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Intergenerational Influence in Consumer Deal Proneness

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Although there has been ample research on the correlates of consumer deal proneness, there has been little research on how deal proneness develops. By administering a questionnaire to a sample of dyads consisting of a parent and his or her adult child, we find considerable parent-child similarity in both deal proneness and in the pattern of preferences for particular types of sales promotions. Further, we find greater parent-child similarity when children have exposure to parental shopping behavior during their teenage years and when they have a more positive attitude towards their parents' shopping habits. The results of this research provide evidence for the role of both parental modeling and the child's identification with the parent in the development of deal proneness.

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EXTENDED ABSTRACT

Given the importance of promotional deals as a marketing technique, there has been considerable interest in deal-prone consumers—consumers who show an enduring propensity to respond to such deals. While the demographic characteristics (e.g., education, income) and behavioral characteristics (e.g., brand loyalty) of deal-prone consumers have been studied (Bawa and Shoemaker 1987a, 1987b, 1989; Schindler 1998), little attention has been given to the factors that cause an individual to develop into a deal-prone consumer. In this paper, we examine the role played by parents in influencing their children's deal proneness.

Children acquire habits, skills, knowledge, and attitudes relevant to functioning in the marketplace by the process of consumer socialization (Ward 1974). The socializing factors include parents, peers, institutions (e.g., school), mass media (e.g., television, radio), and the web (John 1999; Meyer and Anderson 2000). Of these factors, the “intergenerational influence” of parents has been identified as a particularly important force (Heckler, Childers, and Arunachalam 1989; Moore, Wilkie, and Lutz 2002). Indeed, researchers have found intergenerational influence to play a role in children's brand preferences (Moore et al. 2002), skepticism towards advertising (Obermiller and Spangenberg 2000), innovativeness (Cotte and Wood 2004), values and orientations such as value consciousness and convenience orientation (Mandrik, Fern, and Bao 2005), preference for shopping goods (Heckler et al. 1989), and online shopping preferences (Lueg et al. 2006). However, there is considerable variation in the extent of this influence. Previous research on intergenerational influence indicates that at least four characteristics of deal-prone behaviors make deal proneness particularly well suited for transmission from parent to child. (1) Deal-response behaviors, such as coupon clipping and buying products on sale, are particularly visible and salient behaviors that offer a child ample opportunity to learn by observing (Childers and Rao 1992; Moore and Lutz 1988). (2) Deal-response behaviors are concrete as compared to attitudes, which tend to be more abstract (Hoge, Petrillo, and Smith 1982; Mandrik et al. 2005). (3) Deal-response behaviors may be viewed as routine activities performed with little thought (Heckler et al. 1989). (4) The high frequency with which deal-response behaviors occur provides a child with numerous opportunities to learn by observation. Since children are likely to learn specific deal-response behaviors, such as using coupons, rather than a global trait of deal-proneness, parent-child similarity should also exist for interest in particular types of promotional deals, such as using coupons or buying items on sale.

In Study 1, 265 student participants responded to a questionnaire containing a set of items measuring their deal proneness, their attitude towards their parents' shopping habits, their exposure to parental shopping behavior, their perceptions of the deal proneness of their family members, and some basic demographic characteristics. Results indicated that the respondents who reported their parents as being deal-prone had higher deal-proneness scores than the respondents who did not report their parents as being deal-prone. This effect is robust in that it does not interact with the respondent's gender, age, or whether or not he or she lives at home. Further exploration of this result showed that children with parental shopping exposure during teenage years had higher deal proneness scores than those who did not report exposure during their teenage years.

Whereas Study 1 relied on adult children's perception of their parents' deal proneness, Study 2 involved asking parents to directly report their own deal proneness. A deal-proneness measure was obtained from each member of 83 parent-child dyads. Analysis of these measures revealed a significant parent-child correlation, which indicated a similarity in level of deal proneness. We also observed a substantial similarity in the pattern of deal-type preferences between parents and their adult children. To determine the statistical significance of the parent-child similarity in deal-type preference, we used the logic of a permutation test. We created 10,000 random parent-child dyads to produce a sampling distribution of mean deal-type preference correlation coefficients. The position in this sampling distribution of the mean deal-type correlation coefficient of the real parent-child dyads indicated that our observed parent-child similarity in pattern of deal-type preferences is far greater than would be expected by chance alone.

Further analysis of Study 2 results showed that parent-child deal-proneness correlations for children with teenage parental shopping exposure were positive and significant, but parent-child correlations for children without teenage parental shopping exposure were not significant. Finally, we unexpectedly found parent-child deal-proneness similarity when parent and child were of opposite genders but not when they were of the same gender.

The findings of these two studies provide several lines of evidence that support the role of parental influence in the development of deal proneness in young consumers. The first line of evidence is that young adults and their parents show similarity in the extent of their deal proneness. This was demonstrated using a perceptual measure of parental deal proneness in Study 1 as well as using, in Study 2, the more rigorous method of administering a multi-item deal-proneness measure separately to each member of the parent-child dyad.

A second line of evidence is that young adults and their parents show similarity in their preferences among particular types of promotional deals. It should be noted that this is indeed a second line of evidence. It could have very well been the case that young adults and their parents show similarity in a general predisposition toward promotional deals without showing any similarity in their preferences for, say, cents-off coupons over advertised discounts.

A third line of evidence supporting the role of parental influence in deal proneness is the demonstration that several parent-related factors that would plausibly affect the degree of parental influence do in fact moderate the extent of parent-child deal-proneness similarity. Studies 1 and 2 were consistent in showing the importance of a child's exposure to parental shopping during the child's teenage years and the importance of a child's attitude toward the parents' shopping habits. Study 2 provided evidence for a relation between parent-child gender similarity and the degree of deal-proneness similarity, albeit in the direction opposite that which was anticipated. In all, these two studies provide considerable evidence that parental influence plays an important role in the development of consumer deal proneness.

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