Not Too Cool for School: Who's Buying Back-to-School Apparel?

{A MaxPoint Interest Index}

The school year is over, and summer vacation has begun. But while kids can take a break, retailers can't. In just a few short months, families will begin buying school supplies like notebooks, pencils, and calculators.

The back-to-school market is quite profitable. According to the National Retail Federation's (NRF) back-to-school spending survey, parents spent an average of $688 on new backpacks, fall sweaters, footwear, and electronics.[1] But it's not just school supplies that sell—clothing and kid's apparel are also big sellers. In fact, on clothing and accessories alone, the NRF reported that back-to-school spending totaled $10.8 billion.

To help children's apparel retailers target back-to-school shoppers, MaxPoint used its proprietary Digital Zip® technology to find neighborhoods that over-index for back-to-school clothing purchases. We built out profiles of the shoppers, including their demographics and interests. Additionally, our access to credit card data allowed us to develop a comprehensive view of spending patterns for the shoppers, including their purchases in other product categories. We also compiled lists of the top cities in which a high percentage of neighborhoods match the target profile, making it easier for advertisers to reach the right cities and neighborhoods.

Audience Profiles: Seasonal Spenders and Year-Round Spenders

Once we started analyzing the data, we discovered that there were two distinct audiences that buy kid's apparel: seasonal spenders and year-round spenders. Both audiences buy back-to-school clothing, but their audience profiles and spending patterns diverge.

Seasonal spenders purchase children's clothing in large quantities during the back-to-school season, but don't purchase children's apparel throughout the rest of the year in the same capacity. These seasonal spenders share the following characteristics:

- Their incomes usually total $60,000 per year or less
- They tend to be older, often over 55 years old
- They own their homes
- They're married

Using our proprietary interest data, we found that seasonal spenders are interested in food and drink trends, allergy relief, NASCAR, new technology, fashion, home improvement, and retirement planning. Our purchase data analysis revealed that these families often spend their money at value grocery stores, sporting goods and apparel stores, automotive retail stores, music and video entertainment stores, and office supply chains. This audience may be extended family members, such as grandparents, buying gifts and clothing for children for the back-to-school season.

The year-round shoppers purchased a lot of children's apparel during the back-to-school season, but they also steadily purchased kid's clothing throughout the rest of the year. This audience tends to have the following characteristics:

- Their incomes exceed the $100,000 per year mark
- They have college degrees
- They're typically between the ages of 35 and 44

Their interests include beauty, food and drink trends, the economy, business and finance, golf, weddings, and fashion. In addition to their family apparel purchases, they can frequently be found shopping at women's apparel stores, department stores, and drug stores. Similar to their seasonal counterparts, they also purchase products at video and music stores.

Where to Find Them

Some cities tend to have higher concentrations of back-to-school shoppers than others. We've compiled a list of the top cities for both audiences.

Top Areas for Seasonal Shoppers

- Charleston, WV
- Eureka, CA
- Madison, WI
- Shreveport, LA
- Oklahoma City, OK

To get down to the neighborhood level, we looked within Oklahoma City and found that the top neighborhoods were Covington, Douglas, and Hayward.

Top Areas for Year-Round Shoppers

- Baltimore, MD
- Huntsville, AL
- Savannah, GA
- Terre Haute, IN
- Flagstaff, AZ

Within Flagstaff, we found that the highest indexing neighborhoods for year-round kid's apparel shoppers were Equestrian Estates, Pine Del, and Railroad Springs.

What This Means for Advertisers

Hyperlocal digital advertising gives clothing and apparel advertisers more targeting power than they can get with traditional advertising. By using purchase data, advertisers can find out who buys. By using geo-targeting, they can find out where they buy.

Using the data from this interest index, advertisers can allocate portions of their advertising budget to reach the right neighborhoods at the right time. For example, a company that makes children's sneakers could run ads for most of the year in the year-round spender neighborhoods. Then, as September comes closer, they can start increasing their budgets to seasonal-spender neighborhoods. This boosts their responses and keeps their ad spend efficient.

Beyond their targeting, advertisers can also learn to change their creative based on the audience. For example, they may want to focus on branding and quality for the year-round families, while focusing on low prices for the seasonal spenders.

This year's back-to-school season promises to be an excellent one for children's apparel retailers and advertisers. Ultimately, the companies that will best capitalize are those that use offline and online data sources to target the right neighborhoods with the right messages at the right times.

MaxPoint in Action

MaxPoint has used its Digital Zip technology to run hyperlocal digital advertising campaigns for several retailers' back-to-school promotions.

Electronics Retailer—A national electronics retailer wanted to build awareness of its brand and products while also driving in-store sales at its locations for the back-to-school months. To help them, MaxPoint targeted households with kids between the ages of 18 and 24 and interests in college and college living. Additionally, MaxPoint focused on a tight 6 to 8 mile radius of the store. The campaign resulted in a CTR that was over 4 times the industry average.

Arts and Crafts Retailer—An arts and crafts retailer wanted to drive customers to its stores for several back-to-school promotions. MaxPoint helped by targeting two audiences: teachers and mothers. The teacher audience was primarily made up of women between the ages of 25 and 55, while the mother audience was made up of women between 35 and 55 with heavy purchases of craft supplies. The campaign targeted neighborhoods within 10 miles of the retailer's locations that over-indexed for the two audiences. The campaign resulted in a CTR for the two audiences that was 3 times the industry average.

1. http://www.nrf.com/backtoschool

NOT TOO COOL FOR SCHOOL:
WHO IS BUYING BACK-TO-SCHOOL APPAREL?

Back-to-School Spending

WHERE PEOPLE SHOPPED:
Discount Store **67%**

Clothing Store **60%**

Department Store **52%**

WHEN PEOPLE SHOPPED:
48% of parents shopped 1 month prior to school starting

National Retail Federation's back-to-school spending survey conducted by BIGinsight July 2012

Parents with children in grades **K-12** spent on average **$688** on new backpacks, fall sweaters, footwear, and electronics.

TOTAL BACK-TO-SCHOOL SPENDING on clothing and accessories was **$10.8 billion**

Back-to-School Shoppers
SEASONAL Spenders

Significant spending changes on children's apparel during back-to-school time
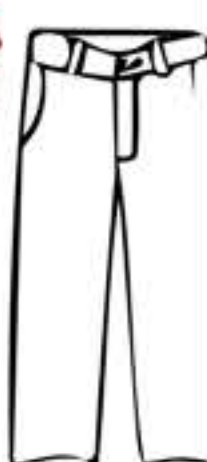
PROFILES
- Income: < 60,000
- Age: 55+
- Homeowners
- Married

INTERESTS
- Food and drink trends
- Allergy relief
- NASCAR
- New technology
- Fashion
- Home improvement
- Retirement planning

ADDITIONAL PURCHASES
- Value grocery
- Sporting goods and apparel
- Automotive retail
- Music and videos
- Office supply chains

Back-to-School Shoppers
YEAR-ROUND Spenders

No significant spending changes on children's apparel during back-to-school time

PROFILES
- Income: 100,000+
- Education: College +
- Age: 35-44

INTERESTS
- Beauty
- Food and drink trends
- The economy
- Business and finance
- Golf
- Weddings
- Fashion

ADDITIONAL PURCHASES
- Family apparel
- Women's apparel
- Department stores
- Drug stores
- Music and videos

LOCATION

Seasonal Spenders
1. Charleston, West Virginia
2. Eureka, California
3. Madison, Wisconsin
4. Oklahoma City, Oklahoma
5. Shreveport, Louisiana

Year-Round Spenders
1. Baltimore, Maryland
2. Flagstaff, Arizona
3. Huntsville, Alabama
4. Savannah, Georgia
5. Terre Haute, Indiana

MAXPOINT