Children’S Conceptualizations of Sales  
Wendy Attaya Boland, University of Arizona, USA  
Lance-Michael Erickson, University of Arizona, USA  

It is not entirely clear what children understand the phrase “on sale” to mean, and what specific implications they believe a sale has for shopping decisions. Our research examines these questions, first through a series of exploratory studies that help us to understand the different ways that children conceptualize a “sale,” and then through a series of experiments where we test the effects of various means by which “on sale” is communicated. While we find that there is generally a great deal of variation in children’s sale knowledge, and that some semantic and numeric cues used to convey an item’s sale status have the potential to create confusion for children, we also find some surprisingly sophisticated reasoning about what a sale is, why a store would have one, and what it means for consumers.

[to cite]:  

[url]:  
http://www.acrwebsite.org/volumes/12885/volumes/v34/NA-34

[copyright notice]:  
This work is copyrighted by The Association for Consumer Research. For permission to copy or use this work in whole or in part, please contact the Copyright Clearance Center at http://www.copyright.com/.
Children’s Conceptualizations of Sales
Wendy A. Boland, University of Arizona, USA
Lance-Michael Erickson, University of Arizona, USA

EXTENDED ABSTRACT
A growing body of evidence suggests that children, at a very young age, understand the sequence of events involved in a shopping trip (Berti and Bombi 1998, Peracchio 1992, Karsten 1996). Children frequently accompany their parents to retail stores and amass a good deal of knowledge about aspects of shopping such as store layouts, product offerings, and exchanging money for goods (McNeal 1992). One particular aspect of the shopping experience that has not been studied much is children’s understanding of a sale. Retailers routinely use sales to encourage customers to make a purchase, drive traffic to their store, etc. They also communicate sales to customers in a variety of ways, including purely semantic cues such as “clearance” or in ways that indicate the amount of the price reduction such as take “30% off.” The aim of this paper is to broaden our understanding of how children conceptualize sales. Explicitly, we propose that the concept of a sale is established relatively early in the consumer socialization process, and that the manner in which sales are communicated has differential effects on children’s understanding of the sale and its impact on the transaction.

Three exploratory studies demonstrate that children have an understanding that sales lower the regular price of items. In our first study, participants were asked to look at a three picture series of a mother and son shopping for bicycles and write a story about what they thought was going on in the pictures. We find that younger children (first and second grade) evaluated the pictures by focusing on the perceptual features of the situation (e.g. people are shopping, bikes are blue), while older children (fifth grade) make statements about the price of the bikes, both comparing the price of one bike to the other bike in the picture and making judgments about whether or not they feel the prices shown are reasonable given the product.

Two follow-up studies also involved picture sequences. In one, children were shown a picture of a display of pudding snacks with the sign “Clearance Savings” placed above it, and were asked to describe what that meant. Most of the participants indicated that this meant that the products were “on sale” or “cost less money,” and some also mentioned that stores do this when they are trying to get rid of something they have too much of. In another picture sequence, children saw a display of pudding snacks with the sign “We Sell For Less” and a price sign of “$2.74” placed above it. Children were asked to estimate the regular price of the pudding snacks. Although there was considerable variance in the price estimates, 85% of the participants indicated a regular price that was greater than $2.74, demonstrating some understanding that the sale price must be lower. These three studies provide support for the notion that children by the age of 7 or 8 have at least a rudimentary understanding that sales lower the regular price of items. In our first study, participants were asked to look at a three picture series of a shopping trip (Berti and Bombi 1998, Peracchio 1992, Karsten 1996). One particular aspect of the shopping experience that has not been studied much is children’s understanding of a sale. Retailers routinely use sales to encourage customers to make a purchase, drive traffic to their store, etc. They also communicate sales to customers in a variety of ways, including purely semantic cues such as “clearance” or in ways that indicate the amount of the price reduction such as take “30% off.” The aim of this paper is to broaden our understanding of how children conceptualize sales. Explicitly, we propose that the concept of a sale is established relatively early in the consumer socialization process, and that the manner in which sales are communicated has differential effects on children’s understanding of the sale and its impact on the transaction.

Three exploratory studies demonstrate that children have an understanding that sales lower the regular price of items. In our first study, participants were asked to look at a three picture series of a mother and son shopping for bicycles and write a story about what they thought was going on in the pictures. We find that younger children (first and second grade) evaluated the pictures by focusing on the perceptual features of the situation (e.g. people are shopping, bikes are blue), while older children (fifth grade) make statements about the price of the bikes, both comparing the price of one bike to the other bike in the picture and making judgments about whether or not they feel the prices shown are reasonable given the product.

Two follow-up studies also involved picture sequences. In one, children were shown a picture of a display of pudding snacks with the sign “Clearance Savings” placed above it, and were asked to describe what that meant. Most of the participants indicated that this meant that the products were “on sale” or “cost less money,” and some also mentioned that stores do this when they are trying to get rid of something they have too much of. In another picture sequence, children saw a display of pudding snacks with the sign “We Sell For Less” and a price sign of “$2.74” placed above it. Children were asked to estimate the regular price of the pudding snacks. Although there was considerable variance in the price estimates, 85% of the participants indicated a regular price that was greater than $2.74, demonstrating some understanding that the sale price must be lower. These three studies provide support for the notion that children by the age of 7 or 8 have at least a rudimentary understanding that the term “sale” means, why retailers might engage in them, and that sale prices are lower than regular prices.

We also hypothesize that the manner in which a sale is communicated will have differential effects on children’s estimates of dependent variables such as the absolute price of the item, the relative prices of items, the likelihood that the child will purchase it, and the likelihood that they could convince a parent to purchase it. We expect these effects to vary by age group. We conduct two experiments with second and fifth grade children. The first study was a between-subject design where we manipulate the description of a sale using four verbal cues: “sale,” “clearance,” “save,” and “special”. Although we expected younger children to be less accurate than the older children, we have no evidence of a difference between the groups. But, when analyzing the responses by word condition, we find an association between the term used and accuracy. The results indicate that the term “special” resulted in significantly less accuracy than any of the other three terms (“sale,” “save,” “clearance”), supporting our prediction that the framing of the communication of the sale can impact children’s understanding.

In the second study we use two different numeric cues to denote sales: dollar-off cue (e.g., “take $2 off”) and percentage-off cue (e.g., “take 10% off”). Unlike the first study, we find a significant association between age and ability to identify the least expensive item in both the dollar-off and percent-off conditions, where younger children are less accurate than older children. Additionally, in the dollar-off condition we find a significant association between age and accuracy of the estimates of sale prices. Moreover, we find that all the errors in sale prices were conceptual rather than computational. We conducted a similar analysis of the percent-off condition and again find a significant association of age and accuracy. Explicitly, none of the second graders were able to derive the correct new price of the item at either store, whereas 50% of the fifth graders were able to compute the sale price correctly. Further analysis shows that while the fifth grade errors were more computational in nature, the second grade errors were almost entirely conceptual in nature.

Our research demonstrates that young children seem to understand the concept that a sale reduces the regular price of a product. Furthermore, young children have a basic understanding of why a retailer may institute a sale, although the level of sophistication in understanding sales increases with age. Our results also suggest that children’s understanding is susceptible to the manner in which the sale is communicated. Also, when sales are presented in either dollar-off or percent-off terms we find that younger children are more likely than older children to make conceptual errors, and that a percent-off cue proves to be difficult computationally for older children.

REFERENCES

LANCE-MICHAEL ERICKSON, University of Arizona, USA