

YMA YOUTH MARKETS ALERT

TRACKING CRITICAL TRENDS AMONG YOUNG AUDIENCES SINCE 1988

Teen Nightclubs Are Fertile Ground For Edgier Companies Or Marketers Willing To Take A Chance

Nightclubs are a risky business, and those that cater to teens are riskier still. Only one in eight adult nightclubs survive past six months. Teen-only clubs experience an even higher rate of failure, due to the fickle nature of the target audience and increased scrutiny over illegal behaviors. It's not unusual for a younger-skewing club to be open one week and disappear the next. Crush, a teen-only club in New York City, went bankrupt in just four months.

However teen nightclubs that manage to find success discover that the rewards can be plentiful, albeit they're more altruistic than financial. And marketers are expressing interest in using them as a forum to introduce and promote their products.

There are two distinct types of underage nightclubs — those specifically aimed at the underage market, and adult clubs that host special teen-only nights.

This industry is still relatively untapped by marketers, in large part because it's a business of independents. However there is potential if clubs can find a way to work in concert with each other to create a more efficient marketing package.

Brand Involvement

Many brands and marketing agencies understand the promotional appeal, yet still remain hesitant. Matt Britton of Mr. Youth marketing agency believes teen nightclubs are too unstable to recommend for its mainstream clients. "There's still some negative stigma attached to these places. Our experience shows that malls, festivals and skate parks are currently more effective." Julia Samet of Kao Brands, owners of Jergens and Bioré, acknowledges the appeal of the environment. "It's an ideal place since it targets [its core demographic of] young, hip women and lends a certain caché." She speculates Bioré could provide samples, brand coasters and napkins. Yet, she notes, the company isn't doing any of these things since it remains too much work for a one-off experience.

Britton does see the benefit for edgier brands.

"Certain brands can get away with a little more than others and those are the ones who should be getting into this market." Up-and-coming and stylish brands currently make up the majority of teen-club promotional partners. Energy drinks, including Red Bull, Monster Energy and Rockstar,

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MUSIC TO THEIR EARS

Specialty Kid Retailers And Their Use Of In-Store Music

A growing number of retailers are spending a chunk of the time and resources that they've always spent on visual merchandising now on audio elements of their in-store presentations. Specialty kid retailers — such as Gap Kids, Delia's, Build-A-Bear Workshop, The Children's Place — are bypassing generic background music in favor of customized programs. And while each chain's playlist is tailored to its own image, strategies share similarities:

- ▶ Kid formats are upbeat, positive and trendy.
- ▶ A child's preference has slightly more importance than the parent's.
- ▶ Focus groups, pop charts and a brand's internal research are the top sources used to create in-store music.

Customized programs are a marriage between two forces — what the brand is trying to convey and what kids like (and will get them to shop longer). They also play to the popular "social retailing" trend — that also includes high-tech ads — to make shopping a more interactive and personalized experience. The main difference between an adult-oriented and child-targeted playlist is that adult retailers are more likely to use unique cuts designed to differentiate themselves from competitors, whereas child cuts rely on the same current chart-toppers.

It may be commonplace for a child and

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Music

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parent shop together, but when it comes to tailoring music, the kid is the primary concern. "Kids might prefer something edgier, but [the music] can't turn off the parent. It's definitely a balance," says Hal Stiles of DMI Music & Media Solutions, a company that compiles audio programs for retailers. "And all lyrics are vetted against the strictest broadcast standards." Renee Zuckerman of The Children's Place says the chain only plays music with positive, upbeat messages, albeit with an electronic beat. Gap Kids plays tween music — both fast and slow — as whatever is most popular for kids.

Challenge To Find Appealing Content

"Admittedly it's a challenge to find appealing content since a [retailer's] music catalogue only is as old as its oldest customer. Adult [catalogues] go back three-to-four decades," says Stiles. Play Network, which programs music for Delia's, Diesel and Hollister, refreshes its clients' CDs —which contain 14,000 songs — monthly.

Focus groups are a great resource in designing programs, since they let the company hear firsthand what a specific age group likes and doesn't like, says Stiles.

Movie soundtracks are currently the top place to turn to since they provide a favorable compromise for the parent and child. Many recent flicks — including *Happy Feet* and *Shrek* — remake old tunes, though many kids don't know that. "Kids just hear the song by Donkey [in *Shrek*] and parents remember how much they loved that original Monkees tune," says Stiles.

Stores also frequently turn to the current pop charts to find what's hot. Tween girls, in particular, are attuned to up-and-coming artists. This group also prefers singers who are cross-promoted in other media, such as a Hannah Montana or Hilary Duff type. Younger children enjoy music from specialty labels, such as Kidz Bop. Young boys are the hardest to categorize, says Stiles. "They tend to react negatively to anything tween girls like." In general, this group shops to more aggressive rock, along with music from videogames and movies.

Kids Like Upbeat, Positive Songs

While song lyrics and beats might differ between age groups, the tempo remains the same. "A kid's heartbeat is a little faster than an adult's, so often the music is more upbeat, kinetic and hyper," notes Stiles. This is certainly true for The Children's Place, which plays electronic tunes. Abercrombie Kids spins techno beats on the A92 channel, its in-store music network that is also streamed online. There are some exceptions. "Music has to be tempered to the experience," says Stiles. "Kids are at a Build-A-Bear for 45 minutes, so you can't play 45 minutes of straight adrenaline or the kids would be bouncing off the walls."

Globalization is playing an increasingly prominent role in the music played in these stores. Japanese animé

and songs performed by characters popular in Europe now play in U.S. stores. Globalization also has helped make customized playlists easier for brands since they can export the same playlists as they expand overseas. "All kids [regardless of where they live] play the same games, watch the same shows, listen to the same music. Regional differences are increasingly becoming unnoticeable," says Stiles. Also, brands prefer to have the same playlists in each store to maintain a consistent image and, he adds, it's cheaper. [RETAIL/ENTERTAINMENT]

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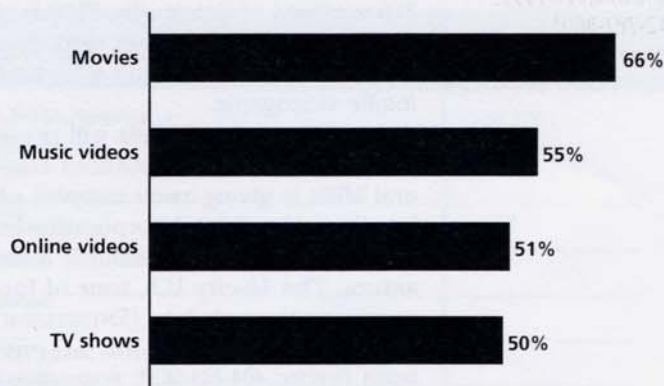
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Majority Of Teens Watch Content On Devices That Are Not Their Television

Six in 10 teens age 13-17 (60%) watch video content on a device other than their home TV, compared with 40% of adult consumers, according to E-Poll, an online survey company.

The large majority of teens (72%) use desktop computers. Other options are laptops (36%), iPods/MP3 players (34%), portable DVD players (28%). Video viewing on cell phones (13%) and PDAs (2%) is still very limited. [ENTERTAINMENT]

TYPES OF CONTENT TEENS ARE WATCHING ON NON-TV DEVICES



SOURCE: E-Poll

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