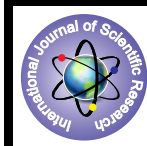


## An Empirical Study of Impact of Audiovisual Advertising on Children and their Families Buying Habits



### Management

**KEYWORDS :** Audiovisual advertising, Children, Impact, Television, Buying habits

**Dr. B. V. Sangvikar**

Professor, Dept. of Management Sciences (PUMBA), University of Pune, Pune.

**Prof. Anjali Chaudhari**

Asst. Professor, Metropolitan, B-802, Link Road, Opp. Darshan Hall, shridhar nagar, Chinchwad, Pune-33.

### ABSTRACT

*The paper titled "An Empirical Study of Impact of Audiovisual Advertising on Children & Their Families Buying Habits" gives an overview about the advertising, the various factors responsible for an effective advertisement for children, growth of overall advertising industry, growth of television advertising, major sectors advertising on television, major players of television advertising, growth of number of TV households, definition of child according to various laws & the impact of audiovisual advertising on children & their families buying habits.*

*This paper seeks to link between television advertising and its influence on children and their family's spending patterns. It was found that advertising influences children's demand for everything right from toy to snack food. These demands create an environment of child-parent conflict.*

*With the increasing income, reduction in the number of children and shrinking size of the family, the Indian child is also becoming influencing consumer for today and powerful buyer for tomorrow.*

### A. Introduction:

The world of advertising seems too good to be true to many. It has glamour; it offers the best things in life and has quick-fix solutions to almost all problems that young consumers may face. Advertising has become such an inextricable part of our lives - thanks to television - that we can't really imagine life without it. Is there a way to determine how much advertising affects our lives and influences our purchase decisions, and goes even further to change our attitudes? Besides, who monitors the subliminal and surrogate advertising that we hardly ever notice and yet, which leaves an indelible mark on our minds.

Advertising has become so integral part of our life & society that we cannot imagine any event, newspaper, magazine, TV serial, Cinema etc. without advertising. Advertising is a vital marketing tool as well as powerful communication medium. The basic objective of any advertisement is to stimulate sales, direct or indirect by trying to make tall claims about product performance.

The degree of impact of advertising on adults may be problematic but the outcome is devastating for children. Advertisers of children's television used to appeal to the parents earlier but now they appeal directly to children -- who do not have the emotional or cognitive tools to evaluate what's being sold to them. Television is no more just a source of entertainment for children. They showcase the must have for a kid making them a consumer. Thus the influence of the media on the psychosocial development of children is profound [1] Thus, it is important for the parents to know their child's exposure to media and to provide guidance on age-appropriate use of all media, including television, radio, music, video games and the Internet.

The roles of children in modern society are changing. Children continually assume larger roles in their homes, and are becoming further entrenched and involved in the shopping and buying habits of the households in which they live. [2]

Children are influenced by their surroundings, and this includes television and radio content. Studies show that nearly 61% of parents say 'Yes' to the demands of their children based on what they have seen on a TV advertisement (Hite and Eck, 1987) [3]. Hence, responsibility for this vitally important sector is becoming increasingly necessary as various controversial facets of television advertising continually emerge. Some of these controversial issues are as follows: Are children consumers? Is the selling intent of advertising understood by children? Are advertisers unfair to children? Are television commercials distinguishable from television programming? Are children affected negatively by commercials? Finally, are children ready for interactive television?

Advertising to children has always provoked strong feelings and contradictory opinions. Some advocates of child-directed advertising believe that advertising has no or negligible negative effect on children (Miller & Busch, 1979)[9] [4], and that the consequences of advertising are rarely lasting (Caron & Ward, 1975; Malrain, 1985) [5]. They argue that children are critical consumers who are capable of defending themselves against the possible harmful effects of advertising (Caron & Ward, 1975; Hite & Eck, 1987; Sheikh, Prasad, & Rao, 1974; Ward, 1984) [6]. According to other advocates, advertising provides children with valuable product information, so that they learn how to become consumers (Hite & Eck, 1987; Miller & Busch, 1979). Many opponents of child-directed advertising, however, believe that commercials aimed at young children can have a profound impact on their beliefs, values, and moral norms (Gardner & Sheppard, 1989) [7]. Critics fear that children, more than adults, are susceptible to the seductive influences of commercials because they do not have the necessary cognitive skills to protect themselves against the attractive and cleverly put advertising messages (Adler, 1980; Caron & Ward, 1975) [8].

Children's advertising is a sensitive subject that raises many issues about morality. Advertisers want to know whether their huge investment on children yields the expected results; parents and educators are eager to learn what sort of impact it has on juvenile minds. Also it is very important to know what sort of regulatory framework is present in the country, & whether it is enough to regulate the advertisers so as to maintain the societal values.

This volume presents cutting-edge research that stimulates this debate. It takes a look at whether the audiovisual advertising had any impact on children & their families buying habits.

### B. What is advertising?

The American marketing association, Chicago defines advertising as "any paid form of non personal presentation of ideas, goods & services by an identified sponsor" (American marketing association) <sup>[9]</sup>

**"Advertising is the non personal communication of information usually paid for and usually persuasive in nature about products, services or ideas by identified sponsors through the various media." (Bovee, 1992, p. 7). [10]**

Advertising has evolved to take a variety of forms and has permeated nearly every aspect of modern society. The various delivery mechanisms for advertising include banners at sporting events, billboards, Internet Web sites, logos on clothing, magazines, newspapers, radio spots, and television commercials.

Advertising is part of our daily life. It is the difficult business of making information reach large numbers of people. The purpose of advertising is to make people react to an idea, to some product or service which is offered. There are now various methods of advertising – some taking up space while some time – their effectiveness varying according to how the publicity was shaped. Different methods of advertising exist, and some businesses use all approaches, while others may use only one.

### C. What is Audiovisual Advertising?

An Audiovisual advertising combines voice; scenes and some music at one go. Television combines sound and moving images. It is one of the most expensive forms of advertising, but on the other hand it reaches a very wide audience. Advertisers buy time from TV stations to broadcast their commercials. The TV commercial is generally considered the most effective mass-market advertising format and this is reflected by the high prices TV networks charge for commercial airtime during popular TV events<sup>[11]</sup>

Television gives viewers visual representations of products or services. Advertisers' pay television companies to advertise products through commercials during movies, popular TV series, news broadcasts or sports events. The more viewers a television broadcast has, the more an advertising spot during that broadcast will cost.

### D. Factors responsible for an effective audiovisual advertisement:

Advertiser has to deem a variety of factors to attract audiences to increase product purchases. In television commercials or audiovisual advertising the advertiser has to focus on following factors to be an effective advertisement. These include repetition of an advertisement, branded characters, catchy and interesting production features, celebrity endorsements, and premiums (free merchandise that accompanies a product).

**1. Repetition:** Repetition involves simply repeating the same commercial message over and over. The idea is that familiarity with a product increases the likelihood of purchasing and using it.<sup>[12]</sup>

**2. Attention-getting production features:** These are designed to attract children's interest in commercial content.<sup>[13]</sup> Such features, which are heavily concentrated in children's television advertisements, include action and movement, rapid pacing, sound effects, and loud music.<sup>[14]</sup>

**3. Branded characters and premiums:** Successful marketing campaigns often use branded characters that is, media characters that are associated with a company, and hence promote its brand name—that appeal to children and youth.<sup>[15]</sup> Rights to use popular television cartoon characters like 'Chota Bhim', 'Doremon' etc help to sell products ranging from cereal to vacations, while animated characters such as Tony the

**4. Tiger are spokesmen for a specific product, in this instance Kellogg's Frosted Flakes. Similarly, the Ronald McDonald character is used to sell the McDonald's brand, including Happy Meals, and has recently taken on a new role as a physical fitness guru. Marketers associate the products and activities they want to sell with entertaining characters to increase interest in those products. [16] They use the same characters in online marketing campaigns and in television advertisements. They also use premiums, such as a small toy in a McDonald's Happy Meal, to increase product purchases by children online and on television.[17]**

**5. Celebrity endorsements:** Celebrity endorsements also help sell products. <sup>[18]</sup> Celebrities like Amithab Bacchan, Sachin Tendulkar, Dhoni, etc are depicted using specific products such as chocolates, health drinks, chips & wearing specific brands. Children who like those celebrities are expected to purchase these products.

**6. Product placement:** Product placement was first recognized as a successful marketing technique when the character E.T. in Steven Spielberg's 1982 movie of the same name

ate Reese's Pieces, resulting in a national spike of 66 percent in product purchases <sup>[19]</sup>. In television programs or movies, brands are not only used by characters, but even become characters. For instance, Charlie the Tuna, Twinkie the Kid, and Mrs. Butterworth fight against the evil brand X products in a film titled FoodFight! <sup>[20]</sup>. Such marketing exposure increases a consumer's familiarity with a product and can result in a favorable opinion of a brand.

### E. Growth of advertising industry

Worldwide, 2010 saw the global economy begin to recover from a steep decline in 2009. Improved economic conditions in 2010 played a major role in a rebound in consumer spend, advertising spend and most importantly in the E&M spend. Advertising, the most cyclically sensitive of the three E&M spending streams recorded the largest year-on-year swing, growing by 5.8% in 2010 from almost an 11% decline in 2009. Consumer spending grew 2.2% while E&M spending as a whole grew at 4.6% in 2010. India recorded one of the highest growths in the world growing at 11.2% in 2010. The E&M industry in 2010 stood at INR 646.0 billion as compared to INR 580.8 billion in 2009. <sup>[21]</sup>

Growth of the industry in 2006-10						
INR Billion	2006	2007	2008	2009	2010	CAGR
Television	191.2	223.9	244.7	265.5	306.5	12.5
% change		17.1	9.3	8.5	15.4	
Film	84.5	96.0	107.0	95.0	87.5	0.9
% change		13.6	11.5	-11.2	-7.9	
Print	128.0	149.0	162.0	161.5	178.7	8.7
% change		16.4	8.7	-0.3	10.7	
Radio	5.0	6.9	8.3	9.0	10.8	21.2
% change		38.0	20.3	8.4	20.0	
Internet	1.6	2.7	5.0	6.0	7.7	48.1
% change		68.8	85.2	20.0	28.3	
OOH	10.0	12.5	15.0	12.5	14.0	8.8
% change		25.0	20.0	-16.7	12.0	
Animation, Gaming	12.6	15.7	19.6	23.8	31.3	25.6
% change		24.6	24.6	21.8	31.4	
Music	7.3	7.6	6.9	7.5	9.5	6.8
% change		3.8	-8.2	8.5	25.7	
Total	440.2	514.3	568.5	580.8	646.0	10.1
% change		16.8	10.5	2.2	11.2	

**Table no.1 Growth of the industry in 2006-10**

Source: PwC Analysis & Industry Estimate

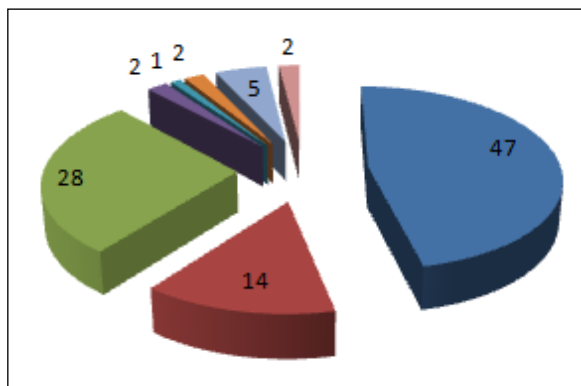
### F. Category wise breakup of media & Entertainment Industry

It was found that the television holds the maximum share of almost 47% in total entertainment & media industry. While print media holds the second position in the total market of entertainment & media industry. Films hold about 14% whereas radio, music, online games & others makeup about 12%.

**Table No.2 Category wise breakup of media & Entertainment Industry**

Category wise breakup of media & Entertainment Industry		
Sr. No.	Category	Percentage
1	Television	47
2	Films	14
3	Print	28
4	Radio	2

5	Online	1
6	OOH	2
7	Animation, Gaming, Visual effects	5
8	Music	2



Source: PwC Analysis & Industry Estimate

**G. Growth of Indian advertising industry**

In 2010, the advertisement industry rebounded well on account of improved economic conditions and showed a healthy growth. In 2010, the advertising industry witnessed a 14.3% growth and stood at INR 247.5 billion as compared to INR 216.5 billion in 2009. In the last four years, the industry recorded an overall growth at a CAGR of 11.4%. All industry segments showed healthy growth in advertisement with print and OOH recovering well from the dip in 2009 to register a growth of 13.5% and 12% respectively. Internet advertising, with 28% growth, remained the fastest-growing segment as an increasing number of advertisers are looking to use the online platform to connect with the youth. Radio also showed a healthy growth of 20% and is fast catching up with OOH. Print advertising remained the largest segment in the advertising industry at 46% followed by television at 41%. Of the advertising industry pie, the television advertising industry is projected to command a share of 42.5% in 2015, from a present share of 41.0%.<sup>[23]</sup>

**Table No.3 Growth of the Indian Advertising Industry in 2006-2010**

Growth of the Indian Advertising Industry in 2006-2010						
INR billion	2006	2007	2008	2009	2010	CAGR%
Television	66.2	78.0	84.2	89.0	101.5	11.3
% change		17.8	7.9	5.7	14.0	
Print	78.0	94.0	103.5	100.0	113.5	9.8
% change		20.5	10.1	-3.4	13.5	
Radio	5.0	6.9	8.3	9.0	10.8	21.2
% change		38.0	20.3	8.4	20.0	
Internet	1.6	2.7	5.0	6.0	7.7	48.1
% change		68.8	85.2	20.0	28.3	
OOH	10.0	12.5	15	12.5	14	8.8
% change		25.0	20.0	-16.7	12.0	
Total	160.8	194.1	216.0	216.5	247.5	11.4
% change		20.7	11.3	0.2	14.3	

Source: PwC Analysis & Industry Estimate

**Television households**

The total number of television households in India increased from 124 million in 2009 to 130 million in 2010, at a growth rate of five per cent. The penetration in India in terms of television households still remains low at 61% as compared to developed countries like the US and UK where the penetration is around

95% and 93% respectively[24]. With changing economic conditions in India, we can expect the number of TV households to increase in India in the future.

**Table No. 4 Number of TV Households in India**

Number of TV Households in India					
Million	2006	2007	2008	2009	2010
Total Households	190.0	195.0	197.0	207.0	213.0
% Change	7.0	3.0	3.0	5.0	3.0
TV Households	112.0	115.0	118.0	124.0	130.0
% Change	7.0	3.0	3.0	5.0	5.0
% TV Penetration	59.0%	59.0%	60.0%	60.0%	61.0%

Source: PwC Analysis & Industry Estimate

**H. Growth of Television advertising**

Television advertising is one of the largest segments in the total advertising pie in India. With the economic turnaround, it bounced back to double-digit growth in line with the growth of the total advertisement market. Television advertisement consists of revenue from advertisers spending on terrestrial, satellite as well as mobile TV. Mobile TV advertising though is still nascent in India. In 2010, the TV advertisement industry grew to INR 101.5 billion registering a growth of 14% over INR 89 billion in 2009[27]. The comparative past growth figures are as follows:

**Table No.5 Television Advertising Growth for 2006-10**

Television Advertising Growth for 2006-10						
INR billion	2006	2007	2008	2009	2010	CAGR
Television Advertising	66.2	78.0	84.2	89	101.5	11.3%
% Change	21.5	17.8	7.9	5.7	14.0	
% of total Television Industry	35	35	34	34	33	
% of total advertising Industry	41	40	39	41	41	

Source: PwC Analysis & Industry Estimate

The television advertising industry is a third of total television industry revenue and 41% of the total advertising industry [28]. With buoyant revenues expected in future, it is likely to consolidate its position going forward.

**I. Defining Child:**

It is very important to clearly define the term 'Child' because in India the definition of child varies from law to law. As India have more than 375 million children, more than any other country in the world. There are more children under the age of fourteen in India than the entire population of the United States.<sup>[29]</sup>

The UN Convention on the Rights of the Child, which India has ratified, defines children as persons below the age of 18. However, in India there is no one definition for a 'child'. The Census of India defines children as being below the age of 14. Social scientists include females in the age-group 15-19 years under the category of 'girl-child' demographic data. The legal conception of a child tends to vary. The age of majority is 18 years for girls and 21 years for boys, under the Indian Majority Act. A child is defined differently for different purposes under various other laws, According to the Constitution of India (Article 23), no child below the age of 14 must be employed in a factory or mine or engaged in any other hazardous employment. Article 45 says that the State will provide free and compulsory education to all children up to the age of 14. These different age-specifics under

different laws confound the very definition of a child.

### J. Impact of Television Advertising on Children

There are several issues associated with television advertising and its impact on child. Research reveals following concerned areas in this regard.

- a) Physical health of child
- b) Mental stress for not owning the product of his choice,
- c) Diet habits,
- d) Family stress (as a result of influence on family spending)
- e) Violent behavior,
- f) Consumption of alcoholic drink, and
- g) Smoking

This study is confirmed with only one influencing factor that is influence on family spending pattern. Television advertising found to influence diet habit particularly in terms of tendency to buy unhealthy food. The second factor is family disturbance due to child influence on family's spending. This paper seeks to link between television advertising and its influence on children and their family's spending patterns. Advertising influences children demand for everything from toy to snack food. These demands create an environment of child-parent conflict. Parents' finds themselves having to say no over and over again to children whose desire are aggravated by effective advertising [30]. Another source of animosity is the family budget. Advertising makes kids want things -- it creates desire --which puts a lot of pressure on parents. Television is a showcase for "must have" items that parents are expected to buy [31]. Levin says, "Kids and parents always have to struggle about purchases. When a parent says, 'No, I can't buy that, I don't have enough money', there's an underlying sense that the parent is not meeting the child's needs and is depriving the child of what he or she needs to be happy"[32] At the same time, the youngster is learning how to get parents to respond to his or her wishes and wants. This may take the form of a grunt, whine, scream, or gesture--indeed some tears may be necessary--but eventually almost all children are able on a regular basis to persuade Mom or Dad to buy something for them. The study reveals that most of the time children determine the family budget. There is greater influence on food items and toys. There are certain families where in the purchase decision regarding buying of cars, electronic equipments are also to the extent influenced by children. With the increasing income, reduction in the number of children and

shrinking size of the family, the Indian child is also becoming influencing consumer for today and powerful buyer for tomorrow.

Researchers at the Child and Family Lab at the University of Texas at Austin have determined that children begin showing brand preferences around 23 months (Pope, 1993). Moore and Lutz (2000) found that younger children are more actively involved in advertisements and their recall of ad content is significantly higher than older children. Children are exposed almost from birth to advertising to the degree that before they can form a complete sentence, they can recognize a McDonald's when they pass by one, or see an advertisement on television.

For children age six to 13, "fitting in" is of utmost importance to their mental growth and "at this level, peer pressure is so intense it's stronger than family, stronger even than their own internal smarts" (Pope, A5). Children pay particular attention to what their friends are wearing, what products their friends and their family consume, where friends spend their leisure and vacation time, and even what kind of car their peers arrive at school in. At the ripe old age of eight, children begin to place specific demands on family purchases of all kinds, influenced by what they think is cool and through peer pressure (Cardona & Cueno, 2000). Many children would not think of wearing a pair of jeans, or buying a video game that was not endorsed by their peers.

Many parents openly admit that they over-extend their budgets to purchase the "cool" toys that their children are demanding, especially around the Christmas holidays and on their birthdays. This trend toward overspending may have been brought about by three different yet sometimes overlapping types of parents: (1) parents who feel that they do not spend the quantity of time needed to properly raise their children, so they lavish their children with expensive gifts to dull their own guilt; (2) by the old "race-with-the-Joneses" type parents who do not want the children of their own peers to have more "gadgets" than their own children; and (3) those parents who just want their children to have much more of everything life has to offer than they had as children. Older parents and younger professionals are getting their finances in order and waiting longer to have children. This has led to their ability to spend more on their children (Cardona & Cuneo, 2000). Whatever the cause, the spending on these high-cost, highly demanded products is not slowing down and marketers are taking advantage of the chance to rake in the profits.

## REFERENCE

1. Blatt, J., Spencer, L., & Ward, S. (1972). A cognitive developmental study of children's reactions to television advertising. In E. A. Rubinstein, G. A. Comstock, & J. P. Murray (Eds.), *Television and social behavior* (pp. 468-490). Washington, DC: US Government Printing Office. | 2. Subir Bandyopadhyay "Is Television Advertising Good for Children? Areas of Concern and Policy Implications": University of Ottawa, Gurprit Kindra University of Ottawa, Lavinia Sharp McGill University. | 3. Hite, R. E., & Eck, R. (1987). Advertising to children: Attitudes of business vs. consumers. *Journal of Advertising Research*, 27 (5), 41-53. | 4. Hite, R. E., & Eck, R. (1987). Advertising to children: Attitudes of business vs. consumers. *Journal of Advertising Research*, 27 (5), 41-53. | 5. Miller, J. H., & Busch, P. (1979). Host selling vs. premium TV commercials: An experimental evaluation of their influence on children. *Journal of Marketing Research*, 16, 323-332. | 6. Caron, A., & Ward, S. (1975). Gift decisions by kids and parents. *Journal of Advertising Research*, 15 (4), 15-20. | 7. Sheikh, A. A., Prasad, V. K., & Rao, T. R. (1974). Children's TV commercials: A review of research. *Journal of Communication*, 24 (4), 126-136. | 8. Gardner, C., & Sheppard, J. (1989). Consuming passion: The rise of retail culture. London: Unwin Hyman. | 9. American marketing association | 10. Courtland Lowell Bovee, William F. Arens, Bovee "Contemporary Advertising" McGraw-Hill School Education Group, 1992 p. 7 | 11. Churchill G. A., and Peter, P. J. *Marketing: Creating Value for Customers*. Boston: Irwin. 1995. | 12. S. Auty and C. Lewis, "The 'Delicious Paradox': Preconscious Processing of | Product Placements by Children," in *The Psychology of Entertainment Media: | Blurring the Lines between Entertainment and Persuasion*, edited by L. J. Shrum | (Mahwah, N.J.: Lawrence Erlbaum Associates, 2004), pp.117-33. | 13. C. Huston and J. C. Wright, "Public Policy and Children's Television," *American Psychologist* 44 (1983): 424-33. | 14. D. Greer and others, "The Effects of Television Commercial Form and Commercial Placement on Children's Social Behavior and Attention," *Child Development* 53 (1982): 611-19; R. Welch and others, "Subtle Sex-Role Cues in Children's Commercials," *Journal of Communication* 29 (1979): 202-09. | 15. Institute of Medicine, *Marketing Food to Children and Youth* (see note 4). | 16. D. Kunkel and others, Report of the APA Task Force on Advertising and Children (see note 15). | 17. S. L. Calvert, *Children's Journeys through the Information Age* (Boston: McGraw Hill, 1999). | 18. *Ibid.* | 19. Mazur, "Marketing Madness" (see note 1). | 20. D. Eisenberg and others, "It's an Ad, Ad, Ad, Ad World" (see note 22). | 21. PwC Analysis and Industry Estimates-India Entertainment and Media Outlook 2011 | 22. PwC Analysis and Industry Estimates-India Entertainment and Media Outlook 2011 | 23. PwC Analysis and Industry Estimates-India Entertainment and Media Outlook 2011 | 24. PwC Analysis and Industry Estimates-India Entertainment and Media Outlook 2011 | 25. PwC Analysis and Industry Estimates-India Entertainment and Media Outlook 2011 | 26. PwC Analysis and Industry Estimates-India Entertainment and Media Outlook 2011 | 27. PwC Analysis and Industry Estimates-India Entertainment and Media Outlook 2011 | 28. PwC Analysis and Industry Estimates-India Entertainment and Media Outlook 2011 | 29. Department of Women and Child Development Annual Report - 2005-2006, Government of India - Ministry of Women & Child. | 30. O' Guinn Allen, Semenik, "Advertising2", south-western College Publishing 2000 | 31. Mass Media and Child Obesity-The advertising impact on increased weight gain- Column published by 'Dr.Richard Visser' in | 32. [http://www.lafamily.com/display\\_article.php?id=1433](http://www.lafamily.com/display_article.php?id=1433) | 33. Mindy Bilgerly, Advertising's Impact on Kids, Health A to Z available at <http://www.healthtoz.com/healthtoz/atoz/common/standard/transform.jsp?requestURI=/healthtoz/atoz/hc/chi/kids/alert10102002.jsp>