

Mobile phones and the consumer kids

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Summary

Mobile phones have been described as the ultimate example of consumerism. In Australia most children want one and almost a quarter already have one. But why do they want mobile phones? How do they pay for them? And what risks are there for children eager to own the latest mobile phone?

In recent years manufacturers have devoted special attention to young children, or 'tweens' aged between six and 13. But as manufacturers have attempted to engage with this young age group to develop brand loyalty for life, children have been put under increasing pressure to consume.

Drawing on data from Roy Morgan Research's Young Australians Survey, this paper finds that although they are marketed to parents on security grounds, the majority of children who own mobile phones are motivated by status and aesthetics in their purchasing decision. Fifty-three per cent of tweens believe the brand of their phone is important and 62 per cent believe that the way the phone looks is important. Similarly, children who own mobile phones exhibit signs of 'competitive consumption' as they try to keep up with their peers. Sixty-one per cent of child mobile phone owners want the latest technology and features and 54 per cent plan to upgrade their phone.

Further, as phones become more expensive and manufacturers and advertising encourage children to use their phones to download the latest ringtones, games and videos, the costs of mobile phones rise. Mobile phones cause financial distress for some teenagers but as manufacturers target the tween market younger children are increasingly likely to get into financial difficulty. Of children who own mobile phones, almost one in five say they spend too much on their mobile phones; and even more of their parents agree.

In short, the pressure felt by children to consume, in this case mobile phones, risks commercialising their childhood with negative effects for their development, and may lead them into financial difficulty.

1. Introduction

*Products that would have once been the domain of adults and teens are now on the radar of 'tweens, and I think there's an opportunity for marketers.'*¹

Defined most broadly, 'tweens' are pre-pubescent children, aged between six and 13. They account for approximately 11 per cent of the Australian population (Roy Morgan Research 2006a). Under the influence of advertisers and marketers, this important period of childhood development is being increasingly dominated by teenage desires, attitudes and behaviour.

Tweens occupy a unique place in consumer marketing. Because of their young age, still-developing cognitive capacity, rising influence over household consumption decisions and the fact that they have a lifetime of future consumption ahead of them (Williams 2005), they have been described as 'the brightest star in the consumer constellation' (McNeal 1998). In fact, children are wielding an increasing degree of economic power and influence. It has been estimated that tweens account for \$4 billion worth of direct and indirect consumer decisions in Australia and that two thirds of major retailers worldwide now actively target kids (Global Trend Marketing 2005; Bridges and Briesch 2006; McNeal 1998).

However, what advertisers see as a lucrative emerging market, child development experts see as a crucial period of child maturation. Despite developmental differences within the tween age range, studies have revealed some interesting characteristics of this demographic. Tweens have been found to be:

- heavy consumers of television;
- concerned with appearances;
- responsive to advertising (in particular those with celebrity endorsements);
- capable of a high degree of brand recognition; and
- interested in keeping up to date with new technologies (Achenreiner and John 2003; Schor 2004; Bridges and Briesch 2006; Roy Morgan Research 2006b).

Most importantly, numerous studies have demonstrated that tweens are fundamentally concerned with 'looking cool'. For children, consumption can become more than simply the acquisition of goods and services, it can serve as an important vehicle for self-expression and identification (Zollo 1995; Cook 2000). These tween characteristics have led advertisers and marketers to devote special attention in the last decade to children aged between six and 13.

This research paper investigates the demographic and attitudinal characteristics of children who own mobile phones. In doing so, it aims to discover why children want mobile phones, how they pay for them and whether child ownership of mobile

¹ Briese, from marketing firm Heartbeat Research cited in Lee (2004).

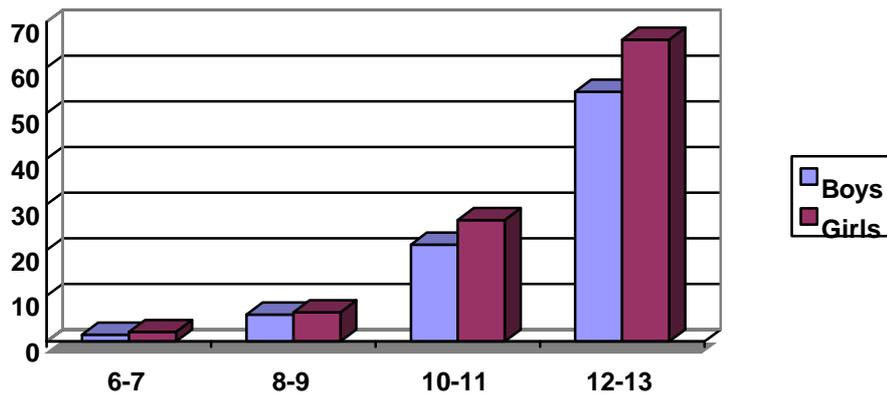
phones, as an example of consumerism among children, poses any risks. The data has been generated from Roy Morgan's Young Australians Survey, which was conducted across Australia with 5,348 children aged between six and 13 over the period April 2005 to March 2006.

2. Child mobile phone ownership

Australia has one of the highest levels of mobile phone ownership in the affluent world (OECD 2005). However as the adult market for mobile phones become saturated, manufacturers are increasingly targeting children as they look to sell more phones (APS 2004).

According to Roy Morgan Research data, 23 per cent of children aged six to 13 in Australia own a mobile phone. As Figure 1 shows, older children are more likely to own a mobile phone than younger children, with 55 per cent of 12 to 13 year old boys owning a phone and 65 per cent of girls of the same age. Across age brackets, girls are slightly more likely to own a mobile phone than boys, which suggests differing attitudes to communication among girls and boys.

Figure 1 Child mobile phone ownership (per cent), by sex and age



Source: Roy Morgan Research (2006b).

Marketed to parents as a security device for their child, manufacturers have developed a range of new products and related services designed for children. Telstra for example has released the Tic Talk phone, which is purpose-built for children with a focus on security and parental control (Telstra 2007). The phone is simple and small with a minimal number of keys to accommodate the limited fine motor skills of young children. Mattel, Disney and Nickelodeon also offer either brand name phones, ringtones, or other mobile phone content as they attempt to capitalise on the younger age market (de Mesa 2005).

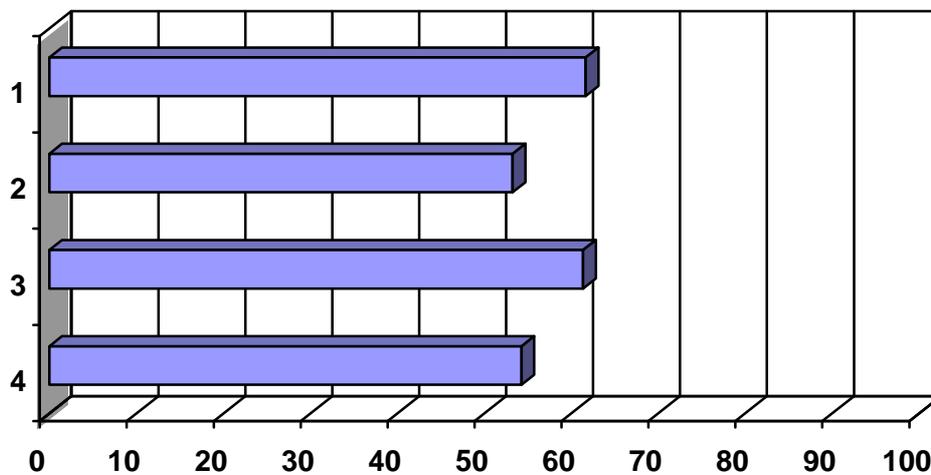
3. Why do children want mobile phones?

While children's mobile phones are marketed to parents for security reasons this is not the reason most children want phones. It is known that children feel strong pressures to consume and various studies have pointed to rising materialism among children, particularly as advertisers target the tween market (Goldberg *et al.* 2003; Schor 2004). The concern is that while mobile phones may be bought by parents to

serve the basic functions of communications, for children phones could be servicing a broader range of materialistic and self-identity desires (Mayo 2005).

An examination of attitudes covered by Roy Morgan Research data indicates that children who own mobile phones want them for more than simply maintaining contact with their parents – see Figure 2. Indeed the majority of children who own mobile phones exhibit signs of status and or aesthetic motivated consumption. More than half of child mobile phone owners agree with the statement that ‘the brand of mobile phone is important to me’ (53 per cent). In addition, 62 per cent agree with the statement that ‘the way a mobile phone looks is important to me’.

Figure 2 Attitudes of child mobile phone owners, agree (per cent)



Statement

1. The way a mobile phone looks is important to me.
2. The brand of mobile phone is important to me.
3. Having a mobile phone with the latest technology and features is important to me.
4. I plan to upgrade my mobile phone.

Source: Roy Morgan Research (2006b).

Aware of these attitudes manufacturers market phones to children by highlighting their status and aesthetic characteristics. For example, the ‘Gecko’ phone designed specifically for children promotes a ‘Gecko Skin’² with the lines:

Bling’s my thing and if it were up to me, no self-respecting gecko should ever wear the same thing twice! Gecko™ Skins are this season’s hottest accessory...they make your Gecko’s personality shine through! I just love this yummy Bubblegum one! As my idol Paris, would say, “That’s hot!” (Gecko 2007).

Children who own mobile phones also exhibit signs of ‘competitive consumption’ where their consumption is motivated by a desire to keep up with their peers (Pocock

² A ‘Gecko Skin’ is a changeable cover for the phone which is available in different colours. Gecko (2007)

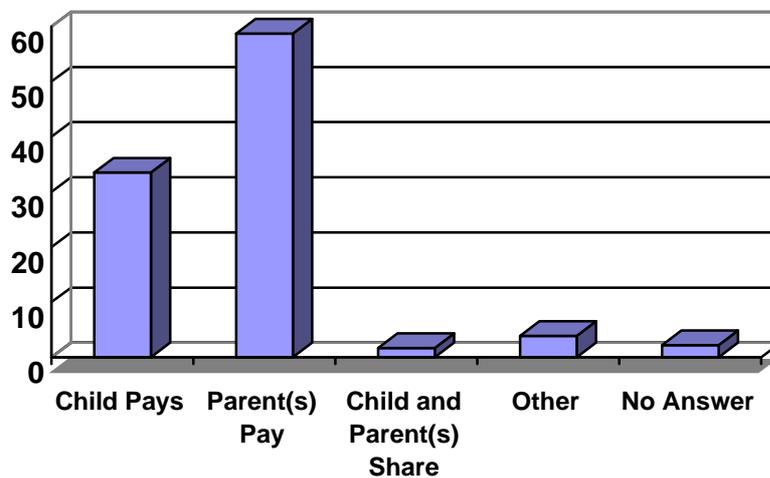
and Clark 2004). Sixty-one per cent of child mobile phone owners agree with the statement ‘having a mobile phone with the latest technology and features is important to me’. Similarly, more than half plan to upgrade their phone (54 per cent), and 41 per cent of those who plan to upgrade hope to do so sometime in the next 12 months. If the purpose of advertising is to sell children something and then persuade them to move on to the next thing as soon as possible, advertising by mobile phone manufacturers would appear to be fulfilling its purpose.

The concern of tweens over the brand and look of their mobile phones coupled with a desire for the latest technology and newest product reflects the materialistic values some children now have. While the adoption of these values threatens to commercialise children’s childhood as they define their goals in material terms, it could also negatively affect their development. Juliet Schor, a professor of sociology at Boston College in the US and a leading researcher on children and consumerism, claims that children’s ‘involvement in consumer culture causes dysfunction in the forms of depression, anxiety, low self-esteem, and psychosomatic complaints’ (2004, p. 17).

4. How do children pay for mobile phones?

According to Roy Morgan Research data parents are the principal financiers of children’s mobile phones. As Figure 3 shows, almost two-thirds of children’s mobile phones are paid for by parents (59 per cent), while one-third of children pay for their phones themselves (34 per cent). The data also show that, as we would expect, the number of children funding their mobile phone increases with age.

Figure 3 Who pays for the mobile phones? (per cent)



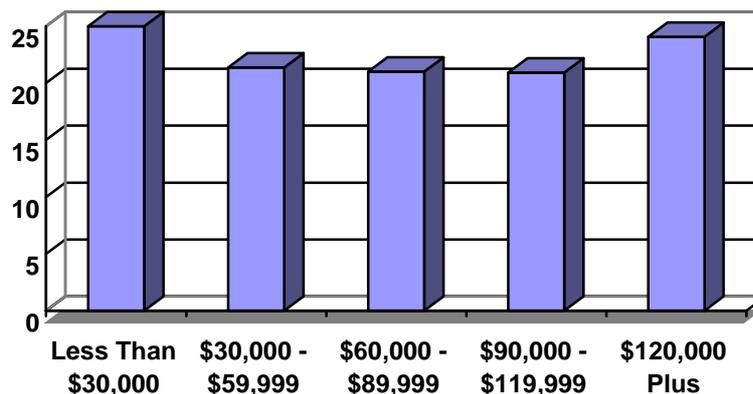
Source: Roy Morgan Research (2006b). ‘Child Pays’ refers to the child using pocket money. ‘Other’ refers to the response ‘Someone else’. Note that the data do not differentiate between initial payment of the handset and ongoing costs.

Despite the fact that only a third of children pay for their phones there is some evidence to suggest that mobile phones could lead children into financial difficulty and indebtedness. Of children who own mobile phones, one in five say they spend too much on their mobile phones (19 per cent) and marginally more (22 per cent) feel that their parents think they spend too much on their phones.

These figures reflect the rise in the use of mobile phones for functions other than phone calls. Children are now encouraged to download the latest ringtone or game, participate in SMS competitions and download music and other videos. Each of these functions incur rising costs. For example, downloaded video games from the internet can cost upwards of five dollars per game and ringtones even more (Tait 2006). The Australian Competition and Consumer Commission claims young people are particularly vulnerable to ‘slick ring tone sales trickery’ and it has received a growing number of complaints that ringtone services are advertised in a deliberately misleading manner that often exploit children’s inability to comprehend fully the terms and conditions (Samuel 2005).

Moreover, the relationship between child mobile phone ownership and household income also raises concern about the financial impact of mobile phone ownership on children. While there is no obvious correlation between household income and phone ownership, interestingly it is children living in low-income households (below \$30,000) who are most likely to own a mobile phone – see Figure 4. Consequently, low-income households could be worst affected by financial distress associated with child mobile phone ownership.

Figure 4 Child mobile phone ownership (per cent), by total household income (\$ per annum)



Source: Roy Morgan Research (2006a). Note that the income components were answered by the parent/guardian not the child. Average figures for the income groups.

It is already known that mobile phones cause financial distress among teenagers but as manufacturers target the tween market younger children are also likely to get into financial difficulty (Dangar Research 2003). In fact, increasing numbers of teenagers are now indebted because of credit card and mobile phone use (*Hobart Mercury* 2006a). David Liddy, managing director of the Bank of Queensland, has labelled mobile phones ‘a debt trap for our kids’ (*Hobart Mercury* 2006b). In response, some schools are now participating in financial literacy programs which incorporate modules specifically designed to educate children about the financial risks associated with mobile phones use (*Hobart Mercury* 2006b).

5. Risks to children

In recent years young children, or tweens, have been the focus of significant marketing efforts. But as manufacturers have attempted to engage with the younger age market and develop 'cradle to the grave' brand loyalty, children have been put under increasing pressure to consume (McNeal 1998, p. 40; Schor 2004). The risks to children from this process are evident in the case of mobile phones.

First, although children's mobile phones are marketed to parents on security grounds, the evidence indicates that children want mobile phones for more than simply maintaining contact with their parents. As discussed, the majority of children who own mobile phones believe that the look and the brand of the phone are important. They also desire to keep up with the latest technology and more than half plan to upgrade their mobile phone.

These attitudes are not surprising when we remember that tweens have been found to be heavy consumers of television and responsive to advertising, particularly young children who view advertising as informative rather than persuasive (Kunkel *et al.* 2004). The risk, however, is that targeted advertising to children, in this case for mobile phones, leads children to view consumption as a primary form of self-expression and a means through which they can construct their identity. As this happens children begin to define themselves by what they consume not by who they are (Kersting 2004).

Second, there is a risk of financial difficulty due to by mobile phone ownership among children. While children's mobile phones are principally paid for by parents, the evidence indicates that some children get into financial difficulties from mobile phone use. Almost one in five children say they spend too much on their mobile phones and one in five parents think the same. In addition, given that the highest rates of child mobile phone ownership occur in the lowest income households, low income families would be most affected by financial difficulties associated with child mobile phone ownership. Labelled as 'debt traps' for children, mobile phones risk leading young children into financial distress and exacerbating youth indebtedness.

While both these risks pertain to the case of mobile phones they are symptomatic of the wider problem of consumerism which now affects childhood. The pressure felt by children to consume threatens to commercialise their childhood with deleterious effects for their development.

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