The purchasing power of tomorrow: An analysis of the buying habits of children ages 6-15

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Introduction

Today’s children are bombarded with many different advertising and marketing techniques for items such as toys, clothing and apparel, electronics, and items related to sports. With so many different categories, marketers can better segment their communications to position their target market more efficiently and eliminate the communications that are being wasted shown to segments that will not respond. Target marketing is the process of evaluating the attractiveness of various segments and then deciding which to pursue as a market. Market positioning involves the process of defining the marketing mix variables (product, price, place, and promotion) so that the target customers have a clear, distinctive, desirable, understanding of what the product does or represents in comparison with competing products.

Children and adolescents play an increasingly important role in buying decisions. Kids in the United States spend over $200 billion a year on personal items such as apparel, toys, snacks, sports, and entertainment. Influencing a group that holds this much spending power is vitally important.

Through statistical analysis of children ages 6-15 and running regressions we can see how much going up one year in age has on the effect of the purchase in categories including toys, clothing, sports, and electronics.

Hypothesis

As children make their way through school and age from 6-15, we will see a decrease in the interest and purchases of toys and a shift over to the clothes and sports segment.

Methods

The first step in the process was to generate a questionnaire. The questionnaire had to establish first which segment the respondent was coming from. The definition of a market segment is a group of consumers who respond similarly to a company’s marketing efforts. Market segmentation is the process of dividing the market into groups of customers with different needs, wants, or characteristics who therefore might appreciate products or services geared especially for them.

As these were the most important questions in the survey they were the first ones to be asked and answered. Questions about the number of siblings, sharing the same interests as siblings, and the extent of their extracurricular activities were also asked. These questions were important to ask to try and control for any possible outliers that may turn up in the results. These questions would give reasonable explanations for the fact that a younger child is more interested in sports if they share that interest with an older sibling or is already involved in the activity as an after school club or weekend league.

Distribution of this survey was done through an online platform and incorporated it into my personal social media to maximize responses. I had neighboring families respond as well and asked them to share as well.

Results

As children make their way through school and age from 6-15, we will see a decrease in the interest and purchases of toys and a shift over to the clothes and sports segment.

Discussion

• As children make their way through school and age from 6-15, we will see a decrease in the interest and purchases of toys and a shift over to the clothes and sports segment.

• I expected to find that as children aged, their specific interests would shift away from toys. I predicted boys would specifically gravitate towards the sports market segment with a sparse amount of responses in the clothing market segments. I also predicted that the girls would gravitate towards the clothing market segment with the occasional choices in the sports market segment.

• The end results compared very well to my predictions and were the outcomes that I predicted were most likely.

• There were some boys who were already more interested in sports than toys at age 6, and similarly there were some girls more interested in clothing at the same age.

• Looking back at the questionnaire at the aforementioned outliers, the young boy and girl both had older siblings of the same gender with whom they said they shared interests with. Also, the young boy was already involved in a weekend league of recreational soccer.

• Younger children, both boys and girls were very likely to choose toys as their primary purchase. For boys this is most likely due in part to the numerous locations of Toys R US and it’s merchandise of popular brands such as Lego’s, Nerf, Hot Wheels, Star Wars, and superhero branded items. For girls, I reason that this is largely due to the recent and ongoing success of Disney’s Frozen and other Disney princesses which this study shows is likely due in part to children’s videogames being more gender neutral, meaning that they are targeted toward the youth of this study and geared towards both genders irrespective of the gender demographics with the popular games being mostly television show related.

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