



BrandKeys

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Back-to-School Consumer Spending Gets an Incomplete

2015 Consumer Spending Fails to Advance Over Last Year

NEW YORK, NY (August 3, 2015) – The 2015 Back-to-School spending report card is in and households with school-age children (pre-school through 12th grade) *do not* plan to spend more this year on back-to-school supplies than they did last year, indicating an anticipated average spend of \$650.00 (versus 2014's \$652), according to the 21st annual survey conducted by Brand Keys (www.brandkeys.com), the New York-based brand loyalty and emotional engagement research consultancy.

Anticipated Spending Unchanged

Average anticipated spending in all major back-to-school categories reflect similar spending levels as last year:

Clothing:	\$270.00
Shoes (athletic & dress)	\$120.00
Supplies	\$ 80.00
Computers/Electronics/ Tablets/Smartphones:	\$160.00
Books/Study Aids	\$ 22.00

Methodology

The survey included assessments from 8,500 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 20th through the 26th 2015.

Online, Specialty Apparel and Department Stores Preferred Retailers

The breakdown of this year's 'preferred' retail categories versus last year's indicates an anticipated use of all retail platforms. The biggest increases in the choice of where and

how to buy appeared in Specialty Apparel Retailers and Department Stores. Catalogs were down again in mentions, “although, to be fair, said Robert Passikoff, Brand Keys founder and president, “Some consumer purchases have just shifted from print catalogs to their digital counterparts. Online has, of course, been growing generally, but increased use of mobile outreach and advertising is likely responsible for this year’s growth for that platform specifically,” noted Passikoff.

Discount Stores:	99% (---)
Online	95% (+ 2%)
Specialty Retailers	55% (+21%)
Department Stores:	55% (+20%)
Office Supply:	35% (+ 5%)
Catalogs	20% (- 10%)

Top 10 Retailers and E-tailers

This year, the top 10 list of most popular retail brands added Walgreen’s and Sears,, with Target moving to the #1 spot just ahead of Walmart. “It would appear that their return to a ‘cheap chic’ positioning is working,” noted Passikoff. For e-tail brands, Target.com moved up the list from 2014’s #10 spot to #3. Nike.com moved up, Overstock.com moved down, and eBay did not appear in this year’s top-10.

Top 10 rankings of retail brands consumers indicated they intended to shop were as follows:

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

Consumer Confidence Up, Consumer Spending Flat

“While consumer confidence indices have been moving in a positive direction this year, it appears that parents are taking a hard look at what their children really need for back-to-school. There’s always a need to re-stock in some areas because there’s no way to

get around children's growth spurts," said Passikoff, "which accounts for the 21% increase for Specialty Apparel Retailers and Department Stores sales.

Nearly 50% of consumers indicated they had already bought and stockpiled necessities and supplies for the first day of school before August, up 15% over last year. Another 30% indicated they would wait for the 'Summer Sales.' The remaining 20% 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 a little 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. "Retail brands that can emotionally engage consumers, are seen as surrogates for added-value, and those will be the brands that benefit most. Consumers not only believe that, they behave that way in the marketplace.

"That's a fundamental lesson all back-to-school retailers need to learn."

Contact: Visibility

Len Stein

lens@visibilitypr.com

914 527.3708