

## **A REVIEW ON THE CHANGING ROLE OF INDIAN CHILDREN IN FAMILY DECISION MAKING**

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### **ABSTRACT**

*In recent past there is a shift from seller's market to buyer's market resulting in companies shifting their focus from product to consumers. The social structure and culture of the society influences the way the consumer behaves. In this context the family buying behaviour is an area of much interest for the marketer. Family buying behaviour has always been dynamic which responds to the changing market perceptions which impact an organization's marketing strategies. The children of today is exposed to dynamic markets due to fast communication platforms like medias/social medias and technology and changing parental perception about the decision-making roles children play. Since most of the children are brought up in a 'Global Village' their increasing impact in consumption environment in families cannot be ignored. This paper explores the changing role of children in family purchase decision making and the increasing impact of culture on their buying decision making. The paper studies the shift in decision-making power from parents to children supported by Socialization process and socialization agents and its influence in varying degrees. This paper further emphasizes, the influencing strategies adopted by children to persuade parental choice in product/service for family consumption.*

**Keywords:** Children, Consumer Behaviour, Culture, Decision-making process, influencing strategies

## **INTRODUCTION:**

Human behavior is learnt and learning induces changes in consumption behavior (Kotler et al., 2012). Consumer behavior that learnt refines and polishes an individual's consumer skills. In this research study on children and their consumption practices are considered due to the huge potential it offers. The ever changing role of children from passive perceiver to active participant in family shopping and purchase activities has garnered a lot of interest across researcher communities (Su, 2011, Bush and Martin 2000).The increasing space that children enjoy as decision makers in family consumption activities has made them a very interesting target for researchers and marketers alike to study and to find about factors that prepares and develop their consumer skills to become full-fledged customers. Indian family system has been evolving and is experiencing a huge shift in terms of family structure, rise in dual income families and a keen interest in technological inventions and adoption with a robust communication environment. Indian society follows a pattern of Joint family system which is the most preferred family structure by rural and urban India with a collectivistic decision-making environment (Gore 1968; Hofstede, 2008) which make decision making complex and challenging. Therefore the family decision-making situation in multi-cultural country like India seems to be in a breakthrough with increasing involvement of children with modern mindset thereby challenging the traditional family buying system. This makes the study more relevant in Indian context.

## **LITERATURE REVIEW:**

The recognition of children from simple product users to serious product choosers has made them an attractive and powerful spending unit in family buying behaviour activities. Children exert great influence on parental spending and become heavy market spenders in future (Zollo, 1995). According to Gupta and Verma (2000), children today are more vocal and possess independent opinions in family related purchase decisions. Children demonstrate various levels of influence which has been studied for all product categories (Wimalasiri 2004, Martensen and Gronholdt, 2008). For products used for their own consumption children has a lot of influence on product choices (Aslan and Karalar, 2011) whereas in case of complex and expensive products the influence is found to be least impactful (Mcneal and Yeh, 2003).

## **CHILDREN AND SOCIALIZATION SKILLS:**

Various research studies assure the fact that the development of children as consumers occurs at two levels - social and individual (Selman, 1980; John 1999) which makes them an interesting market segment to study their social and individual development as consumers. Children acquire consumer related skills with the help of socialization process. Ward (1974) explains that socialization process provides an opportunity for marketers to understand its impact on children's development as consumers. Children's social behavior and social competence is the outcome of socialization process. Socialization improves children's cognitive abilities which enhance their knowledge skills, information skills, expert skills which ultimately results in quality decision making. Establishing on Piaget's theory of intellectual development (1970), John (1999) has developed three socialization developmental stages that explain the series of marketing (advertising) and consumption orientations skills children learn as they grows and finally matures into responsible and sensible consumers. The three stages are,

1. Perceptual stage (3-7 years) that explain children's perceptions of product advertisement with a positive image.
2. Analytical stage (7-11 years) which is analytical with development of precision and clarity in product knowledge and advertising information and children incorporates perception of others in this stage.
3. Reflective stage (11-16) explore practical understanding and knowledge about products and advertisement information by children with a more sophisticated and rational outlook.

McNeal, (1999) stated that accompanying parents to shops at a young age is the first step to their shopping adventure and experience that initiates their consumption skills. Socialization agents impact overall marketing activities that influence children's product perceptions, brand preferences, selection and choice, proper financial inputs and their ultimate shopping behaviour (John 1999; Childers and Rao, 1992).

### **CULTURE AND COMMUNICATION:**

Culture impacts decision making environments within families. Behavioral research studies mention that culture significantly impacts communication styles within families and child rearing practices (Triandis, 1995; Chadda and Deb, 2013). Many research studies views that countries with individualistic cultural values have concept-oriented communication environment where as countries with collectivistic values have socio-oriented communication environment. Culture is explained in high and low context which explains family behaviour and practices (Hall, 1976). The high context culture basically seen in asian countries, the communication is indirect, not expressive and reserved which reflects collective cultural where as in low context culture, generally western and european countries, the communication is direct, expressive, open and clear which reflects individualistic cultural dimension. Indian family system is known to be closely knit, highly connected and patriarchal in nature with strong collective cultural roots (Hofstede 1984; Nishimura and Tella 2008). The interconnection between cultures and communication styles reflects individual behaviour and children in such culture draws behavioural patterns accordingly.

### **CHILDREN AS CONSUMERS:**

Recent years have witnessed the attention marketers and consumer researchers have given to children as an increasingly significant link in family purchase decision making process. One of the reasons for this changing perception is the population explosion in the world with young consumer segments taking center-stage in all activities in life. The markets are revolving around these influential segments dictating marketing sphere with their distinct and unique family consumption understanding at a very young age which is redefining the current marketing practices to be followed by the stakeholders in markets. John (1999), have studied the consumer related abilities children develop at a very young age which is termed as socialization process which brings out consumption behaviour within them. According to Pecheux and Derbaix (1999) children are more responsible as consumers which drives family purchase decisions in their own terms with zeal. Product choices, taste and preference passes through successive generations which make it important to understand family as an important link in children's purchase behaviour (Guest, 1955; Moore et al., 2002). In depth study on the influence of children in family decision-making would lead to more clarity in family consumption behavioral studies. (Woodhead, 2008) explores the transition of children from childhood to adulthood through three stages as childhood – the phase where a child interacts, understands and interprets the socio cultural world around them, children - the phase where children actively absorb their socio cultural surroundings and make meaningful inferences by interacting individually or in groups), and adulthood - the phase where children grows into adulthood by developing competency, self-control and independence as mature individuals. Banister and Booth (2005), emphasized on a pro child-centric approach in understanding family purchase decision making that would boost the attention of markers and researchers towards children as a major participant in purchase decision. Mowen and Minor (1998) explained that a consumer should be able to feel, show their want and preference, search to fulfill them, evaluate the product and its alternatives, arrive at a choice and finally make purchase. The influence of children in decision-making would lead to more clarity in family consumption behavioral studies. Consumer researchers and marketers unanimously voices the fact that markets needs to be more child-centric to tap the potential of this futuristic market driver with a significant influence on family purchase decisions (McNeal 1992; Zollo 1995).

### **DECISION MAKING PROCESS AND CHILDREN'S INFLUENCE:**

The advent of new consumer class i.e. children and adolescent who jointly holds household purchasing power compared to adults have been an interesting subject in consumer behaviour. This led to the attention of consumer researchers to study, recommend and follow 'Children' as an important participant in influencing family decision making. Earlier studies have followed Dyadic model in family Decision making process which emphasizes husband and wife or family as major decision makers (Moore et al, 2002; Mitchel, 2004). But over the years, this well informed, media savvy and techno-friendly consumer class has contributed a lot in family purchase decision-making (Banister and Booth, 2005). Children started voicing their idea and opinion in all ways in their personal choices, their opinions with regard to consumption related decisions within families. This proves that children indeed has a lot of power and influence over their family decision making process (Kaur and Singh 2006). Children demonstrate adaptive decision making skill with the passage of time and market exposure. According to (Paxton and John, 1997) as children mature, their knowledge deficit (lack of skills and knowledge required to complete a particular buying task) and utilization deficit (lack of skills in understanding and using available information or knowledge in a particular buying situation) eventually reduces. Family members makes purchase decisions as groups and (Davis 1976) argue that in purchase decision the involvement of all family members should be acknowledged. This asserts the fact that family as a consumption unit in decision making process is highly significant (Assael, 1998).

### **CHILDREN AS INFLUENCING UNIT IN FAMILY PURCHASE:**

Human behaviour is learned by exchanging information with each other regularly and by copying and getting influenced by each other's behaviour. In purchase decision situations, Family acts as a single unit of deciders which impacts and influences each other's behaviour on a regular basis (Bertrandias and Goldsmith, 2006). Children are considered to play very strong role as influencers in decision making process within families ( Isler et al., 1987; Labrecque and Ricard 2001). The increasing role they play in family buying decisions and the various influence mechanisms they use to sway parent's purchase decisions is an area which can be explored to understand children's influence strategies.

Table 1. shows the product categories influenced and purchased by children. This clearly explains the range of product categories and the degree of influence and influencing strategies employed by them.

**Table 1: Products Influenced and purchased by Children**

<b>Products Purchased by Children</b>		<b>Products influenced by Children</b>	
<b>Items</b>	<b>%</b>	<b>Items</b>	<b>%</b>
Candy, gum, and toys	30	Own clothes	80
Soft Drinks	28	Toys	80
Presents	28	Cereals	72
Snacks	24	Ice-cream	68
Books, Magazines	20	Soft Drinks	55
Fast foods	18	Videotapes	43
Clothes	13	Toothpaste	31
Batteries	12	Radio	30
Records, Tapes	11	Television sets	18
Movie Admissions	8	Cars	15
Sports Equipments	8		

**Source:** Assael, H. (1992)

In family purchase decision making, family members influence each other in taking decisions in family consumption decisions. According to Cartwright (1959) Influence occurs when one person changes the behavior of another by acting in a specific manner. Influence can be understood as active and passive in nature. Influence can be viewed as a plan of action utilized to achieve positive or negative assurance with regards to decision making (Flurry and Burns (2005). Children are capable of switching parent's buying related opinions with their highly influential behaviour. Norgaard et al., (2007) defines influence as "children's active and passive attempts to achieve their parents' permission to participate in family decision making thereby achieving specific results". Active influence talks about children using a direct manner for the products they want which some researchers define as pester power (Zollo, 1995) and indirect influence deals with parent's knowledge and opinion about children's product preference (Wells, 1965; McNeal, 1999).

### **INFLUENCE STRATEGIES ADOPTED BY CHILDREN:**

Children use various influence approaches to persuade their family members. Often it is found that the influencing strategies used by children are interesting and persuasive owing to their knowledge about products and markets (Othman et.al., 2013). When children learn the tricks of persuasion, they feel confident about their pestering techniques which mostly result in positive persuasion (Bao et al., 2007). Social interactions has an impact on children's increasing role as "influencers" in family buying environment (John, 1999; Caruana and Vassallo, 2003). Many of the influencing strategies children adopt has been identified by Falbo and Peplau (1980) into various power strategies namely asking, bargaining, positive and negative effect, persuasion, reasoning, stating importance, suggesting, and withdrawal to name a few. According to (Isler et al., 1987, Palan and Wilkes 1997) children use strategies like just asking, bargaining, whining, demanding, showing anger and concluded that 'just asking' is the most used request strategy and 'demanding' and 'showing anger' are the least impressive request strategies. Impressive studied conducted by (Atkin 1978; Ebster et al., 2009; Kerrane et al., 2012) points out that polite in-store strategies and low assertive strategies and sibling unified request approach like appeals, requests sharing and caring attitude as very effective and favorable in many family purchase situations. These strategies may lead to changing parental perception about children's purchasing ability which is well supported by their market and product knowledge and a range of influencing skills they adopt to persuade parents

Various researchers have analyzed the influence strategies used by children across various product categories. Many research studies have indicated a number of influencing strategies children adopt to convince parents in final purchase. The degree of skills used and the final response of parents vary with the nature of product like product category and final user of the product. (Isler et al., 1987; Flurry and Burns 2005) have identified strategies like , simply asking, asking nicely, telling, bargaining employed by children as persuasive strategies in achieving the desired results in purchase environment.

### **CONCLUSION:**

In consumer behaviour literature, family as a purchasing unit has been largely limited to husband and wife as the major decision makers in purchasing environment. Recent times has seen changing role of children, they are becoming more and more assertive in decision making and are creating innovative buying patterns within families. Many studies also shows varying degree of influence children have for different product categories. Many research studies in the area of children's buying behaviour shows that products purchased by children largely includes candy, gum, toys, soft drinks and gifts whereas the products on which children have larger influence includes-own cloths, toys and cereals, Children's also use different influencing strategies to have a positive impact on purchase decision making. The influencing strategies used by children are the outcome of their continuous efforts from a young age which helps them to fine-tune their strategies effectively.

In family buying situations the 'children as influencer' and the influencing strategies employed by them is of great importance to marketers in identifying, understanding designing and developing appropriate marketing mix strategies to target these markets. Culture has a great influence on a country's marketing practices which communicates and considers changing family mindset on marketing practices. Due to this changing cultural context, the increasing role of children in decision-making has made inroads into Indian family purchase environment. The emergence of children as influencers has presented great challenge to researchers and academicians to understand complex buying behaviour and its impact on markets for years to come.

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