

The Speed of Life*

2009 Consumer Intelligence Series



Technology, media and content usage among kids and teens

Consumer discovery sessions held in Los Angeles on April 1, 2009

Series overview

Through PwC's ongoing consumer research program, we gain directional insights on consumer attitudes and behaviors in the rapidly-changing media landscape. This report summarizes learnings from facilitated discussions with kids aged 12 to 14, as well as mothers who have children in two age ranges: 8 to 12 and 13 to 16.

"I'm sad if I don't have my cell phone. It's like I'm disconnected from everyone else. I don't know what happens... I'm not updated."

– Teen, female

Summary:

For teens, computers and cell phones aren't just tools—they're emotional, cultural, and social links that connect them to the rest of the world. Technology is central to their lives, reflecting an attachment and dependency that is far more intense than has traditionally been expressed by older generations. Their gadgets influence everything from friendships and leisure time to social status and self confidence. This is a generation that grew up with the Internet at its fingertips. They want—and expect—the latest and greatest technology and the ability to access the most current content. And they want it on demand: everything from interactive and sharing capabilities to social networks and free content sites, such as Facebook and YouTube. Even phones and computers are perceived as outlets for self-expression, and teens want fashionable, customizable devices. In contrast, traditional media, such as broadcast television, is less appealing to these young consumers.

Parents, meanwhile, struggle to balance their children's desire for technology with their own concerns over safety and costs, particularly in today's economy. They acknowledge the strong social and emotional role technology plays in their children's lives, but also want to make sure they're buying safe, functional, and cost-effective devices.

Companies can tap into the influence and consumer strength of teens and satisfy their parents by providing affordable, customizable devices that are highly functional and also sleek and stylish.

Key findings—Kids:

- 1. Technology is my best friend.** Kids and teens embrace it—especially the gadgets—as a critical companion that puts them more in control of their world:
 - Technology is a virtual “friend” that helps inform and entertain; especially as kids become teens, it facilitates most communications, especially on a peer-to-peer basis.
 - Kids and teens have become heavily reliant on their tech gadgets, such as laptops, iPods, cell phones, game players, etc. They say deprivation of their gadgets would render them incapable of functioning effectively in their world and cause them angst.

“I just don’t like talking to people on the phone because it seems really awkward.”

– Teen, male

“After school I hang out with my friends by going on MySpace and Facebook.”

– Teen, female

2. You are what you have—technology is cool, fashionable, and a key driver of social status:

- Teens in particular want the latest “styles” in technology—sometimes, even if it means emphasizing form over function. They accessorize their gadgets, and the color, shape, and style of their devices are critical to their self-expression. This is especially true for more mobile devices, such as cell phones and MP3 players, as these are what they are most often seen using outside the home.
- The newer the electronic device, the cooler it is and the more peer envy it generates. This perception reigns even when the functions and benefits have changed little. Similarly, kids and teens are embarrassed to be seen using yesterday’s technology. This vexes parents, as their kids are asking to upgrade or replace expensive technology with increasing frequency.

3. Let your fingers do the talking—typing and text is preferred to live conversation:

- Kids and teens increasingly prefer text messaging to phone calls because it gives them more control. Conversations can be managed—continued, paused, or terminated—with greater ease than a phone call, or through live conversations; texting is also perceived as involving less awkwardness than a live conversation. This is a genuine asset during a time in their lives when they often feel awkward, vulnerable, and correspondingly tongue-tied.
- Through texting, private conversations can happen in public without being heard, as young people will text each other even when they are in proximity to have a live conversation.

4. Putting a face to a name—social network websites are vital to communicate and socialize:

- Social networks function as personal websites where young people present themselves in the form of thoughts, ideas, visuals, and other content to the rest of the world.
- Kids are getting involved with social networking at an increasingly younger age. Facebook (especially) and MySpace were most often mentioned by our participants.

5. YouTube is the “new tube”—free video Websites are surpassing TV in use and relevance:

- Websites like YouTube provide a seemingly endless menu of video content that can be viewed anytime and on any device that can access the Internet. Much of the programming is unique to the site and is often considered more timely and entertaining.
- User-generated content posted on these sites is a very popular forum of entertainment, information, communication, self-expression, and idea sharing.

“I used to rather watch TV than go on the computer, but then after I got into online chatting and all that stuff... unless it’s a new episode of something I really like, then I’d rather just be on the computer.”

– Teen, male

“I’m on Facebook now so I can kind of go in and check up on him (son) and see what he’s doing. That’s how I started to get on the computer.”

– Mom

6. The TV is still on—but in the background:

- TV has fallen several rungs on the ladder of importance to kids and teens. As a device, it is not as mobile or versatile as their cell phones or other gadgets, and most of its programming can be accessed on other devices that are more multi-functional or portable, such as their laptops or cell phones.
- When the TV is on, it often is not the sole focus and competes for attention with other devices. Kids, and especially teens, are multi-tasking—using cell phones or computers while the TV is on.

7. Playing a different game—as kids become teens, technology and content usage shifts with their social needs:

- Although teens still play electronic games, their tech use evolves into heavier reliance on cell phones and laptops; their focus shifts from play to communication and socializing. Given their increased interest in socializing, the games they do play typically involve virtual worlds or are played with others via the Internet.
- This shift in tech and content use is consistent with the age that parents allow their children to acquire tech devices; many participants said this was at age 13.

Key findings—Moms

1. Role reversal—learning from their kids when it comes to technology:

- Kids are learning about and experiencing new forms of technology before their parents. For kids, technology and its rapid changes have always been a part of their lives.
- Moms are playing catch-up, trying to both monitor their kids’ activities as well as discern what their children really need, versus what they want.

2. The balancing act—challenged to prioritize kids’ tech and media expenditures in the economic downturn:

- Moms recognize the role of peer pressure and status in their kids’ purchase requests. As they strive to separate what is necessary from what is superfluous, they become more fluent in technology, and often engage themselves with various gadgets, games, and social networks.
- Scrutiny over expensive electronic, media, and content purchase decisions is increasing, as household budgets tighten in the recessionary economy. Participants often cited mobile access to the Internet as a “luxury” expense that they have curtailed.

“I wish they (electronics manufacturers) would slow it down. Let us enjoy it a little bit before something else comes along.”

– Mom

“We don’t let them use LimeWire. We just drew the line and said ‘no.’ If you’re going to get something, you pay for it.”

– Mom

3. Slowing it down—moms hope new product introductions will better reflect the realities of today’s economy:

- Moms are dismayed by what they perceive as the rapid obsolescence of expensive electronic devices, such as cell phones and laptops and the correlating services they buy for their families. There is a belief that companies should better react by offering various strategies for consumers to economize, such as more effective bundling, free or extended warranties, and loyalty programs that include incentives and rebates.
- Even kids share this concern. They sense the impact of the economy via less disposable income in their household, and are being asked to prioritize and economize. They want to avoid the temptation and social pressure to constantly upgrade.

4. Don’t talk to strangers—safety concerns grow with greater exposure to technology

- Moms also are highly concerned with protecting their kids as they gain more access to the world—and strangers—at an increasingly younger age via the Internet. This worry is heightened with pre-teens and females, who moms generally believe are most vulnerable.
- Moms are actively pursuing methods for monitoring what their kids view and who they communicate with on their Internet and cellular devices. Following their kids’ lead, many moms have signed on to social network sites as a way of monitoring their kids. Some moms report entering into agreements with their kids; granting online and cell phone privileges while gaining access to monitor their behavior.

5. The lowdown on downloading—downsides versus streaming, and greater piracy concerns

- Downloading content comes with a sense of commitment and ownership that is stronger than just streaming content. This is due chiefly to associated download “downsides” of cost—the memory used and time involved with downloading. Streaming does not have the same stigma, as it is typically viewed as free of charge, albeit more temporary (like YouTube).
- Downloading is more associated with piracy—and there are decidedly mixed opinions on the morality of piracy. Some mothers believe using sites like LimeWire are acceptable, as “everyone does it;” others view it as theft. How kids view piracy is heavily influenced by their parents, as is whether or not they engage in it.

Implications to your business—Kids strategy

- 1. Emphasize form as well as function**—For kids, the styling and features of electronics are virtually as important as their functionality. (This is not the case for adults, who have put a premium on function in this economy.) Design should be a priority in any technology targeted to kids, especially more mobile technology that would be used or displayed in social situations, such as cell phones, PDA's, MP3 players, etc.
- 2. Talk to them in text**—Kids are talking this way on their cell phones and via social networks. Texting can be used and accepted to get your message across, especially if there is a benefit, such as reduced phone bills.
- 3. Reach them with viral video**—Video communicating and sharing is highly popular, especially humorous content. Getting teens to stream and share your videos constitutes both an endorsement and a way to build your brand via today's version of "word-of-mouth."
- 4. Make TV programming conveniently and affordably accessed**—Kids are highly mobile and want freedom of choice as to when they view content. Increased access to Internet content—and affordable mobile access—are key.

Implications to your business—Moms strategy

- 1. Prove it's necessary**—Moms are skeptical and budget-minded about new, "improved" versions of technology. New styles need to prove their functionality beyond just their styling in order to appeal to moms.
- 2. Help them protect their kids**—Products and programming that are perceived as "kid safe," and that can help mothers protect their kids, are highly desirable.
- 3. Ease their financial pain**—Explore strategies to reduce the parental burden of paying for kids' technology, content, and access—such as through better warranties or more affordable mobile access to the Internet.
- 4. Clarify the wrongs of piracy**—If your products or content are being pirated by kids, educating mothers about why this should be stopped is the best place to start. They are the best positive influence on their kids in this area.

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