



2020 Deloitte back-to-school survey

Learning to grow amidst uncertainty

July 2020

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Executive summary

In the previous 12 years that Deloitte has covered the back-to-school season, nothing has caused disruption to families, schools, and retailers like COVID-19.

This spring, the forced closure of thousands of schools, impacting 53M students in K-12 grades, turned parents into educators and facilitators of remote learning overnight. Many had to purchase school supplies, furniture, or technology to support the new reality of home schooling. Only one-half of parents were satisfied with the education provided, and many were concerned their students aren't prepared for the next grade.

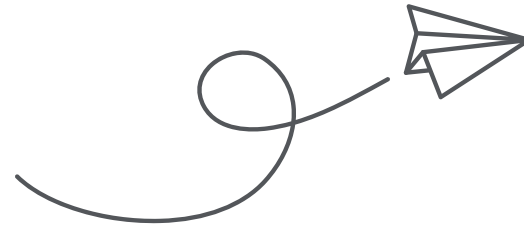
The back-to-school season normally represents a clear transition in the calendar as summer shifts to autumn; this year it marks a season of uncertainty. As of early June, 60% of parents did not know what format schools would use for the start of the school year. And teachers are also unresolved, with an almost equal split between those that believe it would be safe to return to work and those that believe it is unsafe.¹ All of this uncertainty is making it difficult for parents to plan for what school supplies will be needed and when they should be purchased.

At the same time, conventional shopping behavior across all sectors is being altered by COVID-19, as only about half² of consumers feel safe going to the store, and over one-third of parents are concerned about making upcoming financial payments. This is pushing consumers to balance typical purchase drivers such as price, product, and convenience with safety and security.

So what does this mean for the back-to-school selling season? Will parents' resources be reallocated to help students catch up? Will e-commerce see a surge of back-to-school purchases as consumers' concerns about safety persist? Or will higher unemployment rates and lack of certainty in the economic outlook cause people to cut back on spending altogether?

For retailers, the goal should be to stay nimble to address students' changing needs, especially as tech and virtual learning platforms will likely continue to grow as states prepare for future disruptions. Retailers should also consider that 75% of parents are worried about the health and safety of themselves and their families. Putting them at ease by offering convenient, safe ways to purchase may go a long way.

For further details on back-to-school shopping trends, please browse our additional findings in the slides below.



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Sources: (1) Previously unpublished findings from the June 13, 2020 [Deloitte State of the Consumer Tracker](#); (2) Deloitte, [Deloitte State of the Consumer Tracker](#), from May 18, 2020.

Cheat sheet



Anxiety running high

COVID-19 has made shoppers concerned for their health, finances and the education of their children, altering traditional back-to-school (BTS) behavior



Category spend shifting

Overall spend remains relatively flat YoY, but parents are planning to shift spend toward tech to address the new realities of schooling



Digital engagement accelerating

As consumers seek out safe shopping options, online spend and low-contact formats such as BOPIS are expected to accelerate



Neighborhood formats trending

Mass merchants are still top destinations but may lose some ground to grocers and drugstores as COVID-19 is causing consumers to shop closer to home

Key findings

Anxiety running high

- Parents were not impressed with schooling this spring and only **43% felt the education prepared children for the next grade**
- **66% of parents are anxious** about sending their kids to school this fall because of COVID-19
- As 76% of respondents are concerned about health and **38% about finances**, consumers are seeking out affordable, safe ways to shop

Category spend shifting

- Total BTS spending is expected to reach **\$28.1B or \$529 per student**, relatively flat from 2019
- **40% of parents expect to buy fewer traditional school supplies** as technology more prevalent in class (vs. 30% in 2019)
- **Technology spending up 28%**, offsetting a reduction in apparel (down 17% YoY) and traditional BTS items (down 18% YoY)
- Concern that students falling behind causing **51% of parents to increase spend on virtual learning tools**

Digital engagement accelerating

- **Parents expect to spend 37% of their budget online**, up from 29% in 2019, as health concerns are top of mind
- Parents are seeking contactless shopping with **nearly one-half of shoppers seeking out BOPIS** (buy online pick up in store) options (from 36% in 2019)
- **64% plan to shop for BTS from their personal computers** (up from 42% in 2019) as reduced mobility slows mobile purchases
- While most “next-generation” shopping is slow to get off the ground, **14% of shoppers planned to use voice assistants**, up from 6% in 2019

Consumer preferences: Neighborhood formats trending

- **81% of shoppers expect to shop at mass merchants for BTS**, a decrease from 88% in 2019, as COVID-19 has many shopping at retail formats closer to home
- Despite the uncertainty around when and how schools will open, customers are sticking with their typical timing patterns—80% plan to shop during late July–early August
- **Children’s influence on computers and hardware purchases rises to 69%** from 54% in 2019, as educational trends become more ingrained with technology



COVID-19 impacts

Anxiety running high

COVID-19 has elevated parents' anxieties around health, finance, and the quality of education that students received this spring. These concerns will likely shift the way consumers approach BTS shopping—specifically around what and how they will purchase.

The education students received this spring didn't impress parents; formats with a human touch fared better, but concerns linger if students are prepared for the next grade

92%

School closure

Parents who had their children's schools closed for two months or more

56%

Overall satisfaction

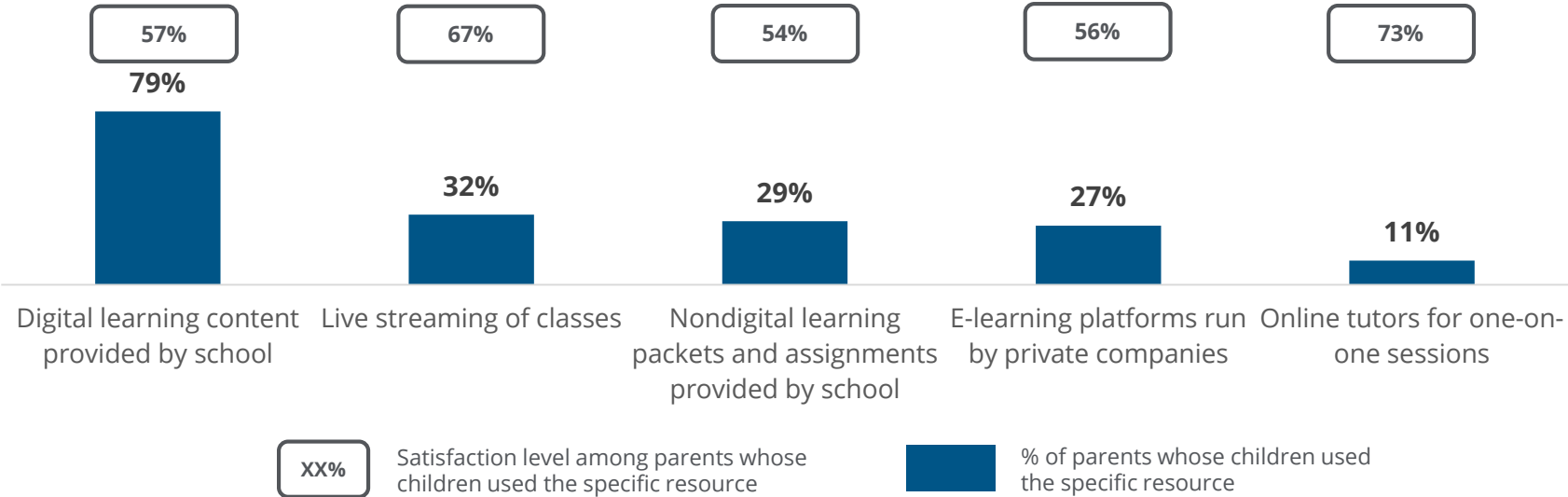
Parents satisfied with the learning resources

43%

Academic readiness for next grade

Parents who agree that remote learning makes children academically ready for the next grade

Learning resources during school closures (Percentage of parents)

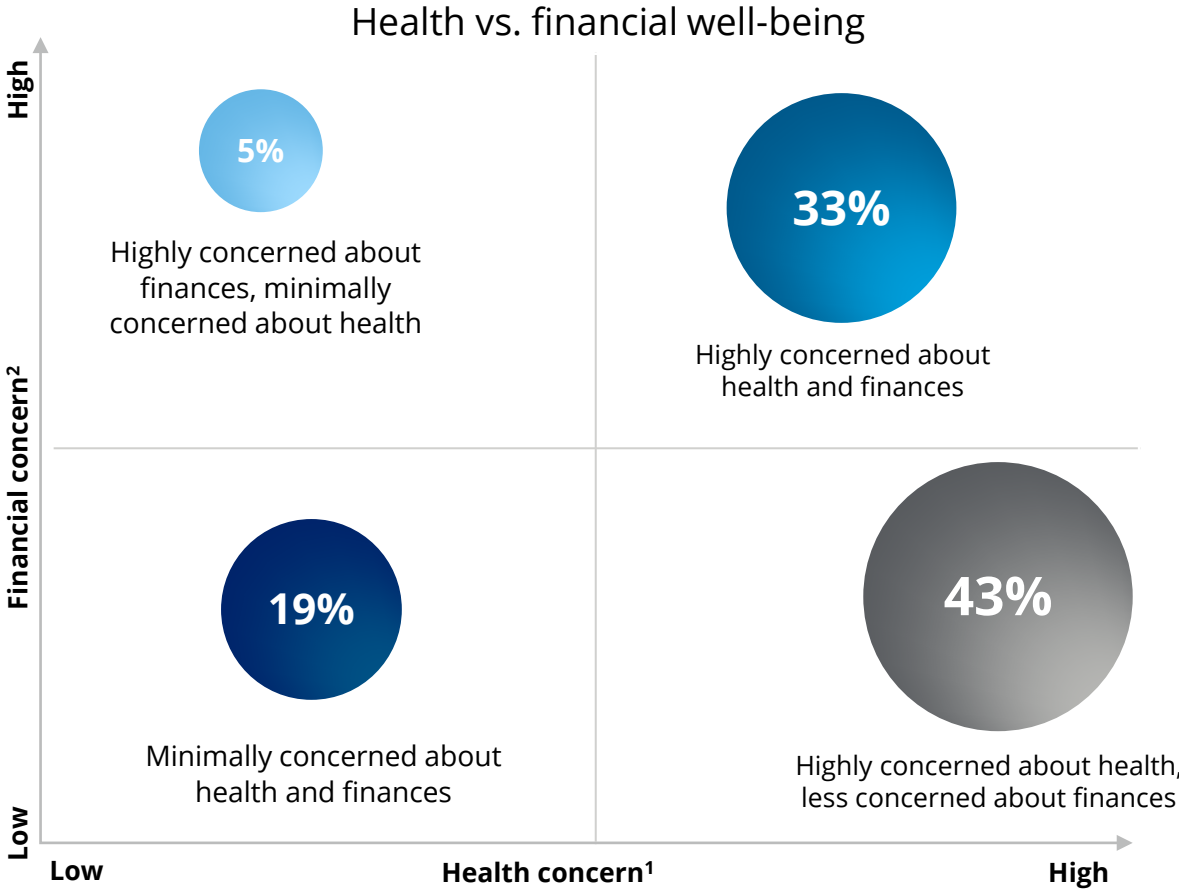



- Lower-income households most likely to use **nondigital resources**
- Higher-income households most likely to use more personalized resources: **live streaming and online tutors**

Question: How did your children's school provide education while the school was closed because of COVID-19 outbreak? (multi-response question; hence, totals may not equal 100%).

Note: N =1,163.

As parents gear up to send students back to school this fall, anxiety is running high as shoppers are preoccupied with financial and health concerns

66%
of parents are **anxious** about sending children back to school due to COVID-19

76% of shoppers indicated high health concern
BTS shoppers who are concerned about their health are safety focused, likely to shop online; they seek retailers taking COVID-19 precautions

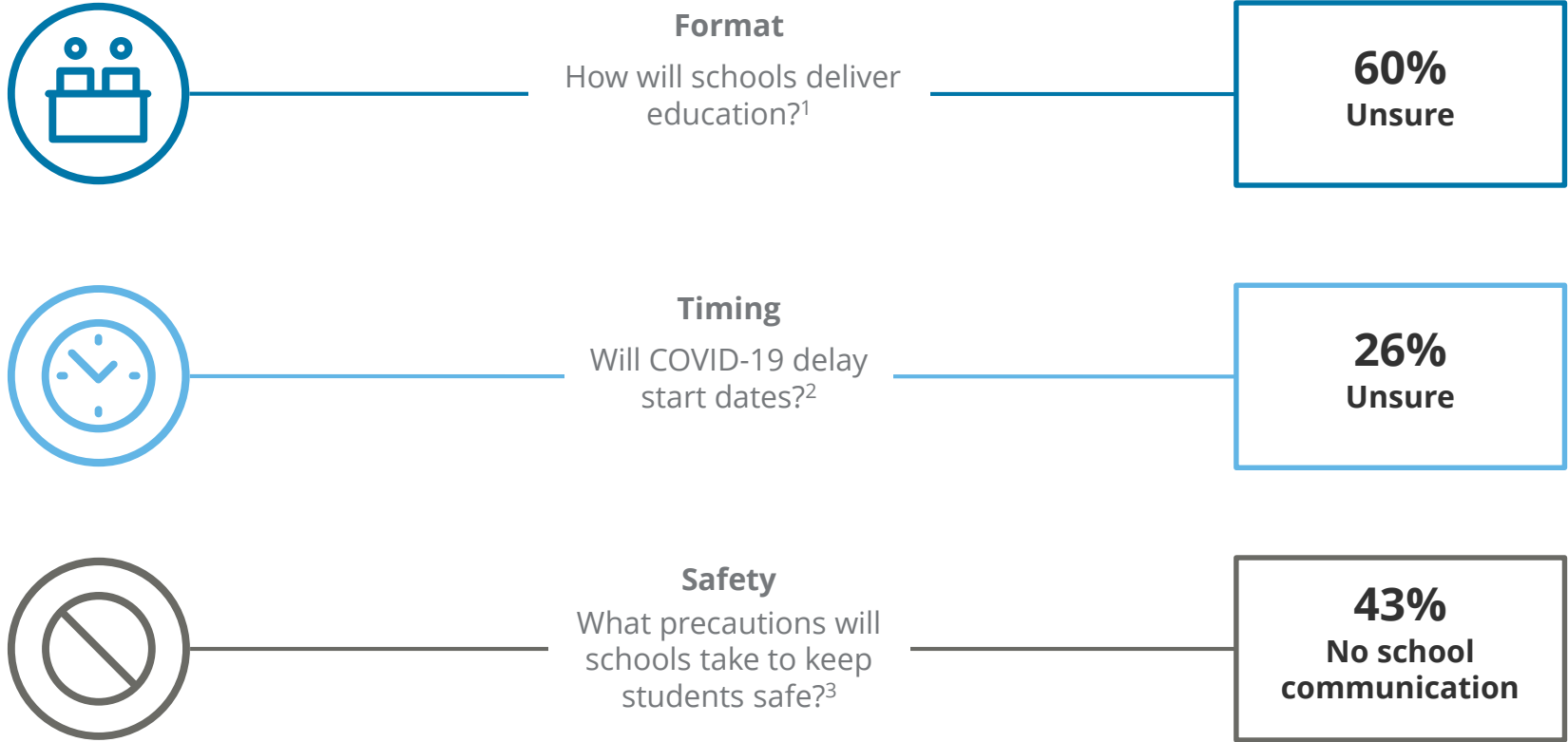
38% of shoppers indicated high financial concern
Lower income shoppers are even more worried than the average, and are concerned about ability to make school related payments

Question: To what extent do you agree or disagree with the following statements? (1) I'm concerned about my family's health, and my own. (2) I'm concerned I will not be able to make upcoming payments (e.g., rent, mortgage, auto, credit card).

Note: N=1,200.

Uncertainty is running high as many parents are unsure of how, when, and in what format school will take place this fall

Lack of communication creating uncertainty



Questions: (1) How will your children's school start this year?; (2) When will the school start for your child/children this year?; (3) What precautions are being implemented by your children's school because of COVID-19?

Note: N=1,200.



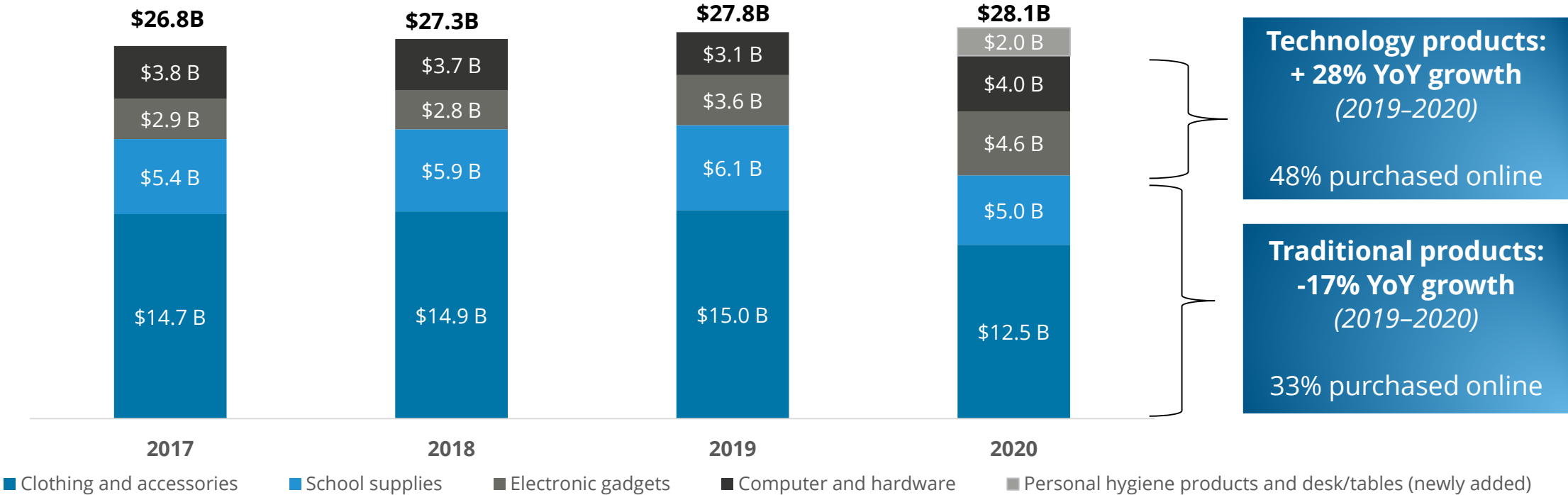
Consumer spending trends

Category spend shifting to
technology

As consumers deal with ambiguity around how schooling will look in the upcoming year, they are shifting purchases in anticipation of a new reality where students will likely rely more on technology.

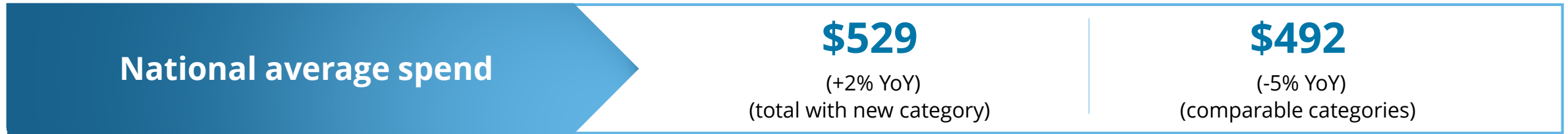
Digital acceleration fueling growth in tech products at the expense of school supplies and clothing






Estimated market spend by category (2017–2020)



Notes: N=1,200. All figures are given in US dollar.
Source: Deloitte calculations on BTS market spend based on annual consumer survey projections and revised US current population surveys.

Increase in tech product purchases were not enough to outweigh the decline in traditional BTS items; addition of home/health products* increases overall spend by 2%

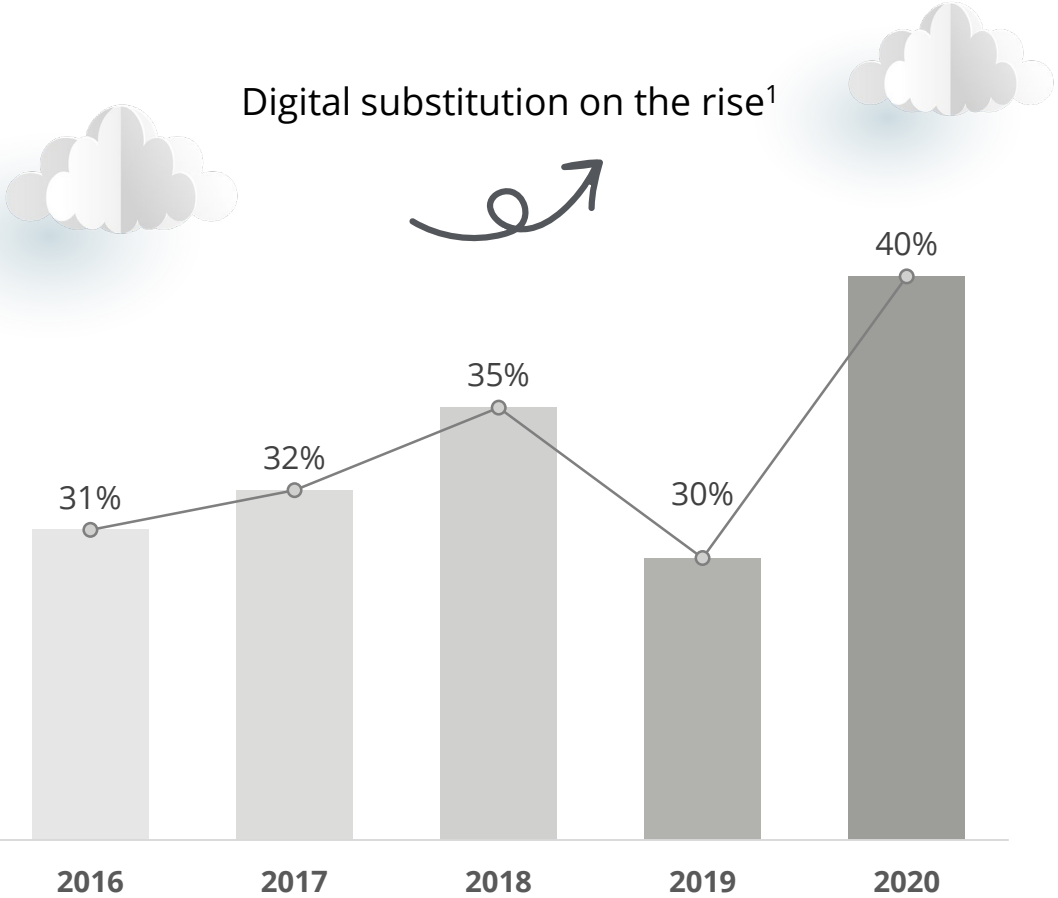


Category	Average spend in each category		Share of customers spending in each category	
	Average spend	YoY change (percentage)	% Customers spending	YoY change (percentage points)
 Clothing and accessories	\$261	-10%	90%	-7 p.p.
 School supplies	\$102	-13%	92%	-6 p.p.
 Computers and hardware	\$395	+38%	22%	+2 p.p.
 Electronic gadgets and subscriptions	\$316	+4%	24%	+2 p.p.
 Home/health (new COVID-19 category)	\$61	NA	63%	NA

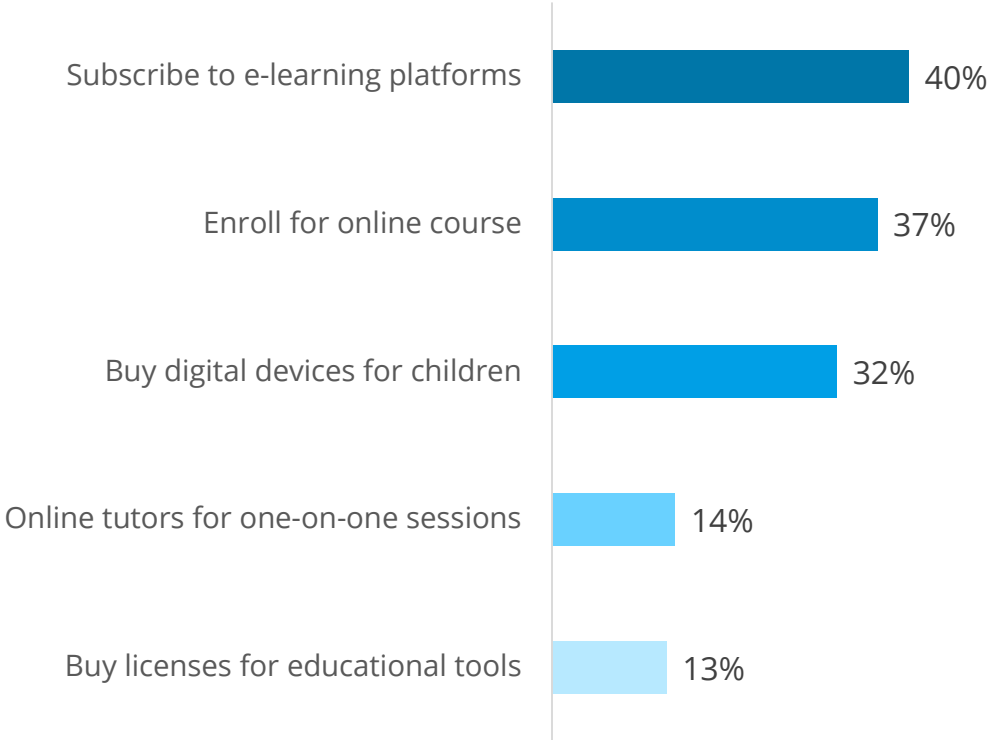
Notes: Average spend includes only respondents who will purchase the above-mentioned category or item. All currency values are in US dollar.

* Newly added category

Parents are looking to invest in digital resources to supplement school education in the face of uncertainty about what school will look like next year



Digital learning resources to enhance the education experience²



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 because my child is using more digital technologies in and out of the classroom" (percentage agree/strongly agree, N=1,200); (2) 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%, N=614).

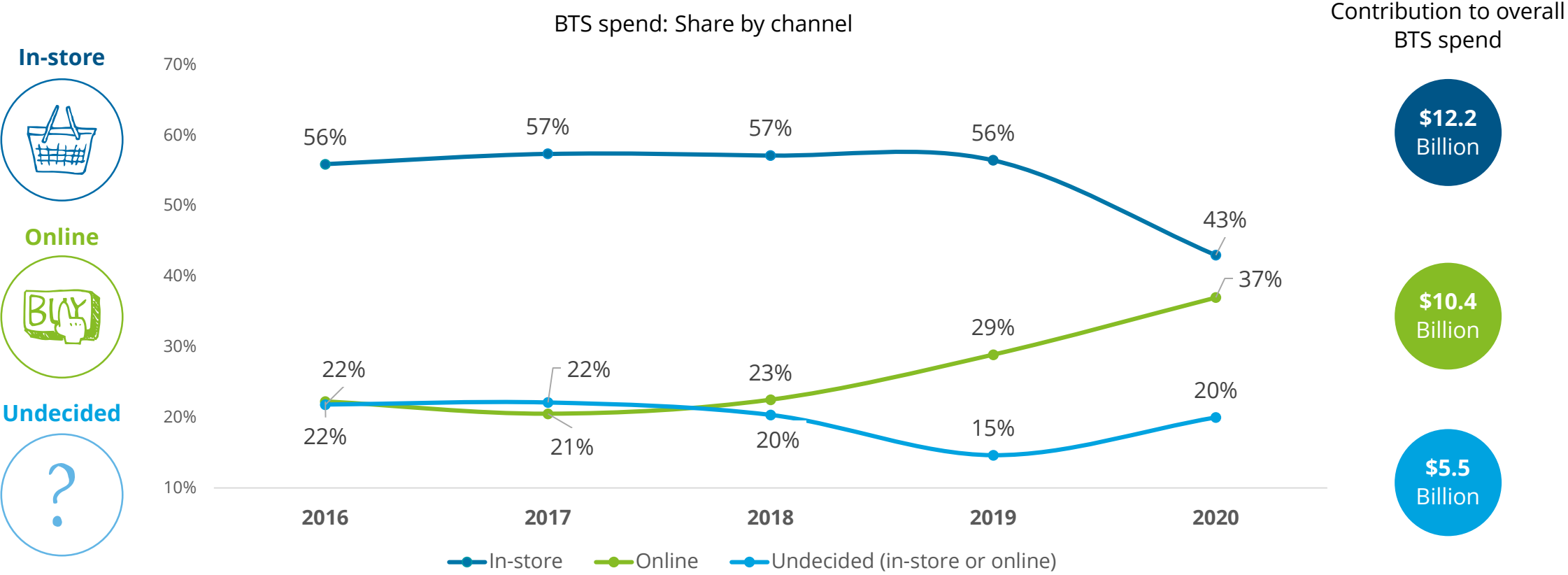


Digital engagement

Online platforms accelerating

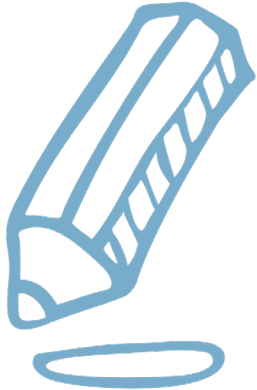
Concern for health and safety is accelerating the online spend as customers seek out contactless experiences such as delivery, curbside pick-up, and BOPIS.

As one-half of customers still feel unsafe¹ going into stores, online purchases gain share from in-store formats, while in-store also loses share to consumers who are undecided



Question: What percentage of the budgeted amount do you expect to spend online or in-store or undecided?
 Notes: N=1,200. All currency values are given in US dollar.
 Source: (1) Deloitte State of the Consumer Tracker: "Only 48% of US consumers feel safe going to a store."

As consumers shift to contactless formats, the role of the store continues to evolve and takes on new importance for the final-mile experience



26%

of BTS shoppers plan to use BOPIS more frequently¹

Shoppers preferring retailer with:

Buy online, return to store²

53% ▲
(44% in 2019)

Buy online, pick-up in-store³

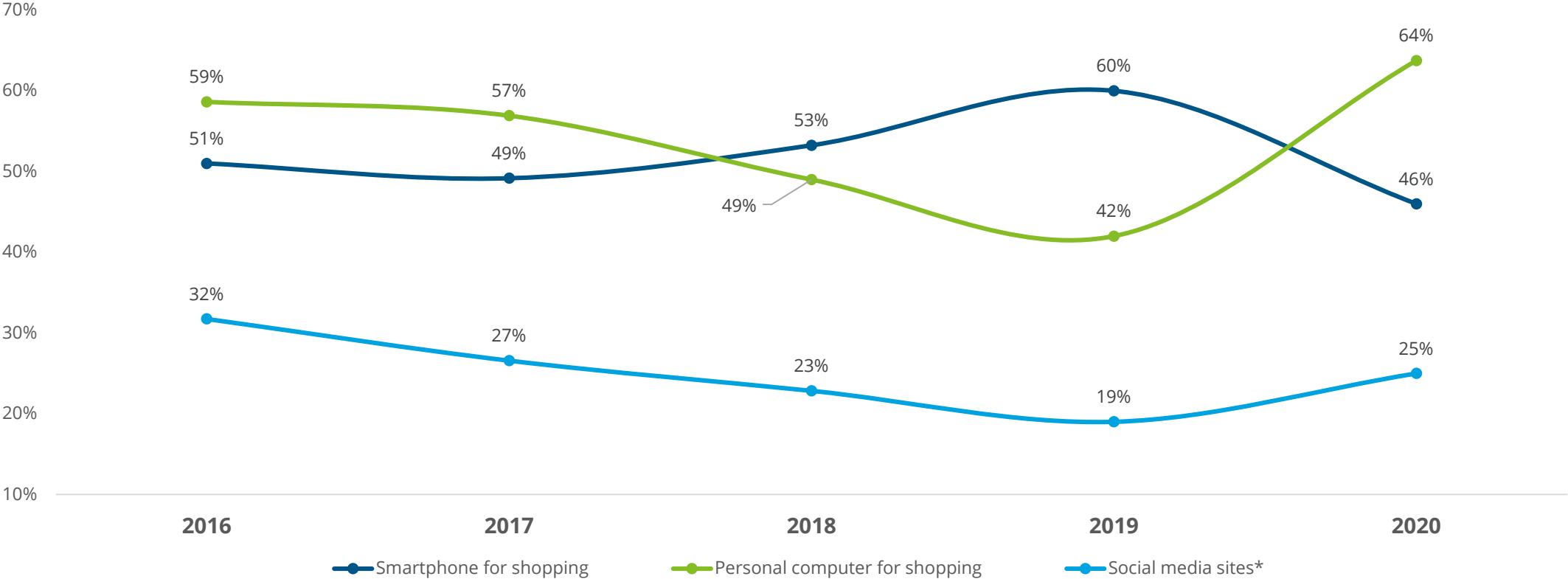
47% ▲
(36% in 2019)



Questions: (1) Which of the following do you plan to do in the near term for your BTS shopping? (2 & 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/strongly agree).
Note: N=1,200.

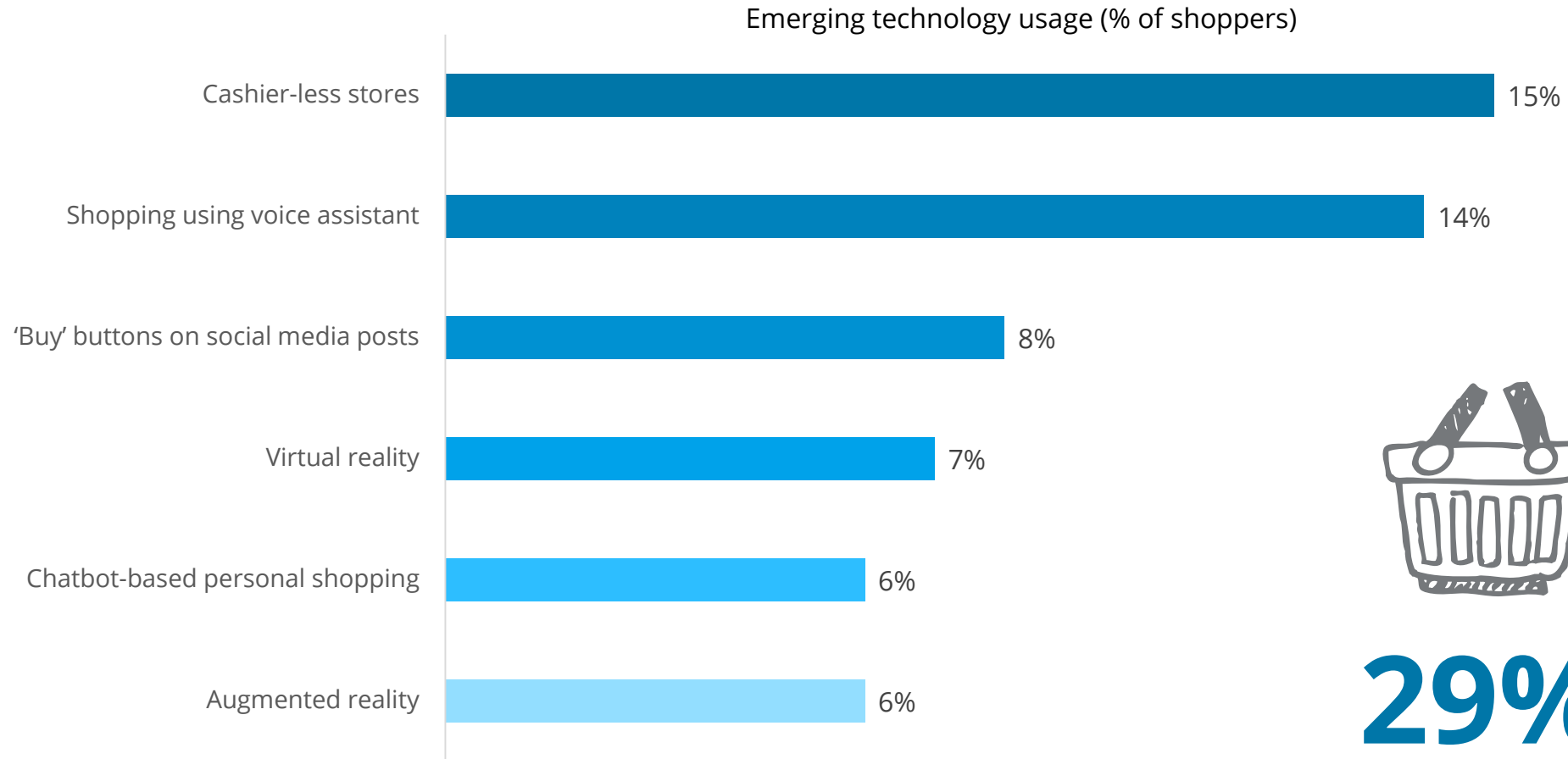
As consumers swap their phones for computers while at home, personal computers are likely to replace mobile as the primary device used in the digital shopping journey

BTS shoppers planning to use each technology platform to assist in shopping (2016–2020)



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).
 *Sample size of shoppers who use at least one digital device in each year: 2016 (n=951), 2017 (n=978), 2018 (n=985), 2019 (n=1,009), and 2020 (n=1,063).

Emerging technology usage is still in a nascent stage, but voice assistants are starting to gain traction



29% respondents plan to use **at least one** of these technologies

Question: Which of the following do you plan to use during the BTS shopping season? (multi-response question; hence, the total may not equal 100%).
Note: N=1,200.

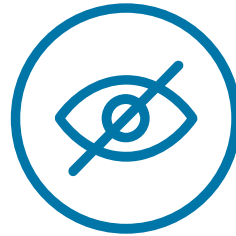
Data privacy should play an important part in gaining trust with the consumer, especially as more BTS shopping is expected to go online and retailers look to enhance the digital experience



Online spend is up, increasing digital exposure ...

28%

Increased in planned **online BTS spend**¹



... privacy concerns remain vital for shoppers ...

52%

of BTS shoppers concerned about shopping at retailers that have had a **consumer privacy or data breach**¹



... yet retailers are among least trusted companies for privacy

5%

of US shoppers **trust retailers** to protect their data security or privacy, while majority hold them accountable for it.²

Sources: (1) 2020 Deloitte Back-to-School Survey; (2) Rod Sides et al., *Consumer privacy in retail: The next regulatory and competitive frontier*, 2019.

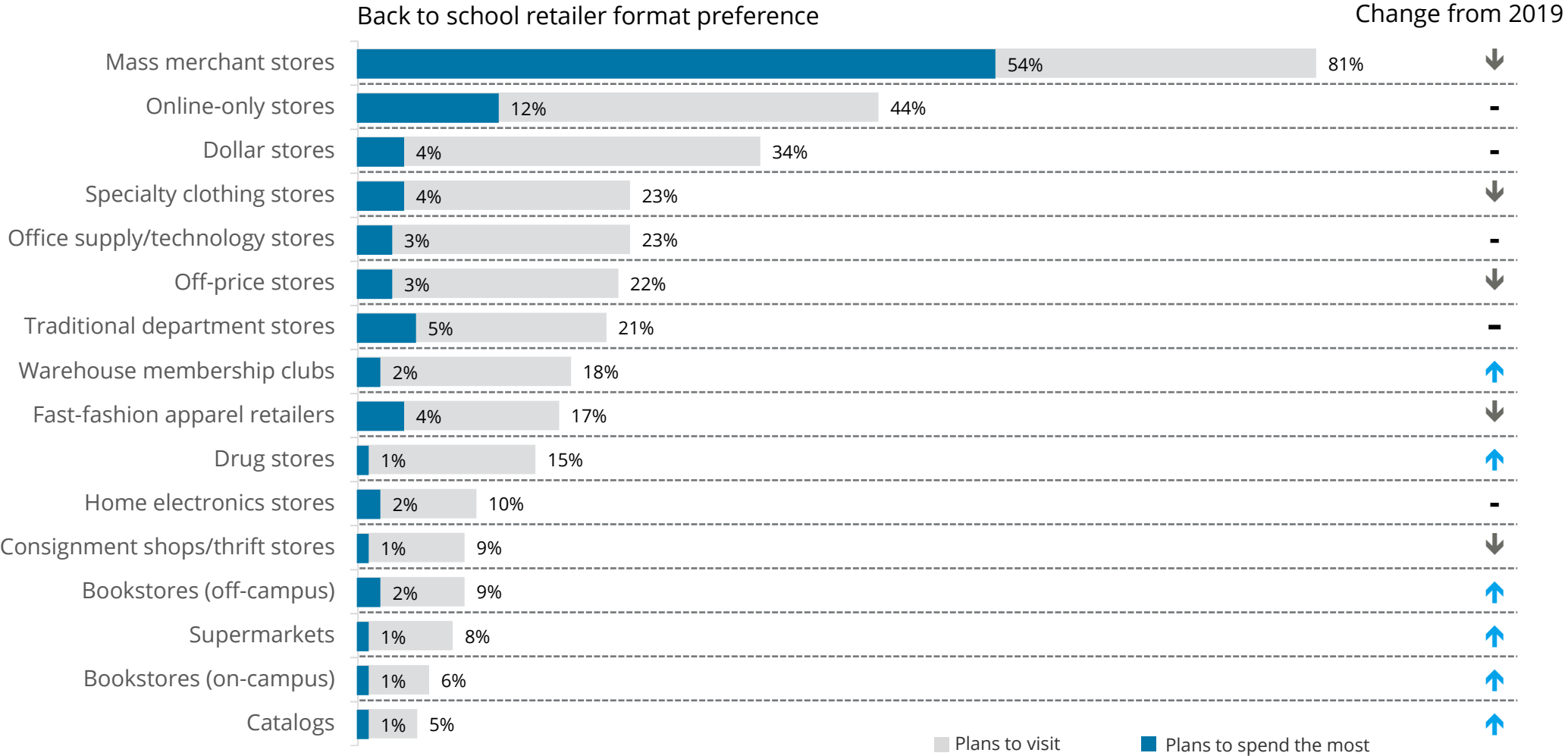


Consumer preferences

Neighborhood formats trending

Mass merchants still dominate but shopping preferences have become more localized because of COVID-19. Price, product, and convenience are still mainstays of consumer decisions, but safety considerations are reshaping BTS preferences this year.

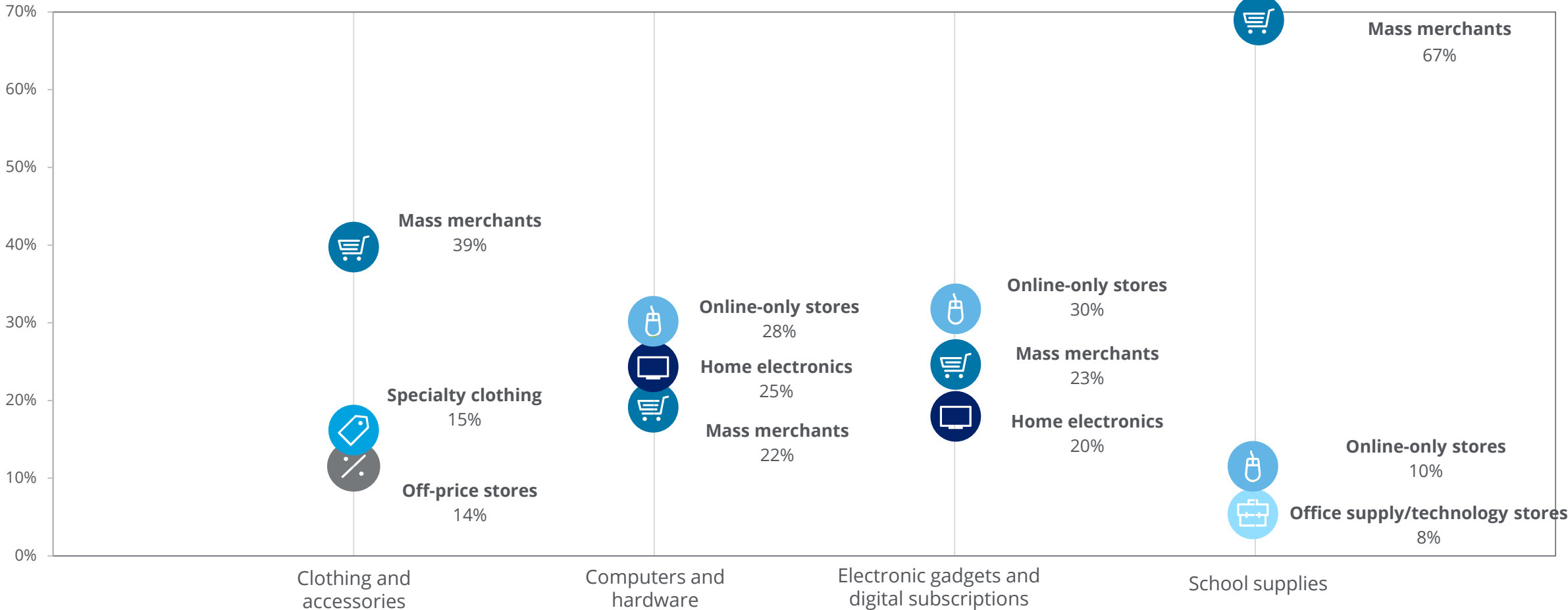
Mass merchants remain the most popular, but lost some ground this year as more people are expecting to shop closer to home because of COVID-19



Question: Which type of retailer(s) do you plan to visit for your BTS shopping? (multi-response question; hence, the total may not equal 100%).
 Note: N=1,200.

Mass merchants hold comfortable lead in conventional BTS categories; however, in high-growth technology categories, the leading formats are closely contesting for market share

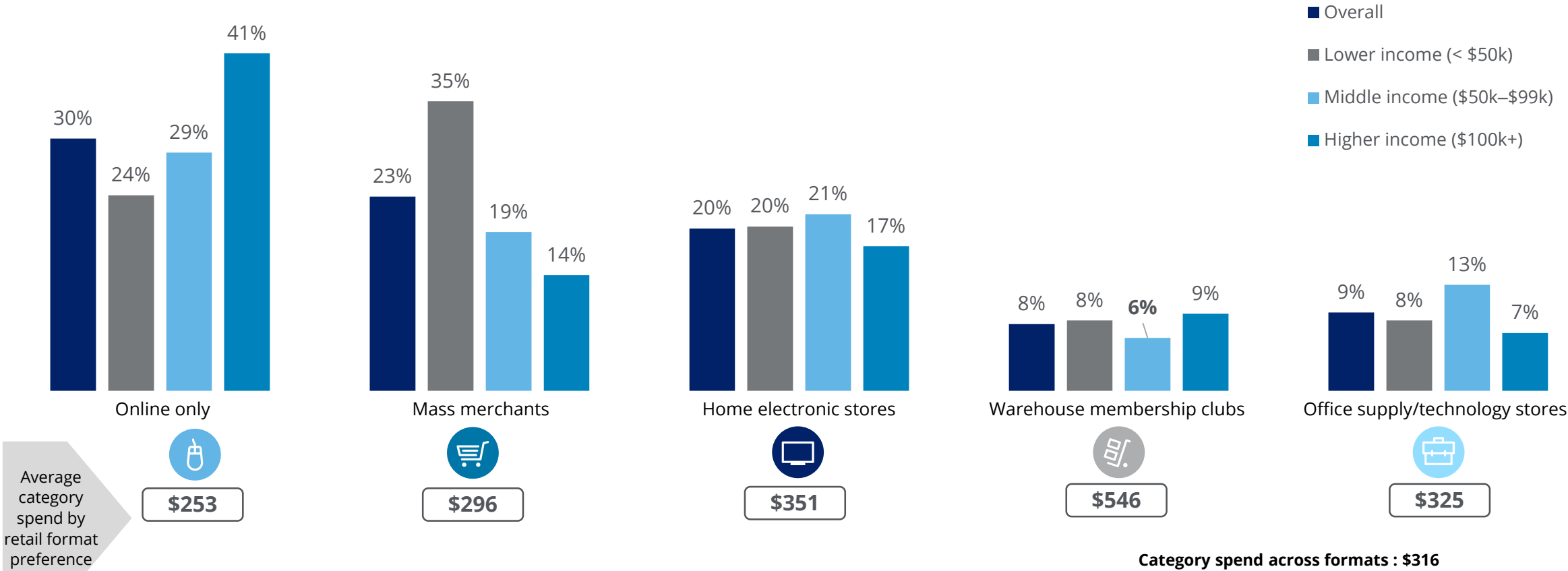
Top three preferred retail formats by category



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.

In fiercely contested categories (e.g., electronic gadgets), format preferences vary by income cohorts

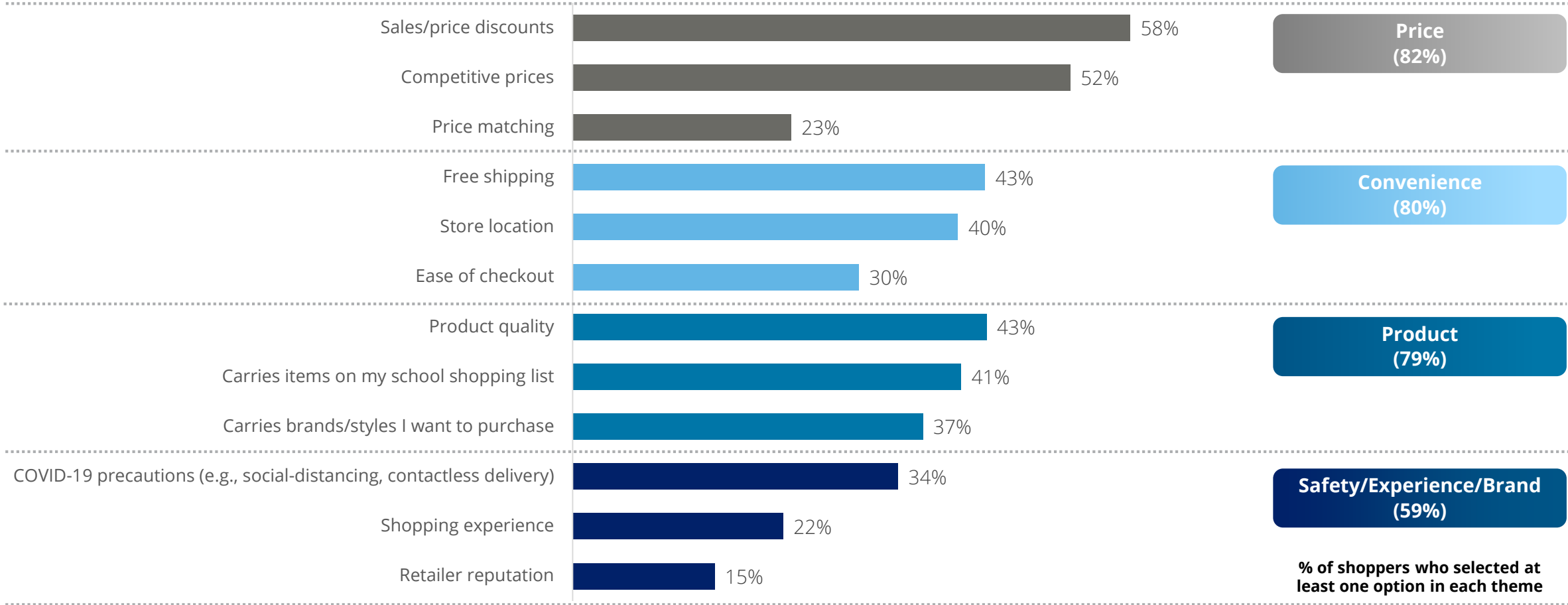
Preferred retail formats for electronic gadgets and digital subscriptions (by household income)



Question: Which type of retailer will you shop the most electronic gadgets at during this BTS season?
 Notes: Sample size at the household income level has fewer than 30 respondents. Sample size at the overall level has fewer than 30 respondents. All currency values are in US dollar.

Price and convenience are holding steady as key attributes for selecting a retailer, but this year safety is likely to be an important factor

Considerations for selecting a retailer for BTS shopping—Top 3 in each theme#



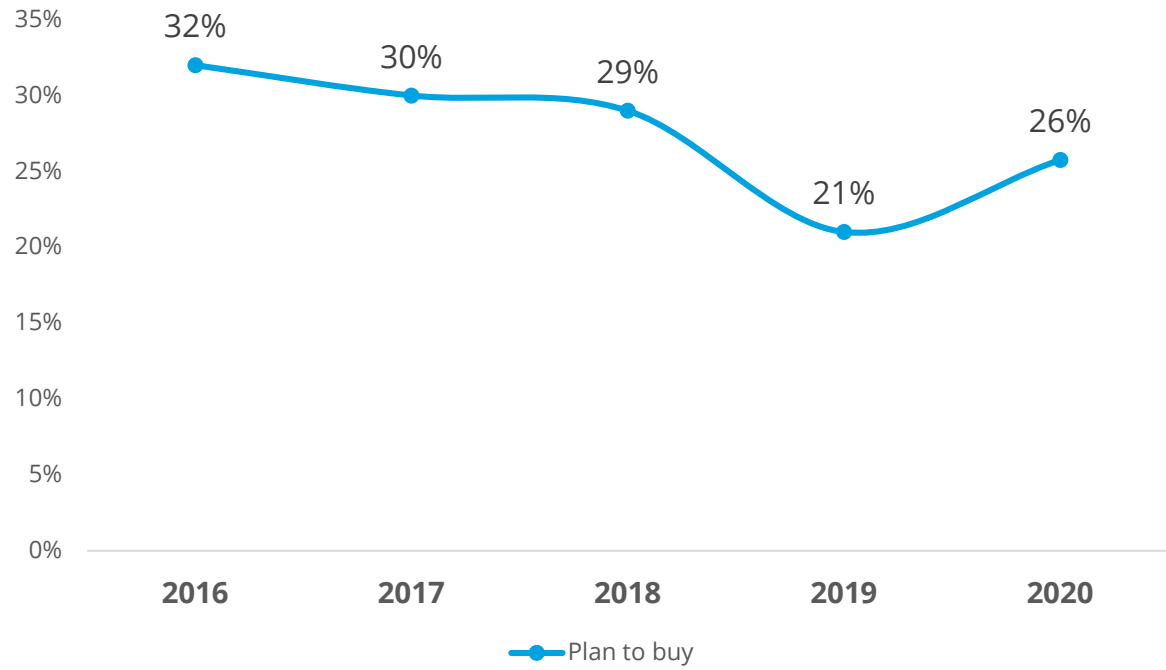
Question: What are the most important considerations when selecting a retailer for BTS shopping?

Multi-response question; hence, the total may not equal 100%

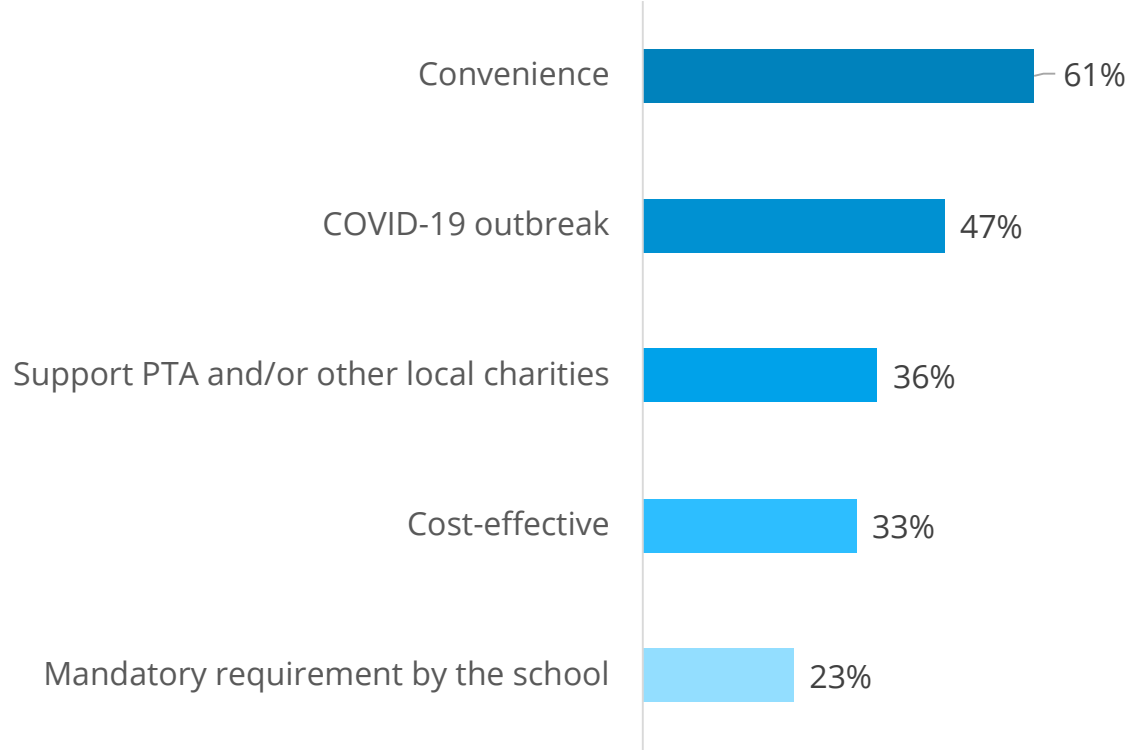
Note: N=1,200.

Convenience is still a driver for purchasing preconfigured school kits, but many parents seeking them out for safety reasons this year

Demand for preconfigured school kits to improve for the upcoming shopping season¹

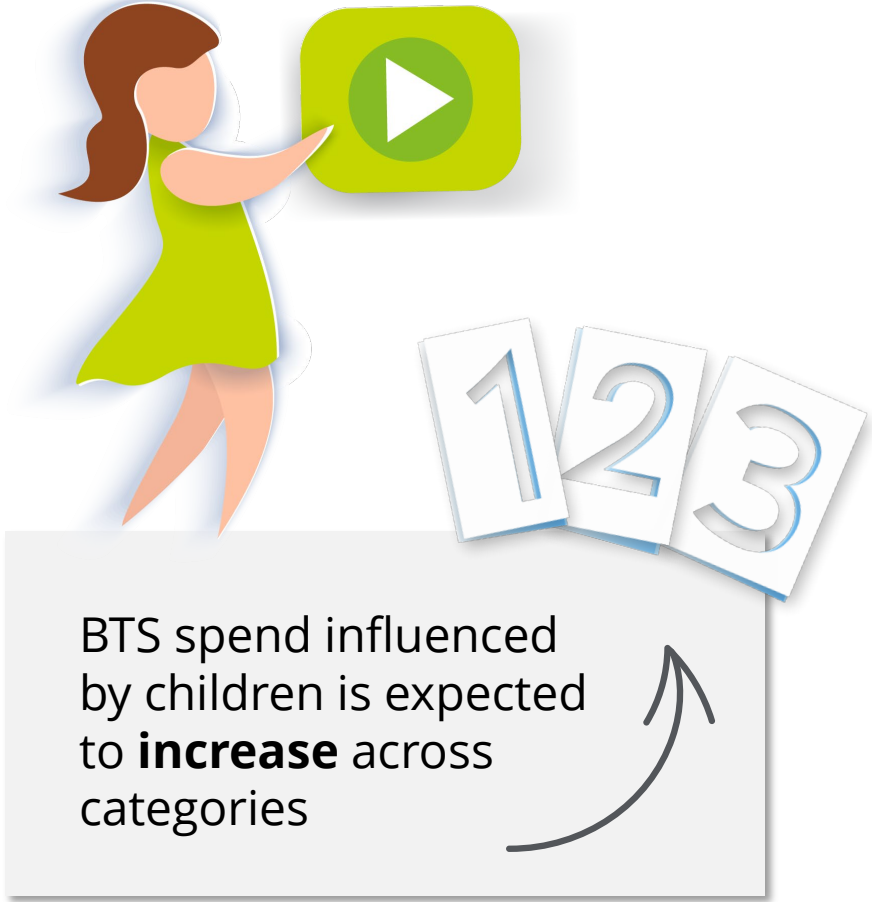


Convenience tops the list of drivers for buying preconfigured kits²

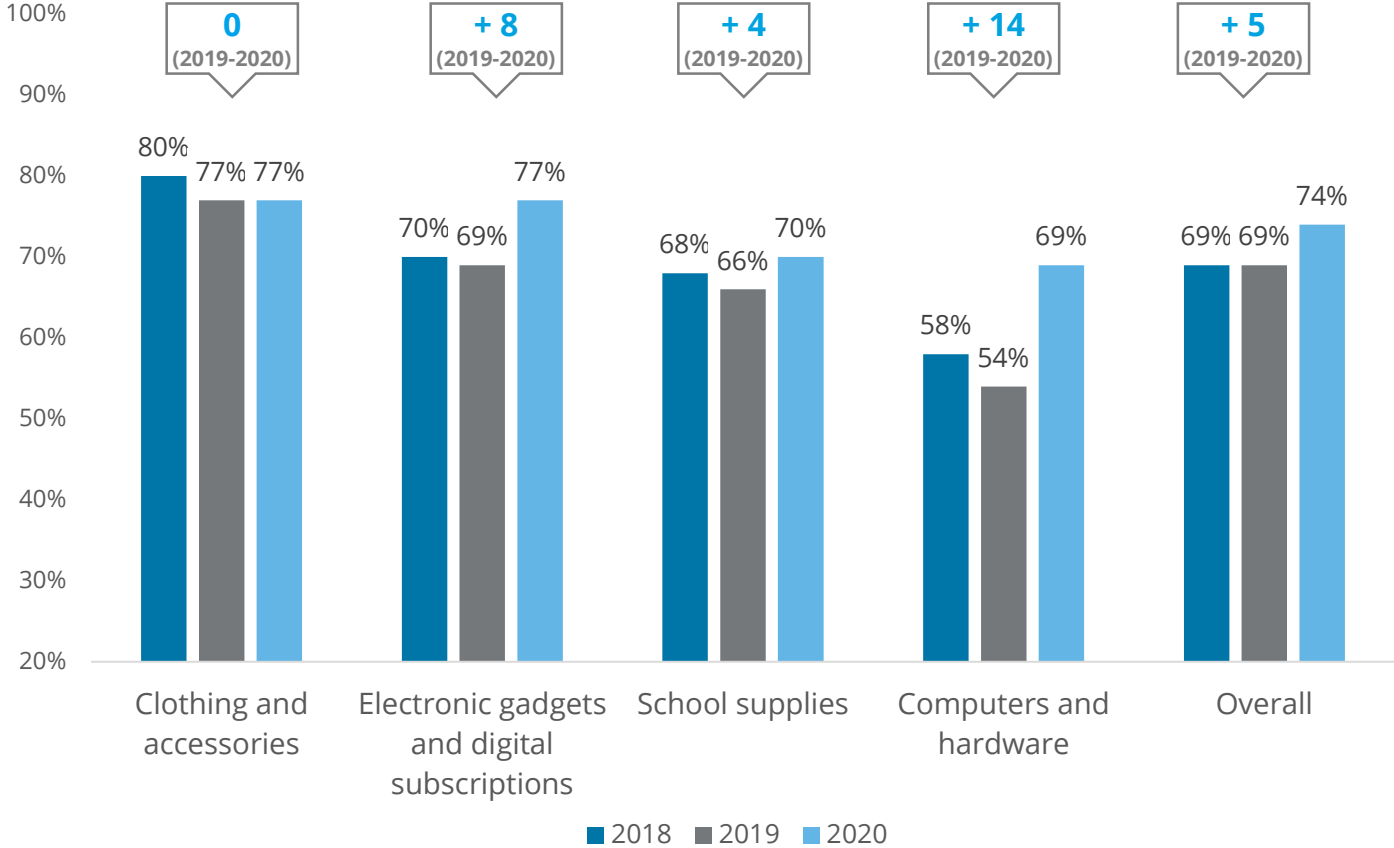


Questions: (1) Do you plan to take advantage of preconfigured “kits” of school supplies offered by your child’s school or PTA? (N=1,200). (2) What are the most important considerations when selecting a retailer for BTS shopping? (multi-response question; hence, the total may not equal 100%, N=309).

Children’s influence rises significantly for computers and electronics as they showcase students’ identities in a more tech-focused educational experience



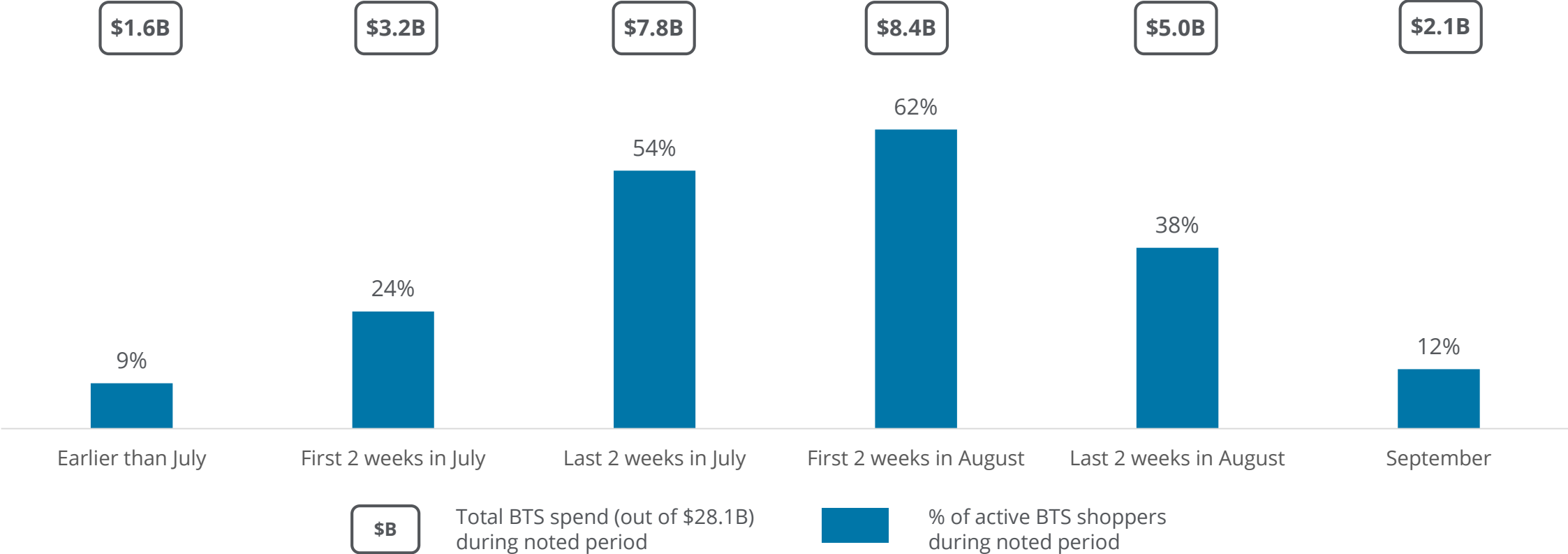
Extent of child’s influence on parents’ BTS shopping—moderate/high influence



Question: To what extent does your child/children influence your BTS shopping?

Despite the uncertainty on when and how schools will open, customers sticking with their typical timing patterns

BTS shopping periods by traffic and total spend



Question: Out of \$__ you plan to spend on BTS shopping, how much do you plan to spend during the following periods?
 Notes: N=1,200. All currency values are in US dollar.

Nearly 40% of parents are likely to start shopping approximately 4–6 weeks before school starts; however, a quarter remain unsure as they await news from schools about reopening

Share of BTS shoppers by lead time
(Gap between “start of shopping” to “start of school”)



Question: When are you likely to begin your BTS shopping?
Notes: N = 1,200. Percentages may not equal 100% due to rounding. All currency values are in US dollar.

COVID-19 is driving tech product categories, accelerating online spend, and elevating importance of safety and convenience



Anxiety high

- **Uncertainty** is high around how school will go back in the fall
- **Concern** for health and finances and quality of education this spring has increased consumer anxiety and is altering traditional BTS shopping behavior



BTS behavior shifting

- **Safety** concerns are pushing consumers to shop closer to home and to seek out contactless formats
- Consumers are **shifting spend** to tech and electronic gadgets to address new realities of schooling



Opportunity

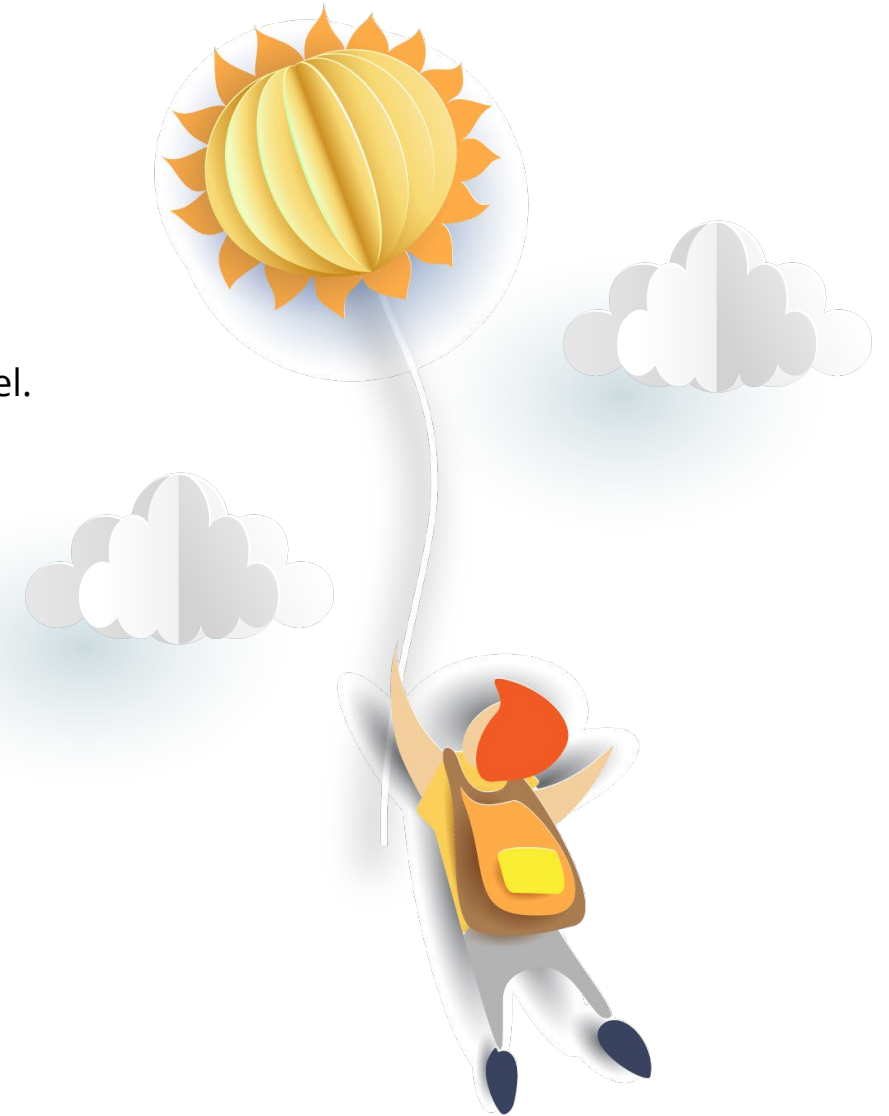
- **Retailers** that can stay nimble and react quickly to changing consumer needs caused by COVID-19 will have an opportunity to appeal to BTS shoppers this season

About the survey

Survey timing: May 29 to June 5, 2020

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.





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