

Online and Offline Social Networks Key to Teen Shopping



AN INTERVIEW WITH:

Jason Rivera

**Director of Consumer Insights and Planning, AMP
Agency, an Alloy Media and Marketing property
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Jason Rivera is responsible for managing strategic planning and consumer insights for a diverse client roster that includes Coors, Levi's, LifeStyles Condoms, Warner Brothers and Converse. He specializes in developing strategies that foster brand loyalty by aligning corporate goals with consumer ideals. Before AMP, Rivera worked in the action sports business and was a youth consultant in the advertising industry.

He spoke with eMarketer's Tobi Elkin about kids and online and offline shopping, as well as the influences that shape their preferences and how they like to shop.

eMarketer: How do you segment kids in terms of online and offline shopping?

Jason Rivera: There are tweens, 8- to 12-year-olds, then you have 13- to 15-year-olds vs. 16- to 18- or 19-year-olds and up. The early teen years represent a time of change and experimentation with different lifestyles and looks. Kids are trying on different identities. Retailers like Pacific Sunwear, Journeys, Abercrombie and Hot Topic each represent different lifestyles like hip-hop, skating, snowboarding.

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Age 16 is a magic year for a lot of teenagers. They're hanging out with older kids and starting to realize that high school is going to end and they're ultimately going to be in college. They're starting to come more into their own and are looking forward to being older. You start to see more associations with different music genres and building more of a personality with the way they dress and the products they buy. Hot Topic, for example, is a very easy go-to for kids who are looking to further establish their identity by incorporating branded music T-shirts and stuff like that.

eMarketer: What role do kids' friend networks and online social networks play in their shopping preferences and behaviors?

Rivera: With younger teens, both male and female, you'll see that the circle of friends that they're trying to fit in with or that they're trying to impress is much smaller than when older teens. They're looking to fit in among their real, offline friends—the people they go to school with.

eMarketer: It sounds as if there's a powerful offline influence.

Rivera: Yes. They certainly have online identities, but they're more interested in establishing some semblance of identity with their offline friends. As they age up and have established an identity and a sense of meaning with their offline friends, they build an online lifestyle and image. It's about letting your online virtual friends think that you're cool or in the know about a certain kind of music or fashion. They look to offline and online media for advice on new bands or new brands, looks and styles.

eMarketer: Do kids really sign up to be a fan of retail brands?

Rivera: Females, in general, tend to be more socially interactive and willing to gather and share information. Facebook is definitely the predominant social interaction Website, but it skews female. Twitter also skews female.

eMarketer: So are boys less interested in joining a retailer's Facebook or sharing online?

Rivera: It really depends on the brand. It's more popular with smaller niche brands like a clothing label based on a rocker or snowboarder look. Online, your identity is crafted from the brands or people you associate yourself with. For example, Volcom is an apparel brand for the surf, skate and snowboard culture. If you follow that brand, to further establish your identity within that culture, you might participate in contests for that brand.

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When looking to motivate the teen to do anything, it all comes down to what are you or the brand going to do for them? What benefit are you going to give

them? It comes down to looking at the emotional benefit vs. rational benefit. The emotional benefit of being a friend of a niche brand is that kids feel that it says something about them. On the rational side, getting tickets to Bonnaroo or the chance to go to the MTV Music Awards or something like that brought to you by Forever 21 is a very rational prize that also offers an emotional benefit. Even though the prize might be brought to you by a large brand, it still represents a chance to explore and do something you've never done before.

eMarketer: How do kids pay for online purchases?

Rivera: With teens in general, unless they're 18 to 19, they're not really spending their own money, they're spending their parents' money. The bulk of online purchases are in the form of a debit card purchase.

The benefit of going to a physical store for younger teens is that there is social interaction and they can get out of the house. They can get instant feedback from friends on prospective purchases. Girls are trying to impress their friends and fit in. Younger teen boys mostly have their parents buying them stuff. It's not until they're like 15 and 16 that they care about certain brands. Boys aren't huge shoppers. They get a few months' worth of clothes during a shopping trip.

The social experience of brick-and-mortar shopping is very important to both sexes, but there is a clear line between males and females. Males are looking at hard goods online—video games, computers, technology and gadgets. Females are looking at soft goods, like clothing, shoes, makeup and personal-care products. They're sharing information and sending specific looks to friends via IM or links. They're asking for opinions and whether friends have tried a certain look or product

With offline shopping, there's usually some sort of agreement with parents about how much money will be spent whether it's coming from an allowance or the parents' budget. The kids can take a debit card to the mall which enables them to spend money at different stores. The majority of kids' shopping is happening offline.

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The recession has created a clearer picture in the minds of parents and kids about getting the best value. Even if a kid is after a certain look, he or she might go online to see if there's a place where they can get the item cheaper. Older teens buy online with their parents' credit card. Around 15 or 16, a parent walks over to the computer with a credit card. Teenagers are so new to online shopping that they rely on their parents to make sure they're doing something correctly. You don't see much online buying in the younger teen years because parents are restricting kids' online time.

eMarketer: How much influence do parents have over teens' buying decisions?

Rivera: With younger teens, parents haven't relinquished as much control. They're very specific about what they want their kids to wear and they specify shopping a genre. They might say "You need five polo shirts, some nice sneakers and three pairs of jeans" for back to school. The older kids get, the shopping becomes more category-driven in terms of the general direction but no specific styles or brands. Parents will offer general direction, then they'll let their teenager choose their own items.

eMarketer: When kids are working part-time and it's all their own spending money, are they pretty frugal about their shopping?

Rivera: With lower-income families in general there's frugality born out of necessity. Kids still want the brands they want and will save up for them—it's an aspirational thing. They'll do everything they can to stretch their dollars and try to work a deal or find a way to be able to get the items that they want at a lesser cost. But most teenagers are getting their parents' money and not really thinking twice about spending \$80 or \$100 on a pair of jeans. It's not their money and they know that ultimately they'll be more of it coming. The idea of finding different ways to stretch your money doesn't really come into play until the early to mid-20s.

eMarketer: How much shopping and browsing is conducted online first?

Rivera: That's where you'll see a clear line between males and females. Males are looking to see when certain games or gaming devices and tech items are coming out and tell their friends. Females research, share information and solicit opinions about various looks and products.

With kids particularly around the holiday season or their birthdays, they will go to online retailers like Amazon or others that offer the ability to create wish lists and favorites. Then parents can go on in and kind of sift through what they want. So it's basically a virtual wish list for the kid.

eMarketer: What forms of media have the most influence on young people when they're about to make a purchase decision?

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Rivera: TV and print, because they're very tangible media where you can see something happening or you can identify a specific look that a celebrity, musician or sports figure has and model yourself after that. Looks shown on hit TV shows for this demographic are big influencers. Online video and ads also come into play here. Video on YouTube and other video-sharing sites is influential.

eMarketer: What about mobile commerce?

Rivera: I think we're a couple of years away from being able to make that

happen, especially with younger teens being on family plans and limited mobile data usage. We're not really seeing a lot of exposure until ages 18 or 19, when kids are using their mobile phone for more than social interaction among friends. The mobile phone isn't really a data-gathering researching device until they're in college.