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COMPARATIVE ANALYSIS OF INTEGRATED PROMOTIONS AIMED AT CHILDREN IN POLAND AND GERMANY

Abstract: Integrated promotions aimed at children in Poland and Germany are discussed in this paper. The author analyzed which age defines a child in Poland and in Germany. Further, the characteristics of the children market and its underlying trends are exposed. Forms of integrated promotions which are used within the children market are examined and compared cross-national wise. Moreover, the author discusses the possibilities of implementing the various tools in both countries.

Key words: advertising, character licensing, children, children market, e-marketing, integrated promotions, packaging, pester power, word of mouth.

Introduction

In the recent years children have become an important market for companies. Major developments for this change of perception of this segment are various. First of all, the increased amount of ‘pocket’ money the children possess and therefore increased spending power due to the general rise in Gross Domestic Product (GDP) per capita in developed countries which trickled down to the children.¹

Secondly, children get more empowered as parents, and other family members spend more on their children in the form of gifts and allowances. The trend behind is that due to falling birth rates and increased number of working women, more money is available to spend on each child.²

Thirdly, the fact that children possess a high influence on the buying decisions of their parents and other relatives, the so-called pester power. The influence is spreading through the whole range, from relative low cost items as everyday groceries over to high end ones like cars.

Fourthly, brand loyalty and consumer behaviour is already formed when children are young.

¹ Euromonitor International, *Tweens: A Force to be Reckoned With: Changing Consumption Habits of 8-12 years-olds to 2010*, 2006.

² Ibid.

Although the lifestyle of children is changing quite rapidly as a consequence of easier access to computers and internet and the rising of the “age compression” the kids getting older younger (KGOY) phenomenon (children are rejecting toys in favour of products previously targeted at teenagers like mobile phones, video games or music players); most of the ‘pocket money’ is still spent on confectionary, followed by carbonated drinks and sweet and savoury snacks.³ However, companies realize that there is just too much to gain from this segment to just pass it on and adopt their integrated promotion activities within their marketing strategies towards children.

Definition of Children

The United Nations (UN) Convention on the Rights of the Child states that a child “means every human being below the age of eighteen years, unless the law applicable to the child, majority is attained earlier.”⁴ Polish law is defining a child in the same way as the UN Convention.⁵

German law on the other hand, distinguishes between child (Kind) and juvenile (Jugendlicher). According to the German law for the protection of the youth (Jugendschutzgesetz)⁶ children are people who are not yet 14 years old. Juvenile are people who are fourteen years old but not yet 18 years old.⁷ This paper will deal with children up to the age of 14 according to the German law for the protection of the youth. It is reasonable to assume that in this age range children start to reject more childlike images and associations and more important become a consumer on their own. Juvenile or also called teenagers (although this term includes children aged 13 to 19) have to be considered already as an own market segment due to the fact that they often earn their own money (through summer jobs or temporary jobs etc.) or are societal trendsetters themselves. Most teenagers are closely observed by companies to get the latest trend or fad and to incorporate it in our youth-obsessed culture.

The children market and major trends

It is reasonable to assume that children have moved into the spotlight of the marketing departments of various companies, joining the traditional children industries like confectionary, ice cream, toys and games. Companies not only understand better how to market and advertise to this group but even more important the children are more-marketing savvy themselves. The recognition of the children market as a profitable one is based on the assumptions that companies can profit from this segment in the present day or as a long term commitment in the

³ Ibid.

⁴ United Nations, *Convention on the Rights of the Child*, Article 1 1989.

⁵ Rzecznik Praw Dziecka, *Konwencja o Prawach Dziecka*, Artykuł 1 1989.

⁶ Bundesministerium für Familie, Senioren, Frauen und Jugend, *Das Jugendschutzgesetz*, Paragraph 1 (1) 2002.

⁷ Ibid.

future.⁸ However, in most of the cases, one person was responsible to get the firm on track to recognize or unlock the children market.⁹ Only recently companies as a whole recognize the untapped potential in front of them. Altogether five main reasons led to the change in children marketing.

Firstly, children rule over a high and very stable disposable income. The reason behind this fact is that children obtain their 'income' from various sources: for example pocket money from their parents or gifts from family and friends on birthdays or religious events. In order to get a glimpse how profitable this market is you have to realize that in Germany for example, children in the ages six to 13 have an annual disposable income, i.e. pocket money, of €1,070.¹⁰ Although children are not entirely immune to economic downturns, they do not feel the pressure of a recession in comparison to their parents until the family financial situation really gets worse.¹¹ This group of consumers will provide companies with a steady flow of income even when the economy is in a turmoil.

Secondly, children are spending more of the family money than ever before. Lifestyles have changed and as more and more children live in two working parent household or single working parent household, they are responsible from a young age for the grocery shopping. Parents just do not have the time to buy everything. As the children are mostly doing fill-in buying, the next step of full responsibility in major household food shopping is not far away and is a great opportunity especially for food marketers to start targeting children.¹²

Thirdly, the influence of children on their parents or generally on their environment (grandparents, aunts etc.) decision making, the so-called pester power, is enormous. Children influence the parents purchase decision not only when accompanying them to the store with the intention to put their favourite brand choice into the cart. Typical product categories where children are calling the shots include yoghurt, cottage cheese, soft drinks, or cereals.¹³ Parents just get tired that groceries get wasted as children are rejecting them or gave up to try change their children eating habits and preferences, sometimes with the hope that with the advanced age of their offspring this problem will solve itself. Moreover, children are also influencing their parents decision when parents actively seek their help. This concerns as well bigger investments for which a family has saved money for a longer period or even took out a loan. As far as Poland is concerned, for example 65% of young consumers have got an influence on the purchasing decision of hi-fi systems and televisions, 59,5% on mobile phones, 55,2% on holidays and trips, 54,2% on computer equipment, 25,5% on parents clothes, 24,5% on a car and

⁸ Zollo, P., *Getting Wiser to Teens. More insights into marketing to teenagers*, New Strategist Publications, Inc., Ithaca, 2004.

⁹ Ibid.

¹⁰ Egmont Ehapa Verlag, *Kids-Verbraucher-Analyse (KidsVA)* 2009.

¹¹ Zollo, P., *Getting Wiser to Teens. More insights into marketing to teenagers*, New Strategist Publications, Inc., Ithaca, 2004.

¹² Ibid.

¹³ Euromonitor International, *Consumer Lifestyles Poland* 2009. 2009.

18,0% on parents cosmetics.¹⁴ Furthermore, it should be noted that children are way more affected by their peers than by their parents. Their strongest opinions, attitudes and interests are created mostly outside home and brought into the household.¹⁵

Fourthly, children are important because of the money they will spend in the future. Young consumer have a sophisticated level of brand consciousness demonstrated for example by the fact that one in four children mumble a brand name as their first recognizable word.¹⁶ Brand loyalty and customer behavior is formed in a very young age and a brand relationship can hold a life long. It follows also the consent that for companies it is more expensive to attract new customers than to hold on their old ones.¹⁷

Fifthly, children represent a huge market number wise. In total numbers the children segment (above 0 and below 15) in Germany is made up of around 11,140 million (representing about 14% of the whole German population).¹⁸ The numbers for Poland respectively are 5,829 million children aged 0 to 14 (about 15,3% of Poland's population).¹⁹

If we consider all these trends with their synergies and impacts on the environment of the children (parents, grandparents, aunts, family friends etc.), no wonder that this segment is very tempting for companies. However, the question pops up for companies now how to reach this valuable segment?

Forms of Integrated Promotion used in Marketing to Teenagers

Based on its understanding of consumers, a firm is developing its marketing mix which consists of four key elements: product, price, place and promotion.²⁰ Promotion again, can be divided into the promotional mix, made up by 12 tools available to the marketer:²¹

- Selling
- Advertising
- Sales promotion
- Direct marketing
- Publicity (and public relations)
- Sponsorship
- Exhibitions

¹⁴ Olejniczuk-Merta, A., *Młodzi Konsumenci w Procesach Transformacji Rynkowej*, Wydawnictwa Akademickie i Profesjonalne, Warszawa, 2009.

¹⁵ Lindstrom, M., Seybold, P., *BRANDchild*, Revised paperback edition, Kogan Page, London, 2005.

¹⁶ Euromonitor International, *Tweens: A Force to be Reckoned With: Changing Consumption Habits of 8-12 years-olds to 2010*, 2006.

¹⁷ Griffin, J., *Customer Loyalty. How to Earn It. How to Keep It*, Jossey-Bass Publishers, San Francisco 1997.

¹⁸ Statistisches Bundesamt Deutschland, numbers for the year 2008; Own research.

¹⁹ Główny Urząd Statystyczny (GUS), numbers for December 31st, 2008; Own research.

²⁰ Jobber, D., *Principles and Practice of Marketing*, 5th edition, McGraw-Hill, London, 2007.

²¹ Smith, P. and Taylor, J., *Marketing Communications. An Integrated Approach*, 4th edition, Kogan Page, London, 2006.

- Packaging
- Point-of-sale and merchandising
- Word of mouth
- E-marketing
- Corporate identity

According to the industry and the customer segment in which a company operates or wants to operate, different emphasis is being put on the tools. For that reason the above list is not in any order of importance or hierarchy. Due to the specifics of the children market, i.e. have not reached the legal age yet and parents supervision in various things, not all of the promotional tools have a significant or even no influence at all on the children. Consequently, they will not be covered in depth.

A very essential trend which changed the consumer behaviour of the children and had an impact of how companies are promotion their products to children is the shift of watching television to the spending time in front of the computer playing games (online or offline) or surfing through the internet. However, toddlers (children in the age group zero to three) are still spending a lot of time watching television and it should be mentioned that an average child is exposed to 40.000 commercials per year.²² It is reasonable to assume that the medium television will not lose its leading position among children for the near future, however the gap between this leader and the other mediums will further narrow.

Advertising

Children are very prone towards advertising as a result of their not yet not fully development sense of differentiation that could tell them that advertisement is applied to persuade them to want something.²³ Normally children are very trusting of adults or other sources of authority and consider to judge what they hear and see as true and real. This for example leads to the children first practical advertisement disappointment when the toy helicopter can not fly through the air at all (except the child throw it through the window).

Polish law matches European Union (EU) standards as far as advertising targeted at children is concerned.²⁴ There is no ban on advertising on children products but the Broadcasting Act of December 29, 1992²⁵ defines some restrictions regarding the contents of advertisements. There is a ban on advertisement that exhort children to buy a product or service as well as interrupting programmes intended for children with advertisements. Furthermore, children can not be encouraged to put their parents or other persons under pressure in order to persuade them to buy them the products which are being advertised. However, this laws do not prevent firms aiming for children from showing

²² Euromonitor International, *Up to 7s: Changing Consumption Habits of 0-7 Year-olds to 2010*, 2006.

²³ Ibid.

²⁴ Euromonitor International, *Consumer Lifestyles Poland 2009*. 2009

²⁵ The National Broadcasting Council, *Broadcasting Act of December 29, 1992*, 1992.

advertisements before and after children intended programmes or featuring well-known characters in their TV spots.

In Germany, the Interstate Treaty on Broadcasting²⁶ forbids advertisement directed at children to harm their interests or capitalize on their inexperience. Furthermore, it is banned to urge children to sign contracts of purchase. Every advertisements slot has to be marked clearly and no subliminal techniques can be used. As in Poland programmes intended for children can not be interrupted by advertisement. However, the biggest difference between these two countries is that the Polish laws specifically states that children advertisement should not animate children to ask their parents or other people to buy them products. This exemption in the German law can give companies a free ride to come up with commercials featuring products which are at first sight not directly aimed at children (e.g. cars) but through the use of comical figures (like Opel did with its advertisements) or quick cuts with lot of colour could be quite appealing to children. Through 'the power of pester' these companies try to reach higher sales levels, not directly advertising to children. It must, however, be pointed out that Poland and Germany see the increase of companies trying to reach children through a different and more indirect approach. More and more companies develop their own comic series or characters based on their product range or brand (usually companies take the short cut and cooperate with an already famous children character) and involve these figures in stories or short happenings, giving them a more human touch and junctures to children everyday lives.

Packaging

Children responsiveness to the five senses (sight, hearing, touch, smell and taste) is much better than for adults. Consequently, if there are several senses a company harness, the stronger the brand will stay in a consumer's mind.²⁷ No surprise then that the Kinder Surprise egg is an all-time favourite not only among children and a perfect bridge leading to more adult products such as Kinder Bueno²⁸. Due to its colourful and noticeable package (sights), its yellow inner egg with the toy rattling inside (hearing), the specific smell of its exterior package and of course the unique taste of the chocolate is speaking to all senses. Moreover, to show how strong these senses are for humans just take a moment and remember your childhood memory of the smell of Mother's cheesecake or the feel of father's scruffy beard.

Companies currently try to build on the insight that the parts of the brain responsible for emotions and relationships are functional from the very first breath a human being takes. On the one hand, a certain scent is sprayed on a soft toy with the intention that a child will develop a lifelong preference for a specific brand with

²⁶ Rundfunkstaatsvertrag vom 31. August 1991, in Kraft seit dem 1. Januar 2001.

<http://www.artikel5.de/gesetze/rstv.html>, accessed on April, 29th, 2010.

²⁷ Lindstrom, M., Seybold, P., *BRANDchild*, Revised paperback edition, Kogan Page, London, 2005.

²⁸ <http://kinder.com/>, accessed on April 22nd, 2010.

the same smell. For instance vanilla aroma is set to be infused into diapers.²⁹ For car manufacturer this is yesterday's news since for years they spray artificial flavours into all new cars. You can even buy a little tree (in Europe also known as WUNDER-BAUM) with the flavour 'New Car Scent'.³⁰

On the other hand, colourful and shiny (gold and silver or other glittery colours are among the favourites) packages have been used to attract the youngest consumers since decades but what is changing is that character merchandising is gaining in popularity. Characters such as Kellogg's Frosties Tony the Tiger³¹ or the Teletubbies³² are being introduced to children by advertisements or by pre-school TV programmes and later can be found on the package display of various products. The newest idea swapping to Germany are beverages shaped in toy forms. After finishing the drink, the package can be used as a normal toy. As a result of the customized production line for most of the containers, they have to be sold at a high premium and it will take time to achieve lasting profits.³³ This development will also hit Poland in the near future as the segment is growing increasingly competitive and packaging becomes more important.

E-marketing

Children of today's generation are born and living in a digital world. Most households possess more than one television set, broadband internet access is the standard and other technology devices are widely used. Even though watching TV is still a very popular spare time activity among children, an increasing amount of children spend more and more time on the computer and on the internet; 46% of urban world-wide eight to twelve year old already use the internet regularly, engage in chat rooms or other kinds of real-time conversations or playing online games.³⁴ A specific segment has even mushroomed to serve this increase in online gaming, the so-called 'advergaming'.³⁵ These are online games with branded content, completely advertiser sponsored and even produced.

Online games but also offline games played on game consoles like Microsoft Xbox, Sony Playstation or Nintendo Cube, do not have to be very sophisticated; only condition they have to fulfil is to be considered fun.³⁶ This opens the door for all companies to attract children to their webpage by simple and fun games where the player is constantly exposed to the brand, logo and advertising messages. The

²⁹ Euromonitor International, *Up to 7s: Changing Consumption Habits of 0-7 Year-olds to 2010*, 2006.

³⁰ http://www.little-trees.com/us/products_detail.php?section=products&id=9, assessed on April 23rd, 2010.

³¹ <http://www.frostedflakes.com/>, assessed on April 24th, 2010.

³² <http://www.bbc.co.uk/cbeebies/teletubbies/>, assessed on April 24th, 2010.

³³ Kaplan, A., *Minor Considerations. Beverages are getting their game on when it comes to appealing to kids*, „Beverage World”, January 2010.

³⁴ Lindstrom, M., Seybold, P., *BRANDchild*, Revised paperback edition, Kogan Page, London, 2005.

³⁵ Bailey, R., Wise, K., Bolls, P., *How Avatar Customizability Affects Children's Arousal and Subjective Presence During Junk-Food-Sponsored Online Video Games*, „CyberPsychology & Behavior”, vol 12, nr 3, 2009.

³⁶ Ibid.

same can be applied to offline games. They can both feature either whole companies or products as the main part of the game (e.g. the popular figures of the Danish company LEGO are set into video games personalized as the children heroes Batman, Indiana Jones or Harry Potter) or as a product placement (various skateboard companies products – skateboards, wheels etc.) are represented in the Tony Hawk skateboard series. Another important implication for game sponsors and producers is the raise of on-line personalities so-called avatars. 36% of the children in the above stated age range have at least two on-line characters.³⁷ Here children create a virtual person in a virtual world, controlled by themselves. By giving the player the chance to customize her or his player and make them feel their avatar is accurately representing them, the more emotional experience is elicited by the game. For this reason the game-play experience is getting more enjoyable.

In Germany and in Poland the trend towards more customization in advergames is implemented slowly but steadily. Given that the numbers of companies and the size of the German market is bigger in comparison to the Polish one, it is understandable that there are more German language pages of international companies than Polish. For instance, Lego is offering on its German webpage a customization of the game player. However, at the moment there is no Polish language site.³⁸ On the contrary, the Barbie webpage is available in Polish as well as German.³⁹ It is reasonable to assume that this webpage language lagging will soon be narrowed or closed as the Polish children market is just too big to be ignored.

Word of mouth

Word of mouth is spreading today not only through playgrounds, sleepovers or slumber parties but also through online chat rooms, blogs or real-time online conversation (programmes include ICQ, Windows Live Messenger or Gadu-Gadu). As in the traditional word of mouth bastions like schools or playgrounds marketers are still having a hard time to get a foot in the door and influence or control children with this tool. But with the new digital era, companies can at least have an insight what the word of mouth is looking like and who is spreading it. By controlling popular online chat rooms, blogs and other social media or networking sites like MySpace they can have a real-time overview what children are telling each other about brands, products or other promotional tools. On the one hand, immediate action can be taken to correct product failures or report successful advertisement back to the headquarters. On the other hand, a company could also pretend to be a 'normal' user of the chat and produce positive word of mouth for its products and negative ones about close competitors. Additionally, they could also try to win the most influential bloggers or word of mouth users over and convince

³⁷ Ibid.

³⁸ <http://www.lego.com/en-US/MS/Default.aspx>, accessed on April 26th, 2010.

³⁹ <http://de.barbie.com/mermaid-tale/#/trailer/>, accessed on April 27th, 2010 and <http://icanbe.barbie.com/pl/games.html>, accessed on April 27th, 2010.

them to work with a certain company or product together. Here is a grey area in Germany as well as in Poland. Due to the fact of information overflow it is hard to find evidence that a company tried to influence the flow of word of mouth and secondly, it has to be proven that what they wrote was misleading. Moreover, if somebody proves that an employee was influencing the opinion in chat rooms, it could have been his or her idea and not the companies or his or her supervisor's. All these things lead to the fact that the once feared word of mouth will lose some parts of its unpredictability and starts not only to be somewhat more controllable for companies but also traceable.

Character licensing

Character licensing can be viewed as a part of sponsorship, advertising or public relation. By working with other companies together or buying a license from them, both companies or parties try to gain something. As a result of the time spend in front of the TV or computer screen, the use of movie, TV programmes or cartoon character has been a long time recipe for success in the children market. Never the less the amount of character licensing has increased significantly and due to the fierce competition more and more projects and ideas in this direction are realized. The younger children are attracted to toys like the Teletubbies merchandise of Burger King or McDonald's⁴⁰ but older children already identify with celebrities a la Pop star Britney Spears.⁴¹ Girls are mostly influenced by film stars and female singers where on the other hand boys look up at athletes and cartoon characters. That is why that most confectionary and savoury snack maker use media tie-ins to promote their products.⁴²

The newest trend in Germany considering character licensing is the so-called 'Kindermarketing'.⁴³ Especially dairy retailer not only feature a character but also name a whole product after them. This is not yet applied in Poland on a broader range in any product category but with higher viewing numbers and online bonds, more and more companies will try to name their product directly after a cartoon or sport star instead of just having his, her or its face or name on the product or package.

Summary

It is evident that the children market in Germany as well as in Poland is very profitable. Not only the fact of the sheer market underlies this but mostly the other specifics like pester power and stable 'pocket money'. On the whole the consumer behavior of children is shifting slowly but steadily. Still products like chocolate and soft drinks are on the top position of bought products but it starts to change. The latest researches show that integrated promotion has to react to the increase

⁴⁰ Euromonitor International, *Up to 7s: Changing Consumption Habits of 0-7 Year-olds to 2010*, 2006.

⁴¹ Euromonitor International, *Tweens: A Force to be Reckoned With: Changing Consumption Habits of 8-12 year-olds to 2010*, 2006.

⁴² Ibid.

⁴³ Dairy Industries International, *Europe exploits 'pester power'*, June 96, vol 61, issue 6, p5.

amount of time spend online chatting or playing games. At the same time, media tie-ins are gaining in power as more and more younger children are looking up to their idols. The promotional tools used either in Germany or Poland are not that different, sometimes it is the case that Poland is lagging behind as for example international companies do not pay that much attention to this market then to the German one. In the future it is going to be interesting to see how certain tools will develop through new design, cheaper materials and more possibilities. Especially in the packaging and advergaming field is a lot to be expected.

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