



**2nd International Conference on  
MANAGEMENT, ENTERPRISE AND BENCHMARKING**

**JUNE 25-26, 2004  
BUDAPEST**

**PROCEEDINGS**



## **Organized and Sponsored by**

---

*Keleti Károly Faculty of Economics  
Budapest Tech, Hungary*



## **COMMITTEES**

### **Honorary Chair**

---

*Imre J. Rudas*

### **Honorary Committee**

---

*Janko Belak  
Ferenc Farkas  
András Medve  
Josef Mugler  
József Temesi  
István Szűts*

### **General Chair**

---

*György Kadocsa*

### **Organizing Committee Chair**

---

*Anna Francsovcics*

### **Local Organizing Committee Chair**

---

*Péter Halpern*

### **Organizing Committee**

---

*László Borbás  
Rózsa Bácsi  
Mária Végh-Vörös*

### **Secretary General**

---

*Anikó Szakál*



# Targeting The Youth Market: The Hip-Hop Industry

**Árpád Ferenc Papp-Váry**

*PhD Student, University of West Hungary, Faculty of Economics  
Copywriter, D'Arcy Avenue Advertising Agency  
arpad.papp-vary@suc.hu*

## **Abstract**

*Today, hip-hop marketing has become the easiest and most effective way to reach young consumers. Once thought to be primarily a "black" or "urban" genre, hip-hop has emerged as a powerful brand that reaches across traditional ethnic and economic backgrounds. Hip-hop has become a global language in an increasingly multicultural world.*

*According to a study by Edison Media Research, 12-24 year Americans prefer hip-hop and rap to any other style of music by an overwhelming margin. Hip-hop is the new lifestyle of youth. It's not a "boomer" thing, but a "boomlet" thing. Today's clothing, sneakers, electronics, and entertainment have all been heavily influenced by hip-hop music.*

*What began as an urban social movement has exploded into an economic juggernaut. TMG, a New York based think tank that defines consumer groups by mindset, has estimated that the 'urban mindset' market in the U.S. represents 100 million consumers with a staggering \$300 billion in buying power. And if a brand has the so-called "street credibility", hip-hop girls and boys could be its most loyal customers ever.*

## **Keywords**

*Marketing, hip-hop, rap, youth market, fashion, branding, street credibility*

## **Introduction**

*"Hip-Hop touches on music, clothes and shoes, culture and lifestyle.  
It's a way to reach into the wallets of the younger generation."*

*The Mercury News, March 10, 2003*

Thirty years ago the phrase "hip-hop" did not even exist, and today it is an all-encompassing lifestyle that almost defies definition. Once thought to be primarily a "black" or "urban" genre, hip-hop has emerged as a powerful brand that reaches across traditional ethnic and economic backgrounds. It is both urban and suburban. It cuts across a rich cultural spectrum, encompassing Blacks, Whites, Hispanics, and Asians. It even crosses international borders, finding a global



audience that may or may not speak English. Hip-hop has become a global language in an increasingly multicultural world.

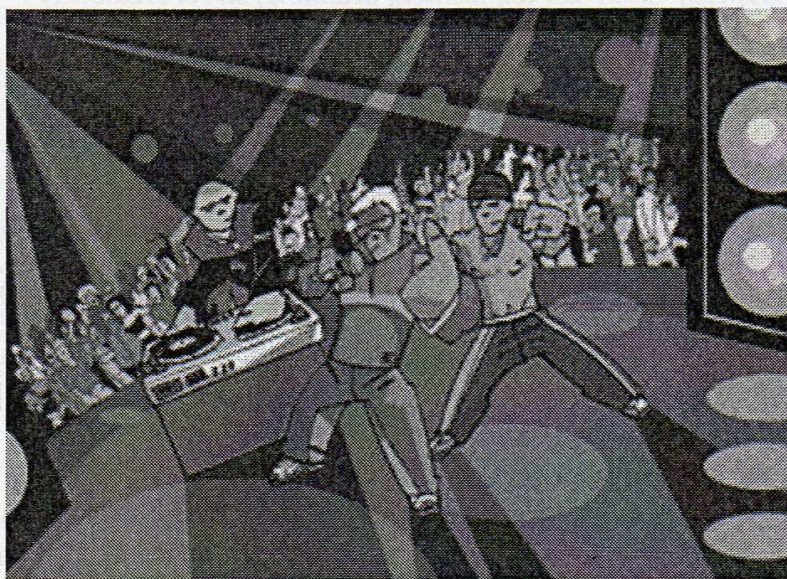
According to a study by Edison Media Research, 12-24 year old Americans prefer hip-hop and rap to any other style of music by an overwhelming margin [1]. Hip-hop, like rock and roll before it, is a musical phenomenon that kids can call their own. And much like rock and roll, hip-hop has inspired an entire youth group to embrace its language, fashion, and lifestyle.

Today's clothing, sneakers, electronics, and entertainment have all been heavily influenced by hip-hop music. And young people, eager to define their place in the world, are buying them up by the boatloads... [2] TMG, a New York based think tank that defines consumer groups by mindset, has estimated that the 'urban mindset' market represents 100 million consumers with a staggering \$300 billion in buying power in America [3]. And that number is rapidly expanding as young consumers who grow up gain additional economic clout and enter the workforce [4].

## The Hip-Hop History

The first famous hip-hop record was released 25 years ago by the Sugar Hill Gang. They sold 10 million copies worldwide, and rap music was suddenly thrust into public consciousness [5]. Rap producer Van Silk, remembers those days this way: "There were not many of us, and we were all friends. It was a neighborhood thing. Nobody thought it would change things as much as it has... Nobody thought anything we did would end up in museums or being taught in college." It has and it is. Universities across the world examine the phenomenon. DJ Dusk teaches a class on turntable style and its history at UCLA. At Berkley, they delve into the poetry of Tupac Shakur [6].

The DJ is mixing, the MC raps over the beats and the B-boy is breakdancing





Simply put, hip-hop music consists of a DJ mixing rhythmic passages of albums on a turntable while a rapper raps over the beats. But hip-hop is a culture unto itself, equipped with its own language, lyrical style, visual arts (graffiti), dance moves (breakdance) and look [7].

What began as an urban social movement has exploded into an economic juggernaut. Here is the short summary of the most important hip-hop moments:

### Hip-Hop Timeline

1979	The Sugar Hill Gang's "Rapper's Delight" becomes the first rap single to hit the Top 40
1981	ABC's 20/20 airs a segment on rap and hip-hop, its first national news coverage
1986	Run DMC earns an endorsement deal with their hit single My Adidas
1986	The Beastie Boys (a white rap group) release "License To Ill"
1988	The first Rap Grammy goes to DJ Jazzy Jeff and the Fresh Prince for their hit "Parents Just Don't Understand"
1988	"Yo! MTV Raps" premieres on MTV, broadening hip-hop's appeal
1990	The Fresh Prince of Bel-Air debuts on NBC, making it the first sitcom starring a rapper
1992	"FUBU" (For Us By Us) and "Phat Pharm" clothing lines launched
1995	HOT 97 switches from a dance format to become "Where Hip Hop Lives"
1996	Bone Thugs-N-Harmony break the record for fastest rising single with their hit "Tha Crossroads"
2002	Will Smith (formerly the Fresh Prince) nominated for Oscar in his role as Ali
2003	Eminem's "Lose Yourself" becomes the first rap song to win an Oscar

Hip-hop provides evidence for an active and creative aspect of globalization because it is a performance culture, not a merely receptive one. However, while this holds true for other music-centered youth cultures as well (e.g. punk, heavy-metal, reggae, grunge), hip-hop's rapid globalization and success seems to surpass all others before it. I suggest that this is due to two factors [1, 8-10]:

- (1) Hip-hop is an accessible popular culture in terms of the technology and the artistic skills required for cultural production. As far as the preconditions for "doing art" are concerned (e.g. "playing an instrument" or "being able to sing"), hip-hop is an open, egalitarian culture.
- (2) Rap invites people to talk about themselves and their own social context, using their own social voice. It might not have seemed likely at the time hip-hop emerged in America, but now there are artists rapping in European and African regional dialects, Cantonese or even Mandarin!

Hip-Hop is now American radio's most popular form of music [11-15]. An analysis of USA Today's radio airplay chart finds that more than a quarter of the most-heard songs of 2003 were by hip-hop artists. In fact, hip-hop has amazing widespread appeal:

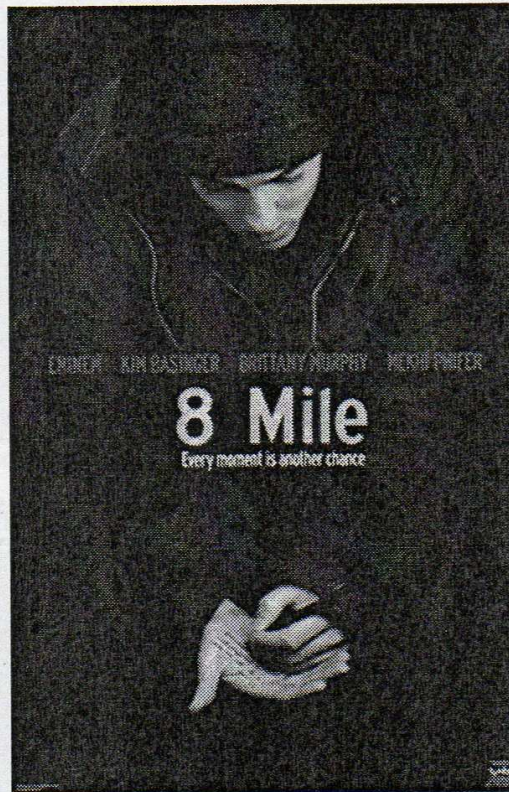


- Rap & hip-hop stars sold over 84 million records in 2002 just in America.
- 2002's top 2 best selling artists were both hip-hop stars – Eminem and Nelly.
- According to Soundscan, 70% of all hip-hop consumers are white.
- A Newsweek poll found that 41% of voters listen occasionally to rap... and 75% of voters under 30 do.

## Hip-Hop and the Media Industry

New hip-hop book genres like “Street Life” have shown tremendous growth and are introducing a brand new audience to book publishing. Urban magazines like “The Source”, “Vibe”, and “Blaze” are three of the fastest growing titles in the industry. Even video games are using hip-hop music and stars both on the soundtrack and as major characters in their storylines.

The first Oscar-winning hip-hop star: Eminem



In movie theaters, films starring rappers and hip-hop stars have begun to cause major bounces in box office receipts. Here are some numbers [16-18]:

- “Bringing Down The House” (2003) starring Queen Latifah spent 3 weeks at #1 and made \$132 million in the US box office.
- “Barbershop” (2002) starring Ice Cube and Eve made \$75.6 million and was #1 for 2 weeks.



- "8 Mile" (2002) with Eminem had the second highest R-rated debut ever with \$51.2 million its opening weekend. 8 Mile grossed \$215 million worldwide and Eminem's "Lose Yourself" won the Oscar for best song.
- Will Smith is one of Hollywood's most bankable actors and has starred in the blockbusters "Independence Day", "Men in Black I & II", "Bad Boys and Ali".
- Sometimes hip-hop life itself is the plot. There have been many films celebrating rap, break dancing and graffiti like "Style Wars", "Rhyme and Reason", "Krush Groove", "Wild Style", and "The Show". Wu International, Wu-Tang Clan's production company, has even optioned a music-based urban drama, "Trife Life" which follows two Brooklyn guys looking for fame and fortune in hip-hop.
- If a larger population had not embraced hip-hop, the plan to remake L. Frank Baum's classic "The Wizard of Oz" in a hip-hop version would have never seen the light of day. However, Fox TV Pictures' "The OZ" has a raft of stars attached, including Queen Latifah, Busta Rhymes, Ginuwine and rap group IMX, who will play the flying monkeys

## **Hip Hop and the Fashion Industry**

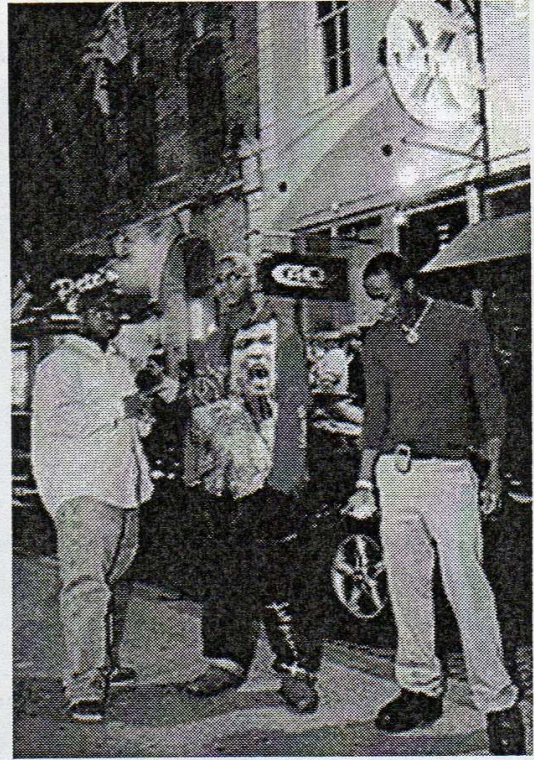
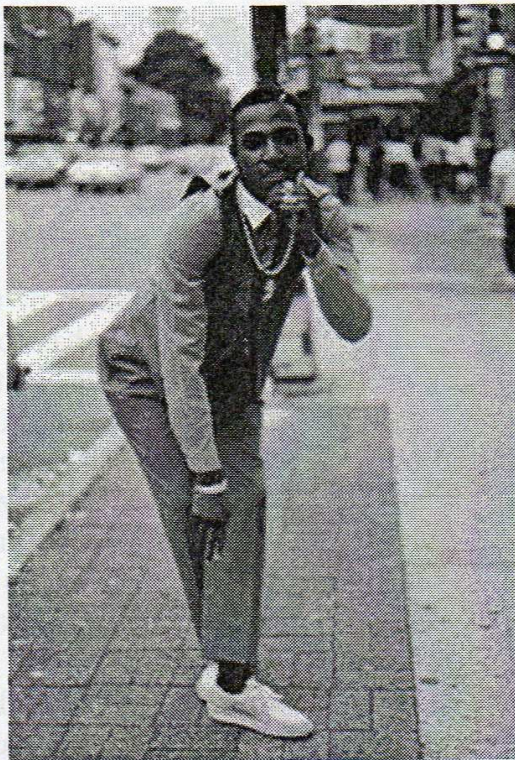
Fashion and music have always enjoyed a strong relationship, just think of the hippies in the 60s, disco in the 70s and Madonna in the 80s. Hip-hop has long been one of the most fashion-conscious cultural phenomena in America. In the 1980s, its most popular artists defined themselves with signature products. RUN DMC wrote a hit song called "My Adidas" that transformed the shoe into a cult classic. L.L. Cool J did the same thing with Kangol hats. Baggy pants, oversized athletic jerseys, expensive sneakers, long a fashion standard of the hip-hop community, have become the unofficial uniform of suburban fans. And thanks to music videos, films and hip-hop magazines, teens in the suburbs and outside the U.S. can stay informed with "what's going on" in the city [19-21].

One of the big fashion designers, Tommy Hilfiger has achieved unparalleled success with the hip-hop community by bridging the gap between urban cool and classic preppy. Its traditional marketing strategy relied on heavy doses of American patriotism, sharp-jawed white men, and New England atmosphere to compete with companies like Polo and Calvin Klein for the men's apparel market. But then one day hip-hop heads discovered the brand, and Tommy was suddenly, almost effortlessly, the epitome of cool. Hilfiger courted its most prominent rappers and showered them with apparel. His moment of triumph came when Snoop Doggy Dogg performed on Saturday Night Live in 1994, dressed from head to toe in Tommy clothing. Snoop's performance exposed Tommy Hilfiger to a national audience, and according to industry estimates, Tommy Hilfiger sales increased \$90 million dollars that year. Tommy got so fat that it even tried to buy its competitor Calvin Klein – the gangster rapper challenging the preppy white model to a fight [19, 22].



On top of promoting clothing lines, many Hip-Hop stars have started their own highly successful product lines [6, 23]. Hip-Hop's first great entrepreneur was Russell Simmons, dubbed the "Godfather of Hip-Hop" after he started the extremely successful "Def Jam Records" and "Phat Farm" clothing lines. Currently, Hip-Hop stars Jay-Z, Eminem, P. Diddy, and Nelly have all launched successful apparel lines which can be found next to traditional clothing lines in major department stores. Moreover, Sean "Puffy" Combs' "Sean John Collection" was one of three nominees for an American Fashion Award, the prestigious Perry Ellis. The record release party for Busta Rhymes' new album, "Anarchy", put the cap on the mix of fashion and music. Over 3,000 party-goers were treated to Busta's appearance, clad in a robe and underwear. After his dancing handmaidens dressed him in his "Bushi" wear get-up, he broke out with a performance from the CD.

Hip-Hop Fashion in the 80s and today



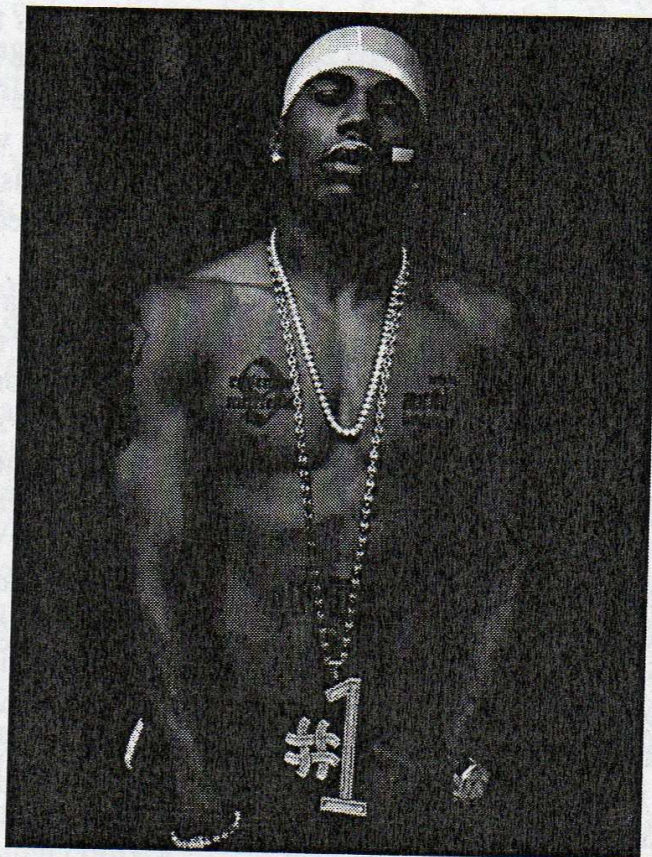
## Hip-Hop Can Sell Everything?

Hip-Hop fans are extremely loyal individuals. Hip-hop carries with it a street credibility that young consumers are highly tuned to. Music plays a key part in their lives, that's why hip-hop stars are very effective advertising vehicles. Fans will buy almost anything the hip-hop lifestyle endorses: basketball sneakers, clothing lines, beverages, and even automobiles. Today's role models have changed from athletes to hip-hop stars. Here is a short list of some prominent celebrity endorsements [16]:



- Coca Cola: Common Sense, Mya
- Pepsi: Ms. Dynamite, Beyonce Knowles
- Dr. Pepper: LL Cool J
- Heineken: Jay-Z
- Coors Light: Dr. Dre
- Right Guard: Method Man, Redman
- Twix: Usher
- Cadillac: Snoop Dogg
- Cover Girl: Queen Latifah
- Verizon: Tweet
- Got Milk?: Nelly

Nelly in the famous „Got Milk?“ campaign – have a look at his tattoos



Hip-Hop has demonstrated to be an amazing medium to drive product sales and brand awareness. Consider these success stories [4, 24]:

- After Sprite launched a 1999 ad campaign with hip-hop stars, Time magazine reported that people who said Sprite was their favorite soda quadrupled.
- When Reebok launched its RBK line with a hip-hop tie-in, sales of its basketball shoes increased 35%.
- Lugz says that hip-hop enabled its urban shoe brand to grow to annual sales of \$150 million when it started using Funkmaster Flex and Snoop Dogg to promote its product.



- When Western Union started to use the urban format to promote money transfers, transactions increased 100%!
- Gillette saw a 14% increase in market share after advertising on a hip-hop radio in Memphis

## **What hip-hop brands need: “street credibility”**

“Street credibility” is arguably the most important phrase in the world of hip-hop industry [3, 19]. Without it, your product, whatever it may be, loses its relationship with the cutting edge, ultra hip audience that defines the hip-hop demographic. This precedent in hip-hop culture was set long before market forces invaded. It has always been very important for participants in hip-hop to recognize and acknowledge the rugged environments, people and attitudes that spawned the culture. When one's street credibility wavers even the slightest bit, the backlash from the hip-hop community can be devastating. In addition, the relationship with the streets that earns this kind of credibility must be seen as wholly authentic. When authenticity lacks, the hip-hop participant or product is seen as simply profiting off the genre with little or no respect or knowledge of it or its participants.

Commercially successful artists like MC Hammer and Vanilla Ice learned this lesson the hard way. Hammer's glittery stage show, Saturday morning cartoon, and infamous KFC commercial, that saw him literally dancing for chicken, rapidly became too much for his core hip-hop audience to condone. After helping his album sell staggering millions, his core audience abandoned him and his gimmickry. His mainstream audience quickly followed suit after recognizing this dissent [25].

Street promotion is as old as word of mouth, and it has had a long history in the world of pop music. But it has a special importance in the hip-hop world. The kids on the street teams are personable and young. They wear the right jackets, caps, earrings and baggy pants. They tend to come from the world that they are selling to. Each member of the street teams is affiliated with top college or commercial radio DJs and all members are well-connected players in the urban community. They not only know who the tastemakers are – they are the tastemakers themselves. Street teams place products in the eye of the community as an icon or symbol status amongst them.

## **Conclusions**

Today, hip-hop marketing has become the new melting pot. Rather than tailoring a campaign to a specific ethnicity, more and more brands are launching campaigns that cater to the fans of hip-hop culture (which influences everything from fashion to food), simultaneously appealing to African-Americans, Hispanics, Asians,



whites and most of all youth. Hip-hop music has gained a mainstream appeal that reinforces its ability to sell all sorts of products ranging from automobiles, to snacks, to movies, and even to video games. Hip-hop has become an extremely viable economic force that threatens to grow even larger. Jumping on the hip-hop bandwagon now is sure-fire method to connect with young consumers and establish much needed brand loyalty [26]. As Russel Simmons says: "The rap industry builds brands. Our music, our clothes create new trends and styles. The globalization of our culture is my mission." [6]

## References

- [1] Is Hip-Hop The Future Of Rock? (Radio and Records, May 25, 2001)
- [2] „20-year old College Student & Successful Entrepreneur Launches Advertising Agency targeting the Hip Hop Culture & College Market" (PR Web, April 25, 2003, <http://www.prweb.com/releases/2003/4/prweb64063.htm>)
- [3] Marketers Value Hip-Hop's Cred (Billboard, May 31, 2003)
- [4] Buying Into Hip-Hop (The Mercury News, March 10, 2003)
- [5] That Sh\*t Ain't Hip Hop! (<http://www.mrblunt.com/?sec=culture&page=ainthiphop>)
- [6] Billboard Spotlight: It Just Don't Stop... (Billboard, New York, Aug 19, 2000, <http://pbp.no-ip.com/>)
- [7] Noble, Shamako: Hip Hop Criticism – Hip Hop Culture and Paradigm Shifts (<http://www.hiphopcongress.com/yourworld/crit/paradigm.html>)
- [8] Kohut Balázs (Mistakohee): A fekete zenei kultúra Amerikában (Jan 14, 2004, <http://www.trubeat.hu/blackmusic/blackmusic/blackmusic.htm>)
- [9] Androutsopoulos, Jannis – Scholz, Arno: On the Recontextualization of Hip-Hop in European Speech Communities: A Contrastive Analysis of Rap Lyrics (Paper presented to the international conference on "Americanization and popular culture in Europe", Centro S. Franscini / Monte Verita, Ascona, Switzerland, Nov 10-14., 1999, <http://hiphop.archetype.de/texte/ascona.html>)
- [10] The Current State of Anarchy – Hip Hop, Existentialism, and Anarchy ([www.MrBlunt.com](http://www.MrBlunt.com))
- [11] Rock Still America's Preferred Music (MSNBC.com, May 16, 2003)
- [12] Hip-Hop Tops Rock, Country (Chicago Sun-Times, July 5, 2003)
- [13] Interep Research releases new study on hip-hop lifestyle (<http://www.eurweb.com/articles/musicpages/07242003/musicpages1067407242003.cfm>)
- [14] Hip-Hop Transforms Radio As Stations Seek Ad Dollars (The New York Times, July 22, 2002)
- [15] Battle For The Soul Of Hip-Hop (Newsweek, Oct 9, 2000)
- [16] The Hip-Hop LifeStyle (Interep Research, July 16, 2003, [www.urbaninsite.com/media/downloads/Hip-Hop.ppt](http://www.urbaninsite.com/media/downloads/Hip-Hop.ppt))



- [17] The Mighty Draw of BET Awards (Media Life Magazine, June 30, 2003)
- [18] Movies: Hip-Hop Hurray (Boston Herald, April 17., 2003)
- [19] Hip-Hop Style: What is Cool? (<http://www.pbs.org/newshour/infocus/fashion/hiphop.html>)
- [20] The Rap of Luxury (Newsweek, Oct 7, 2002)
- [21] Pintado-Vertner, Ryan: From Sweatshop to Hip-Hop ([http://www.arc.org/C\\_Lines/CLArchive/story5\\_2\\_02.html](http://www.arc.org/C_Lines/CLArchive/story5_2_02.html))
- [22] Marketing Street Culture: Bringing Hip-Hop Style to the Mainstream (American Demographics, Nov 1996)
- [23] Hangjegyek és bankjegyek – Üzletelő amerikai popzenészek (HVG, Jan 3, 2004)
- [24] Hip-Hop + Snacks = Success (Special to BET, April 9, 2003)
- [25] Street is Watching: The Secret of Marketing Hip-Hop Cyber Boycott: Online Hip-Hop's Communication Meltdown (<http://www.contrabandit.com/science/text/cyberboycotttext3.htm>)
- [26] Józsa, László: Marketingstratégia (Műszaki Könyvkiadó, Budapest, 2002) pp. 63-71.





**Organized by**

**Budapest Tech, Hungary  
Technische Hochschule Budapest, Ungarn  
Budapesti Műszaki Főiskola**

**ISBN 963 7154 27 2**