consumer insight

Delivering consumer clarity   Mar. 2007 - Issue 7

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Top 10 Digitally Downloaded Songs
March 15, 2008

1. Love In This Club
2. Low
3. Love Song

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http://www.nielsen.com/consumer_insight/ci_story1.html

Hispanic Fusion – Finally Hitting the Bullseye:

Fusion metrics get a direct hit

By: Ceril Shagrin, Executive Vice President Corporate Research Division, Univision Communications Inc. and Howard Shimmel, SVP, Client Insights, Nielsen Connections

CI SUMMARY: It's no secret that all Hispanics are not alike. Hailing from 24 Latin American countries, Hispanics are making a diverse and indelible mark on the U.S. landscape. From music to food, they have infused customs and traditions into the American mainstream. But mainstream marketing to this diverse group is a recipe for failure. New fusion analyses now go beyond traditional age/sex demographics to provide a more accurate method of target marketing. Advertisers cannot reach their goals without winning the Hispanic consumer.

Hot and savory cuisine. Latino music. Spanish television programming. Bilingual product packaging and automated banking services. Hispanics have made 'ethnic' mainstream in the U.S. It's not new news that the U.S. Hispanic population is growing – or that all Hispanics are not alike. In fact, by 2050, non-Hispanic whites will become a minority. According to projections from the Pew Research Center in Washington, nearly one in five Americans will be foreign-born – 29% will be Hispanic and non-Hispanic whites will account for 47% of the population. Asians will grow to 9% and blacks will hold steady at 13%.

So while Hispanic influence and culture is pervasive, why is it that many advertisers are still not getting the message right when addressing this powerful and influential segment? The simple answer is that targeting metrics to date have not encapsulated the full breadth and depth of the Hispanic consumer. That is until now.

A perfect blend

One of the most ubiquitous issue facing advertisers today is optimizing the best mix of general market and Spanish-language television advertising to deliver the best ROI. While there have been existing tools that address this issues from a pure age/sex demographic basis, advances in panel measurement and data integration, primarily through data fusion, now enable advertisers to go beyond the traditional and tackle the matter from a better perspective – the actual marketing target.

Go beyond the traditional and tackle the matter from a better perspective...

To reveal early learnings, Nielsen worked closely with the Spanish-language broadcaster Univision to create a fused database in Los Angeles that integrated general market and Hispanic product sales data from the Nielsen Homescan panel with television viewing data from the Nielsen Local People Meter panel.

The fusion was executed using common household characteristics that are collected from both Homescan and Local People Meter homes. Those characteristics included:

Household Head Race	Household Head Employment
Cable TV	Household Head Occupation
Household Income	Presence of Teens 12-17
Household Size	Presence of Kids 6-12
Kids Under 6	Household Origin
Language in Home	Household Head Age
Own or Rent	Household Head College
Presence of Adults 18-24	

Taking into account the primary language preference in the home, the fusion study was also executed separately for Spanish-dominant Hispanic households, Spanish/English bilingual-dominant, English-dominant and non-Hispanic households.

Quantifiable evidence

Through the fusion process, brand spending for individual products from the Homescan households was combined with TV viewing information from the Local People Meter households resulting in a single respondent record with TV viewing and product sales for each brand and category. In addition, the integration of Homescan's general market homes with Hispanic homes in Los Angeles enabled the unique ability to measure the share of product sales comprised by Hispanic homes.

A single respondent record with TV viewing and product sales...

This integrated database delivered two powerful applications:

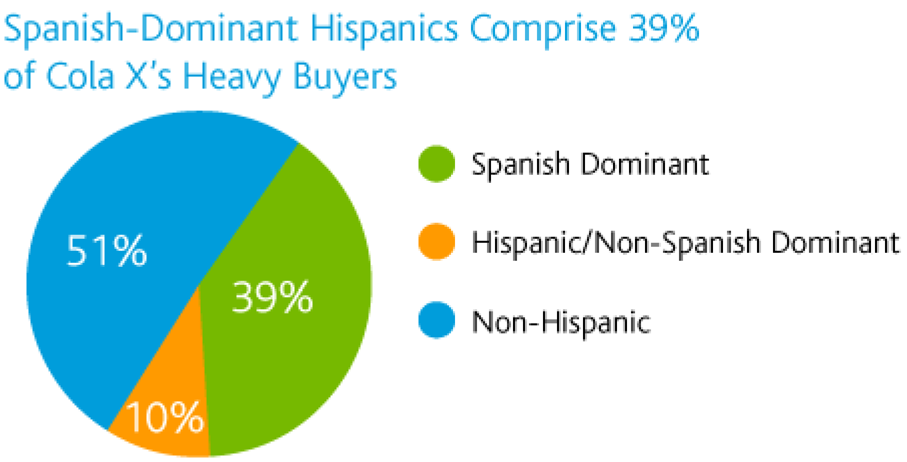
- Evaluation of TV viewing levels, dayparts and specific programs against any marketing target identified through Homescan data using Nielsen NPOWER – Nielsen Media's core TV ratings analysis system.
- Evaluation of TV reach and frequency analyses against any marketing target identified through Homescan data using IMS Optimax R&F System – IMS' core TV optimization system.

Powerful insights

To test the waters, so to speak, Nielsen conducted evaluations on three brands – one diet cola brand targeting current users, one regular cola brand targeting heavy users, and one domestic beer brand targeting competitive product users.

Using the cola brand (Cola Brand X) as an example, the power of integrated insights uncovered important nuances that were critical to understanding the target market. To get started, Cola Brand X's buyer landscape was evaluated by determining what share of Spanish-dominant Hispanics in Los Angeles were heavy users. The analysis uncovered that while Spanish-dominant Hispanics comprised 20% of the Los Angeles market, they encompassed almost 39% of Cola Brand X's current heavy buyers.

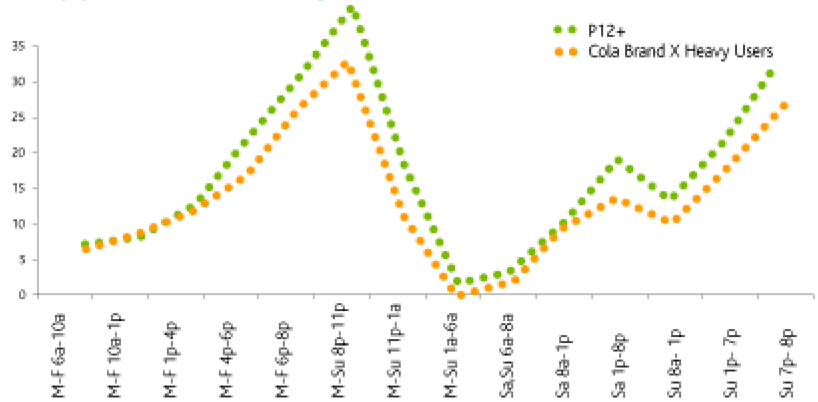
The power of integrated insights uncovered important nuances...



Source: Homescan LA Hispanic Panel

Cola Brand X's product consumption data was then linked with media data to effectively evaluate TV viewing patterns among heavy users. Comparing the TV viewing of Cola Brand X heavy users with the overall Persons 12+ demographic, it was discovered that viewing patterns were lower across most dayparts, with the difference being as large as nearly 5.5 points during the Sunday 7-8pm time period, indicating a clear need to have a selective TV plan to effectively reach this target.

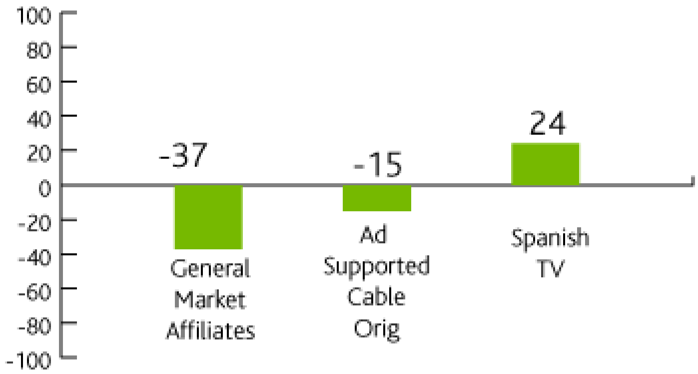
LA Local People Meter/Homescan Data Fusion Daypart TV Viewing Persons 12+



Source: Nielsen Local People Meter and Nielsen Homescan Fusion

In addition to understanding viewing patterns by daypart, the link to Nielsen's TV data provided the opportunity to evaluate ratings by viewing source. In this case, because of the strong contribution of Spanish-dominant households to the overall marketing target, Spanish language television effectively delivers Cola Brand X heavy users.

Total Day Ratings Analysis—Cola Brand X Heavy Users Compared to Persons 12+



Source: Nielsen Local People Meter and Nielsen Homescan Fusion

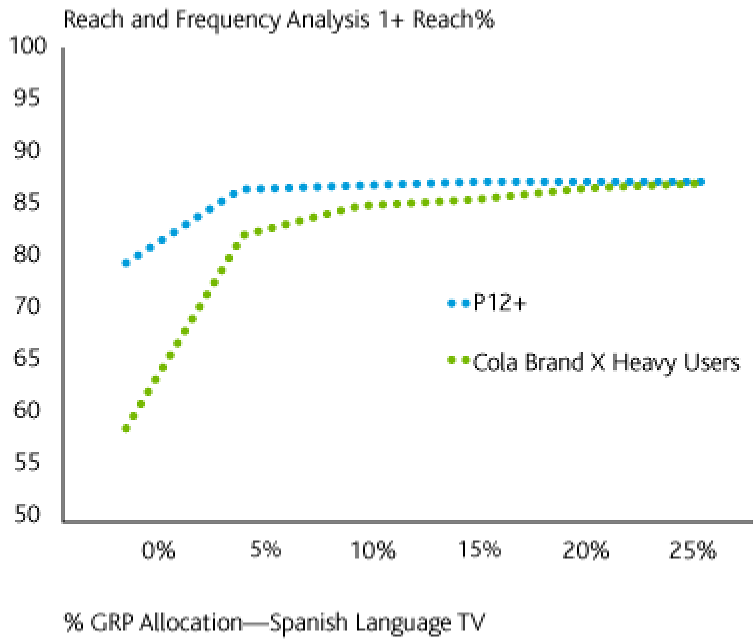
Hitting the bullseye

The last – and perhaps most important – step in the analysis was the evaluation of reach and frequency of a hypothetical TV campaign to identify the mix of general market and Spanish language TV programming that optimized reach against the specific competitive user marketing target.

Optimize reach against the specific competitive user marketing target...

The findings revealed that the TV schedule continued to build reach effectively against the Cola Brand X's current heavy users up to the 25% budget allocation mark. If this evaluation had been executed using the Persons 12+ demographic, the decision might have been made to only allocate 5% of the budget to Spanish language TV, but the evaluation against the marketing target – current Cola Brand X heavy users – shows that there is another six reach points to be gained by moving to a 25% allocation.

What Mix of General Market/Spanish Language TV Optimizes Reach?



Source: Nielsen Local People Meter and Nielsen Homescan Fusion

It is interesting to note that in addition to the findings revealed in the cola evaluation, the analysis for both the diet cola and beer brands showed similar patterns, in that the share of budget that optimized reach against the brand’s marketing target was directly linked to the share of marketing target that Spanish-dominant Hispanic homes comprised.

Nielsen’s expansion of the Homescan Los Angeles Hispanic Panel to a representative national Total U.S. Hispanic service combined with the launch of the NielsenConnections’ Brand Target Audience will make fusion analyses available nationally for any product category measured in Homescan.

Make it count

Hispanic culture, consumption patterns, trends and advertising exposure have a tremendous influence on brand choices. Boost efforts to understand behavior and lifestyle choices. Build awareness by improving in-store presence, product sampling, local programs and speaking to Hispanics in Spanish. More accurate marketing programs targeted to Hispanics are not only critical now – it is the way of the future.

Univision and Nielsen will continue to partner in learning the most effective ways to use new tools to help advertisers reach their sales goals.

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http://www.nielsen.com/consumer_insight/ci_story2.html

Moviegoing:

An American Tradition Evolves

By: Kathy Benjamin, Senior Vice President, Nielsen Film and Home Entertainment

CI SUMMARY: Revel in one of the classic sense memories of youth. The smell of movie theater concessions. The dizzy adjustment to folding 3-D glasses. The bone-shaking vibrations of surround sound stereo. Moviegoing is one great American tradition that is holding its own, despite the explosion of alternative media, in part by attracting an audience that is increasingly ethnically diverse.

While media fragmentation has given way to a multitude of viewing entertainment choices, still nothing quite compares to the sights and sounds of watching a movie in a theatre. In fact, seven in ten Americans have gone to the movies in the past year, with this group going at least eight times on average. Much of that moviegoing happened in the summer when blockbusters like *The Bourne Ultimatum*, *Live Free or Die Hard* and *Harry Potter and the Order of the Phoenix* lured even the least frequent moviegoers out of their houses and into theater seats.

The summer of 2007 set box office records, with receipts reaching $4.161 billion, a jump of 8% over the previous record set in 2004. According to the Nielsen NRG *American Moviegoing 2007* study, 77% of moviegoers rated their Summer movie experience as “time/money well spent”, a good value for the moviegoing buck. Worthy of note, however, almost 20% of moviegoers said they would have preferred to view the movie on a DVD at home.

The summer of 2007 set box office records...

Movie motivators

Given the vast array of media and entertainment options, what does it take to motivate someone to go to the movie theater? A strong value proposition is a must based on experiential differentiators such as the potential for a shared experience with family, friends or a large group, and the unmatched sensory impact of the big screen, in-theater experience.

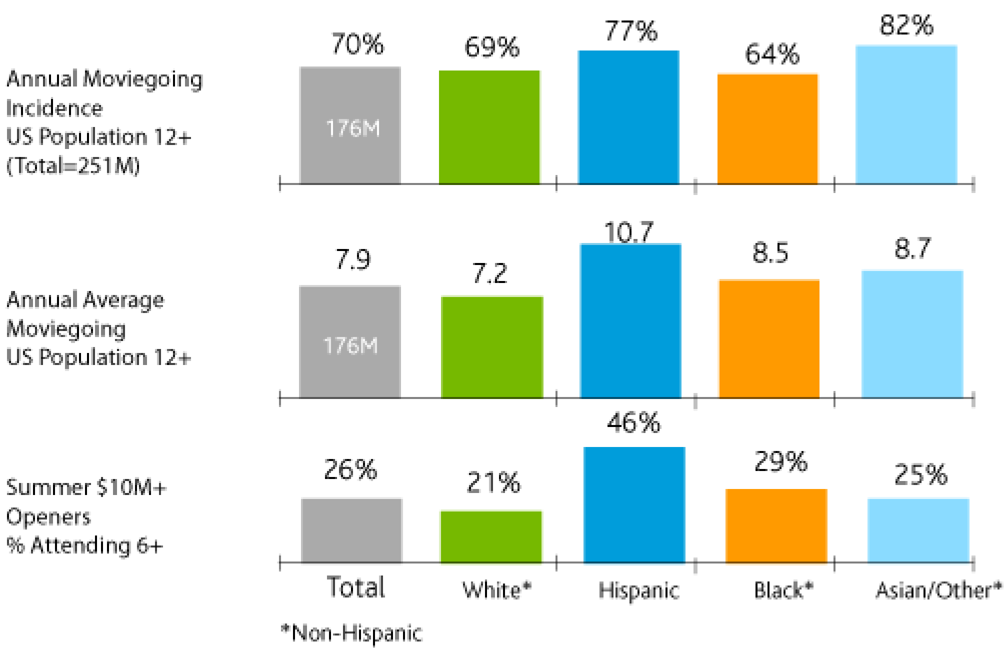
Content counts as well toward a robust value proposition. Consumers mentioned the importance of the uniqueness of a movie—its characters, plot or story line and special effects in adding value to the experience.

Shades of the future

Studios will need to factor more than the threat of alternative media opportunities into their movie marketing equations. Another shift detected by the study was the changing ethnic composition of moviegoing audiences. White viewers had one of the lowest rates of annual moviegoing incidence (69%), saw the fewest movies (7.2 per year), and scored the lowest percentage of people attending six or more movies this past summer (21%).

The changing ethnic composition of moviegoing audiences...

Ethnic Segments, Especially Hispanics, are Stronger Moviegoing Consumers than Whites



Source: The Nielsen NRG American Moviegoing 2007 Study

Conversely, Hispanics gave the strongest showing of any ethnic segment, with a 77% annual moviegoing incidence, 10.7 movies seen per year and a whopping 46% attendance at six or more summer openings. Put another way, Hispanics comprise 13% of the population over age 12, but represent 22% of Summer 2007 theater admissions.

Asian/Other consumers enjoyed the big screen more than White audiences as well, with an 82% annual moviegoing incidence. African-American and Asian/Other consumers logged 8.5 and 8.7 movies seen per year respectively, and 29% and 25% for attendance at six or more Summer movies.

Split screen

In a typical week, the average moviegoer allocates some 35 hours, or 21% of available time, to relaxing and having fun, with the rest of their time divided across sleeping, working/school and errands/chores/family. Hispanic households appear to have the least time available for relaxation, at just 17%.

Hispanic households appear to have the least time available for relaxation...

As a share of overall relaxation, ‘screen-based entertainment’, holds relatively constant across ethnic segments, at around 62% on average. ‘Screen-based entertainment’ includes all the entertainment activities requiring a screen such as TV, movie theater, computer, or handheld device. The fight is on, however, for which device accounts for the largest share of screen-based entertainment.

Home seat home

While consumers readily acknowledge that theaters deliver the “ultimate” movie watching experience, nearly three-quarters of the movies they had seen in the prior six months were watched at home via DVD or on-demand options. Slightly more than a quarter of the movies seen in that same six month time interval were watched in a theater.

Nearly three-quarters of the movies were watched at home via DVD or on-demand options...

On the upside, households that have invested in content-delivery and its associated devices, somewhat surprisingly, go out to the movies more often. Moviegoers who own or subscribe to five or more of these gadgets or services attend the theater 11.4 times a year versus the 7.9 U.S. average frequency. These moviegoers (14% of the total) tend to have pay-per-view or video-on-demand service contracts (88%), digital video recorders (87%), surround sound systems (82%), MP3 players with video (75%), digital cable (75%), DVD rental service agreements (71%), satellite TV (44%) and movie downloading capability (36%).

Getting mobile-ized

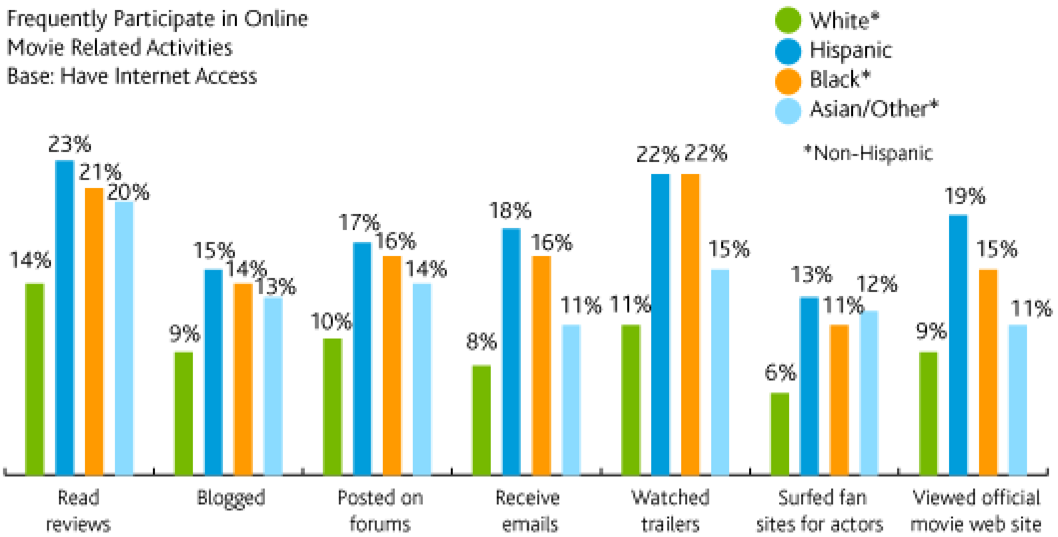
Although TVs and computers dominate screen time among all consumers, younger moviegoers “talk to the hand”, or at least it looks that way, as they devote more of their screen time than any other group to video-capable phones, iPods and handheld game systems. Handsets account for approximately 12% of screen time among 12-24 year olds, compared to just 5% among those 25 and over.

Handsets account for approximately 12% of screen time among 12-24 year olds...

Another offshoot of text-capable phones is social discourse, which includes that phenomenon known as texting. This form of word of mouth is the most immediate, visceral and unedited of any non-verbal communications exchange. Overwhelmingly, Hispanic and African-American moviegoers, the two most avid viewer segments, call or text friends immediately about a movie they've just seen. In contrast, White moviegoers under-indexed on every word-of-mouth measure—asking others, telling others, positive recommendations or immediate outreach.

Extended view
Non-White moviegoers exhibit a greater appetite for media overall, especially Hispanics. They see more movies of all kinds, sooner, in larger family groups and register more engagement with the whole theater experience than other ethnicities. Online alternatives are key to extending the overall movie experience by facilitating discussion of the last movie seen or the choice of the next movie to see.

Online Activities: Ready Access



Source: The Nielsen NRG American Moviegoing 2007 Study

Hispanics are more likely than any other ethnic group to read reviews online (23%), watch trailers (22%), view official movie web sites (19%), receive e-mails about movies (18%), post on a forum (17%), blog about movies (15%), or surf fan sites for information about actors (13%). Fully half of Hispanics with online access maintain a social networking page like MySpace or Facebook versus just 38% for Whites. Of those socially networked Hispanics, 40% rely on their network for advice about things like movies versus fewer than one-third of Whites and African-Americans.

Kid stuff
When it comes to moviegoing, parents and kids drive the choice of movies pretty equally. Interestingly, parents rarely insist that the decision is theirs alone, and kids manage to exert considerable influence over their parents. Think of it as the "nag factor". These findings hold pretty constant regardless of the child's age.

Parents and kids drive the choice of movies pretty equally...

Roughly one-quarter of White, African-American and Asian/Other moviegoing family groups include a child or teenager. But for Hispanic families, the usual moviegoing party is likely to include a child under age 12 (45%) or a teenager 12-17 (36%). Among Spanish language dominant Hispanic households, the propensity to bring the little kids along is even more pronounced, with 53% of family groups including a child under 12.

Ambiance on the menu
Non-White moviegoers take many things into consideration when deciding on a movie theater. The most important elements relate to the ambiance of the theater setting. In ranked index order where 100 indicates average for the Hispanic segment (relative to all moviegoers), these include shops/restaurants (185), the concession selection (175), viewer benefits (145), digital projection/sound (135), screen size (125), parking (122), cleanliness/ambience (113), and ticket price (105).

Marketing pointers
How to promote those wannabe blockbusters? On an overall basis, consumers rated trailers, TV ads and in-theater posters as informative, eye-catching and relevant. Online space and billboards suffered from low penetration, while Internet pop-ups and banners were more often deemed annoying and intrusive.

How to promote those wannabe blockbusters?...

Given their greater frequency at the movies, non-White, and especially Hispanic, moviegoers were more receptive on a number of dimensions. They welcome new information coming from movie previews at the theater, are less likely to get annoyed by Internet ads and are somewhat more engaged by roadside billboards, calling them eye-catching and informative. Marketers would be well-served to apply the surround principle to movie advertising, using a multi-media approach to connect with all audience segments.

Coming attractions

In the theatrical pictures world, it's all about immersion and integration—immersing consumers in the experience and integrating promotions across media during the critical movie launch window. For the movie industry, it's a $3 billion annual decision made despite some serious blind spots.

Now, a new service from NielsenConnect will fill in the blanks for clients, helping them allocate advertising dollars across multiple media with pinpoint accuracy thanks to a fusion of the American Moviegoer study with Nielsen TV and Internet audience measurement.

See *Part II: The Fusion Factor* in an upcoming issue of *Consumer Insight* for highlights from the initial launch and insights into how to reach those all-important movie influencers — the opening weekend attenders.

Nielsen Consumer Insight, March 2008

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http://www.nielsen.com/consumer_insight/ci_story3.html

Growing the Franchise with New Products:

How New Products Can Drive Incremental Growth

By: Robert Mooth, VP, Product Management, BASES

CI SUMMARY: The prospect of driving incremental category growth is typically the reason why most marketers enter the risky business of launching new product introductions. However, for most categories, new entrants simply don't add much to the bottom line. All is not lost, however, because new item activity can provide important insights on managing brand franchises for incremental growth.

Brand marketers and retailers have long been interested in new products as a key source of growth and profit, and 2007 was no exception. In fact, new items contributed over $15.8 billion in U.S. retail sales in 2007 according to Nielsen – a whopping 16% increase vs. 2006. Perhaps more notable is the fact that this strong growth was registered by just over 85,000 new UPCs, which is about 3% fewer than the prior year. This increased productivity reflects well on industry-wide efforts to drive more efficiency from the items that are carried.

In the now

New item activity in 2007 was broad-based, delivering strong sales contribution to many product categories. Stand-out categories showing exceptionally strong category sales contribution include those that seem to capture the moment and include:

- Shorter life-cycle categories such as fragrances, which are fueled by heavy levels of co-branding and celebrity licensing that capitalize on trends;
- High turn, variety-driven categories like snacks and cereal, which often see high levels of new product activity to satisfy consumer needs for something different;
- Classically innovative categories, which saw high levels of benefit-focused new product innovation. In 2007, examples of these categories included diet aids, deodorants, and skin care.

New items, however, represent a fairly small proportion of many categories' sales – registering just under 4% for the average CPG category.

Categories Driven by New Items

Category	New Items $ Share of Category	New Item $ Sales (millions)
Women's Fragrance	32%	146
Men's Fragrance	27%	81
Diet Aids	24%	100
Baby Needs	21%	267
Deodorants	16%	210
Paper Products	15%	1,542
Snacks	15%	1,582
Air Freshners	14%	160
Cereal	13%	969
Personal Cleansing	12%	233
Skin Care	11%	363
Detergent	11%	514
Candy	10%	763
Hair Care	10%	455
Grooming Aids	10%	114
Average (median)	3.4%	

Source: Nielsen Strategic Planner, 52 Weeks Ending 12/29/07, Total U.S. Grocery/Drug/Mass

Grow or go

While every brand has a specific rationale and strategy behind launching new items, the intent is usually to spur growth. Broadly speaking, there are two main sources of growth to consider:

- The draw created by the consumer proposition itself, either by promising new benefits that attract new buyers or by developing new usage applications that promote increased consumption.
- Changes in marketing or retail strategy, by reaching into new distribution methods or targeting new consumer groups.

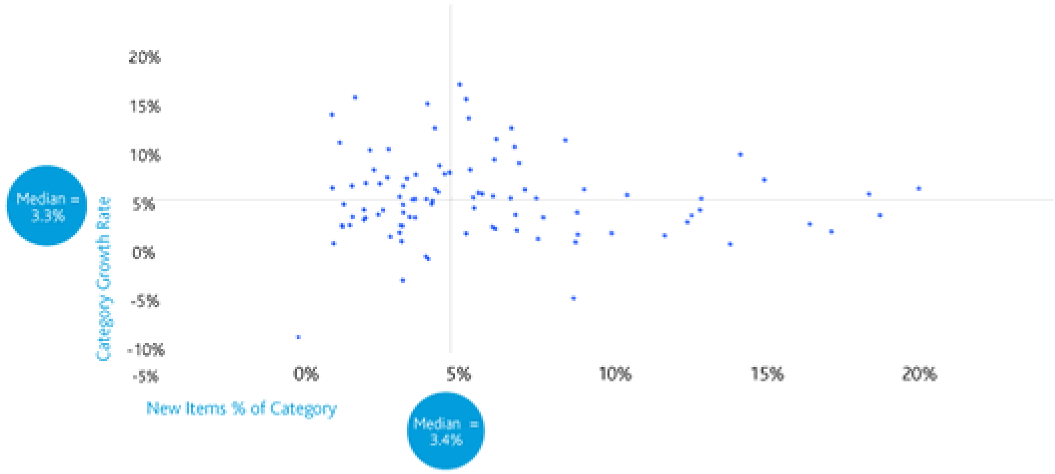
If new items are successful in driving *brand* growth, it is reasonable to expect that some level of *category* growth will also take place. While not every brand extension is intended to contribute to new category sales, it is likely that a plurality of new item initiatives are attempting to grow the size of the pie.

Size stays status quo

As it turns out – at least in terms of new product activity in 2007 – overall category size was not impacted by the launch of new items. In general, there was no relationship between new item activity and category growth. And while there are certainly cases where new product activity helps to grow categories, from a broad perspective, this simply is just not the case. To the marketing manager betting on new products to drive brand sales and category growth, this may come as a surprise. All is not lost, however, because new item activity can provide important insights on managing brand franchises for incremental growth.

Overall category size was not impacted by the launch of new items...

Comparison of U.S. CPG New Item and Category Growth Trends - 2007



Source: Nielsen Strategic Planner 2006–2007

Extending the vision
The vast majority of new items launched in 2007 were extensions of established brands. But getting brand extensions right is tricky business. Generating new sales is not as simple as offering new items. Done well, though, and brand extensions can provide a path to true, organic growth. And sometimes the best way forward is a look backward.

Getting brand extensions right is tricky business...

Relying on past marketplace history and experience, BASES has learned the greatest benefit from brand extensions for both manufacturers and retailers occurs when three key strategic fundamentals are at work.

Fundamental #1: Strive for substantive differentiation
For a brand extension to contribute to incremental growth, it must deliver substantive differentiation. Do consumers see the new item as a substitute for current options? Do the product claims result in a unique brand promise? Successful items are the ones that consumers perceive as doing something better/different and deliver real improvements from current options. These items also capture the attention of retailers and gain more than their fair share of distribution and merchandising support.

It must deliver substantive differentiation...

Good examples of both extensions and new brands that promise substantive differentiation were prominent in a number of categories in 2007, including diet aids and skin care. Innovations in these categories promised new benefits, unique consumer experiences, and meaningful differences in results that helped to grow brand and category sales.

Many brand extensions offer benefits that overlap closely with the current assortment. A good example is evident in the detergent category where a strong level of new product activity in 2007 delivered over 11% of sales. However, the category was basically flat vs. the year prior. Much of this new product activity was aimed specifically at Ultras, which greatly improve efficiencies, but aren't as likely to drive topline sales.

Fundamental #2: Build from a strong foundation
Successful extensions must build on a healthy base brand equity and leverage the brand's core purpose while adding incremental features and benefits. By itself, an extension strategy is likely not the primary path to invigorating brand and category growth if the equity isn't in a position to support it. Launching new variants to a weak base brand could reduce sales of new items and further dilute base brand equity.

Extensions must build on a healthy base brand equity...

Extensions that are positioned to capitalize on the base brand's core strengths, and add relevant incremental features and improvements, are poised for success. In 2007, this innovation principle was observed across a number of categories. One deodorant brand of note leveraged its strength in core antiperspirant benefits with unique new scents to help drive interest in the category. Likewise, for a particular brand of chewing gum that built on the base brand's strong breath-freshening equity with unique new flavor systems, it also helped to generate consumer excitement and drive category sales.

Fundamental #3: Spend incrementally to grow
Simply put, growth requires investment. Categories that are growing and have strong new product initiatives are distinguished by brands that are investing. Looking across the best selling new items launched in the categories with the

Growth requires investment...

strongest growth, seven out of nine had measured media expenditures greater than $5 million, with most spending far more.

Top New Brand Media Expenditures in Growing Categories 2007

Category	Top New Brand Measured Media Spend (millions)
Diet Aids	26.0
Deodorants	7.7
Personal Cleansing	5.0
Skin Care	32.8
Gum	13.3
Frozen Desserts & Fruits	0.1
Breakfast/Granola Bars	14.4
Non-Carbonated Soft Drinks	9.9
Packaged Milks/Modifiers	0.2

Source: Nielsen Monitor-Plus Jan–Dec, 2007

BASES found that when media support is incremental to a brand and category, instead of borrowed from other established brands' support, growth is much more likely to occur. While there is no doubt that the era of one-way media is coming to a close, most packaged goods manufacturers still currently play in a world where "classic" media will be the backbone of an effective awareness-generating marketing plan.

The best will balance short- and long-term innovation

Sometimes the right approach is to simply rotate lower risk "transitional" items into the mix. When consumers have a high propensity to seek variety, these types of extensions can still make good business sense, as long as assortment is managed proactively and the extension generates consumer interest on par with the weakest performing SKU. Managing the shelf is key, as in a recent Nielsen Global study of consumer attitudes, over a quarter of U.S. consumers expressed that stores are too crowded with choice. This should serve as a signal to marketers and retailers to place even greater emphasis on rational shelving and assortment strategies that maximize real variety and are easy for consumers to shop.

Simply rotate lower risk "transitional" items into the mix...

The key for marketers is to engage in a longer term innovation strategy process while managing the short-term need to create news. BASES sometimes sees innovation go "hot and cold" within manufacturers over time, but the most successful marketers regard innovation as a consistent ongoing business process that has both short-term and long-term components. New variants can be added to the mix to maintain volume and defend the franchise in the short run. But, for longer term vitality and success, marketers should use this time to build the base equity with consumers and stay abreast of trends and technology to identify the right opportunities for more substantive innovation.

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http://www.nielsen.com/consumer_insight/ci_story4.html

Global Shoppers In Line to Shop Online:

Virtual Shopping a Virtual Reality Around the World

By: Bruce Paul, VP, Nielsen Customized Research and Ken Cassar, VP, Media & Analytics, Nielsen Online

CI SUMMARY: From niche outlet to mainstream media, the Internet attracts more than 875 million shoppers each year according to the latest Nielsen Global Online Survey. That's a remarkable 40% increase in global electronic purchasing behavior in just two years. Nothing beats anytime shopping convenience for shoppers, who mentioned time-based factors as the motivation for online shopping. Books, clothing/accessories/shoes, videos/DVDs/games, airline tickets and electronic equipment were the most frequently purchased items.

Think everything for everybody, a mere mouse click away. The dream of electronic commerce has become a reality in today's wired world, where physical geography no longer presents a barrier to retailers or consumers – and shopping has never been easier.

Frequent buyers
On a regional basis, Europe led the way with a 93% Internet shopping experience, followed by North America at 92%, Asia Pacific at 84%, Latin America at 79% and Easter Europe, Middle East and Africa at 67%. On a country basis, South Korea topped the charts with the highest levels of online shopping in the world. Fully 99% of South Koreans with Internet access use it to shop, followed by the United Kingdom, Germany and Japan at 97%, with the United States lagging in eighth place at 94%.

South Korea topped the charts with the highest levels of online shopping in the world...

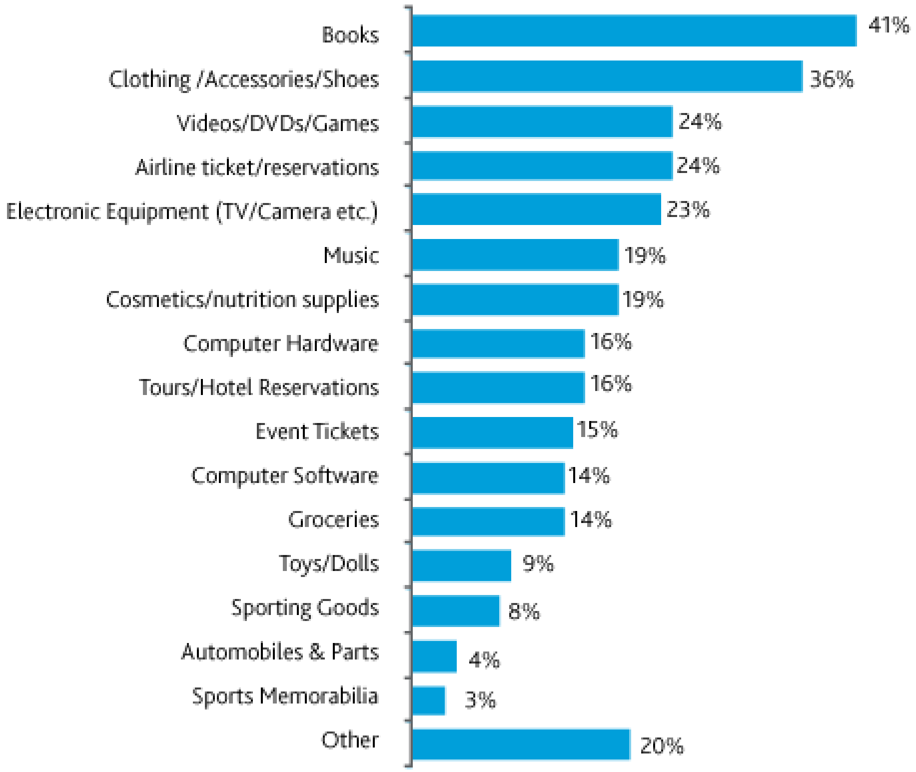
In the U.S., two-thirds of online shoppers have been surfing and shopping for more than seven years. In fact, a recent Nielsen Online study showed that only 2% of U.S. Internet households have less than one year of online experience. Across the board, for every category tracked, the most experienced Internet users [7+ years] completed more online transactions than their less experienced counterparts.

Categorically speaking
Category winners on the Internet shopping front included the perennial leader—books— which benefited from the stimulus of developing countries such as China, Brazil, Vietnam and Egypt. But the category with the largest increase proved to be clothing/accessories/shoes, which recorded a 16% uptick to 36% in two years. About one-quarter of online shoppers clicked to buy videos/DVDs/games, make airline reservations or buy tickets, and to score electronic equipment such as a digital camera or TV.

Most Popular Online Purchases

In the past 3 months what items have you purchased on the Internet?

Global average



Source: Nielsen Global Online Survey, October to November 2007 across 48 countries

Base: Respondents who have made a purchase online in the past 3 months

Travel registered as the fourth most popular category on the web, with a disproportionately high volume sourcing from India, Ireland and the United Emirates, where 70% and 60%, respectively, of the country's web shoppers bought airline tickets or made travel reservations.

Shop early and often

Marketers would be well-advised to focus on capturing the tens of millions of new online shoppers as they begin their Internet buying career. Whether prompted by inertia, comfort level or familiarity, the overwhelming majority of online shoppers (60%) said they buy from the "same site I buy from regularly". Capture that first sale, deliver value and a great experience, and the relationship, along with customer loyalty, will build over time.

The majority of online shoppers buy from the same site...

Roughly one-third of consumers discover interesting sites when surfing and make a purchase. An almost equal number rely on search engines to serve up shopping options, or respond to a special offer. One area of increasing influence is that of consumer-generated media, more commonly known as word of mouth. (See sidebar)

Transactional analysis

Credit cards represent the preferred payment method for 60% of consumers shopping online, followed by PayPal (24%), bank transfer (23%), debit cards (22%) and cash on delivery (15%). Visa was the credit card of choice for 53% of credit card web buyers. Country-level analysis produced some interesting learnings.

Turkish online shoppers, who represent that country's economic elite, dominated global rankings for credit card usage with a 91% rate for online purchases, while Irish online shoppers at 86% and Indian and United Emirate shoppers at 84% each, nipped at their heels. However, debit cards swiped their share of the payment action among U.K. (59%) and U.S. (40%) shoppers.

Anytime from anywhere

When do Internet shoppers shop? Pretty much 24/7, whenever the spirit moves them, according to a Nielsen Online pre-holiday survey. Fully 81% of web buyers cited the "ability to shop anytime during the day" as the reason they chose to shop online for the holidays. Other popular rationales for online consumerism included saving time (77%), as well as the ability to comparison shop (61%) and find things easily (56%). Low price ranked relatively low (46%) as a motivation for online shopping, as did low shipping costs (24%).

Favorite eStores

Good news for electronic retail sites, and bad news for their brick and mortar counterparts, a significant percentage of shoppers reported being "very satisfied" with their overall shopping experience. Dell.com stood at the head of the class, earning praise from 78.7% of shoppers. Sharing the limelight with an almost equally impressive score (77.2%) was Barnesandnoble.com, followed by Netflix.com at 76.5% and Amazon.com at 75.3%.

Shoppers reported being "very satisfied" with their overall shopping experience...

Customer Satisfaction Among Online Retailers

Retailer	Percent of "Very Satisfied" Respondents
Dell.com	78.7
Barnesandnoble.com	77.2
Netflix.com	76.5
Amazon.com	75.3
JCPenney.com	70.7
Shopping.Yahoo.com	69.2
HomeDepot.com	68.6
Kohls.com	67.7
Circuitcity.com	66.5
eBay.com	66.1

Source: Nielsen Online Pre-Holiday Survey, November 2007

Hey big spenders

Mapping out the biggest Internet-spending designated market areas (DMA) in the U.S. looks like a zigzag exercise in connect the dots. Big spending is defined by Scarborough Research as cumulative purchases of $2,500 or more spent online over the 12 months ending March 2007. The map begins on the East Coast in Washington, D.C., which indexes at 194, suggesting that adults in this city were almost two times more likely as all consumers nationally to have spent that amount online during the past year.

The line then spans the contour of the U.S. west to the San Francisco/Oakland/San Jose DMA which placed second with an index of 190. The line drops southeast to the Austin DMA, then northwest to Seattle/Tacoma, back southeast to Las Vegas, then way southeast to West Palm Beach/Fort Pierce, returning to the mid-point of the country, the Chicago DMA, then taking another dramatic dip southwest to Phoenix, followed by an equally impressive turn to the northeast to Boston and a quick drop down to New York City to complete the top 10 big spending online market roster.

Top 10 Biggest Internet Spending Markets

Amount spent on purchases made on the Internet in the past 12 months totaling $2,500 or more

DMA	Index
Washington, D.C.	194
San Francisco/Oakland/San Jose	190
Austin	173
Seattle/Tacoma	159
Las Vegas	154
West Palm Beach/Fort Pierce	152
Chicago	145
Phoenix	145
Boston	144
New York	144

Source: Scarborough Research, USA+ Study, Release 1 2007 (Feb. 2006-March 2007)

Mobilizing for action

Avid shoppers are logging on from all kinds of locations, using all kinds of devices. According to Nielsen Mobile, some 3.5 million mobile users visited shopping or auction sites via their

3.5 million mobile

mobile phones during December 2007. On average, these shoppers devoted about ten minutes per visit to those retail and auction sites.

users visited shopping or auction sites via their mobile phones...

Roughly half, or 1.8 million unique mobile Internet users, dialed up eBay on their mobile Internet browser, and did so about eight times per month on average. The next most popular site was Amazon with 1.6 million unique mobile Internet users, followed by Target.com with half a million unique mobile users per month.

Online enhances on-site

Many consumers like to window shop on the Web, but still prefer to purchase at a retail location. Nielsen's ability to link online surfing behavior to offline consumer behavior can pump up profits for savvy marketers by improving online ad placement and brand positioning.

Improving online ad placement and brand positioning...

It starts with an understanding of brand buyer surfing behavior—how and where they surf the web. Then links measures like sessions, page views, unique web brands and time spent with actual CPG product purchasing. Brand management gets a clear picture of how brand buyers stack up against the total U.S. and competitors on key screen-shopping dimensions, so they can better allocate ad dollars against preferred web sites. Online or on-site, it's a marketing win for the brand team!

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Emerging Mobile Pursuits:

The Future of Mobile Media Consumption

By: Nic Covey, Marketing Analytics & Development Manager, Nielsen Mobile

CI SUMMARY: Build it and they will come. While penetration is still low – iPhone users make up just 0.5% of the total mobile subscriber base – it has forever changed mobile media consumption. Nielsen Mobile reveals just how this highly anticipated device has been reshaping the consumer mobile and media experience. Passing fad it is not. Who would have ever guessed we could want so much from a phone?

Revolutionary. Sleek. Innovative. Call a friend, listen to music or stream a video. There is no doubt that Apple set a new benchmark when it launched the iPhone in June 2007. While dozens of new mobile phones were released in the U.S. last year, this one changed the way people think about wireless.

Monumental effects

The only people more anxiously awaiting iPhone's arrival than Apple's devoted consumer base, were mobile and entertainment executives who eagerly anticipated both the direct and indirect effects the device could have on elevating consumer awareness of, and interest in, mobile media. For AT&T executives – the exclusive U.S. carrier of the iPhone – the device promised to entice subscribers over to their service. In the meantime, competing operators scurried to release their own media-centric devices to capitalize on momentum around media-centric handsets. The launch of a phone so squarely designed to expand media capabilities would also underscore the importance of emerging mobile pursuits for media companies.

Today, just over seven months after launch and well more than a million unit sales later, Nielsen Mobile reveals just how this highly anticipated device has been reshaping the consumer mobile and media experience. Though iPhone users made up just 0.5% of the total mobile subscriber base and 1.7% of AT&T's subscriber base in Q4 2007, it's already clear that iPhone users are a unique breed of mobile consumers. Their behavior is a window into the future of mobile media consumption.

A window into the future of mobile media consumption...

Voracious users

With a slick user interface, the ability to load full web pages, access to Wi-Fi networks and enhancements that allow users to access thousands of YouTube videos, it comes as no surprise that iPhone users substantially over-index in key areas of mobile data use. In fact, according to Nielsen Mobile, in Q4 2007, iPhone owners ages 18 and older were five times as likely as overall mobile users 18 and older to use mobile Internet in the past month and 11 times as likely to use mobile video or TV. Interestingly, Nielsen Mobile has noticed that iPhone owners use other, more traditional aspects of the mobile device more, as well. For instance, iPhone users are 70% more likely than overall subscribers to have used SMS (Short Message Service) text-messaging in the previous month and they are twice as likely to have used ringtones.

iPhone Users Over-Index in Mobile Data Use
Q4 2007 Data Usage (Past Month)
iPhone Owners 18+ Compared to All Subscribers 18+

	All Subscribers 18+	iPhone Subscribers 18+ %	iPhone Subscribers 18+ INDEX
SMS (Short Message Service)	43%	73%	168
Email	12%	78%	665
IM (Instant Message)	9%	21%	237
MMS (Multimedia Service)	19%	30%	157
Video Message	5%	18%	374
Wireless Internet	13%	76%	607
Ringtone	15%	32%	210
Full-Track Music	3%	36%	1117
Games Downloaded	8%	11%	147
Online Games	2%	10%	426
Video/Mobile TV	3%	35%	1226
Software Application Download	5%	34%	629
GPS (Global Positioning System)	3%	28%	839

Source: Nielsen Mobile Attitude and Behaviors Survey (Q4 2007)

Talk isn't cheap
Fringe benefits come with a price tag . While iPhone users are getting perks from the devices, they pay accordingly. Calling plans for the iPhone on AT&T's network start at $59.99, but many iPhone users don't stop at the basic level of service. Nearly one-third (30%) of iPhone users 18 and older are spending more than $100 monthly on their associated wireless plan in total (compared to just 18% of all wireless subscribers 18 and older who pay that much). Notably, coverage from employers helps to foot that pricey bill – 25% of iPhone users' bills are covered by their enterprise, compared to just 7% of total subscribers 18 and older.

Fringe benefits come with a price tag...

For AT&T, the expanding usage of data services for iPhone users is important – as high dollar data services increase ARPU (Average Revenue per User), but the perceived satisfaction the device offers subscribers is at least equally as important to carriers. In Q4 2007, iPhone users were, on average, 10% more satisfied than the average smartphone owners. For AT&T, that higher satisfaction translates to a lower likelihood of subscriber churn – a critical measure of success.

Higher satisfaction translates to a lower likelihood of subscriber churn...

Media savvy and smart
While the advanced capabilities of the iPhone contribute to the unique behavior of its audience, it's also likely that a segment of consumers purchasing the iPhone were distinctively prone to these behaviors. Consider that iPhone owners were 43% more likely than overall subscribers 18 and older to fall in the mobile media-rich 18-34 age segment. They were highly educated, too – iPhone users were 62% more likely to have an advanced degree beyond a BA or a BS.

Nielsen sister company Claritas has taken an advanced segmentation look at the iPhone consumer. In addition to the young, high income, urban segments expected as iPhone early adopters, iPhones are also popping up in the homes of other unique but coveted segments within the PRIZM segmentation system, such as "New Homesteaders", young, middle-class families who escape suburban sprawl to small townships and live comfortable, child-centered lifestyles.

Bring on the foray
For all of the statistical good news the iPhone brings the market in terms of subscriber adoption of mobile media, increased revenue per user and user satisfaction, perhaps one of the biggest effects on the market is less measurable: increasing consumer awareness of advanced data capabilities on phones.

The buzz-worthy nature of the iPhone took on like wild fire, and quickly educated consumers that it was more than just a phone, but a device of Swiss-army capabilities. Online buzz and sentiment for both the January 2007 announcement and the June 2007 launch set an unprecedented level. According to Nielsen BuzzMetrics, online buzz for the iPhone reported higher levels than the launches of the Wii, Zune or Vista – and considerably more buzz than the Sopranos final episode. A syndicated Nielsen BuzzMetrics report on iPhone buzz shows that, while buzz eventually leveled off, enthusiasts were spreading the word about their changing mobile experience.

Buzz quickly turned to more than just the iPhone. The talk online and around the water cooler centered on new phone capabilities. Wifi on a phone? YouTube in my pocket? That awareness yielded high degrees of consumer interest. According to Claritas' Convergence Audit, a survey of 35,000 respondents conducted both online and through the mail,

Awareness yielded high degrees of

consumer interest in purchasing cell phones with streaming video or MP3 capabilities doubled between 2006 and 2007 growing from 4% to 8%.

consumer interest...

It's no surprise that other device manufacturers have entered the game with devices intending to capitalize on the momentum around media phone capabilities. A simple search for "iPhone killer" on Google News yields half a dozen devices in or heading to market that mobile pundits propose are superior to the iPhone for demonstrable reasons. As of February, specs were leaked for a Nokia device and Sony Ericsson made an announcement about phones designed to compete directly with the iPhone.

The next generation

As consumer interest expands with the availability of capable devices, the pervasiveness of mobile media will also expand. Already the market has reached critical mass, experiencing considerable year-over-year growth. In Q4 2007, 87 million U.S. mobile subscribers subscribed to mobile Internet and 14 million subscribed to mobile video, representing year-over-year subscriber growth of 19% and 100%, respectively.

The market has reached critical mass...

For marketers, ongoing growth in the mobile media market will create more innovative opportunities to touch the consumer through a most portable and personal medium. Today, while penetration is still relatively low and the platform is one of experimentation, leading companies have an opportunity to leverage the capabilities of the iPhone and other media-centric handsets in a way that demonstrates innovation and addresses a market of cutting edge early adopters.

For its effects on the consumer and carriers, and the opportunities it evolves for marketers and media companies, the iPhone, indirectly and directly, has given the mobile media market clear and actionable momentum over the past seven months since its launch. Over the next six to twelve months, as companies try to infuse the market with more mobile media capabilities, the expanding growth of mobile media will continue to change the way we think about media and marketing.

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Brainwave Brawn:

Measuring Consumer Engagement Using the Brain

By: Caroline Winnett, Chief Marketing Officer, NeuroFocus

CI SUMMARY: Traditional methods of analyzing advertising effectiveness leave unanswered questions. Nielsen and NeuroFocus have teamed up to better understand the elements of successful consumer engagement using science-based market research innovation. Using NeuroFocus' EEG (electroencephalography), ESPN measures the effectiveness of a sponsorship program to reveal important in-sights.

Eye motion. Skin conductance. Brainwave tracking. No, this is not a page from the medical journal of neuroscience, but it is a new scientific method of tracking the effectiveness of advertising, branding, packaging, pricing and product design across a broad range of consumer touchpoints based on neuroscience. The reality is – science fiction has now become fact.

I know what you're thinking
As intimidating as that sounds, the fact is, the brain responds to stimuli that we subconsciously don't even realize. Take for example the sudden urge to have an ice-cold soda after watching a movie preview at the theatre. Or craving a big bowl of ice cream while watching a favorite television show. Chances are you don't have a tape worm, but your brain was prompted by the strategically placed images that were displayed on the screen – without you even realizing that you saw it.

Turnaround "tune-out"
Sponsorship has become a big-ticket item for large brands, with lots of advertising dollars devoted to TV, radio, Internet, and print sponsorship programs. Sponsorship is such a routine part of broadcast sports that there is a major concern that consumers routinely "tune out" the logos and slogans splashed across their screens during major sports shows.

Consumers routinely "tune out" the logos and slogans...

Analyzing the effectiveness of advertising sponsorship using traditional methods leaves unanswered questions. How effective is each individual sponsorship execution? How long should each execution be on? How does the sponsor know when they have crossed the line from attracting viewer attention to being seen as a distraction? How does the network understand how well their competitors are doing with sponsorship? To answer these questions, NeuroFocus, an innovative firm that specializes in applying brainwave research to advertising, programming and messaging, teamed up with Nielsen to explore the effectiveness of sponsorship by a major brand in a selected ESPN premier show.

Using EEG (electroencephalography) sensors, viewers are equipped with a specially designed baseball cap to passively track brain responses about 2000 times a second as they interact with advertising. Reactions are recorded, and the data is analyzed to measure attention, emotional engagement, and memory retention. From these metrics, the sponsorship effectiveness is determined, second-by-second for the entire show. In addition, other physiological parameters such as eye tracking and galvanic skin response are used to provide the complete assessment of each execution.

Mind over matter
ESPN was interested in studying the effectiveness of sponsorship of a major brand in their premier show, and the effectiveness of sponsorship of the same brand in a different show. Both shows displayed the sponsorship using a variety of on-screen executions. But which sponsorship was more effective and why?

The study, performed over two consecutive days, recruited a normative sample of the target audience with 100% screener match and profile completion. Utilizing 64 massively parallel sensors monitoring the brainwaves at 2,000 times per second in combination with pixelated eye tracking measuring eye motion, pupilary dilation, along with skin conductance monitoring, the neuroscientific evaluation of the sponsorship

The evaluation looked beyond the obvious to reveal subtle

looked beyond the obvious to reveal subtle nuances that impacted the program's effectiveness.

nuances...

The NeuroFocus analysis revealed six executions of ESPN and seven creative executions of a different show, that were computed into three categories of metrics:

1. The neurological effectiveness of each of the executions ;
2. The number of times and the total time for each of the six ESPN executions, and the seven executions of the other show ;
3. The dwell time and overlap areas of the eye tracking for each of the sponsorship executions.

Based on these categories of measurements, NeuroFocus identified effective executions that were underutilized and ineffective executions that were overused.

Enlightening results
Even though the other show had more screen time and screen area devoted to the sponsor, ESPN had an overall more effective sponsorship. This was due to a neurologically better execution of the sponsorship elements. While the other show had some sponsorship executions that were highly effective, these executions had little screen time. In addition, several ineffective executions were given lots of screen time.

Successful sponsorship executions used highly effective puzzle-solving techniques (the brain loves to solve simple puzzles). But numerous executions were neurologically misaligned, meaning the executions were significantly different from how the brain processes and enjoys the presentation of information.

Numerous executions were neurologically misaligned...

For each of the effective executions, NeuroFocus identified means and methods to make them even more valuable. And for those key neurological rules and paradigms that were violated, NeuroFocus recommended the means to rectify and address them. For example:

- *The brain likes to absorb information easily.*
  Executions should be persistent and consistent in terms of graphics and layout to prevent cognitive fatigue.
- *More is not necessarily better.*
  Avoid over cluttering the screen with too much information. Eye-tracking combined with brainwave analysis shows precisely where the brain becomes overwhelmed with inputs.
- *Strike a good balance between the familiar and the novel.*
  Too much novelty leads to attentional fatigue, and too much familiarity leads to cognitive disinterest.

Staying power
In addition to the evaluation of the execution effectiveness, NeuroFocus assessed the brain's subconscious response to the brand – or simply put, the 'staying power'. By computing the strength of the brand's subconscious imprint after the show, NeuroFocus measured the show's contribution with the sponsor executions to this imprinting on the viewer's mind.

Best Practices
The combination of Nielsen's more traditional methodology plus NeuroFocus' brainwave analysis is a powerful and potent tool for generating greater returns for the investment dollars of the sponsor. Using Nielsen's data on the bird's eye view of the viewer's response in terms of likeability, plus the second-by-second understanding of what worked and what didn't, ESPN is working with their production team to maximize their client's sponsorship of the targeted show.

By blending the articulated response (Nielsen's methodology) with the unarticulated response (NeuroFocus' methodology), ESPN was able to identify areas of resonance and dissonance between what viewers said they liked about a sponsorship, and what their brainwaves revealed. This provides a deeper understanding of where socio-economic, cultural, and linguistic biases play a major role in how a show or sponsor is perceived. This brings not only a whole new dimension of information, but new, powerful insights that help the sponsor assess the returns on their investment.

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Jobs of the Future:

The U.S. Changing Labor Force

By: Doug Anderson, EVP, Research & Development, Nielsen Homescan & Spectra

CI SUMMARY: The mix of occupations in the U.S. has undergone substantial changes over the past several decades. The jobs held by a significant share of the population today – and the skills to do those jobs – had not even been created just 20 years ago. In the future, jobs will change much more often than in previous generations and many of these changes will require new training. The U.S. will become a nation of students, and those who fail to keep up will find themselves out of luck in an increasingly competitive job market...

Other than the time spent sleeping, the time spent working takes up more of the day for most people than any other activity. What we do, where we do it, who in a family is working, and for how long each day directly impacts the products and services needed in order to manage daily lives. As work hours lengthen and as work increasingly comes home, the time allotted for shopping, cooking and cleaning, and for other activities, will become tighter and tighter. Marketers who can make the lives of busy workers easier and more productive, while continuing to supply variety and value, will be favored.

Change is the only constant

How do you know what you don't know? The problem with trying to understand how work will change in the near future is that many of these jobs don't even exist yet. The skills needed by the workforce of tomorrow—and the training required to acquire those skills—are not even on the radar screen. If the recent past is any indicator of the future, then the only thing certain is that the U.S. labor market will be in a constant state of flux. The series of upheavals endured by the Information Technology industry over the past several decades serves as the perfect model.

Many of these jobs don't even exist yet...

Between the mid 1970s and 1982, the number of jobs in the IT industry grew by 80%. New technologies and new applications drove growth in companies that built and sold "big iron", the large, expensive mainframe computers that revolutionized data processing. However, beginning with the introduction of the personal computer, first by Apple, and then by IBM in 1982, the industry went into freefall. Companies that sold mainframes and mini-computers like Wang, Honeywell, and Digital Equipment Corporation either left the industry or radically downsized and repositioned.

Employment in the computer industry started to fall as intense competition between PC makers lowered margins and drove manufacturing jobs off-shore to less expensive labor markets. The number of jobs in the industry fell, down 26% between 1983 and 1994, with a further 25% drop to come over the next ten years. There was, however, tremendous job growth on the retail side of the industry as consumers flocked to local computer stores, and then to new retail chains to buy the newest hardware. Since then, the biggest growth area in the U.S. has been in software development jobs, particularly today for use on the Internet, which now makes up the bulk of U.S. employment in the industry.

Intense competition lowered margins and drove manufacturing jobs off-shore...

As more and more of the coding jobs move offshore, leaving the design jobs on U.S. soil, the industry is changing again. Is the technology sector still important to the economy? Absolutely. Is there much comparability between the kinds of jobs done now (and where they're done) and the jobs done in the industry less than 20 years ago? Certainly not. Would an industry worker of today, magically transported ten years into the future, be able to remain in the industry without substantial retraining? Highly doubtful.

Crystal balls don't exist

Even with perfect knowledge of the future, it would have been impossible to counsel a young person in college in the 1970s about what to study to prepare for a long career in the

Prepare to change jobs

computer industry. The training for the skills they would need even a decade later simply didn't exist. The best advice would have been to prepare to change jobs much more often than their parents did, and most importantly, prepare to learn new skills as needed.

much more often...

Even the way occupations are talked about today would be unrecognizable to a demographer of 1980. Back then, jobs were grouped into "Professional", "Managerial", "Other White Collar" and "Blue Collar", and everything else got tossed into a somewhat new category called "Service". Today, these designations are antiques and thoroughly unhelpful in describing the current labor market. What used to be "Blue Collar" and make up 35% of employed workers in 1980 now includes a whole series of job titles that have been created since then, and accounts for less than one in five workers. What was called "Service" barely even exists as a useful occupation category because of the diversity of occupations that fall within it.

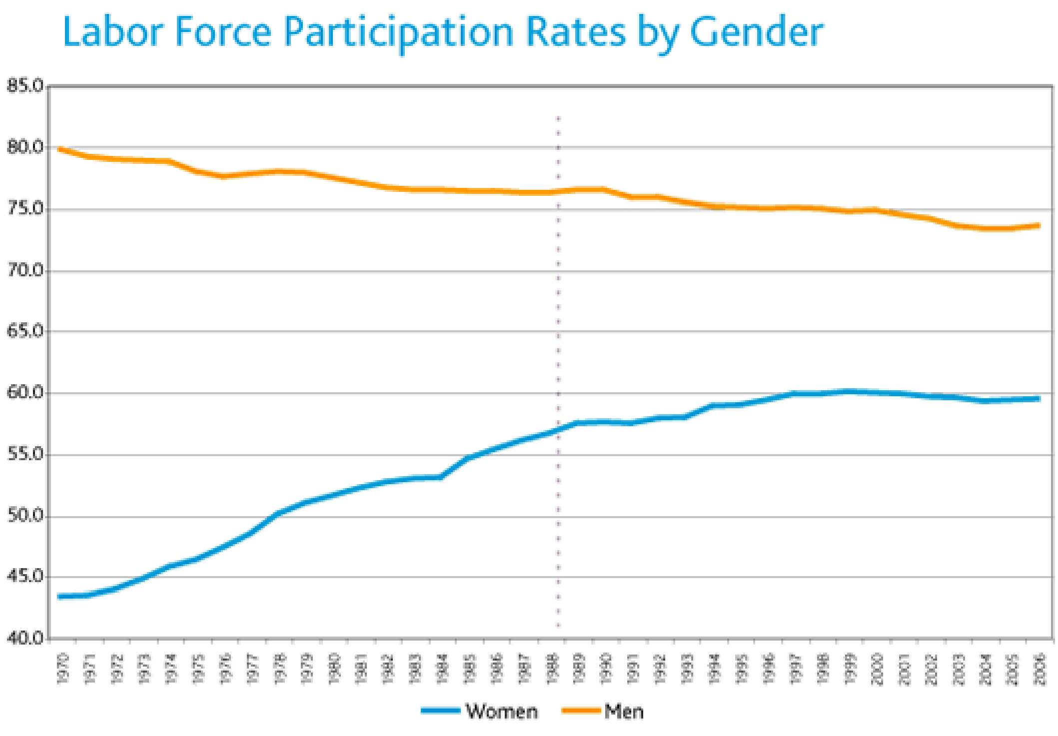
Predictable trends do exist

Beyond the basics of occupations today, there are other more predictable trends that have had similarly large impacts on the workforce. Probably the most important and impactful of these to the market for consumer products has been the increase in the number of women in the workforce and their changing jobs. The aging of the Baby Boom will also have tremendous impact on the U.S. labor force. The struggle to replace aging workers and the challenges of new and rapidly growing occupational categories will strain both the educational system and the economy. Likewise, rapidly growing Hispanic and Asian populations in the U.S. are quickly changing the face of the work in many occupations.

The challenges of new and rapidly growing occupational categories...

Working women

The rate at which women participate in the labor force in the U.S. has increased steadily from 1970, when 43% of women (16+) were in the labor force, to a peak of 60% in 1999. Participation rates have fallen slightly since then to 59% in 2006. Over the same period, the labor force participation rate for men (16+) has trended downward, from 80% in 1970 to 74% in 2006. At least part of the recent decreases can be attributed to the aging of the Baby Boom and their exit from the labor force. It is interesting to note that the smallest differences in rate between men and women are in the younger ages. Today, the labor force participation rate for 16-19 year old men and women is identical at 44% – suggesting that the gap between men and women may continue to close over time as equal or nearly equal numbers of men and women become part of the labor force.



Source: U.S. Census Current Population Survey

Labor force participation rates for women vary based on family configuration and ethnicity. Women with children have the highest participation rates at 71% (versus 59.4% for all women aged sixteen and older). Women with younger children (under six) have slightly lower rates than all women with children. Still, six out of ten married women with young children work, and more than seven in ten single, separated, divorced, or widowed women with young children work. In less than 20% of all married couple families is the husband the sole provider.

Six out of ten married women with young children works...

Workin' 9 to 5…or 6 or 7

Women make up the majority of employees in an increasing number of occupations, and not just those that have been traditionally female. In 2006, 51% of jobholders in management, professional, and financial operations occupations were women, with much higher shares in human resources, education, medical and health services managers, accountants, social workers, paralegals, and healthcare. Fifty-seven percent of workers in the service industries and 63% in sales and office occupations are female. Women account for very small shares of workers in construction, production, and transportation occupations.

The need for more quick-prep meal solutions...

Much of the shift in women's occupations comes from increases in their level of educational attainment. Of 2006 high school graduates, there was no difference between the proportion of young men and young women who expected to be going to college the next year. As the number of educated women continues to increase, women will continue to increase their share of what have traditionally been male-dominated occupations. And their hours at work will likely increase as well – currently women's weekly working hours lag men's (41.8 hours per week for men versus 36.2 for women). More hours at work will mean fewer hours in the home and the need for more quick-prep meal solutions and less labor-intensive cleaning products. This trend will also reinforce the ongoing increase in the share of meals either eaten out or not prepared at home.

Working women facts:
About 25% of women work part time (less than 35 hours per week), compared to 10% of men. This share has only dropped by a small amount since 1970.

- About 15% of both men and women work from home at least once a week as part of their main job. Women working from home are less likely to be self employed than men. This suggests that women are taking more advantage of flexible hours / flexible location programs offered by more and more employers. It also suggests that employers that offer such programs may have an advantage in attracting and keeping employees, especially women.
- Women enrolled in high school or college are more likely to be in the labor force than male students (45% versus 41%). Among young persons not in school, men are more likely to be in the labor force than women (88% versus 75%).
- Foreign born women are a bit less likely to be in the labor force than native born women (55% versus 60%).
- Asian women are the best paid female group, earning about 15% more than all white women, 35% more than black women, and 59% more than Hispanic women. The gap between men's and women's wages, however, is smallest for black and Hispanic women.

Old and tired

Some occupations are aging rapidly...

Some occupations are older or younger simply because of the career stage in which workers tend to have the jobs. For example, waiters and waitresses tend to be younger and corporate CEOs tend to be older. These are normal stage differences that will likely hold true over time. However, some occupations are aging rapidly because younger people have not seen the jobs as attractive or have not been able or willing to acquire the specialized training necessary for them. Some of the oldest skewing occupations are listed below.

Oldest Skewing Occupations in 2006

Among Occupations with More than 500,000 Workers

Occupation	% 55+	Median Age
Farmer and Rancher Managers	48.25	54
Clergy	39.39	51
Bus Drivers	39.19	50
Real Estate Brokers and Agents	34.46	48
Education Administrators	32.77	49
Property Managers	32.69	48
Post-Secondary Teachers	30.53	45
Insurance Agents	28.91	45
Personal and Home Care Aides	28.69	45
Bookkeeping and Accounting Clerks	28.31	46
Security Guards	28.03	41
Secretaries and Administrative Assistants	27.26	45
Janitors and School Cleaners	26.27	45
Secondary School Teachers	25.77	44
Elementary and Middle School Teachers	25.56	44
Medical and Health Services Managers	25.01	47
Counselors	24.10	43
Practical and Vocational Nurses	22.83	45
Registered Nurses	22.65	45

Source: U.S. Census Current Population Survey

A median age over 45 years in an occupation means that upwards of half of all workers will retire and leave the profession over the next 10-20 years. School teachers of all types are aging rapidly and will be in very short supply in the coming decades. This gap will be offset in part by the slow growth rate of households with children. However, many health care worker occupations are also quite old today, and the demand for these jobs is expected to grow rapidly as the Baby Boom ages. Home health aides, medical assistants, physician assistants, and physical therapists are among the oldest occupations, as well as among those expected to grow rapidly in the near future, with growth rates from 2004 to 2014 projected to top 40%. As the Baby Boom ages, health care will rival technology as the U.S.' most rapid growth industry.

Health care will rival technology as the U.S.' most rapid growth industry...

Ethnic diversity

The U.S. has seen extraordinary growth in Hispanic and Asian populations over the past several decades. The places where these new workers have settled into the labor force are very skewed. For example, 94% of farm managers are non-Hispanic white, but nearly 60% of agricultural workers are not, and over half are Hispanic. And a higher share of Asian immigrants has come to the U.S. as students with a very different occupational profile than Hispanics.

The table below shows some of the most and least ethnic occupations in the U.S. in 2006.

Ethnic Occupations in the U.S. in 2006

Description	Non Hispanic Whites	Total Ethnic	Non Hispanic Black	Hispanic	Non Hispanic Other
Most Ethnic Occupations					
Maids and Housekeeping Cleaners	38.9	61.1	18.8	36.1	6.3
Miscellaneous Agricultural Workers	41.9	58.1	4.3	51.3	2.5
Cooks	47.4	52.6	18.9	26.2	7.5
Nursing, Psychiatric, & Home Health Aides	49.1	50.9	32.3	11.8	6.8
Industrial Truck & Tractor Operators	50.3	49.7	23.4	22.9	3.4
Personal and Home Care Aides	51.3	48.7	22.3	17.1	9.3
Janitors & Building Cleaners	51.8	48.2	18.6	24.7	4.9
Security Guards	52.7	47.3	28.1	12.8	6.4
Ground Maintenance Workers	52.9	47.1	9.6	34.0	3.5
Construction Workers	53.3	46.7	9.6	33.1	4.0
Food Preparation Workers	54.8	45.2	14.2	22.1	8.9
Least Ethnic Occupations					
Real Estate Brokers	80.4	19.6	5.5	8.6	5.6
Business Management Analysts	80.9	19.1	5.9	4.7	8.6
Secondary School Teachers	81.5	18.5	8.2	6.2	4.1
Insurance Agents	81.8	18.2	6.4	7.0	4.8
Elementary & Secondary School Teachers	81.9	18.1	8.3	6.3	3.5
General & Operations Managers	82.6	17.4	5.7	6.4	5.3
Marketing and Sales Managers	83.1	16.9	4.7	6.2	6.0
Sales Representatives	83.9	16.1	3.8	7.9	4.4
Construction Managers	84.5	15.5	3.6	8.2	3.8
Lawyers, Judges, Judicial Workers	87.0	13.0	3.9	4.4	4.7
Chief Executives and Legislators	87.5	12.5	3.4	3.8	5.3
Farm & Ranch Managers	94.3	5.7	1.0	2.6	2.1

Source: U.S. Census Current Population Survey
(Occupations with 500,000+ workers)

Make it work
All of the major trends that impact U.S. society today – from explosive growth in Hispanic and Asian populations to the aging of the Baby Boom – also foster big changes in the labor market and how work is done. As traditional households with working husbands and stay-at-home wives continue to disappear, and working couples form the dominant family structure for households with children, products also need to change. As more women take advanced academic degrees and reach higher into professional and managerial occupations, time at home will become even more stretched.

From increased labor shortages as the Baby Boom retires to evolved roles for women in the workplace and in the home to the continued growth of ethnic diversity, marketers don't need a crystal ball to see into the future. A keen understanding of consumer trends and their changing needs will lead to the development of products, services and industries that will sustain them – at least for the short-term.

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