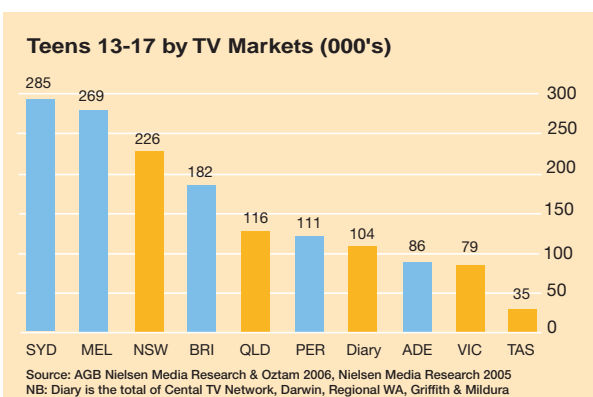


Regional teenagers share the high spending power and passion for technology adoption of their capital city counterparts. They also continue to show exceptionally positive responses to free to air TV advertising.



**Advertisers in search of social, fashion conscious, early adopters will benefit from targeting the 37% of Australian teenagers living in regional TV markets.**

Not only do regional teens have significant spending ability in their own right, they have a big influence on family expenditure, exerting authority on everything from grocery brand selection to major purchases such as home appliances and cars. Given that regional households are predicted to account for up to 40% of discretionary purchases in the next 12 months (see RTM report, *Regional Consumer Pulse 2006*), the value of regional teen influence should clearly not be overlooked.



Due to larger family sizes generally and the additional migration of sea-changing families, areas of regional QLD and Northern NSW have seen teen numbers grow by 11% in the last five years, almost double the growth of the metro capitals.

## Lifestyle and trend-conscious

Generally speaking, regional teenagers share the same attitudes and social values as those living in cities with friendship, sport and music commanding a large proportion of their interest. They are substantially more likely than any older demographic groups to be concerned about their appearance and keeping up with latest trends.

### Occupation and interests

Teens 14-17	Regional	Metro
Current students (school, uni, tafe etc)	92%	93%
Employed full time	4%	1%
Employed part time	13%	11%
Rock/pop music watched/listened to/attended	84%	81%
It's important to have a full social life	67%	68%
I love to do as many sports as possible	59%	57%
I try to look stylish	72%	72%
I am always ready to try new and different products	70%	63%

Source: Roy Morgan Single Source / NMR Panorama (12 months to Dec 2005)

While a greater proportion of regional teens are working part or full time, 9 in 10 are still at school or involved in some form of higher education (eg university, TAFE apprenticeships, traineeships etc).

## Teens have more spending power

Whether it's their own money or their parents', the discretionary spending power of regional teens is clearly demonstrated across a range of categories from clothing to fast food. They are also more likely to hire DVDs and videos (77% in the past three months vs. 73% for metro teens) no doubt

due to the greater importance placed on home entertainment as a result of having slightly fewer entertainment options on their doorsteps than city dwelling youth.

Perhaps that's why they are also so involved with their mobile phones. Mobile phone penetration is now higher among regional teenagers (81%) than

Items bought/consumed in past 4 weeks		
Teens 14-17	Regional	Metro
Clothes	48%	45%
Jewellery / watches	12%	11%
Perfume / cosmetics / aftershave	8%	7%
CDs / DVDs	23%	19%
Fast food	61%	59%
Attitudes to mobile phones*		
Use my mobile more than home phone	65%	48%
I love to update my ringtones frequently	46%	32%
Enter competitions via sms	24%	22%

Source: Roy Morgan Single Source / NMR Panorama (12 months to Dec 2005) \*Filter: Own/use mobile

metro (78%) and they are leaping at the opportunity to take advantage of additional and often costly features, such as updating ring-tones or entering competitions via sms. It's no wonder downloadable content providers Jamster, ITouch and TMG Ringtones spent between 30-50% of their TV budgets in regional markets during 2005.

### New media versus old

Similar to mobile phones, the uptake of new media such as iPods and MP3 players is occurring at a faster rate in regional markets than metro as accessibility becomes more widespread. The initial lag in penetration of these and other technology products is now less than six months and clearly reflects what is often limited availability at launch rather than any lack of desire.

Despite the rapid adoption of new media, free to air commercial TV remains the only medium to deliver a truly mass youth audience for a comparably low cost. In regional markets, FTA TV is even more powerful due to the different media landscape. Cinema attendance is lower, primarily due to access issues in smaller regional markets. Commercial radio listening is also lower and subscription TV reaches less than one in four regional teens in an average week.

### Media Consumption

Teens 14-17	Regional	Metro
Watch commercial TV (normal weekday)	96%	97%
Listen to commercial radio (normal weekday)	75%	80%
Been to cinema (past four weeks)	39%	49%
Read any magazine (last issue)	90%	90%
Access internet (at least monthly)	90%	87%
Watched subscription TV (past seven days)	23%	24%
Own games consoles (eg: PS2, X-box)	49%	45%
Own iPod/MP3 player	45%	45%

Source: Roy Morgan Single Source / NMR Panorama (12 months to Dec 2005)

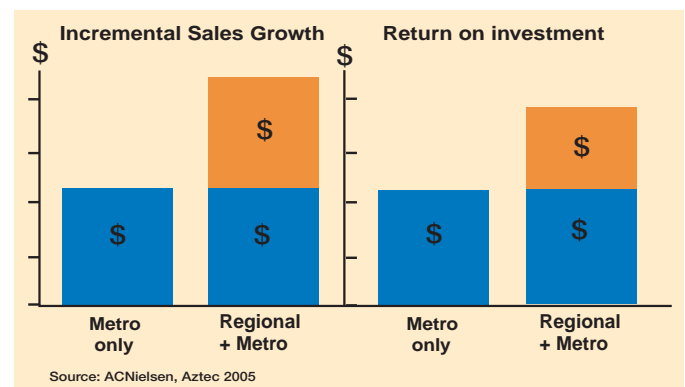
At first glance, total magazine readership appears high but a wide and fragmented array of titles would need to be utilised to truly achieve this reach.

### Advertising effectiveness

A recent case study carried out for a leading teen skincare brand clearly demonstrates the benefit of including regional markets in a national TV campaign.

The TV campaign achieved greatest growth in regional markets, increasing the brands share of total skincare sales by 27%. Metro market share also increased but at a substantially lower rate of 10%.

As a result, the proportion of total national brand sales originating in regional markets grew from 29% prior to advertising, to 32% post campaign. In fact, the gain was so significant that regional markets accounted for 48% of the total incremental sales achieved. Even more compelling for the financial analysts was that the addition of regional markets increased overall return on investment by 67%. This was due to the combined effect of higher response and lower cost of advertising.



**For more information about TV advertising effectiveness in regional markets contact Brian Hogan, General Manager RTM on 02 9929 2122**