

CHAPTER 1

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CHAPTER 1

Introduction

This chapter introduces the main concepts and background of the research area. This is followed by purpose of the study and problem area discussion that will help provide an insight into the research area. At the end of the first chapter, the scope of the study, the expected contributions, and the outline of the study have been presented.

1.1 Introduction to the Problem

One of the major tools of integrated marketing communication is Advertising which is used by marketers to motivate consumers to buy the products. “It also has strong linkage with entertainment also and the proliferation of media has blurred the distinguishing lines between advertisements and entertainment” (Moore, 2004). The advertisements focused on selling snacks, toys, cookies and fast food are usually targeted towards children so that they can try these products and buy often such products. “A strong correlation has been observed between children and television advertisements, which are full of fascination and excitement” (Blosser and Roberts, 1985; Halan, 2003).

This has made marketers around the world to find what actually impacts the child’s attitude towards these television advertisements. “Research establishes that children start understanding the selling intent of the advertisement before they attain the age of eight” (Donohue et al., 1980; Wartella, 1982; Kline, 1995; Ward and Wackman, 1987). “A child makes his first brand and category choice in school canteen, when he is hardly four or five” (Mizerski, 2005), it definitely corroborates the previous findings. So, marketers need to understand children’s understanding of advertisements and develop campaigns accordingly.

The changes in demographic pattern and households today also have increased the child's impact on decision making of families. "Considerable research has been carried out on young children's influence" (Berey & Pollay 1968; Atkin 1978; Jenkins 1979; Nelson 1979; Darley & Lim 1986; Swinyard & Sim 1987; Ahuja *et al.* 1998). "However, as children become adolescents they gain more product knowledge, display more cognitive development" (Piaget 1970), "demonstrate more understanding of economic concepts" (Strauss 1952), "develop consumer skills related to information processing" (Wackman & Wartella 1977; Roedder 1981) "and are more likely to model their consumer behaviour on that of adults" (Lerner & Shea 1982).

The attitude towards the advertisements comes from the cognitive and affective factors which are developed by advertisements. "While viewing the advertisements, his unique background, experience, needs, personality and ability to process information comes into play" (Resnik *et al.*, 1979). Panwar and Agnihotri (2005) "went further to prove this phenomenon in the Indian context by comparing children having education in English and vernacular medium". All the children in different age groups have different cognition and emotional levels so it is important for a marketer to make such advertisements which can create favourable responses from children.

1.2 Background of the Study

Today's children are not just important for advertising but are also controversial target for advertising (Rose, Bush, & Kahle, 1998, p.71). "According to the literature, children in the United States view an estimated 30,000 to 40,000 televisions commercials in one year" (Martin, 1997; McNeal, 1999b). "One of the latest estimates on spending by children in the United States suggests that children 12 years old and under spend \$27.9 billion of their own income, while they influence approximately \$249 billion of their parents' finances" (Lawlor & Prothero, 2002, p.481). The same authors place European children's spending at £23 billion for 2000. "The Euromonitor International Market Survey places the world's population of children under 15 years old at 1.5 billion" (Ciro & Michael, 2001). According to this market survey, the estimated spending by children worldwide was almost \$400

billion in 2000. Taking into consideration these numbers, there is little wonder why children have become a target market, and why advertisers spend large amounts of funds on advertising to children.

McNeal (1999b) “notes the following about advertisers’ spending on children: Over 1 billion dollars is spent on media advertising to kids, mostly on television. Continued growth is expected as online programming to kids attracts advertisers”. At least \$4.5 billion is spent on promotions such as premiums, sampling, camps, contests, and sweepstakes with much growth expected as more nontraditional players such as motels, airlines, banks, and professional sports come into the market with kids’ programs and kids’ clubs.

1.3 Statement of the Problem

“Children’s influence on family consumption decisions is a big reason why they are an appealing segment for marketers” (McNeal, 1998). “In fact, in their book *The Great Tween Buying Machine: Marketing to Today’s Tweens*, Siegel et al.” (2001, p. 67, emphasis in the original) “emphasize that tweens (nine to 12 year olds) are a market segment with noticeable power and that their power lies not in their purchasing power, but in their ability to influence their parents (and grandparents) to make purchases on their behalf”. “McNeal’s pivotal work *The Kids Market: Myths and Realities* provide interesting insights on the magnitude of influence of American children on parental spending” (McNeal, 1999). For example, he points out that children directly influence about 12 percent of the annual \$8.2 billion in sales of pet foods. Furthermore, “kids sitting in the back seat of a car on a family road trip are making about one-third of the decisions about where the family will spend the night—perhaps just moments before they approach the exit that leads to the motel advertised just a few miles back on a strategically placed billboard” (McNeal, 1999, p. 88). “It is worth noting that in many cases, children’s influence on family decisions may be even initiated by the parents, especially in regard to use of the internet, where parents may perceive youngsters as experts” (Belch et al., 2005). Some of the concerns here are whether these children pester their parents to buy the advertised products on Television.

1.4 Purpose of the Study

The purpose of this study is to understand how parents in India feel about what are the factors that create children's attitude towards Television advertisements and then whether this attitude creates a pestering power amongst children, and then whether this pester power in children impacts the buying behavior of these parents. This will broaden understanding of the reasons of children's attitude towards TV advertising and how that creates an influence on the parental decision making.

1.5 Rationale for Study

Tweens being an important target market for marketers across the world, it is important to gain an understanding of the tweenagers' (children between the ages 8 and 12) attitude toward TV commercials. "This is important to marketers for two reasons. First, these children are believed to be capable of developing psychological constructs, making comparisons and forming impression" (Selman 1988). The tweens are neither kids nor teens yet but are a segment who are concerned about their social image. They give into persuasion easily. Marketers have also found that this segment has a lot of potential as they like to make choices. They influence parents by nagging or pestering (Mc Neal, 1999). Due to all these reasons marketers around the globe are targeting this segment.

Keeping these in view, it is necessary to know for marketers how much these children like the TV advertisements created for them and what can be the influence of these children on the family purchases. It therefore becomes important for marketers to understand the factors that can create an attitude amongst children towards the Television advertisements, since a positive attitude can influence the parental buying decisions. Therefore, while children are becoming a very important and powerful segment for the marketers, it is important for the marketers to communicate to them.

1.6 Research Questions

The primary goal of the thesis is to

- (i) Identify the constructs which influence the attitude of children towards TV advertisements.
- (ii) Identify the influence of pester power on the influence the buying behaviour of parents
- (iii) If there is an influence of children on the buying behaviour of parents, then what strategies must marketers create to influence children effectively.

1.7 Outline of Study

The objective of the researcher here is to learn about the attitudes of the children towards television advertising. The researcher explicitly wants to learn if these attitudes towards Television advertising creates pester power among children and how does that affect the buying behaviour of the parents. A review of literature about the impact of television advertising on children have been investigated broadly within three research aspects— children attitude towards advertising literature, the pester power literature and the impact on the buying behaviour of parents literature.

The report has been outlined with focus on certain objectives:

To have the answer to the above discussed issues, following objectives are set for this research:

- (i) To study and identify the performance indicators which influence the attitude of children towards TV advertisements.
- (ii) Classify the indicators and build a model based on them.
- (iii) Validate the model which has been built on the basis of the indicators.
- (iv) To identify the influence of pester power on in factors that influence the buying behaviour of parents

In this study the researcher has tried to devise a scale for assessing children's attitude towards Television advertising from parental perspective. An empirical study has been conducted resulting in identification of contributing factors: Entertainment, Information, Credibility and Likability. These constructs were then validated through confirmatory factor analysis and a scale was proposed

1.8 Nature of the Study

This research study has replicated certain studies done on this topic earlier. "Replication is conducting a study that repeats or duplicates in some systematic manner a previous study" (Frey, Botan, & Kreps, 2000), and is common in the physical sciences, according to the author. "However, replication is rare in the social sciences, which includes management studies and advertising" (Lindsay & Ehrenberg, 1993).

"According to the literature, the three types of replication most often used are partial replication, conceptual replication, and evaluating replication" (Cooper & Schindler, 2003; Frey et al., 2000; Leedy, 1997). "However, Frey et al. (2000) "define the three as follows:

Exact replication – repeats or duplicates a previous research project as closely as possible, with the exception of studying different participants.

Conceptual replication – examines the same issue as a previous study, but uses different procedures, measurement instruments, and sampling procedures than the previous study.

Partial replication -- duplicates a previous study while changing on procedure, but keeping the rest of the procedures the same.

Evaluating replication – while replication is tremendously important, not all studies are worth replicating" (p. 136-137).

This research study has followed the guidelines in the literature for conceptual replication throughout the remainder of this study. A conceptual replication examines the same issues of a previous study, but is free to use different procedure, measurement instruments, and sampling procedure to investigate the same issues. In this research, there are a lot of inter related questions which need to be investigated. Confirmatory factor analysis and Structural Equational Modeling has been used as a procedure to understand the inter-relationships between the constructs, represented by multiple measured variables. The concept is similar to estimating a series of multiple regression equations. These equations model all the relationships among constructs, dependent as well as independent.

1.9 Organization of thesis

Chapter 1 consists of the introduction to the study of introduction to the problem and background of the study. The need for the research has been explained along with the research questions. The outline of the study has been framed based on objectives which have surfaced from the research questions. This chapter also deals with the report layout and conclusion on the report.

Chapter 2 focuses on literature review. In this chapter while doing the review of literature, the concept of advertising to children, the attitude of children towards Television advertisements, the role of children today in Family decision making and how that influences the buying behaviour of their parents has been discussed. The literature survey has been done based on the world scenario as well as on India.

Chapter 3 explains the research methodology, research design and conclusion on the research process. This chapter provides an outline of methodology to be used in the research, the conceptual frameworks used in our approach to define the constructs. The discussion initiates with explanation of exploratory, descriptive and causal research approaches which is further extended to qualitative and quantitative approaches and identify our study in the category. It further proceeds to selection of appropriate research strategy,

discussion on data sampling, data collection and method of data analysis. It concludes with reliability, validity and triangulation of data.

Chapter 4 presents the results of the survey conducted for Study of Children's attitude towards TV advertising and how it impacts the buying behaviour of parents are presented. This chapter begins with an introduction to Children's attitude towards TV advertising and how children influence parents buying behaviour. It proceeds with descriptive statistics of demographic characteristics, factor analysis using principal axis factor method and reliability of constructs. Confirmatory factor analysis using structural equation modeling was used to examine the model fit for the hypothesized instrument, analyze reliability and validity at the construct level and the instrument level followed by hypotheses testing. Hypothesis testing is depicted based on the research model.

Chapter 5 Synthesis of the result obtained in the previous chapters are done in the chapter. Recommendations are suggested based on the synthesis of study. This chapter attempts to synthesize and discuss the results obtained and findings in relation to the research questions and the proposed hypotheses.

Chapter 6 Presents the conclusion giving implication of research and practice. This chapter concludes on the results obtained from Structural Equation Modeling. It also includes theoretical and managerial implications, limitations of the study and suggestions for future research.

1.10 Concluding remarks

The purpose of this study is to measure the factors that create attitudes of children between the ages of 8-14 towards Television advertisements from the parental perspective. Identify whether this attitude can create pester power amongst children, and then see the influence of this pester power of children on the buying decisions of parents.