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Abstract

This thesis aims to analyse the child marketing industry in the United States. The possible

threats of marketing to children have reached the knowledge of the public and gained a lot

of coverage in the media recently. Parents and marketers are beginning to realise that

marketing aimed at children may have some serious consequences. The main focus of this

study was to find out what are the reasons behind why marketing to children has evolved

into such a huge industry and what kind of child marketing strategies companies are using?

The secondary focus was to attempt to examine whether marketing to children is in

correlation with children's wellbeing. This thesis is literature centred and a wide range of

secondary data and examples were gathered to get considerable amount of information

about the subject. The principal conclusion of the study was that it is not the children's

increased purchasing power that attract marketers, but the influential power that children

have on their parents. It was also discovered that marketing may well have negative

consequence on children's wellbeing, although there is only little evidence on that.

Key Words: Marketing, marketing to children

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huomisen aikuiskuluttajia

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Abstrakti

Tämän opinnäytetyön tavoite on tutkia lapsille suunnattua markkinointia Yhdysvalloissa.

Lapsimarkkinoinnin mahdolliset uhat ovat saavuttaneet yleisön tietoisuuden ja saanut

paljon julkisuutta mediassa. Vanhemmat ja markkinoijat ovat alkaneet ymmärtämään, että

lapsille suunntatulla markkinoinnilla voi olla mahdollisia seuraamuksia. Tämän

opinnäytetyön päätavoite on selvittää, mitkä ovat ne syyt jonka takia lapsille suunntattu

markkinointi on kasvanut niin suureksi alaksi ja mitä markkinoinnin keinoja yritykset

käyttävät markkinoidessaan lapsille? Toissijainen tavoite oli tarkastella; onko lapsille

suunnattu markkinointi yhteydessä lapsien hyvinvointiin. Tämä opinnäytetyö on

kirjallisuus painotteinen ja laaja määrä alan julkaisuja oli kerätty, jotta aiheesta olisi

kattavasti informaatiota. Opinnäytetyön päähavainto oli että lapsien kasvanut ostovoima ei

niinkään houkuttele markkinoijia, vaan lasten mahdollisuus vaikuttaa vanhempien

ostopäätökseen. Tutkimuksessa oli myös havaittu, että lapsille suunnatulla markkinoinnilla

voi olla negatiivinen vaikutus lasten hyvinvointiin, vaikkakin siitä on vain vähän todisteita.

Avainsanat: Markkinointi, lapsille suunnattu markkinointi

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1 Introduction

Marketing to children is in the spotlight. Companies are investing billions of dollars to be able to capture children's attention. Researchers are telling that marketing to children is harming them, parents are confused and so are the governments which do not know how to regulate it, if it needs to be regulated. In the centre of this tangle are children who are so used to advertising that they do not understand what this enormous attention around child marketing is about. This topic was chosen as it is interesting, it is controversial, it illustrates the status children posses in the society and also in which direction marketing is heading. When adult markets become saturated, it is natural to look other expansion possibilities. The study will first look at the relevant marketing theory, then go through the literature review and finally move on giving background information about marketing to children followed by a conclusion. The aim and objectives of this study are:

- To identify the main authors who have studied the subject earlier
- To understand the history of marketing to children and how it has evolved during the decades
- To understand the current situation and nature of marketing to children
- To discuss the possible effects that marketing has on children

2 Marketing theory

The purpose of this chapter is to provide marketing theory and definitions that give the basis for the further findings in this paper. Marketing to children follows many of the same marketing principles as marketing to adults. When thinking about it, the adults desire for the sports car Porsche Boxter, is not really so different from the 11-years's old desire for Nintendo Wii. The main difference lies in the product offering and promotional strategy.

2.1 Defining marketing

In 2007 The American Marketing Association (AMA) defined marketing as follows:

"Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large" (AMA Homepage).

To transfer that definition into operational level, marketing is about:

- Defining clients or market groups
- Finding out what they want
- Grouping different wants into categories
- Selecting the groups that the firm can best serve
- Determine the offering (product, price, promotion, distribution)
- Inform potential or actual customers

Despite the size of a company, marketing is a very ample and continuous process. Firstly, companies need to identify their total market, segment it, choose the most desirable segment, and then plan how they are going to use the marketing mix to either, manipulate, match or exceed customers' expectations or meet all buyer demands. This of course is related whether it is the sellers or the buyers who have the power in the market. The balance of power is often determined by the level of competition (Simcoe, 2005). As an example, the mobile network industry in Finland is highly competed and therefore the buyer has the power. The gambling industry on the other hand is a very captive market, where the seller has the power. Due to the technological development and the expansion of online gambling, the balance of power is however increasingly moving to buyer's side. At present, the focus in marketing is in creating long term customer relationships, which brings value for both customers and the company. The easiest and most promising way to start building relationships between consumers and brands is to begin with a group who does not yet have established relationships with brands. Children are this group. They are like tabula rasa – blank slates, and companies can not wait to be able to start creating relationships with them. As Vice President Lucy Hughes from Initiative Media, the world's largest media-buying corporation said "Talk to them [children] when they are young and you have them as an adult" (Achbar *et al*, 2004).

2.2 Marketing mix

The marketing mix consists of four elements, product, price, promotion, and distribution (Jobber, 1998). Marketers must manage these "4-P's" in a way that they can create a competitive advantage for the company. Long term competitive advantage is something that all the companies strive to achieve. The key to gain competitive advantage lies in differentiation. Whether the differentiation is in overall cost-leadership, superior product features, captive distribution, or innovative promotion, the bottom line is that the marketing mix has to satisfy or exceed customer wants, needs, and goals. The marketing mix needs to be well blended in order to be effective. If a product gives superior benefits for its customer, it should also be reflected in the price, distribution, and promotion accordingly. For example, Toyota's luxury brand the Lexus is known for its superior customer satisfaction, high price, high product quality, and exclusive distribution. This shows that Lexus has a well blended and consistent message of luxury, which is integrated throughout the whole marketing mix. Proper marketing mix decisions can be made only when the company has understood its target customers.

2.3 Promotion in the marketing mix

An important part of marketing to children is about promotion and coming up with an effective promotional strategy. The promotional mix is divided into advertising, personal selling, sales promotion, and public relations. With these promotional tools the target audience is made aware of the existence of a product or a service and the benefits that it possesses for the customer (Jobber, 2005). It is good to clarify that target audience is not just the end-buyer, but all of those to whom the promotion is aimed at, such as influencers, gatekeepers, potential buyers, current users, individuals, or groups. A doctor is a gatekeeper to his or her patient when writing prescriptions, same as a football coach can be an influencer to young players who he or she is

coaching. For example, Nike is endorsing inspirational and enthusiastic sports teachers by giving them free Nike apparel and equipments from head to foot.

2.4 Creating a promotional strategy

Developing an effective promotional strategy is much more than just being aware of the tools of promotion. When forming a promotional strategy, marketers need to determinate:

- What they want to achieve with the campaign
- What are the communication objectives
- What is the marketing message
- How this message is delivered (selection of promotional mix)
- What is the budget and how is it allocated

The selection of promotional mix depends on various factors. What kind of product or service is in question, at what stage it is in the product lifecycle, how competed is the market, what is the buyer-readiness stage and whether to use a pull or a push strategy. When companies use a pull strategy, promotional effort is toward stimulating demand among final customers, who then transfers the pressure to stores, which now have the pressure to take the product into their selection. In a push strategy, the promotional focus is on pushing the product through distribution channel to final consumer (Ferrell and Hartline, 2005). From the promotional mix, advertising and public relations are suitable when the aim is to raise awareness, generate interest, and build the brands image into the wanted direction. Nevertheless, the objective and goal of any promotional strategy culminates in the purchase of a product or a service by the target market. Sales promotion, personal selling, and direct marketing are stronger tools to increase sales compared to advertising and public relations.

2.5 Advertising as a part of promotional strategy

From the promotional mix, advertising is by far the most discussed and studied element. Many of the child marketing books have a focus in advertising. Therefore advertising aimed to children has also notable role in this study. In a book by Ferrell

and Hartline (2005, p.286) advertising is defined as "Paid, non-personal communication transmitted through media such as television, radio, magazines, newspaper, direct mail, outdoor display, and the Internet". Advertising possess three key roles, social, advocacy, and the role as a part of the marketing mix. The social role means that advertising is a conveyor of information – such as new technologies that improve human lives. The advocacy role is to aid consumers in decision making – such as activate latent wants. Inside the marketing mix, advertising has various roles, yet maybe the most remarkable is that advertising is a cost effective way to reach a large number of people. Although, it is also possible to aim it to a very narrow and precisely defined marketing segment – for example advertising in websites or magazines. The goal of advertising is to attract, increase, convert, and retain customers (Simcoe, 2005). The goal a company is using each time depends on its market share, growth options, and competitive strategies.

2.6 How advertising works and how it is measured?

There are many assumptions how advertising works, yet similarly there are no unambiguous proof that advertising can move target audience to take purchasing action. Evaluating the effectiveness of advertising is a very challenging task for marketers because there are various factors that are beyond the company control. Some of those factors can be for instance changes in economic conditions, the competitors' actions, and regulatory decisions (Ferrell and Hartline, 2005).

There are two dominant views how advertising works. Those are the strong and the weak theory of advertising. According to the strong theory, the consumer goes through the four stages before purchasing occurs. Those stages are awareness, interest, desire, and action (AIDA). The strong theory of advertising claims that advertising is strong enough to increase consumers' knowledge, change their attitudes and therefore is capable to persuade consumers "who had not previously purchased a brand to purchase it". The alternative to the strong theory is the weak theory of advertising. The steps in the weak theory of advertising are awareness, trial and reinforcement (ATR). As the name implies, the weak theory suggest that advertising is noticeably less powerful than the strong theory suggests. The ATR model claims that consumers

have an extensive buying experience and buying patterns and there is only a mere need for awareness building. In both cases there is not enough evidence from either theory that would make a conclusive solution how advertising works. One thing is however quite definitive, advertising does not nor cannot work alone. A successful advertising campaign needs other elements from the marketing mix to carry through.

3. Literature review

Children nowadays are tyrants. They contradict their parents, gobble their food and tyrannize their teachers.

Attributed to Socrates in the year 425 BC

Apparently all the generations in turn are discussing how the present children are nowadays different than in their childhood. The newspapers are continuously writing that children are in weaker physical and mental conditions than ever before. They have problems concentrating in schools and adults are very worried about their situation. Parents can easily feel that their children just chat in the internet, play video games, or watch videos from the Youtube all day long. That all however seems a bit over exaggerated. Today's children are not different human beings than the children 50 years ago. Many recent studies have however found out that some change among children has occurred. Some of those shifts are that childhood obesity is in growth, children are very brand conscious, and conspicuous consumption has increased. The majority of the child marketing books, DVDs, and articles that were found and were used in this study raised serious questions toward marketing aimed at children. Many of the child marketing books have been published after the year 2000, although marketing to children has been among us for decades. That is because during those past decades marketing to children has evolved into a multibillion dollar industry. Never before has the subject been so much on display and so controversial. When conducting this study, a wide range of secondary data was gathered: Publications, company websites, annual reports, websites of associations and organisations, electronic journals, television programmes, and published books. The most important source of information in this paper has been the following books; Consuming Kids,

Branded, Born to Buy, and BRANDchild. Therefore those books are introduced separately in the following chapter.

3.1 Susann Linn, Consuming Kids

Susann Linn is a pioneering researcher in the child marketing industry. Her book Consuming Kids (2005) gives a thoughtful and an overall view to the child marketing industry in the United States. Linn provides the data and the arguments to support the message. The book does not just state that "children watch more television than before" but she has also provided the data to backup her arguments – for example the average U.S children watch TV three hours a day and poor children watch more TV than their middle- and upper-class counterparts. Linn also gives an inside view to child marketing by visiting marketing conferences and reporting how the subject is seen on that side of the table. Linn is very passionate about marketing to children, and it seems that she has made it to her life long goal to tell parents that how their children are exploited by marketers. In the end of her book Linn provides information on what parents can do to fight against marketing to children, at their home, in their community, and in the marketplace. Finally Linn proposes that marketing to children should be banned completely from under sixteen years olds. That seems very radical and how could it even work? Children around that age will find their own channels to locate information about products they like anyway.

3.2 Alissa Quart, Branded

The book *Branded* (2003) has a rather different angle to child marketing than Linn's *Consuming Kids*. Quart is concentrating on children aged 10 to 19, which could be better described as pre-teens and teens. Quart has written her book in an entertaining yet convincing fashion. She has interviewed several teens, from the upper-class Manhattan teens to the lower-class small town teens. Quart has found out that the lower-class teens and the upper-class teens both desire expensive products with the same portion of passion. When reading the book, it felt a bit like watching Sex and the City from TV. Designer brands, luxury lifestyle, and constant shopping presents the main part of a teen's life. Quart is describing modern teens as small adults and proves

that through various examples. The bottom line in the book *Branded* is that kids are getting older younger (KGOY), and that is because clever marketers' moves down the age scale to expand their products and their markets.

3.3 Juliet B.Schor, Born to Buy

Born to Buy is an informative and a deep description of marketing to children in the United States. The book examines how enormous, widely scoped and effective marketing efforts have created the term "commercialised children". Schor provides the data and references to backup her message. As Linn, also Schor is worried about the next generation if marketing aimed at children is not shut down or heavily restricted. Before Schor started to write Born to Buy, she interviewed children, parents, child marketers and visited marketing conferences. Schor also conducted a large survey on children's media consumption and consumer culture. The conclusive message in Born to Buy is that "parents should not use TV as a nanny for their children and they should be aware of how marketers are manipulating children as well as adults". Finally Schor suggest readers to boycott those companies that are directing their marketing to children. Like the three previous books, also Born to Buy does not see anything positive in marketing aimed at children.

3.4 Martin Lindstrom, BRANDchild

Lindstrom's book has a totally different angle to marketing to children than those previously mentioned. It is more like a study book for marketers – and students, to understand what kind of consumers children are, and how companies can create a connection with them. The book also included an extensive study of children's attitudes and brand relationships. The study reveals that children have more personal power, more money, and attention focused on them than any other generation before. Children express themselves through the brands that they are using or clothes that they are wearing. For a brand to be attractive to children, it has to be cool and fun.

4. Marketing to children

This chapter presents how marketing to children has evolved and grown enormously in the past 30 years. What once used to be a small business with few toy, cereal, and entertainment companies forming the child marketing industry, has now escalated into multibillion dollar industry, in which many companies are now seeing their future to be built on.

4.1 History of marketing to children

When children were asked in the 1960s what they want to be when they grow up, the usual answer was a police, a doctor, a fire-fighter, a postman, or a teacher. When the same question is presented to children in the year 2008 the answers are – nearly without exceptions, a celebrity, an actor, a singer, a football star, or just plain rich (Barbaro and Earp, 2008). So the children's mindset towards dream professions has changed quite a bit during the past decades, but does that have anything to do with marketing and is it even relevant?

4.2 In the 50s

In the 50s children were not yet broadly seen as a financially important target group and therefore the amount of marketing aimed towards them was modest. At that time children might have had some own pocket money to buy sweets from the corner shop and some influential power on their parents – for example choosing what toy to be bought from a toy store (Barbaro and Earp, 2008).

4.3 In the 60s

In the 60s businessmen were already warned that "Those who will not learn the youth ideology will be left behind in the business making". At that time advertisements aimed at children started to differ from the adults advertisements – brighter colours, new materials, and decorations were introduced in hope of attracting younger generations. Until the year 1964, \$50 million were spent in youth advertisement in the United States (Quart, 2003)

4.4 In the 70s

In the 70s companies began a bit by bit to understand what financial potential children possessed to them. Parents were working longer hours than before, earning more and giving some of that extra money to children. This meant that the children's purchasing power increased, as well as their independency from parents. The 70s was the decade when movie industry realised how they could create significant extra income by not just producing movies that appealed to youth but also introducing movie based byproducts– everything from branded action figures to bed sheets were invented. Movies like Jaws (1975) and Star Wars (1977) are first examples of box office hits, which also introduced a whole range of by-products to go with the movie (Lev, 2000). In the 70s one corporation especially understood the potential that children possessed to them better than others. McDonald's came up with a meal which was directly targeted to children. The world famous Happy Meal was born in 1979 (McDonald's homepage). This was also the decade when for the first time Federal Trade Commission tried to get legislative proposal through in the United States congress. The purpose of this proposal was to ban advertising to children under eight years old. The legislative proposal was rejected in the congress. In 1980 the congress actually set a law that the Federal Trade Commission can not restrict companies marketing to children at any level. In the Federal Trade Commission Improvements act of 1980 it was written that "The commission shall not have any authority to promulgate any rule in the children's advertising" (Barbaro and Earp, 2008).

4.5 In the 80s

In the 80s a new era in marketing to children had started. Since the deregulation of advertisements aimed at children, companies began to see their endless possibilities in how to utilise the new position. Corporations were given free hands to plan their marketing. A new term SKIPPIES was created to *describe school kids with income* and purchasing power. Although, it was not just the children's increased purchasing power that excited marketers, but the enormous level of the influential power that children got to their parents. During the 80s companies realised that children can be, and often are the opinion leaders in households. So even though a child does not have

money to by a car or a family holiday, a child can persuade parents what car to be bought or which holiday location to choose from. In the 80s marketing to children became its own industry and in 1989, corporations spent already approximately \$600 million on marketing to children in the United States (Quart, 2003).

4.6 In the 90s

In the 90s marketing dollars spent on children accelerated dramatically. In a study by Linn (2005) it was estimated that from 1992 to 1997 the amount of money corporations were spending on marketing to children had doubled. Also during the 90s it was already possible to see how the on going advertising targeted to children started to show its effectiveness. In the 1990, a research with eight years olds indicated that when children were asked "Who would you like to take you out for a treat?" fathers, teachers and grandparents all ranked behind Ronald McDonald and General Mill's Tony the Tiger (Dibb, 2003, cited in Linn, 2005).

This was also the decade when infants and babies were also included in the child targeted marketing. The earlier companies are able to build brand relationships with children, the better odds these companies have that the children will be their loyal consumers in future as well. The luxury clothing manufacturer Ralph Lauren is a model example to this kind of "from cradle to consumer" ideology. Ralph Laurens product portfolio is not limited to any age group. It includes clothes that are aimed from newborn to 9 months old, 24 months old to 7 years old, 10 years old to 20 years old, and finally comes the adult line (Ralph Lauren homepage). The late 90s brought also a boom of allegedly brain boosting videos – which were adorned with titles such as *Baby Genius, Brainy Baby* and *Baby Einstein*.

5 Marketing to children – recent research

Today's children are in a 360 degrees constant surrounding with advertisements. Advertising reaches children at home, on sports fields, in school, in playgrounds and on the street. While in the 70s adult's thoughts about marketing to children got alarmed mainly about the possible effects that TV commercials might have on their

children on weekend mornings. Nowadays the average U.S child lives in a home with three TVs, three radios, couple of CD players, a videogame console, a computer, and several cell phones (Roberts *et al* 2005). Radio, television, movies, magazines, and to some extent also the internet are predominantly commercially driven and children spent nearly forty hours a week engaged with that media (Robert et al 2005). It is no wonder that children begin to recognise brands before they can even talk. It is not easy for companies to stand out from the advertisement mass either. In a research by Kunkel (2004) it was found out that an average U.S child sees about 40 000 television commercials every year. It is not an easy task for companies to differentiate from their competitors when the rivalry in this marketing industry is so competed. Also the product likeness is vast. There is a copycat sameness to fast food, candy, sportswear, sodas, jeans, music, and films. It is has been calculated that by 2004 the total advertising and marketing expenditures directed at children have reached \$15 billion. As a comparison to the past, in 1983 a mere total of \$100 million was spent in television advertising (Schor, 2005).

5.1 Why marketing to children has grown so rapidly?

Companies have understood the financial opportunities that lie in children. It is definitely not just children's purchasing power which set off companies' excitement. Surely adults are financially more capable, but children can influence their parents' buying decisions so powerfully that parents do not even want to admit it. Children have strong opinions about various items that would few decades ago be considered as adults' decisions. Nowadays children will point out in the supermarket, which cereal packet will end up in the shopping cart, which toothpaste the family is using – unless the child is using specifically for children designed toothpaste, which movie the family is going to see in the cinema, and as written before, children can have major influence on even which car the family will buy next. So if the above is turned into numbers, children influence more than \$600 billion in spending a year annually in the United States. Children ages five to fourteen directly influence \$ 196 billion and indirectly influence over \$400 billion (Linn, 2005). That is roughly about the same as combined gross domestic product of worlds 100 poorest countries (CIA homepage).

In a study by Thomas (2007) it was investigated that the baby marketing industry between ages 0 to 3, is worth \$20 billion.

Children have become the link between marketers and the family purse. Young people are great consumers. They are eager to know about new products and are often the first user of many of the new technologies. Quite often it is the children in the household who are saying what features a computer should have, or why is it necessary to update the old TV into a new high definition TV. In many cases children are the first adopters of products. They are the household members with the most torrid consumer desires, they are sensing the trends and deciding which brand is "hot" and which "not".

6 Marketing to children is challenging

In a way the children's agility towards new products and trends has also become problematic for companies. Companies have realised that product life cycle is shortening and increasingly large proportion of sales occur soon after the introduction of the product. Especially children tend to move fast to other products and dump the old ones, if something "cooler" has arrived. A narrow window of opportunity exists to earn profits on a new product before competition catches up and margins begin to shrink (Goyal, 2001). Another challenge that companies are facing when targeting products to children's markets, is that in many occasion they have to come up with different communication strategies for adults and children. That is because parents and children are looking different benefits from the product. Parents want to buy their children toys that are safe and support mental development. Whereas children are more looking at the funniness of the toy, as well as acceptance, friendship, and belonging which may come alongside with the toy. In practice, this usually means dual campaigns, that is, separate advertisements for children and adults. In a book by Schor (2005) a following example was used to describe a "classical" push-pull marketing approach – which highlights well how dual campaigns are executed. Kool-Aid is a fruit beverage manufacturer, whose main target group is children (Kool-Aid homepage). At one point Kool-Aid was losing out sales for soda and the company

wanted to create a marketing strategy to turnaround the direction. A dual campaign was created, both for children and mothers. For children the campaign emphasised that Kool-Aid is cool and magical. Whereas for mothers the message was that Kool-Aid is rich in vitamin C and mothers can control the amount of sugar they put in. Kool-Aids target audience is both children and mothers, but the target market is mothers – those who make the purchase.

6.1 How marketers come up with products that children desire?

When the "regular" adult markets become saturated in a way that it is increasingly difficulty to sell quantitatively more into that market, marketers begin naturally to search new fresh target groups and adapts products either into own brands such as Nestlé's BabyRuth candy bar, or sub-brands such as Teen Vogue fashion magazine. When companies begin to market their products to children, the standard procedure is to match emotional needs all children are believed to possess. This means that companies create products and advertisements that satisfy those universal needs. In a book by Lindstrom (2003) it is revealed that there are six distinct characteristics in the child marketing industry that go to make up the most successful brands. The recipe is to have the right portion of fear, fantasy, mastery, humour, love, and stability. With the exception of food, pretty much all products, campaigns and messages are subjected to gender analysis that ask is it for girls, or is it for boys. Whereas boys are more appealed by fear and mastery, girls are more appealed by love and stability (Lindstrom, 2003). These six characteristics are gone through in the next chapters.

6.2 Fear

Fear is a primal reaction and it is an emotion children obviously identify. Marketing products with the fear element has been very successful for companies. Marketers have incorporated fear in toys, movies, books, and advertising. Too much fear will however just drive children apart from the product and therefore marketers have come up with "fun fear" and "scary fear". Teenage Mutant Ninja Turtles, invented in 1984, is a successful incorporation with fear and fun. Children were also able to identify and

relate with the Turtles easily because the four heroes represented a whole variety of human characteristic.

6.3 Fantasy

The younger the child, the greater the capacity for fantasy is. A four-year-old can daydream hours of being a hero, who rescues the world, without even having any toys close by. Companies are doing everything that children would use their products as a part of their fantasies. Every time a child is playing a wizard without *Harry Potter* costume, AOL Time Warner – the Harry Potter license owner, is loosing a potential customer. Marketers are trying to put a brand on children's imagination so that the next time they play a wizard, the fantasy is not complete without a *Harry Potter* costume.

6.4 Mastery

Mastery and success are thought to be common fantasies among children and the them shows up frequently in advertising (Schor, 2005). Companies are marketing challenging games and toys, where children are portrayed achieving and winning. Children are eager to find out where their limits are and how much control they have on things. The computer game industry has successfully captured millions of children's imaginations around the globe. In computer games, children can in relatively safe environment try their boundaries, experience winning and losing. Many computer games are publishing their score list on the internet, so gamers can see their ranking and separate the masters from the losers.

6.5 Humour

For children, life is all about having fun. In a study by Lindstrom (2003) 86,2 per cent of children rated humour as the most important element in their lives. Disney has known the formula for success since it was founded since 1923. Sue Clayton, from the University of London and the British Film Council have studied that the perfect film would be made up of: "Action 30%, comedy 17%, good vs. evil 13%, love/sex/romance 12%, special effects 10%, plot 10% and music 8%" (BBC, 2003).

Disney's movie Toy Story 2 has been deemed to be the closest match to the formula (BBC Homepage)

6.6 Love

Love is very primitive feeling. Every human wants to be loved and most also want to give love back. Psychologist, brain scientists and child development experts have help marketers to translate the need for love into concrete objects, music, shapes and themes for advertisements (Schor, 2005). Millions of Barbie's have been sold with girl's desire for love. Barbie and Ken loves each other, they have a perfect house and a perfect wedding. When playing with Barbies young girls can create their own love stories. Another toy which was an instant hit all over the globe was the Tamagochi. The Tamagochi is a small electronic pet, which needs nurturing to "survive". Millions of children wanted to have their own Tamagochi and then feed it, clean it, and play with it. The Tamagochi concept may sound simple, but not many companies have come up with such a hit with little children who are looking for love.

6.7 Stability

Children need stability in their lives. For children stability means a safe home, food in the fridge, no divorce, no moving into new school away from friends, and paid up school fees. However in many homes things are not stabilised. Divorce rates are high, recession brings unemployment, and many families are struggling to make ends meet. It is no surprise that children seek stability also outside of their home environment. Stability is not an easy task for marketers to come up with. Some brands have surely exist longer than average human is expected to live, but still marketers can not easily come up with a product that promises stability. Many children have aimed their love and need for stability onto girl and boy pop bands. These bands promise to love back eternally, but at some point those bands will surely broke up. When the boy band Take That broke up in 1996, several girls attempted suicide.

7 If it is cool, children will buy it

Cool is something that every product tries to be and every children needs to have.

Marketers have defined cool as the key to social success, as what matters for determining who belongs, who is popular, and who gets accepted by peers (Schor, 2005). Especially for older children, pre-teens and teens life is all about coolness. All children desire for social acceptance and belonging in a group. Products are pushed not on the basis of what it can do or how does it taste, but of its social meaning. What you buy defines who you are. If a product is not cool, then it will be left into the shop. It does not matter how technically advanced or innovative a product is, if it is not associated with cool, children will not buy it.

Cool is something that is constantly changing. What used to be cool six months ago can be very uncool today. Crocs, Gap, Hello Kitty, Airwalk shoes, rollerblading and hippies, all those listed above were once defined as cool. Marketers have realised they can not create cool by them self, but that it has to come from somewhere first. Skateboarding, hip-hop, electronic music and even bodybuilding has first been a lifestyle of a small group and only later on those have escalated to the masses. All the companies are now seeking for the next cool thing and wrap it around with their products and brands. The sooner companies are able to create relationship with something that is cool, the more credible it is. And children are not stupid, they know very quickly which is real and which is fake. So if a company comes up with a product that the company it self describes as being cool – which many companies are doing, children know it is fake and are not buying it. Some companies have been more successful than others in integrating with subcultures. Sprite has successfully used hip-hop culture as a part of their marketing. Sprite has for example organised hip-hop parties, had product placement in music videos and used NBA star LeBron James as Sprites celebrity endorsement (Public Broadcasting Service homepage). What makes something cool? Does cool have a common theme? In a book by Schor (2005) cool brands and products have been found to have a common theme. It is exclusiveness, that is, expensive. Marketers are pushing the view that wealth and ambition to wealth is cool. But are expensive products and clothes really the key to being cool. It is not,

but marketers are doing their best to make children to thinks so. If being cool would be something that it is possible to achieve without purchasing something, companies would lose income. Although there are cool products in the industry that does not cost fortunes, and some of them are even free. Facebook and Myspace or both free for their users and both considered being cool. It is no wonder that many companies want to make collaboration with Facebook and Myspace, this way the hope to appear cool to their target audience.

8. What kind of advertisements children like?

Advertisement that would be suitable for a six-year-old would be one big yawn to a twelve-year old. Children's reactions to advertising have changed vastly in just a few years. When advertising to adults, it is not that accurate whether the watcher is 35 years old or 39 years old. With children those four years would make all the difference. The Federation of German Consumer Organisation has divided children into four age categories by their ability to understand advertisements (Schlott Gruppe 2004).

8.1 Under 6 years old

Around at the age of six children start to distinguish between stories and advertising. Children in this age group often have no idea that the things that they watch on TV are also available for purchasing in the shops. Marketers know that the most likely solution to work for this age group are the pictures that the children can later use to recognise the products in the shops. Bright colours, round shapes, female voices and other children stimulate children at this age distribution. Celebrity endorsements are commonly used mean to attract children. For this age group they do not need to be real life characters, Spiderman works well enough.

8.2 6 to 10 years old

School children already recognise advertising as such and use it more and more consciously as a source of information. This is why advertisers concentrate on the products. However, especially at the bottom end of this age group, children lack the

ability to abstract. Advertisements aimed to this age distribution are still simple language and in straight lines. Puzzles and prize draws are popular and the willingness to read adverts is much greater than it is with adults. Children are curious.

8.3 10 to 13 years old

The so-called pre-teens appreciate product advertising that gives them information and they will even read longer advertisements if they are genuinely interested in the product. Internet is already common tool in this group to seek information on products. Many pre-teens are starting to develop own personalities. They are starting to pay attention to their image and are increasingly more receptive to image oriented advertising.

8.4 Over 14 years old

The main interest now is in social contact, meeting friends, talking about other people – and above all belonging. Image campaigns can now develop their full effect, because now self-perception has become an important topic in the life of a teenager. As the self-image and the ideal-image are often miles apart, teenagers use the product images to piece together the effect the want to convey. Which is the reason why "visible" products, such as clothing, shoes, electronics, sport equipment, and cosmetics have a good change of becoming popular brands.

9 Pester power – when no becomes yes

Pester power – or nagging, means the power of children to influence their parents to buy advertised items which they may not other wise buy. Pester power is so strong of a force, that there are not many parents who will be able to resist it. In a book by Linn (2005) there are few quotations from parents which describe well how strong the pester power can be;

"I can't believe that I actually bought my daughter a Barbie [says a long time feminist] She kept begging me for one and I finally gave in. I just got worn down and I'm already so strict with her about other things" (p.31)

"Last time we went to the grocery store, my four-year-old had a meltdown in the cereal aisle. He kept pestering me to buy some sugar cereal or another. When I said no, he had a huge tantrum right here and there. The thing is, I don't want him to eat a lot of sugar. But maybe I shouldn't be so strict about it" (p.31).

Many parents feel that their children know more about brands than they do in many product categories. And why would not they, children spent much more time and effort to getting to know brands. Parents may feel that it is a positive thing to buy their children what they ask for, this way they save money from buying things that children would not use, and time from looking the right purchases. Many parents are working longer hours than before, in other words they are increasingly more away from home. Parents might feel guilty for not being around with their children and therefore bend more easily into children's demands. Marketers know their way around children taking advantage of parent's busy lifestyle, as well as their genuinely positive attitude towards the idea that their children know what they want.

The Center for a New American Dream conducted a national survey about pester power in 2002 (Newdream homepage). 750 children between the ages of twelve to seventeen produced the finding that;

- On average, children ask nine times before their parents give in
- 55 percent say they are successful in getting their parents to give in
- 11 percent of 12-13 year olds admit to asking their parents more than fifty times for products they've seen advertised
- 40 percent say they have asked their parents for an advertised product they thought their parents would not approve of
- 32 percent admitted feeling pressure to buy things like clothes, shoes and CDs because their friends have them
- Children aged 12 to 13 are most aggressive users of pester power strategy

Marketing research companies have made their own pester power researches as well. Those researches are then sold for companies with a high price tag. MarketingResearch.com has many child marketing studies for sale on their website. *Marketing to kids: How to be effective and responsible*, cost \$ 5695,

Marketing to children age 11-16 – UK, cost \$ 3390, Marketing to Families – UK, cost \$ 2690, Marketing to Tomorrows Consumers – UK, cost \$ 3390, and the list goes on (MarketingResearch.com homepage). For big companies, few thousand dollars from a marketing survey is not an issue. For companies that are operating in child marketing industry, it is vital to know about pester power, and if they are also executing it well it is a great competitive advantage. In a study by Morales (2000) it was found out that the impact of children's nagging is assessed as up to 46 percent of sales in key business that target children. That is nearly half of the entire sales. Western Media International (1998) made a survey about pester power as well and they found out that it is responsible for 40% of trips to entertainment establishments like Chuck E. Cheese, one out of three trips to a fast-food restaurant, and about 30% of home video sales. Marketers have identified two different kind of pester power, persistence nagging and importance nagging. Persistence nagging is begging repeatedly. So a child is repeatedly requesting for products. Importance nagging on the other hand is something that a child is giving a reason why they want and need a certain product. This is what marketers rely on (Western Media International, 1998).

The researches at Western Media International have also divided parents into four categories, by their predisposition towards nagging.

- "Indulgers" are parents who basically give in to their children every whim.
- "Children pals" are parents who want to have good time, just like their children.
- "Conflicted" describes single or divorced parents, whose purchasing behavior is often influenced by quilt.
- "Bare Necessities" are parents who seem able to fend off their children, please and ultimately make all purchasing decisions on their own.

This kind of categorising help marketers to define what kind of parents are their target audience. Divorced parents and those with teenagers or very young children are the "easiest" for marketers to come up with pester power strategies.

10 How children are researched?

Companies have used a lot of time, money, and effort to understand what is going on in children's minds and how their products can become part of their world. There are various methods in which way companies are researching children. The aim of this chapter is to show how companies are investigating children and how children's researching for marketing purposes has evolved into a huge business.

10.1 Various research techniques

A simple but effective method is to just observe children in their every day life. Marketers might get a permission to film a five-year-old-girl at her home and just film the child. How she is playing, which toys she prefers, what she likes to eat, how she brushes her teeth or uses the shampoo in the bathroom. In the end of the observation the key founding could be that children are playing with the shampoo bottle while taking a bath. Then marketers come up with a shampoo bottle which encourages children to play with the bottle while having a bath. This kind of research method where adults are lurking children in their own environment may sound controversial and unethical for many people. Still parents who are allowing their children to be part of this kind of examination do not often find it controversial at all (Schor 2005). Parents are paid a fair amount of money and companies doing the research are usually known for their good reputation. Children on the other hand are just excited to have someone who is actually paying attention and listening to them and acting on their advice. Before marketing researchers are able to enter inside homes, they generally build a relationship with the children beforehand in focus group interviews. Those children to whom they are able to get a good connection with, it is possible then to move to the next level. Marketers have understood that the best way to research children is to do it in their natural environment, without unnecessary distractions.

Focus groups have been problematic, because in them the dynamics of the group can affect the answers. A participating child can be loud and influence others, some are too shy to say anything in front of a new group, and some children show off or perform. Marketers want to research children at their most natural selves. For example in traditional interviews or focus groups teenagers rarely admit that they still play with dolls or action figures. This false information acts just as a distraction for marketers. Levi Strauss, the jeans company, was one of the first companies to study children at their homes. They wanted to find out what children had in their closets, what might be the newest trend and what children do with their clothes (Schor, 2005). Levi Strauss made that research already back in the 80s.

In the year 2009 observing children's behavior has become big business. There are companies which are purely specialised in researching children in their every day environment, from playgrounds to the streets and even at the schools. One example of this kind of research company is Strottman (Strottman homepage). Strottman has came up with a pioneering research method that now other companies are also following. The innovation was to give children helmets which included a hidden camera. Then those children were sent into a store and guided to pick any twenty products they would like to buy. The camera captured everything that the children did, where they looked at and finally what they purchased. After the session, each child reviewed the footage with Strottman personnel and discussed what was going on in his or her mind in particular moments (Schor, 2005).

One well known research method is to observe children's eye movements while children are looking at advertisements or programmes. Langbourne Rust Research is a company which is specialised in this field. The technology they use monitors children's every move while they look at advertisements. By monitoring how often they blink and how intent their gaze is, the company can then analyse which part of the advertisement or programmes captured children's attention and which not. The eye-tracking technique is however getting old as a research method and companies have taking it to the next level, which can be described as "neuromarketing".

Neuromarketing involves using brain science to determine how to sell to consumers (Schor, 2005). With modern computerised technology it has become possible to examine people's brains quickly and more cost effectively than ever before. Some research companies are MRI (Magnetic Resonance Imaging) scanning children's brains while they are lying inside high-tech brain scanners and are watching pictures of different products. An article by Park (2007) reveals that neuromarking has given some very insightful information of consumers' decision making process and how they choose their brands. Marketers have found out that to save time, the brain does not run through the list of benefits, risks, and value judgements each time when shopping. Therefore it is important to create brands that consumers associate with familiarity and trustiness. Youth Marketing Service is a company which is well know for its neuromarketing know-how. Its clients are well known child marketing firms such as Nike, Coca-Cola, Warner Bros, Microsoft, Disney, Kraft, ABS, CBS, Mattel, Pizza Hut, Pepsi, M&M, Fisher Price, Chuck E. Cheese, Hasbro and Nickelodeon (YMS Consulting Homepage).

11 Children as company insiders

Companies have invented a very effective way to find out inner circle information about children. Companies have actually hired children whose jobs are to report about new possible trends, in other words spy on other children. These young researchers are called either child consultants or trendspotters. Someone would think that it would be a difficult task to get children to lurk on other children and report about it on weekly basis, but it is not. *Teen People* magazine had an announcement on their site, in which they recruited youths "who have something to say about what is hot and what is not" and who want free samples and new products and are willing to appear in magazine (Quart, 2003). Apparently it was a very desirable job to have since *Teen People* has now more than 10 000 trendspotters working for them. That is quite many eye-pairs keeping an eye of what is fashionable in the youth world and what is not. *Teen People* receives inner circle information, which they can transfer into their advertisements and articles. For exchange of this information – which is worth of gold to the magazine, the magazine offers the teens sample cosmetics and clothes. It is dirt

cheap for the company but teens feels privileged when they get these "free" gifts and are taken seriously by the company representatives.

12 Conclusion

It is astonishing to realise into how big of an industry marketing to children has grown. The 70s and the 80s have been the turning points in the industry. In the 90s the industry kept accelerating in to this multibillion dollar industry that it currently is. What makes children such a desirable target for marketers is that they have their own purchasing power in addition with the influential power to their parents. When that is combined together it is no longer surprising why children are the number one target group for many companies. Companies want to make a connection with children as soon as it is possible. The earlier the relationship is built between children and the company, the better odds there are for the company to have that child as an adult.

The common argument that Quart, Schor and Linn had in their books was that marketers are spoiling children's lives through extensive marketing which is aimed at them. Children are exposed to advertising at their home, schools, and hobbies. This 360 degrees advertising has had an impact to children that is not healthy. Children are defining themselves by what they own, instead of who they are. They also say that advertising to children causes them stress. Advertising encourages children to buy products to fit in, get social acceptance, and most importantly to be cool. If there are children whose parents are not buying those trendy products, it causes distress inside families as well. However, as difficult it is to prove that advertising can make a target audience to take buying action, it is equally difficult to prove that advertising and the commercial world is the cause for children's declining wellbeing. That is, if it would be declining.

The secondary data that was gathered to this paper had mainly a negative attitude towards marketing to children. That was not intentional, that just seems to be – without exceptions, the angle what authors take when they write about the subject. Obviously there were company websites, and advertising agencies which were

celebrating the child marketing gospel. Definitely the company perspective to marketing to children is extremely valuable. Companies are, however, the ongoing force which is forming the whole child marketing industry. When Adidas sells a child a pair of football shoes and the child starts a new hobby it is a positive thing. But are the new Adidas football shoes the triggering factor that persuades the child to start a new hobby. That is quite unlikely. It would have been good to find out a positive angle to marketing to children, which would not have been company representative's point of view, neither some anti-marketing organisation's point of view. It is hard to imagine that marketing to children would not have increased for example children's media literature skills. Equally it is hard to imagine that children would be primarily viewing their wellbeing through the lens of materialism. MP3-players, computer games, internet, and mobile phones have surely increased the wellbeing of many children. At least those have been significant wellbeing enablers for the author of this paper. Also it is quite hard to swallow the assumption that children put more value on shopping and having the same things as their friends, compared to children putting value to having fun and hanging out with their friends.

Many parents have said that they can not compete with the child marketing industry. And how could they, no one can be around their children 24/7, and most definitely children would not want that either. Children can not be contained in a bubble. If society would seriously ban certain products from children – those that appeal to them, children would find their own way to seek them to their hands. In the majority of European countries, advertising to children has been regulated to protect children in the youngest age group. For example in Sweden companies can not advertise to children younger than 12 years old, Denmark has a ban on advertising five minutes before and after children's programmes, and Poland has banned advertising aimed at children completely in TV and radio (ISBA homepage). In the United States there are no regulations on advertising to children. The tobacco and the alcohol industry is highly regulated, yet when it comes to advertising, it is like wild west. Companies have their logos in schoolbooks and school bus radio is playing advertisements to children every morning. That does not sound like a way of marketing that people

would want to have in Europe. Parents do have the biggest role in children's well being. If the TV is used as a nanny at home, long hours at work are compensated by purchasing more products, and healthy home food is replaced with fast-food, it is no wonder that children's wellbeing is jeopardised.

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