

# EXECUTIVE SUMMARY

**M**arketing to college students requires a precise mix of art and science. A sexy image on a billboard or product can move a brand from humble beginnings into the imagination of millions. It's a mistake, however, for marketers to think that finding the perfect product or running the perfect ad will catapult their brand to college cult status.

Building brands that resonate with the college student audience depends on combining a sexy image with proven marketing strategies. This document looks to leading marketers and authorities on this group to find the science amidst the art of communications. Each mentioned brand was selected for its ability to create loyalty and affinity among this hard-to-reach audience. Tactics vary, but common methods exist in the marketing of these leading brands to the GenY college market:

- Abercrombie & Fitch
- BIGWORDS.com
- Hard Candy
- Jamba Juice
- JNCO
- Pepsi
- Sega Gameworks, LLC
- Skechers USA
- Sony Playstation
- Steve Madden, LTD.
- The WB Network
- Tommy Hilfiger
- Universal CityWalk
- Vans

Common methods among these marketers are captured in the integrated *On-the-Move-Media Model*<sup>®</sup>. This document seeks to define the significant common strategies of successful Gen Y college marketers. The following outlines a four-step process that drives marketing strategy creation and execution.

- Step 1 is doing the right market analysis and research.
- Step 2 is constructing a brand identity that incorporates value, style and personality – the key drivers of brand success.
- Step 3 is using the fundamental success elements of brand positioning: innovation, trust/truth telling, and unique product.
- Step 4 is building an On-the-Move Media Plan with on-line, off-line, on-campus and grassroots marketing elements.

As a reference for readers, there is a summary of Internet commerce trends and sources included as an appendix to this document.



# INTRODUCTION

To build a successful brand in the Gen Y college market, defined here as college students age 18-24, it is important to understand the converging elements of today's fast-paced society, and how these elements affect the college student. Essentially, today's college students are at the vortex of consumerism and the technological age. They are the leading edge of the young adult market. They are educated, have the best career prospects, the highest future spending power, and they show the heaviest use of premium products. Marketing effectively to them is a challenge, because today's college students are discerning and savvy.

The key defining characteristics of this new generation are self-reliance, thrift, a strong work ethic, and a technology-dependent lifestyle.<sup>1</sup> By the time they graduate from high school, Gen Y college students have been exposed to more than 500,000 commercials on TV, and countless more commercial messages in their environment. As early as age one, they demonstrate loyalties for brands such as Coke and Cheerios. By the time they enter college, they fully understand what advertising and marketing is trying to gain: their dollar. They also have clear ideas about what they do and don't like. Business Week reports that "[Gen Y] is the first generation to come along that's big enough to hurt a boomer brand, simply by giving it the cold shoulder."<sup>2</sup>

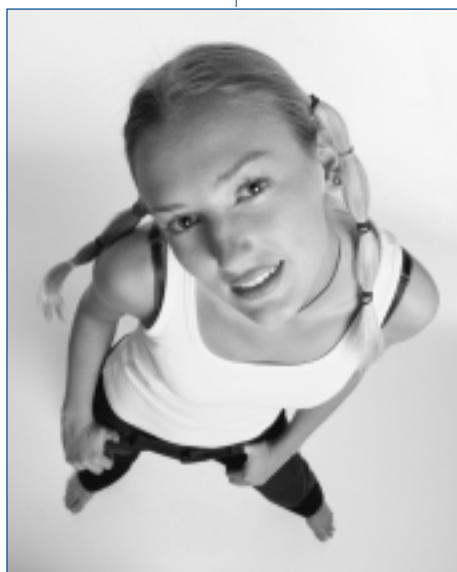
The technological age is contributing to the overall sophistication of today's college students. They have free high-speed Internet access at college, and they are curious and hungry for information, making them more wired as a group than any other segment or demographic. Technology is their "first love" and according to a new MIT-sponsored survey more than 50% of college students plan to pursue a career involving the Internet or computing. Because they are so "connected" to the world and each other by the Internet, they have access to more resources, information, communities, and commerce than ever before.

Despite social concerns such as AIDS, school violence, drugs, terrorism, and pollution, this group enters college optimistic.<sup>3</sup> They have a brighter outlook than Gen X because they are free of "Boomer envy." Unlike Gen X, they know that the strong economy will leave them well-equipped and they will have more choices than older generations.<sup>4</sup>

Building a brand in the college market requires the marketer to throw away all recollections and memories of their own college days. The mindsets of incoming freshmen today are different. To illustrate this, note the following:

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- Their lifetime has always included the AIDS crisis
- Atari and vinyl albums predated them
- There have always been red M&M's – blue ones are not new
- The CD was introduced when they were one year olds
- They have always had cable
- They were born the year the Sony Walkman was introduced
- They have always had MTV



Marketers are learning that Gen Y college students are moving targets, and understanding them one day doesn't mean knowing them the next. This market is both unique and important. A specialized approach is required to build a brand, company or product with a chance of winning Gen Y college sales and loyalty.

This report will outline a Gen Y college branding and commerce marketing model and illustrate how existing brands incorporate different factors within this model to build successful brands, products and companies.

<sup>1</sup> Source: Yankelovich

<sup>2</sup> Source: Business Week (2/15/99)

<sup>3</sup> Source: Youth Monitor

<sup>4</sup> Source: Yankelovich

# A MODEL FOR MARKETING SUCCESS

## The On-the-Move-Media Model<sup>®</sup>

### 1. Market Analysis:

- Customer analysis
- Competitor analysis
- Self-analysis

Evaluate success of power brands targeting this market and relate to own brand/product goals



### 2. *Brand Identity*



Value — Style — Personality

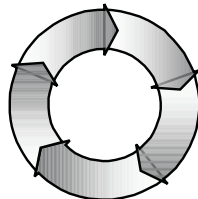
### 3. Brand Positioning

Being Innovative, Fresh → Unique & Cool Product  
Trust/Truth Telling → Message

### 4. *On the Move Media*

Offline  
Online  
On Campus  
Grassroots

Empowerment



Tell a Friend



Peer Influence

To be successful in targeting college students, the model assumes that the marketer has already conducted the following due diligence: 1) customer, competitor and self-analysis; 2) evaluation of the success of power brands; 3) active, on-going customer listening.<sup>5</sup>

This due diligence enables the marketer to view the universe of the product and service, and helps create a strong brand identity. This brand identity should have three defined dimensions – each essential to the whole:

<sup>5</sup> Source: *Building Strong Brands*, David A. Aaker ©Big Words, Inc., 1999

value, style and personality. While specific brand identities have many dimensions, these three appear in virtually all successful brands targeting this demographic.

The model then addresses the next two key factors for success: ensuring that the product is innovative and fresh and that the communication plan tells the truth.

Upon creation of a truly breakthrough product and plan, a crucial area of the model is defining how to take the message to the target audience. It all culminates via *On-the-Move-Media* which integrates offline, online and on-campus media to reach students where they live and

hang out. Properly executed, this in-turn creates a grassroots effect – empowering individuals to make their own brand choices, and influencing peers to follow suit.

The design of the model is addressed in depth in this report, which will illustrate how to make each section come to life, using brand examples that are currently successful within the Gen Y college demographic. Each section of this model will be explained to fully illustrate the scope of the plan needed to create and maintain a brand success story.

## BRAND IDENTITY: COMBINING VALUE, STYLE AND PERSONALITY

Research within the Gen Y college market indicates that a winning brand offers value, along with a distinct, unique style and an entertaining personality. These three elements combine to create a powerful brand identity.

### *Value*

Value is defined here as high quality at a fair price. According to Teenage Research Unlimited, Gen Y college students rank quality as the number one element they look for in a product. Volkswagen understands this strategy, and their marketing plan focuses on developing great cars at affordable prices, combined with messaging that the college market recognizes as their own funny and unpretentious language. As a result, the Volkswagen becomes a car for them – not their dad. “We’re a little edgier, a little more risk-tolerant, and not so mainstream,”<sup>6</sup> says VW Marketing Director Liz Vanzura. Leading with quality and value while layering on style and personality, Volkswagen has achieved success among college students.

Good marketers understand that the Gen Y college student is sensitive to the price/ value equation, and they are delivering solutions. Kelly O’Connor, Director of Public Relations, Skechers USA, states: “Our pricing is accessible, because we know we are dealing with a quality-focused value-conscious customer. Unlike Nike, you can buy a nice pair of Skechers for \$50 – and because of their disposable income, many buy two pairs.” Skechers has fulfilled the target’s desire for value without sacrificing style and personality.

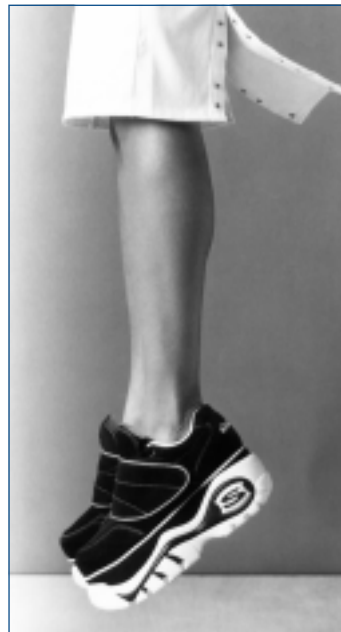
Both Volkswagen and Skechers are excellent examples of successful value messaging: demonstrating value without sacrificing the style and personality components of their brand identity.

<sup>6</sup> Source: *Business Week* 2/15/99

### *Style*

Style is a quality of imagination and individuality expressed in one’s actions and tastes. To achieve style, a company needs to be hyper-aware of trends and the needs of its target audience. MTV has a style that was built on imaginative programming and a unique media presentation. Coke’s style is simple and classic, utilizing the vibrancy of the color red and the concept of refreshment. Skechers created its style with an extensive and “cool” product line.

Kelley O’Connor of Skechers USA describes their style strategy: “Our designers travel the world, pick up on trends, and we ‘Skecherize’ it – we take the essence of an emerging trend and make a shoe that incorporates that look. Our focus is to bring the latest trends to Gen Y, not to follow trends. We are a lifestyle brand and our customers come to us for what’s next. The name Skechers came from the streets. A Skecher moves with his moods and whims – and that’s what we do as a brand. They know that we offer the latest styles – and they learn this from their friends and simply from looking at our products. We have really funky shoes and ‘toned-down’ shoes – so you can see the extreme version which establishes a high level of cool, and then buy a less extreme version that’s easier to wear. We hook into the aspirational aspect of the brand this way.”



Skechers has created an unmistakable sense of style that enables Gen Y college students to express themselves in a way that is current and cool. By bringing the latest looks, fashions and designs to the target, the brand has delivered a successful “style” statement within the brand identity portion of the model.



## Personality

To have personality is to establish the distinctive qualities of a company and product that create an individual uniqueness. Gen Y college students love a practical brand with a unique personality twist because it appeals to both their pragmatism, and their desire to be different.

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BIGWORDS.com has differentiated its brand from other book-sellers with a strong, fun personality, unexpected in the college textbook category and therefore creating a major impact. BIGWORDS.com is an example of a company and product that layers practicality and value

with a strong personality. “We have worked hard on-campus and online to fulfill a real need and create a brand that the Gen Y college group can identify with and embrace as ‘theirs’. But just because we fulfill a need for a utilitarian item, college textbooks, doesn’t mean we can’t be fun. Our orange jumpsuited teams on campus are a sight students have never seen before. And this irreverent behavior makes us more memorable,” says Matt Johnson, CEO of BIGWORDS.com.

Beyond value and style, personality is the third essential piece of brand identity development. Regardless of the product category, a marketer needs to develop a distinct brand personality to stand out in the highly cluttered college market.

## BRAND POSITIONING

### *Unique and Cool Brand and Message*

Once value, style, and personality are achieved, the path to a successful brand flows through an evaluation of the uniqueness and coolness of the product and message in the marketplace.

For the Gen Y college student, using a product that is seen as unique, or as the only brand or message of its kind in a category, is inextricably linked with being cool. Uniqueness therefore helps to achieve an effective brand position. To qualify as

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unique and cool, the product or service needs to have a new angle or approach to its respective category in its product attributes, and in its communication plan.

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### *The Importance of Being Unique*

The first step to achieving a unique and cool image is to have a unique product and/or message. In marketing, there are degrees of unique – some brands/messages are more notably different than others. However, in evaluating success in the Gen Y college market, brands that offer a twist on the ordinary as well as brands that go to unique extremes are the ones that have found success. From Taco Bell’s novel Chihuahua ads to Steve Madden’s new funky shoe looks, brands are pushing to break through. Without a unique benefit, a brand is missing a key element for success.

Hard Candy redefined the nail polish industry with unique products and an irreverent brand name. Their initial success can be attributed to the sheer innovative quality of their “never seen before” product, the timing of the launch, and their understanding of the market’s needs and desires. The founder created this product because she wanted a nail polish color to match her blue dress and it didn’t exist, so she created her own blue polish, and a company was launched. Customers appreciate Hard Candy products because these products give them the ability to express their own individuality.



The WB Network creates programming for teens and young adults that is unique in format and approach, while maintaining familiar recognizable themes. As a result, the 12-34 group has become WB’s largest audience demographic. The WB Network is a success because it offers modern, different programming that mirrors the lifestyle of young adults today.

According to Jordan Levin, Executive Vice President of Programming for the WB: “We know we are playing to a media savvy, trend driven audience. If you don’t address their hyper-awareness, you’re in trouble. I would say that our uniqueness stems from our ability to layer

familiar formats to create a more sophisticated end result. *Buffy the Vampire Slayer* is multi-layered with themes, making it unique and recognizable at the same time. It is drama, superhero, coming of age, and suspense...all of the horrors of adolescence in monster form. And because the issues of adolescence appeal to a broader audience, these themes frame adolescent experience in a way that is appealing to adults, proven by the size of our 18-34 year-old audience.”

Sega Gameworks also focuses on delivering a unique customer experience. Michael Staskin, VP of Marketing: “It’s games, drinks, music and food. But it’s not really about any one of those things; it’s the entire GameWorks experience created within the four walls of our venues. GameWorks delivers a cool social dynamic that can’t be found anywhere else, and that’s why customers come back again and again.”

Having a unique product, whether it’s nail polish, programming or retail, is a key factor to Gen Y college brand success, because this group is always on the lookout for the newest and latest, freshest thing.

### The “Cool” Factor

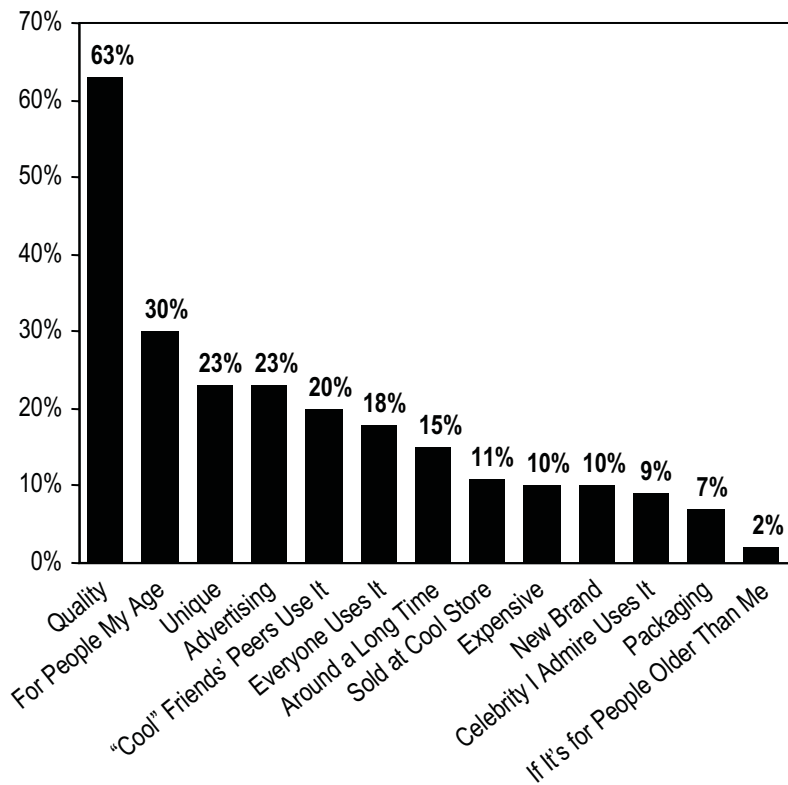
According to the Rand Youth Poll, 75% of Gen Y (versus 25% of Boomers and 40% of Gen Xers) say that they care about keeping up with the latest trends. This makes the “cool” factor vital to a brand’s success within the Gen Y college marketplace.

Coolness starts out with a spin on the ordinary. It is a new look, a new design, or a new language for a category. When Teenage Research Unlimited asked what makes a brand cool, teens said “quality” is twice as important as anything else (see chart above).

Given that “quality,” “for people my age,” and “unique” are the top three ranked factors among teens in defining a cool brand, Wet Seal has developed a winning combination to achieve the “cool factor.” Wet Seal has developed a brand that Gen Y can call their

## What Makes a Brand a Cool Brand?

**“Quality” is the single biggest attribute of cool, cited by more than twice as many teens as the second-ranked attribute, “for people my age.”**  
(percent of teens citing characteristic as making a brand cool, 1996)



Source: *Wise Up to Teens*, Peter Zollo, © 1999

own. With a new ad campaign, their own fashion ‘zine that includes the Gen Y favorite Contempo Casuals, and the launch of the new Blue Asphalt Private collection for girls, Wet Seal brings their “cool factor” to the masses with a fully-integrated marketing plan. With a quality-focused unique product line made especially with Gen Y in mind, Wet Seal has effectively delivered all of the important factors to establish themselves as “cool.”

Gen Y describes a cool person as funny/fun, laid back, easygoing, honest and open. Not surprisingly, these elements also appear to mirror the imagery and messaging of successful Gen Y brands such as Mountain Dew, Abercrombie & Fitch, MTV and JNCO.

Gen Y college students are looking for unique clothing in fresh, hot styles. JNCO achieves the “cool factor” because they mirror the Gen Y lifestyle – fun, honest, and light hearted, while at the same time giving Gen Y new ideas and imagery. JNCO achieves “cool” on many levels, centrally because they deliver the unique and new attributes that Gen Y college students are looking for.

Abercrombie & Fitch has been around for over 100 years, and yet they are perceived by Gen Y as an entirely new company. Their “re-launch” targeting Gen Y offered a line of classic designs with a high level of quality – two things Gen Yers indicate they seek in a brand. The brand also has established a feeling that wearing Abercrombie & Fitch is like belonging to a cool club, one made especially for Gen Y, and this “exclusive” feeling has helped propel the brand to success.

The sales staff at Abercrombie & Fitch doesn’t offer any help – a policy that may offend Boomers accustomed to being pampered at Talbots and Nordstrom. However, to Gen Y, this is part of this retailer’s appeal, as the lack of assistance contributes to creating a brand image in which their parents would not be interested. Abercrombie & Fitch knows that Gen Y does not like to be told what to

buy. “We don’t have sales-people,” said company spokesman Lonnie Fogel, “we have brand representatives.”<sup>7</sup> Abercrombie sells clothes by marketing a life-style. Its employees act as models for the retailer’s clothing, walking around the store while loud music plays in the background. This is lifestyle

mirroring at retail, which combined with a unique and high quality line, has helped Abercrombie & Fitch become one of the hottest brands of the moment.

Achieving “cool” is complex and often multi-layered, but in doing so a marketer leads the way to Gen Y brand acceptance.

### *Being Innovative and Fresh*

A brand can deliver style, value and personality, as well as a unique product and message, but if it fails to remain innovative and fresh in the marketplace, it won’t succeed. This leads to the next part of the model, which is the evaluation and importance of being innovative and fresh. There are many facets to creating and maintaining an innovative brand and image, including updating product lines and listening to the consumer on an on-going basis. It is also possible to make an existing brand feel fresh and new again with the right approach. A perceived lack of innovation by the Gen Y college student can creep up on a company. However, there are danger signs and indicators that can warn of this happening.

<sup>7</sup> Source: *The Washington Post*, March 9, 1999

<sup>8</sup> Source: *USA TODAY*, October 6, 1998

<sup>9</sup> Source: *The Washington Post*, March 6, 1999

## *Updating*

Companies need to know when to change their strategies so they will continue to succeed. With respect to trends, companies face potentially disastrous consequences if they move too slowly to update their lines, or if they try to push an out-of-style product further into the market.

Three hot Gen Y clothing retailers – Pacific Sunwear, Wet Seal, and Vans – focus on updating themselves constantly. They know it is crucial to listen to the Gen Y college market and to respond to their desires, delivering new and unexpected styles.

At Pacific Sunwear, they now have measurements for jeans that include flare size as well as waist and length measurements. But it’s hard for marketers to keep up. “These kids can’t be faked out,” says Pacific Sunwear’s Weaver. “They know what’s hot.”<sup>8</sup>

“Wet Seal isn’t afraid to race in the opposite direction if it means staying young,” says Ed Thomas, the company’s president. According to Thomas, “the market is all about change . . . you have to constantly reinvent yourself to attract people to your store, and that’s constantly a challenge.”<sup>9</sup>

Jay Wilson, VP of Global Marketing for Vans Inc., concurs: “We reinvent ourselves every three years by sponsoring new events and living in the market. We have 240 athletes that participate in all Core Sports™, especially skate, surf, snow, wakeboarding and more.”

## *Listening to the Consumer*

To stay fresh with a market, it is imperative to understand the most current issues facing the target consumer. The relationship with the customer is crucial in the age of brand proliferation and higher customer expectations.

In order to understand what college students want, marketers need to get out and ask them – continuously.

Universal CityWalk, an urban entertainment center adjacent to Universal Studios’ theme-park and amphitheatre, is always looking for new ways to reach their Gen Y target.

“We continually conduct ‘on-the-street’ interviews and intercept studies, so that we have an on-going understanding of what our target audience is looking for. Based on understanding our target market, we have built CityWalk 2000 with Gen Y in mind. We offer arguably the coolest

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young adult retailers ever assembled in Los Angeles, including new concept stores for Skechers, Quiksilver, Vans and Harley Davidson,” says Larry Kurzweil, SVP General Manager of Universal CityWalk. By listening and acting upon feedback from GenY, Universal Citywalk is able to execute a successful retail marketing plan.

Teen research guru Peter Zollo, President of Teenage Research Unlimited, notes: “If you’re serious about marketing to teens, you need to be in it for the long run. Taking an occasional ‘snapshot’ view of teens can dangerously mislead you. Only by committing yourself to an on-going program of talking to, listening to, and systematically monitoring this age group can you hope to profit from the teen market.”<sup>10</sup>

Listening is a key component to succeeding with this ever-changing target. Each day new trends appear, so it is mandatory to stay current.

### *Making a Brand New, Again*

If an old or existing company can appeal to the student demographic with a relevant and innovative campaign, it can experience a resurgence in growth. Often a revamped campaign or product design is all a brand needs to be in favor again. Students just need to be reminded that they liked the brand in the first place.

Sprite’s resurgence was partly a result of their “Image is Nothing. Obey Your Thirst” campaign, which takes an anti-advertising approach to marketing. Sprite’s acknowledgement that yes, Sprite is a big brand but they know they’re just soda has hit

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home with Gen Y. Students have found the honest, “poking fun at ourselves” communication refreshing, and they are rediscovering Sprite as a result. Sprite is communicating that they aren’t a badge to wear; they are just a great tasting soft drink. Because Sprite hit the bulls-eye in understanding the tonality that works with this market, they are new again.

Another older brand experiencing resurgence in growth both overall as well as specifically among Gen Y is Altoids. They are number one in the extra-strength breath mint category. The

Altoids brand, relaunched with an irreverent personality and message, has great appeal among Gen Y college students because its image is fun and rebellious, aspects that Gen Y college students respect and admire. Now, as a result of Altoids’s savvy campaign, not just any mint will do, it must be the one that comes in the cool red and white tin. Though this British-made mint has been sold in the United States for more than 200 years, only recently are mint-lovers refusing to leave home without them. Altoids goes into targeted areas, such as California’s Venice Beach, and rolls out billboards and print ads that analysts say work well because of their uniqueness, focus and irreverence. These ads show an ideal example of a successful relaunch of a product that has suffered many years of little support.

The retail world is challenging and ever-changing. The Gap has been around since the 70’s, but, like Madonna, their success is attributed to their ability to change their image to be in sync with pop culture. The Gap has shown that if you stay one step ahead in your communication plan, you will profit from it. By closely watching the Gen Y and college trends in pop culture, the Gap has once again created a new, updated brand image for the late 90’s. Their commercials, focusing on popular dance formats such as swing, became favorites among teens and college students, and their stores continue to be a great success. The Gap stays ahead of trends, so they are already “there” when college students get there. However, larger companies like the Gap now face the challenge of offering a unique look given that they are omnipresent within the world of Gen Y.

### *The “Small Company” Edge*

In the age of entrepreneurial heroes, it is easier for a small company to be perceived as “cool.” One way for a large corporation to become a favored company is to appear small and less ubiquitous. Some brands experience this image due to their actual size, while others create this image despite the fact that they are really products from a large company. Regardless, it is important to note that perceived company size is important, and that perception *is* reality. Steve Madden purposely perpetuates the feeling of “small company” as his shoe empire grows. “He personally answers customer emails, signs autographs and talks to customers at the local mall,” says Elissa Kravetz of Steve Madden.

As a result of keeping the company intimate and personal, the Steve Madden brand is growing fast, embraced by the Gen Y college student that Madden so carefully listens to and respects. “Steve prides himself on being in touch with his customer. He wants to give them what they are looking for.” says Kravetz.

<sup>10</sup> Source: *Wise Up to Teens*, Peter Zollo, © 1999



Small companies are growing with the Gen Y college market by offering unique and relevant products that the group can call their own. Delia's, Gadzooks, Steve Madden, Quiksilver, and many more are on the rise.

### *Danger Signs*

Because the Gen Y market is hypercritical and ultra-aware, companies need to keep their finger constantly

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on its pulse. All companies, but especially larger ones like The Gap, Nike and Levi's, face the threat of moving too slowly in a fast, trend-driven market.

Audience respect for small companies is already beginning to hurt bigger Gen Y brands. Although The Gap, Nike and Levi's are still very

popular, they are slipping in popularity among Gen Y, according to Teenage Research Unlimited.

Rebecca Bruser lives in Yellowknife, a remote Northern city in Canada, thousands of kilometers from the fashion centers. But Rebecca is still able to keep current: the 17-year-old, Grade 12 student buys much of her wardrobe from Delia's (at about \$200 per order), a New York-based online clothing catalogue. "It's better to have something no one else has," she says. "It shows you're an individual rather than just having the Gap."<sup>11</sup>

As Gen Y strives to be individual, companies like Delia's win over larger, older brands. "I think Gap stuff has fizzled out," says Anita Kim, an 18-year-old Emory University freshman, fingering a rainbow of pastel shirts at Gadzooks, a chain that's growing in popularity. "Gadzooks is more trendy. More cool. Cheaper."<sup>12</sup>

Nike's popularity has also slipped, and researchers attribute this to the globalization of the brand. Because Gen Y doesn't like to wear the sneaker their parents are wearing, Nike's overall popularity may suffer in the Gen Y segment.

Levi's also faces brand acceptance issues because they didn't deliver Gen Y product quickly enough. "Much of Levi's troubles are blamed on the company's slow response to the youth market. Levi's has made some attempts to appeal to younger consumers, such as its "hard" jeans campaign and SilverTab label. But newer

brands, such as Diesel, Fubu or JNCO, have already secured a higher position on the cool barometer."<sup>13</sup>

### *Trust/Truth Telling*

Upon creating the brand and message for a product, the path to a successful brand follows the key principles of delivering trust and truth telling. Research indicates that Gen Y college students believe that a key driver of purchase intent is the overall honesty of a marketing message. Because of the over-messaged world they live in, trust and truth telling is more vital to this group than any that preceded them. They sense "phony" faster, and they can't be "faked out" by marketers.

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Interestingly, Jerry Springer is Gen Y's favorite daytime talk show host, and David Letterman is their favorite evening talk show host.<sup>14</sup> Although very different personalities, both have "honest" images and tell it like it is. Honesty in marketing takes on many forms and dimensions, and there are many techniques for developing an honest image:

- *Consistently* tell the truth
- Deliver on your promises when it comes to brand, service, and price
- Poke fun at yourself, acknowledging that you are trying to sell something
- Mirror the lifestyle of the market; don't preach, boss, or talk down
- Don't try to be something you're not

Pepsi learned through their 1997 licensed goods summer promotion advertising that trying too hard and over-selling can backfire. After learning that a hard sell was a big turnoff among Gen Y college students, they recovered with their under-the-cap "Pop Culture" promotion, which ranked favorite among teens in 1998. The promotion had two central tiers: collecting current phrases on a game board to win, combined with a chance to win instantly. Teens liked the Pepsi under-the-cap game because it had high odds and "instant win" potential, so they often won free sodas and other small prizes. The promotion was easy to play, and involved a brand that they already used. Pepsi realized that it was best to keep it simple and straight with this group. Their new message

<sup>11</sup> Source: Maclean's, March 22, 1999

<sup>12</sup> Source: The Atlanta Journal and Constitution, 6/28/99

<sup>13</sup> Source: San Francisco Examiner, 8/19/99

<sup>14</sup> Source: Student Monitor



focused on winning great stuff and enjoying a great soft drink. Teens have indicated that if a promotion is easy to enter, fun and satisfying, they will participate. Pepsi fulfilled all of these criteria, and developed an appropriately honest, straight message. The overall approach propelled this Pepsi promotion to top favorite among teens in 1998.

JC Penney's "Just Show Me The Jeans" advertising also rings true with Gen Y. The commercial taps into the market's desire to "cut to the chase" and skip the big sales talk. JC Penney is the #1 retail store among Gen Y because their marketing strategy is self-effacing, letting the target decide whether they want to support the store. JC Penney's communication plan doesn't tell consumers what to do, what to think, or what to buy.

*"What we do not suggest is that we know this group better than they know themselves. We listen ... that's why we have college student support." Martin McClanan, VP Marketing, BIGWORDS.com.*

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Establishing a level of trust with the consumer can be directly correlated to a company's involvement with the target market, which reflects its commitment. Jay Wilson of Vans comments, "They know a "poser" brand when they see it. Some advertisers use a skateboard in their campaigns because they know it's the latest trend, but they know nothing about the skate world. [The Gen Y college student] knows it – and they hate it when advertisers are so fake. The brands that make it in this market, like Mountain Dew and Sony Playstation, give back and get involved. They sponsor events and

BIGWORDS.com prides itself on its honest messaging. By focusing on quality, and advertising with honesty and straightforward messages, brand awareness and acceptance for BIGWORDS.com is at an accelerated pace versus the competition. BIGWORDS.com speaks the college language. "What we do not suggest is that we know this group better than they

heavily invest in these areas. By showing a deeper commitment you establish trust with your customers."

Trust, whether developed via consistent service, brand presence and commitment, or "to the point" honest messaging, is important in achieving overall brand success among Gen Y college students.

### *ON-THE-MOVE-MEDIA STRATEGY*

Research indicates that a successful brand identity incorporates value, style and personality. This brand identity supports a unique and cool product that the marketer consistently updates to keep innovative and fresh. Equipped with a truthful brand message, a marketer is ready for an *On-the-Move-Media* plan.

Reaching students is a challenge due to student transience, restriction of access by campuses, and inefficiency of traditional media. Students' lives change so quickly that it is hard to hold their attention, and the most effective media strategies allow the target to stumble onto a brand in unexpected places. Because the college market is a moving target, it is important for media strategies to continually bend and change based on college student behavior. Most important, the media needs to go and thus be found where the students are.

#### *Fully Integrated Media (offline, online, on-campus)*

A message that reaches the target via a fully integrated media plan has three central communications vehicles: online, offline, and on/near campus (with grassroots campaigning and peer influence programs).

#### *Offline*

TV, Radio and Print vehicles certainly work in reaching the Gen Y college student offline. However, a marketer may not achieve efficiency if the media plan stops there. Creative marketers are coming up with *On-the-Move-Media* tactics to reach Gen Y offline, and these guerilla marketing tactics, although more time consuming, can deliver big pay-offs.

Black Market, a visual communication agency, reaches the Gen Y college student with guerilla street marketing. Putting stickers and posters up on the streets where the target is hanging out – using very visual cues and simple

*Putting stickers and posters up on the streets where the target is hanging out – using very visual cues and simple calls to action, is unexpected and fresh.*

# On-the-Move-Media Model Applied to BIGWORDS.com

*Assumptions:*

1. Customer analysis
2. Competitor analysis
3. Self-analysis

**Brand Identity**

*Product Thrust:* Practical, utilitarian products and services sold via ecommerce  
*User Profile:* Generation Y college market

**Value Statement**

BIGWORDS.com provides: 1) the best value in college textbooks, delivers convenience, services & pricing below brick and mortar alternatives; and 2) liberation from the hassles and insincerity of traditional retailing.

**Being Innovative, Fresh**

BIGWORDS.com offers textbooks online – a new way to deliver a primary need to college students.

**Trust**

BIGWORDS.com treats the customer with the respect they deserve in an open, honest way. The company's tag line is: "We don't rip you off ... as much".

**Style Statement**

BIGWORDS.com identifies you as a free-thinking individual.

*Core Associations:* Bold, orange, cartoon-like caricatures.

**Personality Statement**

BIGWORDS.com is irreverent, fun, with no pretenses; capable, but not self-important.

**Unique & Cool Brand**

BIGWORDS.com creates a cool brand image with its online store, graphic imagery, and on-campus orange men (aka S.W.A.T. teams).



**Unique & Cool Message**

BIGWORDS.com delivers a unique message that is unusually truthful, and refreshingly irreverent within the textbook category.

*On the Move Media*



**Offline:** TV and radio starring MTV personality Tom Green

**Online:** Partnerships with other college web sites

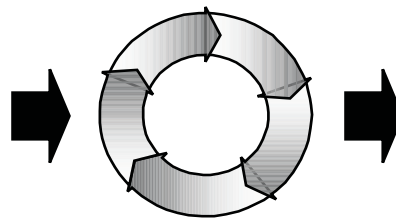
**On Campus:** S.W.A.T. teams, student representation, and posterage

**Grassroots:** Bouncing Balls released on campus with BIGWORDS.com logo and TAF ("Tell-a-Friend") incentive

**Empowerment**

**Empowerment**

BIGWORDS.com gives students a new choice, empowering them.



**Tell a Friend**

**Peer Influence**

calls to action, is unexpected and fresh. "What we've found is that the youth market is very aware if you are trying to sell to them. We put artistic imagery on the street, so the message isn't being thrust on them; they are being drawn to the message. We feel that is the main reason this type of advertising has strength. We prefer

billboards, bus shelters, posters, and stickers. We believe that much advertising talks down to this market and the target is very aware of this," says Philip De Wolff, President of Black Market.

## Online

Students use the web as a tool, and it is a major part of their lives, helping them accomplish daily tasks such as schoolwork and communicating with family and friends. As a result, online marketing is an important part of an *On-the-Move-Media* plan targeting the Gen Y college student. Many companies utilize the online channel exclusively to reach the Gen Y college student.

As more college-targeted sites appear on the web, the opportunity to successfully reach college students online with advertising grows. "Television drives homogeneity" while "the Internet drives diversity," says Mary Slayton of Nike.<sup>15</sup> Audience aggregation on specific subjects enables marketers to reach a more targeted audience. As a result, college students are now easier for marketers to accurately target than ever before.

Companies achieve success online by following four key steps: establishing a beachhead, aggregating a specific audience, conducting community based marketing, and communicating effectively.

### *Establishing a Beachhead:*

A first step in building a successful web site is to establish a beachhead (a position opening the way for further development). MP3.com is a good example of creating a successful beachhead in the music category. By using the world's largest library of downloadable music files of both established and up-and-coming artists, MP3.com created the ultimate source for free, high quality music. MP3.com has been successful because it offers a new and innovative idea – *free* music downloads – and it staked this claim early, so it came to own this niche.

From here, as MP3.com aggregates its audience, it will be able to grow from music into related categories.

### *Aggregating the Audience:*

Once a company has established an online beachhead, it then needs to aggregate its target audience around it. Gurl.com, a popular fashion, chat and game site for girls, is an excellent example of an audience aggregator. Gurl.com is building a massive audience of young girls by developing a community that girls want to be a part of. This is a launch point for more content and commerce aimed at this group, and Gurl.com's value now lies within the strength of the numbers they deliver within the teen girl demographic segment.

## *Conducting Community-Based Marketing:*

Once an audience/community is established, a web marketer can encourage community and audience growth by using easy techniques, such as offering pass-the-word functions, incentives to "tell a friend," and career opportunities that will help build the brand.

At BIGWORDS.com, registered users can email their BIG # directly to their friends when they register. Users can also save money by telling all of their friends about the site (5% off their first purchase as a store credit). Taking it one step further, BIGWORDS.com also offers intern programs through campus organizations. These programs enable students to learn about ecommerce while working for a cool, fast-moving company; and they can put this valuable experience on their resumes.

To extend its community, BIGWORDS.com created a comprehensive, online area designed exclusively for professors that allows them to tell their students course information and more important, what books they will need for their classes.

Each of these initiatives works to build an active online community.

### *Communication:*

Once this active and growing online community is established, the goal becomes to continually speak with the audience, and encourage audience members to speak to each other. Bolt.com is the largest teen community on the Internet and is one of the fastest growing websites in the world, according to Nielsen. Bolt.com offers free email, homepages, digital calendars, diaries, and user-generated content to its core audience of 15 to 20 year-olds. The site is a success because it capitalizes on socialization, a key element of teen life.

Any *On-the-Move-Media* strategy targeting college students needs to have an online component because Gen Y college students spend so much time online.

Companies like MP3.com, Bolt.com, Gurl.com and BIGWORDS.com have followed the most important steps to succeed online.

*Any On-the-Move-Media strategy targeting college students needs to have an online component because Gen Y college students spend so much time online.*

<sup>15</sup> Source: *Business Week* 2/15/99



## *On-Campus (Grassroots Campaigning, Peer Influence)*

A *grassroots* approach is often the core of an *On-the-Move-Media* plan, as it can reach both opinion leaders and ordinary students where they live, and it enables the target audience to discover a brand and call it their own. And because students learn about new brands from friends, combining on-campus and grassroots campaigns with a “*tell a friend*” initiative is often a winning combination.

### *On-Campus:*

An example of an on/near campus success story is Jamba Juice, a smoothie retailer. Using a consistent message, local store marketing programs, cool premiums, and on (or near) campus stores, Jamba Juice is building a Gen Y college brand. “We want to be in their lives constantly, consistently and conveniently through web programs and partnerships, store promotions and most importantly by increasing our store locations on college campuses,” says Michael Keller, VP of Marketing, Jamba Juice.

By achieving a presence where college students live, Jamba Juice is successfully executing an *On-the-Move-Media* plan that puts its emphasis on the campus element.

### *Grassroots Campaigning:*

Grassroots marketing is the ability to reach an individual or a group at a local level. Many successful brands have launched to the Gen Y college student at the grassroots level, and then grown into a major national brand.

Marketers may build a brand from the ground up out of necessity, due to small marketing budgets, or deliberately, because they want to leverage the credibility of the target market to carry the message to the broad market.

A good example of a large corporation using grassroots marketing as a model is AT&T. Knowing that students form early relationships with brands which can last a lifetime, AT&T’s campus media strategy focuses on providing access to its products with the development of school and college marketer partnerships. For example, AT&T partners with Student Advantage, a student membership organization, which provides relevant information, discounts, and services to more than one million members. To receive a Student Advantage card for free, student signs up for an AT&T Calling Card with special rates.

Beyond partnerships with other college-targeted brands, AT&T partners with colleges and universities. Understanding that they operate in a commodity category and in the era of deregulation, AT&T focuses on delivering ease of access on-campus so that the target has a day-to-day interaction with the brand, and as a result, they develop early brand loyalty.

“By making AT&T accessible on campus, we are one of the first commercial providers to students at a time when students are making key, hopefully life-long brand decisions. Beyond distribution, we also want to appeal to students in a way that is customized for them. Instead of just saying ‘here are some free minutes,’ we choose partners like Student Advantage, and design special offers so that we have an on-going relevant dialogue with students,” says Jay Summerall, General Manager, AT&T College and University Solutions.



Sony Playstation is a textbook example of a successful launch from the ground up. At the time of the Playstation launch, the market was saturated and no one thought a 32-bit game machine would take off. Sony was perceived as a stodgy brand, and the company needed to update and modernize its image. Sony chose a strategy of winning over core gamers to create product evangelists. With an openly challenging “you’re not good enough” message, Sony went to local spots where hard-core gamers hung out, and distributed obscure messages on venue-appropriate items (e.g. drumsticks at local concerts).

By the time Playstation had a national launch, the seed had been planted. The hard-core gamers, opinion leaders in the gaming arena, took Sony’s message of challenge to the masses, and as a result, Playstation won the credibility they would have lost with a full-blown campaign push. The more casual gamers also wanted to prove that they were “up to the challenge,” and Playstations sold out everywhere. The personal attention given to core consumers at the ground level, and the word of mouth about the machine that resulted from that attention, made Sony Playstation a hit.

Vans has used a different approach in their grassroots marketing strategy. In providing the right skateboarding shoe to

*In providing the right skateboarding shoe to professional skateboarders in the 80’s, Vans won over the opinion leaders in skateboarding early on.*

professional skateboarders in the 80's, Vans won over the opinion leaders in skateboarding early on, and as a result clinched an audience that Gen Y perceives as cool and on the edge. Jay Wilson of Vans observes: "We sell our shoes to the best skateboarders out there, and these guys are building our brand because they have a lot of aspirational followers. We have a lot of skateboarders and snowboarders that work here and live the Vans lifestyle. I believe that the success of a company is reliant on growing with the market and being there when they get there."



There are many ways to create a grassroots campaign. AT&T illustrates that they can enter a market segment, such as the college market, and be successful by building partnerships. Vans and Sony achieve success by securing opinion leaders who sell for the marketer simply by using the product and setting an example that other students want to follow. Each approach, when effective, can create a viral effect when it is combined with positive word-of-mouth.

*Peer Influence: "Tell a Friend":*

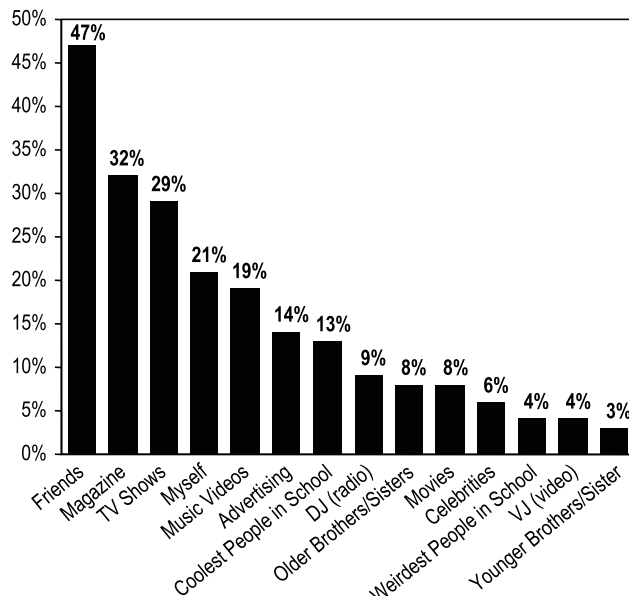
There is great power in the "tell a friend" approach in the Gen Y college market. It is the number one way that students learn about products, trends, and companies. Nearly half of 18-29 year-olds rank personal recommendation from others as most important in their brand purchase decision.<sup>16</sup> Students travel in groups and embrace brands that are recommended by friends and other students. They trust their friend's opinions.

Consistent with these findings, 57% of students became aware that they could buy textbooks on-line through a friend/classmate.<sup>17</sup> "We capitalize on the Tell-A-Friend power by further rewarding our customers with discounts if they tell a friend about us," says Matt Johnson of BIGWORDS.com. "We tripled our audience in one month after visiting 100 campuses and asking students to 'tell a friend.' It is our most valuable marketing strategy – it empowers the customer and it really works," Johnson concludes.



**Where Teens Find Out About Trends**

Teens rate friends as the most important source for new trends. (percent of teens citing source, 1994)



Source: Wise Up to Teens, Peter Zollo, © 1999

<sup>16</sup> Source: Roper Starch Worldwide

<sup>17</sup> Source: Student Monitor

The power of an underground buzz has not been lost on the entertainment industry. Buzz, so valued by the entertainment industry, is centered in the college market. Miramax creates this buzz by screening movies early on campuses. If college students like a movie and say good things about it, Miramax knows that it has a good chance of making it big at the box office. Gen Y college students create this buzz more effectively than other groups because they live together 24 hours a day, 7 days a week, and they are hungry for information on what's new and what's hot.

*Mountain Dew has never communicated the high caffeine content of their soda in their advertising. This information was picked up underground, and it spread like wildfire in the college market.*

A phenomenal example of the power of word-of-mouth is the Gen Y use of Mountain Dew as a coffee alternative due to its caffeine content. Mountain Dew has never communicated the high caffeine content of their soda in their advertising. This information was picked up underground, and it spread like wildfire in the college market. Students think that the drink is harder-core and more useful – because of its high caffeine content. Thus the customers themselves have significantly

helped develop the Mountain Dew brand image.

A marketer cannot underestimate the power of word-of-mouth in the college market. Offering incentives to share product information with friends, and simply seeding product information with opinion leaders form a large element of the Gen Y college brand success story.

## EMPOWERMENT

In order for peer influence and word-of-mouth to work, a marketer must first empower the individual. Gen Y college students already feel a great sense of individual empowerment when it comes to making buying decisions. They are away from home for the first time, and they have a positive economic outlook. This group rewards marketers for empowering them to make their own brand decisions.

There are three important factors to consider when working to develop an empowered consumer in the Gen Y college arena: student representation, personalization, and the power of the opinion leader.

## *Student Representation*

Marketers must accurately represent student needs and tastes in their product offerings and presentation if they are to be successful. Doing this accurately, with a group that is as fast-moving as the Gen Y college student, requires more than periodically reading an 18-24-targeted publication. Knowing Gen Y college student needs and wants comes from immersion in their lives, which leads to an understanding of what drives their behavior.

Martin McClanan of BIGWORDS.com puts it this way: “It’s essential to be proactive in getting feedback. Focus groups and surveys are just the beginning. Capturing information in real-time on-campus, in dorm rooms, and at events is integral to understanding what students really value.”

Ultimately, this results in speaking “to” the target market and not “at” them. It helps marketers avoid the trap of targeting their own perceptions of college rather than the real university experience of today.

## *Personalization*

Personal one-on-one service has immense power, and, within the Gen Y college market, personalization of product and service can directly affect student feelings of autonomy and individuality. Gen Y students, striving to be individual and different, respond in increasingly positive ways to one-on-one service and customization. Levi’s recognizes this trend, and now offers customers the ability to take old or new Levi’s and personalize them with laser etchings, embroidery or other appliques for costs ranging from \$8 to \$150 at Levi’s stores. Levi’s also gives customers the ability to create their own shrink-to-fit jeans by supplying a water tank in which customers can soak themselves and their denim.

“Increasingly, what consumers are demanding is the experience, more than the goods and services themselves,” writes James Gilmore, co-author of *The Experience Economy*, in which he makes the case that businesses must sell consumers an experience along with the product to stay competitive.<sup>18</sup> Delia’s, the fashion catalog for teen girls, understands that the experience customers have with their brand is crucial. To address this, Delia’s hires mostly high school and college students as their phone reps. These young, with-it reps do more than just take orders; they also offer tips and fashion advice. This one-on-one service leads to much higher sales per customer.<sup>19</sup>

<sup>18</sup> Source: *San Francisco Examiner*, 8/18/99

<sup>19</sup> Source: *Business Week*, 2/15/99

Creating a personal approach will continue to be important among the Gen Y college group, as they focus on being different and having unique experiences.

### *Reaching the Opinion Leader*

In order to build word-of-mouth, many marketers are turning to opinion leaders for help. As Coke searched for new ways to reach the Gen Y college market, they courted students with discount cards good for movies and fast food. To build credibility, and create word-of-mouth from opinion leaders, Coke first mailed the coupons directly to high school sports stars before handing them out in stores.

For Steve Madden shoes, opening a shop in SoHo New York City was one of their first steps in capturing opinion leaders. SoHo is perceived as one of the coolest pockets/neighborhoods of Manhattan, and the shops in SoHo boast correspondingly cool consumers. Madden's shoe empire has been built with a peer influence effect. Teens embrace his design savvy and his approach to marketing. "When the coolest dressed person comes into class wearing a pair of Steve Maddens, everyone wants a pair. And that's what is happening. We set the trends in shoes because the bold fashion plates wear them, and suddenly you have a new shoe in style," declares Elissa Kravetz, Steve Madden Marketing.

The marketing model is complete when tactics are used to create an empowered consumer via student representation, personalization, and winning the heart of the opinion leader. The brand whose company employs consumer empowerment tactics will be embraced by the individual and, in turn, the masses, creating a cycle that propels brand use and success.





# CONCLUSION



Is there a secret formula for success in marketing to this segment? Marketing to the college student is a multi-faceted process that requires creativity and the ability to live in the 18-24-college mindset. A close look at some Gen Y college hot brands indicates that there are key factors in selling to this group that, when combined, create a formula for success.

- The brand identity has value, style and personality dimensions.
- The product and message are fresh, innovative and cool.
- All communication and service is open and honest.
- The media approach is deeper, with an *On-the-Move-Media* strategy offline, online and on-campus.
- The brand message empowers the consumer to make brand decision.
- There is “tell a friend” encouragement, reaching opinion leaders and using direct incentives.

The Gen Y college market is fresh ground for marketers. Today’s students are open to and respectful of new ideas, new companies and new brands. This group wants to learn, and they are willing to try new things. When a marketer enters this arena with a passion for a product, a spirit for marketing, and an on-going understanding of who the Gen Y college student is, there is “big win” potential.

# APPENDIX: THE GEN Y MARKET

## CURRENT INDUSTRY OVERVIEW

*The 18-24 college student segment of this market—at 8.4 million strong—is the most tech-savvy, influential segment.*

The Gen Y or baby bulge market is the group born from 1979-1994, including ages as young as five and as old as 21. This group size is 60 million, more than 3 times the size of Gen X. They have been called Gen Y, Echo Boomers, and the Millennium Generation.<sup>20</sup>

The 18-24 college student segment of this market – at 8.4 million strong – is the most tech-savvy, influential segment.

### Generation Trends

Traits that define this generation:

- Individualism
- Diversity
- Being “real”
- Being practical
- Being skeptical
- Tech-savvy
- Used to fragmentation

This generation faces instability with home life, disillusioning events (such as potential impeachment), activism, and the impact of technology. As a result, they are more self-reliant and self-protective.<sup>21</sup>

### Market Potential

#### Institutional Segmentation

	4-Year Colleges	2-Year Colleges
Public	615 campuses 5.81M students	1,092 campuses 5.31M students
Private	1,705 campuses 2.99M students	684 campuses 249,000 students

Source: Chronicle of Higher Education Almanac, August 1999

Of the 14.4 million students in colleges and universities, 8.8 million students in four-year colleges, and 5.6 million students in two-year colleges, 53% are under 25. This indicates that the size of the Gen Y college market is approximately 7.6 million.<sup>22</sup>

### Spending Power

Gen Yers’ money comes both from parents and from the ambitious teens’ jobs. According to Teenage Research Unlimited, 55 percent of Gen Yers get at least some of their money from their parents on an as-needed basis, 47% from odd jobs, 44% from gifts, 30% from part-time jobs, 28% from allowances and 12% from full-time jobs.

Teenage Research Unlimited says the average teenager visits a mall 54 times a year, compared with 39 times for other shopper. Teenagers are thoughtful shoppers. “They don’t generally spend on whims but save money for compact discs, videos and movies,” says Irma Zandl of the New York-based Zandl Group.<sup>23</sup> As shoppers, they have a powerful tool that previous generations didn’t: the Internet. Most Gen Yers have access to the World Wide Web, and many use it to browse and buy.

“We’re price-conscious,” declares Laura Hay, 18, a Dunwoody High School graduate who’s headed for the Pratt Art Institute in Brooklyn, N.Y. “Most kids our age work.”<sup>24</sup>

Gen Y college students have an increasingly disposable income, as well as multiple convenient forms of payment.

Over half (57%) of all college students have a major credit card in their own name.<sup>25</sup> Banks issuing debit cards with MasterCard/Visa logos bring the portion of students who can easily make purchases online to over 75%. Students also shop in many different types of stores and locations; therefore, on-campus distribution need not be the primary strategy to reach them.

<sup>20</sup> Source: Business Week, 2/15/99

<sup>21</sup> Source: Saatchi Research

<sup>22</sup> Source: Chronicle of Higher Education Almanac, August 1999

<sup>23</sup> Source: The Atlanta Journal and Constitution, 6/28/99

<sup>24</sup> Source: The Atlanta Journal and Constitution, 6/28/99

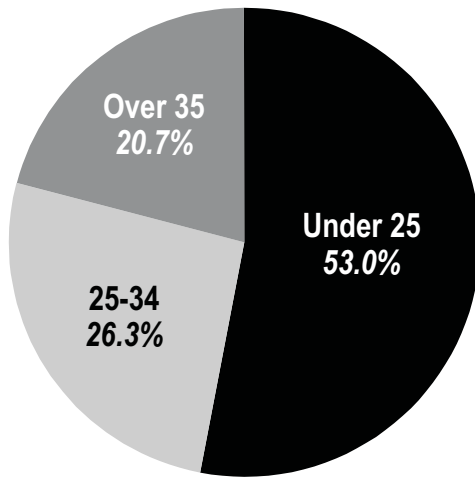
<sup>25</sup> Source: 1999 Student Monitor

In the Gen Y college student market:

- One in three is not Caucasian
- One in four lives in a single-parent household
- Three in four have working mothers
- Many had a computer in nursery school

A little over 56.5% of 18-24 year-olds are college students<sup>26</sup> and 53% of all college students are under 25.<sup>27</sup>

**53% of total college students  
(15.9 million) are under 25 = 8.4 million**



Source: Campus Computing Project, 1999

**In the past month ...**

	% Made a Purchase	\$ Spent (user mean)
Eating Out (off campus)	96%	\$58
Entertainment	94%	\$59
Toiletries	89%	\$25
Clothing	82%	\$83
School Supplies	76%	\$24
Music	71%	\$36
Food Students Prepare Themselves	69%	\$60
Cleaning Supplies	67%	\$13
Books (not for course work)	57%	\$41
Computer Software	19%	\$51

Source: 1999 Student Monitor

Much like the generations that preceded them, college students have money to burn and they buy a lot, spending \$331 dollars a month primarily on eating out and entertainment.

Although they have a smaller income than full-time workers, it is almost entirely disposable because most students do not have to worry about paying such things as rent, electric or water bills.

<sup>26</sup> Source: Chronicle of Higher Education Almanac, August 1999

<sup>27</sup> Source: Campus Computing Project

## Students' Monthly Expenditures by Category (average \$ per month for total sample)

	Fall '98 Total	Fall '97 Total	Fall '98 Male	Fall '98 Female	Fall '98 Freshmen	Fall '98 Senior	Fall '98 On Campus	Fall '98 Off Campus
<b>Total Across All Categories</b>	331	219*	338	321	303	345	290	364
<b>Apparel</b> (clothing and footwear)	68	47	61	75	73	66	60	68
<b>Music</b> (CDs, tapes, etc.)	26	NA	30	21	26	25	24	26
<b>Computer Software</b>	10	NA	14	6	11	12	8	12
<b>Entertainment</b>	55	46	61	50	52	59	51	59
<b>Food Students Eat Out</b>	56	42	64	48	43	63	48	63
<b>Food Students Prepare</b>	42	41	40	43	26	47	29	59
<b>Toiletries/Personal Care Items</b>	22	19	19	26	19	22	20	24
<b>School Supplies</b> (not books)	18	13	16	20	22	17	20	17
<b>Books Not Required for Coursework</b>	23	10	24	23	23	24	21	26
<b>Cleaning Supplies</b>	9	8	9	9	8	10	9	10

Note: Some columns do not add due to rounding  
 \*Average across 8 segments; 1998 results for 10 segments  
 Source: 1999 Student Monitor

## BRANDS

Although big brands are still successful, Gen Y's list of favorite brands indicates a distinct preference for the entrepreneurial company, and a decline in favor for big brands. Gen Y college students respect brands that are brave enough to be innovative and unique.

The coolest brands among Gen Y:<sup>26</sup>

- Nike — 38%
- Adidas — 19%
- Tommy Hilfiger — 18%
- Sony — 11%
- Gap — 10%
- Pepsi — 9%

- Coke — 8%
- Levis — 7%
- Ralph Lauren — 7%
- Nintendo — 6%
- Old Navy — 5%
- JNCO — 5%
- Abercrombie & Fitch — 4%
- Cover Girl — 4%
- Calvin Klein — 4%
- Dr. Pepper — 3%
- Nautica — 3%
- Mountain Dew — 3%
- Ford — 3%
- Reebok — 3%
- Sprite — 3%
- Fila — 3%

<sup>26</sup> Source: *Wise Up To Teens*, Peter Zollo 1999



## Entrepreneurial brands on the rise:

- Anchor Blues
- The Buckle
- Delia's
- Diesel
- Gadzooks
- Hot Topic
- Limbo Lounge
- MXG
- Pacific Sunwear
- Quiksilver
- Steve Madden
- Urban Outfitters
- Wet Seal

Brands that mirror Gen Y's world of individuality and diversity are redefining "status" and "badge" brands. Students are turned off by big marketing campaigns. It makes them feel like they are being "bought." They want to choose their own brands and make them popular with their support. Evidence of this lies with companies such as Abercrombie and Fitch and JNCO. The value of individualism among college students cannot be underestimated. They are living in a more diverse world, and they have just started life on their own in college where they can recreate themselves and be who they want to be. As a result, they value individualism in other people, companies and brands.

Gen Y college students are more open to new brands but they already have established brand loyalties. Brand loyalty is very high for Nike, Crest, Coke/Diet Coke, and Clinique.<sup>28</sup> These companies are reaping the rewards of many years of marketing, and although Nike and Levi's are still favored among the Gen Y college set, Levi's image suffers because they are their "father's jeans" and Nike's global campaign is making college students wonder if they are too ubiquitous to love anymore.

Gen Y college students are willing to try new brands, and are more likely than any other group to get information and cues from friends, creating a spiral effect and rapid growth. Building a brand for this college target is seeding a relationship that can last a lifetime.

<sup>28</sup> Source: Zandl Group

<sup>29</sup> Source: Student Monitor, 1999

<sup>30</sup> Source: Student Monitor, 1999

<sup>31</sup> Source: Jupiter Research/Campus Computing Project

<sup>32</sup> Source: Student Monitor, 1999

<sup>33</sup> Source: Jupiter Research

<sup>34</sup> Source: Saatchi Research

## THE MEDIA

The current state of media that appeals to college students is a fragmented mixture of TV, radio, print, Internet, and events. The group embraces programming that is more mainstream than one would expect. Here they build brand preferences, and make buying decisions.

*Favorite TV shows (unaided):* Friends, The Simpsons, Seinfeld, ER, X-Files. Favorite cable channels are: ESPN, MTV, Comedy Central, USA Network.

*Favorite Radio formats:* alternative, rap, R&B, hip hop and rock.

*Favorite Print: Sports Illustrated, Cosmopolitan, People, Newsweek, Rolling Stone.*<sup>29</sup>

59% say they read catalogs for entertainment, not just to shop. This indicates that students look to the media for fashion trends and cues.<sup>30</sup>

## INTERNET COMMERCE TRENDS

Up until going to college, teens enjoy surfing the net and using it for information and research. Due to lack of convenient payment means (credit cards) and parent involvement in purchases, high school teens are not buying much on their own on the Internet. However, once they arrive at college, they want to develop consumer autonomy. They will likely begin their ecommerce experience with a practical purchase. Developing ecommerce that works well for this *first time online consumer* is an expertise that is essentially "cracking the code" on ecommerce overall.

Over 7 million Gen Y college students will be online by 2002.<sup>31</sup> One third currently have no experience buying online, although 90% use the Internet. Online buying is expected to increase dramatically. However, it is believed that this buying surge will be tempered by Gen Yers "knowing too much" and fearing credit card fraud. Already, though, paper catalog purchases are declining as web purchases increase.<sup>32</sup>

When they arrive at school, Gen Yers have free Internet access, and more unlimited access to the Internet than any other demographic group. Students think the Internet is "cool"<sup>33</sup> and find it to be a source of self-esteem. The Internet is a way for them to relate to others, and it makes them feel in power and in control.<sup>34</sup>

Most popular activities on the Internet for college students are e-mail, research and personal interests (see chart on following page).

**Most Popular Activities on the Internet**  
(base = students who use internet)

	1997* Total %	1998 Total %	1998 Male %	1998 Female %	1998 Own PC %	1998 Heavy www User %	1998 www Shopper %
<b>E-mail</b>	72	66	65	68	66	76	68
<b>College-Related Research</b>	83	48	40	55	45	43	37
<b>Hobbies, Personal Interests</b>	54	27	28	27	28	26	28
<b>Career Opportunities</b>	47	19	16	21	16	17	18
<b>Read Current News</b>	36	17	19	14	18	17	20
<b>Job Hunting</b>	44	15	12	18	16	12	14
<b>Download or Get Computer Info</b>	30	15	16	14	15	16	15
<b>Visit College's Site</b>	34	13	11	16	14	12	13
<b>Sports Scores</b>	22	13	23	4	15	12	14
<b>Chat Room</b>	18	13	12	14	13	19	12
<b>Play Games</b>	10	9	12	6	11	9	9
<b>Visit Company or Product Sites</b>	27	7	9	4	6	8	6
<b>Look/Apply for Other School</b>	21	6	4	7	5	5	5
<b>Buy Things</b>	6	5	7	3	6	6	18

Source: 1999 Student Monitor

On an aided basis, the leading sites visited by students are ESPN, Amazon and MTV (see chart below).

**Internet Sites Visited Most Often**  
(base = students who use internet)

	Total %	Male %	Female %	Heavy www User %	www Shopper %
<b>ESPN</b>	14	23	5	17	17
<b>Amazon.com</b>	7	8	5	10	14
<b>MTV</b>	5	5	5	7	2
<b>CNN</b>	4	5	4	4	8
<b>NY Times</b>	4	3	5	5	3
<b>MSNBC</b>	4	4	3	5	5
<b>Jobtrak</b>	3	2	3	3	3
<b>Barnes &amp; Noble</b>	2	1	4	4	3
<b>Sony</b>	2	3	1	3	3
<b>Wall Street Journal</b>	2	1	2	1	2

Source: 1999 Student Monitor

Interestingly, sites created especially for Gen Y college students attract fewer student mentions than the popular sites noted above. There is a large opportunity for Gen Y college marketers to apply more advertising spending to create a stronger presence/awareness. To really achieve success, sites geared specifically to the college demographic will need to create more relevant content that is as innovative as the mass appeal sites students visit.

*Online and Ecommerce*

According to the *1999 Student Monitor*, 89% of Gen Yers use the Internet and 52% report going online once a day or more often. AOL is the primary commercial entry. 79% are using computers provided by the school and 51% connect to the Internet with that computer. Ecommerce is increasing rapidly among college students. 20% of college Internet users have made a purchase in the past year, up 13% from last year.

College web shoppers project to a total of 950,000 students nationwide, and they are currently spending a conservatively estimated \$314 million. They buy online for value, selection and convenience. The top items they are buying are music, books and travel products.

### www Shopping

(base = students who purchased on the www in the past year)

Items Bought	% of Shoppers	Average Amount Spent	Projected Market Size (in millions)
Compact Disks	30	\$53	\$14.7
Books	27	\$138	\$34.7
Airline Tickets/Travel	19	\$459	\$81.2
Clothing	17	\$112	\$17.8
Concert Tickets	15	\$109	\$14.9
Software	13	\$102	\$9.5
Computer Equipment	9	\$254	\$21.4
Footwear	9	\$79	\$6.3
Flowers	8	\$56	\$3.9
Computer	6	\$1,605	\$85.6
Videos	2	NA	NA
Stocks/Bonds	1	NA	NA
Other Items	17	\$140	\$24.1

Source: 1999 Student Monitor

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