



HOW TO PLAN FOR BACK TO SCHOOL, WHEN THE SEASON IS NOT CERTAIN?

In years past, or even just a few months ago, when businesses thought about preparing their Back to School (BTS) marketing for 2020, they anticipated developing strategies and building on insights from the previous year to make forecasts for a reasonably reliable season.

But getting ready for BTS 2020 is very different. The spread of the coronavirus (COVID-19) has disrupted businesses and lives throughout the world. In time, restrictions will be lifted, but shopping may never look the same again.

As consumers become comfortable with buying online and remain wary of in-store visits, consumer behavior and shopping trends may be irreversibly altered. Without knowing to what degree these changes will take place, it is difficult for retailers to anticipate what the marketing needs will be for the back to school shopping period.

This uncertainty is why it is more critical than ever for retailers to have a well thought out marketing strategy—or, to be more accurate, marketing strategies—that will allow companies to pivot depending on the circumstances that arise.

Not only do retailers need to be able to pivot—they need to be able to pivot quickly based on decisions educational institutions make. Some colleges, for example, may not make decisions about Fall 2020 until July, which is too late for advertisers to wait to plan for BTS.

While there is much uncertainty, the rich data and insights from previous years will still be invaluable, and that information will be instrumental as companies determine the most likely “what if’s” that might occur and what marketing efforts will be most effective for those scenarios.

The "Old Normal" of Back to School

Since Amazon launched its first Prime Day in 2015 to celebrate the marketplace's 20th anniversary, the popular sales event has kicked off back to school savings annually with a bang. Each July, the sale has expanded in hours and items, and in 2019, Amazon had its biggest event ever, selling an estimated \$6.2 billion in goods.

As consumers began anticipating the annual sale, e-commerce and brick and mortar stores considered how they could take advantage of that Amazon "halo" effect. Retailers began to piggyback on Amazon Prime Day with their own sales for back to school. Even for retailers other than Amazon, back to school sales were a boon, and 2019 sales were expected to reach \$80.7 billion.

Despite the number of sales, retailers were still learning the best ways to take advantage of Prime Day. Studies conducted by Criteo have found that stores could be

more proactive in competing head-on with Amazon discounts and specials and getting consumers to anticipate sales. Retailers may have been preparing to address these issues for 2020, but then the coronavirus pandemic interrupted business as we know it.

The Shifting BTS Landscape due to the Coronavirus

The global health crisis has created justifiable uncertainty as governments around the world invoke stay-at-home restrictions to slow the spread of the virus. As of mid-April, school closures affected all Belgian schools, only to restart partially for exams by June. It's uncertain at this time if or how the 2020-2021 school year will be impacted. Schools are currently struggling with how to implement safety measures ordered by the government.

No matter what the situation will be, one thing is certain: retailers must be able to pivot to address the multiple scenarios that may unfold with the first significant challenge of back to school shopping.



Scenarios for BTS and how Retailers should prepare

[1] A speedy return to normalcy, in time for mid-Summer back to school sales.

This is the most optimistic option, but if schools open after summer, these moves will trigger some demand for back to school shopping. *"There's still uncertainty of whether schools will reopen on time, at full capacity or where you have staggered schedules to minimize the number of students and teachers together,"* said Rick Maicki, managing director, Berkeley Research Group.

If schools do reopen as currently scheduled, stores must make sure they have the inventory needed.

If stay-at-home restrictions are lifted, and BTS does occur during the traditional period, retailers may have to ramp up their efforts with short notice. To do this, they'll need to revisit their marketing channels, said Dominic Gazzuolo, senior director, Paid Media, Wpromote. *"Some channels are more nimble than others, such as Google or Facebook ads. Highly dynamic video may take longer. Some less nibble channels like in-store visual production likely will take longer than just a couple of weeks,"* he said. Even if the schedule normalizes, consumers may be wary of going shopping in-person, relying more on online shopping. This will be compounded if coronavirus cases increase again, either as state restrictions are lifted, or if the virus resurfaces seasonally. Experts predict this increasing shift to e-commerce will last

long after the crisis, and consumers will continue to stock up on items and buy them in bulk. E-commerce sites must ensure their supply chains are ready for the influx. At the same time, brick and mortar stores will need to emphasize their hygiene protocol and institute curbside pickup or contactless payment options, Gazzuolo added.



[2] The return to normalcy takes longer, impacting the semester.

Schools might open later, shift to staggered in-person classes to minimize class size or move completely to online classes. "All of those decisions on how schools will be operating impact total demand and demand by type of products," Maicki said. "Kids haven't stopped growing. There will be a need for clothes, but do they need five outfits or fewer? Do they need a backpack?" Some categories, such as sporting goods for school teams, may see a downturn, while electronics for home education digitized learning could increase.



Retailers should look for those new opportunities, said Teena Sobczak, director, display, iProspect. By using data points based on consumer browsing behavior and transactional data, retailers can aggregate information to understand how a brand is doing and uncover new trends, she said. *"We're seeing people investing more in loungewear because they're working at home, or workout equipment and fitness—running shoes and dumbbells. Maybe there's a category you didn't focus on in the past, but can see through trended data areas where you're now able to capitalize."*

Retailers with an online presence are better positioned for the future, Gillespie said. A Criteo study found that during the coronavirus lockdown period of mid-March to mid-April retailers with both physical stores and an online presence saw a 68% decrease in in-store sales, but a 133% increase in e-commerce sales. So retailers should push as much online as they can.

This online push will also allow retailers to adapt to sudden changes, such as if a rebound of the virus forces additional closures, Gillespie added. Scientists suggest that multiple quarantine periods will be needed for several years, which means retailers need plans that they can implement several times, as needed.

+133%



the increase in e-commerce sales for retailers with both physical stores and an online presence during the coronavirus lockdown period of mid-March to mid-April

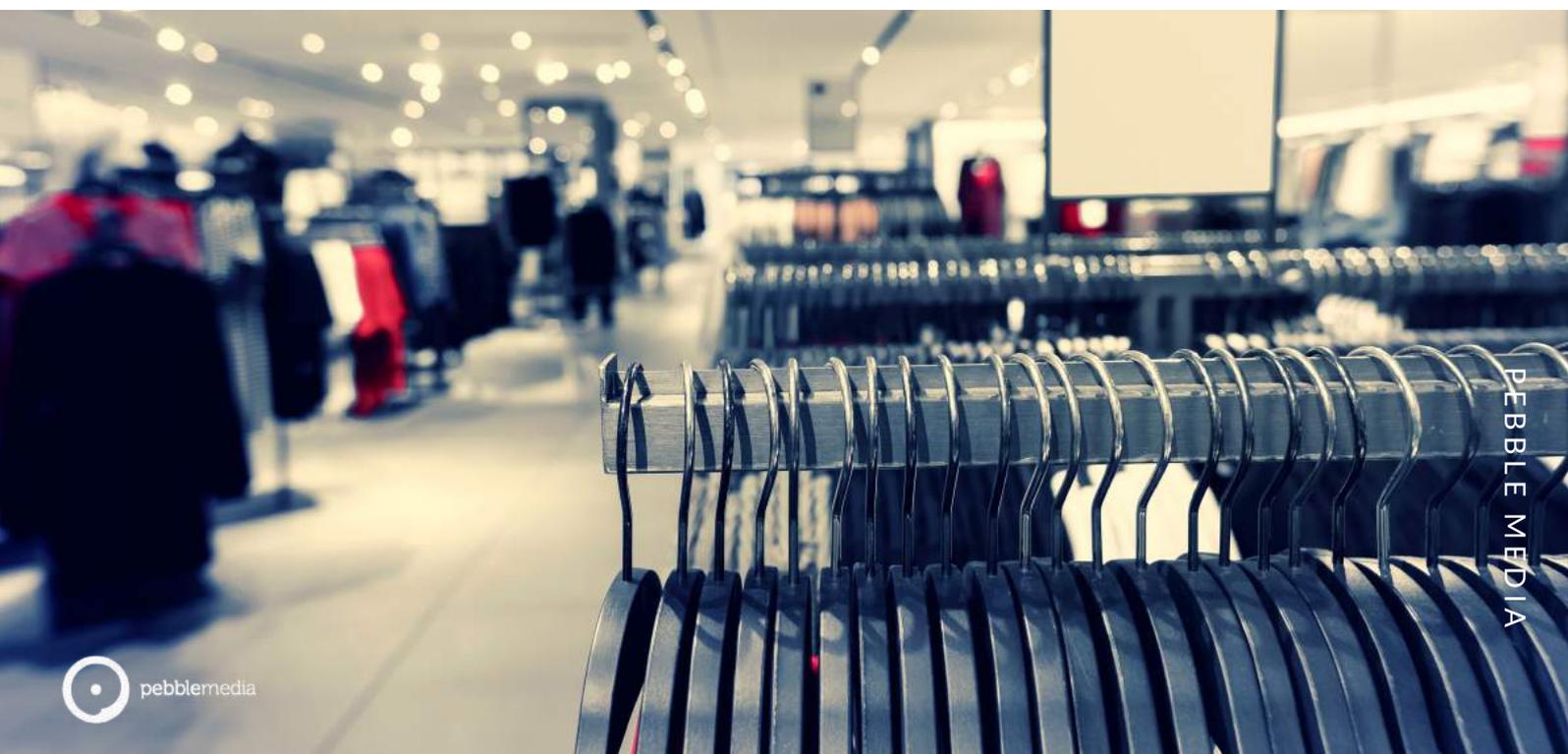
[3] The dip in the economy continues beyond the next few months, impacting consumers' desire and ability to shop for back to school.

Even if the economy rebounds soon, some consumers won't be the same, said Gillespie. *"Retailers are going to have to deal with a split in the cohort of shoppers between people for whom their world was modestly impacted and people for whom the world fell apart. Those who work from home versus consumers who lost their jobs due to the virus will have different approaches to shopping. While the latter group may still shop, they will be part of a larger than usual cohort for whom value is very important."* If a retailer's strategy is already known for value, they can lean more into that, he said. If a retailer focuses on specific brands, they may need to showcase items in the brand that are not as expensive. Focus on essential purchases instead of optional ones, he added. Marketing messages must also be relevant, timely and sensitive, said Sobczak.

"A lot of retailers will be pretty promotional as they try to make up for lost sales," she said. The winning tone is one that doesn't cheapen the brand but shows how the products meet the consumer's needs right now. Retailers should highlight ways they are making shopping more convenient for customers, through shipping and return policies and the checkout process, she said.

When shoppers find a retailer or product via a search, marketing can be a little more direct, advised Gazzuolo. *"If they're searching for it, there's a demand built-in. I think it's okay to recognize the situation and be real—when you can get more personal and when you go after your user, it creates a culture of trust."*

For example, a BTS marketing message for parents of young children might promote an affordable, multi-use product saying, *"We try to do as much for our children as we can. During these tough times, think about product x,"* Gazzuolo said. Create an authentic connection with consumers now, and they'll remember that connection when they're ready to purchase after the economy improves.



A Plan for All Possibilities

Which scenario should retailers prepare for? All of them.

With the pandemic situation changing daily, it is impossible to predict exactly what to expect in the near future—and if retailers wait for the path to clear before they prepare, they may not have enough time to ramp up.

Flexibility is key, Gillespie said. Retailers must work at shortening time to market and have multiple versions of marketing promotions to use at the last minute. The most flexible options will be digital, as it is nearly impossible to change an in-store campaign at the last minute. For each possibility, retailers should map out operational and e-commerce capabilities, with a schedule to manage to that scenario, Maicki said. Operationally, will you need to ramp up staff for an in-store sale? For curbside delivery? Consider what visible actions you need to put in place to make the consumer comfortable shopping in your store (i.e., cleaning protocol, one-way directional signage or spacing people out?) To make sure you have the right inventory, it's also important to communicate regularly with your suppliers to keep them updated on your plans and their fulfillment abilities. Examine your cash, inventory and supply chain capabilities, Maicki added.



What are the options I need to have for moving inventory?" Retailers must take a clear-eyed, data-driven approach to prepare for each of these possibilities and create strategies that will ensure they are ready to meet consumers' needs, no matter what the future holds. "Having alternative plans and the flexibility to move within them is the key to success in the short-term here," Maicki said. "No one can predict what the new norm will be. Having predefined actions to trigger based on market conditions is the best strategy."



Sources: *Here's How Much Amazon Sold on Prime Day This Year, According to Analysts.* Yahoo! Finance, Yahoo!, 17 July 2019; *Retail Holiday and Seasonal Trends - Back to School.* NRF; Verdon, Joan. *Changes in Consumer Buying After Coronavirus Pandemic.* <https://www.uschamber.com/Co>, 25 Mar. 2020; *Coronavirus Shopping Trends: 8 Popular Product Categories Right Now.* Criteo, 16 Apr. 2020
Based upon "How to plan retail, when the season isn't clear" by Criteo & RetailDive