

Kid-Targeted Businesses Are “All Weather” Franchises

by Michael J. McDermott

It's one of the great conundrums of the last half century. The same generation of baby boomer parents that gave birth to the phrase “latch key kids” seems to spare no expense when it comes to showering their offspring with material goods and services. Music lessons, private tutors, high end electronics, professional quality sporting goods nothing is too good for their children.

Social psychologists say the trend is not all that surprising. “With both parents working outside the home, they often feel guilty about not spending more time with the kids,” explains Adam McClure, a psychologist who specializes in family dynamics. “Consciously or unconsciously, they try to compensate by giving their children more material things, which they have the resources to afford.”

Whatever the motivations behind baby boomer parents' bountiful spending on their kids, it represents a great opportunity for franchise business owners. Parents generally cut back spending on themselves rather than their children when money is tight, so kid oriented franchises tend to fair better than average no matter what type of economy dominates the business environment.

Just as importantly, businesses that target young consumers whether directly or through their parents are investing in their own future. By recruiting youngsters in their early spending years, a business can build a customer for life.

James U. McNeal, considered by many to be the dean of the children's marketing movement, pulls no punches in describing the potential the youth market represents.

“With all their purchases ahead of them, and with their ability to pull their parents along, children are the brightest star in the consumer constellation,” the Texas A&M

marketing professor said. “Virtually every consumer goods industry targets kids.”

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Certainly, what McNeal describes is as true for franchising as for any other segment of the economy perhaps more so.

From child care services to education to entertainment to merchandise, franchise businesses targeted to children represent one of the most promising growth trends of the new century.

With both parents working outside the home, they have the disposable income and the motivation to provide for their children in all the areas mentioned above. In fact, kids represent a triple pronged marketing force via purchases made specifically for them, purchases they make themselves and their influence over household purchases in other areas.

The facts about this market are compelling. More than one in every six Americans today is under the age of 12. Recognizing that fact, industries including apparel, food, publishing, health, beauty, fitness and more are jumping on the “Kids Inc.” bandwagon. Many of these industries are represented in franchising, and more are joining the ranks everyday.

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“Parents want many things for their children, but first and foremost is to protect their physical well being,” said Joseph Mantalvo, a sociologist and child care specialist in Los Angeles. “They want their children protected, but they also want them educated, entertained and kept

physically fit. And the reality is that; in most households, the parents are not always available to see to those things themselves.”

The parents may not always be available, but plenty of franchise entrepreneurs are. Some of the many franchises targeting this market include:

- Companies that provide specialized entertainment and fitness programs for children.
- Franchises that provide child care workers, nannies or referrals for employees to work in the family's home.
- Franchises that specialize in early development education, improved learning techniques and/or generalized academic tutoring.

One aspect of the children's market that many businesses find particularly appealing is its “bulletproof” nature, said Selina Guber, author of a book about marketing to children.

“Parents may cut back on eating out. They may put off buying a new refrigerator for another year, or start putting private label canned corn in the grocery cart,” she said. “But no one brags about cutting back on their kids. Parents always want to do well by their kids. Having been raised in the affluence of the '60s and '70s, in perhaps the apex of American consumer culture, parents are particularly sensitive to providing for their children's needs today.”

