

# THE FAMILY



# Family Terminology

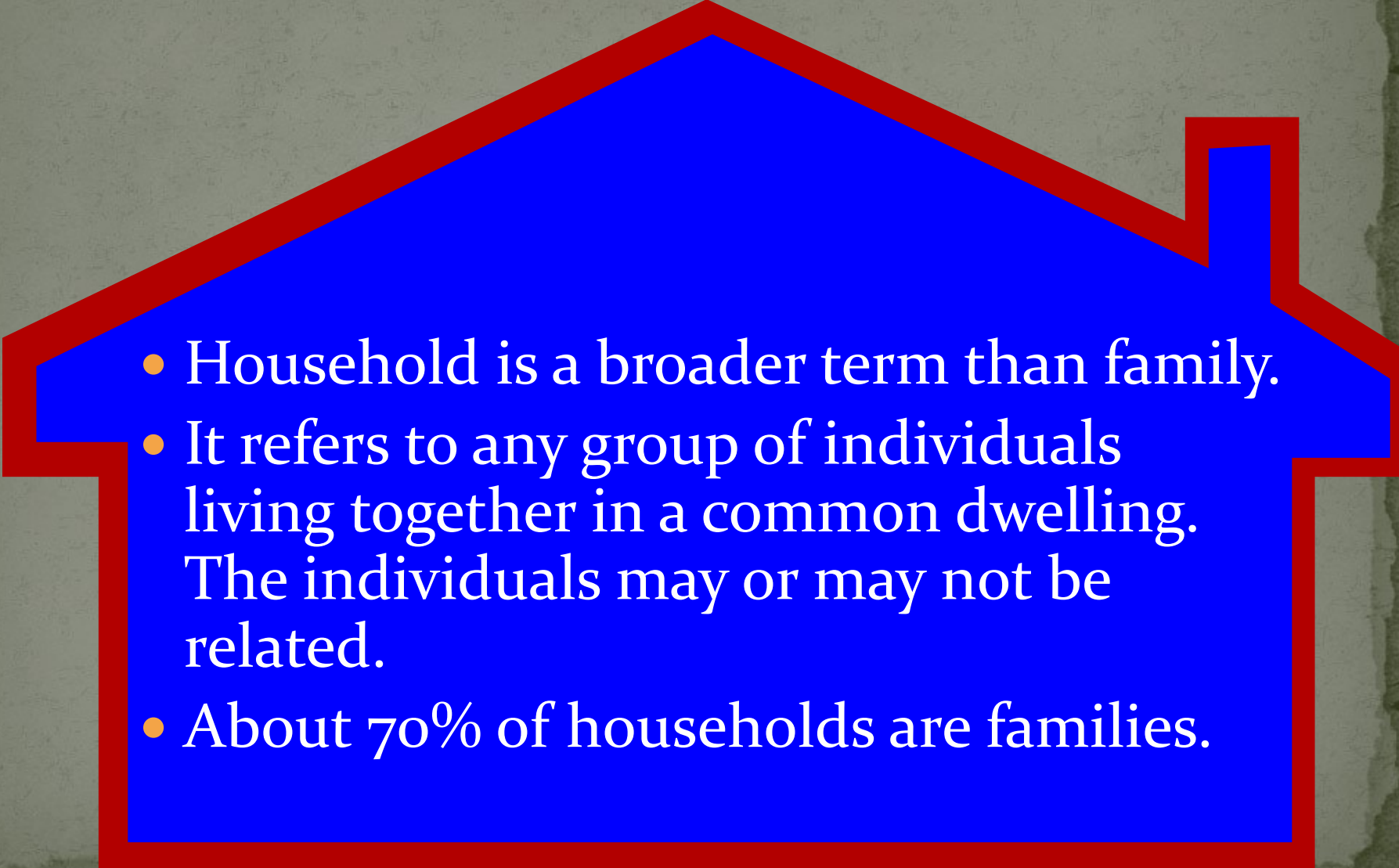
- A family is a *group of people who are related by blood, marriage, or legal adoption.*
- A nuclear family is the *immediate kinship group of a father, a mother, and their natural and/or adopted children.*
- An extended family is the *nuclear family plus any relatives with whom frequent and intimate contact is maintained.*



# Family Terminology

- A family of orientation is the *family a person is born into, raised by, and later becomes the extended family.*
- A family of procreation is the *family one establishes at marriage.*

# Distinction Between Family & Household

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- Household is a broader term than family.
  - It refers to any group of individuals living together in a common dwelling. The individuals may or may not be related.
  - About 70% of households are families.

# What is Marriage?

- In recent times with so many changes in lifestyles and family, there is also disagreement about what “marriage” is.
- In many cultures, it has traditionally been illegal or unpopular to marry:
  - More than one person at a time
  - Blood relatives
  - Children
  - Same sex
  - Non-humans

# What is Marriage?

- For purposes of taxation, social security, etc., the Federal government had to develop a clear definition of what “marriage” is considered to be.
- The key phrase in the definition is: “*the word ‘marriage’ means only a legal union between one man and one woman . . . .*”
- Passed by both houses of congress and signed into law by President Clinton (1996).

# Husband-Wife Role Structures

- What is the relative influence of the husband and the wife in decision making?
- Who the boss is depends on your country.
- While it is best to conceptualize their roles along a continuum of influence, the classic types are called:

- \* Autonomic
- \* Syncratic

- \* Husband dominant
- \* Wife dominant

# Family Communication Patterns (FCP)

- The dimensions of family communication structure
  - Socio-oriented: designed to produce deference and to foster harmonious and pleasant social relationships at home.
  - Concept-oriented: focuses on positive constraints that help the child to develop his/her own views about the world.



# Typology of FCPs

## Socio-Orientation

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|             | <b>LOW</b>                                                                                                                                                                     | <b>HIGH</b>                                                                                                                                                                                   |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>LOW</b>  | <b>Laissez-faire families</b> <ul style="list-style-type: none"><li>➤ Little parent/child communication</li><li>➤ Little parental impact on consumption</li></ul>              | <b>Protective families</b> <ul style="list-style-type: none"><li>➤ Stress obedience &amp; social harmony</li><li>➤ Limit kids' exposure to outside information</li></ul>                      |
| <b>HIGH</b> | <b>Pluralistic families</b> <ul style="list-style-type: none"><li>➤ Stress issue-oriented communication</li><li>➤ Kids encouraged to explore &amp; express own ideas</li></ul> | <b>Consensual families</b> <ul style="list-style-type: none"><li>➤ Stress issue-oriented communication &amp; consideration of others</li><li>➤ Maintain control over kids' behavior</li></ul> |

# General Implications of FCP

- Strong socio-orientation fosters conforming to accepted norms, higher use of mass media, & susceptibility to peer group influence.
- Strong concept-orientation stresses evaluation of alternatives using "objective" criteria, greater use of non-commercial info sources, and less sensitivity to group pressure.

# Marketing Implications of FCP

- Laissez-Faire mothers exert the least control over their kids' TV viewing, are the least likely to discuss TV ads with their kids, and have the least negative attitudes towards ads aimed at children.
- In general, pluralistic and consensual mothers are at the opposite extreme.
- Kids from protective families are the most deceptive.
- Kids from protective and consensual families are the most materialistic.

# Family Roles and Influences

- It isn't just who makes the decision in the family who is important to the marketer. Other members can play roles, too.
- These other roles are:
  - Initiator
  - Information Gatherer
  - Decision maker
  - Purchaser
  - Consumer
  - Influencer

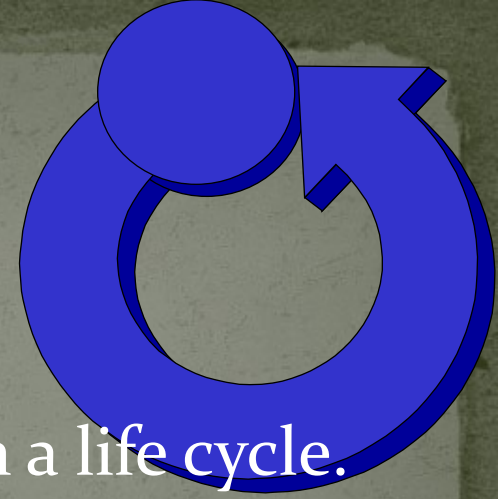
# Children In Family Decision Making

- American kids have greater influence:
  - When they are older (teens)
  - In higher income families
  - In families with concept-oriented communication pattern
  - For child-relevant purchases
  - In early stages of decision process

# Children In Family Decision Making

- American children have a lot of money of their own to spend and they influence their parents' purchase decisions.
- Sometimes the influence is quite obvious; other times it is more subtle (*passive dictation*).
- The marketing dilemma:
  - It is natural for marketers to want to aim promotion at such an important segment of the market.
  - But, there is increasingly resistance to such activities, especially if it involves younger kids.

# The Family Life Cycle



- Like all living things, families go through a life cycle.
- Stages depend on marital status of parents, presence/age of kids, retirement status of parents, etc.
- If the stages of the cycle are held in common by a high proportion of the population then it can be useful as a segmentation and forecasting tool.

# The Family Life Cycle



- Might still be useful in the U.S. for some products but not as much as it used to be.
  - Increase in single-parent families
  - People spend more of life single.
  - Some people marry & have kids much later.
  - Growth of families with more than 2 adults.
- The FLC might be more useful:
  - If the stages stabilize in the U.S.
  - In other countries where the stages are still quite predictable.

# Family Trends



## Millennial Myths

*When it comes to marriage, divorce and birth rates, misconceptions abound.*

BY PAMELA PAUL

- There a lot of myths about trends involving the family such as:
  - Few couples want to get married
  - Most marriages end in divorce
  - Few couples want to have kids
- But, are they true?

# Family Trends



- Will Marriage Continue?
  - It is a major consumption event.
  - Most people eventually get married (~90%).
  - But, divorce and “living together” are high.
  - Research shows that young people still believe marriage and family are important.
  - Research also shows married folks are happier, healthier, live longer, and suffer less abuse.

# Family Trends

- Later marriages
  - Americans are getting married later than ever before.
  - Weddings are a major purchase event but gifts for “older” people getting married are not same as for younger people.

## Nix the knick-knacks; send cash

Lenders hope wedding guests will help pay the mortgage

By Cyndee Miller  
SENIOR STAFF WRITER

Being that many couples preparing to tie the knot would gladly trade the traditional gifts for some bucks toward a down payment on their dream house, some mortgage providers have started offering bridal registries.

The registries operate on much the same principal as those offered by department stores. Instead of picking a china pattern, however, the soon-to-be-betrothed decide on a mortgage plan.

The lender then typically sets up an account in the happy couple's name and handles all of the deposits and paperwork.

With most of the programs on the market for less than a year, most lenders are still in the honeymoon phase, but clearly many see the potential.

According to *Bride's* magazine, about 2.4 million couples are married every year and receive an average of 171 wedding gifts. Most of the gifts are home-related, and many couples don't want or don't need them.

Realizing that mortgage companies are encouraging couples to forget the household amenities and go for the house, a brochure for Universal Lending Corp.'s Bridal Registry, for example, issues this ominous warning: "If you don't tell them, you'll probably end up with another blender, set of glasses, or worse, one of those obscure knick-knack things."

Because some couples may fear it's boorish to demand cold hard cash, most of the registry marketers offer complimentary engraved announcements that politely explain the program to friends of the couple.

The program at Universal Lending piqued the interest of the U.S. Department of Housing and Urban Development. With re-

search showing that the biggest obstacle facing new home buyers wasn't the mortgage payments but the down payment, HUD recently introduced the Federal Housing Administration Bridal Registry. (The FHA is a mortgage insurer that is part of HUD.)

Introduced last October, the program allows couples to open an interest-bearing savings account at one of the more than 35 FHA-approved lenders participating in the program.

"We want to show them it's possible to channel their wedding gifts to get a down payment on a house as opposed to people buying china or silver and other traditional wedding gifts," said Alan Staley, marketing specialist at HUD.

HUD is marketing the registry through its Web site and an ad in **see Mortgage** on page 13



HUD markets its Federal Housing Administration Bridal Registry with a brochure describing the service and with information on its Web site.

# Family Trends



- Changing birthrates
  - Most adults want kids but fertility rates have been decreasing.
  - Some couples want no kids.
  - But, since the number of women of child-bearing age has been high, the number of kids being born has been high in last decade too.
  - Portion of children who are first born is increasing.
  - Parents spend more on more on kids now, especially first-born children.

# Family Trends



- Older First-time Parents
  - More “older” women are having babies are than in the past.
  - Also, when people divorce and remarry they may have more children at older ages.
  - Older parents have greater education, money, and maturity than younger parents.
  - That affects what they buy for the child.

# Family Trends

- One-parent families
  - A growing number of households have just one parent.
  - Most of these are headed by women but ones headed by men are growing faster.
  - These type of families have needs that families with two parents don't have.



# Family Trends

- Smaller household size
  - Average household size is decreasing.
  - People live more of life alone (27% of households are single-people)
  - People have fewer kids
  - This could affect:
    - Size of appliances
    - Package sizes
    - Size of housing?



# Family Trends

- Housing needs
  - Home ownership is high ( ~ 70%)
  - Average age of Americans is increasing
  - They are not willing or able to care for their homes and lawns.
- This could affect:
  - Lawn care businesses
  - Maid/house cleaning services
  - Condo sales



# Family Trends

- Changing roles of husbands, wives and children
  - With more wives working outside the home sometimes husbands or older kids take on roles they use to play.
  - Also, tasks may be taken on by others, e.g., day care centers, cleaners, restaurants, concierge services.



# SUMMARY & CONCLUSIONS

- The family is probably the most important reference group people are members of.
- A goal for marketers is to understand who in the family makes the decision relative to their product.
- As the family changes so will marketing opportunities and strategies.

