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**PRESS RELEASE
FOR IMMEDIATE RELEASE**

Back-to-School Consumer Spending Gets a ‘B+’

After 2013 Decrease, Consumer Spending Normalizes with 9% Increase

**Discount Stores, Online, Department and Specialty Stores
Will Be Beneficiaries of Increased Spend**

NEW YORK, NY (JULY 28, 2014) – The 2014 Back-to-School spending report card is in – households with school-aged children (pre-school through 12th grade) plan to spend more this year on back-to-school necessities with a predicted increase of 9 per cent, for an average spend of \$655.00, according to the annual survey conducted by Brand Keys (www.brandkeys.com), the New York-based consumer loyalty and engagement research consultancy.

Anticipated Spending Up

Average anticipated spending in all major back-to-school categories reflect higher levels over last year’s consumer cutbacks:

Clothing:	\$348.00 (+16%)
Shoes (athletic & dress)	\$127.00 (+15%)
Supplies	\$ 89.00 (+13%)
Computers/Electronics/ Tablets/Smartphones:	\$213.00 (+12%)
Books/Study Aids	\$ 18.00 (+80%)

Methodology

The survey included assessments from 8,300 households, drawn from the nine U.S. Census regions. Interviews were collected by telephone and central location intercepts (to account for the surging number of cell-phone only households) over the period July 19th through the 25th 2014.

Preferred Retail Platforms

The breakdown of this year's 'preferred' retail categories versus last year's indicates an increase in anticipated use of all retail platforms except catalogs. "Although, to be fair, said Robert Passikoff, Brand Keys founder and president. "Some consumer purchases have shifted from print catalogs to digital. Online has, of course, been growing generally, but increased use of mobile outreach is responsible for this year's significant growth for that platform specifically," noted Passikoff.

Discount Stores:	99% (+2%)
Online	93% (+30%)
Department Stores:	35% (+25%)
Office Supply:	30% (+20%)
Specialty Retailers	34% (+13%)
Catalogs	30% (-5%)

Top-10 Retailers and E-tailers

This year, the top-10 list of most popular retail and e-tail brands consumers mentioned as places they intended to shop included:

	<u>Retail</u>	<u>E-tail</u>
1.	Wal-Mart	Amazon.com
2.	Target	Walmart.com
3.	Macy's	eBay.com
4.	CVS	Kohls.com
5.	Best Buy	Macys.com
6.	TJ Maxx	Zappos.com
7.	Staples	Overstock.com
8.	Footlocker	Gap.com
9.	Payless	Nike.com
10.	Apple stores	Target.com

Improved Economy & Need Drives Shopping

"Some of what we're seeing reflects consumers' perceptions of a slightly improved economy and a definite need to re-stock because there's no way to get around children's growth spurts," said Passikoff. "So, on a relative basis, spending for clothing and shoes show the largest increases."

But the specific back-to-school figures also represent a shift in consumer buying habits," said Passikoff. "Retailers started running Back-to-School ads in June and they've been

discounting and couponing since the beginning of the year. 'Back-to-School' is just another promotional platform for retailers."

Nearly 35% of savvy consumers indicated they had already bought and stockpiled supplies for the first day of school. Another 25% indicated they would wait for the 'Summer Sales.' The remaining 40% are waiting until the last minute. "Retailers have spent more than a decade teaching consumers they can get things cheaper or for better value if they wait longer or look a little harder, and consumers have been fast learners," said Passikoff.

In addition to the low-lower-lowest pricing marketplace, bigger ticket items like tablets smartphones and computers, which in years past had traditionally been purchased at the start of the school year, are now purchased throughout the year. "Parents aren't upgrading a mobile device just because classes are starting," said Passikoff.

"Value, of course, isn't just about pricing, it's about brand, brand differentiation and brand engagement," said Passikoff. "Retailers that can engage consumers, and are seen as surrogates for added-value, will always benefit. Consumers not only believe that, they behave that way in the marketplace and that's a fundamental lesson all retailers need to learn."

Contact: [VISIBILITY](#)
Len Stein
cell 914 527 3708
LenS@VisibilityPR.com