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**An empirical study on the Age and Gender of children and their in store movement and the Pester Power that they engage in, and the factors responsible for such Pester Power**

**Abstract**

The Indian Retail Industry is dominated by the unorganized sector with the organized sector having about 6 percent share. But the organized retail is growing at a fast rate. The rise in per capita income and the resultant rise in disposable income has been significant in the past few years and has thus stimulated consumption over the past few years, thereby resulting in a spurt in retail trade. Furthermore, according to the Mckinsey Global Institute (MGI), the average real household disposable income is likely to grow by 5.3% during 2005-2025 and reach Rs 318,896 per annum as compared with 3.6% in the previous 20 years, which indicates the huge potential for the retail sector in India. Considering this scenario, marketers too are expected to acknowledge the changing dynamics of today's consumers.

With the number of DIWK (Double income with kid) or DISK (double income single kid) consumers increasing over the years, the role of the child in the family is gaining momentum. Such children are also either present day consumers or are influencers in the parents' purchase decisions.

The current study aims at an empirical study on analyzing the effect of demographic characteristics of children such as the age and their gender on the in store movement allowed to them by their parents and the pester power that the children engage in and the factors responsible for such pester power.

Sample will be parents of child/ren in the age group of one to thirteen years. Data collection will be undertaken by the researcher followed by data analysis.

**Keywords:** Children, Organised Retail, Age and Gender of the child, In-store movements of the children, Parents.

## **Introduction**

According to the Economic Survey of India, 2011-12, which is a yearly report card of the Economy put out by the Chief Economic Advisor in consultation with the Finance Minister of India, the contribution of 'Services' to the Gross Domestic Product (GDP) of India is at 59 percent followed by 'Industry' at 27 percent and 'Agriculture' at an all time low at 13.9 percent. (Bureau, 2012). The contribution of Services has increased steadily from 55.2 percent in 2010-11 to 59 percent in 2011-12 reflecting an annual growth rate of 10 percent. (Chief Economic Advisor, 2010-11)

The Retail Industry in India is expected to witness a healthy sales growth in 2012-13. A rise in purchasing power due to easing of inflation and a

healthy growth in corporate wages is expected to boost demand for consumer goods like apparels, jewellery, personal care products etc. Private final consumption expenditure (PFCE), the indicator for expenditure on goods and services, is estimated to rise by 6.8 percent in 2011-12 and the growth is expected to pick up in 2012-13. This indicates that consumer spending would remain buoyant. Softening of apparel prices and addition of new retail space is expected to push up sales further. Driven by higher volumes, it is expected that the retail industry's sales would grow by 15.4 percent in 2012-13. (Gandhi, February 2012)

The last few years have witnessed immense growth by this sector, the key drivers being *changing consumer profile and demographics*, increase in the number of international brands available in the Indian market, economic implications of the Government increasing urbanization, credit availability, improvement in infrastructure, increasing investments in technology and real estate building a world class shopping environment for the consumers. (C., June 2011)

The present study highlights one of the aspects of changing consumer profile and demographics. The aim is to understand and recognize the role of children in the age group of one to thirteen years of age in the buying decisions of the parents.

## **Literature Review**

The studies in the past related to children in India have been with respect to the impact of Advertisements on Children and their parents' buying behaviour (Kaur, 2011), the pester power effect of children due to Advertising (Upadhaya, 2007), Children and Advertising (Thompson, 2010) among others. There is a dearth of data and studies with respect to Role of children in the purchases made by parents in India.

In most studies conducted internationally, the child's age was found to be the predominant factor of the impact on family decision making (Akinyele, 2005) (Wackman, 1972). Among other studies conducted, related to parental yield due to children's influence, other demographic variables such as the child's gender (CollinsB., 2000) (L.G., 1986) (J.U., 1969) and family income level (N., 2001) are also factors proposed to be the factors affecting the magnitude of the child's influence.

The present study aims at analyzing the effect of demographic characteristics of children such as the age and their gender on the in store movement allowed to them by their parents and the pester power that the children engage in and the factors responsible for such pester power.

### **Objective of the Study:**

1. To find out if parents permit their children non-accompanied movement inside the store.

2. To find out if parents do allow their children to make any purchase decisions of their own.
3. To check if children do engage into 'pester power' inside the stores.
4. To find out the factors affecting pester power that children engage in.

## **Research Design and Methodology**

### **1. Hypothesis of the Study**

Ho (1) There is no significant difference between Age of the child and the In-store movement that parents allow them.

Ha(1) There is a significant difference between Age of the child and the In-store movement that parents allow them.

Ho (2) There is no significant difference between Age of the child and the pester power that the child engages in.

Ha(2) There is a significant difference between Age of the child and the pester power that the child engages in.

Ho (3) There is no significant difference between Gender of the child and the pester power that the child engages in.

Ha (3) There is a significant difference between Gender of the child and the pester power that the child engages in.

## 2. Sample Design

Sample Size: 25 Parents

Sample Type: Parents having atleast one child in the age group of upto eleven years.

A *stratified random sampling* style has been used for the purpose of data collection.

## 3. Procedure of Data Collection

The researcher has enabled the data collection process with the help of ‘Survey Monkey’, the world's leading provider of *web-based survey solutions*. Their *Basic product* was used and data was collected with the help of sending ‘Email invitation’ and ‘Facebook Post’. Response for the same was overwhelming. The data has been collected in the Month of January 2012.

The detailed procedure followed for the purpose of Data Collection and Data Analysis through Survey Monkey and other sources is as follows:

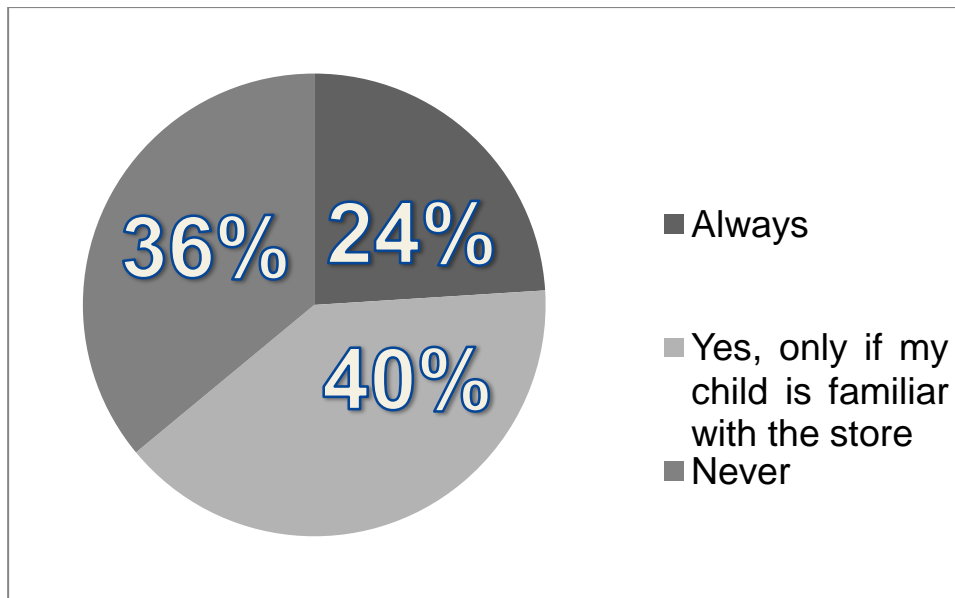
- Based on the facilities available in the ‘Basic Account’ of Survey Monkey, a Questionnaire was designed by the Researcher comprising of eight Questions including Demographic information of respondents. These questions were prepared based on the Objectives of the Study stated earlier.

- This questionnaire was sent via Email Invitation and Facebook Post to the relevant sample based on the Sample Design stated earlier.
- 30 responses were aimed during a span of about fifteen days in January-February 2011. The result: 21 responses could be received by Email and 5 responses could be received by Facebook Post.
- During the process of *Editing*, All except one of the Email Invitation based responses was realized to be usable and were considered for further analysis.(n=25)
- The concerned data was entered in SPSS 15.0 for conducting a Correlation analysis with the help of the ‘Analyse’ tool. The relevant data was entered in Microsoft Excel, for the purpose of generation of pie-charts as below, as the Basic account of Survey Monkey allows only viewing the graphical analysis.



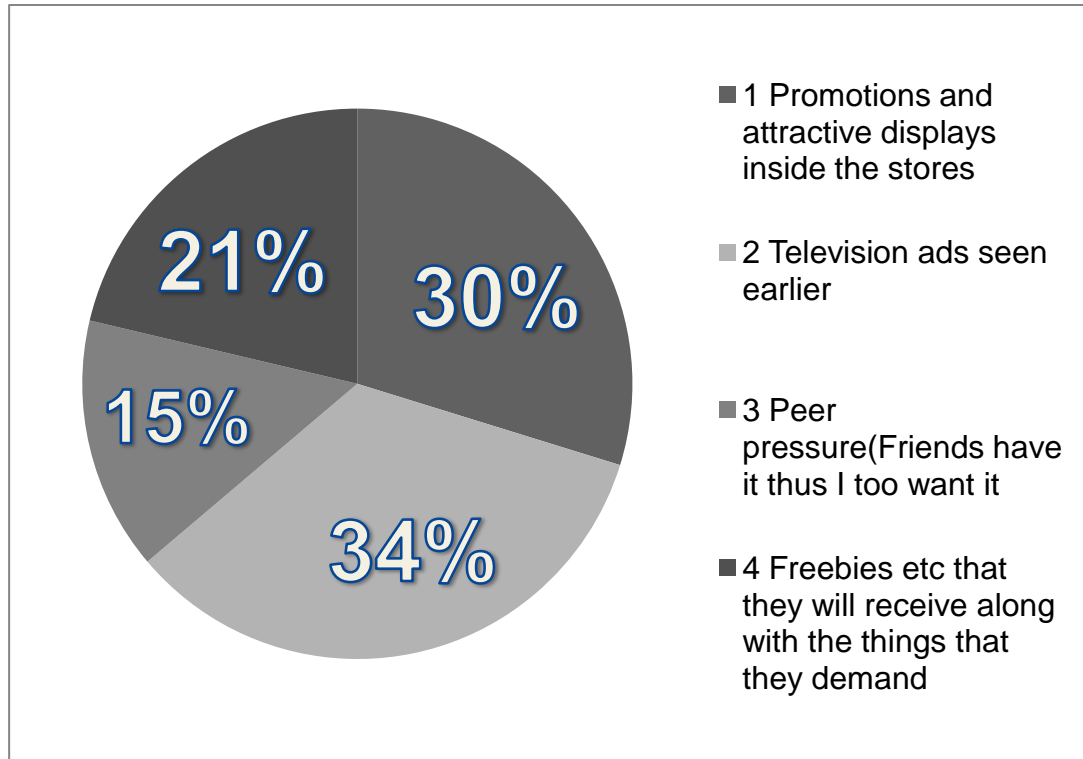
#### 4. Data Analysis

**Figure 1: Parent allows child to move inside the store on his own**



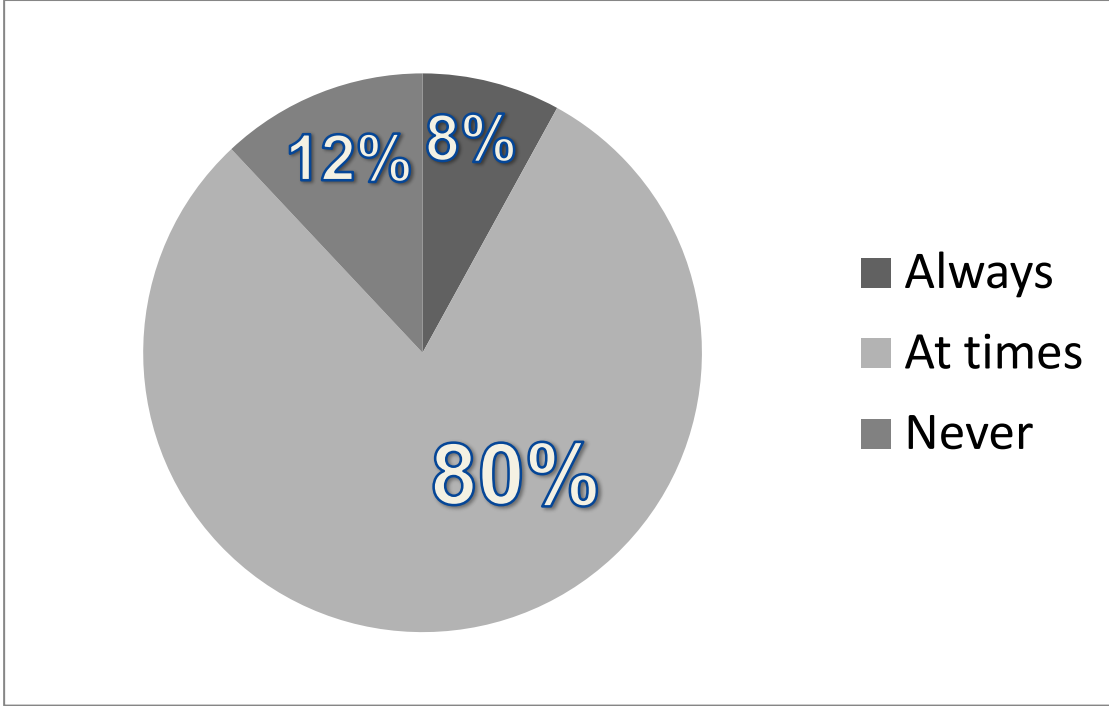
As per the figure above, about 40 percent of the respondents allow their child to move about in the store on its own provided the child is familiar with the store. Very close are 36 percent of the respondents who never allow their child to move around in the store without parents' company. This is a lost opportunity for Point of Purchase displays meant to trigger impulse purchase decisions of the child.

**Figure 2: Child pesters parent due to these reasons**



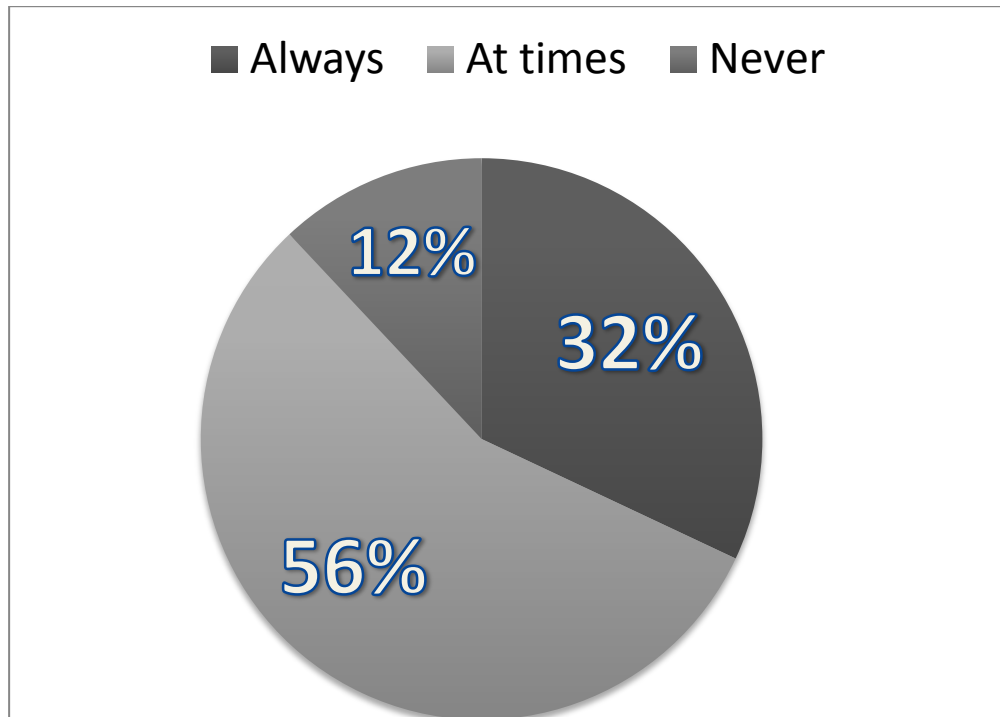
About 34 percent of the respondents agree that Television ads play a major role in the pester power that their child engages in. Very close are 30 percent of the respondents who feel that the cause of pester power is Promotions and attractive displays inside the stores. Peer pressure accounts for the least cause of pester power.

**Figure 3: Parents do allow purchase decisions to be made by their children**



About 80 percent of the respondents agree that they do allow purchases decisions to be made by the child 'At times'. But there are also about 12 percent of the respondents who stated that they never allow their child to make a purchase of his/her own choice.

**Figure 4: Child pesters parent to buy things of his/her choice**



As seen in the above pie chart, about 56 percent parents are pestered by their children to buy things of the child's choice 'At times', about 32 percent parents are pestered by their children to buy things of the child's choice 'Always' and 12 percent parents are 'Never' pestered by their children.

## 5. Hypothesis Testing

Data analysis has been enabled by SPSS 15.0. Manual calculations have also been undertaken and have been clearly stated.

### Descriptive Statistics

#### Gender of the respondents

	Frequency
Valid Male	12
Female	13
Total	25

#### Gender of child

	Frequency
Valid Male	7
Female	18
Total	25

### Age of child

Age of child	Frequency	Percent
Valid 1	1	4.0
2	1	4.0
3	3	12.0
4	3	12.0
5	3	12.0
6	4	16.0
7	1	4.0
8	3	12.0
9	3	12.0
11	1	4.0
13	2	8.0
Total	25	100.0

As the sample size is 25 (less than 30) the **t test** has been used for testing of hypothesis.

**5.1 Ho (1) There is no significant difference between Age of the child and the In-store movement that parents allow them.**

**Correlations**

		Age of child	In Store Movement
Age of child	Pearson Correlation	1	-.510(**)
	Sig. (2-tailed)		.009
	N	25	25
In Store Movement	Pearson Correlation	-.510(**)	1
	Sig. (2-tailed)	.009	
	N	25	25

\*\* Correlation is significant at the 0.01 level (2-tailed).

The Pearson correlation coefficient indicating correlation between Age of child and the In-store movement allowed by the parents equals to **0.510**, which is significant at 99 percent level of significance.

The above r value (0.510) is used for the calculation of t value with the help of the formula below:

$$t = \frac{r \sqrt{n-2}}{\sqrt{1-r^2}}$$

Thus, the calculated t value is **2.84**. The table value of t at 95 percent significance level is **1.714**. Compare calculated value with table value.

**2.84 > 1.714**

**Decision:** Accept Ho: i.e. There is no significant difference between Age of the child and the In-store movement that parents allow them.

Thus, it can be concluded here that, parents allow ‘non-parent assisted’ In-store movement to their child irrespective of the age of the child.

**5.2 Ho (2) There is no significant difference between Age of the child and the pester power that the child engages in.**

**Correlations**

		Age of child	Pester
Age of child	Pearson Correlation	1	.046
	Sig. (2-tailed)		.826
	N	25	25
Pester	Pearson Correlation	.046	1
	Sig. (2-tailed)	.826	
	N	25	25



The Pearson correlation coefficient indicating correlation between Age of child and the Pester power they engage in equals to **0.046**, which is not significant.

The above r value (0.046) is used for the calculation of the t value with the help of the formula below:

$$t = \frac{r \sqrt{n-2}}{\sqrt{1-r^2}}$$

Thus, the calculated t value is **0.11**. The table value of t at 95 percent significance level is **1.714**. Compare calculated value with table value.

$$\mathbf{0.11 < 1.714}$$

**Decision:** Reject Ho: i.e. There is a significant difference between Age of the child and the pester power that the child engages in. This is in support of the international studies undertaken earlier (Akinyele, 2005) (Wackman, 1972). It means that age of the child does play a role in the pester power that they engage in.

**5.3 Ho (3) There is no significant difference between Gender of the child and the pester power that the child engages in.**

**Correlations**

		Pester	Gender of child
Pester	Pearson Correlation	1	.197
	Sig. (2-tailed)		.344
	N	25	25
Gender of child	Pearson Correlation	.197	1
	Sig. (2-tailed)	.344	
	N	25	25

The Pearson correlation coefficient indicating correlation between the Gender of child and the Pester power they engage in equal to **0.197**, which is not significant.

The above r value (0.197) is used for the calculation of the t value with the help of the formula below:

$$t = \frac{r \sqrt{n-2}}{\sqrt{1-r^2}}$$

Thus, the calculated t value is **0.96**. The table value of t at 95 percent significance level is **1.714**. Compare calculated value with table value.

**0.96 < 1.714**

**Decision:** Reject Ho: i.e. There is a significant difference between Gender of the child and the pester power that the child engages in. This is in support of the international studies undertaken earlier (CollinsB., 2000) (L.G., 1986) (J.U., 1969) It means that gender of the child does play a role in the pester power that they engage in.

## **6. Discussion**

Demographic characteristics of the children are one of the most prominent factors on children's influence frequently mentioned in the Literature. The present study aims at analyzing the effect of demographic characteristics of children such as the age and their gender on the in store movement allowed to them by their parents and the pester power that the children engage in and the factors responsible for such pester power.

Thus the variables tested are the age of the child and the gender of the child as against the in store movement and the pester power.

Thus, it could be concluded in this study that parents do allow 'non-parent assisted' In-store movement to their child irrespective of the age of the child. This is more true when parents are familiar with the store.

Further, it could be concluded that the age of the child and the gender of the child does play a role in the pester power that the children engage in.

The factors affecting pester power have been understood to be Television ads, Attractive point of purchase displays and in store promotions and Peer pressure in the same order.

These findings have contributed to the literature in India and have reinstated some of the studies conducted internationally as stated above.

### **7. Limitations:**

There are sampling limitations.

Demographic profile of the children with respect to age and gender of the child only, has been taken into consideration.

Parents' age, gender, income or occupation has not been considered as a variable for the study.

Factors affecting pester power that the child engages in have been analysed qualitatively only.

### **8. Delimitations of the study:**

For the study the child's age group ranges between one and thirteen.

### **9. Future Scope of the study**

Only the correlation analysis has been done and it has been established that the Age of the child and the Gender of the child do play a role on the pester power that the child engages in. However, in the future, Regression Analysis can be done to find out the effect of a particular age group and a particular gender on the pester power. (Sunil Mehrotra, 1976)

Factors affecting pester power that the child engages in, have not been extensively researched. There can be an extensive study with the help of Focus Group Discussions, In-depth Interviews with parents and children and such factors can be narrowed down with the help of 'Factor Analysis'.

The respondents' first child has only been considered. The *implications* of the second child may be researched in the future.

It is essential that the Marketer *emerges* with its approach to the role children play in the buying decisions made by parents.

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