



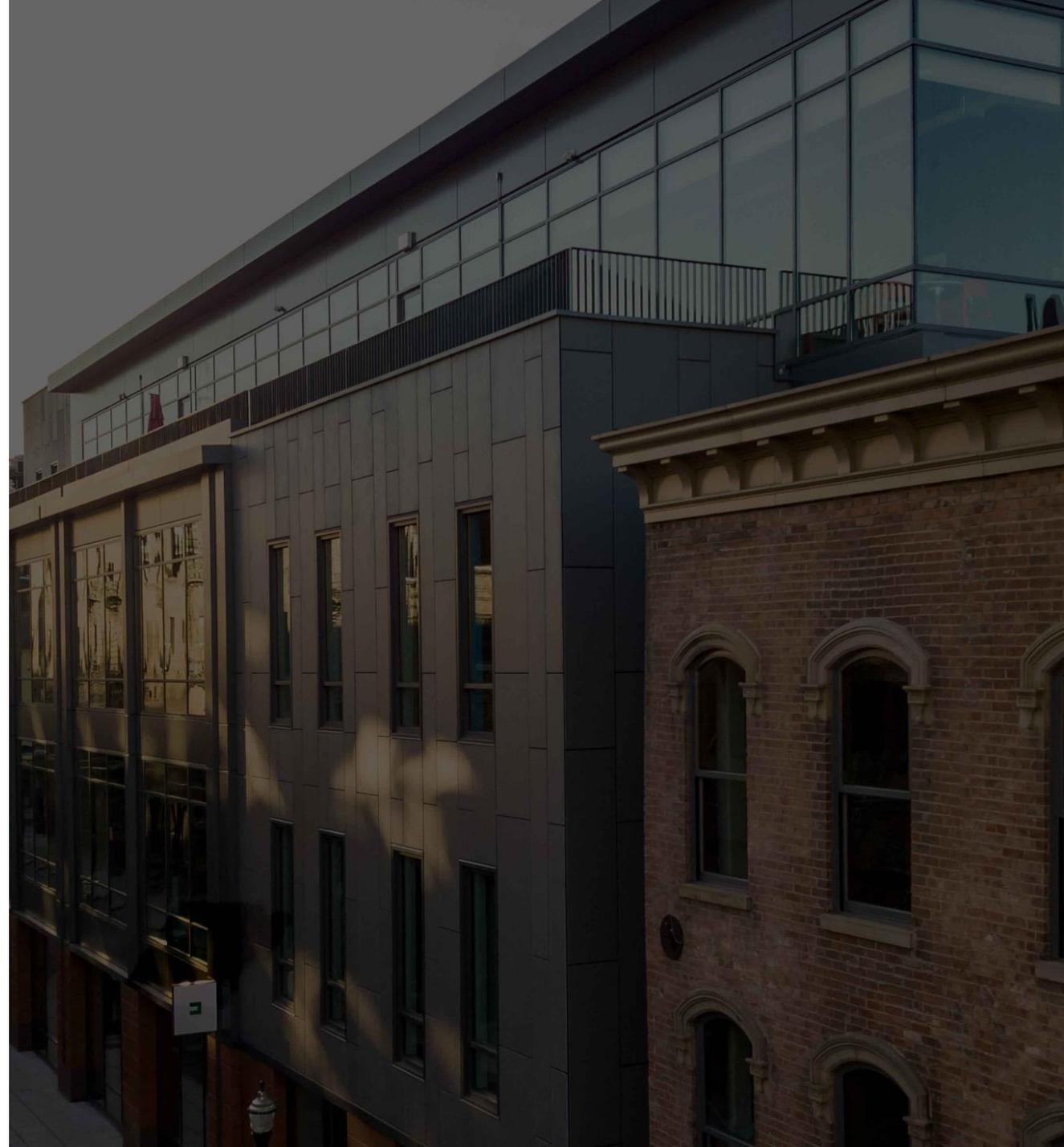
HELLO

COVID-19 & The Impact on Back-to-School

Back-to-School looks a little different this year, so the goal of this guide is to show how the tent pole has shifted as a result of uncertain times – giving us insights into the remainder of 2020

- Consumer Sentiment
- How Consumers Are Approaching Back-to-School & What is Driving Their Purchases
- Winning Brand Activations

August 2020



Shopping for Key Seasons Is *Different* This Year



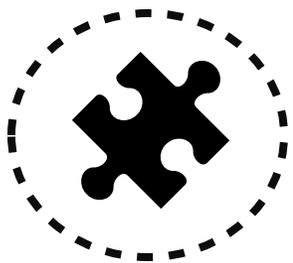
Back-to-School/College and Holiday are the **highest grossing shopping occasions** in a long list of shopping events important for consumers, including, Easter, Valentine's Day, Father's Day, Graduation, Halloween and Super Bowl



Majority of Back-to-School shopping takes place in late-July and early-August before school starts and early indications are that families are spending more YoY on electronics, dorm or apartment furnishings and clothing/accessories



Online will be a key conversion driver with almost 50% of shoppers saying they plan on buying their Back-to-School supplies online over in-store



Consumers **are feeling uncertain** preparing for these key tentpoles and **are looking for resources** to navigate and reassure them during this unprecedented return to school



Consumer Sentiment

Anxiety is Running High



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

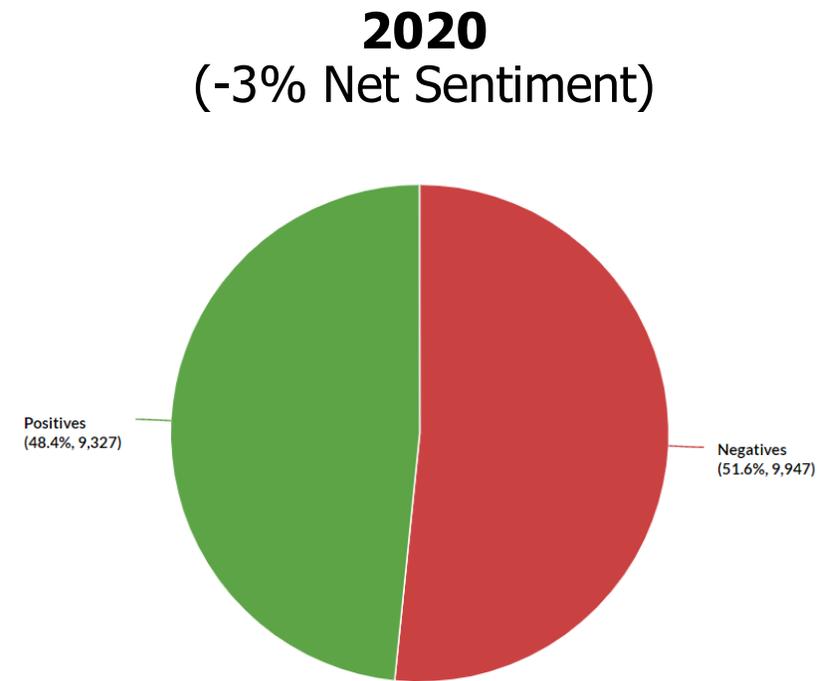
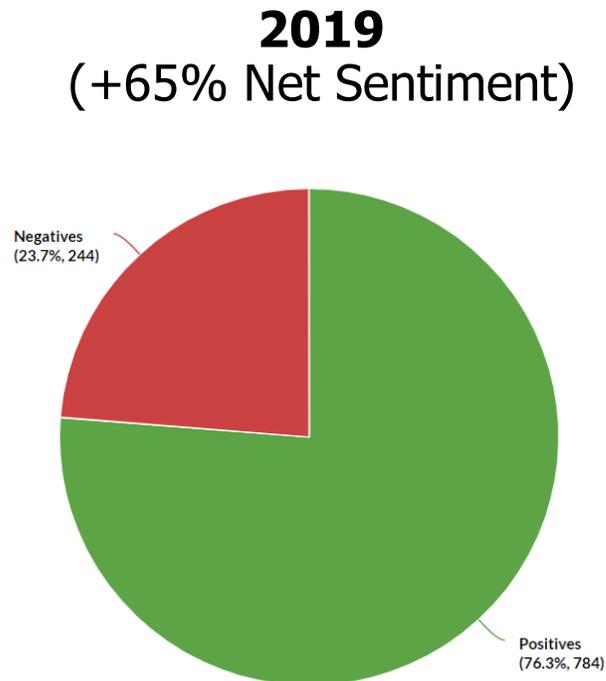
After this spring,
only **43%**
of parents felt that the
education prepared
children for the next
grade

Concern that children are
falling behind is causing
51%
of parents to increase
spend on virtual training
tools

Consumer Sentiment is Down in 2020



When analyzing social conversation around Back-to-School, online sentiment in 2020 **skews significantly more negative** compared to 2019. The negative sentiment centers on the uncertainty and concern towards the school year.



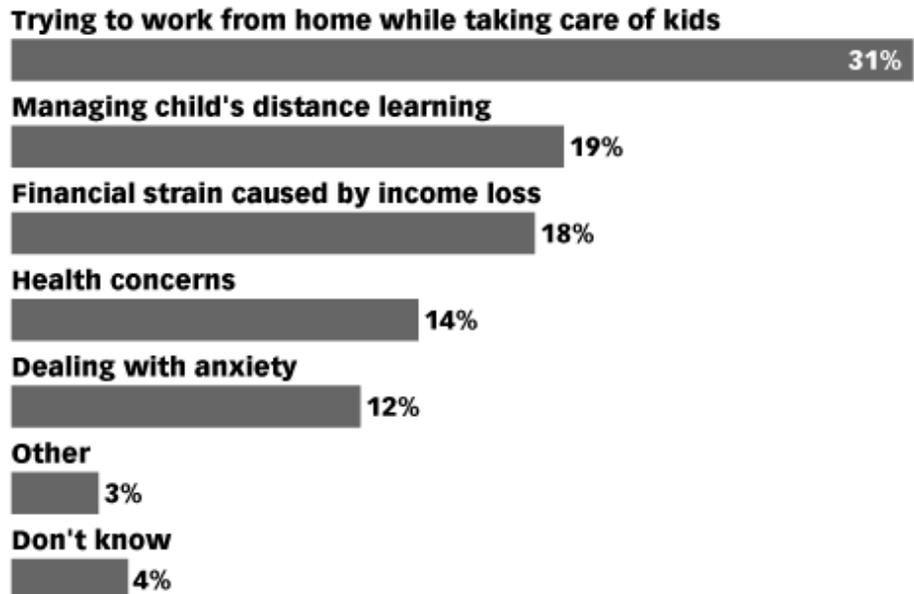
It's A Challenging Time for Parents



Modern-day parenting has always been a challenge, and amidst COVID, the laundry list of items to be concerned about is building.

What Is the Biggest Coronavirus-Related Challenge for US Parents?

% of respondents, May 2020



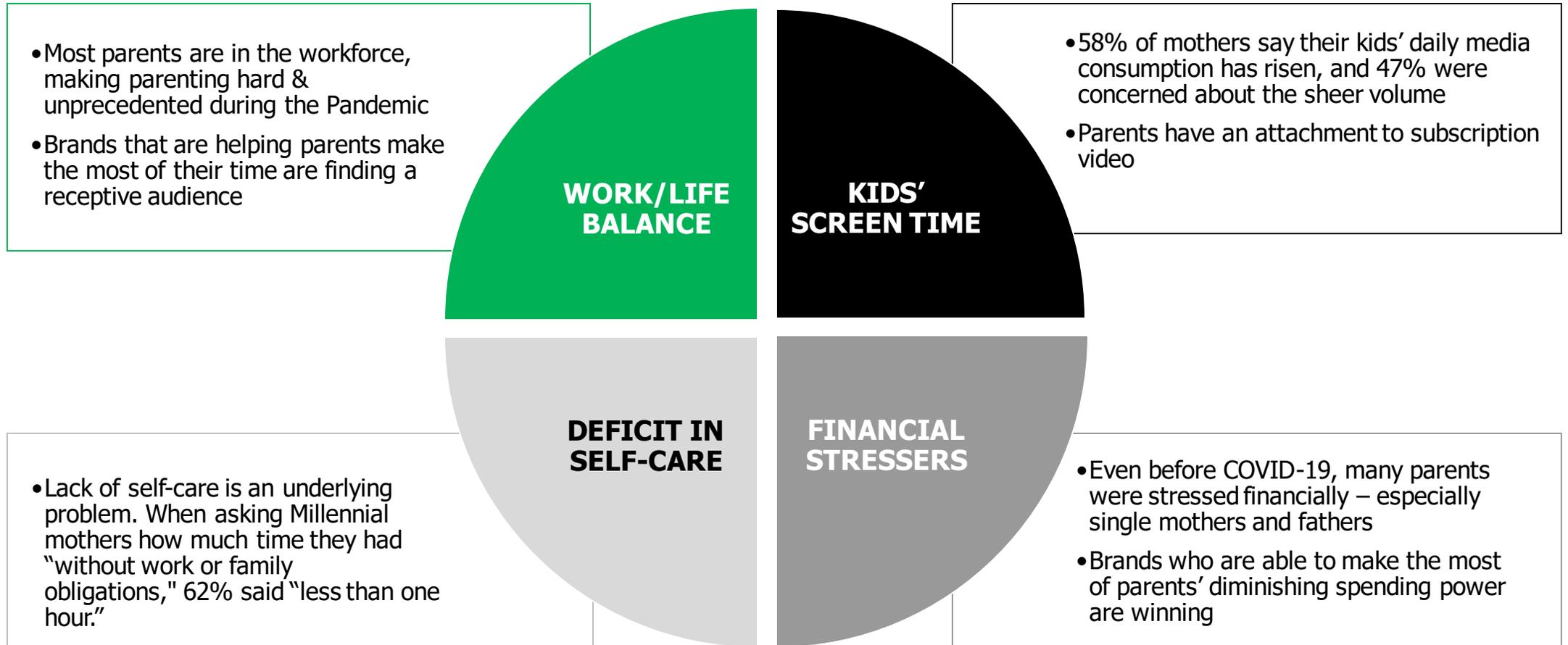
Note: n=1,005 with children under 18; numbers may not add up to 100% due to rounding

Source: LendingTree, May 19, 2020

255701

www.eMarketer.com

Work/Life Balance and Screen Time are Top-of-Mind



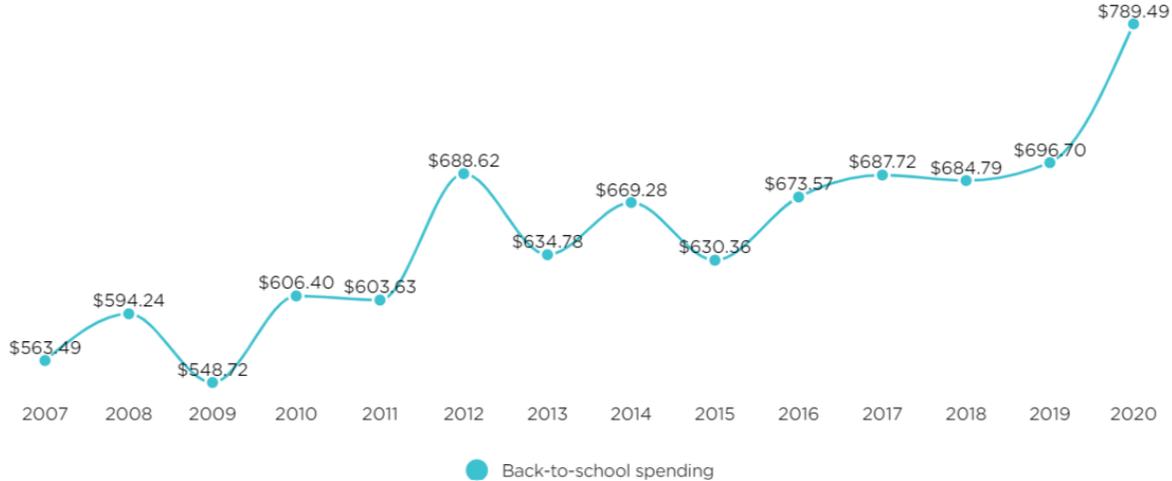


How Consumers Are Approaching Back-to-School & What is Driving Their Purchases

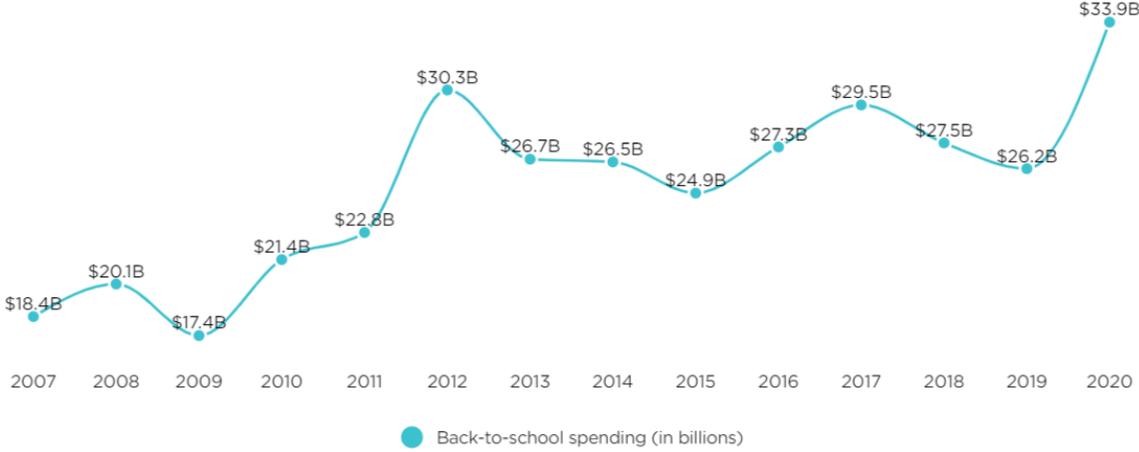


Consumers Are Planning for Both Scenarios, In-Person and Virtual Learning, Leading to an Expected Increase in Average HH Spend

Avg Spending per Household



Total Back-to-School Spending

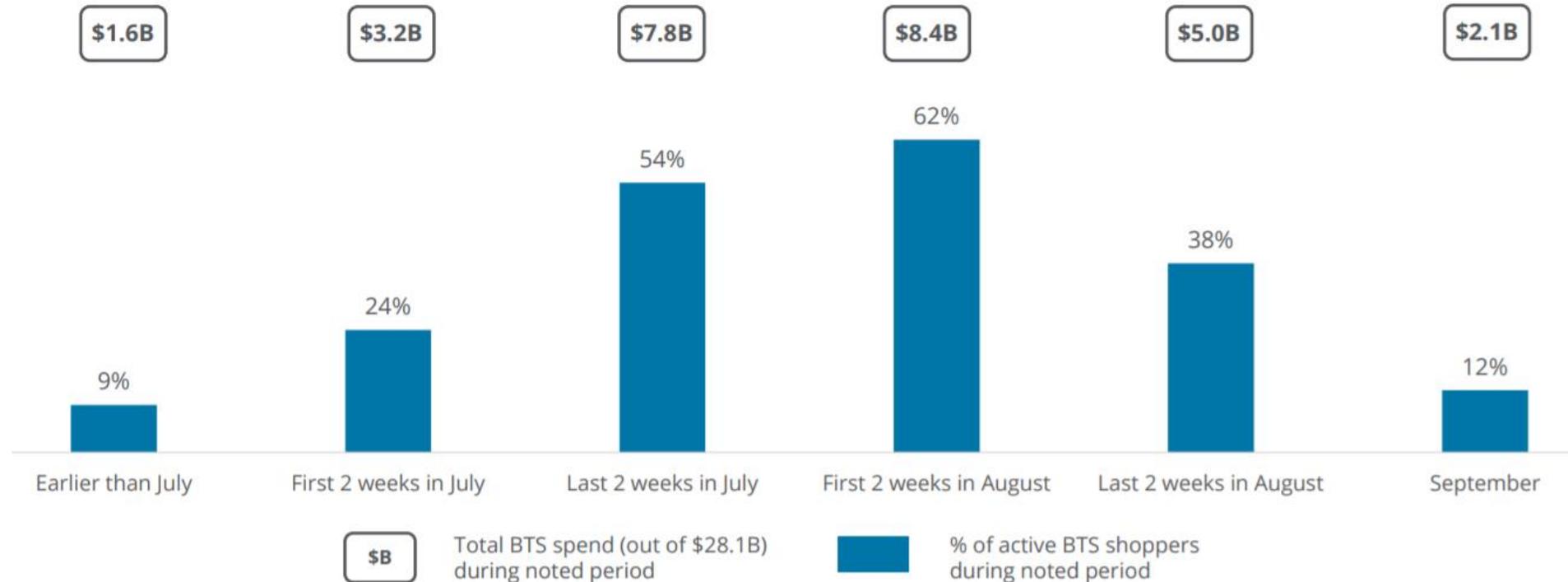


- Average spending per household is expected to **increase 13%** to \$789, up from last year's previous high of \$697
- Spending is expected to total \$33.9 billion, **up from \$26.2 billion** last year and breaking the record of \$30.3 billion from 2012
- Concern that students are falling behind is causing **51% of parents to increase spend on virtual learning tools**

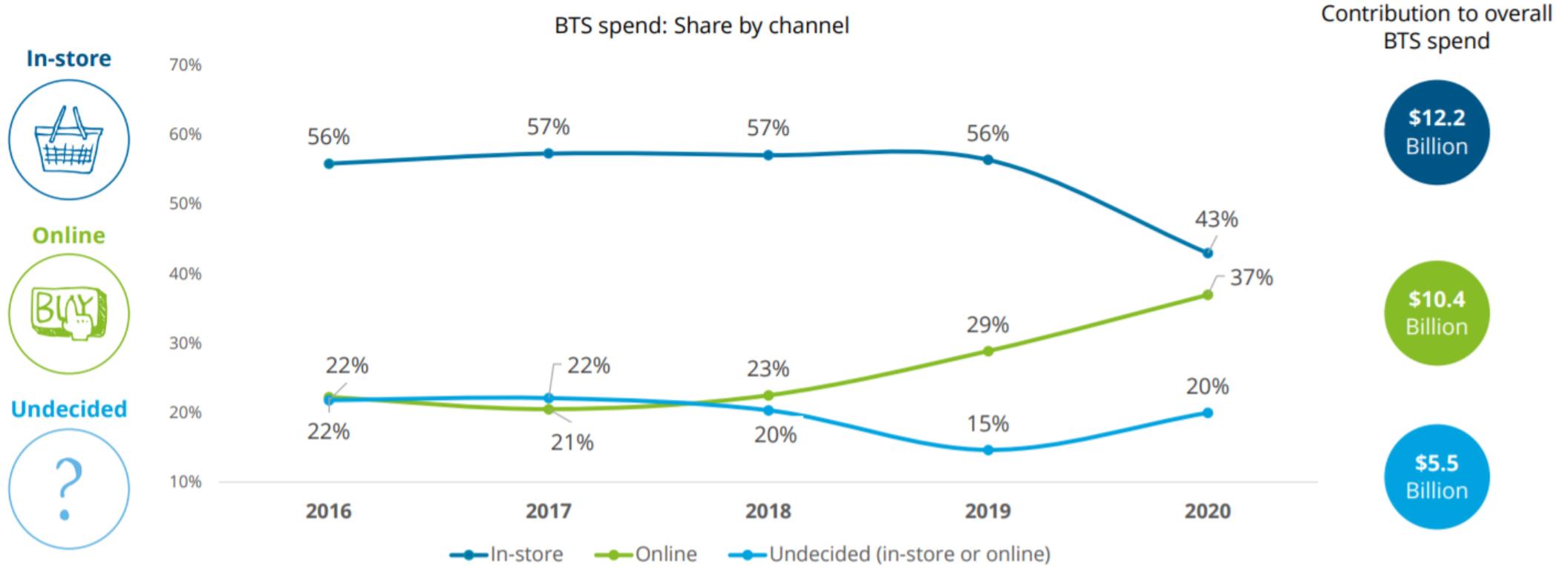


Consumer Shopping Timelines Keep Their Typical Back-to-School Patterns

Despite uncertainty, 80% of parents are still planning on shopping during late July through early August.



Consumers Want to Shop Online or Via Contactless Methods



- Parents expect to spend **37% of their budget online**, up from 29% in 2019, as health concerns are top-of-mind
- Mass merchants lost some ground this year as more consumers are expecting to shop **closer to home** due to COVID-19

Offering Alternative Contactless Experiences Takes on New Importance For Final Conversion



The role of the store continues to change and evolve, with **final-mile experiences** being more important than ever.

- Shoppers prefer retailers with:
 - Buy online, pick up in-store (BOPIS)
 - Buy online and return to store

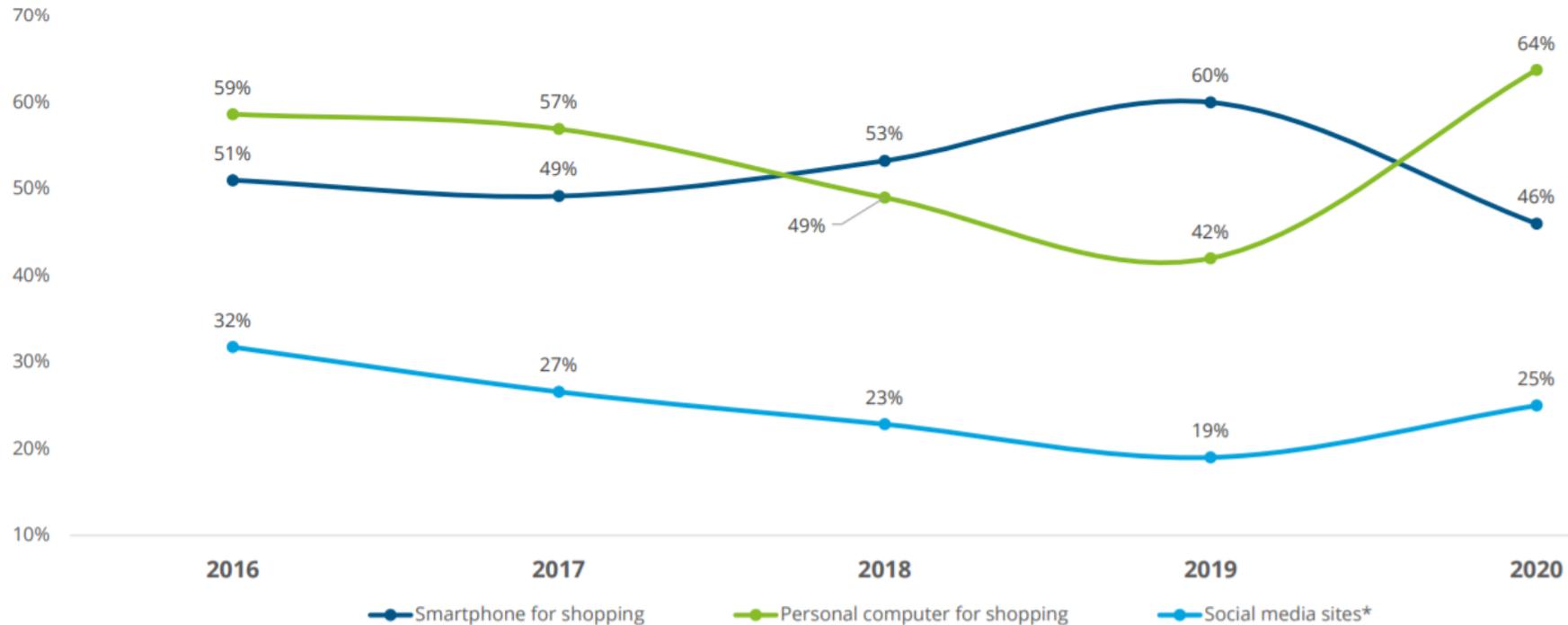
26%

of shopper's plan to use BOPIS more frequently

47%

prefer a retailer with BOPIS, up from 26% last year

Personal Computers Are a More Integral Part of the Shopper Journey Than in Previous Years



- 64% plan to use their personal computer to assist in Back-to-School shopping, up from 42% in 2019, likely driven by increased time spent at home
- 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

Source:
Deloitte 2020 Back-to-School Study

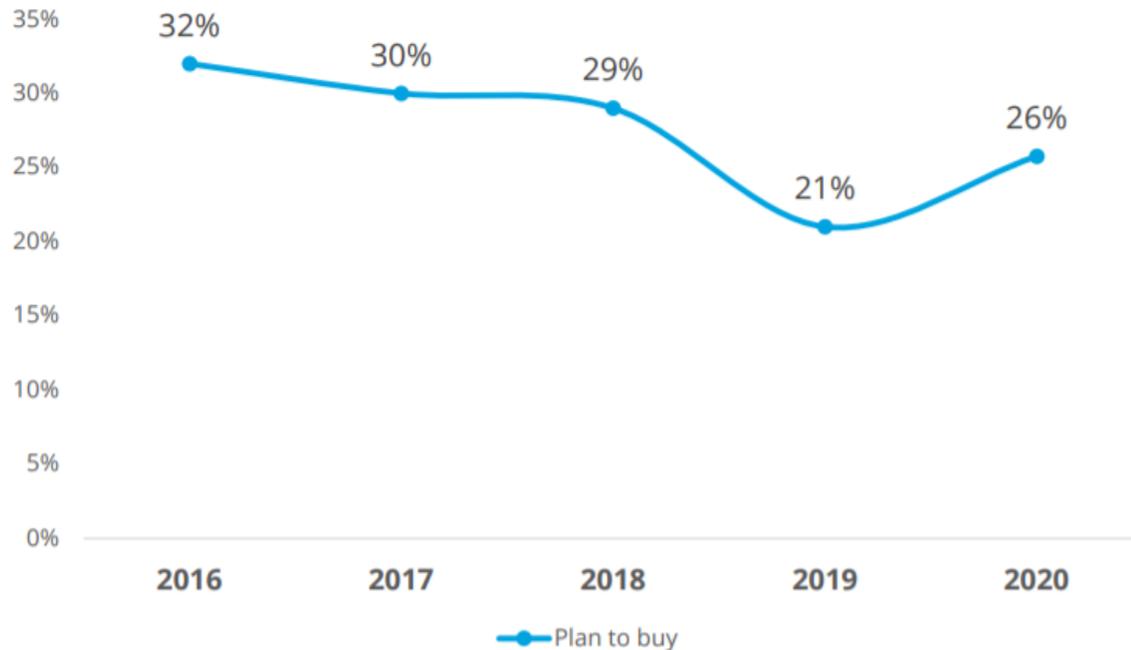
*Sample size of shoppers who use at least one digital device in each year: 2016 (n=951), 2017 (n=978), 2018 (n=985), 2019 (n=1,009), and 2020 (n=1,060)

Consumers Are Seeking Convenience as Safety Concerns Around COVID-19 Remain Top-of-Mind

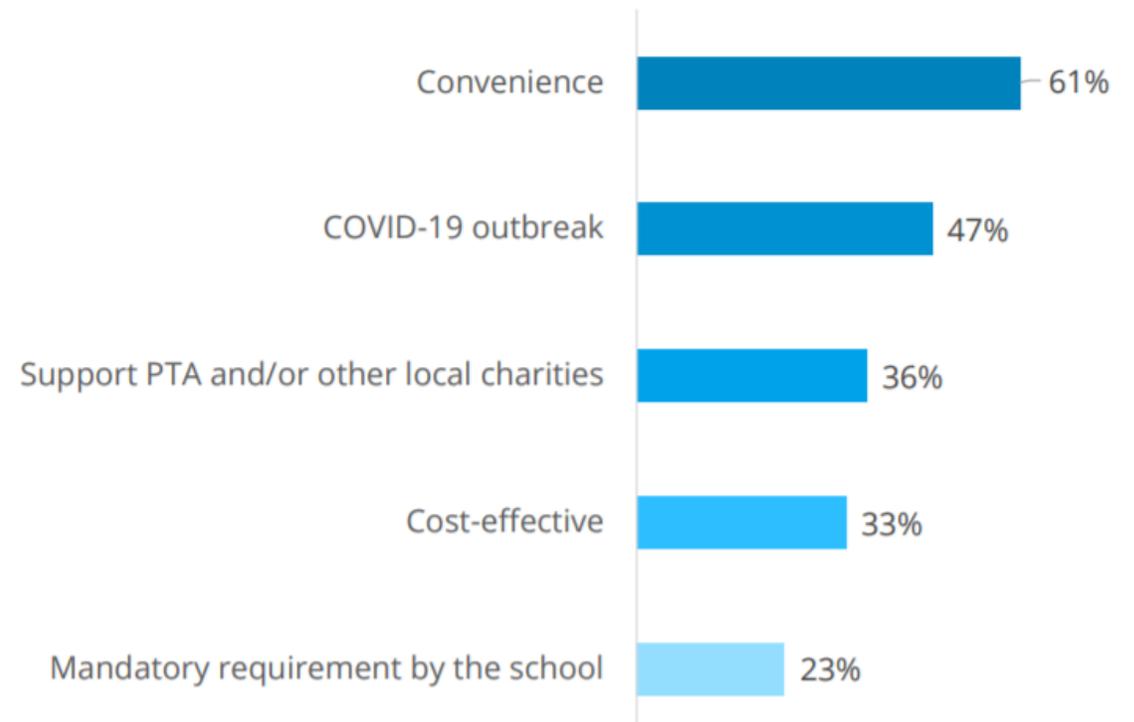


More parents plan to take advantage of pre-configured kits than last year (if schools offer), citing convenience and the COVID-19 outbreak as key drivers.

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



Convenience tops the list of drivers for buying preconfigured kits²





Winning Back-to-School During COVID-19



What Winning Brands & Retailers Are Keeping Top-of-Mind

Just because shopping *is different* doesn't mean that it's going to slow down

Retailers should prioritize easy/convenient purchasing, and provide a variety of shopping methods and fulfillment

Messaging is key for driving consideration

*Messaging should hero main RTBs, **but also** reassure shoppers that they can pick up in-store or get delivered*

Bundle products together

Make it easy on consumers and help upsell across the category

Moments between family and friends are **more important than ever**

Identify what makes your products unique, especially during COVID



Take Note From Proactive Retailers

- Target recently launched its “Ready for School” campaign providing Back-to-School supplies and highlighting **contactless curbside delivery**
- They’re providing easy wayfinding for parents to get the **essentials for at home-learning:** supplies, desk-accessories and tech
- **College Ready** highlights crafting students’ dream living space, but also self-care

Lower prices & great deals
on 100s of school items.

Two easy ways to get everything they need

Pick up today

We'll do the shopping for you. Just order online and pick up in the store. Or use the Target App for contactless curbside delivery. Either way, it's free.

[Get started](#)

School List Assist

In just a few simple steps, we'll find everything on your kiddo's class list and add it to your cart all at once.

[Get started](#)

College ready

Create your dream space
Find everything you need to make your college space truly yours.

[Explore ideas & inspiration](#)

Learn at home
Furniture, classroom supplies & everything your family needs for distance learning.

[At-Home Learning](#)

Take care
Make your physical & mental health a priority with self-care & wellness picks.

Vitamins & Supplements

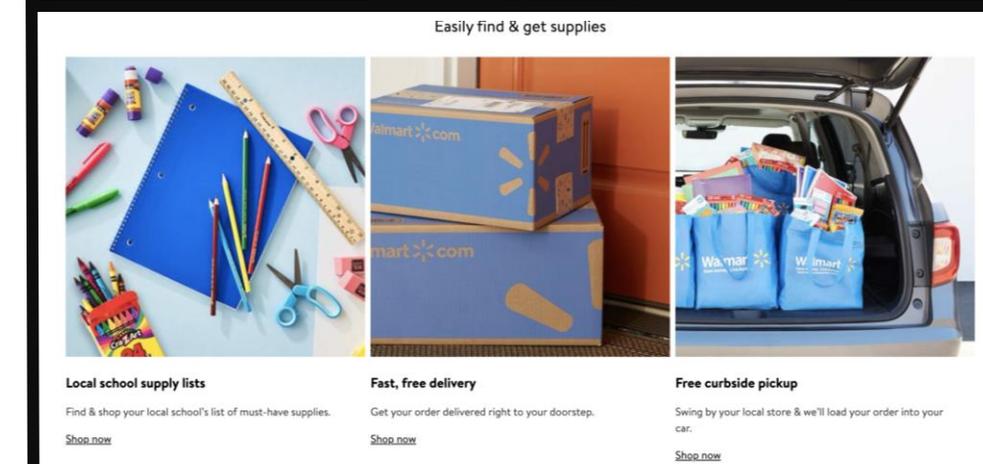
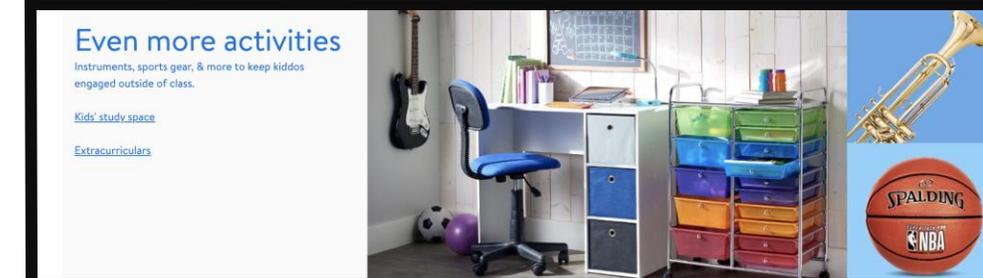
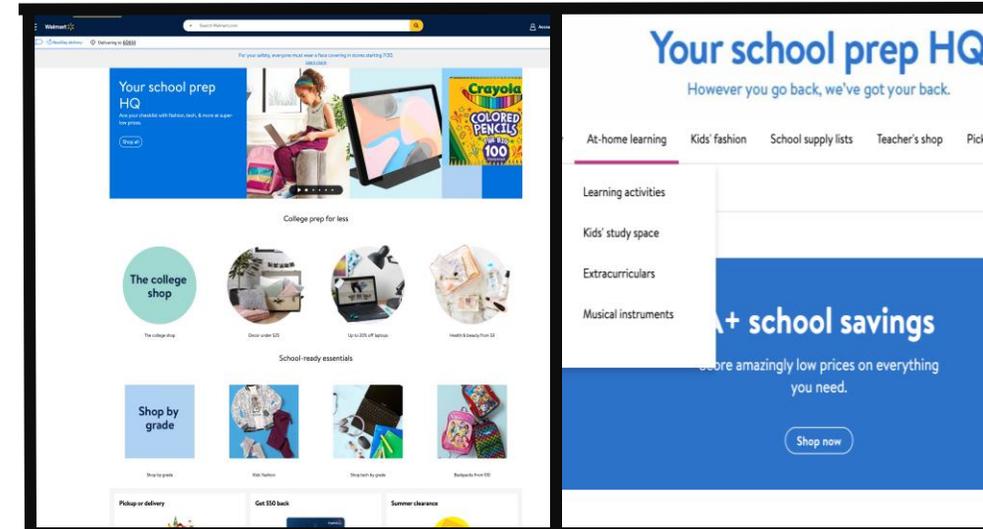
Self-care & Beauty

Exercise & Fitness

Activewear from All in Motion

Take Note From Proactive Retailers

- On Walmart's homepage, **College Prep is front and center** with categories: dorm décor, beauty and tech
- They highlight getting supplies easily **with fast, free delivery**
- Providing shoppers tools via **remote-learning partnerships** for virtual learning in collaboration with ABC Mouse, PBS Kids, Disney, Crayola and Sylvan Learning, on workbooks and online content





Take Note From Proactive Brands

- Hollister is leveraging the equity of influencer content by partnering with TikTok stars Charli and Dixie D'Amelio, along with brand ambassador Noah Pugliano for a Back-to-School Campaign
- Science educator Bill Nye joins the trio of influencers to discover the science behind Hollister's perfect denim fits
- A #MoreHappyDenimDance TikTok challenge asks users to share their "happy dance" while wearing Hollister jeans. Participants who post a video of the dance have the chance to win a virtual meet-and-greet with the D'Amelios, who will appear in other Hollister digital activations and in-store events throughout the fall

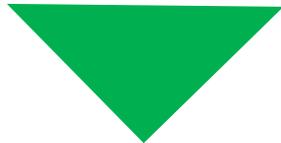


Ways Winning Brands Are Activating



Pinterest

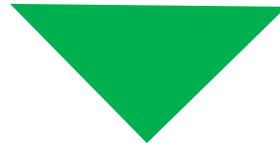
- Consumers are flocking to the platform, with 83% of users making a purchase from branded content
- 8 out of 10 moms are Pinners
- 48% of Pinterest users find shopping a top activity, ranking just behind viewing photos (57%)



Implement an always-on approach to be front & center on the platform, to inspire and drive one-click purchases

Audio

- Audio is an on-going resource day-to-day
- "Homework" playlists saw a 51%+ in streaming and "Kids" playlists grew +29% YoY
- Users stream "family parenthood playlists" over 21M minutes monthly



Leverage audio partners to provide sponsored playlists and custom integrations during key times: studying and family time

Content

- 4 in 10 Pinners want brands to help them **bond with loved ones** and create special moments with family this year
- 70% of shoppers would **pay more attention** to personalized products and are much more likely to support companies that align with their values



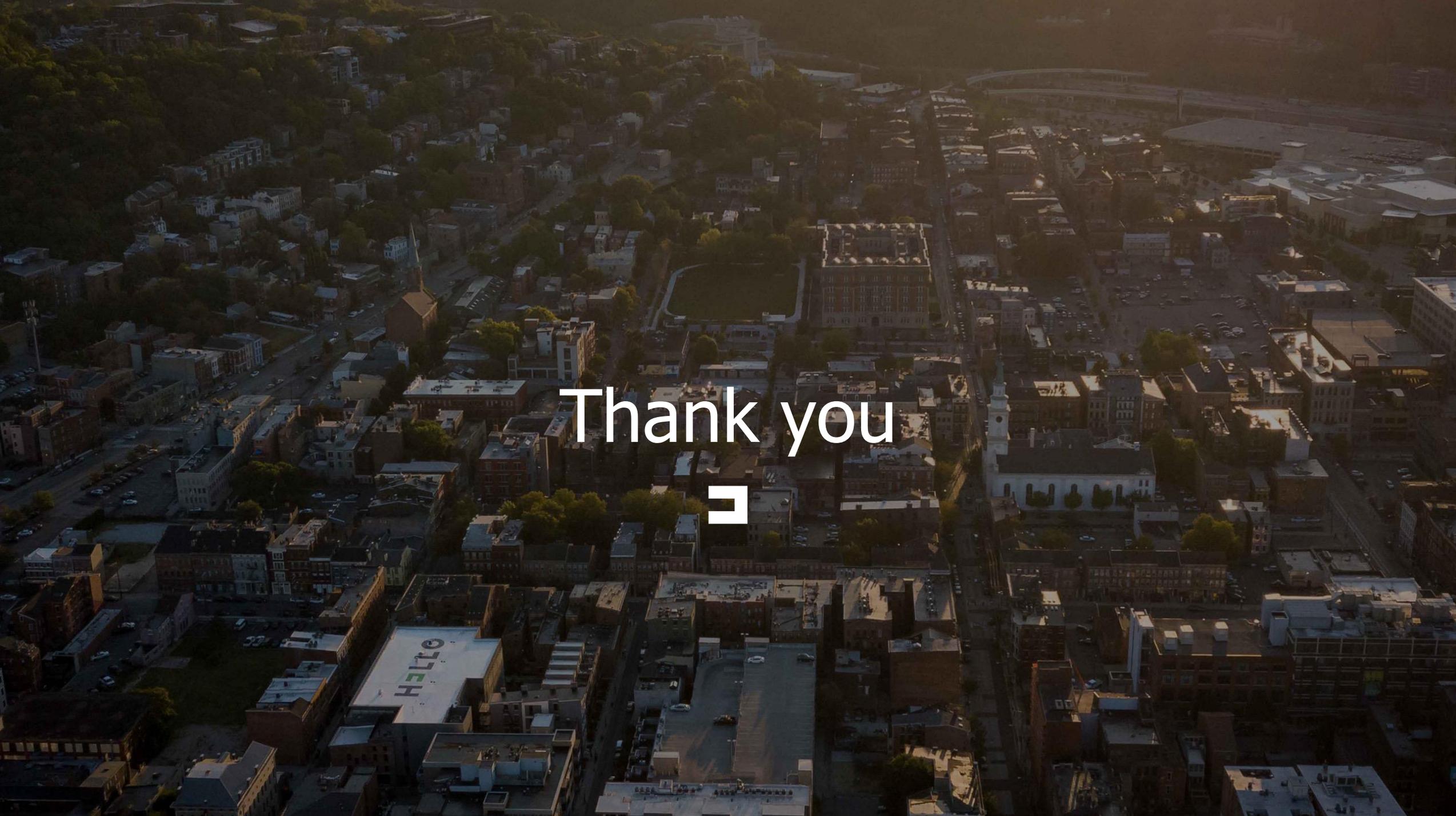
Leverage content partners to be a much-needed solution for how-to prep and celebrate during the new normal



**Opt-In via our website to receive
Empower's Latest insights**

Or contact us directly:

**Retail Center of Excellence
rcoe@empowermm.com**

An aerial photograph of a city at sunset, with buildings and streets visible. The text "Thank you" is overlaid in the center, with a logo below it. The logo consists of a white square with a smaller white square inside, rotated 45 degrees.

Thank you

