



Have You Done Your Homework for  
a Profitable Back-to-School Season?

# How Brands Can Make the Grade with Parents, Teachers and Students



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Parents, teachers, students (and marketers) are invigorated as they launch into the 2021 back-to-school shopping season, eager to stock up as they head back to the classroom or dorm. After the tumultuous year we have all endured, brighter days are on everyone's mind, and nothing says "new start" like a crisp backpack, fresh school supplies and a stylish first-day outfit.

Consumers are ready to buy, with the [National Retail Federation](#) estimating back-to-school spending will rise to an all-time high of \$37.1 billion, fueled by pent-up demand. Yet there is still much that is unknown about how the school year will unfold, and while most people are clinging to a sense of optimism, they are still watching their wallets as closely as ever. Reflecting that perspective, respondents to a [recent survey](#) said they felt cautious (43%), mindful (34%) and hesitant (26%) about spending money.

That's why consumers are prioritizing a shopping strategy that allows them to get the essentials they need and the splurges they crave, but at a price that makes them feel comfortable.

"We've heard terms like 'revenge shopping' and 'the roaring 20s' to describe the demand that we are seeing," says Neil Patel, co-founder of Neil Patel Digital, and a New York Times bestselling author and speaker on web marketing. "But we also know people want to do the right thing for their families, and brands and retailers can help them make purchases they feel positive about."

That thoughtful approach is what guides the "Savvy Shopper," a moniker developed by Honey, which helps partner merchants gain meaningful consumer engagement and market share through a robust suite of shopping solutions that offer product discovery, along with promotions and loyalty initiatives.

As brands aim to capture their share of back-to-school shopping dollars, they need to understand current behaviors and create a strategy designed to meet their needs.



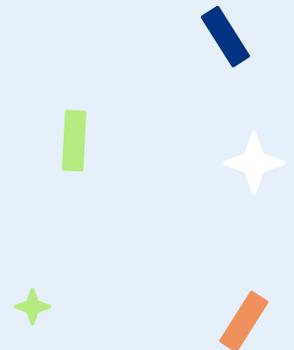
**respondents to a recent survey said they felt cautious about spending money.**



**respondents to a recent survey said they felt mindful about spending money.**



**respondents to a recent survey said they felt hesitant about spending money.**





## Who is the Savvy Shopper?

“Savvy Shoppers” believe in being smart: They want a quality product at an appealing price. But, they aren’t “bargain shoppers,” in that they are not driven solely by the lowest price. “These consumers are anything but coupon clippers; instead they see brand name, quality and a reputable retail source as the key components of their purchase, and they’ll seek out all three at the best possible price,” says Celienna Adcock, Head of Global Business Marketing at Honey.

That’s why Savvy Shoppers don’t waste time chasing bargains, but instead turn to tools like Honey to help them find the right merchandise at the right price. “Our customers perceive Honey Partners as merchants that proactively help them save time and money, and they reward them for this loyalty with repeat purchases,” says Adcock.

“When you focus on the savvy shopper, you tend to get a lot of repeat business,” Patel notes. “They might be drawn in because you’re offering a fantastic deal, but if they like what they see, they’ll stay.” And retailers

know, of course, that optimizing customer lifetime value is imperative given the high investment needed for initial acquisition.

“The best way to turn a profit, especially in eCommerce, is through repeat orders, and that requires playing the long game – combining impressive service and an amazing product, then coupling it with an incentive,” Patel explains. “We’re seeing that a quality product offered at a deal is going to attract more of this ‘savvy shopper’ segment than one that is merely affordable. Offering the right incentive won’t inadvertently cheapen the brand like a discount could; it’s viewed more as a way to satisfy and even thank them as an important customer.”

“I love Honey because I get deals at some of my favorite stores without having to lift a finger,” says Bahareh Dinyari of San Francisco, California. “Rather than having to chase down an offer, Honey does it for me, plus I get points just for using it, which results in additional discounts.”



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**Celienna Adcock**

Head of Global Business Marketing at Honey





## What is the Savvy Shopper Looking For?

While Savvy Shoppers aren't motivated by price alone, they do understand the importance of getting value for their money. In the Honey Consumer Shopping Behavior Study (Sept. 2020) American shoppers reported that paying full price led to negative feelings, such as anxiety, frustration and guilt.

“By getting a deal, shoppers believe they are taking care of their families because it allows them to purchase the products they want and need, while lessening the impact on their budget,” says Adcock.

As brands implement their back-to-school strategy, they should focus on exploring opportunities within three distinct groups:

PARENTS

COLLEGE STUDENTS

TEACHERS

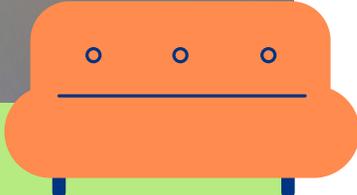


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**Celiena Adcock**

Head of Global Business Marketing at Honey





**88%** of consumers reported they would continue to shop online more than they did before the pandemic.

## PARENTS

When everything turned to a remote format last year, parents pivoted their shopping behaviors and moved the majority of their purchasing online. And it turns out that even once the pandemic has subsided, they intend to continue those behaviors: One survey found that 88% of consumers reported they would continue to shop online more than they did before. KPMG's back-to-school 2021 pulse survey report found this behavior is even more pronounced among higher-income families, with parents earning \$50,000+ saying they are more likely to shop for essentials online.

A Deloitte survey finds that more than half of parents report they are seeking a good deal, yet 48% say they also expect improved product quality. "Brands hoping to stand out with this motivated cohort need to demonstrate their products can pass the parent test - it needs to not only fit their budget, but get high marks for durability and kid appeal," says Adcock. "For our merchants families represent the sweet spot in the type of loyal and engaged customers they most hope to reach."





96% of teachers purchase classroom supplies for their students.



## COLLEGE STUDENTS

Whether they've moving to a dorm room or apartment, this demographic tends to spend big. The opportunity with college students in 2021 is especially alluring as most universities will experience a "double influx" with many college sophomores moving on or near campuses for the first time, right alongside the traditional audience of freshmen. That represents double the number of first-time residents outfitting new living space.

According to KPMG's back-to-school report, spending for college students will increase 13%, which can translate to a hefty outlay, as an NRF survey found they spent an average of \$1,000 in 2020. Retailers can reach this attractive demographic with deals on everything from dorm décor and furniture to fashion, beauty, technology and entertainment.

## TEACHERS

"Back-to-school" is especially meaningful for teachers, most of whom endured one of the most exhausting years of their lives attempting to bring some normalcy to their students while mastering the challenges of teaching virtually. Now, they're apt to be refreshing their wardrobes and investing in new classroom amenities and décor in anticipation of a return to in-person instruction and the joy of welcoming their students back.

Teachers also tend to open their wallets for school supplies not only for themselves but for their class; an [Adoptaclassroom.org survey](#) found that 96% of teachers purchase classroom supplies for their students. With an average out-of-pocket spend of \$740 for classroom supplies, teachers appreciate all the help that retailers can offer through incentives and will reward them with future traffic.



## How Can Retailers Meet the Needs of the Savvy Shopper?

In the modern-day shopping world, promotions and sales are a dime a dozen so it can be hard to get consumers excited when they know the next one is just around the corner, Patel explains. “We’re conditioned for a promotion to surround any event on the calendar, whether it’s Black Friday, Mother’s Day, Valentine’s Day, or at the moment, back-to-school. But I don’t think people are moved by that one-time sale,” he says. “They prefer brands that are going to help them find deals on high-quality merchandise all the time. That’s what builds strong loyalty, and brands that care about long-term value will provide the experience they’re looking for.”

One of those tools, of course, is Honey, and Patel has seen its potential firsthand in his own business. For example, one client that sells outdoor sporting goods discovered that a promotion on Honey yielded a 32% higher ROI than some of the ads they were running on popular networks like Google and Facebook.



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**Neil Patel**

Co-founder of Neil Patel Digital



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**Celiena Adcock**

Head of Global Business Marketing at Honey

Patel credits that success with the fact that Honey offers the right context to deliver customers who are already in a buying mode and will be drawn to a quality product, made even more tempting by a favorable price. That’s in contrast with someone who’s searching “kayak” on Google; instead of being in the market to purchase one, they may be researching how to book an excursion or where to find a top-rated local spot to hit the lake.

Even more exciting, Patel’s clients have realized many buyers who initially made a purchase using Honey will later buy again, even without a specific offer. “We find that Honey offers the ideal platform to familiarize consumers with your brand, and with the right experience, they’ll be back.”

Another strategy Patel advocates is attaching a time limit to a promotion, which can create a feeling of “FOMOOD,” the “Fear Of Missing Out On Deals.” In Honey’s Consumer Shopping Behavior Study, 62% of Americans said this is how they feel when they pass up a deal that has been presented to them.

“[FOMOOD] is a powerful reason merchants turn to Honey Gold, a points-based loyalty program that raises awareness without discounting,” says Adcock. “Our guests see that clock ticking, and they know they’ll only accrue the rewards if they buy then and there.”



## Is Your Brand in Their Cart?

As the calendar turns and school buses roll, retailers are looking forward to helping make the school year a little brighter for their returning customers and creating exciting experiences for new ones. By pairing the right product with the right incentive, they'll earn a spot in the cart of today's Savvy Shopper.



### Holidays to market toward

Back to school is just one opportunity to reach these Savvy Shoppers. Below is a calendar of other upcoming global opportunities, such as:

#### USA

- Nov 11 **Singles Day**
- Nov 26 **Black Friday**
- Nov 29 **Cyber Monday**
- Dec 25 **Christmas**
- Year-end Blowout**

#### Canada

- October 11 **Canadian Thanksgiving**
- Nov 26 **Black Friday**
- Nov 29 **Cyber Monday**
- Dec 25 **Christmas**
- Dec 26 **Boxing Day**

#### UK

- Nov 11 **Singles Day**
- Nov 26 **Black Friday**
- Nov 29 **Cyber Monday**
- Dec 25 **Christmas**
- Dec 26 **Boxing Day**

#### France

- Nov 11 **Singles Day**
- Nov 26 **Black Friday**
- Nov 29 **Cyber Monday**
- Dec 25 **Christmas**

#### Germany

- Oct 31 **Halloween**
- Nov 11 **Singles Day**
- Nov 26 **Black Friday**
- Nov 29 **Cyber Monday**
- Dec 6 **Nikolaus Tag**
- Dec 24-26 **Christmas**

#### Australia

- Oct 31 **Halloween**
- Nov **Cyber Weekend**
- Nov 26 **Black Friday**
- Sales Frenzy**
- Nov 11 **Singles Day**
- Nov 26 **Cyber Monday**
- Dec 25 **Christmas**
- Dec 26 **Boxing Day**

#### Brazil

- Oct 31 **Halloween**
- Nov 26 **Black Friday**
- Nov 29 **Cyber Monday**
- Dec 24-25 **Christmas (Eve & Day)**

#### India

- Oct 15 **Dussehra**
- Nov 2 **Dhanteras**
- Nov 4 **Diwali**
- Nov 26 **Black Friday**
- Nov 29 **Cyber Monday**
- Dec 25 **Christmas**

#### Netherlands

- Oct 31 **Halloween**
- Nov 11 **Singles Day**
- Nov **Cyber Week**
- Dec 6 **Sinterklaas**
- Dec 25 **Christmas**
- Dec 26 **Christmas Sales**
- Dec 31 **New Year's Eve**



# honey

**To learn more about Honey and how it could help your brand attract new shoppers and help drive incremental revenue, please reach out to [yourhoneypartners@paypal.com](mailto:yourhoneypartners@paypal.com)**

Honey helps turn passive shoppers into active buyers. Honey is an online shopping solution trusted by over 29 million members to save them time and money. From shopping rewards to automated coupon discovery, Honey's solutions take users' money further and make people feel confident about buying. Honey matches consumers with deals that build affinity and motivate them to purchase, bringing retail brands and consumers closer. From discovery to repeat visits, Honey has become the go-to resource to reassure consumers they have the best deal and that now is the right time to buy.

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