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Sales Managers: Ask your salespeople to review this material after they listen to Sales Meeting #2 on your July Kit CD.



AN INDUSTRY WHITE PAPER:

TEEN MARKET

Marketers spend so much time analyzing the Baby Boomer market that sometimes it seems Boomers are the only consumers in the country. Their every action is scrutinized for possible relevance to the advertising community. However, it's important not to overlook one particular thing many Boomers have done over the last 20 years, a thing that should have marketers everywhere excited: They had children.

Those (now teenage) children, while not quite as numerous as their boomer and GenX parents, nonetheless represent a very attractive (if somewhat surly) target market. Savvy retailers, especially those serving teen tastes, are examining how they can attract teen shoppers. Armed with the information in this Industry White Paper, you'll be able to convince them that Radio should be a part of the mix.

TEEN MARKET: A SNAPSHOT

According to U.S. Census 2000 data, there are 40,748,000 Americans between the ages of 10 and 19, representing 15 percent of the total population. Overall, nearly 26 percent of U.S. residents were under the age of 18 in 2000.

"Under 18" does not equate to "no money." (Things have changed since I was 18!) In fact, data from Teenage Research Unlimited show that U.S. teens (ages 12 to 19) spent \$172 billion in 2001, an 11 percent increase over the 2000 figure of \$155 billion.

Michael Wood, Vice President of Teenage Research Unlimited, confirms that figure and points out that there's more where that came from, saying, "We expect overall teen spending to continue to increase along with the increase in size of this demographic group. The number of teens in the U.S. population has been growing since 1992, and is going to continue to grow until the year 2010, at which time there will be more teens in the U.S. population than ever before. We expect that per-capita spending will remain roughly the same, but we'll see a gradual increase due to the increase in the size of the population."

TEEN MARKET: THE FAMILY FACTOR

An important point to remember is that the \$172 billion figure quoted above doesn't include spending by others on teens' behalf; Wood explains, "It's just the money that teens themselves are spending. It's direct spending by the teen; it includes teens spending their own money and also teens spending their family's dollars."

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Add in spending done by adults but influenced by teens, and the figure grows substantially. Research by Harris Interactive YouthPulse shows that one in three consumer dollars either is spent by or influenced by someone under 18. Wood remarks, "I think people in the past have underestimated the amount of influence that teens have, even on something as simple as grocery shopping. Whether it's cereals, or breakfast bars, or sports drinks, teens play an important role in determining what brands or products end up in the household. It's not only the direct spending of teens that's so important, but also the influence they have on family spending."

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Certainly the mere existence of a teen creates a significant amount of spending. According to data from the U.S. Department of Agriculture, the average two-parent family with a pretax income of \$50,600 can expect to spend \$9,690 per year raising a 12- to 14-year-old-child and \$9,860 on a 15- to 17-year-old. (These figures include spending on housing, food, transportation, clothing, healthcare, childcare and education, and miscellaneous expenses.)

TEEN MARKET: HOT STUFF

So just what are those teens spending their money on? Wood says, "Traditionally, teens have been big buyers of products like apparel, footwear, video games, entertainment, food, and so on. What's been interesting in the past few years, though, is that it seems that almost every product category is looking at this demographic group to see if perhaps they may be able to make inroads with the teen audience."

Teens' firm grasp of high-tech suggests another target market, says Wood: "[Mobile electronics and computers] are huge. All types of technology products are huge right now for teens. They certainly are attracted to technology items — cell phones, of course, are at the top of their lists, and we're seeing big increases in the percentage of teens who not only own cell phones, but who also plan to purchase one in the next year."

TEEN MARKET: ONLINE AND IN TUNE

The mall probably always will be a Mecca for teen consumers, but in recent years another venue for shopping and socializing has evolved: Cyberspace. A study by SpectraCom Stra-

tegic Planning and Research revealed that 41 percent of Americans under the age of 18 have made an online purchase, and 58 percent have asked a parent to buy things they have seen on the Internet.

Wood agrees that the Internet must figure in marketers' plans when designing a teen-focused campaign. "It is an environment that teens are very comfortable in; it's something they use not only to find information, but also to stay connected with each other. They're certainly using it as a resource for learning more about products before they actually get to the store. Marketers are being challenged today to look beyond banner advertising, which tends to turn teens off, and look for more innovative ways to get involved, whether it's through instant messaging, or promotions, or contests, winning free stuff — things like that."

TEEN MARKET: RADIO'S ROLE

"Today's teens are the savviest group of consumers that we've ever seen before," Wood says. "They understand marketing and advertising, and they can see right through a brand's attempts to be something that it's not. They find advertising entertaining, they find it helpful, and they have very high standards in terms of what they look for in advertising. They seek out advertising that's relevant to them, that's honest, that is entertaining — that rewards them in some way."

As noted above, teens respond to NTR activities such as promotions and contests. Radio, naturally, is an old hand at putting together such campaigns. One surprising finding Wood shared, however, is that traditional Radio advertising resonates strongly with teens as well. "Radio is, believe it or not, one of the top ways to reach teens that we've found in our research," Wood said. "We asked teens: "How would you recommend that companies advertise to reach people your age?" Radio was the number two answer on our list, just behind television."

As Wood points out, television may be teens' first choice — but TV advertising is beyond the reach of many local advertisers, especially the kind of slick TV advertising made possible by the deep pockets of a Nike or a Coca-Cola. "It really sets up a nice opportunity for Radio to fill the void there," Wood suggested. "Of course, you have to go beyond [traditional ads], and from what we've seen, the most integrated campaigns are the most successful. So [a company] might advertise on Radio, and also do promotions with a local Radio station."

In the end, Wood says, Radio's unique strength is the loyalty it inspires among its teenage listeners. "Don't forget, teenagers are really looking for a sense of community, and that's one thing that local Radio stations can really provide."

