

Understanding Youth: What Works and Doesn't Work When Researching and Marketing to Young Audiences

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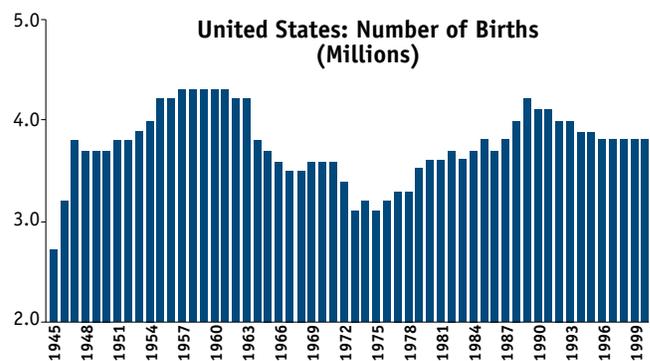
ABSTRACT

Young consumers have always been a difficult audience to research because 1) they are difficult to reach using traditional research methods, and 2) they are often not as expressive as adults in communicating their opinions. This said, the level of survey research being conducted in youth markets is at an all-time high and is increasing steadily as marketers realize the importance of youth on their brands. Cashing in on the burgeoning youth market has become a national obsession in the United States, and given the global focus of many corporations, an international obsession as well. Yet, advertisers and marketers are consistently making marketing and research mistakes, most of which are avoidable. This paper highlights some of those mistakes, suggests approaches to avoid or neutralize them and points out winning strategies that can be employed for success with the Generation Y market segment.

MARKET POWER AND KID-FLUENCE - THE FUTURE IS NOW

In the United States, the youth market is undeniably large. Early success with younger consumers is integral to the long-term viability of most consumer brands. The generation of children born after 1976 is often called “Generation Y” and currently represents 26% of the U.S. population. A decade from now, Generation Y will represent 41% of the U.S. population and will be “coming of age”. The bulk of this cohort will be in its prime earning and spending years (U.S. Bureau of the Census). In addition, a decade from now will find members (of this cohort) at the helm of many management positions in industry, as leaders of startups in the new economy and as up-and-coming stars in government. Given their number, they will have an effect on the

consumer economy of a scope that will be similar to that which had occurred with their baby boomer parents.



U.S. Bureau of the Census

Marketers know that the time to reach the Generation Y cohort is now, as many brand and category preferences have been demonstrated to take hold in the early teenage years. Albert Einstein once said, “common sense is the collection of prejudices acquired by the age of eighteen.” The long-term future of many businesses is contingent on their success in understanding and reaching this cohort *today*.

But U.S. marketers are concerned with more than the future. This cohort wields a tremendous market power unto its own, right now. Harris Interactive research estimates that, on average, an online U.S. 10-12 year old directly spends \$312 per year. On average, an online U.S. 16-17 year old directly spends \$3,016 per year (Harris Interactive, 2000). Projecting these calculations suggests that the direct spending of online U.S. 8-24 year olds is \$164 billion annually. The consensus of most youth researchers is that this spending level is rising over time as parents cede more and more responsibility to their children.

Median Annual Spending by Age Group

(Base: Online Youth)

Age Group	Amount Spent per Year
8-9	\$52
10-12	\$312
13-15	\$1,352
16-17	\$3,016
18-21	\$5,200
22-24	\$13,156

*Nickelodeon Online/Harris KidPulseSM
MTV/Harris YouthPulseSM
2,999 Interviews Conducted July 2000*

But the bigger story is a phenomenon dubbed “Kid-fluence.” In the U.S., kids and teens are the arbiters of “cool”. The live in households with baby boomer parents who are uncomfortable with aging and are yearning to stay young with the help of their children. U.S. children influence purchases from as small as a pack of chewing gum or a new type of candy bought by an older sibling, to as consequential as a new car purchased by their father or the choice of a family holiday. According to *MTV/Harris YouthPulseSM* and *Nickelodeon Online/Harris KidPulseSM*, 4 in 10 online 8-12 year olds and two-thirds of online 13-17 year olds report that they have an influence over the purchase of the family car, truck and/or van. They also often serve as the *Chief Technology Officer* of the household. 42% of online 8-12 year olds and 75% of online 13-17 year olds report having an influence over the family’s purchase of a computer or computer equipment. Who else knows how to program the VCR? Who else has the time or inclination to explore all the options and features of a new piece of software?

Harris Interactive research suggests that Kid-fluence in the teen years is as high as 10 times their direct spending. Further, parallel studies of parents and kids show that parents feel that their kids have an even greater influence on big-ticket purchases than the kids, *themselves*, think they do. Mom and Dad may not admit it openly, but few would purchase a new automobile without first gathering the opinions of their teenage child. Most would not dare to purchase a new vehicle without such a consultation for fear

that the teenager would refuse to be seen in something as hideous as, for instance, a conventional station wagon.

Teen influence is more than what has been termed a “nagging” influence - overtly asking parents to purchase an item then asking again and again and again. Rather, the bulk of the influence of teens on parental purchases is actively sought by parents. It is not uncommon for teens to state that “I thought [this brand] was cool until my mom started wearing it.”¹ Consumer trends in the U.S. begin with teenagers, diffuse to older age groups, and quickly become rejected by the very teens that adopted or created them in the first place.

Kid-fluence can be tacit in the younger years. One of the authors likes to remark that before he had children he could just go to the grocery store and purchase whichever brand of oatmeal was on sale. But now, because of the established preference of his 3-year-old, he wouldn’t dream of purchasing anything other than Quaker Oatmeal with Dinosaur Eggs. This is a typical example of the tacit influence of younger children—no direct request is stated, but the parent’s choices in the grocery aisle become limited by past interactions children have had with products. Parents buy what their preschoolers will eat. And if Quaker Oatmeal with Dinosaur Eggs will result in a happy, cooperative breakfast experience, parents are happy to cooperate with their children in the purchase.

There is a rising trend in the U.S. towards increased promotional tie-ins between characters and consumer products. For example, younger consumers may not have had experience with the Mott’s brand of applesauce like their parents, and therefore are ignorant of the substantial equity in the Mott’s brand name. However, these kids likely have spent hours watching “Blue’s Clues” on Nickelodeon. Placing Blues Clues characters on Mott’s packaging is a marketing tactic that generates this tacit influence with kids. The child likes to eat blue applesauce while the parent is comfortable with the purchase because of the longstanding brand name. This particular tactic is widespread in the U.S. It would prove difficult to stroll the aisles of an American supermarket and find a kid-oriented consumer packaged good that does not maintain some sort of promotional tie-in.

1 Comment from Harris-Zone.com member

MARKETING RESEARCH WITH YOUTH - WHAT DOESN'T WORK AND WHY

In the U.S. there is no shortage of prognosticators and crystal ball gazers who claim to be able to forecast the needs of this youth and the “next big thing.” Yet, new product failure rates in the youth market are even higher than for adult oriented products. A Harris Interactive client once put a spin on a longstanding advertising adage: “I know that all of my advertising money targeted to kids is wasted, the only problem is I keep spending the money anyway.” So why does good money often get thrown after bad? The reason is simple. When a new product, new TV show, a new movie or new musician hits with the Generation Y cohort it can quickly become a worldwide phenomenon, eventually becoming a fixture of global culture and eventually diffusing into other market segments. The Internet has enabled a nearly instantaneous exportation of American culture. The entire future of an organization can depend on its ability to reach American youth today.

Developing a marketing strategy to reach this cohort is fraught with danger. Just when marketers think they have finally devised a foolproof formula, a concoction distilled from the essences of the behavioral and marketing sciences, they discover that the kids have moved on. Their marketing concept is now treated with derision and has been consigned to a dustbin of the nostalgically lame. The reality is that more insight into this market has been gleaned from mistakes than from successes. There are some very common research and marketing mistakes made when addressing youth. Fortunately, most are easily preventable.

Despite a growing avalanche of syndicated market research information about kids, youth markets are under-researched and not well understood. On the whole, marketers and advertising agencies are willing to proceed in youth markets with considerably less quantitative information and much less rigorous research methodologies than with adult markets. There is a presumption (not shared by the authors) that proven research techniques and protocols are not extendable to the youth market. This is, in part, due to a misperception that all kids within a certain age cohort are more or less the same. This idea is traceable to the notion of the developmental stages and goes something like this: since all young people go through the same develop-

mental stages, the interests and enthusiasms they have and the stage during which they have them are predictable, immutable, written in stone.

This a priori framework, while often helpful, can sometimes cause marketers to fail to treat young customers with the respect they deserve. The authors once attended a conference where a youth marketer, dressed in full Safari regalia, suggested youth marketers should borrow the anthropological techniques used by Jane Goodall in studying Gorillas in the wild to study young people. The clear implication was that young people are a primitive subspecies, not fully human, and that they exist completely apart from mainstream culture. U.S. marketers wouldn't dream of comparing other market segments (e.g., older Americans, ethnic markets, women) to groups of animals. It is this lack of respect for young people as human beings that leads to legendary marketing blunders. Disrespect youth and they will turn on you and it may take you an entire generation to recover.

The youth market should be respected for its savvy and its size and power. You might be able to fool them once with a product or service. But if it doesn't live up to the promises a marketer makes, they will never buy it again. Further, they will tell their *friends* about it, they will use the *Internet* to spread their opinions widely and their *parents* will also be listening.

Young consumers can usually be counted on to behave *more* rationally than adult consumers. After all, young people frequently have to defend their purchases to their parents. For big-ticket items, requiring a parental contribution, they have to explain why the purchase is not frivolous but, in fact, necessary. Adults do not have to clear such hurdles. So, yes, youth are different than adults and have unique needs, but these needs are hardly primitive or immature.

COMMON MISTAKES

Harris Interactive has identified six common mistakes marketers make when researching the Generation Y cohort. First, there tends to be an over-reliance on qualitative information. It is commonplace for multi-million dollar

decisions to be made on the basis of just a few focus groups or interviews from very small panels of youth. Qualitative research is essential in youth markets for there is a pressing need to add depth to quantitative findings, but many marketers fail to validate qualitative findings on projectible samples. There is a presumption that because “we were all young once” or “we have teenage children at home” or “all kids in this age group are pretty much the same” that we somehow now understand the entire youth market.

Focus groups can give marketers an illusion of knowledge. After all, they can clearly see in their mind's eye that kid in San Antonio. He was clearly the coolest kid in the group, he was a trendsetter and was he wearing a T-shirt with their company logo on it. It is difficult for most marketers to step out of their own personal experiences and view the world in an objective fashion. It is also difficult to accept the **one** kid in that focus group in San Antonio as being just one kid in a focus group and not a representative of all kids. Many of us remember idealized or sanitized versions of our youth. We forget the daily stresses and challenges of being young and we fail to appreciate generational differences or differences across regions and countries.

Second, many youth research projects proceed with poor sampling. Marketers will employ convenience sampling techniques by posting polls at websites, distributing polls in publications, using call-in surveys or relying on small panels of children maintained by their advertising agency. There is a lot of potential to go astray when using a convenience sample. Differences between unweighted and weighted convenience samples can be large, indicating that it is dangerous to rely solely on convenience samples without rigorous methodology supporting it. It is commonplace to see practitioners generalize results from unweighted convenience-sampled polls without regard to proper sample balancing techniques. Essentially, this is the same error marketers make with an over-reliance on focus groups. Because numbers imply “scientific” measurement, the non-representative opinions (attitudes and behaviors of populations), when converted into percentages are also converted into “facts.”

Third, many marketers fail to speak to the Generation Y cohort in a language they understand. By definition, young people have a different frame of reference than adults.

Creating an effective questionnaire for youth markets is not a matter of “dumbing down” the wording of an adult questionnaire. Similarly, creating an effective youth advertising campaign is rarely accomplished by adapting an adult campaign. Talking down to a teenager or being disrespectful of the intellect of a child is harmful in both research and in advertising, yet it is a common practice. Unlike adults, young consumers seriously contemplate questions and answer choices (perhaps from their training in taking tests in school, perhaps because they have not become as skilled in survey taking as adults) and are frustrated when questions are not clear or response choices are ambiguous. Question wording is a much greater source of measurement error on youth surveys than with adults and special care needs to be taken.

There is a saying in research that if you “ask a question, you will get an answer.” This does not mean the answer will be meaningful. Young consumers will answer your questions, but they might interpret the questions differently than the author intended. Similarly, they will consume advertising, but perhaps not take away the intended message. Youth questionnaire construction and youth advertising are specialized skills. This is especially true when writing questionnaires for younger children.

Fourth, marketers often make the mistake of ascribing teenage truths to the younger, kids market. In the U.S., there is a perception that teenagers are time-starved, overscheduled and consume various media and products all at the same time, with little parental involvement or guidance. (Harris Interactive studies have shown there to be some truth in this perception, but that it may be over-hyped.) Marketers who focus on younger children, under the age of 13, will often automatically assume the same is true of this age group.

Harris Interactive studies show that parents remain at the center of younger kids' lives and protect their child from the busy world around them. Parents are actively involved in their children's media choices and in their education. Almost 9 in 10 (86%) online 8-12 year olds regularly watch television with a parent, compared to less than half (47%) of online 13-17 year olds (Harris Interactive, 2000). In the same vein, two-thirds (63%) of online 8-12 year olds regularly do homework with their parents, but only 4% of

online 13-17 reported doing homework with their parents on a regular basis. In short, being a kid and being a teenager is not the same and the two segments need to be treated differently.

Fifth, particularly among teen marketers, there is a tendency to concentrate on “trendsetters” and miss the bulk of the market in the process. Nearly every research firm that concentrates on youth maintains a segmentation philosophy. Many companies maintain small panels of trendsetting youths. By definition, the trendsetting portion of the Generation Y cohort contains approximately 5%-15% of the population of teenagers. But the bulk of the teenage market consists of “typical” teens who might not react favorably to trendsetting positionings. For example, consider the phenomenal success of teen-targeted musical artists, such as Britney Spears, Ricky Martin, the Backstreet Boys, and Christina Aguilera. These are not artists that have appeal to the trendsetting segments of teens, yet are among the most successful musical acts in history in terms of sales. Too great a concentration on trendsetters can result in missing the mainstream. Trendsetters are also fickle. While they might seem to be heading in one direction they can just as easily change course, trekking off into uncharted waters where few will follow.

Sixth, few marketers seem to truly understand the role of the Internet on the lives of young people. Many marketers blithely classify the Internet as a “new media”. They view it not unlike the introduction of the TV in the 1950's. It may have major cultural ramifications but it is just one of a long line of communications and entertainment delivery systems that started with radio. Teenagers see it as the tool with which they are going to revolutionize the world. What is different about the Internet as compared to introduction of the telephone, the radio or TV is that young people see that all of these prior technologies are being folded into one big technology with plenty of new functions. To name a few: catalog shopping, bargain hunting and distance learning. They also know that those who grow up inside this technology will have a totally different magnitude of understanding of its uses and potential. They sense they already have an advantage over those of us who had the misfortune of coming of age in the pre-Internet era. For example:

According to MTV/Harris YouthPulseSM six in 10 (57%)

online young people ages 13 to 15 have been online 3 years or more. If you're a 14 year-old and you've been online for say four years, that means you've been online a little less than a third of your life. Compare that to someone 40 years of age, whose 4 years online only amounts to one-tenth of his or her life. To quote Walter Benjamin, the philosopher, “The child can in fact do something of which the adult is totally incapable; discover the new anew.”

Integrated, cross-media approaches are essential to reaching these kids and teens. The Generation Y cohort consumes a variety of media, frequently at the same time, and campaigns that focus on one medium may miss entire segments. Two-thirds of online 8-12 year olds and 44% of online 13-17 year olds hear about new websites by seeing them on television and 45% learn about new websites by seeing them in magazines (Harris Interactive, 2000). On the other hand, campaigns that make use of the online “peer networks” of young people can have impact far beyond the dollars spent. For instance, better than 7 in 10 online 13 to 24 year olds report that they sent links to websites in their emails in the past month (Harris Interactive, 2000). Clearly, websites that are “pre-approved” as interesting or cool enough to be passed along to friends will benefit greatly from this informal, word-of-mouth, distribution system.

So, WHAT WORKS?

The Generation Y cohort is clearly an essential and lucrative market. This is because of their buying power and their influence now and because, in a very short time, they will be making adult purchasing decisions. They may not be buying life insurance yet, but they will be. The advertising they see now could have an impact on future consumer behavior.

We have reviewed six of the most common mistakes made by marketers and market researchers among this segment. The balance of this paper will briefly outline some of the knowledge gained as to what works. Now, in retrospect, we can all develop theories about why the Harry Potter books or Pokémon trading cards were a “sure-fire” hit. In reality, scientifically identifying the determinants of successes such

as these may prove impossible. However, there are certain core truths that should be heeded when researching and reaching youthful markets.

First, consider tried-and-true advertising positionings. Advertising agencies are in a constant struggle to create new appeals. Fortunately, when working in youth markets you are dealing with an audience who may not recall some of the most legendary (and successful) pitches from the past. Rather than engaging in a constant search for a new creative angle, consider adapting a classic youth campaign.

Further, in this same vein, there are some elements of growing up that never change and are nearly universal. Everyone goes through the first day at a new school. There is also the first report card, the first dance and the first kiss. As we get older and new rites of passage such as marriage, the birth of our first child, do not occur with the same generational simultaneity that they did when we were young. Youthful rites of passage and the emotions they evoke can be used to build campaigns that have incredible longevity. Keeping campaigns contemporary is a challenge, but with a solid foundation you are more than halfway home.

Avoid the formulaic. If you have ever watched Saturday morning cartoon commercials in the U.S., you may have come to the conclusion that all kids, even babies, wear sunglasses. It has become a kind of nervous tic of advertisers who, apparently, have come to conclude that wild, blaring music, non-stop action, and kids in sunglasses constitute the be-all and end-all of coolness. Although this cohort may sing the jingle or remark to their friends about how wild the commercial is, unless you have been able to show them a good reason for buying it, coolness is not the only criteria for purchase. Do not forget, depending on the price point and the age of the young person, they may need parental buy-in for the purchase. Just because something is cool does not make it a must-have product or service. By the way, there is nothing that becomes fossilized faster than campaigns that use the latest slang.

Treat youth with respect. Young people know they are being marketed to and understand companies are trying to get them to buy things. They have an appreciation for smart or unusual marketing campaigns. Growing up in a world where advertising has greatly contributed to the

“urbanization of consciousness”. The average young person has been exposed to thousands and thousands of marketing messages by the time they are five. They are savvy, they know their way around. They are not merely “consumption machines” interested in having only the latest, the fastest, or the coolest stuff. You have got to give them a real benefit for spending their money

Be funny. Young people love to laugh, they love to share jokes and funny stories. It is hard to be funny, but if you can do it, they will remember your product and your punchline. If you do it right, they may even try your product or talk about it to others.

Don't forget to brand your ad. Too many times young people will remember a humorous advertisement or a new character but are unable to attach this memory to the brand. The brand needs to be central to the message; the concept of “branded memorability” is particularly important with youth.

Extricate yourself from presumptions about the segment and view it objectively. The Generation Y cohort is rebellious in the sense that they are not tied to the past. They look at new technologies and new trends. They examine them for utility and interest, adapt what works for them and discard what doesn't. This does not mean they reject their parents' values. Many Baby Boomers make the assumption that because they were viewed as rebellious when they were young, that all young people are rebellious in the same way.

Consider yourself a “cohort marketer” rather than a “youth expert.” Generation Y represents a loud “echo boom” – that will age over time and whose needs will change. Consider growing your brands with them over time. This will truly become a dominant cohort.

Research it right. Simply because young people are the subject of a research project, does not mean shortcuts are permissible. Doing a few focus groups may be fun and informative but they are not definitive. Asking a few kids some questions via email might yield some interesting, insightful information but it does not constitute rigorous research. Tapping into a trendsetter panel has appeal for new product ideation and preliminary concept testing but

do not forget to reach to the mainstream before launching the product of concept.

Also, just because a marketer (or consultant) is fresh from a successful product launch does not mean research is not necessary because they will automatically be as successful with the next youth campaign. Some marketers do put together amazing streaks because they do have an intuitive feel for this market. And this intuitive feel can be nurtured. But it is important to remember that all streaks come to an end.

CONCLUSION

The Generation Y cohort is having an effect on the U.S. consumer economy similar to which had occurred with their Baby Boomer parents. Progressive marketers know that the time to reach them is now. Brand and category preferences have been shown to take hold in the early teenage years. In order for businesses to be successful in the future, it is essential that they are successful in reaching and understanding this cohort today.

Despite the importance of the Generation Y cohort to today's businesses, today's youth is under-researched and not well understood. We think this is partly due to a perception that all young people within a certain age cohort are basically the same. In this paper, we identified six common mistakes marketers make when they research youth markets. They are over-reliance on qualitative information, poor sampling, using language youth do not understand, ascribing the same truths to kids as they do to teens, the tendency to focus on "trendsetters" and understating the role of the Internet in the lives of young people. By understanding these mistakes and how to avoid or neutralize them, marketers will be able to tap the full potential of this, crucially, important market.

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