Piper Jaffray 34th Semi-Annual Taking Stock With Teens® Survey, Fall 2017

GLOBAL FASHION & LIFESTYLE BRANDS

Top Clothing Brands

1	Nike	23%
2	American Eagle	11%
3	adidas	4%
4	Forever 21	4%
5	Hollister	4%

Top Handbag Brands

1	Michael Kors	31%
2	Kate Spade	16%
3	Coach	14%
4	Louis Vuitton	6%
5	Vera Bradley	6%

Top Footwear Brands

1	Nike	46%
2	Vans	12%
3	adidas	11%
4	Converse	7%
5	Birkenstock	2%

Top Shopping Websites

1	Amazon	49%
2	Nike	6%
3	American Eagle	5%
4	eBay	3%
5	Forever 21	2%

Key Takeaways

- Overall teen spending moved down 4.4% year-over-year, while parent contribution to teen spend is 67% just below the long-term average of 68%.
- Wallet shifts in fall 2017 include slight downtick for video games, slight uptick for clothing, and moderate downtick for food.
- Food ticked down from 24% in spring 2017 to 22% in fall 2017, but remains larger than clothing at 20%.
- Starbucks remains the only public brand to garner double-digit mindshare among restaurants, besting Chick-fil-A among both income groups.
- 23% of teens prefer to shop specialty retailers today down 300 bps year-over-year, while pure-play e-com tied its spring 2017 peak at 17% – up 200 bps year-over-year.
- Teens increasingly prefer Amazon as their favorite website at 49% share – up 900 bps year-over-year.
- Athletic apparel is moderating somewhat led by Nike while we are seeing no slow down in athletic footwear. Apparel brand preference is shifting towards streetwear (Vans and Supreme).
- Adidas, Birkenstock, Calvin Klein/Tommy Hilfiger (PVH), Supreme and Vans were the most improved brands in our survey.
- Nike, Ralph Lauren, Steve Madden, UGG (Deckers), Fossil and Michael Kors saw the largest declines among major brands.
- Snapchat is the preferred social media platform for 47% of teens – up 1,200 bps year-over-year, while Twitter and Facebook moderation continued.
- 82% of teens expect their next phone to be an iPhone, which is up from 81% in spring 2017, and, more importantly the highest we have ever seen in our survey.
- Teens who expect >50% of their future video games to be digitally downloaded increased to 50% from 45% in spring 2017 and 37% from two years ago.
- Streaming continues to gain teen video share as preference for linear TV declined 200 bps year-over-year.
- Only 35% of teens listen to Pandora radio versus 49% last year as on-demand services such as Spotify, YouTube and Apple Music continue to gain share.

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MEDIA & DEVICES

Daily Video Consumption

Netflix	37%
YouTube	29%
Cable TV	22%
Hulu	4%
Other streaming services	6%

Favorite Social Media Platforms

Snapchat	47%
Instagram	24%
Facebook	9%
Twitter	7%
Pinterest	1%

RESTAURANTS

Top Restaurants

Upper-Income Teens

1	Starbucks	11%
2	Chick-fil-A	10%
3	Chipotle	8%
4	McDonald's	5%
5	Dunkin' Donuts	4%

Average-Income Teens

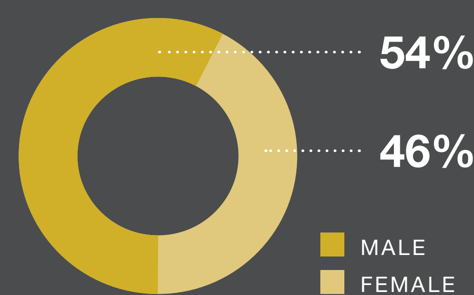
1	Starbucks	12%
2	Chick-fil-A	8%
3	McDonald's	6%
4	Olive Garden	4%
	Buffalo Wild Wings	4%

Starbucks remains the only public brand with double-digit mindshare across both income sets

6,100 Teens Surveyed

16 Average Age

$66,100 Average Household Income



44 U.S. States

Source: Piper Jaffray & Co., company reports
Piper Jaffray & Co. Member SIPC and NYSE. 10/17

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