

CHILD'S STYLE INFLUENCE ON PARENTS BUYING DECISION PROCESS AT NATA DE COCO BEVERAGES PRODUCT IN BANDUNG CITY

Iden Darmawan and Rendra Chaerudin
School of Business and Managemet
Institut Teknologi Bandung, Indonesia
iden.darmawan@sbm-itb.ac.id

Abstract. *The coconut industry which utilized as nata de coco's business opportunity becomes one of the buffer of economic growth in Indonesia especially in Bandung. To further support so the benefits of nata de coco products can be perceived by every connoisseur needed a marketing process as a tool for the dealer between producers and consumers. This refers to children as the biggest target market for the nata de coco drink business. This study aims to determine the style of children who can influence the purchase decision of parents to drink nata de coco in Bandung. To achieve this goal secondary data is collected through rigorous literature studies ranging from marketing, child style as an influence, parental purchasing decisions until factors that can influence parental purchasing decisions. Followed by primary data collection through consumer survey is distributed through sampling method in Bandung. This study provides new empirical evidence of child style as an influence consisting of (peading style, persistent style, forceful style, demonstrative style, sugar-coated style, threatening style, and pitty style) influencing parents purchasing decision in Bandung City. Data are collected through online and offline questionnaires and distributed through simple linear methods. Total of 100 questionnaires have been collected and used for the analysis of this research. Analyze simple linear regression which applied to determine the interrelations of different variables in parental purchasing decisions. Empirical results indicate that there is a significant relationship between independent variables (child style as an influence) to the dependent variable (parental purchasing decisions). This research is important for marketers in understanding the effect of child's style on parental purchasing decisions.*

Keywords: *child style, parental purchasing decisions, nata de coco, marketers, producers, consumers, Bandung.*

Introduction

Indonesia is a resource rich country. The geographical position of Indonesia along the equator makes the soil fertile so it is suitable for the development of plantation commodities. One of the commodities that have high potential to be developed is coconut. Coconut is one of many tropical plants cultivated by farmers. According to data from the Kementrian Pertanian in 2014, the production of coconut commodities in Indonesia is ranked 2nd after palm oil which always increases every year. Increasing coconut commodity in every year raises the potential to be developed as a business in order to improve the welfare of coconut farmers so that some business actors glance at the potential, one of them is the development of nata de coco industry.

Table 1.1 Main Commodity Production Plantation Year 2010 - 2014 (ton)

No	Commodity	2010	2011	2012	2013	2014
		1	Rubber	2.734.854	2.990.184	3.012.254
2	Palm Oil	21.958.120	23.096.541	26.015.518	27.746.125	29.512.764
3	Coconut	3.166.666	3.174.379	3.189.897	3.228.110	3.262.721
4	Coffee	686.921	638.646	691.163	698.887	711.513
5	Cocoa	837.918	712.231	691.163	777.539	817.322
6	Cane	2.290.116	2.267.887	2.591.687	2.550.991	2.790.000

(Source: Kementrian Pertanian, 2014)

Nata de coco including coconut water processing products are very unique. The structure of nata de coco is composed of bioselulose fermented coconut water with acetic acid bacteria namely *Acetobacter xylinum*. Nata de coco has the content of fiber, vitamins, water, protein, fat, sugar, vitamins, amino acids, and growth hormone so many consumers who consume it as a snack. Various nutritional contained in nata de coco make it has a considerable opportunity in the food industry. In terms of business scale, the business of nata de coco has been developed by several large / medium companies as well as several small / household businesses which each have different market segmentation.

Based on data from Badan Pusat Statistik (BPS) 2014 it is explained that the number of nata de coco production continues to increase from 2010 to 2014, accompanied by an increase in commercial value of the nata de coco (Table 1.2). The increasing aspect of commercial value shows that with the rapid growth of the nata de coco industry

Table 1.2 Main Commodity Nata De Coco Production Year 2010 - 2014 (ton)

No	Tahun	Total Production Nata de coco (kg)	Comercial Value (Rupiah)
1	2010	1.296.683,3	2.204.361.607
2	2011	1.299.841,6	2.209.730.737
3	2012	1.306.195,9	2.220.533.039
4	2013	1.321.843,3	2.247.133.656
5	2014	1.336.015,8	2.271.226.870

(Source: BPS, 2014, processed 2016)

However, the competition of food products in the market is also increasing. In order for food products to compete and be chosen by consumers, food products must have an interesting innovation. Good taste, attractive color, high nutritional value and affordable price make the product more attractive by consumers. In general, nata de coco products sold on the market

have the same variation of white and sweet taste arising from the taste of sugar water or syrup in the solution.

Due to the large business opportunities of nata de coco in Indonesia, the company needs to analyze the market opportunities that can be utilized. Analysis of this market opportunity is very important, because the companies need to know how much opportunity is available in marketing their products and can determine whether the market is large enough to support other products and still provide the profit. The company's success in achieving its goals and objectives is strongly influenced by the company's ability to market its products as well as to attract potential buyers to purchase their products. Analyzing the market opportunity also to make a decision whether the company will continue to run its activities by increasing productivity or have to get out of the market. The definition of market opportunities according to Kotler (1997) Market opportunities is a field of buyer needs where the company can operate profitably.

A product that is sold to children but the price is not affordable by the child is usually the parents who bought the product. Parental purchasing decisions on products to be consumed by his child would through various factors and the stage of consideration either out of stimulus or the influence of his son. Parental perception is the process of receiving stimulus by the parents of their children, which ultimately form a picture of the needs of children who have been directed to certain objects that may be able to satisfy the needs of children (Santoso, 2008).

Business Review

The company name is Natariksa. Nata is Nata and the meaning is save, protect or pity and its relationship with customer. The company has been established because the value which delivered to the customer. Rocket picture of Logo means that Rocket have good speed. Natariksa company established on 1, 2015. Natariksa company sell a nata de coco with 10 flavors and there are new sensation of nata de coco in supermarket just original flavor that is coconut, but now nata de coco can be enjoyed with new innovation there are different flavors: Blackforest, Bubblegum, Cappucino, Chocolate, Green Tea, Melon, Redvelvet, Taro, Vanilla.



Riksa spring from sundanese language and Natariksa name can always give good “Segarnya Hingga Menuju Angkasa” freshness and delicacy on taste. The brand and the selling on Natariksa also can be seen on 1, 2015. Natariksa company sell a nata de coco drink, because if we look

1.1. Vision and Mission

Vision: Become a largest beverage company in Indonesia that prioritizes the maximum value services, healthcare products, and unique product.

Mission :

- Prioritizes the best service as well as a healthy serving of the product.
- Continue to innovate in product development and marketing processes.
- Creating a kinship to every customer.

Since August 1, 2015 until July 2017, the total profit earned by the Natariksa's company is Rp38.083.600.

Theoretical Foundations

1.1. Parents' Perceptions of Children's Desire.

Kotler (2003) describes perception as the process by which one chooses, manages and interprets the entry of information to create the whole picture. Furthermore Schiffman and Kanuk (2007) stated that perception is a process whereby individuals choose, manage and interpret the stimulus into a clear and meaningful picture. In line with this Prasetijo and Ihalauw (2005) convey that perception is a process where the stimuli received by a person are sorted and selected, then arranged and interpreted.

1.2. Child's Style as an Influence

To make parents buy the products they want, children often make requests in a verbal way and body language. The goal is of course to get the desired product, although sometimes only for the satisfaction of a moment. Often the child's request to be bought by his or her parents is a product or service accompanied by various styles. According to McNeal (1992), the child's style can generally be grouped into seven groups:

1. Pleading-style is usually accompanied by words like "I beg", "help me", and sometimes with reposition "mother, mother, mother".
2. Persistent- This style includes repeated requests both when there is a chance and when there is no chance. Sometimes the request is accompanied by the words "I only ask for this once".
3. Forceful- This style uses words that must be hard and forceful, like "I have to have it", "nothing can prevent me to have it", "I will ask her if you do not want to buy it for me".
4. Demonstrative - This style refers to excessive acting. For examples by refusing to leave the mall, refusing to look around or talk to parents, sometimes a smaller child will throw himself on the floor and scream.
5. Sugar-coated - the words "love" and "extraordinary" are often included in this style. For example: "I will love mom forever if mother buy me one", "buy me one means you are my great father in this world".
6. Threatening- This style often focuses on the negative if the purchase is not done by his parents. Examples of words that are often used: "I will hate you forever if you do not buy me one", "I will leave the house if I do not buy one".
7. Pitty- This style will usually produce negative results for children, because children will feel sorry for themselves. Example: "no one wants to talk to me if I do not have it", "everyone has it but me," and "you never bought me anything".

All of the above petition styles can be used in combination, but children tend to use one or two styles that have proven most effective in influencing their parents to buy them a product.

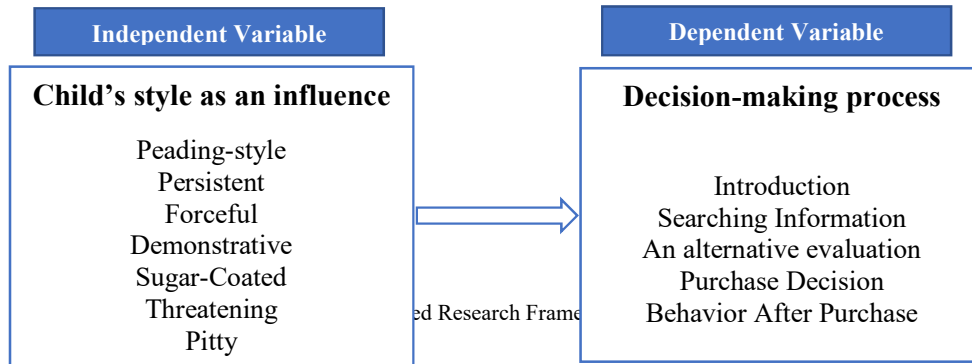
1.3. Consumer Buying Decision-Making Process

Purchasing decisions in this study refers to the fulfillment of the needs of parents in spending their resources to meet the needs and desires of their children. Consumer decision making in buying a product is a process that passes certain stages. Kotler (2000) divides The Purchase decision making process into five steps:

1. Introduction of needs that consumers perceive the difference between the desired state and the actual situation to generate and activate the decision process.
2. Searching information is the consumer looking for information stored in memory (internal search) or get information relevant to the decision of the environment (external search).
3. An alternative evaluation is: the consumer evaluates the options with regard to expected benefits and narrows the options to the chosen alternative.
4. Purchase decisions are: the consumer already has a selected alternative or alternate alternative that can also be selected.
5. Behavior after purchase is: the consumer evaluates whether the selected alternative meets the needs and expectations immediately after use.

1.4. Model Development

Relationships are positioned between variables used (child style as an influence, 5 decision-making processes) and purchasing decisions.



Methodology

In conducting the research, the researcher uses the systematic steps presented in this chapter in order to be neatly structured. The information presented include problem identification, literature reviews, surveys, data analysis, outcomes, conclusions and recommendations that are important too. Each of these steps has different goals to gain an in-depth understanding of the problem until it finds its results and creates a solution for research. The overall steps of this study are as follows:

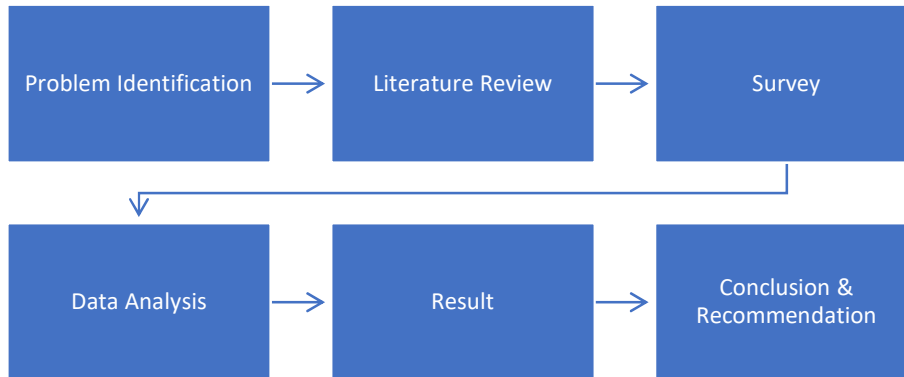


Figure 1.2. Research design

1.1. Data Collection Methods

Data collection explain about how the data needed for this research were being gathered.

1.1.1. Primary Data

Data from parents in Bandung related considerations in buying nata de coco beverages products for their children are collected directly by using an online questionnaire.

1.1.2. Secondary Data

Previous research and related resources to collect valuable insights such as academic journals, books, and web resources were collected for secondary data.

1.2. Respondent

Respondents in quantitative research are usually purposive. They are selected as they are likely to give useful data for the research.

1.2.1. Target population

The population studied in this study is the population of parents who have children who are still in elementary school in Bandung. Based on data obtained from Badan Pusat Statistik Kota Bandung, in 2014 there are about 218,067 primary school children. With a population growing at

an average of 1.9 percent per year, it is predicted that the population of parents who have children who are still in primary school in Bandung in 2017 is about 367,478 people.

1.2.2. Sampling

To determine the sample size, the Slovin formula is used based on the size of the previously mentioned population. The formula is $n = N / (1 + Ne^2)$ where n is the sample size, N is population size, and e is the margin of error. $N = N / (1 + Ne^2) = 367,478 / (1 + 367.478 \cdot 0.1^2) = 99.9727$ or about 100 people.

1.2.3. Pilot Test

The pilot test, also called the 'feasibility study' is used to establish a clear vision of how the research will be conducted. 30 questionnaires were distributed to people who met the criteria of the study respondents.

1.3. Research Measurement and Variables

1.3.1. Research measurement

Five-point Likert Scale is a variable used in this study to assess the suitability of respondents to approve certain indicators. It consists of points one to five with 1 = strongly disagree and 5 = strongly agree. The question used in this study is to ask a similar question from previous research. There are several adjustments made to make the question appropriate to the research context. The researcher build the quisionare from the opinions of experts in accordance with the purpose of this study

Tabel 1.3 Resources Questionnaire Building

No	Variable	Label	Dimension	Author
1	Child's style as an influencer	RE1	Peading	McNeal (1992)
		RE2	Persistent	McNeal (1992)
		RE3	Forceful	McNeal (1992)
		RE4	Demonstartive	McNeal (1992)
		RE5	Sugar-Coated	McNeal (1992)
		RE6	Threatening	McNeal (1992)
		RE7	Pitty	McNeal (1992)
2	5 Decision making processes	ET1	The introduction of needs	Kotler (2000)
		ET2	Information search	Kotler (2000)
		ET3	Alternative evaluation	Kotler (2000)
		ET4	Buying decision	Kotler (2000)
		ET5	Behavior after purchase	Kotler (2000)

1.3.2. Validity and Realibility

This study uses validity test with 30 persons have read as respondents to make sure no questions are confusing or ambiguous.

1.4. Data Analysis Technique

SPSS is a tool used to calculate the data of 100 respondents who have been collected from the questionnaire. This will be used to measure validity, reliability and simple linear regression. The statistical method used to explain the relationship between one dependent variable with one independent variable is a simple linear regression analysis as in one of the most common forms of linear regression analysis. It is used to show the relation of independent variable with value of dependent variable.

Descriptive analysis based on the results of questionnaires collected from 100 respondents is a method of analysis conducted by researchers. 100 The response rates that have been collected

with the online and offline questionnaires are calculated or weighted based on the likert scale. The answers given to the Likert Scale are (Hasan, 2002)

Data Analysis

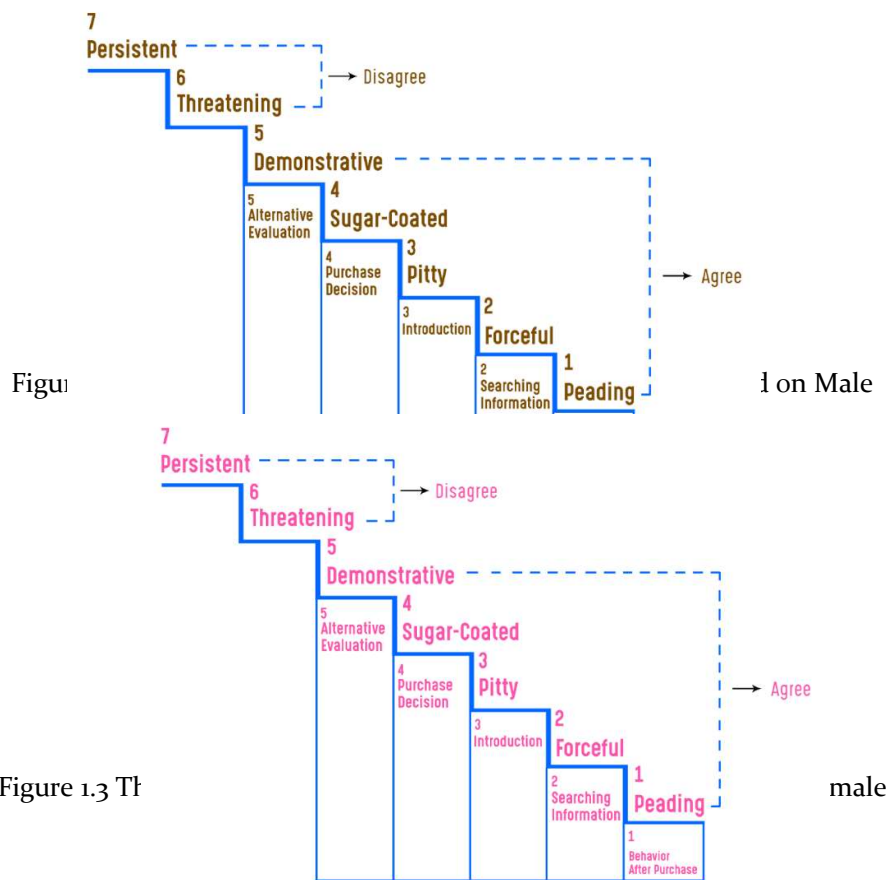
1.1. Model to Implement Child,s Style

From total respondents in essence, all the dimensions found in the child's style affect the parental purchasing decisions, although the effect is not too great and between the seven dimensions of the child style there is a style that does not have a big effect. This shows that after this analysis is very important to create a marketing strategy to attract parents as buyers and children as consumers for the marketing process to run effectively. Design model that will be made based on seven ladder, where in each ladder there are seven child styles. At the bottom is the style of children who are very influential on parental purchasing decisions. The more up the ladder the effect is getting smaller.

1.2. Model's Picture to Implement Child,s Style

The Model created based on gender because in addition to their greater influence among others, gender is more visible than other analyzes such as children's pocket money and the age are intangible data or factors and difficult to predict, and gender is easier to know between female and male can be from clothes, sounds, how to them walk and etc. So the model created only 2 picture.

The Model's Picture to Implement Child,s Style based on Male and Female



Conclusion

Conclusion from this research that child style very potential to be implemented as new way to attract the parents to buy nata de coco drink, because based on its analysis, the result show that child's style have positive effect to parents decision making with coefficient of determination equal to 35,40 percent. Based on the results of this research, the dimension of willingness to buy more nata de coco drink has the highest value reaches 95 (Agree) means that respondents have the desire to buy more nata de coco drink products when their children doing seven child's style. SMEs can also incorporate marketing strategies by targeting parents as buyers and children as consumers with other marketing strategies such as using a marketing mix to ensure that their marketing efforts can achieve their marketing targets to attract customer purchases. The order of child's style that can influence the parents in deciding to buy nata de coco drink products from highest to lowest is Peading style, Pitty style, Forceful style, Demonstrative style, and Sugar-Coated style. Child's style can also be successful when collaborated and synergy with five decision making process.

References

- _____, 1996. *SNI 01-4317-1996*. Jakarta : Badan Standarisasi Nasional.
- Ryan, M., 2008, *Nata De Coco's Processing Report, In the Thesis of Small Business Development Strategy at Four Nata de coco's Companies in Cianjur Regency by Ita Fusfitawati*, Institut Pertanian Bogor.
- Santoso, M., 2008, *The Influence of Parent's Perception About Son's want As Desires Influencers Against Parental Buying Decisions*. Universitas Kristen Satya Wacana.
- Suciningtyas, M., 2015, *Nata de Coco Rehydrated Product Development*, Faculty of Agricultural Technology, Universitas Gadjah Mada.
- Suwandinata, H., 2011, *Children's Influence on the Family Decision-Making Process in Food Buying and Consumption: An Empirical Study of Children's Influence in Jakarta Indonesia. Desertation*, Universitas Giessen.
- Atkin, C. 1978, Observation of Parent-Child Interaction in Supermarket Decision-Making, *Journal of Marketing*, 42.
- Kaur, P. & Singh, R., 2006, Children in Family Purchase Decision Making in India and The West. A Review. *Academy of Marketing Science Review*, 8.
- Mikkelsen, R., 2007, Children's Influence on Family Decision-Making in Food Buying and Consumption, *Journal of Young Consumers: Insight and Ideas for Responsible Marketers*, 8.
- Nicholls, A. & Cullen, P., 2004, The Child - Parent Purchase Relationship: Peester Power, Human Rights & Retailer Ethic's, *Journal of Retailing and Consumer Services*.
- Engel, J. F., Blackwell, R.D. & Miniard, P.W., 1994, *Consumer Behavior*, Jakarta: Binaputra Aksara.
- Ghozali, I., 2005, *Application of Multivariate Analysis with SPSS program*, Semarang: Badan Penerbit Universitas Diponegoro.
- Hasan, I., 2002, *Principles of Research Methodology Material and Its Application*. Jakarta: Ghalia Indonesia.
- Irawan, H., 2003, *Indonesian Customer Satisfaction*, Jakarta: PT. Alex Media Computindo.
- Kartono & Kartini, 1979, *General Psychology*, Bandung: Alumni.
- Kotler, P. & Amstrong, G., 2008, *Consumer Behavior Jilid kedua edisi kedua belas*, Jakarta: Erlangga.
- Kotler, P., 2000, *Marketing Management The Millenium Edition*, Upper Saddle River: Prentice-Hall.
- Kotler, P., 2003, *Marketing Management Eleventh Edition*, Upper Saddle River: Prentice Hall International.

- Kotler, P. & Armstrong, G., 1997, *Marketing: an Introduction 4th edition*. Upper Saddle River: Prentice-Hall.
- McNeal, J. U., 1992, *Children as a market of influencers. Kids as Customers-A Handbook of Marketing to Children: 63-87*, New York: Lexington Books.
- Prasetijo, R. & Ihalauw, J. O. I., 2005, *Consumer Behavior*, Yogyakarta: Andi.
- Salman, M., 2013, *Basic Processing of Agricultural & Fishery Products*, Jakarta: Kementrian Pendidikan dan Kebudayaan.
- Schiffman, L.G. & Kanuk, L.L., 1987, *Consumer Behavior*. New Jersey: Prentice-Hall.
- Saunders, M. & Lewis P., 2012, *Doing Research in Business & Management*, London: Pearson Education.
- Natariksa, 2016, *Natariksa's Company Annual Report 2016*; unpublished document.
- Utama, N., 2017, PT. Nirmas Utama Website 2017, *PT. Nirmas Utama (INACO)*, 1999, retrieved on May 4, 2017 from <http://inaco.web.indotrading.com/>.
- Haryanto, J.O., 2008, The Role Of Intention To Consume In Creating Autobiographical Memory. *Gajah Mada International Journal of Business*, 2013, retrieved on July 1, 2017 from <http://www.research.marketing.co.id/2011/09/07/bujet-kembali-ke-sekolah-di-as-menurun.3Maret2013>
- SPSS, 2016, *Validity Test and Reliability with SPSS*, May 18, retrieved on June 2, 2017 from <http://www.spssstatistik.com/uji-validitas-dan-reliabilitas-dengan-spss/>.