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2019 Back-to-School Shopping
Getting ready for the first day of school
July 2019

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Deloitte's 2019 back-to-school survey: key findings

Back-to-school spend expected to remain relatively flat (+1.8%), as online spend increases

- Total back-to-school spending is **expected to reach \$27.8B or \$519 per student**, up slightly from \$510 in 2018
- The **electronic gadgets category is expected to grow by \$800M** (+29% over 2018), while the computers and hardware category is expected to decline by \$600M (-16% below last year)
- Households plan to spend **56% of their budget in-store and 29% online** with the remaining 15% up for grabs with undecided shoppers; online has grown from 22% to 29% since 2016
- Compared to last year, **electronic gadgets represent the only category in which online sales are expected to grow at the expense of in-store shopping** (an increase in nearly 20 percentage points)
- **Mobile use is expected to increase this year** (+7 percentage points in planned use), while desktops/laptops, and social are expected to decline. Newer tech (e.g., voice assisted, digital reality) has yet to gain traction for B2S

Consumers are clear: Price, product, and convenience matter most

- **Fundamentals matter in driving back-to-school purchases: Price is likely to be the predominant driver** with sales/discounts (69%) and competitive prices (57%) as the top attributes driving purchase decisions
- **Mass merchants retain their spot as the number one shopping location** (88% plan to visit), with online only, dollar stores, specialty retailers, and off-price rounding out the top five
- **31% of consumers plan to donate** additional school supplies for those in need, with a projected value of \$51
- Similar to 2018, higher-income shoppers are more likely to visit department stores, home electronics, and specialty apparel, while lower-income shoppers are more likely to visit price-based formats (e.g., mass market, dollar stores)

Back-to-school shopping peaks mid-summer

- **60% of shoppers are likely to start shopping approximately 4-6 weeks before school starts**; however, these shoppers expect to spend less than very early or late starters
- Shopping is expected to **peak in late July and early August**, accounting for 62%, or 17.3B of all spending



Back-to-school market size

Back-to-school (B2S)* shopping season spend, which accounts for 50%+ of annual school-related purchases, expected to remain relatively flat compared with last year

\$519

average back-to-school spend per student

(+1.8% YoY growth from \$510 in 2018)



29 million households**



54 million children***



\$27.8 billion in projected spending#



50%+ annual school-related spending during B2S season^

* Back-to-school shopping season includes school-related shopping from July to September, ahead of the Fall 2019 academic calendar

** Number of households with school-going (K-12 grades) children in the US [Source: US Current Population Survey 2018]

*** Number of children enrolled in K-12 grades in the US [Source: US Current Population Survey 2018]

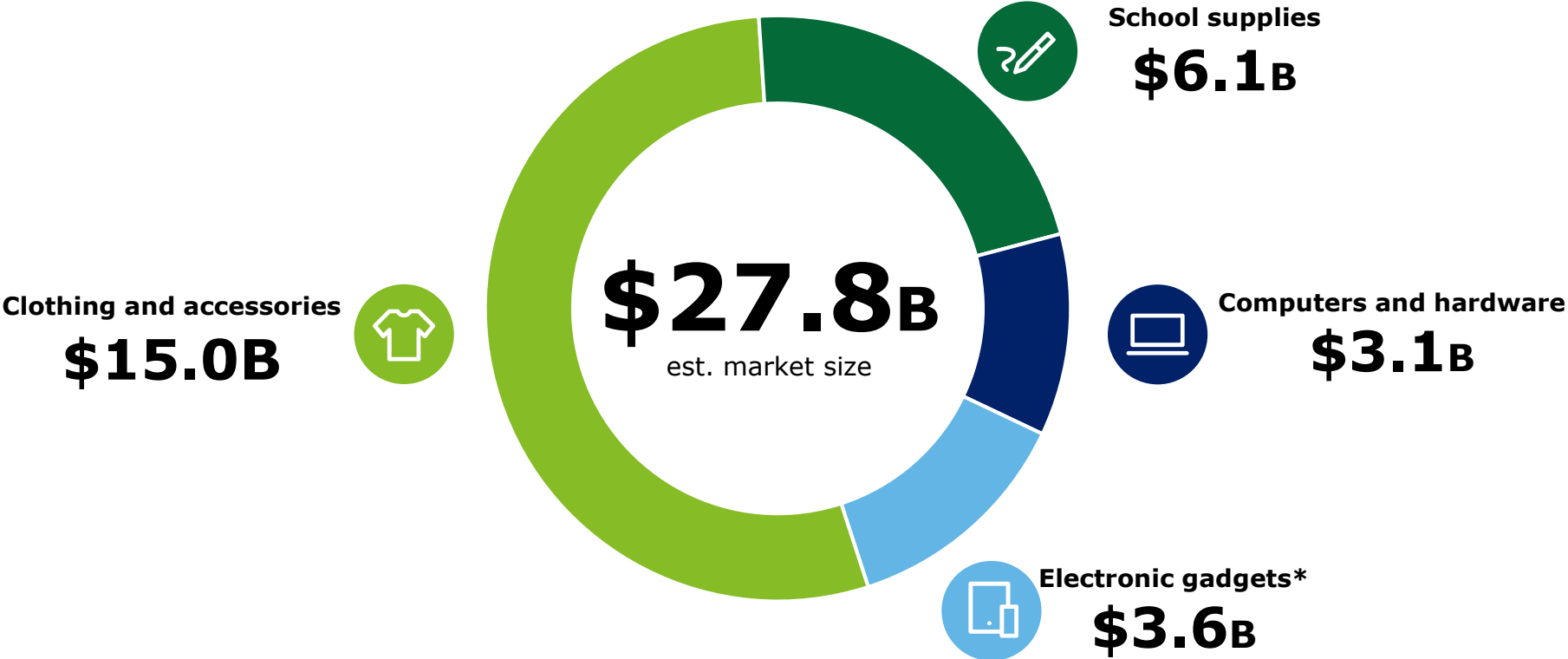
Percentage of child's annual school-related products that will likely be purchased during back-to-school shopping season [Source: Deloitte survey]

^ Deloitte calculations on back-to-school market spend (\$27.8 billion) [Source: Deloitte survey and US Current Population Survey 2018]



Clothing and accessories category is expected to maintain the majority share of spend; the largest increase is expected in electronic gadgets like mobile phones and wearables

Estimated market spend by category - 2019







Source: Deloitte calculations on back-to-school market spend (\$27.8 billion) [Source: Deloitte survey and US Current Population Survey 2018]

Note: Sample size (N) = 1,200

*Electronic gadgets include cell phones/smart phones, tablet/e-reader, and wearable devices, voice and mobile data plans, digital subscription

Consistent with last year, clothing and accessories has high expected demand and spend; the largest spend per category is expected from electronic gadgets

2019 B2S: Planned spend by category

Category	Share of total B2S spend*	Average category spend^	% of shoppers purchasing	Key category findings
 Clothing and accessories	54%	\$290	97%	Represents the majority of back-to-school shopping with both high demand and planned category spend
 School supplies	22%	\$117	98%	While almost all shoppers expect to purchase supplies, it is the smallest average spend
 Electronic gadgets	13%	\$305	22%	Despite lower demand, this category has the highest average spend for those who purchase
 Computers and hardware	11%	\$286	20%	Fewer shoppers are planning to shop this category, and those who do are spending less than in previous years

Source: Deloitte survey
 Note: Sample size (N) = 1,200
 *Electronic gadgets include cell phones/smart phones, tablet/e-reader, and wearable devices, voice and mobile data plans, digital subscription
 ^Average spend includes only respondents who will purchase the above mentioned category or item

Back-to-school shoppers planned spend shows a shift from computers and hardware to electronics gadgets from 2018 to 2019

 **Electronic gadgets:
increase in planned spending**

+2.6 percentage point increase

increase in number of consumers planning to purchase wearable technology

+\$41 increase

in average dollar amount spent on electronic gadgets spend



+\$800M increase

(+29% over 2018)

in expected spend on electronic gadgets in 2019

 **Computers and hardware:
decrease in planned spending**

-2.4 percentage point decrease

decrease in number of consumers planning to purchase computers

-\$13 decline

in average dollar amount spent on computers and hardware spend



-\$600M decrease

(-16% decline from 2018)

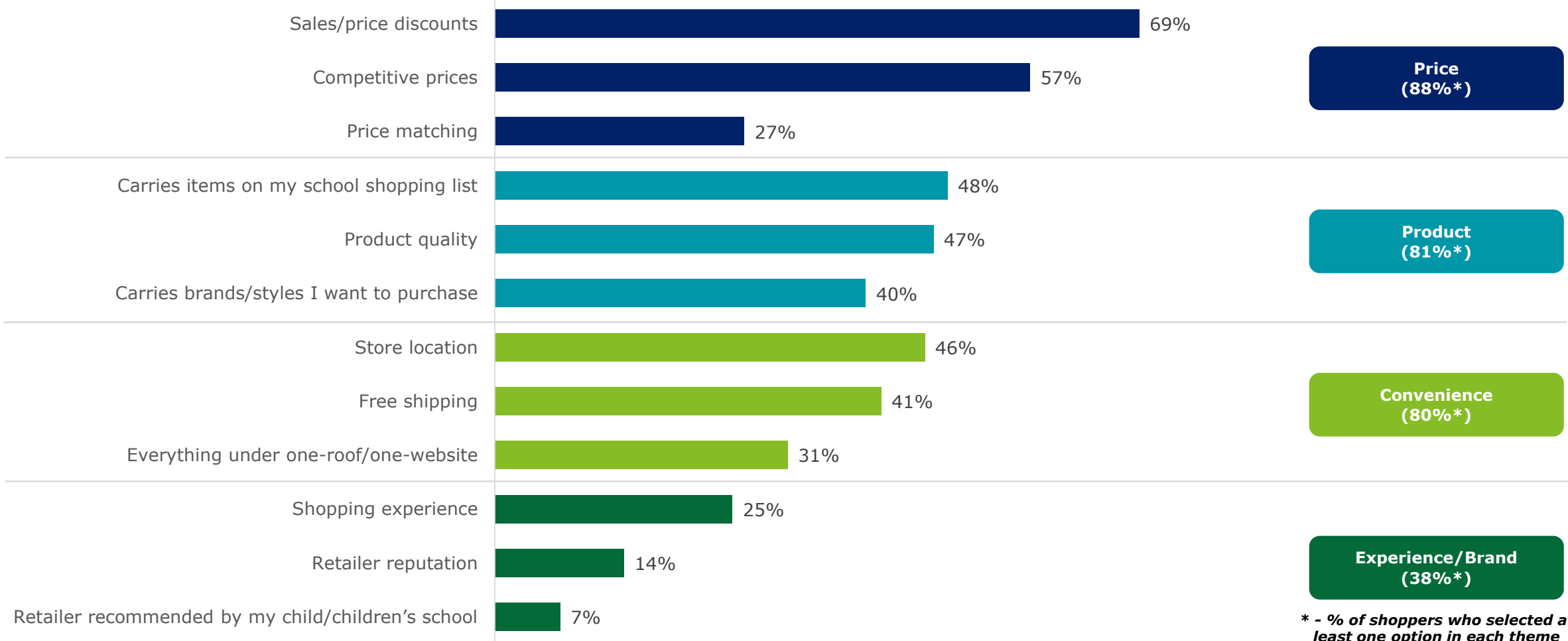
in expected spend on computers and hardware in 2019

Source: Deloitte calculations on back-to-school market spend (\$27.8 billion) [Source: Deloitte survey and US Current Population Survey 2018]
Note: Sample size (N) = 1,200

Consumer spending trends

Price is the most important consideration when choosing where to shop for B2S season, followed closely by product and convenience

Most important considerations when selecting a retailer (Top 3 in each theme#)



* - % of shoppers who selected at least one option in each theme

Question: "What are the most important considerations when selecting a retailer for back-to-school shopping?"; #- Multi-response question
Sample size (N) = 1,200

Fundamentals with B2S purchase behavior: Price, product, and convenience are analogous to reading, writing, and arithmetic



Price

"Offer good pricing and clear ads and discounts"

- **Lower prices**, more deals, and coupons
- **Bundled items** and cheaper options
- Sales tax holidays



Product

"Have kits already put together either at the store or at the school, I just want to walk up and buy it"

- Inventory to match **local school lists**
- Wider **variety** of styles and sizes
- Keep items **in-stock** all summer



Convenience

"If I have to search more than 10 seconds I move on to another store"

- Everything in **one section**
- Provide **school-specific and class-specific lists and bundles**
- **Easy checkouts** to avoid crowded lines

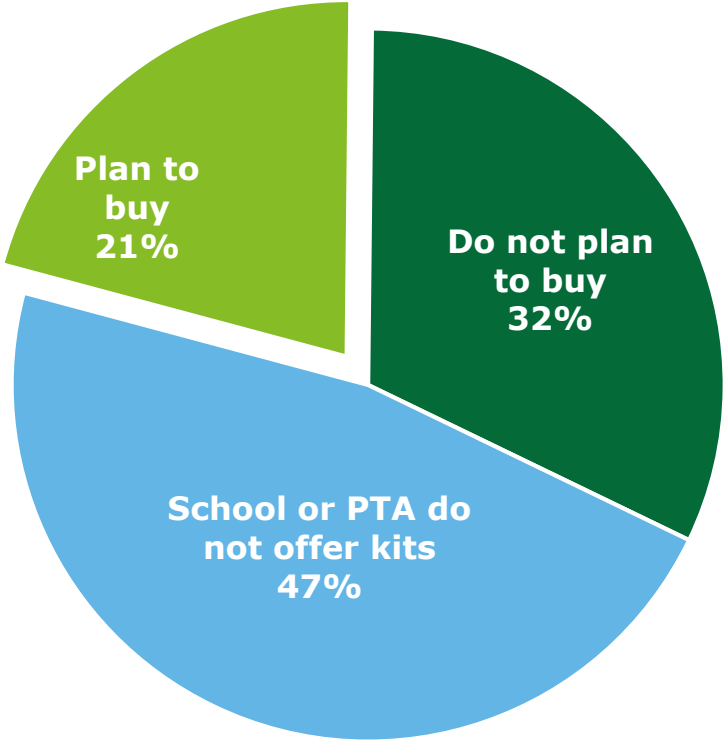
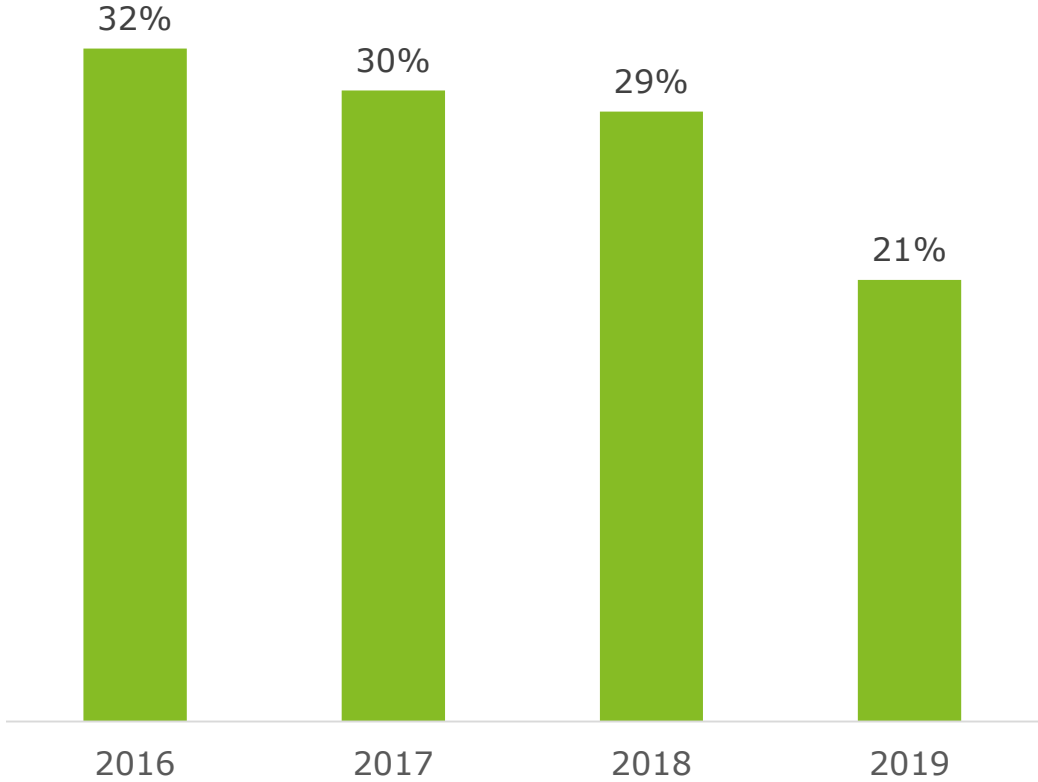
Expectations of
retailers

Expectations of
schools

While consumers expressed a desire for more convenient bundles for back-to-school shopping, only one-fifth of shoppers plan to buy “pre-configured” kits

Parents planning to buy pre-configured school kits

2019 plan for pre-configured school kits



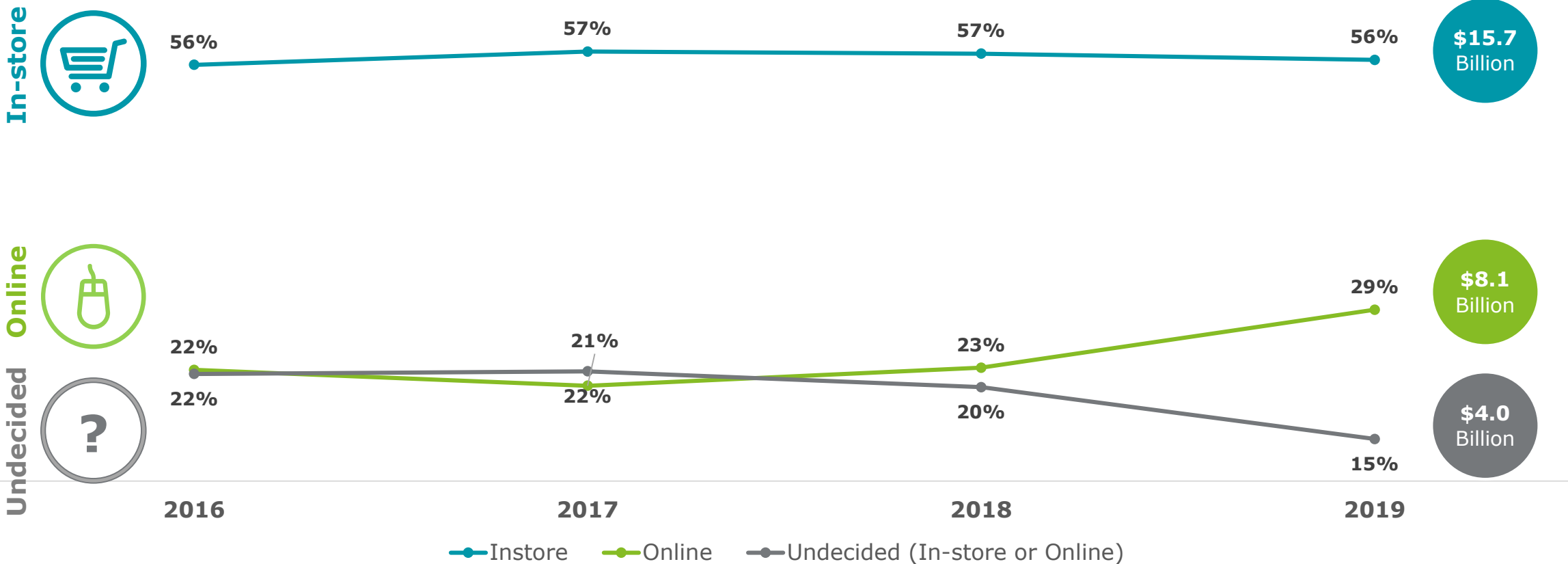
Plan to take advantage of pre-configured “kits” of school supplies offered by child’s school or parent-teacher association

Question: “What are the most important considerations when selecting a retailer for back-to-school shopping?”; #- Multi-response question
Note: Sample size (N) = 1,200

Most back-to-school spending will continue to occur in-store; more shopping is likely to shift online from those who were undecided about channel

B2S spend – share by channel

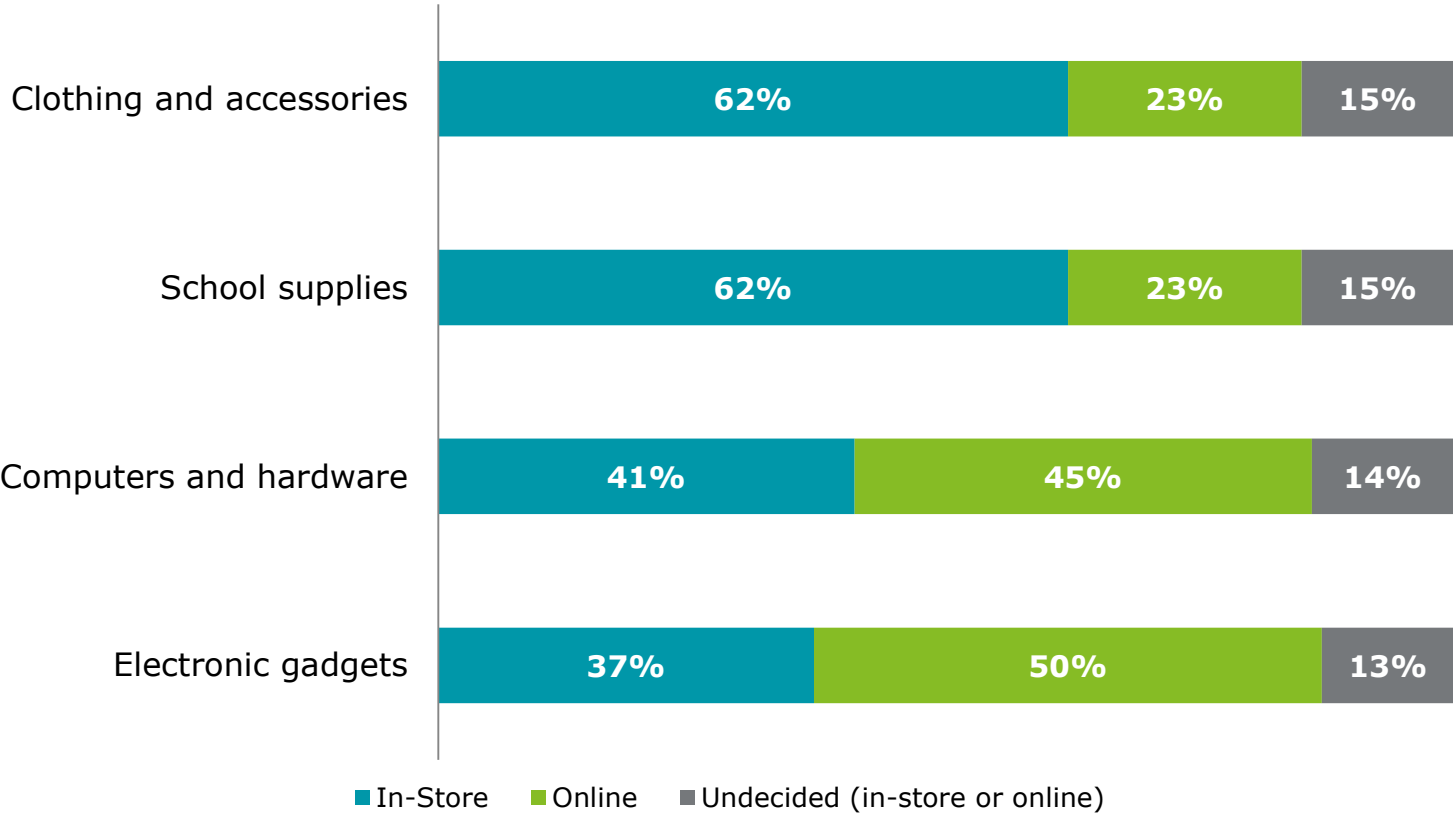
Contribution to total B2S spend



Question – “Please indicate the % of the budgeted amount you expect to spend online or in-store or undecided”
 Note: Sample size (N) = 1,200

Online shopping is expected to see its largest increases in the electronic gadgets category, while in-store shopping continues to dominate school supplies and clothing

B2S spend by category and channel



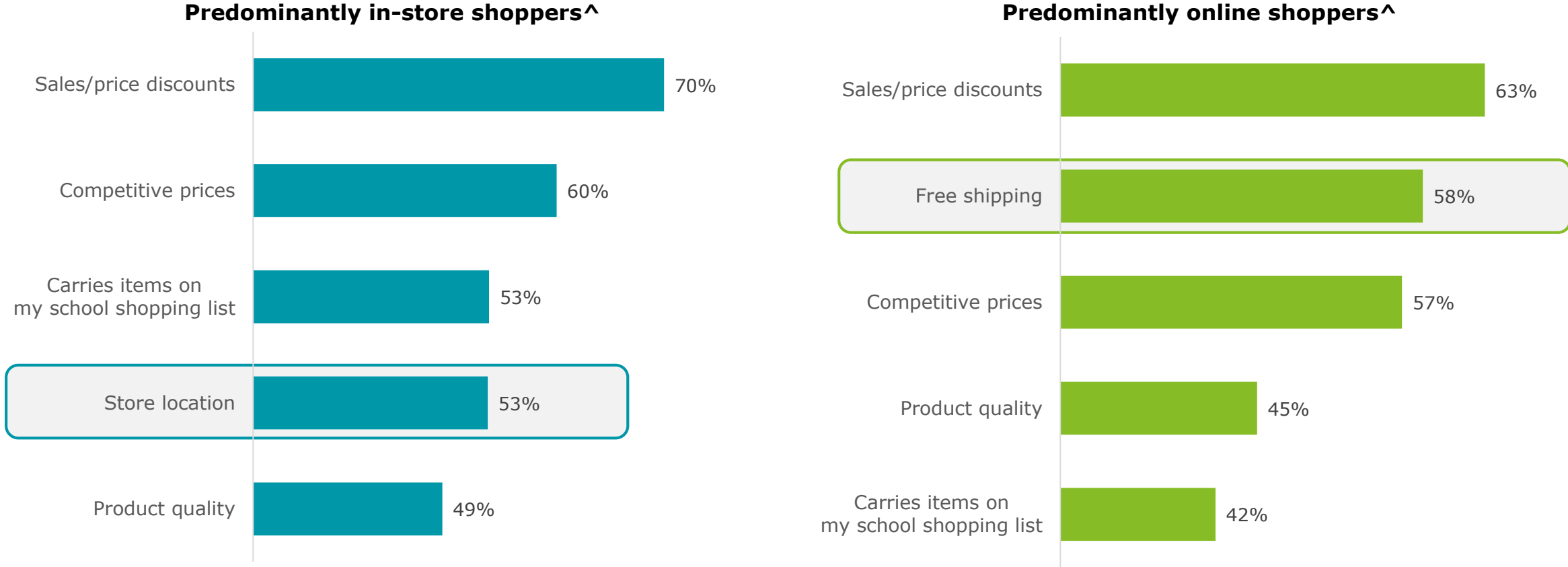
Key findings

- Compared to 2018, electronic gadgets was the only category where online sales are expected to grow at the expense of in-store sales
- For all other categories, online sales will grow as a result of declining 'undecided' spend

*Electronic gadgets include cell phones/smart phones, tablet/e-reader, and wearable devices, voice and mobile data plans, digital subscription
Sample size for each category - Only respondents who will purchase at least one item from the specific category

Sales and discounts top the list regardless of channel; online shoppers note free shipping and in-store shoppers view store location as top considerations

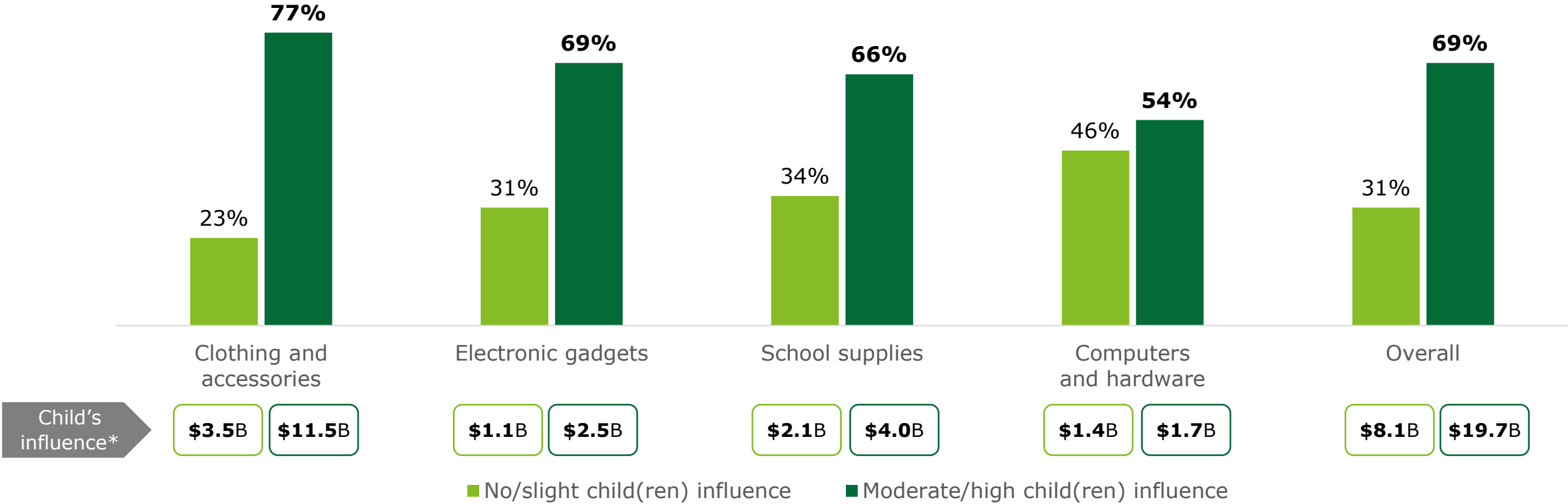
Top considerations when selecting a retailer for B2S shopping[#]



[^]Predominantly Online shoppers – With 51% or more of B2S spend via online channel (n=185); Predominantly Instore shoppers – With 51% or more of B2S spend via instore channel (n=742)
 Question: "What are the most important considerations when selecting a retailer for back-to-school shopping?"; # - Multi-response question, top 5 shown

Children will likely influence approximately \$20B in back-to-school spend (~70% of total), with the largest influence coming from clothing and accessories

Extent of child’s influence on parents’ back-to-school shopping



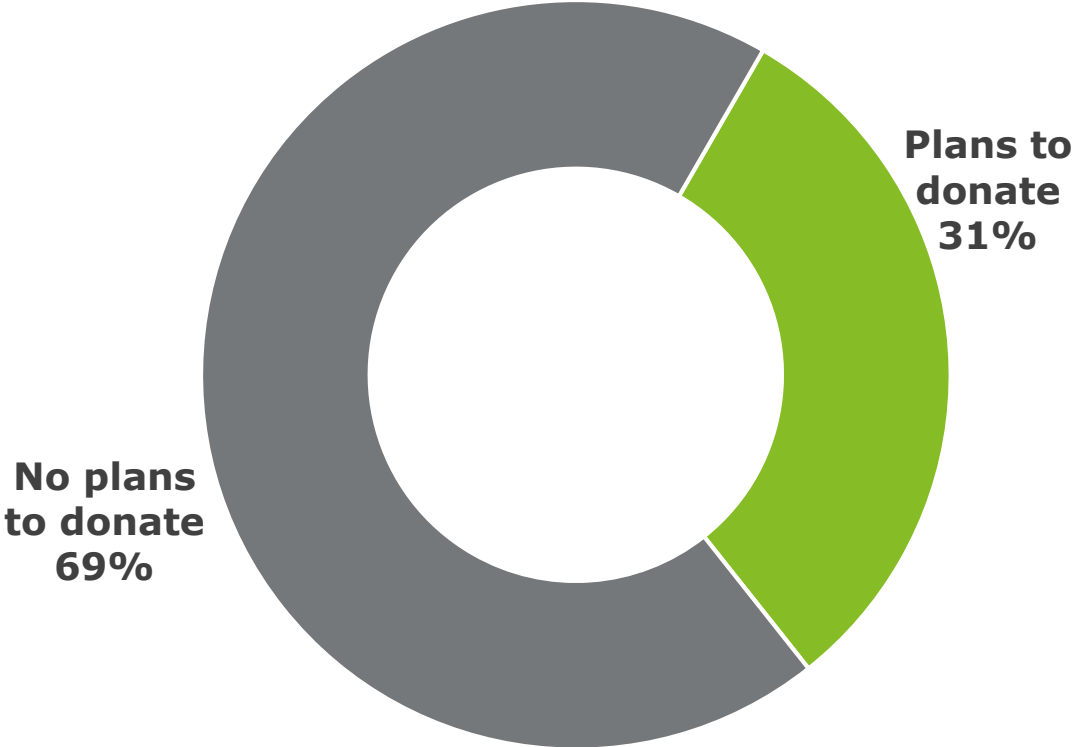
*Total planned B2S spend by category that would be influenced by children

Source: Deloitte survey

Note: Sample size (includes only respondents who will purchase the above mentioned category or item)

It takes a village; 3 in 10 shoppers plan to donate additional school supplies for an average of \$50 for those who donate

Plans to donate additional school supplies



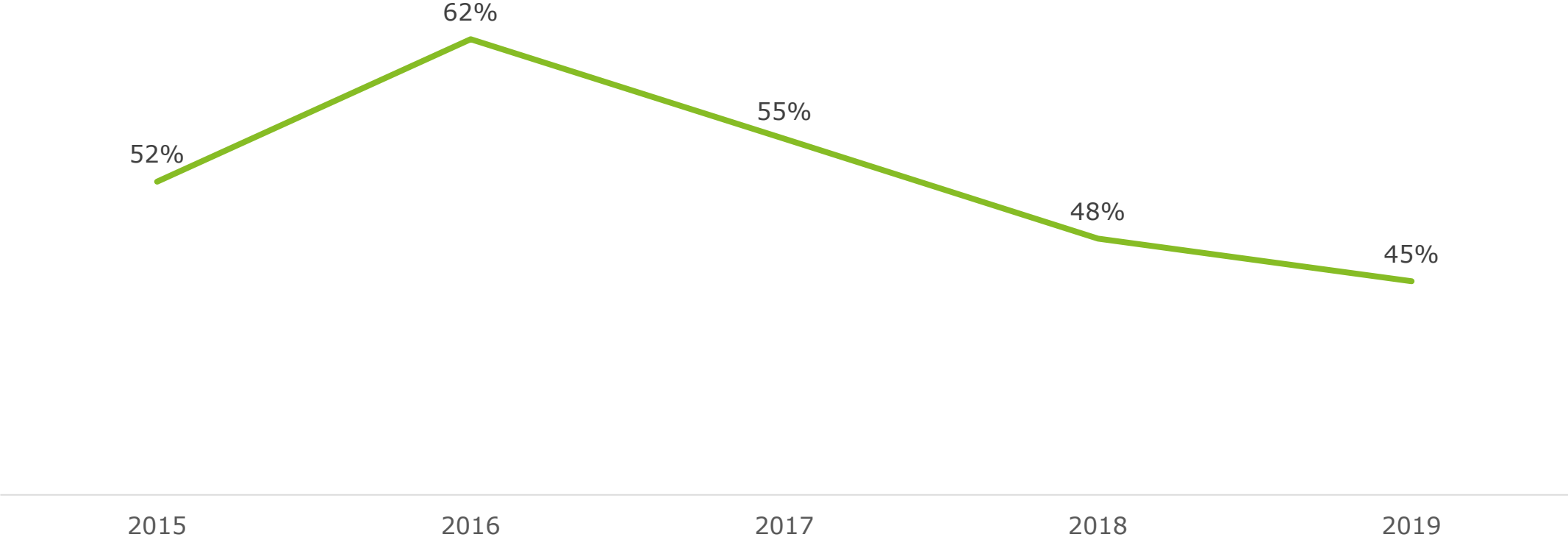
\$51*
Average spend on school supplies for donations

Question (1): "Are you planning to buy any additional school supplies to donate during back-to-school shopping?" (N=1,200)

*Question (2): "How much are you likely to spend on the additional school supplies to donate?" - Sample size (includes only respondents who plan to donate) (n = 371)

Compared to previous years, fewer shoppers are concerned about data breaches at their retail destinations

Shopper concern about shopping at retailers that have experienced a data breach

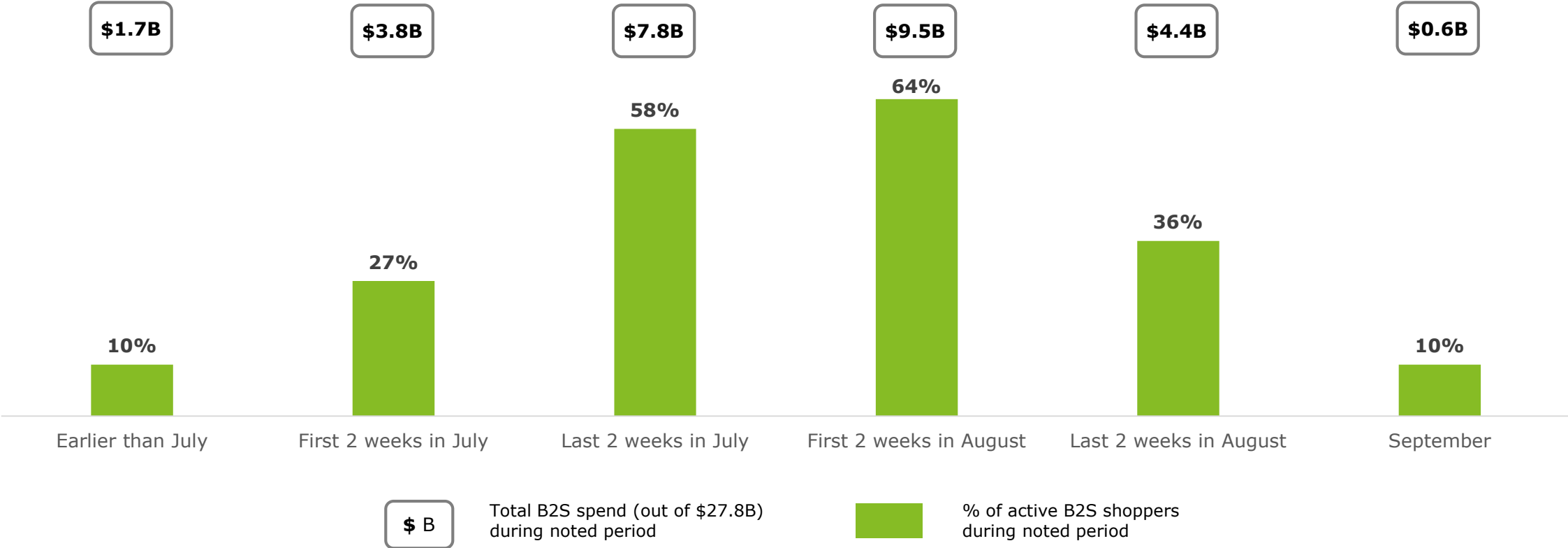


Source: Deloitte survey: "Please indicate your level of agreement with the following statements:" (% Agree or Somewhat Agree)
Note: Sample size (N) = 1,200

Back-to-school timing

B2S timing is expected to be consistent with last year, peaking in early August; 90% of shoppers plan to be active in late-July and early-August comprising 62% of all spend

B2S shopping periods by traffic and total spend

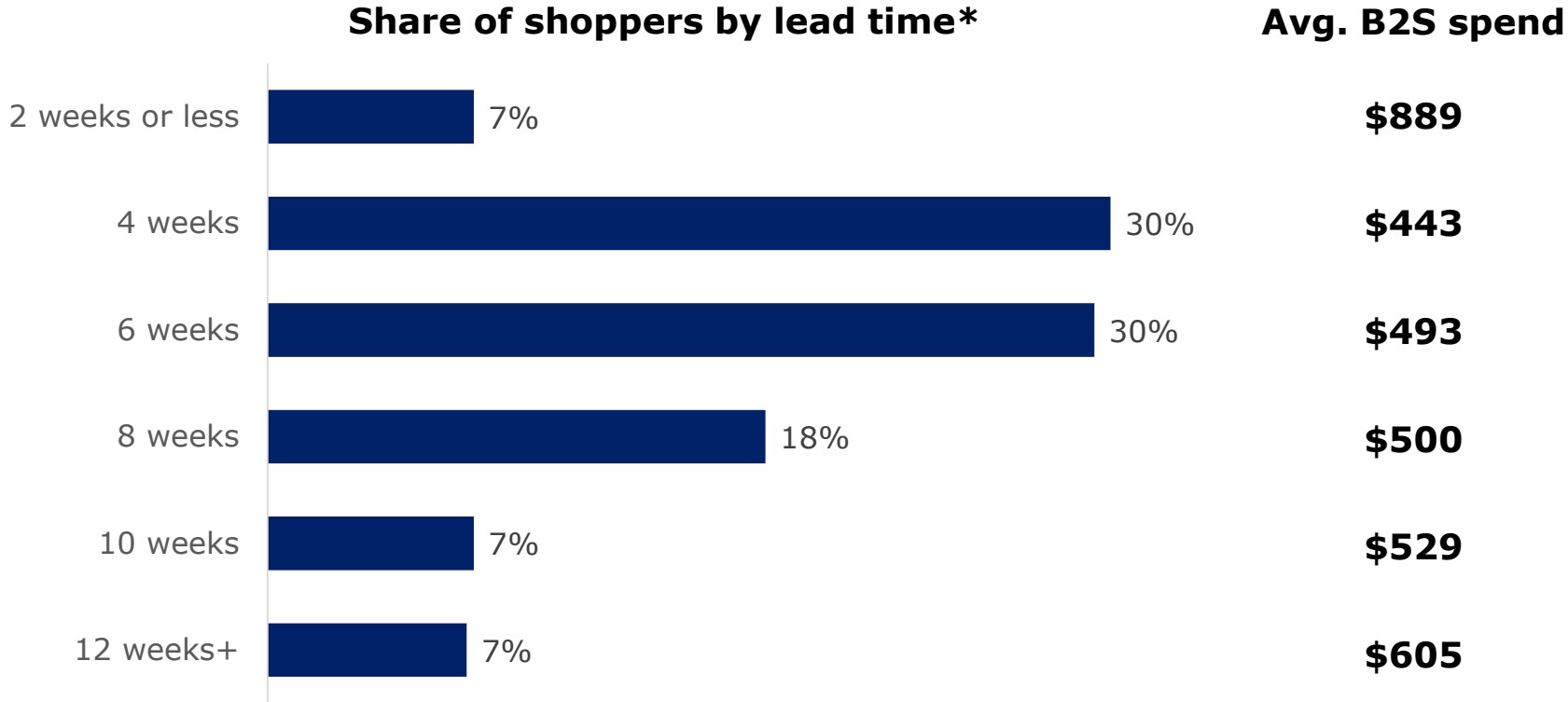


Question: "Out of \$__ you plan to spend on back-to-school shopping, how much do you plan to spend during the following periods?"
 Note: Sample size (N) = 1,200

60% of shoppers are likely to start shopping approximately 4–6 weeks before school starts; however, these shoppers expect to spend less than very early or late starters

Share of back-to-school shoppers by lead time

(Gap between 'start of shopping' to 'start of school')



Source: Deloitte survey

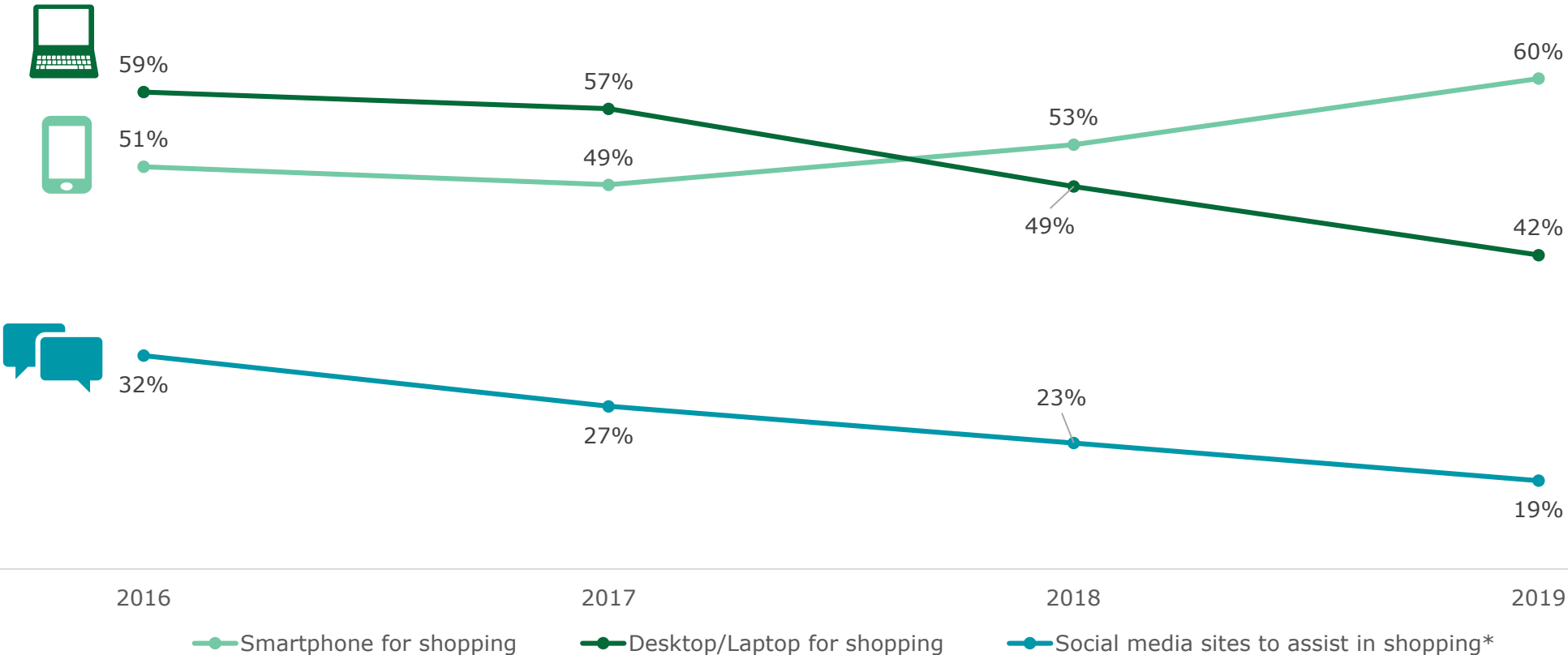
* Percentages may not total 100% due to rounding

Note: Sample size (N) = 1,200; "When are you likely to begin your B2S shopping?"

Digital engagement

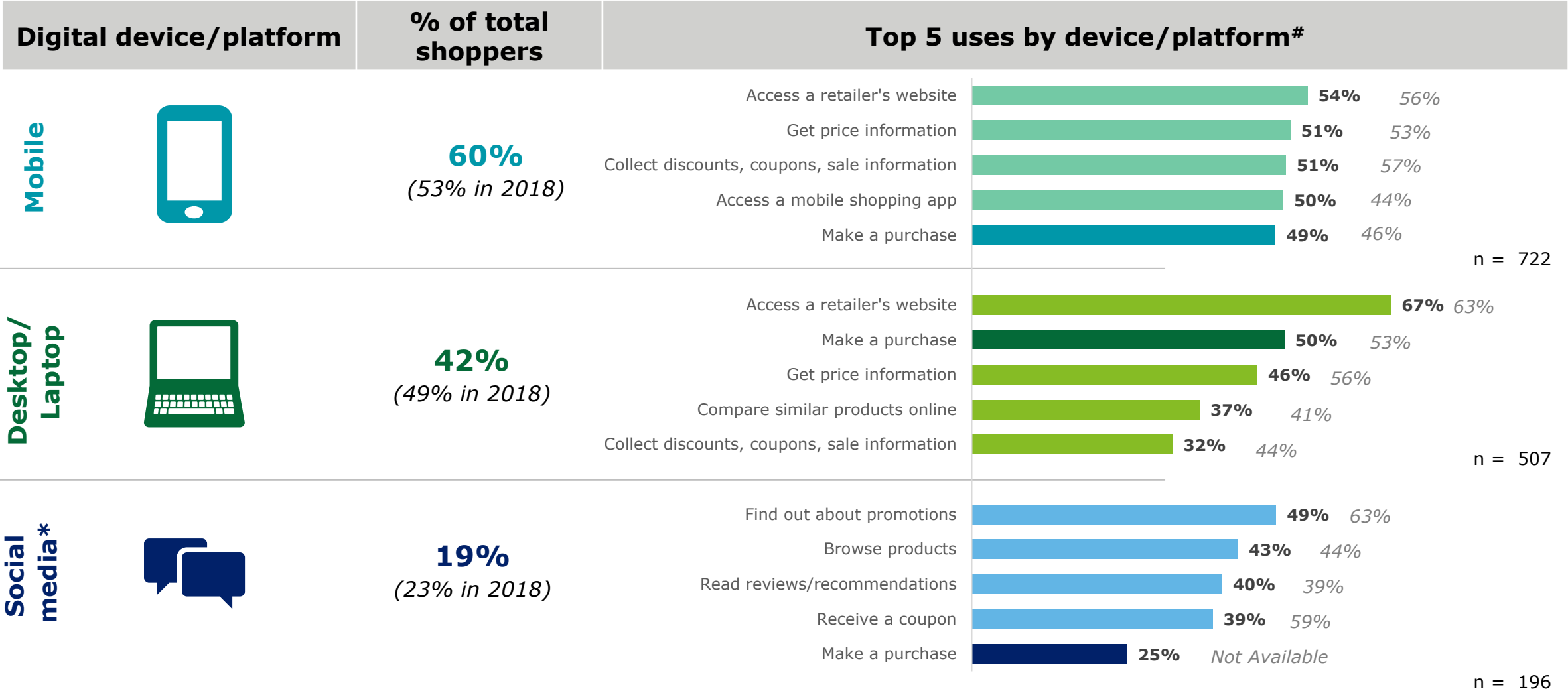
Mobile usage is expected to be on the rise, while other technologies may have reached a plateau in usage for back-to-school shopping

B2S shoppers planning to use each technology platform (2016–2019)



Source: Deloitte survey
Note: Sample size for each year - 2016 (N = 1,194), 2017 (N = 1,200), 2018 (N = 1,200), 2019 (N = 1200)
*Sample size (shoppers who use at least one digital device) in each year - 2016 (n = 951), 2017 (n = 978), 2018 (n = 985), 2019 (n=1,009)

60% of back-to-school shoppers plan to use mobile during their shopping journey; mobile and desktop/laptop users are as likely to use their device to make a purchase



n = 722

n = 507

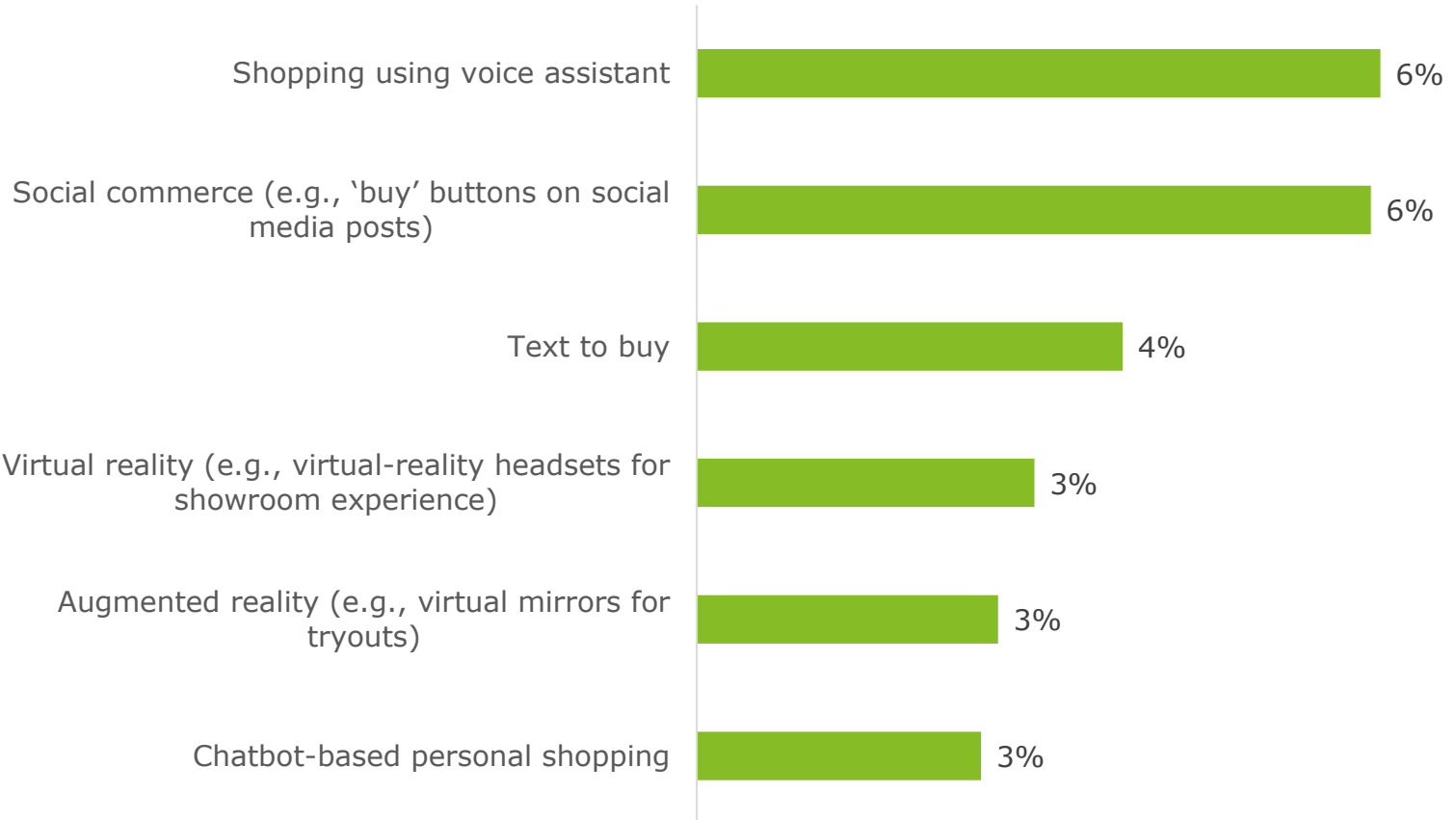
n = 196

Multi-select question; Question: "With your back-to-school shopping, are you likely to use a _____ for the following actions?"
 Notes: *Sample size (shoppers who use at least one digital device, n = 1,009)

Grey Text: Responses from 2018

85% of shoppers are unlikely to use any emerging technologies like voice, social commerce, AR/VR for their back-to-school shopping

Emerging technology usage (% of shoppers)#



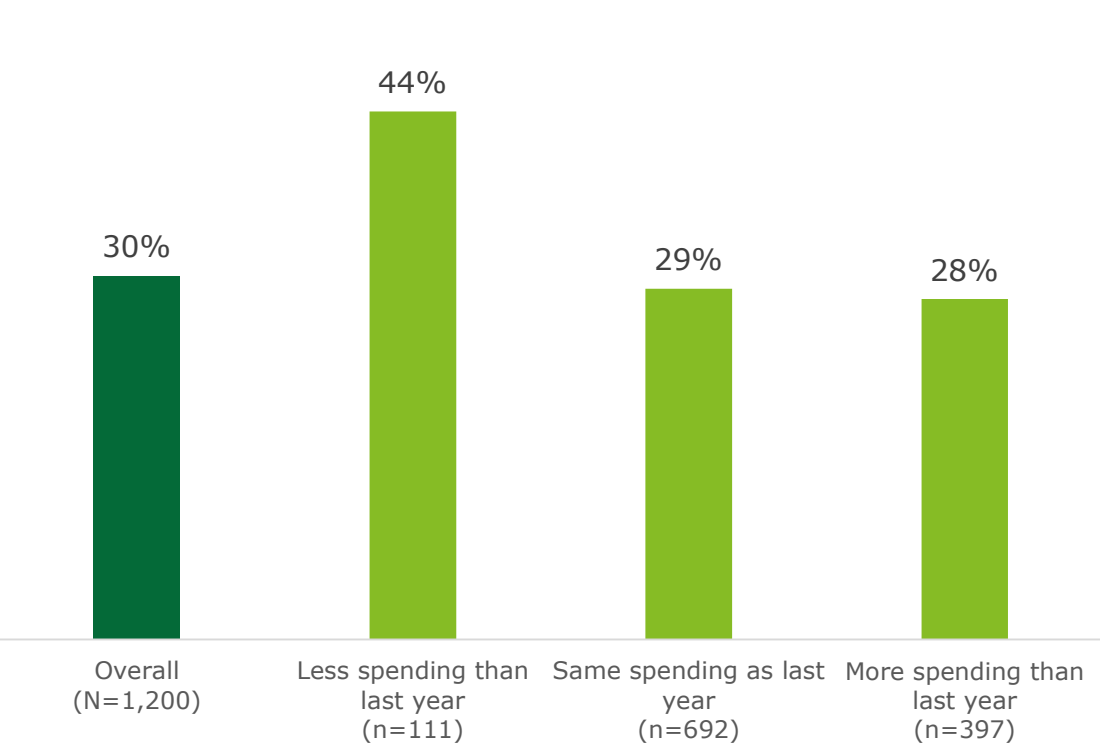
85% respondents are not planning to use any of these technologies

Multi-select question
Question: Which of the following do you plan to use during the back-to-school shopping season?
Sample size (N) = 1,200


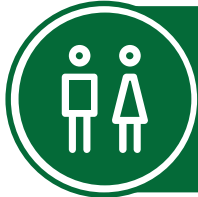

About one-third of shoppers are likely to curb their purchase lists due to digital substitution, especially those who are planning to spend less than last year

Digital substitution

Compared to a year ago, buying fewer traditional school supplies because my child is using more digital technologies in and out of the classroom (% of Agree/Strongly agree)



Reasons behind increasing use of digital technologies#

-  My child/children's school/district requires use of digital technologies (57%)
-  My child/children prefer using digital technologies at school (38%)
-  It leads to a better learning experience (38%)

Multi-select question – Only to those who are buying fewer traditional school supplies because of more digital technologies in and out of the classroom (n=365)
Sample size (N) = 1,200

Retail type and formats

Mass merchants retain their place as the most popular format; online only and specialty clothing stores are expected to have the biggest growth since 2018

Back-to-school retailer format preference





















Change from 2018

Mass merchant stores	88%	↑
Online only sites	45%	↑
Dollar stores	36%	–
Specialty clothing stores	30%	↑
Off-price stores	27%	↓
Office supply/technology stores	22%	↓
Traditional department stores	21%	↓
Fast fashion apparel retailers	19%	↓
Retailer’s website	15%	–
Warehouse membership clubs	15%	↓
Consignment shops/thrift stores	12%	–
Drug stores	11%	↓
Home electronics stores	9%	–
Retailer’s mobile app	7%	–
Bookstores (Off-campus)	6%	–
Supermarkets	6%	–
Catalogs	3%	–
Bookstores (On-campus)	2%	–

Question: “Which type of retailer(s) do you plan to visit for your B2S shopping?”
 Note: Sample size (N) = 1,200; multi-select question

Across product categories, mass merchants are among the most popular formats, with specialized retailers performing well in each category

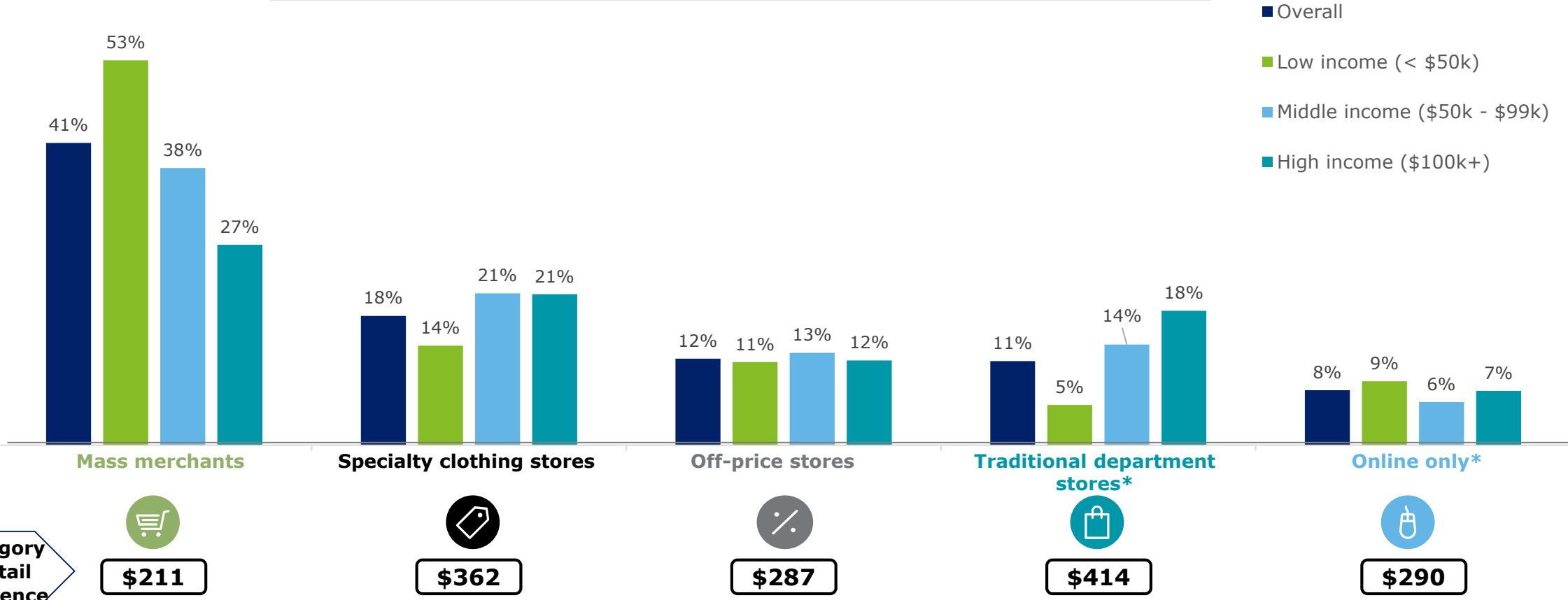
Top five preferred retail formats by category

Rank	Clothing and accessories	Computers and hardware	Electronic gadgets	School supplies
1	 Mass merchants 41%	 Mass merchants 31%	 Online only sites 31%	 Mass merchants 73%
2	 Specialty clothing stores 18%	 Home electronic stores 30%	 Mass merchants 24%	 Office supply/ technology stores 8%
3	 Off-price stores 12%	 Online only sites 25%	 Home electronic stores 23%	 Dollar stores 8%
4	 Traditional department stores 11%	 Office supply/ technology stores 8%	 Warehouse membership clubs 7%	 Online only sites 7%
5	 Online only sites 7%	 Warehouse membership clubs 4%	 Office supply/ technology stores 5%	 Warehouse membership clubs 1%

Question: "Which type of retailer will you shop the most for _____ during this back-to-school season?"
 Note: Sample size (includes only respondents who will purchase the above mentioned category); single-select question

Mass merchants are likely to be the most preferred retail formats across income groups for clothing and accessories; most retail formats show some preference by income level

Preferred retail formats for clothing and accessories (by income)



* Sample size at household income-level has fewer than 30 respondents
 Question: "Which type of retailer will you shop the most for clothing & accessories during this back-to-school season?"
 Note: Sample size - High-income (n = 310), Middle-income (n = 356), Low-income (n=492), Overall (n=1,158)

Category spend across formats : \$290

About the survey

A decorative graphic in the top right corner featuring a watercolor splash in shades of red, orange, and pink, with a black paperclip icon overlaid on it.

Survey timing: May 31 to June 6, 2019

Sample: The survey polled a sample of 1,200 parents of school-aged children, with respondents having at least one child attending school in grades K to 12 this fall.

Methodology: The survey was conducted online using an independent research panel.



About the survey

This annual Deloitte survey was conducted online using an independent research panel between May 31 and June 6, 2019. The survey polled a sample of 1,200 parents of school-aged children and has a margin of error for the entire sample of plus or minus three percentage points.

All respondents had at least one child attending school in grades K–12 this fall.

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