RAB Instant Background - Back-to-School Market

Consumer Insights

Who Buys

Profiling adults 18+ who are parents of children aged 6-17:

	Parents of children ages 6-17
Male	45.9%
Female	54.1%
18-24	12.4%
25-34	19.5%
35-44	33.2%
45-54	24.4%
55-64	6.8%
65+	3.8%
Household Income: $100K+	40.2%
Household Income: $75,000-$99,999	14.9%
Household Income: $60,000-$74,999	9.9%
Household Income: $50,000-$59,999	6.8%
Household Income: $40,000-$49,999	6.8%
Household Income: $30,000-$39,999	7.5%
Household Income: $20,000-$29,999	6.5%
Household Income: Under $20,000	7.4%
Race: White	66.3%
Race: Black/African American	13.9%
Race: Other Race/Multiple Classifications	19.9%
Hispanic, Latino or Spanish Origin	23.1%
Census Region: North East	16.4%
Census Region: South	38.1%
Census Region: Midwest	19.9%
Census Region: West	25.6%
Single	24.2%
Married	63.7%
Divorced/Separated/Widowed	12.1%
Total Radio Weekly Dayparts Cume: Monday - Sunday 24- Hour	90.6%

(Source: GfK MRI Doublebase, 2020)

8% of K-12 households remain undecided about where they will do their shopping, representing a $6 billion opportunity for retailers.

(Source: Deloitte, 2021)

Most (72%) families in Shopkick's 2021 BTS survey are preparing for a full return to classroom learning this fall, families are ready to shell out more on supplies.

(Source: Shopkick, 2021)

About 92% of respondents plan to do their back-to-school shopping in-store (compared to 66% last year), while 57% plan to shop online.

(Source: Shopkick, 2021)

What They Buy

Apparel in particular will likely have a steep year-over-year jump as consumers fill up their closets. Apparel sales are expected to rise about 78% compared with the back-to-school season in 2020 and 11% from the 2019 season.

(Source: MasterCard, 2021)

NRF asked parents with children in their household which category their child/children are most excited to shop for? Clothing and accessories, 49%; school supplies, 25%; electronics or computer-related equipment, 15%; shoes, 11%.

(Source: National Retail Federation, 2021)

Spending on technology products (personal computers, smartphones, tablets, wearables, etc.) is set to increase 37% over 2020 to $11.8 billion, as parents adjust to the realities of a more digitally oriented education system. Wearable technology will see the biggest gain.

(Source: Deloitte, 2021)

Because their children are using more digital technologies in and out of the classroom, 44% of households plan to purchase fewer traditional back-to-school supplies.

(Source: Deloitte, 2021)

For BTS shopping, fast-fashion and thrift store visits are also on the rise as interest in athleisure (61%) and fashionable clothing (57%) elevated among higher-income households.

(Source: Deloitte, 2021)

When asked to rank their spending priorities, traditional school supplies, such as pencils, notebooks and binders, took the top spot, with 68% of respondents ranking the category as either their top or second choice. Pandemic-driven categories came in second and third, with half of the shoppers ranking digital supplies as their top or second priority, and personal protective equipment earning first or second place from 44% of respondents. Apparel ranked last, with just 38% of consumers giving it top or second priority

(Source: Tinuiti, 2021)

More than three-quarters of survey respondents, 77%, plan to buy masks, gloves, hand sanitizers, or extra cleaning supplies for their students. The percentage is highest, 84%, for families whose K-12 children will engage in a hybrid of online distance learning and in-school instruction. Surprisingly, those parents whose children will attend school full-time in-person are least likely to stock up on PPE, although the vast majority, 71%, will still do so.

(Source: Tinuiti, 2021)

The COVID-19 pandemic propelled the education system into the digital age, fueling an increase in tech sales of 37% YoY, and creating a new digital baseline BTS shopping behavior.

(Source: Deloitte, 2021)

Online learning resources will be part of BTS purchases for 58% (versus 51% in 2020).

(Source: Deloitte, 2021)

The popularity of preconfigured kits is on the rise, with four in 10 planning to purchase from PTAs or schools (nearly doubling since the pandemic).

(Source: Deloitte, 2021)

When They Buy

As of early June, one-quarter of back-to-school and college shoppers had already started picking up items for their fall classes. This is up from 21% in 2020 and 17% in 2019 before the pandemic.

(Source: National Retail Federation, 2021)

61% of back-to-school shoppers plan their BTS and college shopping around major sale events including Prime Day, 4th of July or Labor Day.

(Source: National Retail Federation, 2021)

After a year of supply chain challenges, 50% of shoppers are concerned about stockouts, especially for tech items. Consumers plan to shop earlier as a result: 59% of back-to-school spending will occur by the end of July (versus 45% in 2020).

(Source: Deloitte, 2021)

Overall, the bulk of back-to-school shopping is set to occur in July and August, with 72% saying they'll start preparing for school then. For online learners, however, 14% will hold off until September — 81% higher than the survey average. By contrast, just 4% of those with students learning on campus will shop in September, while 41% will start sourcing back-to-school items in August.

(Source: Tinuiti, 2021)

Where They Buy

Back-to-school sales at U.S. department stores are expected to jump about 25% from 2020, as parents splurge on apparel, supplies and electronics for the new academic year when many kids return to classrooms.

(Source: MasterCard, 2021)

Although mass merchants remain the most popular retail format to visit (74%), online-only stores are the preferred format for BTS tech purchases. Overall, more people expect to shop at online retailers (49%) and closer to home at dollar stores (41%) compared to last year.

(Source: Deloitte, 2021)

When buying basic school supplies like pencils and backpacks, families with K-12 students turn first and foremost to big-box stores. 80% of survey respondents say they shop at retailers such as Target and Walmart to complete their back-to-school shopping lists, compared with just under 59% who choose Amazon. Less than a third (32%) visit office supply stores, and just 1 in 5 (20%) source back-to-school items at grocery and drug stores.

(Source: Tinuiti, 2021)

Big-box stores hold their own even among those preferring to shop exclusively online, maintaining a slim lead over Amazon.com. 68% of online back-to-school shoppers say they'll order from big-box retailer websites and apps, compared with 65% who will buy from Amazon.

(Source: Tinuiti, 2021)

Where BTS shoppers plan to spend the most in 2021: Mass merchant stores, 48%; online-only stores, 15%; dollar stores, 5%; fat fashion apparel retailers, 5%; specialty clothing stores, 3%; office supply or tech stores, 3%; traditional department stores, 3%.

(Source: Deloitte, 2021)

Nearly all (92%) of this year's back-to-school shoppers plan to make their purchases in physical retailers, according to an annual survey by shopping rewards app Shopkick. It's a noticeable increase compared to last year, when 66% of shoppers said they would shop in-store.

(Source: Shopkick, 2021)

Shopkick's BTS survey found that big-box stores will garner the most back-to-school sales. Nearly all of the consumers who plan to do their back-to-school shopping in-store will do so at a big-box store, a similar result to last year. Other popular retailers include dollar stores (40%), office supply stores (37%) and off-price retailers (35%).

(Source: Shopkick, 2021)

How They Buy

For many consumers, online shopping will remain a habit. E-commerce sales are expected to decline by nearly 7% year over year but will be 53% higher than the back-to-school season in 2019.

(Source: CNBC, 2021)

34% of consumers plan to leverage services such as buy online, pick up in store and curbside pickup more frequently during BTS shopping.

(Source: Deloitte, 2021)

Social media is an integral part of the shopping journey for 41% of K-12 parents, up 25% from 2020. Among those using social media, 42% are visiting retailers' social media pages not only to assess their products, but to get a sense of their personality and purpose, compared to 30% in 2020.

(Source: Deloitte, 2021)

44% of consumers plan to leverage tech-enabled shopping tools offered by retailers for their back-to-school purchases. Shopping using a voice assistant is the most preferred offering (20%) followed by digital wallets (17%); and "buy" buttons on social media, virtual reality and chatbots (each at 15%).

(Source: Deloitte, 2021)

The largest percentage of respondents (35%) plan to do back-to-school shopping exclusively in person, while 30% are opting to stay home and buy online only. Another 26% plan to shop hybrid-style, both in-person and online. Just 8% plan to rely exclusively on contactless curbside pickup, which allows customers to order online and pick up at store locations without risking in-store entry.

(Source: Tinuiti, 2021)

Nearly 62% of BTS shoppers say they'll make more purchases online than they did last year, while 45% say they'll shop in-person at off-peak hours to avoid crowds. More than a third (35%) will use pickup services or rely on them more frequently. This increased reliance on all types of shopping means shoppers' paths to purchase are becoming ever more blended — making it crucial for marketers to track marketing campaign performance across touchpoints and channels.

(Source: Tinuiti, 2021)

The majority of respondents report the widening rollout of the COVID-19 vaccine could impact their shopping habits. While 42% reported vaccine availability would make them feel safer visiting stores in person, 37% said they wouldn't feel safer and another 21% said they were unsure. Among hybrid shoppers and those planning to use curbside service, uncertainty is higher, at 28% — suggesting that messages communicating safety protocols alongside relevant marketing offers could potentially lure them indoors.

(Source: Tinuiti, 2021)

Why They Buy

When selecting where to shop, K-12 parents continue to seek a good deal for their purchases (51%), but they also expect improved product quality (48% versus 43% in 2020).

(Source: Deloitte, 2021)

Shoppers look for retailers that offer convenience. 34% plan to use BOPIS (buy online, pick up in store) or curbside pickup more frequently for BTS shopping (versus 26% in 2020).

(Source: Deloitte, 2021)

Of those using social media, 42% are visiting retailers' social media pages not only to assess their products, but also to get a sense of their personality and purpose (versus 30% in 2020).

(Source: Deloitte, 2021)

Top considerations for selecting a retailer for BTS shopping: sales or price discounts, product quality, competitive prices, store location, carrying items on school shopping lists.

(Source: Deloitte, 2021)

70% of consumers say that shopping deals to get the best price will be back at the top of their priority list this year.

(Source: Shopkick, 2021)

Business Information

Back-to-school sales in the U.S. are expected to grow 6.7% from 2019 and 5.5% from last year's COVID-19 days.

(Source: MasterCard, 2021)

The back-to-school sales season is typically a major driver for retailers as families buy school supplies, clothes and college dorm decor. 2021 will also serve as a barometer for consumer confidence as COVID-19 cases wane in the U.S. and many people return to routines like full days in a classroom, meetings at the office and a busier roster of activities.

(Source: CNBC, 2021)

For retailers, the 2021 back-to-school season comes at a critical moment. Some, such as Amazon, Walmart and Target, face challenging year-over-year comparisons because of unusually high sales of groceries and other essentials for time spent at home during the pandemic. Other hard-hit retailers, such as Macy's and Kohl's, are trying to make up for lost time as merchandise like shoes, dresses and denim catch shoppers' attention again.

(Source: CNBC, 2021)

NRF and Prosper Insights & Analytics' annual summer survey found that 64% of back-to-school and college shoppers expect classes will be in person this year.

(Source: National Retail Federation, 2021)

Some consumers have more money available after cutting back on travel, dining out and other discretionary spending during the pandemic. With the personal savings rate skyrocketing during the pandemic, that would free up an incremental $2 trillion in spending power.

(Source: Bloomberg, 2021)

Why Radio

Radio has established itself as an excellent vehicle for advertisers to deliver their messages to an increasing number of potential buyers. Each week, radio reaches 83.6% of persons ages 18+, and 53.9% of these consumers on a daily basis. In all, more than 213 million Americans ages 18-and-older listen to radio every week.

(Source: Nielsen Audio, 2021)

Each week, radio reaches 84.7% of adults in the 25-54 age bracket.

(Source: Nielsen Audio, 2021)

Miscellaneous Industry Facts or Category Trivia

More than a third of families (36%) report their K-12 children will log in to remote lessons from somewhere other than home in the coming year. Grandparents' and other relatives' homes are the top alternative location for distance learning, at 16% of respondents, while 9% will use car time for e-learning activities.

(Source: Tinuiti, 2021)

55% of BTS shoppers feel more confident about the economy's prospect in 2021 (versus 17% in 2020).

(Source: Deloitte, 2021)

Relevant Links

National Retail Federation:

www.nrf.com

Chain Store Age:

www.chainstoreage.com

International Council of Shopping Centers:

www.icsc.org

Field Agent:

www.fieldagent.net

Deloitte:

www.deloitte.com

RetailMeNot.com:

www.retailmenot.com

(Source: RAB, 2021)