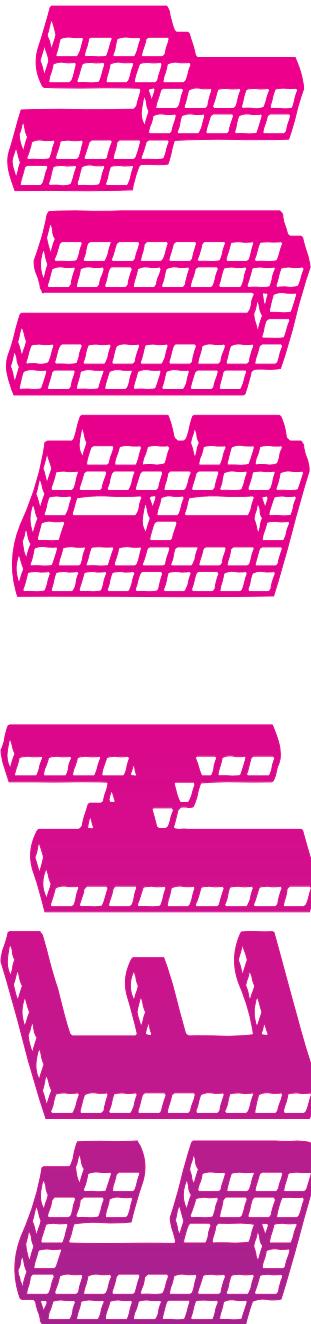


Tweens and teens as a powerful and sophisticated consumer force
by **Kenneth Nisch**



Tweens and teens as a powerful and sophisticated consumer force



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A demographic enthralled with technology and social networking, tweens, teens and post-teens have a fast and furious approach to retail. In order to attract and retain this capricious market, brands and retailers must establish a sense of place and personality, while maintaining integrity and honesty. Brands who get this delicate balance right will capture the imagination - and formidable spending power - of one of the world's fastest-growing markets.

"Those born between 1978 and 2000 have at 95 million overtaken baby boomers in number in the US and they will reportedly have more spending power than boomers by 2017. During the recession, Gen BUYers reined in their spending less than any other age group."

"Cool job (I'd like to work there), cool clothes (the hottest and most trendy), cool friends (that's who I want to hang out with), cool brands (what they say about me)..."

When a young consumer buys clothes, accessories, music tracks, technology or books, the purchase usually reflects a wider social context or even the individual's 'life view'. The teen, tween and post-teen consumer group - sometimes called Gen Y but perhaps better referred to as Gen BUY in view of their spending power - are passionate about technology and what it can do for them, not least social networking. At JGA, we have also found - and this may seem surprising at first - that teens are concerned with ethical issues such as animal cruelty, child labour and sustainability, and want to be sure the products they buy are ethically sourced. A retailer's involvement with the local community may also be important to this group, as is the retailer's ability to create a destination or 'sense of place'.

This 'place' can exist as an online presence or as a store environment and is manifested through sales staff, editorial content or in-store marketing. 'Place' also lives through the brand's touchpoints - taste, scent, sound - and its 'feel' points of relevance, honesty and personality.

The success of retailers who target this consumer segment will depend on how committed they are to getting - and staying - in touch with the Gen BUY market, listening and sharing. Without this commitment, the brand will rapidly lose power and influence.

Gen BUY: consumer profile

In their new book, *Gen Buy: How Tweens, Teens and Twenty-somethings are Revolutionizing Retail*, Kit Yarrow and Jayne O'Donnell conclude that this generation's unique relationships with brands, powerful influence on marketers, peers and friends, love of technology and speedy, visual world are reshaping retailing.

The authors carried out extensive research, including one-to-one interviews, focus groups and a national online survey. They developed a detailed profile of this group, and some of their findings are given below. Those born between 1978 and 2000 have at 95 million overtaken baby boomers in number in the US and they will reportedly have more spending power than boomers by 2017. During the recession, Gen BUYers reined in their spending less than any other age group.

Technology draws this generation together in a powerful way. On average, teens send and receive over 2,000 text messages a month, while time spent on social networking and blogging sites has tripled over the past year. Technology is influencing relationships, to the point where 61% of Gen BUY say that when they find a brand they love, they actively share it with as many friends as possible. And technology - for instance, Facebook and the digital shopping magazine app Lucky at Your Service - has boosted the importance of innovation. Teens are driven to get the latest, hottest electronic device, which will almost immediately be overtaken by a newer, hotter gadget.

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The techno personality of Gen Y screams IWWIWWIWI (I want what I want, when I want it). Teens, tweens and post-teens often shop without a budget and make impulse purchases. Perhaps because they get bored easily, they are visually oriented and expect to be actively engaged by brands.

The confident consumer

In this youth-centric society – that has been empowered by the internet – over 60% of Gen BUY college students believe they are leaders, and they are more optimistic about the economy than any other generation. They tend to believe that hierarchy is irrelevant and that respect must be earned. Social networking is a great booster of self-esteem, giving young people a sense of having their own voice and not needing a filter, and also providing them with instant 'peer back-up' for their views.

Retailers should recognise that these empowered consumers expect more. They want personalised solutions and need recognition for their brand devotion. Retailers seeking to attract Gen BUYers must reach out to them through social marketing and loyalty programmes. At the same time, it is important to create a 'circle of influence' to win over Gen BUYers. The indirect influencer is always more effective than direct advertising as far as this generation is concerned.

When both mothers and their children recognise a product or retailer as being the best choice, this tag-team networking eventually becomes a 'circle of influence', making the brand a winner. For instance, soft drink brand Dr Pepper recognised that mothers bought their product, although kids drank it. So they had to reach mothers first and influence their shopping decisions. Dr Pepper's latest promotion sees the brand give parents and teens added value through free downloadable EA video games. A code on the underside of the cap can be used to access free content. And importantly, saves parents money!

Yarrow and O'Donnell demonstrate that this group is more enthusiastic and knowledgeable about brands than their predecessors. They love brands and talk about them on average 145 times a week. Brands make them feel connected and part of something, while at the same time helping them manage overwhelming choices. Apple, Abercrombie, H&M and Forever 21 all had many devotees among those interviewed.

Shopping with Gen BUY

So, we've established that Gen BUY is tech savvy, adept at social networking and brand-loving. But how can retailers set about providing a desirable shopping experience for this market? Encouraging consumers to participate, being in the right places and understanding youth values are all part of the solution.

Offering customer-generated marketing, product and design: The Gen BUYers are looking for opportunities to partner with the retailer, whether by designing their own Vans sneakers or customising accessories at the online t-shirt design website T-Shirt Deli, becoming a pseudo-rock star through the magic of music video game Guitar Hero, or mixing and matching clothes at accessories brand LittleMissMatched. These successful brands and retailers all recognise that young consumers aspire to make an individual impact.

Creative participation forges emotional connections. Soft drink Mountain Dew – which is manufactured and distributed by PepsiCo – has run two online campaigns that involved consumers choosing new drinks and flavours and is now embarking on a third. The first 'DEWmocracy' campaign was hailed as a masterclass in online marketing communications and included a story-based game. It aimed to appeal to young males who spend more free time playing video games than watching TV. The site had 700,000 unique visits and 200,000 registered users.

Hanging out with Gen BUY: Brands and retailers should be able to reach this consumer group any time and anywhere - through their mobile phones and computers, at school or in the places where they hang out, such as cinemas and shopping centres. This ubiquitous approach is best seen in the workings of the PR machine behind controversial popstar Lady Gaga. The singer's unique brand of pop culture and music and fashion sensibility has reached teen consumers via multiple branded opportunities - from resurrecting the Polaroid brand to Lady Gaga headphones and a limited-edition VIVA GLAM lipstick for MAC cosmetics, the profits of which go to a charitable cause. Gaga appeals to tween and teen girls not only for her catchy tunes and outlandish costumes but also because of her social awareness.

Respecting their values: Companies can connect with Gen BUY by showing that they value their trust and want to create a special relationship with them. North American outdoor clothing retailer Moosejaw encourages community interaction and engagement. The brand's online reward scheme allows customers to earn points for purchases, which can be redeemed for other Moosejaw items. Moosejaw took this reward scheme to its loyal customer base on various social networking sites, giving them the opportunity to interact with one another and request or donate reward points. For example, if a customer is 150 points short of what's needed to make a purchase, they can ask Moosejaw members to top up their points. There is often an overwhelming response to these requests, and this kind of initiative helps to cultivate a trusting, interactive and self-sufficient community.

To reach this manipulation-resistant, yet brand-adoring shopper, retailers have sought unique methods to connect. From fashion to books, music to luxury chocolates, retailers are finding inventive ways of reaching the tween/teen market.

Making an impact

LittleMissMatched is an entrepreneurial retailer that appeals to consumer creativity and self-expression. 'Nothing matches but anything goes' is its motto. The brand got its start in 2004 by selling packs of colourful mismatched girls' socks. JGA worked with them recently, in collaboration with Adrienne Weiss Corp, to develop an exciting new retail format in Anaheim, California. The store, which now has a product range that extends across more than 50 categories and multiple distribution channels, encourages shoppers to buck convention in their choices of clothing, home furnishings and design - or as they say, Think outside the socks™ - and thereby reinforce their own individual sensibility. Primarily targeting tween girls, the stores also have select items for boys, infants and adults.

Our objective was to create a template for the brand that reflects the LittleMissMatched values of fashionable fun, creativity, individuality and innovation. Employing a visual vocabulary of forms and shapes, the store reflects these values. Functional elements include the Mixing Bowl where friends can gather, the Sock Troughs where the latest styles are displayed with try-on forms ready for mixing and matching and the Cash Wrap which, unusually, places the customer and the sales assistant side by side. Other features include a letterbox where consumers can submit suggestions to the brand and postcards which can be customised at a colouring station and exchanged with friends as a memento of the experience.



LittleMissMatched store with bright, fun merchandising

The fitting rooms are brought to life through unique overscaled graphics. Meanwhile the LittleMissMatched website is far more than an e-tailing site. Its Fun and Games section is aimed at a tween audience, with ideas for crafts, voting on future products, social activities like throwing a pyjama party and even invitations to young consumers to apply to be in the next product catalogue. There are links to social networking sites, including Facebook and Twitter, appealing to the seemingly endless need of young consumers to communicate with friends.

The appeal of alternative culture

Teenagers seek brands that help them connect with their peers and that have an 'alternative culture' appeal. Hot Topic's fourth store in Riverside, California - designed by JGA - illustrates how the fashion chain repeatedly reinvents itself to meet the market's evolving expectations. Hot Topic, which specialises in music and pop clothing and accessories, identifies with the youth market's passion for music and aims to provide a gathering place for the music-loving 'net generation' within the retail setting of a mainstream mall. The store is about a point of view, living 'everything about the music'. It is of the moment, whether that moment is a tongue-in-cheek interpretation of a Disney classic or the new release from a local garage band.

Like the independent outlets that inspired it, the store details appear to be a casual assembly of pieces. Materials are selected, collected and repurposed in an environmentally friendly way that chimes with the 'teen spirit' - opting out, rebellious and revolutionary.

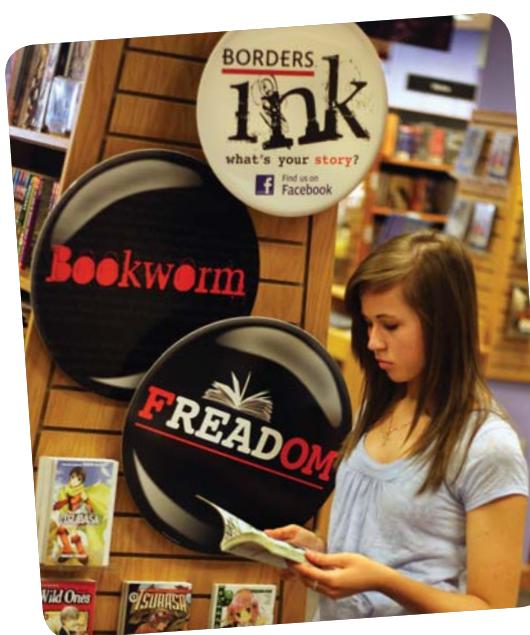
Hot Topic has a presence on Facebook, MySpace and Twitter, maintaining constant contact with its young digitally savvy consumers. It also owns music service ShockHound (www.shockhound.com), which features merchandise, playlists and a gallery of musicians. And just in time for the release of blockbuster movie *Alice in Wonderland*, Hot Topic's 12 to 22-year-old goths have been targeted as an unlikely audience for the Disney film merchandise. *The Wall Street Journal* reports that Hot Topic has redesigned the interior of an LA store as a miniature *Wonderland* to attract fans of its *Twilight* series - the vampire romance novels and films - to this new entertainment franchise.

Teen reading

Borders, the bookselling chain, is rolling out a teens department in its US stores. Known as the Borders Ink shops, the departments stock graphic novels, works of fantasy and titles for young people. While book retailing as a whole is declining, young adult titles and graphic novels are still delivering growth. Borders Ink, which has a presence on Facebook, features a bright and welcoming décor in its shops. Graphic novels and manga titles are displayed adjacent to a dedicated teen boutique which carries a variety of merchandise, including bookmarks and pencil cases. Signage encourages teens to go onto Facebook and leave their reviews and recommendations.

The race for fast fashion

Gen BUY's greatest appeal to retailers is their desire to be in on the latest trend. Remember, IWWIWWIWI (I want what I want, when I want it)? Yet this consumer audience is also very fickle, so there is no need to invest for long-term quality. More important is 'use-right' quality - maybe not the best product quality available, but matching shifting fashions, like that of Wet Seal and Forever 21. Retailers must, however, seek to establish long-term relationships with these customers - to capture them in their youth and retain them as lifelong devotees.



Borders teen zone

Photography by Sergio Parra



Springfield store in Madrid

Spanish retailer Springfield, another JGA client and one that offers fast fashions of 'use-right' quality, has established a youth-culture language that transcends national identity, geography and gender. Its theme may be summed up as 'Born in Europe but ready for the world', suggesting a young, carefree lifestyle full of travel and with open-ended relationships. The Springfield retail environment embodies an attitude of youthful, freewheeling self-confidence to appeal to the international youth market.

A Springfield store in Madrid - designed by JGA - uses a gull-wing aircraft door in the store window to evoke the idea of travel and adventure. The merchandising is casual, attached in places to a mesh frame fixed to the wall or even flung across the back of a long bench, referencing a 'lived in' dorm room. Locker fixtures add to the school theme, while large framed photographs set a scene of young romance or beautiful brooding youth. Although the store retails quality apparel, the rustic-casual setting deformsalises the shopping environment to make it more appealing to teens, and the spacious fitting rooms, with dramatically lit mirrors, provide a welcome zone for friends who like to shop together.

Luxury beckons...

The Gen BUY consumer is full of contradictions. They have a social conscience and social empathy; at the same time they are self-indulgent, easily bored and often fickle. A Gen BUYer may happily splurge on a gift for a girlfriend met at school or on Facebook. On the other hand, Gen BUYers are also concerned about where a t-shirt came from and what carbon footprint its global sourcing and travels around the world might have created. However, the desire for indulgence is not always matched with the funds for indulgence - something our client Godiva Chocolatier has recognised in allowing customers to buy just one or two chocolates at its new concept store. This service is part of Godiva's new approachable and inviting environment

to lure the younger consumer. Visible from the exterior, the 'theatre' of the store experience is the dipping and beverage bar, where confections, cookies and fruits are finished with Belgian chocolate before one's eyes. Sophisticated teens are seizing the opportunity to treat themselves and a friend to a delicious single truffle or chocolate drink - which, the brand hopes, will generate enduring loyalty.

Other luxury brands that may not traditionally have focused on teens as a core group are also finding ways to attract them, with aspirational items such as the Tiffany silver keychain, a Coach handbag or Juicy Couture signature clothing and jewellery.

... but authenticity matters

Gen BUYers are sensitive to obvious brand pitches. And being a socially conscious bunch, they find charitable companies very appealing and are ready to give of their time, effort and even spare cash. More than \$35 million in donations were processed by the Washington-based Mobile Giving Foundation for relief efforts in earthquake-stricken Haiti. Donations from teens made up a sizeable portion of the total figure, and this was in part thanks to a text-based initiative, which allowed them to 'text \$10 for Haiti'. Typically, charity appeals made via traditional media don't resonate as much with this group.

Going forward

Free from the financial burdens of mortgages and families, the tween, teen and post-teen market beckons brands and retailers looking to build business, post-recession. The lucrative youth-market is not just for youth-only brands: there is room here for brands in all categories to tailor their offerings to this young but super-sophisticated segment. ■