
CONVENIENCE STORES TARGETING ALPHA GENERATION CHILDREN AS THEIR IMPORTANT INFLUENCE IN SHOPPING DECISION

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Abstract

Purpose - The purpose of this paper is to see how children belonging to Alpha Generation (born after 2010) can be targeted by convenience stores by emphasizing previous research findings on children as retail shopping decision actors

Design/methodology/approach – The literature review is presenting the premises that make the children a target for retailers, the ways which through children influence shopping decisions and the tools that retailers have used so far in order to target children. The paper also presents the characteristics of Alpha generation, the Romanian modern Grocery retail context and what makes it favorable to target this generation with its challenges – parents increasing busy, diet quality and technology addicted. Finally, are presented the conclusions and recommendations.

Findings – Corroborating the literature review with the actual convenience orientation shopping behavior and taking in consideration Alpha generation characteristics, the paper finds five variables through which convenience stores could target children: Technology, Assortment, Store atmosphere, Corporate Social Responsibility and Communication

Research limitations/implications – The paper is conceptual, so future research will be necessary to empirically validate these findings.

Originality/value - This study is an important instrument for further research and for retail managers. It offers a valuable response that convenience stores should have to Alpha generations expectations and their parent's challenges with social responsibilities implications regarding healthy diet, educative store environment and spending more quality time with family.

Keywords

Targeting children, Alpha generation, convenience stores, technology, healthy diet

JEL Classification

L81, M31

Introduction

Children are familiar with retail outlets (especially supermarkets) and the reality of shopping from an increasingly early age. (Thyne et. al., 2019). Parents are increasingly busy, which is why shopping could be a way to spend more time with children. Changing the lifestyle, increasing the population density, the number of persons in a household, in close connection with the increase of the number of professionally active women responsible for the management of the household, determined the growth and development of the convenience store format (Seiders, Berry and Grewal, 2002; De Kaervenoael, Hallsworth and Clarke, 2006). The healthy eating of children has become an essential preoccupation of the parents, which is the reason they choose to allocate considerable budgets even more as children are younger. Based on these two aspects, modern grocery retailers are actively engaging the young market, targeting them through various strategies. For example, in response to the demands of the Z Generation, retail has become a dynamic industry, using smart technologies that have allowed it to improve the shopping experience and remain competitive (Priporas, Stylos and Fotiadis, 2017).

According on these described above the most retail chains are focusing on the expansion of the convenience store format store. The question is asked is what effects in the marketing strategy of Romanian convenience stores will determine the Alpha Generation? Which are the variables that should make the Alpha generation (together with parents) comes in convenience store rather to shop online as they can influence shopping decision?

Literature review

Different consumers have varying desires and interests: witness the extensive array of products on supermarket shelves. This variety stems from diverse buying practices and basic variations of customers' needs and the benefits they seek from products. It is almost impossible to satisfy all customers in a market with a single product or service. Companies have responded by offering a proliferation of products and brands. Increasingly, therefore, companies have found it essential to move away from mass marketing towards a target marketing strategy where the focus is on a group of customers. This identification of target customer groups is market segmentation, where customers are aggregated into groups with similar requirements and buying characteristics (Dibb and Simkin, 1991, pp. 4).

The profile of contemporary customer is different from” customers of the past”. Retail chains need always to adapt to active customers’ requests. The young consumer became a fundamental issue for researchers to explain what this segment represents for retailers (Bilinska -Reformat and Stefanska, 2016).

Children as potential customers are a phenomenon, which appeared following the Second World War with the so – called baby boomer era. Over two decades, children became a primary market and a distinct segment in which growing industries created campaigns with targeted promotions, above all in the toy and confectionary sectors (Aramendia - Muneta, 2019).

In parallel, literature has examined children’s influence on family consumer decisions since 1970s and 1980s (Bertol, Broilo and Espartel, 2017) and has established that children can influence family decision – making across a variety of goods and services (Marshall, 2014; Deli- Gray, et al. 2016). More than that, the influence of a child on family purchase decision increases as the child grows and becomes a consumer with specific skills, knowledge and attitude (Anitha and Mohan, 2016).

How it can be possible for children to influence the parents’ shopping decision?

The literature emphasizes two main ways through children influence their parents shopping decisions: using pester power and nag factor (Bridges and Briesch, 2006; Marshall, 2014; Anita and Mohan, 2016; Kumar and Sharma, 2017; Page, et al., 2019). Both terms can be

defined as children's influence on family consumption patterns with the mention that the nag factor can also have a negative connotation being related with children request for unhealthy food as cereals or snacks (Bridges and Briesch, 2006). The literature also has mentioned two strategies used by children: rational (persuasive pestering) including negotiation, persuasion, expressing opinions (Marshall, 2014) which starts in the analytical age (7-11 years) and continues to take more importance in the adolescent stage (Anitha and Mohan, 2016) and emotional (emotional pestering) including expressing anger, sweet talk, being nice and affectionate which is seen in children from a very early stage.

Which are the tools that retailers have relied on so far in targeting children?

There are two main reasons for which parents are going with children at shopping: 1. There is nobody at home to watch them; 2. Parents are feeling guilty for spending too little time with children. Starting from here children are very familiar with shopping from very early stage. It's like a special place where they can be closer to their parents, having an important opinion, playing and meeting with all they have seen at home in commercials or know about it from friends, influencers or social media. Children's use of information in their attempts to influence family decisions is perceived positively by parents when this behavior helps them with their parental duties (Bertol, Broilo and Espartel, 2017). Retailers all over the world are looking for sustainable competitive advantage and focusing strategically on customer experience for children could be a possibility (De – Juan -Vigaray and Hota, 2019). Children are encouraged to perceive shopping not only for meeting utilitarian need (food, clothing, etc.) but also hedonic (play experiences) (Ironico, 2012). Collectible giveaways “free” to customers based on a minimum spend, are one type of play experience adopted by supermarkets (Thyne, et al., 2019). Exploring children's response to store atmosphere, Ayady and Cao (2016) have found that store atmospherics may lead to positive outcomes in the form of children's exploration of the store, desire to stay longer and intention to revisit. Retailers are making the store more appealing for children using color, music, architecture, scent, lighting and the latest interactive technology in order to enjoy themselves and so parents could spend more time and more money. They are also wanting eye-level accessible displays in stores favored by their parents or friends and a child friendly personnel. (De-Juan – Vigaray and Hota, 2018). According to the literature, younger children (from the ages of five to seven) prefer convenience stores and supermarkets for their ease of access, trustworthiness and the limited product range they offer (De-Juan – Vigaray and Hota, 2019). In 2017 Kumar and Sharma in their study “Pester Power and Advertisements Influence on Purchase of Food Products in a Convenience Store” found that ‘Freebies accompanied by the product’, ‘Cartoon characters on the packaging of the product’, ‘Color of the product’, ‘Taste of the product’, ‘Packaging of the product’ are the most important attributes of the product that influence the kids to demand a product as per the parents and also that specific food products in which pester power is most significant seem comparatively high in the chocolates, cakes and chips categories of products. Lately, various institutions in the NGO area that protect children are sounding alarms regarding the need to healthy feed children. In this so, UNICEF in its report SWOC – 2019 (*CHILDREN, FOOD AND NUTRITION; Growing well in a changing world*) brought into attention the influence of food marketing on children's diets. According to the WHO Commission on Ending Childhood Obesity (the ECHO Commission), food marketing is directly linked to growing overweight and obesity and related harms to children's health and nutrition: “There is unequivocal evidence that the marketing of unhealthy foods and sugar- sweetened beverages is related to childhood obesity.” (World Health Assembly, 2016). For example, a survey of Australian children aged 10–16 showed that those who engaged with more food content online, especially video ads, were more likely to consume unhealthy food (Baldwin, Freeman and Kelly, 2018). Several other systematic reviews have determined the extent, nature and impact of food marketing on children and subsequent reviews have reaffirmed these findings (Cairns, Angus and Caraher, 2013; Boyland and Tatlow , 2017).

Alpha Generation description

The “Alpha” generation belongs to the group born after 2010 and are characterized using technology, research facilitation and critical vision (dos Reis, 2018). They can be the children of “x” or “z” generation) and could make the connection of their parents with the new era, digital era (Tootell, Freeman and Freeman, 2014).

The Alpha generation will influence their parents shopping decision by seeking experiences and focusing on shopping convenience. If before children used nag factor and pester power, now access to the technology and screens, make these children better knowledgeable of their own needs which determines autonomy in the purchase decision.

Beyond the strengths of this generation remains the concern of parents for its natural diet. What are the foods that children have access to and how can obesity be avoided?

Actual context of Romanian modern grocery retailing for targeting Alpha generation

In Romania, after the entry of international modern retail chains in 1995, it can be said that children have started to be consulted in making decisions, were recognizing their individual needs by identifying in stores new products that have intended exclusively for them. Thus, parents, (generation x) raised in communism have included products exclusively for children on the shopping list. Shopping has become a way of spending time with the child, from the stroller to the whole ambiance of the store. The boom period from 1998 to 2000 was one that created confusion among children. The shopping from the abundance, the waste and the irrational consumption have created a totally inappropriate behavior as an example for the generations that formed. After 2008 Economic Crisis, consumption has started to rationalize. The offer being varied, the customers have become more demanding and the retailers have been forced to launch loyalty campaigns. The agglomeration of large cities, the reduction of leisure time, have led retail customers in two directions, aligning to developed country trends - convenience and experience. So, the new generations either choose the big stores that explore various experiences they discover online or choose the convenience store, for quick snacks, at school or at home. In order to reduce the time allocated to shopping, parents choose to make their purchases quickly in the proximity of the home, of the office, of the school, of the kindergarten or of the after school and consequently most modern retailers are focusing now on convenience stores expansion. In Romania, the population under 14 years represents 14.6% (INSSE, 2020). The promotional planning of retailers in Romania includes at least six major events for children: Easter, June 1, Beach (Summer), Back to School, Halloween and Christmas. Judging by what share have these events in retailer’s turnover, we could appreciate that children are important contributors to the retail business. In Grocery retail, we are referring to sweets and soft drinks categories mainly, which unfortunately have a big impact on children obesity.

According to COSI (European Childhood Obesity Surveillance Initiative) report (National Institute of Public Health, 2017), prevalence of obesity for Romanian children between 7 and 9 years differs from girls to boys: the % obesity varies for girls between 6 and 11 % while for boys is higher and varies between 13 to 15%. The COSI report also found that girls consume statistically significantly higher fruits and vegetables except potatoes. If we refer to the unhealthy behaviors, the boys consume statistically significantly more frequent salty snacks (popcorn, chips, peanuts, etc.) and foods like pizza, hamburger, fries, sausages. Children in rural areas consume significantly more vegetables, except potatoes, 100% fruit juice, sugary soft drinks ($p < 0.001$), flavored milk, dietary soft drinks, whole milk, cheese, other dairy products, meat, fish, salty snacks (chips, hazelnuts, popcorn, etc.), sweet snacks (candy, chocolate) ($p < 0.001$), sweets (biscuits, cake, cakes, etc.) and foods such as pizza, hamburgers, sausages, fries. Children in urban areas consume significantly more fruits.

Conclusion and recommendations

Targeting children by retailers have been researched a lot so far. But according to literature, contrary to a high research interest in the children's market today, little is known about the factors influencing children's experience in modern retail formats such as hypermarket (De – Juan – Vigaray, 2019) and this can be said also about convenience stores.

In order to avoid future Generation Z and Alpha shopping mainly online as the trends for tech-savvy are forecasting (De – Juan – Vigaray, 2019), retailers should implement specific store format actions for determining children to come in their store and also becoming their favorite store which based on past positive experiences when they are adolescents and adults they will come back (Barnes, Mattson and Sorensen, 2016).

According to currently findings, retailers are oriented to the omnichannel format - customers search, compare and order from home and then pick up the order from the store (Grewal, Roggeveen and Nordfalt, 2017), trying to respond as best as possible to the demands of customers who are oriented to convenience. and towards social presence (emotions and experiences) (Grewal et al., 2020).

Based on literature review and actual retailing trends, the paper emphasizes the next variables as recommendation in order to be taken in consideration by convenience store retail format in targeting Alpha generation: Technology, Assortment, Store atmosphere, Corporate Social Responsibility, Communication.

In store technology through games and the presence of tablets in aisle would allow children to have a true in store experience by engaging stimuli and strengthen their role in the shopping experience (De – Juan – Vigaray, 2019). The orientation towards convenience, the creation of experiences for the client and the degree of social presence (Grewal, et al., 2020) leaves behind the automatic technology (the technology of yesterday, oriented to productivity, which belongs to the traditional) and brings first cognitive technology (thinking technology) plan based on customer satisfaction and increasing the role of frontline employees as well as sensing technology capable of personalizing emotions and enhancing interaction with frontline employees (Rafaelli et al., 2017). Retailers should invest in-store atmosphere, make it fun and creative in order to attract children to play in store (Ayadi and Cao, 2016). Being in a more entertaining and playful environment children will wish to come back and loyalty will increase (De – Juan – Vigaray, 2019; Ayadi and Cao, 2016). Globally, children are exposed to a huge volume of marketing for unhealthy foods and beverages, despite the implementation of self-regulatory initiatives by industry (Unicef, 2019). Parents are becoming more aware about these thanks to different NGO campaigns and are focusing on their children healthy feed. Small retail food stores tend to concentrate near schools or homes, proving children (students) access to unhealthy snacks. Starting from the hypothesis that a ready – to – eat fruit snack would cost more than chips in convenience stores and that the lower price influence children choice, Deweese and Ohry – Vachaspati (2017) research find the opposite – prices do not differ significantly between chips and fruit in the overall sample in which both items were available. There was also found that stores sales mean volume for fruits and chips was not differing. According to these findings, convenience stores should promote ready-to-eat fruits for children as a price – neutral alternative to calorically dense snacks as a viable strategy to improve the nutritional quality of snacks. As an ethical and society responsible behavior it is expected from retailers to have an active role in reducing the gap in diet quality. Changing choice architecture by placing healthful foods and beverages in salient locations and at eye level are recommendations for increasing healthy food items sales (Moran et al., 2019). Creating dedicated educative space in store through which children playing can get information about the product, its provenance, the manufactures, the nutritional aspects, etc could satisfy children by playing, parents by gaining safe and healthy activities for their children and also the retailer in gaining credit for being socially responsible (Ayadi and Cao, 2016). Involving in sporting or any kind of educational activity could build lasting

relationships with children (De – Juan–Vigaray, 2019). Regarding the communication strategies more valuable are considered to be online, such as content marketing associated with a brand and specific online content targeted toward parents and young children, through which children will share with their friends and their parents (Bertol, Broilo and Espartel, 2017).

Because children and young people have been shown to have an increasing buying power of influence in the retail sector for more than 50 per cent of the household’s expenses (De – Juan – Vigaray, 2019), both retail managers and academic experts should revise their thoughts about very young children (Deli- Gray, et al., 2016). Placed near homes and schools, children prefer convenience stores, so retailers should adapt their strategy according Alpha generation expectations and parents’ challenges as spending more time with their children and finding healthy products options.

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