure, parent’s socialization and peer pressure. Inspired by television advertisements and peer pressure among school friends, children plead, whine, pester and bargain with their parents to get what they want. Children are different from adults. They have their own needs, own tastes and their tastes change rapidly. Another reason for studying children as consumers is their number. Every year, kids between 8 to 12 years spend a whopping Rs. 20,000 crore per annum on everything from clothes to food to recreation.

The metamorphosis of the Indian economy has been undergoing transformation in view of the ongoing liberalisation and structural adjustment process. In the changing environment of high competition, business enterprises are finding it increasingly difficult to sell their products and services. Especially in case of fast moving consumer goods (FMCG) segment and consumer durables, due to prevalence of intense competition and recessionary conditions, too many brands are jostling for attention. Therefore marketers are increasingly interested in probing deep into the inner world of consumers so as to formulate and develop successful selling strategies. Against such a backdrop, the present study has been directed towards the impact of consumer behaviour on buying decisions of children in Mumbai metro region.

1.2 Objectives of Research

According to BRIC Report,\(^5\) India is projected to become the largest in the world by 2050, ahead of the United Nations, due to which it is attracting wide interest among marketers. Although poor by western standards, the attractiveness of India is based on its infrastructure, well-developed legal system and a large number of educated doctors, engineers and others needed for growth of thriving middle-class. According to the Centre for Monitoring Indian Economy (CMIE),\(^6\) the consumption pattern of Indian households has undergone a significant change. The middle class has come a long way today. This class is much more restless and enterprising as it goes through the social churn. The fundamental drift is towards a better life, an improved lifestyle and a desire to obtain more for self. With both adults in the family working towards more money for the household, and ensuring the very best for their kids, things are changing at a fast pace for these extremely privileged set of children. They stand at cross-road of sorts.

Greater affluence and earlier consumer socialization of children may be resulting in a greater likelihood that children will get their way. Another reason is that, parents feel guilty for leaving their children at home and are more permissive in letting them buy what they want. Children are also a significant source of information which the parents trust while decision-making. Various media and Internet are a valuable source of information to these kids. Others factors like single-child syndrome, pester power, middleclass explosion, peer pressure and impact of retailing has also encouraged the spending by these, little consumers. Therefore family structures in India are undergoing a metamorphosis and the Indian society is also witnessing an increase in the number of single parent and dual career families.

\(^5\) Blackwell Roger D., \textit{et al}, \textit{ibid.}
In India, the literature on family decision-making is scant and researchers have only partially investigated the role of children with other members in family decision-making.

As families have fewer children, especially one child, it has resulted in a phenomenon called as ‘little emperors’. Being the only child, they get lavish gifts from their parents, they accompany their parents to the best places—be it dining, entertainment, shopping or vacations. This has resulted in these children becoming highly skilled in consumerism at a very young age. They are aware of the latest fashions, brands, cars, bikes, best restaurants in town and few also regard shopping as one of their favourite activities. Spending on children also serves as a vehicle to display family’s increasing status and wealth. While companies across all goods and service categories are falling over themselves to woo the young spender, avenues for spending high disposable income is quadrupling by leaps, all leading to the next big jump in consumerism. It’s an enormous shift in a nation that for decades proclaimed itself a socialist state.

The objectives of the research work are as under:

1. To study the consumer behaviour among children in Mumbai Metro region.
2. To study the conceptual framework of consumer behaviour and buying decisions.
3. To study the change in society in terms of consumer behaviour among children.
4. To study the relationship between single child, rising disposable incomes and its impact on buying decisions of children.
5. To study the consumer socialization and its impact on children.
6. To study the children’s buying decisions in relation to the influence of peer pressure and pester power.
7. To study the impact of materialism on children’s buying behaviour.
8. To study the impact of malls and multiplexes, International chain of restaurants like McDonalds, Pizza hut, Domino’s influencing children.
1.3 Significance of the Study

Indian economy is undergoing transition. This is also visible in social, political, cultural and other fields. For business organisations, this change is both a boon and a bane. The change in Indian consumers is clearly visible through the paradigm shift in tastes, preferences and habits. With time, the business organisations have also changed their marketing philosophy, strategies and framework. More than 50 percent of the Indian population is in the 5 to 25 age category. It is these generation X-Gers, who contribute to the heavy change in India's cultural values, political outlook and the Indian economy.

<table>
<thead>
<tr>
<th>Table 1.2</th>
<th>Size of Indian consumers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indian Consumers</strong></td>
<td><strong>Numbers</strong></td>
</tr>
<tr>
<td>8-19 years</td>
<td>Technology Babies</td>
</tr>
<tr>
<td>20-25 years</td>
<td>Impatient Aspirers</td>
</tr>
<tr>
<td>26-50 years</td>
<td>Balance Seekers</td>
</tr>
<tr>
<td>51-60 years</td>
<td>Arrived Veterans</td>
</tr>
</tbody>
</table>

Source: Bikramjit Rishi, Emerging Trends in Behavioural Pattern of Indian consumers, Business Perspectives, Volume 8, No.1, pp 119-120.

Role of different members in a family are shifting. Indian women are actively participating in the family purchase decisions. With children getting more attention in a small family, there is general willingness to meet their reasonable and unreasonable needs and desires to facilitate their success in life even at the cost of parent hardships. The dual career families have relatively greater discretionary income within a social-stratum to buy products that are otherwise sometimes out of reach, for single-earning families. Children also display varying levels of involvement not only across product categories but also across family types. Therefore it becomes imminent to study these shifts in a family along with the specific roles played and authority exercised by each family member across the decision-making process.
Research on children’s market abroad, reveals that children aged 5 to 14 years have some $165 billion in ‘direct’ purchasing power and that they influence about $400 billion of their household’s overall purchase decisions. These children influence a wide range of family decisions, such as choice of vacations, which car to buy, stereo, game boys, computers, computer games among other things. Children spent over $25 billion in 1998, buying confectionary, games, movies and music from United Nations retailers. The fastest growing purchase category for children has been apparel and techno-gadgets. Armed with money received from allowances, chores, and gifts from grandparents, children average just over 200 store visits per year, either alone or with their parents. A typical 10 year old goes shopping with parents 2 or 3 times per week (directly influencing about $188 billion of household purchases). Children’s influence may also be indirect accruing when parents buy products and brands that they know their children prefer. This kind of transaction account for almost $300 million in household spending. Auto-makers target kids through magazines and point of purchase (POP) displays because they indirectly influence about $17.7 billion of auto purchases, while the influence of children on computer purchases is just beginning to blossom. Aggregate spending has been in millions of dollars by children aged 4 to 12 years on selected items and per child spending has risen considerably in 1997.

Table 1.3

Aggregate spending by children aged 4-12 years in the US (year 1997)

<table>
<thead>
<tr>
<th></th>
<th>Aggregate Spending</th>
<th>Per Child Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Food &amp; Beverages</strong></td>
<td>$7,745</td>
<td>$22</td>
</tr>
<tr>
<td><strong>Play Items</strong></td>
<td>$6,471</td>
<td>$184</td>
</tr>
<tr>
<td><strong>Apparel</strong></td>
<td>$3,595</td>
<td>$102</td>
</tr>
<tr>
<td><strong>Movies/Sports</strong></td>
<td>$1,989</td>
<td>$56</td>
</tr>
<tr>
<td><strong>Video Arcades</strong></td>
<td>$1,326</td>
<td>$38</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>$2,302</td>
<td>$65</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$23,429</td>
<td>$665</td>
</tr>
</tbody>
</table>

Source: James Mc Neal, Tapping the three kids market, American Demographics (April 1998), p 40.

The total aggregate spending by children runs into $23,429 whereas per child spending has reached $665, which is fairly a large sum. The maximum spend is on food and beverages, followed by toys and games. This table warns about the future spend. If the spend by children was so huge in 1997, one can imagine spending in 2009.

In India, however family as a decision-making unit is an under researched issue despite the fact that families in India are seen to be the strongest source of influence. This lack of attention may be partially attributed to the fact that study of family as a group poses several challenges as against study of individual consumers. The specific roles played by family members undergo dynamic and continuous changes because of psychographic and attitudinal metamorphosis. Some families remain essentially traditional, while others adopt more materialistic orientations. Today, children influence the volume of resource allocation, purchases and consumption. Since the birth of a child, the purchases of a family are influenced in a big way—directly and indirectly. In fact, in Indian market scenario, a child-centered culture exists as they considerably influence family expenditures. As the children grow with skills to communicate, they influence major decisions with regard to purchase. One of the most impressive aspects of
this century is the exceptional concern for children. Not that our children are loved more intensely or that their loss is mourned deeply than previous times, but there is special awareness about them as children.

Due to the emergence of kids as consumers, the marketers are trying to catch them young. By placing food products in the lower shelves of departmental stores or shops, attracting their attention and inculcating the desire to purchase, shopkeepers are trying to improve their sales. Every second advertisement of toys, furniture, biscuits, fast foods and clothes has kids featuring in them. Fast moving consumer goods (FMCG) and consumer durable products too are advertised on kids channel and between the children’s programmes. Most of the advertisement companies agree that they are relying on the kids to pester their moms to buy them products, rather than going straight to their moms. Thus the children’s market has captured the attention of marketers worldwide because of the increasing dollars, lira, pounds and rupees they spend on products and because of the enormous influence they exert over spending power in a growing number of product categories, including footwear and furniture, consumer durables and even cars.

So far no in-depth study of children’s behaviour has been conducted in India, since it is a fairly new phenomenon. To date, most studies have focussed on house-hold decision-making and on husband-wife decision-making. The influence of children has been fairly ignored. In India, the literature on children’s buying behaviour is scant and researchers have only partially investigated the role of children and their buying behaviour. Indian children have recently attracted considerable attention from marketers because the market for children’s products offer tremendous potential (pegged at Rs. 5000 crores) and is rapidly growing. According\(^8\) to available industry data, the chocolate and confectionary market itself is estimated at Rs. 1300 crores, the apparel market at Rs. 480 crores and kid’s footwear at Rs. 1000 crores. Hence kids market is the new niche market attracting attention from

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\(^8\) Working Paper by Kaur Pavleen, Department of Commerce and Management, Guru Nanak Development University, Amritsar.
marketers. Niche marketing⁹ is a strategy that addresses a small group and unique
customer segment that seeks a distinct mix of benefits and is willing to give a
premium price for the same. When a niche market is segmented, it is easier for the
marketer to communicate the right message through the right communication tools
in order to attract the right audience. Focus is a vital part of niche marketing
strategy.

These new age consumers are a force to reckon. Holding their attention to what
you are trying to say and grab their share of mind is a huge task, that’s only made
harder by every marketer from a credit card to a car, trying to push sales through
the kid as a brand decision influencer. All these factors, led to the researcher
scratching the surface beneath the harsh reality. The findings were disturbing and,
researcher realised that the parents too, to a certain extent were responsible in
encouraging this new phenomenon. Parents splurging usually stems from either
the need to flaunt their wealth to overcome low self-esteem or the pressure they
face from their kids. Earlier the regular toys wouldn’t cost the earth and family
holidays to native places were the height of excitement as compared to new age
high maintenance parenting, where iPods and mobile phones and vacations abroad
have become an integral part of their life. Since no formal study of children’s
buying decisions have been undertaken so far, the researcher felt it was apt to
study it and its consequences as it is the need of the hour. It is important to limit
the marketer’s stance on concentrating on children, as they not only have their
own purchasing power and influence their parents buying decisions, but also
because of the fact that they are future adult consumers.

1.4 Hypotheses of the Study

Marketing in the new millennium lays thrust on customer needs so much so that
customer driven marketing has become synonymous with marketing. The

⁹ Gaurav Kunal, Shock Advertising-Compelling you to remember, Advertising Express, The ICFAI
emphasis is now on understanding and fulfilling consumer needs to such an extent that it strikes balance between value-delivered and company profitability. Therefore understanding buying behaviour is an intriguing process. The above mentioned objectives were studied thoroughly by testing the following hypothesis. The questionnaires were framed with the objectives in mind. Each of the following hypotheses is tested wherever relevant and the page numbers are given against them.

1. Nuclear urban families more often give in to their children’s demands of eating out. (pp 129-130)
2. Parent’s of single child, indulge their children, leading to increased awareness about many products among them.(pp 133-134)
3. TV advertisements influence children and make them pester their parents into buying them the latest gizmos that throng the market. (pp 164-165)
4. Children are being exploited as buyers, since the marketers know that these children will influence their parent’s purchasing. (pp 356-357)

1.5 Methodology Used In the Study

The Indian market, one of the most promising in the world, is fast evolving and so is the Indian consumer across all socio-economic strata, regions, towns and classes. Rising incomes, multiple income households, exposure to international lifestyle and media, easier financial credit and an upbeat economy are enhancing aspirations and consumption. In this fast changing times, it becomes imperative for companies to reach out to the Indian consumer. Consumer analysts are turning to a variety of effective techniques, ‘to get into the minds of consumers’. These methods would include conducting interviews in less formal and more natural setting. The topic of children as consumers is both easy and difficult. It is easy because children are a delight to study, though they are hard to manage in a research setting, perhaps, but they are ever so refreshing. They are remarkably innocent even in their fantasies and exaggerations. At the same time, they are difficult to study as they often contradict.
The data collected for this study is through the questionnaires administered to children as well as their parents. There were a certain set of common questions asked to the children as well as their parents in order to cross check the answers. While the children were found to be blunt and spontaneous, the parents were very diplomatic and would avoid giving straight answers. So it was imperative to ask common questions to both-parents as well as children. The children were in the age group of 8 to 14 years and bound by the geographical parameters of Mumbai city only. The sample size was 200 children in the age group of 8 to 14 years and their parents who also constituted two hundred in number. Children belonging to upper middle class strata with minimum household expenditure of 20,000/- per month were included in the study. In general, for surveys to yield meaningful responses, sample size of 100 is required, since it brings in precision. The sample size was systematically divided so as to cover the entire market and also include both the set of parents-mothers as well as the fathers. Similarly information was gathered from boys as well as girls from the age group of 8-14 years. Substantial efforts were taken to cover the age group of 8 to 14 years with equal attention to genders. The researcher has not delved into gender studies. This was undertaken in order to get the correct perspective of both genders as well as the entire said age group.
Secondary Data and Primary data complement and support each other. No research is complete without the use of both data put together. It was an enormous task of collecting information from the children. Researcher in the course of research realised that children’s responses would totally depend upon two aspects - the child’s mood and also the presence of other family members. This is when observation technique played an important role in studying the underlying factors affecting the children’s buying behaviour. Since this topic is under researched in India, there was a dearth of secondary material available. Therefore the researcher had to bank heavily on print media and the primary data.
a. Secondary Data:

Information was collected from the research work that has already been done by someone else. However the topic of consumer behaviour and buying decisions of children is relatively unexplored in India. There is not much work done in this regard and hence research theses were not available for ready reference. However information was collected through various books, magazines, journals, newspaper articles and internet sites. Various books did contain information related to children’s buying behaviour, but it was related to western countries. Since children’s buying behaviour is an upcoming niche market in India, marketers in India are particularly paying a lot of attention to this segment. Hence a number of
newspaper articles were available in this context, which was helpful in providing a deep insight into the topic.

b. Primary Data:
Since only secondary data would not suffice, primary research techniques were used. Research was undertaken methodically through:

i) Observation:
Since kids are unpredictable and moody, they had to be monitored under natural as well as artificial surroundings. It was easy to watch the children’s sub-conscious responses to displays and products in malls, departmental stores, in skating rinks and also the playgrounds. Since children find questionnaires lengthy and boring, observation as technique became very important. While asking questions to children, their expressions were watched so as to know whether they were being honest in answering or not.

ii) Interviews and surveys:
Since surveys are the most accurate and efficient method of gathering information, two different questionnaires—one for the children and one for their parents—was prepared. Initially the questionnaires were pre-tested and a final questionnaire was prepared, which was administered to 200 children and their parents. Open-ended questions have advantage that the respondent is not limited to the options list and that the respondent is not being influenced by reading a list of responses. Therefore the questionnaires included the right mix of open-ended and close-ended questions. However, in case of children, there were more of close-ended questions so as to facilitate them in answering the questions. The questionnaire administered to children contained close-ended questions, whereas the questionnaire administered to parents contained more of open-ended questions.

1.6 Plan of Chapters
In the present day competitive marketing scenario, studying and understanding consumer behaviour will be the key to business success. Companies are in
business today only to serve the customer and satisfy him. Those who do so efficiently are the ones that make profit and the ones who do not understand the importance, often lag behind. In order to succeed in business, in today’s competitive market, marketers have to know everything they can, about consumers. They must know what the buyers want, what the buyers think, how they work, how they spend their leisure time, and so on, and this is not very easy. Consumer behaviour is a complex system where there is an interaction of various social, economic and psychological factors. Amongst the various social influences on a consumer, family as a reference group has one of the strongest immediate and most pervasive effects on consumer’s personality, motivation and attitude. Apart from this, family members share certain values, norms and standards that shape their personality and behaviour. Children’s ability to influence purchase decisions, their increased allowances and given business, offers a golden opportunity to encourage a retail-consumer bonding that could last for a life-time of purchases.

The metamorphosis of Indian economy in view of the ongoing changes and structural adjustment process, in the changing environment of high competition, business enterprises are finding it increasingly difficult to sell their products and services. Against such a backdrop, the present study has been directed towards the impact of consumer behaviour on buying decisions of children in Mumbai metro region. The format of reporting adopted for the study broadly comprises of two sections. The first part of the study deals with the review of theoretical literature on consumer behaviour, whereas the second part contains the empirical analysis of the data collected through administration of questionnaires to respondents.
Chapter 1: The Research Perspective:

This chapter sets the research in its proper perspective. It emphasises (delineates) the objectives, the hypothesis, the research design, the profile of respondents and the problems encountered during the process of data collection. It also gives the rationale of the study, along with the details of the sample size.
Chapter 2: Literature Review:
The Indian market, one of the most promising in the world, is fast evolving. In recent years, teenagers and young children are exerting tremendous influence over the family’s purchase decisions. This is because of rising incomes, exposure to international lifestyles and media and an upbeat economy which are enhancing aspirations and also the consumption. This chapter therefore reviews the literature related to consumer behaviour, buying decisions of children internationally, in India and in Mumbai Metro Region.

Chapter 3: Conceptual Framework:
This chapter deals with the concepts of consumer behaviour, relevance of consumer behaviour, application of consumer behaviour to marketing, buying decisions-its types and process. Only when the concepts are clear, the new emerging factors affecting children’s buying can be studied on the basis of these concepts.

Chapter 4: Analysis of Consumer Behaviour of Children in Mumbai Metro Region:
This chapter deals in depth with the current buying trends among children aged 8 to 14 years. Children influence buying decisions to alarming degrees. It has been estimated that children between 8-14 years influence buying decisions to the tune of $ 70 billion a year. This includes a substantial influence over parental decision-making on an estimated $ 50 billion in household items annually. The factors responsible for influencing the buying behaviour of children of the earlier generation are studied. Against this backdrop, the emerging factors responsible for moulding children as consumers, early in life are analysed. Children’s buying behaviour is studied in context to each factor and the outcomes are in turn studied carefully.
Chapter 5: Consumer Socialization and its Impact on Buying Decisions of Children:

This chapter deals with one of the important reasons of children turning to consumerism. Children learn consumer behaviour through observation and participation. It is the parents, while the children are still in their arms, who introduce their children to retail and departmental stores, store personnel, the shelves with various products and the procedures of buying and selling. Children are taken along everywhere as there is nobody to look after them at home. In the initial stages, children are reluctant to accompany their parents, but slowly find joy in buying everything that a store has to offer. Parents too, in order to make children come with them on their shopping trips, easily give in to their demands.

Chapter 6: Influence of Media and Technology on Buying Decisions of Children:

Today, the children are witnessing a media and technology explosion, which has a direct influence on the purchasing of children. Technological developments in the field of information, biotech genetics and intensive competition among products and services, vying for attention has a positive as well as negative impact on children. Young children are vulnerable to advertisements and yet that is the way they see themselves reflected in the media-as consumers. Catching them young is the new mantra whereby the marketers are trying to entice these privileged set of consumers through media and technology. This chapter deals with the extent of impact, the media has on children.

Chapter 7: Impact of Retail-tainment on Buying Decisions of Children:

The Indian consumer is increasingly focussing on value, convenience, variety and a better shopping experience. The increase in variety, quality and availability of products, as well as increase in spending power has resulted in consumers using malls to shop. And children are not left far behind. They love the luxury of shopping in air-conditioned atmosphere where all products are within their reach,
on the lower shelves. Similarly international food chains like McDonald’s and Sub-Way have made an in-road on children’s radar and have become an integral part of their lives. Frequent visits to these eateries have made permanent changes in the taste buds of young children who prefer a reputed food chain to a local restaurant. What is worrying the parents is that it is encouraging materialism.

Chapter 8: Marketing of Kids Specific Products:
The importance of children as consumers has come to the forefront, in the coming years. Marketers are busy making the most out of this opportunity. There are ‘garbhsanskar’ classes before the child is born, expensive and branded baby furniture, clothes and even diapers for the newborn, followed by exclusive furniture and decor for child’s room, technology driven laptop for child’s education and even branded apparel for the little one. All these products are tailor-made to the child’s requirement and likes and dislikes. Be it a pair of shoes or a pair of jeans, these products are child-specific. In the bargain of attracting the young consumers towards their products, marketers seem to be ignoring the thin line between ethical and unethical advertising. This chapter deals with the various strategies adopted by the marketers to attract children’s attention and a few suggestions made by the researcher to these marketers.

Chapter 9: Conclusions and Findings:
This is a very important chapter where major findings are elaborated. Based on the conclusions, further recommendations are given. The topic of children is difficult to study. Children being innocent are often difficult to judge. They contradict themselves or are sometimes overtly positive or negative. They exaggerate least important things and sometimes underplay the most important factors. Though they are a delight to work with, they are moody and often let it affect their answers. The conclusions are scary as today’s children have, ‘been there, done that’. Therefore holding their interest in a product is a difficult task for the marketers. Too many things too early in life are also leading to boredom, depression and lack of interest among children.
Chapter 10: Suggestions and Recommendations:

Based on the specific and general conclusions and findings, necessary suggestions and recommendations are given. The researcher has divided the chapter into two parts—where there are separate suggestions given to parents and to the marketers. Since these children will grow on to become the future customers, it is important to handle them carefully and delicately. If both-parents as well as marketers do not work together, materialism and consumerism will destroy this children’s thinking and they will in turn pass it on to the new generation. Therefore the growth of materialism has to be stopped before it spreads like wild fire and guts down generations to come.

1.7 Problems Encountered

A number of problems were encountered while conducting the research studies:

a. Difficulty of Inference Process:

A purchase is rarely the result of a single motive. Variables are unobservable, because they may have different aspects and can change overtime. These numerous variables frequently interact to magnify, cancel or redirect each other’s influence. Each person has his own standards of judgement and distinct behaviour in every aspect of his role as a consumer.

b. Behaviour is Subjective:

Consumers have complex personalities. Experiences and consumers differ, in a given situation. Similarly children tend to contradict their own opinions and statements. Consumers that are children and parents alike are not clear about their thought process. They were unable to answer the questions put forth to them. The experience was really tiring as they needed to be pursued constantly.

c. Many Input Variables:

Market trends keep changing with time and exposure. This results in changes in tastes, preferences, likes and dislikes. It is natural that the buying motives also
change with that. Since the variables are many and at a given point of time a few variables influence each other, judging them was difficult.

d. Response:
Some consumers felt hesitant in giving answers. They feared they might invite trouble by answering the questions. The situation worsened when they posed as if they understood the questions and ended up giving all wrong answers. Children too were not interested in sparing time for questions.

e. Complex Opinions:
Children are complicated to handle. They tend to exaggerate their opinions and views. It is difficult to make them seriously sit down and answer the questions. They get distracted very fast and look up to their parents in case of controversial questions which involve their parents. Due to this, judging them on the basis of their answers was a tough job.

1.8 Conclusion
Consumer Behaviour is relatively unexplored field of marketing. The study of consumer behaviour is the attempt to understand and predict human actions in the buying process. It has assumed growing importance under the present time customer-oriented marketing system. Today, the young Indian is called as a 'straddler', who is constantly trying to balance social and cultural pressures with personal attitude that are influenced by western lifestyles. The interaction creates a mixed set of attitude and behavioural patterns that have a serious implication on how marketers should communicate and market their brands. These young consumers have been born in times of increasing consumerism, where each day, they are offered more choice on which they can spend money. Whichever company or brand offers a better price-benefit value proposition gets the share of customer’s mind and wallet. These young consumers, are also far better informed than their parents, by and large, by virtue of their being better educated, having better access to a wider array of information through various media like print,
electronic media and internet. Over the next 10 years, almost all major categories of consumer goods and services will have a majority of potential customers who are fundamentally very different to the kind of consumers, marketers have known in the past. Hence this study is an attempt to throw light on, ‘Impact of Consumer Behaviour on Buying Decisions of Children in Mumbai Metro Region’ in context to the emerging factors that have come to the surface, due to the upheaval of economic, social, cultural and psychological changes that have taken place over the years.

This study explains the objectives right in the beginning and collects data based on them. The data was collected through secondary data and primary data to give it completeness. Information was collected from various sources like the books, journals, newspaper, magazines and internet. The primary data was collected by administering the pre-tested questionnaire to 200 children in the age group of 8-14 years and to their parents which included mothers as well as fathers. The entire data was collected within the parameters of the objectives, based on certain hypotheses. This is followed by the plan of chapters which will eventually bring out the essence of the research work undertaken. The chapters are planned logically in order to give direction to the research work undertaken. And finally the limitations encountered are discussed. Since the researcher is dealing with human behaviour which is complex, no fixed formula or method can be applied for understanding the same. Though every research undertaken, has added a new dimension to the said subject, very few detailed studies or rather no detailed study has been undertaken so far pertaining to this topic. Since marketers are suddenly sitting up and taking notice of a new phenomenon called ‘little emperors’, who are getting a lot of undue attention, many researchers have shown interest in further study of this topic. Marketers too are taking keen interest in knowing what makes the children’s market work, so that market strategies can be formulated accordingly. Since marketing is a dynamic concept, which keeps on changing from time to time, by adding and subtracting new concepts, foray into children’s market has just begun.