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CONSUMED

Risky Business

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Virgin Flasher V7 Cellphone

Teenagers are widely seen as the toughest sell for marketers. Anyone who has ever been a teenager can probably guess one big reason: Adults have no idea what teenagers want, and their attempts to crack the code are often embarrassing. But marketers are not going to leave teenagers alone, because as a segment they are irresistible. Think, for example, about cellphones and other wireless technologies. Even the most clueless grown-up probably has some idea that cellphones are integral to current youth culture. Yet it does not necessarily follow that teenagers have the same wants and needs as other mobile-phone users.

At least that's the premise of Virgin Mobile, which has explicitly designed its products and its brand to attract teenagers and young adults and has so far signed up more than two million customers in the United States. Along with the usual risks of chasing youth, the cellphone business adds another: Many teenagers who have phones are simply added on to one of the "family plans" offered by the biggest wireless carriers, meaning they have whatever their parents have decided they can have. The Yankee Group, a market-research consultancy, recently released a study finding that among 13-to-17-year-old cellphone users, only 7 percent picked their service without at least some parental involvement. On the other hand, the adult market is just about tapped out, notes Linda Barrabee, a Yankee Group analyst. So why not take a risk? Thus Virgin Mobile's strategy of pretty much ignoring parents and other grown-up types altogether -- and essentially trying to be the MTV of cellphone companies, as its United States marketing chief, Howard Handler, puts it. Some elements of this strategy are practical, others are pure image, but the most interesting may be the way Virgin has tried to avoid making a fool of itself in front of young consumers: by bringing some of them into the process.

The company has invited about 2,000 of its young customers to serve as "Virgin Insiders," who were asked for their take during the development of the latest round of Virgin phones, particularly the Flasher V7. For instance, there were plans for an all-white version, but instead of seeing that as a nice complement to the iPod, Apple's popular digital music player, the Insiders said it "looked plastic" and, worse, like a "knockoff." The company also floated a version in red (Virgin's logo color). "They picked blue," Handler says, "with a silver interior," and that's what they got. Prototype versions of the phone were also field-tested by some Insiders, a process that taught the company that when it came to the phone's camera function, the Insiders were less interested in a sophisticated picture-album feature built into the phone than in uploading the pictures to their own blogs. So Virgin skipped the picture album and made uploads easier.

Virgin has even outsourced some of its marketing to its target audience. To project a youthful image, the company uses youthful images, created by youths: the photography on its Web site and in some of its print ads comes via Look-Look Magazine, a twice-yearly glossy publication made up entirely of art and writing submitted by people ages 14 to 30. (The magazine is a spinoff of the "youth culture company" Look-Look, which offers trend research and marketing, among other things.) On the practical side, Virgin operates on the prepaid model -- instead of a monthly plan, Virgin customers buy minutes in advance and periodically "top up," purchasing more minutes at outlets like Radio Shack or other retailers. (No credit check required.)

Finally, because teenagers and young people are currently about twice as likely as the wider population to use phones as interactive entertainment devices, Virgin pushes a variety of extras along those lines: you can sign up for a contest involving "South Park" trivia, vote on "T.R.L." videos or get, as the ring tone, the voice of a character from "Crank Yankers" saying something unprintable.

Presumably even the most dedicated Virgin Mobile user will outgrow teen pop and gross-out humor, pass a credit check and move on. But Handler says that's O.K. Like MTV or "Saturday Night Live," Virgin aims for the Peter Pan strategy, forever aiming at a customer base that never grows up, because new teenagers are getting their first phones every day.

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