Chapter 6

The New Consumers of India: Children as Learners and Teachers

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ABSTRACT

The chapter explores the growing importance of children as consumers. The chapter would first discuss the importance, growth, and views on consumer socialization theory. The chapter would then take the discussion forward by introducing the change in the role of children not just as learners but as influencers. This section of the chapter concludes by initiating a discussion to understand the similarity and differences in the two theories: consumer socialization and reverse socialization. The theoretical overview provides the researchers a premise to integrate consumer socialization theory and reverse socialization to understand how children and parents acquire learning properties to be a consumer. Based on the two theories, a conceptual model was developed by the author to understand and indicate the process of children and parents becoming consumers. The chapter further discusses the changing social and economic scenario in developing nations with a special focus on India.

INTRODUCTION

Some adjectives used to describe children in the past have traditionally been cute, intelligent, innocent, and naughty among others. Society did not associate the word Consumer with children. Even the marketing world did not see any consumer segment in that group. The interest of the marketers was restricted in knowing and understanding how children learnt consumer skills, acquired market knowledge and became consumers when they grow up. This curiosity, inquisitiveness helped in the development of Consumer Socialization (Ward, 1974) or “the process by which children acquire skills and knowledge to become consumers”. Substantial literature on this topic has proved that family, peers and media are important socialization agents (Hota & McGuiggan, 2006; Ghazali, 2011; Minahan & Huddleston, 2010; Fan & Li, 2009) Age too has been identified as an important cognitive factor (Roedder, 1999). Role of family as a socialization agent has been emphasized time and again. The process was unidirectional and children were assumed to have a passive role in the process. Their role was defined and restricted as only learners.

The New Consumers of India

In the past few decades the world has witnessed major changes on economic and social scenario. Globalization of economies has ensured interdependence among the nations. Spread of internet has further ensured that the world is a smaller place. Social changes have also changed the societal makeup. The traditional Family Life Cycle witnessed a lot of changes. All the economic, technological and social changes also impacted the role of children in family purchase decisions. Busy life style of parents coupled with easy access to knowledge for children, made them active participants in family decisions. In order to explain the growing importance of children as consumers, researchers have cited the following reasons:

1. “There is a growing market of children’s products
2. There is increasing influence of children in purchases of goods and services across categories
3. There is a new trend of accepting and encouraging children as co decision makers in family” (Sharma & Dasgupta, 2009)

The researchers and marketers started questioning the uni-directional process of socialization (Ekstrom et al. 1987). Children were not only learners but were teaching the parents also. A new area, reverse socialization, started gaining strength and importance. It became important to understand the influence of children on purchase decisions of the family (Belch et al, 1985; Belch & Willis, 2002; Lee & Beatty, 2002; Chaudhary & Gupta, 2012; Wilson & Wood, 2004). McNeal has proposed that children be viewed as three markets in one:

- “The current market that spends money on their desires,
- A future market for most goods and services and
- A market of influential who cause many billions of dollars of purchases among their parents” (McNeal, 1987)

With this background the aim of the chapter is:

- To introduce two alternative theories used by marketing researchers and practitioners to explain how children develop as consumers and how they influence purchase decisions.
- To discuss the cornerstone elements of these two theories and the different perspectives to these theories brought forward by research done over the years.
- To analyze and highlight the importance of understanding the role of children as consumers in developing nations with special focus on India.
- To identify new research avenues to address the creative capacities of children when they influence purchase behavior especially in developing countries.

**CONSUMER SOCIALIZATION THEORY**

Research on children as consumers had started way back in 1960s but it was only in 1970s that it gained visibility in the marketing world. One of the first definitions of Consumer Socialization of children was given by Ward (1974) as “processes by which young people acquire skills, knowledge and attitudes relevant to their functioning as consumers in the market place”. Over the years two major classes of influence have been identified for socialization process: