Kids Visit to shopping malls and their influence on parent's purchase decisions: A demographic study with reference to India

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ABSTRACT

Abstract: This empirical research is conducted to find out the influence of kids on the purchase decisions of their parents. We have divided kids into two age groups based upon Piaget's stages of cognitive development age. High involvement and low involvement products for the kids are identified on the bases of parents' interview and preliminary research. Later a survey is conducted on 150 parents to find out children influence on parents purchase decision of high involvement products and low involvement products. MANOVA is applied to analyze data with the help of SPSS. Children influence on their parents is not same across two age groups and levels of product involvement.

Keywords: High Involvement Products, Low Involvement Products, Purchase Decisions.

1. Introduction

India is a country with second highest population in the world. Even with a fall in the fertility rate of India in the last decade, its children population under six year of age is 158.8 million (census, 2011). With the 13.1% of the total population of the country, this age bracket (0-6 years) poses a huge market opportunity for the retailers. Children of age group (7-12 years) are also a big target market in India. Children are now consumers, and they cannot be considered users of the products brought by other family members (Oyewole. at.al, 2010). Therefore owners of the shopping mall would be keenly interested in the kids and their demographic segmentation.

Demographic parameters like age, gender, income of their parents, family size and family structure are crucial parameters to understand children and their retail requirements.

Children across different age groups differs in their cognitive development, henceforth it is important to establish a relationship between the demographic characteristics of children and their influence on the purchase decisions of their parents with respect to the level of involvement with the product. Further, it is important to study the factors responsible for the visit of children to the shopping malls along with their parents.

2. Literature Review

This section deals with the past studies done on the demographic factors and its impact on child's view, influencing parents purchase decisions of high involvement products and low involvement products.

Krugman (1965) proposed that there are two levels of involvements – Low and High. Involvement could come from the intrinsic importance of an issue and its personal meaning (Sherif and Hovland, 1961), a public stand taken and strong affect with an issue (Kiesler, Collins, and Miller 1969). Price is most known indicator of involvement. As risk involved in wrong purchase is high when price is high, hence consumer involvement is also high (Rothschild 1979). Consumer durable products, electronic items, and automobile are high involvement products (Laurent and Kapferer 1985). Dresses and footwear are ego involving because of their capacity to express lifestyle or personality (Levy 1959), and they have hedonic character (Hirschman and Holbrook, 1982). While low involvement products are purchased frequently with minimum efforts for example candy, chocolates, gums, stationary, chips and beverages. It is very difficult to distinguish between high involvement products and low involvement

products from the children point of view. In our research we are taking high involvement products and low involvement products from the parent's point of view. Our objective is to find out the Kid's influence on the purchase decisions of their parents.

Age influences the level of consumer involvement (Slama and Tashchin 1985; Jain and Sharma 2002). Age and involvement levels also, when 'combined, give implications of significant importance to the marketers (Sridhar, 2007). Low involvement products lead to impulsive buying and it tends to increase between the ages of 18 to 39, and then it declines thereafter (Bellenger, Robertson & Hirshman, 1978). At childhood influential capacity arises with increase in age (Atkin, 1978; Darley and Lim, 1986). In our research age of the children is divided into two groups – 2-7 years and 8-12 years, these two age groups are considered on the basis of Piaget's (1970) stages of cognitive development age. First age group is preoperational (2-7 years), in this age group child develops use of language and his ability to think in symbol. At this stage child also develops his ability to think operationally in one direction though he is uncomfortable in understanding another

person's point of view. Second age group is concrete operational (8-12) years, in this stage child is able to solve hands on problem logically. He is able to manage and conserve the things around him. He is also able to classify and separate and understand reversibility. Hence with age their influence on parent's purchase decision on the basis of involvement could be hypothesized as:

H_{Age}: There is no significant difference in children influencing parent's buying decision between low involvement and high involvement products (CIPBDBLH) across two age groups.

HA_1: There is no significant difference in children influencing parent's buying decision of low involvement products across two age groups.

HA_2: There is no significant difference in children influencing parent's buying decision of high involvement products across two age groups.

Lee and Beatty (2002) stated that gender based differences are also found with respect to influential position in the household. Further parents yield in more to the request made by the girls than those by the boys (Atkin, 1978; Moschis and Mitchell 1986). Perhaps girls communicate overtly as compared to boys about consumption (Moschis, Moore, and Stephens, 1977). Therefore female children are slightly more successful in influencing parents than male children (Lee and Beatty, 2002). In another study conducted in India Panwar and Agnihotri (2006) stated that girls have more freedom in prioritizing their daily activities than boys. Tinson and Nancarrow (2005) conducted a study including factors like access to media and retail outlet, presence and absence of different members during purchase decision making, they found a significant difference in the influence of boys and girls in family purchases. Also there are differences in the involvement levels for various products between men and women (Slama and Tashchian, 1985; Jain and Sharma, 2002). Both gender process and evaluate product differently (Eagly and Carli, 1981; Fischer and Arnold, 1994). Hence following hypothesis could be produced:

H_{Gender}: There is no significant difference in children influencing parent's buying decision between low involvement and high involvement products (CIPBDBLH) across two gender groups.

HG_1: There is no significant difference in children influencing parent's buying decision of low involvement products across gender.

HG_2: There is no significant difference in children influencing parent's buying decision of high involvement products across gender.

Verma and Kapoor (2004) stated that family income influences parent's choice of responses on their children purchase request. Also, increase in family income decreases the chances of parent's refusal for the purchase. Atkin (1978), Moschis and Mitchell (1986) and Nelson (1978) states that children from higher family income groups as well as higher class have more influence in purchasing decisions, than low income and low social class families. Hawkins (2003) states that family income and accumulated wealth determines the purchasing power. As per Jain and Sharma (2002) and Slama and Taschian (1985), income influences the involvement level and purchase decisions regarding high involvement and low involvement products. Hence child belonging to different family income groups influences their parent's purchase

decisions on the basis of involvement could be hypothesized as:

H_{Income}: There is no significant difference in children influencing parent's buying decision between low involvement and high involvement products (CIPBDBLH) across different income groups.

Bocker (1986), Darley and Lim (1986), Jenkins (1979) stated that degree of influence on parents purchase decisions increases with number of children in the family. Nelson (1978) claimed involvement of children in large families is higher in purchasing decision.

$H_{Children}$: There is no significant difference in children influencing parent's buying decision between low involvement and high involvement products (CIPBDBLH) across different number of children.

On the basis of family structure we have divided Indian society into following six categories for our research: 1.Single female parent family; 2.Single male parent family; 3.Nuclear family with single earner family; 4.Nuclear with dual earner family; 5. Joint family with single parent earning; 6. Joint family with both parents earning.
Some children are fortunate enough as they are living with both parents, while an unfortunate lot of children are living with

single parent, either with mother or with father. In our research we consider that single parents are only earner of the family whether it is male or female. Another family structure is of nuclear family with single earner and dual earner (both husband and wife are earner) and finally we have joint family structure with single parent earning and both parents earning. Number of working parents plays an important role in children upbringing. Working mother's children are more responsible and participate in family purchase decisions (Guber and Berry, 1993). Ahuja, Capella and Taylor, (1998); Darley and Lim (1986) stated that the importance of children in single parent families is relatively more than dual parents families. This could be due to independent purchasing habits and household responsibilities. Nelson (1978) identifies that such children are more likely to be involved in purchase decisions. As per Verma and Kapoor (2004), when both parents are earning, their children enjoy more purchasing power, because parents don't have time to explain their children about the purchase.

H$_{Family\ Structure}$: There is no significant difference in children influencing parent's buying decision between low involvement and high involvement products (CIPBDBLH) across different family structures.

3. Methodology

This research is exploratory and is designed in several stages. In the first stage relevant literature was reviewed on consumer involvement and demographic variables from various sources like books, article published in journals, websites, newspapers and magazines. In the second stage 10 parents having child of age group 2-12 were selected for the interview, to know their views about high involvement products and low involvement products. We selected 10 product categories on the basis of review of literature and consumer interview. Later a questionnaire was designed for the selected product categories. Scale having four points – Low involvement, Low to Moderate involvement, Moderate involvement and High involvement is constructed. A survey was conducted on 20 new customers having child of age group 2-12 to know the consumer involvement level with these products. Product categories having mean value less than 2 and more than 2 are considered as low involvement product category and high involvement product

category respectively. To confirm what we have considered one tail t-test is applied on the considered low involvement category with mean value of 1.2 and standard deviation 0.4 and considered high involvement category of mean value 3.6 and standard deviation 0.48.

Two hypotheses are formulated:

For low involvement: H_O: $X_L = 2$ & H_1: $X_L < 2$

High involvement: H_O: $X_H = 2$ & $H1$: $X_H > 2$ both null hypotheses were rejected and alternative hypotheses are accepted at 5% level of significance (Table-1).

(Insert Table 1 here)

Above products were selected as they have a wide usage rate. Interviews also helped us to understand the influence of children on the purchase decision of their parents and the extent of involvement they underwent in the purchase decisions with respect to various products. At third stage another questionnaire is made and hypotheses are formulated.

Data collection included interview technique with structured questionnaire having questions related to demographics variables of the children. The demographic variables like age of child, gender of child, monthly family income, number of children in family and family structure are taken. 5- Points of response are constructed to know the children influence on the purchasing decision of their parents. For this above selected low and high involvement product categories are used. The unit of investigation for the study was individual consumer. Respondents were chosen from various shopping malls of Northern region of India including Gwalior, Agra and NCR (National Capital Region). Judgmental sampling technique is used to collect data in which parents of children between age group of 2 to 12 are chosen. 150 questionnaires were filled with the help of MBA students of Gwalior, Agra and NCR region. Out of 150 questionnaires 20 questionnaire were rejected due to in complete information given by the respondent. Further we applied; one way MANOVA and post hoc test to test the statistical significance of the hypotheses by using SPSS 19.0. We considered Age, Gender, Income, Number of Children and Family Structure as independent or fixed variable and mean values of children's influence on low involvement and high involvement products as dependent variables. Products which are considered as low involvement products and high involvements products

are enlisted in table one. Average of each customer's (parents) response on each enlisted low involvement product is taken similarly average of each customer's response on each enlisted high involvement product is taken. These averages are tabulated and MANOVA and post hoc test is applied on them.

4. Findings:

H_{Age}: We decide to choose Pillai's Trace test as it is least sensitive to the violation of the assumption of covariance matrix. In Pillai's Trace Value is 0.121 and F-Value is 8.762 and level of significance is 0.000 which is less than 0.005. Therefore we reject the null hypothesis that there is no significant difference in children influencing parent's buying decision between low involvement and high involvement products across two age groups.12 per cent of variability is because of age in taking buying decision for high and low involvement products. Levene's test of equality of variance is a series of one way ANOVA, here level of significance is 0.111 which is greater than 0.05 therefore we accept the null hypothesis that the error variance of CIPBD of high involvement products is equal across two age groups. Similarly

homogeneity in group variance is there in children influencing parents buying decision of low involvement products as level of significance is 0.290 which is greater than 0.05. Further on analyzing test of between subject effects it is found that there is a significant difference in the age groups as far as children influence parents buying decision is concern for high involvement products. Also there is no difference in two age groups as far as children influence on parents buying decision is concern for low involvement products.

H_{Gender}: Box's test of equality of covariance matrices rejects the null hypothesis as probability value is 0.00, which is less than 0.005. This states that dependent variables (CIPBDBLH) are not same across different groups. As Box's test of equality of covariance matrices rejects the null hypothesis therefore we decide to choose Pillai's Trace test as it is least sensitive to the violation of the assumption of covariance matrix. In Pillai's Trace Value is 0.089 and F-Value is 6.218 and level of significance is 0.003 which is less than 0.005.Therefore we   reject the null hypothesis that there is no significant difference in children influencing parent's buying decision between low involvement

and high involvement products across two gender groups. 8 per cent of variability is because of gender in taking buying decision for high and low involvement products. Levene's test of equality of variance is a series of one way ANOVA, here level of significance is 0.006 which is greater than 0.05 therefore we do not reject the null hypothesis that the error variance of CIPBD of high involvement products is equal across two age groups. Similarly homogeneity in group variance is there in children influencing parents buying decision of low involvement products as level of significance is 0.195 which is greater than 0.05. Further on analyzing test of between subject effects it is found that there is a significant difference in the gender groups as far as children influence parents buying decision is concern for high involvement products. But there is no significant difference in two gender groups as far as children influence on parents buying decision is concern for low involvement products.

H_{Income}: This states that dependent variables (CIPBDBLH) are not same across different income groups. Pillai's test reject the null hypothesis that there is no significant difference in children influencing parent's buying decision

between low involvement and high involvement products across four income groups. 10.7 percent variability in taking buying decisions for high and low involvement products is because of different income levels. The error variance of CIPBD of high involvement products and low involvement products is equal across four income groups. There is a significant difference in the four income groups as far as children influence parents buying decision is concern for high involvement products. But there is no significant difference in four income groups as far as children influence on parents buying decision is concern for low involvement products. Post Hoc test suggests that there is no significant difference between income group two and three, three and four and two and four as far as CIPBD of high involvement product is concern. While there is a significant difference between income group two and four and three and four as far as CIPBD of low involvement product is concern.

$H_{children}$: This states that dependent variables (CIPBDBLH) are not same across different no of children groups. Pillai's test reject the null hypothesis that there is no significant difference in children influencing parent's buying

decision between low involvement and high involvement products across four groups of number of children in a family. 9.1 percent variability in taking buying decisions for high and low involvement products is because of number of children in a family. The error variance of CIPBD of high involvement products and low involvement products is not equal across four groups of number of children in a family. There is a significant difference in the four groups of number of children in a family as far as children influence parents buying decision is concern for high involvement products. But there is no significant difference in four groups of number of children in a family as far as children influence on parents buying decision is concern for low involvement products. Post Hoc test suggests that there is a significant difference between four groups of number of children in a family one and two, one and four, two and three and two and four as far as CIPBD of high involvement product is concern. While there is no significant difference between any groups of children in a family as far as CIPBD of low involvement product is concern.

H $_{\text{Family Structure}}$: Pillai's test reject the null hypothesis that there is no significant

difference in children influencing parent's buying decision between low involvement and high involvement products across six groups of family structures. There is a significant difference among the six groups of family structures as far as children influence on parents buying decision is concern for high involvement products and low involvement products.

5. Conclusion

Five products are selected as low involvement products – Stationary, Chocolate/Candy, Chips/ Wafers, Cold Drinks, Biscuits/Cookies. While five products are selected as high involvement products – Consumer Durable, Electronic Items, Automobile, Cloths/Footwear, Toys.

CIPBDBLH is not same across two age groups 2-6 years and 7-12 years. In high involvement products CIPBD is different across two age groups. In low involvement products CIPBD is not different across two age groups (Table – II).

(Insert Table 2 here)

CIPBDBLH is not same across two gender groups. In high involvement products CIPBD is different across two groups. In low involvement products CIPBD is not

different across two groups (Table – III). Male child influences' parents buying decisions of high involvement products more than female child.

(Insert Table 3 here)

CIPBDBLH is not same across four income groups. In high involvement products CIPBD is different across four income groups. In low involvement products CIPBD is not different across four groups (Table – III). Parents earning more than 40000 are influenced more by their children while purchasing any product.

(Insert Table 4 here)

6. Limitations:

Present research is conducted in Northern parts of India therefore geographical limitations cannot be eradicated in this research. Very few options of Low involvement products and High involvement products are tried and tested to resolve our problem. Responses are collected from the parents rather than from the children therefore influencing strategies of children are difficult to be traced through the current research.

Further, study needs to be conducted on related issues like - reasons for parents visit to shopping malls with their children. Some factors could be identified to understand that why children visit malls with their parents.

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List of Tables

Table 1: Prepared by the Researcher

Low Involvement Product Category (X_L = 1.2)	High Involvement Product Category (X_H = 3.6)
Stationary for child	Consumer Durable
Chocolate/Candy for child	Electronic Item
Chips/Wafers for child	Automobile
Cold drinks for child	Cloths/Footwear for child
Biscuits/Cookies for child	Toys for child
H_O: X_L = 2 & H_1: X_L < 2	H_O: X_H = 2 & H_1: X_H > 2
Null Hypothesis Rejected and alternative hypothesis accepted	Null Hypothesis rejected and alternative hypothesis accepted

Table 2: Prepared by the Researcher

Age / Involvement with product	2-6	7-12
High Involvement	CIPBD-Rarely	CIPBD-Sometimes to Often
Low Involvement	CIPBD- Sometimes to Often	CIPBD- Often

CIPBD – Children Influencing Parents Buying Decisions.

Table 3: Prepared by the Researcher

Gender / Involvement with product	Male	Female
High Involvement	CIPBD- Sometimes to Often	CIPBD- Rare to Sometimes
Low Involvement	CIPBD- Sometimes to Often	CIPBD- Sometimes to Often

CIPBD – Children Influencing Parents Buying Decisions.

Table 4: Prepared by the Researcher

Income/ Involvement with product	Below Rs. 20000	20000 - 30000	30000 - 40000	40000 & Above
High Involvement	CIPBD- Sometimes to Often	CIPBD- Rare to Sometimes	CIPBD- Rare to Sometimes	CIPBD- Sometimes
Low Involvement	CIPBD- Often	CIPBD- Sometimes to Often	CIPBD- Sometimes to Often	CIPBD- Often

CIPBD – Children Influencing Parents Buying Decisions.