

The New Kid Power: Kids as Third Parents
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Kid marketing today is a moveable feast. Never before have kids been such active and dynamic consumers. Never before have they had such incredible spending power. Never before have they fulfilled such incredible purchase influence in moving and making markets. In the US alone, kids spent around \$50 billion in 2002. They directly influence well north of \$200 billion. They indirectly influence over \$500 billion. This is approaching a \$1 trillion market and the numbers are growing geometrically.

Kid Spending

Kids today are savvy consumers. They know what they want and they know how to get it. They well realize that they control two pockets of money at all times: their own and their parents. Their money is for the things mom or dad won't buy -- either because parents aren't around for the buying moment or the purchase is objectionable on some level to the parent pocket. Parent money is for the vast expanse of other kid influenced products and services.

Kids have a lot of income. The average US child receives allowance of well over \$5.00 per week. Additional "revenue" comes from chores, gifts, grandparents and work. The money they make is money they spend. You can well imagine the pecking order of these purchases. Interestingly, the first four categories of product spending for boys and girls are exactly the same:

<u>Boys</u>	<u>Girls</u>
Snacks	Snacks
Candy	Candy
Games/toys	Games/Toys
Gifts	Gifts

Parent Purchased

Parent influenced categories include food and clothes, toys and games, health and beauty and household items, meals out and fun things for the family to do together. For example, no self respecting kid has ever

bought breakfast cereal. That's meal food -- a parent influenced, parent purchased category.

Increasingly, kids are influencing high ticket items like the family car, vacations and even the family home. There are increasing stories of families who have purchased Sport Utility Vehicles because the kids thought the family van was uncool, selecting a vacation venue because it had more kid fun facilities and activities or even rejecting the purchase of a new home because one of the kids didn't like his or her prospective room.

Kids as Third Parents

Outrageous, you may say. But, this is the advancing world of kids and kid power. Today's kids are **third parents**. Unlike a generation ago when children were expected "to be seen and not heard", today's kids are very much **seen and heard**. They accompany mom and dad on many more previously adult only activities -- restaurants, vacations and shopping expeditions for high ticket items. They're even showing up increasingly on business trips, 12% of the time vs. 4% of the time just ten years ago.

Today's kids are more aware of the world around them, cultural icons, brands and spending opportunities than ever before. More and more of them are only kids. In fact, some 40% of US kids are only children. That means that socialization is occurring increasingly out of the home, in school, with friends or with mom and dad as social partners. Their opinion counts. It is increasingly requested and measured in family purchase decisions, especially in categories where today's kid may be more knowledgeable than mom or dad -- categories like computers, software, technology or home entertainment.

Not surprisingly, targeting kids has reached new and dizzying heights -- more categories, more players, more brands, more advertising time and space. So, it is more critical than ever before to get the marketing equation right. It starts with knowing the kid audience and profoundly understanding them:

Kid Perspectives: Ten Points Toward Kid Understanding

1. **Kids are not little adults** - They operate not in a world of their making or one scaled to them. They perceive and conceive in more primal ways

than adults. Play and fun are the guiding and learning enterprises of their lives.

2. ***Kids are very different by age*** - They are not one homogeneous audience. Their physical, emotional and cognitive skills vary dramatically through the youth years. In fact, in today's kids' world that includes Blues Clues, Barney and other toddler television, there are at least four different age segments:

0-3 (toddlers)

4-8 (kids)

8-12 (twins)

13-16 (teens)

3. ***Kids are aspirational*** - Kids want to be older, anywhere from one to five years older. Older people have more freedom and power. They are more capable. They get to do more things. Kids want in to that empowerment.

4. ***Kids are active and physical*** - Kids are on the go. They play actively. They express emotion physically. They don't like to sit still for long periods of time (unless the quiet time is entertaining).

5. ***Kids are spontaneous*** - Kids are highly imaginative. They create on the spot, mix metaphors and paradigms and can break into rituals, games or musical musings at the drop of a hat.

6. ***Kids are sensitive*** - Kids are highly impressionable and emotional. They can erupt in frustration, embarrassment or hurt with a harsh word or negative glance. They want and need approval or support.

7. ***Kids are group oriented*** - There's strength in numbers and kids feel comforted by inclusion and the embrace of their group scene. They rely on the group for physical, emotional support as well as for fashion, fad and trend affirmation.

8. ***Kids are experimenters*** - Kids are explorers, adopters and adapters. They are in a constant state of learning. Experimenting and trying new things teaches them right from wrong, good from bad, fun from not fun, socially acceptable from no-no's.

9. ***Kids are indulgent*** - Kids want what they want when they want it. And, they want it in large quantities (or think they do).

10. ***Kids are brand conscious*** - Kids are brand aware and brand interested. Brands confer status on kids and identify them as belonging to a set of values and labels.

The preceding perspectives on kids are good news for kid marketers. There are rich marketing opportunities implicit in every one of these perspectives. These opportunities can be expressed in a full range of marketing choices.

Kid Marketing Principles: Roll Seven

Translating kid perspectives into successful marketing propositions requires paying strict attention and adherence to seven key elements in the marketing equation.

1. **Great and kid relevant products**
2. **Terrific packaging**
3. **Insightful strategy, positioning the product clearly and compellingly**
4. **Breakthrough communication (advertising and promotion)**
5. **Smart support programs (strategic alliances, partners and premiums)**
6. **Keeping the proposition fresh**
7. **Consistent branding**

For most kid product propositions, the clear answer is to target them directly. Much has been written about the “nag factor”. More and more research indicates that kid power and communication combined with good branding are sufficient to convince the parent purchase. And, kid media is less expensive than parent targeting. There are countless examples of new players entering the kids market and targeting kids directly -- all kinds of food and beverages, toys and entertainment, health and beauty, leisure time activities.

Kids, Heroes and Quality Time

There is another truth in the kid marketing world. That is, beyond Michael Jordan (kids perennial number one hero for some time now) there is a greater hero -- parents. In this increasingly busy and overprogrammed

world of kids and parents running in lots of different directions to lots of different activities, all parties are clamoring for more quality time together.

In fact, kid relationships with and respect for their parents is brighter today than perhaps at any time in history. Kids and parents relate to each other. They both wear jeans. They like some of the same music. They enjoy the same foods. Increasingly, today's new kid, The Third Parent, wants to spend more quality time with his parents. And, his/her increasingly dual income working parents, want to find quality time with their partner child, as well.

New Family Marketing

So, the opportunity for family marketing has hit a new dimension. Of course, the family is not one homogeneous target audience, with mom and dad and kid 1. They fall into different demographics, have different interests and media behaviors and are very expensive to reach all at once. Communication to appeal to all of them is elusive. So, much of the family marketing we've seen to date work, tends to be middle of the road, predictable, wallpaper. The answer as in all great advertising successes is starting with an inspired strategy.

Hasbro's Family Game Night is a perfect example of an advertising proposition that changed the paradigm of game advertising – one game at a time. The insight was that children and parents, alike, enjoy playing games. Games could be the social catalyst for quality time. The Family Game Night idea, now in its fifth year, has been a sensationally successful way to sell behavior in a box, over one game at a time.

The 4 F's

The action in the kids business today is **family, friends, freedom and fun**. These are the top four mentioned attributes and guiding desires of kids' lives today. Family Game Night delivers uniquely on the very important family aspect of this equation and fulfills the others well, too. There is lots of marketing that targets kids directly for kid satisfaction from kid products. But adding fun to family was an elusive and very satisfying accomplishment of the Family Game Night proposition.

Where's Your Audience?

It is getting increasingly complicated to find audiences with more and more media vehicles available -- certainly in the States -- but coming soon

to markets all over the world. Finding meaningful ideas that can be delivered well to answer lifestyle desires and needs of kids and parents alike will be one of the bold new challenges of the millennium.

We all need to be cognizant of kid perspectives and kid marketing principles to succeed in the kid marketplace. To break through, kid initiatives need to be delivered in an architecture of branded, lifestyle relevant programs. Those who connect with the ever changing needs and desires of today's kids as third parents and the parents who have conferred this status upon them, will be the winning businesses of the future.

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