Chapter 5

Consumer Socialization and its Impact on Buying Decisions of Children

5.1: Introduction

5.2: Family Purchase Roles

5.3: Role of Children in Decision-Making Process in a Household

5.4: Rise of the Middle Class

5.5: Consumer Socialization and Children
   a. Consumer Socialisation through Parents
   b. Consumer Socialisation through Relatives
   c. Consumer Socialisation through Peers
   d. Consumer Socialisation through Media

5.6: Changing role of a Child in Family Decision-Making
   a. Primary Buyers
   b. Influencers
   c. Future Buyers

5.7: Conclusion
5.1 Introduction

Consumer socialization refers to how children acquire knowledge about products and services and various consumption related skills. The children acquire these skills from parents as well as peers. Consumer socialization is the process by which young people acquire the skills, knowledge, and attitude relevant to their functioning as consumers. Interactions take place in a family which develops tastes, preferences, shopping styles and choice of clothes to wear. 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 the retail store, store personnel, the shelves laden with products, brand recognition and procedures of shopping and buying. Therefore it is here that potential buyers are born.

Higher disposable income, late parenting, dual earners in the family, a quest for excellence in parenting, lack of quality time is encouraging consumer socialization. Lack of time to spend with children is often compensated with pocket money, or a trip to a nearby mall. Pocket money has heightened the awareness and willingness to buy, among children, whereas constant week-end trips to the mall have been successful in creating brand recognition. Socialization is often not done on purpose. Nuclear families force parents to take their kids along even for routine shopping of groceries and vegetables. This early exposure helps in shaping the attitude of these young consumers, towards the products. The new breed of ‘on-the-go’ mothers feel that taking their children along for shopping, will serve dual purpose—one that is shopping for regular home-stuff and second also spend the much required time with the child. Therefore co-shopping is a growing phenomenon of spending time with one’s child while at the same time accomplishing a necessary task.

Consumer Socialization will also occur through friends, peers and relatives. During childhood, children are surrounded by parents, relatives, friends and the media, who directly or indirectly influence the attitude, likes, dislikes, preferences, which are reinforced throughout the childhood. Children often talk to one another about consumer products and this tendency increases with age. Self-awareness is not inborn; it emerges through the process of socialization. The child is born with certain demands that are exerted with little attention paid to the wishes and desires to those around the child. The values and standards acquired early in life tend to persist. Parents act as role models and as a child grows up, they are influenced more by their peers followed by the media exposure.

The researcher has studied consumer socialization as an internal factor in detail as it contributes majorly into transforming young children into sophisticated consumers. This chapter studies the effect; the parents have on a child’s early childhood. It also studies the reasons behind the growing young consumers. They have assumed so much importance that, children are constantly wooed through advertisements, sales promotion techniques, as they seem to influence the major buying decisions in a household. Be it a soft drink or noodles, health drink or breakfast cereals, mobile phones or cars, children have a say in everything. Marketers are no longer interested in running the advertisements during the saas-bahu serials, instead there is a line outside the channels like cartoon network, Hungama and Pogo. The definition of ‘Prime-Time’ has changed to afternoon, when the kids come home from school and switch on the television, or early evenings, when the kids come back from the tuitions and plonk in front of the television. Early socialization is changing the whole perspective of the children towards life. Friends and peers are measured with material things, since these children have received everything readymade on a platter, and there is no value for money. Too many things, too early in life is breeding dissatisfaction, boredom and depression. Early socialization has set the ball rolling, which has now become

unstoppable. Parents feel they have created materialistic monsters with no light at the end of the tunnel. It is like a vicious cycle, which cannot be stopped.

**Chart 5.1**  
**Effect of Consumer Socialisation**

The above diagram shows a number of factors contributing towards the growth of children as consumers and consumer socialization is one of them. Probably it is also very important as the early influences on a child’s life are only that of their own parents. Initially children ape their own parents and slowly start on their own. They take baby steps and start deciding or influencing the buying decisions of biscuits and readymade snacks and slowly as they grow to about 8 years, become more confident and sophisticated and start influencing the mobile phone or car buying decisions in the family. Therefore this chapter makes an interesting study of all the socialization factors and its impact on children.
5.2 Family Purchase Roles

Family purchase roles are undergoing a rapid change. In earlier times, men in the family were the sole decision makers, since they were the sole bread winners in a family. Right from the groceries to buying consumer durables, men had a say in everything. But the roles of family members started changing when women stepped out of their homes to make a career or to take up a job to support their husband’s income. This brought about a great change, where by the entire decision making on household stuff changed hands from the husband to the wife, but important decisions like buying an expensive commodity like car was still a man’s domain. This too started changing after a while. Husband and wife started taking joint decision when it came to buying expensive things like cars, a house or even an insurance policy. This was the beginning where children started emerging as buyer. Lack of time on parents’ part and high disposable income made the parents give power to children to buy smaller things. Slowly and steadily children earned respect as information gatherers from their parents which led to their playing a major role in influencing the decision making of all the products consumed by a household. Though this phenomenon was not noticed earlier, now the whole magnitude of the situation has made it impossible to ignore it. The researcher has tried to briefly explain these significant changes which have contributed to the role of children as buyers.
Chart 5.2
Changing family purchase roles

1. Husband
2. Wife
3. Joint decisions
4. Children

The above diagram depicts the changing role of family members in buying decisions of a household. It is explained in detail, in below:

Men in family purchase role:
In olden days, the father was the unquestioned head. He ruled the family expenditure and the entire decision-making related to all kinds of products was made by him. He was considered to be knowledgeable in all product categories and ruled the house with panache. He also enjoyed his role as the head of the family and expected importance from all family members. This was an era when women were not educated or even though they were educated; they never stepped out of the house and were not well-versed with what happening around them. They were comfortable in their sphere of looking after the home and the family and took up embroidery and cooking to satisfy their creative urge. There was no media invasion and the social interactions were restricted to relatives and close friends, who too came from similar background.

Changing Indian Women:
Times started changing. Education broadened the spheres of woman and they soon realised that there were a gamut of opportunities and a new exciting world outside the four walls of a home. The modern woman yearned for money, fame and success and achieved it too, through sheer hard-work and perseverance. With this
change, came a drastic change in decision-making in a family. Women started enjoying shopping, due to financial independence and also the emergence of a number of departmental stores in the vicinity. She also took charge of the entire household buying and started deciding the brands for soaps, shampoos and edible oil.

**Joint Decisions:**

The women’s expertise and knowledge about a variety of things came to the forefront, once she stepped out of the home. So far she had a say while buying household stuff and men concentrated on consumer durables and other expensive stuff. But slowly this scenario started changing and both-husband and wife started taking joint decisions while buying a personal computer, a mobile phone or a car. India is in a unique situation where we have married culture and tradition with modern thought process. Women started concentrating hard on their careers, now it was a quest for excellence and not merely an opportunity to support husband’s income. This made both the husband and the wife very busy and gave rise to a new phenomenon-that of children as decision makers.

**New-Age Kid:**

Busy parents encouraged children at an early age, to become consumers. Lack of time and emergence of nuclear urban family often forced parents to leave their children behind in the care of grandparents or maids. These children accompanied these caretakers and took the decision-making powers in their hands. Similarly a trip to a super-market often achieved two things for a busy mother-shopping for household things and spending time with the child. This early socialization also shaped the children’s perceptions and motivated them to become great shoppers. Techno-savvy, worldly-wise, success oriented-that’s the new age Indian Kid. They are comfortable talking about the new designer clothes, as they are about the fuzzy washing machine. They know their brand preferences, influences their parent’s choice of durable goods, is a tie-breaker in decision-making as to which car to buy, and is also aware of insurance policies and takes keen interest in the latest gizmos.
‘Kids are salient members of a family, not a silent member any longer’, says Jasmeet Srivastava, Co-founder of Third-Eye. ‘They are actively seen and heard today’. More than 50 percent of Indian population is in the 5 to 25 years age category. These N-Genres (as they are often called) often refuse to let their slower parents take control of family purchases even if they have no control over the purse strings or finances. It is not only parents but also sales personnel and company experts and specialists who are often at the receiving end of N-Genres healthy scepticism. Everything from groceries to computers should withstand the scrutiny of the suspicious but knowledgeable N-Genres. They want highly customised products—customised just to meet their needs.

In sociological and marketing circles, it has been commented that children of today are qualitatively different from those of the previous generations in terms of attitudes and aspirations. It is argued that kids of today are more independent, sophisticated and confident than their predecessors.

**Chart 5.3**

The Changing Role of Children in Buying Decisions

<table>
<thead>
<tr>
<th>Then</th>
<th>Personal Products</th>
<th>Family Toiletries</th>
<th>Household Durables</th>
<th>Family Automobiles</th>
<th>Consumables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Father Now</td>
<td>Decider/Buyer</td>
<td>User/Initiator</td>
<td>Decider/Buyer</td>
<td>Decider/User</td>
<td>Passive user</td>
</tr>
<tr>
<td>Mother Now</td>
<td>Decider/Influencer</td>
<td>Influencer/decider</td>
<td>User</td>
<td>Co-decider/initiator/Influencer</td>
<td>Influencer</td>
</tr>
<tr>
<td>Children Now</td>
<td>Passive user</td>
<td>User</td>
<td>Influencer</td>
<td>Decider/buyer</td>
<td></td>
</tr>
</tbody>
</table>

185 Kumar Meenakshi, *op cit*, 18th June 2006, p 12
The theory has been that ‘childhood’ as perceived by adults is becoming even shorter and that children are growing out of toys and childish behaviour sooner as they become more sophisticated consumers in their own right. This has given rise to a new phenomenon called pester power. Pester power occurs when children seek to mobilise their parent’s spending power to get what they want. It is a means of children supplementing their own finite spending power by commandeering their parents. To this end, children may employ a number of tactics to coerce their parents into buying them what they want. This can unleash impulse spending, boosting market values.

Chart 5.4
The kids market is actually growing

Children today, are no longer gullible creatures who need directions—they are smart consumers who have an idea of right technology and price ranges. Today’s kids have grown up in indulgence than self-denial for better tomorrow. They have grown on a staple diet of fast food and fashion clothing and statement accessories. Unlike their parents, the struggles that these young boys and girls have in their
lives are of a different kind. For these kids, the definition of living is not plain vanilla livelihood, instead it is higher order called lifestyle. These kids want continuous excitement in their lives. The virtual absence of struggle in other spheres of life has left them asking for thrills from daily lives. No wonder you see kids going around with the snazziest of gadgets and other belongings in town, be it a cell phone, clothes (branded), shoes, hair gels, game buoys, play station, X-Box306 etc.

**Chart 5.5**
The Upward Movement

- Street smart, emotional-rational, aspiring to lead, they are the doers, achievers, performers.
- They are restless and centre around ‘ME’.
• It is all about getting things fast, getting them the easy way, taking the present for granted and moving on to a higher level in future all the time.

• Their media habits are weird (he is not a regular viewer of even one channel), for him watching T.V. is about changing the channels continuously.

• His friends are not forever; he is not still (moves from one place to another all the time).

Therefore, the young are more daring and experimentative in the light of new age parental permissiveness. She/he is a little person as well as a child. He is still a curious kid who can be easily surprised but he is finding different things to be surprised with.

5.3 Role of children in decision-making process in a house-hold

The following figure illustrates the six roles that frequently occur in family decision-making. All the family members play an important part and important roles at different stages of decision-making. Nowadays children are fast swapping the roles with either the father or the mother or both at different stages and it is interesting to note the changes. No matter who are the end users of a product, children initiate the buying of a product and keenly start gathering information about the same through the media, internet or peers. They then influence their parent’s decision-making and coerce the parents into buying the product which they set their eyes upon. Parents have started respecting the knowledge of their children as these children have proved to be really techno-savvy and supply authentic information regarding the products.
The above diagram is explained in detail:

**a. Initiators:**

It means that the family member first recognises a need or starts the purchasing process. The family members include the mother who would initiate household buying, father who would initiate the buying of consumer durables or than the kids in the family, who constantly initiate the purchase of products they watch on television or hear from their peers. Earlier, kids would rarely initiate the buying, but today, kids initiate the buying of maximum products, even if they are not the direct users. For example—they want their parents to buy a particular car, for which they are not the direct users, or probably they suggest a particular brand of mobile phone to their mother, for which again they are not the direct users.

**b. Information Gatherers:**

They are the people in a household, who have interest and expertise in a particular purchase. Different individuals may seek information at different times on different aspects of purchase. Children specifically are hooked on to the television and are extremely net savvy, where they can download information at the press of
a button. Children are the real information gatherers, whereby they gather information from media, internet and also through peer interactions. They are ‘aware’ about a lot of features of different products and know about a variety of brands. Parents often consult the children before taking a important decision while buying a product.

**c. Influencers:**

It refers to those who influence the buying of the alternatives evaluated. Today this responsibility is shouldered by the children in the family. They are successful in influencing every buying decision of the family. They want to buy products of their own choice, sometimes subtly, sometimes through crying and demanding while sometimes through negotiating and bargaining. Parents too, in their quest of providing the best for their children, give in to their children’s demand. Lack of time and high purchasing power allows the parents to be easily influenced by children in the family.

**d. Decision-makers:**

Nowadays it is the child in the family who is the main decision-maker. Peer pressure; pester power, high disposable income, nuclear urban family have contributed to this phenomenon. In fact, parents seem to encourage their children to take independent decisions in a quest of making them self-sufficient for the future. Children have knowledge and understanding of the market place, followed by money and willingness to spend it. Therefore children are fast becoming decision makers in the family and marketers are not losing any time in recognising this opportunity. Be it a brand of detergent or a health drink, insurance policy or a mobile phone, advertisements are targeted at kids after a thorough understanding of their minds and their psychology.

**e. Purchasers:**

Though children are behaving with increasing independence as consumers, parents still control the funds. Parents are aware of over indulgence and spoiling and while
they are ready to allow some degree of freedom, they also set limits. They tend to reason with the kids instead of saying ‘no’ to them. The child’s pocket money cannot cover expensive items where the final purchasing is done by the parents. Hence though children initiate and influence the actual decision making, the final purchasing rests with the parents.

f. Users:

For one product, there could be multiple users. Though a child may suggest a particular brand or a product, the entire family may consume it. Similarly a product or a brand suggested by the other family members can be consumed by the child. For example, a car is used by all the family members. Similarly juice or a cheese packet is consumed by the whole family.

Therefore the decision making process in a household states that though children often determine the products and brands, the ultimate purchasers are the parents. The advertisements targeted at children concentrate on overall packaging, taste and image whereas the same communication targeted at parents stress on nutrition. Earlier parents played the role of information gatherers but now there is a shift in the responsibility, with children pitching in. Today children alone influence the buying decisions in a family and even decide what they want, whereas parents end up giving in to their requests and buying. In fact the decision to buy a requested toy or a game is more than simply an acquisition. It is more like a symbol of love and commitment towards the child.

5.4 Rise of the Middle-Class

According\(^\text{187}\) to BRIC Report, India is projected to become the largest in the world by 2050, ahead of USA; therefore it is attracting wide interest among the

marketers. Although poor by western standards, the attractiveness of India is based on its infrastructure, well-developed legal system and a large number of well-educated doctors, engineers and others needed for growth of thriving middle class. A report by economics research group at McKinsey Global Institute (MGI) states that, ‘when we factor in population growth, there are 431 million fewer deprived Indians today than there would have been had and the poverty rate remains stuck at its earlier level’.

Thus making India’s reforms most effective by stressing on anti-poverty programme undertaken so far in its history.’ With purchasing power parity (PPP) used as a benchmark, India’s total consumption already stands at $8.2 trillion, making it even larger than the current US consumption of $7.8 trillion. The point here is, can any marketer afford to miss this market?

For business organisations the change is both, a boon and a bane. The change in Indian consumers is clearly visible through the paradigm shifts in tastes, preferences and habits. According\(^\text{188}\) to CMIE (Centre for Monitoring Indian Economy), the consumption pattern of Indian households has undergone a significant change. In the past few years, a virtual explosion has been taking place in the Indian middle class. In fact, the emergence and growth of this class has been the most significant development in the country’s marketing scenario in the last decade.

The middle class has emerged as the result of several socio-economic developments that took place over the years. The size of middle class is now placed at around 300 million. India’s middle class thus exceeds the total population of the US. Also, the market potential represented by the class is almost on par with the total market potential of major European countries like the UK, France or Germany.

\(^{188}\) Ramaswamy V.S., et al, op cit.
The growing economy has put unprecedented money power in the hands of the youth. With the advent of consumerism, the role of the ‘New Age Urban Indian’ as a consumer is gaining great importance. Material possession, especially ‘status symbols’ are contributing to the social and personal identity of young India. Yesterday’s luxuries are fast becoming today’s necessities. Convenience foods and ready-to-eat foods are now becoming popular, modern gadgets like microwaves and dishwashers have already gained entry into households. Conspicuous consumption and pampering of one’s senses with products and services has become too natural. Apart from TV, there are self-styled gurus, lifestyle gods, page three operators, party hoppers, who are prompting us actively and raising the aspiration bar higher all the time, giving us a new chase to embark upon every fortnight. Analysing higher spending is important from the point of view of finding out which product categories have witnessed higher levels of spending. Predictably, it is not the basic consumables, but lifestyle products and services that are becoming more important.

The size of the Indian middle class is growing and growing at a faster rate, compared to overall growth in the population. This class no longer wishes to remain middle class, it aspires to move up. That is why the marketers of expensive personalized items (De Beers diamonds, Titan Nebula range, Tanishq Jewellery) are targeting this segment. Generally speaking, the market in the new millennium promises to be economically more multi-layered, culturally distinctive and complex and geographically heterogeneous than it was in pre-liberalization phase. Exposure and economic status have changed the attitude of the upper middle class consumers to the brands. He lives in an ever-changing world of multiple-choices and poses a new challenge to marketers and advertisers. Therefore companies that fail to understand the unique desires of the new Indian consumer will miss out on half-billion strong market that ranks as one of the most important growth opportunities of the next two decades.
5.5 Consumer Socialisation and Children

Since the consumer class stratification by NCAER, consumer India has moved to newer dimensions. The latest brand of consumers is the New Urban Family (NUF). The roles of family members i.e. father, mother, and children are changing. Yesterday's deciders and buyers are becoming today's users. Yesterday’s user is becoming today’s influencer or decider. And yesterday’s initiator is becoming an influencer today. Just as children affect family purchases, families affect young consumer’s perception and evaluation of product and brand choices. There is a general belief that children rely more on parents for norms and values when they are younger and more on their peers as they grow older. Pre 1990’s parents were happy taking their children to parks, gardens, encouraging them to play outdoor games or take up a sport like badminton, football or swimming. But times have changed and so have today’s parents and children. Gardens and parks no longer entice these young children whereas outdoor activities have been partially replaced by PC games, PS II or III or television. Going out, perpetually means going to a departmental store or a mall, where the parents can shop and kids can play video games or eat in the food court. While in departmental store or a mall, kids have also realised that they get whatever product they demand after a little nagging. If it is a visit to the Malls, children look forward to buying expensive toys or apparel from ‘kids-exclusive’ shops, enjoy the ambience in the comfort of an air-conditioner and enjoy eating and playing at the video games arcade. This phenomenon is changing the young children’s perspective-for the better or for the worse, only time will tell. The researcher feels that so far it is better from the marketer’s perspective, but worse from the children’s perspective. Early socialization is leading to, young children getting equipped with the skills and knowledge and wear attitude necessary to act as a consumer.

The following chart explains that consumer socialization takes place through a number of factors, the most important being the immediate family.
Socialization is the process whereby an individual becomes a social being. It is therefore the way in which an individual child becomes an adult person and a functioning member of his or her society. It is a two-way process where children influence their social world and are influenced by it from birth onwards. It is a complex, environmental process.
Socialization is an inherently cultural process in which, children through insight, training and imitation acquire the habits and values congruent with adaptation to their culture. Therefore young children acquire skills, knowledge and attitude relevant to their functioning as consumers in the market place. Children do not learn consumer skills, from mother’s womb. They acquire these skills, early in life through their parents, than relatives and some of this knowledge is also instilled by friends and a lot comes from exposure to mass media and advertising. Hence age-related patterns emerge across children’s growing sophistication as consumers, inducing their knowledge of products, brands, advertising, shopping, pricing and decision-making strategies. Since the society has become child-centered, little kids are treated like ‘emperors’. Every demand of theirs is given priority, they are pampered beyond imagination. When the researcher asked the parents about their own childhood, they said the following.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Content</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>38</td>
<td>19.0</td>
</tr>
<tr>
<td>2</td>
<td>Many a times</td>
<td>87</td>
<td>43.5</td>
</tr>
<tr>
<td>3</td>
<td>No</td>
<td>75</td>
<td>37.5</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>200</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Compiled from Primary Data Collection

The above table depicts the opinion of parents, about their childhood. A good percentage that is 43.5 percent of parents agreed to get what they demanded, many a times. These parents were quick to add that, their demands too were never unreasonable and that they understood the value of money, as it was inculcated in them since they were young. Only 19 percent of the parents agreed to they getting whatever they demanded and 37.5 percent parents stated that they always got ‘no’ for an answer. These parents felt that the earlier circumstances were different i.e.

---

joint families, no media invasion and no consumer socialization led to the children’s demands too being limited, as they were not aware of a lot of products that were available. There was a proper demarcation line between wants, needs and desire, where the needs were provided for, wants were kept under strict vigil and desire for buying unwanted goods was left for the future. Today’s parents are splurging on their children which could also be a spill over effect from the past, when their own parents refused to fulfil their needs.

The researcher has made efforts to study the extent of each factor at different stages in life.

**Chart 5.8**

**Consumer Socialization can occur through**

A. Consumer Socialization through Parents:

Parents teach their children consumer skills, consumption related preferences and attitude. They do so both-deliberately or casually depending upon the situation. The process of consumer socialization begins with infants, who accompany their parents to stores and start making requests for desired objects. As kids learn to walk, they themselves go to the product shelf and pick up what they want. Around the age of five years, most kids are making purchase with the help of parents and grandparents and by the time they are eight years old, most of them are making
independent purchases and have become full-fledged customers. By the time they are 10 years old, they influence the buying decisions of parents, be it detergents, other household stuff or cars. Today’s parents have early expectations for consumer-related skills and believe that children tend to benefit from parent-child interaction, participation and discussion. Important aspect of socialization is learning consumerism through family interaction. As children, their personalities, self-images and perception is learnt and further developed through comparison and contrast with others in the family. In India, buying is always been a family decision. In a family, someone proposes for purchasing a product and others either support it or oppose it. Thus every family member including the kid in his own way influences consumer behaviour.

Chart 5.9
Parent’s Socialization styles

Every family is a different unit altogether. They follow different religions, lead different lives and follow different lifestyles, depending upon the sources of income and standard of living. Values, personality and lifestyle together decide the
outlook of a family towards buying. Hence different parent socialization styles will have effect accordingly on the children.

Authoritarian Parents:
They are hostile, restrictive and emotionally uninvolved. They rarely have friendly relationship with their children. They rarely have friendly relationship with their children. They censor the type of media and also the content to which their children are exposed and have negative opinion about advertisements. They hold a tight rein on their children and fear that a little indulgence will spoil them. When children accompany such parents to the shopping malls, they are not allowed to buy what they desire. There is strict control over the overall household buying and they rarely deviate from their monthly budget. In such circumstances, children mentally make a note of such products they desire and vow to buy them, once they grow up.

Neglecting Parents:
They are perpetually busy either with their respective careers or social obligations. They do not exercise much control over the children. Such parents leave their children often with their grandparents or maid servants. Once with maids, children know how to manipulate the situation and buy what they want. These children often accompany either their grandparents or maids for shopping and pester them into buying them stuff like biscuits, candies of their choice. Since parents hardly get time to buy household things, they depend upon their maid to do so, who in turn is influenced by the children in the household. Under such circumstances, children decide the brand of soap, toothpaste and a detergent. Similarly, because of extreme time pressure faced by working mothers, there is evidence that children have more say in what they want, simply because an exhausted mother is more likely to say ‘yes’ or give in to the child’s demands easily.

Indulgent Parents:

Such parents are more communicative with their children about consumption related matters and are less restrictive. Parents believe that children should be allowed to learn about the marketplace without much interference. Parents strongly desire to prepare their children for adult hood or at least self-sufficiency. Sometimes such parents take an initiative and send their children to neighbourhood stores to buy tea, coffee, toothpaste etc. Therefore consumerism develops quite early in these children. In fact, children of such parents get pocket money quite early, as parents feel that it is the first step towards independent buying. Such children have a greater say in decision-making in the household. In fact, parents make it a point to consult their children while buying household things and even while buying expensive stuff like a home computer, laptop, a mobile phone or a car.

The influence of children on family expenditures has been long recognised by advertisers, due to which they appeal to children who in turn nag their parents into buying what they want. The market for children’s products has grown rapidly in last several years. And the origin started with the immediate family members. In spite of providing all their wants and desires, children do not seem to be satisfied. There is always more to buy, dissatisfaction breeds very fast, aspirations are very high and once they are achieved, these children raise the bar of aspirations still higher. This has resulted in young children having almost all products and luxuries very early in life than their own parents and forefathers. There is no value for money as they have seen their parents splurge on whatever they have demanded. Splurging on self as well as the children has sent a message to kids that their parents can afford anything and everything. This observation has also led to increase in demands, by the children. The researcher enquired with today’s parents, whether the kids valued whatever they had and most of the parents replied in the negative. The following table conveys the obvious.
Table 5.2

Today’s kids value whatever they have

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Content</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>38</td>
<td>19.0</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>162</td>
<td>81.0</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>200</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Compiled from Primary Data Collection

A whopping majority of parents replied in the negative. About 81 percent parents thought that their children did not value whatever they had, which included the latest books, CD’s, DVD’s, games, personal computer, play station II or III. Once they set their eyes on something and got it, its value was over and they were ready to move on to the next product. In this manner all the expensive toys etc. were not kept properly or maintained well as they did not value money and realise the hard work that goes behind earning it. This generation has got everything on a platter and hence the pinch or realisation that money is the outcome of hard work is absent.

The queue outside the zoo and aquarium has shortened, while malls are thriving at the expense of kiddie-shops, video games arcade and food court. With the opening of exclusive outlets, availability of retail spaces and purchasing being heavily influenced by kids, and also parents pampering their kids, this market is on the threshold of an explosive growth. McNeal James\(^1\) has developed a five stage model of how children learn to shop by visiting supermarkets or other retail outlets, with their parents. He believes that it is here that the foundation of consumerism is laid down. Perched on the shopping trolleys, children enjoy a bird’s eye view of different products on the shelf understand their parent’s buying habits and they also get acquainted with the sales personnel, sales promotional

\(^{1}\) Jaroslav Ing, Children in the focus of Marketing Experts, www.ef.umb.sk/upload/zamestna
tools used in the retail outlets. This goes a long way in shaping the attitude, perceptions and personality of the children. Initially children ape their parents but soon armed with knowledge and confidence, they develop a separate identity. This is exactly the identity; the marketers are keen on cashing. Marketers are encouraging the children to visit their stores by offering promotions which will interest the children. Many retail outlets are going overboard by providing entertainment in terms of video games, 3D movies and food court. Therefore before realising it, children become enthusiastic buyers from passive observers, which is depicted below in the chart.

**Chart 5.10**

*Five Stage Model of how children learn to shop?*

<table>
<thead>
<tr>
<th>Stage I</th>
<th>Accompanying parents &amp; observing:</th>
</tr>
</thead>
</table>
| Children accompany parents, sit perched on a trolley and observe the various products stacked neatly on the shelves. If their parents have an affinity towards a particular brand, the child starts recognizing the product, by its colour and design. During this stage, children make sensory contact with the marketplace and begin forming mental images of marketplace objects and symbols. In the early months,
only sights and sounds can be processed. However by 12 to 15 months, most children can begin recall of some of these items.

**Stage II: Accompanying parents & requesting:**
By the time, the child is 2 years old, he/she starts making requests for products which they would like to consume. The type of products would include biscuits, soft-drinks, ice-creams and chocolates. Repeated store visits, frequent consumption of certain brands influence the attention of the child. They do sit in the trolley for some time, but start pulling and piling up the cart whenever it stops.

At one year, a child gestures by pointing fingers to indicate that they want a product. As they start speaking, they are vocal with their requests and stress on only those items which are physically present. They do not carry a mental image of the product in their mind.

**Stage III: Accompanying parents & selection with their permission:**
By the age of four or five years, children know the location of few favourite products in a store, where parents repeatedly buy. By this age, they refuse to sit idle or on the trolley. During such time, parents ask their help in picking up a few things on the pretext of keeping them occupied. Children too make the most of this opportunity and pick up a lot of stuff, but after asking for permission.

**Stage IV: Accompanying parents & making independent purchases:**
By the time the child is six or seven years old, children pile up the shopping trolley with whatever they want. At the end of the shopping session, parents negotiate and finally agree to buy five out of ten products, which the child has picked up. By this age, children know brand recognition and have a definite brand recall, due to the constant media invasion. Repeated visits to specific shops also make the children comfortable with the ambience and product location, which further fuels their buying. Most children learn by observing that money needs to be given in order to get things from a store. They learn the value of money given to them by their parents and others as a means to acquire things. Soon they are allowed to select and pay for items with their own money. They are now primary consumers.
Stage V: Going to the store alone and making independent purchases:

Between eight and nine years, children confidently enter the stores and make solo purchases. They know the money handling part and are also well-versed with the billing system of the store. Children are either send by their parents to buy soap or toothpaste, or they go to the store on their own to buy some stationary. This builds the foundation for further growth of these young consumers. Making a purchase without a parent to oversee it requires a fairly sophisticated understanding of value as well as the ability to visit a store, or a particular section of a store, safely without a parent. Thus parents influence on consumer socialization is both-direct and indirect. They deliberately try to instil their own values about consumption in their children by tagging them along on all the shopping trips. Parents also determine the degree to which their children will be exposed to other informational sources, such as television, salespeople and peers. Retailers are therefore developing program to occupy the children and make their visit to the store, fun.

Children can socialise their parents just as parents socialise their children. Each can influence and manipulate each other’s behaviour. On shopping trips, children learn about the basic consumer skills such as budgeting, pricing and choosing between different brands and products, as well as more complex skills such as getting value for money, how to choose an appropriate store and even how to decipher and evaluate advertisements. Consumer Socialization is the process by which young people acquire skills, knowledge and attitude relevant to their functioning in the market place. The family is instrumental in teaching young people, rational aspects of consumption, including basic consumer needs.

- Parents teach price-quality relations to their children including experiences with the use of money and ways to shop for quality products.

---

192 Statt David A., op cit.
193 Assael Henry, op cit.
• Parents teach their children, how to be effective comparison shopper and how to buy products on sale.
• Parents influence children’s brand preferences.
• Parents influence children’s ability to distinguish facts from exaggeration in advertisements.

Parents therefore teach\(^{194}\) consumer skills to their children through instrumental training, Modelling and Mediation.

**Chart 5.11**
**Consumer Skills taught by Parents**

- **Instrumental Training** occurs when a parent specifically and directly attempts to bring about certain responses through reasoning and reinforcement. Which means that, parents may try directly to teach a child which snack foods should be consumed by discussing nutrition with them. This training trains the young minds into buying a particular brand because of its goodness and ignoring or refusing a certain brand because of nutrition.

---

\(^{194}\) Hawkins Del I., *et al.* *op cit.*
- **Modelling** occurs when a child learns appropriate or inappropriate consumption behaviours by observing their parents. Children learn relevant skills, knowledge and attitude by observing their parents who are role models for them. Children learn both positive and negative consumption patterns through Modeling.

- **Mediation** occurs when a parent alters a child’s initial interpretation of, or response to, marketing or other stimulus. Which also means that if an advertisement triggers a desire, parents alter the belief and discuss how everything shown in advertisements is not true. Children often learn about the purchase and use of products during interaction with family members.

All this learning occurs in subtle ways, being affected by parental modes and family discussions. Children learn directly relevant skills like budgeting and buying and also second order skills that involve an awareness of social dimension of consumption. Interactions take place in a family which develops tastes, preferences, shopping styles, choice of clothes etc. How much money to spend? Where to buy from? During the child’s training period, parents permit various degrees of participation in the consumer role. Parents may advice children about what to buy for a meal, and also may permit children to choose between two brands of cheese or juice. Therefore within the family environment, children learn both effective and ineffective consumer behaviour by observing their parents consumer practices. This kind of freedom given to children is leading to serious consequences. Parents may argue that children’s opinion just about goes on to make them smart and market savvy and there is no harm in spending on them as that is the reason, money is earned. The same parents are refusing to see the bigger picture. Living a good life can be habit forming, till the parent’s support the child, a child gets all the luxuries and also gets addicted to these luxuries. After the child grows up, he will have to choose a vocation which will help him sustain the same standard of living and in case the child fails, it will lead to frustration and then depression. It is important to give the child a decent upbringing but not extravagant upbringing, which he may or may not be able to cope up in future life. The table given below opines the same sentiment.
In this table, a majority of parents (96 percent) have agreed to be responsible for their child’s extravagant ways of living, while a meagre 4 percent do not think so. Getting used to luxuries is the easiest habit that one can form, but stepping down even by 10 percent is a difficult task. Habits formed in childhood are too difficult to change and such extravagant habits can ruin a child’s future, if he is not able to live up to it in future.

The child is born without any consumerism, and as the child grows, his/her wishes and desires are met. These values and standards acquired early in life tend to persist.

B. Consumer Socialization through Relatives:

In India, a family involves not only the immediate family but also the extended family like the umpteen numbers of uncles, aunts and cousins. If this is not enough, the neighbours pitch in and nearly become an important part of the family. In India, festivals are celebrated with a lot of enthusiasm and gathering of family and friends. One function in the family will see a minimum turnout of twenty to thirty people. This extended family too plays a major role in socialising the children at an early age. Children look up to their uncles, aunts and elder cousins as role models and try to copy them by using the same products that they use. Similarly these family members may have a peculiar habit of gifting a specific brand which they like. Repeated use of the gifted brand will create affinity toward the said brand.
From relatives, a child acquires a sense of personal ambition, self-worth and love. Fortunately, these relatives are not static but are always growing, upgrading, updating their knowledge, complementing and learning. There is a constant stream of interactions, inflows and influences and soon the child learns that different set of values and behaviour cannot co-exist. The child also has tremendous opportunity to weigh and classify the behaviour of elders and pick up role models, which can be an uncle, an aunt or an elderly cousin. A child forms some early attitudes, brand preferences and choices, by observing the consumer behaviour decisions of the relatives. As time goes by, the individual child forms his own perceptions about a particular brand and may revise his decisions related to brand choices. Immediate family members and relatives help build early loyalties which stays with the child throughout his adulthood.

C. Consumer Socialization through Peers:
This topic has been touched up on in the previous chapter, in detail. As children grow up and start going to school, the other children who accompany them from grade to grade (their peer group) assume an ever increasing importance to them, and eventually the opinions of their peers start influencing them more than their parents. Though family influences are generally more important than those of peer groups in early childhood, the influence of parents declines as the child gets older. Children acquire a considerable degree of independence between the ages of 8 to 14 years. This is because parents grip on the children start diminishing and external forces like peer pressure and median start taking its toll on their mind share.

There is a new found confidence in today’s children. They are “aware” of their surroundings which include latest technology, media, advertisements, sales promotion tools and also the international brands. Children today are worldly wise and have travelled half the world at a young age. New trends, awareness and
desire to connect with what’s the latest around the world is high. When these children interact with each other, the result is mind blowing. The other kids who have not experienced this want to do so in order to fit into the peer group. Kiddie interactions also have led to kids being aware of the latest technology, mobile phones or latest cars. This is directly or indirectly shaping their perceptions and attitude towards the brands and certain products.

D. Consumer Socialization through Media:

Media invasion in kid’s life cannot be ignored or its importance cannot be undermined. The researcher has acknowledged the importance of this factor and dedicated an entire chapter for media invasion and buying decisions of children. Children are addicted to television; they want to watch it after coming from school or tuitions. All the free time is spent in front of the idiot box. Marketers are well aware of this and prepare an advertisement after doing considerable research on child psychology. Attractive colours, illustrations, peppy jingles, cute kids acting in the advertisements, celebrity endorsements are all used to attract the attention of children. Children are influenced by these advertisements and have high brand recall. The moment they see the product advertised on the display shelves, they persuade their parents into buying that particular product. Advertisements remain into the subconscious mind of the children and they recollect them at a correct time, i.e. while accompanying their parents for shopping.

Today, kids are socialised by media at an early age, as early as one or two years. Parents consider television as an electric baby sitter. Children tend to eat whatever is fed to them while watching television; they do not move and sit at one place for a long time, when they are in front of television. Hence parents find this strategy very convenient. But this is leading to the children developing early brand preferences, specific likes and dislikes. One or two year old children, who can’t even speak, recognise the brands through colour and packaging. And at such an early age they start pestering their parents by crying for a particular product. As they grow up they argue, then sweet talk their parents into buying them products
that they desire, and after a few years, negotiate and bargain, but make their parents buy.

5.6 Changing Role of a Child in Family Decision-Making

Children today enjoy greater discretion not only in making routine consumption decisions for parents, but also pestering their parents to buy other products desired by them. The extent of influence of a child on parent’s purchase decisions depends upon two factors:

- Child’s assertiveness
- Parent’s child centeredness

Parents are willing to buy more for their kids because trends such as smaller family size, dual incomes and postponing children later in life mean that families have more disposable income. Guilt can also play an important role in spending decisions as time stressed parents substitute material goods for time spent with their kids. Children are very smart and observe their parent’s behaviour minutely. They know too well that parent’s too cannot sleep without an air-conditioner in the room. These things are observed and children play with the emotions of their parents as they know that it is going to benefit them in the long run. Though this theory sounds ruthless it is so as the child, by the age of four years already know that he/she is the centre of attention. And that they can demand and get away with whatever they desire. They know that their parents want the best for their children-price no bar.

The role of children in family consumer behaviour is still very poorly understood and often ignored. Mochis and Moore’s conceptualization could be extended to predict the role of children’s contributions to family decisions. One of the most impressive aspects of this century is the exceptional concern with children. Not that today’s children are loved more than those in previous generation. But there is
special awareness about them. They are different from adults. They have their own needs, tastes, likes and dislikes that change rapidly. Similarly the sheer size of the childhood segment has drawn a lot of attention.

Children as buyers make up three distinct markets-

I. Primary Buyers:
Children spent over $25 billion in 1998, buying confectionary, games, movies and music from the U.S. Retailers. Armed with money received from allowances, chores and gifts from grandparents, children average just over 200 store visits per year, either alone or with parents. Therefore primary users mean the actual buyers where the kids spend on their own, either for products needed by them or their family. With dual earning, both the parents are left with no time to buy the regular household stuff like groceries, cola’s, detergents, shampoos, etc. It is left to the child in the house to buy such stuff.

Since conspicuous consumption and pampering of one’s senses with products and services, things considered luxuries earlier, have become just too natural. With people earning more, their spending capacity too has increased. Hence kids in the house have easy access to the money and are indirectly motivated to go with the maids and shop for groceries as well as ‘what-they-want’ products. Due to this, they are well versed about various brands of soaps and toothpastes as well as candies and biscuits that are available. Such children are also called as latchkey children. It means those children who are at home with the maids after school, while their parents are at work.

Since they are technology friendly, they take their own decisions regarding game buoy cartridges, PSII game CD’s and Computer games. The fundamental drift is towards a better life, an improved lifestyle and a desire to obtain more for oneself. Since both parents are working, there is more spending power, hence ensuring the very best for their kids. Therefore things are changing at a fast pace for these extremely privileged set of children. They stand at crossroads of sorts.
II. Influencers:

A survey\textsuperscript{197} of 425 urban families with single child between the ages 7 to 12 years, found that children influenced 40 percent of all household purchase decisions. There are approximately 120 million children in India but the relevant market is about 45 million. A substantial chunk comes from double income homes where their empowerment is early. In addition to this, Companies are using children as role models for their advertisements. Therefore some products are directly targeted at children as they are sole decision-makers or influence their parent’s decision-making.

In a focus group study by kids-link, the market research group of kids-stuff promotions and events, with boys and girls in the age group of 8 to 15 years in Delhi, were able to influence decisions 50 percent of the time. The study highlighted that parents themselves seek opinion of kids, since they have knowledge of brands, models and latest trends, due to media exposure, peer and friends. Children’s influence is so intense that companies like Chevrolet runs advertisements to woo these ‘back-seat-consumers’ in sports illustrated for kids. ‘We are kidding ourselves when we think kids aren’t aware of brands’, says Venture’s brand manager, adding that she was surprised at how often parents told her that, kids played a tie-breaking role in deciding which car to buy?

In fact, automakers target kids, in magazines and point of purchase (POP) displays because they indirectly influence about $17.7 billion in auto purchases. And the influence of children on computer purchases is just beginning to blossom. Aggregate spending in millions of dollars spend by children aged 4 to 12 years on selected items and per child spending in 1997 was –

\textsuperscript{197} Pavleen, \textit{op cit.}
Table 5.4

Aggregate spending by children in dollars (1997)

<table>
<thead>
<tr>
<th>Name of the item</th>
<th>Aggregate spending</th>
<th>Spending per child</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food &amp; Beverages</td>
<td>$7745</td>
<td>$220</td>
</tr>
<tr>
<td>Flat items</td>
<td>$6471</td>
<td>$184</td>
</tr>
<tr>
<td>Apparel</td>
<td>$3595</td>
<td>$102</td>
</tr>
<tr>
<td>Movies/ Sports</td>
<td>$1989</td>
<td>$56</td>
</tr>
<tr>
<td>Video Arcades</td>
<td>$1326</td>
<td>$38</td>
</tr>
<tr>
<td>Other</td>
<td>$2302</td>
<td>$65</td>
</tr>
<tr>
<td>Total</td>
<td>$23429</td>
<td>$665</td>
</tr>
</tbody>
</table>

Source: James McNeal, Tapping the 3 kids market, American Demographic (April 1998), p 40.

III. Future Customers:

When these kids grow up to be adults, they will be savvy marketers. India has the youngest population profile among the numerically significant countries—there are a lot of young people, in different income segments and locations. These kids are likely to be living in Metros, eating out often, shopping at swanky malls, talking about brands, and watching movies in multiplexes. Their dress is invariably modern and attire must be changed frequently. One must recognize the fact that India has long been an aspirational society, the kind that western countries have only become in last 150 years. Consumers in general aspire for better lives, better professions and better experiences.

And with the economy doing so well and more money available, more Indians are turning into consumers. This attitude and tendency is rubbing off these young children too. They often accompany their parents to super-markets, departmental stores, malls and multiplexes. They are very observant as to which brand in particular is being bought by the parents. On the basis of this, their attitudes towards particular brands are biased as positive or negative. This attitude is carried
into adulthood, when they make their purchases. This is the reason that many a times, young married girls often buy the same brands of mixer-grinder or refrigerator that their parents have.

Since they grow up with a particular brand of soap or shampoo, they get habituated to it. Many companies today are trying to catch them young. Citibank offers free credit cards to first year MBA students. They are given the facility of repaying their bills after they start their job. Plus with instalment system and hire purchase being very popular, they grow up with the attitude that even if you can’t afford, it is alright to purchase through instalment system.

Hence Consumer socialization is relevant to this study as:

- Understanding childhood experience may provide a key to the prediction of adult consumer behaviour.
- Knowing how young people acquire skills, knowledge and attitude relevant to consumption, and isolating the factors that influence children, should help ensure that marketing campaigns aimed at children become more effective.
- Child socialization helps in understanding family decision making with respect to consumption.
- Knowledge of consumer socialization is necessary to formulaturs of government policy of consumer protection and to those responsible for consumer education.

5.7 Conclusion

Family is the most important and earliest environment and probably the entire universe for an individual, for the first few years of life, including the early childhood. All the values, traditions, attitude and perceptions the child is exposed to, is imbibed from the family. In the same context, shared shopping experiences give children the opportunity to acquire in-store shopping skills. Parents directly
or indirectly socialise the children and encourage them to become early consumers. Parents directly socialise them by taking them along for shopping (grocery or otherwise), interact and discuss products and take their opinion. They do so, as they are confident of their child’s knowledge and consult them, every time they make a purchase. Dual earners leave the child in the hands of grandparents and the maids. These children dominate the caretakers buying decisions and often accompany them for buying household stuff.

Therefore the socialisation could be through parents, relatives, peers and the media. Early childhood is influenced by parents and also by relatives, while school life is influenced more by peers and media. But these factors have been successful in shaping the preferences, attitudes and perceptions of children, very early in life. Children today, are smart and savvy buyers, who have an equal say in what goes into the shopping basket. By the age of nine or ten years, young people are performing the role of consumers with much confidence and expertise. A child sees consuming as a logical role to assume and recognises that basic need such as affiliation and self-esteem can be fulfilled in the market place with ease. As a result, children are likely to influence decisions for products the whole family consumes. One study estimates that children influence $132 billion in family expenditure over 62 product categories. Consumer socialization is therefore lifelong learning process and includes acquisition of consumption related knowledge as well.

Marketers are keeping a tab on this phenomenon, and accordingly directing their communication towards the children. Earlier too, there was socialization to a certain extent but the rise in the middle class, resulting in high disposable personal income has led to parents spending more on their little ones and their never-ending demands.

198 Statt David A., op cit.
199 Assael Henry, op cit.