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# Store visits and information sources among urban Chinese children

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## Abstract

**Purpose** – The purpose of this article is to examine how often urban children in mainland China interact with different types of retail shops, how they learn about new products and services, and their attitudes toward different sources of product information.

**Design/methodology/approach** – A survey of 965 urban children ages six to 13 in four Chinese cities, including Beijing, Guangzhou, Nanjing and Shanghai, was conducted in November 2003 to May 2004. Questionnaires were distributed through eight elementary schools and local researchers were appointed to administer the data collection.

**Findings** – The three most popular retail shops among urban Chinese children were bookstores/stationery stores, supermarkets, and restaurants and fast food shops. Store visits and consumption varied greatly with age and gender. Generally speaking, urban children perceived personal sources as useful as, and more credible than commercial sources in obtaining information about new products and services. Older children found commercial sources more useful and credible than younger children. Older children also found more information sources useful than younger children.

**Research limitations/implications** – Three of the four surveyed cities were highly advanced in terms of economical and advertising development when compared with all other Chinese cities.

**Practical implications** – A very useful advice for marketers and advertisers to select the right type of retail outlets and media to reach urban Chinese children. Internet and children's print media can be good potential media for promotion.

**Originality/value** – This paper offers insight to design retail and media strategies to disseminate new product information to urban children in China.

**Keywords** Consumer behaviour, Shopping, Children (age groups), Mass media, China

**Paper type** Research paper

**An executive summary for managers and executive readers can be found at the end of this article.**

## Introduction

China, the country with the largest population of children in the world, adopted a single-child policy in 1979 (Zhang and Yang, 1992). In recent years, there is sign of relaxation of the policy in some cities. For example, Shanghai announced that divorcees, husband and wife coming from a one-child family could have two children (*Channel NewsAsia*, 2004). These only children have a substantial amount of their own money to spend and exert a great influence on their household spending (McNeal and Yeh, 1997). In the year 2001, there were almost 300 million children under age of 15 in China with approximately one-third urban, two-thirds rural (Population Reference Bureau, 2004). A number of global as well as local marketers are keen to design marketing communication campaigns to make the young consumers aware of their products, create a positive attitude toward the products, associate the products with certain symbolic

meaning, or show where to buy the products. McNeal and Ji (1999) studied 460 urban Chinese children in grades 4 to 6 and found that television was a very important source of new product information. However, the study did not examine children's evaluation of credibility of information sources. Also, McNeal and Ji's (1999) study surveyed children in grades 4 to 6 only and thus unable to provide information about the development of shopping knowledge and perception of information sources with age. The study presented here remedies this limitation by extending the scope to cover children age six to 12 in urban China. Using John's (1999) framework of consumer socialization, the objectives of the current study are to compare older and younger children on the perceived usefulness and credibility of sources of information for new products. The second objective is to assess the degree to which age and gender factors have influenced children's store visits.

Besides the fact that China has the largest number of children, there are other important reasons to study this group. First, social and economic reforms are leading to a rapid increase in consumer incomes and demand for products and services (Batra, 1997). China's enormous population and growth in consumer demand are resulting in several new market segments with distinctive profiles including its children (Schmitt, 1999). In the ten-year period from 1990 to 1999, proportion of family income spent on children has increased dramatically. In 85 percent of urban families, children's average consumption is equal to one-third or more

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of the family's income. Resources are being directed to children's food and dietary supplements, toys, travel, computers and other electronic equipment, and educational resources (Ying, 2003). The children have enormous market potential, theoretically more than any other demographic group, since they have their own money to spend, they determine perhaps 67 percent of their parents' spending, and they have all of their purchases ahead of them (McNeal and Yeh, 1997). Also, it is important to know what information they use to guide their marketplace behavior since it will determine their purchases and their purchase requests to their parents. Chinese children's shopping behavior patterns together with their product information gathering are very important to the design of strategies of those marketers that target this large market.

## Literature review

### Urban consumer market in China

Since Premier Deng Xiaoping established the Open policy in 1979, the Chinese economy has been enjoying rapid growth. Its annual percentage increase in GDP for the period 1979 to 2000 averaged above 7 percent. During the initial five years from 1979 to 1984, the growth rates for the agricultural and industrial sectors were similar. For the period 1985 to 2000, agriculture continued to grow but at only one-third of the pace of industry and about half that of the service sector, due to rapid industrialization and the development of the special economic zones (Anderson *et al.*, 2002). Agriculture's share of employment dropped steadily from 69 percent in 1980 to 50 percent in 2000 (State Statistical Bureau, 2002). As a result, there has been a widening gap in income between the urban and the rural.

In the first six months of 2004, consumer retail sales of the nation were 2.5 trillion yuan. The urban residents that represent about one-third of the population contributed almost two-third of the total retail sales. The remaining two-thirds of the population residing in rural areas contributed one-third of the total retail sales (State Statistical Bureau, 2004). Under the planned economy in the past, wholesale and retail services were a state monopoly. This legacy has impeded the development of a nationwide market in China. Foreign companies have been playing a major role in the transformation of China's distribution system. Companies and supermarket chains like Walmart and Carrefour introduce high quality service, the use of information technologies in selling and marketing, and scientific management to the retail industry in China. WTO membership will force domestic Chinese companies to put more emphasis on sales and marketing, and as a result, facilitating expansion of consumer markets (Taylor, 2003).

### Children as consumers

The process by which children acquire skills, knowledge, and attitudes relevant to their functioning as consumers in the marketplace is termed consumer socialization (Ward, 1974). Children learn consumer behavior patterns from various socializing agents including parents, peers, schools, stores, media, and the products themselves and their packages (Moschis, 1987).

There are two principal interpersonal sources from which children learn about products and their consumption: parents and peers. It has been shown for years in Western nations that

the parents are probably most instrumental in teaching young people basic rational aspects of consumption such as understanding price-quality relationships, handling money wisely, and obtaining appropriate information before making purchases (e.g. McNeal, 1987; Ward *et al.*, 1977). Evidence suggests that the more often that parents or other caretakers take children shopping, the more conscious the children become of information about products such as their brands and prices (Shim *et al.*, 1995). A survey of Beijing children indicated that urban children often accompany their parents to the marketplace and make independent purchases (McNeal and Yeh, 1997). The most frequented store types were food stores, toy stores, and stationery stores, in this order. There is evidence to suggest that family communication processes modify the effects of other socializing agents, in particular the medium of television (McLeod *et al.*, 1982). In China, parents hold negative attitudes toward television advertising. They perceive that advertising is deceptive and annoying (Chan and McNeal, 2003a). Parents who engaged in high level of concept-oriented communication about consumption were more likely to discuss with children about television advertising (Chan and McNeal, 2003b).

Like parents, peers can directly and indirectly affect children's consumer socialization. Several studies suggest that children learn the symbolic meaning of goods or expressive elements of consumption from their peers at school and at play (Moschis and Churchill, 1978; Moschis and Moore, 1982). In addition, peers play an important role in the development of children's preference for stores, products, brands of selected products, media, and television programs. In China the prevalence of the single-child household would seem to give even more than normal regard to peers as playmates, and therefore, as influencers of children's consumer behavior patterns.

There are a number of commercial sources of information about products and their attributes, but two – retailers and media – have been empirically shown to be particularly important. Advertising media have probably received more attention in the research literature than any other socializing agent (Moschis, 1987). Both advertising and editorial/program content of the mass media provide children with knowledge and guidance in their consumer behavior development. McNeal and Ji (1999) found that Chinese children utilized a wide variety of information sources to learn about new products including parents, retail outlets, and the mass media, and that they considered television to be the most important. The researchers concluded that a new consumer generation is emerging in urban China that is more exposed to and more open to commercial sources.

Integrating Piaget's (1970) theory of cognitive development and Selman's (1980) theory of social development, John (1999) proposed a model of consumer socialization. In the model, consumer socialization is a developmental process from the perceptual stage to the analytical stage, then to the reflective stage. Children in the perceptual stage (aged three-seven) have limited awareness of information sources. Children in the analytical stage (aged seven-11) have an increased awareness of personal and mass media sources. Children in the reflective stage (aged 11-16) have contingent use of different information sources depending on the product or situation (John, 1999). As children grow older, they develop a greater awareness of different information sources and deploy these sources in a more flexible manner (Moore and Stephens, 1975; Moschis

and Moore, 1979; Stephens and Moore, 1975; Ward *et al.*, 1977). They also develop preferences for specific information sources (Moore and Stephens, 1975). In John's (1999) model of consumer socialization, information sources refer to general product information sources. We think that the model should also be applicable to new product information sources, which is a specific category of product information. The current study adopts a consumer-oriented approach in defining an innovation (Rogers, 1995). A "new" product is any product that a potential consumer (a child) judges to be new. It can be products to be used by children or by adults.

The credibility of various information sources affects how young consumers receive and process the message. The sponsor of the communication, together with his or her perceived honesty and objectivity, has an enormous impact on how the communication is accepted by the receivers (Schiffman and Kanuk, 2004). When the source is perceived to be credible, the intended audience will be more likely to believe it, and vice versa. Credibility is grounded in the perceived intentions of the source. Informal informational sources such as friends and family members are often perceived as credible sources because they have nothing to gain from the product recommendation. On the other hand, commercial sources such as advertisements and salespersons are often perceived as incredible sources because they obtain material gain from the product recommendation.

## Hypotheses

Previous research indicates that Chinese urban children rank television, parents, store visits, friends and newspapers most important new product information sources (McNeal and Ji, 1999). Among these five sources, three are commercial and two are personal. We therefore hypothesize that:

- H1. Urban children will find commercial sources more useful than personal sources in getting information about new products and services.
- H2. Urban children will find commercial sources more credible than personal sources in getting information about new products and services.

According to John's (1999) model of consumer socialization, children in different developmental stages will use different information sources for different product categories or situation. They also develop preferences and skepticism for specific information sources. Younger children acquire their consumer behavior norms through observing their parents and older siblings, while adolescents and teenagers are likely to look to their friends for consumption models. In a survey, kindergartners, third graders, and sixth graders were asked how they obtain information about new toys, snack foods, and clothing. The average number of information sources increased with age. Kindergartners relied most on in-store visits, while third and sixth graders added mass media advertising and interpersonal sources to their lists (Ward *et al.*, 1977). In a study to explore children's understanding of safe product use, interviews were conducted with 615 pairs of mothers and children. The children were either five, eight or 11 years-old. Data was collected as to whether the children knew they could get hurt using two specific products, i.e. toasters and aerosol spray cans and who warned them of the danger. The results show that mothers are the most important source of information about product safety (Faber and Ward, 1977). Adolescents favored peers and friends over parents and

mass media for information (Moore and Stephens, 1975; Tootelian and Gaedeke, 1992). Adolescents also reported different preferences of information sources for different types of products. For high-risk products, adolescents still depended on parents. For products where peer acceptance was important, adolescents relied on peers (Moschis and Moore, 1979). Adolescents relied less on mass media as information sources probably because they have learned to be skeptical of advertising or because they consumed less television (Moschis and Moore, 1979). A survey of 1,758 grade 1 to 6 urban Chinese children found that skepticism of advertising increased with age. A total of 17 percent of children in grade 1 perceived that nearly all television commercials are true while only 6 percent of children in grade 6 thought so (Chan and McNeal, 2004). Therefore, we hypothesize that:

- H3. Older children will find parents and grandparents less useful than younger children in obtaining new product information.
- H4. Older children will find peers more useful than younger children in obtaining new product information.
- H5. Older children will find more information sources useful than younger children in obtaining new product information.
- H6. Older children will perceive commercial sources less credible for new product information than younger children.

## Methodology

### Participants and procedures

Respondents were 965 grade 1 to 6 students ages six to 13 years, who were recruited from eight schools in Beijing, Guangzhou, Nanjing and Shanghai. All the schools were situated in urban areas. There were nearly equal numbers of boys and girls. The mean age of the respondents was 9.3 years (SD = 2.0 years). A total of 82 percent of the respondents were the only child in the family. There was no relationship between sex and whether the respondent was a single-child (Chi-square = 1.4,  $p = 0.1$ ). A draft questionnaire in Chinese was constructed based on previous studies (McNeal and Ji, 1999; Bu, 2001). The questionnaire was tested and revised. Four communication scholars in China were appointed as researchers to recruit elementary schools and conduct the data collection during the period November 2003 to May 2004. For children in grades 1 to 3, the researchers read out the questions as well as the answers, and asked the children to select the most appropriate answers on their own. Children in grades 4 to 6 were asked to fill in the questionnaires by themselves. All aspects of the research procedure were conducted in Chinese (Mandarin). Eight questionnaires were invalid as over half of the questions were not answered and the response rate was 99 percent.

### Measures

#### Household ownership of media

Children were asked if they owned 11 types of media such as TV and children's newspapers in their homes on a dichotomy level.

*Store visits and consumption*

Children were asked if they had visited or consumed at different types of retail shops by the question: “in the past month, have you ever been to the following shops (exclude street vendors) and bought things on your own?” There were a total of 12 types of retail shops (see Table I). Children chose from three answers, “no”, “yes, visited the shop but did not buy things”, and “yes, visited the shop and spent money there”.

Perceived usefulness/credibility of new product information sources was measured by having respondents rate the usefulness or credibility for product information of 11 different sources (see Table II) on a four-point scale (1 = not helpful at all, 4 = very helpful; 1 = not trustworthy at all, 4 = very trustworthy). Respondents could choose “don’t know”.

**Findings**

Household ownership was very high for TV (96 percent) and children’s books (93 percent), high for cassette player (79 percent), VCD player (75 percent), radio (74 percent), magazines (71 percent), children’s newspapers (68 percent) and computer (67 percent), medium for DVD player (58 percent), video cassette recorder (46 percent), and electronic game player (42 percent). Figure 1 shows the popularity of different types of stores among urban Chinese children. The three most popular retail shops among urban children were

bookstores/stationery stores, supermarkets, and restaurants and fast food shops. The percentages of children who had visited these shops in the past month were 78 percent, 72 percent and 68 percent respectively. These visits did not have to be in their cities. The visits could include those shops in another city, for example, on vacation or to visit their families or relatives in another place. The least popular shops were cyber cafes, electronic games centers, and computer stores. Only 9 percent, 15 percent and 26 percent children had visited these three types of shops respectively in the past month. This suggests that urban children generally are not familiar with shops selling computer hardware and software. Results indicated that when urban children visited retail shops, they did not often make independent purchases. In all 12 types of shops, the percentage of children who bought things on their own was less than 40 percent in the past one month for nine types of shops. But for the shops they frequently visit (i.e. bookstores/stationery stores, supermarkets, and restaurants and fast food shops), over half of the respondents had bought things on their own in the past month.

Table I shows the percentage of respondents visited the various types of shops by age and by sex. Two-way ANOVA and *F*-tests were used to investigate whether the pattern of children’s store visits depended on demographic variables. To facilitate the test of models, the variables of store visits were recoded into two levels (0 = not visit, and 1 = visit). Age and sex were more or less equally important factors in affecting

**Table I** Store visits in the past month including with or without purchase

Type of stores		Age group (%)				Total (%)	Partial <i>F</i> -statistics			
		6-7 ( <i>n</i> = 221)	8-9 ( <i>n</i> = 276)	10-11 ( <i>n</i> = 306)	12-13 ( <i>n</i> = 156)		Age	Sex	Age*sex	<i>F</i> -stat of full model
Bookstores/stationery stores	Boys	63	66	77	79	71	5.5***	24.1***	0.4	6.3***
	Girls	79	83	90	88	85				
Supermarkets	Boys	63	63	74	78	69	5.7***	3.0	1.1	3.6***
	Girls	73	68	85	74	75				
Restaurants and fast food shops	Boys	53	66	72	71	66	5.4***	1.9	1.3	3.0**
	Girls	66	63	77	74	70				
Department stores	Boys	52	53	66	61	58	4.4**	0.2	0.1	1.9
	Girls	54	56	67	60	60				
Clothing stores	Boys	47	42	50	44	46	2.5	21.1***	0.8	4.6***
	Girls	71	54	62	56	61				
Toy stores	Boys	51	52	48	36	48	6.5***	6.2*	0.4	3.6***
	Girls	48	45	39	22	40				
Sport stores	Boys	41	41	57	42	46	4.1**	1.6	0.6	2.3*
	Girls	42	35	46	40	40				
Music/video stores	Boys	36	31	44	45	39	5.2**	0.1	0.4	2.5*
	Girls	39	27	39	46	37				
Food stores	Boys	34	30	39	37	35	2.0	2.4	1.0	1.5
	Girls	35	27	36	22	31				
Computer stores	Boys	22	28	39	44	33	2.4	25.2***	3.7*	6.1***
	Girls	22	16	21	14	19				
Electronic games centers	Boys	30	17	20	13	20	4.9**	21.9***	0.8	5.5***
	Girls	14	11	8	3	9				
Cyber cafés	Boys	14	12	11	11	12	1.6	12.7***	0.6	2.7**
	Girls	10	3	6	1	5				

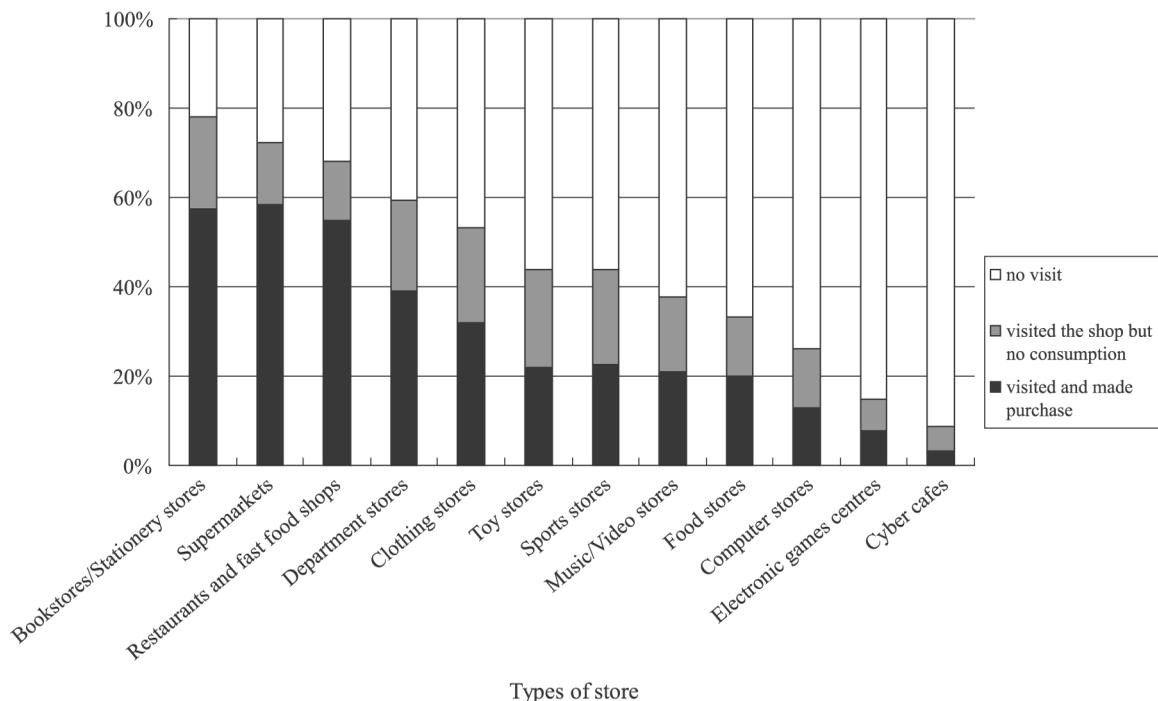
Notes: \* $p < 0.05$ ; \*\* $p < 0.01$ ; \*\*\* $p < 0.001$

Table II Store consumption in the past month

Type of stores		Age group (%)				Total (%)	Partial <i>F</i> -statistics			<i>F</i> -stat of full model
		6-7	8-9	10-11	12-13		Age	Sex	Age*sex	
Clothing stores	Boys	31	22	33	32	29	1.5	3.4	0.6	1.4
	Girls	31	33	37	40	35				
Toy stores	Boys	29	30	29	26	29	0.3	26.1***	0.1	4.2***
	Girls	16	15	14	13	15				
Sport stores	Boys	24	16	35	31	26	9.7***	6.3*	0.8	5.5***
	Girls	11	13	26	27	19				
Music/video stores	Boys	19	15	27	38	24	11.1***	3.9*	0.1	5.5***
	Girls	15	11	20	32	18				
Computer stores	Boys	8	12	24	29	18	5.6**	25.8***	4.8**	8.2***
	Girls	6	7	8	7	7				

Note: Only those types of stores with age group and sex effects different from that of the store visits are shown here

Figure 1 Store visits and consumption in the past month



store visits. Out of the 12 types of shops, visits to food shops had no age or sex difference. That means children of all age group and both sexes had the same likelihood of visiting food shops. Visits to five types of shops including supermarkets, restaurants and fast food shops, department stores, sport stores, and music/video stores showed age differences but no gender differences. That means boys and girls are equally likely to visit these shops but older children and younger children have different likelihood's in visiting these shops. *Post hoc* Duncan pair-wise tests indicated that in general, older children were more likely to have visited these five types of shops in the past month than younger children. Visits to three types of shops including clothing stores, computer stores and cyber cafes showed gender differences, but no age differences. That means older and younger children are equal likely to visit these shops but girls and boys have different likelihood's

in visiting these shops. Girls were more likely than boys to have visited clothing stores in the past month. Boys were more likely than girls to have visited computer stores and cyber cafes in the past month. For visits to computer stores, there were age differences for boys too. Older boys were more likely than younger boys to have visited computer stores in the past month. Three types of shops including bookstores/stationery stores, toys stores and electronic games centers showed both age and sex differences. That means boys and girls, and older and younger children had different likelihood's of visiting these stores. For bookstores and stationery stores, *post hoc* Duncan pair-wise tests indicated that older children were more likely to visit than younger children. Also, girls were more likely to visit bookstores and stationery stores than boys. Boys were more likely to have visited toy stores and electronic game centers than girls. Also, children aged 12 to 13 were

least likely to have visited toy stores while children aged six to seven were most likely to have visited electronic game centers in the past month.

When taking the average of the 12 percentages representing percentages of visiting to 12 types of stores in the past month, the average was 46 percent for boys and 45 percent for girls. There was no significant difference between store visits of boys and girls. However, there were significant differences in store visits for children of different age groups. The average percentages of store visits were 45 percent, 42 percent, 49 percent and 45 percent for respondents in age groups six to seven, eight to nine, ten to 11, and 12 to 13 respectively. Children in age group ten to 11 were more likely to visit stores in the past month.

Again, two-way ANOVA and *F*-tests were used to investigate whether store consumption depended on demographic variables. To facilitate test of models, the variables of store consumption were again coded into two levels (0 = not visit or not consumed, and 1 = visit and consumed at stores). The patterns of store consumption by age and sex were similar to that of store visits except for five types of stores. In order to avoid confusion with store visits, store consumption for these five types of stores were shown in Table II only. These five types of stores include clothing stores, toy stores, sport stores, music/video stores, as well as computer stores.

Consumption at clothing stores showed no sex and no age group differences although visits at clothing stores showed sex difference. In other words, although girls were more likely to visit clothing stores than boys, boys were as equally likely to consume at clothing stores as girls. Consumption at toy stores showed sex difference but no age group differences while visits at toy stores showed both sex difference and age group differences. That means, although older children were less likely to visit toy stores than younger children, they were as likely to consume at toy stores as younger children. Consumption at sport stores and music/video shops showed both sex difference and age group differences. Table I shows that store visits to sport stores and music/video shops reported only age group differences. That means, not only older boys were more likely to have visited sport stores and music/video shops than older girls, older boys were also more likely to have consumed at sport stores and music/video shops than older girls. Consumption at computer stores showed both sex and age group differences while visits at computer stores showed sex difference only. That means in addition to the result that boys were more likely to have visited computer stores, older boys were more likely to consume at computer stores than older girls.

When taking the average of the 12 percentages representing percentages of independent consumption at 12 types of stores in the past month, the average was 31 percent for boys and 28 percent for girls. There was no significant difference between store consumption of boys and girls. However, there were significant differences in store consumption for children of different age groups. The average percentages of store consumption were 24 percent, 25 percent, 34 percent and 35 percent for respondents in age groups six to seven, eight to nine, ten to 11, and 12 to 13 respectively. Children in age group ten to 13 were more likely to consume at stores in the past month than children in age group six-nine.

Table III shows the perceived usefulness and perceived credibility of various information sources for new products. Paired sample *t*-test showed that children ranked television as

the most useful information source, followed by friends and classmates. Four information sources ranked third including parents, newspapers, shops and internet. Among all the sources, grandparents were perceived to be the least useful for new product information. By using paired sample *t*-test, personal sources were perceived as useful as commercial sources ( $t = 1.4$ ,  $df = 879$ ,  $p = 0.9$ ). As a result, *H1* was not supported.

Children ranked parents and teachers as most credible information sources followed by grandparents, then friends and classmates. Street ads were perceived to be least credible. Personal sources were perceived to be more credible than commercial sources ( $t = 18.9$ ,  $df = 875$ ,  $p < 0.001$ ). As a result, *H2* was not supported.

Table IV shows the perceived usefulness of various information sources for new products by age group. Results of *F*-test indicated that perceived usefulness of information source was different among children of different age groups. Nine out of 11 sources showed significant *F*-statistics. For personal sources, older children perceived friends and classmates more useful than younger children. Younger children were more likely to perceive grandparents and teachers as useful information sources for new products. Children of all age groups perceived parents to be useful to a similar extend. In general, older children found parents and grandparents less useful in providing information about new products than younger children. As a result, *H3* is supported. Older children were more likely to perceive peers as useful information about new products than younger children. As a result, *H4* is supported. For commercial sources, older children were more likely to perceive television, newspapers, internet and magazines useful than younger children. In general, perceived usefulness of commercial sources increased with age.

To test *H5*, number of information sources was counted for respondents reporting the source either useful or very useful. On average, respondents found 3.7 sources useful. The average number of information sources found useful was different among different age groups ( $F = 7.6$ ,  $df = 955$ ,  $p < 0.001$ ). Duncan pair-wise tests indicated that children aged six to seven and children aged eight to nine were similar in average number of information sources found useful (3.26 vs 3.31 respectively). Duncan pair-wise tests also indicated that children aged ten to 11 and children aged 12 to 13 were similar in average number of information sources found useful (4.16 vs 4.16 respectively). Older children found more information sources useful than younger children in obtaining new product information. As a result, *H5* was supported.

Table V shows the perceived credibility of various information sources for new products by age group. Results of *F*-test indicated that perceived credibility of information source was different among children of different age groups. Four out of 11 sources showed significant *F*-statistics. For personal sources, older children were more likely to perceive friends and classmates credible than younger children. Children aged eight to 11 were more likely to perceive parents as credible information sources for new products than children in other age groups. Children of all age groups perceived teachers and grandparents to be credible to a similar extend. For commercial sources, older children were more likely to perceive the internet and television as credible information sources than younger children. In general, perceived credibility of commercial sources increased with age. Older children did not perceive commercial sources less

Table III Perceived usefulness and perceived credibility of various sources for new product information

Source	Number of non-missing cases	Perceived usefulness			Ranking from pairwise t-tests	Number of non-missing cases	Perceived credibility		
		Mean	SD				Mean	SD	Ranking from pairwise t-tests
Television	857	2.7	1.0	1	823	2.3	1.0	4	
Friends/classmates	808	2.5	1.0	2	789	2.6	0.9	3	
Parents	801	2.5	1.0	3	811	3.0	1.0	1	
Newspapers	772	2.4	1.0	3	770	2.3	1.0	5	
Shops	774	2.4	1.0	3	774	2.3	1.0	5	
Internet	624	2.3	1.2	3	624	2.4	1.1	4	
Teachers	717	2.3	1.1	4	720	3.0	0.9	1	
Magazines	718	2.2	1.0	4	702	2.2	0.9	6	
Radio	705	2.0	1.0	5	695	2.2	0.9	6	
Street ads	732	2.0	1.0	5	756	1.9	0.9	7	
Grandparents	675	1.9	1.0	6	695	2.7	1.0	2	
Personal sources <sup>a</sup>	892 <sup>c</sup>	2.3	0.8		901	2.8	0.8		
Commercial sources <sup>b</sup>	892 <sup>c</sup>	2.3	0.8		905	2.2	0.7		

Notes: <sup>a</sup>Refers to teachers, parents, friends/classmates, and grandparents; <sup>b</sup>refers to the other seven sources; <sup>c</sup>if a respondent answered "don't know" for a particular source, the mean will be compiled from the scores of the remaining sources

Table IV Perceived usefulness of various information sources for new product information by age group

Source	Age group				F-value
	6-7	8-9	10-11	12-13	
Television	2.7 <sup>ab</sup>	2.5 <sup>a</sup>	2.8 <sup>b</sup>	2.8 <sup>b</sup>	3.9**
Friends/classmates	2.2 <sup>a</sup>	2.3 <sup>a</sup>	2.8 <sup>b</sup>	2.8 <sup>b</sup>	17.6***
Parents	2.5	2.5	2.5	2.3	0.7
Newspapers	2.2 <sup>a</sup>	2.2 <sup>a</sup>	2.6 <sup>b</sup>	2.7 <sup>b</sup>	8.8***
Shops	2.5 <sup>b</sup>	2.3 <sup>a</sup>	2.4 <sup>ab</sup>	2.5 <sup>ab</sup>	2.0*
Internet	2.0 <sup>a</sup>	2.0 <sup>a</sup>	2.5 <sup>b</sup>	2.7 <sup>b</sup>	12.9***
Teachers	2.5 <sup>b</sup>	2.2 <sup>a</sup>	2.2 <sup>a</sup>	2.2 <sup>a</sup>	3.2*
Magazines	1.9 <sup>a</sup>	2.1 <sup>a</sup>	2.4 <sup>b</sup>	2.5 <sup>b</sup>	11.0***
Radio	1.9 <sup>a</sup>	2.0 <sup>a</sup>	2.0 <sup>a</sup>	2.2 <sup>b</sup>	2.3
Street ads	2.0 <sup>b</sup>	1.8 <sup>a</sup>	2.0 <sup>b</sup>	2.1 <sup>b</sup>	3.8**
Grandparents	2.0 <sup>ab</sup>	2.1 <sup>b</sup>	1.8 <sup>a</sup>	1.9 <sup>ab</sup>	3.2*
Personal sources	2.3	2.3	2.3	2.3	0.3
Commercial sources	2.3 <sup>ab</sup>	2.2 <sup>a</sup>	2.4 <sup>bc</sup>	2.5 <sup>c</sup>	6.5***

Notes: Means of same subscripts indicate no significant difference between groups using Duncan paired comparisons,  $p < 0.05$ ; \* $p < 0.05$ ; \*\* $p < 0.01$ ; \*\*\* $p < 0.001$

credible than younger children. As a result,  $H_6$  is not supported.

All the sources had significant and positive Pearson correlation values between perceived usefulness and perceived credibility, ranging from 0.35 ( $n = 549$ ,  $p < 0.001$ ) for grandparents to 0.60 for the internet ( $n = 518$ ,  $p < 0.001$ ). This suggests that children evaluate perceived usefulness and credibility on the same dimension, forming an attitude toward the specific information source.

## Discussion and conclusions

The study reported here represents a continued effort at ascertaining the extent of consumer behavior of youth in

Table V Perceived credibility of various information sources for new product information by age group

Source	Age group				F-value
	6-7	8-9	10-11	12-13	
Teachers	3.1	2.9	3.0	2.9	0.9
Parents	2.9 <sup>ab</sup>	3.0 <sup>b</sup>	3.1 <sup>b</sup>	2.8 <sup>a</sup>	3.0*
Grandparents	2.5	2.7	2.7	2.7	1.4
Friends/classmates	2.5 <sup>a</sup>	2.5 <sup>a</sup>	2.6 <sup>ab</sup>	2.7 <sup>b</sup>	2.9*
Internet	2.1 <sup>a</sup>	2.2 <sup>a</sup>	2.6 <sup>b</sup>	2.6 <sup>b</sup>	7.9***
Television	2.2 <sup>a</sup>	2.2 <sup>ab</sup>	2.4 <sup>c</sup>	2.4 <sup>bc</sup>	3.5*
Shops	2.2	2.3	2.4	2.4	1.4
Newspapers	2.3	2.2	2.3	2.3	0.7
Magazines	2.1	2.2	2.3	2.3	1.2
Radio	2.1	2.2	2.2	2.2	0.6
Street ads	1.8	1.8	1.9	2.0	1.4
Personal sources	2.7	2.7	2.8	2.7	1.0
Commercial sources	2.1 <sup>a</sup>	2.1 <sup>ab</sup>	2.3 <sup>b</sup>	2.3 <sup>b</sup>	3.6*

Note: Means of same subscripts indicate no significant difference between groups using Duncan paired comparisons,  $p < 0.05$ ; \* $p < 0.05$ ; \*\* $p < 0.01$ ; \*\*\* $p < 0.001$

urban China. Comparing with McNeal and Ji's (1999) study, the current study has expanded the scope to include younger children (grade 1 to 3) and specifically investigate usefulness and credibility of various information sources for new products. It shows that shopping experience including store visits as well as independent purchase is common among children in urban China. This further demonstrates that urban children in China have substantial money to spend and are willing to spend (McNeal and Yeh, 2003). We did find that shopping experience increased significantly among older children, apparently those that have some knowledge of products and more money to spend on them (as compared to the younger children). Bookstores/stationery stores are the retail outlets that most urban children have visited and made

purchases for themselves. This finding supports those of others showing the extreme importance of education that Chinese parents pass on to their children long before they enter school (Baker, 1987). Such a finding is in stark contrast to the consumer behavior patterns of western children who are not emotionally involved in school items except maybe those that are conspicuous such as backpacks and notebooks (McNeal, 1999). Our study showed that urban children often visited supermarkets, and had eating-out experiences. Visits to supermarkets and eating places were much higher than visits to department stores as well as food stores. The popularity of supermarkets among children facilitates learning about brands because children can have close encounter with branded goods in an open-shelf environment. Anthropologists often argue that the introduction of new foods and ideas about food will modify lifestyles and dietary patterns in a society (Guo, 2000; Johnston, 1987). The popularity of eating out among urban Chinese children indicates that they are ready to receive modernist knowledge of food. Urban children were not familiar with places selling computers and new media products, as a majority of them had never visited such stores. This indicates that computer hardware and software are still innovative products to children in urban China. Visits to shops were highly segmented by age and sex. Older boys lose interest in electronic games centers. Instead, older boys often visit computer stores. Older girls lose interest in clothing stores and toy stores. Instead, older girls often visit book stores. The current study reported no gender difference in store visits and consumption. This is contrary to a previous study that boys went through the consumer development process faster than girls, in terms of product selection, co-purchase with parents, and independent purchase (McNeal, 1999). We guess that the single-child policy has affected consumer socialization in such a way that both boys and girls are oriented to be shoppers and consumers in early age. Our data can assist marketers to choose specific retail outlets that best fit their target profiles.

The study demonstrates that children can differentiate information sources for new products in terms of two dimensions of usefulness and credibility. Among all 11 listed sources, parents, friends, teachers and the internet were perceived to be both useful and credible. Television, newspapers and shops were perceived to be useful but not credible. Grandparents were perceived to be credible but not useful. Magazines, radio and street ads were perceived to be neither useful nor credible. For the four sources identified to be both useful and credible, three are personal sources. The results therefore underline the importance to urban children of interpersonal information sources. The result echoes earlier research that traditional Chinese families rely heavily on word of mouth to learn about new products and much less on mass media (Yau, 1994). In the current study, ranking of information sources for new products would be televisions, peers and parents in terms of usefulness, and parents, the internet and grandparents in terms of credibility. When compared with McNeal and Ji's (1999) study on older children, importance of store visits as new product information sources reduced significantly while the importance of the internet emerged. It may be possible that increasing clutter of POP materials at shops has turned children away or store personnel are no longer child-friendly. Further research is required to explore the reasons. Even though the internet is a new medium, urban Chinese children

did not place much skepticism of it. Instead, they found it both useful and credible. Marketers should therefore be encouraged to launch child-friendly internet campaigns that introduce new products and enhance learning of the brands. In our study, teachers were perceived to be useful only among younger children in the provision of new product information. Perceived usefulness dropped significantly among older children. This is consistent with finding of a previous survey of urban children that they seldom consult school teachers about the truthfulness of television commercials (Chan and McNeal, 2004). As materialistic values are discouraged in schools (Chan and McNeal, 2004) and apparently there is no consumer education in the schools' curriculum in China, it is expected that teachers did not play an active role in consumer socialization in urban China. As school teachers were perceived as credible source for new product information, we suggest to marketers that they may wish to attempt marketing efforts in schools where permitted as they do in the west in order to capitalize on the credibility of the school environment.

Similar to research literature regarding western children, the current study found that Chinese children's age has a substantial effect on their perception about usefulness and credibility of new product information sources. Similar to Ward *et al.*'s (1977) study, older children found more sources useful for getting new product information. This indicates that older children have a higher need for information about new products. It can also mean that older children have a higher ability to process more information from diversified sources. As predicted in John's (1999) model, older children became less satisfied with grandparents, with the largest drop in perceived usefulness and credibility among grandparents. This is probably due to the incapability of grandparents to catch up with updated consumer trends. We speculate that older children, compared to the younger, are more likely to see the differences in consumption values between themselves and their older generations and therefore consider grandparents less credible. Further research is needed to prove or disprove this. Similar to what is predicted in John's (1999) model, older children found peers to be more important and more credible sources of new product information. This may suggest that older urban Chinese children are more likely to be subjected to informative as well as normative peer pressure than younger children. The result that older children perceived commercial sources more credible deviates from John's (1999) consumer socialization. Our data indicates that older children have more shopping experience than younger children. Perhaps the more frequent chance of consumption motivates them to process information. If older children did not find grandparents or teachers helpful in satisfying their information needs, they are more likely to turn to commercial sources. Contrary to previous finding that older urban children are more skeptical about television advertising (Chan and McNeal, 2004), the current study showed that older urban children are less skeptical about commercial sources than younger children. Further research is needed to explore the reason.

To conclude, televisions were perceived to be most useful information source for new products among the urban children, followed by friends and parents. Parents were perceived to be most credible information sources for new products, followed by internet and grandparents. As television was not perceived as the most credible source, marketing to

urban children may consider adopting a dual-target approach. They should attempt to inform the children through mass media campaigns and to influence the opinion leaders, i.e. parents and school teachers, and encourage the influence to be passed on to the children through personal communication. The internet as a medium for informative and normative purposes should be encouraged. John's (1999) model of consumer socialization was partially supported for the prediction of children's perception of usefulness and credibility of new product information sources. As predicted by the model, older children found grandparents less useful and peers more useful than younger children. Contrary to the model, older urban Chinese children found commercial sources more useful and credible than younger urban children.

### Managerial implications

The current study has provided insights for marketers and advertisers to select the right media as well as type of retail outlets to reach urban Chinese children. Other than television, marketers and advertisers can consider advertising on children's print media including children's books, magazines and newspapers. Currently, advertisers have not yet fully employed opportunities in the print media and very often advertisements in children's magazines and newspapers are geared toward parents. Marketers and advertisers can work with children's print media to create product-related editorials or develop stories around the use of the products or product categories.

According to the current study, shops that urban Chinese children most frequently visited and made independent purchases were bookstores/stationery stores, supermarkets, restaurants and fast food shops. Although Chinese retailing tends not to mix unrelated products, those stores that sell school items may want to consider expanding their total sales by also offering snacks and beverages such as is done in many bookstores in the USA. Other marketers of foods, clothing, and play items may want to make a deal with bookstores and stationery stores to advertise in them, for example on bulletin boards such as is done in western societies. Point-of-purchase materials, promotional counters at supermarkets and mega-stores should be used to enhance brand awareness, brand interest and brand trial among the young Chinese consumers. Sales personnel should be trained to greet children, to listen to them, and to interact with them in a friendly and efficient manner.

In view of the declining popularity of toy stores among older children (in particular boys), products for older children should be marketed through other retail outlets that gained popularity among them such as sports stores, music/video stores, and computer stores.

Children's perceived usefulness and credibility of various information sources for new products prompts the use of the two-step flow of communication and persuasion. Marketers and advertisers should identify influential parents, teachers and peers as opinion leaders for direct reception of information about new products, who in turn transmit the information to the other children. As older children are less skeptical about commercial communication than younger children, older children should be identified as opinion leaders for younger children. Testimonial advertising using older children as spokespersons should be adopted. In view of

children's favorable perception of the internet, small marketers with limited resources should actively seek out advertising and promotional opportunities provided by the internet. First of all, companies should set up child-friendly web sites to disseminate new product information. Early adopters should be encouraged to give positive comments on the internet. Product sampling and event sponsorships can be conducted online. Companies should offer chat-room management services to its existing and potential customers. Satisfied young consumers should be stimulated to refer friends to trial out the products through well-organized incentive referral programs. To prevent negative word-of-mouth communications about products and services circulated on-line, companies should take proactive measures by regularly monitoring word-of-mouth communications on popular websites that urban Chinese children frequently visited and clarifying issues about product features and performance when necessary.

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### Further reading

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### Executive summary and implications for managers and executives

*This summary has been provided to allow managers and executives a rapid appreciation of the content of this article. Those with a particular interest in the topic covered may then read the article in toto to take advantage of the more comprehensive description of the research undertaken and its results to get the full benefits of the material present.*

### Getting through to Chinese children

The rapid expansion of the Chinese economy, the associated increase in average incomes and the one-child policy of Chinese governments make for an almost unique set of circumstances. The Chinese youth market is very different from that in other countries at a similar stage in economic development. Partly this reflects China’s sheer size with almost 300 million children aged below 15 years and partly it comes about from the peculiar social circumstances brought about by the one child policy. It is not just the number of young people (there are, for example, significantly more under

15s in India) but the spending power and influence that those young people exercise.

It has been observed that China has a two-speed economy with the large urban areas of the coast and around Beijing growing swiftly while the interior of the country – urban and rural – lags behind. Certainly the Chinese government is very concerned about this differential rate of growth since it encourages internal migration and risks a society of geographically different “haves” and “have nots”. However, for western marketers looking at the opportunities presented for the marketing of consumer goods in China it is the large and thriving coastal cities that attract attention.

#### *Children as consumers in China*

There is a growing body of evidence that indicates the influence that Chinese children exercise over purchases – both through their own spending and also through influencing the decisions made by adults. Here Chan reports that, for most urban families “... children’s average consumption is equal to one-third or more of the family’s income.” Moreover, it seems that up to two-thirds of total consumer spending is determined – directly or indirectly – by the preferences of children.

This enormous market power is influenced by a variety of information sources – parents, advertising and media, education and the products themselves. Chan reports that the media and the retailer are perhaps most significant as direct influencers of purchase preference – this is despite a general mistrust of advertising and TV advertising in particular. However, this situation is, to some extent, transference from western cultures – something that should be done with caution.

Chan examines how the different sources (personal and commercial) are seen by young people and how the use of these sources develops as children mature. We know that older children are more “media-savvy” and more able to arrive at product preferences without reference to parents or other formal sources of advice. It is also important to note that the retailer is more significant as an information source in China than is the case in the UK or the US. This reflects the traditional nature of Chinese retail and product distribution.

#### *Advertising to children and young people*

Most marketers, faced with a huge mass market such as we see in China, plump for getting their message out to the largest number of people. Typically this directs spending towards TV advertising rather than towards more targeted media, push strategies working with retailers or direct marketing. However, what Chan suggests is that children in China are not as reliant on TV advertising for product information. This may reflect some degree of parental disapproval but also suggests that traditional media and the retail environment merit more attention from western consumer marketers than has been the case to date.

As the Chinese consumer market develops we can expect that the consumer media will also grow. And in a market where children are so important we can look forward to media targeted at children and young people. Chan points out that “... advertisers have not yet fully employed opportunities in the print media and very often advertisements in children’s magazines and newspapers are geared towards parents.” There is a clear opportunity to target effective advertising directly to the decision-makers. Perhaps we may even see advertising for products more usually advertised to adults appearing in children’s media – after all, in many cases these children are the most significant influence over the choice that their parents will make.

#### *New media opportunities*

Alongside the traditional media we should note that China’s economy is growing in a very different environment from the past. Countries that have experienced a similar surge of growth (e.g. Japan in the 1960s and 1970s) did so in the old media environment. For Chinese business and, increasingly, Chinese consumers of the computer age means that the PC and the internet are part of entering a sophisticated consumer economy.

This means that marketers wanting to develop campaigns in China – especially when looking to target the better off urban consumers – need to consider web marketing. This is doubly important when looking at reaching young people since the Chinese education sector actively promotes knowledge and use of the internet and world wide web. As a means of influencing children this approach has considerable appeal since they tend to respond more positively to promotions in this environment than is the case with more traditional media.

Finally, marketers need to recognize the important influence exercised by retailers and to note that China’s retail sector remains underdeveloped. Most shops are single retailers and Chan reports some resistance – perhaps cultural – to the idea of the multiple retailer. However, children spend considerable time in retail environments and this presents the opportunity for consumer marketers to communicate brand and product messages.

China is still a relatively poor country but the rate of growth it is enjoying at present means that its days of poverty are moving rapidly towards history. And we can expect that, with continuing economic growth, the internal rigidities that came from a monolithic communist dictatorship will begin to decline. The retail sector will change as western specialists target China and this presents the consumer marketer with a great opportunity to secure real brand benefits from active engagement in the retail sector. It is not just a means of getting our product to market but an important and significant element in brand and product promotion.

*(A précis of the article “Store visits and information sources among urban Chinese children”. Supplied by Marketing Consultants for Emerald.)*