

# Family Marketing: The Rise Of Shared Decision Making

## A Nickelodeon Magazine Group Presentation

# The Times They Are A Changin'

- Changes in family dynamics
- Changes in the way information is acquired
- Changes in how the family purchase decision making process works

# The World Has Changed and So Too Have Families

- According to the Families and Work Institute, the average combined work week for parents has grown from 81 hours per week (1977) to 91 hours (2002).
- On the home front, the combined time spouses spend caring for and doing things with their children has increased from 5.2 hours (1977) to 6.2 hours (2002).
- 90% of parents report they experience conflict between their work and family life.
- More than eight-out-of-ten moms reports feeling some time pressure.

Source: Families and Work Institute (2002); Sloan 500 Family Study  
Millennium Mom Survey (2001),

# Parents Understand the Benefits To Their Kids

- **94%** of parents see a relationship between the amount of meaningful time adults spend with children and the way kids deal with major issues that could be dangerous to their health and happiness (like substance abuse, violence, and discipline problems)
- **94%** of adults say “finding more time for the important people in my life” is a current goal.

Source: Meaningful Time Check Up (2003),  
Boys & Girls Clubs of America, KidsPeace

# A Child-centric Trend

People should live for themselves  
rather than their children: Agree

1981: 50%

2001: 33%

Source: Yankelovich at the AAAA Management conference (2003)

# Changing Families, Changing Patterns

- The days of “Children Should be Seen and Not Heard” and “The Nag Factor” are long gone. Parents today encourage their kids to participate in family decision making.
- Families are actively seeking out ways to spend “quality time” with each other. Parents are involving their children in the “must do” activities of daily life.

# What is “Quality Time” With Their Children for Today’s Moms?

## “Definitely Quality Time”(%)

Just talking together	55%
Reading together	54%
Eating dinner together	52%
Going on family trips or vacations	51%
Playing at home together	48%
Doing projects together	46%
Playing outside together	44%
Going out to dinner	44%

Source: Millennium Mom Survey (2001)

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# Who Wants To Go For A Ride?

- 86% of parents say when they go shopping at the mall they usually bring their kids
- 84% of parents take their kids along when they go to a department store.
- 71% of parents say when the go grocery shopping they bring their kids along

Source: Nickelodeon Adult Influence Study (2004)

# Kids Come First

- “While apparel sales are down overall, sales of children’s wear are growing smartly.” --Time Magazine 7/14/03

Total Market	-1.7
Men’s	+1.8
Women’s	-6.1
<b>Children’s</b>	<b>+6.0</b>

# Who is Making The Decision?

- Who picks the clothes your child wears?

Parent	18%
<b>Child</b>	<b>30%</b>
<b>Together</b>	<b>51%</b>

Source: Nickelodeon Adult Influence Study (2004) Parents of kids aged 6-14

# But That's Not All

	Parent	Child	Together	Child Plus
Shoes/Sneakers	18	41	40	81
Fast Food Restaurant	19	18	63	81
Sit Down Restaurant	37	7	56	63
School Supplies	22	32	45	77
Video Game Systems	29	32	36	68
Video Games	21	32	44	76
Home Videos/DVDs	31	9	58	67

# A Vehicle Purchase is a Family Decision

- 78% of parents had conversations with their child about cars and trucks while shopping for a vehicle.
- According to parents, 74% of kids shared their opinions as to what they wanted parents to buy.
- The vast majority of parents (80%) reported that their child visited the dealership with them.
- On average kids visited dealerships 3.3 times during the car purchase process
- What did they do there? Parents reported:
  - 97% Walked around the lot with their parents
  - 84% got inside the different vehicles
  - 82% went on a test drive
  - 70% listened to the sales person.
    - Only 20% played in a play area.

# Toyota and The News About Kids

- “ Kids' influence on parents' buying isn't limited to candy bars or even pricey video game consoles. They help shape parental choices about cars, too. **Toyota**, seizing upon the finding, mounted an effort to incorporate the "kid factor" into not only an ad campaign for its redesigned Sienna minivan, rolled out in March, but into the redesign itself. Chief engineer Yuki Yokoya traveled cross-country asking families about their wants and needs in a vehicle.”
- “Everyone uses kids in minivan commercials, but no one has used them as the cause and source for the advertising,” says Brett Ridgeway, creative director at Saatchi & Saatchi in Los Angeles. "This is about kids' idea of what a perfect vehicle would be.””
- “The ads seem to have hit the mark with prospective buyers. **While minivan sales were down 9.2% in May 2003 vs. May 2002, according to Autodata, Sienna sales for the month surged 14%.**Dealers are saying the campaign and the product are so much more than they anticipated,” says Celeste Migliore, national manager of truck/SUV advertising for **Toyota** Motor Sales.. **“We're selling faster than we can keep them in stock.””**

Source: -USA Today (6/30/2003)

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# Kia and the Power of Kids

*“Kia ran a campaign offering free Shrek videos with test-drives of its Sedona minivan. **Advertised in both adult and children’s programming**, the campaign helped to give away 40,000 videos and **sold** more than **7,000 cars.**”-- Media Magazine (February 2004)*

# A Trend That Has Been Building Over Time

	<b>1990</b>	<b>1997</b>	<b>2000</b>
<b>Kids Own Spending</b>	\$6 Billion	\$23 Billion	\$ 28 Billion
<b>Family Purchase Influence</b>	\$50 Billion	\$188 Billion	\$286 Billion

- James McNeal's current estimates for kids own spending is **\$30 Billion** and their direct family purchase influence is **\$310 Billion**. Indirect influence is estimated at an additional **\$340 Billion**.

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Source: James McNeal (1999, 1997, 2001, 2003), *Kids Aged 4-12*

# **“The Ascendance of Shared Decision Making”**

- Nine in ten parents (89%) ask their kid’s opinions about products they are about to buy for them
- There has been an 8 point increase since 1998 (67%-75%) in the number of parents who discuss what they are going to buy with their children
- There has been a 5 point increase since 1998 (65%-70%) in the number of parents who ask their kids opinions before they buy products for the whole family.

**“Advertising will have to speak to the network & influence the group.”**

**- J Walker Smith, Yankelovich (2003)**

Source: Yankelovich AAAA Management Conference (2003), Penn, Schoen & Berland, (2001) kids aged 6-14,

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# Communications Have Changed As Well

The way individual family members receive information is different than it was even just a few years ago.

# Brave New Media World

- *"The retail universe has consolidated and the media universe has shattered. In brands' golden age the three big TV networks gave brand giants a direct conduit to the American public. **But as the mass media have de-massified into 1,000 bits-- 500 channels, DirecTV, blogs, and the mass marketer's worst nightmare TiVo--you don't see as many ads on TV. In short, brandmakers are losing their connection to the consumer.**"-- Brand Killers, Fortune Magazine, (9/2003)*
- *"**Exercising their options, viewers have turned down the volume, flipped channels, or turned off the set during commercials.** Now, individuals owning digital video recorders (DVRs) or personal video recorders (PVRs) automatically can delete all (or some) of the many commercials simply by touching a button, or they can fast forward through commercials with ease--thanks to Sonic/Blue's ReplayTV with a delete button and TiVo with its fast forward button."*
  - USA Today Magazine (11/2003)
- *"AC Nielsen research shows that sales of **private-label consumer package goods grew 38 percent between 1997 and 2002, compared with 19% growth in branded products.**" --Consumed, New York Times Magazine (2.22.04)*

# Kids Think About Brands Differently

*"House brands have no appeal to me, " says Susan Gifford, 46. If she subbed Shop Rite's "sandwich cookies" for Oreos, **her kids** would throw a fit."* --Brand Killers, Fortune Magazine, (9/2003)

- Kids are learning what it means to be a consumer and are learning about brands. The average 10-year-old has memorized 300-400 brands.
- Kids still think brands are important
- They feel brands connote something beyond the product and are willing to ask for them.
- **Parents are willing to buy them:** 72% of Moms say that they will purchase brands that their children prefer even though it differs from their own preference
- Kids tend to focus on media made for them.

# How Kids Want To Learn About Products

- About half of reported wanting to learn about products across the media they consume.
- 85% say they remember a product better if they see an ad for it in magazines, online and on TV
- 74% report that multi-media campaigns help them remember to buy the product
- According to Forrester Research, marketing effectiveness increased by 200% when several media are used to convey the message.

Source: Nickelodeon Magazine Tween Study (2002 based on kids 8-11),  
Brand Child, Martin Lindstrom (2003)

# Why This Shouldn't Be A Surprise

- The education community whose focus is to engage kids and communicate important information now uses **multi-media** approaches to teach kids.
- They found teaching with multimedia tools does a better job of communicating information to kids.
- This approach ensures learning by communicating across kids varied learning styles.
- This revolution in the classroom was sparked by **Howard Gardner's (1991) work on Multiple Intelligences** which demonstrated that children assimilate information best when conveyed in ways that matched their particular learning style.

# Media: Beyond Entertainment

Media has the potential to be kids window on the world

100% watch TV- 83% watched network TV in the past week

74% watched basic cable

23% watched premium cable channels

97% have a VCR

26% have a DVD player

100% read a magazine in the past 6 months,

71% read or looked through magazine in the past month.

82% have a computer (average # in HH=2)

75% go online

97% listen to the radio

93% listen to prerecorded music

77% buy movies to watch at home

Source: MTV Leisure Time Study (2002); National Tween Study (2002,2003)

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# Kids and Families

- Are a force to be reckoned with
- The importance of communicating with them cannot be over stated
- They appreciate companies that care about them
- Their impact on your business is both immediate and long term
- If you listen to them, you will learn from them and you can grow with them
- What is good for kids is good for families and is good for your business

# Nickelodeon's Healthy Marketing Principles

- **With consumer products and promotional partners:**
  - Encourage partners to develop packaging labels that accurately reflect a nutritious diet for kids (kid-appropriate portion sizes)
  - Make food labeling and nutritional information more kid-friendly
- **When advertising Nick licensed or promotional food products:**
  - Encourage and depict active lifestyles in all Nickelodeon-related food ads
  - Demonstrate proper product serving sizes (kid appropriate)
  - Represent typical consumers (kids come in all shapes and sizes, our food advertising should reflect that)
- **Off Channel:**
  - Incorporate healthy food items into promotions (example: General Mills partnered with Nick Jr. to create on-pack programs with their healthier cereal (Kix and Dora, Cheerios and Blue)
  - Associate Nick characters with positive healthy meals at restaurants and on healthier packaged products
  - Develop specific marketing guidelines and filter for any school-based marketing and brand presence
- **Advertising on Nickelodeon, our objectives are to:**
  - Enforce and enhance CARU guidelines for food advertising
  - Encourage partners to follow "Healthy Marketing Principles"

# Thank You

Any questions? Please contact:

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