

COLUMNS

## Back-to-school spending to grow 3.3pc: NRF

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By **Marie Driscoll**

The National Retail Federation released its annual Back to School/Back to College (BTS/BTC) outlook July 17 and projects a combined total spend of \$74.9 billion, up 3.3 percent from the projected season's spend in 2013.

According to NRF's 2014 BTS Survey conducted by Prosper Insights & Analytics, the average family with children in grades K-12 will spend \$669 on apparel, shoes, supplies and electronics, up 5 percent from \$635 last year, totaling \$26.5 billion.

The BTC Survey found the average college student and their family will spend \$916 on dorm furniture, school supplies, electronics and more, up 10 percent from \$837 last year for a \$48.4 billion total.

Spending on electronics including PCs, mobile phones, calculators, digital cameras and MP3 players and apparel garner the greatest wallet share with the K-12 demographic, spending an average \$231 on apparel and \$212 on electronics, while for the older college-age students, spending on apparel is expected to average \$139 and \$244 for electronics.

The ICSC (International Council of Shopping Centers) is looking for an average \$672 BTS spend, \$347 on electronics and \$325 on non-electronic categories including apparel, footwear, backpacks and supplies with a significant year-over-year lift in households intending to purchase dorm-type furniture, from 17 percent to 27 percent.

Mobile's influence continues to grow. Mobile devices will be a handy aid for BTS/BTC shopping, with 37 percent of BTS shoppers with a smartphone using it for research and 22 percent expect to make a purchase via their smartphone.

For BTC shoppers, 58 percent plan to use their smartphone, for research (34 percent), to purchase (22 percent) and to locate a retailer (30 percent).

According to a white paper published in June called UPS Pulse of the Online Shopper which surveyed 5849 online shoppers, consumer preference remains desktop or laptop for researching (61 percent) and purchasing (41 percent), with a tablet being the preferred method of research for 11 percent and 7 percent for purchase, followed by smartphones with, 10 percent and 4 percent, respectively.

Improvements in mobile-centric experiences will drive a shift to increased mobile purchases, potentially seen this coming holiday season.

More than half the consumers queried opted to pick up their purchase in the store, and 40 percent of those shoppers made additional purchases on those pick-up trips.

This behavior is pivotal to omnichannel success and mobile can be vital in this cross-channel shopping behavior by

product recommendations, handy coupons and mobile wallets to name a few possibilities.

Presently, the biggest hurdle for mobile is the imagery and product details are not adequate for shoppers to complete the transaction. Shoppers want more information.

So off to the store or a tablet, and yet many opt to complete the purchase online even after a store visit.

In the store, the most frequent use of smartphones is for price comparisons (36 percent).

Despite the growing propensity to use technology and mobile about 90 percent of retail transactions in the United States occur in a physical store environment.

Economic worries still affecting spending. Since 2009 NRF has asked school shoppers how the U.S. economy will affect their spending plans. This year, eight in 10 Americans shopping for the season's merchandise are affected.

The survey concludes that more families plan to buy store brand/generic items for school, will make do with last year's items, and plan to shop online more often to save money. The latter metric rose from 18.5 percent to 19.6 percent of whom plan to do comparative shopping online.

Department and discount stores are the retailers of choice for both student groups, with more than half of the respondents planning to shop these formats, according to NRF.

The ICSC sees 80 percent of BTS shoppers heading to discounters in 2014 down from 80 percent in 2013 affording the channel 23.7 percent of the season's total spend, down from 28.6 percent last year.

Specialty stores will see seasonal traffic as well, with 54 percent of back-to-school shoppers planning a visit to clothing stores and 28 percent intending to visit an electronics store.

Michael Shay, CEO of NRF, stated: "Slow improvements in the economy may have contributed to the growth in confidence among back-to-school shoppers, and while we are encouraged by the overall tone of the results and expect to see continued improvement in consumer spending through the year, we know Americans are still grappling with their purchase decisions every day."

The NRF looked at influencers and, according to the survey, 35 percent of parents say more than half of their back to school spending is influenced by their children.

At the extreme, high school students drive 100 percent of back-to-school spending among 12 percent of households.

Prosper Insights Consumer Insights director Pam Goodfellow said: "Students will make sure to keep one eye on social media and the other on retailers' Web sites as they seek out what's new and exciting in their hunt for fresh, fashionable and relevant back-to-school gear."

This insight is a head's-up to mobile marketers as they plan their holiday strategies.

2014 retail outlook clipped

A week later, (July 23) citing weak retail trends in the first half that left no retailer immune, NRF lowered its projection for 2014 retail sales to a 3.6 percent increment from the 4.1 percent increment prognosticated in January.

First-half sales grew at an estimated 2.9 percent rate, reflecting inclement weather along in tandem with a weak economy.

However, strong employment growth and improvement in consumer and business sentiment support a moderate pace of growth through the remainder of 2014

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