



## 4 Back-to-School Trends for Retailers at the Head of the Class

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Despite Pink Floyd claiming many years ago that 'we don't need no education,' in a few weeks, millions of kids will return to school. They will be armed with new backpacks, new shoes, the standard back-to-school supplies, but some will also be bringing a tablet or other device to class with them. The growing technology requirements of back-to-school supplies have made back-to-school shopping an increasingly expensive proposition for parents, with the average basket size per child for back-to-school supplies increasing to \$669 in 2014, up from \$450 in 2003.

All of us remember the stereotypes of high school: the jock, the class president, the loner, and all the others that appeared in the cult classic movies like *The Breakfast Club*. In looking at many of the big trends that will impact retailers this year for back to school, 4 trends had an uncanny resemblance to some of the well-known high school character stereotypes:

### The Popular Girl: Fast Fashion

The drastic spending shift by teens and college students away from branded apparel has hurt many of the traditional teen apparel retailers, however, it has caused fast growth for retailers in the 'fast fashion' space, like Zara, H&M, Forever 21 and AGaci. While the [US Census' Monthly Retail Trade Report](#) shows many retailers continue to report soft sale figures, fast fashion retailers have been growing, including new store locations, as well as seeing more frequent visits and larger baskets.

### The Class Bully: Pricing

The 'material girl' is no more, even though neon colors have made a comeback. Where once branded apparel was all the rage, and a kid's worst nightmare was showing up to school in an off-brand polo, pricing is now paramount for teens and millennials, leaving many retailers to employ price-cutting strategies to try to attract the back-to-school crowd. Expanding school supply lists and limited wage growth are also impacting pricing. Some retailers are fighting back against the pricing bully with in-store events, like fashion shows that appeal to students and their parents.

### The Drama Kid: E-commerce

Increasingly, brick-and-mortar retailers are losing the back-to-school game to e-commerce, which continues to play a growing role both in sales of specialty apparel (expected to increase to 16% of back-to-school sales in 2015) and for online research, which 20-30% of mobile users report doing before hitting the mall.

### The Teacher's Pet: Tax Day

With consumers continuing to focus on deeply discounted merchandise, tax day is increasingly becoming THE day for consumers to purchase most of the clothing items they need for the school year. Retailers are increasingly advertising promotional events on top of their States' sales tax holidays, which typically take place in August.

Although current consumer-related indexes like the [Consumer Confidence Survey](#) are indicating that consumers are more confident about the economy, retailers continue to have a tough fight for sales when it comes to standing out among the crowded retail population, as consumers continue to focus on purchasing essential items only. The last big fashion trend occurred a few years ago, with colored denim being the 'must have' in everyone's closet. Without a big fashion star in 2015, retailers won't see the back-to-school sales increase they are hoping for. In fact, the [National Retail Federation](#) anticipates back-to-school spending to decline in 2015 over last year, partly because consumer are better evaluating essential school supply needs before they open their wallets. If that is the case, the hope is that all this pent up consumer demand will finally deliver the sales retailers are hoping for during the holiday period.

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