



Lifting the lid on NZ families in 2020



Forecast 7

Mum, Dad and two kids...



Mum, Dad and two kids...

The quintessential 'household shopper with kids' target. Our short-hand for mass targeting NZ families.

Back in the 70s it was a pretty good proxy – the good-old nuclear family.

But we know a lot has changed – membership of the parent club comes in many different shapes and sizes now, but how well do we understand them?



Are we missing a marketing beat if we don't understand what households look like in 2020?

Are our propositions meeting their real needs?

Are we reflecting the diversity of families (or token box ticking)?

Are we over targeting on some platforms and not refining enough on others?



We set out with a hypothesis:

The typical NZ HHS with kids in 2020 needs to be viewed with a much wider lens because of our more diverse family arrangements, cultural blends and often intergenerational households.

This has significant implications for marketers looking to connect with their target audience via media, devise distribution strategies, build compelling content and create different user experiences.



The household shopper with kids demo is as important as ever. But how can we get their attention if we don't understand their differences?

We set out to take a look at the 'typical' family today to see what they're really like.

And what we found is that they're 'not so typical'.



For brands to become part of 'family life', we must know more than what they buy and where, but who they are and what matters most when they are making those decisions.

Then we need to talk to them in a way that's relevant.

This gives us the best chance of getting their attention.



In a world that's constantly changing, we are being bombarded with more messages through more channels than ever before.

We only have so much capacity to take these messages in. Our attention is a limited, valuable resource.

センター街 “Attention is a

resource –

a person has only

so much of it.”

Matthew B. Crawford

The Cost of Paying Attention,
The New York Times.

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So let's take a look at what NZ families look like today – and who is making the purchase decisions – to help us get their attention.



We knew family structures had changed...



**Age of
parenthood**



Gender roles



**Home
ownership**



**Extended
families**



**Greater cultural
diversity**



**Kids staying at home
longer – and returning**



**Separated and
merged families**

Demographically we also knew:



The age of first-time mothers has increased.



Families are having fewer children (with a significant increase in families with only one child).



There's significant growth in families with three or more generations living in them.



Interestingly, only 10% of households we spoke to are single parent families.

So, we spoke to 1,500 parents living with their children to interrogate them more deeply. We considered:

- > In 2020 what is a family HHS in NZ?
- > A household with children and parents living together?
 - > If so, what age of children, what age of parents, whose parents, one or two parents?
 - > What defines them by common priorities and concerns, and what are the differences across different family types?
 - > Where do they get their info for decision making?
 - > What's the role of video media in their lives?

Methodology summary

We spoke to 1,500 New Zealanders living in Family Households

♂ 48%

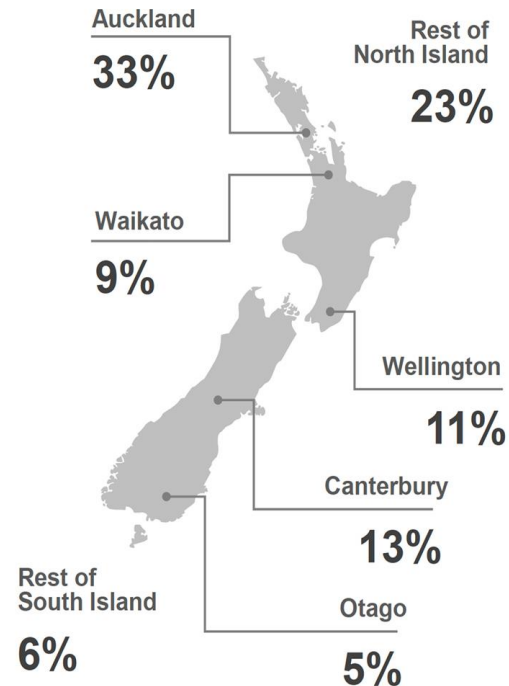
| ♀ 52%

18-29 y/o 15%

30-39 y/o 29%

40-49 y/o 38%

50-59 y/o 18%



New Zealanders aged 18-59 years: parent/caregiver of a child who is living at home (regardless of age)



A 15-minute online survey



Conducted from 31 January - 10 February 2020



A nationally representative sample of New Zealand

Methodology summary

Qualitative online immersions

Multi-stage approach

Stage 1 n= 18 screening interviews

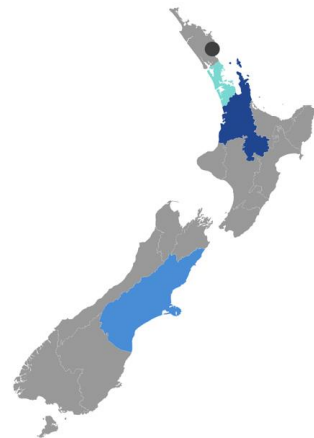
3 representatives of all segments
25-30 minute sessions

Stage 2 n= 6 screening interviews

Two representatives of each new segment
Conducted over three
x 50 minute sessions
Staged focus on different topics
Strong building of rapport

Stage 3 n= 6 post-Covid 19 interviews

One representative of each segment
Review of changes under lockdown
30-minute sessions



- Waikato
- Canterbury
- Auckland
- Whangarei



Urban and rural
North and South islands
Mix of ethnicities
Mix of gender



Pre-Covid lockdown
Level 4 lockdown
Level 2 lockdown



Interviews conducted across March – May

Stage 1: 16 - 26 March
Stage 2: 30 March - 4 April
Stage 3: 19 - 22 May

Before looking at some of the differences in what we saw, here's what's **common** across all families.



#1 financial priority is to reduce debt.



All aspire to help and support their kids to be as successful as they can be.



Priority to spend time together as a family.



They have an underlying happiness with their children enjoying a healthy, happy life.

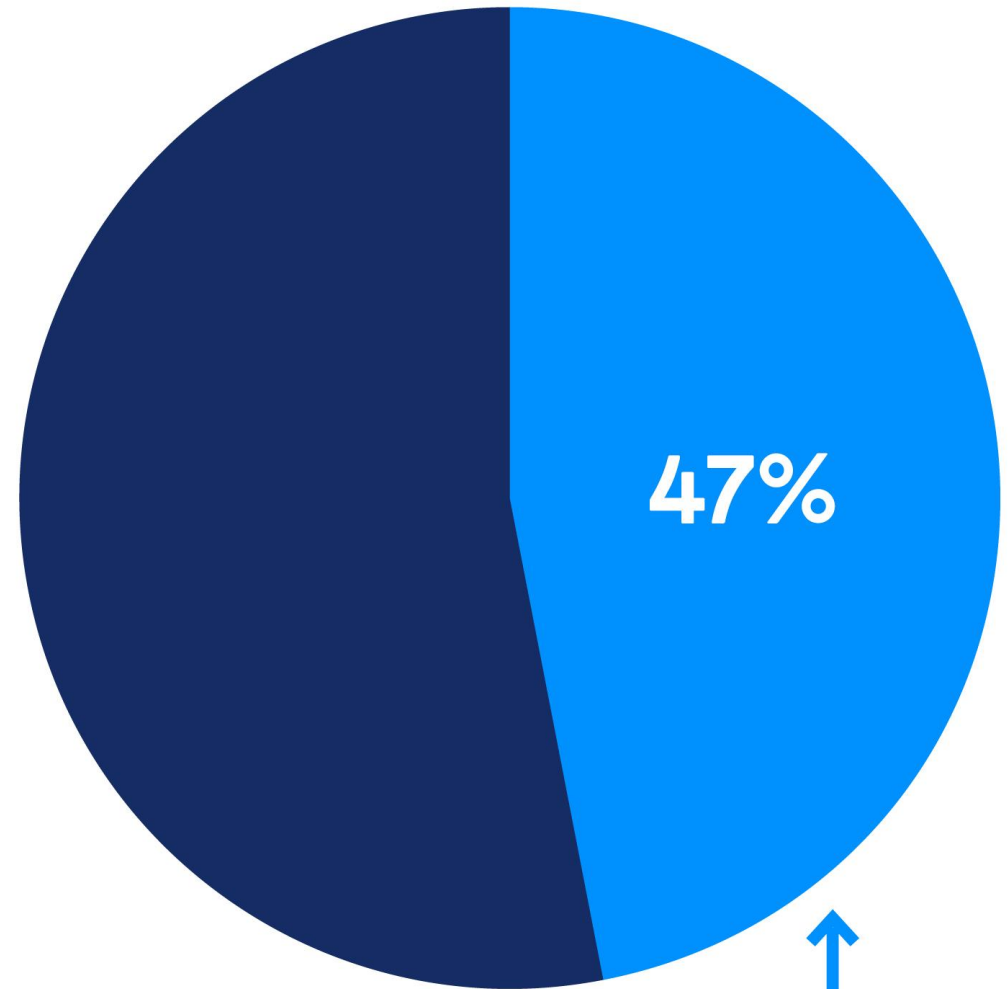
What did we find?



The stereotypical nuclear 2-parent-2-kid household covers 47% of who we spoke to.



\$139m of the weekly household spend.

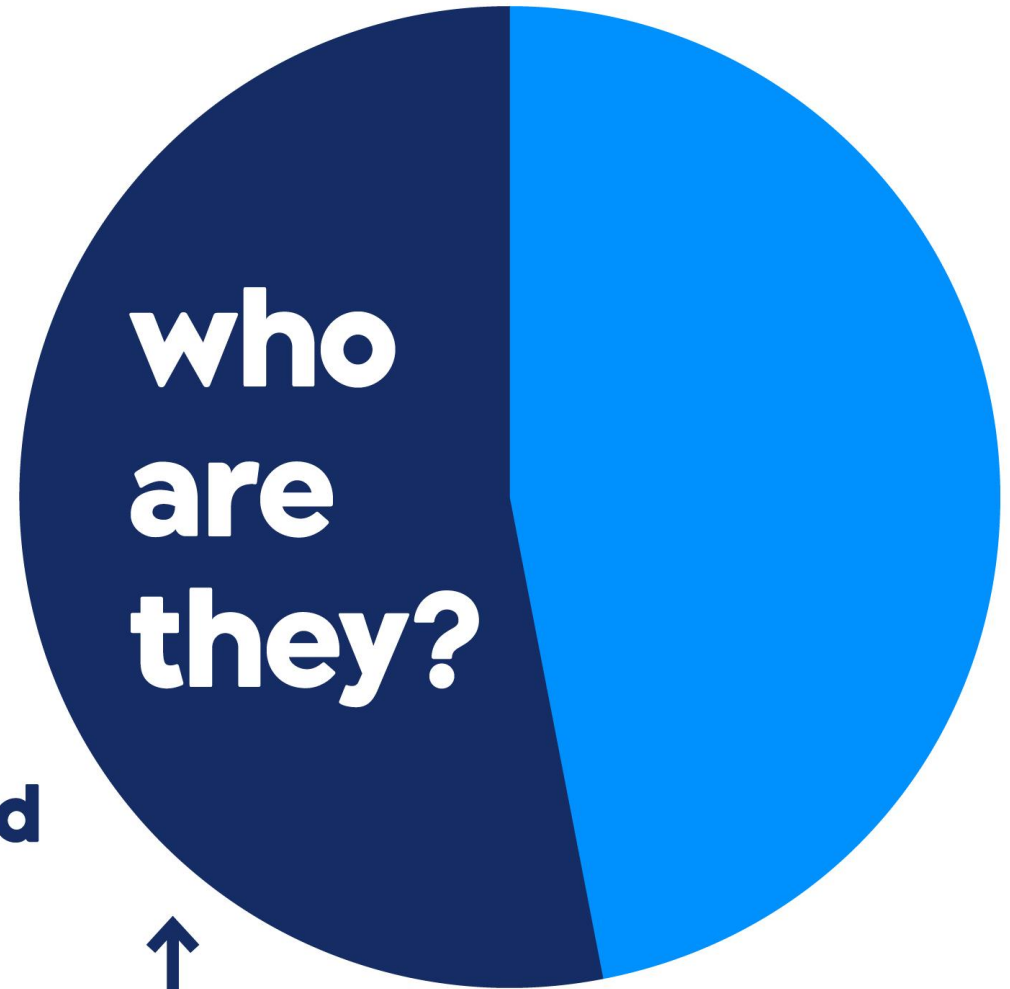


Note: Total segment spends \$268 million weekly based off segments created within the 18-59yo w/kids group. Base group 18-59yo w/kids spends \$826 million weekly and the total NZ population's weekly spend is \$2.2 billion.

What about the other 53% we spoke to?



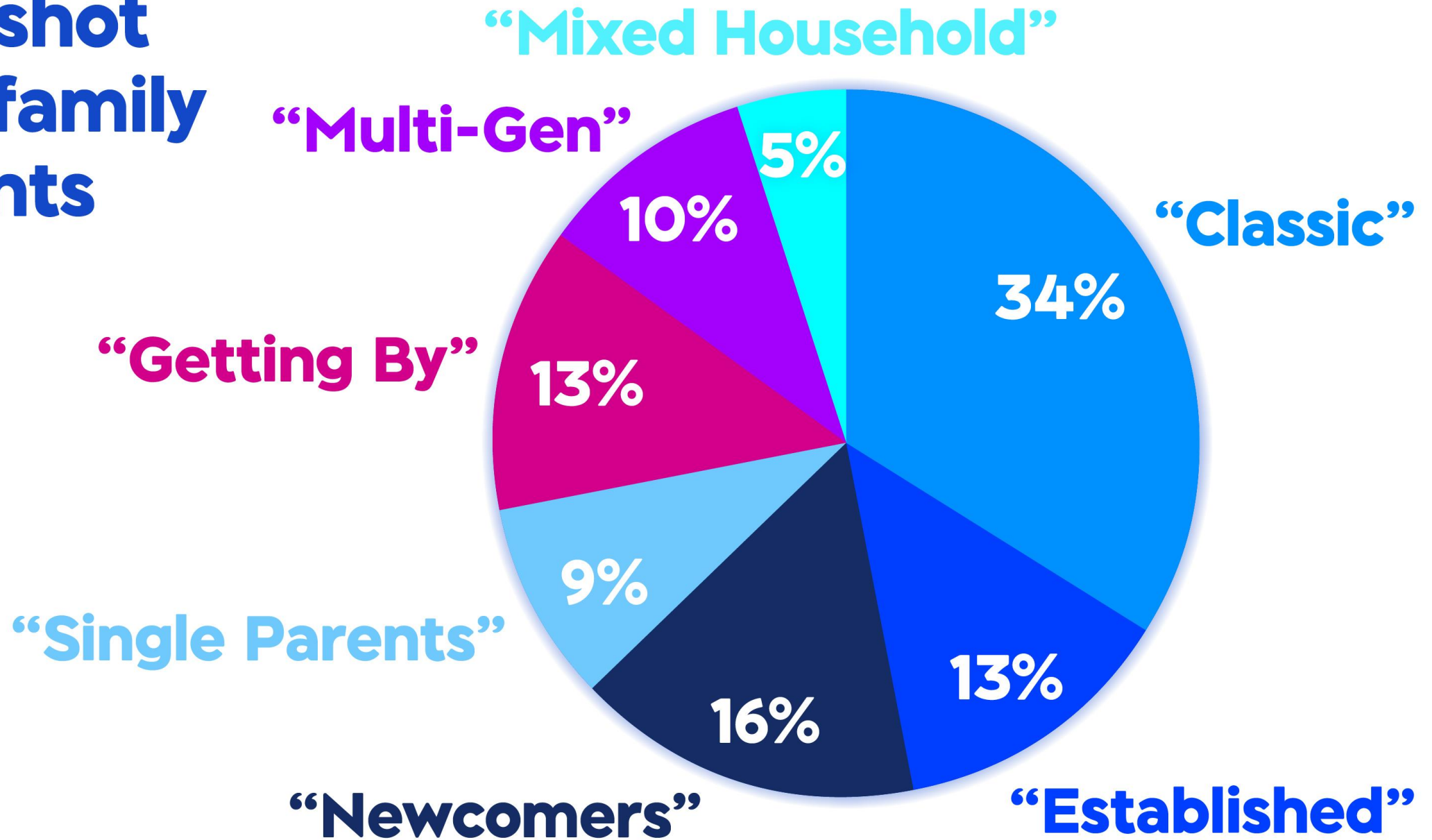
They're worth \$130m of the weekly household spend!



Note: Total segment spends \$268 million weekly based off segments created within the 18-59yo w/kids group. Base group 18-59yo w/kids spends \$826 million weekly and the total NZ population's weekly spend is \$2.2 billion.

**Let's take a deep dive
into our families and
the 53% spending
\$130m per week!**

A snapshot of the family segments

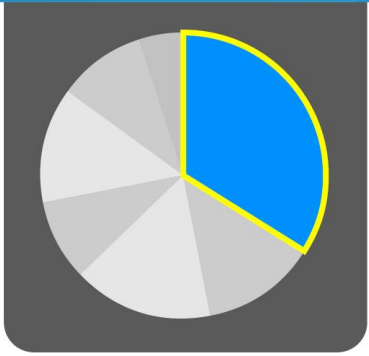




The 'traditional' segments: "Classic" – 34%

Their priority is financial security, spending time with and supporting their kids as they grow older, and finding work-life balance, even if that requires some debt now to enjoy family experiences.

- Two parents.
- Two or more children (78%), at least one over 5yrs, aged 5-14yrs (43%).
- Currently 40-49 yrs (53%), most had their first child in their 30s.
- Working full-time (or at least part-time) – services or business.
- Income skews higher to \$100k -\$200k (40%).
- Own home (with a mortgage) (70%).
- Happy where they are (65%).
- NZ European (73%) / Other European (13%).
- Shared decision making in many areas (education, holidays, finances) but some traditional skews (male partners for home technology and DIY, female partners for grocery shopping and meal preparation).



The 'traditional' segments:
“Classic” – 34%

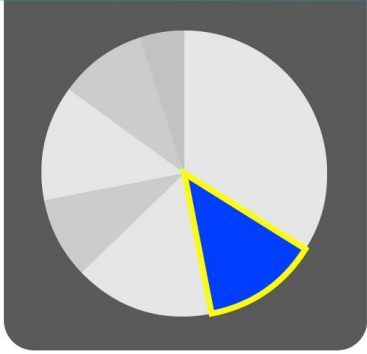
“I’ve got quite a lot of things [in the pantry] that make life easier.”



The 'traditional' segments: “Established” – 13%

They may now have a house and feel it's time to start having some fun again, and give back to others/community. They are savers, who choose quality over value and rather spend money on themselves (vs their kid/s).

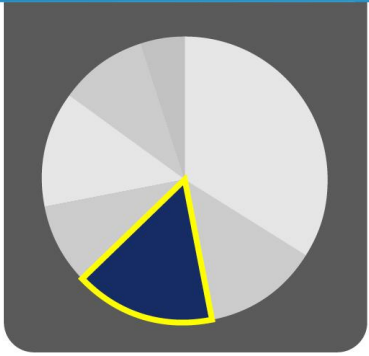
- Two parents – older with older kids either still living at home or who have left and returned.
- Single child (45%), aged 15-19 yrs (40%), aged 20+yrs (33%).
- Currently 50-59 yrs (37%).
- Income \$150k+ (37%).
- Own home (28% without a mortgage).
- Live in lower North Island (33%), skew to Wellington and rural areas.
- NZ European (75%).
- Shared decision making across all areas.



The 'traditional' segments: **“Established” – 13%**

“I’m not earning heaps but we’re comfortable... We’re just happy as it is, we’re plodding along. We have money aside for retirement and for a trip back [to the UK] ”

“We’re typical, maybe boring.”



The 'untapped' segments: “Newcomers” – 16%

Their priority is to help and support kids to get the right start in their development, focused on earning enough to do so, reducing debt and trying to save money. They value the support of others in helping them parent successfully (on their own terms).

- Two parents.
- Most with one child (62%), all children under 5 yrs.
- Currently 18-39 yrs (87%).
- One parent on home duties (41%).
- Living off one income \$70k-\$100k (42%).
- Less likely to own a home (68%).
- Living in the Waikato (13%), have moved to the regions (18%), one in...

...five have moved recently typically from rural to the suburbs due to better job prospects.

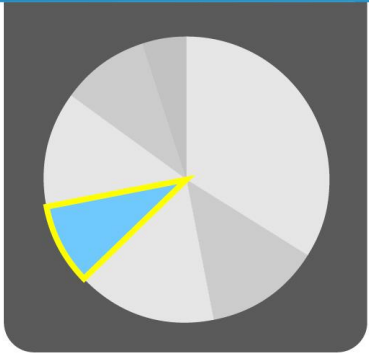
- While decisions on holidays, media/entertainment and education are shared equally, many other decisions are made along traditional gender lines (males have more influence on finances, home connectivity & DIY while females have more influence on kids' items and home decor).
- However, household grocery shopping is relatively more likely to be shared.



The 'untapped' segments: “Newcomers” – 16%

“I’ve personally got a whole day to fill in so I prefer going to the shop... but for the budget, click and collect makes it easier to stick to.”

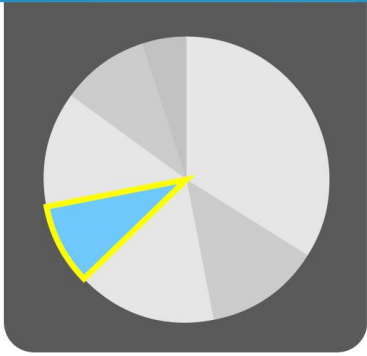
“Everything we buy is budget brands.”



The 'untapped' segments: “Single Parents” – 9%

After the challenges of changes in partners/relationship, they may struggle with debt and managing life on limited income but take pride in being resilient and successfully nurturing their family. They may even welcome a new sense of independence.

- One parent – older parents with older kids either still living at home or who have left and returned.
- Single child (53%), school age or older.
- 40+ yrs (70%), female (69%).
- Income skews lower to under \$50k+ (40%).
- Work in clerical and sales roles.
- More likely to rent (51%).
- NZ European (77%), NZ Maori (13%).
- Living rural but would like to move to a metro area.
- Make the household decisions; however the kids have a big influence when it comes to their items and education. Grocery delivery services help make their busy lives easier.



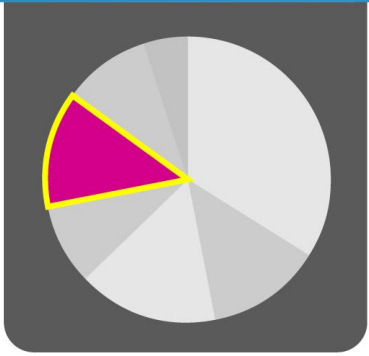
The 'untapped' segments: “Single Parents” – 9%

“Living in a rental property I’ve learned to be flexible and adaptable, and so has my daughter.”

“The more time I have, the more time we spend as a family.”

“Making sure my priorities are right and I’m making time for experiences with my kids.”

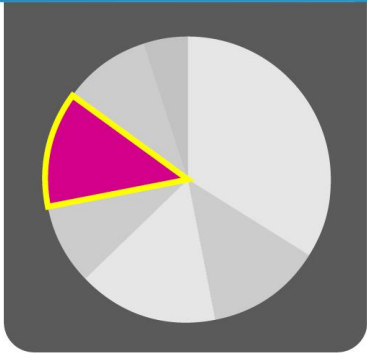
“I want to stop talking about it and start doing all the things we said we would; I’m making plans.”



The 'untapped' segments: “Getting By” – 13%

Struggling week to week, they generally seek value over quality, and spend on their kids before themselves. Despite having many worries, they still aspire to a better life and even owning a home.

- Two parents, shared parenting (14%), blended families (24%).
- Mixed ages of children.
- 18-39 yrs (70%), female (54%).
- Average income under \$60k, under \$100k+ (53%).
- One parent not working (28%).
- More likely to rent (42%).
- Live in Auckland (42%); currently live in the suburbs but would like to move to a rural area due to a cheaper lifestyle.
- Asian (27%), Pacific Island (8%).
- Household decisions are made jointly.



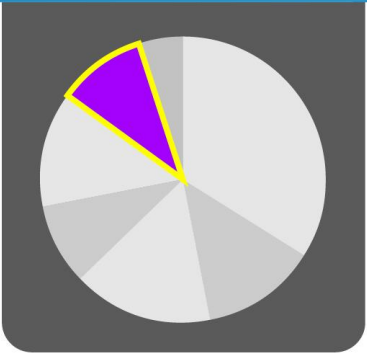
The 'untapped' segments: “Getting By” – 13%

“If at first you don't succeed, try, try again.”

“I have a dream, I want to own my own company, employing minimum 20 people. I'm running after this dream everyday.”

“I am renting but people who don't know me judge me as living in a state house. We're not neglecting our children or drinking every night... We just don't have the opportunity to live in a nice area.”

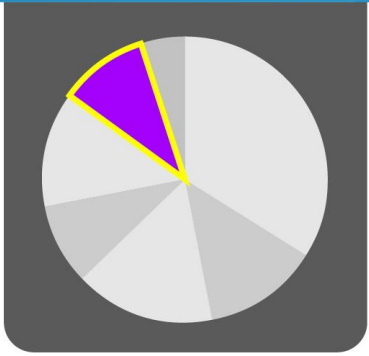
“A treat - could be ice-cream or lollies; going to the beach / a walk with dog / boys going out exploring... McDonald's...”



The 'untapped' segments: “Multi-Gen” – 10%

There may be cultural traditions around caring for parents and aspirations for their own kids to succeed; financial security and reducing debt are balanced by enjoying spending money and supporting extended family. There is greater concern about potentially losing their connection to culture.

- Two parents.
- Households with three generations living together, often due to cultural norms.
- 2+ children (77%), mixed ages (43%), 20+yrs (24%), grandparents (85%), grandchildren (27%).
- More likely to live in Auckland and metro areas.
- Average income \$90k - \$150k.
- 7 out of 10 own their own homes; more likely to live rent free (e.g. living in grandparents' home).
- Asian (41%), NZ Maori (13%).
- Greater involvement of others (e.g. grandparents) in decision making, as well as shopping and meal prep. Male partners are more likely to do grocery shopping.



The 'untapped' segments: “Multi-Gen” – 10%

“My parents help with cooking, grocery shopping and our 3-month old baby.”

“Working hard and property investment to build wealth.”

“My biggest motivation is financial freedom... and to spend more time with my family.”

“I work hard. I love travelling, sports and exercise regularly; spending time with other families; staying healthy.”



The 'untapped' segments:

“Mixed Household” – 5%

This group has a mixed bag of 'family' members living with them. It could be 'other' adults who are not grandparent or kids and/or 'other' children living with them.

- Households that have other people living with them, beyond immediate family members.
- One-third are blended/step families, and often have older children still at home.
- Older parents 50+ years, who started their family early.
- More likely to own home without a mortgage.
- More likely to be a business owner or self-employed.
- Average income \$70k - \$150k.
- Many decisions are made jointly with partners, with the male partners less likely to be sole decision makers for categories such as outdoor, DIY, media.



The 'untapped' segments: “Mixed Household” – 5%

“Everyone is getting along.”

“Everyone is generally happy, most of us are as healthy as can be and there is always a lot of love in our immediate and wider whanau. We have a roof over our heads in a larger place than this time last year.”

So what are some of the differences in the gender roles between the segments?

- > Who is doing the grocery shopping?
- > Who is doing the household chores?
- > Who is making the decisions?



More male partners than you might expect are performing roles in the household that were once the domain of females.

While **55%** of females do most of the household shopping and meal prep...

21% of the grocery shopping is shared

26% of the meal prep is shared.

22% (nearly a quarter) of males do most of the grocery shopping.



Here's who's making the decisions across segments...

Newcomers: Shared decision making between partners but with traditional gender splits as well.

Parents have a big influence on how they raise their kids (rather than being determined to do it their way).

Established: Decision making is shared.

Single Parents: Kids have input into decision making.

Multi-Gen: 'Other' people have a role in decision making - e.g. grandparents and males are doing more of the grocery shopping.

Getting By: Shared decision making between partners.

Parents have a big influence on how they raise their kids.

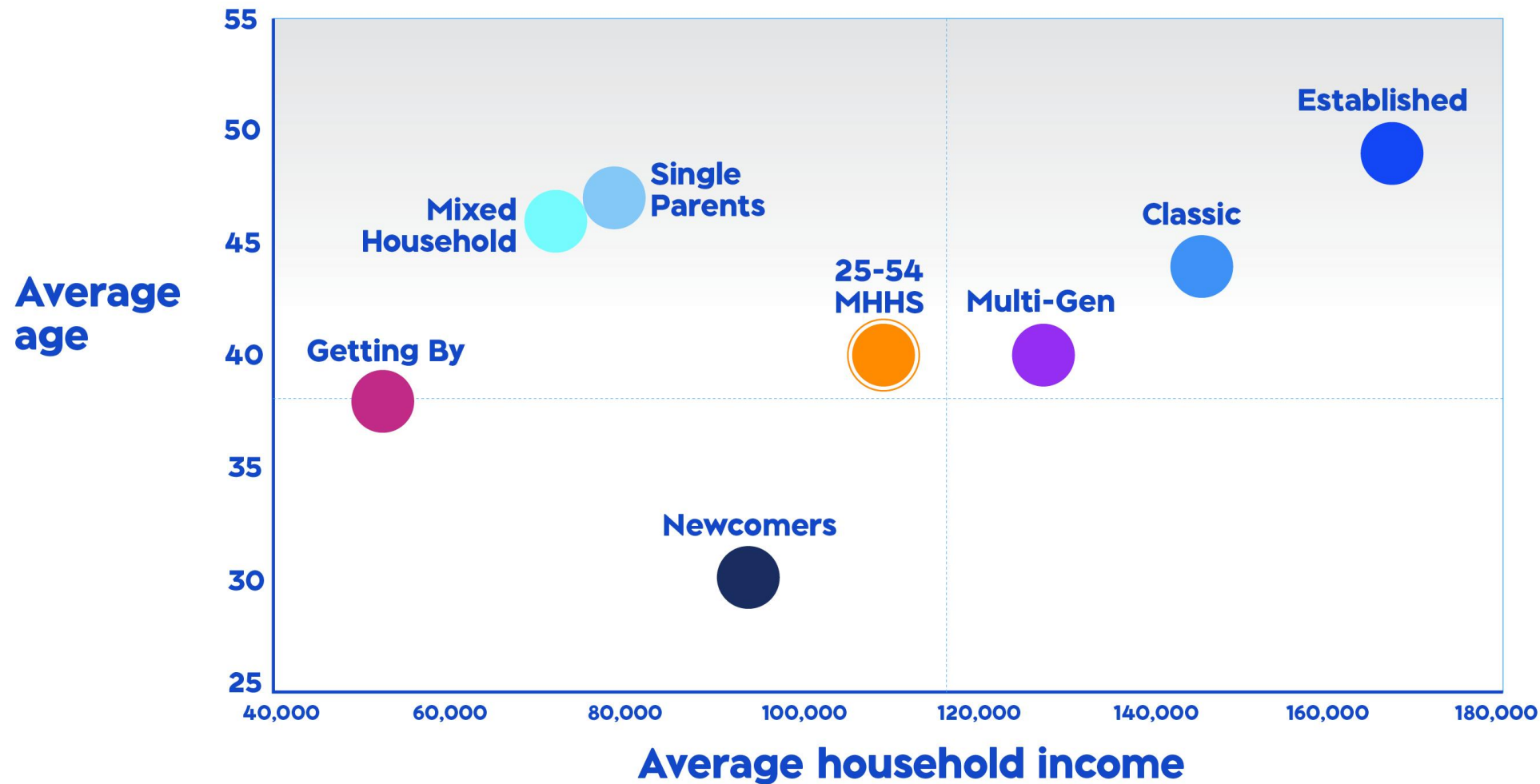


It's all about the decision making...

“We both try to discuss with Mum [and take] Mum’s or Dad’s advice on how to do good parenting.”

Multi-Gen

The segments have very different income levels which affect their priorities.



Their aspirations and priorities aren't always the same and might not be what you expect...

Classic: lower priority for saving for future BUT they do want to be financially secure.

Established: higher priority for enjoying spending money on themselves (rather than on kids).

Newcomers: focused on reducing debt.

Single Parents: lower income but home ownership is a priority.

Getting By: lower income but home ownership is a priority.

Multi-Gen: higher priority for retiring early.

- Lower priority for supporting kids (perhaps because grandparents are helping them in the household and/or feel duty to care for the grandparents).
- Enjoy spending.

Aspirations and priorities...

“Almost paid off my debts and going to study this year.”

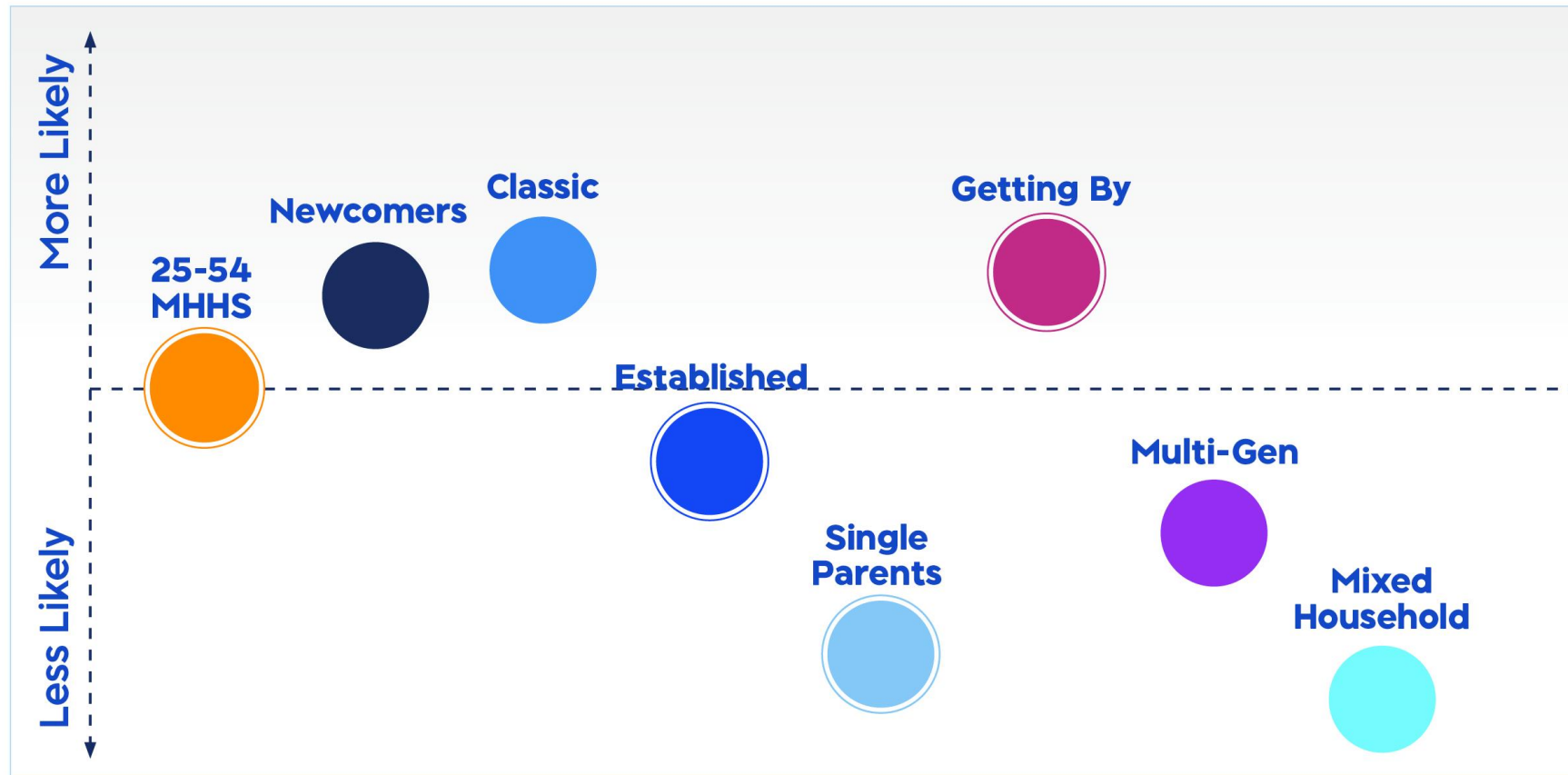
Single Parents

“My [future hope] would be probably to finish my studying and gain that Monday-to-Friday job, and our family’s one would be to get our own house.”

Getting By

Even though every segment's focus was to reduce debt, there is more focus on this in some segments than others.

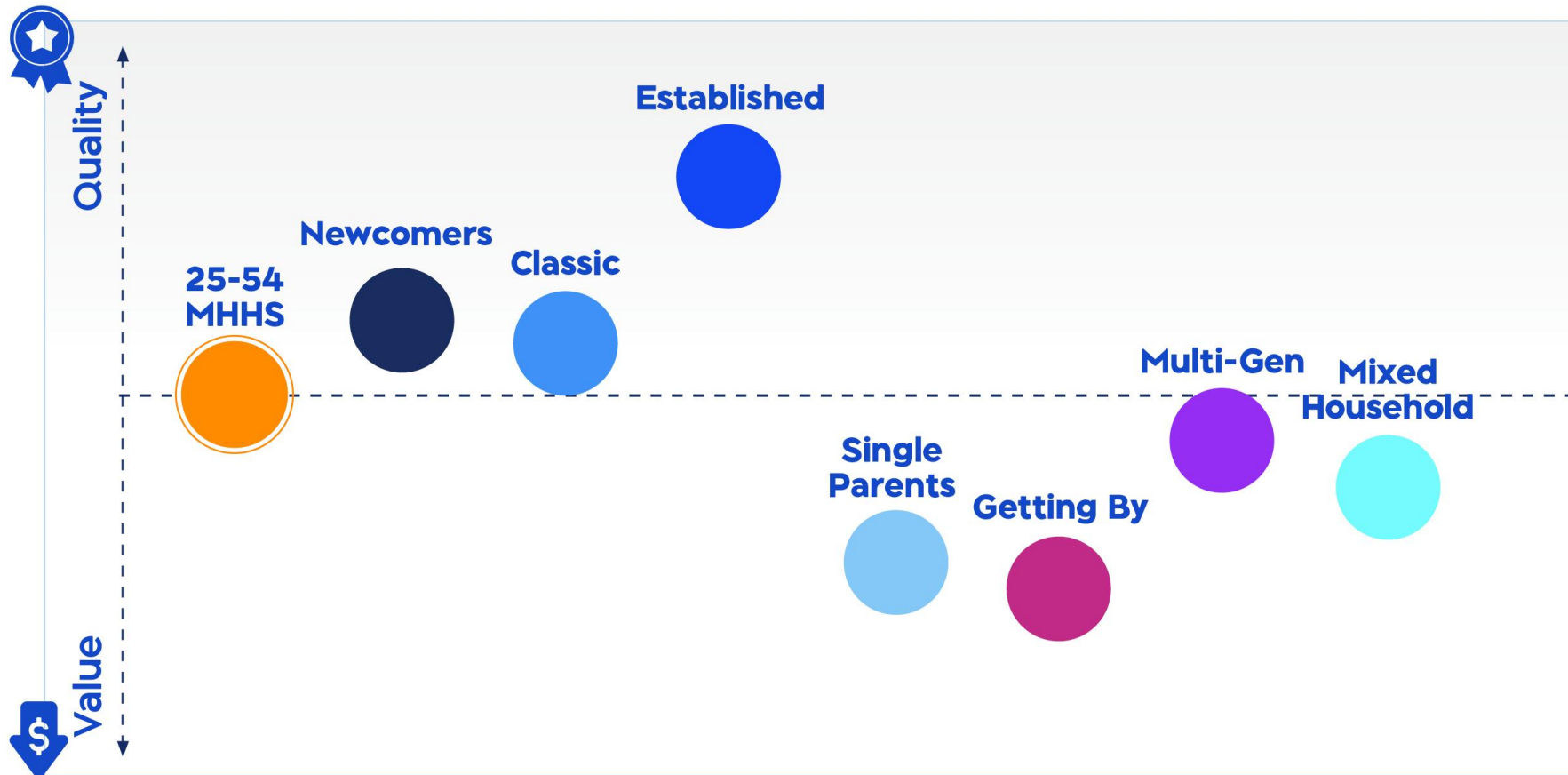
(e.g. mortgage, credit cards, loans etc.)



For example...

- > The reasons behind this focus could vary depending on whether a family is able to reduce debt, e.g. **Getting By** keen to clear debt to get ahead vs. higher income segments like **Established**, where they have less debt and are willing to spend money on things they enjoy.
- > **Single Parents** skew to a lower income and therefore may not have the ability to pay off debt.

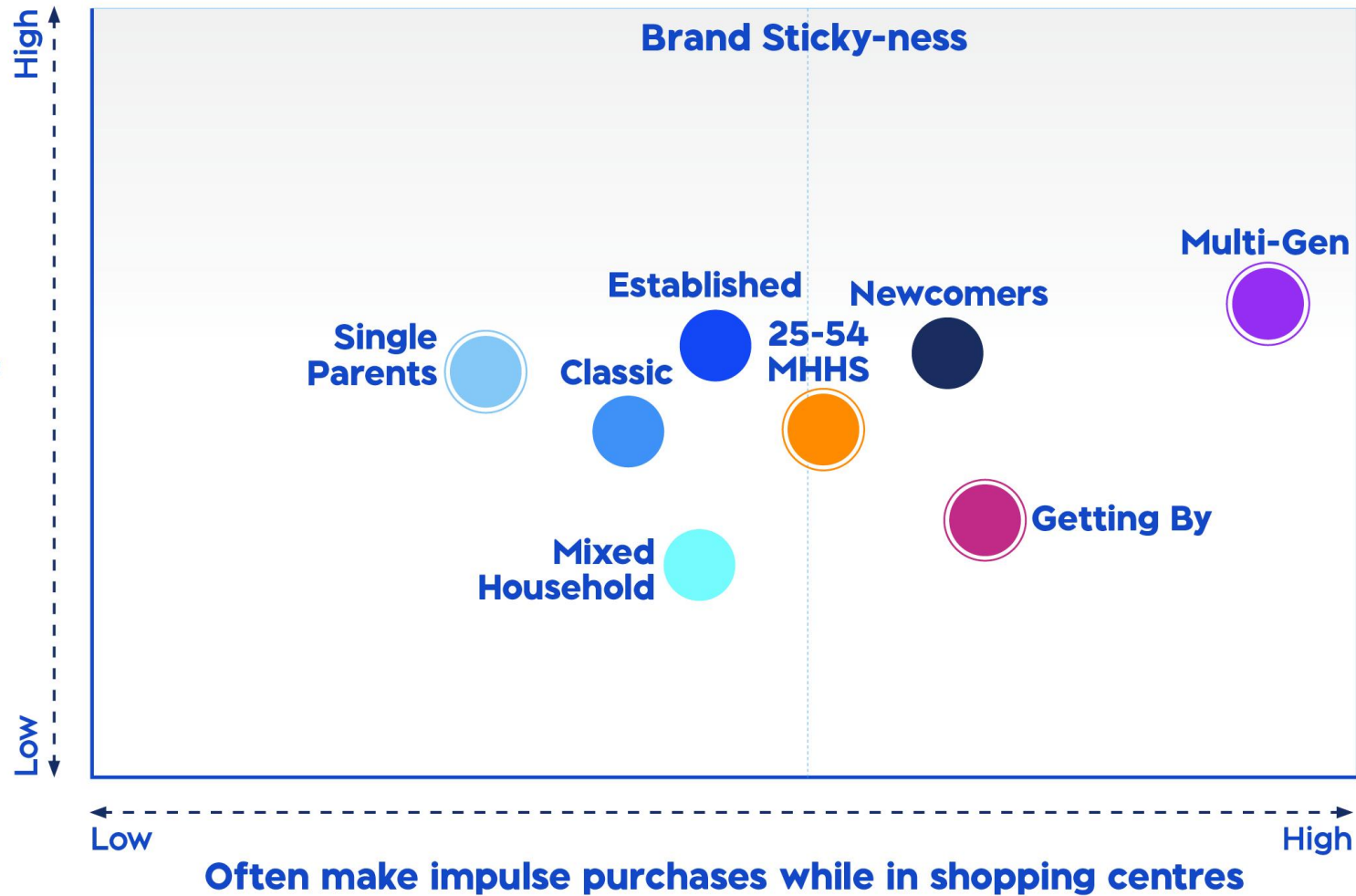
While this picture looks like what you'd expect based on each segment's average income, don't assume segments with a lower income won't buy quality products.



For example...

- > When asked, 75% of ALL families said they prefer to buy quality items that will last a long time, even if it costs a bit more or takes longer to get rather than items that are cheaper and won't last as long.

Whether people always stick with the same brands – or try something new – varies by segment



For example...

- > **Getting By** are less likely to stick with brands they've used for a long time, even though they're on a tight budget.
- > **Multi-Gen** are more likely to stick with the same brand BUT are also the most likely to make an impulse purchase while out shopping.
- > **Single Parents** are the least likely to make impulse purchases, possibly because of lower income.

This plays out in some of the brand and product preferences that came through.

Single Parents

Organic: focus on personal goals and self improvement

Apple / Dyson: might be renting but buy quality portable products they can take with them

My Food Bag: save time for spending with kids



Multi-Gen

Movenpick / Magnum: nice treats for the whole family

Samsung / Apple: tech brands to stay in touch with family overseas



This plays out in some of the brand and product preferences that came through.

Getting By

Whittaker's: small pleasures when living week to week

Samsung: want the best of some things

McDonald's: kids' treat on a tight budget



Newcomers

Meal or grocery delivery services: time-saving products

Ethique: costs more but lasts longer, has a philosophy that appeals



Brand highlights

“I like the organic frozen vegetables. It’s a brand called Organic OOB... I guess I am becoming a little bit more aware of the pesticides that go on our fruit and veges so I am tending to move away from the stuff I’d buy from the supermarket.”

“I’m not fussy about brands with tins.”

[Detol] “I think because it’s been around for so long it’s trusty and true.”

Single Parents

“My favourite brand: #1 is Samsung, #2 is Sony... When I used it [Samsung Galaxy mobile] for the first time, I liked it so from then onwards, Samsung was my favourite.”

Getting By

“I LOVE Watties, the brand, so I wanted to stock up but I couldn’t. So we stocked up on Pams and Value. When I stocked up it was more of I needed quantity versus quality [for lockdown].”

“I compare prices online.”

Getting By



TVNZ has diverse platforms and content offerings that speak to all segments.

**In the same way we found with Millennials,
families are consuming MORE TV than
perhaps some of us thought...**

**TV is a platform used by families because
it's inherently social - people view together,
and it forms part of the daily routine.**

**It can play an important connection role –
to feel part of something bigger/connect
with others and a way to bring their
household together.**



TV will always have a place in our life for...



For everyday entertainment: 63%



To keep up with news and what's happening in the world: 52%



Source: Colmar Brunton Forecast 7 Quantitative Research 2020. Total Sample (n=1,500).

“The news is on when we’re eating dinner at the table.”

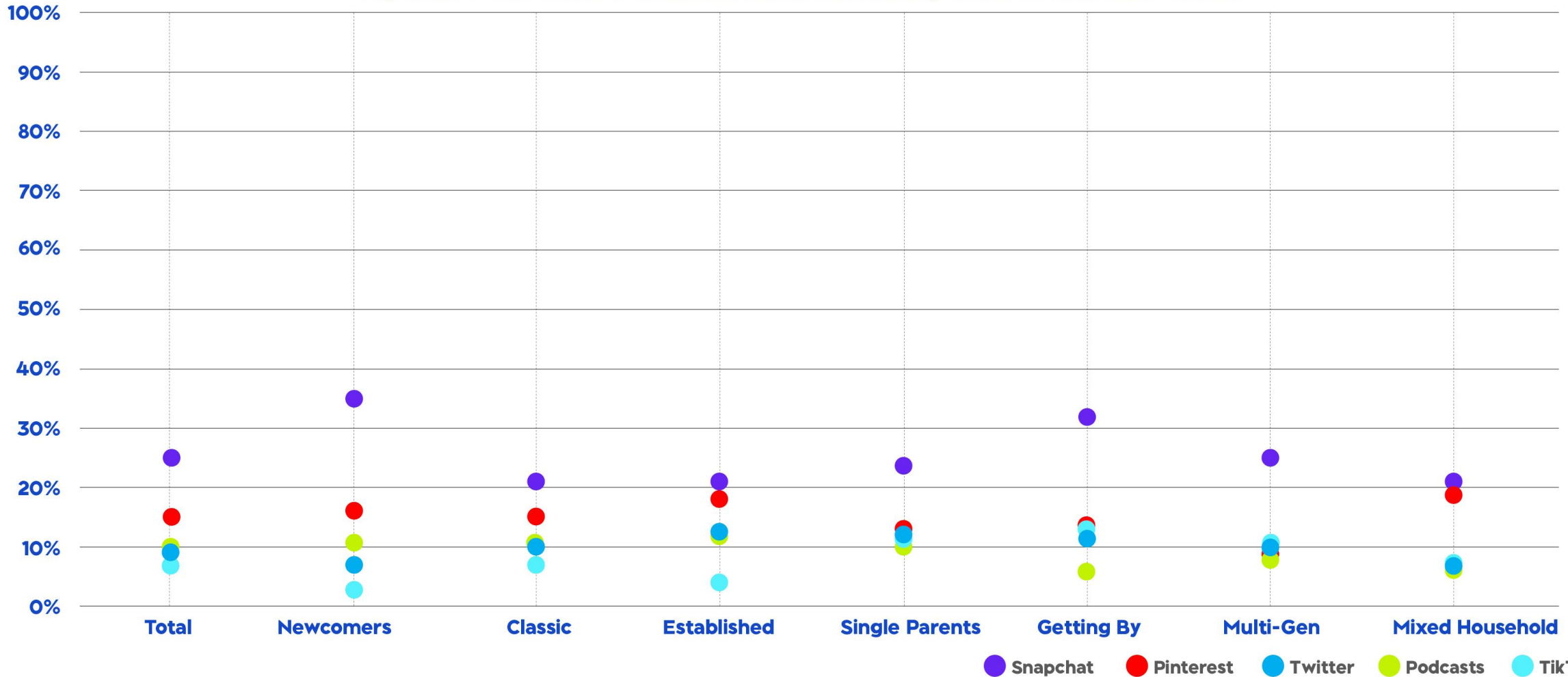
Multi-Gen

**“We will watch a spiritual drama
[Ancient Indian Religious Drama]
as a family.”**

Getting By

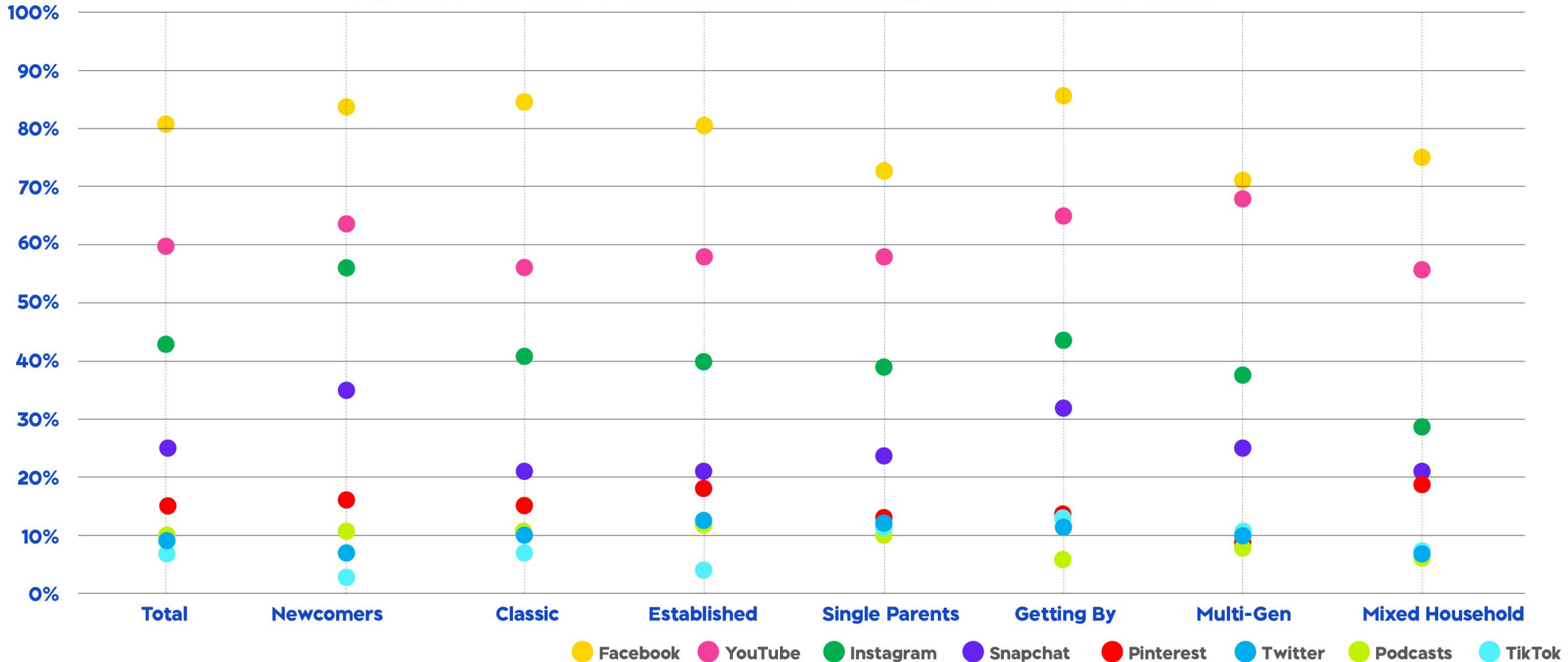
Many popular social media platforms are rarely used by any segment.

TV/Video Services & Social Media watched/used in the last week



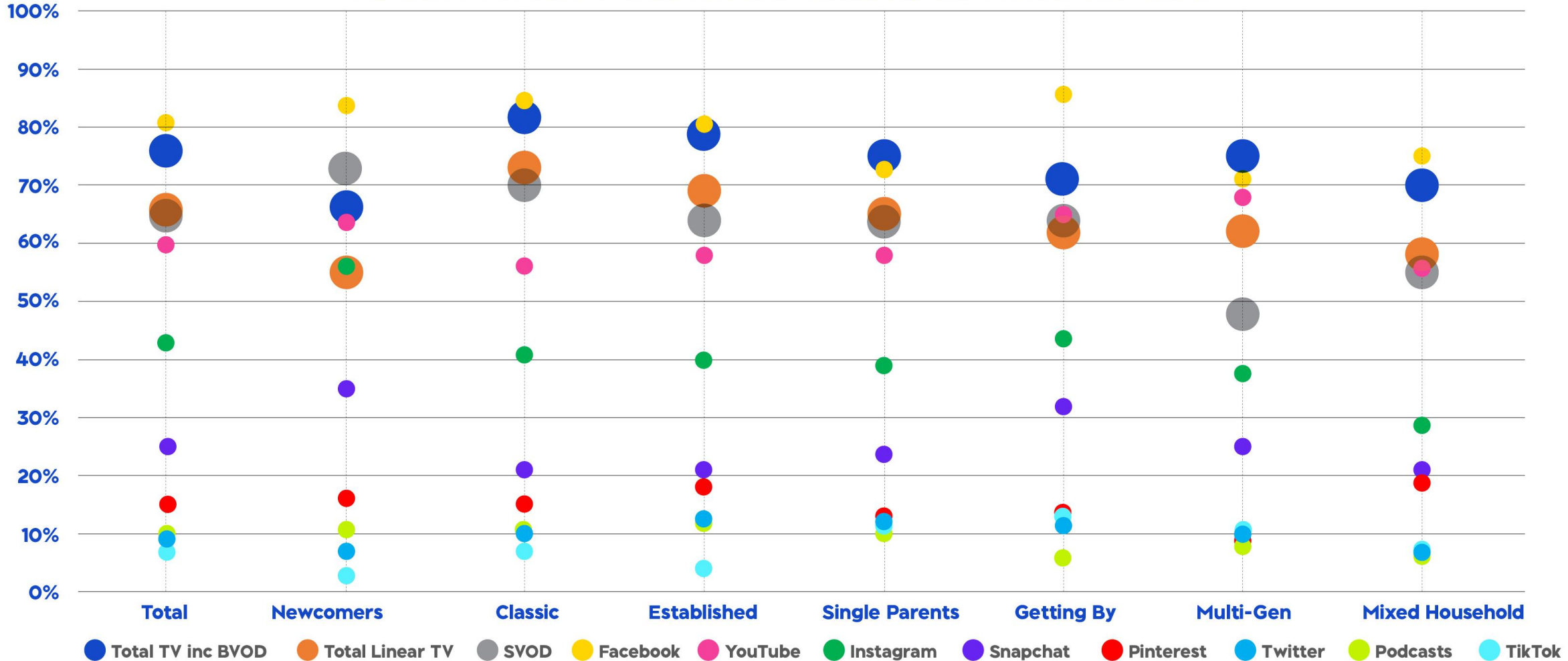
Usage increases for Instagram and YouTube with Facebook being the social media platform generating the highest reach.

TV/Video Services & Social Media watched/used in the last week



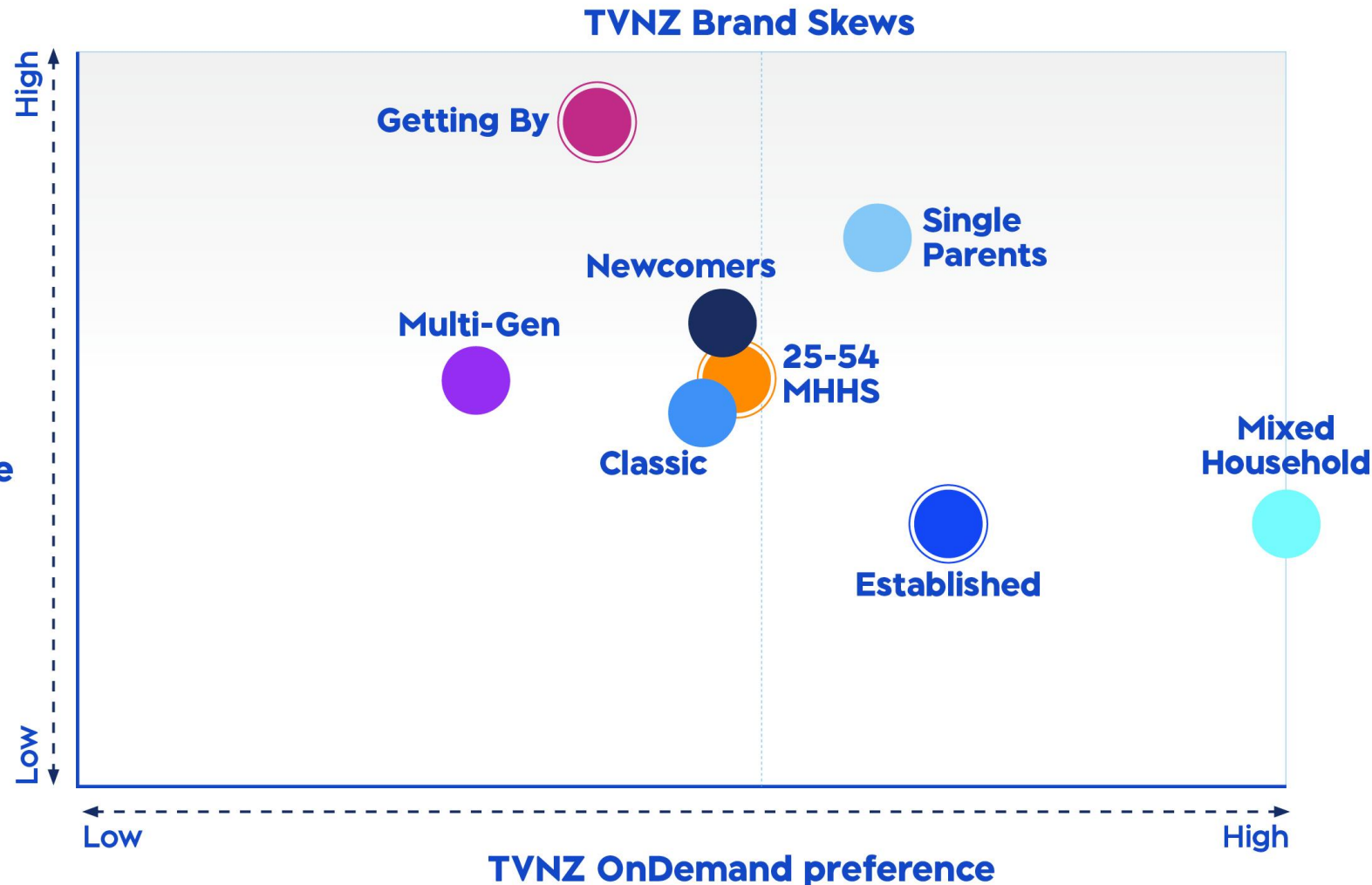
However, most social media platform usage falls well below TV, in particular **‘Total TV including BVOD’** and **‘Total Linear TV’**.

TV/Video Services & Social Media watched/used in the last week



Source notes: **Total TV incl BVOD includes:** Free-to-air television channels including recorded shows, SKY TV channels including recorded shows. **Free streaming of TV broadcast programmes, movies and sport. Total Linear TV includes:** Free-to-air television channels including recorded shows. **SKY TV channels including recorded shows. Total Linear TV is predominantly driven by FTA TV. SVOD includes:** Streaming of programmes, movies and sport via a paid subscription service (e.g. Netflix, Lightbox) even if you are getting it for free.

We also know where they're watching so can help target them better.

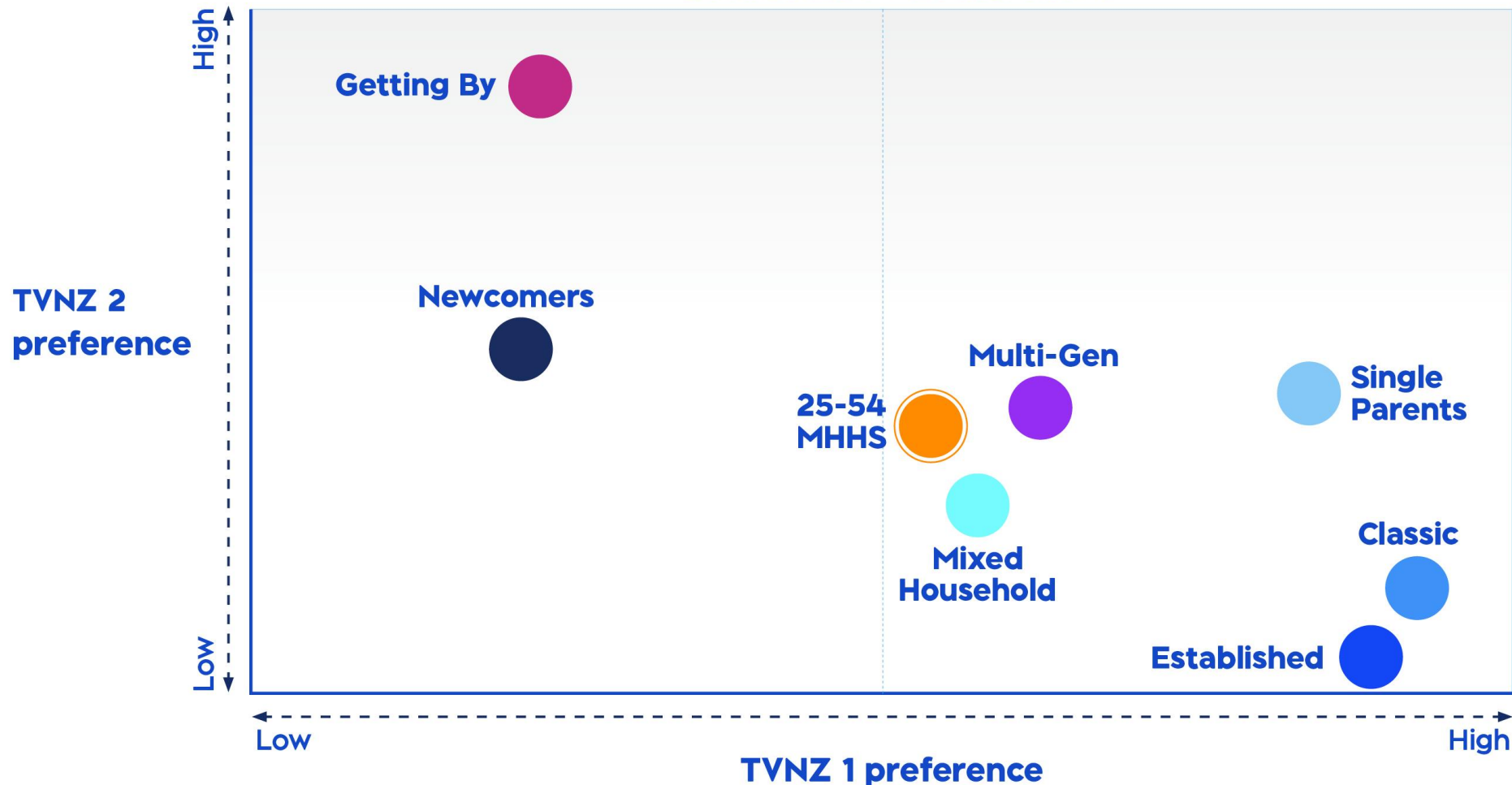


For example...

- > **Getting By** - more likely to watch Broadcast TV
- > **Established** - more likely to watch TVNZ OnDemand

We also know where they're watching so can help target them better.

Broadcast TV Brand Skews



For example...

- > **Getting By** - more likely to watch TVNZ 2
- > **Established and Classic** - more likely to watch TVNZ 1

A photograph of a family of three—a boy, a girl, and a woman—jumping joyfully on a grey couch in a living room. The boy is in the air on the left, the girl is in the middle, and the woman is on the right, all with their hair and clothes in motion, suggesting a high-energy, happy moment. The scene is lit with a cool, blue-toned light, and the background shows a typical living room setting with a lamp and some furniture.

**And we know TV is the most effective media
at getting attention to advertising.**

**So, the household
shopper is not
your mother.**



Top Takeaway Tips for marketers

**NZ family household shoppers
ARE a diverse bunch, so how do
we capture their ATTENTION?**

Consider the 'other 53%' and develop inclusive propositions that reflect the diversity of families.

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Maybe the people making the purchase decisions aren't as typical as you think.

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Understand the nuances as well as their common needs.

Consider the 'other 53%' and develop inclusive propositions that reflect the diversity of families.

Maybe the people making the purchase decisions aren't as typical as you think.

Understand the nuances as well as their common needs.

Don't use 'parenthood' as the sole criteria.

Media usage varies hugely...

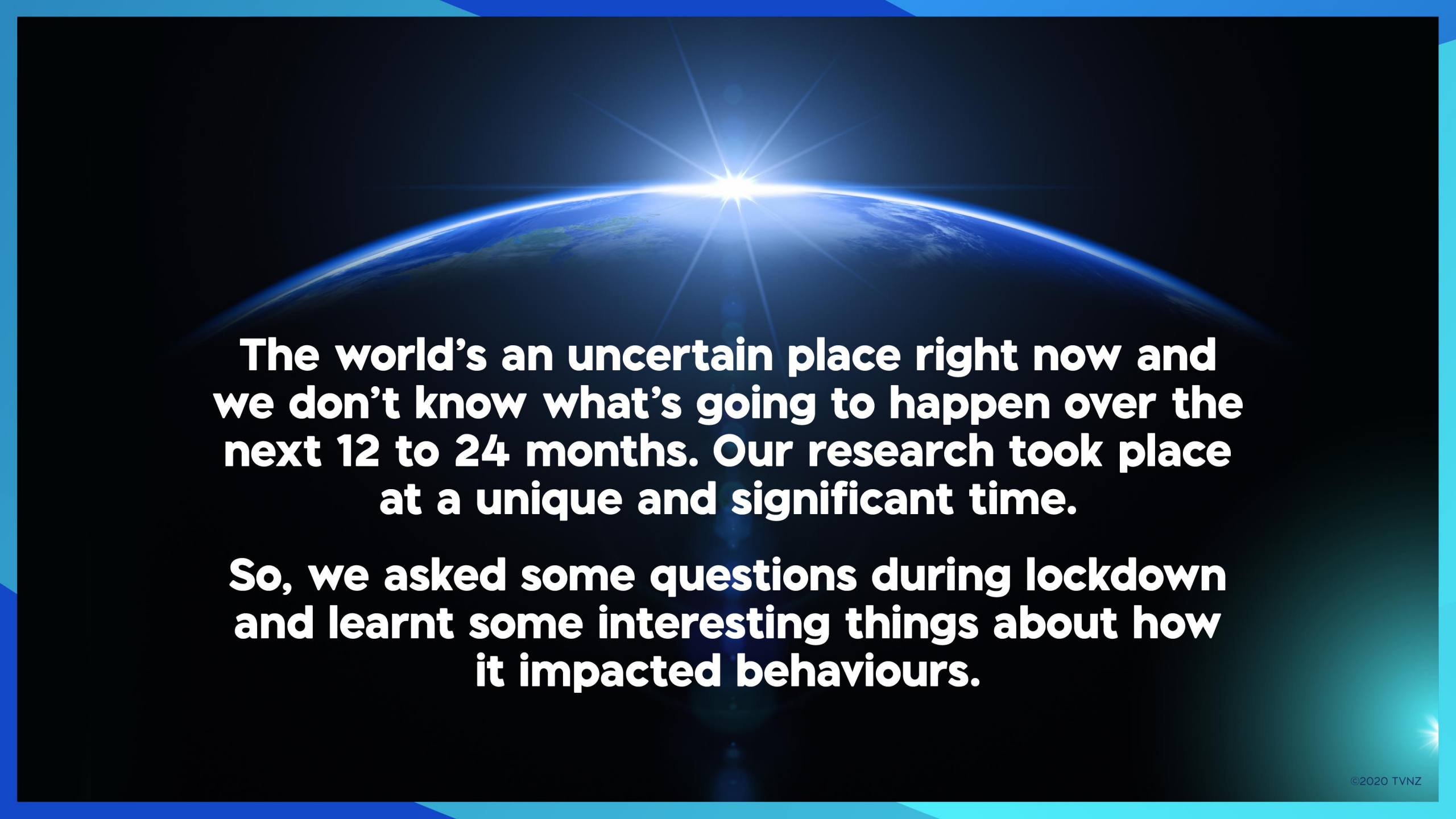
TVNZ talks to ALL segments.

Incorporate premium video offerings into your media planning to capture attention.

Afterword:

Families in the context of COVID-19.

Some short- to medium-term considerations.



The world's an uncertain place right now and we don't know what's going to happen over the next 12 to 24 months. Our research took place at a unique and significant time.

So, we asked some questions during lockdown and learnt some interesting things about how it impacted behaviours.

Some interesting things we found:

Concerns

What it'll mean for kids' futures. Uncertainty means more pressure for ongoing parental support.

Job security – even if currently feeling secure, don't know if that will last.

Priorities/changes to retain

Re-prioritisation of work/life balance.

Using tech to connect with family and friends.

Finances

Saving is more important than ever.

May have had plans – now pause, wait and see.

Some interesting things we found:

Shopping

- Shift to supporting NZ (but interpretation of 'local' can include NZ made or a company giving NZers jobs even if selling a foreign product). If it's an affordable local option, people may try it.
- Greater appreciation for local businesses. If you have a local connection, talk about it.
- Due to financial pressure, more likely to stock up on larger scale to save.
- Life may become more of a struggle, but simple, affordable pleasures are still important.
- For some, price is now a dominant concern – are people shifting from one segment to another when money becomes tight?
- Trying new products when the usual aren't available might result in a brand shift (e.g. shift from homebrand to premium).
- May have tried online shopping/meal kits to avoid visiting the supermarket and may stick with it.
- Stores' adherence to safety protocols (consistently) is important to reassure.
- Looking forward to local NZ holidays.

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Appendix:



A reminder about attention and co-viewing.



People are more likely to actively watch TV: in an average second, TV gets **almost twice** the active viewing as YouTube and 15x that of Facebook.

When people pay attention to an ad, they're more likely to remember it – and the brand – at the time they purchase.

But when it comes to video advertising, attention varies greatly across different platforms.

	OVERALL AVERAGE	Active Viewing	Passive Viewing	NON-Viewing
Seen on TV	58%	58%	40%	2%
	45%	31%	37%	32%
	20%	4%	94%	2%

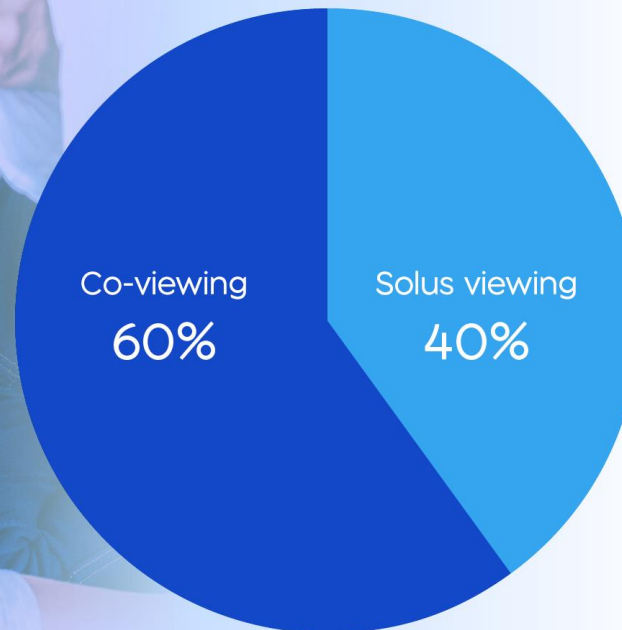
The length of time that an ad on TV continues to impact sales far exceeds that of either Facebook or YouTube.

In fact, TV advertising has been shown to continue to impact sales for 109 days, or more than 100 days longer than ads on Facebook or YouTube.

Where ad is viewed	Days to zero impact on sales
TV on TV screen	109
TV on mobile	66
Facebook on mobile	6
YouTube mobile	8

TV and BVOD drive a shared experience.

'co-viewing'



TV is more likely to bring people together for a shared experience than other online video platforms.

This isn't going to change as more and more online TV is accessed through connected TV.

Co-viewing behaviour creates an opportunity for brands to increase share of voice **without spending** an extra cent.

It means you can speak to **multiple generations at once**, sparking conversations that influence purchase decisions and driving behaviour change.

On average TVNZ OnDemand delivers **1.4 viewers** per ad impression.

The Smart TV connection delivers **1.6 viewers** per ad impression.

Observational reality shows increase to **1.7 viewers** per ad impression.



Thank you



Forecast Series