Student Scientific Activity

Family Life Cycle vs. Age as Predictors of Consumer Behavior

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Content

Introduction

Consumer behavior is very unpredictable and changing frequently in the connection to the number of various factors. The age of consumer and the phase of family life cycle in which consumer is situated in are the two mostly examined personal factors that affect consumer behavior. Economic and marketing studies have been dealing with the issue, which of these two factors is more sophisticated and accurate determinant of consumer purchase behavior. Most of these studies came to the conclusion that the family life cycle is more complex and precise measure expressing changes in spending habits than an age. This inspires us to carry out our research examining the influence of the family life cycle on purchase behavior of three age categories of individuals. Our work is composed of three basic parts.

The first part of our work is the theoretical one explaining the term family life cycle and expressing the difference between the traditional and modified model of family life cycle not only in their composition but also in their purchase and spending structure. This is followed by the resolving the conflict on determination of a more perfect measure of consumer purchase and spending behavior between the age and the family life cycle of consumer based on a review of the economic and marketing studies in different areas of consumption such as energy, tourism, debt burden, banking services and saving.

The second part of this work is the practical one dealing with the research activity which is devoted to investigation of women's consumer purchase behavior in the first three phases of their family life cycle as well as in three young age categories. In this part we indicate the methodological approach that we used in our consumer research, the research form, the main object, some partial objectives and the subject of research. The main aim of our research is to confirm that the family life cycle is more accurate determinant than age acting on and influencing consumer purchase behavior what we managed to prove in theoretical part of this work. The results of the research are firstly verified through statistical testing, then compared with the theoretical results of previous researches and finally processed in the graphical form based on collected empirical data.

In the last part of our work we introduce conclusions, limitations and recommendation for the utilization of our research results in the favor of market segmentation and application of suitable advertising and promotional tools for the attraction of target customers.

1. *Theoretical Background of the Family Life Cycle in Consumer Behavior*

Consumer purchase decisions are changing in relationship with the huge amount of different factors during the whole life of consumer. The two mostly examined personal factors significantly influencing consumer behavior are an age and the family life cycle. Human needs, desires and priorities are shaping according to changing age and thus it affects purchase and spending behavior. However, the age is not sufficient personal factor influencing consumption because people in the same age category may differ in purchase behavior depending on the family life stage in which they find themselves. In the field of consume behavior we will concentrate our attention especially on purchase and spending behavior. The main aim of this chapter is to define the term family life cycle as a determinant of purchase behavior, to describe traditional and non-traditional models of the family life cycle and to demonstrate that the family life cycle is more accurate measure of purchase behavior than an age.

1. 1. Family Life Cycle

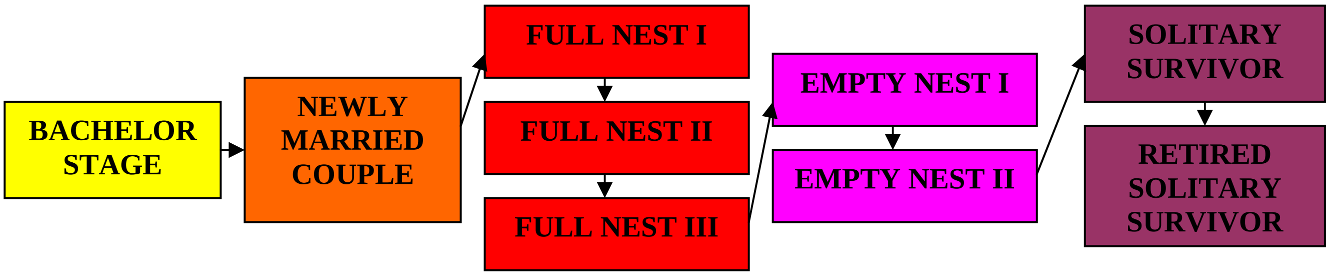
"*The Family Life Cycle* is a biological concept in the sense that it looks at the stages through which individuals and families pass in moving from womb to tomb" (Smith, N., 1963). Simply, the family life cycle can be defined as a set of consecutive phases through which individuals or families pass during its whole life. The reason why the family life cycle is studied to such extent is that "the family life cycle combines trends in income and family composition with the changes in demands placed upon this income" (Solomon, M., 2006; Bamossy, G., 2006; Askegaard, S., 2006; Hogg, M., 2006). Consequently, the main goal of marketing research in this field is to examine the needs of consumers, the way how they redistribute incomes and change purchase preferences due to different phase of life to which they get in during their lifetime, to understand them and use them for the benefit of market segmentation. As family has changed over the past years, the family life cycle has been modified as well. Therefore, it is necessary to distinguish the traditional and modified (non-traditional) models of family life cycle.

Traditional Model of Family Life Cycle

The traditional model of family life cycle is based on the original sense of family that says that a *family* is a group of people related by blood, marriage or adoption who reside in the same home" (Lake, L., 2009). The family as a whole passes through many stages and changes not only in its structure but also in shaping needs, forming buying preferences and decisions during its existence. The consecutive stages of the family life cycle differ from each other by the impact of five essential factors such as age, marital status, working ability of the head of family, the age of the youngest child and the movement (i.e. birth and departure) of children.

There are several concepts describing division of the *traditional model of the family life cycle*. The first concept was introduced by W. Wells and G. Gubar (1966, p. 355) who divided the family life cycle into nine sequential stages: bachelor stage (young single phase), newly married couple, full nest I (married couple with children less than six years), full nest II (married couple with dependent children), full nest III (married couple with independent children), empty nest I (with working active head of family), empty nest II (with retied head of family), solitary survivor (older working active widow/widower) and retired solitary survivor (see Figure 1 – Traditional Model of Family Life Cycle). The short overview of family's working ability, financial situation and spending structure you can see in Table 1 – Stages of Traditional Family Life Cycle.

Figure 1 – Traditional Model of Family Life Cycle (by W. Wells and G. Gubar)

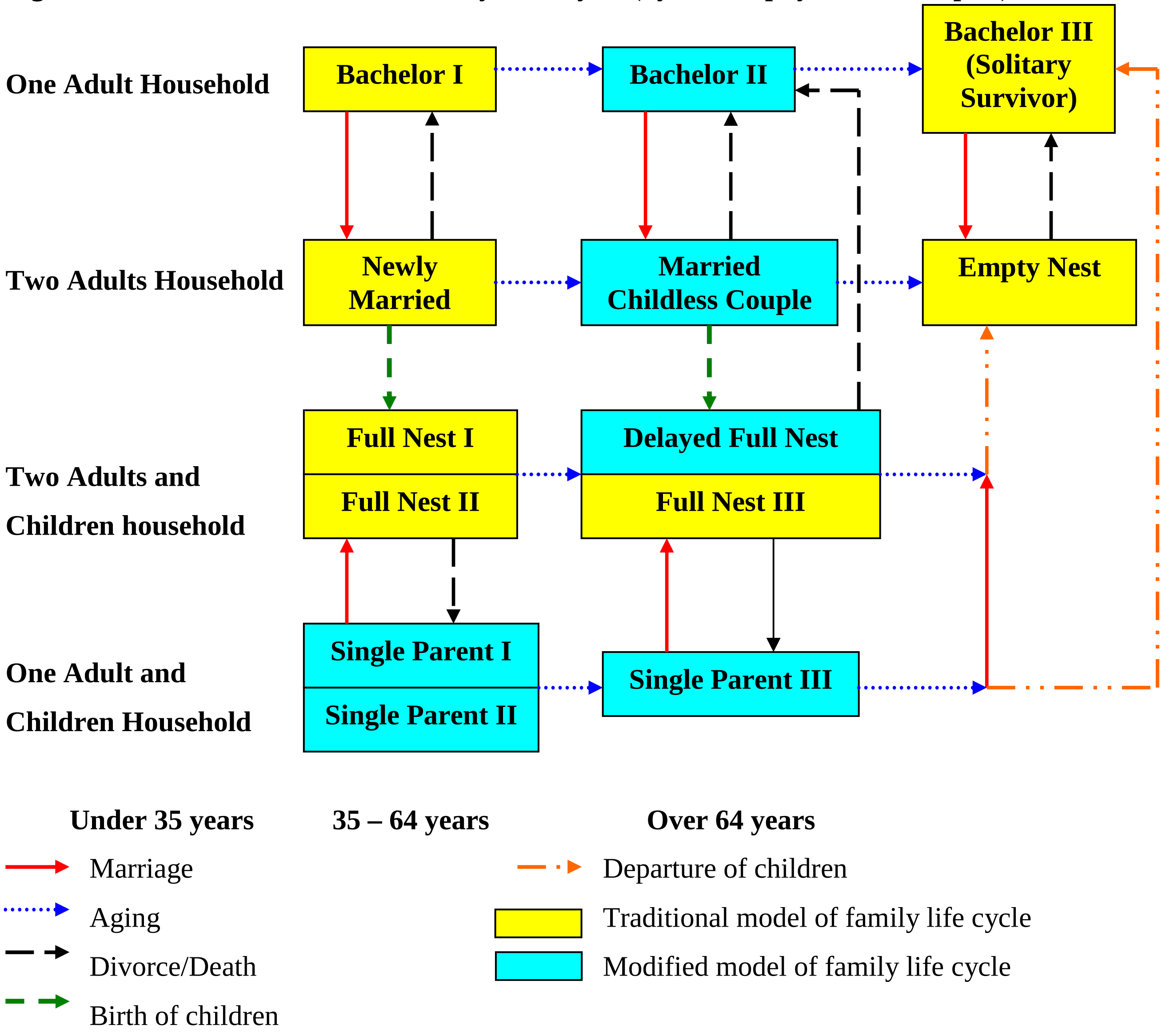


Source: freely adapted by W. Wells, G. Gubar, Life Cycle Concept of Marketing Research, Journal of Marketing Research (1966, vol. 3, no. 4, p. 355).

Modified Model of Family Life Cycle

The number of traditional families has started to decline significantly in recent years. This has occurred on the account of changing demographic and social conditions of the world. Divorces, delayed marriages, delayed having children, rising number of single (bachelor) people and the same gender partnerships; these are the factors that interrupt the traditional family structure and contribute to the creation of non-traditional family forms. Whereas, the term family has been usually used in the connection to the group of people with opposite gender; and not in the connection to single, never married people or the same sex couples, this term was replaced by the new one – *household*. The household can be defined as a basic social unit of the society which is bounded by common agreement on the management, distribution and utilization of its resources (Wheelock, J., 1996; Oughton, E. 1996). All in all, mentioned changes in family composition consequently lead to different consumer behavior that consequently results in *the* *modified model of family life cycle* formation. P. Murphy and W. Staples (1979) expanded the traditional model of family life cycle by additional four independent phases of new household life cycle, namely Middle-age or elderly Bachelors, Married Childless Couples, Delayed Full Nest Households and Single Parent Households (see Figure 2 – Modified Structure of Family Life Cycle and Table 2 – Purchase Structure of Modified Household Life Cycle Phases).

Figure 2 – Modified Structure of Family Life Cycle (by P. Murphy and W. Staples)



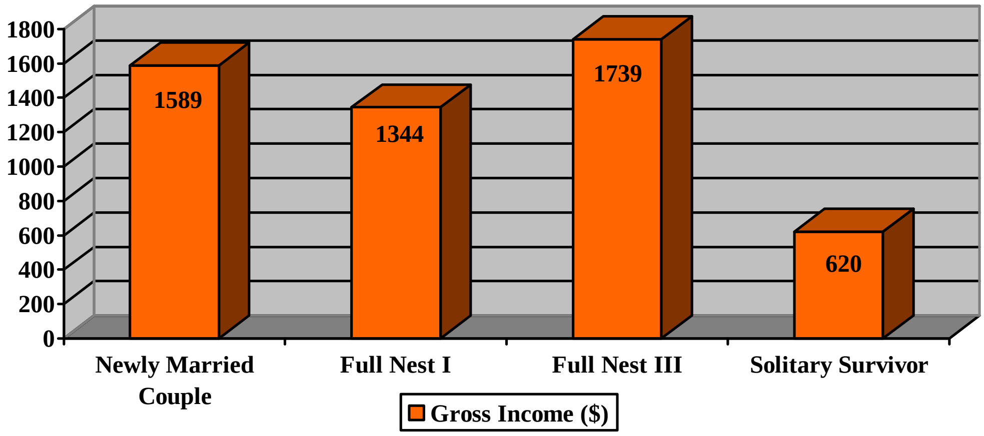
Source: freely adapted by Gilly, M. Enis, B. Recycling the Family Life Cycle: A Proposal for Redefinition. In: Advances in Consumer Research, 1982, vol. 9.

1. 2. The Family Life Cycle and Age as Determinants of Consumer Behavior

The mostly examined demographic factors influencing consumer behavior of an individual is an age and the family life cycle. The family is the most important consumer and purchase unit on the consumer market. For this reason, the family and its life cycle is the main centre of marketing attention. The family life cycle and an age have always been put into the contradiction with the main aim to find out which of them is more accurate determinant of family consumer behavior. In following paragraphs we would try to solve this issue illustrating consumer behavior on consumption and saving patterns during the family lifetime.

Before we start dealing with the issue which factor – an age or the family life cycle has greater and more stable impact on consumer behavior of a family, it is firstly necessary to focus our attention on *income* as main source of finances used on consumption. The level of income in the relationship with the age of consumer has inverted U-shaped development, which means that the income increase continuously with the increasing age of consumer, till it reaches the peak in the middle age and then suddenly falls down at retirement age. In the case of the family life cycle, the family income grows during first two stages of family life (i.e. bachelor and newly married phase), peaks in following phase (i.e. full nest I), than suddenly declines till the full nest II stage because of woman's departure form work, continuously goes up and achieves the second peak at full nest III and empty nest stage because of woman's return to work or possible employment of children and finally declines in last phase of lifetime because of the retirement and the death of one spouse (Lansing, L., 1955; Morgan, J., 1955). So, we can say that in the case of the family life cycle the level of income is connected to working ability of parents that consequently changes due to birth and age of children. The Graph 1 and Graph 2 you can see the development of income and employment development gained from the investigation of Australian social trends.

Graph 1 – Income Development across Family Life Cycle in Australian Family

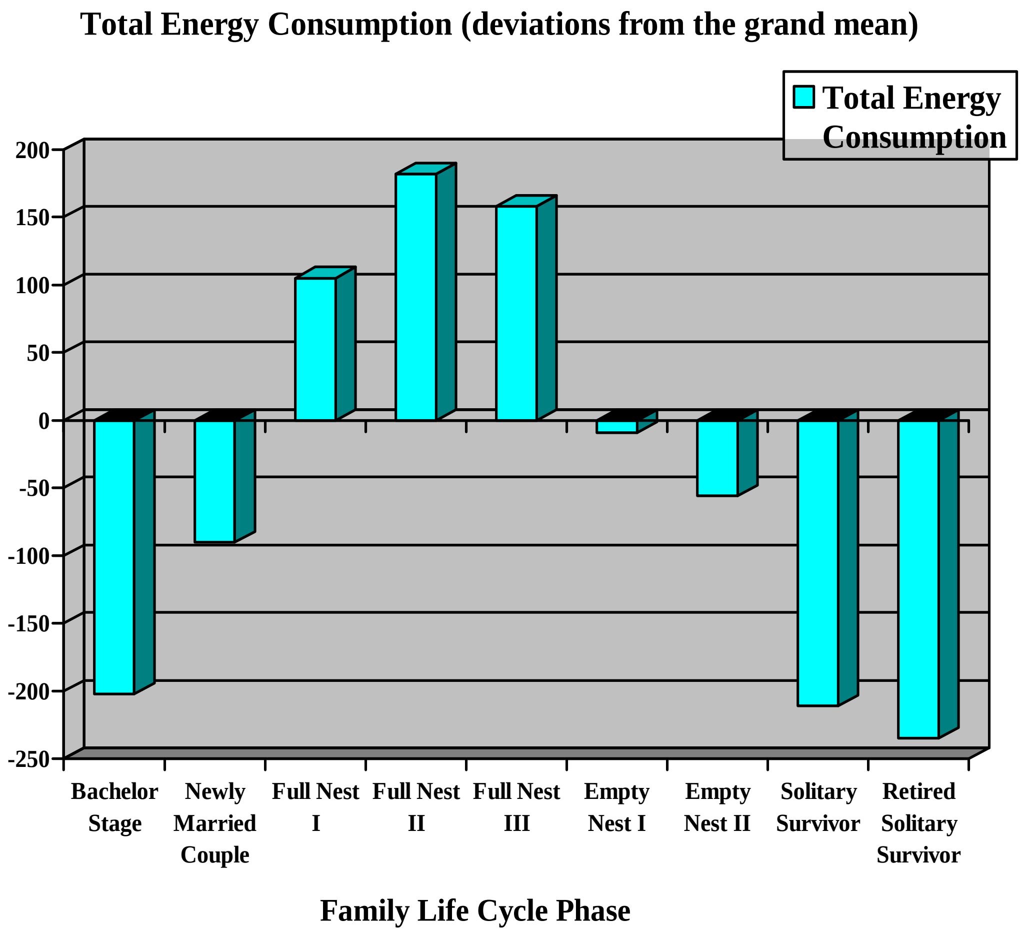


Source: freely adapted by Australian Social Trends. 2006. Household Expenditure Patterns by Life Cycle. Available online on the Internet: http://www.abs.gov.au/Ausstats/abs@.nsf/bb8db737e2af84b8ca2571780015701e/ce45e8b08c04858aca2571b00015adbf!OpenDocument.

The income patterns differ in the relationship with age and family life cycle. However, to uncover which factor is better predictor of consumer behavior, it is necessary to look at the way how the income is distributed. Usually, the income of consumers is divided into consumption and savings. We will go though the consumption and saving of family in more depth with the purpose to bring closer view about its purchase behavior. In the field of consumption, the expenditures on energy consumption, tourism patterns, banking services and debt burden will be investigated.

The investigation in the field of total *energy* consumption patterns within the family unit conduct that numerous family characteristics like family size, income, age, family activities … have some effect on the energy consumption behavior of family unit. But when they are taken individually, their results are mutually exclusive or even contradictory (Fritsche, D., 1981). These findings, therefore, lead to using the model of the family life cycle as a complex determinant considering all mentioned factors and resulting in stable and clear energy consumption patterns. The total energy consumption patterns across the family life cycle causes the inverted U-shaped curve with increasing tendency during first three phases of family life cycle (i.e. bachelor stage, newly married and full nest I), the maximum level in the full nest II phase and its following continuous decline till the achievement of the bottom point in solitary survivor phase (see Graph 3 based on numerical values listed in Table 3). In the field of total energy consumption within the family unit, "the family life cycle appears to be a meaningful construct for examining energy consumption patterns" (Fritsche, D., 1981).

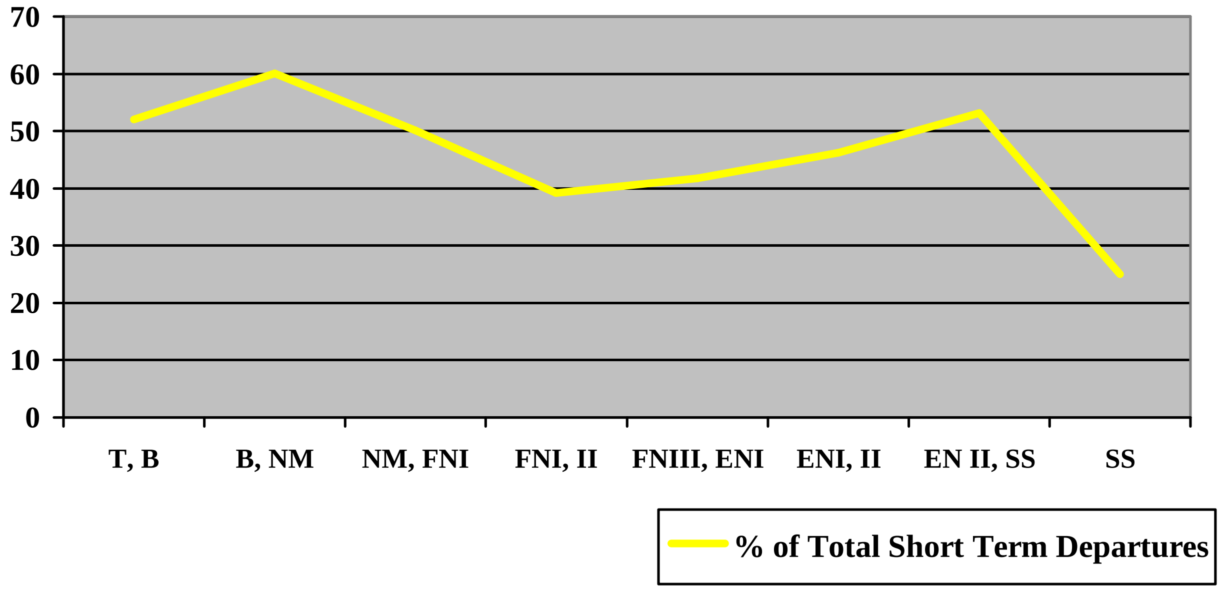
Graph 3 – Total Energy Consumption across Family Life Cycle Stages



Source: developed by Fritzche, D.1981. An Analysis of Energy Consumption Patterns by Stage of Family Life Cycle. In Journal of Marketing Research. ABI/INFORM Global, vol. 18, no. 2, 1981, p. 227.

Slightly different progress of consumption can be shown on the example of *tourism patterns*. For the purpose of our work and for the reason that holiday tourism creates approximately 50% of total short term departures, it is more useful to mention only one branch of tourism, namely holiday tourism (i.e. tourism overseas or abroad) because only on this type of tourism it is possible to compare the influence of an age and the family life cycle as determinants of consumer behavior. The holiday tourism development has double peak character (see Graph 4 based on data listed in Table 4). First peak is achieved shortly before the birth of the first child because the sufficient discretionary income and free time of young couple allows them to spend much more money on holiday than it is in the phase of young parents with children less than six years old. The second peak occurs during the full nest III and empty nest phases due to favorable financial situation and enough free time. This development of holiday tourism pattern is the same in the relationship with the family life cycle as well as with the age of family but only in the short time period; however, it is dissimilar in the long term period of time (Collins, D., 2002; Tisdell, C., 2002). This is because “the age-graded norms for certain life events (e.g. marriage, birth of child and departure of children) vary by historical period resulting in different consequences of each generation” (Elder, G., 1975).

Graph 4 – Holiday Tourism Patterns across Family Life Cycle Stages



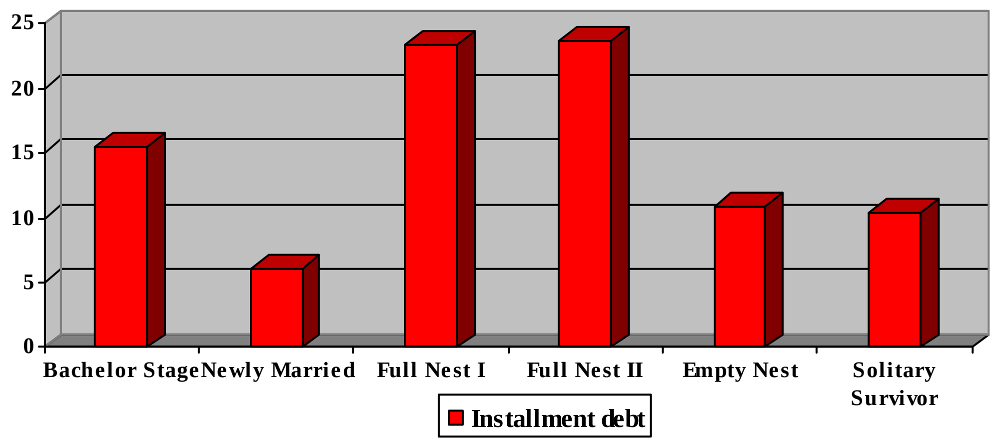
Source: freely adapted by Collins, D. and Tisdell, C. 2002. Age-related Lifecycles. In Annals of Tourism Research, vol. 29, no. 3. 2002. PII: S0160-7383(01)00081-0.

The family life cycle appears as a reasonable tool in the explanation of *banking relations* that a family holds with financial institutions, too. The amount and the types of banking products and services vary across the whole family lifetime as a consequence of changing needs. Namely, in the bachelor phase of life, a consumer uses account and its support tools only for saving money and making financial transactions; in newly married or full nest phase with small children, a consumer increase the volume of accounts by loan accounts that are taken as a consequence of buying house, furniture, equipment; and finally in full nest phase with older children, a consumer opens additional accounts for children and retirement savings (Matthews, C., 2009). As you could see on the Graph 5 (based on numerical values illustrated in Table 5) showing the development of the mean baking relationship size (amount of money) and on the

Graph 6 (based on numerical values listed in Table 6) reflecting the mean number of product types; the mean volume of banking size and products enlarge till the full nest II phase and than continuously shorten. This development (reminding a hump shaped curve) supports that family life cycle is an important determinant of consumer behavior in banking sector because each phase of life cycle brings an important changes not only in the composition of family but also in needs and thus in purposes of banking relations.

Another part of each consumer's financial life is *debt* or so called loan. We distinguish two the most usual types of loans – mortgage or consumer debt. Mortgage loan is taken with the purchase of real estate in most cases and it is consider as a long term debt. On the other hand consumer debt (like installment debt, credit card debt or other debts) is taken in the connection to the acquisition of short term tangible and intangible goods. While the installment debt can be associated with a specific and possible predictable purpose (e.g. purchase of furniture, equipment, electronics …), the credit card debt is generally taken for unpredictable and occasional reasons. For this reason, the credit card debt is not possible to use in our case. Considering only mortgage and credit card debt, an age has an negative impact on holding these kinds of debt, which means that with increasing age, the amount of types of debt hold by households decrease with the age of the head of family (Yilmazer, T., 2005; De Vaney , S., 2005). However, considering stages of the family life cycle, the mortgage loan is usually connected with full nest I phase. In the case of installment debt, the most burdened is full nest II phase for high food, clothes, school and other expenses; followed by full nest I phase because of higher expenditures on food, clothes, medical care, and purchase of all things needed for baby; and empty nest phase due to the replacement of old furniture, equipment or car (see Graph 7 based on numerical values from the Table 7). The lowest debt burdened is newly married couple. All in all, taking mortgage loan or installment debt is usually associated with a specific purpose. In the connection to this, the family life cycle appears as a more reasonable tool for predicting consumer demand for taking debt than the age, because each phase of lifetime is connected to specific needs (e.g. purchase of a new furniture for a newborn, replacement of car, college education for children …) and specific needs create a specific purposes for taking a loan (Baek, E., 2004; Hong, G., 2004).

Graph 7 – Installment Debt Distribution (%) across Family Life Cycle Phases



Source: freely adapted by Baek, E. and Hong, G. 2004. Effects of Family Life-Cycle Stages on Consumer Debts. In Journal of Family and Economic Issues, Springer Science and Business Media, Inc., vol. 25, no. 3, 2004.

The greater part of consumer income is spent on consumption and that part of income that is not consumed is accumulated in the form of *savings*. The development of savings closely depends on the volume and the development of income. Accordingly, the curve describing the saving development is very similar to the curve representing the income development (see Graph 8 based on numerical values stated in Table 8) during the family lifetime. The saving curve has similar double peak curve as income one. The first peak is achieved at the moment of the first child birth, i.e. full nest I phase; and the second at the age of children's independence (Lee, S., 2000; Park, M., 2000; Montalto, C., 2000). Consumers involved in these phases of family life cycle tend to save more financial means than bachelors. This phenomenon could be explained by D. Kruger and J. Villaverde who claim that "young single households do save but do not save in financial assets but in consumer durables" (Villaverde, J., 2002; Kruger, D., 2002). The minimal or negative amount of saving occurs during full nest I phase with dependent children that is characterized by increasing volume of expenditures and decreasing amount of income.

As you could see on five mentioned examples of family consumer behavior, an age is suitable predictor of consumer behavior in shorter period of time, however, the family life cycle appears as an accurate measure also in longer period of time. In addition, the family life cycle is more complex variable, because except of age it includes also the marital status and working ability of both parents and movement of children into and out of home. On the basis of this we can say that the family life cycle is more accurate and perfect determinant of consumer behavior of a family because "many of changes are associated less with the biological process of aging that with changes in family status. Thus, dates marking changes in purchase patterns may not be birthdays, but dates of marriage, birth of children, dissolution of marriage and departure of children" (Gilly, M., 1982; Enis, B., 1982).

1. 3. Segmentation according to the Family Life Cycle

The main reason for the investigation and introduction of the family life cycle into marketing is its utilization for understanding the needs of consumers involved in different phases of family life and offering them suitable goods and services satisfying their needs. Family's needs and purchase preferences vary across its whole existence under the influence of changing age, marital status and working ability of parents and the age and movement of children into and out of home, as you could see in the previous chapter. These factors determine family's demand that subsequently affects the supply of goods and services offered on the market place. "The market place is divided into homogenous groups of consumers that differ from each other by individual needs characteristics and purchase behavior and thus by marketing mix tools applied for the attraction of these groups. The process of market division is called the *market segmentation*" (Kotler, P., 2004; Armstrong, G., 2004; p. 325).

The family life cycle is only one of many factors affecting the segmentation of consumer market that connect groups of consumers according to their similar descriptive demographic characteristics. Except of the family life cycle, there are other demographic variables acting on consumer behavior and purchase preferences, such as age, gender, income, education, religion, ethnicity or a nationality of customers. The two most studied demographic factors affecting purchase behavior of individual consumers are age and family life cycle. The family life cycle is more accurate, complex and stable predictor of consumer income patterns, spending and saving behavior than the age, as we proved on five above mentioned examples of consumer behavior. Except of the utilization of the family life cycle for the benefit of market segmentation, it could be used for the improvement of family consumption patterns in the case of energy and water pumping or exploited for finding an appropriate advertising and promotion tools that attract an attention and stimulate consumers to purchase.

2. *Examining the Influence of Family Life Cycle on Consumer Behavior of Young Women*

The second part of this paper is devoted to the research dealing with the study of consumer behavior development across selected phases of family life cycle in chosen group of individuals. The main aim of our research is to support the argument; stated in the theoretical part of this work; that the family life cycle is more accurate determinant of consumer behavior that an age of consumer. For this purpose we chose the segment of women; as a main purchasing unit on the market place; situated in three young age categories and three possible phases of traditional family life cycle, namely in bachelor, newly married and full nest I phase. Partial aims of research is to insist how family life cycle influences purchase preferences, brand awareness and buying habits in different phases of family life as well as to find out which promotional tools mostly affect purchase behavior.

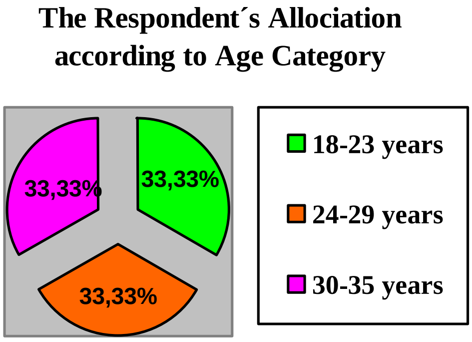
2. 1. Methodology of Consumer Research

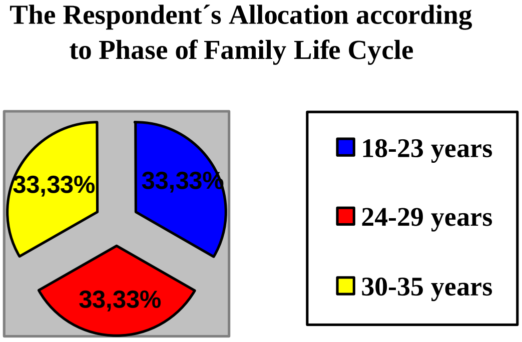
The main aim of our research was to examine the way how the family life cycle and an age of consumer act on consumers and change their behavior on the market place. For this purpose the quantitative consumer research was applied, with the main aim to gain descriptive information investigating for predicting of consumer behavior.

The main object of our research was to prove that the age is not sufficient determinant of purchase behavior because changes in consumer behavior are more affected by the phase of family life cycle in which consumer is situated. The partial objectives of our investigation were: to find out how concrete family life cycle phase changes women's purchase preferences, buying habits, brand awareness and which promotional and advertising sources are the most influential ones for them in making purchase decisions.

The subject of this research was the non-random quota sample consisted of 63 respondents divided into three young age categories; i.e. 18-23 years, 24-29 years and 30-35 years; consisted of 21 women who were subsequently divided into first tree phases of the family life cycle (i.e. bachelor, newly married and full nest phase) consisted of 7 women (see the Graph 9 – Respondent's Allocation according to Age Category and the Phase of the Family Life Cycle).

Graph 9 – Respondent's Allocation according to Age Category and the Phase of the Family Life Cycle





Source: own research

The reason why we chose a woman as a sample is that "she represents the principal purchasing agent" (Cox, E., 1975), making "85% of all consumer buying decisions" (Barletta, M., 2003; Peters, T., 2003) considering the whole family and household; and her purchase structure is diversified due to all factors and people that she has to take into account in making purchases. The information about consumer behavior was collected through the most popular way of gathering descriptive data i.e. through questionnaires. Our questionnaire is consisted of ten closed questions from which one question is identification one (see Appendix 1). These questions are divided into seven spheres according to the Kotler's 7 O's methodology of consumer research (see the Table 9 – Kotler's 7 O's Methodology of Consumer Research), i.e. occupants, objects, objectives, organizations, operations, occasions and outlets (Kotler, P. 1997).

Table 9 – Kotler's 7 O's Methodology of Consumer Research

Sphere	Description
Occupant	The identification of research subjects.
Object	The investigation of consumption structure.
Objectives	The description of need structure of purchased items.
Organizations	The examination of informational sources that influences consumer behavior.
Operations	The detection of purchase behavior in the field of frequency and repeatability of making purchases.
Occasions	The concentration on timing and the scope of purchase.
Outlets	The observation of places where consumers make purchases.

Source: freely adapted by Kotler, P. 1997. Marketing Management. New York: Prentice Hall, 1997. ISBN: 9780132435109.

We also enclose the overview of methodology including also theoretical background to each question that was used in the creation of questions in questionnaire (see Table 10 – Methodological overview).

2. 2. Comparison of the Family Life Cycle versus Age Influences on Consumer Behavior

We concentrated out attention on studying purchase behavior of women involved in first three different phases of family life cycle within this paper. We decided to put our attention only on women who work, because on the basis of this fact we can better see how they distribute their personal income. In our questionnaire we focused on studying how individual phases of the family life cycle influence women's purchase, spending behavior and change structure of purchase needs and preferences.

Our questionnaire was consisted of 10 questions in which we divided questions into seven spheres according to Kotler's 7 O's methodology of consumer research in the way that question no 1 was aimed on the identification of our respondents; question no 3 and 10 were dealing with investigation of purchase objects; question no 2 and 9 were devoted to examining of purchase target, purpose or aim; question no 8 was focused on information sources that our respondents use when they make their decisions about purchase of goods and services; question no 5 and 6 were interested in the exploration of so called purchase operations, i.e. buying habits in purchase f own verified ad new products as well as discount products; question no 4 was aimed on the detection of frequency in making purchases of daily and short-term products and finally question no 7 was focused on the detection of purchase places where consumers make purchases in purchase of everyday, occasional, personal care and special products. Questionnaires were distributed personally or electronically through e-mails during tow weeks from 25. 02. 2011 to 11. 03. 2011.

For the confirmation of our targeted aim, that the family life cycle is better predictor of consumer behavior, we selected six questions from which five questions we subjected to statistical testing and in one association question we investigated the changes in life in the relationship with the family life cycle and the age or respondents individually. We incorporated the main and partial aims into following hypothesis:

H1: The family life cycle better predetermines the hierarchy of needs than the age of consumer.

H2: The family life cycle better predetermines the frequency of purchase than the age of consumer.

H3: The family life cycle better predetermines the purchase of own verified brands and new products than the age of consumer.

H4: The family life cycle better predetermines the purchase of discount products than the age of consumer.
H5: The family life cycle better predetermines the change in life priorities than the age of consumer.

Five above mentioned hypothesis we tasted individually for the family life cycle and the age of consumer on the basis of Spearman Correlation Test and Chi-Square Test on 90% because of the sample size. And we also indicate one additional question, on the basis of which we investigate which determinant, i.e. age or the family life cycle is better one in the case of predicting consumer behavior through picture and association method.

H1: The family life cycle better predetermines the hierarchy of needs than the age of consumer.

This hypothesis was related to the question no 3 with the main aim to confirm that the family life cycle is better predictor of changes in the hierarchy of needs that the age of consumer. In this question respondents had to choose which of own needs, husband's, children's and household's needs, they take in to the consideration; and to express importance of selected needs on their consumer behavior. The main aim of this question from the theoretical point of view was to show that hierarchy of needs are changing depending on the phase of life in which consumer is situated in, in the way that the most important for bachelors are their personal needs that are prioritized over household's needs. Moving to next phase of the family life cycle the first place in hierarchy of needs is taken by common needs (i.e. personal and husband's needs) with household's needs at the second position. And entering to the full nest phase, children's needs become the most important one, followed by household's needs and common needs at the bottom of hierarchy. In the relationship to this, we tested this hypothesis through Spearman Correlation Test in which we tried to find out whether there is a relationship between age and the arrangement of needs, and a relationship between the phase of the family life cycle and the arrangement of needs, as well as the direction and the strength of correlation.

H1: a) there is dependence between phases of the family life cycle and the hierarchy of needs.

H1: b) there is dependence between the age and the hierarchy of needs.

Table 11 – Relationship between the Family Life Cycle and the Hierarchy of Needs

Type of needs	Spearman Correlation Test	
	Asymp. Std. Error	*Value*
Own needs	**0.092**	- 0.541
Husband's needs	**0.110**	-
Needs of children	**0.035**	+ 0.858
Household's needs	**0.136**	-

Source: own research

Table 12 – Relationship between the Age and the Hierarchy of Needs

Type of needs	Spearman Correlation Test	
	Asymp. Std. Error	*Value*
Own needs	**0.132**	-
Husband's needs	**0.124**	-
Needs of children	**0.128**	-
Household's needs	**0.118**	-

Source: own research

The results of Spearman Correlation Test indicated that the family life cycle is better predictor of consumer behavior than the age because testing proved that there is a moderate negative correlation, i.e. - 0.541 (see the Table 11 – Relationship between the Family Life Cycle and the Hierarchy of Needs) between own, personal needs and the family life cycle, in the way that the position of own needs declining from the first position in bachelor phase to last position in full nest phase; and a strong positive correlation, i.e. + 0.858 between children's needs and the family life cycle, in the way that needs of children started to be significant with subsequent phases of the family life cycle, namely in full nest phase. In the case of husband's and household's needs testing did not prove correlation considering relationship between hierarchy of needs and the family life cycle. Considering relationship between the age and the hierarchy of any need's type there have been no confirmation of correlation between these variables (see the Table 12 – Relationship between the Age and the Hierarchy of Needs).

H2: The family life cycle better predetermines the frequency of purchase than the age of consumer.

Question no 4 was referred to this hypothesis in which the main aim was to prove that the family life cycle appears as a better determinant considering frequency of making purchases of daily and short-term products. In this question respondents had to select whether they make purchases of given products randomly, every day or they have their own purchase system (e.g. once a week …). Considering the theory, we discovered that bachelors make purchases unsystematically, newly married women without children have more systematically managed purchase system and performed on Sundays for maximal comfort and married women with children need to have well organized purchases for saving time. Depending to this, we conducted Chi-Square Test to support this hypothesis in which we tried to find out whether there is a relationship between age and the frequency of making purchases, and a relationship between the family life cycle and the frequency of making purchases, and also the strength of possible correlation.

H2: a) there is dependence between phases of the family life cycle and the frequency of making purchases.

H2: b) there is dependence between the age and the frequency of making purchases.

Table 13 – Relationship between the Family Life Cycle and the Frequency of Making Purchases

Frequency of making purchases	**Chi-Square Test**	
	Sig.	*Cramer's V*
	0.000	+ 0.520

Source: own research

Table 14 – Relationship between the Age and the Frequency of Making Purchases

Frequency of making purchases	**Chi-Square Test**	
	Sig.	*Cramer's V*
	0.645	-

Source: own research

The results of Chi-Square Test shown that there is a moderate positive relationship, i.e. 0.520 (see the Table 13 – Relationship between the Family Life Cycle and the Frequency of Making Purchases) between the family life cycle and frequency of making purchases of daily and short-term products, while considering age and frequency of making purchases there is no level of correlation (see the Table 14 – Relationship between the Age and the Frequency of Making Purchases). On the basis of this we demonstrated that the family life cycle is better predictor regarding the frequency of making purchases.

H3: The family life cycle better predetermines the purchase of own verified brands and new products than the age of consumer.

Above mentioned hypothesis was created in the connection with the question no 5 with the intention to support theoretical outcomes that claimed that purchase of own verified brands and new products can be better predictable using the concept of the family life cycle than age of consumers. In question no 5 our respondents could choose one option from four possibilities whether they purchase only own verified brands, or mostly own verified brands and a few new products, a few own verified brands and mostly new products, or they still look for something new on the market place. On the basis of literature reading we detected that bachelors mostly purchase newest and latest products on the market place, married women begin to purchase products with which they have good experiences and married women with children prefer own brands, but also enjoy newly advertised products. Considering this, we performed Chi-Square Test with the goal to confirm this hypothesis in which we tried to find out whether there is a relationship between age and the brand awareness, and a relationship between the family life cycle and the brand awareness, as well as the strength of possible correlation.

H3: a) there is dependence between phases of the family life cycle and the brand awareness.

H3: b) there is dependence between the age and the brand awareness.

Table 15 – Relationship between the Family Life Cycle and the Brand Awareness

Brand awareness	**Chi-Square Test**	
	Sig.	*Cramer's V*
	0.114	-

Source: own research

Table 16 – Relationship between the Age and the Brand Awareness

Brand awareness	**Chi-Square Test**	
	Sig.	*Cramer's V*
	0.308	-

Source: own research

The results of Chi-Square Test demonstrated that both the family life cycle and age of consumers are not appropriate determinants of brand awareness (see the Table 15 – Relationship between the Family Life Cycle and the Brand Awareness and the Table 16 – Relationship between the Age and the Brand Awareness). These results were possibly achieved, on the one hand, because we conducted our research on a small sample of respondents, or on the other hand, because there could be another better predictor of attitude towards brand awareness.

H4: The family life cycle better predetermines the purchase of discount products than the age of consumer.

This hypothesis was related to the question no 6 with the target to confirm that the family life cycle conducts as more perfect determinant of discount products purchase. In this question respondents could choose whether they purchase discount products regularly, randomly, irregularly or they do not purchase these products. The theory claims that discount products are predominantly purchase by families with children that have limited financial sources. In the connection to this we provided Chi-Square Test to explore the possibility of relationship between age and the attitude toward purchase of discount products, and a relationship between the family life cycle and attitude toward purchase of discount products, and the strength of possible correlation, as well.

H4: a) there is dependence between phases of the family life cycle and the attitude towards the purchase of discount products.

H4: b) there is dependence between the age and the attitude towards the purchase of discount products.

Table 17 – Relationship between the Family Life Cycle and the Attitude towards the Purchase of Discount Products

	Chi-Square Test	
Purchase of discount products	*Sig.*	*Cramer's V*
	0.058	+ 0.309

Source: own research

Table 18 – Relationship between the Age and the Attitude towards the Purchase of Discount Products

	Chi-Square Test	
Purchase of discount products	*Sig.*	*Cramer's V*
	0.095	+ 0.270

Source: own research

On the basis of the results of performed through Chi-Square Test we discover that both the family life cycle and age of consumers show up as suitable determinants of consumer behavior in the field of attitudes towards the purchase of discount products. However, better predictor, in this case, is the family life cycle because Cramer's V has greater value, i.e. 0.309 (see the Table 17 – Relationship between the Family Life Cycle and the Attitude towards the Purchase of Discount Products) what means that there is a weak correlation but this correlation is stronger than that one between the age and the purchase of discount products, i.e. 0.270 (see the Table 18 – Relationship between the Age and the Attitude towards the Purchase of Discount Products).

H5: The family life cycle better predetermines the change in life priorities than the age of consumer.

The last question which was subjected to statistical testing was the question no. 9 in which we concentrated our attention to the development of priorities across the life of respondents. In this question respondents had to select one set of words that best describes their current life and life priorities. According to theory, we supposed that bachelors would be interested in self-realization and success at work, meeting friends and finding love in personal sphere and independence, freedom, fun, entertainment and adrenalin in social sphere; newly married respondents would be aimed on self-actualization in work sphere, happiness and satisfaction in personal sphere and comfort, luxury and rest in social sphere; and finally full nest respondents would be concentrated on securing family, creating stable, safety, loving and harmonious home for whole family. To prove theoretical outcomes we used Chi-Squared Test in which we attempted to find out correlation between the age and development of life priorities, and a correlation between the family life cycle and the development of life priorities, and the strength of possible correlation too.

H5: a) there is dependence between phases of the family life cycle and the development of life priorities.

H5: b) there is dependence between the age and the attitude towards the development of life priorities.

Table 19 – Relationship between the Family Life Cycle and the Development of Life Priorities

Life priorities development	**Chi-Square Test**	
	Sig.	*Cramer's V*
	0.000	+ 0.775

Source: own research

Table 20 – Relationship between the Age and the Development of Life Priorities

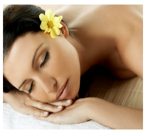
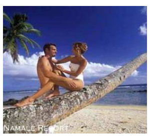
Life priorities development	Chi-Square Test	
	Sig.	*Cramer's V*
	0.923	-

Source: own research

Resulting from our statistical testing on the basis of Chi-Square Test we can prove that the family life cycle is better predictor of changes in life priorities because there is a strong positive correlation, i.e. 0.775 (see the Table 20 – Relationship between the Family Life Cycle and the Development of Life Priorities) meaning that with consecutive phases of the family life cycle, the life priorities are changing in the pattern we mentioned above. On the other hand, considering the age of consumers as a predictor, there was no correlation acknowledged (see the Table 20 – Relationship between the Age and the Development of Life Priorities).

For the completion of results from questionnaires we chose one question, i.e. picture one, on which we it could be observed that the family life cycle is better predictor of consumer behavior through association method. This was the last question of our questionnaire, i.e. question no 10 oriented on the investigation of the variation in consumer's viewing of their current life. In the terms of theory we detected that young single people mostly see themselves working at work, making purchases of fashion clothes, cosmetics or jewellery in shops, doing sport and eating health food for keeping them fit, enjoying life on active vacations or relaxing and taking care about them; newly married people, they generally see themselves arranging common household, and spending time together at home, on luxury vacations, at dinner, on the ball, making sport together or just traveling anywhere; and finally people in full nest phase mostly see themselves appreciating and spending time with the whole family, e.g. in nature, in bed, on roads or during family celebrations. In the following table (see the Table 21 – Picture Imagination of Current Life by Respondents) you can see the three most selected pictures according to phase of the family life cycle and according to young age categories as well as you could observe comments on selected questions according to applied selected criteria.

Table 21 – Picture Imagination of Current Life by Respondents

The family life cycle	*Comment on selected pictures*	**The young age category**	*Comment on selected pictures*
Bachelor phase   	**1st picture:** most of time single respondents spent at work and because they want to build a career in the future and want to achieve something in the future. **2nd picture:** young respondents need to have a rest and to relax after a hard busy day. **3rd picture:** respondents emphasized their desire to find a love of their life.	**18-23 years**   	**1st picture:** some of respondents have a desire for having family and for some of them smile, harmony, piece and satisfaction of family is the most important thing of their life. **2nd picture:** a family is important for them as well as the time they spent with family members. **3rd picture:** some of respondents want somebody who will love them; and some of them express their love for husband.
Newly married phase   	**1st picture:** expression on their love for husband. **2nd picture:** respondents love holiday spent with husband and there is also a need to go on vacation for relaxing and turning off. **3rd picture:** because they like traveling together generally, not necessarily traveling abroad.	**24-29 years**   	**1st picture:** because of love for their husband, trust, eye contact and smile that is important for them. **2nd picture:** some of respondents have a desire to go on holiday alone and some of them like to go on exotic and romantic holiday with husband. **3rd picture:** because on the one hand they want have an independent living and on the other hand they still arranging new home.
Full nest phase 	**1st picture:** because a family is the most important thing in their life for them as well as a time spent with it. **2nd picture:** for the reason	**30-35 years** 	**1st picture:** because they need to have a holiday or to go somewhere together (man and woman) to spend some time alone.

 	that they imagine harmony, satisfaction, peace and happiness of own family in this way. **3rd picture:** because on the one hand families travel a lot and on the other hand security and safety is very important for their families.	 	**2nd picture:** because the family is on the first position and it is the most important thing in their life. **3rd picture:** because they emphasis a need to be loved on the one hand and on the other hand they emphasis a harmony, understanding and love they feel for their boyfriend/husband as well.

Source: own research

On the basis of picture comparison through which we could observe changes in the way how women see their current life we can say that considering the family life cycle single respondents usually selected pictures displaying woman alone or in the collective of women of related age group or marital status, pointing to personal needs as well as picture viewing loving couple emphasizing their desire to find a love and to spend the rest of life with him. In the second phase of family life cycle we could observe that our respondents mostly chose pictures displaying couple in which they underline that their current life is focused on common needs and moments spent on exotic vacations, on roads or at home. Finally in the case of full nest phase we could observe that the most three selected pictures are imaging whole family together because a family becomes the main priority and the most important thing in this phase of lifetime. Apart from this, when we look at young age categories and description of their current life, we can observe a mix of pictures usually displaying a couple or a family. So also this picture question showed that it does not matter how old a consumer is, but in which phase of the family lifetime a consumer is situated in, as it was evident on the results of our statistical testing presented that the family life cycle is better predictor of consumer's needs and the life priorities that are the directly reflected in the way how they see their current life.

Another interesting result of our investigation was observed in the field of the family life cycle's influence on different perception of the same pictures. We picked up two mostly selected

pictures by all our respondents from bachelor, newly married and full nest phase on which we would like to show variations in interpretations influenced by transition across consecutive phases of the family life cycle. The first picture “couple sitting on the palm” was linked with a desire of bachelors to know the world, or just with a need to relax. Another interpretation could be observed in newly married phase of the family life cycle where respondents interpreted this picture in the way that they like going on exotic romantic holiday where they can relax and be together with husband alone. And finally respondents situated in the full nest phase selected this picture with the emphasis that they desperately need to go out on romantic holiday, to run away from everyday worries and to relax

in a pair and remember the times when they were only two in family. The second picture “loving couple” was interpreted by bachelors in the way that crave for a love, by newly married respondents underlying their love for husband, and by full nest loving their husband and appreciating the time spent with him alone.

All in all, the family life cycle appeared as an appropriate determinant of consumer behavior on the basis of realized statistical analysis and the association method applied on chosen set of questions. The aim that we targeted at the beginning of our research activity was successfully accomplished, especially in the areas of changing hierarchy of needs, modifying life priorities and seeing own current life, varying frequency of making purchases and buying discount products on which we could observe the existence of correlation between the family life cycle and all these variables. In the case of consumer’s age, our testing demonstrate no correlation between an age and all investigated variables except of its relationship towards purchase of discount products which, however, appeared as a weaker one in the comparison with the relationship between the family life cycle and purchase of discount products. The summarized results of our statistical testing you could see in following table showing, comparing and evaluating which of two mostly investigated demographic factors is better determinant of consumer behavior.

Table 22 – Summary of achieved statistical testing results

H	Research Object	Determinant		Interpretation
		The FLC	*Age*	
H1	*Hierarchy of needs* a) Own needs	0.092	0.132	Better predictor of changes in the hierarchy of own needs is the family life cycle.
	b) Husband's needs	0.110	0.124	The family life cycle and neither age are suitable predictors of changes in the hierarchy of husband's needs.
	c) Children's needs	0.035	0.128	Better predictor of changes in the hierarchy of children's needs is the family life cycle.
	d) Household's needs	0.136	0.118	The family life cycle and neither age are suitable predictors of changes in the hierarchy of household's needs (maybe for women needs of household have the same importance in the relationship to age and the family life cycle as well.
H2	*Frequency*	0.000	0.645	Better predictor of changes in the frequency of making purchases is the family life cycle.
H3	*Brand awareness*	0.114	0.308	The family life cycle and neither age are suitable predictors of changes in the brand awareness (maybe there is better predictor of consumer behavior in this field).
H4	*Discount products*	0.058 (Kramer's V 0.309)	0.095 (Kramer's V 0.095)	Both the family life cycle and age are appropriate determinants of discount product's purchase, but better predictor is the family life cycle on the basis of higher Kramer's V).
H5	*Life priorities*	0.000	0.923	Better predictor of changes in life priorities is the family life cycle.
H6	*Current life*			Better predictor of changes in viewing of current life is the family life cycle (on the basis of association – picture question).

Source: own research

- (yellow) There is a correlation between two selected variables.
- (cyan) There is no correlation between two selected variables.

3. Recommendations for Marketing Practice

Consumer behavior is the centre of marketing attention because the task for marketers is to identify the needs of people, to transform them into the creation of concrete products or services and consequently to satisfy consumer's needs through them. There is a great extend of factors acting on and changing consumer behavior. In our paper we mostly concentrate only on two personal factors, i.e. the family life cycle and age of consumers. On the basis of theoretical outcomes we found out that the family life cycle appears as a better and more stable determinant of consumer behavior in most of consumption spheres. Resulting from this we conducted research in which we examined the influence of these two determinants on different variables, such as purchase objects, objectives, operations, organizations, occasions and outlets. We selected several outcomes of our research that we subjected to statistical testing in which we focused on the uncovering correlations between the family life cycle and selected variables (i.e. the hierarchy of needs, frequency of making purchases, brand awareness, attitude towards purchase of discount products, life priorities and viewing of current life) and ate and selected variables independently. Provided testing demonstrated, what we also found out in theoretical part of this paper, that the family life cycle is better predictor of consumer behavior on the example of four variables.

Firstly, we managed to prove it on the arrangement of hierarchy of needs that consumer take into the consideration in making purchases, in which we found out that in first, bachelor phase of the family life cycle 81% of respondents put own personal needs on the top of the hierarchy of needs (see the Graph 10 – Importance and the Hierarchy of Needs in Bachelor Phase of the Family Life Cycle and the Table 23 – The Hierarchy of needs in Bachelor Phase of the Family Life Cycle); in the second, newly married phase 68% of respondents places husband's needs on the first position of the hierarchy of needs (see the Graph 11 – The Importance and the Hierarchy of Needs in Newly Married Phase of the Family Life Cycle and the Table 24 – The Hierarchy of Needs in Newly Married Phase of the Family Life Cycle); and in the third, full nest phase 86% of respondents sat children's needs as the most important in the hierarchy of needs (see the Graph 12 – The Importance and the Hierarchy of Needs in Full Nest Phase of the Family Life Cycle and the Table 25 – The Hierarchy of Needs in Full Nest Phase of the Family Life Cycle).

Secondly, our research target was supported through the frequency of making purchases demonstrating that 52% of bachelors make purchases randomly, 72% newly married respondents have own purchase system and 76% of respondents in full nest phase purchase products of daily and short-term need everyday (see the Graph 13 – Respondent's Buying Frequency in Purchase of Daily and Short-term Products and the Table 26 – The frequency in Purchase of Daily and Short-term Products across Phases of the Family Life Cycle).

Thirdly, the main aim of research was met through the model of changing life priorities, in which we observed that for 86% of bachelors the most important life priorities are self-realization, success, independence, fun, freedom, adrenalin, entertainment, excitement and utilization of every day; for 62% of newly married respondents the key life priorities are comfort, luxury, happiness, satisfaction, rest, partner and enjoying life today and tomorrow; and for 100% of respondents situated in the full nest phase the top priorities are family, child, love, harmony, stability, security, protection and thinking of future (see the Graph 14 – Development of Priorities across the Family Life Cycle and the Table 27 – Development of Priorities across the Family Life Cycle).

And finally, our research main goal was underlined through pictures which showed that bachelors see their life by pictures usually viewing individuals or groups of people of their age and marital status pointing on their personal needs; newly married respondents see their life by pictures showing couple stressing their common needs and almost respondents in the full nest phase chose at least two pictures imaging family emphasizing a family as a centre of their attention.

We recommend utilizing results of our research in the benefit of market segmentation according to phases of the family life cycle. If the marketers would like to address young single consumers, we recommend them to focus on creating products and services that would satisfy their own personal needs and promote them through e.g. advertisement viewing person individually or in group of people of the same age, marital status or social group; and stressing independence, fun, freedom, adrenalin, entertainment, excitement with the aim to touch customer and his/her desires. In the situation when marketers would like to devote their attention to newly married consumers, we recommend them to aim on offering products and services satisfying their common needs and promoting them by advertisement and other promotional tools imaging loving couple and emphasizing comfort, luxury, quality and obtaining something extra that customers could gain by buying the products and services. And finally in the case when marking makers would like create products designed to families it is necessary to think of children's needs at first, because they become the centre of family attention since their birth; and promoting these kinds of products e.g. through advertisement displaying loving family with children and underlying the stability, security and protection of the family.

Conclusion

The main aim of this paper was to support theoretical argument, stated in the first part of our work, that the family life cycle is more precious determinant of consumer purchase and spending behavior. For this purpose we used questionnaire as a tool for gathering information form our respondents about purchase occupants, objects, objectives, organizations, operations, occasions and outlet or purchase. On the basis of results examined in second practical part we can say that the intention of this work was successfully fulfilled.

The statistical testing of results obtained through our questionnaires shown that considering the arrangement of hierarchy of needs that women take into the consideration in making purchases, the changes in life priories and the way how they see their current life, the modification of the purchase making frequency and variation of attitudes towards the purchase of discount products, the family life cycle appears as a better predictor of consumer behavior. Interesting results were also observed in the investigation of information sources that consumers use for searching data about purchased products indicating that the most commonly used sources are the Internet, leaflets and catalogues and the least used are radio and tele-shopping; and the examination of purchase places in which results showed that the purchase of everyday products are mostly realized in hypermarkets and supermarkets, purchase of occasional and special products in specialized shops and personal care products in shopping centers.

The results of our research could be valuable assets for marketers not only in the field of market segmentation according to individual phases of the family life cycle, but also in the benefit of modification of products and services concept according to requirements of customers, for improvement of selling principles, appropriate placement of concrete products and services to such purchase places that would address the most potential customers, in the benefit of creating suitable promotional and advertisement campaign securing high financial returns.

Possible limitation of our research we see in the volume of research sample. For further research we suggest the repetition of our research on a larger sample of respondents for more perfect demonstration of our target and acquisition of valuable information about consumer’s needs and behavior helpful for the determination of worthy segmentation criterion.

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Appendix

Figures

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Graphs

TABLES

Table 1 – Stages of Traditional Family Life Cycle

Phase	Marital status	Work	Income	Needs	Buying structure
Bachelor Stage	Single	Entry-level employee	Low level	Egoistic needs	Clothing, active vacations, small cheap car, basic household equipment, products for matching game, entertainment …
Newly Married Couple	Married with no children	Both work	Sufficient level (two incomes)	Egoistic, partner's and household needs	House, furniture, appliances, equipment, exclusive vacations, expensive car, clothes, everyday products, entertainment …
Full Nest I	Married with children (‹6 years)	One parent works	Insufficient, decreasing level (one and half income)	Children needs	Furniture and accommodation for children's room, baby food, clothes, medicines, toys, everyday necessities…
Full Nest II	Married with dependent children (›6 years)	One or both parents work	Increasing level (two incomes)	Children needs	Everyday necessities, multiple packages, school supplies, bikes, roller skates, music players, dance or art lessons, holidays, Zoo's, amusement parks …
Full Nest III	Married with independent children	Both parents work and children may work	Pleasurable (two and more incomes)	Children and household needs	University expenses, new modern furniture, car, boat, cottage, luxury holidays, everyday products …
Empty Nest I	Married without children	Head of family or both spouses work	The highest level of income	Egoistic and partner's needs	Small improvement of house, luxury, healthy products, self-education, luxury vacations …
Empty Nest II	Married without children	Head of family retired	Significant cut of income	Egoistic and partner's needs	Everyday necessities, medicine, hobbies, financial and non-financial gifts …
Solitary Survivor	Widow/widower	In labor force	Adequate income to cover all costs	Egoistic needs	Everyday necessities, medical appliances, medicine, hobbies, interest activities, traveling, wellness stays …
Retired Solitary Survivor	Widow/widower	Retired	Significant cut of income	Egoistic needs	Everyday necessities, medical care and appliances.

Source: freely adapted by Antonides, G. Fred van Raaij, W. 1998. Consumer Behavior - A European Perspective. England: John Wiley and Sons, 1998. ISBN: 0-471-97513-3 and Sandhausen, R. 2000. Marketing. New York: Barron's, 2000. ISBN: 0-7641-1277-5.

TABLES

Table 2 - Stages of Modified Family Life Cycle

Phase	**Buying structure**
Middle-age or Elderly Bachelors	Apartments, small packages, abroad vacations, entertainment, dating service
Married Childless Couple	Design furniture, entertainment, smaller homes, sports cars, career clothing, luxury vacations, sophisticated products and services
Delayed Full Nest Household	Baby stuff, luxury, quality goods and services
Single Parent Household	Low-cost housing, furniture and appliances, discounted, time saving food, inexpensive clothing

Source: adapted by Antonides, G. Fred van Raaij, W. Consumer Behavior - A European Perspective. England: John Wiley and Sons, 1998. ISBN: 0-471-97513-3 1998 and Lake, L. 2009. Consumer Behavior for Dummies. Indianapolis: Wiley Publishing, 2009. ISBN: 978-0-470-44983-7.

Table 3 – Total Energy Consumption across Family Life Cycle Stages

Deviation from the grand mean

Stage of Family Life Cycle	**Total Energy Consumption***
Bachelor Stage	- 202
Newly Married Couple	- 90
Full Nest I	105
Full Nest II	182
Full Nest III	158
Empty Nest I	- 9
Empty Nest II	- 56
Solitary Survivor	- 211
Retired Solitary Survivor	- 235

* Significant an the 0.01 level

Source: adapted by David. J. Fritzche. 1981. An Analysis of Energy Consumption Patterns by Stage of Family Life Cycle. In Journal of Marketing Research, ABI/INFORM Global, vol. 18, no. 2, 1981, p. 227.

TABLES

Table 4 – Holiday Tourism Patterns across Family Life Cycle Stages

Age Classification	Family Life Cycle Determination	% of Total Short Term Departures
Under 15 years	Teenagers and Bachelors (T, B)	52.9 %
15 – 24 years	Bachelor and newly married phase (B, NM)	60.1 %
25 – 34 years	Newly married and full nest I phase (NM, FNI)	50.1 %
35 – 44 years	Full nest I and full nest II phase (FNI, II)	39.2 %
45 – 54 years	Full nest III and empty nest I phase (FNIII, ENI)	41.8 %
65 – 64 years	Empty nest I and empty nest II phase (ENI, II)	46.2 %
Over 65 years	Empty nest II and solitary survivor phase (ENII, SS)	53.1 %

Source: freely adapted by Collins, D. and Tisdell, C. 2002. Age-related Lifecycles. In Annals of Tourism Research, vol. 29, no. 3, 2002. PII: S0160-7383(01)00081-0.

Table 5 – The Development of the Mean Baking Relationship Size

Phase of Family Life Cycle	Mean Size of Banking relationship
Bachelor Stage	1.5
Newly Married Couple	2.9
Full Nest I	3.1
Full Nest II	3.3
Full Nest III	3.2
Old Couple	2.2

Source: freely adapted by Matthews, C. 2009. The Family Life Cycle and Banking Relationships. 2009. Available on the Internet: **http://www.academyfinancial.org/09Conference/09Proceedings/%285C%29%20Matthews.pdf**

TABLES

Table 6 – The Development of Mean Banking Product Type

Phase of Family Life Cycle	Mean Number of Banking Product Types
Bachelor Stage	1.8
Newly Married Couple	6.6
Full Nest I	7.3
Full Nest II	7.4
Full Nest III	7.2
Old Couple	5.0

Source: freely adapted by Matthews, C. 2009. The Family Life Cycle and Banking Relationships. 2009. Available on the Internet: http://www.academyfinancial.org/09Conference/09Proceedings/%285C%29%20Matthews.pdf

Table 7 – Installment Debt Distribution across Family Life Cycle Phases

Phase of Family Life Cycle	Installment debt (%)
Bachelor Stage	15.53
Newly Married Couple	56.10
Full Nest I	23.37
Full Nest II	23.69
Empty Nest	20.92
Solitary Survivor	10.38

Source: freely adapted by Baek, E. and Hong, G. 2004. Effects of Family Life-Cycle Stages on Consumer Debts. In Journal of Family and Economic Issues, Springer Science and Business Media, Inc., vol. 25, no. 3, 2004.

TABLES

Table 8 – Saving Patterns across the Family Life Cycle

Phase of Family Life Cycle	**The Volume of Savings (%)**
Bachelor Stage	10.7
Newly Married Couple	7.6
Full Nest I	27.1
Full Nest II	11.7
Full Nest III	20.0
Empty Nest	3.0
Solitary Survivor	7.3
Retired Solitary Survivor	12.8

Source: freely adapted by Lee, S., Park, M., Montalto, C. 2000. The Effect of Family Life Cycle and Financial Management Practices on Household Saving Patterns. In Journal of Korean Home Economics Association English Edition, vol. 1, no. 1, 2000.

TABLES

Table 10 – Methodological Overview

Question	Theoretical Background	Question Type	Measure of Question	Aim of Question	Utilization
1. In which phase of family life cycle do you find yourself?	The first phases of family life cycle are : ❖ Bachelor phase ❖ Newly married phase ❖ Full nest phase Source: Wells, W. and Gubar, G. 1966.	Closed question aimed on the identification of respondents.	Choice of one possibility from following family life cycle options: ❖ Single without children ❖ Married without children ❖ Married with children and following age options: ❖ 18 – 23 years ❖ 24 – 29 years ❖ 30 – 35 years	Division of respondents according to the phase of family life cycle and age category.	According to this identification we will make further investigation.
2. Mark your priority of needs. To what extent they are important and influence your purchase behavior.	***Bachelor phase:*** 1st place: personal needs, 2nd place: household's needs ***Newly married phase:*** 1st place: common needs, 2nd place: household's needs ***Full nest phase:*** 1st place: children's needs, 2nd place: common needs, 3rd place: household's needs Source: Schiffman, L., and Kanuk, L., 2004.	Closed question based on ordering and expressing importance.	Ordering following possibilities: ❖ My own needs ❖ Husband's needs ❖ Needs of children ❖ Household's needs according to numerical values from 0-4 where 0-no influence and 4-greatest influence (with the possibility to chose the same degree of influence).	We would like to find out how the priority of needs that influencing purchase behavior changes over the family life cycle.	To use results in favor of understanding needs, their power on purchase behavior and use these finding in marketing segmentation.

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3. Divide 100% of your income among following types of expenses spent per month:	**Expenses on household**, **daily and short-term products** increase in the relationship with family size, family age and in the case or energy consumption also with performed activities. **Transportation/car expenses** rise only slightly with the size of family. **Cultural/social/holiday/sport and wellness expenses** have increasing tendency till the birth of a first child. The most **loans burdened** are full nest households, than bachelor phase and the least loans burdened are newly married couples. **Expenses on children's** and **medical needs** started to be significant shortly before a birth of a child and continue till the departure of a child from home. Source: Fritsche, D. 1981; Yilmazer, T. and De Vaney, S., 2005; Douthitt, R. and Fedyk, J., 1988; Martensen, A. and Grønholdt, L., 2008; Cullingford, C., 1995; Collins, D. and Tisdell, C., 2002; Kim, Y., 2000.	Open question focused on pressing the percentage.	Expressing the percentage of own income spend on following items: ❖ Household expenses ❖ Loan burden of household ❖ Expenses on daily and short-term products ❖ Expenses on children's needs ❖ Transportation and car expenses ❖ Cultural, social and holiday expenses ❖ Sport, wellness and medical expenses ❖ Other expenses	We would like to find out how the structure of expenses changes in the relationship with changing phases of family life cycle.	To use results in the benefit of e.g. saving energy or development and modification of products according to needs of consumers.

4. Express the frequency you make purchases of daily and short-term products (e.g. food, cosmetics, cleaners …).	**Bachelor phase:** unsystematically arranged and oriented on a large scale of products and services. **Newly married phase:** more systematically managed and performed on Sundays for maximal comfort. **Full nest phase:** well organized for saving time. <u>Source:</u> Koudelka, J., 1997.	Closed question targeted on choosing one possibility from offered set of choices.	Choosing one possibility from following multiple choices: ❖ I purchase products every day. ❖ I have own purchase system (e.g. once a week, once per two weeks) ❖ I make purchases randomly.	We would like to find out changes in frequency and repeatability of making purchases over the family life cycle.	Results of this question could be used in favor of selling principles of shops.
5. When you make purchases, you purchase:	**Bachelor phase of FLC**: purchase newest and latest products on the market, so called "products for mating game". **Newly married phase of FLC**: begin to purchase products with which they have good experiences **Full nest phase of FLC** – prefer own brands, but also enjoy newly advertised products. <u>Source:</u> Lake, L., 2009 and Sandhusen, R., 2008.	Closed question concentrated on choosing one possibility from offered set of choices.	Choosing one possibility from following multiple choices: ❖ Only own verified brands. ❖ Mostly own verified brands and a few new products. ❖ A few own verified brands and mostly new products. ❖ Still looking for new products.	The main aim of this question is to find out the development of relationship towards own verified brands.	Outcomes of this question could be used in the benefit of development and modification of product conception.
6. How are you influenced by discount products in making purchases?	Discount products are predominantly purchased by families with children that have limited financial sources. <u>Source:</u> Jain, A., 2010.	Closed question aimed on choosing one possibility	Choosing one possibility form following multiple choices: ❖ I regularly purchase discount products.	The purpose of this question is to identify changing attitude towards	The results of this question can be used for selling conception of

		from offered set of choices.	❖ In the case of random purchases I purchase discount products. ❖ I irregularly purchase discount products. ❖ I do not purchase discount products.	purchase of discount products across the family life cycle.	particular products and services.
7. Where do you make purchases of following items:	Families with children prefer purchasing products in hypermarkets and supermarkets. <u>Source:</u> press release of GfK Slovakia, 2008.	Closed question focused on choosing one possibility from each offered category.	Choosing one possibility from multiple choice of following purchase places: ❖ Shopping center ❖ Hypermarket ❖ Specialized shops ❖ The Internet ❖ Catalogues ❖ Supermarkets ❖ Second-hand/bazaars ❖ I do no purchase in purchasing of these items: ❖ Everyday products (food, liquids) ❖ Occasional products (electronics, furniture) ❖ Personal care products (cosmetics, clothes) ❖ Special products (car)	The goal of this question is to determine where usually consumers make purchases of chosen categories of products.	The outcomes could be use in favor of convenient placement of concrete products and services that would address particular customers.

TABLES

8. Where do you look for information about products and services when do you make decision about their purchase?	Married employed women without children tend to spend less time by watching TV than married unemployed women with children. On the other hand, married employed women without children read magazines more than married unemployed women. Source: Arlene, K. and Szybillo, J., 1978.	Closed question oriented on choosing one possibility from each offered category.	Choosing one possibility from multiple choice of following promotional tools: ❖ TV ❖ Tele-shopping ❖ Radio ❖ The Internet ❖ E-mail ❖ Catalogues ❖ Magazines ❖ Newspapers ❖ Leaflets ❖ Promoting	The aim is to investigate with promotional tools and information sources customers use in making decisions about purchased products and services.	The results of this question could be an asset for all companies operating on B2C market with the intention to properly inform and promote own products and services.
9. Chose one set of words that best describes your current life and current life priorities:	**Bachelor phase:** Structure of needs in the work sphere: employment, stable income, self-realization, independence and success; in the personal sphere: participation in social groups, making friends and partnership; and in the social sphere: fun, entertainment, excitement and adrenalin. **Newly married phase:** Structure of needs in the work sphere: self-actualization, utilization of potential, achievement of personal aspiration; in	Closed question focused on choosing one set of words.	Choosing one set of words from following options: ❖ Self-realization, success, independence, fun, freedom, adrenalin, entertainment, excitement, today. ❖ Family, child, love, harmony, stability, security, protection, future. ❖ Comfort, luxury, extra, happiness, satisfaction,	The purpose of this question is to find out which magic words should be involved in advertisement to address particular segment of customers.	The outcomes of this questions offers set of questions that could be use in advertisement campaign of particular products to address chosen group of customers.

	the personal sphere: happiness, satisfaction and today-tomorrow orientation; and in the social sphere on comfort, luxury and relax. **Full nest phase:** Structure of needs in the work sphere: need to secure family with the stable financial sources; in the personal sphere: importance of family, children, love, harmony and home; and in the social sphere: need for protection, stability, security and thinking about future. <u>Source:</u> Antonides, G. and Fred van Raaij, W., 1998; Jain, A., 2010; and Lake, L., 2009.				
10. Choose three pictures that best describe you and give reasons why.	**Bachelor phase:** fashion clothes, cosmetics, jewellery, active and adrenalin or relax vacations, small cheap car, basic household equipment, products for matching game, entertainment. **Newly married phase:** furniture, appliances and equipment of common home, exclusive vacations, social entertainment, delicious food or expensive car.	Association question with expressing opinion.	Selecting and reasoning of the choice of 3 pictures from offered 20 pictures that should describe current life, duties, needs and desires.	The target is to find out what is important for people, what their desires are and how they see their current life through pictures as well as to show how their current life,	The results of this question could be used in the benefit of product conception, promotional conception and market segmentation.

	Full nest phase: furniture and accommodation purchases for children's room, baby food, clothes, medicines, toys, family trips, multi package food. Source: Antonides, G. and Fred van Raaij, W., 1998; Jain, A., 2010; and Lake, L., 2009.			priorities and desires change with phases of family life cycle.	

Source: own research

TABLES

Table 23– The Hierarchy of Needs in Bachelor Phase of the Family Life Cycle

Type of need	Level of importance	Position
Own needs	74	1.
Husband's needs	0	-
Children's needs	0	-
Household's needs	61	2.

Source: own research

Table 24 – The Hierarchy of Needs in Newly Married Phase of the Family Life Cycle

Type of need	Level of importance	Position
Own needs	70	2.
Husband's needs	71	1.
Children's needs	0	-
Household's needs	65	3.

Source: own research

Table 25 – The Hierarchy of Needs in Full Nest Phase of the Family Life Cycle

Type of need	Level of importance	Position
Own needs	50	4.
Husband's needs	53	3.
Children's needs	81	1.
Household's needs	64	2.

Source: own research

Table 26 – The frequency in Purchase of Daily and Short-term Products across Phases of the Family Life Cycle

Frequency of making purchases	Bachelor phase	Newly married phase	Full nest phase
Everyday purchase	3	6	12
Own purchase system	2	16	2
Random purchase	16	4	1

Source: own research

TABLES

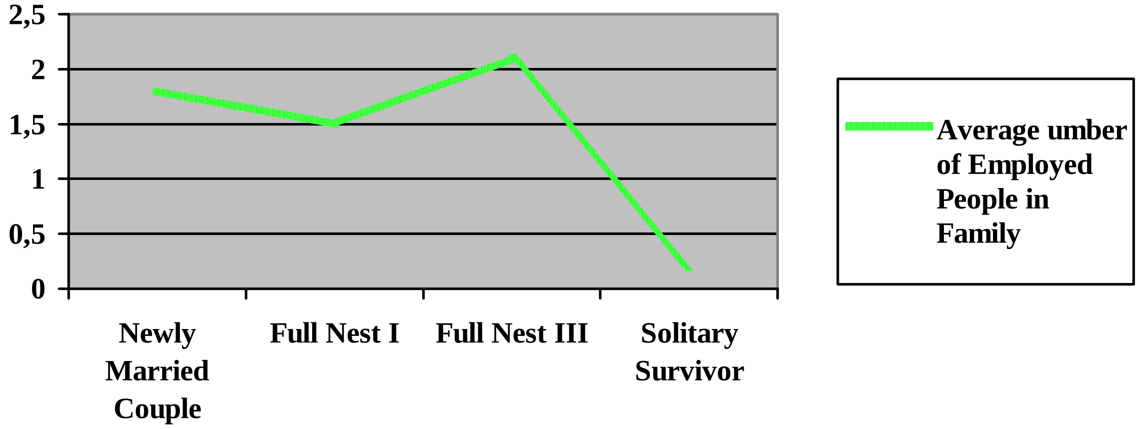
Table 27 – Development of Priorities across the Family Life Cycle

Set of words	**Phase of the Family Life Cycle**		
	Bachelor	**Newly married**	**Full nest**
Self-realization …	18	0	0
Family …	3	5	21
Comfort …	0	16	0

Source: own research

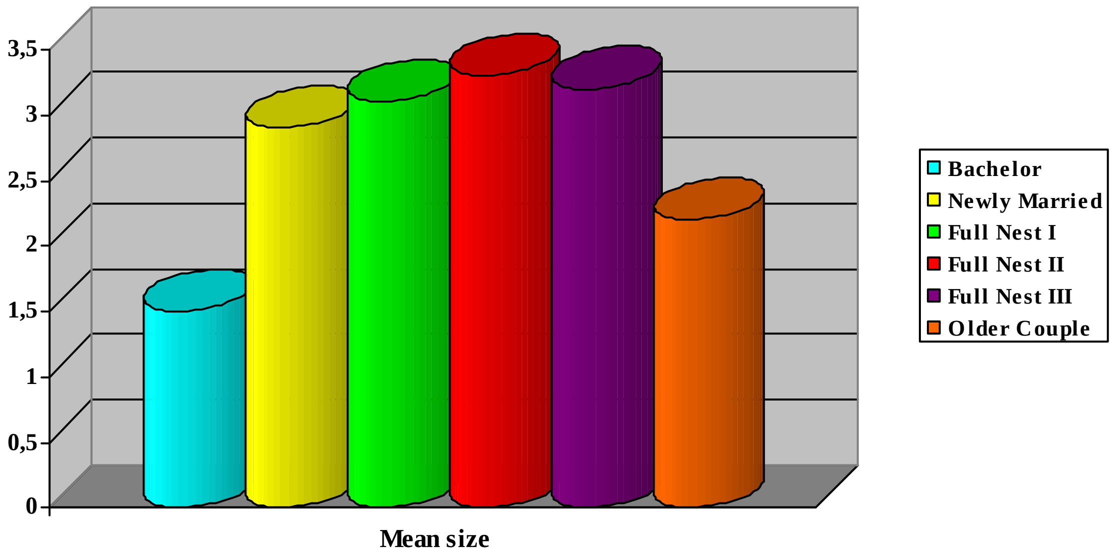
GRAPHS

Graph 2 – Employment development across Family Life Cycle in Australian family



Source: freely adapted by freely adapted by Australian Social Trends. 2006. Household Expenditure Patterns by Life Cycle. Available online on the Internet: http://www.abs.gov.au/Ausstats/abs@.nsf/bb8db737e2af84b8ca2571780015701e/ce45e8b08c04858aca2571b00015adbf!OpenDocument (15. 01. 2011).

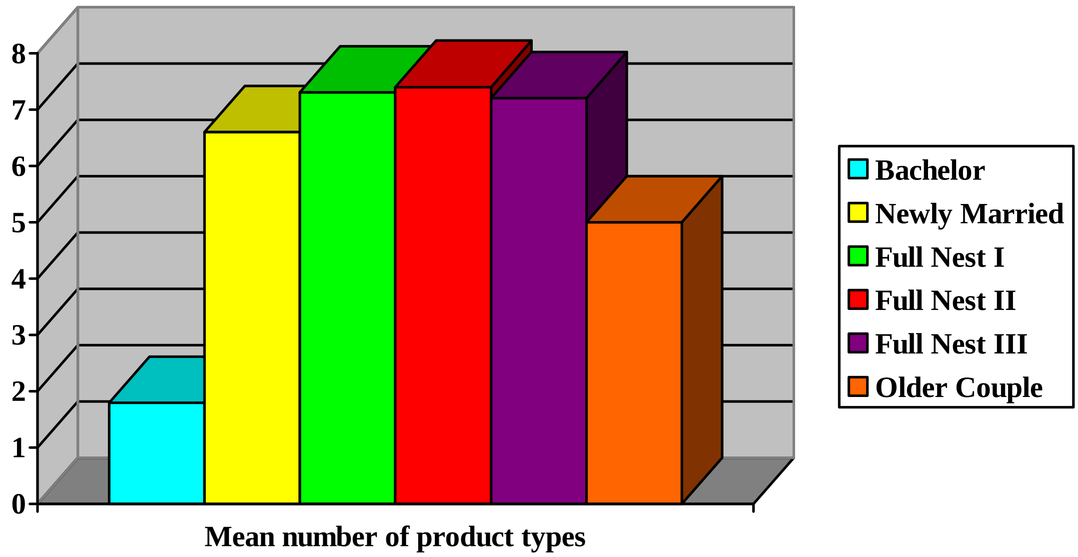
Graph 5 – The development of the mean baking relationship size



Source: freely adapted by Matthews, C. 2009. The Family Life Cycle and Banking Relationships. 2009. Available on the Internet: **http://www.academyfinancial.org/09Conference/09Proceedings/%285C%29%20Matthews.pdf**

GRAPHS

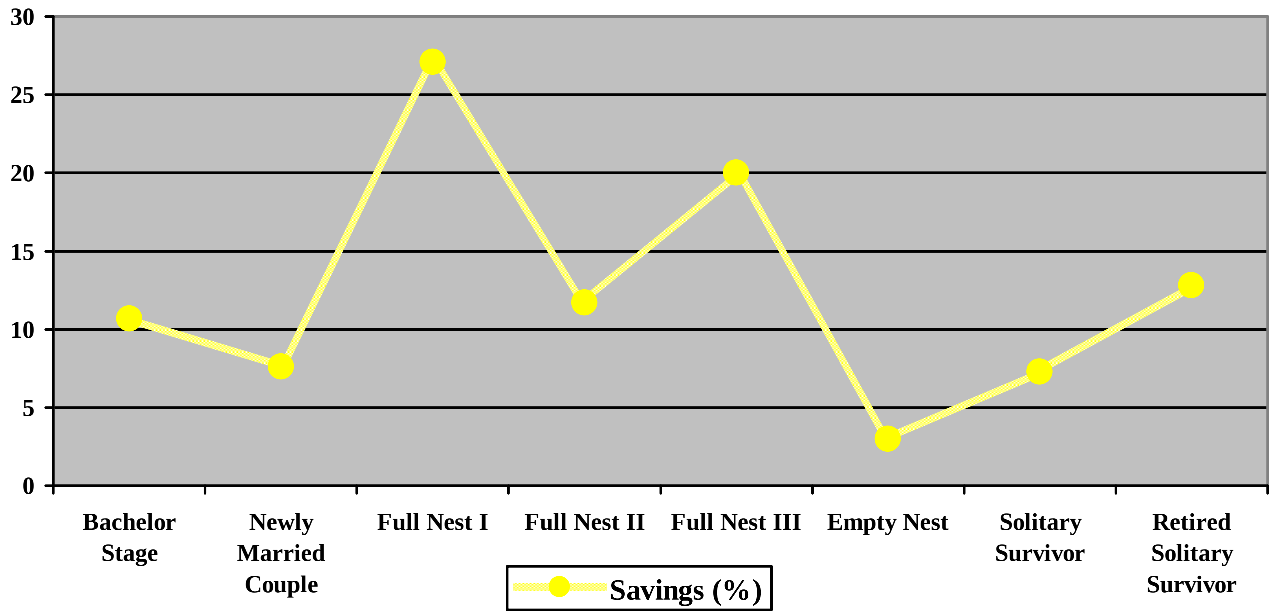
Graph 6 – The development of mean banking product type



Source: freely adapted by Matthews, C. 2009. The Family Life Cycle and Banking Relationships, 2009. Available on the Internet:

http://www.academyfinancial.org/09Conference/09Proceedings/%285C%29%20Matthews.pdf

Graph 8 – Saving Patterns across the Family Life Cycle



Source: freely adapted by Lee, S., Park, M., Montalto, C. 2000. The Effect of Family Life Cycle and Financial Management Practices on Household Saving Patterns. In Journal of Korean Home Economics Association English Edition, vol. 1, no. 1, 2000.

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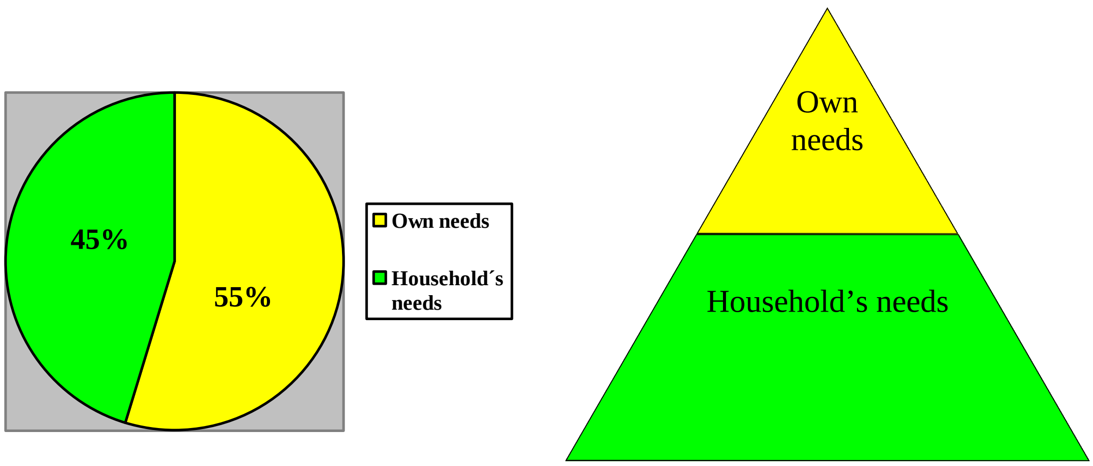
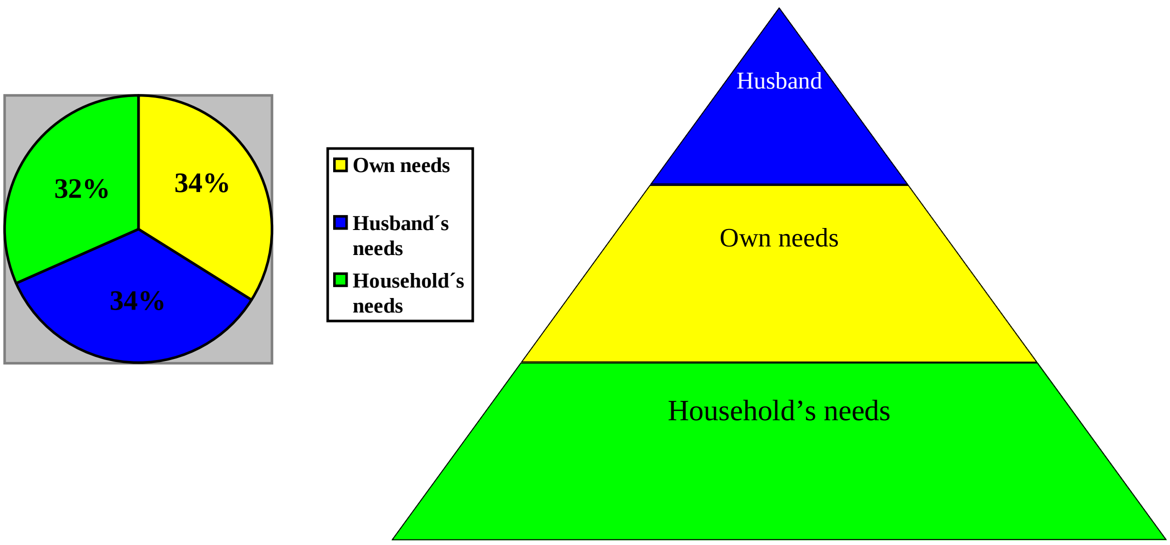
Graph 10 – The importance and the Hierarchy of Needs in Bachelor Phase of the Family Life Cycle



Source: own research

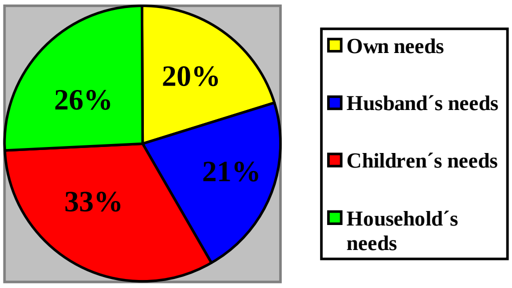
Graph 11 – The Importance and the Hierarchy of Needs in Newly Married Phase of the Family Life Cycle

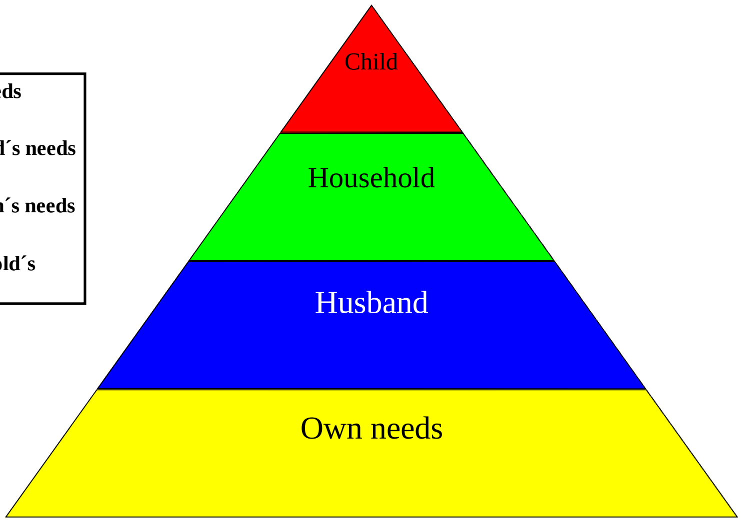


Source: own research

GRAPHS

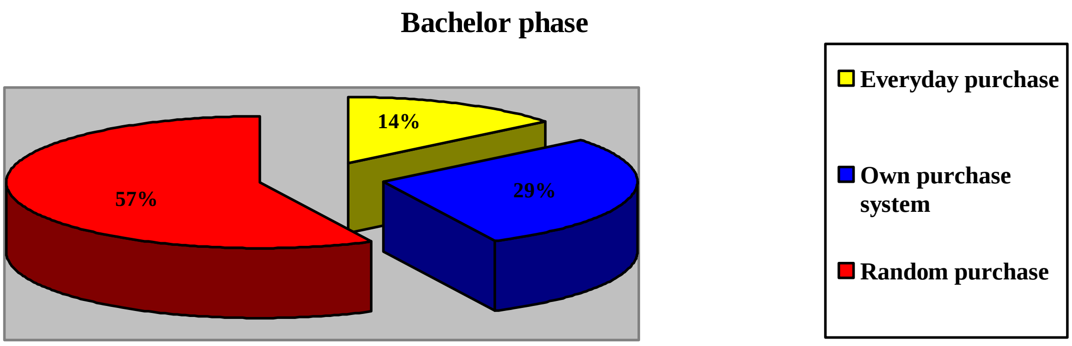
Graph 12 – The Importance and the Hierarchy of Needs in Full Nest Phase of the Family Life Cycle

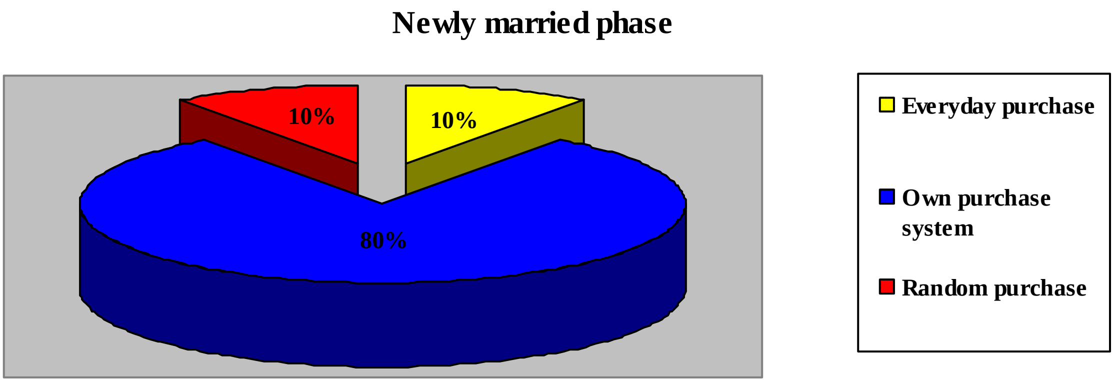




Source: own research

Graph 13 – Respondent's Buying Frequency in Purchase of Daily and Short-term Products





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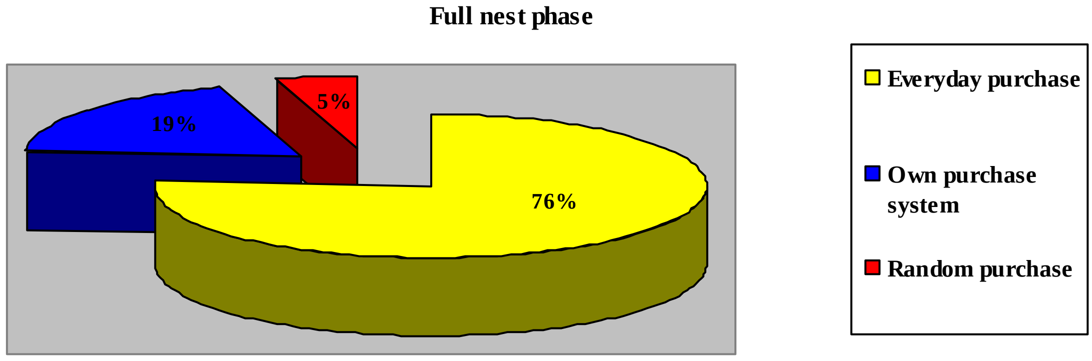
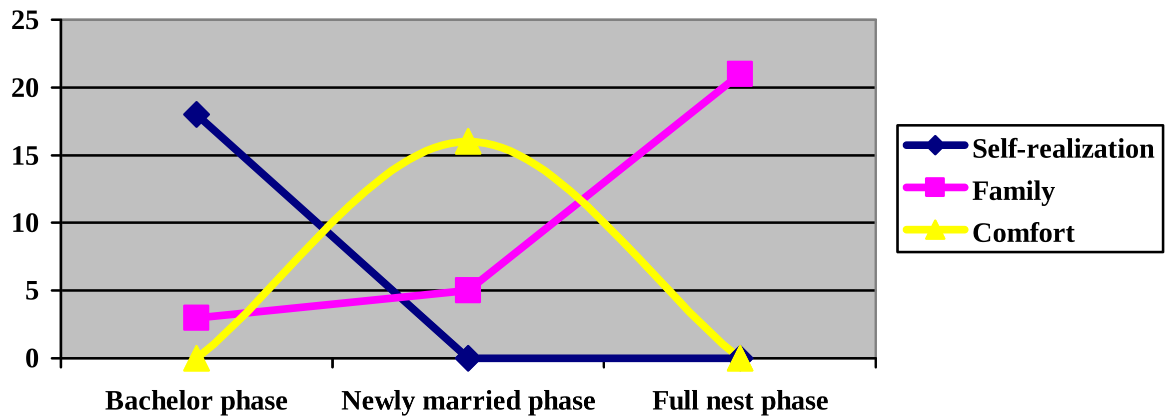


Source: own research

Graph 14 – Development of Priorities across the Family Life Cycle



Source: own research

QUESTIONNAIRE

Dear respondent, we would like to ask you for filling out our questionnaire dealing with individual aspects of your purchase behavior, whose results will be used to develop our Bachelor Thesis. This questionnaire is anonymous. Please answer the questions according to given instructions. Thank you for your time devoting to fulfillment of this questionnaire.

Klaudia Kurajdová and Ing. Janka Táborecká Petrovičová, PhD.

1. ***In which phase of family life cycle do you find yourself? (Choose one option)***

	18 – 23 years	**24 – 29 years**	**30 – 35 years**
Single without children			
Married without children			
Married with children			

2. ***Mark your priority of needs. To what extent they are important and influence your purchase behavior? (0 – no influence; 4 – the greatest influence; there is also a possibility to chose the same level of degree):***

• My own needs	0	1	2	3	4
• Husband's needs	0	1	2	3	4
• Needs of children	0	1	2	3	4
• Household's needs	0	1	2	3	4

3. ***Divide 100% of your income among following types of expenses spent per month:***

Type of Expense	**Expenses on Household** (e.g. living, energy, TV, the Internet, telephone …)	**Loan Burden of Household** (e.g. mortgages or consumer loans)	**Expenses on Daily and Short-term Products** (e.g. food, non-alcohol beverages, cleaners, cosmetics …)	**Expenses on Children's needs** (e.g. children's food, clothes, toys …)	**Transportation and Car Expenses** (e.g. fare, fuel …)	**Cultural, Social and Holiday Expenses** (e.g. cinema, theatre, ball, holiday abroad, visiting friends …)	**Sport, wellness and Medical Expenses** (e.g. fitness, swimming, massages, medicine …)	**Others** (……………………….)
Percentage								

4. ***Express the frequency you make purchases of daily and short-term products (e.g. food, cosmetics, cleaners …). (Choose one possibility):***

☐ I purchase these products everyday.
☐ I have own purchase system (e.g. once per week, once per two weeks).
☐ I make purchases randomly.

QUESTIONNAIRE

5. ***When you make purchases, you purchase (Choose one possibility):***

☐ Only own verified brands.
☐ Mostly own verified brands and a few new products.
☐ A few own verified brands and mostly new products.
☐ Still looking for new products.

6. ***How are you influenced by discount products in making purchases? (Choose one possibility):***

☐ I regularly purchase discount products.
☐ In the case of random purchases I purchase discount products.
☐ I irregularly purchase discount products.
☐ I do not purchase discount products.

7. ***Where do you make purchases of following items (Make a tick ✓):***

	Shopping Center	Hyper-markets	Specialized shops	the Internet	Catalogues	Super-markets	Second-hands/ Bazaars	I do not purchase
• Everyday products (food, liquids)	☐	☐	☐	☐	☐	☐	☐	☐
• Occasional products (electronics, furniture)	☐	☐	☐	☐	☐	☐	☐	☐
• Personal care products (cosmetics, clothes)	☐	☐	☐	☐	☐	☐	☐	☐
• Special products (car)	☐	☐	☐	☐	☐	☐	☐	☐

8. ***Indicate where do you mostly look for information when do you make decisions about purchase of goods and services (0 – no importance; 1 – the least important; 5 – the most important):***

	0	**1**	**2**	**3**	**4**	**5**
• TV	☐	☐	☐	☐	☐	☐
• Tele-shopping	☐	☐	☐	☐	☐	☐
• Radio	☐	☐	☐	☐	☐	☐
• The internet	☐	☐	☐	☐	☐	☐
• E-mail	☐	☐	☐	☐	☐	☐
• Catalogues	☐	☐	☐	☐	☐	☐
• Magazines	☐	☐	☐	☐	☐	☐
• Newspapers	☐	☐	☐	☐	☐	☐
• Leaflets	☐	☐	☐	☐	☐	☐
• Promoting	☐	☐	☐	☐	☐	☐

QUESTIONNAIRE

9. ***Chose one set of words that best describes your current life and current priorities (Choose one possibility):***

- ☐ Self-realization, success, independence, fun, freedom, adrenalin, entertainment, excitement, today.
- ☐ Family, child, love, home, harmony, stability, security, protection, future.
- ☐ Comfort, luxury, extra, happiness, satisfaction, rest, together, couple, today and tomorrow.

10. ***Choose three pictures that best describes you and your current life and give reason why into below selected boxes :***

Picture no. 1	**Picture no. 2**	**Picture no. 3**

Source: own elaboration