

Trends & Tudes

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Keeping you informed of current topics in youth and education research.

Contents

The Market Influence and Power of Youth1-2
 Editorial: Our Take On It.....2-6
 Ask a Question Get An Answer ..3
 Recent Research for Public Release3-4
 Come See Us at Kid Power5
 Come See Us at IIR's Youth Marketing Mega-Event!5
 The 2003 Wave of YouthPulseSM Is Now Available5
 360 Youth College Explorer: 2003-20045
 Listen to Us - ARF Webcast6
 We've Been Published6
 Trends & Tudes Poll Vault.....6
 Contact Us6

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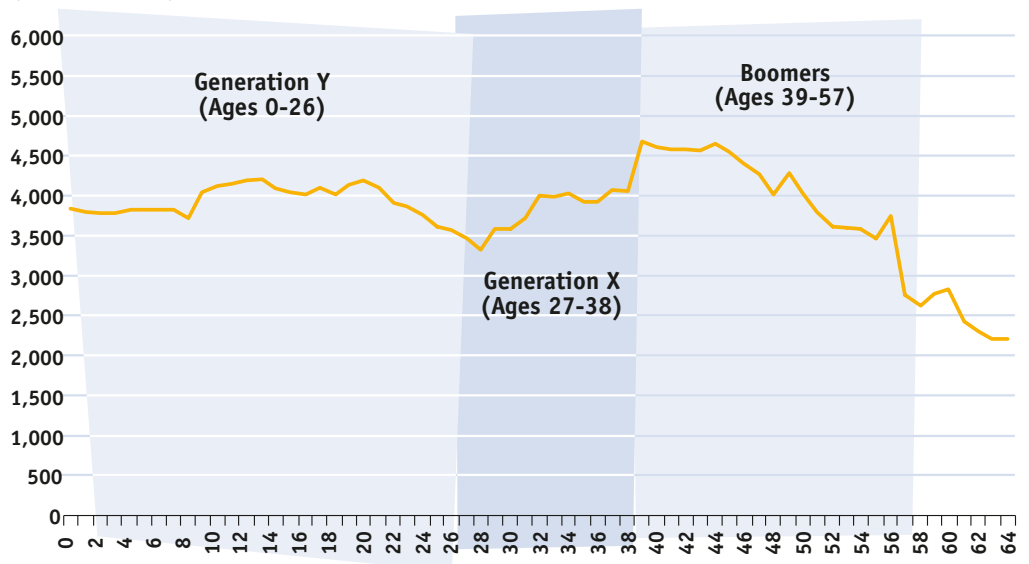
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The Market Influence and Power of Youth

There are more children in the United States today than at any other time in our history. From 1950 to 2000, the number of U.S. teenagers has roughly doubled. We now have the largest, most ethnically diverse, and best-educated generation of young people in history.

Today's youth are more powerful than ever. Generation Y, often called the "echo boom" because they are the children of baby boomers, is the next great demographic force on the cultural horizon. This generation has become a huge consumer group that is worthy of attention from many businesses seeking to maximize their potential. Kids, teens and young adults spend significant amounts of their own money, and they influence the shopping behaviors of their parents, their siblings, their relatives and other adults in their lives. These are the adult shoppers of the future, and building a relationship with them in their youth can translate into a loyalty that lasts a lifetime.

U.S. Population by Age (In Thousands)



Source: U.S. Census Bureau



YOUTH AND EDUCATION
 The Harris Poll[®] PEOPLE

Continued on Page 2

Continued from Page 1

Editorial: Our Take On It

by John Geraci

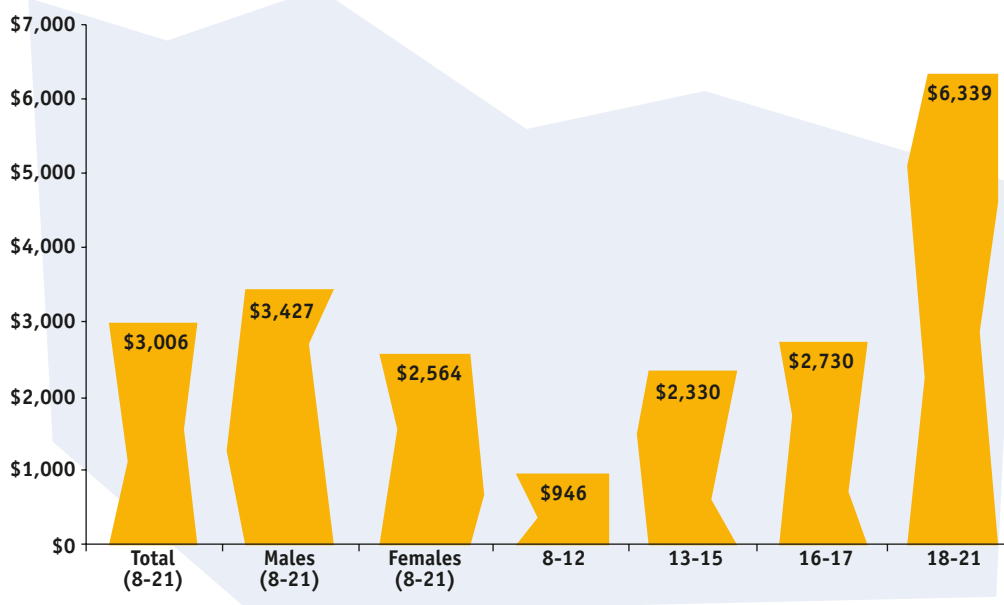
Vice President of Youth and Education Research

Harris Interactive has long been at the vanguard of online data collection for market research and polling. We believe that online interviewing represents the future of our industry. To place this in a historical context, the polling industry in the 1940s, 50s and into the 60s relied predominantly on door-to-door interviewing to collect data. During that time period, telephone access grew rapidly across the country, and telephone data collection gradually replaced door-to-door interviewing for most research studies. The efficiency of telephone interviewing became the technological springboard for the then nascent market research industry, which grew tremendously at that time.

The transition from door-to-door to telephone data collection was not without its controversies. In fact, lack of experience in managing telephone samples led to nearly every major polling company incorrectly forecasting the results of the 1948 Presidential election. (Remember "Dewey Defeats Truman?") There were many researchers who were convinced that projectable samples were simply not possible on the telephone and that door-to-door

Just how powerful is Generation Y? We project that annual income for this group is about \$211 billion and annual spending is about \$172 billion per year—about \$3,000 in spending per person. Both income and spending increase as children grow older. The Generation Y direct market power is concentrated in the older portion of the demographic while online spending continues to grow and is currently at about 15% of all Gen Y spending.

Per Capita Spending by Age



Source: Harris Interactive YouthPulse, July 2003

But direct spending is really just a fraction of the story when it comes to the market power of youth. Their true power, as mentioned earlier, lies in how they influence others. Our studies show that Gen Y parents are attuned to, and involved in, how their children spend their money, and they also show that parents take cues from their children which affect their own spending. Parents look to their children for advice on which clothes to wear, which groceries to buy, which car to drive or where to go on the family vacation.

We live in a trend-conscious culture and also one that has designated teenagers as the harbingers of what is considered "cool." Generation Y will soon be in a position to influence the generations that succeed them. Many times marketers confuse the true nature of the market influence of young people, yet it is difficult to be effective in your adult marketing efforts without a keen understanding of youth.



Continued on Page 3

Continued from Page 2

interviewing would be here to stay. Eventually, as the technology improved and as researchers gained experience with the new method, the viability of telephone research was proven and came to dominate the industry.

At Harris Interactive, we draw a direct analogy between that transition and the one that the research industry is facing today with online research. The Internet represents a new technology that has been rapidly adopted by consumers of all walks of life, which has created an incredible efficiency for our industry. We feel it is only a matter of time before telephone interviewing goes the way of the horse and buggy or door-to-door interviewing, and there is strong evidence that this transition is well under way. Online interviewing will soon supplant telephone interviewing as the primary means of data collection in market research and polling.

This evolution is occurring faster than the transition from door-to-door to telephone polling did. Why? Because we are not merely at a point in time when we are presented with a new, enabling technology, but we are also at a point in time where telephone polling has become more expensive, less accurate, and untenable for many studies. The "old" technology is getting less efficient, which is hastening the move to the new technology.

Continued on Page 4

Ask a Question...

Have a burning question you would like to ask kids and teens? Here's your chance to submit a free question for our upcoming YouthQuerySM youth omnibus. Just send us an email with your suggestion. We will pick one question each month and then publish the results in the next issue of the newsletter.

...Get an Answer

Jennifer Waits from Schwab Learning submitted the following question:

"Which of the following statements do you think might describe kids or teens with learning disabilities?"

	Boys	Girls
They have trouble concentrating on schoolwork.	69%	69%
They're smart, but they have trouble learning.	62%	70%
They are in special education classes.	58%	56%
They have trouble learning how to read or write.	57%	56%
They need help from a tutor.	54%	49%
They have ADD or ADHD.	52%	49%
They have dyslexia.	40%	38%
They are hyperactive.	37%	34%
They are mentally retarded.	35%	28%
They are blind or deaf.	29%	26%
They are not as smart as other kids.	25%	23%
None of these	5%	5%

Source: Harris Interactive YouthQuerySM, November 2003, 8- to 18-year-olds

Recent Research for Public Release

Teens Pick Evanescence, Eminem and Coldplay to Win Big at This Year's GRAMMY Awards

The 46th Annual GRAMMY[®] Awards race could be a rock n' roll sweep, according to a new national Harris Interactive survey of teens. This year's results reveal teens' preference for rock music over other music genres, as teens endorse Evanescence and Coldplay for top honors. Their endorsement of rapper Eminem and his nominated song, "Lose Yourself," a rock-influenced tune that includes guitars, drums and piano, also displays this preference—More than a third of teens (35%) voted it "Song of the Year."

The Harris Interactive YouthQuerySM Omnibus of 642 American teens, ages 13 through 18, was conducted online from January 14 through 19, 2004.

The poll covered the four most popular GRAMMY categories and gave teens an opportunity to pick their favorites. Results include:

- **Record of the Year:** "Clocks" by Coldplay (27%); "Hey Ya!" by Outkast (25%); "Lose Yourself" by Eminem (19%); "Where Is the Love?" by The Black Eyed Peas and Justin Timberlake (16%); and "Crazy in Love" by Beyonce featuring Jay-Z (12%).

Continued on Page 4

Continued from Page 3

When I began about 15 years ago in the research and polling field, we were concerned about response biases in our telephone polls. At that time, typically 35 to 40 percent of our respondents would refuse participation in the polls. Today, standard refusal rates for telephone studies are in the 50 to 60 percent range, raising the costs of telephone studies and decreasing their accuracy. It is truly the case that producing a random sample in a telephone study has become a bit like a search for the Holy Grail. In fact, random sampling, which is the very basis for most polls, has become difficult if not impossible to achieve. Random samples are becoming more of an academic concept than a practical reality.

Why have response rates plummeted? One reason is that the nature of American family culture has evolved. Individuals are busy, have many pressures on their time, and they value their private, uncommitted time. There has been a backlash against anything that marketers do that is "unsolicited" – unsolicited email, mail, and telemarketing have become unwanted invasions of precious leisure time.

More than 50 million Americans have signed up for the National Do Not Call Registry. While market research is currently exempted from this regulation, a recent Harris Poll indicated

Continued on Page 5

Continued from Page 3

Album of the Year: "Fallen" by Evanescence (39%); "Speakerboxxx/The Love Below" by Outkast (23%); "Elephant" by The White Stripes (18%); "Justified" by Justin Timberlake (12%); and "Under Construction" by Missy Elliott (7%).

- Song of the Year: "Lose Yourself" by Eminem (35%); "Beautiful" by Christina Aguilera (29%); "I'm With You" by Avril Lavigne (20%); "Dance With My Father" by Luther Vandross (12%); and "Keep Me In Your Heart" by Warren Zevon (5%).
- Best New Artist: Evanescence (41%); 50 Cent (27%); Fountains of Wayne (18%); Sean Paul (12%); and Heather Headley (2%).

Within the four categories considered, the survey showed that teens' votes were split between several R&B and hip-hop artists, preventing any one of those artists from winning top honors. If GRAMMY voters end up following a similar pattern, then R&B and hip-hop artists, such as The Black Eyed Peas, Justin Timberlake, Outkast, and 50 Cent, will be left wondering, "Where is the love?" echoing the sentiment in the song made popular by the Black Eyed Peas and Justin Timberlake.

"It will be interesting to see if GRAMMY voters reflect teens' current views toward rock music," states Marc Scheer Ph.D., senior research associate, youth research at Harris Interactive. "This is an industry that looks at young people as trendsetters, and, for this year at least, rock and roll is not dead among teenagers."

More information: <http://www.harrisinteractive.com/news/allnewsbydate.asp?NewsID=754>

More Than One-Third of Internet Users Now Have Broadband

146 million (69%) adults in U.S. are now online; 37% of them have broadband connections

The numbers of adults who are online at home, in the office, at school, in the library or other location continue to grow at a modest rate. Broadband use is growing much more rapidly.

In research among 2,033 adults surveyed by telephone in November and December 2003, Harris Interactive found that 69% of adults are now online, up from 67% in late 2002, 64% in late 2001, 63% in 2000 and 56% in 1999. When we first began to track Internet use in 1995, only 9% of adults reported they were online.

This growth in Internet penetration is a result of increased Internet access at both home and work. The proportion of adults who are now online at home has risen to 61%, up from 57% in 2002 and 52% in 2001. Those online at work have risen modestly to 31% from 28% in 2002 and 2001.

By far the most striking change in this new Harris Interactive research is the big increase in those with broadband connections. Less than two years ago, only 22% of adults online had broadband (including ISDN, cable, ADSL/DSC, T1 and T3 lines) connections. By November/December 2002, this had increased to 27%. It is now up to 37%, or more than one-third, of all those online.

As Internet penetration rises, the demographic profile of Internet users looks more like that of the nation as a whole. It is still true that more young than older people, and more affluent than low-income people, are online. But 7% of those online are now over 65 (compared to 15% of all adults who are over 65), 40% of those online (compared to 47% of all adults) did not go to college and 15% have incomes of less than \$25,000 (compared to 19% of adults).

For more information on this, please visit

http://www.harrisinteractive.com/harris_poll/index.asp?PID=432

Continued from Page 4

that 42% of American adults think that market research calls are part of the Registry. There is increasing pressure to include market research in the Do Not Call Registry, but regardless of the outcome we are now facing a stark reality for telephone studies: *hardly anybody wants to get any type of unsolicited phone call.*

We find that consumers are still interested in market research surveys and polls. Consumers like to express their opinions, enjoy the opportunity to provide input into marketing decisions, and like seeing how their opinions stack up to others. But they want to participate in polls on their own terms. They don't want an invasive telephone call during dinner, but they welcome the email recruit to an online study that they can participate in whenever they choose. In fact, our response rates to online polls have been climbing steadily.

And, there are times when it seems that online interviewing was built for youth – young people have adapted to the Internet faster than adults have. They enjoy the sense of community that online interviewing affords them, and they have opinions they love to express to us online. But as with many aspects of marketing to youth, they want to participate on their own terms, and the Internet allows them to do so.

Continued on Page 6

Harris Heritage. **5** Interactive Power.

Come See Us at Kid Power Spring!

Harris Interactive will give two presentations at Kid Power Spring, May 3-4 in Lake Buena Vista, Florida:

- “The New Gender Gap: The Differences Between Boys and Girls” will be conducted with the Girl Scouts Research Institute.
- “What Do Youth Marketers Think About Selling to Kids?” results of the Harris Interactive/Kid Power Poll of Youth Marketers—is considered to be the first survey to study issues of marketing to children from an industry perspective.



We hope to meet you at these presentations. For more information, go to: www.kidpowerx.com

Come See Us at IIR's Youth Marketing Mega-Event!

We will also be presenting, along with our colleagues from Yahoo!®, at the IIR's Youth Marketing Mega-Event, June 27-30, in Anaheim, California. This session will present the results of the “Born to Be Wired: A New Media Landscape Comes of Age” project, which we conducted for Yahoo! and Carat Interactive in June 2003. More information is available at <http://www.iirusa.com/youth/>

The 2003 Wave of YouthPulse is Now Available

YouthPulse, Harris Interactive's lifestyle and attitude study of 8- to 21-year-olds, is now available by subscription. YouthPulse provides important insights to youth marketers and can help connect your organization with this Millennial Generation. Contact us at 877.919.4765 or info@harrisinteractive.com for details.

360 Youth College Explorer: 2003-2004

Powered by Harris Interactive is Now Available!

You can now subscribe to 360 Youth College Explorer, the annual study of college students powered by Harris Interactive. This is the only study of its kind to provide marketers with insights about the entire college market of 18- to 30-year-olds, including: full- and part-time students, students at 2- and 4-year institutions, and undergraduate and graduate students. This year's topics cover income and spending, financial services, online behavior, technology and wireless, entertainment, food and dining, and much more. Contact us at 877.919.4765 or info@harrisinteractive.com for details.

Continued from Page 5

We are at an interesting point in time historically. It is exciting to be involved in an industry that is undergoing such a stark and rapid transition. As we continue to pioneer this move, we are constantly thrilled by the growing potential that the Internet has to help marketers, more than ever before, stay attuned to the needs of their customers.

Listen to Us on an ARF Webcast!

On February 26 at 12 noon, we will be presenting at an audio conference hosted by the Advertising Research Foundation (ARF) entitled "Marketing to Teens – What You Need to Know." Along with Judit Nagy from Yahoo! and Debbie Solomon from MindShare, John Geraci from Harris Interactive will cover a number of issues related to youth marketing. To register, go to the ARF website <http://www.thearf.org/Webpages/webcast/index.htm>.

We've Been Published!

John Geraci from Harris Interactive, along with Judit Nagy from Yahoo!, have co-authored an article in the International Journal of Advertising & Marketing to Children. Entitled, "Millennials – the New Media Generation" the paper shares the results of our recent study conducted for Yahoo! and Carat Interactive regarding media use among Generation Y. More information on this journal is available at <http://store.warc.com/ProductInfo/35.asp>.



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To view previous issues of *Trends & Tudes*, please visit our website at www.harrisinteractive.com/news/newsletters_k12.asp.

Contact Us

To make suggestions regarding this newsletter or to discuss a business issue involving youth or the people and issues that influence today's youth, please contact our Information Desk at 877.919.4765 or info@harrisinteractive.com.

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