

COMMERCE

Brands procrastinate, pull through on back-to-school offers

August 31, 2015



Armani Junior

By FORREST CARDAMENIS

Just as a teen who puts everything off to the last minute, brands and retailers are pushing late back-to-school sales, but the data is on their side.

[Sign up now](#)

Luxury Daily

With the majority of back-to-school shopping now being done in late August and early September, a number of brands, including Armani, Burberry, Michael Kors, Versace and Oscar de la Renta, have recently sent out emails to consumers advertising kids clothes and sales. The marketing offers a chance to instill loyalty in the future's affluent consumers.

Back-to-school

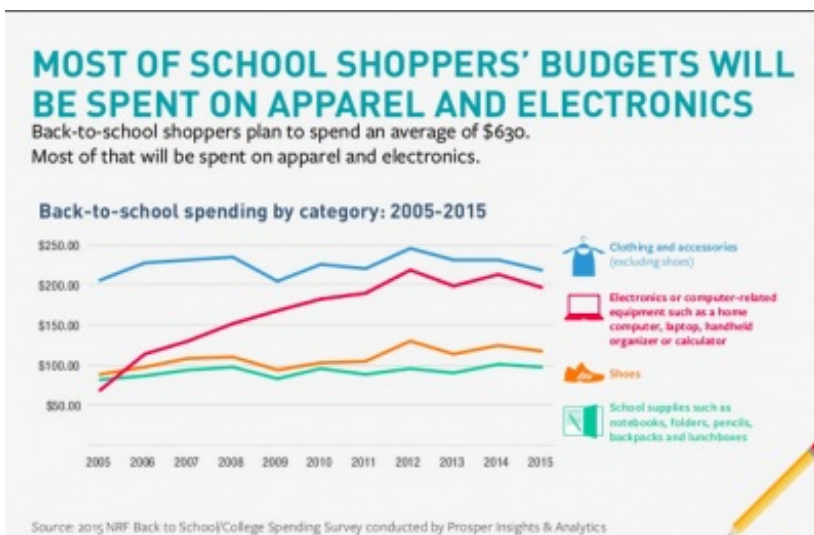
Back-to-school shopping is trending up, with MasterCard finding that spending has increased by at least 3 percent three years running in the United States and Conlumino finding more modest but noticeable growth from year to year. However, MasterCard also finds that spending at department stores has actually decreased, with a sizable boost in small business sales more than making up for the drop.



Young Versace

Good news for luxury brands: A survey conducted by the National Retail Federation (NRF) reveals that only 29.8 percent of respondents will look to generic or store brands, the lowest in the survey’s history. Purchases of electronics are expected to decrease from last year, while 92.7 percent of families will purchase new apparel, averaging \$217.82.

The NRF predicts the average family will spend \$630.26 on back-to-school shopping, compared to \$669.28 last year, despite an increase in consumer confidence about the economy.



Source: 2015 NRF Back to School/College Spending Survey conducted by Prosper Insights & Analytics

The apparently conflicting statistics can be attributed to a simple lack of need.

“As seen over the last 13 years, spending on ‘back to school’ has consistently fluctuated based on children’s needs each year, and it’s unlikely most families would need to restock and replenish apparel, electronics and supplies every year,” said Matthew Shay, president and CEO of NRF, in a statement. “Parents this summer will inventory their

children's school supplies and decide what is needed and what can be reused, which just makes good budgeting sense for families with growing children."



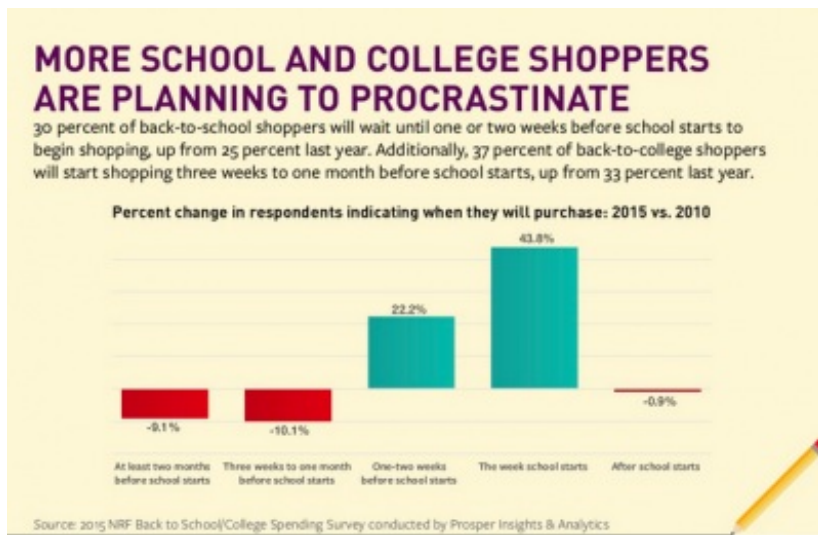
Burberry Children

Because the NRF does not survey solely affluent consumers, it is unclear how closely these figures will reflect the luxury market. Affluent consumers may be more likely to buy new apparel every year than more budget-conscious consumers.

However, data suggests that 86.4 percent of parents have their purchases influenced by their children, a number that may be more reliable. The data suggests that luxury brands may see an increase in sales if they lean more heavily on social media.

On Aug. 27, Engagement Labs released data ranking stores based on how engaging their Facebook, Twitter, and Instagram accounts are but did not list a single luxury retail store among the top 10 users of any of the channels. Department stores fared a bit better, with Neiman Marcus and Saks Fifth Avenue placing in the top 10 in Facebook use and Barneys New York joining them in the Instagram rankings.

In any case, it is not too late for luxury brands to up their game on social media and hammer home advertisements. MasterCard reports that last year's biggest shopping day was Aug. 29, the last Friday before Labor Day and that the percentage of consumers shopping in the final two weeks before school begins again has jumped from 25.4 to 30.3.



Source: 2015 NRF Back to School/College Spending Survey conducted by Prosper Insights & Analytics

The trend toward later shopping gives brands a chance to strike first with great deals and can't-miss products but also suggests that a push in mid- to late-August may capture the consumer's eye at the perfect time.

Back-to-school sales offer brands a chance to develop consumer loyalty. Armani, Burberry and Versace are among the brands with lines geared directly toward children. Such lines may cause consumers to graduate to adult lines and retain loyalty.

Time of the seasons

Brands often time their ads to particular seasons or holidays in the hopes of experiencing a boost of revenue.

For example, last year jeweler Tiffany & Co. aimed for last-minute Mother's Day purchases through mobile with an advertisement on New York magazine's The Cut.

The brand ran two different versions of the ad for phone and tablet, adjusting for screen size. Even though the phone version of the ad did not mention Mother's Day explicitly, consumers likely understood the implied message and clicked through from brand recognition ([see story](#)).

In the past, some brands have taken to social media for creative back-to-school promotions.

In 2012, Marc Jacobs Intl. used email and social media to entice younger aspirational consumers with a back-to-school promotion that promised product giveaways in exchange for increased customer engagement.

Social media and email are opt-in bases, meaning that consumers who interacted with Marc Jacobs were likely brand loyalists and will be the most interested in this promotion. These mediums combined with free giveaways and the overall school theme means that Marc Jacobs was likely trying to build a relationship with consumers when they are younger to affirm loyalty for bigger-ticket purchases later on in their lives ([see story](#)).

Final Take

Forrest Cardamenis, editorial assistant on Luxury Daily, New York

Embedded Video: https://www.youtube.com/embed/yQQRI8zdX_M

© Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your **feedback** is welcome.