

CHAPTER I

INTRODUCTION

1.1. Introduction

This study aims to examine the parental perception of the impact of TV advertisements on their children's buying behavior. According to Suryana of Marketing Research Indonesia (Raharjo, 2008), children consumption pattern can be seen from their role in deciding of the purchase of various products. Many children purchase products because they have seen them in television advertisements. Children tend to pay attention on television commercials every day.

Furthermore, the purchasing power of children is also growing. It might influences children's buying behavior in family buying decision. Older members of family no longer play important roles in deciding children's purchase of household products. Therefore, children have important role in influencing their parents to buy the products they want. However, children are not mature enough to understand the concepts of self, time and money. They are also less experienced in choosing, purchasing and using products. This chapter describes the background of the research, main research questions, research objectives, potential contributions and the structure of the thesis.

1.2. Research Background

Mittal, *et al.* (2010) reported that a recent survey in the U.S. found that children spend more time watching television than anything else and children between ages of 6 to 14 watched about 25 hours of television per week and children are exposed to 20,000 commercials in a single year. Television can be the easiest media to grab the audience's attention. Murray (cited in Raharjo, 2008, p.243) said that "People do not pay attention to advertising, they pay attention to what interest them". Television can be the most influential media for children because no matter what program they watch, they cannot avoid the advertisement exposure. In Indonesia, children spend about 68 hours per week watching television, while the available programs for children are 32 hours, it indicating that every Indonesian child spends 36 hours for watching television programs that are intended for adults (Raharjo, 2008).

What kind of roles do children play in family purchase decision? According to Kotler and Keller (2009), there are seven roles on the purchasing decision process, in example initiators, users, influencers, decider, approvers, buyers, and gatekeepers. However, there are three main roles children may play in a decision making process:

1. Initiators : Children tend to request something to be purchased.
2. Users : Children are the ones who use the products or services. In many cases, children initiate the purchase.

3. Influencers : Children suggest and sometimes force their parents to choose or buy a particular product.

Children have important influence in family purchase decision either directly or indirectly. Direct effects refer to children who initiate the purchase of goods and services, such as recommending places to eat out, asking to buy a particular brand or ice cream flavor, or making choices when shopping for the family and so forth (McNeal 1992, cited in Ekasasi, 2005). Indirect effects mean that children preference of is taken into account when parents make a purchase (McNeal 1992, cited in Ekasasi 2005). In addition to influence their parents in shopping decisions, children can make purchase requests at home, in cars, when watching television, on vacation, at dinner and so forth.

Television advertising may take over children's attention, since its exposure in children programs in television has increased from time to time. The purchasing power of children is also growing. Where fathers and mothers are both working, children tend to have greater access to buying decisions. They may be given substantial money to spend. In this case, children may decide on what they want to buy. The more money they get, the more products they could buy. This is why TV advertisements are targeting children.

From marketing perspective, targeting the children can be a good decision because they can become loyal customers for a long period of time if they satisfy with the products or services. Children are a primary,

influencer and a future market (McNeal, 1992, cited in Ekasasi, 2005). As a primary market, children in the U.S. who have around US\$ 9 billion income (from their families) spend their major income on a wide variety of items that they interested; as influencers, children in the U.S. influence their parents to buy some products to at least US\$ 130 billion of parental purchases; and finally as a future customer, they will eventually buy all food for their own families (McNeal, 1992, cited in Ekasasi, 2005). Therefore, children have their own choices and opinions of the product they want to buy.

Telling and describing the products exactly to the children is essential to marketers. It convinces the children that the toys can make them happy and popular among their friends. Children are not only interest in toys, they also want to drink, eat, and play with goods that are advertised on television. Therefore, when visiting the department stores or malls with their parents, children are tend to buy the products they already seen from television commercials. Although, children are very responsive to new products that being launched in the market, parents have to still involve in the purchasing decision of their children that based on the television commercials. Based on the background that has been explained, this study focuses on the perceptions of parents of the impact of television advertisement on their children. The research approach is a replication of Mittal, *et.al* (2010).

1.3. Research Questions

From the discussion in the Research Background section, the specific research questions for this study can be formulated as follows:

1. Are children's television viewing habit influenced by school days, non school days, and other physical, social and development activities?
2. Which one that children would prefer from watching television over talking to their friends, playing outdoor games and studying?
3. What role do children play in family decision making?
4. What is the most influential factor driving children purchase decision?
5. How do parents perceive the effect of television advertisement on their children buying behavior?
6. Which product category in television advertisements do children watch most often? Do children demand the products more on the advertisements they like?

1.4. Research Objectives

The objectives of the study are:

1. Whether their children like watching television and the number of hours their children spend before television on weekdays (schooldays) and on weekends and vacations (non-school days).
2. Whether children prefer watching television over talking to their friends, playing outdoor games and studying.
3. The role played by children in family purchasing decisions.

4. The most influential factor that drives children's purchasing decision (demand for a product).
5. Impact of television advertisements on their children (whether television advertisement are increasing children's knowledge of brands and product, encouraging unhealthy food habits, increasing purchase requests and turning them into naggers).
6. What category of product advertisement their children mostly like to watch and whether it transpires into demand for the same.

1.5. Potential Contributions

There are some potential contributions from this study's findings. It can be classified into academic and managerial contributions. There are:

1.5.1. Academic contributions:

This study replicated Mittal, *et al.*'s (2010) research. The context of the original study was 300 parents in Indore, city of Central India. They found that children on average spend time for 2.48 hours on weekdays and 3.47 hours on weekends for watching TV (Mittal, et al., 2010). According to Mittal, et al., (2010), Indian parents believe that TV advertisement is the most important factor that affecting children on family buying decision. The present study focuses on parents' perception on the impact of television advertisement on children's buying behavior and examines the same patterns hold in Indonesia as a developing country.

1.5.2. Managerial contributions:

1. For children guardians

This study may provide insights on the effects of watching television on children buying behavior from their parents' perspective. The negative effects might be better anticipated and managed when clear information is available. This study contributes to the provision of such information.

2. For teachers as consumer socialization agents

The influence of teachers in school for developing the children actually should be considered. One of the most useful of the influence consisted about the tips how to spend money wisely, like in school children learn basic consumer education.

3. For advertisers

To provide the positive and negative effects of TV advertisements on children's buying behavior. Such positive information advertisement impacts to the children psychology state and give suggestions to create advertisement with considering the impacts like violence.

4. For parents

Parents are surely the most important agents involved in the consumer socialization of children. This study might provide information about the effects of television advertisements on their children buying behavior.

1.6. Writing Structure

CHAPTER I: INTRODUCTION

This chapter describes the background of the research, research questions, research objectives, potential contributions and writing structure.

CHAPTER II: THEORETICAL FOUNDATION

This chapter consists of some theoretical foundation. It is started with the definition and types of advertisements. Then it will be continued with advertising and children, television advertisements and children in family decision making and the impacts of television advertisements on children buying behavior.

CHAPTER III: RESEARCH METHODOLOGY

This chapter describes the research methodology that consists of research method, population, sampling method and coding book and analytical tools.

CHAPTER IV: DATA ANALYSIS

This chapter provides and presents the analysis for children television viewing habit, children's buying behavior, television advertisements impact on children's buying behavior, parent's perception of television advertisements impact on their children and comparison between Mittal, *et al.* (2010) and the recent study.

CHAPTER V: CONCLUSIONS

This chapter consists of conclusions, limitations of the research and managerial implications.

