

# Teens Love Nike, but They Spend at Starbucks

Younger consumers are shifting spend from clothing to food

## ARTICLE

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**R**etailers have begun to set their sights on teens, who make up a portion of Gen Z, as they enter adulthood and start competing with millennials for marketing dollars. And this demographic is more keen on food than fashion.

The spring 2018 “Taking Stock of Teens” report from [Piper Jaffray](#), which examined the shopping behaviors of US teens, found that teen spending was up 6% from the fall survey and up 2% year over year. Time spent online shopping gained from last year (19% vs. 17%), while time spent in brick-and-mortar stores went down (38% vs. 41%).

This is slightly counter to a February 2018 study from [Salsify](#), which showed that Gen Z (roughly defined as consumers ages 24 and younger) was the only generation to prefer in-store shopping to online shopping (34% vs. 32%). And a December 2017 survey of US adults by [Cowen and Company](#) found that 73.5% of Gen Z had shopped in a physical store for apparel, shoes or accessories in the past 30 days, slightly above the average for total respondents (72.0%).

It appears teens like a variety of shopping channels, just like everyone else. Per Cowen, 30% of Gen Z preferred a blend of Amazon, retailer or brand sites, online marketplaces and physical stores, matching the overall average.

And teens, along with many digital shoppers in the US, have a fondness for Amazon. According to Piper Jaffray, the online retailer was the top shopping website among teens, at 44%. The websites for Nike (6%), American Eagle (4%) and Urban Outfitters (3%) were far behind.

Nike is extremely popular with this age group, however. It was the leading clothing and footwear brand selected by teens in the Piper Jaffray study. Gen Z also overindexed for Nike preference in the Cowen report, with respondents naming it their first choice among athletic brands, general clothing brands and athletic footwear. However, both studies found adidas gaining popularity among this cohort.

Meanwhile, the Piper Jaffray study showed teens spent more of their money on food than on clothing. For the past few years, it has been generally accepted that consumers are spending more on experiences than goods, with younger consumers taking the lead. But this shift in behavior isn't always borne out in spending surveys. Average-income teens spent 21% of their money on food vs. 19% on clothing, while high-income teens checked in with a 24% vs. 20% split. Starbucks and Chick-fil-A were the top two restaurant brands among all teens in the Piper Jaffray study.

This raises questions whether this behavior is generationally defining or whether it can be explained simply by life stage. The average age in the Piper Jaffray study was 16 and the average household income was \$66,300, which would presumably be their parents' income. It's possible that teens would spend more of their own money on going out to eat as entertainment than on clothing, since apparel is considered more of a necessity paid for by their parents.