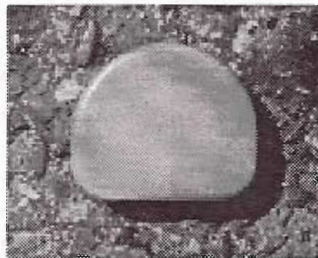


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\*View from left to right

## 1 Exhibit A: Carlina's Bag: A Marketing Study of an actual junior high school student

Profile: Female, 14 years old, athletic, popular, aspiring actress

### A1. Back Pack

The manufacturer's label was torn off to hide the brand identity. If the brand logo is too large or is not cool, the logo is perceived as a liability to teens. Carlina plays softball every morning and studies. So she uses her pack as a total lifestyle carry-all.

### A2. Aleve Pain Reliever

Carlina gets frequent headaches from studying and stress related activities as she approaches graduation. Aleve is not especially marketed to students; her mother purchased it.

### A3. Texas Instruments Calculator

Standard issue math class apparatus designed in bright purple to attract young girls.

### A4. Fuji Quick Snap

Used to document activities of friends for her pet graduation project (see A5). Fuji and Kodak should make sure they are available in school stores around graduation.

### A5. Self Made Year Book In Progress

Carlina is creating her own yearbook. A questionnaire and rough layout of her project lay inside. Companies like Mead, Bic and Apple

should sponsor programs that facilitate "Do It Yourself" yearbooks. Smart and inquisitive students like Carlina can also be valuable marketing and research agents.

### A6. Key/Wallet

On the front of her wallet, Carlina proudly displays her favorite soap star. Male soap stars can help brands reach teenage girls.

### A7. Retainer

For a teen, having to wear a retainer or braces can be a traumatic experience. Carlina dreads wearing it, and wishes it could be more fun to wear. Marketing challenge: Can you help her by making it cool to wear a retainer or braces?

### A8. Carlina's Collage

In it, she explores issues of spirituality, globalism and betrayal. Collages like these are a good indicator of how young people feel about their lives or even products and brands.

### A9. Loew's Movie Pass

Concept: Bring your A's and B's to movie theatres and get discounted movie passes. Carlina received this pass as a gift from a friend.

## 2 | Youth Marketing Concepts

**Snapshot of youth:** Columbia Pictures film "Can't Hardly Wait." Hits theaters June 12. Make sure you see it, not necessarily as entertainment, but as a teen psychology lesson. Consider bundling copies of this movie on home video with your teen promotions for winter. Cobranding categories include: magazines, cosmetics, video games, jeans, soft drinks, condoms. Link or joint venture with the web site.

**Sponsorship alert:** Partnering with targeted nonprofit organizations is an excellent way of reaching the youth market while simultaneously giving back to the community. YMI recommends marketers explore a New York arts organization called Creative Time. Founded twenty five years ago, Creative Time is a pioneer in the field of public art targeting 16-35 year olds. Partnerships with Creative Time can help position a corporation as a cutting-edge, youth culture-savvy institution. This month, among several other events, Creative Time will present its 2 Week Festival of Music, Performance and Film. It combines established and emerging talent to create new art forms. Past events have consistently attracted widespread international media. Highly respected. Contact: **Anne Pasternack** - 212.206.6674

## 3 | Hot Tips

**Key web site:** Explore marketing relationships with Platform.net. It is a well executed, urban lifestyle site selling branded urban streetwear to an international clientele of fashion forward teens. In essence, it is an on-line hip-hop/street culture retail environment. The site also has audio and video content from different music and lifestyle magazines. Platform also has live music feeds and hosts events with new music artists.

**Youth market is increasingly fragmenting:** It has become almost impossible for concert promoters to promote successfully large electric tours like Lalapalooza (a very important summer tour featuring a diverse and broad group of musical talent) because the music market has become so fragmented. Lalapalooza earned \$27 million in tickets sales in the summer of 1994 vs \$9.4 million in 1997. Last summer, only concerts that tapped into well defined niches, like the young female-driven Lilith Fair, performed well. Lalapalooza's decline is further proof that to reach the right target, event marketers/sponsorship executives increasingly will need specialists who understand the subtle demographic differences between the growing number of music-based, subcultures.

**Skillful cobranding:** In Amsterdam, TBWA/H neth-work is marketing Canon IXUS, known as the ELPH in the US, by cobranding the camera with other cool lifestyle brands. The first ad reads Sneakers by Vans; the second, makeup by MAC. Targeted to teen girls, the campaign uses teen female models. The ads are also futurist in tone. Beautiful execution.



**Event marketing coup:** In Tel Aviv, Israel, Levi's is a very popular brand, especially among 16-20 year olds. However, Diesel and Replay Jeans are beginning to cut into Levi's 75% share. The brand has set out to reconnect to trendy teens. Levi's staged the first 24 hour "rave" (large, music based party; sometimes go on for days) in the Negev desert. Leading DJs from around the world performed. The event was promoted on college campuses and supported through POP materials at retail. A CD of the performances from the event was given away to post-event purchasers. The program created an 11% sales increase during the promotion and 5,000 CDs were sold at record retail. The event helped to position Levi's as cutting edge by being first to introduce a new form of entertainment to that market. Invent new event categories for your brand and be first to introduce them to the market.

**Branded TV:** In India, Sony Entertainment Television has launched the "Coca-Cola Pappadum Show". The youth-targeted program features music video tracks of popular Indian performers. Branded programming is becoming increasingly common in Europe and Asia. It looks like we are going back to the early days of TV.

**Travel industry shifting toward youth:** British Airways has partnered with Channel V, the Asian youth channel, to sponsor contests to win trips to London. BA is breaking away from traditional airline promotions in favor of targeting a "younger, more upwardly mobile audience." It is a good cross promotional opportunity.

**Advertainment in theaters:** Coca-Cola is sponsoring a Young Filmmaker's Contest among college film students. The winner gets excerpts of their film exhibited in theaters. YMI saw the 2-3 minute ad in a Cineplex Odeon theater in New York City. Much of the audience applauded at the end of the ad. Support the arts.

## 6 | Youth Advertising Deconstruction

To: Phil Guarascio, Vice President and GM of Advertising and Marketing, General Motors

Dear Phil,  
Pontiac's attempt to court price-conscious but lifestyle-oriented, 25-34 year old African-Americans fails miserably. This ad is currently running in VIBE magazine.

The first thing that the reader encounters in this ad is a negative experience - not a bad movie but an "awful" one, and a packed restaurant. The typeface is dated and uncomfortable to the eye.

Underlying psychology: this guy could not organize an evening out with his girlfriend, i.e. he is not cool. The target audience doesn't aspire to be like him.

Why is this story set in the past, and not the present or the future? Contemporary young people, especially young urban African-Americans, are very fashion conscious. The models have been mistyled; they look dated, not contemporary and hip. Also, there is no background cast or activity on the sidewalk to create a sense of youthful energy and/or city life.

The ad is attempting to position the Sunfire as a lifestyle tool by linking the product to movies and restaurants, two lifestyle elements that most young people are intimately involved with. However, this couple went to see a movie called "Shrimp Bandits." Why couldn't they be coming from a cool contemporary film? Any movie studio would have been pleased to insert a poster in this ad from one of their "appropriate" upcoming releases.

To: Phil Marineau, President, Pepsi-Cola North America

Dear Phil,  
YMI salutes Pepsi's efforts to attach itself to other important elements of youth lifestyle and pop culture. This ad, featuring the tagline "Pepsi introduces the next generation of new music," is currently running in SPIN magazine (the perfect context for this ad). It is a two page spread that looks like a story about a new music band. Titled "The Best Bands You've Never Heard Of," it features a 7 question interview with a new group called "Bonepony." It is designed to mask advertising under the guise of editorial. It is a very intelligent component of your strategy of linking Pepsi to pop culture. In this case, through new music.

However, YMI believes Pepsi took the marketing too far by prompting the reader to "listen for their single 'Generation Next' on local radio." It suddenly becomes painfully obvious that the group is a tool for Pepsi first, and music artists second. It undermines the credibility of the artists; without credibility, they become irrelevant to youth. Overall, this is a strong youth marketing tactic. What's next, Pepsi clothing? We recall Coke clothing was a brisk business with youth in the mid-80s until the bottom fell out due to inventory management miscalculations.

**The MOVIE**  
was awful. The RESTAURANT was packed.  
But you took your  
**SUNFIRE.**  
What a GREAT night.

Newspaper said best thanks up. Whose thumbs were they using? Our lack at the restaurant were Larry better. Good thing we took the Pontiac Sunfire. The air conditioning kept us cool. The spiced onion soup was best in its class. We got through the traffic jams for another restaurant too easy because of my quick transportation. Also standard. And my

Sunfire comes with Next Generation Air Filter just to name one item. Somebody we didn't find like running into. But as we drive around thinking to make on my skills in CD's, I read a little more for that, and get the Sunfire maybe we're best off right where we are. It's my Sunfire. Goodbye, there's always someone right.

Probably a mistake if indeed, you can really afford.

**Sunfire**  
PONTIAC

THE BEST BANDS  
YOU'VE NEVER HEARD OF

GENERATION NEXT

Pepsi introduces the next generation of new music.

## 4 Youth Values: The Cycle of New / Mutating Values

Why do some messages resonate with youth while others do not? In popular culture, there are anchor values that are the underpinnings for all effective marketing communication. Classic values like tradition, trust and convenience will always be relevant. But an understanding of secondary value sets that are constantly changing is also critical to successful youth marketing. Following are key trendsetting youth values that are relevant today. YMI arrived at these findings by reviewing opinions from cultural arbiters and conversations with youth across pop culture. Which youth oriented values does your brand embrace?

### YMI CULTURAL VALUES SCALE

The Cycle of New	<p><b>Free Values</b> (contemporary or trend oriented values)</p> <ul style="list-style-type: none"> <li>• Spirituality</li> <li>• Futurism</li> <li>• Individuality</li> <li>• Tribalism</li> <li>• Realism</li> <li>• Globalism</li> </ul>
	<p><b>Mutating Values</b> (present themselves in new forms)</p> <ul style="list-style-type: none"> <li>★ Freedom</li> <li>• Aspiration</li> <li>• Quality</li> <li>• Sexuality</li> </ul>
	<p><b>Classic Values</b> (unchanging, fixed)</p> <ul style="list-style-type: none"> <li>• Family</li> <li>• Achievement</li> <li>• Tradition</li> <li>• Functionality</li> <li>• Convenience</li> <li>• Trust</li> <li>• Religion</li> </ul>

### Mutating Values

What happens when old values that seemed to belong to the past come back in vogue? Values like freedom, aspiration, quality and sexuality never go out of style, but they cannot be called traditional values either, because they reemerge in new forms. For instance, what exactly is quality? Is freedom an American value rooted in the constitution? Or is it dangerous, rebellious and anti-authoritarian?

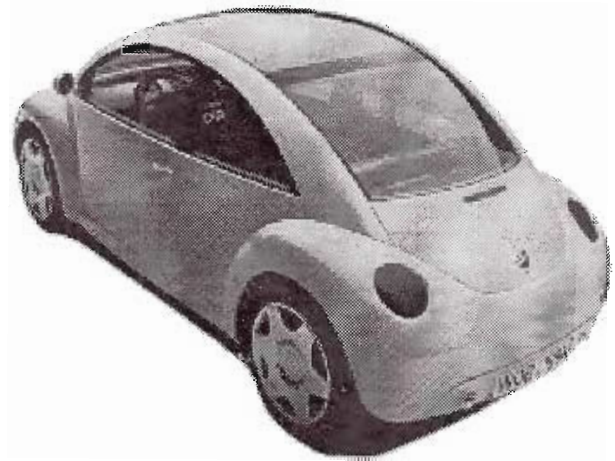
Similarly, products and brands can reemerge within the same value dynamic. It's called "The Cycle of New". If a brand has been "cool" before, then under the right environment, a brand can reemerge with a seemingly heightened sense of meaning and relevance, today. Ask yourself what brands or products personified freedom to young adults in the 70's. If these brands can be repositioned also to symbolize more contemporary values like individuality, globalism or even spirituality, that product or brand may be deemed "retro chic" and find its purchase desirability within today's young consumer market.

### YMI Dictionary

\* **Freedom:** The quality or state of being free, the absence of necessity, coercion, or constraint in choice or action, liberation from slavery, restraint, or from the power of another, independence.

Most young consumers, not to mention boomers, are unaware that the VW Beetle was originally conceived of by none other than Hitler himself. He thought it would liberate the German working class, a car for everyone. In America, it still is the car of the people, thanks to a little brand repositioning by **Doyle Dane Bernbach**, in the 60's. The Beetle benefited by being in alignment with the trend-oriented values driven by the counter-cultural revolution of the 1960s.

Repackaged as hip nostalgia, the Beetle is back; faster, sexier, more reliable, more futuristic, and of course, more expensive. This is a perfect example of how values from the past can be recycled, repackaged and remarketed to create a "new" commodity. Recycling values increases the historical relevance of brands. This creates a lasting cultural imprint and guide for the next cycle of product regeneration that will occur thirty years from now.



### VW 1998 "RETRO BEETLE"

#### Free Values

- Spirituality
- Individuality
- Tribalism
- Realism

#### Mutating Values

- Freedom
- Sexuality

#### Classic Values

- Tradition
- Convenience

### YMI Trendsetter Youth Approval Rating™:

The VW Beetle currently shares 60% of contemporary youth values.

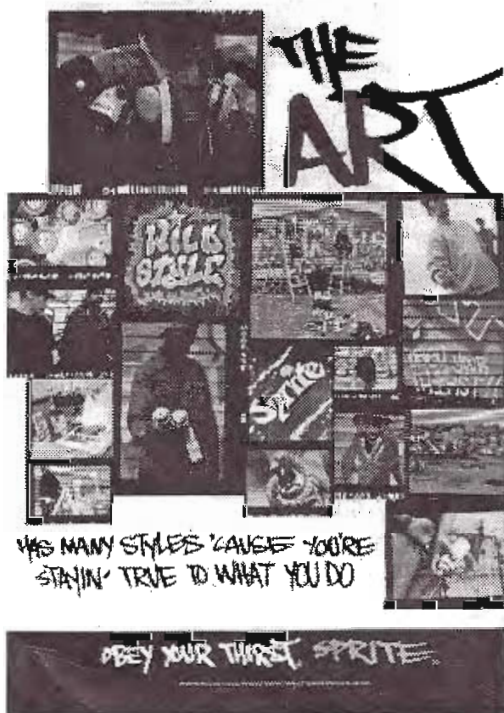
## 5 | Urban Market Report:

**Emerging talent alert:** Keep an eye on Latino rapper Big Pun (Loud/BMG Records). He is the first Latino hip-hop artist to go platinum (sell more than 1 million units). He has strong credibility across African-American and Latino urban youth (highly unusual). The CD, called Capital Punishment, features collaborations with a dozen different hip-hop artists.

**Community relations concept:** San Francisco Bay Area high school teacher Hodari Davis, has successfully integrated hip-hop and education. He has had leading hip-hop artists come to his school and speak to the students about important youth related issues. Marketers could help reenergize the study of the arts in American schools by funding programs like his.

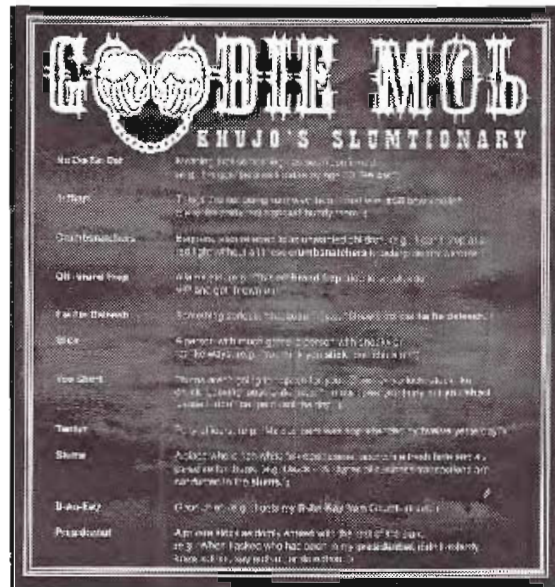
**Consumer electronics:** Clarion USA, the California-based stereo manufacturer, is skillfully tapping into an important subculture for automobile stereos: low rider car shows in Los Angeles. Populated largely by 16-25 year old Latino and Asian-American youth, these shows often attract thousands of visitors. Clarion has scouts that supply the best car stereo customizers with new Clarion equipment. They then learn how trendsetting audio consumers adapt the stereos to fit their individual tastes.

**Reflect the lifestyle:** Sprite print work is resonating with the target. The ad below pays respect to a subculture based on graffiti art. It has credibility because it also features cover art from a widely respected "old school" hip-hop documentary called "Wild Style" (Rhino Home Video). The revival of graffiti art in hip-hop/pop culture is becoming an increasingly relevant urban youth trend.



**Terms you need to know:** To successfully navigate through urban youth culture, recognizing and understanding the language and codes is very important. A sure fire way to undermine brand credibility with this demographic is to misuse slang. LaFace Records/BMG's new release of a group from Atlanta called the Goodie Mob features a glossary of slang terms in the CD jewel case. Marketing relevance: valuable copy for grassroots marketing efforts on radio and in print. Some of the terms have particular marketing relevance:

Presidential = any premium product  
 Red Dog = Drug Enforcement Agent (Miller/Red Dog Brewery)  
 Heavy = Chevrolet (General Motors)  
 Hog = Cadillac (General Motors)  
 O = Mustang (Ford Motor Co.)  
 Cheese, Cream = money (Kraft General Foods)



**Japanese youth love hip-hop :** Toyota is running a TV spot on Black Entertainment Television (BET) that features an unknown hip-hop artist rapping, then jump cuts to a product shot of a car and the Toyota logo. This ad, unedited, could probably work in Tokyo and other global markets.

**Automobile marketers:** YMI sources indicate that HBO and Showtime are both exploring movies based on the life story of Willie Ribbs, the first African-American to qualify for and race in the Indianapolis 500. Formerly his team was sponsored by Bill Cosby. Ribbs represents an excellent endorsement opportunity for a sports car targeting 25-34 year old African-Americans. Strong promotional tie-in opportunity.

**Cautionary tale for all marketers:** Marketing backlash in Tokyo; cliques of Japanese teen girls wearing expensive designer clothing and making dates via cellular phone are selling themselves into prostitution. They do this so that they can finance more hand bags and better phones. The Japanese government has had to form a special task force to try to deal with the problem. Marketers need to be keenly aware that aspirational marketing to teens can have very dangerous cultural side effects.

## 7 | Arbiter Interview:

Aaron Rose, Director of NYC-based Alleged Gallery, is one of the leading international curators of young artists. Alleged also produces film and publishing.

**How has the young art world kept up with the issues of teens?**  
Young artists are satirizing armageddon, issues of the psyche and down-and-out people.

**What are some recurring themes in youth art?**  
Young artists today are dealing with a new sense of internationalism and multiculturalism at local levels. Also real slices of life, rawness, "keeping it real."

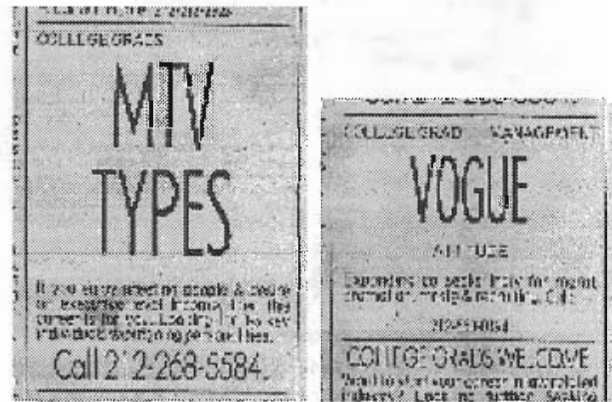
**How are young artists reflecting youth culture in their work?**  
Teen artists seem to exhibit a new kind of detachment which is still rooted in human experience.

**How can companies truly interested in youth art build relationships with young artists?**  
There is an innate distrust of "demographic marketing." It's simple, give something back to the culture.

**Relationship between technology and young artists?**  
The web has a long way to go as far as being a true artist's medium. The young artists today are reacting to technology by embracing more hand-made things like clothing and jewelry.

## 8 | The Futurist

The year is 2015. You have just graduated from a Midwest college and are looking for a job in New York City. You go to The New York Times site on your palmtop computer and purchase a copy of the interactive version of the "web paper." You enter your profile into the classified section and the following ads targeting recent college graduates appear:



You immediately click on MTV TYPES because you think you identify with that "lifestyle" imagery. Why wouldn't you, you grew up on it. Maybe you click on "VOGUE ATTITUDE" because you like that magazine and you aspire to the hip lifestyle identity that it packages for you each month. In 2015, the youth market has become so fragmented and multicultural, that it is easier to "segment" it by brand-based, demographic hubs. Young people's identities are literally branded.

**FACT:** this ad is running in The New York Times classified section...today. These brands are being used as a self-selection screening tool. If you are not fashion conscious, interested in music, beauty and lifestyle, not a Vogue reader or MTV viewer, then you probably will not call. The ads have yielded a strong response. They are for a sales company called Environmental Dynamics that recruits young people to sell environmentally conscious products such as water purifiers and chemical-free cosmetics. They have 400 offices around the country and are aggressively expanding.

Branded people are here to stay. Just like the term "Gucci Gulch" (the hub of Washington DC's expensive, power lobbyists) represents a branded tribe of people with similar values, so does MTV, Vogue or Harley Davidson.



CALL TODAY FOR A  
YMI CONSULTANCY  
ON YOUR BRAND

YMI will analyze your brand message and determine how your brand holds up to contemporary youth values.

We'll give you new ideas and actionable concepts that will enable you to achieve stronger results when marketing to youth.

Call 917.806.0114 Today