

Youths Spending & Geodemographics
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Project Background

For many years, youths were considered as invisible consumers due to their absence from most consumer datasets. However, the understanding that youths have significant spending power gradually aroused the interest of researchers and the retail industry. This study seeks to analyse youths' consumption habits by using the data from a youth banking card provider (GoHenry). Youths' account details and their transaction data can provide a good insight into their consumption behaviour. Based on the existing literature, their consumption profile is known to be influenced by factors such as age, gender and the socio-economic background of their families. However, the extent of this relationship has not been extensively researched with a large dataset.

Data and Methods

For this study, data pertaining to users of the pre-paid debit card scheme whose ages range from 8 to 18 were provided. The data includes demographic information about the users as well as records of their card transactions. The protection of this very sensitive data has been ensured by accessing the data onsite at the JDI Research Laboratory at UCL only and appropriately aggregating any outputs. By comparing the demographics of users to population characteristics recorded from the 2011 Census, it was possible to estimate the representation of the data. The retailers from the transaction data were also aggregated into 13 groups: Supermarkets, Catering, Apparel, Health/Cosmetics, High Street Shops, Entertainment, Education, Transportation/Petrol Station, Amazon, Online Media and Subscription Services, Paypal, ATM and Miscellaneous. Paypal and Amazon were isolated as unique categories due to the large volume of transactions between them and the fact that neither neatly fit into the other retail categories. Considering the distribution of transactions between different categories, it was then possible to statistically cluster the shopping habits of regular users. The eventual aim was to comprehend if trends in shopping behaviour can be linked to demographic and socio-economic characteristics.

Key Findings

This study confirms that youths are a unique and yet diverse group of consumers. The

research identified interesting trends. Girls typically spend more money from a younger age than boys, although this trend levels out for the older participants. The research also identified that the most popular retail category for youths was Supermarkets. However, trends in the popularity of different retail categories vary by demographic characteristics. Purchases in 'Online Media and Subscription Services' are mainly driven by boys while girls spent more money on Catering outlets. It was also interesting to consider variations in the average transaction amount per category.

Age	Supermarkets	Catering	Entertainment	Apparel	Health / Cosmetics	High Street Shops	Amazon	Online Media & Subscription	Paypal	Education	Transportation / Petrol Station	ATM	Misc.
8	26%	8%	9%	7%	2%	9%	3%	10%	1%	3%	2%	10%	11%
9	24%	7%	8%	7%	2%	8%	3%	15%	1%	3%	2%	11%	10%
10	22%	7%	6%	8%	3%	7%	4%	19%	2%	2%	2%	10%	9%
11	21%	9%	5%	8%	4%	6%	4%	20%	2%	2%	1%	9%	9%
12	21%	13%	4%	7%	4%	6%	4%	18%	2%	1%	2%	10%	8%
13	21%	14%	4%	7%	4%	5%	4%	18%	3%	1%	2%	10%	7%
14	20%	15%	4%	7%	3%	4%	4%	18%	3%	1%	2%	12%	7%
15	20%	15%	3%	6%	3%	4%	5%	17%	4%	1%	2%	14%	7%
16	20%	16%	3%	5%	3%	3%	4%	14%	4%	1%	2%	17%	8%
17	19%	18%	3%	4%	2%	3%	3%	10%	4%	4%	2%	18%	9%

Figure 1. The spread of spend between retail categories by different again groups based on a sample of users from 2014

Value of the Research

This research attempts to provide a good insight into how youths spend their money. While little is known about youths' consumption patterns, research findings suggest that retailers should accept youths as a unique and diverse group who possibly change their behaviour substantially as they mature. The data from the banking card provider could also be useful for identifying longitudinal changes in consumer behaviour. Whilst this study primarily focused on a snapshot of data from one year, there is scope to acquire more data to understand the changing consumer attitudes and behaviours that develop as youths age, and how these may vary depending on geodemographic influences.