

Impact of Teenagers on Family Purchase Decisions: Considering the role of Internet

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Abstract: Today we are living in age of Information technology, where we use Internet for different purposes of daily life. Young people including Teenagers are one of the fastest growing internet users around the world. Teenage children in urban Pakistan households are influenced by internet and have positive impact in family purchase decisions. The primary purpose of this paper is to investigate empirically the impact of the Internet on Teenage Children's Role in Purchase Decisions in Pakistan. To accommodate this purpose, survey method is used to collect data from different respondents of the study. Data is collected from 300 Teenage students of Islamabad, who are internet users and belong to a specific social class. According to the results of the study, teenagers are good users of internet; they find products of their choice on internet and influence their family purchase decisions. But, there is gap of understanding between parents and children on information gathering on internet and co-view in family purchases decisions. The current study is useful for researchers, businesses operating online and for all those who have any concern with online purchasing or selling.

Paper Type Research Paper

Keywords Internet, Teenagers, Family, Purchase Decisions, Pakistan

I. Introduction

Today we are living in age of Information technology we use Internet for different purposes of daily life. Use of internet is increasing around the world. Internet does affect the living style and spending patron of people. In Pakistan Internet was properly introduced by a company Digicom in 1995 later more internet service providers came in market in year 2005, internet users cross the number of 10.5 million. Whereas now internet users in Pakistan are about 12% of total population or about 21 million (Pakistan Telecommunication Authority). The top internet users are people whom belong to youth. According to Facebook report 62% Facebook users in Pakistan belong to age group of 13 to 24. Young people including Teenagers are one of the fastest growing internet users around the world (Kaiser Family Foundation, 2010). Teenagers are also called 'net generation' or 'cyber-teens' due to higher use of internet and fast adoption of technology in this age group (Lee et al., 2003). Youngsters use Internet as platform to interact in a better way or to improve daily life activities (Damer, 1998). Young people use internet 38% more than adults. Teenagers spend less time in front of T.V. and more time on internet as compare to adults (Forrester Research, 2000).

Internet become a socialization tool due to more communication development through it (Lee et al., 2003). Students in Pakistan spend more time on internet even they do not get any formal training but they are comfortable with it they even take help from some relatives or friends if they face problem in internet use but they do use it (Safdar, 2010). Teenagers in Pakistan use Internet for entertainment and for time passing some of them use information gathering as well. There is a need of socialization for Pakistani society about the usage of new technology and the impact or effect of Internet (Shahzad, 2008). Teenage children in urban Pakistan households are influenced by internet and have positive impact in family purchase decisions (A. Kaur, 2010). As Kaur study conducted in India and cultural setup in Pakistan is almost similar which give a hope or similar results in Pakistan. Children and Teenagers are one of the major users of internet they not only use internet for accessing different things of their interest but people use internet frequently because websites are designed so friendly and attractive for them (Michael, 2005). Children between age of 5 and 18 spend billions of Dollars in online purchases every year (National Institute on Media and the Family, 2000).

II. Literature Review

Influence of Children on Family Decision Making

Children influence on family decision making especially on family purchases of their interest. Children have very much influence on different type of family purchases. Parents might act as primary decision maker but children moderate the decision (Kuhn and Eischen 1997). Children attitude towards brand or product is normally on developing stage so current experiences leads to future brand image in mind of individual (Belch et al, 2005). One is the extent to which the children's involvement varies over different product categories.

Shoham and Dalakas (2005) and Foxman et al. (1989) have viewed that children have more influence in the products of their primary interest like which they are going to use at home but other household products from which they get benefit but do not use by themselves did not have much influence of their choice at the time of purchases.

Foxman et al., (1989) and Mangleburg, (1990) have suggested that Children have very much effect on few family decisions like where to spend vacations, how to travel, where to go for entertainment, and dining out etc. Halling and Tufte, (2002) says that Gender of children also matter on influence on family decisions and there is also variation in pocket money and internet usage of children on basis of gender; children purchase decisions also vary on the basis of Gender. Moschis and Mitchell (1986) and Caruana and Vassallo (2003) described the consumer socialization and its impact on children and view that There are various factors which influence children for to take a part in family purchasing decisions and give their point of view, these factors include friends and family members and different types of electronic media. A. Kaur and Y. Medury (2010) emphasized that “The decision-making stage and the relative influence of the child have also been examined by past research on children’s influence on family decision making”. Children have involvement in sub-decisions regarding color, make/model, and brand choices in family purchases (Belch et al., 1985; Darley and Lim, 1986; Jenkins, 1979; Nelson, 1979; Szybillo and Sosanie, 1977). Foxman et al., (1989) asserted that some most important things are children age, gender and their family income these are the few factors which have significant impact on children influence on family decisions.

Similarly, Foxman et al. (1989) defined children had low influence on selection of the product range and price of the product. Laczniak and Palan, (2004) Mangleburg, (1990); Swinyard and Sim (1987) found that as the children get older their influence on family purchases decisions increase with age. Students in Pakistan spend more time on internet even they do not get any formal training but they are comfortable with it they even take help from some relatives or friends if they face problem in internet use but they do use it (Safdar, 2010). So how much time they give for some purchasing plans or how much benefit they get for family purchases through internet is need to explore. Whereas A. Kaur and Y. Medury (2010) explore the impact of the “internet on teenage childrens’ roles in purchase decisions” in India but in Pakistan it still to be explore. Children role in family purchases decisions was not much in earlier period but role of information technology and media changed purchasing process and give chance to children to take part in purchasing decisions.

Consumer Socialization – Traditional and Contemporary Influences

Socialization in Marketing literature is “process of learning consumer-related skills, knowledge and attitudes” (Ward, 1974). Bush and Simmons (1981) described that “the ways in which individuals learn skills, knowledge, values, motives and roles appropriate to their position in a group or a society”. Various things in an individual’s life develop his/her consumption habits. Moschis and Moore (1979, 1984) Consumer assumed that socialization is shaped by first environmental influence, peer pressure, media and the second thing is individual’s inner satisfaction or psychological setup of individual. When children reach in adult age various things influence on them like peer pressure and media play a vital role (Dholakia, 1984).

Cultural settings of a country matter a lot in buying behavior of people. Pakistan is country where tradition, social and religious norms and values matter a lot but in modern upper class people are not much influenced by such norms and values the upper-class is quite moderate and have clear western influence on them. Parents have influence on Children more than any other external power and interaction between children and parents give chance to children that they can influence parents in purchasing decisions (Ward, 1974). Parents have significant level of influence on children and children normally follow parents experience, knowledge of their parents (Roedder-John, 1999).

Media have a significant role on children decisions and act socialization agent (Gunter and McAleer, 1997; Roedder-John, 1999; Moschis, 1987). Children spend more time on television and most of them are use to spend more time in front of T.V after School (Center for Media Education, 2002). So much time spending on watching television leads to more product and brand awareness among children. Children built their own brand choice and brand image in their mind by influence of media. There is a need of socialization for Pakistani society about the usage of new technology and the impact or effect of Internet (Shahzad, 2008). It is also need to examine that how internet influence on the purchasing decisions of individuals specially teenagers.

III. Conceptual and Methodological Framework

Internet Influence

A. Kaur and Y. Medury (2010) described in their study on similar topic in India conceptualized influence of internet has three dimensions because of similarities in culture of India and Pakistan. I have also followed their method:

1. The tendency to like and connect with the medium

2. Ability to provide information about products of use by this medium
3. Ability to broadcast product information learnt from the medium.

The instrument of A. Kaur and Y. Medury (2010) is adopted because of similarities in culture of Pakistan and India. Same Instrument which they have used for data collection from teenagers is used. With five points Likert scale.

Research hypothesis

Our Research framework is that Teenagers use of internet helps them to know about the products of their use and increases their influence on family purchases decisions.

H1: *Internet influence is positively related to the teenager’s role in decision making in purchase for household products.*

Research Instrument

The data collected through adopted instrument which is used in similar study in India by A. Kaur and Y. Medury (2010). Only one of the instruments of Researchers adopted for study. Questionnaire of children demographics include age, gender education level and monthly pocket money, and demographic of parents include that who is taking purchasing decisions in family purchasing and what is educational level of decision maker.

Study Sample

Questionnaires were filled out by O level and A level students of different schools of Islamabad. Data was collated from children in front of their exam center gate. Total 300 participants give their point of view. Out of 300 only 60 were females and rest of the 240 were male. Reason of less female participants is data collection methods because in Pakistani culture, it is difficult to get response from female out of school gate or on road normally females avoid to take questionnaire. Participants age were between 13 to 19 most of the participant belongs to age group of 15 to 19 because A level students show more attention to be a part of survey. Most of the children were of High school level education. Children monthly pocket money lies between Rupees 1,500 to Rupees 3,500. Most of participants answer that father is decision maker in family but there were few female (mother) decision makers also there. Most of the Decision makers have under Graduate and Graduate level education but few also have post Graduate degrees as well.

IV. Results and Analysis

The answers by the participants are mentioned in table below. Five point Likert scale used here for survey where;

a= strongly agree b= agree c= Neutral d= Disagree e=strongly disagree

Question	A	b	c	d	e
1. I access internet every day.	193	88	19	0	0
2. On holidays, I spend more time than usual surfing net.	158	80	20	30	12
3. I find using internet more enjoyable than watching TV.	130	20	40	90	20
4. I come to know about products for my use from internet.	115	45	10	80	50
5. I come to know about products for household use from internet.	120	35	40	93	12
6. I come to know about products for my parents use from internet.	30	25	55	115	75
7. I discuss the information about products I have viewed on internet with my parents.	60	15	35	153	37
8. Sometimes I insist my parents to co-view the information about the products we are about to purchase.	43	12	45	163	37
9. Sometimes my parents ask to find information about products on the internet	97	53	35	75	50

Results of first question shows that Teenagers use internet on daily basis and all the teenagers’ access but probably use of internet vary a little bit. It is correct and results agree with the new name of Lee et al. (2003) today’s teenagers as “cyber teen”. Results of question two also support the attachment of Teenagers with internet and prove that teenagers enjoy more the use of internet and they want to spend more and more time on internet. Children agree with the statement that they like to spend more time on internet then Television but this trend is in changing yet still there are people who prefer T.V. then internet. Results of question three are also supported by Forrester research as well. Teenagers spend less time in front of T.V. and more time on internet as compare to adults (Forrester Research, 2000). Results of question four shows that children find products of their own choice and they use to get information about the products. But this trend is still growing many children still cannot find things of their use on internet or maybe they do not use to check. Children also find products of their

household on internet they access the internet for information about the household products on internet but there are still some children who are not satisfy with the information available on internet. In result of question number six children have viewed that they could not find products of their parents' use just few think that they find the products of their parents use but most of the children do not find products of their parents use. Answer of question eight somehow give the answer that why children do not find products of their parents use because in question eight result parents do not ask children to find out things online just few of them do so that is why children cannot find products of their parents use. In question seven results we came to know that children do not share information which they get from internet with their parents. Why they do not share information? Answer of this question can be found in results of question six and nine because parents do not encourage children to find out the household use products online and they do not find products of their parents use trough internet so they are shy to share the information with parents. Results of question eight shows the gap between children and parents and parents do not give much chance of co-view in family decision but this is a bit developing and going to reduce the gap in future. Result of question nine is quite balance that parents some times use to ask their children to find information about the products through internet and it is growing towards reducing the gap between the children and parents.

Regression Results

Simple regression analyses (Table II) were computed for testing H1 and showed that teenager's internet influence does act as a predictor of the extent of teenager's role as co-decision maker in purchase sub decisions on both the product categories. Statistically significant relations emerged for all 11 sub decision areas (six for high-technology products and five for vacation) providing support for H1. In the case of high-technology products, internet influence accounted for 11 percent variation in a teenager's role in decision making for the sub decision model. This was followed by internet influence accounting for 10 percent variation for the purchase sub decision color. Internet influence accounted for 6 percent variation for the sub decisions brand and when to buy and 5 percent for where to buy. As expected by the researchers only 3 per cent of variation was for the financial decision – how much to spend.

A repeated measure one-way ANOVA was employed to examine H1. The test revealed that there were significant differences in child's influence on the six product sub decisions for high technology products, $F(1345) = 30.46$, $p < 0.000$ supporting H1. Although there was a relatively moderate effect size ($\eta^2 = 0.09$), LSD comparisons revealed that statistically significantly differences exist between the purchase sub decisions. Table II presents the mean scores for the purchase sub decisions. Teenagers were assigned the highest role in decision making for the purchase sub decision brand, followed by color and when to buy and model. They had less role in sub decisions – where to buy and how much to spend. In line with the previous research (referred to in an earlier section) the child's influence was higher on color, model and brand and comparatively less on other sub decisions. The noteworthy outcome of this examination is that urban adolescent children's influence on product sub decisions in Pakistan is much the same as teens elsewhere across the world (as observed on previous studies referred to in earlier sections). Once again validating the popular notion that teen consumer behavior has much in common and many marketing applications can be based on this generalization.

Table II Regression Results

Criterion Variable	Constant	Std Beta	T-value	P-Value
When To Buy	2.1254	0.21	4.62	0.000
How much to Spend	1.6352	0.35	4.21	0.001
Brand	1.9198	0.11	3.85	0.004
Model	2.5364	0.28	2.65	0.01
Color	2.8477	0.23	3.78	0.000
Where to Buy	1.2534	0.18	2.91	0.000

V. Conclusions

The results of study shows that teenagers in Pakistan like to use internet. It cannot be generalized to the teenagers of whole Pakistan but for the children who are studying in O level and A level programs in schools of Islamabad. Children feel more comfortable and have more fun on internet than any other activity but this is at growing stage and in future children will be more to use internet. Children do access the websites where they find products of their interest and they enjoy getting information online. There is gap between children and a parent on co-decision making and in exchange of information but it is developing towards positive side and in future results would be different. Children have access to internet but they are not much aware of online purchasing. The other major problem with online purchasing is credit card requirement which is difficult for children because they do not have facility of electronic mode of payment.

VI. Future Recommendation

Future research can be conducted with a greater sample. Research can be conducted on specific types of product. Study can use different sample on basis of age group, geographical locations. Researchers can also conduct research with comparative analysis of different age groups.

VII. Managerial Implications

Results of this study are useful for all those business that are using web base business or provide information of their products through internet as well; if teenagers are not their customers but they are their future customers. Businesses can get better information for future market by reviewing behavior of teenagers.

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