MiQ

BACK TO SCHOOL

IT'S TIME TO DO YOUR HOMEWORK AND CATCH UP ON THE TRENDS AFFECTING BACK-TO-SCHOOL SHOPPERS WITH THIS HANDY GUIDE

INTRODUCTION

While students won't start filing back into classrooms until August, parents and advertisers alike are already planning for 2019 Back to School shopping season, thinking about the supplies that consumers will stock up on for the new semester. As the amount spent on back-to-school shopping continues to increase across the United States, Canada, Australia, and the United Kingdom, competition among retailers has grown more fierce.

In this report, we'll cover the major trends in back-to-school shopping for each region, identify the key audiences advertisers can target, and look at how campaigns in each region can break through the clutter to deliver results.

IN THIS PAPER, YOU'LL LEARN:

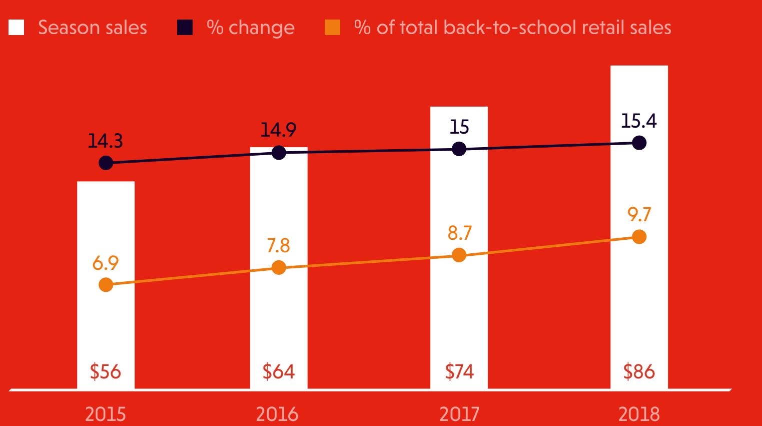
- ✓ When back-to-school shopping starts, and how that affects family spending on school supplies and clothing
- ✓ How back-to-school shoppers make their purchases, both online and offline
- ✓ How parents in the US, Canada, the UK, and Australia are planning their back-to-school shopping in 2019
- ✓ How advertisers can identify and effectively target the different types of back-to-school shoppers
- ✓ Tips and tricks for running a more effective back-to-school campaign

BACK-TO-SCHOOL SHOPPING IS MORE ONLINE THAN EVER

Last year, e-commerce accounted for nearly 10% of US back-to-school season sales, totaling more than $ 8 billion. That trend is expected to continue this year, as online shopping for school supplies and clothing continues to become more common. Spending is also expected to increase in Canada as well, continuing a year-over-year trend that had the average Canadian back-to-school shopper spending $183 CAD last year.

While the bulk of back-to-school shopping still happens in physical stores, most Americans and Canadians plan to do some of their shopping online this year, and an increasing portion of their budgets will go to online shopping. In 2018, 23% of Americans' back-to-school spending was planned to go to online shopping prior to the start of the season.

US RETAIL ECOMMERCE BACK-TO-SCHOOL SEASON SALES, 2015-2018



Note: includes products or services ordered using the internet, regardless of the method of payment or fulfillment, excludes travelt and event tickets; sales are for July and Aug each year. ***Source:*** *eMarketer, July 2018*

In the UK, the forecast for back-to-school shopping is less rosy, as consumer confidence and buying power among P55+ has decreased year-over-year, leading to more concern over managing budgets and finding deals.

More than half of US households (52%) and nearly one third of UK households (32%) are Amazon Prime subscribers, and the service is rapidly growing in Canada and Australian after launching in each country last summer. Retailers looking to drive e-commerce sales for back-to-school shopping will need a strategy to contend with Amazon when it comes to making their products and offers visible.

UNITED STATES

On average, American back-to-school shoppers will spend a little over $500 on back-to-school shopping in 2019, with just over half of that spent offline in stores. On average, shoppers will make 16 trips to stores to shop for back-to-school items between July and September. For most, the availability of deals and coupons will determine where they shop. The largest portion of their budgets will be spent on clothing.

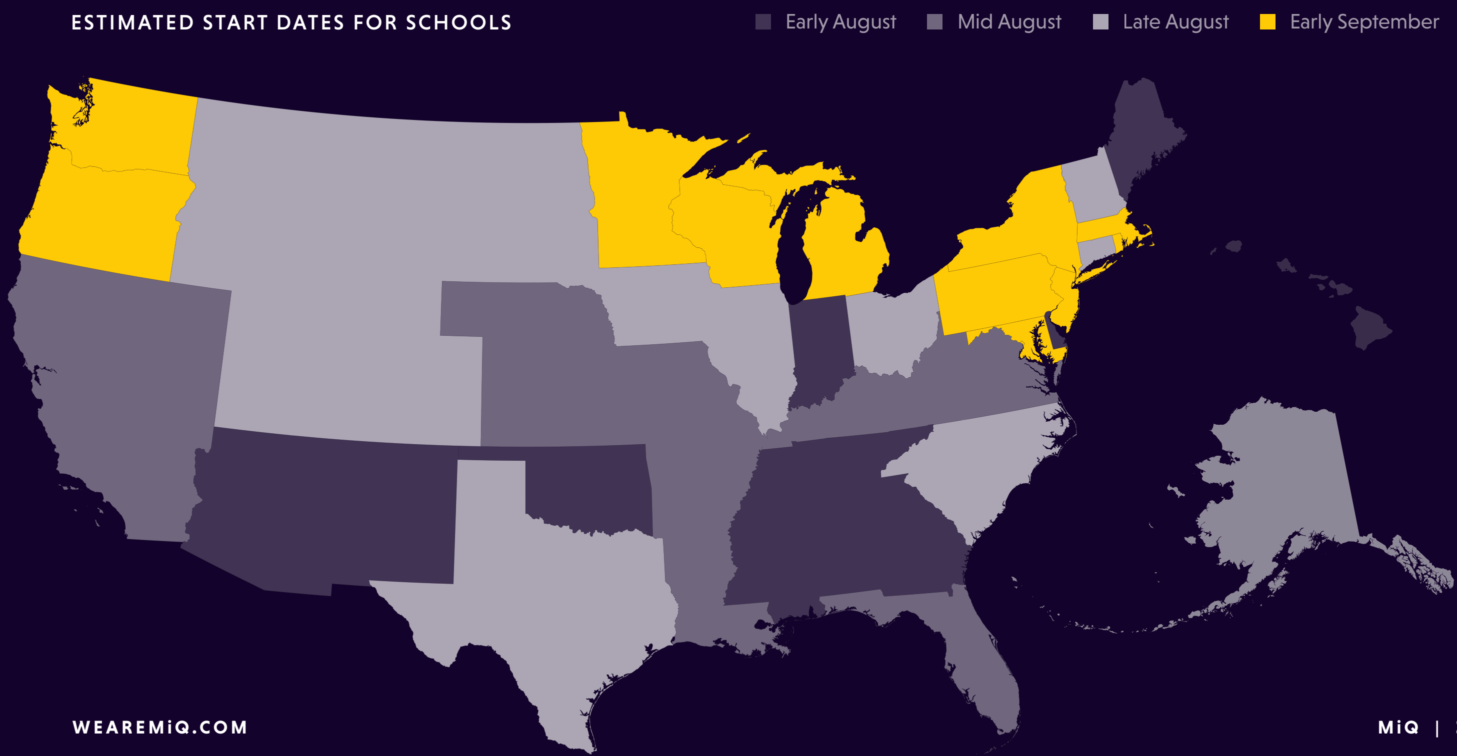
Early shopping has been on the rise in the US. Two thirds of back-to-school shoppers plan to begin their shopping before August, and those who hit the season early tend to spend more than those who begin their shopping late. Though as we'll see, early and late are relative terms when it comes to back-to-school shopping.

BACK-TO-SCHOOL SEASON VARIES BY STATE

School districts across the US determine the start of the semester based on a multitude of factors like weather, previous years academic calendar, additional requirements for students, and so on. As a result, while many districts start school after Labor Day weekend, they may begin earlier in August, particularly in the South. And these conventions do not obligate private schools to adhere to a specific timeline.

This has immediate implications for advertisers, suggesting that back-to-school campaigns should consider a staggered or regional roll-out strategy that takes into account local start dates to begin advertising sales and promotions. Using data from academic calendars of over 800 US school district, we created a regional mapping of start dates to illustrate how such a plan might vary by state.

ESTIMATED START DATES FOR SCHOOLS

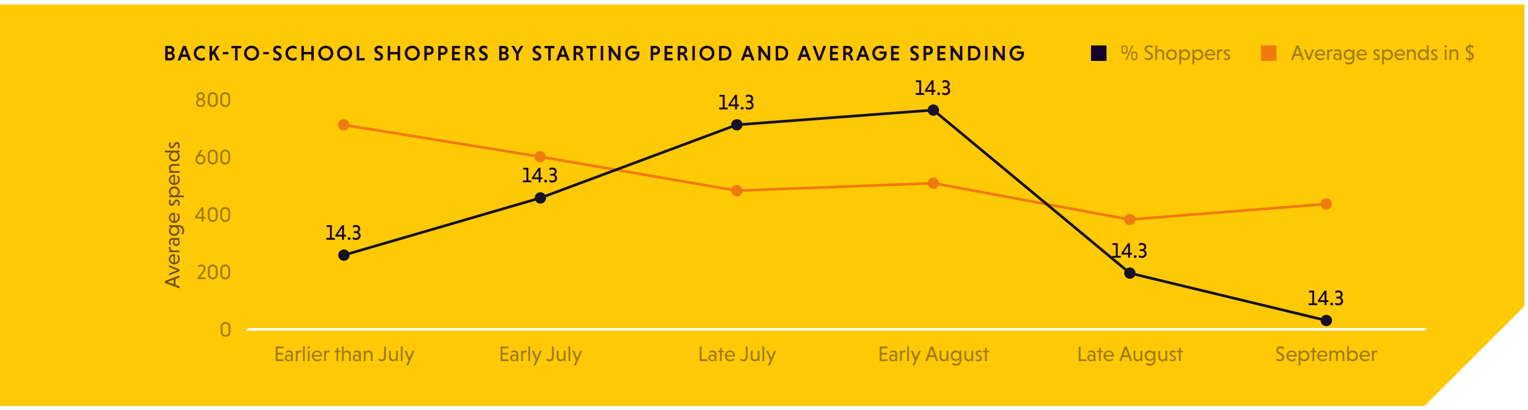


UNITED STATES

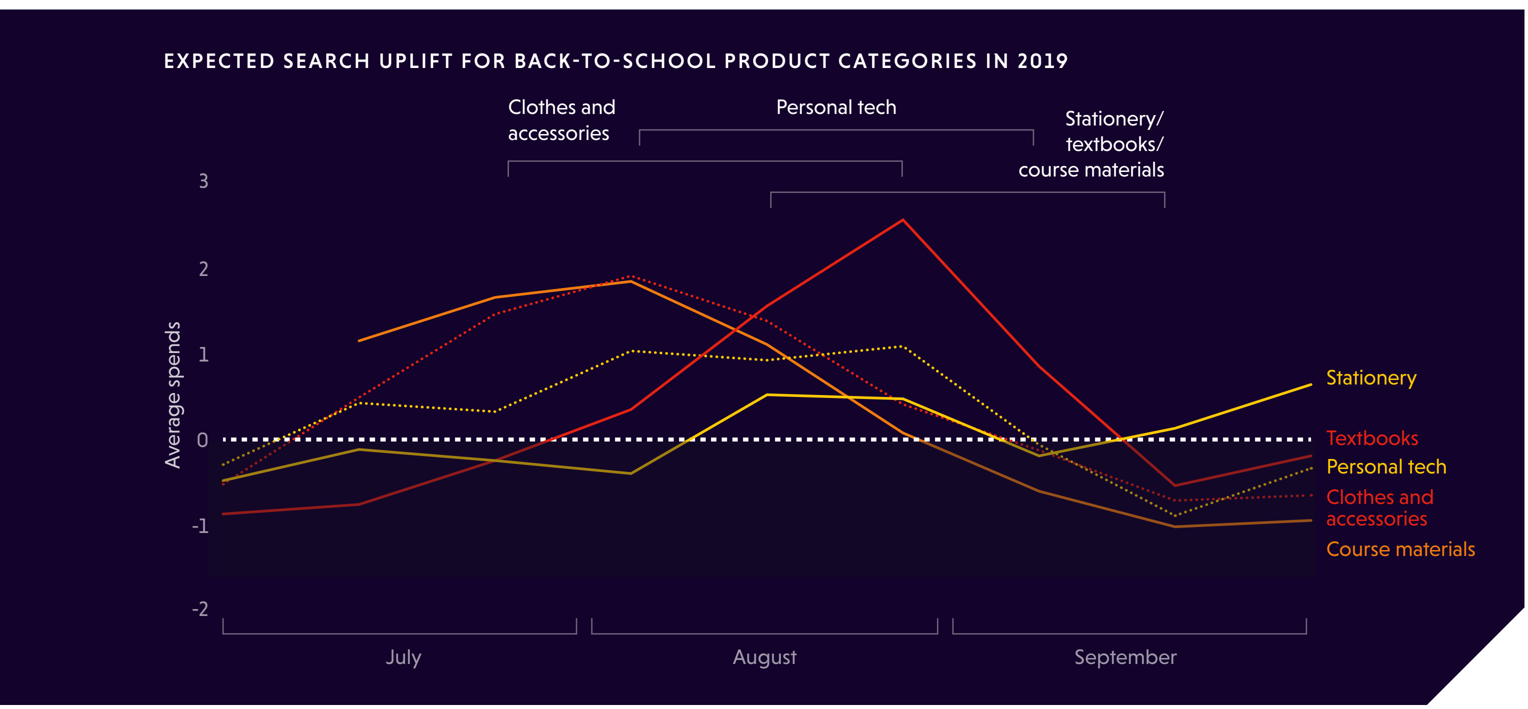
EARLY SHOPPERS SPEND MORE

The increase in regional demand for school supplies during the summer months is strongly correlated (r=0.62) with a region's start dates, as parents begin online searches and shopping two to three weeks prior to the start of the fall semester. This means that the majority of parents won't begin their shopping until late July or early August. Again, this is dictated primarily by geography.

The timing of a parent's back-to-school shopping is a strong indicator for the size of their budget. While fewer than 10% of parents begin back-to-school shopping before July, these parents also spend the most money, averaging more than $600 in total spend. This trend continues fairly steadily, with parents who shop later in the season spending less on average.



Regardless of when they begin their back-to-school shopping, most US households will also attempt to distribute their back-to-school shopping over several weeks, rather than attempt to buy everything in a single weekend (or pay period). Based on online search trends for different product categories that have been popular during back-to-school over the past years, we can build a time series model to forecast when advertisers can expect to see the highest levels of interest in each major back-to-school product category:



For advertisers, the key takeaway is to build campaign strategies both around different types of buyer and different types of products. Have a plan to reach parents in the four weeks prior to school starting in a given region, but also try to align product advertising with the key times that parents are most likely to consider shopping for products in that category, adjusting delivery and messaging accordingly.

UNITED STATES

CONNECTING TV AND DIGITAL BACK-TO-SCHOOL CAMPAIGNS

Among the challenges retailers face with their back-to-school campaigns in 2019, some of the more notable are:

- Identifying and targeting parents and households with children online
- Connecting their TV and digital efforts
- Optimizing reach and frequency across multiple channels

IDENTIFYING AND TARGETING PARENTS

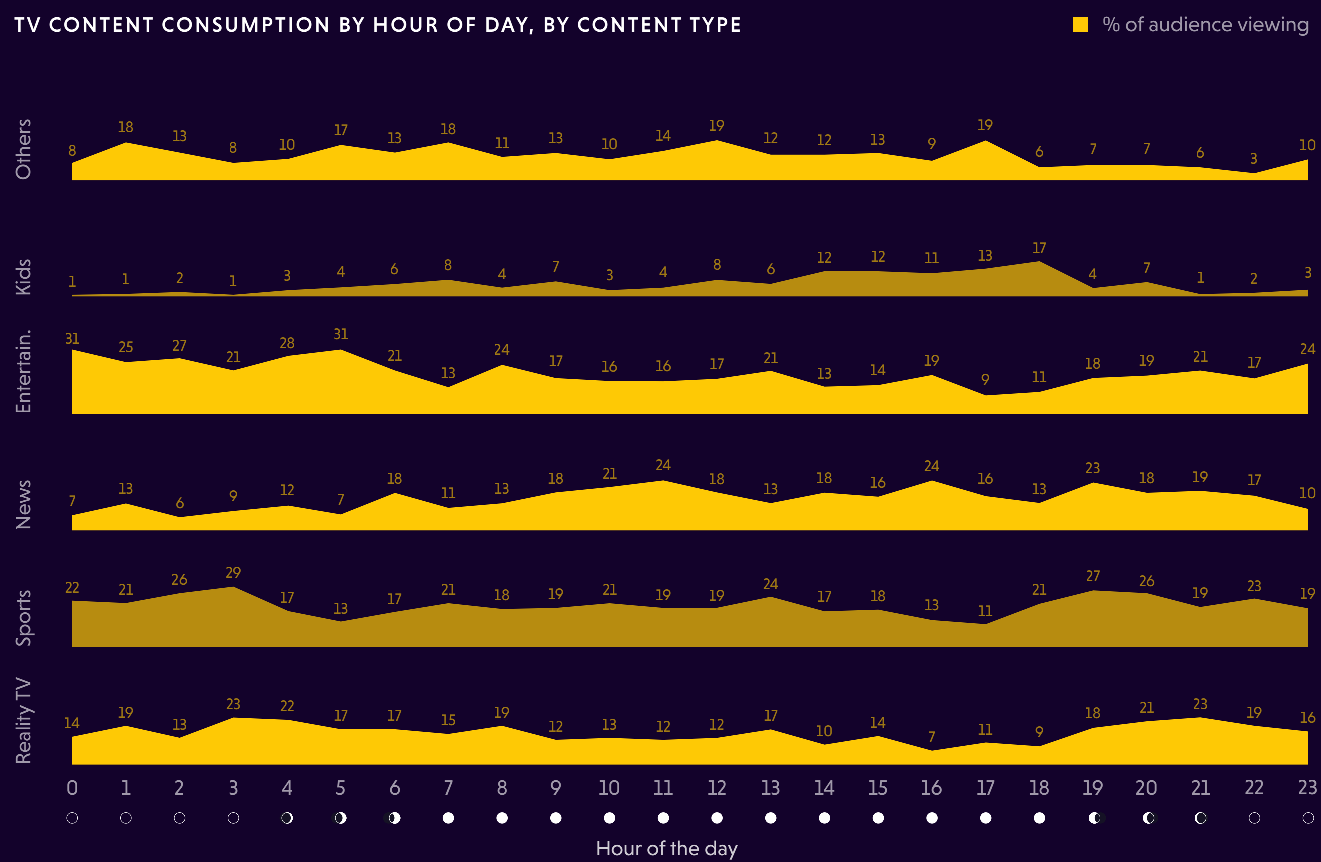
Parents can be a difficult and expensive segment to target using third-party data segments, and online behavior and site-based targeting may only help identify certain types of parents, leaving back-to-school advertisers with an incomplete picture.

One way to solve this problem is to use TV viewing data to identify households that are likely to have one or more children, with an eye on targeting the adults in those households. By using data from our Vizio integration and Experian, we can use content viewing patterns to identify households that are likely to have children, as well as determining how many children there are and their likely ages. That data can then be used for building prediction and lookalike modeling.

For this study, we identified 1.2 million households with children between the ages of four and 16. We then analyzed the viewing patterns of those households (some seven billion TV records spanning one month) to understand how these audiences differ. Based on that, we built an audience clustering of households with children for advertisers to consider, and looked at how content consumption varies by the age of children in a household.

The majority of kid's programming in households with children is viewed on weekdays between 2pm and 6pm, typically at the expense of entertainment and news programs that are watched after the kids are asleep. News consumption on the other hand, was relatively steady throughout the day. For advertisers who want to retarget parents exposed to their TV buys, this may mean reaching different audience types whether you are reaching the stay-at-home parent who watches children's content with their kid or the news junkie watching cable news throughout the day.

TV CONTENT CONSUMPTION BY HOUR OF DAY, BY CONTENT TYPE



UNITED STATES

Identifying back-to-school shopper types with clustering

Back-to-school shoppers aren't a monolithic group. Each household will have different demands and habits based on the number and age of children, household income, geography, and the schools they attend. Using these and other factors, we can break up our audience of US households with children into four distinct groups that give us more insight into how to target back-to-school shoppers.

New and preschooler parents

WHO ARE THEY?

The majority of households in this group (70%) have either a toddler or preschooler, and households in this group are the least likely to have a single parent (63% have two or more identified adults in the household). Parents in this group tend to be between 35 and 44, and 29% of households in this group also include an adult aged 65 or older. This is also the wealthiest cluster of our analysis, with 70% of households in this group having an annual income of $100k or more. This leads to higher purchasing power and a greater likelihood of shopping at specialty stores and online-only sites.

Compared to other segments, households in this group watch the least TV, spending an average of only 61 hours of viewing time each month, though homes in this group are among the most likely to watch premium TV channels and shows such as Game of Thrones. As a result, this group will have the least co-viewing of any segment. Because of the low viewing totals and premium preferences, a parent in this household will only see 215 TV commercials per month on average, of which 57% occur on just five networks. Advertisers attempting to reach this audience will need to consider other channels if they want to make an impact.

REACHING THIS SEGMENT

Although parents in this segment watch less TV, they are by no means inactive when it comes to content consumption. Parents in this segment spend more time online than any other group, and have the most trackable online activity. Most of this activity occurs on mobile devices, where they are nearly two times more likely to be seen online, typically browsing retail and news-related content. They're also the most likely of any of the parent groups to be on Instagram. Advertisers looking to reach parents in this audience will need an effective mobile strategy.

Parents with elementary and preteen children

WHO ARE THEY?

The majority of households in this group have a child between the ages of 7 and 12, and parents in this segment tend to be between 25 and 44 years of age. This segment also has the largest incidence of single parents and the fewest grandparents living in the house. As a result, households in this segment tend to have lower average household incomes, leading to a greater focus on shopping at mass merchandisers and in a price-conscious fashion. Nearly three-fourths of the parents in this segment will research or look for sales and deals during back-to-school season.

On average, households in this segment watch 9.5 hours of TV per week, primarily news and sports-related content. Households in this segment are also the most likely to watch children's programming, watching an average of seven hours per month, usually in intervals of around 15 minutes per sitting. This naturally lends itself to higher rates of co-viewing, for advertisers looking to reach parents whose decisions are likely to be influenced by their children's preferences.

REACHING THIS SEGMENT

Parents in this group are predominantly mobile, and 83% of the households in this segment have three or more active mobile devices. Parents in this group are most likely to use Facebook out of the major social networks. This is also the group most likely to be giving children in the household their first phones, and so having a targeting strategy that can differentiate parent from child devices will be crucial to ensuring that messaging hits the right target. The best place to reach parents in this segment is on retail and news-related content, where they generate an average of 95 to 130 impression opportunities per week.

Identifying back-to-school shopper types with clustering

Parents with adolescents/early high-school kids

WHO ARE THEY?

Households in this segment tend to have at least one child between 13 and 15 years old and are nuclear families. Parents in this segment are primarily between the ages of 45 and 54 and tend to be firmly in the middle class, with an annual household income between $40k and $100k. They have relatively high discretionary spending on children, though most (76%) prefer to focus on stores that offer lower or competitive prices for back-to-school shopping. As a result, most will buy school supplies and clothing through a mass merchandiser or department store, though fast fashion, online retailers, and specialty stores are still in the conversation.

Households in this segment watch more TV than any other group in our analysis, spending an average 32 hours in front of their TV per week. They are regular viewers of entertainment content which include popular sitcom series like the Big Bang Theory and Friends, though they also over-index for viewing reality TV programming and live sports. Co-viewing will be most prevalent in this group, and advertisers retargeting parents based on their TV exposures should plan their messaging accordingly.

REACHING THIS SEGMENT

Households in this segment over-index to connected device ownership and tend to remain online for the majority of the day. On average, households in this cluster have more than three devices active at any time and 13% have five or more targetable devices, with a good mix of mobile/ and desktop devices (52% PC/desktop vs. 48% mobile/tablet). The majority of advertising opportunities for households in this audience are still on PC, however. The best places to reach these parents online are through sports and lifestyle content.

High school / pre-college

WHO ARE THEY?

Households in this segment tend to have at least one kid in high school or one young adult between 18 and 24 who is either enrolled or planning to enroll in college. This was the wealthiest cluster in our analysis, with average annual incomes over $100k and parents who were more likely to occupy higher levels of employment. As a result of both the increased incomes and age of children, this segment will spend the most on personal electronics and textbooks during back-to-school shopping season, and will have the highest per-student spend. Parents in this category are just as likely to shop at online-only stores when buying electronics as they are mass retailers or home electronics stores.

Because of the age of the children in the household, TV is less important for households in this segment. These households spend the second-least amount of time viewing TV of the groups we looked at, spending only 13 hours a week, most of which is comprised of sports programming. They also consume the smallest amount of children's programming.

REACHING THIS SEGMENT

Parents in this group are equally likely to be found on a PC or mobile device (53% PC vs. 47% mobile/tablet), but are on average 1.7 times more responsive to advertising on mobile devices. The best place to reach parents in this group is on mobile devices, primarily through news and retail content, though parents in this group are also more likely to use Instagram than some other segments. Because of their high income and need for big-ticket items, this segment has a lot of advertiser value, but advertisers will need to take steps to ensure their messaging is reaching parents in the household and not their device-equipped children.

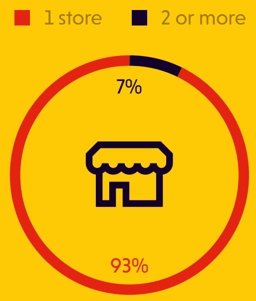
UNITED STATES

Tracking offline shopping activity

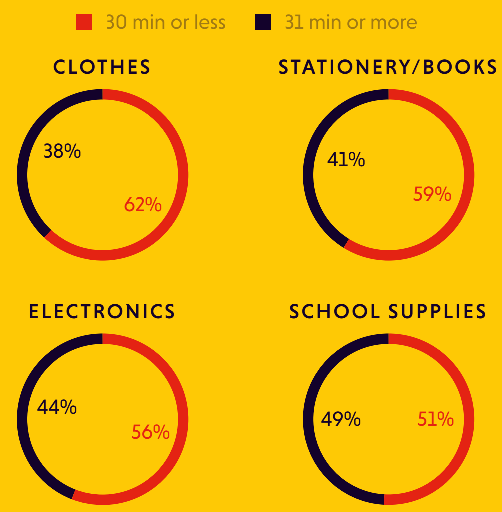
Using location data collected from parents' mobile devices, we can understand how back-to-school shoppers visit stores during the sale season. Looking at in-store activity for US back-to-school shoppers shows that most back-to-school shoppers will tend to visit only a single store during a given shopping trip, though 14% will visit multiple stores when making their purchases, particularly when they have to buy musical instruments or sporting goods. Among these, parents tend to spend longest at stores selling musical equipment or sporting goods, while the least amount of time is spent in stores selling clothing or apparel. Most visits to a given store tend to take an hour or less.

Most offline back-to-school shopping happens between the hours of 10am and 6pm, though stationery stores see an increased level of foot traffic and shopping interest between 6pm and midnight.

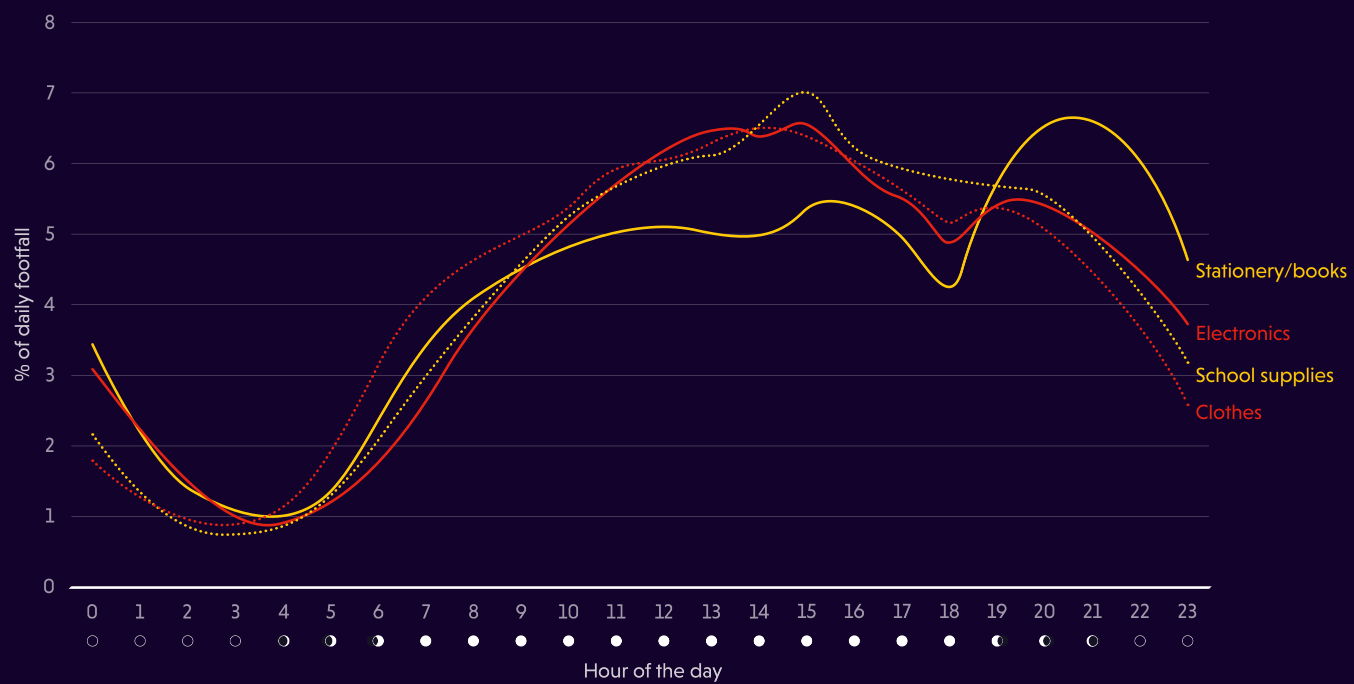
NUMBER OF STORES VISITED BY BACK-TO-SCHOOL SHOPPERS OVER A 10-DAY PERIOD



TIME SPENT AT RETAILER BY TYPE



HOURLY FOOTFALL TRAFFIC, SPLIT BY PRODUCT CATEGORY



When it comes to buying personal electronics items like laptops, tablets, or mobile phones, parents tend to do their research three days prior to making a store visit. Parents buying personal electronics are also very likely to visit stores selling musical equipment and sporting goods.

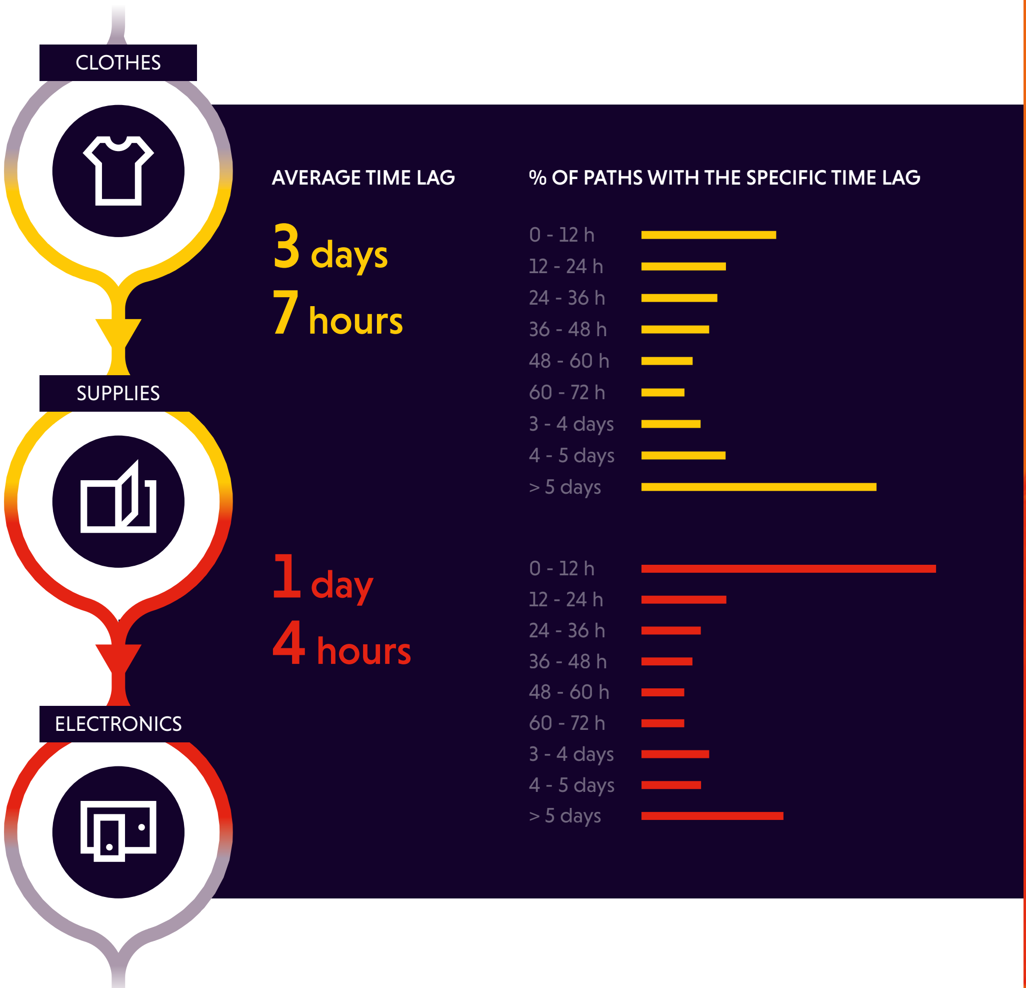
For parents doing their shopping offline, back-to-school shopping seldom takes more than a single day. Our study of Chicago back-to-school shopping, for example, showed that parents typically did their back-to-school shopping on at least four days during the sales event season in 2017, while parents in Denver and Atlanta tended to take eight to nine days completing all of their offline shopping.

The most commonly-observed path for parents doing offline back-to-school shopping was clothes shopping, then school supplies, and finally personal electronics. This represented about 7% of total paths. Visiting multiple stores in a single day was unlikely (only 17% did so), and the average time between store visits of different types tended to range between 2.75 to 3.3 days, depending on the type of retailer. Eight percent of parents visited multiple clothing stores in a 10-day period while conducting their back-to-school shopping, and 3.4% did so in the same day.

MOTION

MiQ Motion for Retail connects digital ad spend to in-store purchases and visits by measuring online activity around real world locations. Back-to-school marketers can increase their store foot traffic by delivering custom messaging to parents near their store locations or while they are shopping in competitors' stores, or even retarget parents based on how long they spent in a store.

MOST PREVALENT SHOPPING PATH AMONG BTS SHOPPERS AND TIME LAG BETWEEN SHOPS



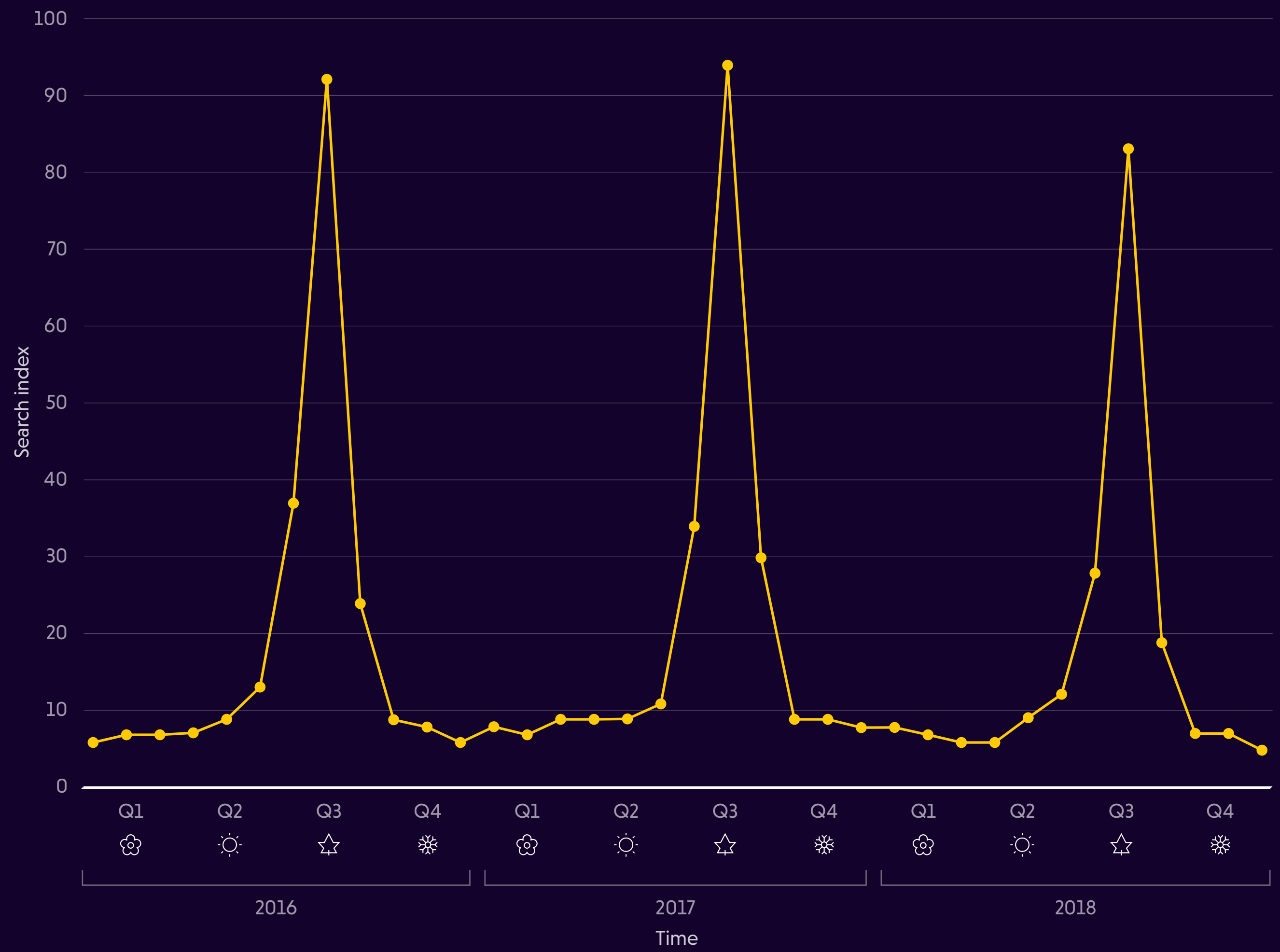
CANADA

Compared to the US, school start dates in Canada are much more consistent, with most schools breaking between June 30th and September 1st. As a result, Canadian marketers have an easier time pinpointing when to put their ads in field, as Canadian parents will do the bulk of their back-to-school shopping two to three weeks prior to the start of the fall semester.

In fact, a recent study by IPG MediaBrands[1] showed that 90% of Canadian parents will only start their back-to-school shopping in August. As a result, most major online and offline retailers in Canada have their back-to-school sales starting early August and tend to continue through mid-September, to catch any late or last-minute shoppers.

[1]. Marketing Magazine; IPG Mediabrands, July 10 to 15, 2016; 100 respondents; 18-24 years; Full-time students

SEARCH INTEREST FOR SCHOOL SUPPLIES IN CANADA BY QUARTER, 2016 - 2018



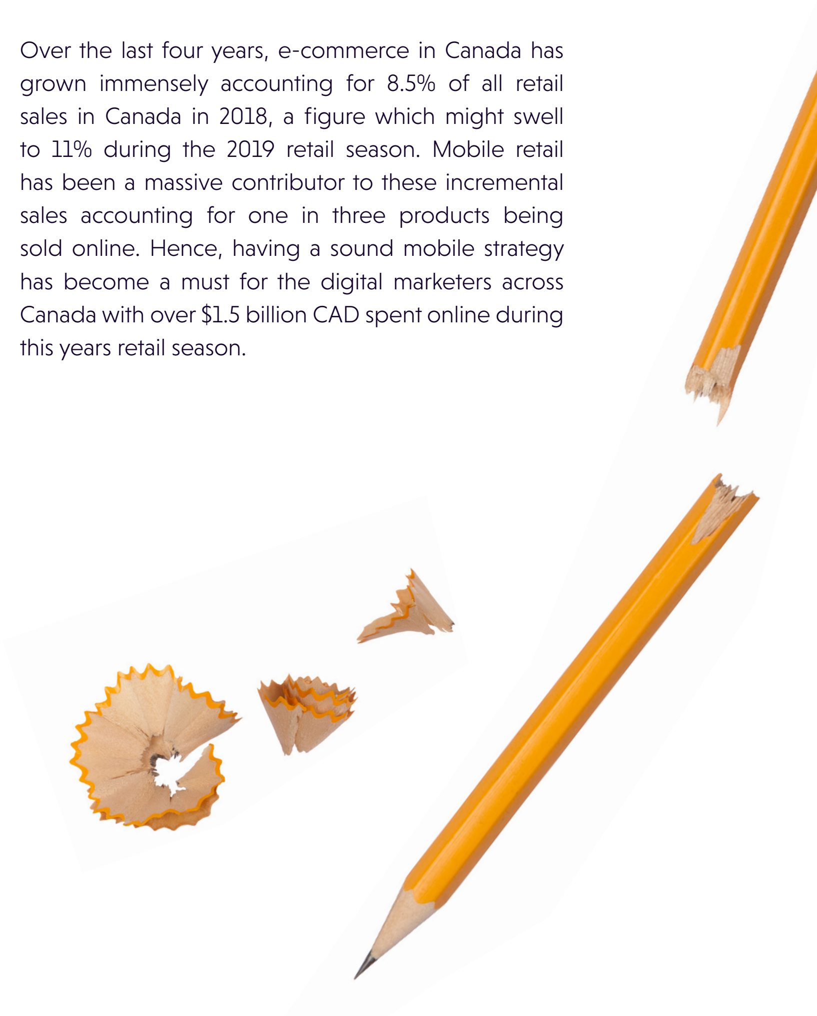
CANADA

Online back-to-school shopping continues to explode

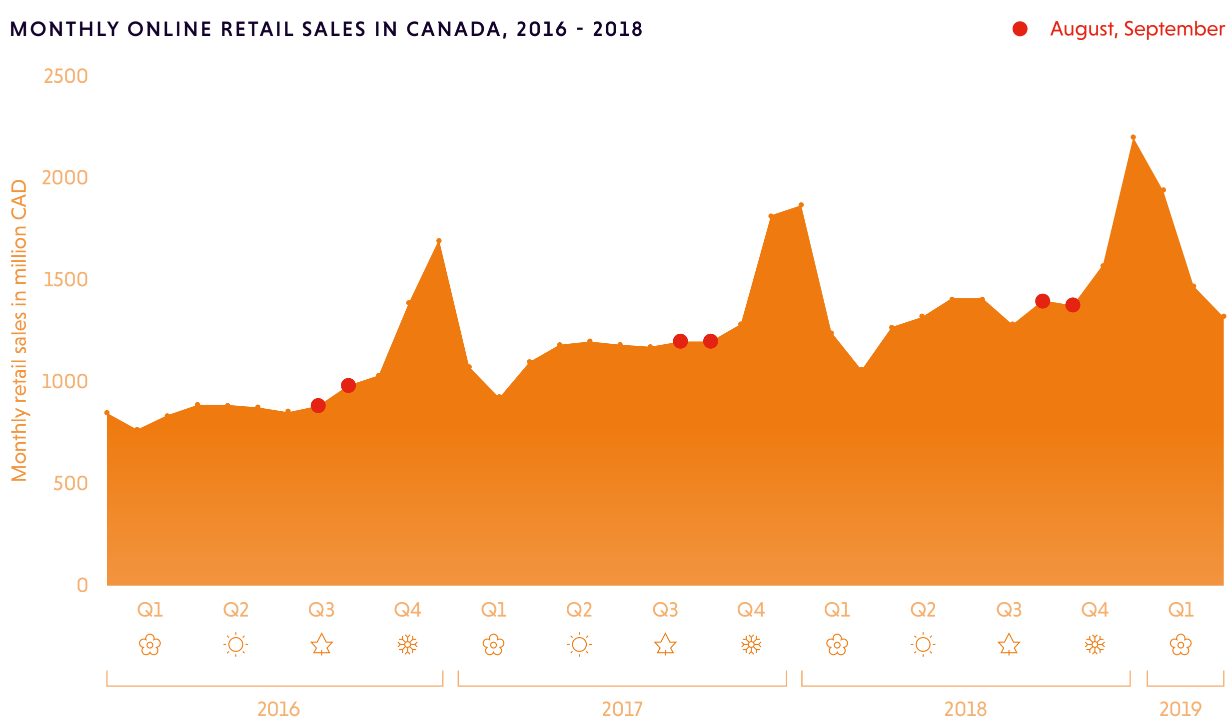
Last year, two-thirds of Canadian parents planned to do some or all of their back-to-school shopping online, with more than one third of planned budgets going to online purchases. This reflected an ongoing trend, where online spending by Canadian back-to-school shoppers has more than doubled over the last four years. This has been complemented by decreasing spends per person as competitive discounts and alternatives have become more prevalent, giving consumers more options and the ability to comparison shop.

Despite the increasing interest in online shopping, a significant portion of parents' back-to-school budgets are still spent offline, with a preference among shoppers for making as many of their purchases as possible in a single store. This has given mass merchandisers such as Walmart an upper hand compared to department stores, and has been reflected in the growing proportion of back-to-school revenue they're able to capture.

Over the last four years, e-commerce in Canada has grown immensely accounting for 8.5% of all retail sales in Canada in 2018, a figure which might swell to 11% during the 2019 retail season. Mobile retail has been a massive contributor to these incremental sales accounting for one in three products being sold online. Hence, having a sound mobile strategy has become a must for the digital marketers across Canada with over $1.5 billion CAD spent online during this years retail season.



MONTHLY ONLINE RETAIL SALES IN CANADA, 2016 - 2018



CANADA

Offline shopping trends

Like our analysis on the US market, we can look at mobile location data to better understand how Canadian back-to-school shoppers complete their offline purchases. By combining this with their digital activity, we can understand how their actions online and offline relate to each other.

Roughly two-thirds of Canadian back-to-school shoppers will search retailer websites for deals, and more than half feel that they get the best deals and prices online. Those visiting physical stores are likely to do their shopping on the weekends, and will likely visit more than one store while out on their trips.

WE FOUND THE FOLLOWING NOTABLE NUMBERS:

73%

73% of Canadian shoppers will visit more than one store during their shopping journeys, and each visit is likely to last an average of 30 to 45 minutes.

1.7 times

While most shopping will occur on weekends, this can vary by retailer. Big box retailers like Walmart, Costco and Best Buy are 1.7 times more likely to be visited by shoppers on weekends than on weekdays, whereas more department stores like Sobeys and Hudson's Bay will see more of their shopping traffic during the weekdays.

70%

Consumers' distance plays a major role in their store choices during back-to-school shopping. Looking at Toronto Walmarts shows that 70% of store visitors live within a six mile radius of the store they visited, suggesting some inertia when it comes to consumers' store choices.

0.7

Geography and store density plays a major role in how Canadian shoppers visit stores during their back-to-school shopping trips. There's a significant positive correlation (r=0.7) between the number of competitor stores within a six to eight mile radius and the number of cross-visits a shopper will make. Retailers should consider this carefully and look for ways to keep a buyer in a store in areas where competition is fierce (or conquest them away).

23%

Weather also plays a significant role in a shopper's store choices. Changes in temperature can account for an average of 23% of the change in foot traffic to a given store during back-to-school season. Retailers should plan for nice weather and heavy-up delivery accordingly.

1.2x

Weekday shoppers tend to have more purchasing power, with budgets 1.2x higher on average than weekend shoppers.

CONNECTING THE DOTS

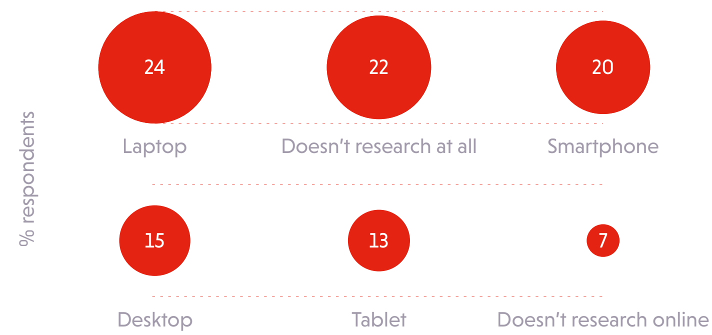
In their efforts to save money, back-to-school shoppers will often make several trips during the season to multiple stores, and conduct extensive online research into the best deals and sales. Retailers who miss their first chance at a shopper might have more opportunities after an initial store visit. To examine these behaviors, we looked at how shopper activity changes before and after visiting a store.

More than two-thirds (69%) of back-to-school shopper research around clothing will occur prior to a store visit, and another 19% will occur afterward, suggesting additional follow-up opportunities for items that went unpurchased. Only 12% of research is done by shoppers in-store looking for better deals while out shopping. Comparatively, a whopping 71% of consumer electronics research will occur in-store on a mobile device prior to a purchase, giving competing retailers ample opportunity to put competing deals and messaging in front of a consumer about to pull the trigger.

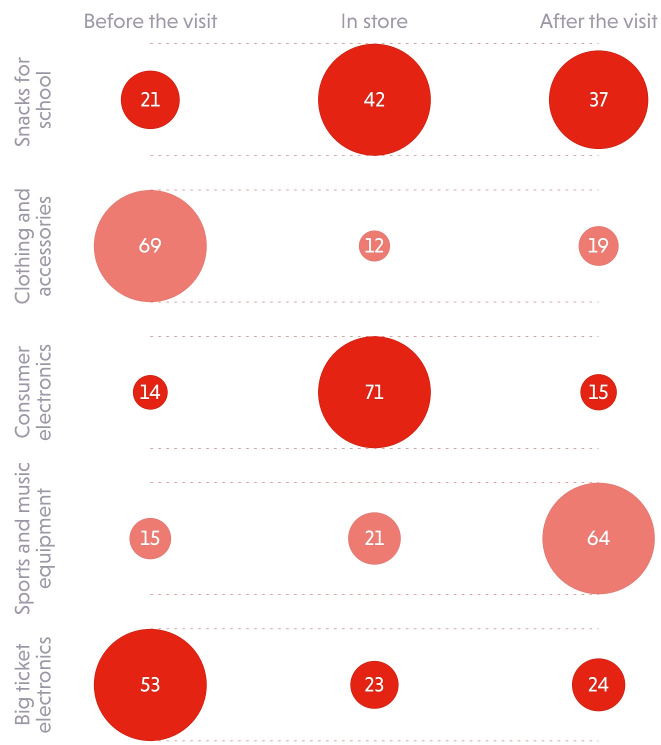
Shoppers who visit a retailer's website and follow it up with a store visit will usually do so up to seven days later, though on average the time between online and offline visits was about three days, so advertisers should set up their attribution timing accordingly. Shoppers who did visit a physical store after an online visit tended to be more active during their site visits, spending about 20% longer on-site and browsing 50% more pages and products than visitors who remained online-only engagements.

As Canadian back-to-school shoppers have become more invested in finding the best deals and ways to stretch their budgets, advertisers have had to become more effective at communicating their value and measuring the success of their efforts. Marketers looking to drive back-to-school sales online and offline need a strategy for measuring foot traffic and connecting offline sales and store visits back to online activity to ensure that their messaging is being seen by the right consumers.

SOURCES USED BY PARENTS TO RESEARCH BACK-TO-SCHOOL PRODUCTS



PERCENTAGE OF RESEARCH DONE BY CATEGORY BEFORE AND AFTER STORE VISIT



ONLINE SHOPPING ATTRIBUTES BY MODE OF SHOPPING

	Online only	Online and in-store
The average number of sessions	5	3
Page visits	12	9
Monthly site visits	8	4
Popular pages	Home, offers section, electronics	Find a store, home appliances, grocery
Average session time	4 min 14 sec	5 min 12 sec

UNITED KINGDOM

In their 2018 report, Mintel Research identified back-to-school as the third largest shopping event in the UK after Black Friday and Christmas. Total spending on back-to-school shopping topped £1.63bn last year, an increase of 11% over 2017 as parents spent an average of £533 per household on school and college supplies during the season.

Heading into 2019, rising inflation and increased uncertainty may curb some of this growth. Back-to-school spending among P55+ in the UK dropped 15% last year and consumer confidence has fallen amid uncertainty around Brexit. As a result, consumers are more likely to be even more deal and cost-focused as the season starts, looking to fall back on loyalty programs and discounts when deciding where to allocate their budgets this year.

UK PARENTS SPREAD BACK-TO-SCHOOL SHOPPING OVER AUGUST

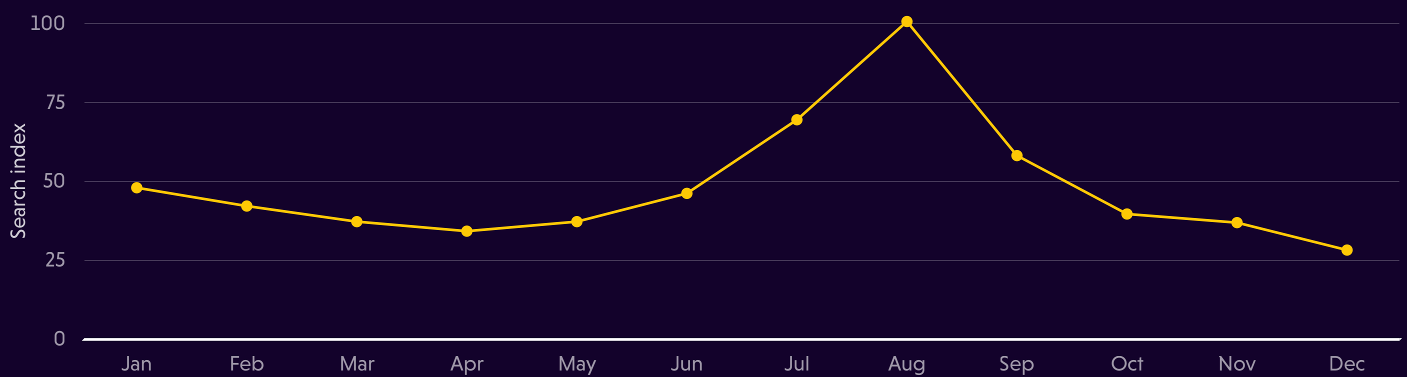
Most UK schools will start in the first week of September this year, with the exception of schools in Scotland, which are likely to start 10-12 days earlier to accommodate a longer break during the winter holidays. When conducting their back-to-school shopping, UK parents are similar to their American counterparts, in that they are likely to begin their shopping roughly a month prior to the start of school, and will spread their purchases out over several weeks. In a similar fashion, however, many UK shoppers will try for an early start in the hopes of saving money and further spreading out their spending. 52% of UK back-to-school shoppers plan to finish the bulk of their shopping before August.

MOST UK BACK-TO-SCHOOL SHOPPING STILL HAPPENS OFFLINE

Although just as price-conscious as American consumers, UK parents are less likely to conduct their back-to-school shopping online. Supermarkets and big box retailers see the bulk of back-to-school shopping activity during the season, and only 14% of UK back-to-school shoppers will shop at an online-only retailer, despite more than one third of UK households having Amazon Prime subscriptions.

While the bulk of purchases may still happen offline, online remains a vital part of the equation for retailers. The majority of consumer research around deals, offers, sales, and prices will still occur online. Last year MiQ captured over 32 million opportunities in July alone to reach parents searching for back-to-school deals, both prior to visiting a retailer and while they were in a physical store location. Brick-and-mortar retailers need a strong online strategy and a way to reach parents conducting this research to ensure they don't lose a sale to a competitor at the point of purchase (or immediately prior).

NORMALISED UK SEARCH INTEREST FOR BACK-TO-SCHOOL BY MONTH



UNITED KINGDOM

Clustering the UK back-to-school audience

Using data from back-to-school campaigns run by MiQ in 2018 and the browsing behavior of just over 70 thousand UK consumers during back-to-school season, we can cluster back-to-school shoppers based on their behavior to build more intelligent segments for advertisers to consider targeting this year.

Early shoppers

WHO ARE THEY?

Among the 52% of back-to-school shoppers who plan to wrap up most or all of their shopping by the end of July, early shoppers are looking to stretch their budgets and capitalize on early deals and sales. They believe that the best deals will happen before the season even starts, but don't necessarily conduct thorough research prior to making their purchases. Early shoppers are likely to spend twice as much as research shoppers (see below) on clothing and apparel. (Research shoppers will spend more on tech products and consumer electronics).

Women outnumber men two to one in the early shoppers segment, and younger shoppers in this category are 1.7 times more likely to make a purchase early and without researching the product. While shoppers in this segment will spend more over the entire season than a research buyer, they'll make more trips to stores, both online and offline, and spend less in each individual transaction.

REACHING THIS SEGMENT

For marketers, the challenge will be reaching early shoppers before they've made their first trip, and with fewer research-based signals around their intent. In these cases, advertisers can key off the first purchases that indicate a shopper's back-to-school process has begun, or look at building predictive models that will identify consumers with a high likelihood of being early shoppers based on their online activity and demographic profiles.

Research shoppers

WHO ARE THEY?

Research shoppers spend significant time and effort before making a purchase, browsing multiple sites, comparing features and prices, and hunting for the best deals. Compared to early shoppers, research shoppers skew more male and will make more than twice as many visits to a retailer's website before making a purchase. Two thirds (68%) of shoppers in this category have a household income between £40k and £75, and 63% will conduct some of their back-to-school shopping at supermarkets, with Tesco being the most common (43%).

REACHING THIS SEGMENT

Because of their online activity, research shoppers are easier to identify and target online than early shoppers, but can be more difficult to capture as they are more likely to be swayed or conquested by competitors offering better prices or deals. Marketers who want to capture research shoppers will need to go beyond targeting and provide compelling reasons for them to shop, which may include personalized deals or offers. One way to do this is with dynamic creative that presents personalized products to the consumer, ideally those that have already been researched or viewed.

PURCHASE LIKELIHOODBY, BY PRODUCT CATEGORIES

BEING MINDFUL OF PRIVACY

For marketers in the UK, implementing successful back-to-school campaigns will require implementing a portfolio of strategies, with a mind toward privacy concerns and the post-GDPR landscape. Beyond having a strategy for identifying early and research shoppers, UK advertisers should consider a broad blend of contextual targeting strategies paired with macro factors that consider the impact of weather, social trends, current events, and time of day/ day of week to influence consumer activity to develop a robust portfolio of approaches that can be adjusted based on performance.

AUSTRALIA

Differences in school schedules for the Australia-New Zealand region can make planning for back-to-school shopping a different beast altogether. School years run January through December with four terms delineated by shorter holidays.

That means that for advertisers the focus is not on late July/early August, but rather the early months of the year, running from the end of December through February. That means back-to-school campaigns in the region will often begin shortly after Christmas, giving brands an immediate high note to look forward to following the close of the holiday, but potentially meaning more careful planning for budget-conscious consumers. 78% of Australian consumers say that back-to-school shopping puts a strain on their budgets.

Between the end of December and mid-January consumers will spend over an estimated $17.2bn AUD on back-to-school shopping, with 44% of parents planning to spend more than they did the prior year. Among these shoppers, price and quality of products are the primary focus, and many will conduct thorough research before visiting stores.

https://blog.fieldagent.net.au/2017/01/16/back-to-school-shopping-report/

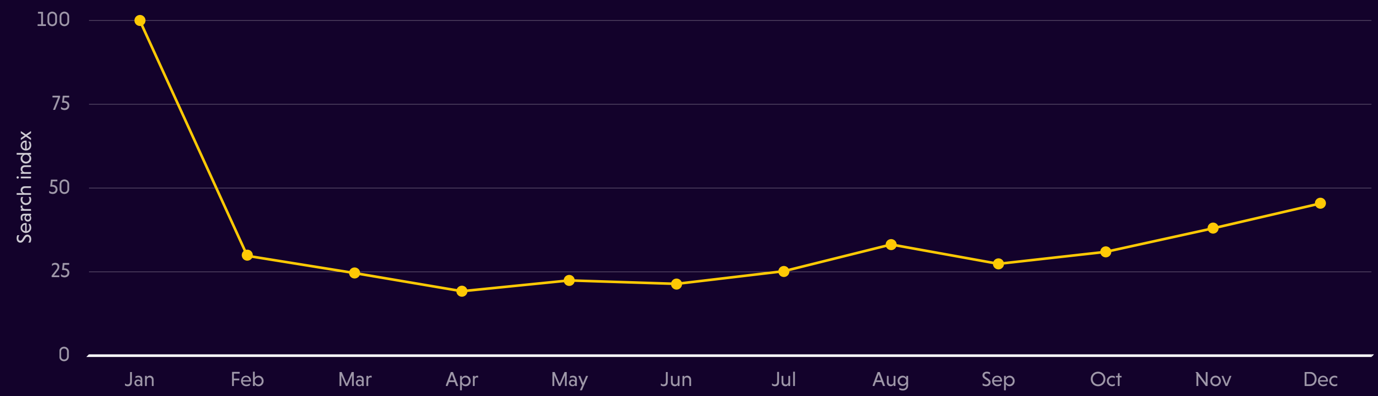
WHEN SHOULD BACK-TO-SCHOOL TARGETING START?

With most schools reopening in the first week of February across all regions in Australia, marketers tend to gear up for the heavy demands of school supplies and roll out their sales after the Christmas-Boxing Day retail events. With the Christmas holidays almost coming to an end and most parents looking to get back-to-work, e-commerce provides an easy and convenient way of getting the essential school supplies delivered home. As parents in Australia make use of their Christmas and New Year's holidays to start shopping for the new school year, retailers will see a surge in online sales. But while online shopping for back-to-school season is on the rise in Australia, 63% of back-to-school sales will still occur in an offline store. Because of the compressed time period Australian parents have to shop and the proximity to the Christmas holiday, back-to-school shopping in Australia is less-researched and more last-minute compared to the US and the UK. Online searches for school supplies will peak two to three weeks before schools reopen and 62% of all activity will occur between January 12th and 31st. This leaves retailers with shorter windows to work with for driving sales.

RETAILERS NEED A PLAN TO DRIVE AND MEASURE OFFLINE SALES

With so much shopping still occurring offline, advertisers looking to thrive during back-to-school season will need strategies that can measure their campaigns' effectiveness at driving store visits, and they'll need to do so for shoppers both in and out of major metropolitan areas. In our analysis of Australian back-to-school shoppers, we examined more than 300,000 digital footprints for back-to-school shoppers and 23,000 offline store visits across stores including BigW, Target, Kmart and Officeworks to identify different shopper profiles.

NORMALISED SEARCH INTEREST FOR SCHOOL SUPPLIES IN AUSTRALIA



AUSTRALIA

Segmenting Australian back-to-school shoppers

In order to identify the traits of the different types of retail audiences in Australia to build up our lookalike segments for back-to-school targeting, we used campaign learnings from one of our biggest retail clients in Australia. Based on the revenue field that was being captured we were able to identify the order frequency, average order values and the likelihood of applying discounts to come up with the following three distinct revenue segments.

Big spenders

WHO ARE THEY?

Around 28% of Australian back-to-school shoppers fall into this segment, accounting for 61% of all revenue that will be spent during the season. When shopping online, the average cart value for big spenders is 2.8 times greater than average, and they're 1.3 times more likely to make multiple purchases during a month. Parents in this segment over-index to buying consumer electronics, personal technology and toys.

Buyers in this age skew slightly younger and female (under 35 with women accounting for 64% of the segment). Most of the shoppers in this group have an annual household income between $120k and $200k AUD. When shopping online, they're likely to spend the most time of any audience group on retail domains and on a per-session basis, and will typically be browsing from a PC or laptop.

REACHING THIS SEGMENT

The key to reaching this audience is identifying consumers with a similar household income and online shopping habits. Because these shoppers consume higher numbers of pages per site visit when shopping online (seven to eight pages on average, and often more), it is possible to identify them mid-visit and, with the right site personalization and retargeting strategies, adjust message mid-purchase or after they've left the site.

Medium spenders

WHO ARE THEY?

62% of Australian back-to-school shoppers fall into this segment, the largest of the three in our analysis. Despite their high volume, they only account for 37% of online revenue during the season, and have an average cart value of $130 AUD when shopping online. During back-to-school season, clothing and apparel will be their primary focus, though unlike big spenders, they're significantly less likely to make multiple online purchases in a month barring an unbeatable deal.

Medium spenders skew older (higher proportion of adults ages 55 to 64) and are equally likely to be male or female. Despite their moderate spending, two out of five shoppers in this segment (42%) have an annual household income over $200k AUD, suggesting untapped buying potential for marketers to draw out.

Shoppers in this segment consist of a mix of researchers and more impulsive shoppers, which can make identifying them online difficult. Roughly one fourth (24%) of shoppers in this group will visit a retailer's site three to four times before making a purchase, while the rest will likely make a purchase on their first or second visit. Most will conduct their browsing on PCs and laptops, but they are equally likely to complete purchases on a mobile device. They tend to gravitate toward fashion and celebrity lifestyle content online.

REACHING THIS SEGMENT

The key to reaching this audience effectively is to separate them out from the big spenders based on their purchase and browsing activity. Doing so requires the ability to capture revenue fields and cart size from the point of conversion and tying those values to ad-serving and targeting decisions.

AUSTRALIA

Segmenting Australian back-to-school shoppers

Savers

WHO ARE THEY?

The smallest segment by both size and revenue, roughly 10% of back-to-school shoppers fall into this category, which accounts for roughly 2% of total revenue. The average order size of a shopper in this segment is only $33 AUD, but most will make multiple purchases per month. The largest portion of this audience are between the ages of 25 and 34, and parents in this group are equally likely to be male or female, though women in the audience are 1.2 times more likely to make a purchase online.

While it's tempting to write this audience off due to their comparatively low contributions to revenue, their larger volume of visits suggests that increasing their average order size even a small amount can pay off significantly. They'll visit retailer websites nearly twice as much as shoppers in the other two segments.

REACHING THIS SEGMENT

The key to reaching this audience is to identify the most regular visitors to retailer sites with an eye for reducing friction in the purchase process and driving consumers back to products they may have shown interest in but left abandoned in carts. Strong retargeting strategies coupled with dynamic creative can help bring customers back to a retailer site, while identifying blockers or deal-breakers in the purchase process on-site can help ensure that these shoppers turn into higher sources of regular revenue.

THRIVING IN 2019

Based on our findings, we'd recommend the following for advertisers looking to improve the performance of their back-to-school marketing efforts:

VARY MESSAGING ACCORDING TO SEASONAL TIMING

Early shoppers tend to spend more, but 'early' is relative. Understand when schools start in a state or region and plan a staggered, time-focused strategy for reaching both early (two or more months out) and last-minute shoppers (two to three weeks prior to the start of the fall semester). Have messaging that will appeal to shoppers in each group.

DON'T FORGET DADS

Although moms may be the primary shoppers in many households, dads are often a major part of the back-to-school shopping process. In the US, half of dads with children under 18 plan to participate in back-to-school shopping, and dads are disproportionately more likely to be involved in personal electronics and technology purchases. When planning your back-to-school strategy, have a plan to include engaged dads.

IDENTIFY THE DIFFERENT TYPES OF SHOPPERS YOU NEED TO REACH, AND TARGET YOUR MESSAGING ACCORDINGLY

There's no one way to reach back-to-school shoppers, and they aren't a monolithic group, even if your focus is only a single country. Back-to-school shopping habits vary based on geography, budget, school type, age of children, and a host of other factors. A successful back-to-school campaign starts with identifying these different types of shopper and building campaigns and messaging that will speak to each type of parent and need, rather than a one-size-fits-all strategy for advertising a sale event.

HAVE A PLAN FOR MEASURING OFFLINE SALES

While online shopping for back-to-school continues to increase, the majority of sales still happen offline. As such, advertisers need to have a way to both measure offline store traffic generated by their online campaigns, and also optimize toward that activity. There are a number of ways to do this, such as using custom coupon codes, connecting CRM data to ad data, or choosing a partner who can use location-based targeting methods to determine a digital campaign's impact on foot traffic.

HAVE A DIVERSIFIED TARGETING STRATEGY

Advertisers who want to succeed during back-to-school season need a variety of targeting and messaging tactics focused on different audiences that can be measured and optimized independently. Build a plan that includes demographic, contextual, behavioral, location, and macro targeting factors, and does so in a way that creates several different methods of reaching consumers (rather than having one super-constrained campaign target).

ABOUT MiQ

MiQ is an independent marketing intelligence company with the people and technology that help businesses win. It is our vision to reimagine the value of marketing by connecting data and discovering insight to drive business outcomes.

Founded by Lee Puri and Gurman Hundal in 2010, MiQ currently employs over 550 people across 15 offices located in North America, Europe and APAC. The world's leading brands and media agencies such as American Express, Avis, Lenovo, Unilever, Microsoft, GroupM, Publicis and IPG work with MiQ. In the last year, MiQ has won various awards including Fastest Growing Tech Company of the Year at the Stevie Awards, Most Effective Use of Data at The Drum's Digital Trading Awards USA, and The Sunday Times International Track 200.

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