

# 2012 Back-To-School Shopping Trends

By *Fatima D. Lora, Assistant Editor*

Retailers continue to seek innovative ways to communicate with consumers to build a compelling cross-channel shopping experience. To help deliver personalized messages, most retailers deploy mobile and social marketing strategies that integrate with e-Commerce sites. This integration offers consumers the capability to connect with brands across their channel of preference to make purchases for timely events, such as the back-to-school (BTS) shopping season.

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- 2012 BTS report from Deloitte

The 2012 BTS shopping season has the potential to bring in record sales for smart retailers, if industry predictions are correct. In general, BTS is “the second biggest consumer spending event for retailers behind the winter holidays,” according to the National Retail Federation (NRF) in its [2012 BTS spending survey](#), conducted by BIGinsight.

Other industry sources support this prediction but differ in their forecasts regarding the overall BTS shopping window for 2012 and the role of e-Commerce: Outlooks range from shoppers getting an early start, to delay of completion. They also predict an increase in online spending for BTS clothing and supplies, to using the Internet for showcasing only, with purchases made in-store.

Mobile will play a vital role in the BTS season as consumers seek the best deals on the latest trends. In fact, according to a [2012 BTS report from Deloitte](#), a majority (65%) of smartphone owners said they would continue to use their device to view price information and retailers'

ads as well as locate a store. This year's report indicated a 4% increase in consumers who said they will use their device to obtain price information and view retailers' ads, while 25% said they would use their smartphones to shop online, a 9% increase from the 2011 BTS report.



## Spending Predictions

For 2012, people with children in grades K-12 will spend an average of \$688.62, up from \$603.63 last year, according to the NRF survey. Total spending is expected to reach \$30.3 billion, with more consumers shopping online. Although economic challenges continue to be top-of-mind for shoppers, most (40%) consumers said they are purchasing at least one item online, a 30% increase since 2003. NRF predicts the high spending growth this year is due to record levels of elementary and middle school enrollment, with “3 in 10 Americans noting they have children between the ages of 6 and 17.”

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– Marshal Cohen  
Chief Industry Analyst for The NPD Group

“As children contribute more to the back-to-school budget and shoppers act on input from friends and family, retailers need to consider the multiplier effect of each consumer interaction,” said Alison Paul, Deloitte Vice Chairman and Retail and Distribution sector leader. “That should signal retailers to focus on making a customer’s experience with product availability, assortment and service consistent across all digital and store channels.”

In addition, “Moms and dads are sending their children to universities armed with gift cards — 37.9% of college shoppers are expected to spend an average of \$71.23 on gift cards or pre-paid cards,” NRF reported.

“The budget-conscious consumer has not forgotten about price, quality or value; we’re merely seeing a more savvy shopper,” said Pam Goodfellow, Director of BIGinsight Consumer Insights. “There’s no question consumers have become more practical in their shopping, and with school purchases oftentimes considered a necessity, parents have likely been saving and scrimping to be able to fully afford all of their children’s needs for upcoming school year.”

Parents’ spending habits also indicate a positive approach to the holiday shopping season. The NPD Group, a market research company, stated in a July 24, 2012, press release that BTS spending will increase by 9% for 2012. “Parents are willing to spend more this year, and are willing to sacrifice their own needs in order to afford the right [BTS] tools,” Marshal Cohen, Chief Industry Analyst for The NPD Group, told Retail TouchPoints.

In addition, “they are willing to stretch their budgets further, an encouraging sign for back-to-school as well as for the balance of the retail season, particularly the holiday shopping season.”

NPD’s findings are based on a poll of 2,500 U.S. adults, conducted in early July 2012. Results were used to create NPD’s [2012 Back-to-School Spending Intentions Report](#), which was summarized in the recent press release.

## The 2012 BTS Shopping Window

The NPD study also reported that shoppers will complete their BTS shopping later this year, by September 1, due to summer travels, the Summer Olympics, and other factors.

“There are two main issues distracting and delaying the shopping season: the fact that this is a major election year, with an unpredictable future, and weather conditions that have been unseasonably warm,” said Cohen. “In addition, the warmer weather is lasting longer and later into the season.” Weather impacts consumers’ BTS shopping patterns because, due to tighter budgets, people are creating more local-level vacations and are spending more time driving to their destinations,” Cohen stated. He said all these factors are distractions causing consumers to shop later.

In addition, said Cohen, the Summer Olympics have distracted consumers from shopping earlier, further delaying the BTS season by approximately two weeks.

BTS consumers will be programming their purchases over time, Cohen added. He highlighted three key purchasing segments for this year:

1. Primary products such as basic school supplies;
2. Technology, such as calculators, and one or two “power clothing outfits;” and
3. Additional BTS items, following the onset of high school and college classes.

“This year parents are holding off on the fashion side of the BTS equation until after school season starts,” noted Cohen. “We’re seeing the BTS fashion season stretch even further than it has traditionally for other back-to-school seasons.”

## The Role Of E-Commerce In BTS Shopping

Consumers are shopping in different types of retail outlets this year, noted NPD, which reported a 6% increase in department store visits and a 7% spike in the specialty footwear segment.

But, online shopping trends are up for debate between NPD and NRF. "While the online retail experience continues to grow at the greatest pace of any channel distribution, the exception is the back-to-school shopping segment," said Cohen. He reported that the Internet will be leveraged more for showcasing this year: "Parents are using online tools to 'pre-search' the best deals for products prior to making trips to physical stores. We especially see this happening on the local level, at stores posting teachers' back-to-school shopping lists."

In contrast, the NRF BTS spending survey reported that savvy shoppers are seeking to manage expenses by shopping online and comparing prices across eTailers. "More families said they will shop online for school items," said Shay, "as they look to get the best bang for their buck."

Additional findings from the NRF report include:

- Nearly 60% of shoppers will take advantage of department stores' private label offerings and exclusive product lines
- Parents plan to scour the Internet for free shipping and other promotions; and
- Close to 40% said they will do their BTS shopping online.

To help understand why consumers choose to compare prices online, FreePriceAlerts, a New Hampshire-based automatic price search engine, conducted a study using a fourth-grade BTS shopping list. The study compared school supplies between Walmart, Staples and a variety of eTailers, concluding that online shopping for school supplies can help consumers save up to 19%, with shipping costs included.

## Target And IKEA Reach Students With Mobile, Social Strategies

Mobile shopping is on the rise for the 2012 BTS season, according to Deloitte's "2012 Back-to-School Survey: Sharpening up for the new year." Smartphone owners will use their mobile devices to comparison shop, browse reviews and find deals. Additional findings from the survey state that these consumers will be:

- Accessing price information (62%);
- Downloading coupons and discounts (45%);
- Viewing retailers' ads (44%); and
- Locating a specific retail store (38%).

Mobile-equipped consumers also will frequent physical stores, stated the report, with only 25% of consumers saying they will shop online via their handsets, and fewer (14%) will make an online purchase via mobile.

To simplify BTS shopping, retailers are using mobile applications and social strategies to help consumers find items and save on the latest trends. **Target**, for one, has launched a mobile BTS campaign to educate students on its array of clothing and school supplies.

"The back-to-college season is very important to Target," said Kath Lohmuller, a spokesperson for Target. "It's one of our busiest times of the year, and gives us the opportunity to build relationships with college-age students."

As part of the goal of relationship building, Target planned close to 70 private shopping events during Welcome Week festivities for university freshman around the country. "We have created a Bullseye Badge QR code that will help us communicate with students before, during and after these BTS shopping events," noted Lohmuller. "By scanning a unique QR code for each event, students will receive information, special deals and other communications specific to their schools, directly to their mobile phone."

Target also incorporated social media web sites such as Facebook, Twitter and Pinterest into its BTS strategies, in order to engage students during the private shopping events.

Swedish furniture retailer, **IKEA**, has introduced its new interactive promotion through mobile ads that redirect consumers to a landing page with BTS products and a shopping checklist. IKEA also is adding social to the mix by incorporating Facebook and Twitter tabs to connect with consumers on a deeper level.

"Mobile sites and branded native apps will provide extended commerce capabilities as well as effective assisted selling tools for product research," said Scott Forshay, a mobile and emerging technology strategist for eMarketing company Acquity Group. "They efficiently synchronize the on- and off-location experiences of consumers and tilt the balance of power in favor of those retailers prepared to take advantage of the mobile opportunity."

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Mobile & Emerging Technology  
Strategist, Acquity Group

"Retailers know they can't afford to leave mobile out of the marketing mix, especially in their brick-and-mortar stores," Paul said. "However, there is still some conventional wisdom that suggests mobile use is a threat due to showrooming. This is challenging retailers to figure out how to use mobile to their advantage, without endangering sales."

Retailers cannot prevent consumers from shopping in brick-and-mortar stores armed with nearby competitors' prices. "Consumers want to interact," Paul said, "and the smartest retailers will respond with tailored marketing as well as their own mobile applications that extend the retail experience to the consumer regardless of location, proactively engage the customer, and insulate them from competitors."

## Leading Retailers Attract Value-Minded BTS Shoppers

As consumers make their way to brick-and-mortar stores for the BTS shopping season, most will seek in-store, mobile and social promotions. To attract these shoppers, **Kmart, Macy's, JCPenney, Rite Aid, Staples** and **Walmart** are among the retailers offering a variety of BTS savings options for back-to-school and back-to-college customers.

The National Retail Federation highlighted the impact of retailers' omnichannel promotions, and shared other insights from [the 2012 Back-To-School](#) report. "This year consumers will spend smarter than they ever have before," stated Matt Shay, NRF President and CEO, in the report. "We fully expect retailers to be aggressive with their promotions both in-store, online and via mobile, and to keep an eye on inventory levels as families spread their back-to-school and back-to-college shopping throughout the entire summer."

College students and their families have fewer "needs" than the typical BTS grade-school student, "but they face higher costs due to tuition and living arrangements," explained Shay, "so are much more likely to look for ways to cut corners."

The NRF report indicated that back-to-college students and their families will spend an average of \$907.22 in 2012 (up from \$808.71 in 2011) on dorm furniture, collegiate gear, personal care items and school supplies. Close to 85% of BTC shoppers said the economy impacts their spending habits and that they will use e-Commerce sites to meet their budgets.

The study also noted that college students and their families plan to shop these retail segments in 2012 to help manage expenses:

- Discount (51.9%);
- Department (45.4%);
- Office supplies (40.3%);
- Clothing (34.8%);
- Drug (22.3%); and
- Electronics (21.2%).

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– Matt Shay,  
CEO and President, NRF

## Money-Saving Retail Strategies

As the economy continues to play a role in U.S. shoppers' spending decisions, “retailers will offer back-to-school and back-to-college shoppers plenty of ways to save money in stores and on web sites,” Shay reported, “including bundles, discount cards and gift cards with purchases, all aimed at attracting the value-focused shopper.”

When seeking money-saving options, more consumers (74%) look for free shipping above any other incentive for BTS purchases, according to [BTS survey results from PriceGrabber](#), an online shopping site that helps consumers find and compare prices.

As a savings option, “Free shipping will be a huge deciding factor when consumers purchase online,” said Graham Jones, GM of PriceGrabber, in a press release. “Savvy shoppers will get the most for their money by searching for coupons and actively using comparison shopping web sites to ensure they are getting the best deals.”

A majority (62%) of consumers also ranked price comparison shopping web sites as key to BTS savings this year, according to the PriceGrabber survey. “With the ability at one's fingertips to monitor prices and shop around the clock,” Jones added, “today's busy and money-conscious consumers are looking to online and mobile shopping as the go-to options for finding the best deals.”

## Kmart, JCPenney And Rite Aid Promote Value

As consumers continue to seek convenience and value while shopping for BTS items, retailers plan to offer a variety of promotions and payment options during the BTS season.



**Kmart** is offering 5% off in-store and online layaways through August 25. The discount department store retailer also offers special weekly deals and extra perks through its [Shop Your Way loyalty program](#), a social shopping experience allowing site members to earn points and receive benefits across a variety of physical and digital formats.

In addition, Shop Your Way loyalty members can earn 10 points for every dollar spent, with every 1,000 points equaling \$1 that can be used for future purchases at Kmart.

“During the back-to-school season, Kmart provides customers with exceptional deals and multiple opportunities to shop and pay for everything from school supplies to apparel, as well as the ability to buy online and pick up in stores,” Andy Stein, Interim CMO for Kmart, told Retail TouchPoints. He added that Kmart also expects increased traffic in-store during [state tax-free weekends](#), most of which take place in August.

In addition to offering sale and clearance items for BTS, [JCPenney](#) is providing free haircuts to children in grades Kindergarten through 6th grade during the month of August.

To help bridge the gap between online and brick-and-mortar store prices, Rite Aid has developed [savenow.riteaid.com](#), a web site dedicated to value shopping. The site helps Rite Aid shoppers save with mail-in and online Single Check Rebates as well as Video Values, an incentive for consumers to print coupons in exchange for watching product videos. In addition, Rite Aid will include affordable BTS electronics such as color touchscreen tablets, Android-powered NetBooks and Texas Instruments TI-84 graphing calculators.

## **Staples And Macy’s Offer Technology, Fashion Savings**

To better meet shoppers’ BTS needs and interest in deals and gadgets, Staples has revamped its advertising, marketing and merchandising plans for the 2012 shopping season. The approach includes “a circular in Sunday newspapers featuring specials like ‘glue for a penny’ and a package of copy paper for a quarter,” stated Demos Parneros, President of U.S. Retail at Staples. Because continued uncertainty about the economy may affect BTS shopping, Parneros said Staples’ strategy includes a 15%-off Back-to-School Savings Pass and the use of touchscreen devices to help shoppers search for computers and printers not on display.

While several retailers focus on technology, others, such as Macy’s, rely on vibrant, colorful BTS fashion apparel to draw foot traffic to brick-and-mortar stores.

“Color in every fabric and silhouette provides a fresh palette and a great new look when heading back to class,” said Josh Saterman, Millennial VP and Fashion Director for Macy’s.





"It's all about the fun details that allow you to express yourself!"

During its BTS shopping sale, Macy's is offering shoppers casual and uniform apparel as well as dorm accessories for students of all ages. In addition, Macy's is providing free U.S. shipping to online shoppers who make a purchase of at least with \$99.

## Walmart Supports Parents' BTS Resolutions

Most moms with children entering K-12 consider BTS a time for a fresh start, more so than January 1, and are

making resolutions for the new school year, according to the [Walmart Class of 2012 Back-To-School Survey](#). The report indicated that 78% of moms resolve to be better organized. To help them prepare, Walmart has launched [classrooms.walmart.com](#), an e-Commerce site that assists moms in finding their children's classroom supply lists and makes it easy to purchase those items via Walmart.com or in stores. Walmart is the first major retailer to digitize thousands of school supply lists from schools across the country.

Saving money also is a top resolution this BTS season, according to the Walmart survey, which found that the majority (75%) of moms are trying to cut BTS costs.

In addition, mothers surveyed identified BTS clothes, shoes and backpacks as their children's three most important purchases for the 2012 school year. In response, Walmart's online [Back to School Closet Creator](#), launched July 2012 on Walmart.com, helps families on a budget to mix and match outfits.

For moms who shop at Walmart, "back-to-school isn't just about checking items off their lists," said Duncan Mac Naughton, Chief Merchandising Officer for Walmart U.S., in a press release. "It's about a fresh start, changing routines and getting children ready with products that match their personalities and budgets."

While most consumers are willing to spend for their children's education, value-minded families are seeking the best deals this BTS shopping season. With retailers' abundance of money-saving options, consumers can meet their budgets while shopping for the right tools for scholastic success this year.



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