consumer insight

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

Advertising to Children:

Consumer Perceptions and Implications

By: David Wiesenfeld, VP, Business Consulting; Kate Niederhoffer, Director Methodology; Maya Swedowsky, Senior Analyst, Nielsen BuzzMetrics

CI SUMMARY: The statistics are overwhelming. Among U.S. children and teens ages 6-19, 18% (more than nine million) are obese according to the National Center for Health Statistics 2003-2004 data, more than triple what the proportion was in 1980. Who is responsible? – The parents? The children? The manufacturers? Or is it the advertisers? While fair blame could surely go all around, some marketers are taking steps to help combat obesity in children by voluntarily restricting advertising to children under 12. How do consumers interpret this bold move? Will it diminish the threat of compulsory child-marketing regulations?

Advertising to children has been a marketing plan staple for many food companies since the advent of television. Even as adults, many of us can still recall signature advertisements, from the "*Tony the Tiger*" and "*Trix Rabbit*" campaigns to "*Punchy*", the combustible Hawaiian Punch character. Indeed, some brands have historically devoted up to 50% of their media budgets to ads targeting children.

And why not? In many ways, children are the ideal advertising audience – they are receptive, influential ("pester power" is a well-documented phenomenon), and have a lifetime of purchasing ahead of them.

But mounting factors such as the childhood obesity epidemic, more intense government scrutiny and an increasingly active, vocal consumer base have placed children's advertising under the microscope. These forces recently culminated in the decision by 11 major U.S. food companies to voluntarily reform their children's-advertising practices. As part of its Nutrition*Buzz monitoring program, Nielsen BuzzMetrics examined the proposed changes to children's advertising, the events driving these changes, and implications for food marketers.

New rules are adopted

At a July 18, 2007 workshop on Children's Obesity and Marketing organized by the Federal Trade Commission (FTC) and the Department of Health and Human Services, 11 of the largest food concerns in the U. S. vowed to adopt new rules governing advertising to children under 12.

This commitment is actually an extension of a less-publicized pledge by ten of these 11 companies to boost advertising of more healthful products on children's television programs[1]. While precise standards vary by company, there are several core features of the plan:

Ten of these 11 companies to boost advertising of more healthful products on children's television programs.

Main Features of Children's Advertising Restrictions

- Program participation is voluntary.

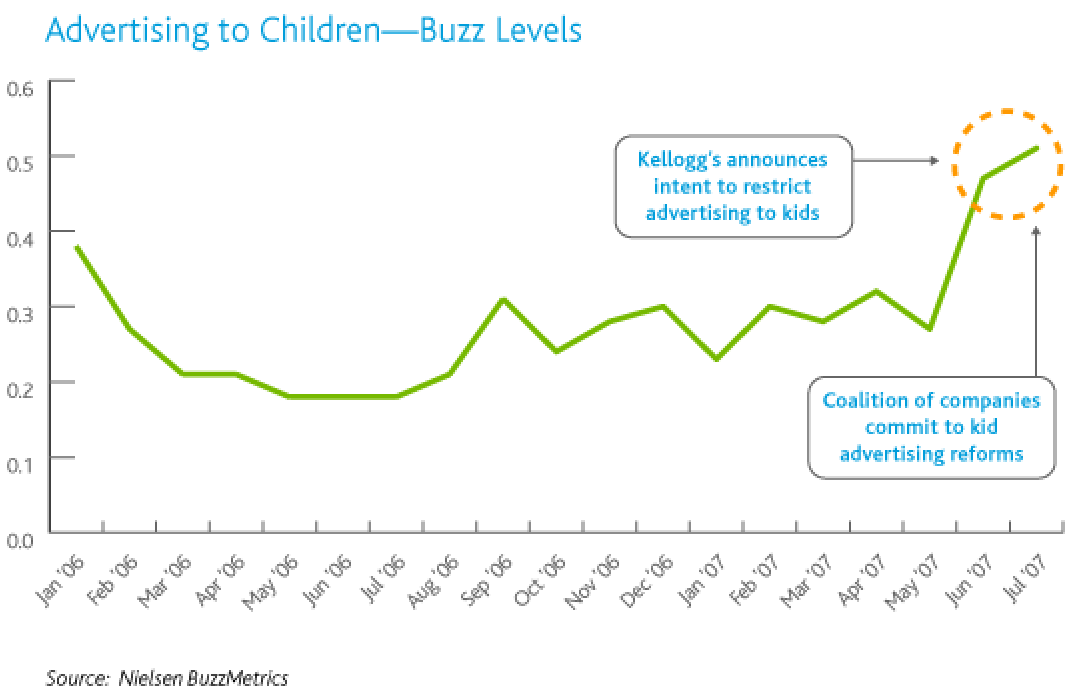
- The products that can be advertised on "children's shows" are affected; not the ads themselves. For example, cereals containing over 12 grams of sugar per serving will no longer be advertised on children's shows, but the current commercials for those cereals may run on other programs.
- The Better Business Bureau will monitor and report on adherence to the new policies using an industry-accepted ad-tracking service (Nielsen's *KeepingTrac*[2]).
- The protocol contains several perceived "loopholes." For instance, companies could work around the guidelines by manipulating serving sizes or by advertising on "family shows" whose audience includes large numbers of children, but are not technically children's programs.

[1] Children's programs are programs whose audience is comprised of at least 50% children.
[2] KeepingTrac provides next-day summary of commercials' program placement and audience composition.

Altruism or self-interest?
Several factors appear to have contributed to the adoption of these new guidelines. In January 2006, a consortium of consumer advocacy groups sued Nickelodeon and Kellogg's for allegedly marketing "junk food" to children. Kellogg's settled this action in June of this year. Concurrent with the settlement, Kellogg's voluntarily restricted its advertising to children, effectively becoming the first of the 11 firms to adopt new standards. Kellogg's announcement generated a fair amount of media coverage and consumer buzz.

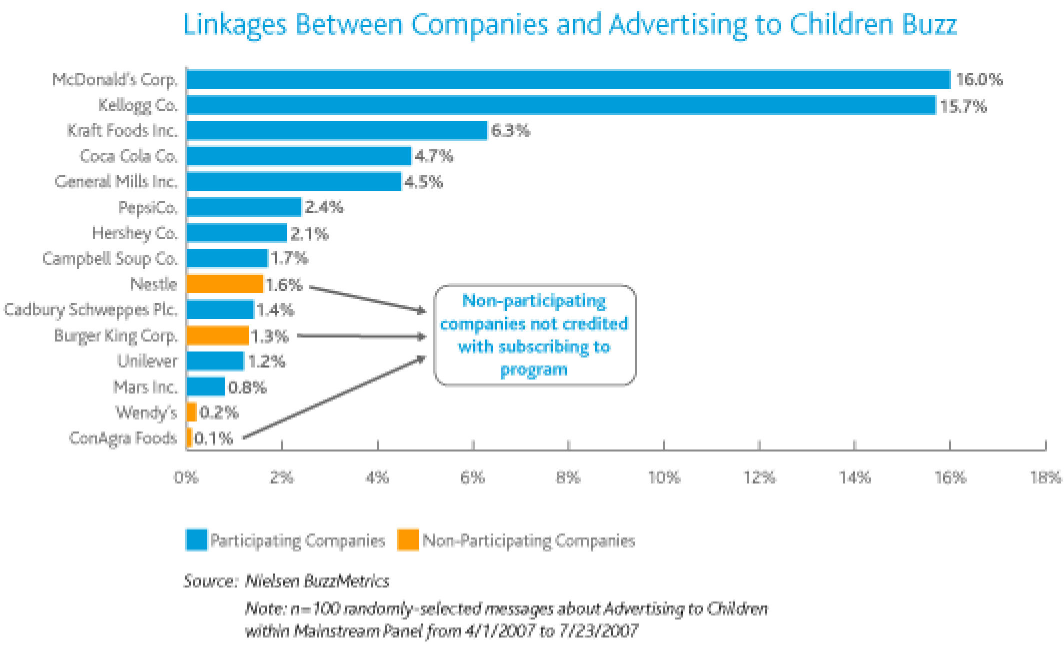
At the same time, the FTC was increasing pressure on food companies to combat the rise in childhood obesity by reforming their marketing practices. The FTC threatened to introduce compulsory child-marketing regulations, similar to those that exist in a number of European countries. The combination of these events appears to have contributed to the decision to voluntarily restrict advertising to children, and to the timing of the announcement.

The FTC threatened to introduce compulsory child-marketing regulations, similar to those that exist in a number of European countries.



Consumer reaction
The volume of buzz on this issue is in the typical range observed for key food and health events in the media. Consumers are paying attention to which companies are participants and which are not. Companies subscribing to the new guidelines tend to be more strongly associated with the new restrictions than equally large companies that are not subscribers. This suggests it will be

difficult to hide in the shadows of participating firms should interest in this issue continue to increase, as we suspect it will.



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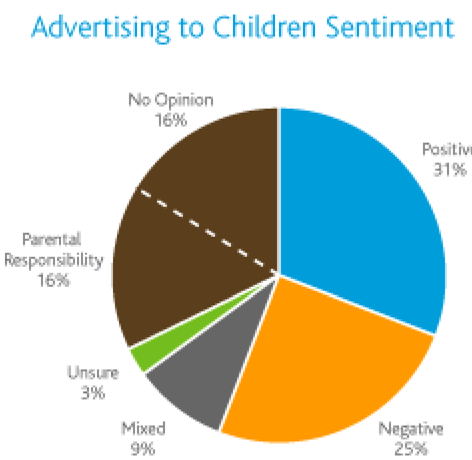
Consumers' take on companies that proactively limit advertising aimed at children is both surprising and familiar. What is surprising is the range of attitudes reflected in consumer conversations. Opinions are spread across three large, distinct areas:

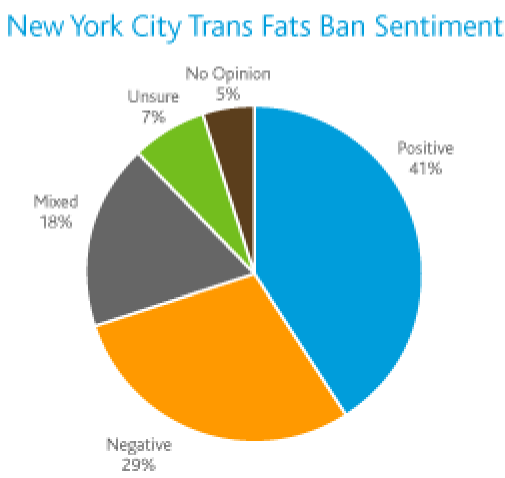
Consumers' take on companies that proactively limit advertising aimed at children is both surprising and familiar.

1. Approve of Corporate Responsibility. These consumers endorse the change in companies' marketing policies as a move in the right direction, and praise the participating firms.

2. Suspect Ulterior Motives. Consumers in this camp believe the restrictions were adopted out of self-interest. They see them as an attempt to preempt more restrictive government regulations or damaging litigation.

3. Blame the Parents. This group believes parents are responsible for controlling their children's diet, not the food industry. When parents yield to children's demands for less healthy foods, these consumers question who the adult is in the relationship, and chide parents for shifting responsibility for their children's health onto corporations. Still, even some in this group believe restricting advertising to children will have a positive effect on children's health.





Source: Nielsen BuzzMetrics

Note: n=100 randomly-selected messages about Advertising to Children within Mainstream Panel from 4/1/2007 to 7/23/2007

This sentiment pattern is similar to that observed in connection with last year's announcement that New York City would ban the use of trans fats at restaurants. In that case, consumers were also divided on the issue of where corporate or government responsibility ends and individual choice begins. These are weighty issues that transcend businesses and brands. From a tactical perspective, the most obvious conclusion is perhaps the most important: actions like restricting advertising to children or banning trans fats increase the saliency of these issues. It becomes important, therefore, to understand how business intersects with these topics, and to consider whether course corrections are indicated.

What will the future hold?

Advertising to children is likely to remain a visible issue, and other food industry practices may come under scrutiny in the coming months. This will likely be the case for several reasons:

- The 11 companies pledging to regulate children's advertising represent a broad swath of the food industry, and include some of the largest, most respected firms. Other firms will likely follow suit, due to pressure from consumers, public officials, and the complying companies themselves.
- The root cause of increased scrutiny around advertising to children – the obesity epidemic – is not likely to be solved in the near term. To the extent this trend maintains or accelerates, expect the food industry to remain in consumers' crosshairs.
- The July 18 announcement continues to fuel awareness and discussion of children's advertising, as well as the broader issue of the food industry's responsibility to the public health. Further, the regulatory machine was revved up prior to the announcement. It will continue to churn, as evidenced by the FTC subpoenas issued to 44 food companies in early August for a report it is preparing on marketing to children.
- If restricting advertising to children is shown to improve their health, there will be calls for further reforms that build on the program's success. If restricting advertising to children fails to improve children's health, there will be calls for further reforms to shore up the program or extend restrictions to other food industry practices.

Prepare and take action

Though the voluntary regulation of children's advertising is a dynamic issue, marketers should investigate smart choices in order to better position themselves to address the matter as it unfolds:

- **Develop a game plan**. Examine your communication plan, and be ready to alter your brand presentation and media tactics. Flexible copy rotation and media plans will be helpful.
- **Take credit**. Flagging the labels and ads of qualifying foods will help consumers make choices and reinforce your company's commitment to children's health.
- **Act in good faith**. Consumer antennae are already up concerning potential loopholes in the voluntary guidelines. To maintain consumer trust in your brand, food industry actions must be consistent with the spirit of the new restrictions.
- **Do not overreact**. Parents will continue to buy less healthy foods, and kids will continue to eat these foods. If possible, offer choices as opposed to instituting wholesale changes. If you decide to reformulate some products, ensure the new formulations deliver against consumers' expectations for the brand.

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Global Retailer Loyalty Programs:
Consumer Responses Identify Opportunities

By: John Chesak, Director, Marketing, Nielsen Loyalty, USA and
Nigel Paice, Director, Analytics, Nielsen Loyalty, UK

CI SUMMARY: Loyalty Marketing programs are an established part of the retail landscape. Yet after years of accruing points or earning discounts, some consumers are still looking for the real benefits. Retailers are beginning to use purchase-level data to drive their business with a customer-centric focus. While their customers are pleased with the results, they want to see what's next.

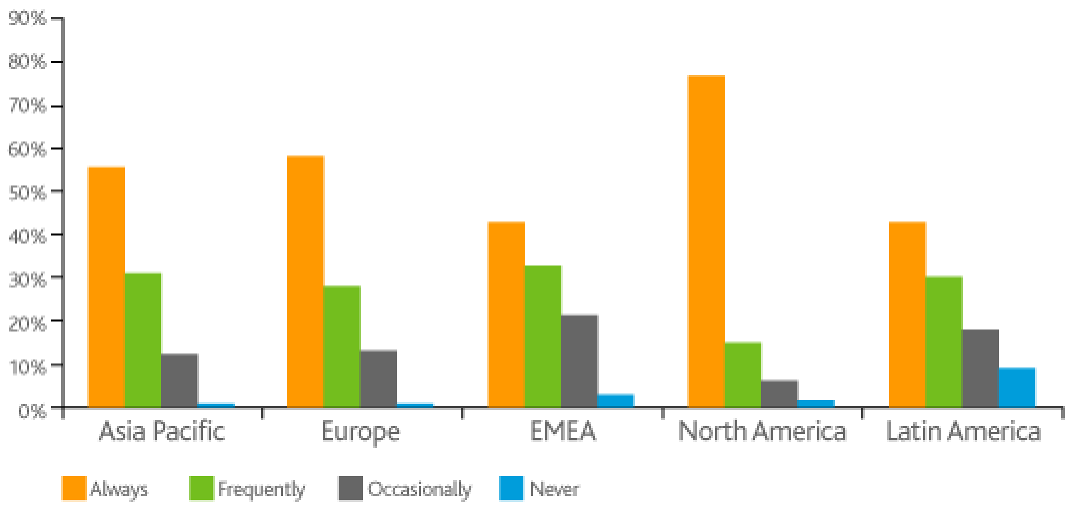
Consumer response to retailer loyalty marketing programs around the world seems to be a resounding chorus of "We want more!" While many consumers are beginning to see the benefits from retailers that have made the switch to customer-centric marketing and merchandising, new research shows many other customers are not. The use of purchase-level data to create shopper insights that are shared across the enterprise and with supplier partners is necessary in order to build programs that matter to customers. A recent survey of nearly 20,000 respondents from a world-wide Nielsen 2007 omnibus survey revealed several interesting insights about customer attitudes about loyalty marketing programs.

Different programs, similar response

Most fast-moving consumer good retailers in North America have programs that focus on weekly discounts which are advertised through traditional advertising circulars. European programs typically offer points or accrued rewards where customers receive quarterly mailers detailing recent activity, point accruals and corresponding rewards plus targeted coupon offers. In the Asia-Pacific region, collaborative programs are more common with retailers working in partnership with an airline or a national bank to entice customers to participate in a program that offers a variety of incentives.

While customer participation rates for such programs vary by region, (see chart 1 below), these programs are generally accepted by shoppers. Nearly 80% of North American respondents answered *"always"* compared to 50-60% in Europe and Asia Pacific. Significant numbers of additional respondents across all regions use their card *"frequently"*.

Participation in Loyalty Marketing Programs



Source: Nielsen Global Omnibus Survey, 2007

Programs diverge over time

Initially, retailers presented loyalty schemes to customers as a sales promotions tool to tempt customers into becoming more exclusive in their shopping habits and to internal constituents or suppliers as a way to connect with shoppers at a deeper level.

Embrace a focus on consumers and inspire staff functions to make the switch from a category to a consumer focus.

Maintaining the initial up-tick in same-store sales became a consideration for keeping the programs as retailers grappled with storing vast quantities of data, mining consumer purchase details and making sense of the derived insights for relevant merchandising and marketing applications.Retailers who have made the leap forward with their programs have done so, not with technology-based solutions, but rather by company leadership embracing a focus on consumers as their mantra and inspiring staff functions to make the switch from a category to a consumer focus. Over time, implementation efforts have been aided by improved analytic and reporting tools, but the catalyst for change came when everyone within the retailer enterprise began to talk in terms of customer and customer segments.

Understanding your customers

A multi-layered segmentation approach provides new views or lenses to understand households. These lenses add insight into customer thinking, current purchasing habits, spending levels, household dynamics or motivation to respond to promotions.

Teams speak in terms of *real people* every day because their segmentations describe customer groups.

Within retailers that have already adopted this approach, their teams speak in terms of *real people* every day because their segmentations describe customer groups in sufficient detail to change faceless data into a dynamic view of customer behavior.

Attitudinal segments
provide insights on shopping habits and preferences

Product Affinity segments
provide a deeper understanding of current buying activity by item and category

Spend/Value segments
provide an understanding of current spending, share of wallet and available opportunity

Behavioral or Lifestyle segments
provide a clearer picture of the total household dynamics

Promotional Response segments
provide a perspective on what factors move customers to react on offers and promotions

Retailers even label their segments either by name or by shopping activity to reflect idealized customers. They report on customer segment measures on a regular basis to show where they are over and underperforming – at a store, category, and product level. The knowledge gained drives remedial or opportunistic marketing activities targeted effectively at the most appropriate customers as opposed to costly mass marketing channels.

A single version of the truth

Sharing a commonly accepted view of the types of people shopping the store is paramount. A tool set that offers intuitive, easy-to-interpret reporting and analytics provides a means for sharing consumer understanding within the retail business and with supplier partners. Reporting and analytics must be customizable to adapt to the end-user needs and enable greater productivity – not impede progress because of complex training or separation from other systems.

Working with consumer data sets that combine shopper loyalty insights, consumer research panel insights, store scan data, and customer segmentations enables a more complete portrayal of customer needs, characteristics, and shopping activities. In this way, the retailer and supplier teams coalesce on a single version of the truth – a complete understanding of customers inside and out (i.e., shopping behavior at the retailer and its competitors) – which drives decision-making that is both strategic and tactical. Companies that make this transition are going to market with programs that address a wide variety of customer needs – in the items carried, promotions offered, pricing structures, customer communications, and customer service hotlines.

The retailer and supplier teams coalesce on a single version of the truth.

Room for improvement

While there are examples of retailer success in loyalty marketing throughout the world, the Nielsen survey identified opportunities for improvement too – especially in terms of customer perception. Customers are engaged in these programs so it is not surprising that they want more. They understand there is an implicit acceptance in the use of their own personal information for participating in these programs.

Retailers track a wide variety of customer household dynamics including name and address, preferred payment method, specific item and category purchases, total spending and shopping habits such as use of coupons or time of day shopped. In response for making such data available, customers expect benefits in return including offers for products they want, useful information about nutrition or tips on food preparation.

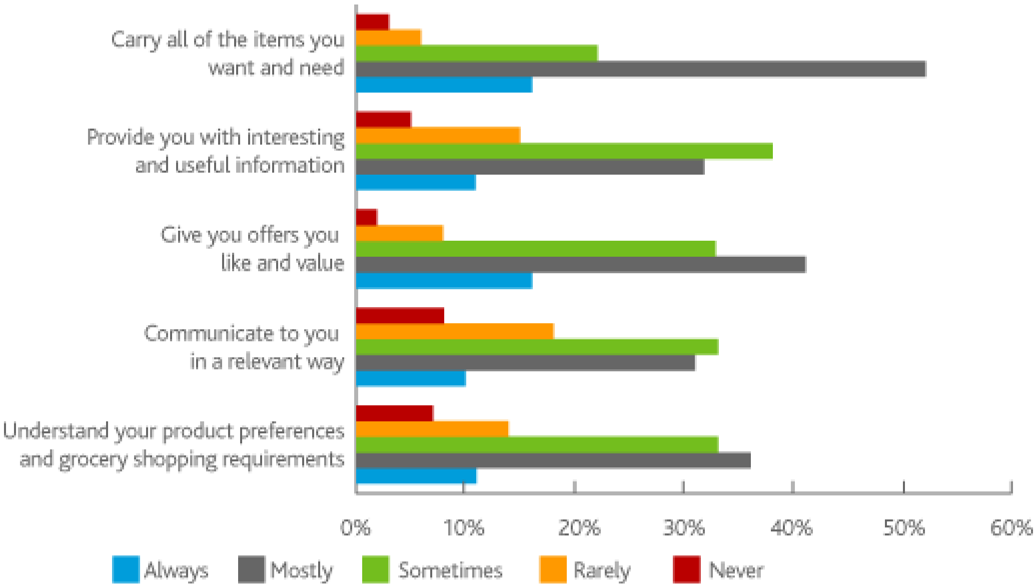
Customers expect benefits in return.

In the survey, consumers were asked to think about their main grocery retailer and rate the retailer's ability to meet expectations across a variety of areas (see chart 2). While respondents replied with an affirmation of *"mostly"* when queried about appropriate item ranging and assortment, responses in other areas were not as positive.

For all other focus areas, the nearly equal response level of *"sometimes"* may be indicative of customer ambivalence and the incidence of the *"rarely"* response in the survey may even reflect potential dissatisfaction among customers – especially with respect to relevant communication and providing useful information. Further analysis of loyalty data – particularly within a retailer – could identify opportunities by customer segment and create positive changes in programs targeted to those customers. There is clearly scope for retailers to improve and those that do should excel in winning customer loyalty.

How Retailers Meet Customer's Expectations

Thinking about your main grocery retailer, do you feel they:



Source: Nielsen Global Omnibus Survey, 2007

Better results – A case in point

Innovative retailers are improving their programs through a process of test, measure and modify. Data analysis enhances decision-making for assortment or item ranging, price or promotions optimization and customer communications including direct mail. In one example, a retailer used their newly-derived customer knowledge to re-think the purpose, content and impact of their quarterly customer mailer. Working together with the retailer, Nielsen Loyalty was able to produce insights which helped identify realistic and achievable thresholds for total spending increases by Spend/Value segment, incentives for customers to shop in categories in which they had a high needs potential based on Lifestyle segment, and tailored rewards for items the customers purchase currently based on Product Affinity segment.

The mailer became a vehicle for communicating with customers about chain news, local store events and offers for items that mattered to individual customers. Shoppers responded positively to the changes as measured by the one-point market share gain in the first weeks of the program alone – a result with which the retailer was delighted!

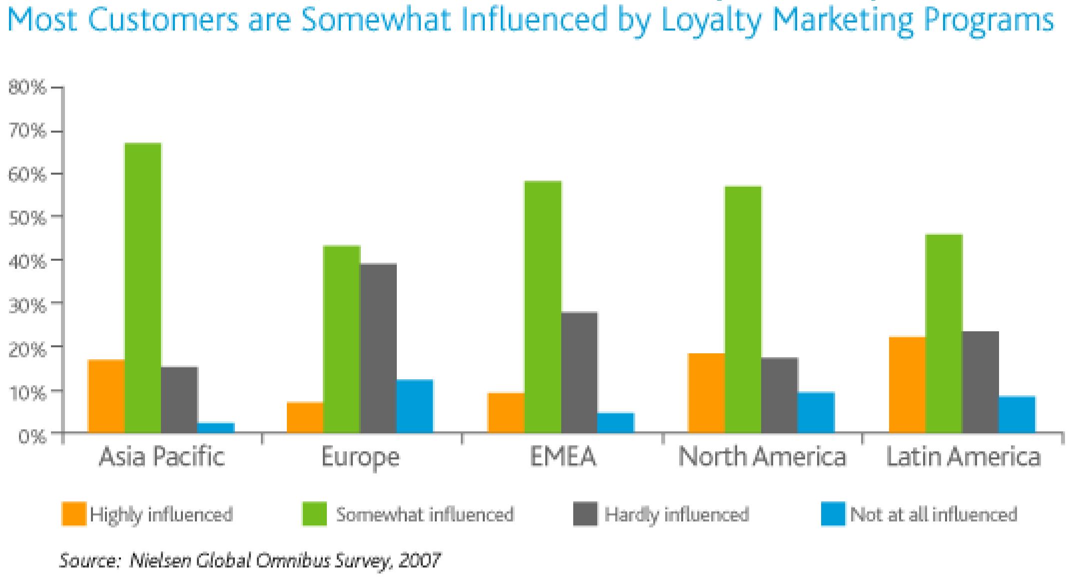
Positive impact

The survey research also reflects the potential that loyalty marketing programs have to impact consumer behavior positively. Despite the possible shortcomings that some programs may currently have, chart 3 demonstrates that customers around the world acknowledge the influence loyalty marketing programs can have on their purchasing behavior. A majority of respondents in the Asia-Pacific, North American and emerging markets say their purchase decisions are at least somewhat

Customers acknowledge the influence loyalty marketing programs have on their

influenced by loyalty programs.

purchasing behavior.



Time for change

Customers do want more. They want retailers to use the purchase-level data and household information collected from loyalty marketing programs to provide more meaningful services, item selection and relevant offers. A shift in retailer corporate culture is needed to focus on customers rather than category. Customer-centricity encompasses the values and language that retailers around the world can use to plan and act on more effectively. With a customer-centric focus, all facets come together – data, segmentation, strategy, execution, measurement and improved marketing results – to serve the shoppers better.

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Tricky Advertising or Brilliant Marketing?: *What role do product placements play among traditional advertising methods?*

By: Annie Touliatos, Director Product Development, Nielsen Product Placement

CI SUMMARY: As advertisers look for new ways to capture an ever-divergent audience, the use of product placements across media in television shows, movies and video games are becoming more ubiquitous. Taking their place among traditional advertising methods, product placements are moving mainstream to deliver results that are building strong brand equity in the minds of consumers.

Product Placement Quiz

What brand of car had a starring role in a major action movie?
[Mini Cooper in *The Italian Job*]
What brands of household appliance is preferred on Wisteria Lane?
[Bosch and Thermador]
What brand of fast food is a requested destination in a video game?
[KFC or Pizza Hut in *Crazy Taxi*]
What brand of cookie was a favorite of Frasier on the eponymous show?
[Pepperidge Farm Milanos]
What brand of ant killer became a mainstay on The Sopranos?
[Raid from SC Johnson]
What brand of running shoe starred in the name of a song title?
[*My Adidas* from Run-DMC]

If you know the answers to any of the above, you're living proof that product placement works!

Think Manolo Blahniks on *Sex in the City*. Hummers on *CSI: Miami*. Junior Mints on *Seinfeld*. Omega watches in James Bond flicks. Sears Craftsman tools on *Extreme Makeover: Home Edition*. Product placements have become a near-ubiquitous form of advertising, reaching across media, turning up in video games, sound tracks, television programs and movies. Just how pervasive are these placements? In the first six months of 2007, there were 25,497 consumer packaged good [CPG] product placements, totaling 132,125 seconds on the prime time entertainment programs tracked by the Nielsen Product Placement Service. That represents just 11% of all product placements during the time period.

A proud heritage

While critics of the product placement practice treat it as a relatively new development, the technique actually can trace its roots back to the 1951 movie *The African Queen*. An inspired brand manager paid to have star Katharine Hepburn dump cases of Gordon's Gin overboard—with the label showing prominently. And so a new advertising vehicle was born.

Many believe that the growth in product placements is directly attributable to the rapid uptake of digital video recorders [DVRs]. Or perhaps the rise in popularity is due to the increasing phenomenon of multi-tasking media consumption. Whatever the reason, one thing is clear – advertisers will continue to look for ways to best reach their target audience. And what better way than to use a "show" rather than "tell" means to deliver the message.

Subliminal or overt

Whether the approach is obscure or obvious, using product placements as an integral part of a plot line or to provide context for a character basically comes down to a matter of taste and opinion. One example of subliminal advertising at the very best is ABC's *Extreme Makeover: Home Edition*, where down-and-out families mired by tragedy get a brand new home for free– with all the bells and whistles. In the show, Sears tools, appliances, and such are used in the construction process and the final product. The show's emotional build-up is closed with a heart-felt thanks – direct from the company for the privilege of being a part of the dream come true – pure genius!

One of the most overt examples of product placement is the top-rated show *American Idol*, where judges sit next to large red glasses emblazoned with the Coca-Cola logo and anxious contestants conduct a little idle chit-chat backstage in the Coca-Cola room, lined with vending machines stocked with Coca-Cola while sitting on a couch upholstered in the trademark Coca-Cola red.

At what cost

While product placements are routinely included with traditional advertising buys during negotiations, this alternative continues to realize disproportionate revenue benefits – particularly with high-profile shows. But as product placements continue to rise in popularity, you can be sure that costs will skyrocket as well. *Advertising Age* magazine reported that the typical sponsorship deal on a show like *American Idol* averages about $26 million. Anyone curious about the impact of product placement on traditional advertising spending need only look at the year-to-year changes to understand that dollars are being diverted to non-traditional alternatives. With the average network 30-second spot running as much as $700,000 for top-rated *American Idol*, it's no wonder marketers want to ensure that their ads get seen.

This alternative continues to realize disproportionate revenue benefits.

Total Advertising Spending for Top 10 CPG Categories

Traditional Media

Product Categories	Jan–May 2006	Jan–May 2007	Spending Difference
Beer & wine	$567,494,341	$445,336,617	-$122,157,724
Confectionery & snacks	$634,091,505	$615,936,283	-$18,155,222
Cooking products & seasonings	$285,441,734	$256,331,219	-$29,110,515
Food beverages	$466,761,766	$439,664,012	-$27,097,754
Hair products	$530,456,637	$517,233,744	-$13,222,893
Household accessories & misc.	$320,432,304	$273,553,810	-$46,878,494
Medicines & proprietary remedies	$3,625,894,179	$3,780,543,308	$154,649,129
Personal hygiene & health	$934,064,648	$864,520,095	-$69,544,553
Soft drinks & bottled waters	$516,678,170	$390,782,592	-$125,895,578
Stationery & office supplies	$48,526,527	$34,993,977	-$13,532,550

Source: Nielsen Monitor-Plus, based on Spending Estimates in the following media: Network TV, National Cable TV, Syndicated TV, Spot TV, Spanish-Language Network TV, Spanish-Language Cable TV, National/Local Magazine, National/Local Sunday Supplement, National/Local Newspaper (display ads only), Network/Spot Radio, Outdoor and Coupon.

For the top 10 CPG categories, traditional ad spending was down in nine of 10 categories by as much as $122.2 million, (some of which can be attributed to the airing of the 2006 winter Olympics): beer & wine, confectionery & snacks, cooking products & seasonings, food beverages, hair products, household accessories & miscellaneous, personal hygiene and health, soft

Traditional ad spending was down in nine of 10 categories by as

drinks & bottled waters, and stationery & office suppliers. Only the medicines & proprietary remedies category posted an increase in spending during January–May 2007 versus the year prior.

much as $122.2 million.

Making their mark

According to a recent study by Massive, the Microsoft video game advertising network, and Nielsen Entertainment, product placement pays off for brands in more ways than one. The video product placement findings showed unexpectedly high double-digit increases on a host of key metrics: 69% increase in average ad rating, 64% increase in brand familiarity, 41% on average purchase consideration and ad recall, and 37% on brand rating.

The video product placement findings showed unexpectedly high double-digit increases.

Television product placement results proved equally impressive. Results for the Top 5 product placements within consumer packaged good categories for the first half of 2007 show: Coca-Cola registered a 43% positive audience impact for placements on the April 24 *American Idol* [FOX]; Powerade Drinks posted a 62% positive audience impact on the March 27 *Driving Force* [A&E]; Anheuser-Busch enjoyed a 42% positive audience impact rating on the April 7 *American Brew* [A&E]; Kit Kat candy bars savored a 38% positive audience impact for placements on the *Human Giant* [MTV]; and Nexxus Hair Care products registered a heady 59% positive audience impact on *Shear Genius* [BRAVO].

Where it counts

Major advertisers have clearly gotten the message that product placements can enhance conventional advertising nicely. In addition, product placements enjoy heighted impact and cachet from the implied endorsement of the setting—the character who uses the product and the show where it appears. Listed below is a complete listing of the Top 5 programs for the 2006-2007 television season through May 2007 and corresponding types and rates of product placements.

Top 5 Broadcast Network Programs and Product Placements

Program	Network	Total # Occurrences	Total Time in Seconds
1. American Idol	FOX	4,019	26,543
2. Dancing with the Stars	ABC	159	494
3. CSI Crime Scene Investigation	CBS	1,073	3,967
4. Grey's Anatomy	ABC	99	584
5. House	FOX	241	1,031

*Source: Place*Views, Nielsen Product Placement Service, September 2006–May 2007*

From a purely financial perspective, product placements boast a real cost advantage as well—there is minimal expensive production required, just delivery of the product and insertion into the script or show setting. In a challenging environment of alternative media and shifting viewing habits, product placements represent yet another opportunity for flexible marketers to stay in front of consumers and extend the brand relationship.

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The African-American Consumer:
Is the cultural divide breaking down?

By: Todd Hale, SVP, Consumer & Shopper Insights, Nielsen Consumer Panel Services;
Patricia McDonough, SVP, Planning Policy & Analysis, Nielsen Media Research;
Patricia Andrews-Keenan, VP, Communications & Community Affairs, The Nielsen Company

CI SUMMARY: Organized. Smart. Aware. Vocal. African-Americans have learned to flex their market muscle and powerful influence on both conventional buying and new media use patterns, helping to bridge the cultural divide. At 34 million strong, African-American consumers comprise 12% of the U.S. population, representing the second largest ethnic group after Hispanics. African-American buying power is expected to grow 34% over the next four years, reaching some $921 billion by 2011, according to the Selig Center for Economic Growth.

Impressive stats

Marketers looking to target a high-growth, high-potential audience need look no further. The African-American population segment is projected to increase more than four times faster than the white segment by 2025 (26% vs. 6%). Other reasons to tap into the potential of the African-American market include the comparatively large household size (3.2 members vs. the 2.6 U.S. average), high degree of home ownership (43%) and education level, which links directly to earning potential (23% of African-Americans hold a bachelor's degree).

Spread the wealth

The Selig Center Buying Power Study found that the African-American market is much more geographically dispersed than other minority markets, and that five states boasted substantial African-American economies in 2006, measuring more than $50 billion each; New York ($75.6 billion), Texas ($58.1 billion), California ($55.7 billion), Georgia ($54.4 billion) and Florida ($52.7 billion). In addition to being spread across the map (see top 10 markets below ranked by DMA), African-American shoppers are equally varied in where and how they buy.

Top Ten Markets Ranked by African-American TV Homes

Rank	Designated Market Area
1	New York
2	Atlanta
3	Chicago
4	Washington, DC (Hagrstwn)
5	Philadelphia
6	Los Angeles
7	Detroit
8	Houston
9	Dallas-Ft. Worth
10	Miami-Ft. Lauderdale

Source: Claritas, Local Television Market Universe Estimates: Black or African-American TV Homes, Effective September 22, 2007

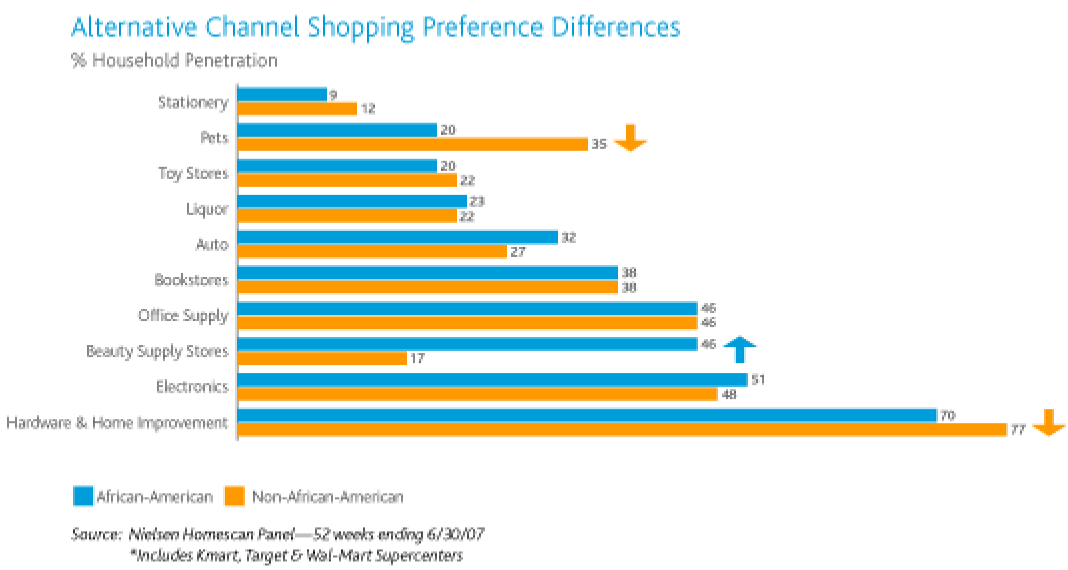
The where of it

While there are virtually no differences in channel preferences among African-American and non–African-American households when it comes to shopping at grocery, mass merchandisers and warehouse club stores, a higher proportion of African-Americans are more likely to be found shopping the aisles of convenience-oriented formats like drug, dollar and convenience/gas stores, based on Homescan® panel household penetration figures.

And, but for three alternative retail channels where shopping patterns differ dramatically, the gap is closing for preference variances among African-American and non–African-American shoppers. Among the differences, about half (46%) of African-American households patronize beauty supply stores—almost three times the rate for non–African-American households. Strategy note to traditional retailers looking to better appeal to the African American consumer: change assortment by including more ethnic beauty products.

The gap is closing for preference variances among African-American and non–African-American shoppers.

Significantly less African-Americans frequent pet stores with a 15 percentage point differential – representing an opportunity to increase penetration with more targeted programs in urban locations where this outlet is sparse. And 77% of non–African-Americans shop at hardware and home improvement stores compared with just 70% of African-Americans – location again is a likely differentiator.



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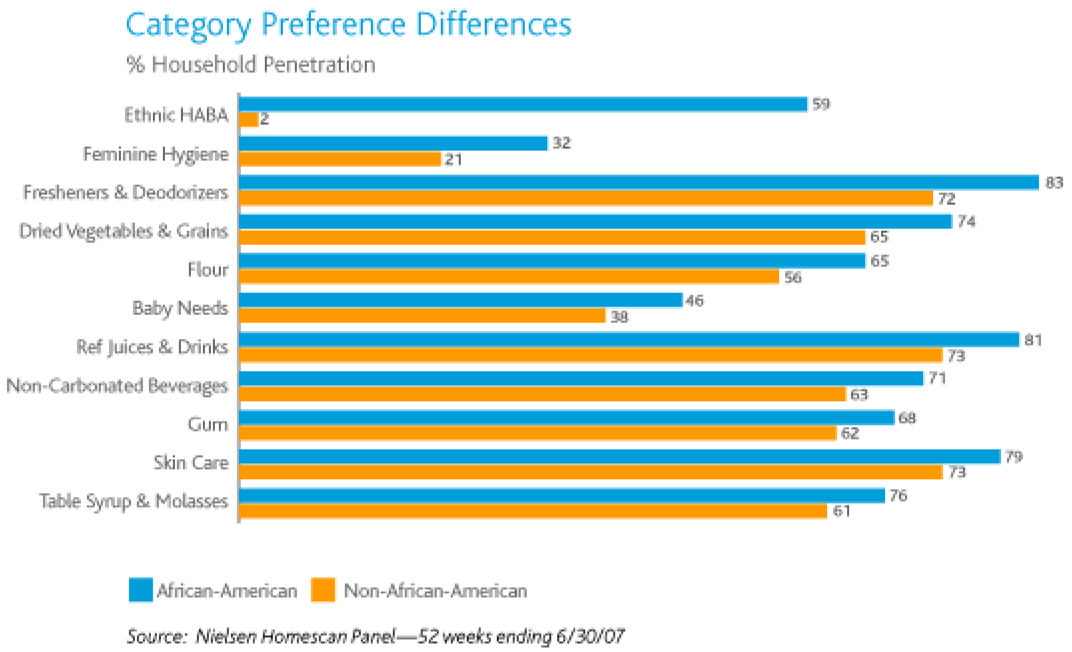
Of the alternative channels where African-Americans show higher penetration rates compared with non-African-American shoppers, automotive supply stores and electronics stores follow beauty supply stores as the most popular.

The how of it

As to how African-Americans shop, a 2007 Nielsen Consumer Panel Services study revealed that these ethnic shoppers make more shopping trips each year than the average household (175 versus 165), but spend less per trip ($39 vs. $44).

These ethnic shoppers make more shopping trips each year than the average household (175 versus 165), but spend less per trip ($39 vs. $44).

Category preferences account for many differences in basket size and trip frequency. Predictably, 59% of African-American households purchase ethnic health and beauty aids, versus a mere 2% of non–African-American households. Other product categories with large differentials by ethnicity include feminine hygiene products, fresheners and deodorizers, dried vegetables and grains, flour, baby needs, refrigerated juices and drinks, non-carbonated beverages, gum, skin care and table syrups and molasses.



Click image to expand

African-Americans outspend remaining U.S. households in a number of large product categories including baby food, shelf stable juices and drinks, frozen unprepared meat/poultry and seafood, packaged deli meat, personal soap and bath additives as well as ethnic health and beauty aids.

Big numbers, small screen

TV viewing patterns and preferences are similarly revealing. According to the *2007 Nielsen Media Research Report on Television*, the number of TV households increased 19.6% between 1990 and 2006 to 110.2 million. Twelve percent of those, or 13.28 million, represent African-American TV households. The average African-American viewing home skews seven years younger than the Total U.S. figure, at 30.2 years old. Additionally, the average African-American TV household is slightly larger in number and features a greater percentage of women and younger persons than the Total U.S counts.

Gauging the view

In a summer 2007 *Television-At-A-Glance* snapshot, Nielsen Media Research reported average daily viewing statistics that showed African-Americans spending 10 hours 48 minutes per day watching TV, nearly three hours more each day than the U.S. total. Across the board, by age and gender, African-

Across the board, by age and gender, African-Americans

Americans spent more view time than other households. Total day viewing exceeds that of Total U.S. by 41%, with adults 55+ recording the highest viewing levels. Interestingly, it is African-American men who devote the most time to the tube in every measured daypart, including late night.

spent more view time than other households.

Early adapters

African-Americans are embracing and using the newest technologies at rates that exceed the national average. In data from the Nielsen Company's *Home Technology Report* and Horowitz & Associates, Inc.'s *State of Cable and Broadband Urban Markets 2007 Study*, new products and technologies like HDTV televisions, movies on demand (both free and subscription) and HDTV services are in use at higher rates in African-American households compared with white, Hispanic and Asian households.

African-Americans are embracing and using the newest technologies at rates that exceed the national average.

Adoption of video-capable, interactive cell phones, PDA's and gaming devices are also on par with or exceed national average in both purchase and use in those same households. Even in areas where they did not exceed national average (DVR usage), African-American consumers were within three percentage points or less in purchasing and using those products. This is in line with the tendency for African-Americans to over index in overall TV consumption, subscription to premium services and on demand usage. Further it confirms that African-Americans as a whole are early adapters of new technologies.

"Our data indicate that African-American demand for and usage of advanced interactive and mobile services continues to trend at the high end of the national average, said Paul Lindstrom, SVP Custom Research for Nielsen. Adriana Waterston, Vice President Marketing and Business Development for Horowitz Associates, Inc. adds, "As access to these new technologies continues to rise, African-Americans will be some of the best customers for advanced and portable entertainment services."

Converging interests

"Never in the 20 years that the data from Nielsen Media Research has been systematically compared based on race has such a convergence between black and white TV tastes emerged." – Baltimore Sun, August 12, 2007

Once upon a time, the only top 10 TV show to appear on both the African-American and Total U.S. viewers list was Monday Night Football. In a landmark turn of events this year, black and white viewers both tuned in to the same seven shows in their respective listings. Experts ascribe much of the change to a lack of choice, less Afro-centric programming, the merger of the WB and UPN networks, and the rise of reality TV that erases racial boundaries.

In a landmark turn of events this year, black and white viewers both tuned in to the same seven shows in their respective listings.

Top 20 Primetime Programs—African-American

September 2006–May 2007

Rank	Program Originator	Program Name	African-American Households Rating
1	FOX	AMERICAN IDOL-WEDNESDAY	20.9
2	FOX	AMERICAN IDOL-TUESDAY	20.3
3	ABC	DANCING WITH THE STARS	13.1
4	NBC	NBC SUNDAY NIGHT FOOTBALL	12.3
5	FOX	OT, THE	11.4
6	ABC	DANCING W/STARS RESULTS	11.4
7	FOX	HOUSE	11.3
8	CBS	CSI: MIAMI	10.9
9	ABC	DANCING W/THE STARS-MON	10.4
10	ABC	GREY'S ANATOMY-THU 9PM	10.3
11	CBS	CSI: NY	10.3
12	CW	AMERICA'S NEXT TOP MODEL	10.0
13	CBS	CSI	9.9
14	CBS	WITHOUT A TRACE	9.9
15	CW	GIRLFRIENDS	9.7
16	CW	AMERICA'S TOP MODEL-2	9.5
17	ABC	DANCING W/STARS RESULT-TU	9.4
18	CBS	SHARK	9.3
19	ABC	DAY BREAK	9.3
20	CW	GAME, THE	9.0

Source: *Nielsen National People Meter sample*

Note: Averages include Live + SD Viewing. September 18, 2006–May 23, 2007

Top 20 Primetime Programs—White

September 2006–May 2007

Rank	Program Originator	Program Name	White Households Rating
1	FOX	AMERICAN IDOL-WEDNESDAY	16.7
2	FOX	AMERICAN IDOL-TUESDAY	16.1
3	ABC	DANCING WITH THE STARS	13.8
4	ABC	DANCING W/STARS RESULTS	13.4
5	ABC	DANCING W/THE STARS-MON	13.3
6	CBS	CSI	13.2
7	ABC	GREY'S ANATOMY-THU 9PM	12.5
8	ABC	DANCING W/STARS RESULT-TU	12.5
9	ABC	DESPERATE HOUSEWIVES	11.5
10	CBS	CSI: MIAMI	11.3
11	FOX	HOUSE	11.2
12	NBC	NBC SUNDAY NIGHT FOOTBALL	10.7
13	CBS	TWO AND A HALF MEN	10.4
14	NBC	DEAL OR NO DEAL-MON	10.0
15	CBS	NCIS	10.0
16	CBS	WITHOUT A TRACE	10.0
17	CBS	SURVIVOR: COOK ISLANDS	9.8
18	CBS	COLD CASE	9.7
19	CBS	CRIMINAL MINDS	9.4
20	CBS	60 MINUTES	9.3

Source: *Nielsen National People Meter sample*

Note: Averages include a Live + SD Viewing. September 18, 2006–May 23, 2007

American Idol is the “perfect storm” exemplar of this type of programming, where the competitor roster accurately reflects the diversity that is America. Three finalists, including the ultimate winner Jordin Sparks, and Melinda Doolittle, who many believe to be the finest voice ever to appear in the competition, were women of color. African-Americans and other ethnic minorities find themselves mainstreamed on the airwaves thanks to featured players and producers responsible for current programming. True to historical precedent, the arts are once again proving to be the catalyst that bridges the cultural divide.

Nielsen Consumer Insight, September 2007

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Delivering consumer clarity

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http://www.nielsen.com/consumer_insight/ci_story5.html

The Viewer Playbook:

An integrated research solution uncovers opportunities to better reach viewers

By: Irene Gustaitis, VP, Television Research, Nielsen Entertainment

CI SUMMARY: With more media choices available today than ever before, going beyond traditional age & sex demos to reach an increasingly divergent audience is critical. New research methodologies that combine attitudes, interests and viewing behaviors are allowing marketers to more precisely target and connect with viewers. The end results are rewarding: Viewers get better programming; advertisers gain improved reach; and networks earn higher ratings.

For years, television content providers have faced the challenge of keeping pace with an ever-evolving, media-savvy consumer base. Business objectives are increasingly difficult to address through traditional methodology design, and the recent growth of alternative ad models further complicate this challenge for researchers and marketers alike. While behavior-based databases help end users determine market opportunity, custom attitudinal research is needed to identify effective messaging and positioning. Historically, researchers have used these two approaches in tandem, yet independently, to learn as much as possible about the target consumer.

Fusion solution

Using an innovative research methodology, Nielsen worked with the SPEED network on an innovative audience study that uncovered both behavioral and attitudinal trends by integrating advanced analytics with database fusion. The rewarding results helped SPEED gain a better picture of their viewers and their programming preferences, thereby enabling them to refine messaging with more personalized communication to each segment group.

The rewarding results helped SPEED gain a better picture of their viewers and their programming preferences.

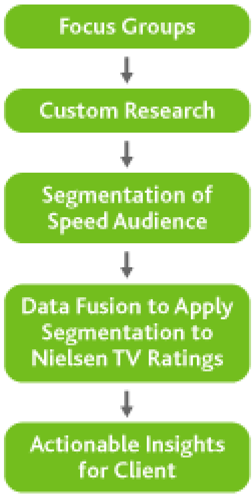
A three-phase approach was designed that yielded comprehensive audience profiles that was then used to guide development and marketing strategy for the network. Actionable results derived from "observed" versus "claimed" behavior delivered unique competitive advantages, which allowed the SPEED network to capitalize on two of their main objectives:

- Gain a richer understanding of viewers based on their attitudes, interests, and viewership behaviors; and
- Understand key areas for future programming growth and development.

Walk the talk

The integrated research process started with focus group learnings that were used to develop a segmentation survey that incorporated the language and brand attributes used by SPEED viewers. This research produced critical information used to design a consumer-focused survey. In this audience study, it was key to understand how viewers described, related to and consumed the SPEED brand. Several imagery exercises with male viewers were conducted in Nielsen's Las Vegas research facilities. The focus groups revealed very specific language choices that may not have been identified if not for this qualitative phase. The language was then echoed in the survey to ensure that attribute lists and attitudinal statements were relevant and accurate.

Integrated Research Process



The attitudinal survey was developed into a full online segmentation study in which viewers were classified across multiple dimensions – brand loyalty, genre avidity, technology use, etc. A section often found in traditional survey instruments that was strategically left out of this survey was "claimed viewership" of specific television programs. This is where the third element, known as fusion, takes effect. By fusing key "hooks" in the survey with Nielsen National People Meter (NPM) data, actual shows viewed by each segment were identified rather than depending on claimed viewership gleaned from a survey.

By fusing key "hooks" in the survey with Nielsen National People Meter (NPM) data, actual shows viewed by each segment were identified.

Revealing and rewarding insights

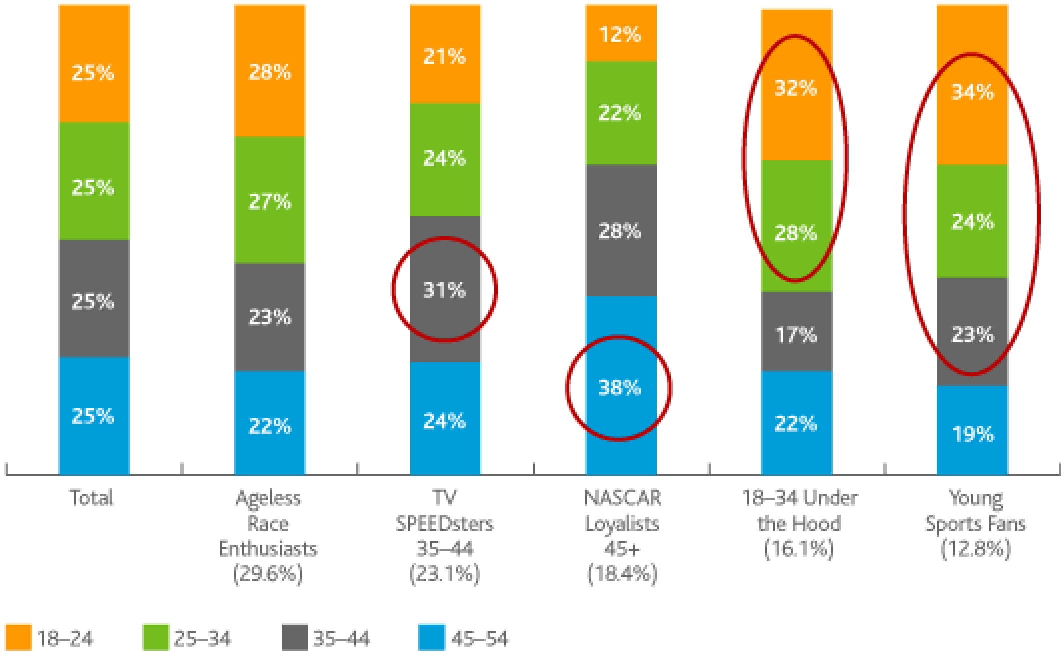
In July 2007, SPEED launched new programming that was geared towards the 18-34-year old male. Before the new programming was launched, however, results from the Nielsen Audience Study were presented to network executives who included the research, marketing and scheduling teams and also the network GM. The results validated some of their existing marketing strategies and revealed some new ones.

Through the research, it was learned that the SPEED audience is comprised of five distinct viewer segments. Each segment group has different demographic profiles, genre avidities and technology usage thresholds. When the segments were fused with NPM data, the segments that were driving viewership across programs and genre categories (racing, automotive, motorcycle, custom shop, etc.) were quickly identified.

Programming protocol

Five viewership categories were determined by the segmentation analysis: *Ageless Race Enthusiasts*, *Young and Under the Hood*, *NASCAR Loyalists*, *Young Sports Fans and TV SPEEDsters*. As a result of the research, the network was able to look at fused ratings data among these segments and gauge areas of potential programming growth as well as key marketing strategies.

Categories are Narrowly Defined by Age Skews within Each Segment



Source: 2007 Nielsen Entertainment Segmentation Study for SPEED network

Of the findings, it was determined that multiplatform marketing would be most effective among the *Young Sports Fans* segment because this group has the highest cross media consumption, yet goes to the channel for general race information versus actual race coverage. They are the least of the segments to exhibit brand loyalty and the growth opportunity among this group depends on the channel's ability to serve as a utility channel that incorporates tickers (a "scrolling marqui" at the bottom of the screen) and sliders (information slides on, then fades out).

The *Young and Under the Hood* segment, however, is largely comprised of the same age group, but interestingly, this group has strong brand loyalty and wants programming that focuses on auto customization and engine technology. They are not averse to original programming such as *PINKS*, and as such, SPEED can expect their newly released show *PINKS All Out* to do particularly well among this segment group. This is one example of how segmentation and database fusion delivers powerful information to content providers as they launch new products, bring existing ones to maturity or are faced with the difficult decision to pull veteran shows off the air.

Segmentation and database fusion delivers powerful information to content providers.

From fragmentation to hyper-fragmentation

It's predicted that as more choices saturate the media and marketing landscape, content and products will experience a shorter and shorter shelf life and will rely on an extremely smaller subsection of their user or viewer base for survival. The more comprehensive, connected, 360-degree view of the consumer a marketer or media company has, including their attitudes and their core behavioral elements, the better positioned marketers will be.

The measurement challenge is a new one to the researcher. Strictly designing a research study or an analysis of behavioral data to address a singular issue is no longer enough – it's designing that analysis in an integrated fashion that it critical. Through the launch of NielsenConnect and NielsenCombine, The Nielsen Company has demonstrated its dedication to providing this integration across internal and external research databases and client databases, which will offer actionable research to compete in today and tomorrow's hyper-fragmented marketplace.

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Breaking the Myth:
More Time at Work = Less Time with Children

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

CI SUMMARY: The pace of family life seems to be accelerating out of control. Parents today just can't understand how their parents, with more children, managed to cope with the pressures of jobs and family life. Many worry that they are not spending enough time with their children, not making as good a home as their parents made. Recent longitudinal studies show, however, that although parents' lives are growing more and more hectic, the one place they are maintaining and even increasing their time allocation is the hours they spend taking care of their children.

Abstract

"The cultural image of the American mother has changed from the cheery, doting homemaker to the frenzied, sleepless working mom. The conventional wisdom accompanying this change is that, as today's mothers juggle the dual roles of worker and family caregiver, they spend less time with their children, and receive little help from fathers."
Changing Rhythms of American Family Life.

This image is reinforced anecdotally and in media portrayals every day, but does it accurately paint a true picture? Hard data from longitudinal surveys across countries suggest quite clearly that much of what we believe about how families today use time is simply not right. And getting it wrong can have serious consequences for manufacturers and sellers of consumer products as they seek to both create and stock products that meet consumers' needs and to position them using the right imagery and offers that appeal to key consumer segments.

Facts about today's American family:

- Parents are busier than they were in the past. Many more are single parents, and two-parent families have seen a dramatic increase in women's participation in the labor force.
- Total workloads (counting paid jobs and unpaid work at home for both moms and dads) have risen and remain high – parents average up to a 9.5-hour workday every day of the week.
- Despite more hours on average going into paid work, parents' time with their children has not decreased over the past several decades, and in fact has risen for married mothers and married fathers, and for single mothers for certain kinds of care.
- Although there is still a difference, fathers have come a long way in closing the gap between the amount of time they spend with their children and the time spent by the mother.
- It is not sleep or free time that has been compressed to enable parents both to work more outside the home and to spend more time with their children – it is housework that has been sacrificed.
- Although the mix of out-of-home paid work and in-home unpaid work varies for married fathers and mothers, there is only a minimal gap between them in total work hours.
- The pattern of increased time spent with children is not only a U.S. phenomenon, but also appears in many countries in Western Europe.

International trends

The trends outlined in this article are not unique to the U.S. In fact, of the countries reporting data (outlined below), the *American Time Use Survey* shows that, by and large, both mothers and fathers around the world are spending more time with their children.

- In Canada, the UK, the Netherlands, and Australia, mothers are spending more time with their children now than in years past. The exception is France, where mothers are spending substantially less time with their children than they did in 1965.
- The same patterns hold for fathers, with only French fathers spending no more time with their children. In 2000, British fathers spent the most time with their children, followed by Australia, Canada, and the Netherlands, with the U.S. trailing all except France. Fewer hours working outside the home for men outside the U.S. can explain at least part of this ranking.

Full Article:
Each year the U.S. Department of Labor conducts the *American Time Use Survey* (ATUS). Some 13,000 respondents complete a time diary covering all of the activities they engage in during a day. The ATUS has been consistently conducted in the U.S. since at least 1965, and also exists for a number of other countries. A recent book, *Changing Rhythms of American Family Life*, written by a trio of sociologists from the University of Maryland (see the Resources section at the end of this article), examines how the use of time has changed over the past 35 years and comes to some very unexpected conclusions.

Note: *Changing Rhythms of American Family Life* and this article focus almost entirely on married two-parent families and single women with children. It is recognized that today, there are many kinds of family households that are not represented in this writing, including non-married partners, homosexual couples, and single men with children. These groups, while growing, are either too small to be measured accurately with the ATUS, or are not possible to isolate with the demographic data available.

Work and more work – Is the "second shift" real?
One of the most important trends in family life over the past 35 years has been the huge increase of women in the workforce. In 1965, about 45% of women with children (under 18) were employed: by 2000, over 78% were. The average working mother in 1965 put in 34 hours per week and averaged 38 weeks of employment, while the average mom in 2000 put in about the same number of hours (36), but worked 47 weeks. While the time spent working among women with children has not changed dramatically (same hours, 11 more weeks), the proportion of mothers who work has greatly increased.

One of the most important trends in family life over the past 35 years has been the huge increase of women in the workforce.

Facts about working mothers today:

- In two-parent families, mothers with very young children are less likely to be employed, and if employed, work fewer hours than women with older children.
- Mothers with fewer children are more likely to work.
- The higher their educational attainment, the more likely mothers are to work – 82% of mothers with an advanced degree work an average 41 hours per week.
- Single mothers are more likely to work than married mothers across the board, with highly-educated single mothers nearly as likely to be employed as married fathers.

Work outside the home is, of course, only part of the story. Much of the concern expressed in the media today about working mothers is over the "second shift", the incremental time that mothers put in doing unpaid labor. While there can be no doubt that families are busier today than ever before – working longer hours, and engaging in a wide variety of other activities – the data show that the total amount of work is very evenly distributed between fathers and mothers.

Combining paid work (i.e., wage/salary jobs and commuting to work) with unpaid work (housework, yardwork, cooking, etc.) the gap between what the mother does and what the father does nearly goes away. As illustrated in the table below, the gender gap is minimal (and the difference is not statistically significant given the survey sample sizes). However, the mix of work does vary by gender, with women getting a higher share of the unpaid work and men taking a higher share of paid work.

The gap between what the mother does and what the father does nearly goes away.

Average Hours Worked per Week

	All Married Parents		Dual Earner/ Middle Class	
	Mother	Father	Mother	Father
Total hours paid & unpaid	64.9	64.0	62.8	64.6
% of work paid	36.7%	66.4%	48.1%	72.0%
% of work unpaid	63.3%	33.6%	51.9%	28.0%

Source: *Changing Rhythms of American Family Life*
2000 Sloan Weekly Diary Study, 2000 National Survey of Parents

Caring for children – Today's parents have Ward & June beat

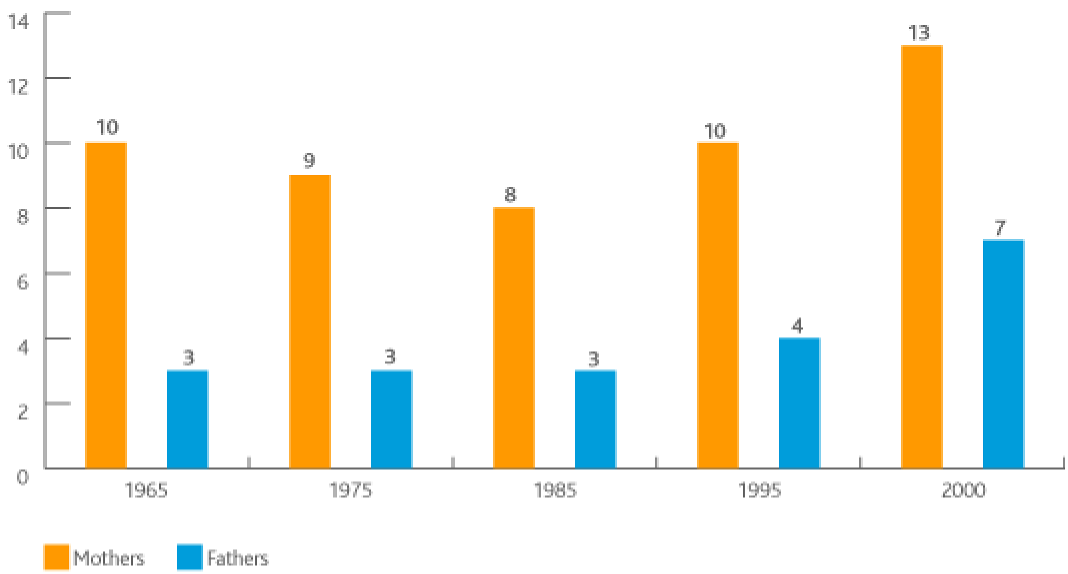
The common perception today is that parents do not spend enough time with their children. The assumption that increases in paid work, both for the father and for the increasingly-employed mother, has diminished the time that once went to caring for children. The tendency is to believe that June Cleaver was a better mom because she had the advantage of time – time today's working mothers spend outside the home on their jobs and careers rather than on their children.

The common perception today is that parents do not spend enough time with their children.

The facts, however, drawn from the ATUS data, simply do not support these perceptions. Surprisingly, both mothers and fathers today are spending more time with their children than they did in 1965 when less than half of women with children worked outside the home. The chart below shows the average weekly hours in primary child care – activities where parents report directly engaging in care giving or other activities thought to promote children's well-being, and where the main focus is the child.

Parent's Time Spent in Primary Child Care

(Avg Weekly Hours)



Source: *Changing Rhythms of American Family Life*

The drops seen in the chart, from 1965 through 1985, can mostly be explained by the sweeping changes experienced as the size of family households fell from the heights of the Baby Boom. As the average number of children per household fell during this period, so did the time parents spent with children. However, it is interesting to note that while the average family size has continued to shrink post 1985, the hours parents spend with their children, in primary child care, have risen steadily.

The increase in child care time is seen for both employed mothers and those who do not work outside the home. Interestingly, mothers who work the most outside the home, those with college educations, are also those who spend the most time with their children, averaging nearly 14 hours a week in primary child care. Fathers with less than college educations spend the least time with their children at 5.8 hours per week (though up from 2.2 hours per week in 1985).

Mothers who work the most outside the home, those with college educations, are also those who spend the most time with their children.

The ATUS also separates out routine child care activities (e.g., feeding, dressing, etc.) from interactive activities (e.g., talking with children, playing with them, reading to them, etc.). A common perception is that fathers have increased their involvement in the interactive activities, while leaving the more mundane care-giving activities to mother. Again, the data do not support this commonly held view.

Facts about time spent with children:

- Parent time in both routine and interactive activities has increased steadily since 1965, for both fathers and mothers.
- For routine time, mothers only show a 5% increase from 1965 to 2000, while fathers show a 209% increase.
- For interactive time, mothers show a 124% increase and fathers a 94% increase.
- Still, mothers put more hours into routine care than fathers (9.5 hours per week in 2000 versus 4.1 in 1965).
- In married couple families, mothers account for 58% of the interactive child care time with 42% spent by fathers.

More work time & more time for children – What gives?

The short answer is housework. In 1965 the average married mother spent over 34 hours per week in primary housework (cooking, meal cleanup, housekeeping, and laundry). That's only 1.5 hours less than the average mother employed outside the home spends at work today. Between 1965 and 2000, the average married mother went from doing 34.5 hours of housework per week down to 19.4 hours. This breaks down to decreases in time spent:

- Cooking meals – down 47%
- Meal cleanup – down 75%
- Housekeeping – down 41%
- Laundry & ironing – down 49%

On average, married mothers have increased their time spent on outdoor chores, repairs, garden, and animal care by nearly 19% from 1965 to 2000. Married fathers have also stepped up, increasing their total time spent in core and other housework by 229%, from 4.4 hours per week in 1965 to 10.9 in 2000.

Convenient solutions

It is not possible to tell from the data how much of this drop in housework comes from increases in efficiency (more and better cleaning equipment, better cleaning products, etc.) and how much comes from outside or hired help. Both no doubt contribute. But with today's larger homes, it also seems quite likely that things are perhaps not quite as clean and orderly as when June was on the case.

It is interesting to note that single mothers have not benefited from this trend. They are spending nearly as much time in core housework today (13.9 hours per week) as they did in 1965 (15.6 hours per week). This small decrease is offset by an increase in the amount of time they spent on other home-based chores (repairs, finances, etc.), such that single mothers are spending the exact same amount of time on primary housework activities today as they did in 1965.

Less time spent sleeping and eating
Personal-care activities (sleeping, eating, and grooming) by and large have not seen big drops since 1965. Married fathers spent 73.4 hours per week in these activities in 1965, and 69.5 in 2000 – the slight drop is attributed mostly to a decrease in the amount of time spent eating. Married mothers are very similar, dropping from 73.6 hours in 1965 to 71.5 today, with the declines coming from time spent eating (down 1.2 hours per week) and grooming (down 0.9 hours). Single mothers have taken the biggest hit, losing nearly 5 hours of sleep, 2.2 hours from eating, and 1.3 hours from grooming per week.

Beyond housework, other kinds of activities also show declines in temporal importance, providing more hours for work and child care.

- More time is spent multi-tasking – married fathers up 134% since 1975, married mothers up 89%, and single mothers up 104%.
- Married partners are spending less time alone together, down 26% since 1975.
- Married partners are spending a bit less time with friends and relatives (down about 6% since 1975), but single mothers are down 25% in the same time frame.
- Civic and social activities have also taken a hit.

How can marketers respond better?
As the proportion of U.S. households that have children continues to shrink, and as that market grows more fragmented, marketers will need to respond both through their products and their positioning.

The consumer products revolution of the past 50 years appears to have been a tremendous enabler of the lifestyles that busy families enjoy today. Products that save people time, either in housework or the preparation of meals, have allowed married-couple families to expand the amount of time they spend with their children even while increasing the hours they work. But consumers have short memories and tomorrow's products will be pressured to exploit these key benefits even more.

Families have replaced the decline of mealtime with other activities that generate time with children, but savvy marketers who can continue to squeeze time here for busy parents should do well. Positioning products as something to be enjoyed during quiet family time at meals may be out of touch with today's realities. Providing wholesome nutrition on the go, outside the context of a sit-down meal, could work well with today's families.

Families have replaced the decline of mealtime with other activities that generate time with children.

Marketers cannot ignore the ever-increasing share of family households headed by single parents – nearly one-third of households with children today. The strategies employed by married couples have not been as successful for single parents. Single parents have not gained time from a reduction in housework hours, and in many cases, are burning the candle at both ends. Limited financial resources also stress this market segment, but its size will force marketers to analyze and understand its needs.

Resources:
The material in this article is drawn from a recent book called *Changing Rhythms of American Family Life*, written by Suzanne Bianchi, John Robinson, and Melissa Milkie, all currently at the University of Maryland. This study of how our use of time has changed over the past several

decades is a volume in The American Sociological Association’s Rose Series in Sociology and was published in 2006. Unless otherwise noted, all findings and data included in this article are drawn from this book.

Nielsen Consumer Insight, September 2007