

THE YOUTH SECTOR IN CONSUMER MARKETING

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The Importance of the Youth Sector

It is not really surprising why marketing analysts and planners should now be directing attention to the youth sector or the youth population, or in more popular expression, the younger generation. We are fully well aware that on a world-wide basis, youth power has meant political and social power which has effected fundamental and strategic changes in values and attitudes, in behavior and lifestyles, and even in systems and institutions. When we further consider the economic resources within command of this sector, the arithmetic will indicate a sector with a significant consumer power.

Thus, to all social scientists who have made youth and youth movement their favorite item in the research agenda, we add the marketing analyst who somehow does not as yet have the scholarly zeal (though he should have) of the social scientists and the command of sophisticated tools of research and analysis to do a penetrating study of the youth sector. Perhaps, his priority and his pragmatic orientation does not permit yet this scholarly type endeavor. Inevitably and logically, the marketing analyst, himself an applied social or behavioral scientist, must examine the findings of the scholars which may be helpful in formulating plans and strategies for his products and services; well said, and an advice perhaps well taken in a setting such as that of the United States or Western Europe or Japan, where perhaps the subject of youth, youth movement, youth politics, youth influence, youth culture, etc. are well researched. The American marketing men have long looked at the youth market or the teenage market long before youth movement became the "in" thing.

STRATEGIC CONSIDERATIONS OF THE YOUTH MARKET. Are there much of such findings in the Philippines of value to marketing? In the Philippines, social scientists have not yet developed a tradition of research on youth and youth-related subjects. There are indeed sporadic studies but no integration efforts have been made to deduce some useful generalizations, which are useful not only to government policy makers and planners but also to business planners and decision-makers and certainly to marketing analysts and strategists. Marketing researchers themselves – especially those in the academic institutions – have undertaken studies of the youth or the student market. One outstanding characteristic of these studies, however, is that they all fit into a formula-type treatment of the market segmentation phenomenon; in this case, in reference to the student market segment. The

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approach invariably gives the size of such market in terms of number and purchasing power and buying habits in terms of what youth consumers buy, how much, and where they buy. However, such an approach is a strictly static description and of short-term operational value since projections are seldom attempted. Where projections are made, these are straightline projections, short-term, and, therefore, may not be of strategic value for marketing decisions and for planning.

Our interest then is to stress some of the basic and fundamental notions, perspectives or premises, and even hypotheses which will add to our appreciation of the generally quantitative treatment of market segment analysis of the Philippine youth market. To do this, it becomes necessary to derive insights from studies done by other disciplines.

For our guidelines in this discussion, our marketing interest in the youth sector is in terms of: a) the purchasing or buying influence of the sector; b) its present and future market capabilities; and c) the prospects as adult market. A new kind of emphasis seems to point to the *purchase influence factor* to be considered primarily in terms of the strategic or long-term marketing considerations. The aspect of market capabilities fits within what was earlier described as the formula market segment analysis which relies on descriptive quantification.

DEFINING "YOUTH." With this in mind, we are immediately faced with the problem of operationally defining what "youth" means when we speak of the youth sector or youth market. Here, even demographic definitions are not in agreement. Philippine labor force concept considers the age range 10-21 years; educational data may give the age range 14-21 years (the high school and college age group). The UNESCO takes 17-25 years and labels anyone below 17 as "children," and the Bureau of the Census and Statistics categories give 10-14, 15-19 and 20-24 as the possible "youth" groups. Furthermore, the label "younger generation" points to the below-25 group and social anthropologists use the "adolescent group," which can really mean any age depending upon whether you mean chronological age or mental/behavioral age. But we can take a definitional compromise and refer to the 10-24 age group as our youth sector. We will qualify if an alternative reference is made.

Some Quantitative Perspectives

Given this definition, consider these perspective aggregate data on the youth sector:

1. Estimates for 1970 (in the absence of official census figure, using NEC medium estimates) give us:

4.748 million (or 12.3% of total population of which 50.7% are males) for age group 10-14 years;

4.080 million (or 10.6% and 51% male) for age group 15-19 years;

3.343 million (or 8.9% and 50.8% male) for age group 20-24 years, or

a total of 12.168 (or 31.6%) for age group 10-24 years.

By 1975, this total will be 14.560 million or an increase of 16% with age group proportions remaining the same.

2. Of 3.3 million in age group 10-13 years, 87.16% are in school consisting of: 38% of 2.2 million of age group 14-16 (educationally, the high school group); 28.4% of 3.08 million age group 17-21; and 11% of 3.5 million of age group 21-24. Thus, of 12.168 million in age group 10-24, about 6.2 million are in school and the rest are either out of school or have completed.

Furthermore, educational projections indicate that there will be, by 1975, 8.3 million elementary pupils (7-13 years old); 3 million high school students (14-16 years old); and 1.3 million students in college (17-24 years old). Consider then the demand for educational services and educational items.

There are roughly 4.5 million out of school youth (age up to 21).

3. Youth Employment. In terms of employment, 5.4 million of our defined youth group are in the labor force, or about 40% of which 4.6 million are either fully or partially employed or about 80% of age group labor force. Close to 70% are males.

Of the employed, 37.4% are wage and salary workers (19.2% of 10-14 age group, 36.7% of the 15-19 age group, and 50.2% of the 20-24 age group); 11.3% are self-employed (4.2%, 9.5% and 18.3% of the three age groups, respectively); and 50.9% are unpaid family workers (75.4%, 53.6% and 31.1% of the respective age groups).

The males constitute proportionately $\frac{2}{3}$ of the labor force and of the employed youth groups.

4. Young Population and Implication. Consider in addition that the population is getting younger with 16.5 years old as the statistical average Filipino and age group 24 and below comprising 65.10% of total population, with the youth group 10-24 constituting 31.4%. Approximately 75% of this age group population are in nonurban areas.

The young age of the population makes the dependency phenomenon more widespread, a situation suggesting that the buying decisions for youth-related pro-

ducts are household rather than individual decisions. The large nonurban youth population with relatively low employment and low income leads us to hypothesize that the youth market may be largely an urban phenomenon. When we consider further the media reach and the educational factor (literacy and attainment), the nonurban youth market becomes less significant. Urbanization movement accompanied or brought about by educational and other essential services, as present development efforts hope to attain, may make what may now be the nonurban youth sector more significant from the marketing standpoint.

5. Youth Income Data. To complete the quantitative aggregate description and to add to its marketing value, it is extremely helpful if data are available on youth income to indicate the significance of the market. We admit the gross inadequacy of information on this aspect, save only for the limited data on student income and expenditures from sporadic surveys.

The Marketing Influence of the Youth Sector

Given this dimensional perspective, we can further appreciate how youth can be a potent force in influencing the environment of marketing – given their attitudes, opinions, preference, behavior, and lifestyles.

YOUTH AS CHANGE AGENTS AND INNOVATORS. The members of the age group we have specified (particularly the 13-21 group) at various stages go through puberty, adolescence, and early maturity – periods of constant transition and, therefore, a process of conditioning to change. The youth develop new needs, new interests, new knowledge, which affect their requirements as consumers as they make the major transition from the familial roles to occupational roles with a long but usually eventful waiting period in school. During such schooling period their peer group relationships become more pronounced while those between parents and children become relatively less. The urge is for identification and the search is for all the symbols that go with it. The more visible and audible the symbol, the better; hence, the popularity of clothes, accessories, and records.

As they experience transition – undergoing the unfettering process – from family ties to peer group ties, they begin to strongly question and influence family or household decisions as the influence of peer groups becomes stronger. The mere physical and physiological change due to puberty or adolescence generates a craving for new things, new relationships, new styles – making them more receptive to any new product, services or methods, and, accordingly, more receptive to and influenced by the mass media persuasion. They are quick adopters, and, therefore, innovators, willing to try and start new things, and to experiment without fear of family structure, which they now question. They begin to question the old order, old institutions, old values and authorities (including parents). They become recruitable for advocacy of causes and the physical demands of growing and adolescence require active outlets of energies which saw the student segment in vigorous demon-

strations. Their impetuosity and impatience can make of them the welcome impulse-buyers, mitigated only by the limited money resources they have. Then, consider what this all means in terms of brand preferences and brand switching.

As innovators and quick adopters, they are potent change agents that marketing analysts must watch closely for bellwether developments which may be helpful in projective planning. As change agents, they are influences that lead to changes in attitudes and values, they challenge old habits and practices, and innovate on new systems and lifestyles. The major upheaval in men's fashion and the long-hair look, which threatened the hallowed barbershop institution, were youth-initiated and youth-nurtured phenomena. There are now shops and boutiques that cater to youth clientele. The rock revolution and all the new products and new lifestyles that go with it thrive on youth patronage which have made the phenomenon the vehicle for conveying their yearnings and their messages. These are two instances of what are now more than just faddish developments which have indeed affected the marketing scene. And these developments are well appreciated, given the basic grasp of the youth culture and youth values and attitudes — essential for strategic considerations of the youth market.

Youth, the Mass Media and Nora Aunor

In their search for symbols and new lifestyles, the young are more open and more receptive to mass media influences, and, because their search is for the visible and the audible — TV, radio and pictorial magazines are favorite media. The broadcast networks and publishers, responding in kind, have adjusted to demands by making their media vehicles for youth message and influences. Greater Manila media audience surveys bear this out. Youth magazines have become mass media items and the teenage or the now-generation TV or radio programs have become standard airwave fare.

The peer group syndrome, with identification as its motive force, has given birth to the Nora Aunor cult, which, while claiming adherents from the older generation, is decidedly a youth phenomenon. Miss Aunor has become a potent symbol. What Miss Aunor sings, her peer group sings; what she buys, her peer group buys. Record shops, Dial soap, and Coke are finding this out. But like most symbols for them, Miss Aunor will come to pass and marketing man can play a guessing game. But one thing sure, the young will be in search for something new, something novel, something symbolic as they continue to search for identity, partly due to the pains of growing and partly due to increasing peer group socialization.

Other Areas of Youth Influence

Outside of the independent or individual buying decisions they make (mostly for individual-consumption goods such as soft drinks, cosmetics, apparel, hobby items,

books, gifts and even entertainment) the youth, as household members, influence family purchasing decisions for such household items and services as appliances, cars, vacation, household ornaments, and even family doctors and dentists. Because they are now better educated, better exposed to mass media influence, and supported by peer groups, they challenge, question, argue, and demand. One can again see how more valid this is for urban youth and how traditional values of rural Philippines make the rural youth sector less significant as market influence.

Youth Purchasing Power

If youth's social (and political) influence is backed up by a significantly sizeable purchasing power, we can imagine the evolvement of a distinct youth market and the counterpart development of youth related market segmentation strategy.

There are indications that youth purchasing power is constrained by factors that are both fundamentally economic, cultural, and institutional. A large proportion of employable youth do not have gainful jobs and those unemployed come primarily from the low-income classes who as we know spend a large proportion of their income on food, housing and utilities, and education. One primary reason is because job opportunities are not many. The summer jobs or the part-time jobs while in school are not as widely available as in the United States, for instance, where the youth market has definitely registered its relevance. Our data on youth employment indicated that about 51% are unpaid family workers, 37% are on part-time or full-time wage and salary basis, and the rest are self-employed. Low-income youth earnings are expectedly going to be spent on necessities such as food, clothing and household effects, transportation, and maybe liquor and cigarettes. For as long as widespread youth unemployment persists, the development of such specialized markets as for hobbies, vacations, and travel will be slow. As economists will say, these are discretionary consumption items that will expand in market with expansion in income.

In addition, there are legal and institutional obstacles to youth employment. While these have not stopped noncontractual and self-employment of nonlegally employable youth, these have constrained employers from providing employment for youth. In a labor surplus situation, youth employment will be limited.

Of course the cultural factor is there. The aversion to manual work does not help at all the situation of the unemployed youth who, if coming from low-income classes, will generally have less than a high-school education and, therefore, their job opportunities are limited.

One thing that may describe youth income is that they are substantially disposable or as marketing men see it, substantially discretionary, since encumbrances and commitments (such as taxes, debts, etc.) from such income are minimal and, therefore, at their own discretion to spend. The implication is that youth purchases are

entirely independent, free-choice decisions even while they may still be generally dependent on parents. However, the special case of students whose income derives substantially from allowances indicates that such gross student incomes are encumbered with commitments for board, lodging, and school materials. These are items for which the students have not much discretion in purchase decision.

The Student Market

As a segment of the youth population, the student market appears to be a special case. The market is more definable primarily because it is more tractable from the research standpoint. Yet even with this possibility, not much is known about the student market, save for one published study and a few unpublished studies done in universities and colleges. I will describe briefly the findings of one such unpublished study. Further, only the college student segment is usually the one investigated.

Since this portion of our discussion is for illustrative purposes to exemplify what I earlier referred to as formula-type analysis, it may be expedient to treat only the college student segment — which though relatively small in proportion (1970 estimate of 730,000 out of 9.7 million total school enrolment or about 7.5%) is nevertheless definitely significant because of relatively substantial purchasing power and because of the quality of its purchasing influence. About 41% of the 730,000 or about 355,000 are in Greater Manila.

Where does the college student income come from? One national study done by the ILO-Philippine Office of Manpower Services shows that 66.3% of student income comes from parents wholly or partially, 10.4% from relatives, 9.7% from earnings during the term, 9.7% from earnings during vacation, 2.7% from savings before entering college and 1.1% from various sources. The first two sources — parents and relatives — totaling 76.7%, are the student allowances, generally not entirely discretionary as these are likely to be committed for board and lodging, school supplies and maybe apparel. Entertainment and recreation money will expectedly come from the more discretionary sources as earnings and savings.

It is very intriguing to play a little game of arithmetic just to find out how much aggregate income college students have. To do this, a reference is made to Prof. Emmanuel S. Sison's study, "Student Consumer Power in the Philippines".¹ This being a fanciful exercise I will throw *caveats* on the interpretation of results of this calculation.

The study indicates that the average Greater Manila student monthly income is P222.00 in round figure and that for Dagupan City is P130. It was already

¹Emmanuel Sison, "Student Consumer Power in the Philippines," *Marketing Horizons* (July 1971), pp. 22-26.

mentioned that there are 355,000 Greater Manila college students. The calculation will give us something like P78.8 million student income that are allocated as follows:

38.2% for Board and Lodging	8.4% for Savings
11.5% for Snacks and Cigarettes	5.1% for Toiletries
12.5% for Apparel	5.4% for Laundry and Supplies
7.1% for Transportation	5.6% for Miscellaneous
6.2% for Entertainment and Recreation	

Assuming that the Dagupan City figure of P130 is the average for non-Manila student population, which is 50% of 730,000, or 375,000, our calculation gives a total of P48.75 million allocated as follows:

29.3% for Board and Lodging	5.4% for Entertainment and Recreation
13.9% for Wearing Apparel	5.2% for Toiletries and Cosmetics
13.0% for Transportation	5.2% for Laundry and Supplies
10.2% for Snacks and Cigarettes	6.3% for Miscellaneous
11.5% for Savings	

Thus, our little exercise has yielded a total of P127.55 million available to college students to spend. Significantly, board and lodging, constituting roughly 35% of expenditures, is substantially nondiscretionary and so is transportation. Advertisers have not much say on these items as the students' own discretion on these items is also constrained. Manila students spend proportionately more for board and lodging and for snacks and cigarettes; thus saving less.

SPENDING HABITS OF U.P. STUDENTS. Still a special case of the student market segment is described by a U.P. study involving a sample survey of 100 students, analyzing spending behavior by such factors as age, sex, residence, group membership, economic class, income available, and other non-socio-economic factors.²

The study shows that the average U.P. student belongs to middle- and upper-income classes, spends an average of P144.42 a month on (in order of magnitude) — food (P49.50), miscellaneous (P21.95), entertainment (P20.00), clothes (P14.40), school supplies and textbooks (P7.22), cosmetics (P6.90) and lodging (P9.80). Age has no significant influence on expenditure patterns. Male students appear to spend more for entertainment (expenses on dates and parties). Residence and group membership have no significant influence. Students from lower-income classes appear to spend relatively more for entertainment.

The study calculates that U.P. students spend P1.092 million a month on food, clothing, entertainment, and cosmetics and toiletries.

²Marie Francis Magno, "U.P. Student Spending Habits," Undergraduate research paper (unpublished), College of Business Administration, University of the Philippines, First Semester, 1971.

Conclusions

From this foregoing discussion, the following concluding observations may be derived:

First, the youth market, given disposable income and purchase decision alternatives, is substantially an urban market.

Second, the youth population is potentially a significant market. However, presently the sector is constrained by a relatively low purchasing power. The student group, however, appears to be a special exception.

Third, there are major contributory factors that constrain the earning opportunities and capacities of the youth population.

Fourth, the youth group is significant if only for its social influence arising out of its innovative tendencies and change orientation, as well as its influence on family buying decisions. For strategic considerations, marketing analysts must study and investigate these aspects of the youth factor.

And finally, there is an utter dearth of studies on the youth market. The Sison and Magno studies exemplify noteworthy research undertakings that will add to our knowledge of the youth market.