



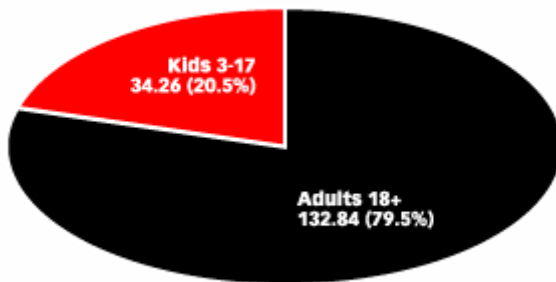
Kids vs. Teens: Money and Maturity Guide Online Behavior

Earlier this year, Pepsi kicked off a promotion with Apple to give away 100 million digital iTunes songs with two goals: sell soda and iPods, and acclimate teens to acquiring digital music legally. P&G has hired a viral marketing agency geared toward teenagers. Marketers all across the Web are working overtime to win over kids and teens. What's up with that?

Sizing the Market

According to eMarketer, over 34 million kids ages 3 to 17 are online in the United States, representing one-fifth of the total Internet user base.

Adult vs. Children/Teen Internet Users in the US, March 2003 (In millions and as a % of total online population ages 3+)



Note: Total=167.10 million
Source: eMarketer, March 2004

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It's valuable to look at the kids and teens groups separately, as their online activities differ significantly. For the purpose of this report, eMarketer will refer to the 'teens' group as those ages 12 to 17. During this impressionable stage, these teens are more technologically fluent (enabling them to master more complicated high-tech innovations such as CD burning) and they seek to find and perhaps improve their place in their social groups (thus the impetus for building an A-list roster of buddies in instant messenger applications), but they are still limited by parental and school restrictions.

Internet Users in the US, by Age, March 2003 (in millions and as a % of total online population ages 3+)

3-11	15.80 (9.45%)
12-17	18.46 (11.05%)
18-24	21.25 (12.72%)
25-34	27.90 (16.70%)
35-44	30.55 (18.28%)
45-54	27.90 (16.70%)
55-64	14.61 (8.74%)
65+	10.63 (6.36%)

Note: Total=167.10 million

Source: eMarketer, March 2004

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When looking at Internet users compared to the total population, there's a dramatic difference between the under-18 set and the 18-24 age group. Nearly one-half of the younger set is online, compared with three-quarters of those in their late teens and early 20s (many from the older set go online from work or college).