Chapter 4
Is Brand Loyalty Really Present in the Children’s Market?
A Comparative Study from Indonesia, Portugal, and Brazil

ABSTRACT

In Chapters 2 and 3, we have discussed about consumer perception on future anticipation to understand the trends for customer’s potential needs and wants in the future by incorporating and analysing various key concepts such as reference groups, autobiographical memory, brand relationship, and market performance. We have also established that a better understanding of future anticipation could ultimately develop consumer’s brand loyalty. In this chapter, we are going to focus on brand loyalty in the children’s market, which is very challenging but also poses great potential. Specifically, this chapter attempts to identify factors which are recognised as the antecedents of brand loyalty in the children’s market. The study conducted in this chapter was co-authored with Luiz Moutinho (Adam Smith School of Business, University of Glasgow, Scotland) and Arnaldo Coelho (Faculty of Economics, University of Coimbra, Portugal).

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Box 1. Orienting questions

- How important is children’s segment as a market opportunity to explore?
- What are the possible antecedents of brand loyalty for children’s market?
- How does brand relationship influence autobiographical memory, which in turn affect market performance?
- What are the similarities and dissimilarities between the results of the structural model relationship in Indonesia, Portugal, and Brazil, based on the findings in this study? What are the key insights?

INTRODUCTION

The potential of the children’s segment offers huge opportunities for marketers to explore. It is reported that in the United States of America, the market value of the children’s segment for products and services amounts to approximately 51.8 billion USD. The market value of this segment is also substantial in the developing world; it is estimated that the value of the children’s market segment in Indonesia was approximately 120 billion USD in 2013.

Children are a unique market with great potential. They are unique because children usually do not spend their own money but they have high influencing power. They have potential because from the number of children and their spending possibility, they are big and promising (Yusuf, 2007). Potential means that when a child becomes a customer of a certain product or brand, it is very likely for a brand to maintain a long-time relationship with that child. Marketers can expect that children will stay loyal with those products.

McNeal (1992) stated that the children’s market consists of three markets. First, the primary market targets children as end users. Second, the influence market targets parents, people in children’s lives, and children themselves together. Third, the future market targets children as a potential market in the future. Children in this research were between 10-12 years old. Erickson (1950) categorized these children as school-age children. These children tend to realise their responsibilities, try to behave well, and start to do the right things. In this age, they obtain values from morale development; they can recognize the differences among people and cultures. They can also differentiate between good versus bad things.

Acuff and Reiher (1997) described children between 10-12 years old as being in the phase of thinking development. He explained that in this phase, children are subconsciously starting to focus on neurology in the development of the left brain. Furthermore, this phase is crucial due to the development of the way children view their environment and define themselves to adjust to the world around them. Children are very impressionable. They like to imitate celebrities, sports stars, or other role models like teachers, parents, or spiritual leaders. Children are chosen because
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