

Category type determines who makes the decisions

By Subha Narayanan

GOOD Business Sense, a Sydney-based market research consultancy, has just completed a study on 'The Influence of Children in Family Decision-Making'.

The emphasis of the study related to the amount of influence children wielded in their parents' decision making - particularly in decision making influencing purchases of goods and services.

The study found that families fell into four major categories, covered under the acronym of TEAM - the 'team' being the combination of family types.

The four family types identified by Good Business Sense, were:

- Tactical - families where issues are open for discussion but where parents retain control;
- Easy-going - families where parents agree with children most of the time;
- Autocratic - families where parents have authority and power;
- Malleable - families where children get what they want if they are persistent enough.

Anne Roze, managing director of Good Business Sense, explained that for a shopping centre or a retailer - say, a supermarket - it is of prime importance to understand which type of family is predominant in the marketplace from which it draws its customers.

Without the benefit of "concentrated marketplace analysis" to determine the makeup of a marketplace, shopping centre managers and retailers are unable to match their marketing messages to the appropriate decision-maker.

Tactical families

She said that tactical families were in some ways considered to be the "ideal"

Contrary to children's perceptions, most parents within tactical families, consider three to five year old children to be the most influential when it comes to purchase decisions.

Analysis of the data from the survey, revealed, that tactical families said they spent about \$317 (an average month) on groceries when shopping with children and \$357 (an average month) on groceries when shopping without children.

shopping with children and \$39 a month on fast foods if they have been shopping without children.

Ms Roze said that special offers and displays in shopping centres have a strong influence on children in easygoing families, whereas entertainment in these centres has very little influence.

Autocratic families

Ms Roze commented that this was an interesting group because very few parents considered they were an autocratic family, whereas over 20 per cent of primary and high school children believed their family was autocratic.

Primary school children felt their strongest influence was over choice of television channels, while high school children believed it was over school attended and curfews.

Parents in autocratic families on the other hand, believed their children did not have a strong influence over anything.

Autocratic families spend \$319 a month on groceries if they had been shopping with children and \$382 a month on groceries if shopping without.

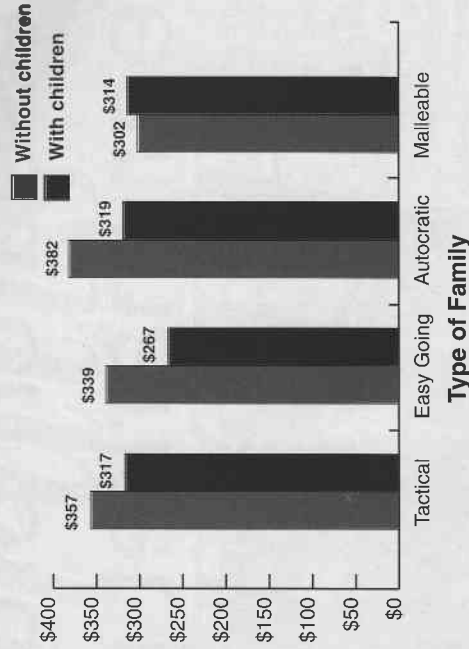
Interestingly, autocratic families spend more, than other family types, on fast foods whether they are shopping with or without children.

Like all other family types, they spend more on fast foods when shopping with children - \$77 a month - than while shopping without children - \$67 a month.

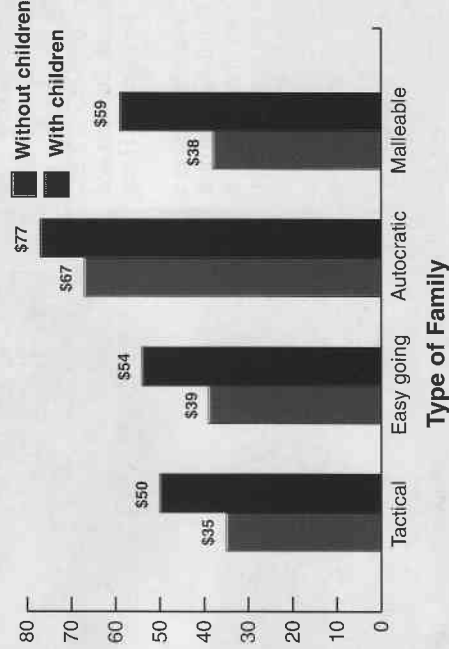
Ms Roze said the data showed that the autocratic family was the only one where parents believed their children had expert knowledge on new types of breakfast cereals and snack foods.

Parents in autocratic families are the only ones who consider 15-18 year olds the most influential - a finding which could indicate that in these

Average monthly grocery spend



Average monthly fast food spend



greater participation and knowledge in these areas.

Shopping centre displays and special offers for these specific items should also prove worthwhile.

Malleable families

Very few high school or primary school children believe they belong to a malleable family - but 12 per cent of parents surveyed by questionnaire and 26 per cent in customer focus groups, considered their families were the mal-

Whereas this differential is the highest in the case of the malleable family category, the actual dollar spend on fast foods whether shopping with or without children, is much lower than in the case of the autocratic family (see bar graph).

Malleable families are also the only family category to spend more on groceries when shopping with children - \$314 a month - relative to what they spend on groceries when

She said that tactical families were in some ways considered to be the "ideal" family - a family where all views are heard.

Advertising messages targeting tactical families, can be addressed to children in the family, because children in such families are confident of being heard and their views respected.

Messages however, must be adapted so that parents can see a benefit to themselves.

In tactical families, children think 15-18 year olds have the most influence in family decision-making. That makes this age group a powerful one, because teenagers falling within this band, can be more financially independent than younger children.

When shopping without children, easygoing parents spend considerably more on home appliances, electronics, groceries and clothing.

When shopping with children, they spend significantly more on toys and fast foods.

Easygoing Families spend \$267 a month on groceries if they have been shopping with children and \$339 a month if they have been shopping without children - ie. \$72 a month more.

The same families spend \$54 a month on fast foods if they have been shopping without children - ie. \$72 a month more.

Children in autocratic families are strongly influenced by special offers and displays in shopping centres, television advertising and word of mouth, but not by radio advertising.

To maximise customer share in the autocratic family segment, advertisers, should utilise television - but not during mealtimes. Generally speaking, Malleable families spend significantly more on fast foods - \$59 a month on average - when parents have been shopping with children, relative to the amount they spend on fast foods - \$38 a month - when shopping without children.

Parents in malleable families believed their children to have a strong influence on the purchase of clothing, toys and family food. High school children in malleable families have the most influence on pocket money and marketers of products in the pocket money price range need to make sure they are targeting their messages at this age group.

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Factors affecting purchases of children

GOOD Business Sense (GBS)'s study on 'The Influence of Children in Family Decision Making' is being made available to industry at large, in the shape of reports, workshops/training programs; and company-specific, tailor-made analysis to match product/business attributes with the family type composition of individual markets.

The study was an initiative the market researcher undertook on its own, to examine the influence of children on family decision making - particularly in relation to their influence on shopping habits, patterns and expenditure, said managing director, Anne Roze.

The study has been packaged as a firm base for future investigation into individual products and marketplaces.

The information provided can be used as a starting point for more in-depth research, personalised for individual industries or organisations.

Ms Roze pointed out that it became apparent during preparatory research into this issue, that the growing influence of children on parents' decision making, was largely dependent on the type of family unit to which they belonged.

Additionally, GBS noted that personality type of individuals within families, can also affect buying patterns.

Ms Roze said it was possible to measure people's reactions to different services and products by their various personality profiles.

This can help retailers ascertain how consumers will act (as individuals and as families).

Good Business Sense undertook a quantitative, questionnaire-based survey with the assistance of Westfield shopping centres.

The questionnaire survey was conducted in different parts of Sydney and involved close to 1000 consumers - split evenly between parents and children.

Parents and children were surveyed separately, Ms Roze said.

The research also included a qualitative component, covering five separate focus groups, again in Sydney, comprising parents (without their children present).

The children of these parents also took part in five separate focus groups (without their parents being present).

The questionnaires for both parents and children had a common thread - to see if children's influences were dependent on the type of family they were part of.

Individual personality differences of both parents and children, were also taken into account in the analysis.

Commenting on what is actually taking place now, Ms Roze said that while marketers are targeting children's products to children with a high emphasis on fun, adventure, experience, innovation, novelty, discovery, trendiness etc, parents see the advertising as aimed at children but not offering any benefit to them as parents. In the shopping centre situation, there are a

lot of displays and messages aimed at the junior market and particularly at getting a reaction from children (eg. lollies displayed at the checkout of a supermarket) to encourage impulse buying. However, these displays fail to point out a benefit to parents.

Most advertising simply irritates parents, Ms Roze said. In general, they only remember advertising that features a popular figure which links in with their knowledge - but tend to forget the product it is advertising.

Children are becoming more financially independent. Parents are becoming much busier - often with both parents working outside the home - so leisure activities with children take higher priority.

Understanding buying patterns

Retailers are taking advantage of popular events, movies and personalities to target products at children. However, manufacturers are concentrating on packaging of products to attract buyers.

Some brands and retail chains are experiencing dramatic falls in profits. The study has been designed to provide retailers and manufacturers with information that can help them understand and address these trends through an understanding of the behavior of different family types and their buying patterns - Ms Roze said.

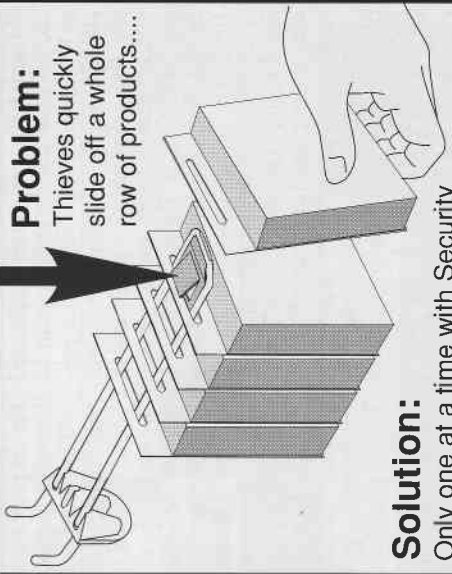
26 per cent in customer focus groups considered their families were the malleable type.

Parents in malleable families believed their children to have a strong influence on the purchase of clothing, toys and family food. High school children in malleable families have the most influence on pocket money and marketers of products in the pocket money price range need to make sure they are targeting their messages at this age group.

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