

Physical Stores Drive Back-to-School Shopping Seasonal Promotions Heavily Influence Shoppers

The following highlights about the 2017 back-to-school (BTS) shopping season are based on a poll of 1,010 adults in the U.S., which was conducted between July 6 and 9, 2017 by ORC International on behalf of ICSC.

SECTION A: SPENDING (p.4)

- Overall, about 38% of adults in the U.S. will buy items related to BTS for children in grades K-12, children in college/post-secondary institution, themselves as college/post-secondary institution students and/or themselves as teachers. (*Chart 1, p.4*)
- BTS shoppers have spent or intend to spend an average of \$353 on merchandise including clothing, footwear, school supplies and electronics. (*Chart 2, p.4*)
- An overwhelming number of BTS shoppers (91%) have or plan to spend money at brick-and-mortar locations. This percentage increases to 97% if online shopping from retailers with a physical presence is also included. Among shoppers, nearly one-third (30%) purchased or will purchase online from a retailer with a physical store presence and pick up the item(s) in-store. (*Table 1, p.5*)
- In addition, of those who already picked up BTS purchases made online, 81% made an additional purchase or purchases at least once at that store/tenant, an adjacent establishment, or another unit within the same shopping center.
- BTS shoppers will allocate 82% of their total expenditures to retailers that have physical stores and an online platform. More specifically, 61% will be in physical locations and 21% online from retailers with stores. For non-store formats, 18% of overall BTS spending will occur through pure online retailers and other sources. Among the pure online retailers, shoppers have or plan to spend roughly 12% of their total dollars through Amazon. (*Table 2, p.5*)
- Seven of 10 (70%) BTS shoppers say their spending will increase this year compared with last. Only 4% will decrease their spending and 26% say it will remain the same. Among shoppers whose total BTS spending will increase, the top reasons cited are “a need to replace wardrobe and school supplies” (37%), “school requirements have changed” (37%), “the items purchased are more expensive” (27%) and “a change in job status or income” (20%). (*Table 3, p.5*)

SECTION B: TIMING OF SHOPPING (p.6)

- As of July 9, nearly one-quarter (23%) of BTS shoppers started shopping, while another 8% have already completed their purchases.
- The 2017 survey results repeat the pattern of previous years. August remains the most popular month for BTS shopping. About 82% of shoppers will make purchases during that month, which accounts for more than half (51.3%) of total spending. In June/July more than one-third (34.8%) of purchases will be made. (*Chart 3, p.6 and Chart 4, p.6*)
- The above pattern aligns with when shoppers think is the best time to look for BTS deals, promotions and discounts. Over half (51%) of them believe August is the best time to find bargains, while 30% feel the same about July, Labor Day weekend or later (13%) and June (6%).

SECTION C: ITEMS PURCHASED AND STORES SHOPPED (p.7)

- School supplies (92%), apparel/footwear (86%), school bags (77%) and electronics (63%) are the top

product purchases among BTS shoppers. (*Chart 5, p.7*)

- For all types of BTS products purchased, the highest shares of BTS shoppers will buy them in physical stores, not online. (*Chart 6, p.7*)
- Similar to last year, discount stores (69%), office supply stores (37%), department stores (32%) and dollar/variety stores (29%) are the most popular shopping venues for BTS merchandise. (*Chart 7, p.8*)

SECTION D: IN-STORE AND OTHER SHOPPING BEHAVIORS (*p.8*)

- “Ability to see, touch, or try on the merchandise” (46%) is the number-one reason for shopping in physical stores or shopping centers for BTS items. This is followed by “ability to browse/ease of buying specific items” (36%), “convenience of one-stop shopping” (35%) and “avoiding shipping fees” (34%). (*Table 4, p.8*)
- Three-fifths (60%) of BTS shoppers who go to stores research online beforehand.
- Four-fifths (81%) of BTS shoppers use their mobile devices while in stores shopping for merchandise. The most popular reason for doing so is comparing prices (58%), followed by getting digital discounts/coupons (39%), checking availability/inventory (38%) and taking pictures of items that may be purchased (30%). (*Chart 8, p.9*)
- Roughly 89% of BTS shoppers have gone or plan to go to malls/open-air shopping centers for BTS shopping. There, they will dine at restaurants/fast food establishments (60%), see a movie (28%), visit personal services establishments (e.g. hair/nail salons)(27%) and participate in family-friendly experiences (12%). (*Chart 9, p.9*)
- When asked, more than two-thirds (68%) of BTS shoppers said they DO NOT envision ever doing all of their BTS shopping online, having the items shipped home and never visiting stores.
- Two-fifths (40%) of BTS shoppers browse and make purchases in physical stores only, most often, while 23% browse online first and then purchase in stores frequently and 19% browse online and in store, but make the purchase in store, most often. Just 7% cited browsing and purchasing online only and therefore, *93% of BTS shoppers will have some type of connection to a physical establishment during the season.* (*Chart 10, p.10*)

SECTION E: BTS SHOPPING MOTIVATORS (*p.10*)

- The number-one reason motivating BTS shoppers to start shopping is “seeing advertisements or lower prices in stores” (40%). Other popular motivators include “receiving a supply list from the teacher” (37%), “children asking to go shopping” (28%), “receiving direct promotions from retailers through the mail or flyers” (27%) and “not much time left before school starts” (27%). (*Table 5, p.10*)
- Overall, 87% of BTS shoppers are influenced by promotions in terms of the amount spent and the items bought.

SECTION F: OTHER BTS INSIGHTS

- Four-fifths (80%) of BTS shoppers try not to deviate from the supply list provided to them.
- About three-quarters (74%) of BTS shoppers say that in addition to their own child’s supplies, the classroom supply list is significant in terms of cost and or quantity of items.
- When shopping for BTS items in stores, 72% of shoppers tend to also buy additional items in the same store for others not attending any type of school and/or are unrelated to BTS.
- Seven of 10 BTS shoppers stock up on school supplies at the beginning of the school year because the prices are better.

- More than two-thirds (68%) of BTS shoppers say that when shopping with their children, they tend to spend more than if they had shopped on their own.
- Three-fifths (61%) of BTS shoppers make several trips to stores throughout the BTS shopping season rather than doing most/all at one time.

SECTION G: K-12 BTS SHOPPING vs. COLLEGE SHOPPING (p. 11)

- K-12 BTS shoppers have spent or intend to spend on average \$309.60 compared with college shoppers total expenditures of \$437.70 on clothing, footwear, school supplies and electronics. (*Chart 11, p.11*)
- Higher shares of BTS shoppers making purchases for college shop during June and July than those shopping for K-12. College shoppers also spend a higher share of their total dollars in June/July (36.6%) than K-12 shoppers (32.3%). Overall, August is more popular for K-12 shoppers. (*Chart 12, p.11*)
- Significantly higher shares of college shoppers than K-12 shoppers purchase from pure online retailers and allocate a larger share (21%) of total expenditures to them. However, purchasing from retailers with a physical presence is still the most popular format for both college and K-12 shoppers. (*Table 6, p. 12*)
- Top product purchases for K-12 shoppers are school supplies, apparel/footwear and school bags. For college shoppers the top merchandise categories are, school supplies, apparel/footwear and electronics. (*Chart 13, p. 12*)
- The most popular shopping venues for K-12 shoppers are discount stores, department stores, office supply stores and dollar/variety stores. For college shoppers they are discount stores, office supply stores, Amazon and book stores. (*Chart 14, p. 13*)

SECTION A: SPENDING

Chart 1:

Overall, 38% of adults in the U.S. will make BTS-related purchases this year...

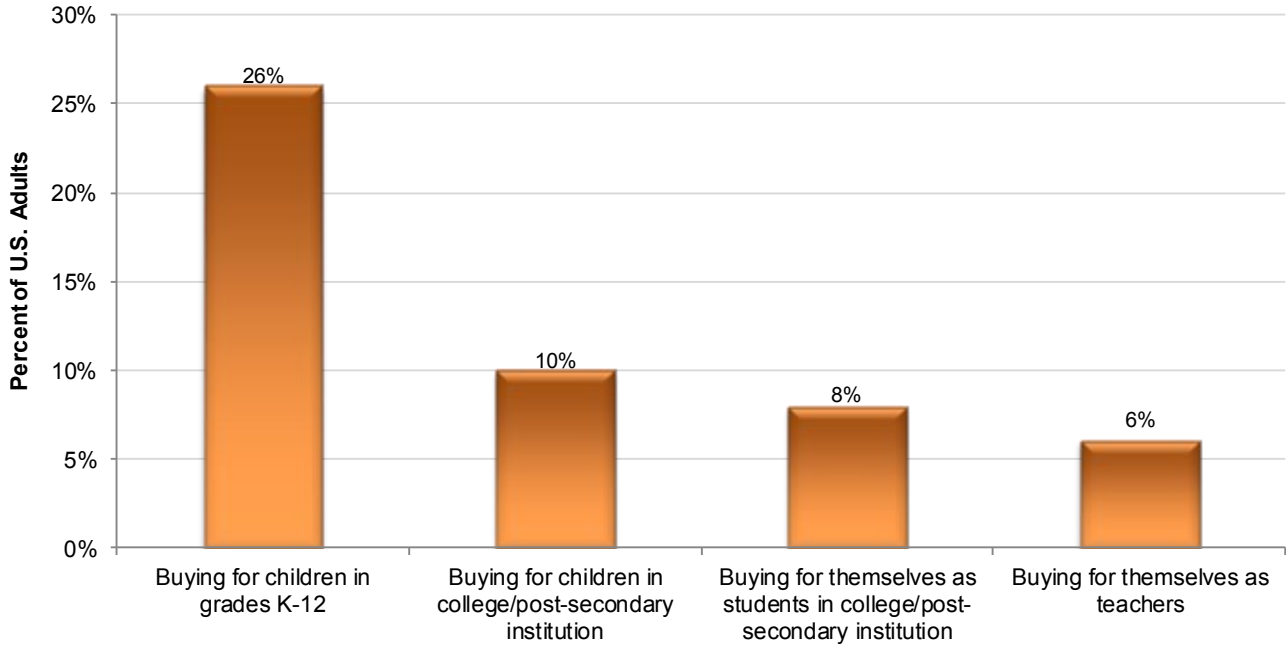


Chart 2:

The average BTS shopper will spend \$353.20 on merchandise including clothes, shoes, school supplies and electronics...

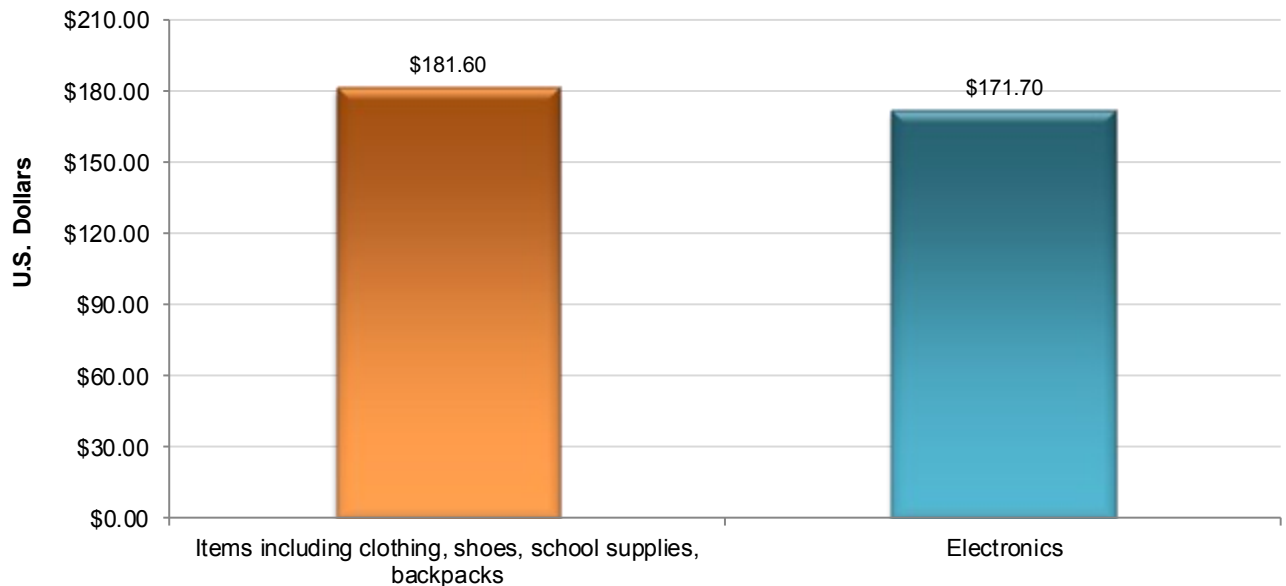


Table 1:

Nearly all BTS shoppers will make a purchase from a retailer with a physical store presence...

Physical Stores / Establishments	97%	91%
Online Retailers with Physical Stores		40%
...Ship to Home		31%
...Pickup in Store		30%
Pure Online Retailers		41%
...Amazon		39%
...All Other Pure Online Retailers		15%
Other Sources (catalogs, phone orders)		17%

* Figures represent % of BTS shoppers

Table 2:

Three-fifths (61%) of overall BTS expenditures will occur in physical stores and another 22% will take place online from retailers who also have stores...

Physical Stores / Establishments	82.0%	60.5%	
Online Retailers with Physical Stores		21.5%	
...Ship to Home		12.1%	
...Pickup in Store		9.5%	
Pure Online Retailers		13.9%	
...Amazon		11.8%	
...All Other Pure Online Retailers		1.9%	
Other Sources (catalogs, phone orders)		4.1%	
Total			100%

* Figures represent % of total BTS expenditures

Table 3:

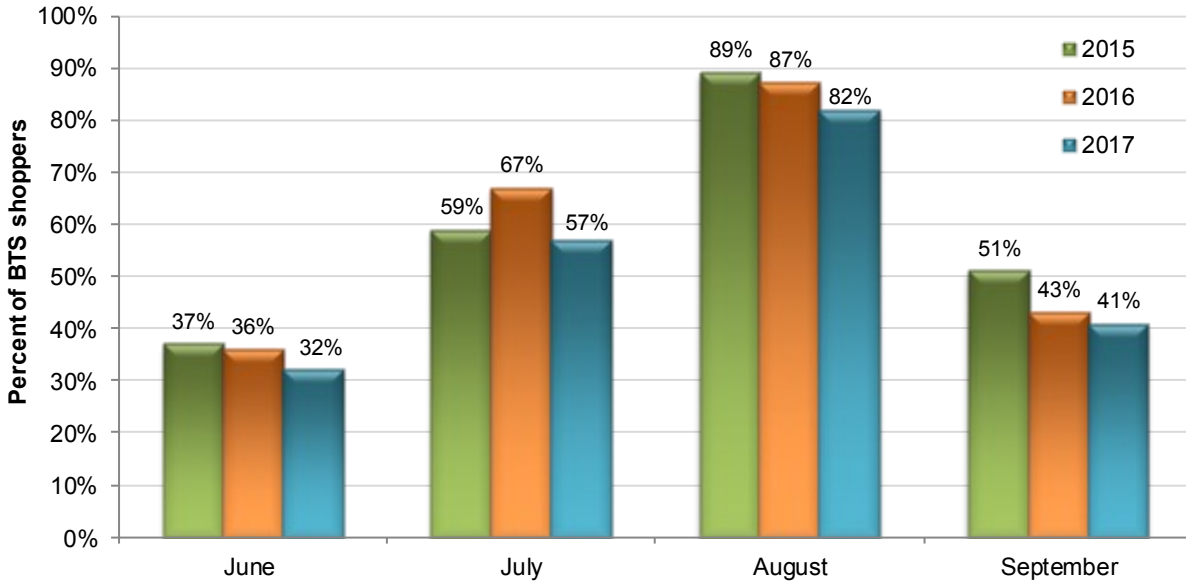
Seven of 10 BTS shoppers say their expenditures will increase this year compared with 2016. The need to buy supplies, clothes and changing school requirements are the top reasons why...

Rank	Reason	2017*	2016*
1	A change in the need to replace wardrobe and school supplies	37%	48%
2	School requirements have changed	37%	44%
3	The items I bought/plan to buy are more expensive	27%	35%
4	A change in job status or income	20%	16%
5	A change in the number of school-age children and/or individuals attending college/post-secondary institution	19%	16%
6	Better promotions were/are an incentive to purchase more	18%	16%
7	A change in fashion trends	16%	16%
8	Have to keep up with what friends have	7%	10%
9	I was influenced by what I saw on social media sites	7%	-

* % of BTS shoppers

Chart 3:

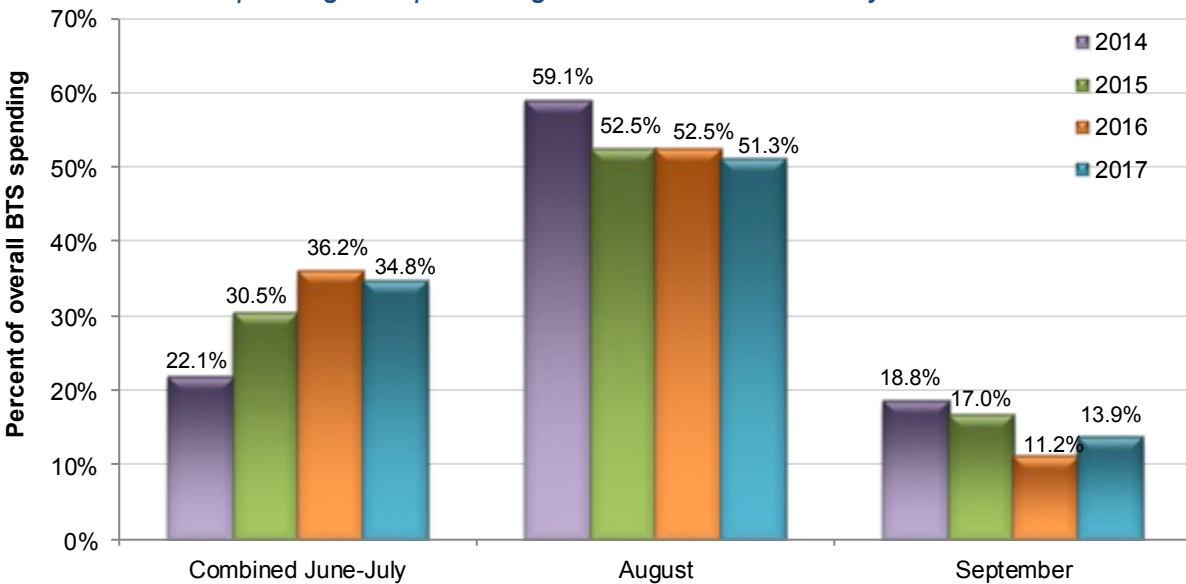
Eight of 10 (82%) BTS shoppers plan to make purchases in August...



SECTION B: TIMING OF SHOPPING

Chart 4:

A majority of BTS spending still occurs in August, while the share of spending in September grew for the first time in 3 years...



SECTION C: ITEMS PURCHASED AND STORES SHOPPED

Chart 5:

School supplies, apparel/footwear, school bags and electronics top BTS shopping lists...

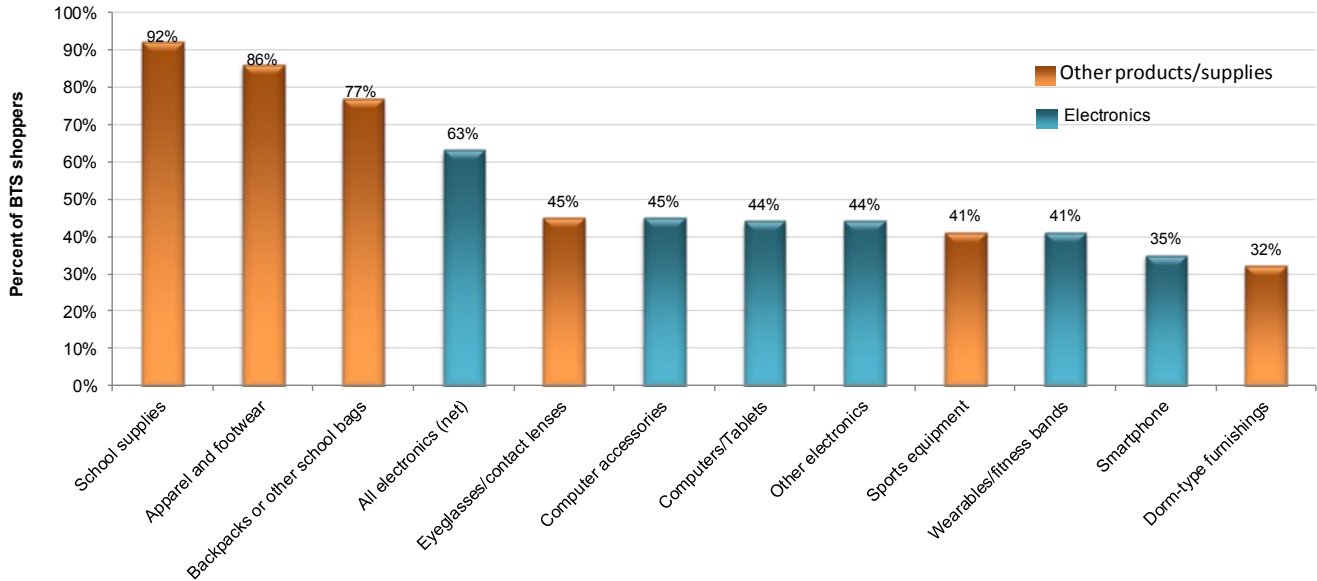


Chart 6:

A majority of BTS shoppers will buy most of each type of product at physical store locations...

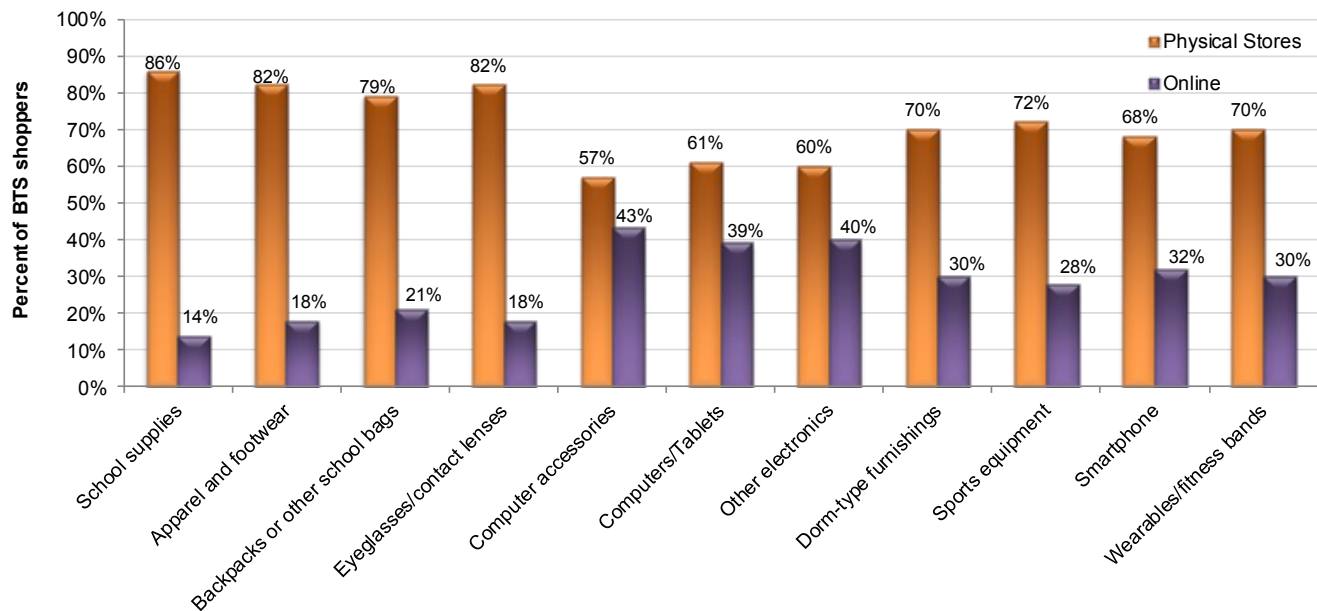
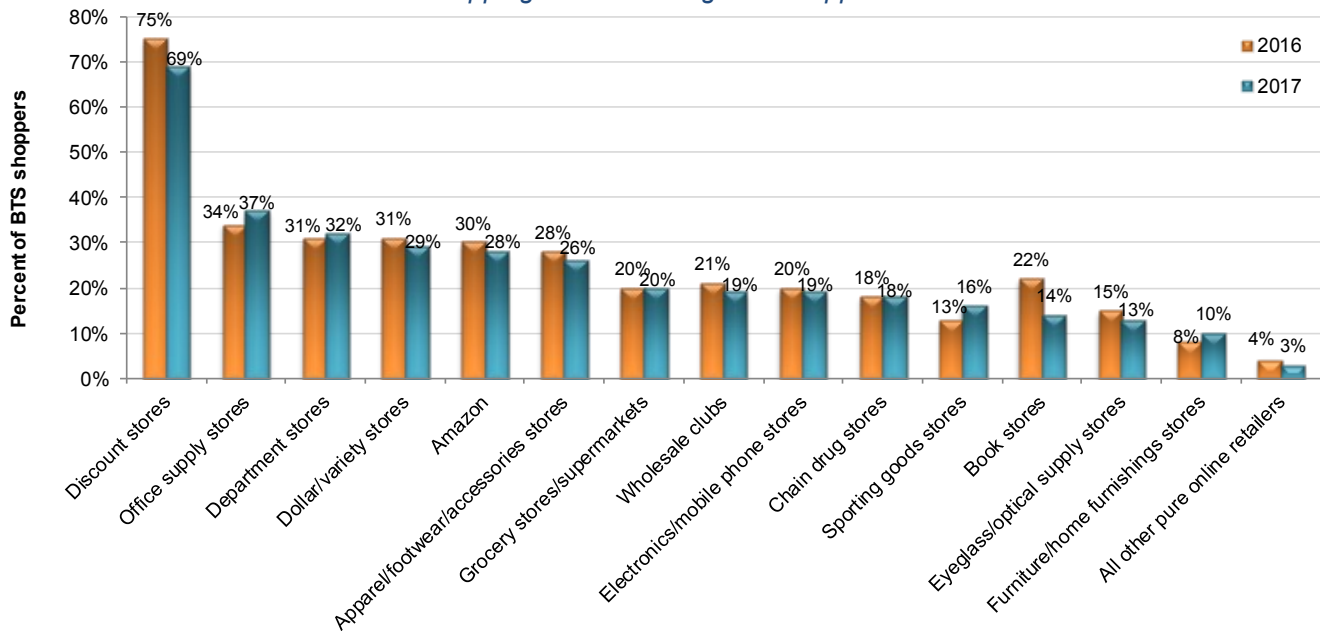


Chart 7:

Discount stores, office supply stores and department stores are the most popular shopping venues among BTS shoppers...



SECTION D: IN-STORE AND OTHER SHOPPING BEHAVIORS

Table 4:

Top 10 Reasons for Shopping at a Physical Store or Shopping Center for Back-to-School Items...

Rank	Reason	2017*	2016*
1	Like having the ability to see, touch or try on the merchandise	46%	42%
2	Ability to browse/ease of buying specific items	36%	32%
3	Convenience of one-stop shopping	35%	33%
4	Don't want to pay for shipping	34%	34%
5	Easier to return or exchange	32%	32%
6	Want the item now and don't want to wait for it to be shipped	31%	31%
7	Sales on items wanted are only offered in-store	31%	28%
8	Like to window shop and browse	27%	17%
9	Going out together to shop for back-to-school is a family tradition	20%	21%
10	Shopping experience - atmosphere, décor, store layout	17%	18%

* % of BTS shoppers

Chart 8:

The most popular reasons among BTS shoppers for using their mobile devices while shopping in stores are to compare prices, get digital discounts/coupons and check availability...

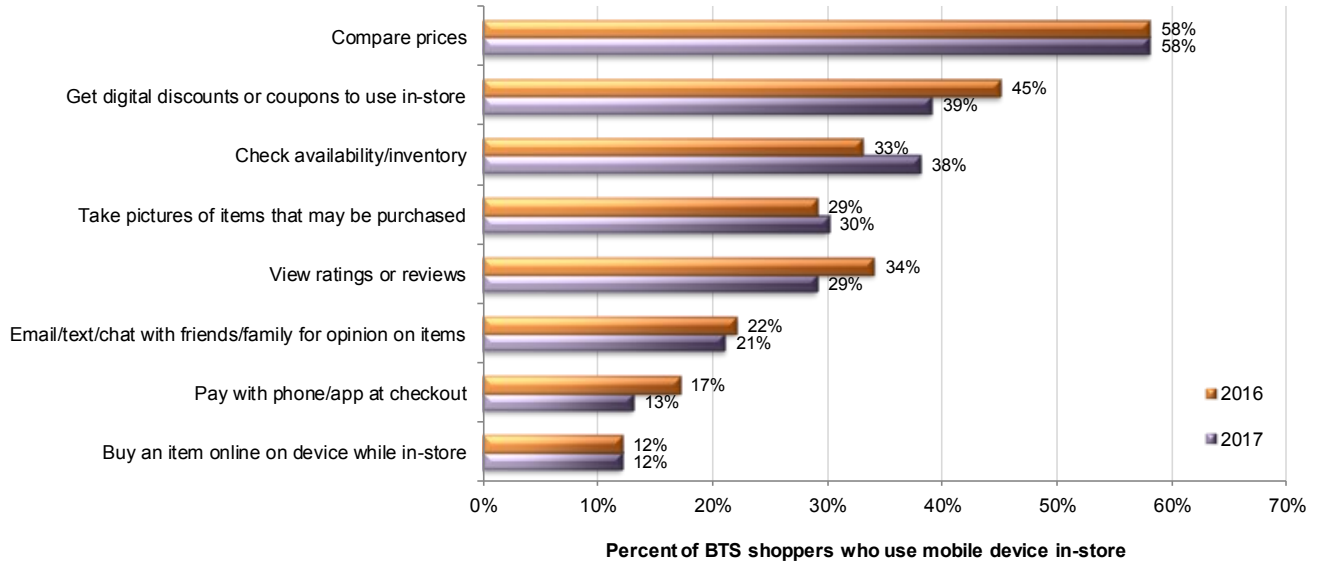


Chart 9:

The top non-shopping activities among BTS shoppers while in malls/open-air centers are dining and seeing a movie...

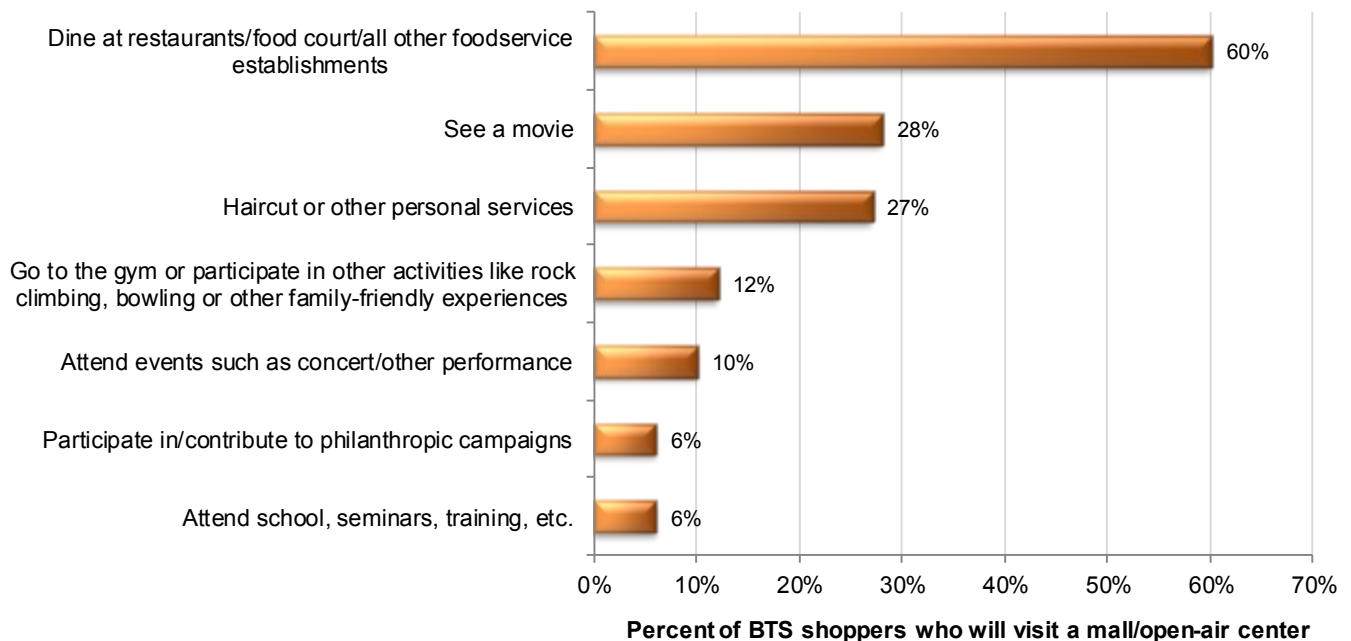
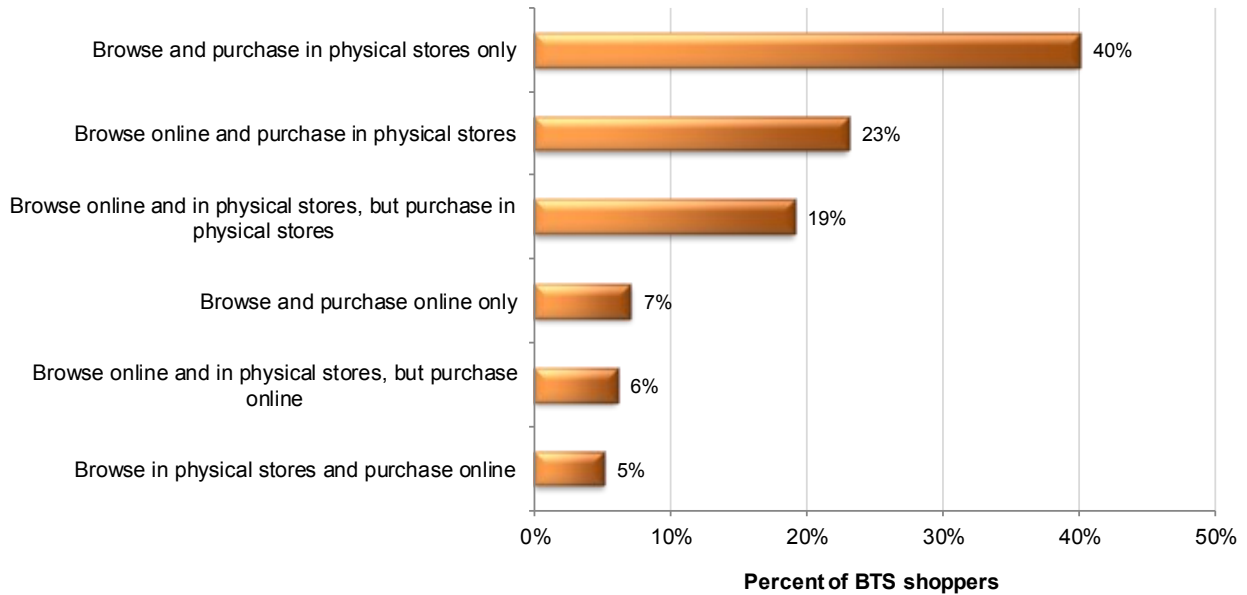


Chart 10:

The largest share of BTS shoppers (40%) most frequently browse and purchase items in stores only, while nearly one-quarter browse online first, then purchase in-store...



SECTION E: BTS SHOPPING MOTIVATORS

Table 5:

Seeing advertisements or lower prices in stores motivates the largest share of BTS shoppers to start shopping...

Rank	Reason	2017*
1	Seeing advertisements or lower prices in stores	40%
2	Receiving a classroom supply list from the teacher	37%
3	Children asking to go shopping	28%
4	Receiving direct promotions from retailers through the mail or flyers	27%
5	There is not much time left to shop before the school year starts	27%
6	Seeing advertisements from retailers on TV, in newspapers, magazines, or online	23%
7	Receiving direct promotions from retailers electronically	22%
8	The timing of travel/vacation plans or summer camp	18%

* % of BTS shoppers

SECTION G: K-12 BTS SHOPPING vs. COLLEGE SHOPPING

Chart 11:

BTS shoppers for K-12 students spend significantly more on clothes, shoes and school supplies, while college shoppers spend more on electronics...

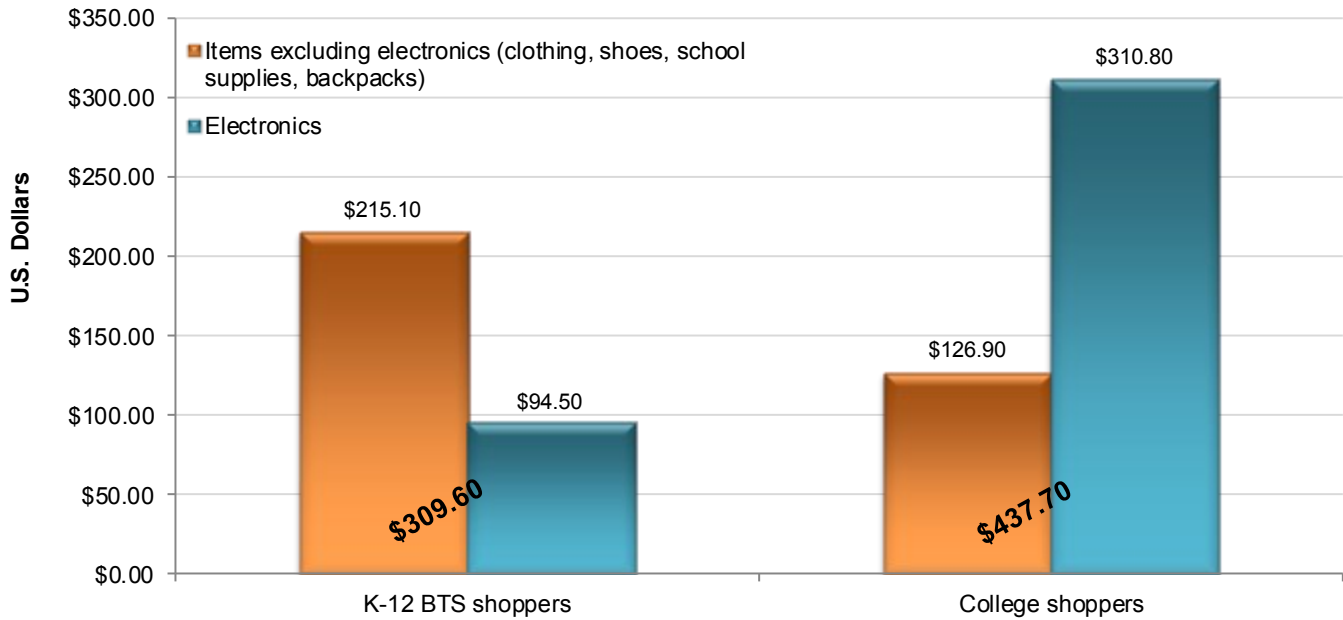


Chart 12:

A higher share of total spending on merchandise for college occurs in June/July compared with the amount that occurs on items for K-12 students...

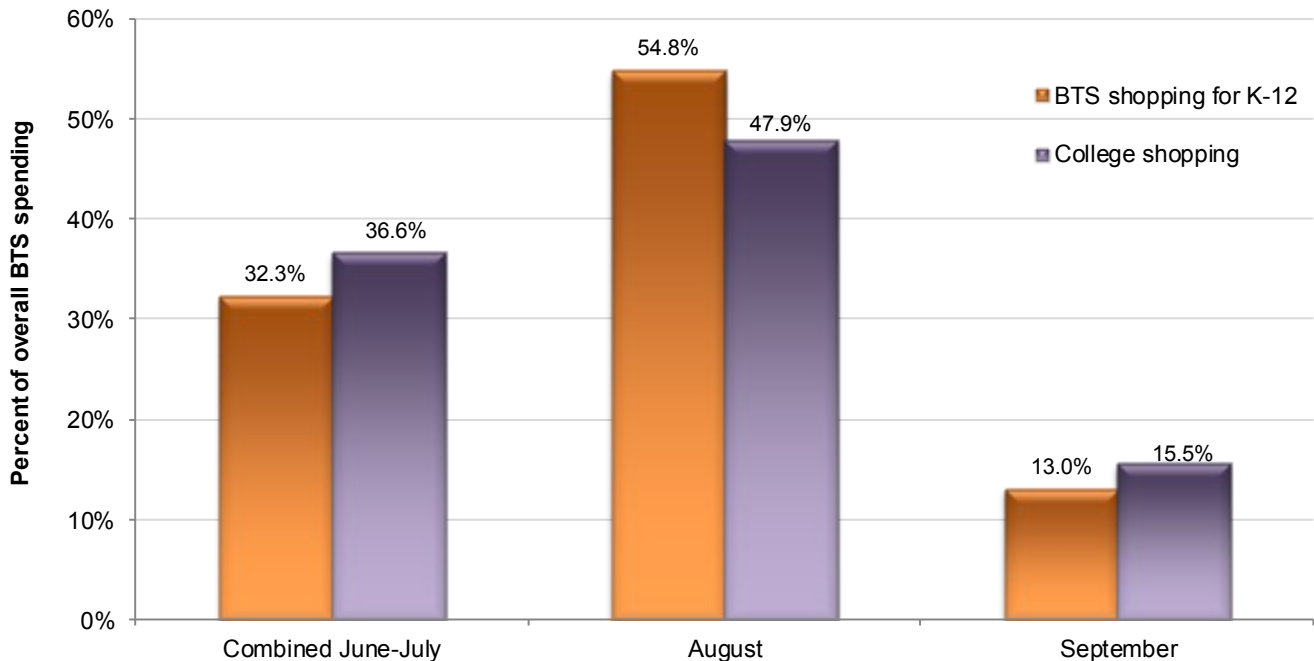


Table 6:

Shoppers for college-related merchandise allocate larger shares of spending online, while those shopping for K-12 students spend more in stores...

	Shares of K-12 BTS spending		Shares of college spending	
Physical Stores / Establishments	87.8%	65.6%	71.5%	46.7%
Online Retailers with Physical Stores		22.2%		24.8%
...Ship to Home		12.4%		15.1%
...Pickup in Store		9.8%		9.7%
Pure Online Retailers		10.0%		21.0%
...Amazon		9.0%		17.1%
...All Other Pure Online Retailers		0.9%		3.9%
Other Sources (catalogs, phone orders)		2.2%		7.5%
Total		100%		100%

Chart 13:

School supplies and apparel/footwear top both K-12 and college shoppers lists; however, electronics are more popular purchases among college shoppers...

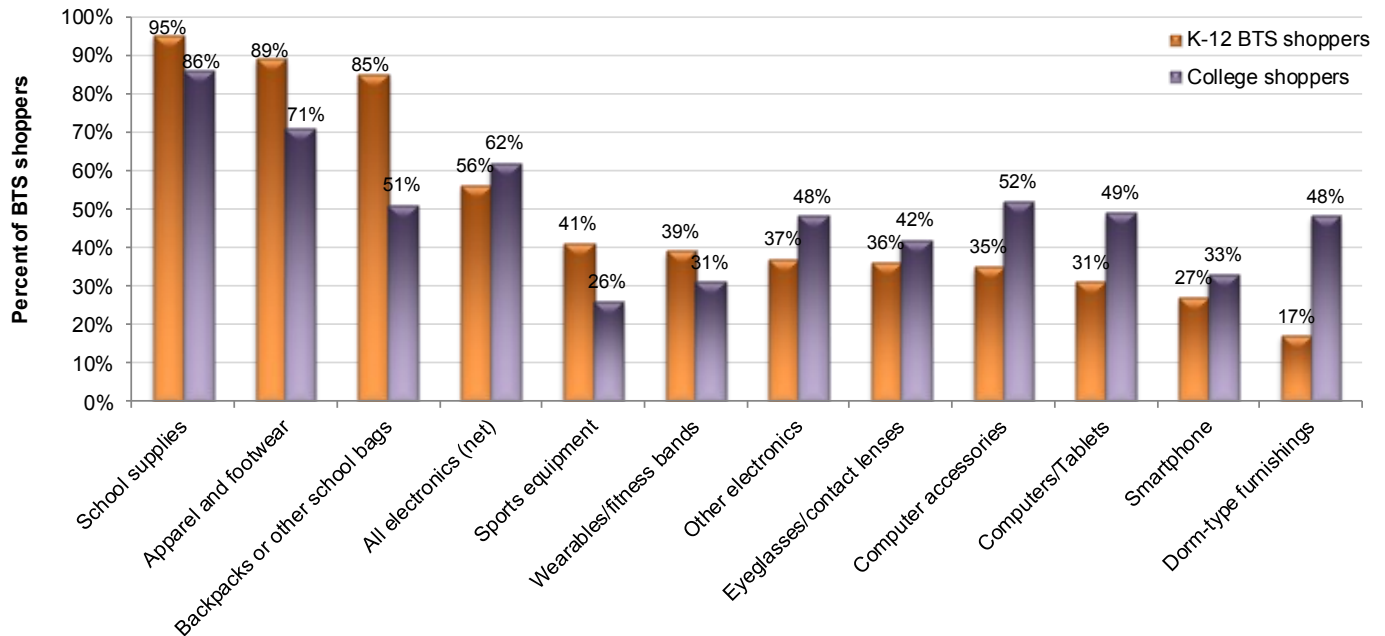
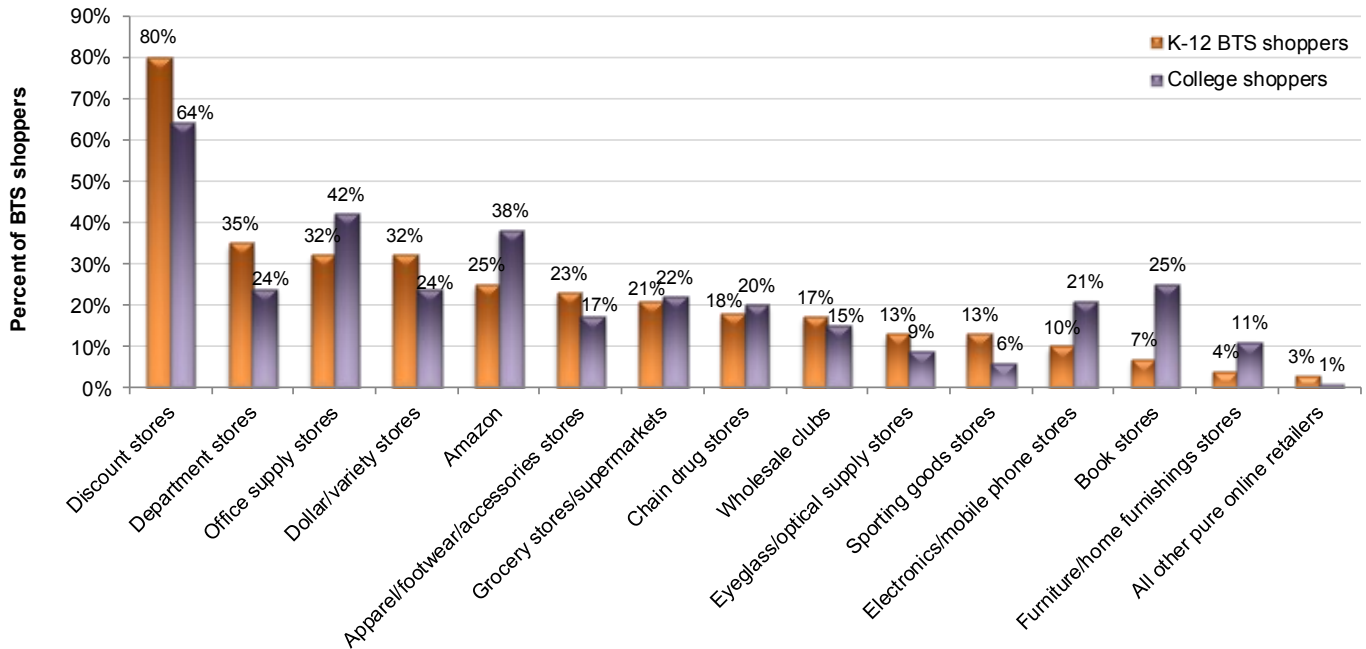


Chart 14:

Discount stores are the most popular venues for both K-12 and college shoppers...



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