

Generation Y:

Encouraging - and keeping - the youth market



Shopping centres are designed, promoted, and managed to attract as many people to them as possible; and many centres have taken on a more proactive “community centre” role to assist the mix of retail shopping, entertainment, and community hub. However, shopping centres and teenagers do not always play well together, especially in the eyes of older consumers. Nevertheless, current research shows that managers and retailers could change this dynamic with some positive forward thinking.

by Helen Bakewell

Comments from teenagers, retailers, and older shoppers reveal telling attitudes about teenagers using shopping centres as their preferred hangouts. Here are some examples:

Teenagers' comments

"There is nowhere else to go."

"The girls come here so we come here to check out the girls."

"If there are three of us together security think[s] we are a gang and move us on."

Older customers' comments

"Teenagers are noisy."

"Teenagers block the malls and make you feel uneasy."

Retailers' comments

"Teenagers don't spend any money in my store."

"On late shopping nights they can scare off customers."

"Teenagers hang out in the food court and make a mess."

So what should we make of these diverse and conflicting opinions? The generally negative opinions of teenagers in shopping centres have prompted a few centre managers to take on strategies to actively put off teenagers by playing classical music loudly to discourage their patronage, and advising security guards to move along groups of three or more.

But are such strategies wise marketing moves? As consumers, teenagers are the nation's key trendsetters, whose passion for MP3 players, camera phones and instant messaging is transforming popular culture. They help develop what is "in" and what's not, and reflect the future parameters of our society.

These Echo Boomers also influence the tastes of their Baby Boomer parents, creating a

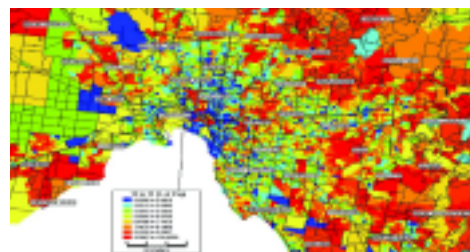
potentially powerful consumer phenomenon; but they are hard to reach. As consumers, Generation Y is the most unpredictable, advertising-saturated and marketing-sceptical group.

Even so, quality is of increasing importance to them, even if they can't afford it yet. They are much less brand-loyal than previous generations, more accepting of generic labels, and more likely than other consumers to buy a product on the spur of the moment.

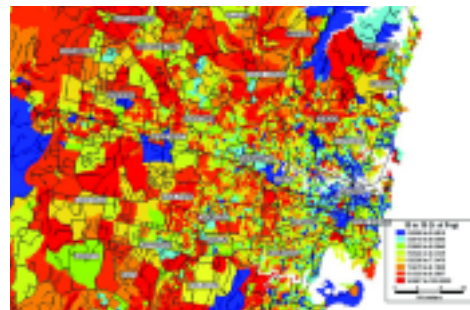
As E Neuborne comments: "The distinctive buying habits they display today will likely follow them as they enter the high-spending years of young adulthood." Generation Y. *Business Week*. 36 (16): 80-88 (1999).

That means that where they shop now will likely influence where they will shop in the future.

Regardless of community attitudes, shopping centres will continue to be this group's favoured haunts, and, importantly, teenagers are influencing the highest spenders in shopping centres today – their parents. In 10 to 20 years time today's youth will be very valuable consumers in their own right, so it is fitting for centre managers to ask what are 15- to 19-year-olds up to, what do they buy, how do they shop, and what more can we do to help accommodate this group of people?



Map 1: Location of 15- to 19-year-olds in Melbourne as a percentage of population (ABS Census 2001)
Source: *The Demographers Workshop*



Map 1: Location of 15- to 19-year-olds in Sydney as a percentage of population (ABS Census 2001)
Source: *The Demographers Workshop*

The facts

In 1996 and 2001 (ABS Census years), 15- to 19-year-olds accounted for about seven per cent of the total population. In today's terms that's about 1.4 million consumers. By 2011, 15- to 19-year-olds will account for 6.6 per cent of the population due to the drop in fertility rate (down from a high of 3.1 children per woman in the mid 1960s to an estimated 1.71 in 2004). However, in total numbers, the representation of 15-19-year-olds will still be in the order of 1.45 million.

The maps of Sydney and Melbourne below, illustrate that teenagers live where their parents live, typically in the middle to outer suburbs. This is not surprising as teenagers today are living with their parents for longer.

Directional Insights interviewed over five hundred 15- to 19-year-olds in shopping centres across Australia in 2003/04 and found nearly 80 per cent live at home with their parents. Most of these are either students or in sales or trade positions.

Barbara Pocock, author of a study on the work and life attitudes of 10- to 17-year-olds, is surprised how alert young people are to the spending patterns in their households, especially in Sydney. Up to half of all senior high school students do some kind of paid work, spurred by their desire to keep up with each other. Pocock describes this as a "powerful force field of competitive consumption", where the young live lives that are very commoditised.

What do they consume?

Directional Insights found that this age group mainly spends on apparel, food catering (takeaway and cafes), and leisure goods. Whilst members of this group may not be the biggest spenders in their own right, their parents certainly are. Typically, consumers with children at home will outstrip the spending of any other household type. Ask any parent with a teenager how demanding they are on the wallet and the answer will be loud and clear – huge.

So if it is mainly about the basic needs of clothing, food, and leisure for teenagers, what and where are they buying?

Like the rest of shopping Australia, teenagers shop in department stores and discount department stores. When it comes to clothes shopping, though, the big attractors are the jeaneries and surf shops like Just Jeans, Jay Jays, Westco, and Rip Curl.

Teenage girls, who live for fashion, also frequent chain boutiques like Portmans and Sportsgirl.

Fashion is important to teenagers and it is usually the driving force for visiting a centre – especially a regional centre, which is their favourite type.

Food buying is done not only for nourishment but also, most importantly, for socialising. Teenagers shop in packs and meeting friends is another key reason for teenagers to visit a shopping centre.

In a fast food study involving teenagers undertaken by The Demographers Workshop, it was no surprise to learn that teenagers eat lots of hamburgers, pizza, fish and chips, and chicken with the occasional Chinese, Indian and Thai fast food meal thrown in.

Leisure items are also important to teenagers, with music, books, and DVDs being high on their lists. Appliances are also key. In a study undertaken by The Demographers Workshop, 14- to 19-year-olds across Australia were asked what type of appliances they intended to purchase in the next 12 months. Communication items such as mobile and cordless phones, beepers, answering machines, facsimile machines and personal computers rated highest with 41 per cent of the group intending to purchase in the next 12 months, as compared to only 25 per cent of the total Australian population.

Entertainment appliances such as VCRs, MP3 players, colour TVs, mini disc players, and audio systems rated as the second highest desirables among teenagers.

Equipped with their new clothes and toys, though probably still hungry, they go out seeking entertainment and food. One of the places you will often find this group is in the entertainment precinct of the shopping centre. Fifty per cent of this age group have been to the cinema in the last four weeks.

Research undertaken by Directional Insights in shopping centre leisure and entertainment precincts clearly identifies the major users as teenagers and young adults – and they are there not only to be entertained but to eat again, shop for more clothes, and to see and be seen with and by friends. Young people like to gather in groups in shopping centres to socialise and to “people-watch” as part of their voyage of self-discovery.

How do they consume media?

The Demographers Workshop asked 14- to 19-year-olds what media they consumed. Ninety-five per cent watch commercial television, 91 per cent read magazines, 87 per cent read newspapers, and 81 per cent access the Internet at least monthly.

Table 1 outlines the top 10 media activities of this age group compared to the media behaviour of average Australia.

Similarly, teenagers wanting to find out about mainstream events and specials at shopping centres rely on mainstream media newspapers, letterbox drops, television, and radio. There is also a growing demand by teenagers for information on shopping centres via the Internet.

What else teenagers do

Sandy Hoy, Principal of Parkland Environmental Planners, a consultancy specialising in recreation and park planning and management, undertook research that showed that teenagers do not only consume food, beverages and merchandise in their leisure time. They are generally health and fitness conscious as well: they want excitement, risk-taking, and thrills; and they like to enjoy different experiences. Teenagers also enjoy unstructured participation in recreation such as skateboarding in preference to highly organised sporting activities.

| Media consumption habits | Australia total | 14-19 year olds |
|---|-----------------|-----------------|
| Watched any commercial TV on a normal weekday | 93% | 95% |
| Read any magazine (last issue) | 89% | 91% |
| Read any newspaper in past seven days (inc. community newspapers) | 94% | 87% |
| Accessed the Internet at least monthly | 62% | 81% |
| Listened to any commercial radio on a normal weekday | 68% | 79% |
| Read any newspaper in past seven days (exc. community newspapers) | 84% | 77% |
| Read any catalogue in last four weeks | 77% | 71% |
| Read any weekend/weekly newspaper | 76% | 66% |
| Read any weekday newspaper | 64% | 57% |
| Been to cinema in past four weeks | 31% | 50% |

Table 1. Media consumption habits
Source: The Demographers Workshop

Under-18-year-olds are not legally allowed into licensed premises, so they have to socialise elsewhere and shopping centres are a legitimate option.

However, these activities are sometimes perceived as threatening by shopping centre managers who are concerned that young people are not buying anything, and by other shoppers who are concerned about "gangs".

One option to avert this impasse is to channel teenage "loitering" into other recreational activities. Recreation trends and activities of young people in Australia and overseas show that, in general:

- Teenagers in Australia are influenced by sport and recreation activities that originate in the United States, such as basketball, skateboarding, baseball, street hockey, and rollerblading. The rate of growth in popularity of some of these activities is outstripping that of traditional sports such as cricket and football.
- There is increasing demand for recreation-oriented and less structured and physically demanding sporting activities. These activities, such as mixed-gender sport, allow young people to have fun and socialise with their friends, and everyone gets to play. Young Australians view social sport played with friends as more satisfying, exciting and more fun than playing traditional team sports which are considered too competitive and boring.
- Today's youth have a greater diversity of activities competing for their time, resulting in a trend towards "fast-food" sporting and commercial recreation activities that offer fast action and excitement in a short space of time with little commitment by the young person.
- Young people prefer indoor sports, such as futsal (indoor soccer) and indoor rock climbing, rather than outdoor, field sports.

Teenagers also want to socialise and "hang out" in a safe, attractive, and accessible venue. Shopping centres are popular meeting places for young people, but they could also

offer more than just shopping and static entertainment like cinema. As shopping centres reinvent themselves as town squares and hearts of cities, the next trend could well be interactive entertainment precincts.

Interactive precinct plans

The Australian Bureau of statistics figures on participation in sport and physical activities show that participation by 15- to 24-year-olds has increased since 1999/2000 in the following activities:

- basketball
- netball
- tennis
- indoor soccer
- volleyball
- yoga
- squash/racquetball
- indoor cricket
- rock climbing.

Many of these activities could be accommodated in an indoor recreation centre, or incorporated into or associated with a shopping centre, such as outdoor half courts on the roof, for example.

The most successful youth facilities incorporate food, seating and tables, fun activities that encourage socialising, a variety of passive and active recreational facilities, multi-purpose design, flexible opening hours, and accessibility.

Some shopping centres have already taken up the challenge and incorporated gyms and ice rinks, for example. But because recreation participation varies across Australia, between states, and even at the local level, individual shopping centre owners/managers should look at the supply of and demand for recreational facilities locally before rushing in to build the new attraction.

The benefits of this include that recreation facilities will not necessarily be replicated in the local area, causing financial hardship to both the shopping centre and an existing operator; and the shopping centre will be seen

as a "good citizen" in the community if it supplies a recreation facility for which there is demand in the local area. Moreover, providing active recreational facilities opens up the possibility to promote additional active recreation throughout a region, not just for teenagers but also across other age groups.

Today's youth are spending more and having more say in their parents' spending than ever before. They love shopping centres, reflected in shopping being in their top three leisure activities, but they are not classed in the top three valued customers visiting shopping centres. However, catering for them in today's centres can have pay-off benefits all round. With the expansion of entertainment precincts to incorporate recreational precincts, youthful energy can be positively directed within the centre, potentially benefiting the centre and community overall.

It's important we understand the significance of youth in the local trade area; after all, this group is the next generation of Australians and will be the mainstay of retail in 15 years' time. ■

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