

Turnitin Better Understanding The 4th Market

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BETTER UNDERSTANDING THE 4TH MARKET OF CHILDREN AS CONSUMERS

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Children are a big market with great potential. As reported by www.quora.com, for just the clothing market, the children's market is approximately US\$ 173.6 billion dollars. Some studies revealed that the market total for children reaches 80 billion USD annually for 2019. According to Haryanto et al. (2015), the children's market consists of three simultaneous markets, which are: First, the primary market, where children spend their money to purchase the products they like. Children's spending is reflected from the data on the pocket money that is given to them by their parents. Data in Indonesia that was surveyed from TotalAwesome (a child-friendly advertisement and digital content platform) in 2016-2017 showed that for children between the ages of 4 and 14 years old, they receive an average monthly allowance of Rp 550,000. The money is mostly spent for meal (No. 1), drinks (No. 2), toys (No. 3), and snacks and books (No. 4).

Still according to data from TotalAwesome, children's pocket money in Australia is the highest (equivalent to Rp 1.7 million per month), while the second highest total is in Singapore (equivalent to Rp 1.4 million).

Meanwhile, data from US RoosterMoney 2018, conveyed that for children between the ages of 4 and 14 years old in the United States, the average amount of pocket money received per month is about Rp 500,000, which is spent primarily on candy (No. 1), gifts (No. 2), and books (No. 3).

Second is the influencer market which does not only aim for children as the final consumers but also their parents and those around them who are influenced by the children. Since the age of two years old, children can influence their parents, and about two-thirds or 70% of purchases which are made by parents are influenced by children (McNeal & HwaYeh, 1996).

Third is the potential market, in which children at this time who use a particular brand or product will potentially keep using it when they become adults, and this is referred to as a future market. Imagine if a child has been a McDonald's consumer since the age of 5 years old or even earlier, and for the next 70 years or more into the individual's adulthood or retirement age the person is still a McDonald's consumer because of being accustomed at a very young age, it will create great potential income for McDonald's from the child.

What is Left Behind

From exploring various research and observations, actually there is a 4th market from children, which is the unrecognized market.

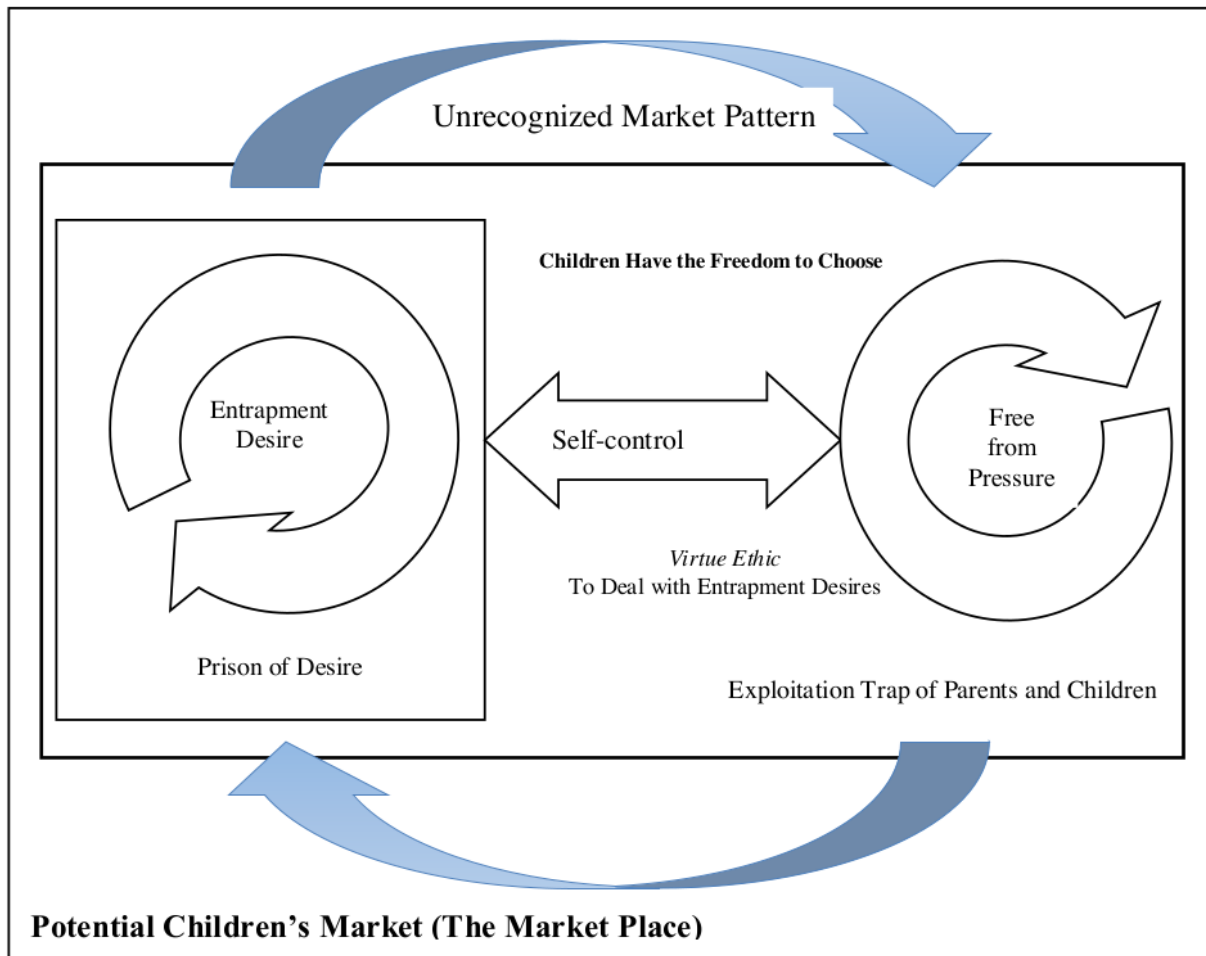
In research about children, there is still not much exploration into children as a future market or what factors make parents choose products for their children (e.g. Smahel et al., 2015; Whitebread & Bingham, 2013). Since there is a lack of studies about the unconscious factors that influence parents to select a certain product, it is an interesting subject to research. For instance, a mother who buys a toy for her child frequently unconsciously buys an educational toy and not just a regular toy. Likewise, when purchasing insect repellent, a mother will buy the one that is perceived to be safer for children.

This market is considered to be the 4th market, which is an unrecognized market that will become increasingly large with the higher education and literacy of parents, especially parents or dominated by mothers related to health and education.

As developing humans, children certainly have numerous wants and needs that keep developing. As parents, they will try their best to meet these desires based on their individual strengths. In fulfilling these needs, of course parents have a picture about the ideal image of their children in the future. This image is inseparable from the parents' habits, lifestyles, and backgrounds. If parents succeed to meet these needs, then a feeling of gratitude and happiness will surface. In contrast, if they are unable to fulfill these desires, then it will cause a feeling of guilt and regret.

From the various research that has already been done, the author tried to make a model about an unrecognized market, which is my contribution to the research and literature in the marketing field for children.

Figure 1.
Unrecognized Market Pattern



Although this unrecognized market is very big and real, Figure 1 above depicts that in the marketplace, whether aware or unaware, parents strive to fulfill this 4th market, which is by providing for their children's needs to the best of their ability. If this is not managed well, it will create excessive consumption power that has the potential to disrupt the family finances. If this continues, the parents will be trapped in a prison of desire. For instance, parents may force their children to go to an expensive and prestigious school that actually exceeds their family's financial ability. As a result, every month the parents have financial difficulties because of their desire to send their children to an expensive school. Therefore, parents need to control their children's wants as well as their own desires as parents in purchasing or choosing products for their children. If it is not controlled, then it will create an exploitation trap for parents and children by marketers. If it continues, it will give rise to a spoiled and irresponsible generation, because they are accustomed to having all their wants and needs met.

Managers need to seriously conduct research to explore this 4th market. Oftentimes, managers only focus on parents as their market target and forget that actually parents act because there is an unrecognized market due to the presence of children.

COMMENTARY

An article titled "A Neural Network Approach to Understanding the Children's Market" by Haryanto et al. (2015), clarified that there are hidden neurons which explain that brand loyalty in children is influenced by several main factors, including brand personality, brand trust, brand salience, brand relationship, buying habitation, and autobiographical memory. These six factors are antecedents of brand loyalty in children.

Their article provides a new understanding that the presence of hidden neurons can explain the existence of the 4th market, which is the unrecognized children's market.

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