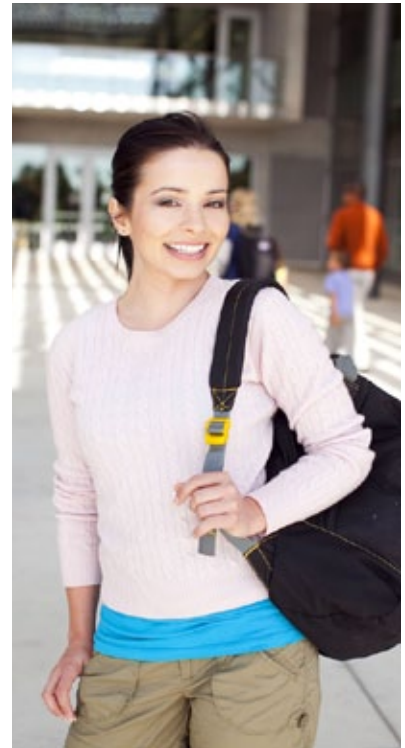




Almost Adults: The Next GIGANTIC Consumer Growth Engine

Almost Adults, 17-24 year-old students attending 2-4 year and post-graduate college, represent the best opportunity for many branded products and services to maximize margins now and in the very near future, due in part to their high earning potential, far reaching influence on society in general and leadership and propensity for brand loyalty, particularly for:

- ▶ Contract-based services like wireless phones, credit cards and insurance
- ▶ Durable products like autos and appliances
- ▶ Retail and Restaurants in the mid-to-upper tier market
- ▶ Brand Name Consumer packaged goods
- ▶ Travel
- ▶ Fashion



Collectively, at their lowest discretionary spend level as adults, the income left after buying necessities such as basic food, housing and clothing, they spend

\$38 Billion annually

while in college.

This year, one million new households will be created by Almost Adults moving out on their own, according to a forecast by UBS Securities. Only **357,000** were recorded in the year ended March 2010, the lowest number since the Census Bureau began tracking in 1960, due in part to a challenging job market. But the market is turning and Almost Adults landing their first jobs are key to the economic recovery.

A new first time renter, living independently from their parents, spends on average **\$1,300 on items related to setting up housekeeping**, according to America's Research Group. At that moment or shortly after, they also become responsible for their own insurance, cell phone, auto, credit card, and more.

Lucky for them, once they land employment post graduation, Almost Adults' income quickly climbs by 10x in just a few years. And for a significant portion, it will continue to climb to more than 20x their income while in college.

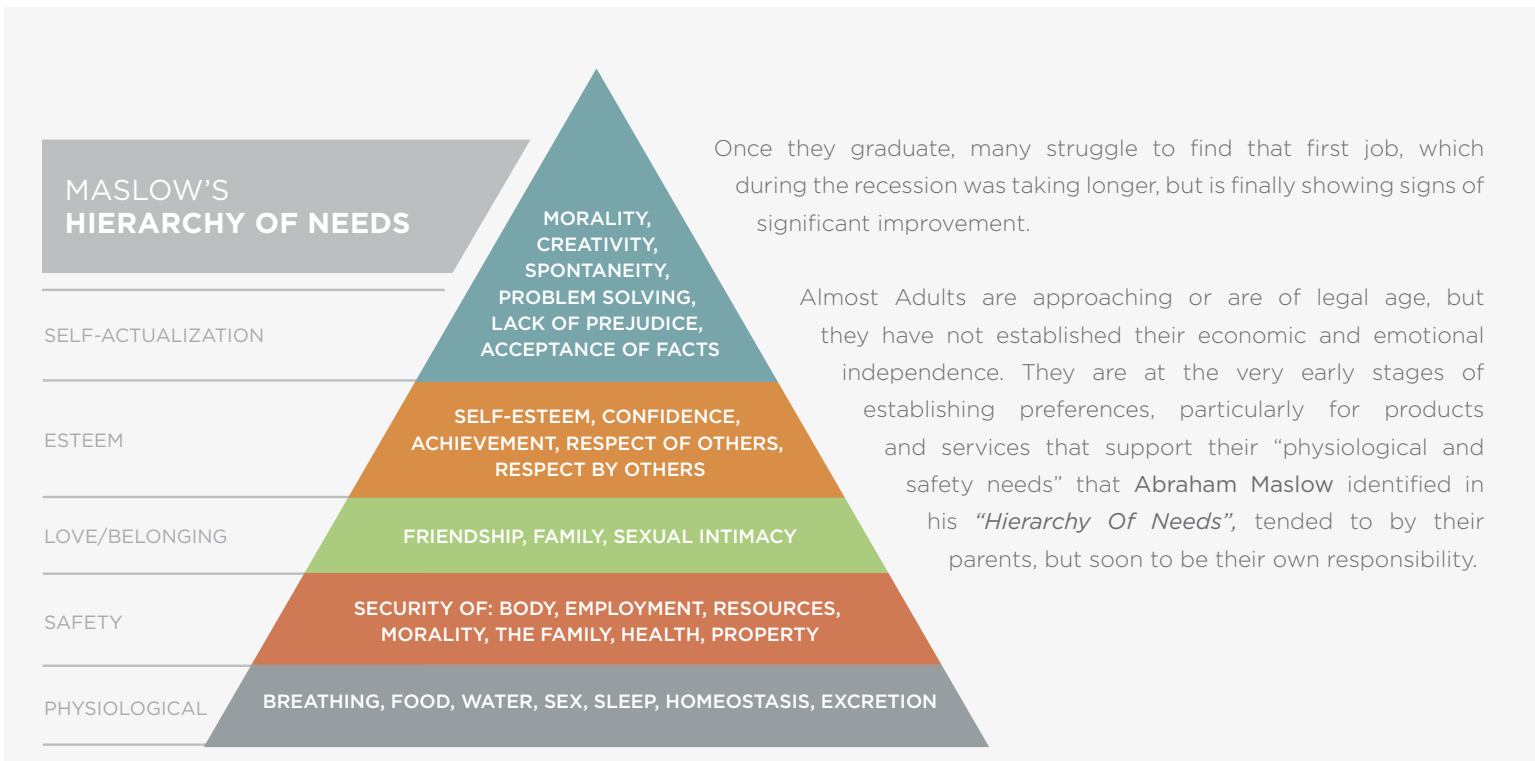
It takes Almost Adults longer to get through college than in the past, due in part to the growth of their population, which has made it more difficult to schedule necessary classes for a planned 2-year or 4-year degree. The weaker economy has also led to fewer scholarships, loans and part-time jobs to divide amongst a larger population, further delaying their projected graduation due to financial constraints.

There are more Almost Adults than at anytime in US history with census figures counting **10.5M** and growing.

1.8M are graduating annually, while **3.3M** are beginning their first-year of college education.

Foreign students account for an additional **690,000** with **128,000** coming from China and **105,000** from India.

The total population of students enrolled in higher learning in the US is **18M+**, with the additional **8.5M** coming from those **25+**, the vast majority of which have already gained their independence from their parents.



Here's a general snapshot of Parental influence on Almost Adults: How Almost Adults conduct themselves financially and make brand preference decisions evolves as they progress in their studies in college. At no time in history have there been more people depending upon their parents to get them through college. For marketers, parents hold more influential power than ever before.

Economics and social shifts have created an ironic situation that has elevated the dependence of Almost Adults on their Baby Boomer and Gen X parents, who as Almost Adults themselves, demanded greater autonomy from their parents than the generations before them. Now terms like "helicopter parents" and "smothers" are often used to describe their parental relationships with their Almost Adult children.

GENERAL SNAPSHOT OF PARENTAL INFLUENCE

Pre-College

Almost Adults borrow their parents' credit cards on an as need basis. Parents pay all of their bills and make financial decisions for them. They live with their parents.

Freshman/Sophomore

The majority of Almost Adults have a credit card in their name that was opened by their parents. Their parents leverage finances to control and influence their Almost Adults spending choices and activities.

It is the economic leverage, coupled with Almost Adults ignorance of financial matters and ability to earn, that creates an extended adolescent significantly impacted by parental opinions, more so than any generation before.

Junior/Seniors

Most have a credit card they manage personally. They are starting to understand the importance of financial planning, credit scores and making sound financial decisions, but still find their parents are the most trusted resource for financial guidance and opinion. They are earning money and paying bills on their own with a stipend and regular "help" from their parents. They live off-campus and pay rent, utilities, etc. and are becoming responsible for the financial administration of their daily life.

\$785 is the average monthly amount a 4-year college student uses to cover non-tuition and rent expenses.

\$211 is the amount used for discretionary spending.

\$654 comes from work for the majority who work.

\$131 comes from their parents.

This does not count their free room and board when they are at their parent's home - part of the time - supplies and regular freebies from their parents for items like cell phones.



62% of all income is earned off-campus during breaks and during the school year.

A BREAK DOWN OF THEIR AVERAGE WEEKLY EXPENSES FROM A NATIONAL QUALITATIVE STUDY WE CONDUCTED INCLUDE:

- 25% Technology (*computer and internet*)
- 17% Living Expenses (*utilities, insurance, misc.*)
- 14% Study (*books, materials*)
- 13% Travel (*car, parking, bus, gas*)
- 13% Food/Drink
- 8% Hang Out
- 7% Dress/Personal Care
- 3% Savings

BREAKDOWNS

MONTHLY

\$366	TUITION
\$230	ROOM/BOARD
\$48	TECHNOLOGY
\$32	LIVING EXPENSES
\$26	STUDY
\$25	TRAVEL
\$25	FOOD/DRINK
\$15	HANG OUT
\$13	DRESS/PERSONAL CARE
\$5	SAVINGS

DISCRETIONARY SPENDING

31%	FOOD
19%	GADGETS
16%	DRINK
14%	CLOTHES/SHOES
11%	PERSONAL CARE
9%	ENTERTAINMENT

Almost Adults have set different fiscal priorities than their older counterparts. 52% of Almost Adults are keeping their discretionary steady or increasing it vs. 38% of 25-35 year-olds who are more financially independent.

We conducted a national qualitative study of Young Adults in April 2011 regarding their financial independence, how they make important financial decisions, and allocate their budget and time. Results from our study follow.

Young Adults' Financial Decisions

CREDIT CARDS

- 67% have a credit card
- 71% parents picked the credit card
- 29% found it through on-line research

**of the 33% that don't have a credit card, 2/3 want one*

METHOD OF PAYMENT

- 61% most often use a debit card
- 23% cash
- 16% credit card

CREDIT CARDS ARE USED MOST OFTEN FOR

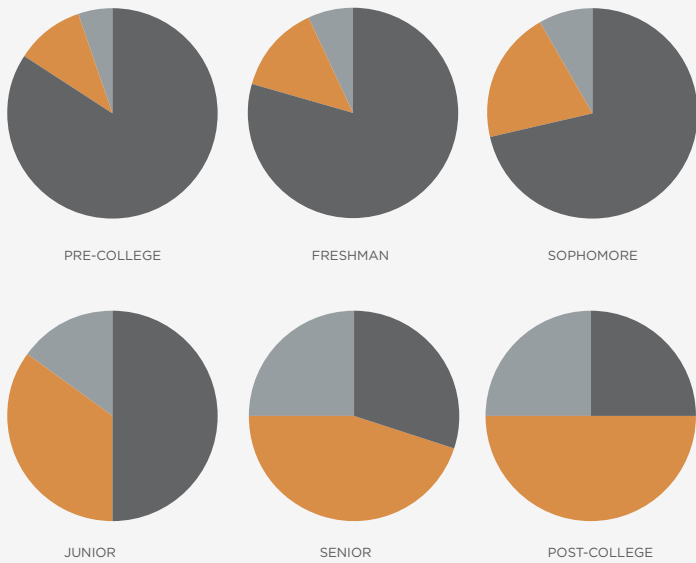
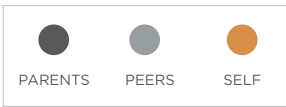
- 77% Groceries
- 54.5% Restaurants/Bars
- 54.5% For online purchases
- 46% Transportation

RESOURCES FOR FINANCIAL INFORMATION & DECISIONS

- 97% name Parents as resource for helpful financial information and decisions
- 35% use Google
- 32% also seek advice from Friends
- 16% use company web sites

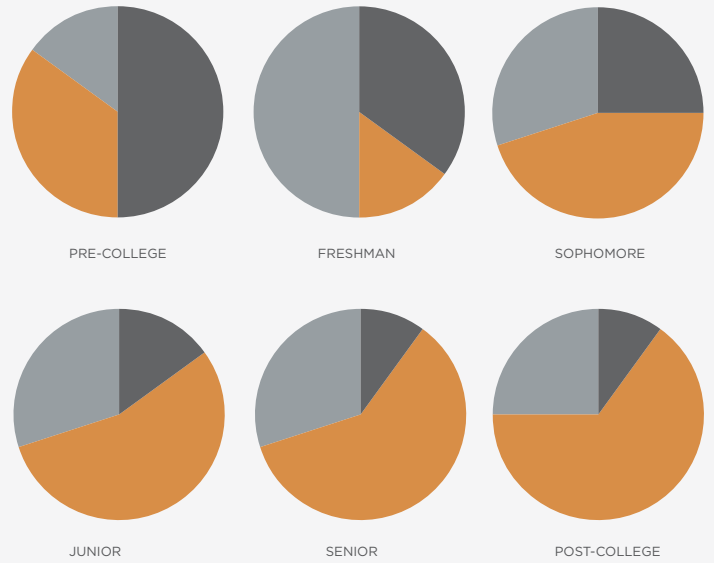
MOBILE

- 100% have A Cell Phone and use it to Text
- 77% parents Pay For Cell Phone, which creates more use and builds dependence.
- 67% access the Internet via mobile
- 60% use apps
- 28% have made a purchase with their phone



FINANCIAL DECISIONS

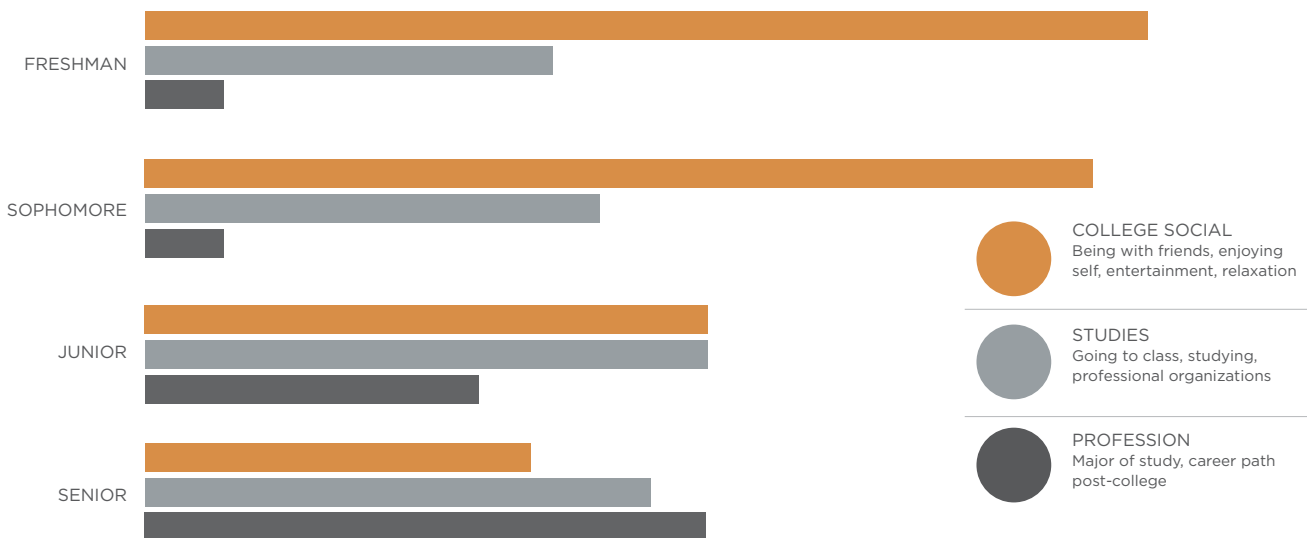
During college, financial responsibility shifts from the parents' role to the students'. Parents remain heavily influential, but peers (friends, influencers, etc.) play a larger role as students become more ingrained in life away from home. As Almost Adults start their first job, the influence of bosses and coworkers enter into the equation.



TIME MANAGEMENT DECISIONS

For the younger college student "fun" goes hand in hand with required studies. These students are pulled between their parents' expectations and those of their new friends. The mass peer group of other students dictates much of a student's daily activities. Over time, the individual comes to manage more of their time independently, which corresponds to their financial independence and fiscal responsibilities.

PRIORITIES OF DAILY LIFE IN COLLEGE

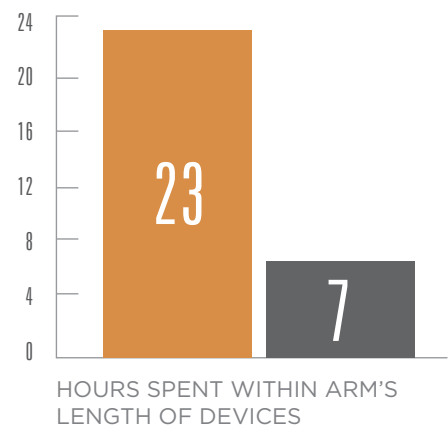
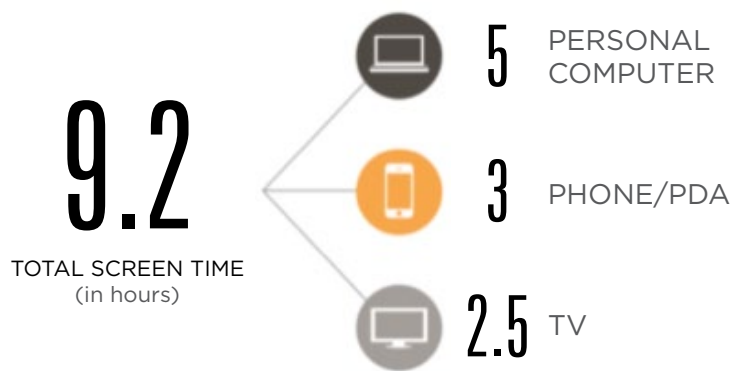


- COLLEGE SOCIAL
Being with friends, enjoying self, entertainment, relaxation
- STUDIES
Going to class, studying, professional organizations
- PROFESSION
Major of study, career path post-college

A TYPICAL DAY IN HOURS



DAILY HOURS SPENT WITH GADGETS



Almost Adults identify “technology” as the differentiator between themselves and other generations. The children of Boomers and Gen X, they are the first generation to come of age in the new millennium.

Pew Research Center, a non-profit, non-biased organization based in Washington D.C. that studies cultural and technological trends conducted a national study of adult Millennials, the generation representing Almost Adults for the next 11 years, found Millennials 18+ are:



Mistrusting

Only 30% believe most people can be trusted.

Tech Savvy

90% use the Internet vs. 79% of Boomers - for Almost Adults the number is 100% due to educational requirements.

75% have a social network profile vs. Gen X at 50% and Boomers 30%.

55% visit social sites daily, 20% every few days and 25% once a week.



Mobile Oriented

88% Text, Almost Adults the number is 100%

20 texts per day is Median

62% connect to the Internet wirelessly using laptop or hand-held

66% of African Americans access wirelessly, the highest of all groups

41% have a cell phone and no landline



Diverse

They are the most culturally diverse of any generation,

61% Caucasian, 19% Latino, 13% African American, 4% other.

Boomers by contrast are 73% Caucasian.

Urban Dwellers

86% live in urban areas with 54% in suburbs.

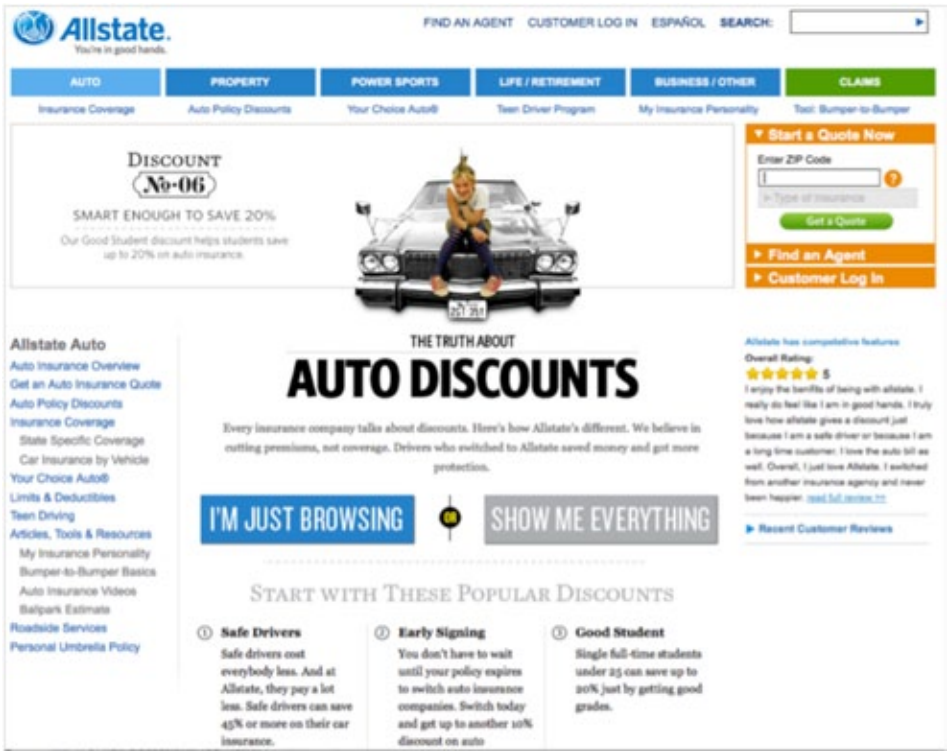
Given their inability to trust, the acceptance of peer influence and their tech and mobile orientation, social networking, on-line and mobile are essential tools to engage and build relationships with Almost Adults, who themselves are the most influential segment in the population because they are looked upon by society as the leaders of technological trends and all things in the digital social sphere.

But how do you use these platforms to earn their trust when they are so mistrusting?
 We've found in our work there are **6 PATHS TO ENGAGE ALMOST ADULTS**:

- 1 PARENTS
- 2 PEERS
- 3 PERSONAL
- 4 PLANNING
- 5 PROACTIVE
- 6 PROVIDING

1 PARENTS

The wireless carrier Almost Adults use and the toothpaste they choose are highly influenced by their parents. Providing information and tools that assist parents with the “weaning” of their Almost Adults can create a bridge to new entry high growth customers that lasts a lifetime.



Allstate acknowledging education achievements endears parents, who in turn influence their Almost Adults opinions about services and products that fulfill “physiological” protection needs.

2 PEERS

Providing a good experience and an incentive to propagate it among peers has grown into a multi-billion dollar social commerce business, created and driven by Almost Adults who are migrating into Adults.

You don't have to promote an offer on Groupon or other social sites at a loss to get traffic and engagement. Promoting limited time offers via email, text, on your web site, Twitter, Facebook, Foursquare or Gowalla that have a forward hook ("forward this offer to two friends and save \$2 for yourself") can not only expand the reach of your offer, but also improve the redemption rate, as it is forwarded from a trusted peer and it's not a stretch for this audience to propagate and help recruit. It's something they do regularly.

Charity	Percentage
ATLANTA COMMUNITY FOOD BANK	8%
GREATER CHICAGO FOOD DEPOSITORY	11%
CITY HARVEST IN NEW YORK CITY	15%
CAPITAL AREA FOOD BANK, DC	9%
NORTH TEXAS FOOD BANK	10%
WESTSIDE FOOD BANK, LOS ANGELES	12%

Balance Bar Daily Victories works like a reverse Groupon under the label with significant values awarded and a chance to donate to a food bank when brand fans share their own Daily Victory with friends and "Like" on Facebook.



Rethink conventional methods for communication and plan for context that can be used to add value. Daily Victories from Balance Bar provides an added value in the context of a reverse social commerce offer under the label - significant one-of-a-kind values from partners like Foot Locker, Hamilton Beach and Fox Entertainment, communicated through social media outlets designed to help Balance Bar customers achieve more for themselves by engaging with the brand.

The program encourages participants to share their own Daily Victory via Facebook and "Like" the program for a donation to be made to a Food Bank. The sharing with peers gets the word out and makes the program legitimate.

3 PERSONAL

Almost Adults demand customization in everything they do. Give them the opportunity to customize their experience with your product to make it their own and they are more inclined to share the experience with their peers.

Simply providing a platform for consumers to recommend and provide input on products can be a big step in the right direction.



21 Mercer Nike Store in New York customizes shoes in front of the customer. An extension of on-line customization with a more artisan experience.



4 PLANNING

Almost Adults are emotionally invested in some of life's biggest milestones: higher education, first careers, first apartments or homes, first new auto, significant other relationships, etc. They look for guidance and offers to help in their planning to make the most of their monumental life experiences.



TOYOTA
College Graduates Get **\$1,000** Cash Back
Plus Toyota's Best Financing Rates
Can be combined with Toyota customer cash, APR financing or leases!

College Graduates Offered a Break on New Toyota Vehicles

School may be out for you, graduate, but there's still more to learn—and earn. If you've obtained a degree within the last two years, you may qualify for the Toyota College Graduate Finance Program, now featuring a \$1,000 rebate toward the purchase or lease of select new Toyotas.

Toyota offers college graduates a rebate and best financing for academic accomplishment.

5 PROACTIVE

Be proactive in pushing for surprising locations or unusual methods to connect with Almost Adults. They are endeared by unconventional communication and like to share it with their peers.

Verizon Wireless promotes Skype to college students, even though it's an alternative phone service. The innovation of making the same free calls Almost Adults make on their computer available on their smartphone is unexpected and surprising.



Verizon Wireless Reminds College Students About Skype Mobile

POSTED BY JARED ON AUG 18, 2010 [6 COMMENTS](#)

For months now Verizon Wireless customers have been able to use Skype on their mobile phones to make free Skype-to-Skype calls to anyone anywhere in the world.

"Skype mobile will change the way mobile consumers in the United States make and receive calls," said John Harobie, Verizon Wireless' senior vice president of digital media and marketing, at the time.

Now with the school year fast approaching Verizon Wireless is reminding customers, particularly college students, that Skype mobile is an easy and affordable way stay connected with friends and family.

Verizon promoting Skype to college students (free phone calling) is an unexpected approach designed to expand mobile web use.

6 PROVIDING

Providing the tools to effortlessly support a cause and share the message is an effective way to drive brand engagement. Working with a sponsored organization to promote special events for its constituents to engage with your product that benefits the organization can add synergy to a broader consumer push for engagement.



The Men's Warehouse National Suit Drive took on the "mancession" by encouraging men to band together and make a "bronation" of professional clothing to men in need.

Men's Warehouse locations across the US, in conjunction with nearly 200 nonprofit organizations, collected gently worn items to help unemployed workers.

Street teams generated news and attention by wearing only boxers, ties, socks, and dress shoes and carrying signs that read, "Give the Suit Off Your Back."

The campaign resulted in the two biggest sales days in Men's Warehouse history.



Building trust with Almost Adults by consistently making an effort to have a dialogue and engage with them beyond the act of transaction, lending them and their parents a helping hand, especially now while they are struggling through college like no generation before, can build a loyal relationship now and well into the future with a sizable audience at the pinnacle of influence, income and brand loyalty potential.

▶ Want to know more about Almost Adults and MOOSYLVANIA?

Reach us here:

Rodney Mason, CMO

Rodney@moosylvania.com

<http://twitter.com/rodmoose>

[\(314\)644.7987](tel:(314)644.7987)

We also invite you to use the Moose Tracker

<http://tracker.moosylvania.com>

an engine that tracks top mobile, social and experiential programs from around the world, updated weekly. The engine has over 1,000 fresh, quick-read case studies to search. Follow us on Twitter for news and updates from Tracker and more - <http://Twitter.com/Moosylvania>.