

# COMING of AGE

BY SARA WILSON

**WE'RE NOT TALKING KID STUFF—THE BOOMING CHILDREN'S MARKET IS SERIOUS BUSINESS, AND FRANCHISEES ARE REAPING THE REWARDS.**

"The franchising industry is aging beautifully, but there's one segment of it that stays forever young. Youthful, energetic, ever-growing and impulsive, the kids' market definitely reflects its target population.

While kids hold the key to our future, they also control their parents' purse strings. American families spend approximately \$115.6 billion a year on their children for food, clothing, personal-care items, entertainment and reading materials, according to a 2006 report by Packaged Facts. This figure is expected to increase to \$143 billion by 2010. Meanwhile, the buying power of kids themselves now tops \$18 billion. **Kids may be small in size, but spending by them, around them and for them represents a powerful market opportunity too big to be ignored.**

Much of the reason the children's market has taken off is the fact that the traditional single-income family is rapidly disappearing. "[There is] increased attention on children and the idea, especially in dual working households, of parents trying to juggle work time, quality time and family time," says Paul Kurnit, founder of KidShop, a marketing communications firm specializing in the youth market.

At the same time, today's parents want to provide their children with every possible advantage and believe this can be achieved through their participation in a variety of extracurricular activities. "The whole dynamic has changed dramatically from the '50s and '60s, [when] children were seen and not heard, to today's children being very active members of the family," says Kurnit.

The franchise industry has long been meeting the demands created by dual-income families with active children.

From serving the most basic of kids' needs by offering day care to dishing out the fun with ice cream parties, all the bases are covered when it comes to kids. **Kid-related franchises are at the top of their game, and the growth spurt has been most significant in three categories: sports, education and parties."**

## PARTIES

"On the lighter side, parents are also willing to pay top dollar for their kids' enjoyment. TV shows like *My Super Sweet 16* illustrate the trend for over-the-top birthday celebrations. Perhaps not all parents are financially able to go to those lengths, but many are increasing the budget for their child's birthday bash. **According to an online poll by BabyCenter LLC, 25 percent of parents spent between \$200 and \$500 on their child's first birthday party alone, and 11 percent dropped more than \$500. Where there's a need, there's an opportunity, and now the franchises aimed at taking the hassle out of party planning are celebrating their own unheeded growth."**

## MARKING THE FUTURE

"The kids' market is backed by significant support: parents' love for their children. And as all signs indicate, this industry will only continue to flourish. There are new concepts sprouting up all the time, and the possibilities are limited only by the imagination."

"Meanwhile, kids are growing up faster than ever. They're also becoming more important than ever in the purchasing decisions of their households and are, therefore, much more of a target for marketers. They're even changing culturally. Says Brown, "A tremendously high proportion of the growth in the under-18 population over the next 10 to 20 years is going to come from

Hispanics and Asians as well as African-Americans."

In other words, the kids' market is not one-size-fits-all and is as dynamic as the children who constitute it. Says Kurnit, "Businesses always have to be up-to-date with what parents and kids are looking for." The franchises that take the time to adapt to and truly understand their target population will enjoy a very real opportunity to grow by leaps and bounds."



Extracts from "Coming of Age" article by Sara Wilson. Entrepreneur Magazine, August 2007.

For the full article, click on the link <http://www.entrepreneur.com/magazine/entrepreneur/2007/august/181688.html>