CHAPTER 1

INTRODUCTION

1.1 Introduction

In India, the movement of consumer is as old as the trade and commerce. In Kautilya’s Arthashastra there are references to the concept of consumer protection against exploration by trade and industry. Consumer Behaviour is defined as “the dynamic interaction of affect and cognition, behavior and environmental events by which human beings conduct and exchange aspect of their lives” (Peter and Olson, 1994). It is the study of why, when, from where and how consumer/people do or do not buy the products, however, it blends the element from Sociology, Psychology, Social-Anthropology and Economics. It studies the characteristics of individual like Behavioural Variable and demographics in order to understand needs and wants. It also accesses the effect of different groups that influences the consumer decision making process such as family, friends, reference groups and society in general. Theoretical model of the consumer’s decision making have evolved from 1940s economic paradigm, through 1950s and 1960s irrational consumer to 1970s information processor to 1980s cognitive miser (Zaichkowsky, 1991).

Family is a central phenomenon in Marketing and Consumer Behaviour as far as the Family is concern (Commuri and Gentry, 2000). Each family member is playing a vital and different role in family decision making processes, which are initiator, influencer, decider and gatekeeper (Assael, 1987). How family members are taking decision is very different and complex than of individual consumer decision making (Assael, 1992). Earlier studies on family decision making had emphasized on the role of husband and wife’s role where the role of child was ignored (Lackman and Lanasa, 1993). Children constitute very important consumer group; and which starts when they are very young (McNeal, 1992; McNeal, 1999). Children are the new segment (Tufte, 1999). Kids today are buyer, spender, shopper, customer and consumer (McNeal, 1992). Due to growing population, children have been defined as a specialized consumer market (Pecora, 1998).

Berry and Pollay (1968) have first attempted to identify the role of child in marketing, where children were found important as well as different market segment for the markets perspective. Children are not only influences family’s purchase decision but also insist
their parent to by their desire product (Kaur and Singh, 2006). The influence they child exercise over their family’s purchase is varies depending upon the product category and decision stages. The Demographic and Economic characteristics have greater effect on the product category and decision stages, thus the role of child in family’s decision making have attracted and directed towards study the influence of child in family’s decision making.

1.2 Development of Children as Consumer

Regarding children as consumers is a post-WWII concept (McNeal, 1992). As far as market place perspectives are concerned, children must have wants, desire, cash to spend, (McNeal, 1992). Children are defined as a specialized consumer market segment due to their growing population (Pecora, 1998).

McNeal (1992) termed child consumer as “Kid-customer” whose time has come and now it’s worthy to recognize it by markets.

“Kids do have needs that must be satisfied. In fact, as far as we know these are the some needs as those of adults. Given the chance, the children will select products and services that best satisfy their needs” (McNeal, 1992)

1.3 Children as a Market

From mid-1960, the market research increasing involving children as they possess huge potential and different set of segment (Cook, 1995). Cook (2000) has examined the how the concept of “the child”, were raised in the marketing research literature from 1910s through the 1990s and has acknowledge James McNeal (1964) and William Wells (1965) who conducted subsequent study thinking children are individualized consumer.

McNeal (1999) explained about children that they represent three different markets:

1. They have their own money to spend (Current Market)
2. They influences their family’s decisions (Influence Market)
3. Advertising campaigns designed to make Children future consumers as they are open (Future Market)

Kaur and Singh (2006) explain that the child constitute three different market – primary market, the influencer and the future market. Children are primary user/buyer for certain products, however, sometimes either they are selecting / purchasing product for them or
they are suggesting for the product before it is bought by the parents. Children may influence the family buying for the product which is used by entire family.

The market which has greatest potential is considered to be future market. Children, as they become mature, they become consumers for many products. Companies and businesses are investing up to 20 years for children’s market to get a change to convert children into adult consumers (McNeal, 1992). Marketers have a chance to build brand loyalty in young children which generates future buyers (Seiter, 1993). McNeal (1999) found that many corporations in America are generating / producing / developing new products for children (1999). Many products which is made for adults is now available in children’s version (McNeal, 1999), however, children are strong future market to be targeted.

1.4 Need for Study

It is believed that the family is a central phenomenon as a purchasing unit, however, until 1960 the role of children’s influence in family decision making did not attract the attention of researcher, academician and marketer. Moreover, before then researcher were focusing on the spousal influence in family decision making, while the role of children as a influencer in family decision making seemed to be neglected. (Davis, 1976; McDonald, 1980; Miller et al. 1982; Scanzoni, 1980).

Children have been defined as a specialized consumer market due to their growing population (Pecora, 1998). Children play an important role by influencing their parents’ buying either for the product used for the family of for the children themselves (Belech et. al., 1985; Foxman et. al., 1989). Children are now seen as a primary market, influencers and a future market (Kaur and Singh, 2006)

Many researcher have carried out the research on the influence of childrenʼs in their family decision making and analyzed whether the children have influence on the family decision or not (Ahuja et al., 1998; Atkin, 1978; Berkman et al., 1997; Berey & Pollay, 1968; Caruana & Vassallo, 2003; Chavda et. al., 2005; Darley & Lim, 1986; Davis, 1976; Ferber, 1973; Isler et. al., 1987; Jenkins, 1979; Mangleburg, 1990; McDonald, 1980; Miller et al. 1982; Nelson, 1978; Scanzoni, 1980; Swinyard & Sim, 1987; Szybillo et al., 1977; Tufte, 2003; Ward & Wackman, 1972). As children’s role in family decisions
increases, so does the need for research that includes children (Foxman et al., 1989, p. 482)

“Kids today are customers, buyers, spenders, shoppers, consumers” (McNeal, 1992)

It took a long time for researcher, academician and marketer to acknowledge children as one of the important actors in the family’s decision-making process. The previous studies were emphasized the role of husbands and wives, who have been considered the major decision maker for the family, whereas the role of children in family was ignored, overlooked and neglected (Jenkins 1979; Mangleburg 1990; Lee 1994). However, later on the researchers have discovered the greater importance of children in family buying decision is being placed. Now, there has been increasing recognition of the children’s importance and consideration in the family buying and consumption decision. They (children) are not only play a vital role in family decision but they are also are influencers in the situation where they exercised indirect influence with the agreement of the family members (Lee 1994).

1.5 Why in Indian (Gujarat state) Context

With the development of India’s economy, in order to invest the market especially children’s market effectively, it is necessary to understand children’s influence in family decision making in Indian context. India’s culture is quite different from western culture in hundreds of areas, whether the distinct culture has impact on children’s influence in family decision making deserves to be investigated.

Nearly most of the studies (on the bases of available literature) are based on western context, like US and Europe. There are few studies focused on the Indian but fewer studies were carried out especially in the state of Gujarat (India) on the children’s influence in family decision making. Hence, the study is planned to examine and investigate the role of children’s influence in family decision making in Gujarat State of India.

1.6 Chapter Plan

The report is divided into seven chapters, the first of which is this Introduction.
The literature is reviewed in chapter – 2 which is labeled as Literature Review. The chapter presents the reasons for reviewing literature and the major empirical researches which had been carried on the child’s influence in family’s decision making.

Chapter – 3 Conceptual Framework – presents the proposed conceptual model about the study of child’s influence in family decision making with special reference to Gujarat state. The chapter also describes the variable used for the study followed assumption for the study.

Chapter – 4 Research Methodology – discuss the methodology adopted for the study, however, it describe the research process.

The data analysis is carried out and the hypothesis is tested and empirical result are presented in the Chapter – 5 which is labeled as Data Analysis and Hypothesis Testing

Chapter 6 – Finding and Discussion – Discuss the major finding of the study followed by Implication for the study, Limitation of the study and the chapter and study concludes with the Scope of Future Research.