

# INFLUENCE OF CHILDREN'S PEER GROUP AND ADVERTISEMENT ON THE FAMILY'S BUYING DECISION PROCESS IN PAKISTAN

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**ABSTRACT:** *The purpose of this research was to explore, how far children's peer group scrutinize their influence on family buying decisions in Pakistan and how advertisement regulates the influence of children on family's buying decisions in Pakistan. This research was based on a wide range of review of literature and pilot study from 44 families. A survey of two major cities (Lahore, and Faisalabad) of Punjab, Pakistan was purposefully conducted. The data were congregated with the help of questionnaire from two hundred and eighty-seven (287) parents who have 8 – 12-year-old children. The data were analyzed through Statistical Packages of Social Sciences (SPSS). Analysis of variance, Pearson correlation, and regression was applied to test the hypotheses. Results specified that the buying decisions of the family were positively and significantly influenced by the children's peer group and advertising to children. This study suggested that the requests of influential products or service can be directly focussed to kids with the help of their peer groups. This research recommended exploration for the seller and marketers about which advertisement of the goods and services shows an impact on kids. Data about the children's influence should be practical to fascinate awareness for kids about new product and to prominence on a specific product. This study supported dependence on publicity and advertising, in conveying information to 8-12 years old children because over 90% of children in Pakistan get information about a product from the advertisement. This needs surveillance of government to confirm the establishment of suitable policies to secure children who would then be a bull's eye to several unethical communication appeals.*

**Keywords:** Family buying decision, Peer group, Advertisement, Influence.

## 1. INTRODUCTION

In the emerging economy, the marketers are just beginning to practice the children's influence in the buying process of the family. The target of marketers is children as they showed significant buying power for future customers. Both Children and parents play the same role in the family buying decision process. They represent key characters in the formulation of buying decisions in a family. Additionally, the movement of the consumer in Pakistan is as old as commerce and trade. However, a great increase in consumerism was found in the last two eras. The revelation to the global economy, increase in literacy rate and high penetration of media resulted in a momentous increase of consumer responsiveness and awareness in Pakistan. Pakistani are now more discerning and aware of the product, technology, and the market. The market for the products of children is rapidly increasing [1]. With the growing number of nuclear households and fewer kids in the family, the involvement of children becomes stronger. Thus, there is a need to examine the buying behaviour of children and how children influence in the buying decision process of the family.

Nowadays, Children are the vital target market for researchers and marketers in the whole world. Marketer, direct seller and advertiser are collaborating directly with children. Throughout the 1940-1950s, children were not considered as a consumer. However, with the emergence of wide-ranging media such as the TV and the internet, children are considered complete consumers. Children are not just demanding for the goods but they also have assimilated the socially endorsed right to demand (a right which parents are reluctant to intrude upon). Encrusted onto direct kid enticement and the imaginary independence of the kids, the

children are usually experienced overworked parents who have a complicated financial position. Mostly, children made a regular bombardment of requests that nagging the parents. They have erudite to want throughout their upbringings [2]. Therefore, children are identified as the main influencing for a future market. Currently, children are considered as different from past generations; such as children of age 8-12-year-olds are known as "teens" [3]. Children at this age are more directing, connected, and more informed. It is found that there is hardly any research that explores the role of children in buying process of the family in Punjab, how far children's peer group scrutinize their influence on family buying decisions in Punjab and how advertising to children regulates the children's influence on the buying decision process of the family in Punjab. Few studies determined the effect of children in the buying process in developed countries [4-7]. Furthermore, the studies which have been conducted in the context of Punjab have a limited scope and to the best of researcher knowledge, this research is among one of the rare challenges to be conducted in the major cities of Punjab (Lahore and Faisalabad). According to the 2017 census of Pakistan, the majority of the population is found in these cities. Moreover, the researchers neglected the vital role of children in family buying decision making, yet their significance cannot be measured. Thus, it would be interesting to examine the finding of this research with the role of children as family buying decision makers.

## 2. Literature Review

In today's world, Consumer behaviour signifies a noteworthy challenge for marketers because of growing competition among companies. Rising in the purchasing power of consumer and different opportunities of new technologies are

forming a complex situation for consumers to make their decision. Sales and marketing managers must distinguish among consumer products and groups, and the consistent predilections [8]. In the review of literature about marketing, there are numerous researches on the purchasing behaviour of consumers, how family members showed an influence on purchasing decisions of consumers. Family as a consuming and decision-making components is a fundamental factor in consumer behaviour and marketing. Consumers made many shared decisions with the family members that have an influence on attitude and wish of other family members' [9].

### 2.1 Peer Group

Opaque (2012) explored that peer group of parent and children are key tools that become the reason for the learning of children about socialization [10]. Parents and peer groups play a vital role in the formulation of the behavior of children during the phases of growth of children. It is also found that as the age of children increase, the influence of parents on children buying behaviour decrease. Though, the impact of the peer group of children buying behaviour increase. Hence, the influence of the peer group on children becomes high when they are young (at the age of 14) and their influence decreases slowly through late and middle puberty [11]. Studies also described that the buying behaviour of preadolescents is more influenced by their parents. However, middle or late youth has more sense of maturity and self-identity that decrease the influence of peer group [12].

Moreover, the influence of peer groups on children is both directly and indirectly. Majority of scholars examined that the main source of children consumer socialization is peers group [13]. Children get information about the consumption of expressive products such as styles from their friends [14]. The non-rational behaviour of children is formulated due to the interaction with Peer groups. The influence level of peer group on children for goods like public luxuries is high as compared to private necessities. This represented that the influence of the peer group is considerate of children's consumption allegory [15]. A peer group of children is expected to assist children in making choice about shopping malls, brands, and goods. The sense of belonging of children is also improved by peer groups.

### 2.2 Advertisement

Advertisement is the main source for individuals to get information about goods and services. Advertisement is enriched with information about the features and attributes of a product for the consumer that involves in the development of attitude. Consumer formulated a rational preference about the brand with the help of advertisement [16]. Advertisement is also becoming the source to catch the attention and deliver awareness to the consumers. Therefore, the advertisement is enriched with information concerning goods and services. Advertisement is an effective way to inform consumers about goods and influences them to make a decision about the buying of the product. In China, research was conducted on the children that aimed to explore the source which provides information about the new product. It is found that TV is a key source for children to get information about new products. The perceived importance of TV among children becomes higher as they grow up. Moreover, the internet is the main communication tool for socialization. Internet

influences the children about the goods as the Commercial sites are sociable, approachable, multi-colored, and offer charming interactive goods that a child finds [17]. Children are engaged in many actions on the internet like e-mailing and chatting with friends, make an information search, listening to songs and gaming. They also get open information about goods concerning prices, features, performance, and brands, etc.

### 2.3 Family Buying Decision process

The buying decision process of the family comprises of five stages that are needed recognition, a search of information, evaluation of alternatives, purchase decision, post-purchase behaviour. The first stage "need recognition" starts with the identification of need or problem. In this stage, the consumer sets his or her minds about the desired and actual state [18]. The second stage is the search for information where the Consumer might explore more detailed information about the products from different sources. The consumer may also save information about the products [19]. A third stage is the evaluation of alternatives where individuals make an assessment among different alternative products. Their preference is based on the buying situation. In many cases, consumers made decisions about buying for his/her own self, for family members and for friends [19]. Therefore, there is a need that marketers should make a keen observation of the evaluation of consumer about different goods alternatives. The fourth stage is the purchase decision where the consumer made a decision about the purchase. The last one is Post-purchase behaviour. Even though the product is sale out, but the responsibility of marketer does not end. The marketer has to determine that either the consumer is satisfied and dissatisfied with the product [20].

### 3. Research Framework

Figure 1 represented the research framework that was formulated from the review of the literature.

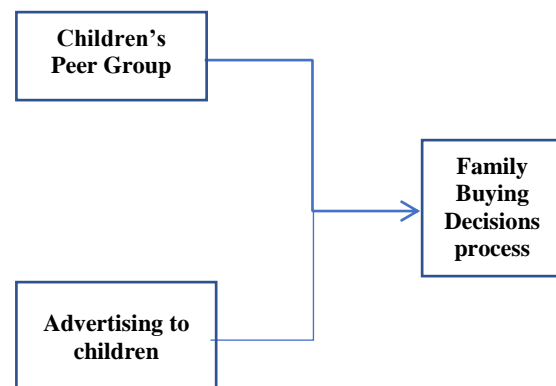


Figure 1: Research Framework

Two hypotheses have been formulated which are presented below

- H1: Peer group of children significantly influences the buying decision process of the family.
- H2: Advertisement to children significantly influences the buying decision process of the family.

**4. Research Methodology**

This study used a quantitative method by focusing on past studies [4, 17, 5, 7]. A survey was conducted from the two major cities (Lahore, and Faisalabad) of Punjab. The population was parents of children aging 8-12. It was found from the 2017 census of Pakistan that majority of the population were in Lahore, and Faisalabad, which are 11,126,285 and 3,203,846 respectively. The sample size was calculated from Krejcie and Morgan (1970) table [21]. Krejcie and Morgan (1970) table represented that 384 is a suitable size of the sample for more than 1 million populations. Moreover, there are 30 items in the questionnaire. Thus, the optimal size of the sample was 300. Total 300 questionnaires were distributed during the survey. Respondents returned all the questionnaire. However, 287 questionnaires were considered to be useable. Thus, the response rate was 95% that are acceptable according to the research of Dillman and Malaney [22, 23]. A pilot study was conducted on 44 families to check the reliability of the questionnaire. In this research, the value of Cronbach' alpha was 0.771 which included in a suitable range. As reported in the literature, the acceptable range of Cronbach's alpha must be 0.5 to 0.6 or more [24]. The value of Cronbach's alpha is shown in table 1.

**Table 1: Reliability Coefficient**

Cronbach Alpha	Construct wise Alpha	Alpha if item deleted
0.771	Peer Group	0.759
	Advertisement	0.749
	Purchase decision process	0.754

Pearson correlation, analysis of variance, and regression method were conducted to examine the significant association among variables.

**5. RESULTS**

**5.1 Descriptive Statistics**

The descriptive analysis represented the main features of the data. In this study, the descriptive statistics comprised of the gender of children, age of children, respondent's relationship with children, family size and salary. Descriptive results were represented as mean and standard deviations [25]. In this research, all the mean and standard deviation values were in the range of 1.41 to 2.05 and 0.48 to 0.89 respectively that is in the acceptable range as shown in table 2. The particular data from 287 questionnaires represented that 59.2% of children were a boy and 40.8% were girls. 31.7% parents had children of 8-year-old, 37.3% of parents had children of 9-10 years old, 25.4% parents had children of 10-11 years old and rest of 5.6% parents had children of 11-12 years old. On the basis of relationships of children with respondents, the fathers of the children were 57.8% and 40.1% were mothers. 1.7 % were Guardian and 0.3% were involved in the other specific category. In this research, the size of a family of the single child was 3.4% and 60.6% were with siblings. Among the parents, 48.8% had a salary of less than Rs. 30,000/-, 47% had Rs. 30,001 to 60,000/- salary range and 4.2% had Rs. 60,001 and above salary.

**Table 2: Descriptive Statistics of Respondent**

Demography	Indicator	Mean	S.D	Frequency	Percentage
Child's Gender	Boy	1.41	0.49	170	59.2
	Girl			117	40.8
Age	8 years	2.05	0.89	91	31.7
	9-10 years			107	37.3
	10-11 years			73	25.4
	11-12 years			16	5.6
Relationship	Father	1.45	.551	166	57.8
	Mother			115	40.1
	Guardian			5	1.7
	Others			1	.3
	Specify				
Family size	Single child	1.61	0.48	113	39.4
	With siblings			174	60.6
Salary	Less than Rs. 30,000/-	1.55	0.57	140	48.8
	Rs. 30,001 to 60,000/-			135	47.0
	Rs. 60,001 and Above			12	4.2

**5.2 Regression and Correlation Analysis**

The suggestion of Cohen (1988) about the R<sup>2</sup> value was 0.26, 0.13 and 0.02 that were considered as significant, moderate and weak respectively [26]. In this research, the author followed the Cohen (1988) suggestion. The R<sup>2</sup> for Peer Group was 0.32 and Advertisement was 0.23. These values showed that there is a significant relationship of Peer Group of children and advertisement to children with the process of buying decision. Furthermore, the value of T and standardized coefficient "β" were also significant at p<0.005. The relationship between independent and dependent variables was also examined through Pearson correlation. The value of the Pearson correlation coefficient (R) for the peer group was R=0.566 and for advertising was 0.482. These values also indicated a significant and positively correlated with the process of buying decision. The results of Regression and Correlation Analysis are shown in table 3.

**Table 3: Regression and Correlation Analysis**

Construct	Pearson correlation	Adj. R <sup>2</sup>	B	T	Sig.
Peer Group	0.566	0.318	.600	11.5	.000
Advertisement	0.482	0.229	.493	9.27	.000

H1: Peer group of children significantly influences the buying decision process of the family.

The analysis of using ANOVA was conducted to test the H1. The F-test was also conducted through linear regression where the F value was 134.2 with a sig. value of .000. The value of F, R<sup>2</sup>, and R indicated that peer group of children significantly influences the buying decision process of the family. Thus, H1 was accepted. The results of this study were in line with the results of Norgaard et al. and Kiriinya et al. [17, 3].

**Table 4: ANOVA for hypothesis One**

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	40.192	1	40.192	134.2	.000
Residual	85.346	286	.299		
Total	125.53	287			

H2: Advertisement to children significantly influences the buying decision process of the family.

ANOVA was also conducted to determine the significance, association among advertisement to children and buying decision process of the family. The F value was measured that resulted in 86.26 with sig.000 which is greater than the critical value (3.84). H2 was accepted according to these values. Thus, a significant association among advertisement for children and buying decision process of the family in Pakistan was proved by this research. These findings were in line with the previous research conducted by Grønhøj et al in 2002 and, Batounis-Ronner et al in 2017 [27, 17].

**Table 5: ANOVA for hypothesis Two**

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	29.117	1	29.11	86.0	.000
Residual	96.421	286	.338		
Total	125.538	287			

## 6. Conclusions and Recommendation

This research concluded that children have a strong influence on those goods that their peers owned. Children's peer group resulted in a significant association with the buying decision process of the family in Pakistan. Thus, convincing goods appeals can be engrossed directly to kids through their peers. The finding also reveals a significant association among advertisement to children and buying decision process of the family in Pakistan. The behaviour of the consumer is affected by various marketing activities such as advertisement. This research also determined that perceptions about products in the mind of children were affected by watching ads on T.V and the internet. Thus, the children recognize the ad and awareness when there is some absurdity in the TV or internet advertisement and this stays in the child's mind. Furthermore, there are many other characteristics of children's behaviour during buying decision process that can be explored in future studies. In this research, peer group and advertisement were considered to be a vital feature of the buying behaviour of children. Some other aspects like product type, ads can be explored such as time of ads, simplicity in the advertisement, etc., and how these aspects influence the children. Hence, this research recommended exploration for the seller and marketers about which advertisement of the goods and services shows an impact on kids. Data about the children's influence should be practical to fascinate awareness for kids about new product and to prominence on a specific product. This study supported dependence on publicity and advertising in conveying information to 8-12 years old children. As over 90% of children in Pakistan get information about goods from the advertisement. This needs surveillance of government to confirm the establishment of suitable policies to secure children who would then be a bull's eye to several unethical communication appeals.

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