

The Speed of Life*

2009 Consumer Intelligence Series



The friendship factor: how teens are influenced about media and content

Consumer discovery sessions conducted in May 2009

Series overview

Through PricewaterhouseCoopers' ongoing consumer research program, we gain directional insights on consumer attitudes and behaviors in the rapidly-changing media landscape. The following summary reveals what we learned from facilitated discussions about media and content usage among teens. These discovery sessions, held in May in New York, featured seventh and eighth graders, ages 12 to 14.

Summary

When it comes to media content, who decides what's the latest? For teens, it's their peers. The "friendship factor" can be extremely influential, with teens placing enormous value on the recommendations and tastes of their trusted friends or close-in-age family members. Teens rely on their peers to be arbiters of what's cool, what's popular—and what's not. They turn to classmates and friends as well as virtual peer groups, such as the "most popular" lists on social networking sites, like Facebook, or content sites, such as YouTube.

Teens also trust the opinions of other teens they perceive as "experts"—peers who know about music, TV shows, movies, or games, and are able to fluently and creatively express their opinions. These trailblazing teens offer marketers an opportunity: those who understand the characteristics of peer influencers can tap into these groups to build brand loyalty and promote products, services or content among their peer groups.

While peers hold the most sway over teen consumers, teens are also influenced by family members, targeted advertising, or free trials or services for music and games.

Key findings

1. Who are peer influencers? These teens often have common characteristics or fall into specific groups:

- **Trailblazers:** These influencers are viewed as leaders who are adventurous. They avidly seek new ideas, information, and trends. Many have their own sense of style. They are confident about their ability to evaluate new things and share their opinions with others.
- **Popular:** Teens who are viewed as popular have clout and credibility. Their "coolness" comes from being admired for a collection of attributes, including confidence, intelligence, manner, good looks, and sometimes their sense of humor or athletic ability (particularly boys). The choices these influencers make are emulated by those who hold them in high esteem.

“I go to my friends who always constantly have the iPods in their ears when they walk to school... they’re good on music. And then I have another group of friends that are always talking about the TV shows. Some of them are more interested in certain electronics, so I go to them for that.”

— Teen female

“On the Internet, information travels so quickly, through Facebook, Twitter, AIM, Blogspot, CNN online, YouTube, Gmail, Skype.... It gets to all of your groups of friends through that. Very rarely now does anyone find out about things through one portal.”

— Teen male

- **“Experts” in their field:** These influencers are “in the know,” often due to their immersion in one particular area, such as music, movies, or games. They are deeply engaged or involved in the latest product introductions and innovations and viewed as experts on that particular kind of content.
- **Boys are more willing to change how they watch to save money:** Boys say they’ll watch programming on websites or download movies as a cost-saving alternative.
- **Geeks rule:** Influencers are sometimes perceived as highly intellectual—even “geeks”—if they have a passion and expertise in specific content, particularly when it comes to games and Internet involvement. Some are even considered almost obsessive in their indulgence of a particular content. Although they may not be as popular or relatable as other influencers, their deep involvement with content enhances their reputation as an authority. Importantly, they are respected as geeks, not dismissed as freaks.
- **Good storytellers:** These influencers share their opinions in an entertaining, creative, or artistic way, commanding the attention of their peers. This storytelling ability enhances the appeal of the content or product, and establishes these teens as an authority. Similarly, kids who are considered funny are particularly influential about humorous content.
- **Boys more influential than girls:** Boys tend to be more influenced by their own gender about content, as their tastes are more similar than girls’. Girls, however, are influenced by both genders. Girls perceive their own gender to have an advantage in evaluating emotional content (“Boys just like action movies”), as well as female-targeted music and magazines. However, girls generally consider boys to have more expertise in video games, and to a lesser extent, humorous content.

2. The power of the Internet

- **Networking online:** Social networking applications and instant messaging play an increasingly critical—even viral—role in conveying peer influence. Particularly on Facebook, but also on MySpace and AIM, influencers are able to widely publicize their favorite content by sharing music playlists; URLs to favorite videos on YouTube and other sites; and opinions about TV shows; movies; games; magazines; and other products or services.
- **Searching the engines:** Teens also regularly use Google and other search engines to find a wide range of content and ascertain what is currently cool. Search engines are a big draw because they provide instant information about content and its popularity.
- **Checking the ads:** Teens tend to pay attention to ads for relevant products and content —especially if the message is entertaining and engaging. Ads on television, social networks, and content-provider websites are viewed as particularly relevant vehicles.

“One of my friends is absolutely obsessed with Netflix on Xbox Live. He thinks it’s the coolest thing because you don’t have to go to a movie store to buy a movie.”

— Teen male

“I left iTunes because my parents used to give me \$5 or \$6 a month to download music, but they don’t do that anymore. They said ‘you don’t really need it’... so when I realized I could be saving, I switched (to Limewire).”

— Teen male

3. The influence of brand collaboration

- **What’s in it for me?** Teens view brand collaboration as interesting if it benefits them by making content easier to access or less expensive, as in the cooperative effort for accessing movies between Xbox Live and Netflix.
- **Are they talking (and listening) to me?** Teens are also interested in brand collaboration when the brands are specifically relevant to them or involve products or services they might use. They also perceive the brand favorably if the collaboration allows them to express their opinions or communicate with impact, such as having the ability to communicate with an MTV host live via Twitter.
- **Don’t force it.** Teens say it is important that relationships between brands seem real and genuine. They should be intuitive and organic to the product/service, especially for the younger segment. Trying too hard is often transparent and can serve to thwart the effort entirely (“trying to be all cool makes them less cool”).

4. The influence of the economic downturn

- **Doing the same, just less of it:** The economic downturn affects teens. Most teens in our focus groups said their families were cutting back, resulting in less disposable income for them. Meanwhile, teens generally perceive price increases on many products and services, including media and content. Although the economy has not caused teens to significantly change their media consumption habits, they have cut back on pricier items, such as game upgrades and DVD purchases. Instead, they opt for more rentals and on-demand purchases. Some are also going to the movies less frequently.
- **Less is more, free is better:** The economic pinch has prompted teens to be more resourceful and pursue ways to get the same services, products, or content for less or for free. Many have switched from using iTunes (perceived as too expensive) to Limewire and other lower-cost or free sites for content acquisition. Although many of the sites teens turn to for low-cost or free content acquisition involve pirated content, teens perceive this as a common, widespread practice and justify their usage as a money-saving strategy. Piracy is not always equated with theft and is often rationalized as insignificant because “everyone does it,” and because of the relatively low cost involved in downloading content... (“It’s only \$1.00... it’s not like getting free Xboxes or TVs”). Teens are willing to accept advertising in scenarios where they can get content for free, such as on music and gaming sites or free video streaming sites such as Hulu or YouTube.
- **Teens love trials:** Free trials that offer a complimentary service or free content are extremely attractive to teens. Trials are frequently the way teens first experience new content before they commit to a purchase. Free trials are perceived as a big benefit, especially at a time when they have to be more discerning because of less disposable income.

Implications to your business

- 1. Influential teens can be targeted and leveraged to promote content effectively among their peer groups.** Brand affinity is strong among teens; opinions are freely shared and considered critically important in determining what is popular and deserves their interest. Marketers who understand the characteristics of peer influencers can tap into these groups to win their loyalty and, in turn, boost support for services, products and content.
- 2. Advertising is still a relevant and credible source of information.** This is particularly true if advertisers are visible across multiple online media platforms—such as social networks, content portals, and search engines—and can capitalize on the Internet's advanced capabilities for targeting and tracking.
- 3. Brand collaboration must have a clear benefit to be valued by teens.** If savings or efficiencies are not clearly involved, brand collaboration risks being ignored.
- 4. Free trials and other incentives are powerful ways to attract teen attention.** This is particularly true in light of the economic downturn, when fewer discretionary dollars trickle down from parents to teens.
- 5. Content price increases to offset the elimination of copy-protection strategies can backfire in today's environment of increased price sensitivity.** This can accelerate the rate at which teens switch from paid content to “free” sites.

For more information:
Deborah Bothun
deborah.k.bothun@us.pwc.com
213.217.3302