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Insights

# 2021 Deloitte back-to-school survey

## Tech sets the new standard

**July 2021**

# Table of contents



# Executive summary

In our 14th annual Back-to-School (BTS) Survey, there is a sense of exuberance and excitement as parents prepare for the upcoming school year. After navigating an uncertain year filled with anxiety and fluctuating school formats, the vaccine rollout and subsequent reduction in COVID-19 cases is giving parents and students hope for a return to normalcy this fall.

Parents want kids back in the classroom largely because they feel that learning is better in person, but in our April 2021 Return-to-School Survey, four in 10 parents also said it would help them return to work.[1]

Clearly, there is a desire to get back to prepandemic life, but some behaviors are here to stay. With school, work, health care, fitness, and shopping all playing out in consumers' homes during the pandemic, reliance on tech devices and digital services skyrocketed. On average, US households now have 25 connected devices,[2] and the pandemic spurred consumers to try new emerging shopping tools that were only a blip on the radar in previous years.

So what does that mean for the BTS season? The digital acceleration that occurred in the past year created a new baseline for tech integration in the education system, not only for virtual learning, but also for in-person classes. This is altering the types of products needed for schooling and the way parents are shopping for them.

For example, seven in 10 customers who started mobile-based ordering during the pandemic plan to continue with that behavior,[3] while those that used click-and-collect services initially chose them for health and safety reasons, but continue to use them for the convenience factor.[3]

For retailers, this means merchandising to a new era of schooling where traditional BTS supplies are fading in favor of tech. Price is still the main purchase driver, but retailers will also have to offer the conveniences that consumers expect in the channels and platforms where they want to shop.

The good news is that parents are poised to spend. Improving confidence in the economy, healthy savings accounts, and a child tax credit set to begin rolling out in July may be tailwinds for retailers this year as parents replenish supplies and invest in digital resources and devices.

For further details on BTS shopping trends, please browse our additional findings in the following slides.

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Sources: (1) Deloitte, Return-to-School Survey; (2) Deloitte, 2021 Connectivity and Mobile Trends Survey; (3) Ibid. (4) Deloitte, *State of the Consumer Tracker*, May 2021.

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# Cheat sheet

## Schools open; wallets follow suit

Overall spend up 16% YoY to $32.5B as clarity about the upcoming school year and improving confidence in the economy spurs sales

## In today's backpack, tech takes over

The 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

## Shopping moves up the calendar

After a year of supply chain challenges, 50% of shoppers concerned for stockouts and planning to shop earlier; 59% of BTS spend will occur by the end of July vs 45% in 2020

## A tale of diverging formats

Online retailers and dollar stores gain ground (up 5% and 7% respectively YoY), while 4 in 10 plan to buy preconfigured kits from PTAs or charities (nearly doubling since 2019)

# Key findings

## Schools open; wallets follow suit

- **55% more confident** about the economy's prospects (versus 17% in 2020)
- Household financial situations steady, with **78% in similar or better shape than last year** (versus 71% in 2020)
- **40% of parents expect to spend more on BTS items YoY** (versus 22% in 2020), with the majority of those saying their children need more items this year
- Overall spend **up 16% YoY to $32.5B** with parents spending $612 per child on average- the highest amount in recent years

## In today's backpack, tech takes over

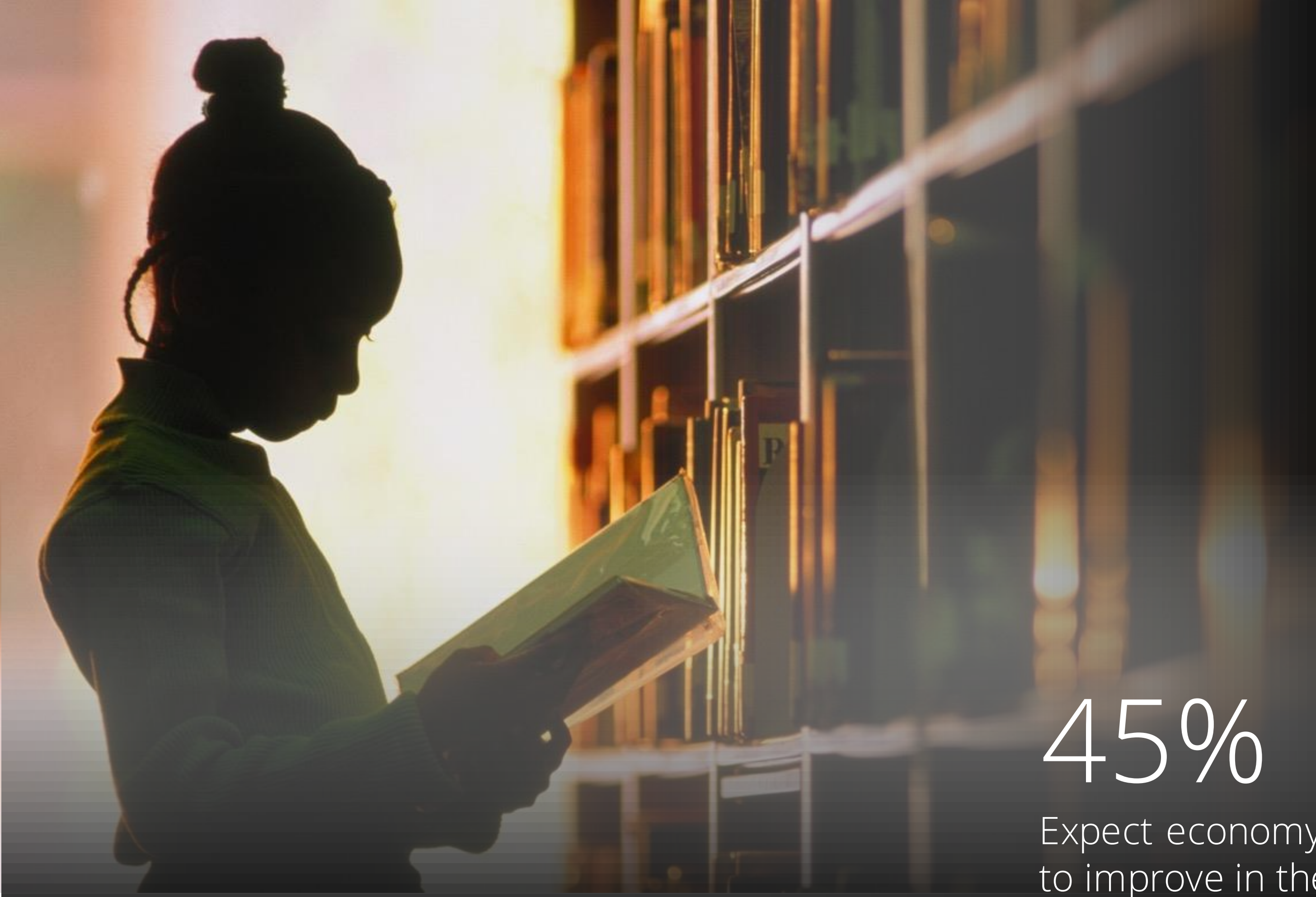
- Growth in the category attributed to **more households purchasing tech items**; 31% plan to purchase computers and hardware (versus 22% in 2020), while 37% plan to purchase electronic gadgets (versus 24% in 2020)
- **44% plan to purchase fewer traditional BTS supplies** because their children are using more digital technologies in and out of the classroom
- **Online learning resources** will be part of BTS purchases for 58% (versus 51% in 2020)

## Shopping moves up the calendar

- Shoppers experienced supply chain disruption during the pandemic, and **50% of shoppers were concerned for stockouts**, especially for tech items
- Better clarity about the school year and a concern for stockouts are pulling sales forward, with **59% of BTS spend occurring by the end of July** (versus 45% in 2020)

## A tale of diverging formats

- **Tech products are being sought out online**, and 49% plan to visit online retailers (versus 44% in 2020); dollar stores also gain ground, with 41% planning to visit (versus 34% in 2020)
- **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)
- Shoppers look for retailers that offer convenience: **34% plan to use BOPIS or curbside pickup more frequently** for BTS shopping (versus 26% in 2020)



# Consumer sentiment

## The overall outlook is bright

78%

Have a similar or better household financial situation[2]

*versus 71% in 2020*

55%

More confident about the economy's prospects[1]

*versus 17% in 2020*

45%

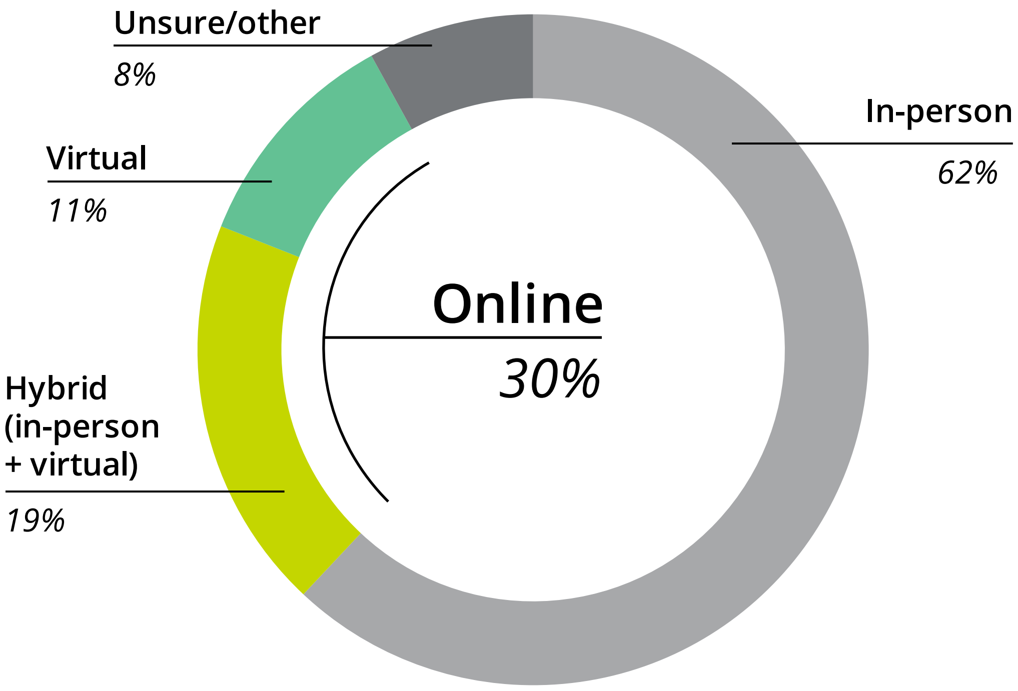
Expect economy to improve in the next six months[3]

*versus 23% in 2020*

Questions: (1) Are you more confident about the US economy's prospects now (June 2021) than you were at the end of 2020? – Percentage of Yes; (2) Thinking about your household's assets (home, cash, car, etc.) and your liabilities (credit card bills, mortgage, etc.), would you say your household's financial situation today is – Percentage of Same/Better than it was a year ago; (3) In your opinion, what is your overall outlook for the US economy in the next six months in 2021 compared with today? Would you say it will likely...? – Percentage of Improve modestly and improve significantly.
Note: N=1,200.

# Despite optimism, three in 10 children will still have some virtual learning this fall

**Mode of schooling in Fall 2021[2]**




62% "I'm concerned about my family's health and my own."[1]

49% "I'm anxious about sending my child or children back to school"[1]

38% "I'm concerned I will not be able to make upcoming payments (e.g., rent, mortgage, auto, credit card)"[1]

Questions: (1) To what extent do you agree or disagree with the following statements? – Percentage agree/strongly agree; (2) How will your children's school start this fall?
Note: N=1,149.

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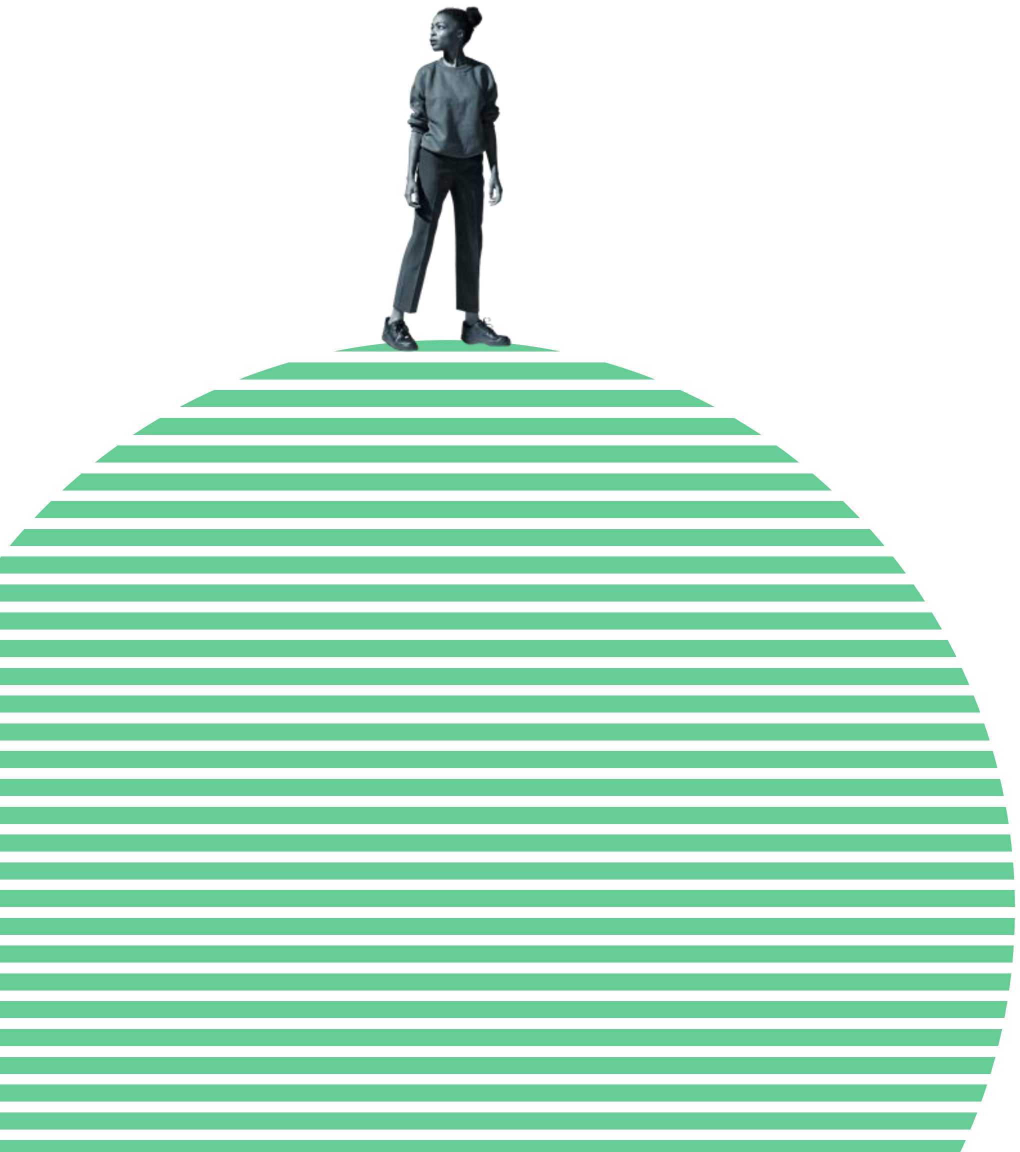
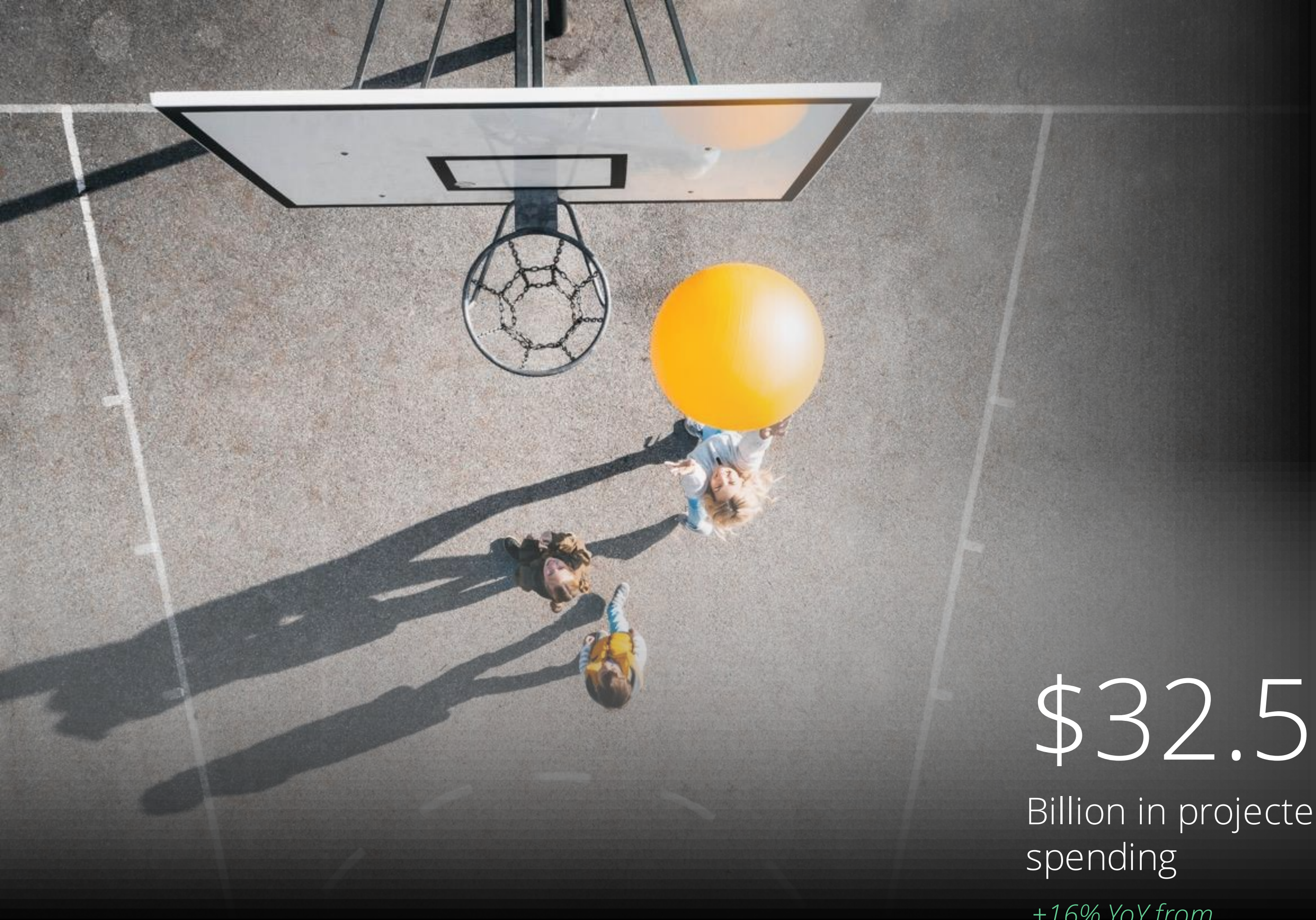


# A shift in spend from old-school to new

Digital learning spurs tech category growth



40%

Of households expect to spend more on BTS items

*versus 22% in 2020*

$612

Average BTS spend per child

*+16% YoY from $529 in 2020*

$32.5

Billion in projected spending

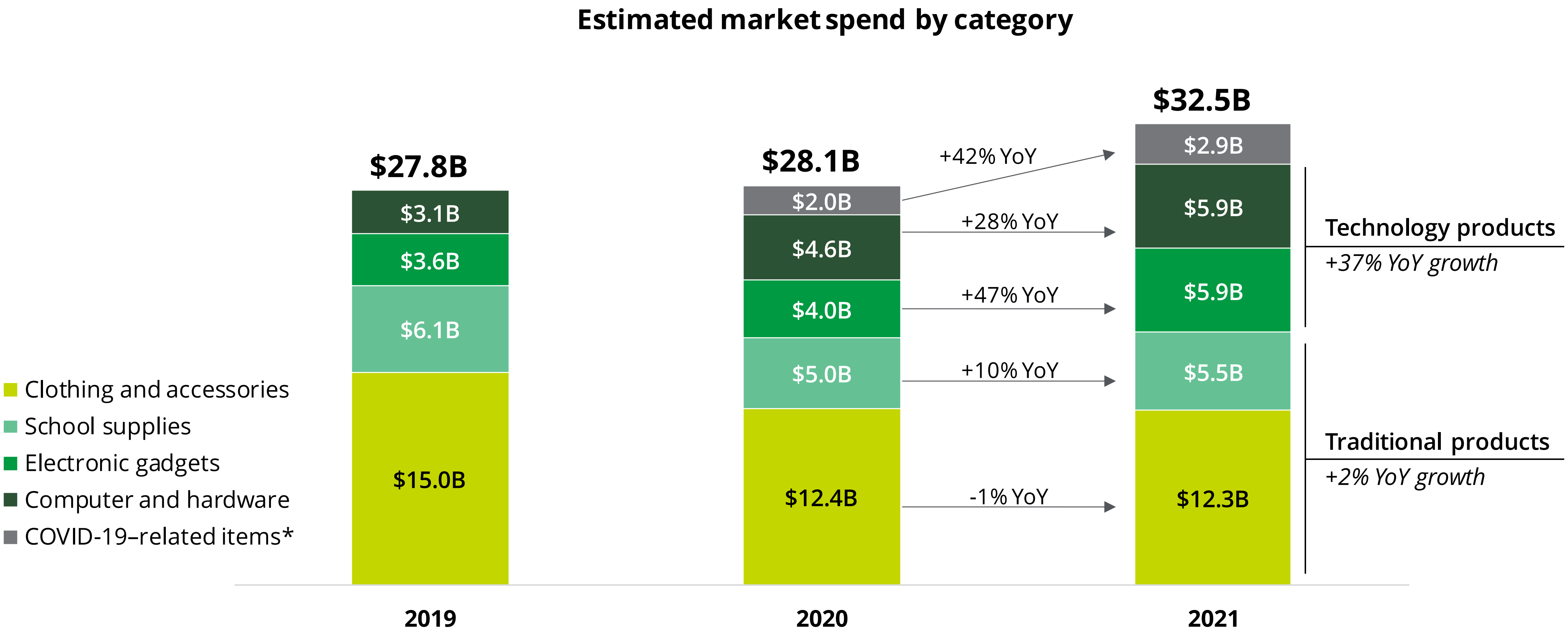
*+16% YoY from $28.1 billion in 2020*

# BTS sales soar

## Highest in recent years

Source: Deloitte calculations on BTS market spend based on annual consumer survey projections and revised US current population surveys
Question: How will your spending on BTS items compare with what you spent on BTS items last year? – Percentage of I expect to spend more this year than I did last year
Notes: N=1,200. All figures are given in US dollar.

# Digital learning propels technology spending…



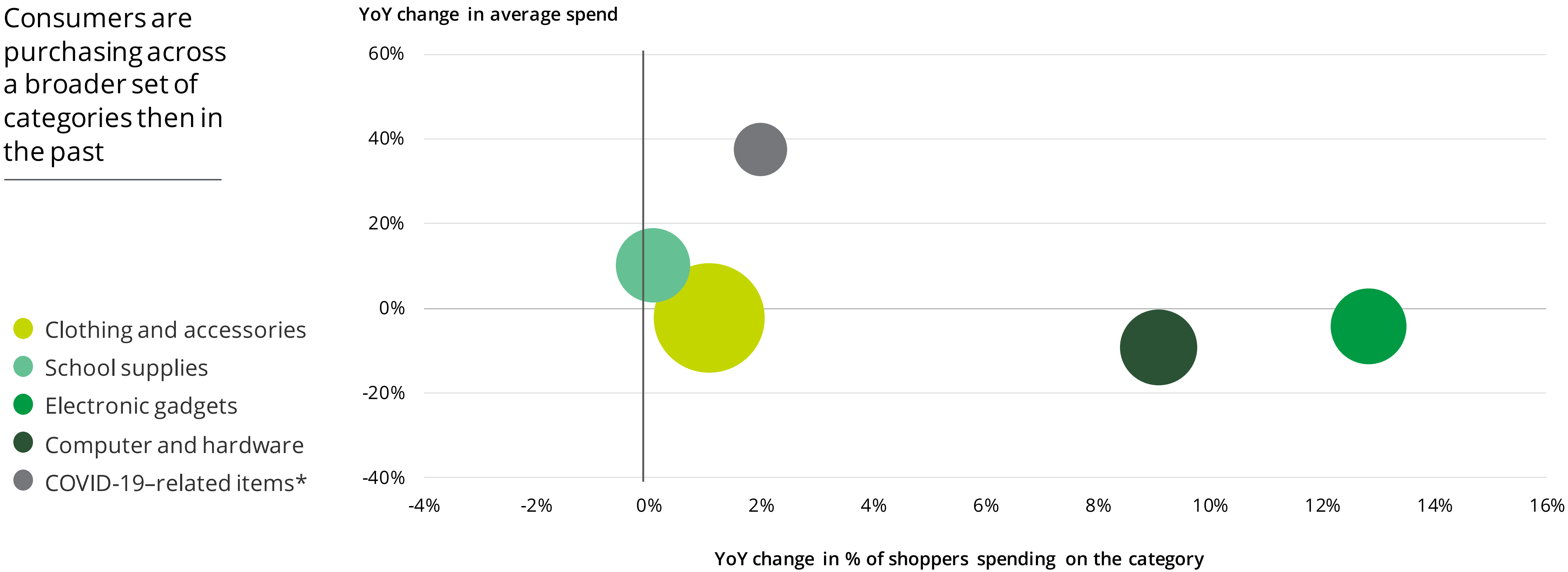

Source: Deloitte calculations on BTS market spend based on annual consumer survey projections and revised US current population surveys.
Notes: N=1,200. All figures are given in US dollar.
Electronic gadgets include cell phones/smartphones, tablet/e-reader, and wearable devices as well as digital subscriptions and voice/data plans
*Newly added COVID-19–related spend category in 2020 includes personal hygiene products (e.g., wet wipes, hand sanitizers) and desks, worktables, and chairs for home.

# ...attributing to more people purchasing in the tech category

Consumers are purchasing across a broader set of categories then in the past

**YoY category-level performance**




Bubble size indicates the estimated BTS spend in 2021 (e.g., COVID-19–related items = $2.9B)

Average spend includes only respondents who will purchase the above-mentioned category.
*Newly added COVID-19–related spend category in 2020 includes personal hygiene products (e.g., wet wipes, hand sanitizers) and desks, worktables, and chairs for home
Electronic gadgets include cell phones/smartphones, tablet/e-reader, and wearable devices as well as digital subscriptions and voice/data plans
Note: N=1,200.

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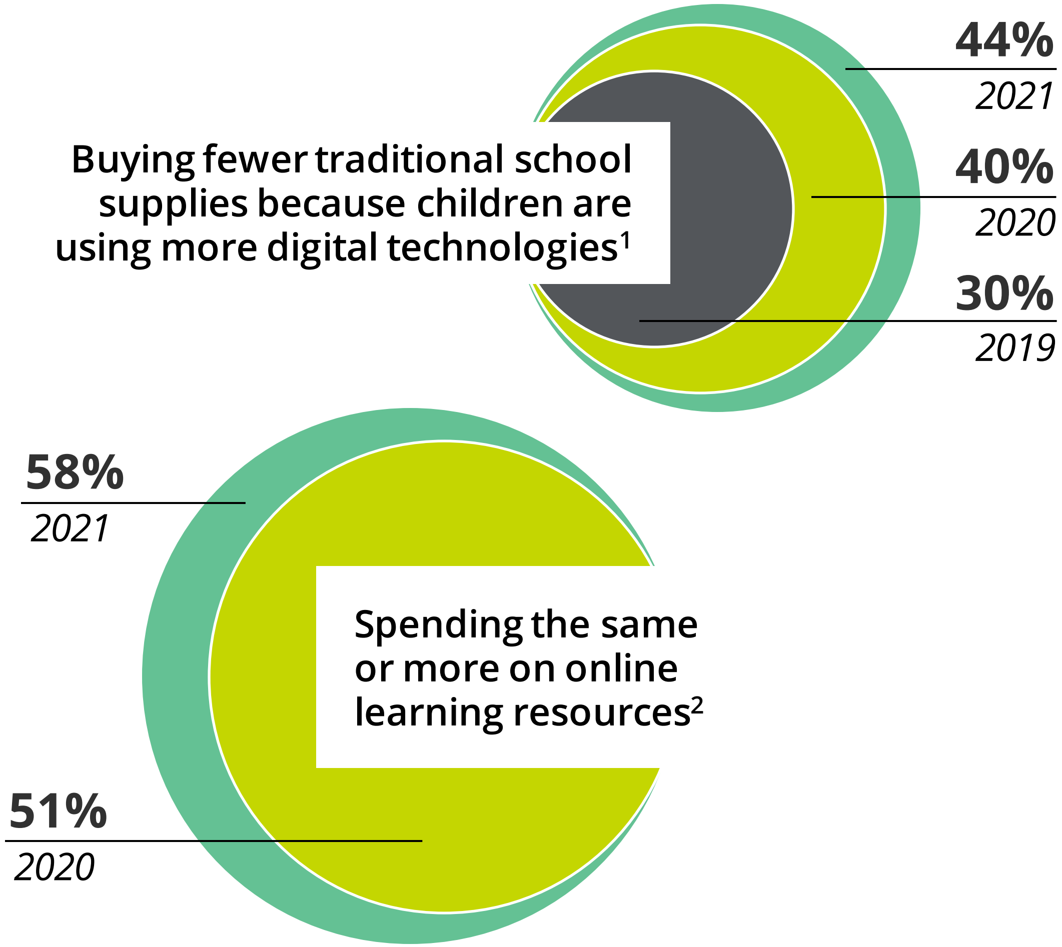
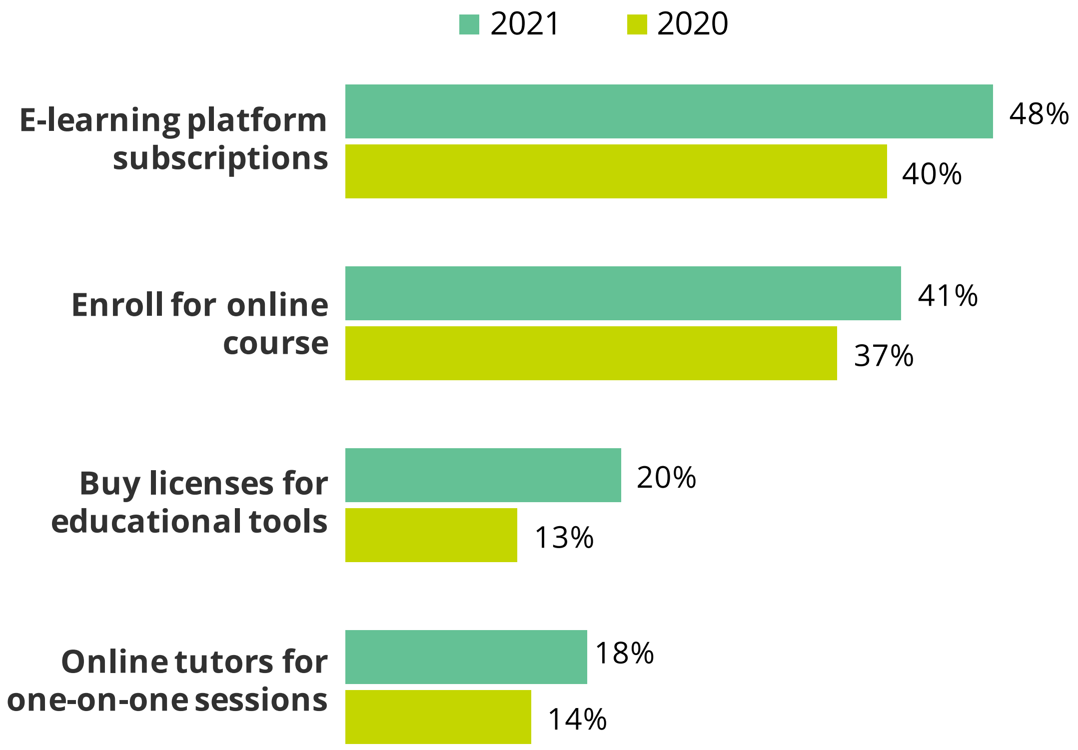
# And uplifting prospects for digital learning resources




**Focus areas of planned spend on online learning resources[3]**




Questions: (1) To what extent do you agree or disagree with the following statements? "Compared to a year ago, I'm buying fewer traditional school supplies (ex. pencils, crayons, notebooks) because my child is using more digital technologies (ex. laptops, tablets) in and out of the classroom" – Percentage agree/strongly agree, N=1,200; (2) Compared to last year, how are you planning to change your spending on virtual/online learning resources for children this year? N=1,200; (3) How do you plan to spend on virtual/online learning resources for your children this year? – Multi-response question; hence, the total may not equal 100%; asked to those who plan to maintain or increase spending. N=693

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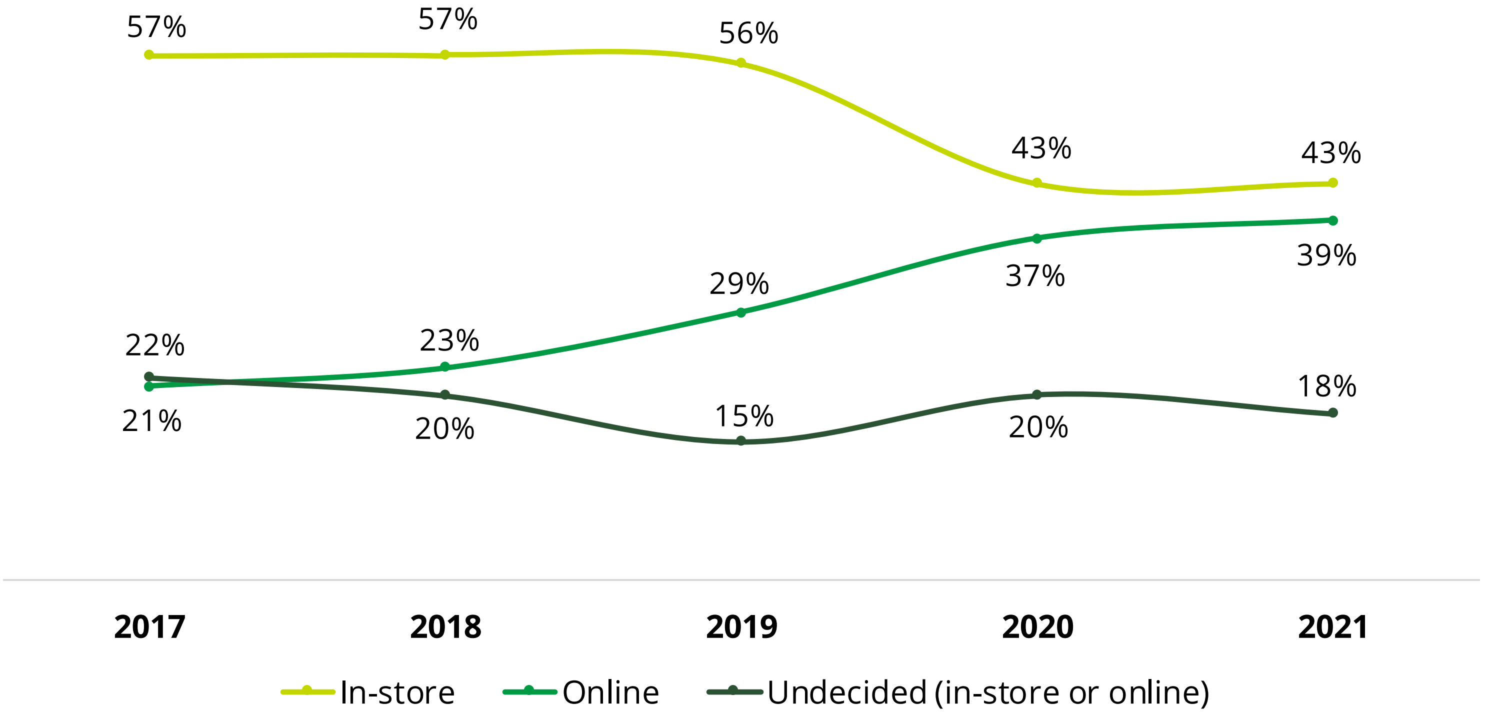
# Digital preferences expand

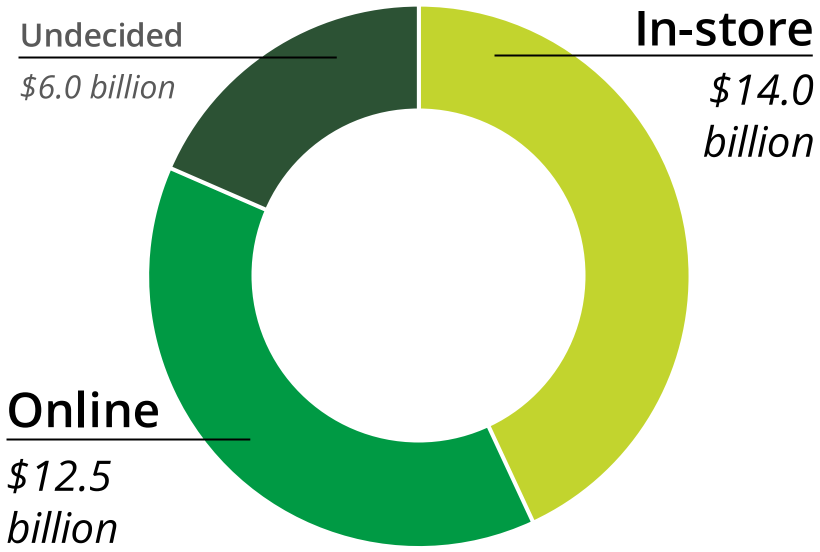
Tools and engagement embedded throughout the entire shopping journey

# Pandemic-influenced shopping habits here to stay

## BTS spend: Share by channel



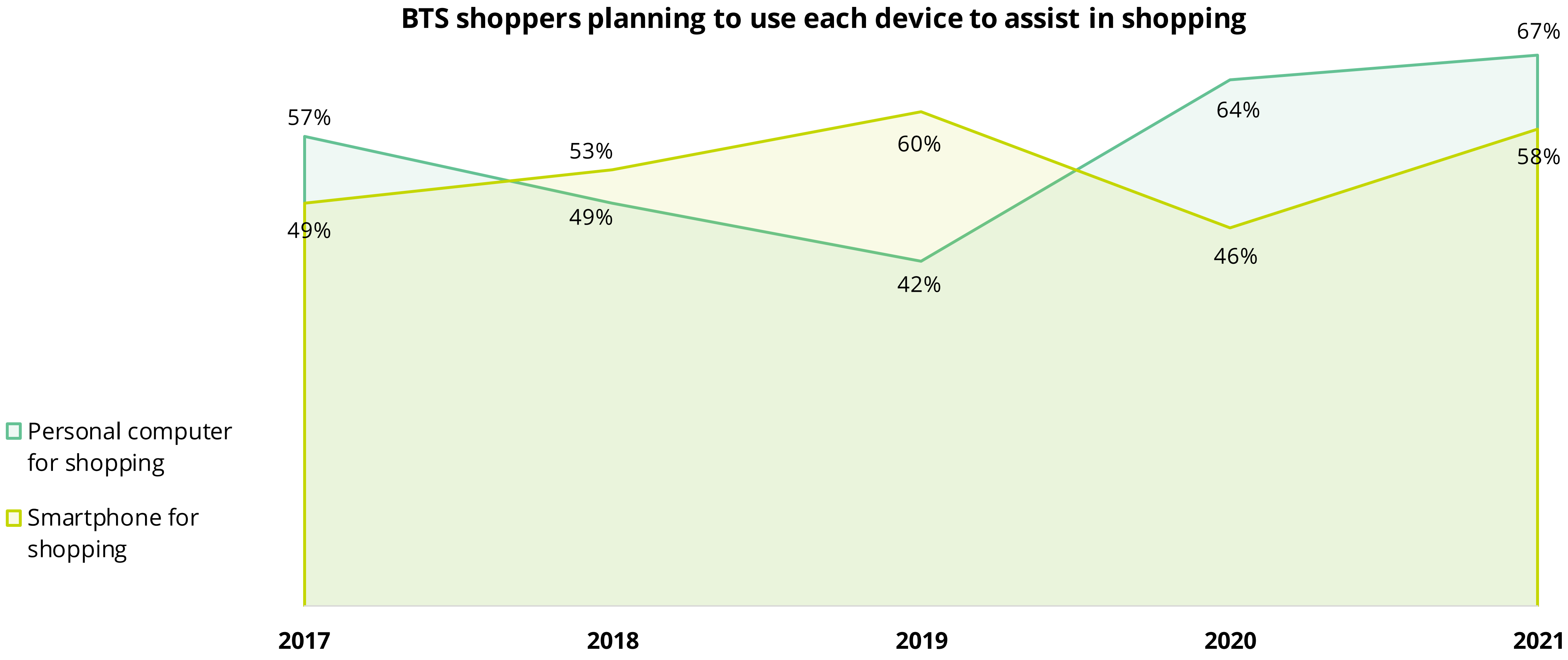

## Contribution to overall BTS spend




Question: What percentage of the budgeted amount do you expect to spend online or in-store or undecided?
Notes: N=1,200. All figures are given in US dollar.

# Even as the economy begins to reopen, computer shopping habits stick




Notes: Sample size for each year: 2016 (N=1,194), 2017 (N=1,200), 2018 (N=1,200), 2019 (N=1,200), 2020 (N=1,200), 2021 (N=1,200).
*Sample size of shoppers who use at least one digital device in each year: 2017 (N=978), 2018 (N=985), 2019 (N=1,009), 2020 (N=1,063), and 2021 (N=1,099).
Question: With regard to your BTS shopping, are you likely to use a ________ for the following actions? – Multi-response question; sample size (shoppers who use at least one digital device)

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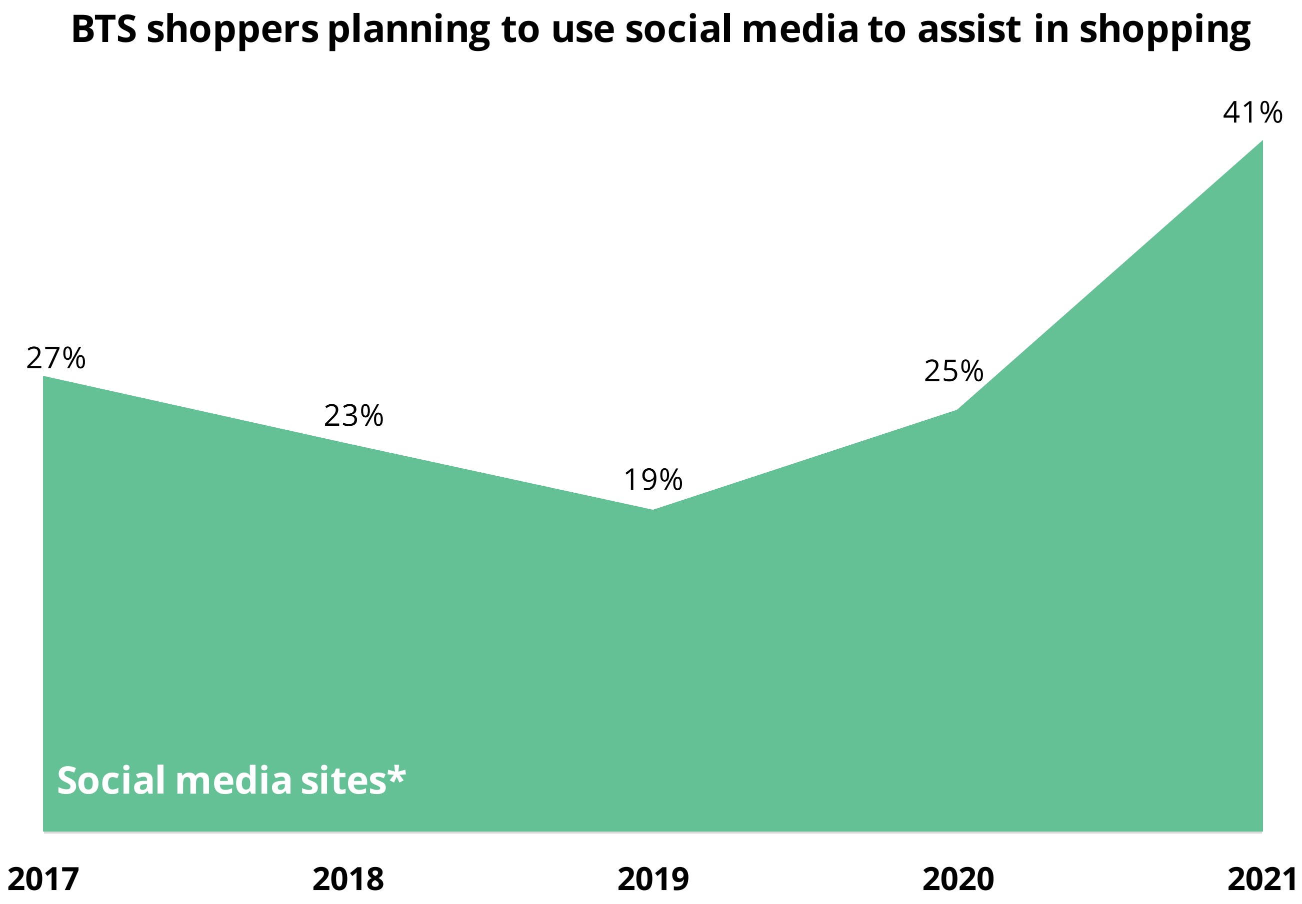
# Social media becomes an integral part of parents' shopping journeys



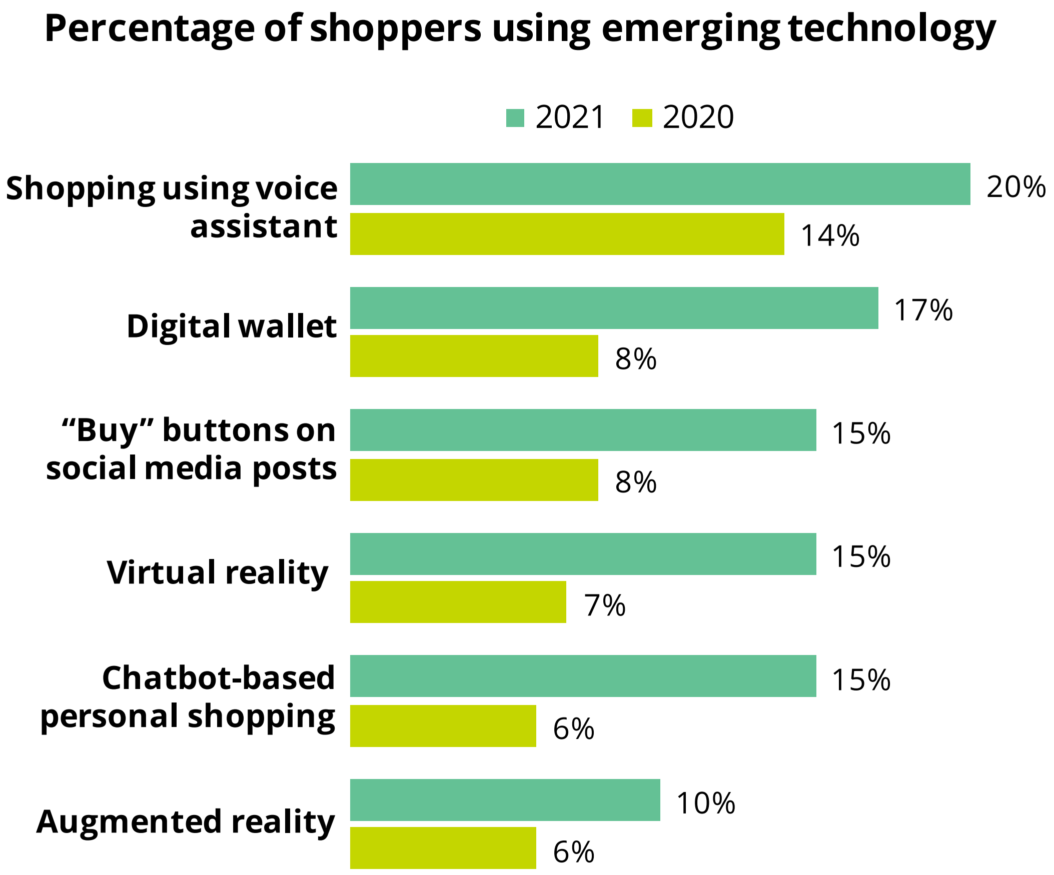

*Of those using social media, **42%** are visiting retailers' social media pages not only to assess their products, but also to get a sense of their personality and purpose.*
*(versus 30% in 2020)*

Notes: Sample size for each year: 2017 (N=1,200), 2018 (N=1,200), 2019 (N=1,200), 2020 (N=1,200), 2021 (N=1,200).
*Sample size of shoppers who use at least one digital device in each year: 2017 (N=978), 2018 (N=985), 2019 (N=1,009), 2020 (N=1,063), and 2021 (N=1,099).
Question: Do you plan to use social media sites (i.e., blogs, discussion groups, or social networks) to assist in your back-to-school shopping? sample size (shoppers who use at least one digital device)

# With retailers offering more tech-enabled shopping tools, consumers begin to adopt

**44%** ▲ *26% in 2020*

*respondents plan to use at least one of these technologies*




Questions: (1) Which of the following do you plan to use during the BTS shopping season? – Multi-response question; hence, the total may not equal 100%;
(2) Which of the following will you likely use for your BTS purchases? – Multi-response question; hence, the total may not equal 100%.
Note: N=1,200.

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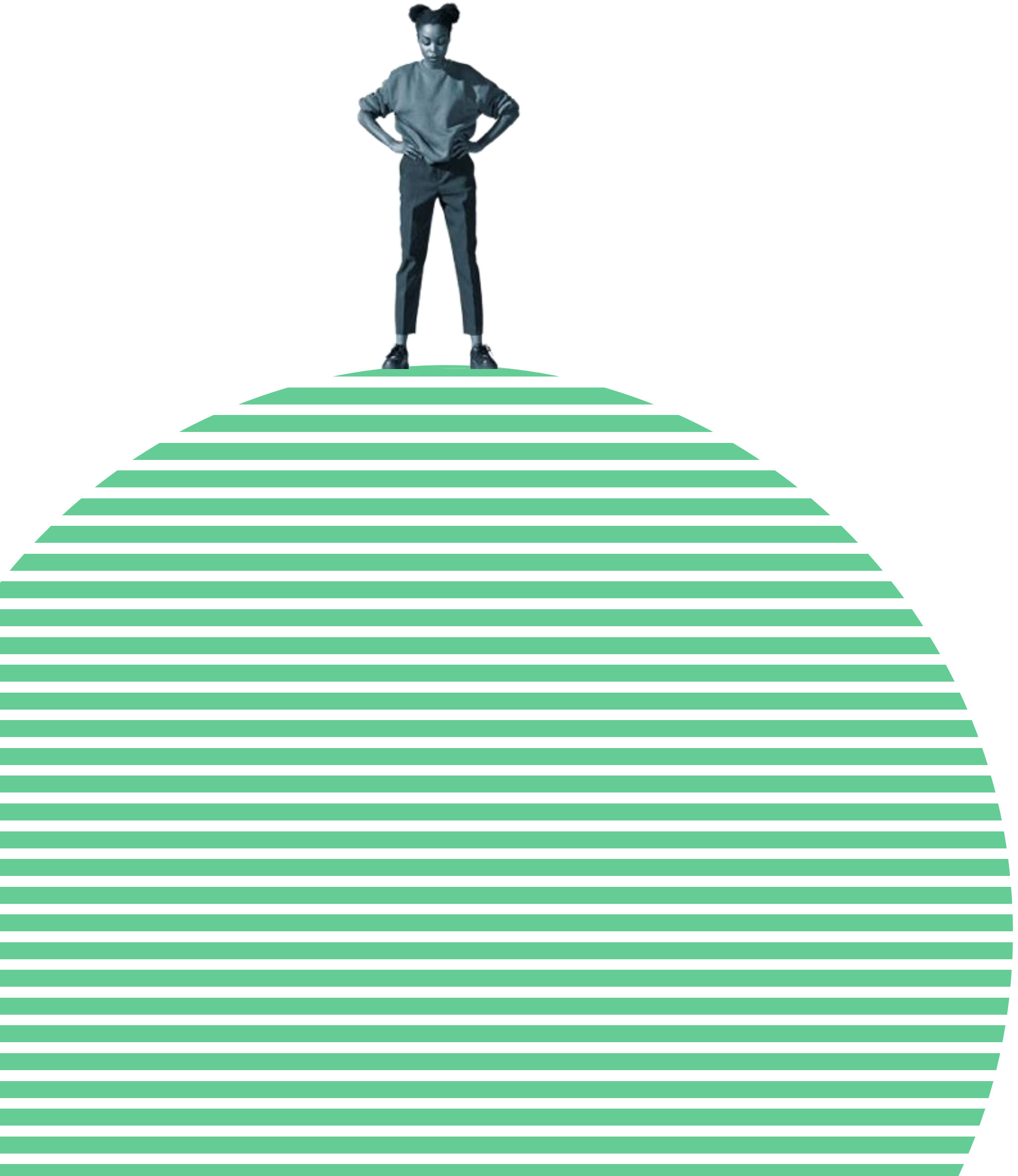
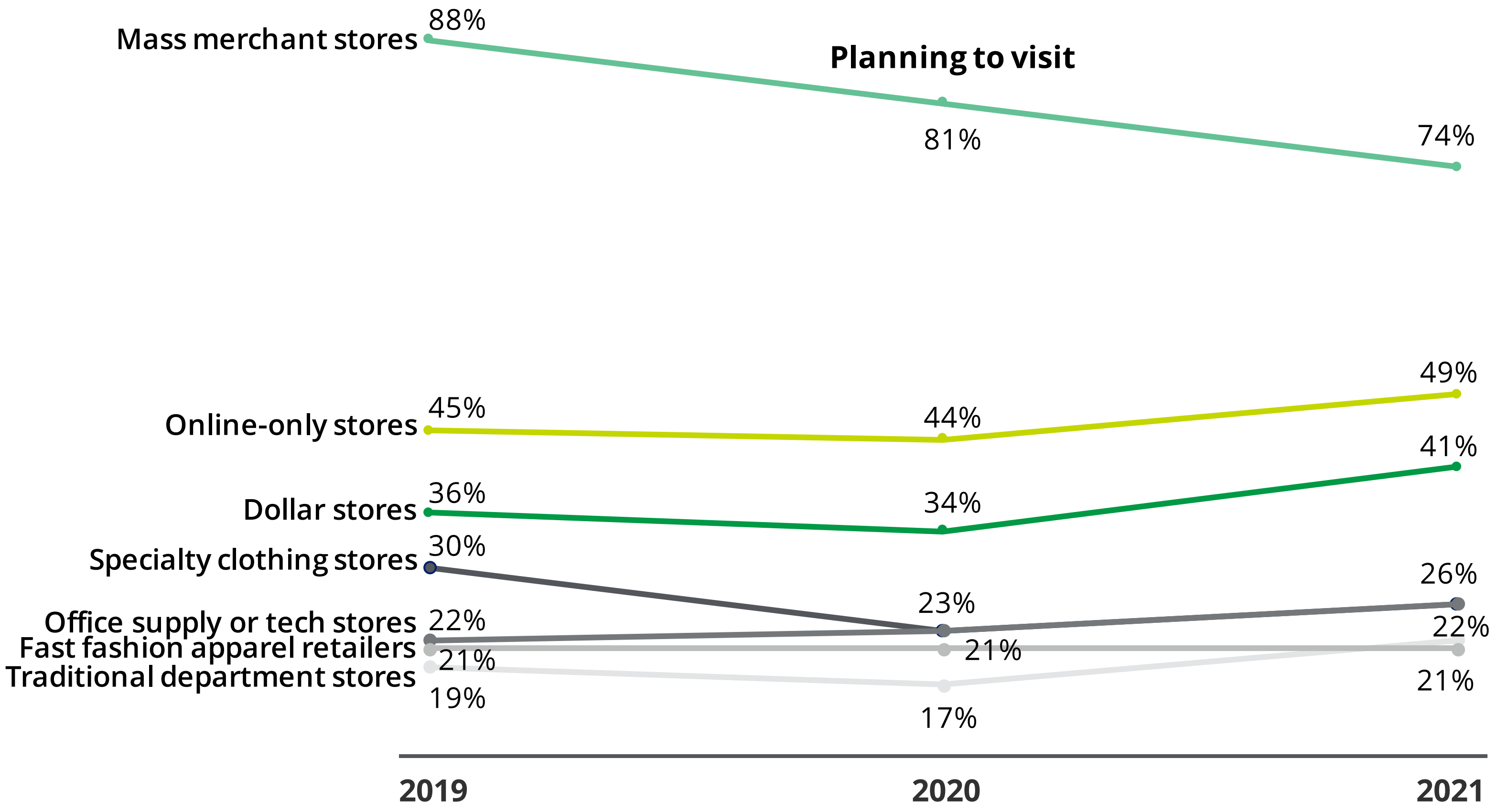


# Priorities shift and preferences follow

Pandemic creates new habits around format, convenience, and timing

# Mass merchants remain the most popular format, but lose ground to online, dollar stores

## Retail formats most preferred* for BTS shopping




### Planning to spend the most in 2021

| | |
|---|---|
| 48% | Mass merchant stores |
| 15% | Online-only stores |
| 5% | Dollar stores |
| 3% | Specialty clothing stores |
| 3% | Office supply or technology stores |
| 5% | Fast fashion apparel retailers |
| 3% | Traditional department stores |

Questions: (1) Which type of retailer(s) do you plan to visit for your BTS shopping? – Multi-response question; hence, the total may not equal 100%; (2) At which type of retailer do you anticipate spending the most money this BTS shopping season? (N varies, as respondents are asked to select one of their retail format choices)
*Includes retail formats that at least 20% of respondents plan to visit for BTS shopping.
Note: N=1,200.

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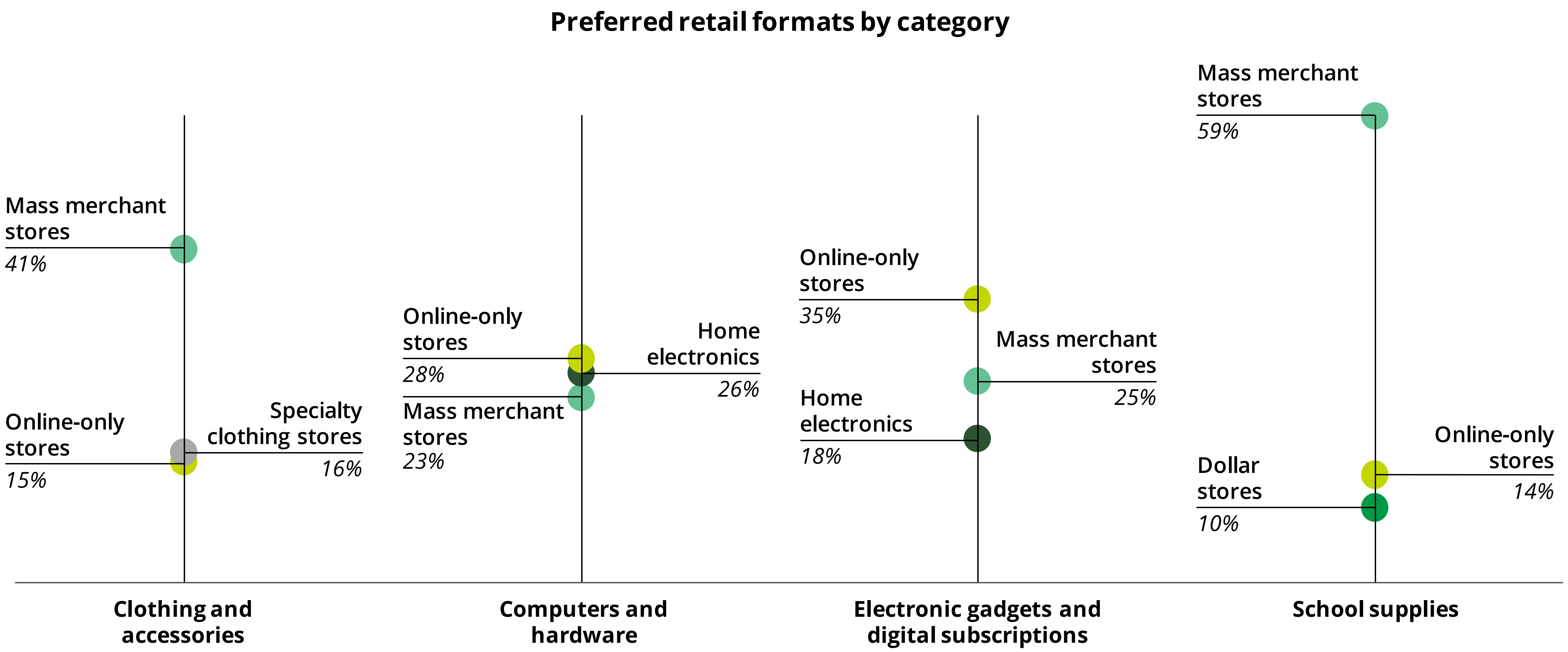
# Online proves to be the preferred format for tech products




Question: Which type of retailer will you shop the most for ______ during this BTS season? – Single-response question
Note: Sample size includes only respondents who will purchase the above-mentioned category.

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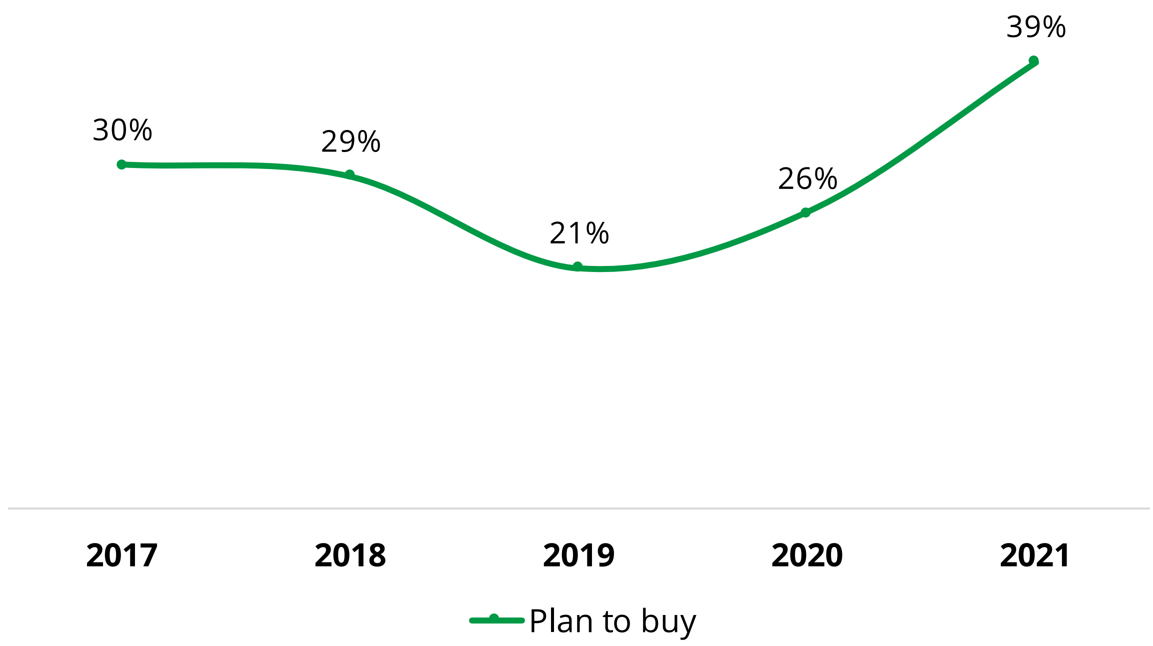
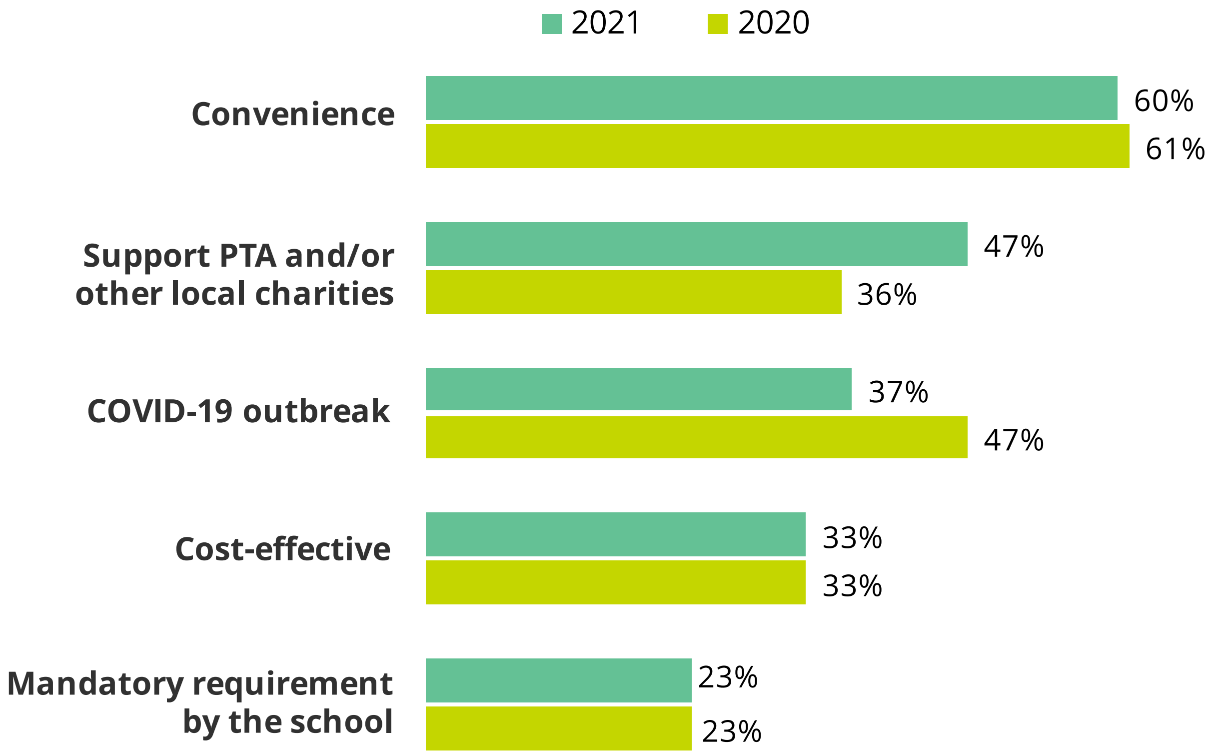
# Preconfigured school kits grow in popularity—for convenience and as a vehicle for local community support

**Demand for preconfigured school kits to improve for the upcoming shopping season[1]**




**Convenience tops the list of drivers for buying preconfigured kits[2]**




Questions: (1) Do you plan to take advantage of preconfigured "kits" of school supplies offered by your child's school or PTA? (N=1,149); (2) What are the reasons for buying preconfigured "kits" of school supplies by your child's school or PTA this school year? – Multi-response question; hence, the total may not equal 100%. N=309 (2020), N=453 (2021).

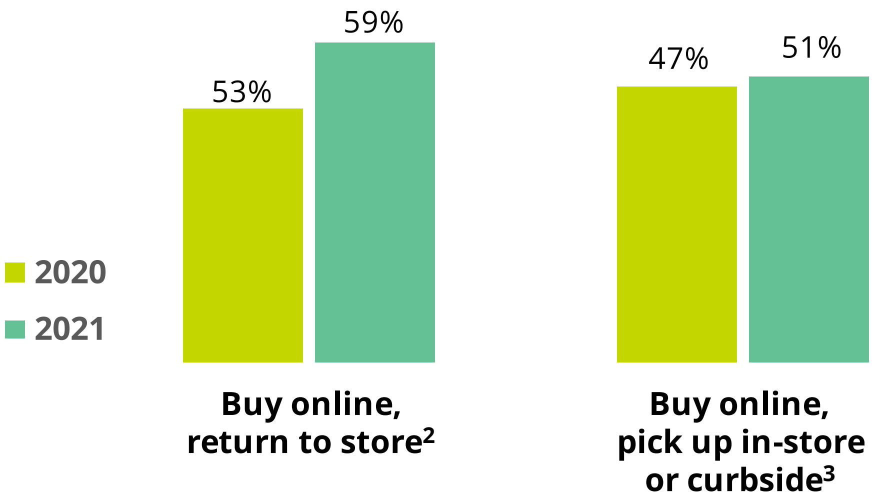
# Customers seek out a deal above all else, but expect more quality

**Considerations for selecting a retailer for BTS shopping: Top five responses[1]**


Question: What are the most important considerations when selecting a retailer for BTS shopping? – Multi-response question; hence, the total may not equal 100% (N=1,200)

# They also expect the conveniences they adopted during the pandemic

**Shoppers preferring retailers with:**



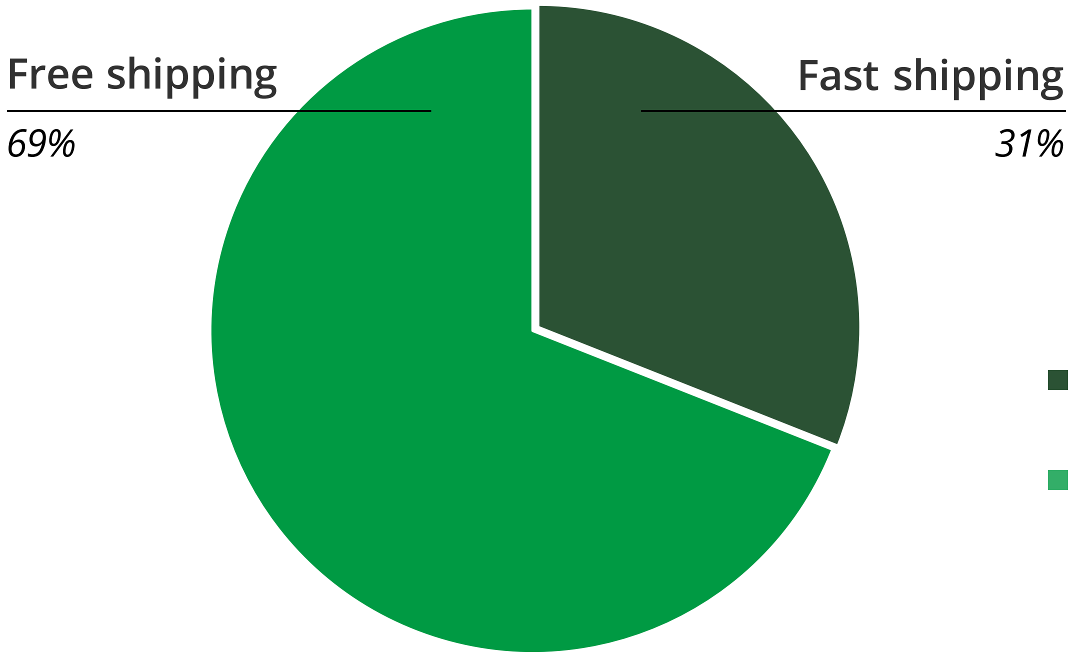

**34%** *plan to use BOPIS or curbside pickup more frequently for BTS shopping*[1]

▲ *26% in 2020*

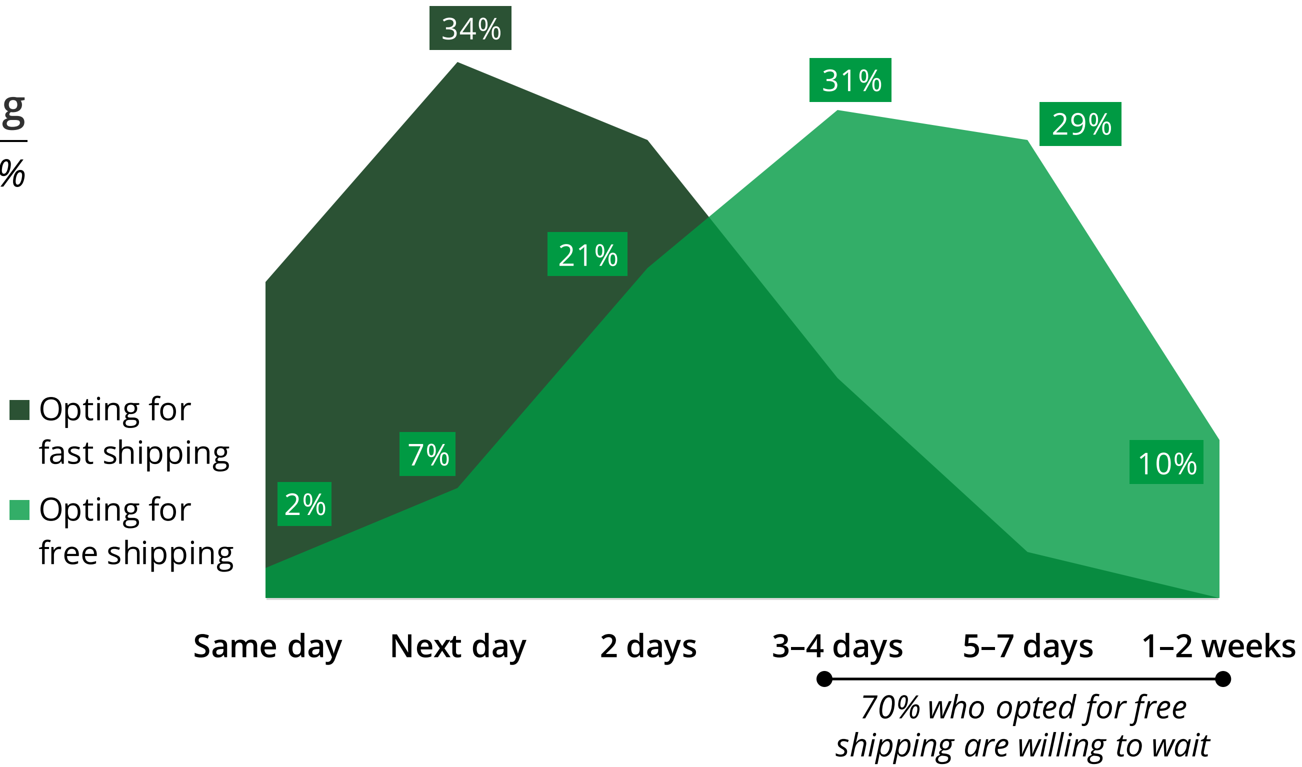
Questions: (1) Which of the following do you plan to do in the near term for your BTS shopping? (Select all that apply); (2 and 3) To what extent do you agree or disagree with the following statements? "I prefer to purchase from those retailers that offer an option to buy online and return to store"; "I prefer to purchase from those retailers that offer an option to buy online and pick up in-store or curbside" – Percentage agree/somewhat agree).
Note: N=1,200.

# Majority of shoppers want free shipping; of those, only 30% want to receive products within two days

**Importance of free versus fast shipping[1]**




**Willingness to wait to receive products[2]**



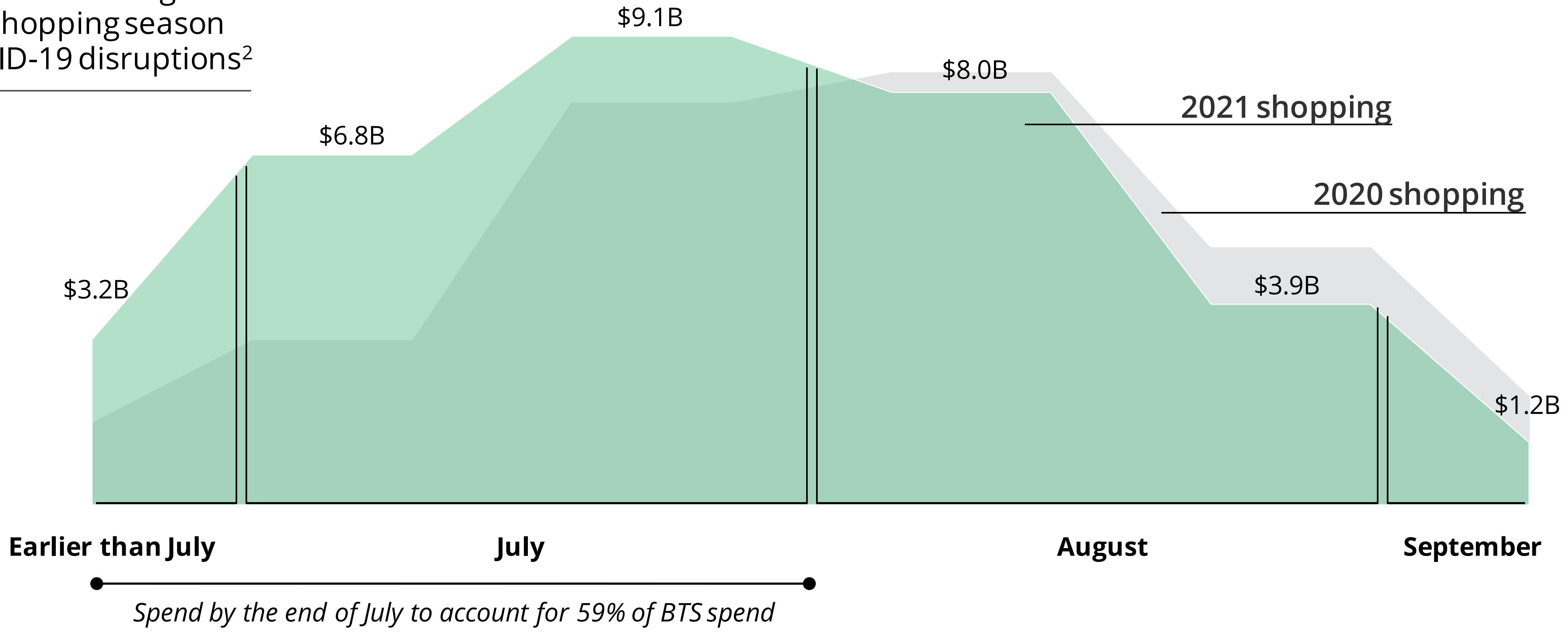

Questions: (1) When you are shopping online, which of these two promises below would be more important to you? (2) When you opt for ______, how long are you willing to wait to receive your product?
Note: N=1,200.

# Concern about stockouts pulls spend forward, with 59% of planned spend to occur by the end of July

**50%**
expect stockouts during this year's BTS shopping season due to COVID-19 disruptions[2]

**BTS shopping periods by total spend**[1]




Questions: (1) Out of $__ you plan to spend on BTS shopping, how much do you plan to spend during the following periods? (2) Please indicate your level of agreement with the following statement: "I am expecting stockouts during this year's BTS shopping season due to coronavirus (COVID-19) disruptions" – Percentage agree/somewhat agree.
Notes: N=1,200. All figures are given in US dollar.

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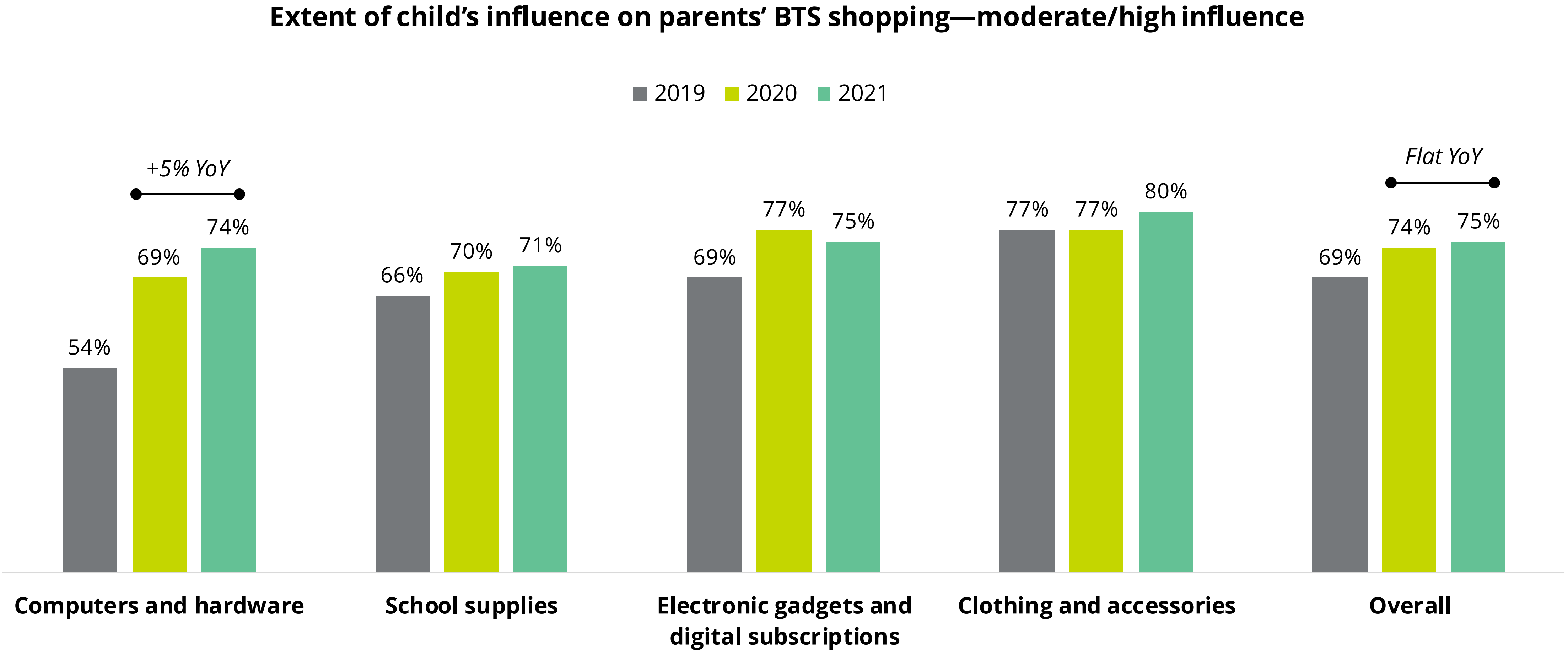
# Kids wield more influence for computers, reflecting the advancement of a tech-focused educational experience




Question: To what extent does your child or children influence your BTS shopping?
Note: Sample size includes only respondents who will purchase the above-mentioned category.

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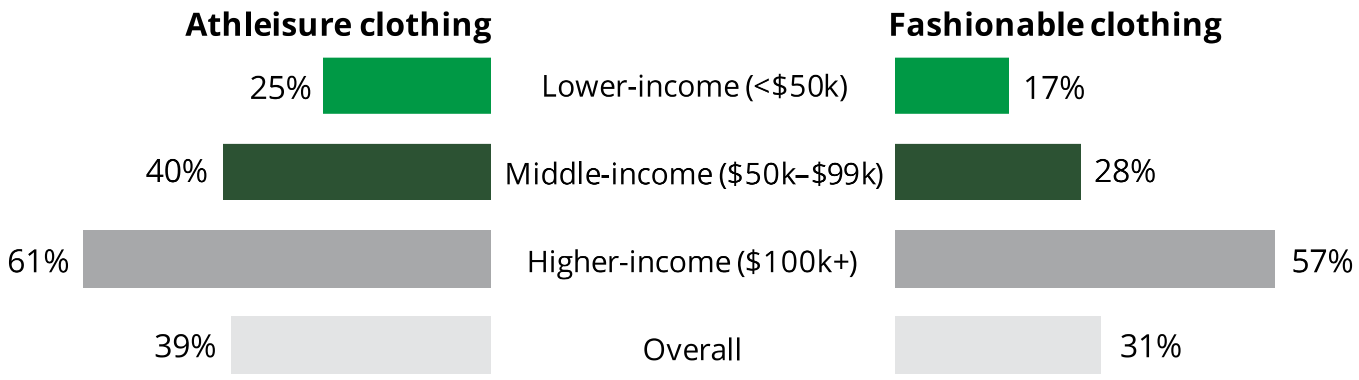
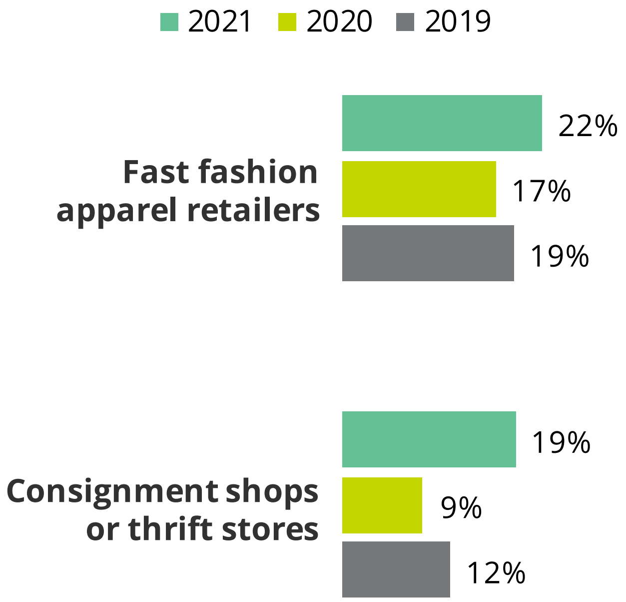
# Interest in fashionable clothing for the fall is high, especially among the higher-income households

**Children in higher-income households interested in athleisure and fashionable clothing this fall**




**Fast-fashion* and thrift stores visits on the rise**

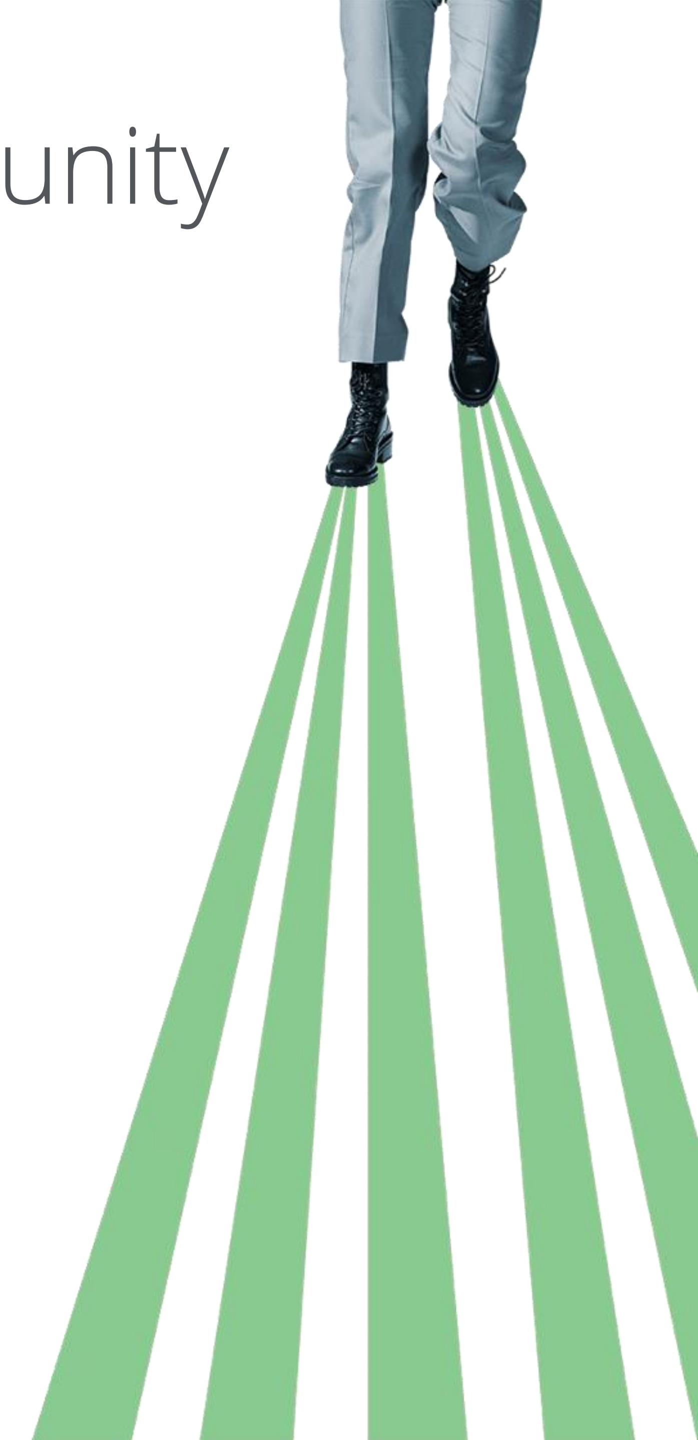



Questions: (1) To what extent do you agree or disagree with the following statements? "The pandemic has made my child more interested in athleisure clothing this fall," "The pandemic has made my child more interested in fashionable clothing this fall" – Percentage agree/strongly agree (N=1,149); (2) Which type of retailer(s) do you plan to visit for your BTS shopping? – Multi-response question; hence, the total may not equal 100% (N=1,200)

*Fast fashion apparel retailer examples in survey included H&M, Forever 21, and Zara.

# A new digital baseline creates opportunity



## Optimism reigns

After a school year of missing "moments that matter," parents are excited to get kids back into classrooms and are looking to replenish supplies and outfit kids for success

## Digital is pervasive

**Digital engagement** is accelerating throughout the BTS shopping journey, affecting what items are needed for schooling and how and where parents seek them out

## Opportunity

Consumers are ready to spend, and plan to do so early in the season. **Retailers** that can stand out on price while offering the digital conveniences consumers expect, have an opportunity to woo customers this year

# About the survey

## Survey timing

May 27 to June 5, 2021

## Methodology

The survey was conducted online using an independent research panel.

## 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. The survey has a margin of error for the entire sample of plus or minus three percentage points.

## Thank you

The authors would like to thank Srinivasarao Oguri, Venkata Sangadi and Anup Raju for their contributions to this survey.

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