CHAPTER ONE

MARKETING TO CHILDREN

1.1 Introduction

Of all the marketing strategies, one of the most critical ones is the STP strategy or the Segmentation, Targeting and Positioning strategy. Segmentation is the process of segregating the market into various groups of customers who share a similar set of needs and wants. Based on this, marketers target smaller, better-defined customer groups with specific needs and develop distinctive product offerings to satisfy them using different positioning strategies (Kotler and Keller, 2006). The foci on the latter two can be developed only when the segments are clear to the marketer. While there are many options for segmentation based on the demography (age, occupation, sex, family size), geography (climate, density, population), psychography (lifestyle, values, personality) and behaviour (usage rate, usage status, loyalty etc), age based segmentation is fast gaining importance in the marketer’s tool-kit. One reason for this is the apparent lucidity, operational ease and the vast potential underlying age-based segmentation.

Children of different age groups - be it infants, toddlers, young children or adolescents, form an attractive segment for the marketers considering the age based segmentation. Children are becoming a formidable segment in the marketing world for twofold reasons. First, children in India and across the world constitute a huge market size as the population of children is increasing tremendously. Secondly, the vast spending power they accumulate based on their discretionary income and the influence on the family purchases (Kennedy 1995; Kim and Lee 1997). Proponents of child-targeted marketing
and advertising argue that due to their financial power, children comprise a separate target market from adults (McNeal 1987).

A cursory glance on this subject unfolds the huge potential that the kids have -

- The size of the children’s (4-12 years old) market was 33 million in 1989 and its spending power was of almost $14.4 billion a year as well as influence on family purchases of almost $132 billion a year (McNeal, 1992).
- Cut-throat competition in the children’s market is not only fuelled by the introduction of new products and extensions in the long-established categories of toys and cereals, but also by new product introductions in the new categories such as electronic equipment and personal care products for the young (McNeal, 1987).
- Lindstrom (2004) describes that 8-14 year old children in the US are estimated to control and influence $1.2 trillion per year via their own expenditure, and via their influence upon their parent’s purchase decision.
- Children as young as age three recognize brand logos with brand loyalty influence starting at age two (McNeal, 1992).

### 1.2 Pester Power

Today children are constantly making demands that are eroding their parents’ pockets. This is due to pester power.

#### 1.2.1 Definition

Pester power, as described by McMillan dictionary (www.macmillandictionary.com), is the children’s ability to make their parents buy something or do something for them by continual asking until the parents agree to do it. This phrase emerged in the USA in the late 1970s as reported in *The Washington Post*, February 1979.
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(http://www.phrases.org.uk/). It mentioned about the changing relationship between the child and the parent in western societies wherein the ‘cash-rich and time-poor’ parents indulged their children by yielding into their demands. According to another source (http://www.thefreedictionary.com), “the ability possessed by a child to nag a parent relentlessly until the parent succumbs and agrees to the child's request” is pester power.

Hall (1987) further explained the spending powers of the children by delineating five areas – 1) the money children spend on themselves, 2) the money parents spend on children, 3) the money children spend while shopping with the family, 4) children’s influence over family purchases and 5) the money children will spend as future customers.

1.2.2 Pester Power Effect on Children

The audience definition of “children” is defined as viewers between the ages of 2 and 11 (Desrochers and Holt, 2007). However, there seems to be conflicting views in academic research for the definition of age brackets for the term “children”. Some authors categorize children in the age group 0-14 years whereas some extend this to as old as 18 years of age. Cowell (2001) feels that the segments developed by schools should be an acceptable guidance for market segmentation too. Some categorize them as infants, toddlers, tweenagers, teenagers and adolescents etc. Children in the age group of 8-12 years are referred to as ‘tweenagers’ (Barr, 2000; Chunovic, 2001). This term is so coined to describe this age group children who are neither very small nor teenagers and hence are ‘in-betweens’.

For the brand managers, these children often serve as a softer target and hence they try to scrawl their brand names on the unruffled, tender, blank paperlike minds of the kids. Marketers rely on the ‘nag factor’ i.e. reaching children so that they will influence their
parents’ purchase decisions. Children are therefore seen as active and significant participants in the consumer economy through their own direct expenditure and indirectly through the substantial influence they have on their parents’ pocketbook (Bocker, 1986; Ward and Wackman, 1972). Kids today not only rule their own purchases but actively get involved in family decision making be it for big ticket items like the car, computer, durables or planning for the holidays or groceries like the cereals, biscuits etc (Kim and Lee, 1997).

Berey and Pollay (1968) list down three major reasons for the growing importance of the children segment:

(a) The size of the child market is rapidly growing,

(b) Children’s ever increasing influential capacity and

(c) Adult consumer behaviour is the direct antecedent of child consumer behaviour.

Children’s desire to possess products they have seen on television is said to lead to ‘pester power’, which means that children pester their parents or other adults to buy things for them (Proctor and Richards, 2002). This can be at the level of children negotiating products during family shopping trips – often successfully from the child’s perspective, because Parker (2001) pointed out that U.K. parents spend, on average, £7.00 more when supermarket shopping with children than without them. Pester power can also be more long term when children raise a campaign of requests and demands in advance of special occasions like their birthdays or festivals like Christmas and Diwali. It may be witnessed more in societies where giving gifts to children during festivals is more of a ritual than indulgence.
1.3 The Child Customer

From the mid-1960s onward, market research increasingly involved children as subjects realizing the huge potential of this important segment of the market (Cook, 1995). Cook states that “it was in the 1930s, despite depressed economic conditions (or perhaps because of them), when merchants, manufacturers, and advertisers began to target children directly as individual consumers”. Prior to this time, mothers were assumed to be the primary target for any of the children related merchandise. Cook (2000) examined how notions of “the child” were constructed in marketing research literature from the 1910s through the 1990s and has acknowledged William Wells (1965) and James McNeal (1964) who set the framework for subsequent direct study of thinking about children as individualized consumers. They lay down the construct of ‘the child’ as a being who possesses presocial, naturalized desires for consumer goods. New paradigms arose as marketing research on children exploded beginning 1970s and exponentially grew with the seminal works of Moschis, Moore, and Stephens (1977), Resnik and Stern (1977), Robertson and Rossiter (1974), Roedder (1999), and Ward and Wackman (1972). Consumer socialization studies of 70s and 80s paved way for the study of the 1990s which reinforced the identity of the child as an ‘autonomous’ consumer in the marketplace.

As mentioned by Cowell (2001), the Jesuits notion of ‘Catch them Young’ is realised by many marketers. They clearly understand the importance of ‘cradle to grave’ marketing strategy and hence trigger various brand preferences in children at a very young age and encourage long term loyalty with the brands. Though, Vygotsky differs here as he postulates that children change under the influence of varying socializing agents and hence considers future loyalty stemming from early experiences as erroneous (Cowell, 2001).
McNeal (1992) dimensionalised this potential by identifying children as three types of customers –

a. **Primary** – Primary customers have their own disposable income and make their own decisions to make purchases. Children are themselves a primary market with their specific wants for products which they can buy from their own pocket money or upon request from parents. They are the direct target market for many children-related products like the toys, dolls, chocolates, biscuits, games, music items, fashion accessories, stationery etc.

b. **Influencer** – Children have huge influential capacities over the purchase decisions of their parents. Many children tend to influence their family decisions related to purchases of big ticket items like home appliances, electronics, automobiles and also family vacations. They play an important role in need generation, information gathering and purchase decision stages.

c. **Future** – Marketers often believe that children if captured at a young age, are more likely to be a life-long customer as consumer behaviour learned at a young age remains persistent in adulthood (Deriemaeker et al., 2007; Dholakia, 1984). This is also demonstrated by Gorn and Florisheim (1985) through an experimental research wherein a lipstick television advertisement evokes positive attitudes amongst young girls about the brands to use in future. This thought is in tandem with Jesuits notion of ‘Catching them young’.

### 1.4 Marketing to Children

#### 1.4.1 Children as the target market

Children are more gullible targets as they fall easy prey to the alluring marketing tactics. Most children love promotions, contests, free gifts, discounts, and prize draws. Various research studies have been conducted in the past to understand how marketers target children using different marketing strategies. According to Adkins (1999), author of the bestseller book *Cause-Related Marketing*, considering fairness in marketing to kids is
extensively subjective and debatable. Business is particularly interested in the juvenile market due to various factors like increased spending power, increased independence in decision making at a young age, influence on own and family decisions, high amount of awareness in children and large influence by the mediated environment (Horgan, 2005). Marketers tend to encash the kids’ power of influence for their selfish motives. It is suggested that marketers demonstrate responsibility marketing to ensure the well-being of kids i.e. balancing commercial sell with the promotion of positive behavior (Kurnit, 2005). Many parents and consumer protection groups argue that advertising directed at children is dangerous and unethical because it is often mere puffery, deception and manipulation thereby stimulating materialism in children and also sometimes leading to family conflicts and stress (Bandyopadhyay, Kindrea, and Sharp 2001; Bergler 1999).

Past studies defending the marketers on this issue have raised considerable arguments. McNeal (1999) found that the term ‘Pester Power’ is somewhat misleading and negative and that, in reality, children are taught to request certain items to satisfy their needs and to contribute to family decision making. He adds that due to changing family structures, children are awarded high level of power in decision making thereby making the family child-led. This is in contrast to the traditional societies wherein families were either ‘matriarchal’ or ‘patriarchal’ as determined by the cultural differences. He points that more mothers now socialize children into newer consumption habits but the mothers get the credit for this while marketers are often blamed for “children asking so often and for so many things” (McNeal 1999, p. 77).

With the explosion of advertisements to children, responsible marketing is warranted in the society. Some advertisers believe that if it is legal to sell, it is legal to advertise. This raises many issues in the juvenile market particularly. Since children are easily vulnerable to pufferies in advertising, there should be some regulation balancing the
commercial and the responsible intent behind advertising (Kurnit, 2005). It must be taken care that under any case, the well being of a child must not be restricted or endangered.

While a commercial may create desire for the product being advertised, the acquisition usually requires a child to make a request to a parent. Since a young child normally does not have the financial resources to purchase a product, she is dependent on the parents to fulfill their wishes. The behavioural measure most widely used is the frequency of requests made to parents for advertised items (Hite and Eck, 1987) which the child uses for producing pester power.

### 1.4.2 Marketing strategies targeting children

From the choice of a fast food restaurant to what is stocked in the refrigerator, from the colour and the make of a family auto to the destination of the family vacation, and from major appliances to the choice of a new home, children have been found to exercise an important and decisive impact on these decisions (Cook, 2000; McNeal 1992; Seiter, 1993). Children are targeted not only for products relevant to them but also for big ticket items like automobiles, computers, home appliances etc. In a rush to attain ‘share of heart’ and ‘share of mind’ and eventually ‘share of wallet’, marketers are leaving no stone unturned to reach children. They introduce product innovations or reposition their current offerings to tap children and thereby encash their influential capacities on family purchase decisions. Some companies also conduct elaborate research in collaboration with psychologists to better understand children’s psyche and consumer behaviour.
It is observed that kids accompany their parents almost everywhere - be it shopping for groceries or durables. The result of the survey “Parental Attitudes towards Family-friendly Establishments” (Leigh, 2007, p. 132) revealed that 75% of the respondents deliberately seek out establishments that have child accommodation facilities. Hence, it was suggested that retail outlets try to create family-friendly environments by widening the aisles or adding carts/prams or having other rides/play area so that parents can do more shopping and stay loyal to them. Many retailers are now trying to target advertising messages to children in the shopping carts instead of mothers. The logic is that the child taking a ride is a captive and sometimes, stimulation-hungry and restless, thereby ensuring good amount of attention to the marketing cues like the brochures, catalogs, logos, brand names, offer displays, promotional material etc (Rust, 1993).

Advertising messages supported by jingles, emotional appeals or promotional campaigns are used to allure children. Marketing industry, at national and international level, holds illustrations of campaigns targeting children:

- Many top-notch apparel players have entered branded kidswear market in the spree to ‘Catch them young’. Some international players like Benetton, Pantaloon and Reebok have also roped in characters like Pucca, Ben10 and Power Rangers to tempt the young customers. Weekender has made an agreement with Walt Disney and Warner Bros., whereby they can make use of some of their famous cartoon characters in their apparel. Their collection ‘Toon World’ uses characters like Mickey and Minnie Mouse as well as Tom and Jerry to attract children (http://www.article-emporium.com). Raymonds has also introduced Zapp kids wear for the children in the age of 4-14 years. Merchandise licensing is a new trend among retailers with Reebok striking a deal with Cartoon Network for animated properties such as Ben 10, PowerPuff Girls, Johnny Bravo and Dexter for its kids-wear brand ‘Reebok Junior’ (Saini, 2009, http://retailer.franchiseindia.com).
• McDonald’s has a ‘Happy Meal’ on its menu which is a meal consisting of a burger, fries, soft drink and a toy. The range of toys frequently changes to keep the excitement alive among kids and often become more sought after than the original food stuff. McDonald's TV advertising in Australia that offered My Little Pony toys with children's Happy Meals has won the unenviable "Pester Power" award from The Parents Jury network. The advertisement offered My Little Pony and Action Man giveaways with the Happy Meals, with the pony or action man changing from week to week encouraging return visits ('Pester power' award for McDonald's My Little Pony ads, 2006).

• Pester power has played a major role in attracting non-traditional advertisers such as car and technology companies (Hyundai) to Cartoon Network as they find more kids influencing decisions these days in the purchase of products which are not directly used by them. (Varghese, 2002)

• The Hoodibabaa campaign for Bajaj’s Caliber 115 cc Forward is an animation commercial created by Lowe Mumbai. This is the first time that an animation film has been made for the rather ‘serious' motorcycle category with an objective to leverage pester power of the children (Gupta, 19 August, 2003).

• Multiaction Surf is currently running a 'Colour Your Future' contest, offering scholarships to kids for studies abroad. Its heritage brand of Surf, which was relaunched on the Kidstains platform last year, has stretched its equity to the kids' market by aptly launching a scholarship which will be in the form of Rs 1 lakh and Rs 5 lakh fixed deposits. It has been trying to woo the average middle-class Indian family to become loyal to its brands. Since brands like Hamam, Surf and Clinic address the family, getting a scholarship is an achievement for them and once they get it they are bound to be loyal to the brand for the rest of their lives (BusinessLine, Aug 28, 2003, http://thehindubusinessline.in).

• ICICI has launched a special account for kids in association with Cartoon Network. This is to cater to aspirational and demanding kids by catching them young by issuing them personalized debit cards (Soni and Upadhyaya, 2007).
SUMMARY

In recent times, children have been increasingly thought to exert an inordinate influence on both large and small families leading to child-led families. Marketers interested in age based segmentation are considering children as an important demographic segment. This has given rise to the tweens and teenagers – a segment with a huge potential. This is due to their their large population and significant influence in family decisions. With their ability to nag their parents repeatedly until they give into their demands for various products, they tend to exercise their pester power. Children constitute three important customer groups – primary (for the purchase of children related products), influencer (for their influence on family decisions) and future customers (for their future purchases). With children being a gullible target, more marketers are now targeting children for their brands with a proposition to ‘Catch them Young’. The next chapter elucidates the historical views on pester power and the factors affecting the growth of pester power along with various legal and ethical concerns related to the same.

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