

Influence of Children on Family Buying Decisions: Moderating role of Demographic Factors

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ABSTRACT

Family constitutes a bundle of consumers which consist of the different needs and wants regarding purchasing. Consequently buying decisions are also made on considering these diversities found among the members. Among these consumers some little consumers make feel their presence in buying decisions. Children impose their demands on parents while purchasing because they have greater exposure and many sources of information. Somewhat they are succeed to pressurize their parents for desired products because parent approve their autonomy and nurture their self-expression and value their views but on the other hand some demographic factors which minimize this influence. The aim of this paper to investigate the influence of these little consumers while considering the demographic factors of family. Factors included in this study were age, gender, income and occupation of parents and family type. Results shows that among these factors only income of the parents has significant impact on child's influence.

Introduction

The family has been identified as the most important decision making and consumption unit (Assael, 1998). Family decision making is considered more complex than individual decision making because it includes different participant with different choices and roles. Filiatrault and Ritchie (1980) stated that in young families or families with no children decision are taken with mutual consent of husband and wife. As families grow joint decision making decreases and children start to show their presence. Thomson, E. S., Laing, A. W. and McKee, L. (2007) observed that children have long been acknowledged as playing an important role within family purchase decisions, with their direct and indirect influence. They

measured children high-involvement into family purchase decisions. They found that children exert influence through justifying and highlighting the benefits of purchases, forming coalitions, compromising and remaining persistent. Their product-related knowledge and information were viewed positively and encouraged by parents. According to Cartwright, an influence in a family does not necessarily have expertise, and he/she can influence one or more of the decision-making stages in varying roles and with varying impacts. Influences are distributed in 2 types:

First based on decision stages (idea generation, choice of alternatives, etc.) and second based on decision areas (type, brand, price, and shop).

These influences also depend on the demographics factor like family type, income and profession of parents, their age etc. Some studies revealed that child shows high level of influence in higher socio-economic families. As the parents 'income Demands made by kids are not always fulfilled but still maximum of them get converted into buying. This tendency depends on various aspects like age, family income, gender of child etc. As dual income grows purchasing power of family there is one psychological aspect attached to it. Dual income means mother having a good income which is directly related to delayed parenthood. Today females are in search of lucrative careers which make it easier for them to get a sound financial backup. Financial independence is something which every female aspires for. This makes them independent to take decisions of their life. Planning of careers or rather stable career has resulted into late marriages which has further related into delayed parenthood. This delayed parenthood makes parents over emotional towards their kids. Increased income makes parents splurge over kids to make them glad. Researchers observed that children had less influence over purchase decisions when the mother was considered traditional or conservative and modern mothers get influenced by children if they do not work outside the home; if they work ,the impact of children is less(Roberts et al

grows influence also increases (Jenkins1979, Mehrotra and Torges 1977).Nowadays Parent child relationship is something where demand and supply is comparatively easier.

1981, Lee and Beatty 2002). Due to working parents, families have been divided into nuclear and single parent families in India apart from joint families. Some studies explored that children exert more influence in single parent and nuclear families. As family size increased influence also increased. Children get more options for fulfilling their demands in joint families and absence of parents makes them more powerful. Parent's employment status also differentiate the impact of children on buying decisions, If parents are working children get more freedom to discuss their choices and spending. Parents provide consumption autonomy, support their views and opinions and put restrictions if needed. In this way they try to compensate their unavailability for child. Most of studies focused on mothers-child relationship and very few on father-child. Studies revealed that child spend their most of the time with their mothers so mothers are not convinced by the children mostly while it is easy for children to convince their fathers.

The purpose of this paper to investigate the moderating role of demographic factors of

parents on child's influence on buying decisions of family.

Review of Literature

Many researchers investigated the child's influence on purchase of durables, snacks, toys, holiday/vacations, movies, eating at particular restaurants etc. Jensen (1995) studied three categories of product-products for children (e.g., toys, candy), products for family consumption (food, shampoo, toothpaste), and parents' products (gasoline, coffee, rice). Hundal (2001) in a study of rural buying behavior in the Amritsar district of Punjab revealed that while making purchase decisions for durables including refrigerators, televisions, air coolers, and washing machines spouses took the decisions together but they were highly influenced by children also.

Singh (1992) studied the five occupational categories: teachers, doctors, business people, lawyers, and engineers. Author found that children of engineers and doctors had remarkable influence in the purchase decisions of television.

Though the impact of gender differences is consistently known in the purchase decision of spousal interaction (Szinovacz 1977, Godwin and Scanzoni 1989, Kaufman 2000, Belch & Willis 2002), the study on adolescents' gender difference, gender based perceptual difference stresses on in mother-

daughter interaction and father-son interaction (Beatty and Talpade, 1994, Foxman, Tansuhaj and Ekstrom, 1989a).

Berey and Pollay (1968) studied mother and child dyads making purchases of ready-to-eat breakfast cereals. They considered two factors while measuring the influence of child i.e. child's audacity and the parent's child-centeredness. However, they found that the mother played a "gatekeeper" role and preferred nutritional factors in cereals. In cases of disagreement the mother thrust her preferences over child because she had perception that child did not possess quality of information. Yet, they found that assertiveness by a child could increase the likelihood of the child having his/her favorite brands purchased.

Researchers found that children exert more influence in higher income and larger families (Foxman et al., 1989; Palan, 1998; Szybillo, Sosanie, and Tenenbein, 1977; Ward and Wackman, 1972). Moore (1979) found that a significant positive relationship exists between adolescents' socio-economic background and the extent of brand preferences for various products.

Sharma and Sonwaney (2013) proposed that the family's socio economic status affects the socialization of children and at the same time also affects their influence on family.

Moschis and Churchill (1979) found positive relationships between the consumption ability of adolescents and social class and age. Kourilsky and Murray (1981) examined the effect of economic reasoning on satisfaction within the family and found that single-parent families exhibited a higher level of economic reasoning and satisfaction as compared to two-parent families.

Mangleburg et al. (1999) proposed that in some families, children are treated more as equals by parents, whereas, in others, children are viewed as subordinate to parents' authority. These dimensions of family authority or parent-child totalitarianism depends on family type i.e. single-parent, step-parent, or intact families. Parental coalition formation restricted child influence. The study revealed that adolescents in single-parent families had greater influence than their counterparts in step and intact families, probably due to differences in socialization with respect to family authority relations.

Belch et al. (1985) concluded that children tend to attribute more influence to themselves than do both parents, and they also attribute more influence to the father than the father or the mother themselves do. Foxman and Tansuhaj (1988) tried to identify patterns of agreement and disagreement in mothers' perceptions of the

relative influence of adolescents in purchase decisions. The study brought forth that adolescents consistently tend to overestimate their influence and more children perceive purchase decisions to be made jointly as compared to the mothers. Foxman et al. (1989) found that in the purchase of a family car, the mothers overestimated the child influence while the fathers underestimated the influence of the child as compared to the child's self-perceived influence.

Khatri (1972) proposed that shifts in family type occur over the life cycle of an individual both in India as well as in the West. Indians have gone through changes in the type of family they live in various sequences: large joint family, small joint family, nuclear family, and nuclear family with dependents. Khatri found a larger number of shifts in joint families as compared to nuclear families in India.

Research Methodology

Objective of the study

The objectives of study:

- To measure the impact of demographic factors i.e. age, gender, income and occupation of parents and family type on relationship of child's influence and family buying decisions.

Research Design

This study was based on primary and secondary data. Primary data combined both qualitative and quantitative approaches. The quantitative part was based on standardized questionnaire and qualitative part included direct observation and unstructured interviews. The quantitative methods involved 150 participants i.e. parents whereas 10 families were observed in qualitative methods. Questionnaires were designed for both father and mother and included parents 'personal information in terms of age of parents, gender of parents, occupation of parents, family income, type of family and number of kids in the family. Personal information was divided into two parts i.e. socio economics and socio demographic status. Socio economics status comprised family income that range from below 25000 to above 1,00,000 and occupation that was categorized into professionals, self-employed ,homemaker and others. Socio demographic status included age ranged from 25 years to 45 years, gender of parents in that both mother and father were considered as respondents and family type was categorized into Nuclear and Joint.

Research Hypotheses

Based on previous and current studies on the topic of children's influence on the family decision-making process and also on the

purpose of this study, the hypotheses are described as follows:

Hypothesis for Socio -Demographic Status

H1: Gender of parents has no significant impact on the relationship of child's influence and family buying decision.

H2: Type of family has no significant impact on the relationship of child's influence and family buying decision.

H3: Age of parents has no significant impact on the relationship of child's influence and family buying decision.

Hypothesis for Socio Economic Status

H4: Occupation has no significant impact on the relationship of child's influence and family buying decision.

H5: Income has no significant impact on the relationship of child's influence and family buying decision.

Results and Analysis

The study population was parents of Indore city, India. A convenience sampling was used in the study .Total 200 questionnaire was distributed in which 50 were invalid and excluded from study. Therefore a total of 150 valid questionnaire were eventually entered into the analysis as shown in Table 1. Table shows the frequencies and

percentages of study sample characteristics ,categorized by demographics: gender ,age ,income and occupation. Male respondents represent 58% of study sample whereas female respondents represent 42%. Respondents whose ages are 25-30 years old represent 17% of the sample study, whose ages are 30-35 represent 28% and 35-40 also represent 28%,whose ages are 40-45 represent 27% .Regarding family income the respondents whose income are less than 25000 represent 25%, whose income are between 25,000-50,000 represent 36%,whose income are between 50,000-75,000 represent 16%,whose income are between 75,000-1,00,000 represent 10% and whose income are above 1,00,000 represent 13% of the sample study. Respondents who are professionals represents 45%, who are self-employed represent 22%, who are home maker represent 27% and others represent 6% of the sample study. Respondents who belong to nuclear family represent 61% of the sample study and rest of respondents belong to joint family represent the 39%.

Independent sample t-test was used to evaluate the influence of gender of parents and family type on child's influence in family buying decision. For assessing the influence of age of parents, family income and occupation on the family buying

decisions One Way ANOVA test was applied.

(Insert Table 1-10 here)

Testing of Hypotheses:

Testing of H1 (Gender of parents):

Table 2 demonstrate that $p\text{-value} > 0.05$ H1 is not rejected .It indicates that gender of parents has no significant impact on family buying decisions which means that mother and father do not consider kids' influence while making purchase decisions.

Testing of H2 (Family type):

Table 3 shows that the $p\text{-value} > 0.05$, H2 is not rejected. It indicates that type of family has no significant impact on family buying decisions which means that whether family is nuclear or joint child's influence does not work on decision making.

Testing of H3 (Age of Parents):

Table states 4 that non statistical differences in the relationship of child's influence and family buying decisions due to age, as $F\text{-value}=1.427(p>0.05)$.This suggests that age is not likely to have an impact on the relationship. All age group appeared to be similar in terms of their impact on relationship of child's influence and family buying decisions. So hypothesis H3 is not rejected.

Testing of H4 (Occupation Of parents):

Table 6 states that non statistical differences in the relationship of child's influence and family buying decisions due to occupation, as $F\text{-value}=1.390$ ($p>0.05$). This suggests that occupation is not likely to have an impact on the relationship. All occupations appeared to be similar in terms of their impact on relationship of child's influence and family buying decisions. So hypothesis H4 is not rejected.

Testing of H5 (Family Income):

Table 8 states the statistical differences in the relationship of child's influence and family buying decisions due to income, as $F\text{-value}=8.322$ ($p=.000$). This suggests that income has an impact on the relationship. All income level appeared to have a different impact on relationship of child's influence and family buying decisions. So, hypothesis H6 is rejected. More analysis, in table 8, indicates that income group 25000-50000/- are more responsive for the kid's influence on family buying decisions.

Conclusion

Nowadays, children play very decisive role in family buying decision. They have the ability to induce every member of the family. Their convincing power cannot be overlooked in this modern world where they come in touch with every new market

trends. Apart from their own abilities, some demographic variables were discussed in this study which do not directly relate to child's influence but may reduce or increase its influence. The study, however, also revealed that mothers and fathers are not influenced by child's influence in making purchase decisions. Parents' age and occupation are free from the influence of kids. Kids allied with joint or nuclear family are unable to leave any impression on buying decisions. But, family income plays an important role in acceptance of kids' power. Families that come in 25000-50000 income level consider kids' influence in buying decisions. In a nutshell, kids' influence do exists and cannot be ignored in making purchase decisions.

Managerial Implications

Research on role of Child's influence in family buying decisions has become a fascinating topic for those who are involved in marketing activities. Advertisers and marketers search for information that how kids are involved in family purchase. The results of this study can help marketers utilize this knowledge in identifying the significant role that children play in influencing the family decision-making process and then develop a suitable marketing strategy focusing on children. In this advanced era when children are getting large exposure, the role of parents has

become crucial. Their responsibilities for protecting kids from heavy flow of information has been broaden. They should develop consumer skills in their kids and guide them on how to select products which are useful and essential for them. This study will help parents to understand this marketing phenomena called child's influence because it is a force which drives kids for desiring advertised products. In case of rejection of their request, a situation of conflict occurs. So Parents should be aware of this force. Child's influence has negative impact on child's innocence. Marketers are using kids in those products that are not directly related with kids. Therefore, government intervention is necessary in this matter. The study was confined to demographics related only with the parents. Since age of children, number of kids and gender of kids play a big role in determining the degree of children's influence in the family, which might also be an interesting topic for further research. There have been previous studies that have revealed the impact of gender of kids on purchase decision. Some studies have divulged that single child has a strong influence on family decisions compared to those families which have 2 or more children. Study can further be extended while taking the specific sector, type of products and geographical factors etc.

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List of Tables**Table 1.** Characteristics of study sample

Demographics		Frequencies	(%)Percentage
Gender	Male	87	58
	Female	63	42
Age	25-30	25	17
	30-35	43	28
	35-40	43	28
	40-45	39	27
Income	Below 25,000	36	25
	25,000-50,000	55	36
	50,000-75,000	25	16
	75,000-1,00,000	14	10
	Above 1,00,000	20	13
Occupation	Professionals	66	45
	Self employed	33	22
	Home maker	41	27
	Others	10	6
Family Type	Nuclear	91	60
	Joint	59	40
	Total	150	100

Table 2: Gender of Parents: Independent Sample t-Test

Gender	Mean	SD	df	t-value	p- value
Male	1.11	11.38	148	-.355	.723
Female	1.12	12.62		-.349	.728

Dependent variable: Family buying decisions

Significant at the $p \leq 0.05$ level

Table 3: Family Type: Independent Sample t-Test

Family Type	Mean	SD	df	t-value	p- value
Nuclear	1.122	11.81	148	.008	.993
Joint	1.12	12.09		.008	.993

Dependent variable: Family buying decisions

Significant at the $p \leq 0.05$ level

Table 4: Age of Parents

Age	Mean	SD	Df	F-value	p-value
25-30	1.1652E2	14.99756	3	1.427	.237
30-35	1.1216E2	10.14403			
35-40	1.1093E2	12.61215			
40-45	1.1092E2	10.31959			

Dependent variable: Family buying decisions

Significant at the $p \leq 0.05$ level

Table 5: Pair’s comparisons of family buying decision Mean scores of age groups, using LSD Post Hoc comparison

Age levels	Age levels	Mean Differences	p-value
25-30	30-35	4.3572	.145
	35-40	5.5898	.062
	40-45	5.5969	.067
30-35	25-30	-4.3572	.145
	35-40	1.2326	.630
	40-45	1.2397	.636
35-40	25-30	-5.5898	.062
	30-35	-1.2326	.630
	40-45	.0072	.998
40-45	25-30	-5.5969	.067
	30-35	-1.2397	.636
	35-40	-.0072	.998

Significant at the $p \leq 0.05$ level

Based on observed means.

The error term is Mean Square (Error) = 140.052.

Table 6: Occupation of Parents

Occupation	Mean	SD	Df	F-value	p-value
Professionals	1.1358E2	11.80099	3	1.390	.248
Self Employed	1.1103E2	10.79202			
Home Maker	1.1254E2	12.41591			
Others	1.0580E2	12.98546			

Dependent variable: Family buying decisions

Significant at the $p \leq 0.05$ level

Table 7: Pair's comparisons of family buying decision Mean scores of occupation status, using LSD Post Hoc comparison

Occupation	Occupation Level	Mean Differences	p-value
Professionals	Self Employed	2.5455	.315
	Home maker	1.0392	.660
	Others	7.7758	.055
Self Employed	Professionals	-2.5455	.315
	Home maker	-1.5063	.587
	Others	5.2303	.223
Home Maker	Professionals	-1.0392	.660
	Self Employed	1.5063	.587
	Others	6.7366	.109
Others	Professionals	-7.7758	.055
	Self Employed	-5.2303	.223
	Home maker	-6.7366	.109

Based on observed means.

The error term is Mean Square (Error) = 140.157.

Table 8: Family Income

Income (per /month)	Mean	SD	df	F-value	p-value
Below 25000/-	1.1125E2	11.90768	4	8.322	.000
25000-50,000/-	1.0736E2	9.74749			
50,000-75,000/-	1.1280E2	10.88577			
75,000-1,00,000/-	1.1793E2	10.57911			
Above 1,00,000 /-	1.2255E2	11.97574			

Table 9: Pair's comparisons of family buying decision Mean scores of income, using LSD Post Hoc comparison

Income (per /month)	Income Level	Mean Differences	p-value
Below 25000/-	25000-50,000/-	3.8864	.097
	50,000-75,000/-	-1.5500	.585
	75,000-1,00,000/-	-6.6786	.053
	Above 1,00,000 /-	-11.3000*	.000
25000-50,000/-	below25000/-	-3.8864	.097
	50,000-75,000/-	-5.4364*	.040
	75,000-1,00,000/-	-10.5649*	.001
	above1,00,000 /-	-15.1864*	.000
50,000-75,000/-	Below 25000/-	1.5500	.585
	25000-50,000/-	5.4364*	.040
	75,000-1,00,000/-	-5.1286	.159
	above1,00,000 /-	-9.7500*	.003

75,000-1,00,000/-	below25000/-	6.6786	.053
	25000-50,000/-	10.5649*	.001
	50,000-75,000/-	5.1286	.159
	above1,00,000 /-	-4.6214	.224
Above 1,00,000 /-	below25000/-	11.3000*	.000
	25000-50,000/-	15.1864*	.000
	50,000-75,000/-	9.7500*	.003
	75,000-1,00,000/-	4.6214	.224

Based on observed means.

The error term is Mean Square (Error) = 118.051.

*. The mean difference is significant at the .05 level.