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STORE'S CHARACTERISTICS INFLUENCING CHILDREN'S FAVOURITE MARKETPLACES

Jelena Filipovic, MSc
Aleksandar Djordjevic, MSc

Abstract

The aim of this study is to examine how main store dimensions affect children's store preferences in Serbia. There have been investigated four functional features of the marketplaces: price of merchandising in a shop, store's arrangement, sales personnel attitude towards children and store's location. Findings suggest that different age cohorts of kids react differently to the same store's feature. With just a few studies referring to the examination of how store functional features can affect children's store preferences in the most developed countries almost nothing is known about it in a country in transition such as Serbia. This paper should provide the basis for some future research in this field in Serbian and similar markets. Also, managerial implications for retailers interested in marketing positioning of their stores in children market are discussed.

Keywords: Serbian children market, store's features, store's preferences, favourite kids' shops

Corresponding author:
Jelena Filipovic,
Kamenicka 6, 11000 Belgrade, Serbia
jfilipovic@one.ekof.bg.ac.yu

1. INTRODUCTION

Raising purchasing power of children through the last decades brought to light this segment as yet another important consumers market. The importance of this market has been recognized both in marketing theory and practice. Research conducted by Sutherland and Thompson in 2001 revealed that children's consumption has doubled in 60ies, 70ies and 80ies, while in 90ies it has even tripled. Some authors estimate that primary market in USA accounted for $9 billion in 1989 and for $20 billion ten years later (McNeal, 1992 (b), Davidson, 1998).

According to McNeal (1992 (a)) kids market is usually divided into three broad groups: (1) Primary market (2) Market of influencers and (3) Future market. While the above data mostly account for kids' primary market, it should be noted that as a market of influencers it is even more significant. Namely, in 1992 this market was estimated at $132 billion (Power et al., 1991; Step 1993) and at the beginning of the century it accounted for $300 billion (Rosenberg, 2000), affecting family purchases in 62 product categories (McNeal, 1992 (b)).

In addition to undisputable growth in economic power of children it is important to understand their role in consumption has also changed. According to McNeal (1999, (c)) and Siegel, Coffey and Livingston (2001), the main shifts in family structure and therefore, in children's socialization are following: (1) families becoming smaller; (2) increasing number of single parents; (3) rise in families' discretionary income; (4) both parents work long office hours; (5) greater number of children live in stepfamilies; (6) giving children everything what they want in an effort to make up for time not spent with them. Consequently, kids are becoming more independent and proactive in making purchasing decisions of wide range of products.

As a result, children's responses to different instruments of the integrated marketing communications (IMC) have also changed. However, while marketing and marketing communications literature pays significant attention to the influence of advertising on kids shopping preferences and buying behaviour (McNeal, 1999 (c); Acuff and Reiher, 1997) the research of the effects of other IMC instruments is scarce. On the other hand, particularly the importance of store features as an IMC instrument is highly relevant given that early children's consumer socialization starts in retail outlets where they learn their purchasing behaviour in the act of shopping (Moschias and Moore, 1979; Ward, 1974).

2. LITERATURE REVIEW

Despite relatively high research interest in children's market, little is known about the factors influencing children's preferences of different stores. Yet we know that these preferences change by children's age (McNeal, 1992 (b)). For ex-

ample, younger children (from the age of five through seven) prefer convenience stores and supermarkets for their ease of access and the product range they offer. Contrary to this, older children (ages 10-12) like the breadth of discount stores (mass merchandisers) and the depth of specialty stores (toy, sporting goods etc.)

In order to explore which store's qualities are crucial for creating a positive image in kids' mind a number of authors focused on several important dimensions. Martineau (1958) defined four dimensions: symbols and colour, layout and architecture, advertising and sales personnel. The number of shop features became more numerous in time (Rachman, 1975; de Pelsmacker et al., 2001) reaching the number of 41 elements (Hansen and Deutscher, 1977), including: product selection, sales personnel, location, interpersonal and impersonal communications.

While different authors focused on different store dimensions there were two store dimensions that were consistently found across all studies - affective (atmospheric) features and functional characteristics of a store. Ghosh (1990) refers to affective features as to "the psychological effect or feeling created by a store's design and its physical surroundings." Some examples of atmospheric dimensions are: crowding and excitement at the retail store. Up to now there has been very little research on children's perceptions of affective qualities (Williams and Burns, 2001). Nevertheless, affective qualities have impacts on consumers' perceptions of functional attributes of store (Sirgy and Samli, 1985).

Functional aspects were examined much thoroughly. They can be understood as the operational features of a marketplace, actually, the consumer's perception of the product, pricing and sales people (Weale, 1961; Rachman, 1975; Darden and Babin, 1994). Williams and Burns (2001) argue that "functional qualities of store image (i.e. merchandise selection, salesperson service, pricing) were strongly influenced by the child's global affective perception of the store's image". However, one very important functional element is usually disregarded, i.e. the location of marketplace. Nevertheless, some findings show that children tend to like diversity and accessibility, as opposed to homogeneity and privacy (Talen and Coffindaffer, 1999). McNeal (1999, c) identified main factors which make some store favorite for kids:

- Acceptable price ranges – older children are more sensitive to prices and respond more to sales
- Kid-friendly atmosphere – related to affective features of a store
- Kid's products – candies, toys, clothes, etc. Newly, some specialty retailers also entered children market, including specialties as accessories, cosmetics, furniture, home furnishing, as well as catalog and online retailers (Siegel et al., 2001)
- Eye-level accessible displays – they want products within their reach, they like to touch it, smell it and feel it in all possible ways

- Kid-friendly store personnel – who will try to help them and not treat them as an unwelcome customer
- Kids favor stores favoured by their parents and/or friends – children have very intense urge to fit in their social environment

Literature review however reveals a strong gap in this particular field of study. With just a few studies referring to the examination of how store functional features can affect children's store preferences in the most developed countries almost nothing is known about it in a country in transition such as Serbia. Therefore, this study aimed at exploring how main functional store features affect children's store preferences in Serbia. Moreover, in our study we are particularly interested in finding out whether the influence of the main store features on children's store preferences differs by their age.

3. RESEARCH HYPOTHESES

As explained, our study focused on children's reactions to different store functional features. Among a number of different factors examined by other authors, for the purposes of this research we are focusing on the following:

1) Pricing as the store's functional feature

By the time children are 8 or 9 years old, they understand value of the money, they know that products have prices and they know to find price tags (McNeal and McDaniel, 1981). A research conducted in 1995 showed that in a given sample almost three quarters of children demonstrated price-consciousness. The same study revealed two important facts: a) kids care about price and this concern grows with development of their cognitive abilities (as they grow); b) children set up upper limits on prices they will pay – mostly for moderately expensive products, such are toys and clothes (McNeal, 1999, (c)).

In spite of this, children do not usually ask about price when seeking for product information before the purchase (Ward et al., 1977). Very few children know the prices for frequently purchased items (Stephens and Moore, 1975).

Younger kids tend to correlate prices and physical features of a product. According to Fox and Kehret-Ward (1990), preschoolers usually determine prices based on the size of an item. Ten years old kids know that price depends on the amount of production inputs required, while children at the age of 13 perceive price as the function of the quality of the product's inputs and the preferences of the potential buyers (Turner and Brandt, 1978). Thus, with an assumption that older children are more price sensitive, we hypothesized that:

H1: *The importance of price as the criterion for the child's favourite store differs with her/his age*

However, due to our research was placed in Serbia as a country in transition facing a lack of goods, high inflation rate, high unemployment and low purchasing power all through the last decade of the 20th century, high price sensitivity of all children market subgroups could be expected here. Therefore, we assume that in general price has a high importance as a criterion for a favourite store among kids in Serbia, which is certainly greater than in other developed countries.

2) Arrangement as the store's functional feature

There are several aspects of a store that must be taken into consideration: merchandise selection, colour that prevails in its decoration, accessibility of shelves and general atmosphere. Williams and Burns (2001) argue that "the most important functional quality that influenced a child's loyalty for the discount store was the merchandise selection."

Other study (Clark, 1997) points to significance of colours. It states that children's favourite colours are: purple, red, yellow, blue and green, whereas they dislike light, dark, smudgy and sophisticated colours. The same study advised not breaking through standard flavour codes such as pink or red for strawberries, brown for chocolate, etc.

Children feel comfortable in places associated with activity and social interaction (Talen and Coffindaffer, 1999; Klepacki, 1998) and retailers should provide them with that kind of areas. Younger children like brightly coloured carpeting, low and rotating shelves, extra wide aisles, colourful displays, flexible fixtures and miniature shopping carts (Barr, 1998; Sternman, 1998).

Retailers have learned in recent period that shopping for kids is an environmental experience and thus, retail environment must meet this need. For example, American retailer *Limited Too*, targeting primarily tween girls, offers girls in their stores to sample nail polish and make-up, try on clothes, try out furniture for their rooms, look through popular magazines and finally, give them a candy (Siegel et al., 2001). On the other hand, toy stores targeting preschoolers usually offer different kind of ambient – for example, *Turbo Limach,* regional toy retailer, provides kid with an opportunity to create his own teddy bear, which imposes different store's arrangement than one previously mentioned (*Limited Too*).

Since this study has not found any previous research that addressed whether children of different ages react differently to the same store's arrangement, we based our second hypothesis in the line with market observations:

H2: *The significance of the store arrangement as the criterion for the child's favourite store differs with kid's age*

3) Sales personnel as the store's functional feature

Children's most distinct needs are to be loved and accepted by their peers and parents (Acuff and Reiher, 1997). Therefore, they like spaces which are friendly, where they feel safe and protected. Even though that some findings show that salespeople have not almost any effect on children's store loyalty (Williams and Burns, 2001), the significance of shop personnel should not be neglected.

Children prefer salespeople who are kid-focused, enthusiastic and who treat them with respect (Barr, 1998). Hence, we hypothesized that the kindness of salespeople is important equally both for younger and for older children.

H3: *Salespeople attitude towards children is important for children of all ages, in order to perceive some store as their favourite*.

"A store that greets children, provides gifts for children (cookies, balloons, e.g.) and has shopping facilitators for children (scaled-down shopping carts, eye-level displays, e.g.) will attract children and make a good impression on them – an impression, incidentally, that may last a lifetime" (McNeal, 1992, (b)).

4) The ease of the access as the store's functional feature

Surprisingly, there is not almost any study that addresses this aspect of a store, with regard to children's preferences of that marketplace. It could be concluded naturally that this is the crucial factor which determine some shop to be more preferred by kids. However, McNeal (1992, (b)) argues that due to fact that children are limited by transportation and their parents' permission to visit store may spend money in stores that are convenient for them (on their way from home to school) even though the stores rate low on their preference scale. We hypothesized following:

H4: *The importance of the accessibility as the criterion for the child's favourite store differs with kid's age*

4. RESEARCH DESIGN

Studies conducted in this field can be grouped according to the methodology they have applied into two categories: i) using an experimental research and ii) based on consumers' attitudes survey. More common is second methodology and our survey belongs to this category.

Our survey was organized as a self-administered survey with convenience sampling. Sample population consisted of children 7-8 and 12-13 years old, who attended 6 schools in five cities (two schools are in capital city) all over the territory of Serbia. Those age cohorts were chosen based on psychological findings related with children's development. Studies in this field suggest that children at

stated ages are sufficiently developed, so they can make independent decisions, make self-evaluations and articulate perceptions (Roedder John, 1999; Humphrey and Humphrey, 1989).

Table 4.1: Survey plan

City	Age	Boys	Girls	Total
	7	23	21	44
	8	40	22	62
	12	25	31	56
Belgrade	13	24	27	51
		112	**101**	**213**
	7	12	10	22
	8	9	8	17
	12	9	11	20
Valjevo	13	8	7	15
		38	**36**	**74**
	7	10	11	21
	8	10	12	22
	12	9	17	26
Nish	13	10	12	22
		39	**52**	**91**
	7	7	15	22
	8	6	14	20
	12	6	11	17
Novi Sad	13	14	14	28
		33	**54**	**87**
	7	10	9	19
	8	11	12	23
	12	8	9	17
Shabac	13	10	11	21
		39	**41**	**80**
Total		**261**	**284**	**545**

For the survey we developed two types of questionnaires – one for the age group 7-8 and the other for kids 12-13 years old. The questionnaire for younger group was in colour, containing drawings and pictures, while for the older group it was black and white and included less graphic objects. The questionnaires for younger kids was written in Cyrillic and for older in Latin, taking into account

children's reading skills. The total list of respondents, given by the city and gender is provided in Table no. 4.1. As it can be seen in the previous table (no. 4.1.), the number of male and number of female respondents is almost equal (48% and 52%, respectively). There were 500 usable questionnaires, while 9% had to be dismissed. Even though questionnaires were self-administered, the authors were present for assistance. All kids were asked to complete a questionnaire during a class (45min).

5. FINDINGS AND DISCUSSION

In order to test our hypotheses we transformed questions into four variables. Since all results are represented as proportions, we performed chi-square test of independence. The aim of this test is to examine whether two variables are independent or not. Regarding that collected data was ordinal by its format, the goodness-of-fit could not have been performed. The significance level in all four cases was set up at $p \leq 0.05$.

It could be noted in the second column of table 5.1, that possible answers to all questions in the questionnaire were "yes" or "no". Each respondent had to choose maximum three out of six store's features that make some shop to be her/his favourite. As it can be observed in the following table, the number of degrees of freedom is one in all cases. The standard level of chi-square statistics, at the significance level of $p \leq 0.05$ and df=1 is 3.841.

Table 5.1: Results of Chi-square test

Examined store's feature		Child's age			Pearson Chi-Square Value	p-value
		7-8	12-13	Total		
Cheap prices	yes	83	49	132	14,671	0,000
	no	159	207	366		
Total		242	256	498		
Arrangement	yes	84	104	188	1,757	0,196
	no	157	152	309		
Total		241	256	497		
Kind salespersonnel	yes	122	86	208	13,841	0,000
	no	122	170	292		
Total		244	256	500		
Vicinity of store to child's school or home	yes	131	55	186	55,460	0,000
	no	113	201	314		
Total		244	256	500		

Firstly, as it was proved in previous studies (listed in the second part of this paper), children's sensitiveness to prices differs by their age. This statement is proven for Serbia too (p=0.000). It is already stated that children in Serbia experienced severe lack of pocket money and goods during 90ies, therefore, it is not surprising that even 34% of children ages 7 and 8, prefer stores that sell cheap products. However, it is surprising that only 19% of children in older cohort share same point of view. That could be explained in way that 12 and 13-years-olds care more about peers' opinions (Siegel et al., 2001) and consequently, favor stores that most of their friends prefer, not taking into account the prices of those merchandises.

Opposite to our expectations, there is no statistically significant difference in store's decoration appreciation between two groups of kids (p=0.196). Namely, 40.6% of the older group and 34.8% of the younger group evaluates a shop by this feature. This finding can be very beneficial direction for managers how to create distinct advantage for their business in children market in Serbia. It should be noted that results show that younger children have equal concerns about prices and store's arrangement, whereas older kids care more about shop's decoration than prices of merchandising that shop sells.

At this point, in order to have better understanding of the chi-square value in the table (13.841), it could be useful to remind that H3 stated that the kindness of the salespeople is equally important both for younger and for older children. With regard to fact that there is no evidence that there is a relation between kids' age and their store's preferences based on sales personnel attitude, we can conclude that all children equally care how they are treated by marketplace staff.

Final hypothesis is used to examine the importance of the store's location as its functional feature. It is clear, from the table 5.1, that the significance of this shop's aspect vary with child's age (p=0.000). More than a half (53.7%) of children aged 7-8 stated that their favourite marketplace is near to their school or home. This finding is in accordance with McNeal's study (1992, (b)), which discovered that young children prefer convenience stores. Most probably they are not allowed by their parents to go to distant parts of the town, so they have to shop in neigbourhood. Contrary, 21.5% (which is less than a half of the number of younger respondents that chose this answer for the same question) of older kids stressed this feature as an important for their favourite store.

6. LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

A few limitations to this study can be listed here. One of the most common is that the sample used in this survey was convenience sample. As such, the representativeness of the sample cannot be determined. Secondly, all collected data was given as proportions, therefore, the only suitable statistics was chi-square test,

which provides us with less results and it is less accurate than some other statistics. This answers format can be justified by the incompetence of children to evaluate the degree of their emotions on appropriate scales.

Furthermore, survey was conducted in cities only, consequently we cannot draw conclusions about rural children attitudes towards stores' features. Finally, this is the first study in this field in Serbia, so it is not possible to examine the shift in children's preferences over time. Moreover, there is a lack of studies regarding this topic in other transitional countries, and some comparing with them has not been possible.

Future research directions would include extending this research into investigating and understanding children preferences regarding shops' features in other countries – above all, other Eastern European countries in transition. In addition, research could be extended into understanding other important aspects of children's favourite marketplaces, beside four listed elements. Detailed and thorough survey should also examine kids' preferences with regard to the type of store (supermarkets, toy stores, book stores, etc.)

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