

TRULY, MADLY, DEEPLY ENGAGED

Global Youth, Media and Technology

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MACROTRENDS SHAPING A GENERATION

MACROTREND:

OPTIMISTIC VIEW OF THE FUTURE.

Despite the turbulent times, young people are excited by the prospect of the future; they're highly optimistic and energized.

IMPORTANCE OF FAMILY AND FRIENDS.

Around the world, young people consider friends, family and career to be indicators of a successful life. Western youth especially value close relationships with friends and family, and having a fulfilling career as paths to future happiness.

STRESS AND TIME PRESSURES.

Youth around the world report having more things to do in a day than they have time to accomplish them, which is one reason for the high incidence of multitasking and media meshing.

REGIONAL VARIATIONS:

Youth in developing countries are also optimistic, but have more faith that technology can make their lives better. In more developed countries, this age group tends to be more jaded about technology's potential to improve their lives.

China's only-child population prefers spending time with peers instead of parents, whereas US and Mexican youth value their parents' company more.

Stress levels are highest in Asia, where there's a push to succeed, stand out, achieve. In the US and the UK, stress levels are high, but they mainly revolve around getting into a good college. In both Germany and Mexico, young people are seemingly more laid back, with less parental pressure.

INTRODUCTION

Youth around the globe are engaging with media in new, deeper, and more passionate ways.

The global My Media Generation, the first to grow up with an array of interactive and wireless technology at its fingertips, has seized these tools to cope with the pressures of youth and fulfill basic needs for community, self-expression, and personalization. Empowered by interactive media, these 13- to 24-year-olds are no longer receptive to passive media experiences—in fact, they’re quickly adopting the role of “chief programmer” for their own world of personal media.

In the process, the My Media Generation has redefined the roles and functions of traditional media, with some striking variations across the 11 countries we surveyed. Emerging as this generation’s key channels for supporting all three core needs are music, the Internet, and mobile devices. Traditional media, still heavily used by this generation, serve vital but perhaps increasingly niche functions, often pushed to background status in the media-meshing hierarchy.

We’ve moved from broadcasting to podcasting in a short number of years, but young people aren’t as aware of the shift—they take these new tools for granted. They also know that they can increasingly filter the flow of advertising messages, only letting in those that are relevant, entertaining, or delivering value. That raises serious questions for marketers, but also brings the promise of new, more powerful channels for reaching young people and having them, willingly and perhaps enthusiastically, engage with your brands.

This project was a two-phased market research study that included qualitative focus groups and in-home ethnographies, as well as a quantitative online survey. The qualitative phase consisted of 16 focus groups and 15 in-home ethnographies in six countries. The research sessions were conducted in Chicago, Mexico City, London, Berlin, Seoul, and Shanghai. Participants represented teens aged 15-18 and young adults aged 20-22. Focus group and ethnography discussions centered on youth values, attitudes toward and usage of different media, and the role of digital media in their lives.

The online survey was conducted with a total of 5,334 respondents aged 13-24. Surveys were collected in July and August 2005. The sample was drawn from the Ipsos online panel and partner global online panels, and respondents represent Internet users in urban markets around the world. (Internet penetration levels vary from a high of 66% of the population in South Korea to lows of 7% in China and 2% in India, according to e-Marketer, so respondents in these last two regions especially may represent an “elite” cut of the population.) The survey contained questions regarding technology ownership and usage, traditional and digital media usage, media choices, receptivity toward advertising channels, and overall attitudes and values.

ABOUT IPSOS

Ipsos, founded in 1975, is the only independent, publicly listed survey research company that is managed by research professionals. The organization is headquartered in Paris and has operations in 35 nations. Ipsos Public Affairs, which operates from Washington, DC, has been conducting national polls in the United States since 2001.

ABOUT TRU—TEENAGE RESEARCH UNLIMITED

Chicago-based TRU is the world’s leading youth research and consultancy firm. Founded in 1982, TRU has developed an unparalleled expertise in the teenage market, offering clients virtually unlimited methods for researching teens. TRU has not only pioneered the field of youth research, but also continued to innovate and remains the only full-service marketing-research firm dedicated solely to understanding teens.

ABOUT OMD

OMD (www.omb.com) is the largest and most innovative media communications specialist in the world, with more than 140 offices in 80 countries. In 2005, OMD had the distinction of winning more media Lions than any other media agency at the Cannes International Advertising Festival. The agency network, a unit of Omnicom Group Inc, is also ranked as the largest worldwide media agency network according to the 2004 Recma Report.

MOTIVATING FACTORS

Three aspects of socialization motivate and drive the My Media Generation: community, self-expression and personalization.

COMMUNITY: Even though they want to stand out and express their individuality, young people strive to feel connected with each other. Shared experiences and constant communication create a sense of community among youth. Reaching out and building new relationships with diverse groups of people enhance and broaden this sense of community. However, in some countries, community is defined more locally, with youth in these markets feeling more of a connection with people closer to home.

SELF-EXPRESSION: Young people place an incredible premium on self-expression. A defining attribute of My Media teens and early 20-somethings, this age group manifests self-expression by constantly seeking ways to put their stamp on products and have their voices heard, and by generally constructing, maintaining, and advocating their own self-brands. Self-expression is their way of showing the outside world who they are and what they value.

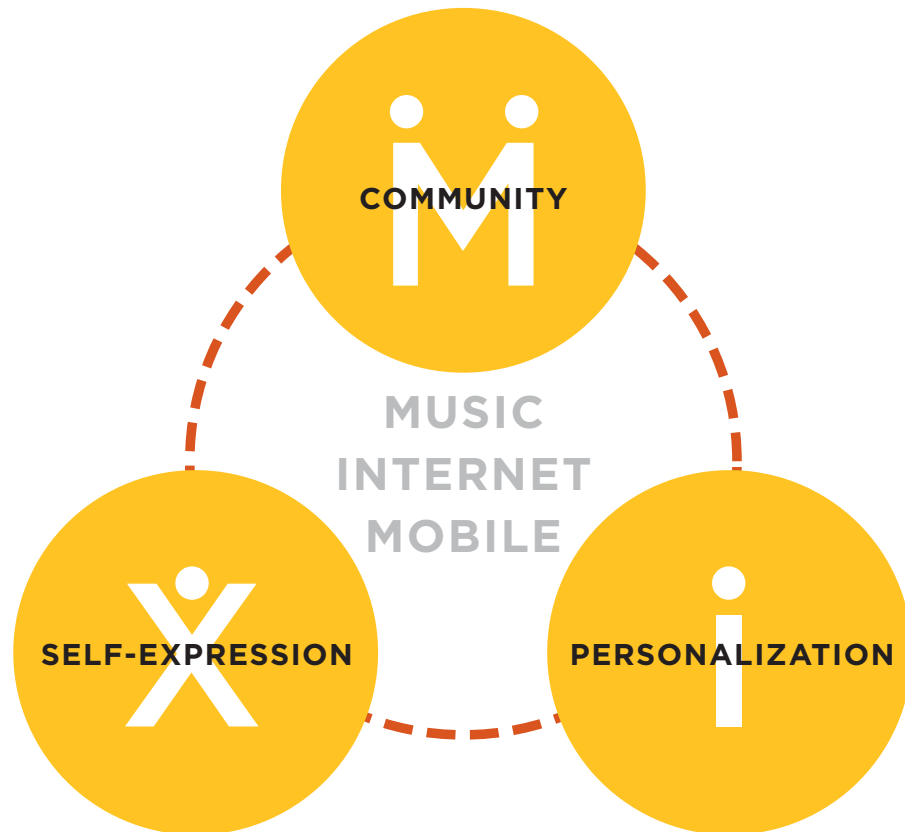
PERSONALIZATION: Today's youth thrive on self-directed, self-programmed usage of technology and media. Young people are used to customizing and personalizing everything. They demand products and services that suit their moods and desires, and they will actively search for, modify, or create these products and services.

Mass market media as well as marketing messages do not appeal or deliver the emotional connections to this audience.

THE PRIMARY MOTIVATIONS OF SOCIALIZATION ARE INTERLINKED



KEY CHANNELS

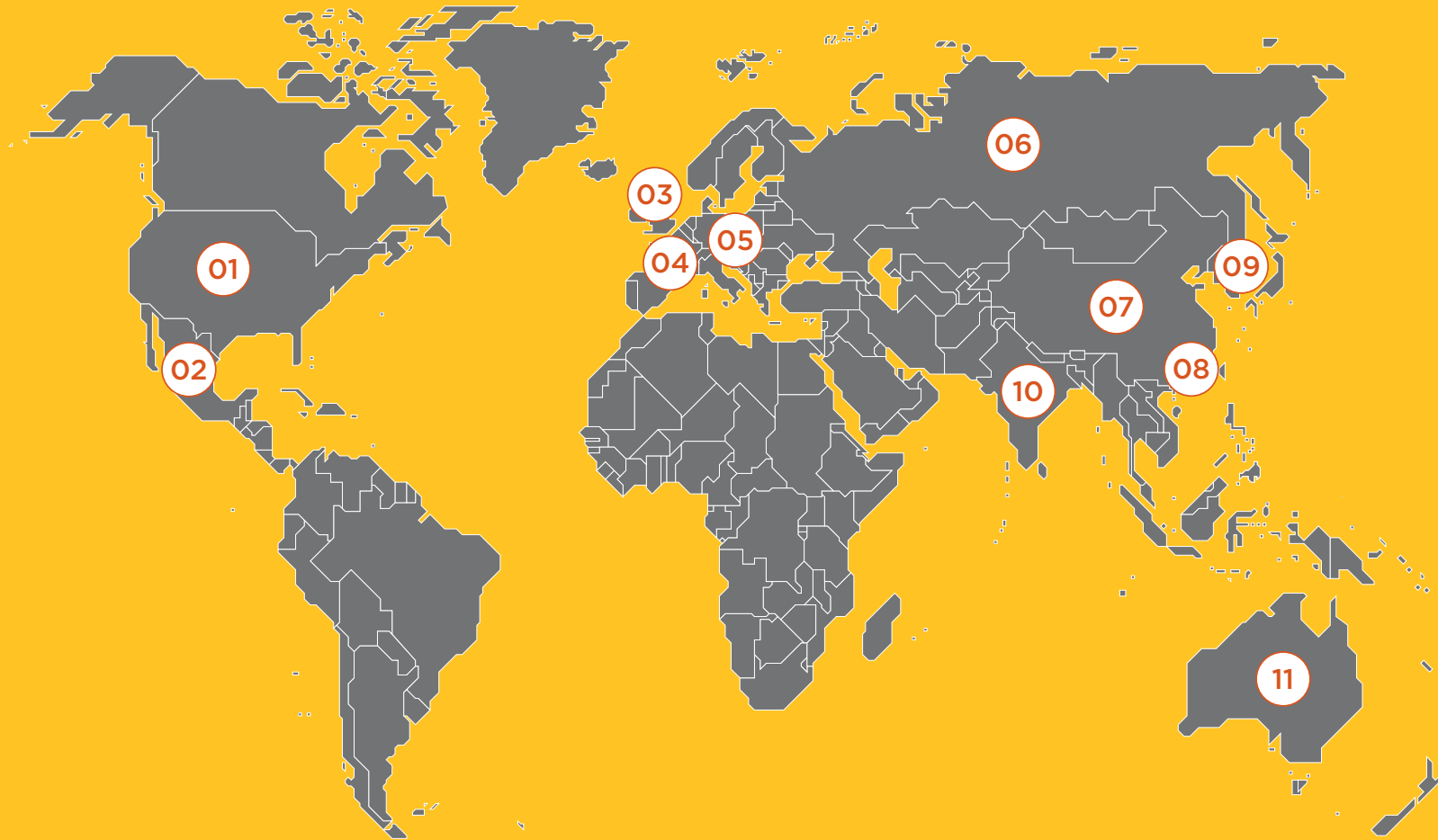


Global youth have many options for addressing their needs of community, self-expression, and personalization, but our research identified three especially significant channels—music, the Internet, and mobile devices—that have the capacity to support all three youth needs.

Around the world, online youth have access to all three channels—usage of PCs and mobile phones is widespread around the world. Music has always been a defining element of youth, and these devices (along with MP3 players) have enhanced music's ubiquity. In fact, in many developing countries the technology is considered so important to a child's future success, that often great sacrifices are made to fit a PC into meager budgets and crowded living space. Despite many perceptions of American youth being on the cutting edge and heavy users of technology, Internet users in most other countries are far ahead of the US in usage of key devices.

TECHNOLOGY ENABLES COMMUNITY, SELF-EXPRESSION AND PERSONALIZATION

WHICH DEVICES DO YOU PERSONALLY OWN OR USE ON A REGULAR BASIS?

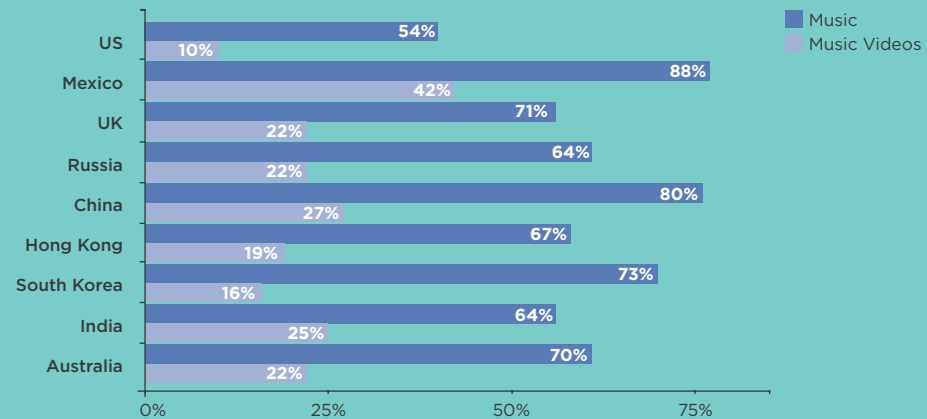


01 US	02 MEXICO	03 UK	04 FRANCE	05 GERMANY	06 RUSSIA	07 CHINA	08 HONG KONG	09 S. KOREA	10 INDIA	11 AUSTRALIA
PC 86%	PC 59%	PC 92%	PC 92%	PC 90%	PC 83%	PC 80%	PC 83%	PC 80%	PC 79%	PC 88%
Mobile Phone 72%	Mobile Phone 91%	Mobile Phone 97%	Mobile Phone 91%	Mobile Phone 95%	Mobile Phone 92%	Mobile Phone 74%	Mobile Phone 89%	Mobile Phone 85%	Mobile Phone 75%	Mobile Phone 92%
Video Game Console 61%	Video Game Console 58%	Video Game Console 69%	Video Game Console 56%	Video Game Console 51%	Video Game Console 12%	Video Game Console 19%	Video Game Console 36%	Video Game Console 12%	Video Game Console 19%	Video Game Console 61%
MP3 Player 28%	MP3 Player 60%	MP3 Player 63%	MP3 Player 62%	MP3 Player 72%	MP3 Player 61%	MP3 Player 83%	MP3 Player 77%	MP3 Player 64%	MP3 Player 46%	MP3 Player 49%
PDA w/Internet 2%	PDA w/Internet 23%	PDA w/Internet 12%	PDA w/Internet 7%	PDA w/Internet 11%	PDA w/Internet 4%	PDA w/Internet 19%	PDA w/Internet 12%	PDA w/Internet 14%	PDA w/Internet 10%	PDA w/Internet 9%

MUSIC

Music is possibly the single greatest mechanism by which youth facilitate their three needs.

MUSIC DOWNLOADING IS A POPULAR FORM OF SELF-PROGRAMMING AND PERSONALIZATION AMONG YOUTH AROUND THE WORLD PERCENTAGE DOWNLOADED/STREAMED MUSIC OR MUSIC VIDEOS IN THE PAST MONTH



As a constant presence in young people's lives, music is a critical tool for community, self-expression and personalization. Favorite music styles and artists are used to express specific identities to the outside world. Music is featured in online profiles, home pages, and ringtones as important means of self-expression. Listening to music no longer means merely tuning in to the radio or buying CDs. Young people create music experiences for themselves that are highly personalized. Music downloading, custom playlists, and podcasting allow youth to listen to music on their own terms, modifying it to suit their mood or their day's activities.

It is impossible to overstate the importance of music to the My Media Generation.

DESPITE REGIONAL DIFFERENCES, YOUTH GLOBALLY DO THE SAME THINGS FOR FUN
WHAT DO YOU REGULARLY DO FOR FUN WITH YOUR FREE TIME?

	1	2	3	4
01 US	Music 82%	Friends 81%	Movies 79%	Family 61%
02 MEXICO	Music 84%	Movies 79%	Friends 76%	Family 62%
03 UK	Music 85%	Friends 82%	Movies 74%	V. Games 59%
04 FRANCE	Friends 82%	Music 80%	Movies 78%	V. Games 51%
05 GERMANY	Friends 84%	Movies 72%	Music 69%	Shopping 44%
06 RUSSIA	Music 81%	Friends 81%	Movies 72%	Family 52%
07 CHINA	Music 71%	Friends 64%	V. Games 58%	Family 56%
08 HONG KONG	Music 69%	Friends 69%	Movies 58%	V. Games 54%
09 S. KOREA	Music 68%	Friends 48%	Movies 48%	V. Games 41%
10 INDIA	Music 81%	Movies 73%	Friends 66%	Family 54%
11 AUSTRALIA	Music 85%	Friends 83%	Movies 78%	V. Games 57%

Music is the universal language of youth, consistently ranking as one of their favorite pastimes. Music plays continually throughout their day—on their PCs, MP3 players, or even stereos. It helps define and express personalities, sets moods, and creates connections with peers. Tools to share and connect through music are available to My Media youth in an unprecedented way. CD burning, blogs, and chat rooms foster community around music more than was ever possible for previous generations.

INTERNET

The Internet provides the ultimate tools to support their needs for community, self-expression, and personalization.

ONLINE TOOLS ENHANCE CONNECTIVITY, PERSONALIZATION

HOW FREQUENTLY DO YOU DO EACH OF THE FOLLOWING? (PERCENTAGE ONCE A DAY OR MORE)

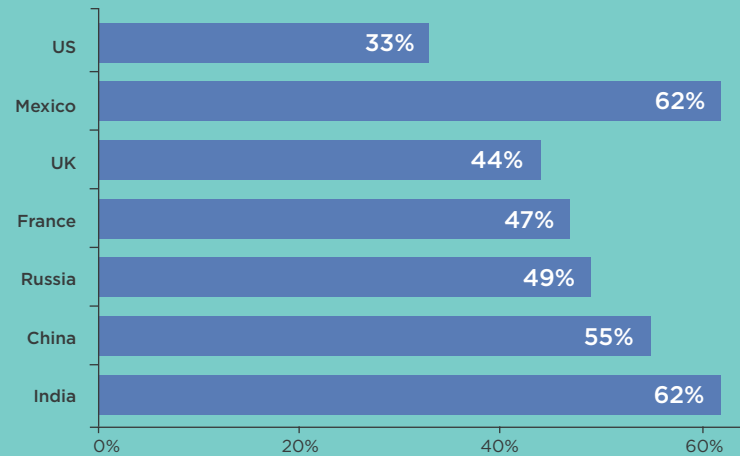
	1 Email	2 IM	3 Online Search	4 Blogging
01 US	68%	49%	45%	17%
02 MEXICO	81%	73%	71%	28%
03 UK	86%	63%	66%	20%
04 FRANCE	83%	74%	67%	31%
05 GERMANY	77%	42%	62%	12%
06 RUSSIA	78%	50%	17%	15%
07 CHINA	67%	59%	64%	42%
08 HONG KONG	69%	51%	63%	36%
09 S. KOREA	73%	53%	82%	62%
10 INDIA	77%	59%	55%	29%
11 AUSTRALIA	85%	64%	61%	18%

My Media youth have aggressively employed online tools and content to fulfill their basic needs. Email and IM keep youth constantly connected with family, close friends, and acquaintances. Online communities, chat rooms, and interest-specific Web sites are gathering spots for people with shared interests and ideas. Avatars, emoticons, personal home pages, and blogs allow youth to express their personalities and thoughts with others.

The My Media Generation excels at customizing Web content to suit their interests. Opt-in newsletters, RSS feeds, and custom start pages allow youth to self-select and personalize their online experience.

The Internet allows My Media youth to feel connected to a global community.

PERCENTAGE AGREE THEY HAVE FRIENDS IN DIFFERENT CITIES OR COUNTRIES BECAUSE OF THE INTERNET

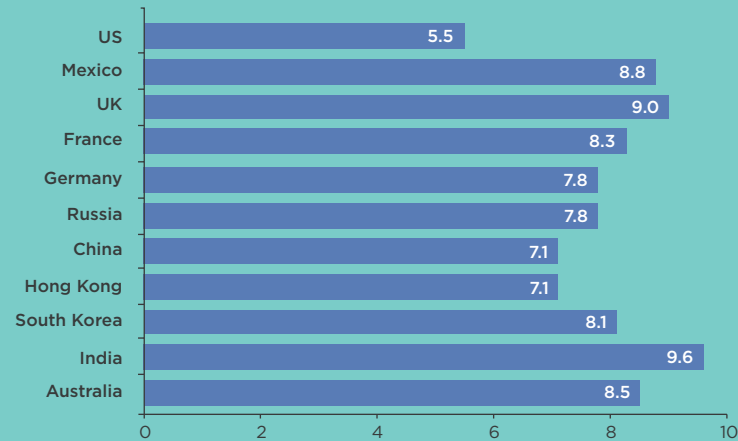


In addition to facilitating relationships with friends and peers, the Internet connects youth with people they likely would have otherwise never met. For many, the Internet is a way to build relationships with people in different cities or countries, and helps foster a sense of global community. Using the Internet to establish relationships with people in different cities or countries is most pronounced among youth in less-developed markets.

MOBILE

Mobile devices are the lynchpin of community and connectedness for youth.

US YOUTHS USE AN AVERAGE OF 5.5 FUNCTIONS ON THEIR PHONES, WHILE THEIR GLOBAL COUNTERPARTS USE 7-9
MEAN NUMBER OF MOBILE PHONE FUNCTIONS USED



My Media youth have been around mobile phones all their lives. They are seen as personal appendages that enable community, self-expression, and personalization in a variety of ways. Decorations, ringtones, and wallpapers are outward expressions of personality and style. Handset choice is personalized to suit the user's needs. And, mobile phone calling and text and picture messaging allow young people to constantly keep in touch with friends, and stay connected to their social groups.

The US remains behind the curve in adoption of new mobile applications.

TEXT MESSAGING, GAMES AND DIGITAL PHOTOGRAPHY FUNCTIONS WIN OUT
WHAT FUNCTIONS DO YOU USE ON YOUR MOBILE PHONE?

	1	2	3	4
01 US	Text Msg 49%	Games 49%	Ringtones 38%	Photos 29%
02 MEXICO	Text Msg 85%	Games 64%	Photos 60%	IM 58%
03 UK	Text Msg 95%	Photos 75%	Games 68%	Picture Msg 54%
04 FRANCE	Text Msg 94%	Games 66%	Photos 57%	Picture Msg 50%
05 GERMANY	Text Msg 94%	Games 66%	Photos 56%	Ringtones 37%
06 RUSSIA	Text Msg 92%	Games 62%	Photos 45%	IM 37%
07 CHINA	Games 61%	Ringtones 58%	Photos 45%	IM 43%
08 HONG KONG	Text Msg 75%	Games 62%	Photos 58%	Ringtones 38%
09 S. KOREA	Text Msg 87%	Photos 73%	Games 69%	Ringtones 62%
10 INDIA	Text Msg 92%	Games 82%	Ringtones 73%	IM 58%
11 AUSTRALIA	Text Msg 97%	Games 74%	Photos 59%	Ringtones 42%

As with device ownership, the US lags behind the rest of the world in usage of different mobile phone functions. Youth use a variety of functions on their mobile phones to express themselves and connect with others. While the most popular mobile phone functions are relatively consistent globally, prevalence and usage of different functions vary considerably around the world. Cell phones also serve as digital cameras, MP3 players, planners/organizers, and alarm clocks. Many countries eclipse the US in how My Media youth use mobile phones for self expression and personalization.

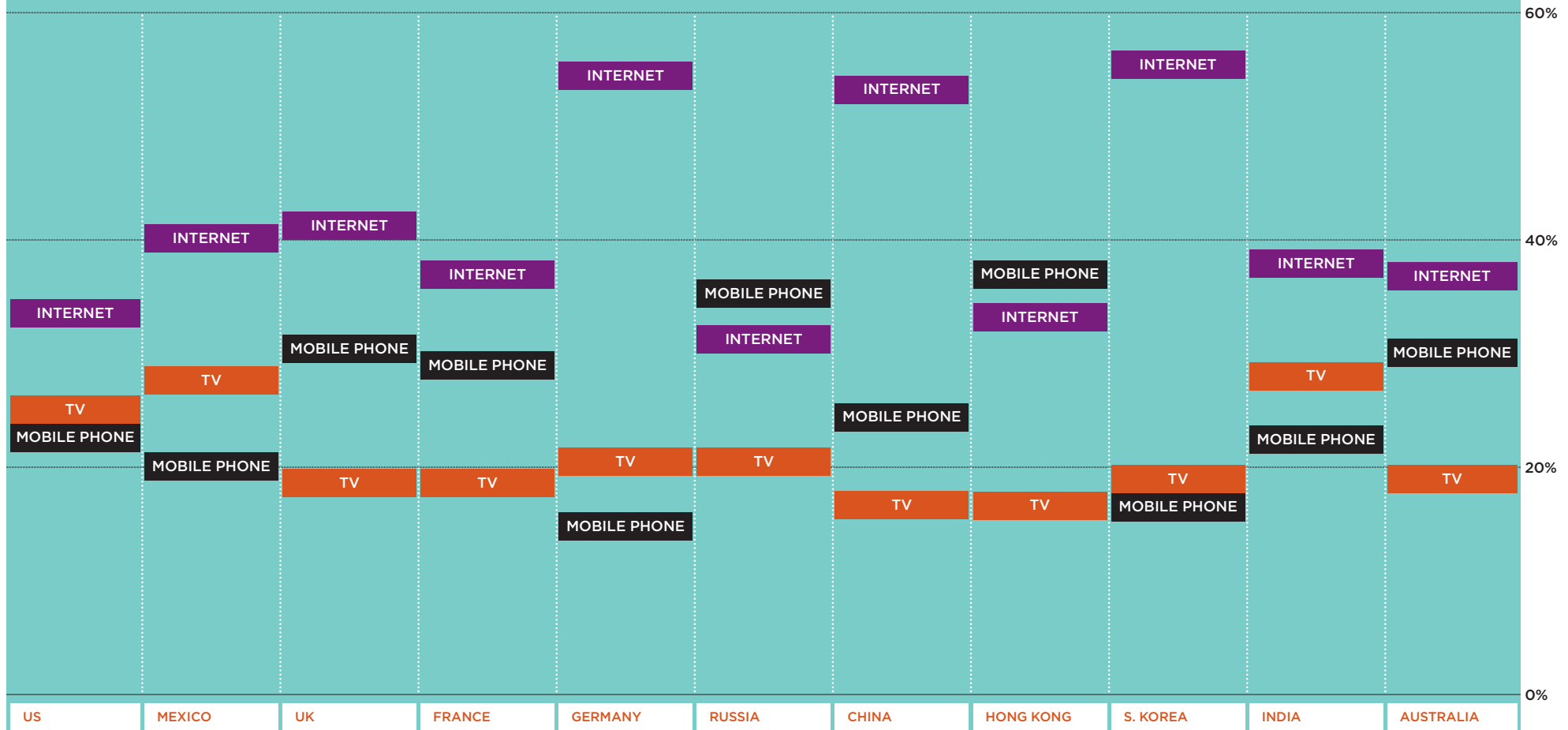
The Internet is the most essential medium for youth across most countries.

Given the way today's My Media Generation is seizing new technology to satisfy core needs, it's not too surprising that their perceptions of so-called traditional media are evolving—fast.

Interactive media, powered by the Internet and mobile devices, has not only risen to “can't live without it” status, but also usurped many of the roles formerly provided by TV, radio, and print. Young people are indeed still watching TV and listening to the radio, but with narrower expectations and often when meshed with online use, thereby forcing traditional media further into the background.

OVERALL, THE INTERNET IS THE MOST ESSENTIAL MEDIUM FOR YOUTH ACROSS MOST COUNTRIES

WHICH ONE DO YOU THINK YOU COULDN'T LIVE WITHOUT?



The Web has become the go-to medium of choice for a variety of information and content needs.

While young people are increasingly turning to the Internet for content and functions traditionally served by other media outlets, 13- to 24-year-olds are still active users of TV, magazines, radio, and to a lesser extent, newspapers—and each of these traditional media offers its unique value to this age group.

TV serves as a mechanism for escape and entertainment. It is frequently on in the background while they're doing other things, and "must see" shows give young people things to talk about with friends and peers.

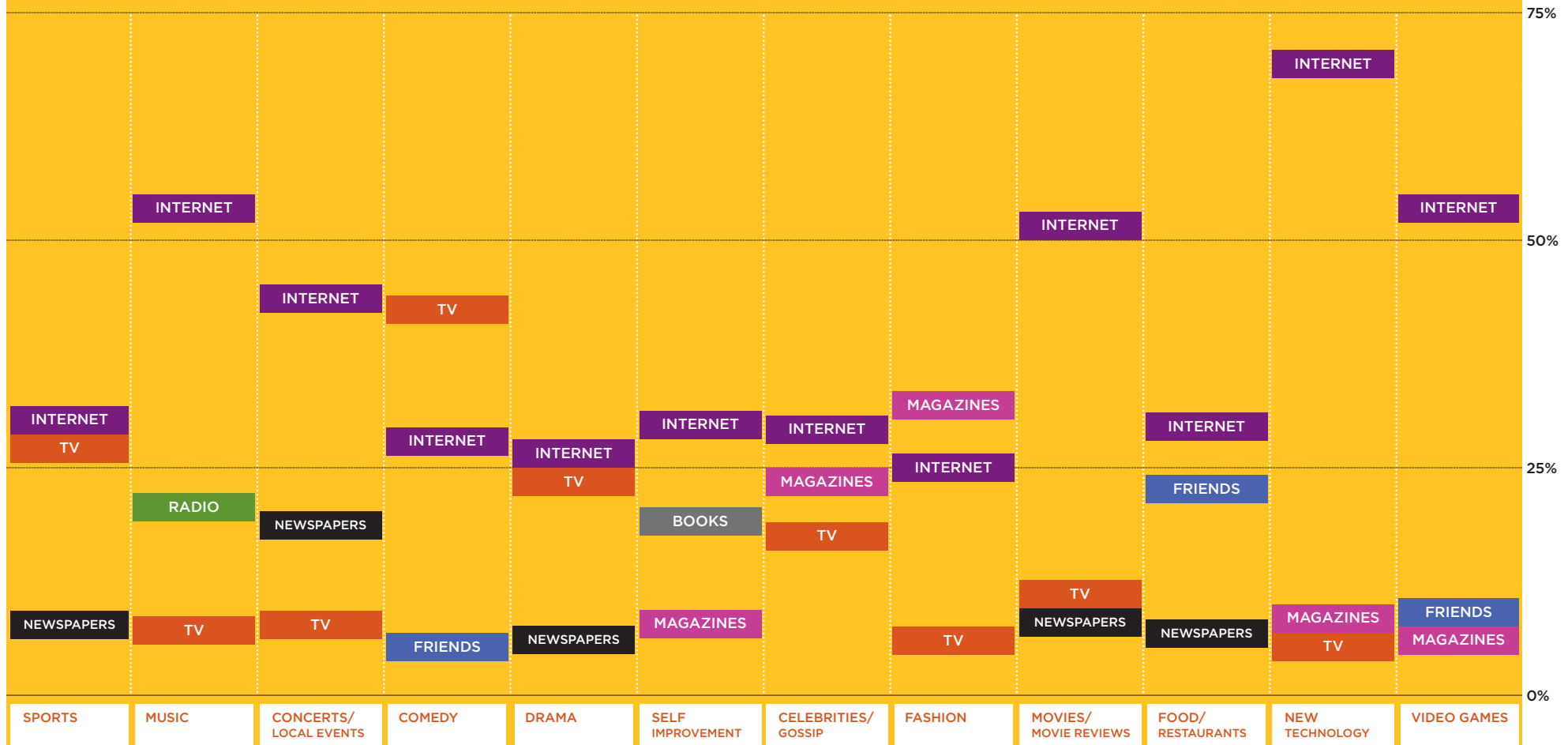
Magazines offer portable and convenient entertainment. Young people read magazines that are targeted toward their interests and moods, and they like the ability to easily share pages or issues with friends who have similar interests.

Radio is, of course, closely associated with music. Therefore, given the importance of music in young people's lives, radio is an important media outlet. Radio helps introduce youth to new artists and creates common bonds with peers around popular songs.

Newspapers are the least used medium among today's youth. However, young people still consider newspapers to be a good source of information for local news and events.

WHILE THE INTERNET LEADS AS THE PREFERRED SOURCE FOR MOST CONTENT, GLOBALLY TV LEADS FOR COMEDY AND MAGAZINES FOR FASHION

MEDIA CONTENT PREFERENCES (TOTAL GLOBAL SAMPLE)



Youth freely intertwine their media and technological experiences, creating something new and entirely personal.

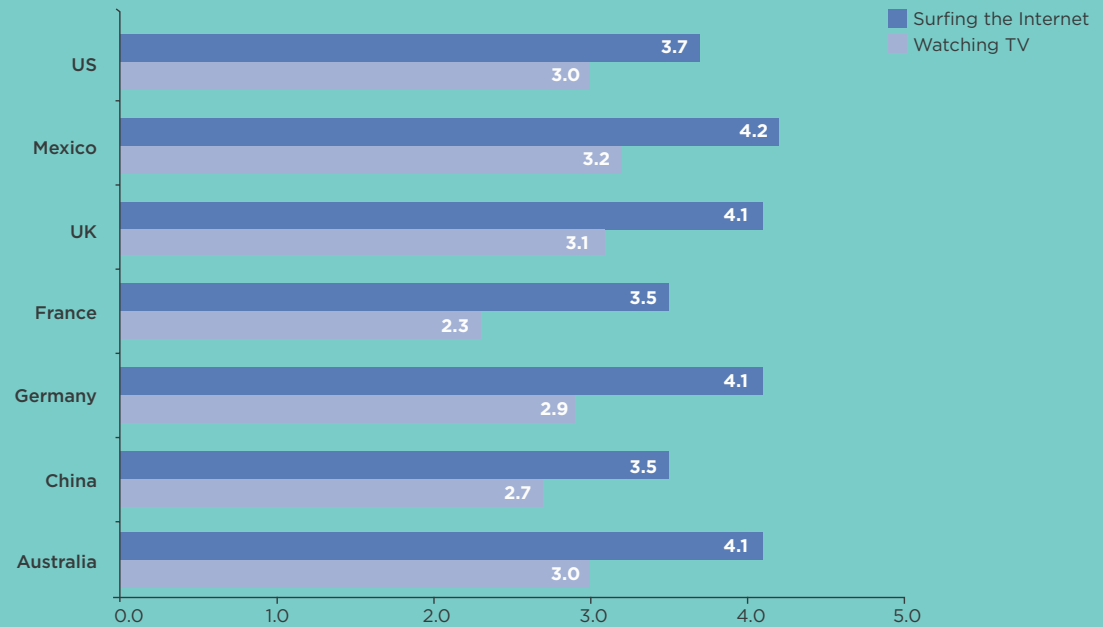
Technology and media are constant companions for the My Media Generation. Multitasking and simultaneous media usage are as normal as breathing for today's young people. This is a behavioral phenomenon known as Media Meshing. Media Meshing occurs when people begin an experience in one medium, then shift to another—and maybe even a third—to complement information, perspective, and emotional fulfillment.

TV and the Internet are the most meshed media. The Internet is the most pervasive and intensive medium for youth, and its usage tends to accompany multiple other activities.

The Internet is beginning to converge in significant ways with content that has traditionally been associated with TV. Streaming and downloading movies and TV shows have become popular activities among youth outside the US, and another way for them to self-direct and self-program their media use. While these activities are not yet prevalent among American youth, young people in other countries are on the forefront of this trend.

Multitasking is a universal characteristic of youth, and is relatively consistent around the world.

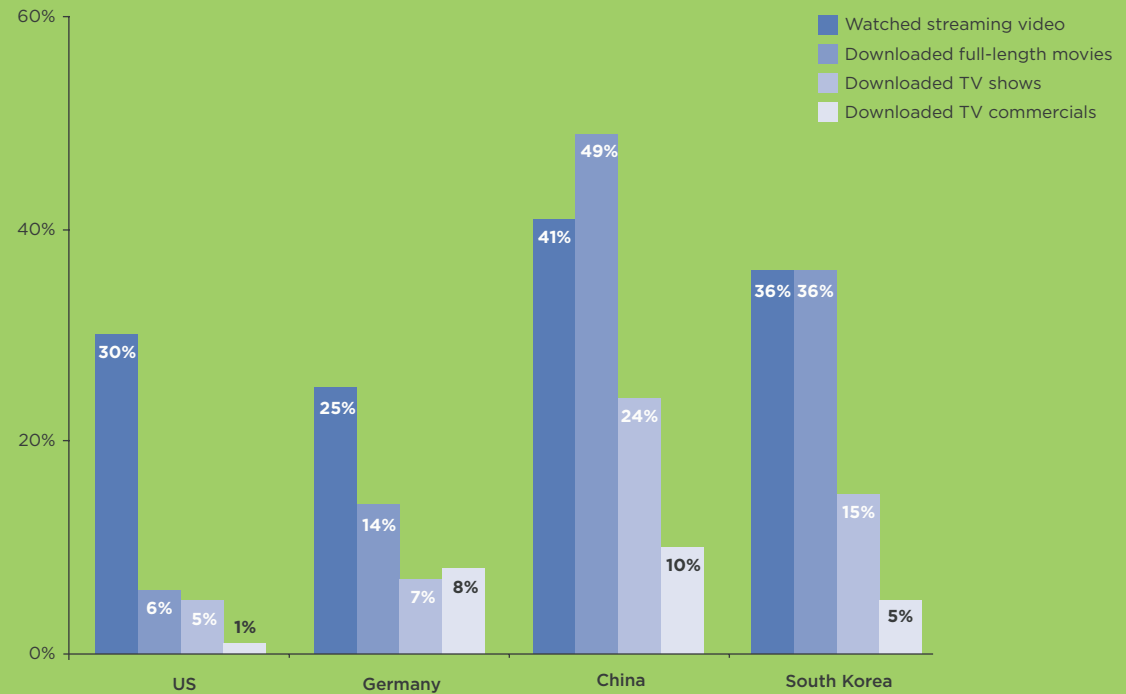
MEAN NUMBER OF OTHER THINGS DONE WHILE USING INTERNET OR TV, IN LAST MONTH



MEDIA MESHING

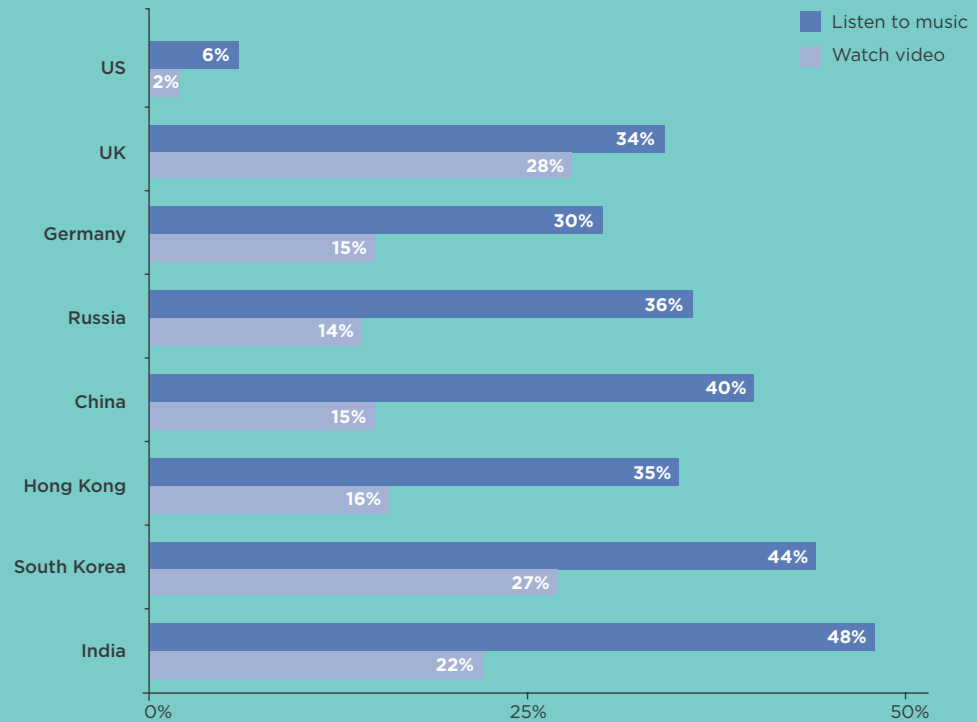
Downloading video content is more prevalent in Asia than US and Europe.

TV AND THE INTERNET ARE THE MOST “MESHED” MEDIA PERCENTAGE ENGAGED IN ACTIVITY IN PAST MONTH



The US trails significantly with meshed media on cell phones.

MEDIA MESHING AND MULTITASKING PERCENTAGE LISTEN TO MUSIC OR WATCH VIDEO ON MOBILE PHONE, IN LAST MONTH



What predisposes them to advertising messages?

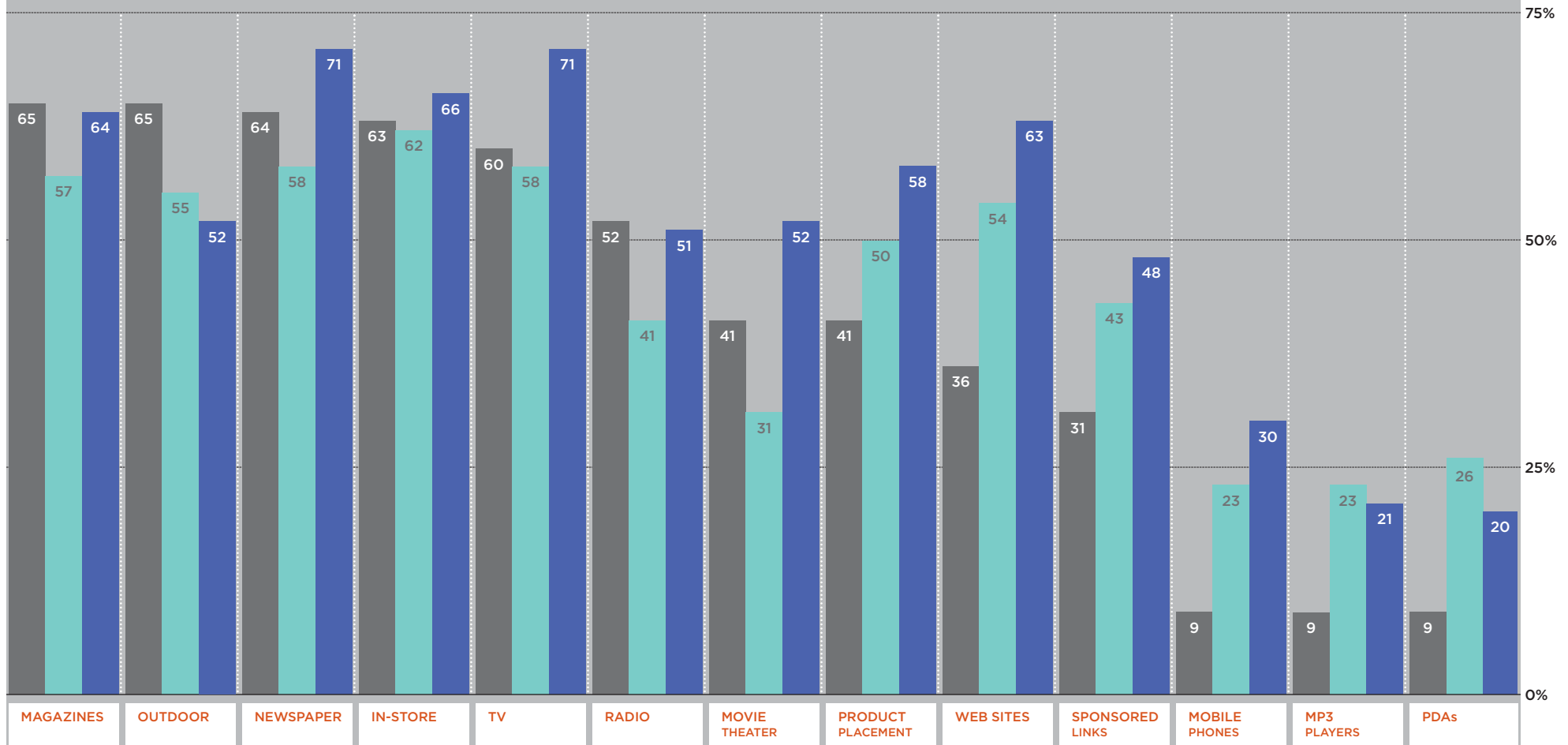
The level of economic development and the nature of the medium they're receiving it on.

Advertising is not always perceived as a nuisance by the My Media Generation. Many young people around the world recognize that advertising is a good way to learn about trends, fashions, and new products. However, youth in mature online markets, such as the US and Western Europe, are somewhat more cynical about advertising's value. 68% of youth in India, for example, agree that advertising is a good way to learn about new trends and things to buy; only 35% in the US agree.

As advertising channels become more personal, receptivity to seeing or hearing advertising through that channel decreases. PDAs, mobile phones, and MP3 players are considered virtually off-limits for ads. Advertising in traditional media is generally seen as more acceptable by youth than advertising in new media channels, though this varies considerably by country. In fact, in some countries, receptivity to advertising in new media is higher than receptivity to advertising in some traditional media outlets.

RECEPTIVITY TO ADVERTISING IN NEW MEDIA IS LOWER IN THE US THAN RECEPTIVITY TO ADVERTISING IN TRADITIONAL MEDIA
 PERCENTAGE AGREE THAT IT'S OK TO FIND ADVERTISING IN EACH PLACE (Top2Box)

US
 CHINA
 INDIA



MEDIA ON MY TERMS

The My Media Generation is the first to fully leverage the freedoms that new technology provides, and they are putting it into practice in all aspects of their lives. Because this age group is less set in their ways, they can quickly and easily integrate new tools into their lifestyle. Freedom for this generation means fewer limits and restrictions on what they can do and when they can do it. They expect that their access to people, media, and information will be unfettered and always-on.

INTERPERSONAL FREEDOM: Friends are reachable 24/7 through a variety of channels, with each medium having its own specific application. Scheduling gatherings, arranging dates, or getting together casually has become much quicker and easier.

MEDIA FREEDOM: Unlike the old days of waiting for a program or song to “air,” young people have taken media programming into their own hands. They aren’t abandoning media content by any means, but they are seeking ways to schedule that content to meet their needs. Traditional media networks are giving way to personal networks, informed by blogs and programmed with media from a variety of online and offline sources.

INFORMATION FREEDOM: News and information have been released from the confines of newspapers, magazines, and TV, to be available at any time. Also, with the advent of blogging, information doesn’t have to come from media conglomerates, allowing for new voices.

FREEDOM FROM ADVERTISING: Though many of the new technologies make it easier to avoid commercials, young people understand the need for ad-supported media—they just prefer ads that are relevant and offer value. Many ads are consumed eagerly (as in fashion magazines), as long as they are entertaining or informative.

Some of these behaviors and drives are intrinsically tied to this specific age group—music never seems so essential as when you’re 18, for instance—but many of these attitudes and media perceptions will carry through into My Media adult lives. As future generations grow up with the Internet and personal devices that enable self-programming, it is not just youth marketers who need a clear understanding of these behaviors.

MARKETING IMPLICATIONS

Creative must be arresting to break through the media meshing. Although the My Media Generation regularly conducts 2-4 additional activities while they are online or watching TV, they are open to, and often embrace, relevant and engaging marketing messages. This also presents an opportunity to mesh your communications across media vehicles.

Mobile devices are the future for My Media. They allow for community, self-expression, personalization, and they can fit in your pocket! Multi-media capabilities already exist in Asia. We need to explore how marketing and advertising work on mobile devices and experiment outside of the US to create best practices for the near future.

Play to youth's drives—community, self-expression, personalization—in your marketing communications. On the media planning side, this means aligning with key passion areas such as music; on the platform side, this means aligning a brand with youth's drives.

Given that music is a key part of My Media lives and that 80% of youth worldwide say they listen to music in their free time, music is clearly the foundation upon which youth marketers can build their marketing plans.

With the changing media landscape, and the My Media Generation's adoption of new technologies, it is important to start testing how marketers can take advantage of the new platforms. This would include greater allocations in technologies that have reached critical scale (Internet, mobile devices), as well as testing those that are rapidly developing into tomorrow's mass media (DVRs, PDAs, satellite radio, and Voice over IP).

Television, magazine and radio all still play a role for the My Media Generation. The importance of traditional media varies by country: television programming like "The OC" and "American Idol" still generate buzz and community among this demographic. In addition, magazines are valued for fashion, beauty, and celebrity gossip.

Youth in some of the emerging economies (such as India and Mexico) are more tolerant of aggressive media campaigns, including product placement, movie theatre advertising, online advertising, and personal mobile devices.

A roadmap for engaging the My Media Generation.

Our research was designed as a broad canvassing of what's important to young people today, how they've adopted new technology, and their usage of all forms of media. What we discovered was that there are global consistencies in what drives and motivates young people, with the concept of personalization—the ability to “assemble” media on your own terms—unique to this My Media Generation.

Against this backdrop of basic needs, we looked at how young people use new and existing media to satisfy their needs. What sifted out was the notion that interactive media (mobile and Internet), as well as music, offer young people an effective way to meet all three of their needs, while select programming in traditional media has a core strength in community-building, but has been trumped by new media in the realms of self-expression and personalization.

For marketers, we hope we've provided a roadmap for reaching the My Media Generation, by showing where they are and what devices and media they are using for a wide variety of tasks. We believe this research suggests that by appealing to all three drives of young people, advertisers can generate deeper and more passionate engagement with their brands.

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