CHILDREN'S PEER GROUP INFLUENCE ON FAMILY PURCHASE DECISIONS IN KENYA

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Abstract: The purpose of the study was to determine how children’s peer group influence family purchase decisions in Kenya to make recommendations. A descriptive survey research design was used and Nairobi County purposefully chosen to represent Kenya. The study used a mixed sampling design and adopted Roscoe’s rule of thumb for determining sample sizes. Primary data was collected from two hundred (200) respondents selected at random from four (4) county districts of Nairobi. As a way of pre-selection, only one (1) parent/guardian of children aged 8 – 12 years, from each household was surveyed. A pilot test was carried out on 10 households to obtain some assessment of the question’s validity and the likely reliability. This was tested using Cronbach’s Coefficient Alpha with a threshold of 0.7. For data collection, primary data was collected using a semi-structured questionnaire. The questionnaire was administered through a personal interview and responses analyzed using SPSS. To test the hypothesis of the study, t and F tests were used. Correlation and regression analysis were carried out to determine the relationships between the variables used. The study found out that children significantly influence family purchase decisions in Kenya, attributable to peer group pressure. The study recommended children to be considered as equal partners in family purchase decisions just as parents.

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1. INTRODUCTION

1.1 Background of the study

Consumer buying behavior refers to the buying behavior of final consumers i.e. individuals and households who buy goods and services for personal consumption. All of these final consumers combined make up the consumer market. Consumers around the world vary tremendously in age, income, education level, and tastes. They also buy an incredible variety of goods and services. How these diverse consumers connect with each other and with other elements of the world around them impact their choices among various products, services, and companies (Kotler, 2008).

Consumer purchases are influenced strongly by cultural, social, personal and psychological characteristics. For the most part, marketers cannot control such factors, but they must take them into account. Family members can strongly influence buyer behavior. The family is the most important consumer buying organization in society. Marketers are interested in the roles and influence of the husband, wife, and children on the purchase of different products and services (Norgaard, 2007).

Ekstrom (1995) defines the concept of influence in family decision-making as “a change in a person’s dispositions, as a result of interaction between parents and children”. In her definition of influence, Gronhoj (2003) talks about a competence enabling the achievement of specific results. What is interesting in these definitions is that influence means making a person change his or her decisions via, for example, interaction or direct confrontation. Interaction is part of the active or direct influence, where for instance the child interacts with his/her parents by using various influence techniques to achieve what he or she wants. Influence can also be more passive or indirect, where parents are aware of the child’s preferences and try to comply without direct interaction with the child (Belch et al., 1985; Grønhøj, 2003). In general many studies on consumer behavior focus on the individual consumer’s decision making, and only sometimes include the influence from other relevant persons through factors such as the “subjective norm” (the theory of reasoned action – Fishbein and Ajzen, 1975). As a result, such factors only take indirect influence into account, for example when parents know what their children want and they are willing to comply with these wants. Another aspect is that the individual buying agent is not always able to predict precisely what other family members want him or her to buy (Grønhøj, 2003). A
successful choice may also require direct interaction, for example where parents can ask their children what they want. This study picked children as a study group because children are a very important target market for marketers worldwide. Children have come to constitute a very important consumer group (Norgaard, 2007) that influences family purchases of various products in many ways (Belch et al., 1985; Foxman et al., 1989; Caruana and Vassallo, 2003).

Research shows that children have influencing power for almost all product categories. Whether the product is for a child’s own use or the product is for family use, a child has very strong influencing power (Chaudhary and Gupta, 2012). Children not only want things, but have acquired the socially sanctioned right to want; a right which parents are loath to violate. Layered onto direct child enticement and the supposed autonomy of the child-consumer are the day-to-day circumstances of overworked parents: a daily barrage of requests, tricky financial status, and that nagging, unspoken desire to build the lifestyle they have learned to want during their childhoods (Cook, 2001). Thus, recognizing children as a primary market, an influencing market, and a future market (Norgaard, 2007), children today are seen as different from past generations; especially the 8-12 year-olds (called “tweens”, as they are neither children nor teens but something between). “They've grown up faster, are more connected, more direct and more informed.

The reasons of choosing the 8-12 year-old age band is that children at this age are expected to be mature enough and have been found to be active and independent shoppers (McNeal, 1999), highly cognitive in consumption choices (Belk et al., 1982) and knowledgeable about products and brands (Ward et al., 1986). On the other hand, children of less than seven years of age have limited cognitive abilities (Caruana and Vassallo, 2003). However, children of 8-12 years have more personal power, more money, influence and attention than any other generation before them” (Lindstrom, 2003). Family structures are changing and this influences family decision-making (Belch and Willis, 2001). Their communication has become more open and democratic, one consequence being that, today parents pay more attention to their children and their opinions (Tufte, 1999). These changes in family communication have made it possible for children to exert influence on family decision-making (Caruana and Vassallo, 2003; Chan and McNeal, 2003; Le Bigot, 2000; Moschis,
1985), a phenomenon called reciprocal socialization, suggesting that children influence parents, just as parents influence children (Moore et al., 2003).

Caruana and Vassallo (2003) identified that, ever since the early 1990s, marketers have targeted children since they not only are consumers but also influence family purchasing. Children influence family buying decisions in four different ways according to Wut and Chou (2009). First, children influence their parents to buy products for their own use according to their personal preferences. Second, older children generally get pocket money and buy the products of their choice directly. Third, children influence their parents’ choice for products for joint consumption by the family. Lastly, children influence their parents’ own preferences.

1.2 Statement of the Problem

Purchasing decisions are results of many influences including buying habits, peers, and family structure (Kotler, 2008). During the 1940-1950s, kids were not considered consumers in their own right but only an extension of their parents’ purchasing power (Wimalasiri, 2004). But with the dawn of extensive media advertising especially the TV and internet, children have become full-fledged consumers (Chaudhary and Gupta, 2012). More so, consumer socialization suggests that family, advertising, products or brands and peers are the most important sources of information influencing values, norms and behavior (Marquis, 2004). Understanding how and why a child influences purchasing decisions is important to marketing and business today (Marshall, 2010). If marketers want to be successful they also need to look at the children because they also have a whole world of power (Chaudhary and Gupta, 2012). To date, researches on family decision-making tend to concentrate on examining variations in spousal influence while ignoring the role of children (Norgaard, 2007). Studies conducted on family purchasing in different parts of the world, have used domains within brand or product choices and have failed to consider domains of socialization agents which stir purchase decisions. Norgaard (2007) in a study conducted in Denmark used food, Chaudhary and Gupta (2012) in a study conducted in India clustered and categorized products, Marquis (2004) in a study conducted in Canada used food, Isin and Alkibay (2011) in a study conducted in Turkey used products. As a consequence, this study has considered the least investigated socialization agent, peer group. In Kenya, the wife traditionally has been the main purchasing agent for the family, especially in the areas
of food, household products, and clothing. But with most urban women holding jobs outside the home and the willingness of husbands to do more of the family's purchasing; all this is inevitably going to change (Kibera and Waruingi, 1998). Children's influence on family purchases continues to grow, both within the West and elsewhere. Yet, with a few exceptions, most empirical studies were conducted in the West and less is known about children's influence elsewhere (Showham and Dalakas, 2006) as available literature has failed to identify any comparable studies in Kenya. It is in this view that this study focuses on finding out children’s influence on family purchase decisions in Kenya.

1.3 Objectives of the Study

1.3.1 General Objective
To investigate children’s influence on family purchase decisions in Kenya

1.3.2 Specific Objective
1) To determine how children’s peer group contribute to their influence on FPD in Kenya.
2) To make recommendations for an effective policy formulation

1.4 hypothesis

Null Hypothesis

\( H_0: \) Children’s peer group has no significant effects on FPD in Kenya.

Alternative Hypothesis

\( H_a: \) Children’s peer group has significant effects on FPD in Kenya.

2. LITERATURE REVIEW

2.1 Consumer Purchase Decisions

Consumers make many buying decisions every day. Most large companies research on consumer buying decisions in great detail to answer questions about what consumers buy, where they buy, how and how much they buy, when they buy, and why they buy (Perner, 2010). Marketers can study actual consumer purchases to find out what they buy, where, and how much. But learning about the whys of consumer buying behavior is not so easy; the answers are often locked deep within the consumer’s head. The process of consumer decision making can be viewed as having three distinct but interlocking stages: input stage, the process stage, and the output stage.
Input stage: The input stage influences the consumer’s recognition of a product need and consists of two major sources of information; the firm’s marketing efforts i.e. the product itself, its price, its promotion, where it is sold and the external and non commercial sources, the consumer (family, friends, neighbours, other informal and non commercial sources, social class, cultural and sub cultural memberships) (Schiffman, 2007). The cumulative impact of each firm’s marketing efforts, the influence of family, friends and neighbours and society’s existing code of behavior are all inputs that are likely to affect what consumers purchase and how they use what they buy.

The process stage: The process stage focuses on how consumers make decisions. The psychological factors inherent in each individual (motivation, perception, learning, personality and attitudes) affect how the external inputs from the input stage influence the consumer’s recognition of a need, pre purchase search for information and evaluation of alternatives (Schiffman, 2007). The experience gained through evaluation of alternatives, in turn affects the consumer’s existing psychological attributes.

The output stage: The output stage of the consumer decision making consists of two closely related post decision activities; purchase behavior and post purchase evaluation. Purchase behavior for a low cost, non durable product (e.g. a new shampoo) may be influenced by a manufacturer’s coupon and can actually result into a trial purchase if the customer is satisfied. The trial is the exploratory phase of purchase behavior in which the consumer evaluates the product through direct use (Schiffman, 2007).

2.2 Peer Group

A group may be defined as two or more people who interact to accomplish either individual or mutual goals. The collectivistic cultures such as those in African countries and particularly Kenya, emphasize conformity to group norms and social acceptance (Zhou and Hui, 2003; Gurhan-Canli and Maheswaran, 2000). Several earlier studies have speculated that children learn “expressive elements of consumption” (i.e. materialistic values and social motivations) or “affective consumption” (i.e. styles and moods of consumption) from their peers and the findings also supported such speculations (Zhou and Hui, 2003; Opoku, 2012). It seems clear that both parents and peers are important facilitators of children's learning of socialization as consumers; parents contribute greatly to the formation of children's consumer behaviour.
in the earlier phases of a child's growth, and the peers' socializing influence increases with age as the parental influence wanes (Opoku, 2012).

A reference group can be defined as "a group of people that significantly influences an individual's behavior" (Kotler, 2008). In consumer behavior contexts, reference groups are typically comprised of significant others from the individuals' social network, including family members, co-workers, peers and friends as well as inspirational figures such as sports heroes, movie stars, and fictional characters. For children, family members and peers are undoubtedly the most dominant reference groups, followed by more distant figures such as sports heroes and movie stars (Shaffer 1988). The influence that reference groups exert on the types of products and brands an individual purchases is diverse, with referents exercising three forms of influence on decision making: information, utilitarian, and value-expressive (Deutsch and Gerard 1955).

Seeking out information from a referent, feeling that a purchase would enhance one's image with a reference group, and allowing one's liking of the reference group to influence one's decision to purchase a product would be examples of information, utilitarian, and value-expressive components of reference group influence, respectively. In order for reference groups, such as peer groups, to exert influence on children's product decisions, children must have developed certain social sensitivities and cognitive skills. First, a child must be able to take another person's perspective and realize that another person's preferences may be different from one's own preferences. Second, a child must understand or believe that people draw inferences about each other based on product choices and possessions. And, third, other people's opinions must be important to the child in forming his or her own self concept. Without one of these "building blocks," reference group influence of any kind may be weak if not altogether absent (Zhou and Hui, 2003). These three building blocks can provide a basis for predicting and explaining when peer influence might emerge and how it might develop as children mature. Several frameworks from child psychology that discuss the emergence of these key aspects of social-cognitive development may be applicable when examining peer influence at different ages (Zhou and Hui, 2003).
3. RESEARCH METHODOLOGY

3.1 Research design

Research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data (Kothari, 2008). The study took the form of a descriptive survey. A descriptive survey resulted in the collection of quantitative and qualitative data appropriate to test the independent variable; peer group on family purchase decisions in Kenya. According to Zikmund, (2010), a descriptive research design includes a process of collecting data in order to answer questions concerning the current status of the subjects under study.

3.2 Target Population, Sample and Sampling Procedures

A population is the whole group that the research focuses on (Jacobsen, 2002). This study target parents of 8 – 12 year old children in Kenya. The study used parents and saw children as objects of research as underlined by Christensen and Prout (2002). Their consumer experiences are studied from the outside as parents take a paternalistic view. According to 2009 census, Nairobi has 985,016 households with the age distribution: 0-14 years (30.3 %), 15-64 years (68.5 %), 65+ years (1.2 %). The study estimated the age bracket of 8-12 year old to constitute 10% of Nairobi households. Nairobi is cosmopolitan and therefore was the most appropriate to generalize.

A sampling frame is the list of elements from which the sample may be drawn (Zikmund, 2010). Zikmund also calls it a working population because it provides the list that can be worked with operationally. This study’s sampling frame included households which had 8-12 year old children in Nairobi County. Sampling refers to the process of obtaining information about an entire population by examining only a part of it. If the appropriate sampling design is not used, a large sample size will not in itself, allow the findings to be generalized to the population (Sekaran and Bougie, 2010). Zikmund, (2010) contends that, only a small sample is required if the population is homogeneous and vice versa. Small sample sizes with similar characteristics would give an objective representation of the population. On the other hand, with large sample sizes of heterogeneous characteristics, even weak relationships (say a correlation of 0.01 between two variables) might reach significant levels and would therefore be inclined to believe that these significant relationships found in the sample were indeed true of the population, when in reality they may not be (Sekaran and Bougie, 2010).
Neither too large nor too small sample sizes help research projects. Roscoe (1975; as quoted by Sekaran and Bougie, 2010), proposes a rule of thumb for determining sample sizes which proposes that sample sizes of at least 10% of the target population are adequate.

It is also on Roscoe’s preposition that this study used a sample size of 200 parents/guardians of children aged 8-12 years. The study used a mixed sampling design. Cluster sampling based on counties was used on the larger Kenya and Nairobi City County was purposively chosen to represent the Kenyan population. This is because Nairobi is cosmopolitan and therefore was the most appropriate to generalize. In a second stage, Nairobi was divided into four (4) clusters. The clusters bore proportionate percentages which correspond to the representation of children in the households. A multi-stage random sampling was conducted and a 10% of the Nairobi households were drawn from the population. In a second and third stage, another 10% were drawn randomly enabling the study to consider a sample of 200 parents. Purposive sampling was used so as to have only households that bore children aged 8-12 years. Purposive sampling gave the researcher an opportunity to pick out households which had children aged 8-12, from different households with varying children age categories in order to bring out representation among the respondents.

3.3 Research Instruments and Data Collection and Analysis

The study collected both primary and secondary data. Primary data was collected using a semi-structured questionnaire which was interviewer administered. A structured questionnaire presents the respondents with a fixed set of choices, often called closed questions. According to Krishnaswamy, Sivakumar and Mathirajan, M (2006), a questionnaire is good because, a standardized and impersonal formats of a questionnaire have uniformity and help in getting data objectively, information on facts, attitudes, motivation and knowledge can be obtained easily.

Prior to actual collection of data, a pilot test was done on 10 households to obtain some assessment of the question’s validity and the likely reliability. Before the actual data analysis, gathered data was cleaned, edited and then coded. Once this was done, the analysis of the data was carried out using the proposed models in Statistical Package for Social Sciences (SPSS) version 18. This study used multiple regression and multiple correlation models to determine the interdependence between children influences in peer group and family purchase decisions.
4.0 RESULTS AND DISCUSSION

Data obtained from the field survey was analyzed in several steps. Reliability was tested using Cronbach’s coefficient Alpha. Cronbach’s Alpha measures how well a set of items or variables, measure a single uni-dimensional latent construct that is a coefficient of reliability or consistency. Reliability is expressed as a coefficient between 0 and 1.00. The higher the coefficient, the more reliable is the test. A threshold of a Cronbach Alpha of 0.7 and above is acceptable (Cronbach, 1951). Cronbach Alpha was used to test the reliability of the proposed constructs. The findings indicated that peer group had a coefficient of 0.7089 and family purchase decisions had a coefficient of 0.8058. All constructs depicted that the value of Cronbach’s Alpha were greater to 0.7 and thus, the study constructs were reliable.

Further a test of Kaiser-Meyer-Olkin (KMO), which measure sampling adequacy and Bartlett’s test of Sphericity was applied to test whether there was a relationship among the variables. A sample size is considered to be adequate if KMO is greater than 0.5. The Kaiser-Meyer-Olkin measures of sampling adequacy shows the value of test statistic as 0.743 which is greater than 0.5. With the value of test statistic and the associated significance level, it shows that there exists a high relationship among variables.

The stated null hypothesis in this study was; H02 - Children’s peer group has no significant effects on FPD in Kenya. The results of the linear regression indicate that R² is equal to 0.135 and R is 0.367. This is an indication that there is a moderate association between peer group influence and family purchase decisions. Results of ANOVA test which reveal that peer groups have significant effect on purchase decisions since P-value is .000 which is less than 5% level of significance. This is shown by the linear model \( y = b_0 + b_2X_2 + e \) where \( X_2 \) is peer group. F-value at 5%, (1, 182 degrees of freedom) is 28.296 and the critical value is 3.84. Since 3.84<28.296, we reject the null hypothesis and conclude that there is a linear relationship between children’s peer group and FPD in Kenya. Results of ANOVA test revealed that children’s peer groups have a significant effect on family purchase decisions in Kenya. The study found out that 98% of the children represented conformed to a group or groups in the society. It is only 2% of the respondents who could not attribute their children’s conformity to any group in the society.

While that may not be true, the respondents may also be out of touch with their children. These kinds of parents/guardians may be a bit conservative and hold on to their own values.
which may not necessarily be congruent to those of the society. Therefore, from the findings, we can infer that the more Kenyan children are involved in peer groups, the more influence they extend to family purchase decisions. This is in agreement with the findings of Batounis-Ronner, Hunt and Mallalieu (2007) who found out that the influence that peer groups exert on the types of products and brands an individual purchases, is diverse, with peers exercising a feeling that a purchase would enhance one's image with the group, and allowing one's liking of the group to influence one's decision to purchase a product.

5.0 CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions
According to the study, children conformed to different groups in the society. Children have the greatest influence for products similar to the ones already owned by their peers. However, the impact of peer influence is weaker for privately consumed necessities and stronger for publically consumed products, because privately consumed necessities are neither observable nor elusive because they are consumed out of public view and are used by everybody. Nevertheless, there is a linear and significant relationship between children’s peer group and FPD in Kenya. Therefore persuasive product or service appeals can be directed directly to and around children through their peer groups.

5.2 Recommendations
This study is a justification of the fact that children, who conform to Peer groups, have a positive and significant influence on family purchase decisions. Marketers need to start considering children as equal partners in family purchase decisions because children have participatory roles within the purchase decision process which necessitate them to be considered wholesomely as having control of family purchase decisions just as parents.

5.2.1 Suggestions for Further Research
The study was done in Nairobi which is a City County in Kenya. As a future avenue of research, there is need to carry out similar research on children’s peer group influence to family purchase decisions in Kenya in other Counties like Mombasa, Kisumu, Thika, Kakamega, Meru, where the results could be compared.
REFERENCES


