THE 2018 BACK-TO-SCHOOL SPEND REPORT

What marketers need to know to capture the most share this season
The back-to-school season is one of the most critical periods for retailers to reach sales goals, particularly given that it accounts for nearly 20% of the spend that doesn’t occur during the winter holiday season. In both 2016 and 2017, overall spend for retailers grew faster during the back-to-school period than the rest of the year.

With a view into +$1.5 trillion in spend across credit, debit, ACH and bill pay, Cardlytics breaks down the back-to-school spend trends retailers need to know to capture share this season.
More Spend; Fewer Purchases

Back-to-school spend continues to grow. However, consumers are becoming more efficient in their purchases. Growth slowed in the number of purchases, but spend per purchase increased.
The increase in spend per purchase is occurring mostly with online-only channels. While online-only customers are making fewer purchases online, the purchases they make are bigger. This suggests that online-only consumers are filling their baskets throughout the year and waiting for a major shopping event to pull the trigger.
Amazon continues to encourage earlier back-to-school shopping. Last year, overall back-to-school spend was pulled forward by nearly a month due to Prime Day shopping.

B&M.coms are catching on to the earlier spend, and they’re executing earlier back-to-school campaigns to capture those dollars. In 2017, B&M.coms’ share stayed flat for back-to-school vs. decreasing, as it had in previous years.

It’s important to note that while online is growing, traditional B&M still accounted for the majority of back-to-school spend.
Customers who shopped the week of Prime Day spend more in every channel during the back-to-school season.

Spend per Prime Day Shopper vs. Non-Prime Day Shopper

+17% B&M  
+16% B&M.COM  
+23% ONLINE-ONLY
PRIME DAY SHOPPERS MORE VALUABLE

2017 SPEND SHARE FOR THE WEEK FOLLOWING PRIME DAY

Amazon Prime Day Shoppers:
- B&M: 59%
- B&M.com: 6%
- Online-Only: 34.5%

Non-Amazon Prime Day Shoppers:
- B&M: 84%
- B&M.com: 5%
- Online-Only: 10.5%

Customers who shop at any online channel the week of Prime Day spend more online the week following Prime Day.
THE EARLY BIRD GETS THE WORM
Savvy online shoppers are filling their baskets throughout the year but holding until a major sale before buying. This is leading to bigger online baskets.

TIP: Launch teaser campaigns of a major B2S sales event. This will encourage back-to-school shoppers to get a head start on viewing your products and filling their online carts.

DON’T FORGET IN-STORE CONSUMERS
While online spend is growing, most consumers are still opting to purchase their back-to-school items in store. However, in-store consumers still prefer digital deals over coupon clipping.

TIP: Offer digital cash-back deals that are linked to a consumer’s bank card, so they can easily save while shopping in-store.

RUN POST-B2S CAMPAIGNS
After the back-to-school season ends, it may be tempting to hold until the winter holidays before launching a big push. However, it’s important to keep the momentum to stay top-of-mind, especially with those extra valuable customers who shop during the week of Amazon Prime Day.

TIP: Strengthen brand loyalty by running post-back-to-school campaigns so consumers get into the habit of choosing your brand.
Cardlytics (NASDAQ: CDLX) uses Purchase Intelligence™ to make marketing more relevant and measurable. We partner with more than 2,000 financial institutions to run their banking rewards programs that promote customer loyalty and deepen banking relationships. In turn, we have a secure view into where and when consumers are spending their money. We use these insights to help marketers identify, reach and influence likely buyers at scale, as well as measure the true sales impact of marketing campaigns.

**METHODOLOGY:**

Analysis includes spend at B2S retailers among an audience of likely families with children


For more insights and strategies to get customers through the door for their back-to-school needs, contact info@cardlytics.com