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Back-to-School Survey 2016

Shopping for the “Easy A”

Deloitte's 2016 Back-to-School Survey

Key Insights & Findings

Shoppers are likely to spend more this year, with early shoppers spending most but budgets vary by category

- Average total spend forecasted is $488
- 87% report that they are likely to spend the same or more than they did last year
- While clothing and school supplies still dominate back-to-school lists, computer and gadget shoppers spend the most on tech
- Those who start before August are likely to spend 26% more than those who start later

Most shoppers are heading to physical stores and their lists are largely predetermined

- In-store still prevails over online for back-to-school season, except for purchases of technology
- 2/3 of spending for traditional categories – clothing and school supplies – will occur in store
- 67% say spending is more heavily influenced by the school's recommended list than by their children
- Nearly 1/3 will take advantage of pre-configured kits offered by the school or PTA

Parents are using digital to do their research ahead of time; shopping is a surgical strike

- More than half will utilize smartphones during the shopping journey; almost 1/3 will use tablets
- 61% will research online before purchasing products in the physical store
- 25% plan to use social media, mostly for transactional information versus inspiration

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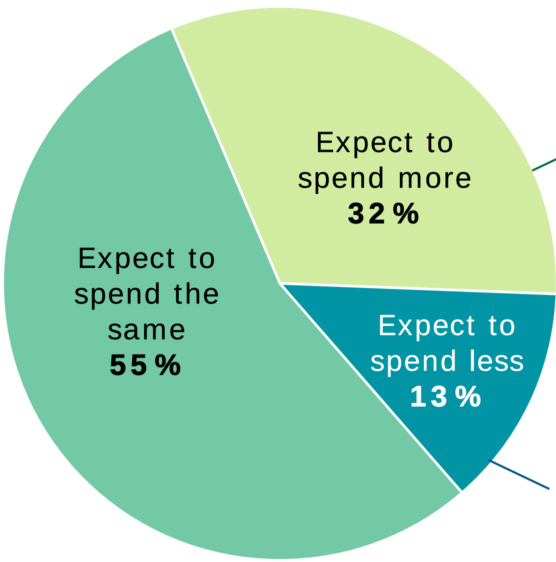
87% of parents intend to spend the same or more compared to last year

Parents cite need for more items, expensive items, and higher prices as the reasons behind their plan to spend more

Average Anticipated 2016 Back-to-School Spend: $488

"How will your spending this year on Back-to-School items compare with what you spent last year?"



Why do you plan to spend **"more"?**

1. Children need more items
2. Children need more expensive items
3. Prices are generally higher

Why do you plan to spend **"less"?**

1. Children need fewer items
2. Household has less money
3. Fewer children in grades K-12

81% say their financial situation is "better" or the "same" in 2016

Source: Deloitte in-house survey
Note: Sample size (N) = 1200

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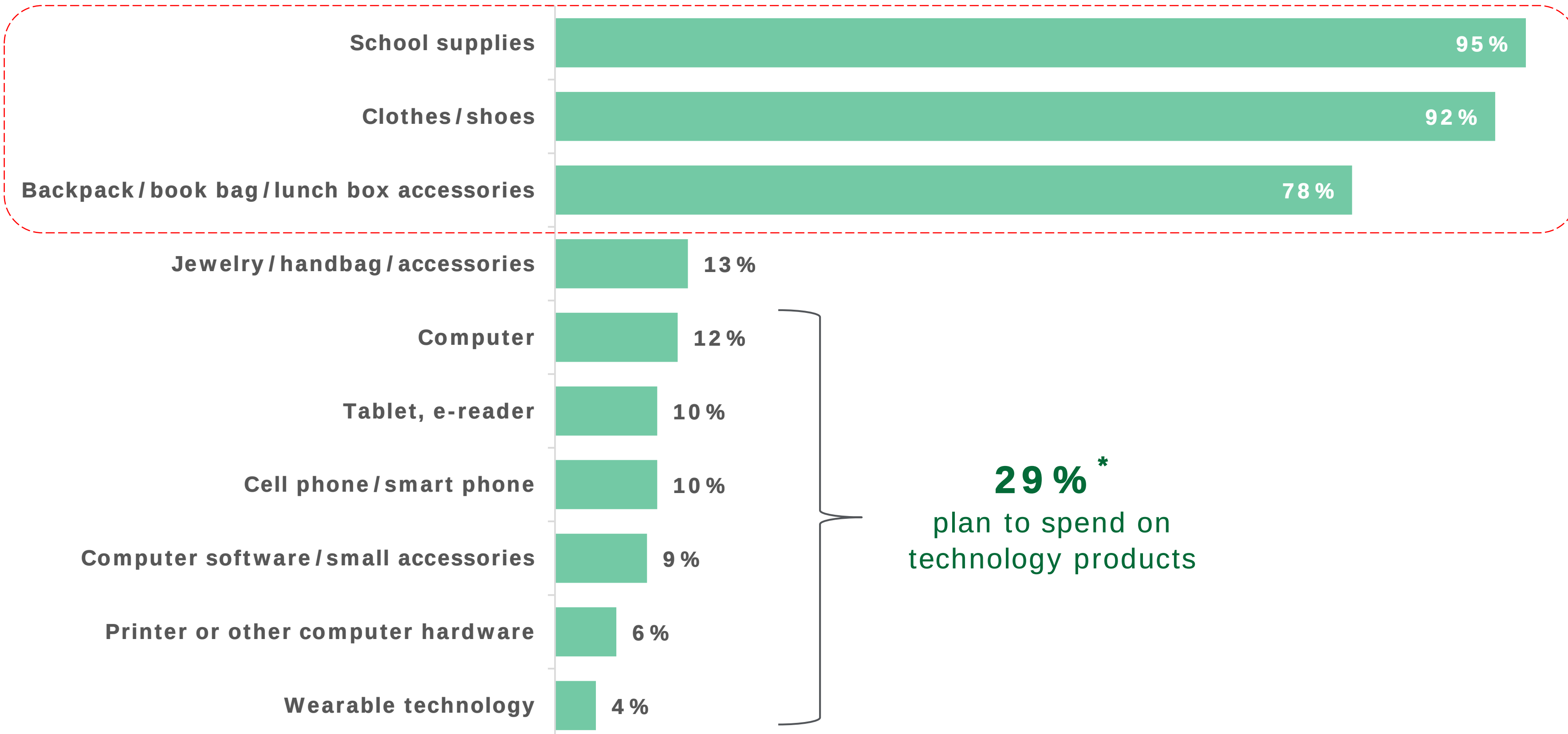
School supplies, clothes/shoes, and backpacks top the list of products that parents plan to buy for their children

"Please select the following product categories which you are planning to buy for your student."



Source: Deloitte in-house survey
Note: Sample size (N) = 1200, multi select question
* Shoppers who stated that they will buy at least one of the technology items

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While clothing and school supplies still dominate back-to-school lists, computer and gadget shoppers spend the most on tech

Category spend planned for 2016 back-to-school season

Categories

19% plan to buy
Computers & Hardware

Average spend **$456**

20% plan to buy
Electronic Gadgets

Average spend **$286**

93% plan to buy
Clothing & Accessories

Average spend **$239**

98% plan to buy
School Supplies

Average spend **$122**

Source: Deloitte in-house survey
Note: Sample size (N) = 1200; Spending on voice and mobile data plans is excluded

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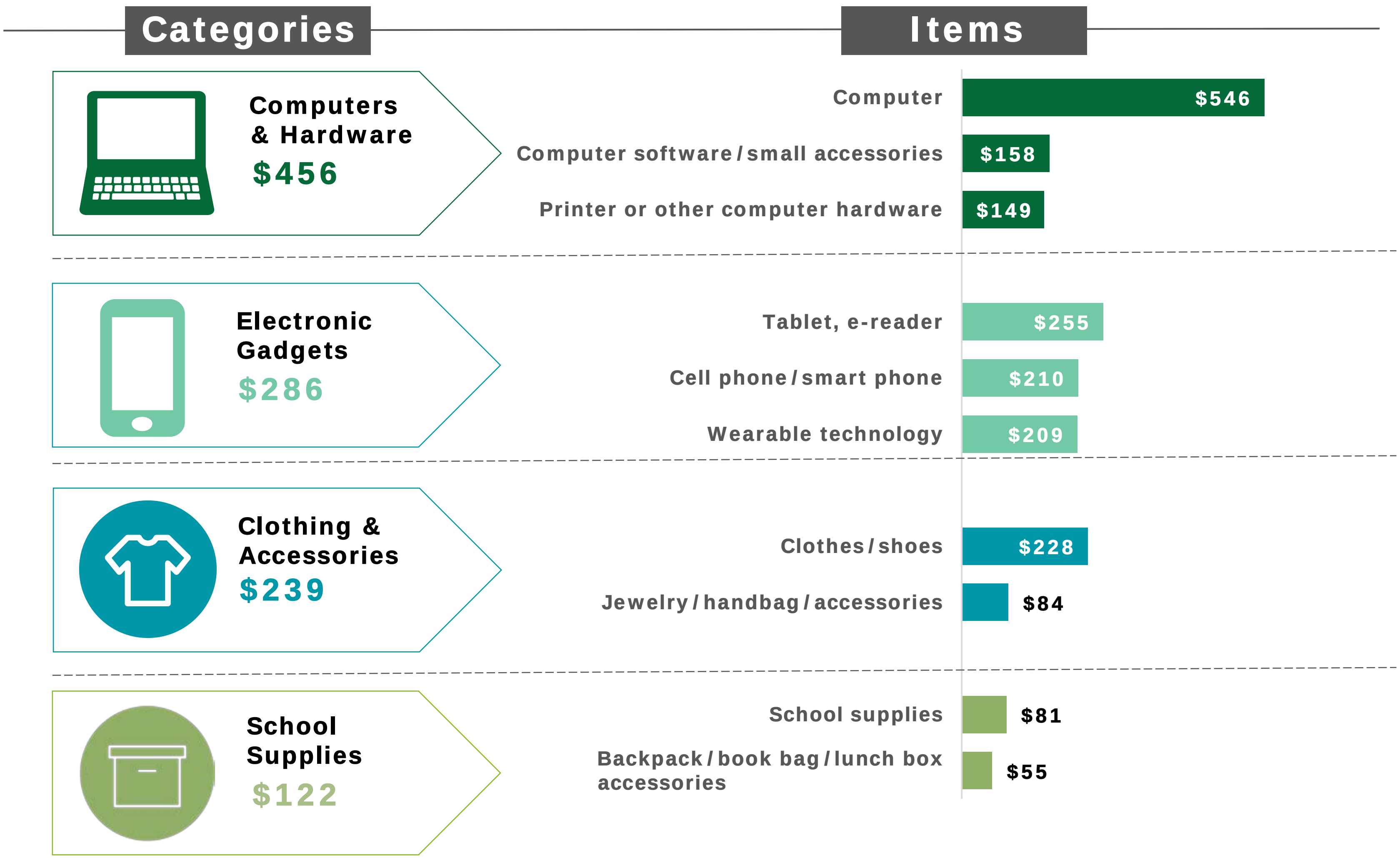
Spending breakdown by category

Average spend (by category buyer) planned for 2016 back-to-school season



Source: Deloitte in-house survey
Note: Sample size (includes only respondents who will purchase the above mentioned category or item)

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In-store still prevails for back-to-school season, but channel varies by category

2/3 of school supply shoppers will buy in a store; more than 1/3 of computer and hardware shoppers will purchase online

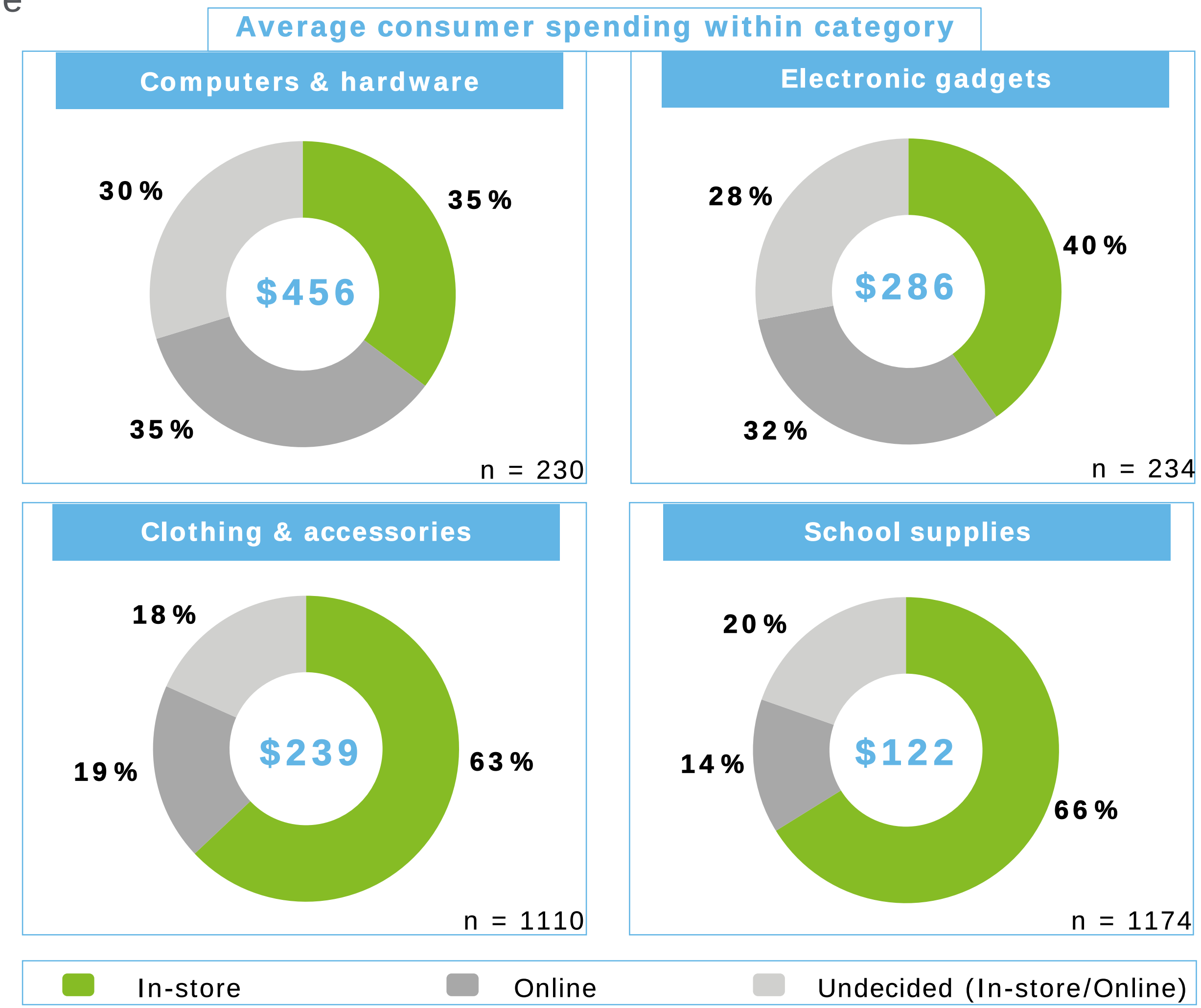
Average spending by channel

In-store $273

Online $109

Undecided* $106

*Undecided (In-store/Online)



Source: Deloitte in-house survey
Note: Sample size (N) = 1200

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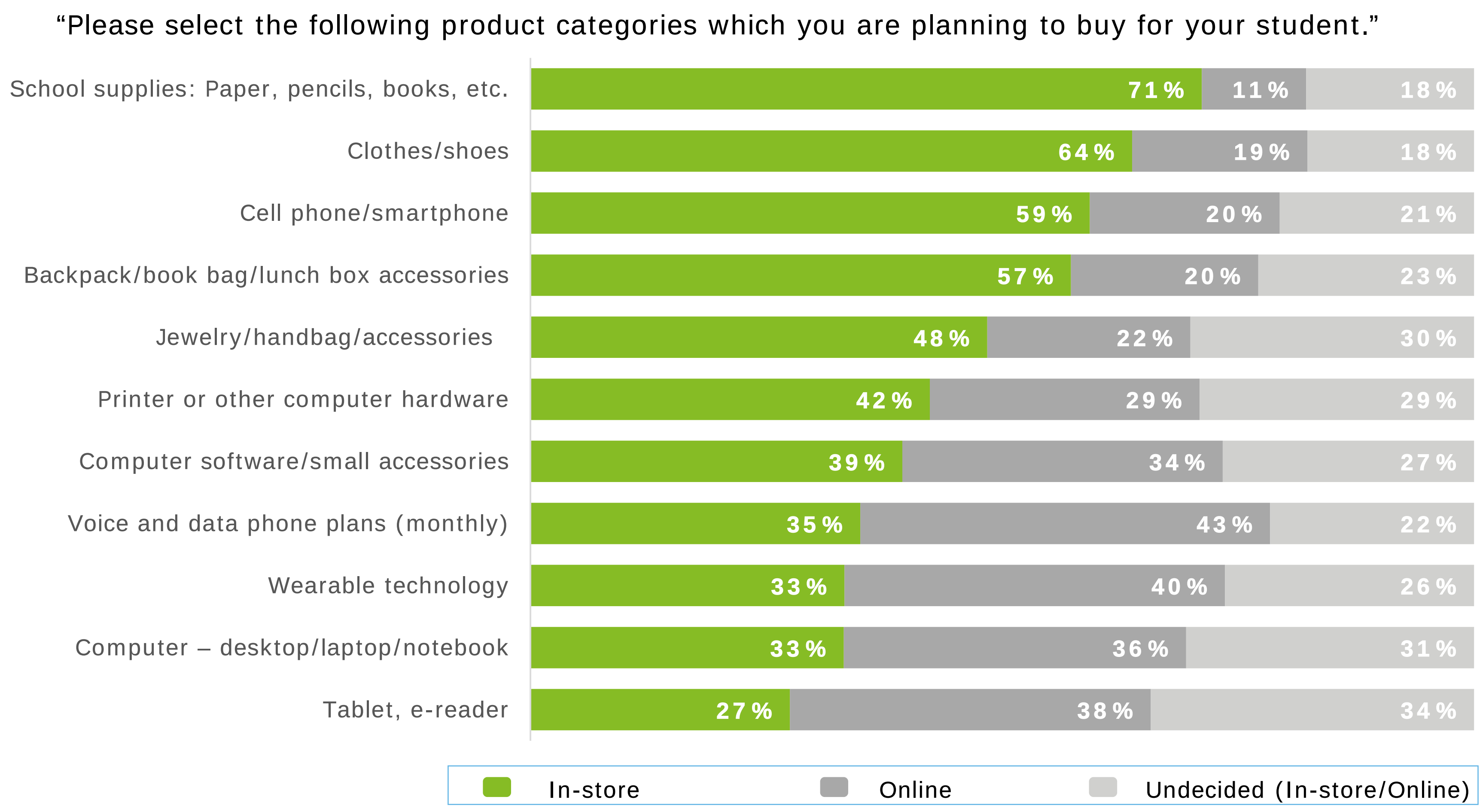
Most popular back-to-school items are usually purchased in a brick-and-mortar store



Source: Deloitte in-house survey
Note: Sample size (N) = 1200, multi select question

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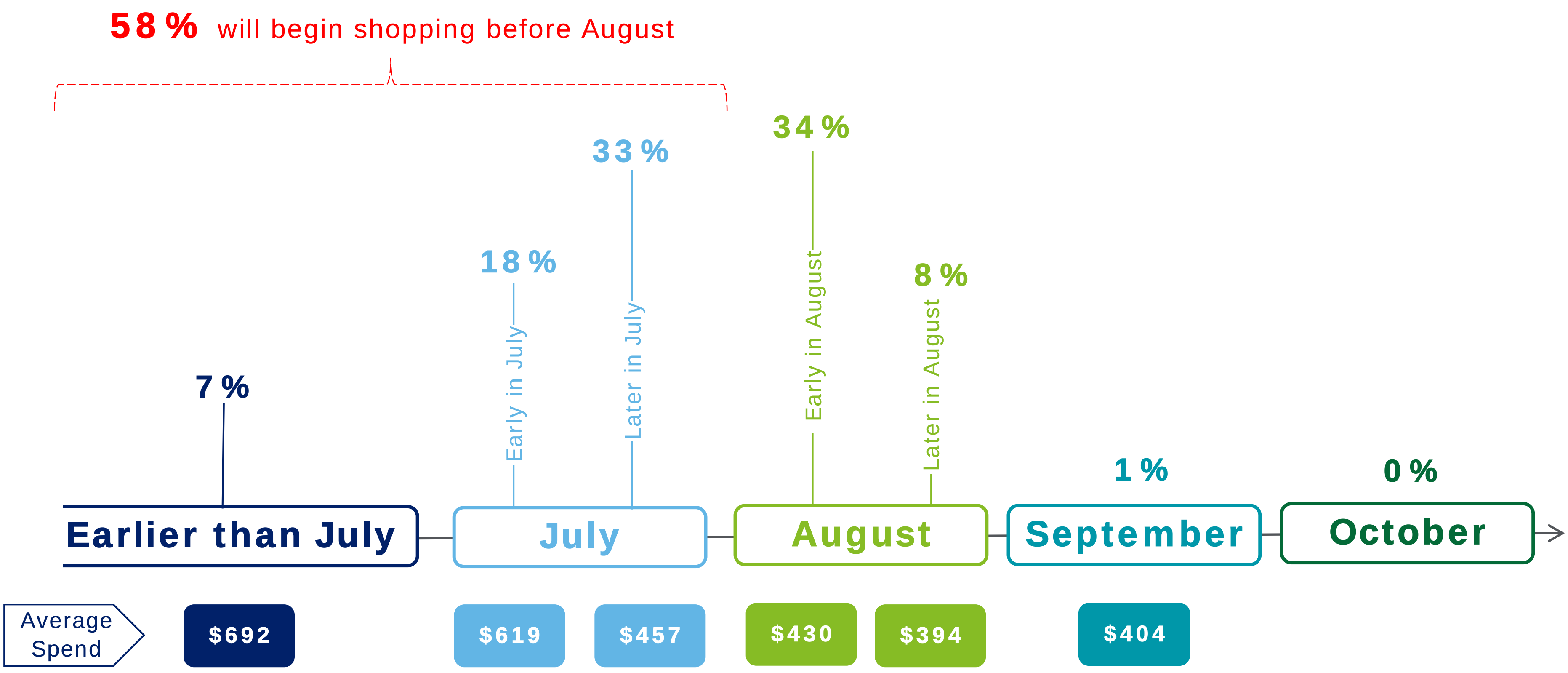
Shoppers that start early expect to spend more than those who wait

Shoppers who start before August are likely to spend 26% more than late starters

“When are you likely to begin your Back-to-School shopping?”



Source: Deloitte in-house survey
Note: Sample size (N) = 1200

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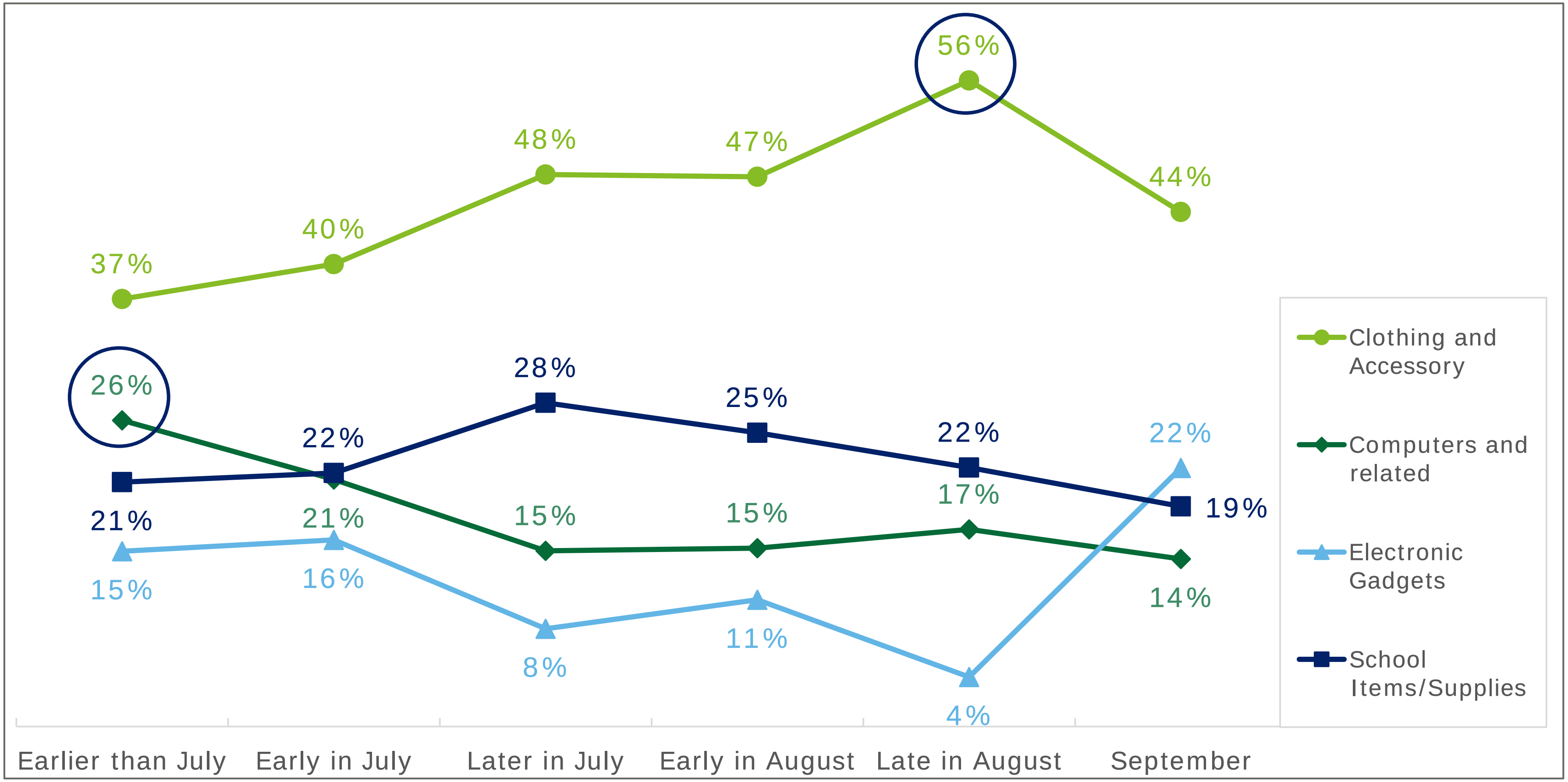
Spending on computers & hardware peak earlier in the season, whereas clothing peaks late

Spending across categories by timing of back-to-school season



Percentage represents the spend distribution (across categories) for the given time period

Source: Deloitte in-house survey

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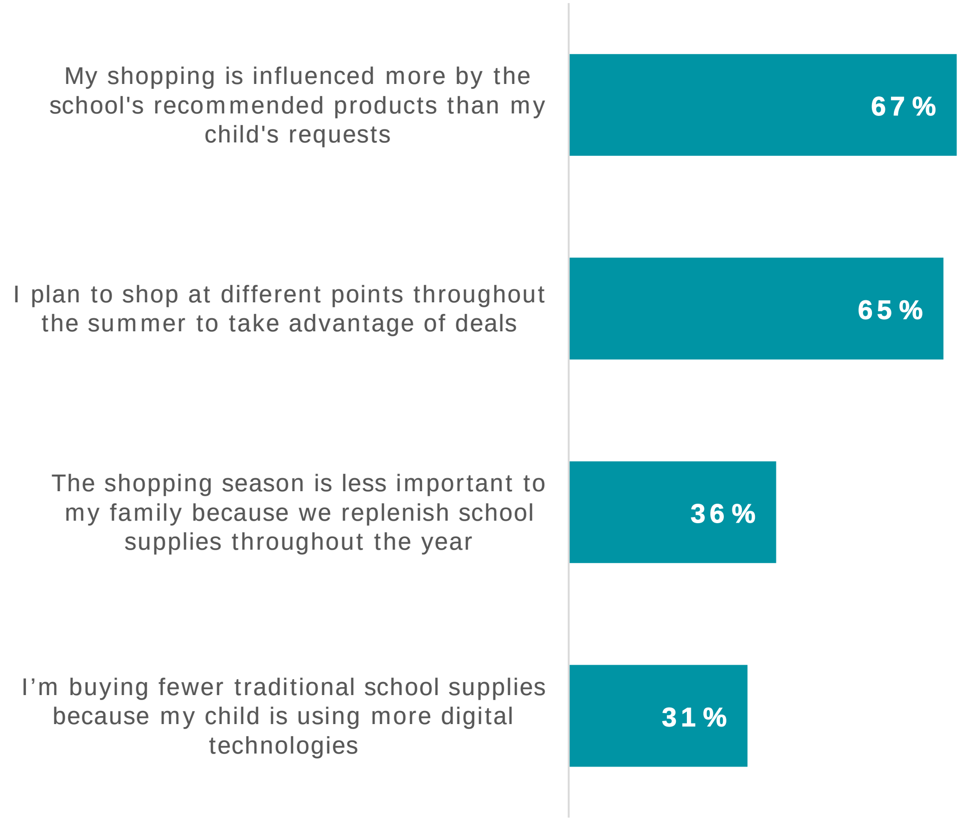
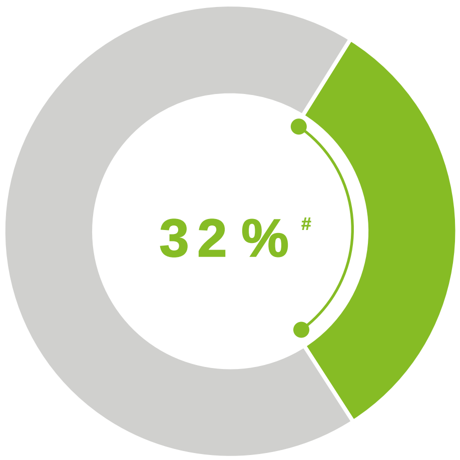
Back-to-school shopping is highly influenced by school recommendations

“Please indicate your level of agreement with the following statements (% who agree or somewhat agree)”



Pre-configured school kits



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

Source: Deloitte in-house survey
Note: Sample size (N) = 1200
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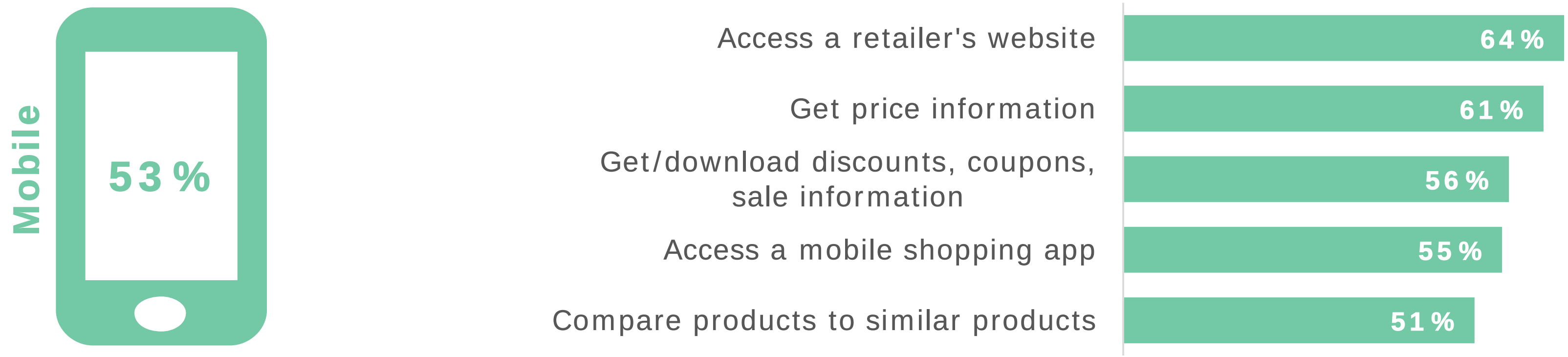
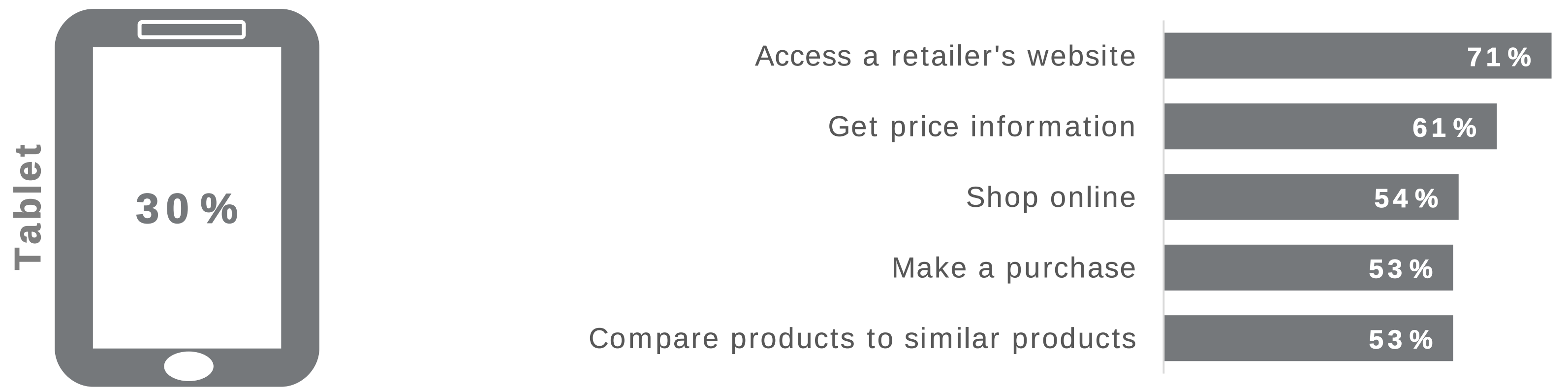
Devices play a role in the shopping journey, but people click more for information than to buy

Smartphones are used more often than tablets





Source: Deloitte in-house survey
Note: Among shoppers who own a smartphone (n = 1148) or a tablet (n = 985); multi select question

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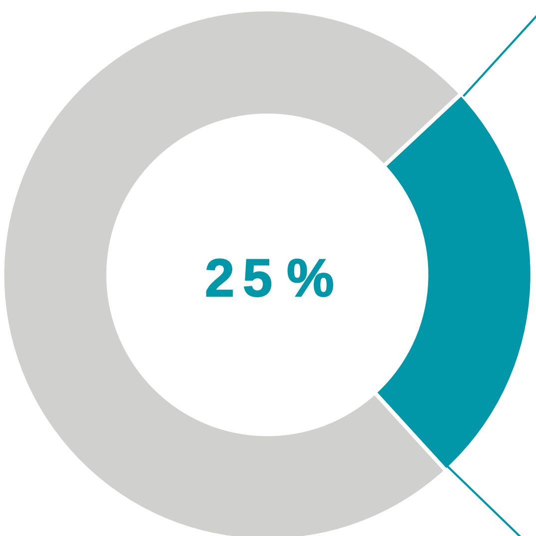
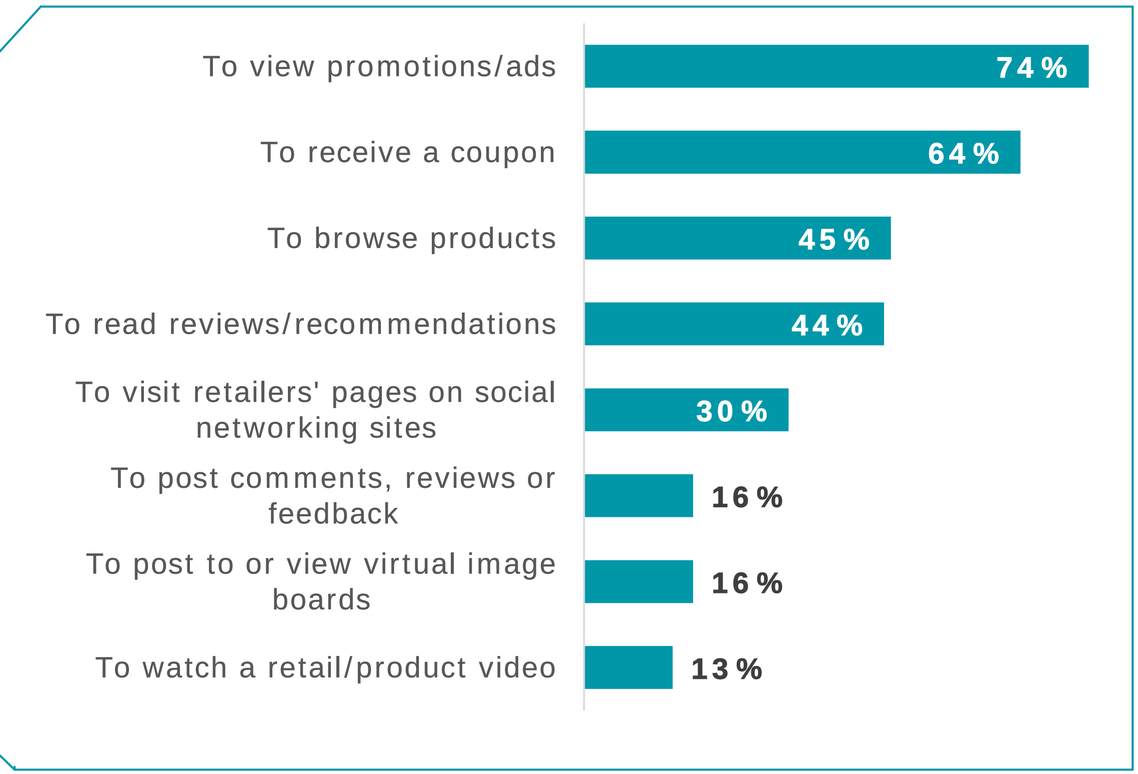
Social media usage will increase, but will remain transactional

Most will use social to find promotions, receive coupons, and browse products

"With regard to your Back-to-School shopping, how do you plan to use social media sites? #"

"Do you plan to use social media sites to assist in your Back-to-School shopping?*"





Source: Deloitte in-house survey
Notes: *Sample size (N) = 1200 #Multi select question (n = 302)

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Shoppers do their research before going to the store and also look for perks when shopping online

"Please indicate your level of agreement with the following statements (% who agree or somewhat agree)"

Source: Deloitte in-house survey

Note: Sample size (N) = 1200; *BOPUS = buy online/pick-up in-store

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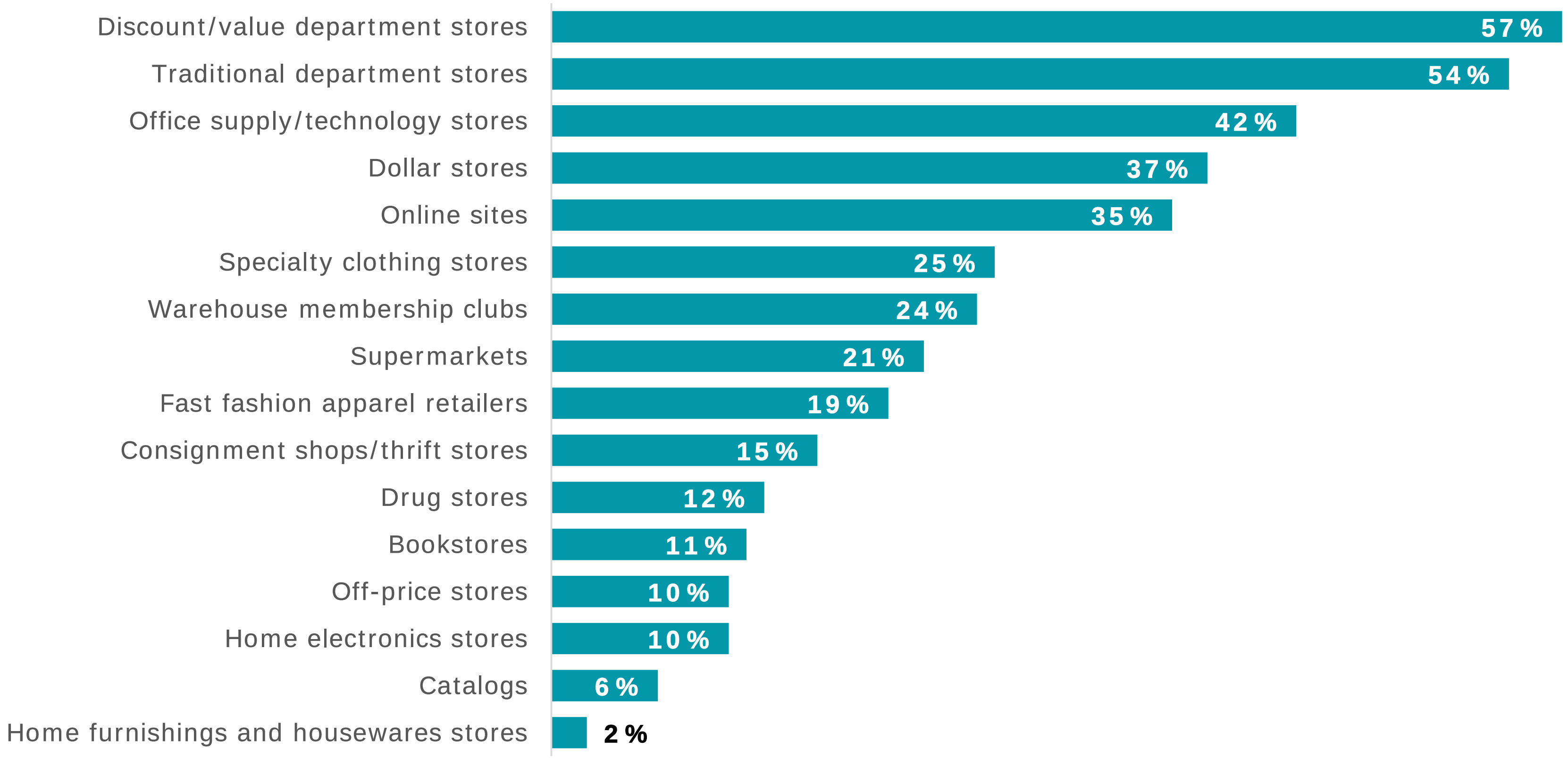
Discount and traditional department stores will remain the most preferred back-to-school shopping destinations in 2016

“In what types of retail environments do you plan to do your back-to-school shopping?”



Source: Deloitte in-house survey
Note: Sample size (N) = 1200, multi select question

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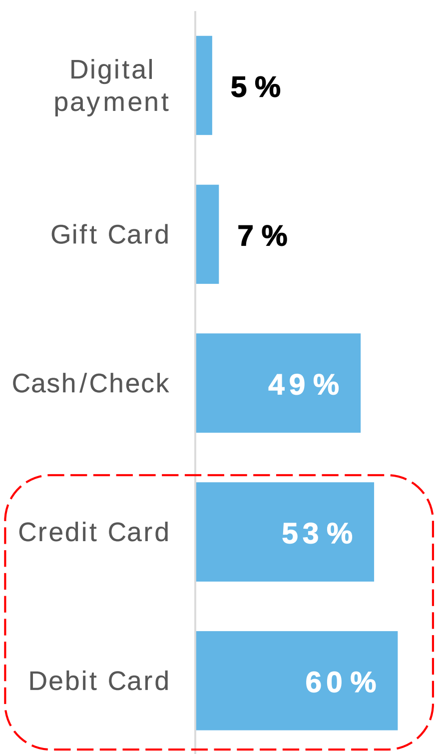
Payment type varies by household income

Digital payment penetration remains low

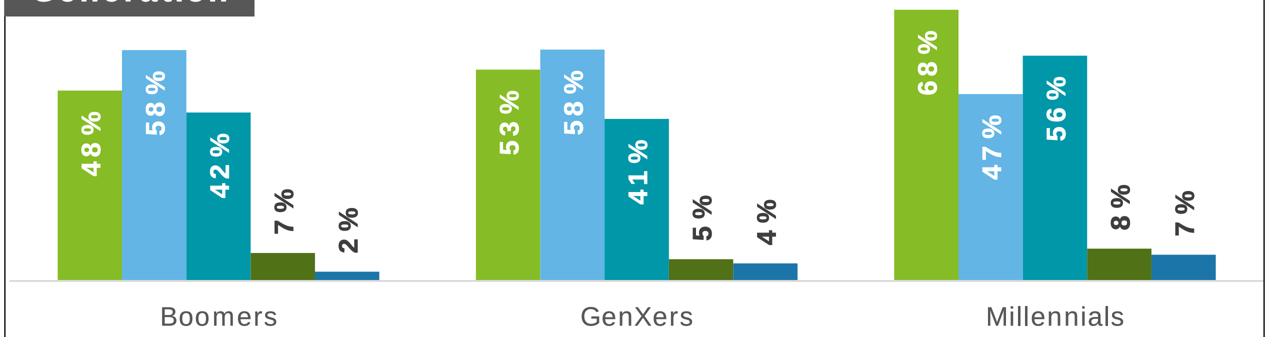
"Which of the following payment methods will you likely use for your back-to-school purchases?"

Overall

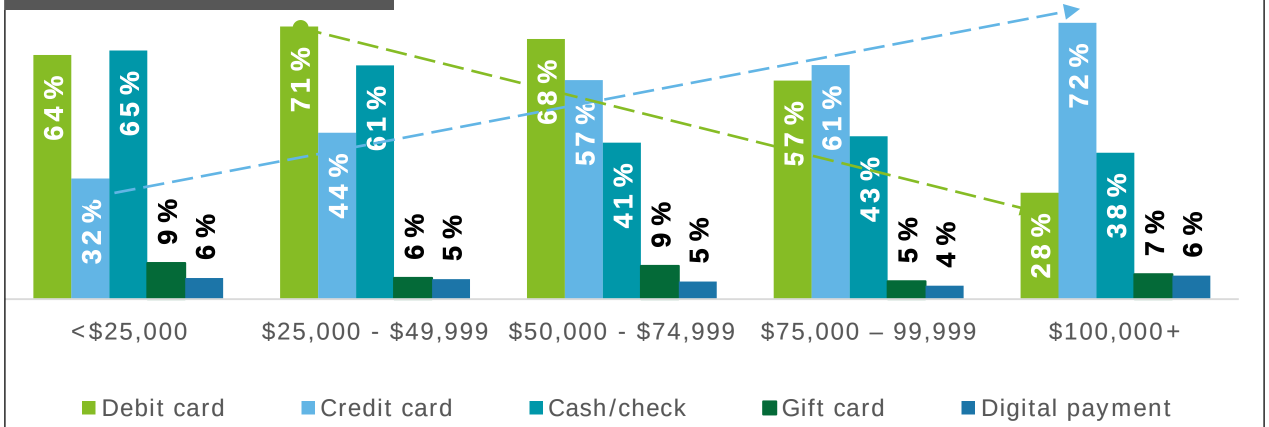


Source: Deloitte in-house survey
Note: Sample size (N) = 1200; multi select question

Generation



Household income



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About the survey

The survey was commissioned by Deloitte and conducted online by an independent research company between June 22 – 27, 2016. 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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