

MODULE 7.3: FAMILY AND FAMILY LIFE CYCLE

7.3.1 Meaning of a Family

7.3.2 Relevance of the Family for a Marketer

7.3.3 Family and Buying Decision Process

7.3.4 The Family Life Cycle

LESSON – 33 FAMILY AND FAMILY LIFE CYCLE

Instructional Objectives:

After completion of this lesson, the student shall know about:

7.3.1 Meaning of a Family

7.3.2 Relevance of the Family for a Marketer

7.3.3 Family and Buying Decision Process

7.3.4 The Family Life cycle

7.3.1 MEANING OF FAMILY:

The term “family” refers to the basic sociological unit. The term has been used to denote two or more people staying together and related to each other by blood or marriage.

The composition, size and structure (in terms of roles and statuses) has undergone a change across time and culture. There have been large families including grandparents, parents, children, uncles, aunts and cousins (all staying together as a joint family); and small families which comprise just parents with their children (nuclear family). Roles and statuses have also changed, with both men and women taking active part in making purchase decisions, and women playing roles which were earlier reserved for men and vice versa. Thus, the family as a social unit has varied in composition and structure, as well as the roles played by family members.

It is noteworthy that from a marketers perspective while, families have been referred to as *households*, not all households are families. A household may also refer to a house that has just a single individual, or it might include individuals who are not related to each other such as friends, roommates, or work peers. Nevertheless so far as consumer behavior is concerned, families and households are treated as synonymous.

Today, what we see around us are three kinds of families, viz., *the married couple*, *the nuclear family* and *the extended family*. The *married couple* family comprises the husband and the wife, generally representative of couples who have recently got married and are yet to start a family. The *nuclear family* comprises husband, wife and their children. The *extended family* includes the nuclear family with grandparents or uncles and aunts.

7.3.2 RELEVANCE OF THE FAMILY FOR A MARKETER:

The family as a social unit is of tremendous importance for a marketer. This is because of three reasons, viz., a monetary source for dependents, an indication of values and lifestyles, and the root for socialization.

a) *Monetary source*: The family may comprise a single earner or a dual earner; the rest of the members acts as dependents; It is father and/or mother who are the bread earners, and earn for the rest of the members (children) who act as dependents. While this role was restricted earlier to the man in the family, there is a transition, and today even the woman in the family is playing this role. As is seen the children and the teenagers comprise a major portion of the market as buyers of goods and services. While they desire product and service offerings, the money comes from the parents. Thus providing financial resources to the dependents and looking into their economic well being is a basic family function that the head of the family plays.

b) *Values and lifestyles*: The parents in the family are also a source of values and lifestyles for the family. The grandparents and the parents in the family, inculcate among the children basic values and norms, and also tell them about suitable lifestyles. This has an impact on the children when it comes their day to day living, on their education, career, recreational activities, etc. With both parents earning and having occupations, and the family experiencing a dual-income set up, a transition has been witnessed in lifestyles of children and dependents. Children are becoming independent day by day and becoming clearer about “what” they want; the brands they seek. People are also time-constrained and so seeking easy ways out. This has led to the emergence of products and services that are easily available, convenient to use and free of hassles. For example, there is the fast food industry, ready-to-eat packaged meals etc.

c) *Socialization*: The concept of socialization has also been dealt with in the previous lesson. In fact, socialization of members’ right from childhood to adulthood is the primary function that a family plays. As discussed before, the socialization takes place at two stages, one during childhood, as family of orientation, and two after marriage as family of procreation. This reflects

itself in the values, lifestyles and overall modes of behavior of individuals; eg. the kind of food to eat, dresses to wear, customs and practices to follow etc. are all a result of the socialization process. Such socialization can be discussed at three levels: socialization at childhood, socialization at adulthood, and intergenerational socialization.

- *Socialization at childhood:* Socialization during childhood takes place when children observe and later on replicate the behavior of the elders (grandparents, parents and older siblings) at home. The children are taught about the values and modes of behavior, directly through instruction and communication, and indirectly through observation of behavior by elders at home. As they replicate behavior, they are rewarded and the behavior gets reinforced. Thus, the family of orientation has an important role to play.

Of importance to marketers is the manner in which children learn patterns of purchase and consumption behavior. As Schiffman defines, child socialization is the process by which children acquire the skills, knowledge, and attitudes necessary to function as consumers. Similar to other socialization, such knowledge about product and service offerings, as also brands and consumption behavior, is also learnt through observation of elders at home, be it parents or older siblings. However as they grow up, their consumption behavior also gets influenced by friends, as well as reference groups (both direct and indirect). The process of socialization helps adopt shopping and buying skills of products and services, as also brands at dealer's outlets and stores.

- *Socialization at adulthood:* Socialization does not get restricted to childhood. It extends throughout the life of an individual, as an ongoing process. As a person grows up into adulthood, he interacts with his friend, colleague and work peers and is influenced by them. After he gets married, he starts a household once again and his consumption pattern and behavior is impacted by his spouse. As the newly married couple begins to settle down as a household, they make adjustments with each other with respect to values, lifestyles and modes of behavior. They also make adjustments and adapt themselves with respect to the likes and dislikes of each other, including preferences for product and service offerings as also brands. Once they have children, they begin to impact and are also impacted by them. Thus, just like the family of orientation, the family of procreation also has an important role to play.

- *Intergenerational socialization:* Values, lifestyles and behavior get transferred from one generation to another. So do preferences for product and services as also brands. We often see

that people prefer certain brands, just because their parents preferred it over others. Product and brand loyalty as also preferences get transferred from one generation to another. This is referred to as intergenerational socialization.

7.3.3 FAMILY AND BUYING DECISION PROCESS:

It is the entire family that acts together while making purchase decisions. However, researchers tend to focus either on the decision maker who makes choices about a purchase or the user who uses the product or service offering.

Purchase decisions in the family are joint decisions made by the members of the family, be it husband, wife, children, or may be even members of the extended family. Thus the family is recognized not only as the basic social unit but also as the basic decision making unit.

Buying roles:

The members in the family play what is known as “buying roles,” viz. the initiator, influencer, decider, buyer and user. These roles have already been discussed in module 4. It would be worthwhile to mention here that these roles may be played by a single person or by a few in the family. Also, these roles would vary across product and service offerings as also the buying situation. For some products, the male member of the house acts as the decider, while for others, the lady acts as a decider.

Reversal of Buying Roles:

However, with a large number of women taking to professions, men are no longer confined to their offices but are also taking up responsibility with household chores. With changing times, family roles have also undergone a change; most purchase decisions are joint decisions. Also those decisions which were earlier restricted to men, are being taken by women and vice versa. Marketers do address this issue when they depict through their ads, men washing clothes with Ariel or men making Act II popcorn. This shift in buying roles need to be well-understood by marketers as this change may ultimately affect the composition of target markets and segments.

Joint Decision Making in a Family:

As mentioned above, most purchase decisions are jointly made by the spouses together or with their children involved. While making purchase decisions and brand choices, the family may very often find itself in disagreement with one another. In such situations, the family members tend to influence each other to reach a consensus that makes everyone happy and leaves them satisfied.

Purchase decisions between *husband and wife* have been studied at length.

Researchers have identified family consumption decisions between husband and wife as husband-dominated, wife-dominated, joint (i.e., *equal* or *syncratic*), and autonomic (i.e., *solitary* or *unilateral*). The kind of influence in terms of nature and extent, depend upon the product and service offering, the stage in the decision making process, and the family role structure (in terms of culture and sub-culture; Who is more dominating?) . The influence today, is also getting impacted by changing roles in the social system, the lifestyle patterns as also occurrence of women liberation and dual-income households.

In purchase decisions involving the family, *children* have a major role to play these days. They tend to influence family decision making with reference to both the purchase decision as also the brand choice. The behavior that they exhibit is more of an Influence that subsequently makes parents yield to their (children's) request. Children are influential for all kinds of products, be in icecreams or clothes or even cars, which they watch on TV. It has been seen that while certain products are not used by children, yet they are successful in influencing their parents in purchase decisions relating to them. Children who are little older are able to recall the ads and the brands; they are highly influential in helping parents' recall the brand at the time of purchase. Mention may also be made of *latchkey kids*, who are preteen children who stay at home alone for a considerable part of the day, while their parents are off for work. They form a lucrative segment for marketers dealing in fast food, snacks and other eatables, be it burgers or pizzas or cold drinks. These are made available at the doorstep through home delivery. With the new generation, so very tuned towards such offerings, segment has good potential. *Teenagers and college going children* also form a profitable segment for the marketer; this is because they are easily influenced by friends and peers, as also members of secondary reference groups. They have money in hand which the parents provide, and they have a tendency to spend a lot of money. They are fashion conscious and also act as trend setters. They impact family decision making in a major way. Children, teenagers and college goers cannot be ignored as they are can be caught young and made brand loyal. Together they represent a huge market.

Resolving Consumer Conflict in a Family:

Researchers have particularly identified conflict reducing strategies between husband and wife. With income being limited, they could argue with each other with respect to the purchase decisions (to buy/or not buy), purchase choices (To buy Product X or Y), as also brand choices (To buy Brand X₁ or X₂). Let us take an example. A couple is interested in buying a new

mobile set. They enter into an argument with respect to the brand to be purchased. The various conflict-reducing strategies are mentioned in the table (See Table 1).

Table 1: Conflict reducing Strategies between Husband and Wife

Strategy	Meaning	Example
Expert	One of the spouses, uses his/her superior knowledge and information about the product/service category in question, and influences the other	The couple is buying a mobile set. The wife looks for looks, aesthetics and appeal and prefers a Samsung, while the husband looks into the robustness, durability, size and weight etc. and prefers a Nokia. Assuming that the husband has better idea about electronic products, he acts as an expert and influences his wife to agree to a decision taken by him.
Legitimacy	The dynamics here is based on “who dominates” the household; i.e. decisions are taken on the basis of the position in the household. The more powerful influences the other.	If the man is the dominant force, they buy a Nokia; else they buy a Samsung.
Bargaining	Here, the two agree to reach on a consensus with a promise for future; “I agree to what you say now; You would have to agree with me the next time.” So one is able to influence the other with a promise of exchange some time in future.	The couple is buying a mobile set. The husband favors a Nokia while the wife prefers a Samsung. The wife agrees to buy Nokia on the condition that next time they would buy Samsung.
Reward	One tries to influence the other by offering a reward.	The husband tells his wife that if she agree on a Nokia, he would gift her a saree.
Emotional	One of the spouses tries to influence the other by expressing his emotions; in other words, emotional blackmail.	The wife acts emotionally and says that she desires a Samsung as her first handset gifted to her by her father was also a Samsung. So she gets sentimental about it.
Impression	Here, one of the spouses tries to influence another through his power of persuasion, reasoning and argument.	The husband brings in facts, and logic and persuades his wife to agree to buy a Nokia.

7.3.4 THE FAMILY LIFE CYCLE:

Researchers have studied the consumption behavior across the various stages of the family life cycle. They have attempted to study the various peculiarities, tried to relate these to the stages in the FLC, and drawn generalizations. The family life cycle has been defined as a series of stages through which most families' progress, with varying characteristics across varies stages; these characteristics relate to marital status, size of the family, the age profile of the family members (focusing on the age of the oldest and/or youngest child), the employment status of the head of household, the income level and the disposable income at hand. The amount of

disposable income is usually inferred from the stage in the family life cycle. While the tradition FLC has undergone change and newer forms have appeared, the concept still draws attention from consumer researchers and practitioners. It has been used by marketers to segment families on the bases of varied criteria that have been mentioned above.

Traditional Family Life Cycle:

Traditionally the life cycle, illustrated a progression of stages through which families passed; it comprised stages, starting from bachelorhood (single), to married (couple), to family growth (parenthood: birth of children), to family contraction (grown up children leaving home for studies or employment) to post parenthood (all children leaving home) to dissolution (single survivor: death of one of the spouses). Based on these, the traditional FLC can be synthesized into five basic stages, which may be mentioned as follows:

- Stage I: **Bachelorhood:** Young single adult (male/female) living apart from parents and into a livelihood.
- Stage II: **Honeymooners:** Young married couple.
- Stage III: **Parenthood:** Married couple with at least one child living with them at home.
- Stage IV: **Postparenthood:** An older married couple with no children living at home. Children have left home for studies or for employment.
- Stage V: **Dissolution:** One surviving spouse.

These stages, consumption patterns and the product preferences are explained below:

1. **Stage I: Bachelorhood:** The stage comprises a young single adult (male/female) living apart from parents and into a livelihood. While incomes are low as they have just started a career, financial burdens and responsibilities are also low. As such bachelors have a high level of disposable income.

Priorities and Preferences of Purchase: They tend to spend their money on house rent, basic furniture and kitchen equipment. They are recreation oriented and like to spend on purchase of automobiles (particularly motor bikes), travel (trekking and holidays), adventure sports (motor racing, bungee jumping etc.), health clubs, clothes and fashion accessories).

Implications for Marketers: Marketers realize that bachelors possess large disposable income; they find in them an attractive segment for sports, travel, entertainment and fun.

2. **Stage II: Honeymooners:** The stage comprises a newly married couple and continues till the first child is born. One of the spouses may be working or both may be working. They are

financially better off than they would be in the next stages. If both are working, income is higher. If both are working, the couple has discretionary income at hand that permits a good lifestyle, and provides for purchases or savings.

Priorities and Preferences of Purchase: They tend to spend on creating a home for themselves. They spend on cars, furniture, curtains and upholstery, electronics, kitchen appliances and utensils, and vacations.

Implications for Marketers: They form an attractive segment for the marketer as they form the highest purchase rate amongst segments. The highest average purchase of durables takes place in this stage.

3. Stage III: Parenthood: The stage comprises married couple with children. This stage extends for about a long 20-25 year period; and could be further broken up into three stages, viz., Full Nest I, Full Nest II and Full Nest III. Throughout these stages, the size and structure of the family gradually changes, so does income and expenses with varying priorities. The financial expenses increase rapidly with children being born in Full Nest I and gradually decrease as children become independent and self-supporting as one reaches Full Nest III.

- Full Nest I: The youngest child in the family is six or below.

Priorities and Preferences of Purchase: While liquidity of cash is low, expenses are high. The family spends on baby food, diapers, medicines for cough and cold, doctor visits, child toys and games, school admissions and fees and insurance policies. There are increased expenses on child care.

Implications for Marketers: At this stage, purchasing is at the peak, and so this is an attractive segment for the marketer. The children in the family begin to impact family purchases, and are a huge potential for future.

- Full Nest II: The youngest child in the family is six or above. Generally the stage comprises children aged 6-12 years.

Priorities and Preferences of Purchase: Financial position gets better as one begins to rise up the ladder. If the wife is also working, children are “latchkey kids.” The family spends on food, clothes for children, education of children, insurance policies and investments. They also pay for medical expenses and particularly, dental treatment. They go in for deals; buy larger-size packages, and economy packs. Junk food, fashion clothing and accessories, video games etc. are prime demands.

Implications for Marketers: At this stage, purchasing is still at the peak, and so this is also an attractive segment for the marketer. The children, as also teenagers continue to impact family purchases. The latchkey kids are a potential for home delivered junk food like pizzas and burgers.

-Full nest III: They are older married couples with dependent and/or independent children but staying together at home. Children reach the higher educational level; one of them may start earning too.

Priorities and Preferences of Purchase: The family income continues to increase and so do expenses. The family continues to spend on food, clothes for teenagers, higher education of children, and also repeat purchase of durables that were bought in honeymooning stage or Full Nest I. The family buys new furniture, electronic goods and appliances and cars. Thus there is high average purchase of durables. The family also invests in real estate and property and/or flats. They continue to spend on medical expenses, particularly dentists and visit general physicians for regular check ups.

Implications for Marketers: At this stage, income begins to increase as one of the children begins to earn. As expenses see a rise, the stage offers a potential for marketers.

4. Stage IV: Postparenthood: This is a stage that occurs once children have left home. They leave home first for education, and then for employment. As they complete their education, and find employment, they gradually leave home one by one, thus, leaving the nest. Thus, this stage has also been broken into two stages, viz., Empty Nest I and Empty Nest II. As one moves across Empty Nest I and II, the size and structure of the family changes (quite similar to the Parenthood stage and the Full Nest I, II and III).

-Empty Nest I: This is a stage that occurs when at least one of the children has left home. He/she has completed education, taken up a job and has left home to start his/her home. He/she is independent and can manage on own. While children are managing to start up on their own, parents are still working.

Priorities and Preferences of Purchase: The family size gradually begins to shrink. Parents are still earning; expenses gradually reduce, and so there is highest level of savings and disposable income at hand. The family spends on food, installments for real estate/house, higher education of the dependent children, and, medical expenses on dentist, physiotherapy and heart. They have leisure time in hand, and watch television, movies, and may even go on a vacation.

Implications for Marketers: At this stage, the couple begins to again have disposable income in hand. Financial responsibilities towards children begin to decrease. This stage offers potential for marketers who are involved in providing services like leisure, travel and holiday.

-Empty Nest II: In this stage, all the children have left home, and the couple has retired from occupation. They live on pension and other social security investments. If health permits, they take up part-time jobs.

Priorities and Preferences of Purchase: The couple has higher disposable incomes because of savings and investments, and they have fewer expenses. They decide to spend on all that they had been thinking to spend on but had not been able to because of familial responsibilities. They spend money on food, travel and holidays, watch TV and form hobby clubs. They refurnish their home or may even move to newer homes after retirement. Medical expenses also see a rise. However, for those older retired couples who do not have much income from adequate savings and investments, the situation is much different. There is a sharp drop in their income.

Implications for Marketers: The stage is lucrative for those involved in the entertainment industry. Many industries provide special discounts in travel and stay as “Senior Citizen benefits, for example, hotels, airlines and railways. Banks and financial institutions also have special facilities for those above 60, especially higher rates of interest on deposits.

5. Stage V: Dissolution: This stage in the FLC occurs when one of the couple dies, and leaves behind the other surviving spouse.

Priorities and Preferences of Purchase: When one of the spouses is still earning, or earns money from savings and investments, things are little easier. However, if he/she is not earning, he/she follows a lifestyle that is economical. The primary expenditure is on medicines, checkups with doctors and restrictive diet.

Implications for Marketers: The stage is characteristic of a widow/widower with lower income and least shopping and expenses.

Modifications to the FLC:

With changes in our society, we witness a change in the traditional Family Life Cycle and the various stages through which it progressed earlier. There are various forms like single; late marriages; divorced (with/without children); dual income, no kids (DINKS); live-ins etc. Consumer researchers have thus brought about changes in the traditional FLC, so as to reflect changes in the family and lifestyle arrangements. Broadly speaking households may be

classified as family households and non-family households (single individual or live-ins). Each of these family types has varying features and characteristics, which also get exhibited in their buying patterns and consumption expenditure.

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FAQS (FREQUENTLY ASKED QUESTIONS):

Ques 1 What do you mean by the term “family”? How is it relevant for a marketer?

Ans 1 The term “family” refers to the basic sociological unit. The term has been used to denote two or more people staying together and related to each other by blood or marriage. The composition, size and structure (in terms of roles and statuses) has undergone a change across time and culture. There have been large families including grandparents, parents, children, uncles, aunts and cousins (all staying together as a joint family); and small families which comprise just parents with their children (nuclear family). Roles and statuses have also changed, with both men and women taking active part in making purchase decisions, and women playing roles which were earlier reserved for men and vice versa. Thus, the family as a social unit has varied in composition and structure, as well as the roles played by family members.

Today, what we see around us are three kinds of families, viz., *the married couple*, *the nuclear family* and *the extended family*. The *married couple* family comprises the husband and the wife, generally representative of couples who have recently got married and are yet to start a family. The *nuclear family* comprises husband, wife and their children. The *extended family* includes the nuclear family with grandparents or uncles and aunts.

The family as a social unit is of tremendous importance for a marketer. This is because of three reasons, viz., a monetary source for dependents, an indication of values and lifestyles, and the root for socialization.

a) *Monetary source*: The family may comprise a single earner or a dual earner; the rest of the members acts as dependents; It is father and/or mother who are the bread earners, and earn for

the rest of the members (children) who act as dependents. While this role was restricted earlier to the man in the family, there is a transition, and today even the woman in the family is playing this role. As is seen the children and the teenagers comprise a major portion of the market as buyers of goods and services. While they desire product and service offerings, the money comes from the parents. Thus providing financial resources to the dependents and looking into their economic well being is a basic family function that the head of the family plays.

b) *Values and lifestyles*: The parents in the family are also a source of values and lifestyles for the family. The grandparents and the parents in the family, inculcate among the children basic values and norms, and also tell them about suitable lifestyles. This has an impact on the children when it comes their day to day living, on their education, career, recreational activities, etc. With both parents earning and having occupations, and the family experiencing a dual-income set up, a transition has been witnessed in lifestyles of children and dependents. Children are becoming independent day by day and becoming clearer about “what” they want; the brands they seek. People are also time-constrained and so seeking easy ways out. This has led to the emergence of products and services that are easily available, convenient to use and free of hassles. For example, there is the fast food industry, ready-to-eat packaged meals etc.

c) *Socialization*: The socialization of members' right from childhood to adulthood is the primary function that a family plays. Socialization takes place at two stages, one during childhood, as family of orientation, and two after marriage as family of procreation. This reflects itself in the values, lifestyles and overall modes of behavior of individuals; eg. the kind of food to eat, dresses to wear, customs and practices to follow etc. are all a result of the socialization process. Such socialization can be discussed at three levels: socialization at childhood, socialization at adulthood, and intergenerational socialization.

- *Socialization at childhood*: Socialization during childhood takes place when children observe and later on replicate the behavior of the elders (grandparents, parents and older siblings) at home. The children are taught about the values and modes of behavior, directly through instruction and communication, and indirectly through observation of behavior by elders at home. As they replicate behavior, they are rewarded and the behavior gets reinforced. Thus, the family of orientation has an important role to play. However as they grow up, their consumption behavior also gets influenced by friends, as well as reference groups (both direct and indirect). The process

of socialization helps adopt shopping and buying skills of products and services, as also brands at dealer's outlets and stores.

- *Socialization at adulthood:* Socialization does not get restricted to childhood. It extends throughout the life of an individual, as an ongoing process. As a person grows up into adulthood, he interacts with his friend, colleague and work peers and is influenced by them. After he gets married, he starts a household once again and his consumption pattern and behavior is impacted by his spouse. As the newly married couple begins to settle down as a household, they make adjustments with each other with respect to values, lifestyles and modes of behavior. They also make adjustments and adapt themselves with respect to the likes and dislikes of each other, including preferences for product and service offerings as also brands. Once they have children, they begin to impact and are also impacted by them. Thus, just like the family of orientation, the family of procreation also has an important role to play.

- *Intergenerational socialization:* Values, lifestyles and behavior get transferred from one generation to another. So do preferences for product and services as also brands. We often see that people prefer certain brands, just because their parents preferred it over others. Product and brand loyalty as also preferences get transferred from one generation to another. This is referred to as intergenerational socialization.

Ques 2 Discuss the Family Life Cycle? How do buying preferences and consumption patterns change through various stages of the FLC?

Ans 2 The family life cycle has been defined as a series of stages through which most families' progress, with varying characteristics across various stages; these characteristics relate to marital status, size of the family, the age profile of the family members (focusing on the age of the oldest and/or youngest child), the employment status of the head of household, the income level and the disposable income at hand. The amount of disposable income is usually inferred from the stage in the family life cycle. While the traditional FLC has undergone change and newer forms have appeared, the concept still draws attention from consumer researchers and practitioners. Researchers have studied the consumption behavior across the various stages of the family life cycle. They have attempted to study the various peculiarities, tried to relate these to the stages in the FLC, and drawn generalizations.

Traditional Family Life Cycle:

Traditionally the life cycle, illustrated a progression of stages through which families passed; it comprised stages, starting from bachelorhood (single), to married (couple), to family growth (parenthood: birth of children), to family contraction (grown up children leaving home for studies or employment) to post parenthood (all children leaving home) to dissolution (single survivor: death of one of the spouses). Based on these, the traditional FLC can be synthesized into five basic stages, which may be mentioned as follows:

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These stages, consumption patterns and the product preferences are explained below:

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Priorities and Preferences of Purchase: They tend to spend their money on house rent, basic furniture and kitchen equipment. They are recreation oriented and like to spend on purchase of automobiles (particularly motor bikes), travel (trekking and holidays), adventure sports (motor racing, bungee jumping etc.), health clubs, clothes and fashion accessories).

Implications for Marketers: Marketers realize that bachelors possess large disposable income; they find in them an attractive segment for sports, travel, entertainment and fun.

2. **Stage II: Honeymooners**: The stage comprises a newly married couple and continues till the first child is born. One of the spouses may be working or both may be working. They are financially better off than they would be in the next stages. If both are working, income is higher. If both are working, the couple has discretionary income at hand that permits a good lifestyle, and provides for purchases or savings.

Priorities and Preferences of Purchase: They tend to spend on creating a home for themselves. They spend on cars, furniture, curtains and upholstery, electronics, kitchen appliances and utensils, and vacations.

Implications for Marketers: They form an attractive segment for the marketer as they form the highest purchase rate amongst segments. The highest average purchase of durables takes place in this stage.

3. Stage III: Parenthood: The stage comprises married couple with children. This stage extends for about a long 20-25 year period; and could be further broken up into three stages, viz., Full Nest I, Full Nest II and Full Nest III. Throughout these stages, the size and structure of the family gradually changes, so does income and expenses with varying priorities. The financial expenses increase rapidly with children being born in Full Nest I and gradually decrease as children become independent and self-supporting as one reaches Full Nest III.

- Full Nest I: The youngest child in the family is six or below.

Priorities and Preferences of Purchase: While liquidity of cash is low, expenses are high. The family spends on baby food, diapers, medicines for cough and cold, doctor visits, child toys and games, school admissions and fees and insurance policies. There are increased expenses on child care.

Implications for Marketers: At this stage, purchasing is at the peak, and so this is an attractive segment for the marketer. The children in the family begin to impact family purchases, and are a huge potential for future.

- Full Nest II: The youngest child in the family is six or above. Generally the stage comprises children aged 6-12 years.

Priorities and Preferences of Purchase: Financial position gets better as one begins to rise up the ladder. If the wife is also working, children are "latchkey kids." The family spends on food, clothes for children, education of children, insurance policies and investments. They also pay for medical expenses and particularly, dental treatment. They go in for deals; buy larger-size packages, and economy packs. Junk food, fashion clothing and accessories, video games etc. are prime demands.

Implications for Marketers: At this stage, purchasing is still at the peak, and so this is also an attractive segment for the marketer. The children, as also teenagers continue to impact family purchases. The latchkey kids are a potential for home delivered junk food like pizzas and burgers.

-Full nest III: They are older married couples with dependent and/or independent children but staying together at home. Children reach the higher educational level; one of them may start earning too.

Priorities and Preferences of Purchase: The family income continues to increase and so do

expenses. The family continues to spend on food, clothes for teenagers, higher education of children, and also repeat purchase of durables that were bought in honeymooning stage or Full Nest I. The family buys new furniture, electronic goods and appliances and cars. Thus there is high average purchase of durables. The family also invests in real estate and property and/or flats. They continue to spend on medical expenses, particularly dentists and visit general physicians for regular check ups.

Implications for Marketers: At this stage, income begins to increase as one of the children begins to earn. As expenses see a rise, the stage offers a potential for marketers.

4. Stage IV: Postparenthood: This is a stage that occurs once children have left home. They leave home first for education, and then for employment. As they complete their education, and find employment, they gradually leave home one by one, thus, leaving the nest. Thus, this stage has also been broken into two stages, viz., Empty Nest I and Empty Nest II. As one moves across Empty Nest I and II, the size and structure of the family changes (quite similar to the Parenthood stage and the Full Nest I, II and III).

-Empty Nest I: This is a stage that occurs when at least one of the children has left home. He/she has completed education, taken up a job and has left home to start his/her home. He/she is independent and can manage on own. While children are managing to start up on their own, parents are still working.

Priorities and Preferences of Purchase: The family size gradually begins to shrink. Parents are still earning; expenses gradually reduce, and so there is highest level of savings and disposable income at hand. The family spends on food, installments for real estate/house, higher education of the dependent children, and, medical expenses on dentist, physiotherapy and heart. They have leisure time in hand, and watch television, movies, and may even go on a vacation.

Implications for Marketers: At this stage, the couple begins to again have disposable income in hand. Financial responsibilities towards children begins to decrease. This stage offers potential for marketers who are involved in providing services like leisure, travel and holiday.

-Empty Nest II: In this stage, all the children have left home, and the couple has retired from occupation. They live on pension and other social security investments. If health permits, they take up part-time jobs.

Priorities and Preferences of Purchase: The couple has higher disposable incomes because of savings and investments, and they have fewer expenses. They decide to spend on all that they had

been thinking to spend on but had not been able to because of familial responsibilities. They spend money on food, travel and holidays, watch TV and form hobby clubs. They refurnish their home or may even move to newer homes after retirement. Medical expenses also see a rise. However, for those older retired couples who do not have much income from adequate savings and investments, the situation is much different. There is a sharp drop in their income.

Implications for Marketers: The stage is lucrative for those involved in the entertainment industry. Many industries provide special discounts in travel and stay as “Senior Citizen benefits, for example, hotels, airlines and railways. Banks and financial institutions also have special facilities for those above 60, especially higher rates of interest on deposits.

5. Stage V: Dissolution: This stage in the FLC occurs when one of the couple dies, and leaves behind the other surviving spouse.

Priorities and Preferences of Purchase: When one of the spouses is still earning, or earns money from savings and investments, things are little easier. However, if he/she is not earning, he/she follows a lifestyle that is economical. The primary expenditure is on medicines, checkups with doctors and restrictive diet.

Implications for Marketers: The stage is characteristic of a widow/widower with lower income and least shopping and expenses.

Modifications to the FLC:

With changes in our society, we witness a change in the traditional Family Life Cycle and the various stages through which it progressed earlier. There are various forms like single; late marriages; divorced (with/without children); dual income, no kids (DINKS); live-ins etc. Consumer researchers have thus brought about changes in the traditional FLC, so as to reflect changes in the family and lifestyle arrangements. Broadly speaking households may be classified as family households and non-family households (single individual or live-ins). Each of these family types has varying features and characteristics, which also get exhibited in their buying patterns and consumption expenditure.

SELF EVALUATION TESTS/QUIZZES:

Section A True/false:

1. While, families have been referred to as households, not all households are families.
2. Socialization extends throughout the life of an individual; it is an ongoing process.

3. The buying roles would vary across product and service offerings as also the buying situation.

Section B Fill up the blanks:

1. _____ socialization is the process by which children acquire the skills, knowledge, and attitudes necessary to function as consumers.
2. Product and brand loyalty as also preferences get transferred from one generation to another. This is a perfect example of _____ socialization.
3. The _____ stage can be further divided into three stages, viz., Full Nest I, Full Nest II and Full Nest III.

Section C Short answers:

1. Mention the three kinds of families that we witness today?
2. Broadly speaking, the family as a social unit is of importance for a marketer for three reasons. Mention them.
3. Mention the five buying roles.
4. What do you mean by "latchkey kids?"
5. What do you mean by the Family Life Cycle?
6. Mention the various stages of the FLC?

KEY

Section A True/false:

- | | | |
|---------|---------|---------|
| 1. True | 2. True | 3. True |
|---------|---------|---------|

Section B Fill up the blanks:

- | | | |
|----------|----------------------|---------------|
| 1. Child | 2. Intergenerational | 3. Parenthood |
|----------|----------------------|---------------|

Section C Short Answers:

1. The married couple, the nuclear family and the extended family.
2. As a monetary source; as a source for values and lifestyles; and socialization.
3. The initiator, influencer, decider, buyer and user.
4. Latchkey kids are preteen children who stay at home alone for a considerable part of the day, while their parents are off for work.

5. The family life cycle has been defined as a series of stages through which most families' progress, with varying characteristics across varies stages; these characteristics relate to marital status, size of the family, the age profile of the family members (focusing on the age of the oldest and/or youngest child), the employment status of the head of household, the income level and the disposable income at hand.
 6. Bachelorhood, honeymooners, parenthood, post-parenthood, dissolution.
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