Children’s Influence in

Family Consumer Decision Making: A Study of

Chinese Families in Hong Kong

By

Mei Ha Phyllis Wong

MBA, Macquarie University, Australia

MMGT in Marketing Management, Macquarie University, Australia

A thesis submitted in fulfillment of the requirements for the degree of

Doctor of Business Administration (DBA)

Faculty of Business and Law

University of Newcastle, Australia

August 2014
Declaration

I hereby certify that the work embodied in the Dissertation Project is the result of original research and has not been submitted for a higher degree to any other University or Institution.

________________________________________
Wong, Mei Ha Phyllis
Student Number 3151651
August 2014
Acknowledgments

First and foremost I would like to express deepest gratitude to my supervisor, Dr. Stacey Baxter, for her invaluable advice and guidance throughout my doctoral journey.

I would also like to sincerely thank school principals Ho Po Ling, Choy Sai Hung, Lai Ping Wah Johnathan, Ng Yau Keung Benjamin, Chung Kwok Keung, and Yiu Wai Chung for their outstanding cooperation, and all the schools and families who participated in the study for their selfless contribution. Without the support of all the aforementioned, the successful completion of this research would not have been possible.

Finally and most importantly, I wish to express my sincere gratitude to my family for their ceaseless encouragement and enduring love.
# Table of Contents

Declaration ............................................................................................................................................... i

Acknowledgments ................................................................................................................................... ii

Table of Contents.................................................................................................................................... iii

List of Tables ........................................................................................................................................... viii

List of Figures .......................................................................................................................................... ix

Abstract .................................................................................................................................................. x

Chapter 1 Introduction ............................................................................................................................. 1

1.1 Background ....................................................................................................................................... 1

1.1.1 Family Consumer Decision Making ......................................................................................... 1

1.1.2 Consumer Socialization and Reverse Socialization ................................................................. 2

1.1.3 Hong Kong .................................................................................................................................. 3

1.1.4 Culture and Socialization ......................................................................................................... 4

1.2 Justification for Research ............................................................................................................... 6

1.2.1 Importance of Children as a Market Segment ....................................................................... 6

1.2.2 Internet Generation ............................................................................................................... 8

1.3 Research Methodology ................................................................................................................ 9

1.4 Outline of Thesis ........................................................................................................................ 10

Chapter 2 Literature Review and Hypotheses ....................................................................................... 11

2.1 Introduction ..................................................................................................................................... 11

2.2 Consumer Socialization .......................................................................................................... 11
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2.1 Consumer Behavior</td>
<td>12</td>
</tr>
<tr>
<td>2.2.2 Theoretical Foundations of Consumer Socialization</td>
<td>13</td>
</tr>
<tr>
<td>2.2.3 Consumer Socialization Agents</td>
<td>16</td>
</tr>
<tr>
<td>2.2.4 Cognitive Development Theory</td>
<td>19</td>
</tr>
<tr>
<td>2.2.5 Consumer Socialization Stages</td>
<td>20</td>
</tr>
<tr>
<td>2.3 Reverse Socialization</td>
<td>22</td>
</tr>
<tr>
<td>2.3.1 Social Learning Theory</td>
<td>23</td>
</tr>
<tr>
<td>2.3.2 Theoretical Foundations of Reverse Socialization</td>
<td>24</td>
</tr>
<tr>
<td>2.4 Children’s Influence in Family Consumer Decision Making</td>
<td>25</td>
</tr>
<tr>
<td>2.4.1 Children’s Influence</td>
<td>25</td>
</tr>
<tr>
<td>2.4.2 Factors affecting Children’s Influence</td>
<td>26</td>
</tr>
<tr>
<td>2.5 Hong Kong Consumer Context</td>
<td>28</td>
</tr>
<tr>
<td>2.6 Research Questions and Hypotheses</td>
<td>31</td>
</tr>
<tr>
<td>2.6.1 Question 1</td>
<td>31</td>
</tr>
<tr>
<td>2.6.2 Question 2</td>
<td>35</td>
</tr>
<tr>
<td>2.6.3 Question 3</td>
<td>37</td>
</tr>
<tr>
<td>Chapter 3 Research Design</td>
<td>40</td>
</tr>
<tr>
<td>3.1 Introduction</td>
<td>40</td>
</tr>
<tr>
<td>3.2 Research Methodologies</td>
<td>40</td>
</tr>
<tr>
<td>3.3 Research Design</td>
<td>43</td>
</tr>
<tr>
<td>3.3.1 Types of Research Design</td>
<td>43</td>
</tr>
<tr>
<td>3.3.2 Research Methods</td>
<td>44</td>
</tr>
<tr>
<td>3.3.3 Survey Research</td>
<td>46</td>
</tr>
</tbody>
</table>
4.3.1 Types of Data .................................................................68
4.3.2 Shapiro-Wilk Normality Test ........................................69
4.4 Hypotheses Testing ..............................................................70
  4.4.1 Hypothesis 1 .............................................................71
  4.4.2 Hypothesis 2 .............................................................73
  4.4.3 Hypothesis 3 .............................................................74
  4.4.4 Hypothesis 4 .............................................................76
  4.4.5 Hypothesis 5 .............................................................78
  4.4.6 Hypothesis 6 .............................................................80
4.5 Summary of the Hypotheses Results .....................................82

Chapter 5  Conclusions and Implications .................................84
  5.1 Introduction .................................................................84
  5.2 Findings .................................................................84
    5.2.1 Decision Stages .....................................................85
    5.2.2 Product Relevancy ...............................................87
    5.2.3 Age .................................................................88
    5.2.4 Gender .............................................................90
    5.2.5 Household Income ...............................................92
    5.2.6 Parental Education Level ......................................94
    5.2.7 Summary of Findings ..........................................96
  5.3 Implications and Recommendations ..................................97
    5.3.1 Internet Mavens ...............................................97
    5.3.2 Cultural Changes and Marketing Ethics ......................99
5.3.3 Product Relevancy and Involvement......................................................... 101
5.3.4 Insights from Socio-demographic Status................................................... 101
5.3.5 Insights from Socio-economic Status........................................................ 103
5.4 Limitations and Directions for Future Research............................................. 104
  5.4.1 Parent-child Communication Structure ................................................. 104
  5.4.2 Reciprocal view from Child ................................................................. 105
  5.4.3 Generalization Problem ........................................................................ 105
  5.4.4 Family Structure ..................................................................................... 106
  5.4.5 Brand Loyalty and Relationship Marketing ........................................... 106
5.5 Summary and Conclusion .............................................................................. 107

References ............................................................................................................. 110

Appendices ............................................................................................................ 133
  Appendix A  Information Sheet for Principals.................................................... 133
  Appendix B  Information Sheet for Respondents.............................................. 136
  Appendix C  Questionnaire .............................................................................. 141
  Appendix D  Hong Kong Fact Sheet ................................................................. 157
  Appendix E  Descriptive Statistics Summary .................................................... 159
  Appendix F  Respondent Profiles ..................................................................... 161
  Appendix G  Shapiro-Wilk Normality Test ....................................................... 164
  Appendix H  Overall Ranking .......................................................................... 166
List of Tables

Table 2-1 Theoretical Approaches to Consumer Socialization...........................................14
Table 2-2 Consumer Socialization Stages...............................................................................21
Table 3-1 Overview of the Six Selected Schools ....................................................................48
Table 3-2 Product Categories from the Study by Aslan and Karalar (2009) .....................50
Table 3-3 Products Categories from the Study by Shoham and Salakas (2005).............51
Table 3-4 Products Selected for Questionnaire .....................................................................51
Table 4-1 Hypothesis 1 Test Results ......................................................................................72
Table 4-2 Hypothesis 2 Test Results ......................................................................................74
Table 4-3 Hypothesis 3 Test Results ......................................................................................75
Table 4-4 Hypothesis 4 Test Results ......................................................................................77
Table 4-5 Hypothesis 5 Test Results ......................................................................................79
Table 4-6 Hypothesis 6 Test Results ......................................................................................81
Table 4-7 Summary of Hypotheses Results .........................................................................83
List of Figures

Figure 2-1 A Conceptual Model of Consumer Socialization ........................................15
Figure 2-2 Social Learning Model .................................................................................23
Figure 3-1 Buyer Decision Process ..............................................................................52
Figure 3-2 Research Framework .....................................................................................53
Abstract

This study analyzed how Hong Kong children from Chinese families of different socio-economic and socio-demographic backgrounds influence family consumer decision making. Product relevancy and influence at different buying decision stages were also examined in the same context. The aim of the study was to discover if children’s influence is dominant in Hong Kong and to offer marketers insight from different perspectives to help them develop the right marketing strategies for increasing their market share.

The quantitative research design was based on collecting and analyzing the experiences of parents. With the support from six principals of three primary schools and three secondary schools, 1800 questionnaires were distributed and 1294 completed questionnaires were returned. Parents of children aged 7-16 years were invited to participate in the survey by answering the questionnaires based on the purchases that they had made in the past six months.

Findings from the study suggest that product relevancy is important to children’s influence in family consumer decision making in Hong Kong, as children show high involvement and participation when the products are for their own use. However, children’s influence in the buying decision process is still unclear because of inconsistent and contrasting results for different products and service. The hypothesis that older children are more influential in family consumer decision making in Hong Kong is supported. However, the gender of the children does not play a dominant role in determining children’s influence, as both male and female children were found to be equally influential in family consumer decision making.
making for most product categories. The research results also found that there is no significant correlation between children’s influence in family consumer decision making and household income and parental education.

It would seem that scholars have at long last acknowledged the important role that children play in the family consumer decision-making process, and that their power has been enhanced in recent years by the acquisition of Internet-enabled knowledge. It is suggested that future research should cover the children’s perspective, family communication style, family structure, and family size.