

Back-to-school shoppers starting earlier, spending more in 2016

By: Mark Glover
August 11, 2016

Tammy Smith, a 37-year-old single mom living in Carmichael, admitted that she was “spending way too much” on back-to-school supplies for her 15-year-old daughter.

But as she strolled merchandise-packed aisles of Staples at 6330 Sunrise Blvd. in Citrus Heights recently, she quickly added: “But she’s my only child. I’m willing to spend more to make sure she has all she needs.”

That refrain is driving robust back-to-school sales in California and across the nation, according to retail industry analysts.

“At a time when millions of households are closely watching every dollar spent, there appears to be a willingness to stretch the budget when it comes to getting the kids stocked up for back-to-school supplies,” said Peter Schaub, a New York-based marketing and branding expert.

The National Retail Federation recently projected that U.S. back-to-school spending for grades K-12 and college combined will hit \$75.8 billion this year, a sharp 11.5 percent increase over \$68 billion spent last year. By some analysts’ estimates, more than \$9 billion of the 2016 total will be spent in California.

“Families are still looking for bargains, but there are signs that they are less worried about the economy than in the past,” said NRF President and CEO Matthew Shay. “We fully expect retailers to be aggressive with offering great deals both in stores and online for back-to-school shoppers.”

That’s an understatement. Since the last fireworks finale on Independence Day last month, retailers have been bombarding consumers with online, TV and print ads touting their back-to-school deals.

At its stores nationwide, Wal-Mart Stores Inc. is offering price discounts on everything from crayons to college dorm room furniture. The retail giant says it is offering 300 “classroom essentials” for less than \$1 this year, 600 for less than \$2 and 1,000 for less than \$3.

Walgreens print ads spell out school supply savings of up to 50 percent off in both English and Spanish. Local Office Depot/OfficeMax stores are offering 30 percent off on all school backpacks. Staples has sweetened its back-to-school offerings with a chance to win a \$50,000 scholarship plus a face-to-face meeting with recording star Katy Perry.

“There are so many sales and discounts going on that I spent all last night just going through them, so I could plan out stops at several stores today,” said 29-year-old Sacramentan Connie Li, who was stocking up on notebook paper, folders and pens at the Target store at 2505 Riverside Blvd. in Sacramento.

Li noted that she has been back-to-school shopping for her two elementary school-age children since mid-July, an early-start trend that retail analysts said is prevalent this year.

“When we looked deeper into our back-to-school shopping survey this year, we found that shoppers were starting as early as two months out,” said Ana Smith, a spokeswoman with the Washington, D.C.-based National Retail Federation. “They’re stretching their dollars ... Over two months, that means that shoppers are spreading out their spending over four to six paychecks.

“Like their kids, (parents) are doing their homework, scouring the internet for the best deals.”

Not surprisingly, students’ priorities on back-to-school items tend to be a bit different from those of their parents.

The NRF’s Smith said that, among purchases for students in grades K-12, the top three priorities this year are apparel/accessories, electronics and shoes, respectively. Traditional school supplies rank fourth. In its back-to-

school spending survey, NRF noted that parent respondents said they will spend an average of \$235.39 on clothing, \$204.06 on electronics, \$126.35 on shoes and \$107.76 on school supplies this year.

Smith also explained that “millennials are boosting back-to-school spending ... A lot of people might think that the millennials are too young, but they’ve grown up and are parents of school-age children.”

A byproduct of this spending shift: Smith said back-to-school shopping is the second-highest seasonal spending time of the year nationally, trailing only the winter holidays and far outdistancing around \$21.5 billion spent on No. 3 Mother’s Day.

Consequently, retailers now do back-to-school merchandise planning the same way they’ve long approached the Christmas season.

“As soon as back-to-school shopping is over, we start to plan for the next back-to-school season,” said Wal-Mart spokeswoman Delia Garcia. “It has evolved over time. We do a lot of listening to our customers, a lot of customer engagement. We want to know specifically what they are looking for. A lot of it is done online or through social media.”

Garcia added back-to-school shopping has increased dramatically over the past decade, prompting Walmart to offer same-day in-store merchandise pickup and, in some markets, curbside delivery.

This year, Walmart and other retailers have rolled out hundreds of back-to-school items for K-12 students. Hot sellers include backpacks (including rolling backpacks), cloth/zippered pencil cases, locker supplies (including shelves), athletic shoes and casual pullovers branded with popular culture icons.

Garcia said branded merchandise runs the gamut, from superheroes to Shopkins characters to “Finding Dory” artwork from the 2016 movie. Despite a comparatively disappointing run at the box office, T-shirts and backpacks with all-female “Ghostbusters” characters from the recently released movie are strong. Even though it was released three years ago by Disney, characters from the movie “Frozen” remain popular.

Across all K-12 merchandise lines, fluorescent colors abound, from markers to intricate backpack decorations.

Back-to-college merchandise is pricier and includes laptops, tablets and furniture/appliances for dormitories or off-campus housing. “Whether it’s laptops for class or mini-fridges for the dorm, college simply costs more than the lower grades,” NRF CEO Shay said.

Store aisles packed with hundreds of rainbow-colored school supplies can overwhelm some customers, but retailers have anticipated that as well.

Bertha Duran, assistant manager at the Walmart Supercenter at 755 Riverpoint Court in West Sacramento, pointed to a “School Supply List” display situated in front of the store’s back-to-school aisles.

There, shoppers can choose lists specifically compiled for individual grades, from elementary school through high school. Duran said the lists have been compiled based on feedback from area teachers.

“We want to make it as convenient as possible for (shoppers),” Duran said.

<http://www.modbee.com/news/business/article95135067.html>