

BusinessLine

FRIDAY • MARCH 6 • 2020

YOUNG CONSUMERS

No kidding. Children do influence what families are buying

Pester power is stretching beyond toys and candy to high-value purchases, and marketers are taking note

PARIMALA S RAO

"I'd just finished talking to a friend on the phone about investment choices when my ten-year-old piped up, asking why I didn't buy XYZ Fund! Surprised, I asked how he even knew this was an investment option. 'Oh, haven't you seen those ads on TV?' was his reply! These are the kinds of inputs that are seeping into children's awareness today, exposed as they are to a growing number of products and services," says Rituparna Basu, Associate Professor of Marketing, Retail and Entrepreneurship at International Management Institute (IMI) Kolkata.

A key interest area of the professor's current research work revolves around 'children as consumers'. Increasing consumerism has made kids more brand aware than young people in any previous generation. "With the infinite variety of products in the market today, consumption is inextricably associated with happiness. Evidently, in modern societies, consumerism is the new religion, and children its most devout followers," she says, tongue-in-cheek but not entirely joking.

Until the 1980s, it was the parents who decided what products and services to buy. Subsequently, family patterns started changing and evolving. Rising affluence in middle-class and upper-middle-class

households, dual-income families, single-parent units, parental encouragement for experiential learning and consumption-related discussions with children have all paved the way to make youngsters important factors in household buying decisions, she explains.

High-involvement buying

The growing legitimacy of children's desires is clearly shifting the focus from spousal dynamics to the triadic parents-and-child relationship when deciding on purchases. Even if the child does not directly say 'I want this to be bought', higher preferences guide the parents' consumption behaviour. Thus children have become an important consideration for marketers when they plan promotions for products/services meant for family consumption, she says. Indeed, they are weighing in on buying decisions on products and services beyond those meant for children.

"When we refer to the child as 'influencer', we don't mean candies, toys, games or clothes, or any other children's products. We're talking about high-involvement buying as well. It may be strange to imagine children having a say in deciding on a vacation, or the purchase of a particular make and colour of car, or even a house. But their voices count, even in high-value purchase decisions," she says.

Basu says kids surprise parents with ad-



Children constitute a huge secondary market by influencing family buying.

vice on, say, an offbeat holiday destination, and offer intelligent opinions on the choice of gadgets, from Dad's new smartphone to Alexa or a smart TV, as also on fashion or dining out.

"Children have a big say in where the family goes out to eat," says Giraj Sharma, Founder-Director, Behind the Moon Consultants, recalling the work his firm did with Haldiram's restaurants in New Delhi on positioning. "On an early visit to the restaurant I was surprised to see pasta on the menu, as also a Baskin-Robbins counter — not what one would expect at an eating place specialising in high-end versions of typical Delhi street food, with *haleem* for dessert," he says. But as he began to observe families with young children dining out at Haldiram's, Sharma understood "the restaurant had been smart enough to realise that these items had to be on offer if parents wanted their kids to eat with them while they themselves en-

joyed the *chaats* and *chole bhature*." There is a positive correlation between the child's age and the level of involvement in a purchase decision, with older children nowadays offering serious advice on areas hitherto their parents' domain, such as education — the choice of a particular school or college, says Basu.

Changing priorities

Children across age groups have different priorities. How can these sub-segments be described? "Children, as soon as they can articulate their preferences, constitute a huge secondary market by influencing family purchases. The Indian children's market — at an estimated \$110 million — accounts for a fifth of the children's market globally. But marketers should take care to recognise the various sub-segments of this cohort," says Basu.

"Obviously the biggest slice of this consuming class is teenagers. In some eco-

nomics sections, teenagers have already started earning, while in others, they get pocket money and yet others have a big influence over their parents' wallets. The teens are brand-conscious and, armed with the tech, can reel off a range of options and prices under any category," she says.

"The influence of teenagers is especially felt when deciding on electronic goods, such as a music system or TV, and particularly the kind of smartphone their parents should buy," says Sharma, adding "they know of the latest products from various companies, even home-grown ones, such as Boat." His son insisted he try Boat's Bluetooth speaker which he said was as good as a Bose equivalent!

Then come the tweens, or pre-teens, of 8-12 years. Says Basu: "This is a segment that marketers must pay close attention to, as they are just forming perceptions about certain brands and offering well-thought-out views on some aspects of family consumption."

Opportunity for marketers

Basu describes the third group of children below eight as uninhibited and without apprehensions. They watch a lot of cartoons and children's programmes on TV and believe in the commercials as no other segment would! "This is a group that marketers must be sensitive to, as they are responsible, in a sense, for their socialisation as consumers."

Moreover, companies need to perceive the differences in consumption patterns of various segments in the children's universe. "Failing to leverage this distinction would mean missing out on key insights from this consuming class, which constitutes a huge opportunity for marketers."



Rituparna Basu