

A Study on the Influence of Advertisements and Peer Groups in Purchase Decision-Making Process

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ABSTRACT

Media has occupied a vital role in our lives. The growth of the media and advertisements has increased awareness among the children and they are emerging as the most powerful influencers in the family purchase decisions. Children over five years of age have the cognitive ability to comprehend and reason the information accurately. Marketers use this category of audience effectively, by creating promotions that are attractive to them. They use promotional characters and themes which increase 'pester power' in children. Brand knowledge is instilled in children through these advertisements and largely due to the peer influence, which affects the economic and social life of the parents. This paper focuses on the influence of advertisements and peer groups on children in their decision-making process. Peer influence becomes prominent in adolescents, as it is at this stage that they begin to analyze the market. As marketers do not stop the creation of attractive advertisements, and with the increase in peer communication among children, there comes about an increase in parent-child conflicts that disrupt peaceful family systems and also leads to unhappier and discontented children in families. Parents have to take effective measures to overcome these situations and bring up more, healthier, happier and contented children.

1. Introduction

The 21st century is adorned with mass communication. With the multitude of gadgets and the rapid advancement in technology, mass media and communication has taken an important position in every common man's life, leading to addiction. Children to no doubt are victims of the same. However, mass media also has an endless list of benefits. When a person has to purchase a product from a store, he is required to be well informed about that product, its features, pros and cons of its usage, etc. Advertisements are the driving forces which persuade a common man to own few things which he may or may not require. The portrayal of messages in these advertisements, reach out to large audience which includes even children. Advertisements effects a child's psychology and it changes the whole perspective a child has, about this world. Since marketers require profit for their produce they are compelled to create advertisements with attractive themes, colours, music, etc. Children play a predominant role in every family's purchase decision making process. When they find a tinge of their taste in the advertisements, they become restless till they receive the tangible form of it. At the cost of getting things done, children these days have become more impatient and less satisfied and has led to the increase in the lifestyle diseases and disrupted peaceful family systems. This study focuses on the factors leading to the purchase decision-making of child-centred products by a parent of a child.

2. Background of the study

Children are the most important category of consumers to any marketer. When a product is required to be marketed, every advertising agency makes sure that he includes a tinge of child-inclined elements so that it targets every adult in a family. Every child exposed to commercials gets engulfed into a world of

fantasies which drives them to pester, choose and own materialistic objects without even knowing the impact it creates on them. Excessive promotional tools adopted by marketers, reaches children in a jiffy, and they become the early adapters to such products. Since children are often curios to new things, marketers design products in a way such that children influence their parents to buy that product. Endless list of choices and with enough economic capacity, the children give in to these commercials, forming an important segment in the market. When things do not go as they wish, they become restless, and begin to throw tantrums, use negative form of influences, employ strategies and tactics, annoy, pester and nag the parents until they get their demands satisfied. With increased knowledge about brands, games, etc. there arises an increase in peer communication. Frequent exposure to these advertisements creates demands for new products which results in lifestyle changes and food habits. They become less resilient, more impatient and become unhealthy due to excessive exposure to advertisements. However, advertisements do take a brighter side as well. When informative advertisements are broadcasted, it contributes to the intellectual enhancement in children which will further help them in a long way in life.

3. Review of Literature

Berey and Pollay (1968) were the first to understand a child's role in marketing, where children constituted an important, separate market segment for marketers. Bever et al. (1975) conducted an interesting study which examined the trend in children's attitudes towards TV advertising during the years 5 to 12. The study showed that children between 5 to 12 years of age gradually learnt to inter-relate their understanding of fantasy, morality, and

economics. It was also observed that children's sophistication with regard to their attitude towards TV ads increased with age. Goldberg et al. (1978) explains that advertisements are particularly effective in persuading children to like and request the product rejection of requests further enhances the chances for arousal of conflicts between the parents and children. Burns and Harrison (1985) studied children's influence in family decision making. The results showed that children yield influence on variety of products ranging from household appliances to their own products. In past studies, children have been found to yield bigger influence for their personal consumption products like toys cereals, snacks and children's wear. Bachmann et al. (1993) found that the sensitivity to peer group influence, were highest in older age group and peer group influence was directly related to the conspicuousness of the product. Ahuja and Stinson (1993) stated that children's influence in the family increased with the age of the oldest child. Children have also been seen to yield their influence for family related products like vacations, family eating out decisions and movies. Ahuja et al. (1998) stated that the extent of influence exerted by children not only depends on product type but also depend on how the product is marketed. If the product is marketed to mother, the child will have a minimum influence. However if the product is marketed to child, the child will have a predominant influence for its purchase. Mintel (2002) in his study revealed that as today children have more autonomy and decision-making power within the family than in the previous generations. The amount of influence exerted by children varies by product category and stage of the decision making process. For some products, they are active initiators, information seekers, and buyers, whereas for other product categories, they influence purchases made by the parents. This influence is termed as "pester power" which refers to the children's' ability to nag their parents into purchasing items they may not otherwise buy. Kaur and Singh (2006) pointed out that children constitute three different markets: the primary, the influencer, and the future market. Certain products are simply children's products for which they are the primary users/buyers. They sometimes either purchase a product themselves or select the product before it is purchased by the parents. For other products, such as ones which are used by the entire family unit, they may influence purchases made by the parents. There are some products where children wield direct influence or pester power by overtly specifying their preferences and voicing them aloud. For other products, parents buying patterns are affected by prior knowledge of the tastes and preferences of their children. This 'passive dictation' of choice is prevalent for a wide variety of daily consumed product items as well as products for household consumption. Also, decision making in households is seen to change with the mere presence of children. Wasim Ahmad et al. (2013) pointed out that parental control decreases with age. It can be categorized into three forms- active, proactive, co-viewing. Co-viewing reduces the problems such as unhappiness, parent-child conflict and materialism.

4. Objectives of the Study

- To analyze the influence of peer groups in the purchase decision-making process.
- To analyze the influence of advertisements on the nag factor in children.
- To identify the factors which influence the purchase decision-making process of child-centred products.

5. Methodology

The primary data was collected by formulating a structured questionnaire. The responses were collected through an internet survey on the parents of children below the age of 12 years. A quantitative approach is used to effectively measure the influence of advertisements on parents purchase decision-making of child-centred products. The analysis is done on a sample of 161 respondents. Convenience sampling method was adopted to collect the data. The secondary data was collected from the published sources like books, journals, websites, etc. The statistical calculations are done using the software IBM SPSS Statistics Version 23 and the statistical tools used are percentage analysis and regression analysis for testing the hypotheses.

6. Analysis and Discussion

Table-1
Demographic profile of the respondents

Gender	Freq.	Perc.	Age(in years)	Freq.	Perc.
Male	50	31	Below 30	45	28
Female	111	69	31 to 40	74	46
			Above 40	42	26.1
Occupation	Freq.	Perc.	Monthly Income (in Rs.)	Freq.	Perc.
Business	15	9.3	Below 20,000	16	9.9
Public Sector employee	25	15.5	20,000-50,000	32	19.9
Pvt. Sector employee	80	49.7	50,000-80,000	56	34.8
Homemaker	41	25.5	Above 80,000	57	35.4
No. of Children	Freq.	Perc.			
One	80	49.7			
Two	75	46.6			
More than two	6	3.7			

Source: Primary data (Total respondents= 161)

The table 1 shows the demographic profile of 161 respondents of which 31% were males and 69% were females. 28% of the respondents were below 30 years of age, 46% were between the age group 31 to 40 years and 26.1% were above the age of 40. 9.3% had business as their occupation, 15.5% were public sector employees, 49.7% of the respondents were private sector employees and 25.5% were homemakers. 9.9% of the respondents earned below Rs.20,000 per month, 19.9% earned between Rs.20,000 and Rs.50,000, 34.8% earned

between Rs.50,000 and Rs.80,000 and 35.4% earned above Rs.80,000 per month. 49.7% of the respondents had a single child, 46.6% had two children and 3.7% of the respondents had more than two children.

Influence of peer groups in purchase decision-making

Peer groups become an important factor which influences most adolescents and teenagers towards purchase of products that are centred to them. It is at this stage of development, where the children take another person's opinion in forming a self-concept. As these peer groups include children from all walks of life, a child gets varied opinions for purchasing any product. In children, since there is a low level of cognition, any opinions given by any of them will only be partially comprehended by both. Peer influence becomes prevalent in tweens where adolescents have the ability to comprehend his/her counterpart and are able to anticipate the reactions. As reasoning happens at this stage, it is important to analyze the effects of these peer groups on child decision-making. The following hypothesis has been formulated to test the relationship.

H₀: Peer groups does not influence on children in their purchase decision-making.

H₁: Peer groups influence children in their purchase decision-making.

To test the above hypothesis a regression analysis is done using the variables which measures the peer influence. The variable measuring peer communication is taken as an independent variable and the demand made by children about more products and the brand knowledge in them are clubbed together as one dependent variable. The results are outlined as below.

Table-2
Relationship between peer influence and purchase decision making in children

Model	R	R Sqaure	Sig. Value
1	.446	.199	.000

Predictors: (Constant), ADFR (Influence of friends in brand knowledge)

The table 2 shows the regression value between the peer communication and purchase decision-making in children. The result indicated that the R value is significant and H₀ is rejected. Thus, it can be inferred that, peer groups influence children in their purchase decision-making.

Advertisements and pester power in children

Pester power in children is the ability of the children to nag their parents to purchase products which they may not otherwise buy. When children are exposed to more fancy advertisements, they become fascinated about every new product/ service that is advertised. Such advertisements influence them to buy that product or use that service, which they may actually not be in need of. Children throw tantrums and deploy various tactics so that they get things done from

their parents. Pester power is induced in children by positive word- of – mouth, attractive features, etc. Social influences are one of the major reasons for the increase in pestering among children. Based on the above assumptions, the following hypothesis was formulated,

H₀: There is no association between advertisements and pestering in children.

H₁: There is an association between advertisements and pestering in children.

In order to test the above hypothesis, regression analysis is done by using the variables which measure the frequency of children viewing the advertisements and pester power in children. Frequency of advertisements are taken as independent variable and variables measuring pester power are taken as dependent variable. The results are outlined as below.

Table-3
Relationship between advertisements and pester power in children

Model	R	R square	Sig.Value
1	.170	.029	.031

Predictors: (Constant), ADFV
(Frequency of viewing advertisements)

The table 3 shows the regression value between frequency of advertisement viewing and pester power in children. The result indicated that the R value is significant and H₀ is rejected. Thus, it can be concluded that, there is an association between advertisements and pester power in children.

Factors influencing the purchase decision-making process of parents

When a child is taken for shopping, he/she could be influenced by many factors before choosing a product. In most cases, children's desire to purchase new products arise during shopping when they see the attractive packages, catchy names, pictures of their favourite cartoon/fictional characters, etc. As they grow with age, children also tend to switch their taste, peer influence increases, brand knowledge and knowledge about substitutes and its price also increases. For the analyzing the factors which influence the children in their purchase decision-making, a frequency analysis is done and the factors are ranked based on its frequency of occurrences. The factors which commonly affect the purchase decision-making are:

1. The attractive packaging of the product
2. The satisfaction derived from earlier consumption
3. The impact from friends
4. The product quality
5. The need for the product
6. Celebrity endorsements
7. Cartoons/ Miniatures
8. Change in tastes and preferences

Table-4
Table showing the frequency of factors

Rank/Factors	1	2	3	4	5	6	7	8	Tot.
Attr. package	55	24	13	12	22	6	7	22	161
Satisfaction	46	39	22	19	18	3	9	5	161
Friends	12	24	15	51	20	20	15	4	161
Quality	15	24	18	20	15	41	14	14	161
Need	23	18	44	27	25	13	9	2	161
Celeb.	0	5	11	7	16	45	25	52	161
Cartoon	11	18	11	16	9	22	16	58	161
Taste & Pref.	6	2	8	21	23	53	24	24	161
Total	168	154	142	173	148	203	119	181	1288

Based on the frequency of occurrences, the factors influencing a child in purchase decision-making can be ranked as follows:

- Rank 1: The attractive packaging of the product.
- Rank 2: The satisfaction from earlier usage
- Rank 3: The need for the product
- Rank 4: The quality of the product
- Rank 5: The impact from friends
- Rank 6: Influence from cartoons/ miniatures
- Rank 7: Change in tastes and preferences
- Rank 8: Celebrity endorsements.

Role of children in decision-making of child-centred products and services

Children not only confine to product decision-making. They also make active participation for other products or services which are catered to them and their family. Deciding a holiday spot or joining for a coaching class, is left to the discretion of children. When deciding about food, game or gadgets, the influencers of children are mostly media or friends. At rare circumstances, the child is succumbed to their parent's choice. The following are five instances which show the highest factor that influences children in making a decision.

Decision of a holiday spot

Family vacation trips are on an increase in the present scenario, as there is more of disposable income and with busy working schedules of partners in a family, vacation becomes the only reason for reconnecting with the entire family. Children use this opportunity to decide a place which they find amusing and interesting to all. Children may consider few factors for deciding the places which could be the amusements in that place, the interest of the child, the influence from a favourite show/movie and lastly peer influence.

Joining a summer coaching camp

A summer camp is an extensive workshop which helps children to explore various opportunities and helps them to

understand their capabilities and strengths. It makes them more creative, resilient and invulnerable. Children's choice of summer coaching camps is mainly influenced by the factors such as their interests in the games and the activities taught there, the peer influence and the intellectual benefit gained from the camp.

Developing new food habits

Children switch their tastes and preferences in no time. This is most commonly seen in their food consumption patterns. Many factors influence children in changing their food habits, where they begin to develop an interest for new forms of junk food. Drifting away from the normal food patterns result in negative outcomes in children with regard to their physical and mental health. The most common factors influencing children are peer groups, repeated exposure to favourite food at school, viewing posters and banners in public places, satisfaction from the first consumption.

Demand for a new gadget

Today children are well informed about the availability of every new brand of gadget in the market. This is due to the immense exposure they receive from parents, friends and relatives. However, there are other factors through which they get their demands satisfied from their parents.

Selection of a game

Games, play-station, etc. are the modes of entertainment for kids especially boys. They demand for the latest one released in the market, in order that they may compete with their friends or to own them as a sense of pride. The factors which influence them to select a game could be comfort of playing, games that enhance the child's intellect, peer group influence and lastly leave it for the parent's choice.

A frequency analysis is done to find out the highest factor that influences children in the purchase decision-making in the above situations. The results derived are given as under.

Table-5
Table showing the frequency of factors influencing the decision-making of child-centred products and services

Decision of a holiday spot	Freq.	Perc.	Summer Coaching camp	Freq.	Perc.
Amusements	59	37	Attractions	39	24.2
Friends	30	18.6	Benefit	33	20.5
Interests	55	34.2	Parents' choice	57	35.4
Influence from a movie	17	10.6	Peer	32	19.9
Developing new food habits	Freq.	Perc.	Demand for a new gadget	Freq.	Perc.
Peer influence	54	33.5	Deploy strategies	19	11.8
Posters/banners	21	13	Extra features	46	28.6
Repeated exposure	35	21.7	Make/model	31	19.3
Satisfaction	51	31.7	Peer-brand	65	40.3
One	80	49.7			
Two	75	46.6			
More than two	6	3.7			
Selection of a game	Freq.	Perc.			
Comfort	73	45.3			
Enhance intellectual ability	22	13.7			
Parents' choice	27	16.8			
Peer group discussion	39	24.2			

Source: Primary data (Total respondents= 161)

Table 5 shows that 37% of the children consider amusements as an important factor in deciding a holiday spot. 35% of the children adhere to their parents' choices before joining for a summer coaching camp. 33.5% of the children are influenced by their peers in developing new food habits. 40.3% of the children consider opinion when demanding a new gadget. 45.3% of the children look for comfort and ease before selecting a new game.

7. Conclusion

With a considerable group of responses from parents, an exploration into the specific variables such as influence of advertisements on children, the level of satisfaction and the shifts in their food habits, were successfully performed. The results inferred from the analyses shows that advertisements does influence children who persuade their parents in the decision making process. Furthermore, excessive exposure to advertisements results in discontented children making them

more vulnerable and violent, thereby disrupting peaceful family systems. The unethical promotional mechanism used to commercialize food products results to an unhealthy lifestyle in children making them physically and socially stunted. Advertisements largely result in nagging and pestering among children which disrupts the peaceful shopping experience of the parents. Peer influence creates a significant influence on purchase decisions which may thrust pressure to many parents to fulfill the needs of their child. With the advancement in technology and the introduction of new gadgets, it becomes difficult for parents to get their children tamed, to suit their needs. However, it is important for parents to watch TV with their children and help them imbibe the contents showcased in the advertisements in a positive manner. As children grow with age, they should be kept aware about the lighter and darker side of the market and pave a better way for them to chase this competitive, materialistic world.

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