



# ACTION REPORT #1

## Build Teen Business with Digital Technology





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Research findings – based on the previously conducted NACS / Coca-Cola Leadership Council study, Building Loyalty with the Next Generation – encourage convenience store retailers not to judge teens by the size of a single cash register receipt. This customer segment is important now – though they tend to spend less at each visit than older shoppers, they visit more often. In fact, while teens spent 12 percent less than over-30 shoppers, they visited 14 percent more often, resulting in roughly equal net value. Further, building relationships with teens today may result in loyalties that pay off well into the future as they enter their 20s and beyond.

Action Report #1\* translates research key learnings into actionable ideas for convenience store retailers.<sup>1</sup> The following tips showcase how digital devices and technology can be used to attract and retain teen consumers<sup>2</sup>, differentiate your store and, ultimately, increase sales.

**Tip 1: Sell Products that Support Teens' Communications Needs**

**Tip 2: Use Digital Media to Increase Visits and Sales**

**Tip 3: Strengthen Your Connection with Teens through Digital and Mobile Communications**

**Tip 4: Provide Digital Content or Enable Access to It**

**Tip 5: Harness Teens' Techno-Lust to Recruit and Retain Employees**

In addition, this Action Report contains content adapted from select 2007 NACS Magazine case studies reflecting Council members' validation studies, and their meaningful insights into teen shoppers and the significance of digital technology.

\* This document is part of a series of Action Reports developed by Clickin Research that reflects key findings of Building Loyalty with the Next Generation, research previously conducted by the NACS / Coca-Cola Leadership Council. The study was designed to better understand and serve the needs of "emerging" shoppers, focusing primarily on teens ages 16-20. The study and all Action Reports are available at no cost on the Council web page at [www.ccrcc.org](http://www.ccrcc.org) via the NACS/CCLC tab.





# BUILD TEEN BUSINESS WITH DIGITAL TECHNOLOGY

## Tip 1: Sell Products that Support Teens' Communications Needs

Digital accessories are essential to teens' lifestyles – to make friends, to connect with friends, to connect with the world.

*"I like to study somewhere other than at home. I go where there's free Wi-Fi for my laptop."* – Scott, 16, Indiana

### Consider

- Sell replacement, accessory products and supplies for digital devices to attract and better serve teens.

### Validate

- Observe the digital devices, accessories and services used by teens.
  - Teens purchase them almost twice as often as older customers.
- Talk with teens:
  - Learn about their daily digital screen-time on large and small formats, including TV, computer, movies, iPod, MP3 player and mobile phone.
  - Inquire about what they buy, how often they buy, where they buy and why.
  - Ask what occasions drive their purchases and how they are most relevant to convenience store visits.

### Test

- Make free Wi-Fi available in your store and parking lot.
- Designate a place in your store – and promote through signage – for the sale of digital accessories and supplies, such as memory sticks.





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## Tip 2: Use Digital Media to Increase Visits and Sales

The strength of your store's brand is the appeal of the experience. When multi-media is well integrated into the shopping experience, teens report they think staff members are friendlier, service is faster and the store wants to keep them informed about price advantages. They prefer and are loyal to such stores.

*"I check the promotions on the store screens. They tell you about their deals and sales."* – Amber, 17, Virginia

### Consider

Use digital displays to:

- Create a more engaging and compelling shopping environment.
- Deliver incentives that energize teens' shopping, boost their morale and promote purchases.

### Validate

- Visit other stores that employ digital displays outside at the pump, as well as inside the store above the cooler, above the cash wrap, on shelves or offer incentives via online or text messages.
- Observe the store's ambiance and energy, as well as teens' attitudes, friendliness and wait-time experiences.
- Talk with teens: ask which area stores do a good job using digital media.
- Assign several teen employees to visit these stores and bring back actionable ideas.

### Test

- Display photos or video images to enhance product appeal, such as cold, frosty beverages, steaming hot beverages, fresh and natural food offerings, and snacks that rejuvenate and energize.
- Mount a TV in the store with a digital crawler across the bottom of the screen displaying news and store promotions.





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## Tip 3: Strengthen Your Connection with Teens through Digital and Mobile Communications

Mobile instant messaging is clearly the communications mode of choice for today's teens. Forty-five percent have cell phones and almost two thirds of teens with mobile phones have sent a text message<sup>3</sup>. As teens' use of mobile devices increases, so do their expectations for ubiquitous and consistent communications.

*"We're not supposed to use our cell phones in class but texting is like passing notes; it's not allowed but it's OK if you don't get caught."* – Britney, 16, Florida

### Consider

- Develop incentives to encourage teens to opt-in for text-based marketing messages.
- Offer specials via mobile phone or Internet messages.

### Validate

- Talk with teens:
  - Learn about the popularity of text messaging and what is their all-time favorite text message.
  - Determine how they use it and how often.
  - Ask if they would be receptive to receiving text message promotions via their cell phones.

### Test

- Execute a trial text messaging program with measurement and evaluation elements.







# BUILD TEEN BUSINESS WITH DIGITAL TECHNOLOGY

## Tip 4: Provide Digital Content or Enable Access to It

Teens appreciate personalization in just about everything. They, more than any other segment, use ringtones and ringbacks (distinct music heard when they place a call to a person's phone programmed with a ringback).

*"I have a different ringtones on my cell so I know what friend is calling even if the phone is across the room. My girlfriend Jenny's ringtone is the song '867-5309 - Jenny I got your number'." – Josh, 18, Texas*

### Consider

- Use ringtones to build relationships with teens.
  - Create a word-of-mouth promotion offering ringtones that teens will want to share with their friends.
- Provide digital content or enable access to it.

### Validate

- Talk with teens:
  - Ask where they get their ringtones and music downloads, and if they'd like to have access to new ringtones.
  - Learn how they set their ringtones.
  - Determine how they use their mobile devices while in your store, such as for messaging, to access alerts or for time keeping.

### Test

- Create unique digital content for your store.
  - Make available ringtones, tunes, jingles and digital coupons for teens to download and share.
  - Recognize teens for positive content they create about your store.





# BUILD TEEN BUSINESS WITH DIGITAL TECHNOLOGY

## Tip 5: Harness Teens' Techno-Lust to Recruit and Retain Employees

Many teens are attracted to job opportunities that enable them use their fluency in digital communications, as well as train them to use new technologies.

*"If I were to have a summer job at my convenience store, I'd like to work with the technology behind the cooler doors. I could learn something there."* – Will, 16, North Carolina

### Consider

- Employ technology to help recruit and retain tech-savvy teen employees.

### Validate

- Search local online message boards:
  - Identify "positions available" relevant to your staffing needs and learn how your competition does it.
  - Track "positions wanted" to access high-talent teens seeking employment opportunities.
- Talk with teen employees:
  - Solicit their ideas for how to better use technology to conduct store business.
  - Ask them to assess the impact of changes to store operations, marketing and leadership.

### Test

- Engage teen employees' problem-solving skills and seek new ideas.
  - Facilitate opportunities to brainstorm about new business opportunities.
  - Encourage team building and embrace those with seasoned judgment AND fresh energy working together and respecting each other's contributions.





## BUILD TEEN BUSINESS WITH DIGITAL TECHNOLOGY

### Insights into Teen Shoppers and the Significance of Digital Technology

**Adapted from “Taking Care of Business; Spinx Adapts to Appeal to Teens”  
NACS Magazine, May 2007**

Stewart Spinks is founder of The Spinx Company

- Teens are into technology. The NACS / Coca-Cola Leadership Council study reported that they aren't impressed by it; they expect it. Stores that can ante up the technology and/or support teens' devices stand to catch and keep this promising market segment.
- The teens in Spinx's test market verified their passion for all things technical. Every member of the focus groups has a cell phone and all are active online. When asked for suggestions about how to capture their attention, they offered numerous ideas involving digital technology. Many suggested posting ad campaigns on YouTube.com. They also thought it would be a good idea to create a page on MySpace.com. Online advertising, text messages in advertising and adding wireless Internet access at store locations were among the recommendations.
- As a result, Spinx is devising new digital technology strategies to market to these customers. The first step is revamping its Web site. The Web offers a fluid form of communication. It enables a two-way dialogue and it's important to constantly update site content. In the future, Spinx may post current gas prices on its site – and provide deeper information about why prices are fluctuating for visitors who want more detail.
- Many Spinx stores have outdoor electronic message boards and the company is investigating how to use these in a way that is more meaningful to teens. In addition, it will constantly refresh messages with relevant information, applying the same approach planned for its Web site.







## BUILD TEEN BUSINESS WITH DIGITAL TECHNOLOGY

### Insights into Teen Shoppers and the Significance of Digital Technology

Adapted from “Parker’s Has Designs on Teens” NACS Magazine, March 2007

Greg Parker is president and CEO of The Parker Companies

- Teens have an incredible need for connectivity, a blatant obsession with technology and great imagination. Offer them the opportunity to design a convenience store and here’s what they recommend: Install large television screens with interactive elements. Use lights that change color in the cooler. Develop a website where visitors can download ringtones and iTUNES cards. Establish a social gathering spot inside the store. If Parker’s can create a location where they want to hang out, they will spend more money there and tell their friends about it too.
- When asked, teens offered ideas that focused on creating a more engaging, connecting environment featuring a lot of technology. They suggested positioning large television screens at various places in the store to disseminate information and attract attention. Parker’s is installing screens in a new store that will carry information about time and weather, as well as advertisements and visuals to attract attention. For example, a screen in the beverage area, will display a continually filling Coca-Cola fountain beverage. But guess what they want to see onscreen most? Themselves!





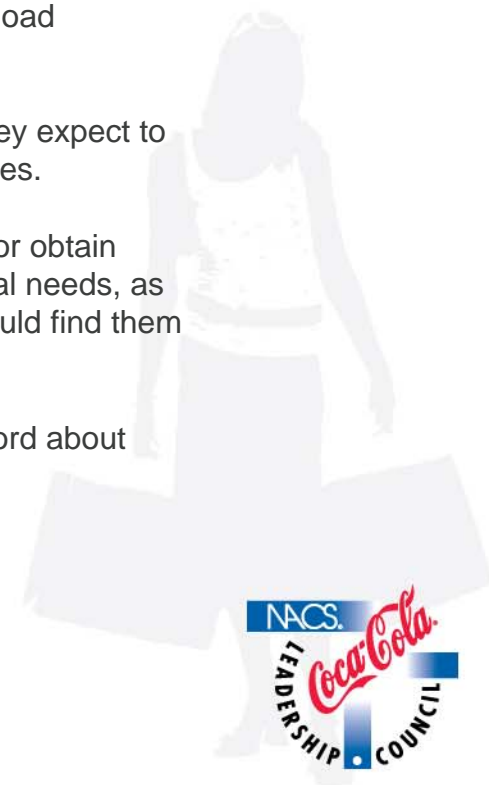
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Adapted from “Parker’s Has Designs on Teens” NACS Magazine, March 2007 (*cont.*)

Greg Parker is president and CEO of The Parker Companies

- Another idea: a “sanctuary” that offers seating and places to do homework and download information or music from the Internet.
- About technology: teens love it for what it can do for them, not because it’s novel. They expect to have to refuel their devices the same way older shoppers expect to refuel their vehicles.
- If convenience stores can offer a quick place to recharge a phone, download a song or obtain directions off the Internet, they may become the place teens stop to top off their digital needs, as well as their gas tanks. Those needs won’t go away as they age, and competitors would find them hard to incorporate in their convenience offerings.
- Teens use the Internet and other technology-based communications to spread the word about their retail experiences.





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### Insights into Teen Shoppers and the Significance of Digital Technology

Adapted from “Attracting Teens: The Good, the Bad and the Unexpected”  
NACS Magazine, April 2007

Travis Sheetz is vice president of regional operations for Sheetz Inc.

- Technology appeals to teens, but make sure it serves a bigger purpose. Flashy may get attention, but it also needs to be functional. Sheetz offers touch-screen order points for its Made-to-Order menu items and barista-style coffee. They even placed touch screens at the gasoline pumps, so customers who are in a hurry can still enjoy customized orders on the run. Wireless Internet access is another teen-pleaser.
- Create an experience. Teens do not get excited about a sterile environment; aesthetics are vital. If you want teen customers, play music that appeals to them, install video screens and use bright colors. However, a word of caution: you need to balance teens’ needs with those of your other customer segments. But if you have a fun atmosphere, teens will appreciate it and reward you with their business.

1 Recommendations were developed through a process of data mining, fieldwork with customers from a nationally representative sample of convenience stores and validation studies conducted by members of the NACS / Coca-Cola Leadership Council. Each recommendation is endorsed by the Council and validated by teen panelists.

2 For suggestions on how to appeal to teens, visit <http://theclickinfohorn.blogspot.com/2006/10/talking-to-Teens-r-u-ready-2-engage-ur.html#links>

3 Amanda Lenhart, Mary Madden and Paul Hitlin. “Teens and Technology,” Pew Internet & American Life Project, July 27, 2005, or visit [http://www.pewinternet.org/pdfs/PIP\\_Teens\\_Tech\\_July2005web.pdf](http://www.pewinternet.org/pdfs/PIP_Teens_Tech_July2005web.pdf)

