

# Back to School Report

*Location-based Retail Insights, 2019*



APRIL 2019

**FOURSQUARE**

# Win This Back to School Season

Every year retailers gear up for back to school season. With back to school spending reaching approximately \$82 billion in 2018, it's no wonder back to school remains a staple for retail brands. Foursquare's proprietary location data tells the same story, showing a **16.5% lift in foot traffic to brick-and-mortar retailers** amongst parents between the Fourth of July and Labor Day.

Even better news for back to school retailers is that, despite the rise of e-commerce, more than 90% of shopping transactions still take place in the physical world. That's why savvy retail brands are harnessing the power of location technology to better understand how back to school shoppers move in the real world. Retailers can use location data to measure how successful they are with back to school shoppers, and then take steps to boost in-store foot traffic.

However, the challenge lies in grabbing – and maintaining – the attention of shoppers along their buying journey. Back to school shoppers are typically busy parents with a tight schedule or college students with a limited attention span. Foursquare took a close look at consumer behavior during last year's back to school season to identify 10 of the most effective strategies that brands can apply to stay ahead of the curve.

In this report, Foursquare defined Back to School Shoppers as consumers aged 25-55, who visited a school at least three times between October 2018 and December 2018, and defined Back to School Shopping season as the time frame between the Fourth of July through Labor Day in 2018.

**In this report, you'll learn about how brands can use location technology to attract – and captivate – back to school shoppers of all stripes:**

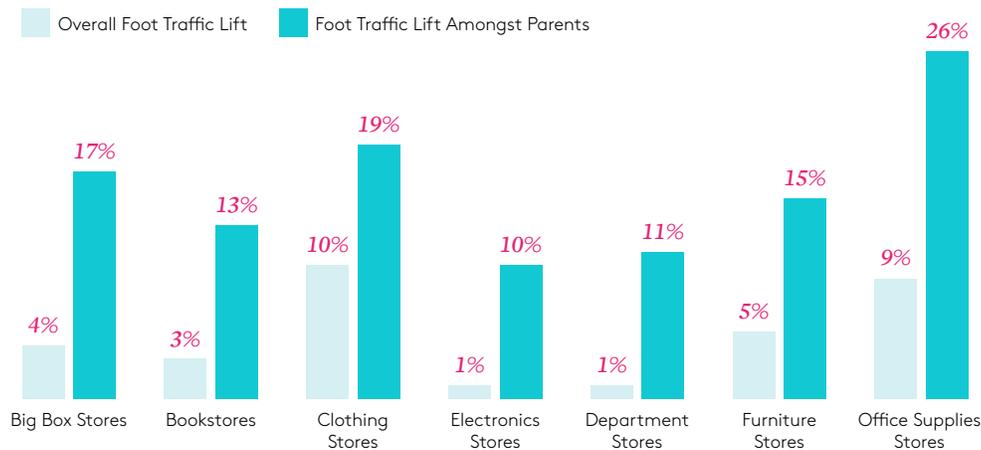
1. *Take Advantage of Seasonal Lifts*
2. *Capitalize on Key Shopping Days*
3. *Highlight Proximity and Convenience*
4. *Deliver Moment-based Messaging*
5. *Influence the Consumer Journey*
6. *Understand Where Students Go In The Real World*
7. *Steal Share From the Competition*
8. *Keep Track of Customer Churn*
9. *Use Offline Data to Drive Online Results*
10. *Measure Advertising Impact*

**Methodology:** Foursquare analyzes consumer behavior based on foot traffic data from the millions of Americans that make up our always-on panel. All our data is rendered anonymous, as well as aggregated and normalized against U.S. Census data to account for any age, gender and geographical bias. Indexed numbers in this report indicate the percentage – or times – more likely than the average U.S. consumer to visit a given place. For the purposes of this report, Foursquare defined Back to School Shopping season as the time frame between the Fourth of July through Labor Day, 2018.

# Take Advantage of Seasonal Lifts

Brick and mortar retailers across the board experience a spike in foot traffic during back to school season. This back to school seasonal lift is driven by parents, who do most of the buying.

These seasonal increases in foot traffic underscore the importance of the back to school season as a crucial time for retailers. If you're not taking advantage of consumers' increased propensity to visit stores – and complete purchases – you're likely giving up ground to competitors.



Use **Pinpoint** to identify and reach back to school shoppers. Pinpoint helps influence buyer behavior during back to school shopping trips by delivering relevant, seasonal messaging in real-time when consumers are physically near a store location, or along the path to purchase.

Use **Attribution** to quantify the impact of back to school advertising on actual foot traffic to store locations. You'll be able to assess the role that different partners, creative, and targeting tactics play in driving visits, and optimize your strategies to drive even more foot traffic.

Use **Analytics** to measure how customer behaviors shift during back and to keep track of competitive dynamics.

# Capitalize on Key Shopping Days

## July

Foursquare data shows that foot traffic to brick-and-mortar retailers starts to pick up in mid-to-late July. More specifically, retailers start to see a noticeable spike around the third Saturday in July. Retail visits continue to grow leading up to the start of the school year.

## August

The third Saturday in August is the busiest day for back to school shopping, with parental visits to retailers peaking as the school year quickly approaches. Big box retailers receive the most visits from parents this day. However, the Saturday of Labor Day weekend is the busiest individual day for back-to-school shopping at other retail categories, such as arts and crafts stores, bookstores, clothing stores, furniture stores and warehouse stores. This may reflect an influx of last-minute back to school shoppers, or consumers looking to take advantage of holiday weekend sales and promotions.

## September

By the last week in September, most schools have officially begun, and retail foot traffic typically returns to baseline levels. Depending on what type of retail establishment you run, it's critical to be prepared for these key shopping days in terms of staffing, marketing, and having enough inventory in stock.

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**Editor's Note:** For this analysis, Foursquare defined Back to School Shopping season as the time period of the Fourth of July through Labor Day. We defined Back to School Shoppers as consumers aged 25-55, who visited a school at least three times between October 2018 and December 2018. Percentage lifts indicate an uptick in daily foot traffic during back to school shopping season, in comparison with an average day during the rest of the year.

# Highlight Proximity and Convenience

While back to school season will draw consumers out of their homes and into retail locations, many customers don't travel as far as you'd think. We found that back to school shoppers tend to visit multiple retail locations close to their homes, and stock up all at once at these nearby shops. This trend spans across all retail categories. As the summer months wane, consumers want to get their back to school shopping done, but as quickly and efficiently as possible so they can enjoy what's left of the good weather.



# Deliver Moment-Based Messaging

Retailers looking to influence consumer behavior and drive foot traffic to stores should deliver relevant offers while consumers are out shopping. Location technology enables this moment-based messaging — sending the right message to the right consumers at just the right time.

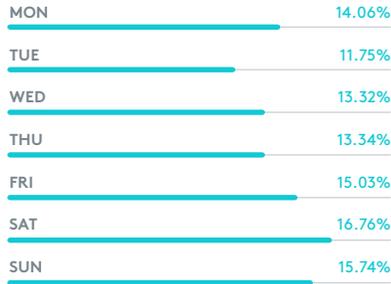
So, what is the right time? We've analyzed foot traffic to brick and mortar retailers during back to school season to identify when consumers tend to shop. Location data shows the busiest time is **Saturdays between noon and 1 p.m.**, across all retail categories. While most retailers rely heavily on weekend shopping trips, the level of reliance does vary by subcategory. Clothing and furniture stores see the most visits on weekends, whereas office supply stores see a lower proportion of total foot traffic on weekends. Similarly, visit patterns throughout the day vary slightly by subcategory.

Big box stores rely more on post-work, early evening foot traffic, perhaps from parents on their way from work to dinner at home. Meanwhile, back to school shoppers visit office supply and furniture stores more during the day.



# Day of Week Patterns

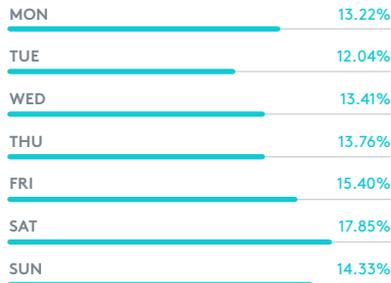
## Big Box Stores



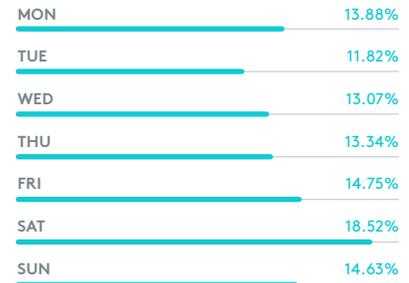
## Electronic Stores



## Bookstores



## Furniture Stores



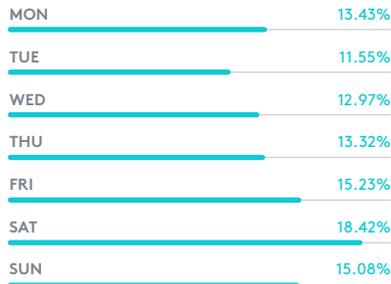
## Clothing Stores



## Office Supply Stores



## Department Stores



# Time of Day Patterns



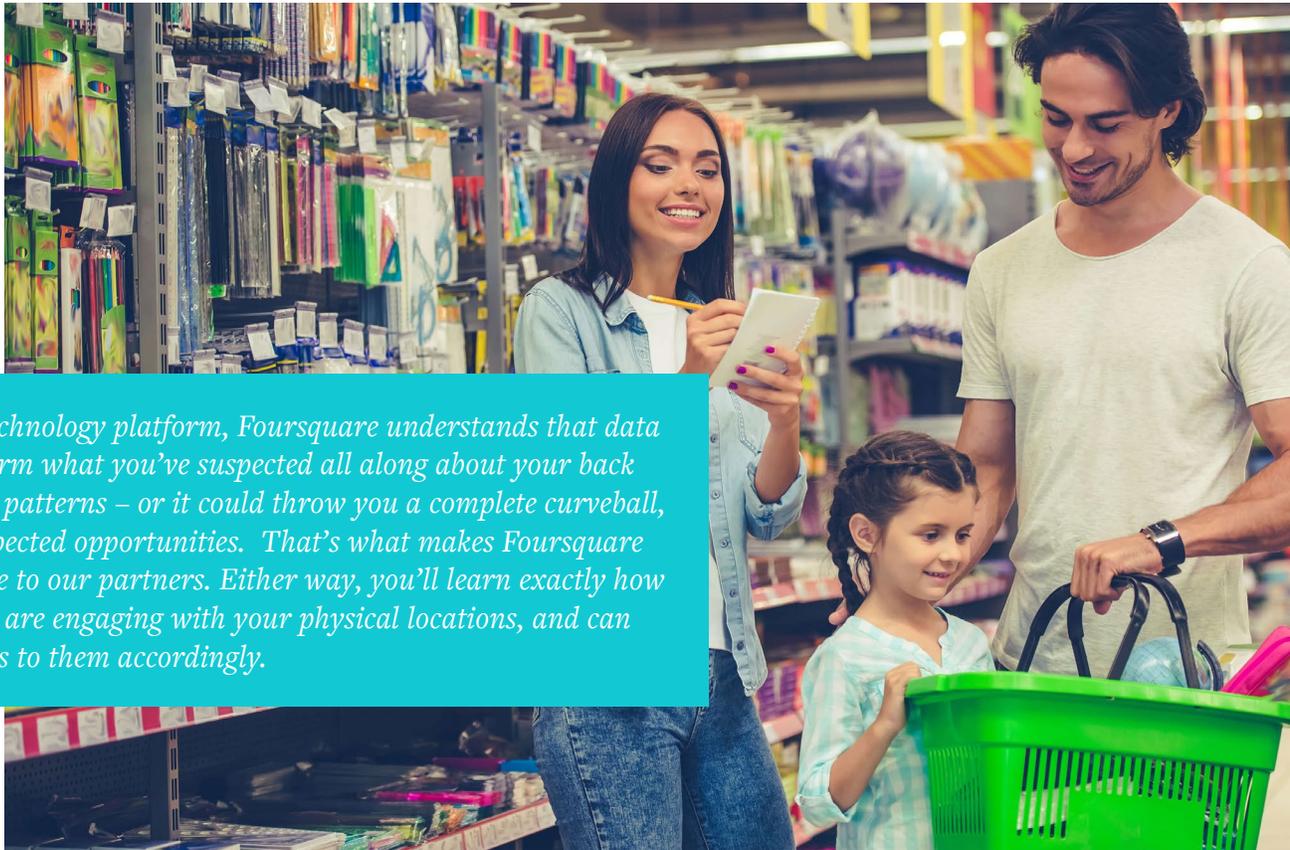
**The takeaway?** While brands should connect with consumers throughout the day during this important season, messages delivered midday on weekends will be particularly relevant, as consumers are most likely to be in a shopping mindset.

## Early Evening

BIG BOX STORES	29.77%
BOOKSTORES	27.25%
CLOTHING STORES	27.61%
DEPARTMENT STORES	27.62%
ELECTRONIC STORES	28.44%
FURNITURE STORES	23.68%
OFFICE SUPPLY STORES	23.46%

## Night

BIG BOX STORES	4.44%
BOOKSTORES	2.67%
CLOTHING STORES	1.93%
DEPARTMENT STORES	1.42%
ELECTRONIC STORES	2.02%
FURNITURE STORES	1.55%
OFFICE SUPPLY STORES	1.37%



*As a location technology platform, Foursquare understands that data can either confirm what you've suspected all along about your back to school traffic patterns – or it could throw you a complete curveball, revealing unexpected opportunities. That's what makes Foursquare data so valuable to our partners. Either way, you'll learn exactly how your customers are engaging with your physical locations, and can deliver messages to them accordingly.*

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# Influence the Consumer Journey

One of the most powerful ways to influence back to school shoppers is to send relevant, personalized messages at precisely the right place and time along various points of the customer journey. As people move through the real world, you can use location technology to send contextual messaging to spur them to engage with your brand digitally, or get them into one of your stores for a visit.

Below, we've analyzed the customer journey of back to school shoppers and identified some key moments where location-based contextual messaging can be used to influence back to school shoppers' behaviors:



## *Coffee Breaks*

Many parents take coffee breaks before, during, and after back to school shopping. When they do, they're most likely to stop at Peet's Coffee (+8%) and Caribou Coffee (+7%).



## *Staying Fit*

Back to school shoppers like to squeeze in a workout during back to school shopping season, frequenting mid-market gyms such as LifeTime Fitness (+17%) and OrangeTheory Fitness (+8%).



## *Kid Friendly Activities*

Keep in mind that back to school shoppers are still out enjoying the warm summer temperatures with their families. They're most likely to visit playgrounds (+8%), mini golf courses (+105%), summer camps (+96%), beaches (+105%), pools (+47%), and theme parks (+99%).



## *Fast Food Fixes*

It's not uncommon for back to school shoppers to grab a quick bite while on a shopping trip. Some of the most popular chains amongst parents this time of year include Chick-fil-A (+6%), Sonic Drive-in (+5%), Tim Horton's (+8%), and Popeye's Louisiana Kitchen (+5%).



### **DIY Stops**

Back to school season is also when many families are fixing up their homes, before the weather gets too cold. They'll combine their back to school shopping trips with visits to home improvement stores such as Home Depot (+7%) and Menards (+7%). They also visit brands like At Home (+8%) for furniture, and paint supplier Sherwin-Williams (+12%).



### **Convenience Breaks**

Even though it's summer, life's not all fun and games for parents. To save time and energy, they'll make quick stops at convenience chains to pick up necessities. Some of the most popular chains are Stripes Convenience (+11%), QuikTrip (+10%), Kwik Shop (+9%), Casey's General Store (+9%), and Thorntonsinc. (+7%).



### **Sporting Events**

Many back to school shoppers are also sports fans. These parents tend to enjoy going to watch games at soccer stadiums (+10%), baseball fields (+9%), soccer fields (+14%), tennis courts (+8%), and football stadiums (+8%).



### **Outdoor Adventures**

Summer is a great time to enjoy nature, making back to school season a popular time for excursions at national parks (+62%), mountains (+27%), bike trails (+27%), parks (+25%), and hiking trails (+25%).



### **Leisure Travel**

Many parents opt to take a relaxing vacation before the school year ramps up. Compared to the rest of the year, they're more likely to be found at motels (+45%), rest stops (+43%), souvenir shops (+36%), and airports (+35%).

***The takeaway?*** *Keep in mind that your target audience is likely on the go and enjoying the various leisure activities associated with the summer months. Think about targeting distinct behavioral segments based on the places shoppers go throughout their day, from places for a quick bite to outdoor leisure activities to travel categories.*

# Understand Where Students Go In The Real World

Although 49% of college students say that they plan to do most of their back to school shopping online, location data shows a significant lift in foot traffic to brick and mortar retailers amongst college students during back to school season. The difference in college students' reported versus actual behavior underlines the importance of using observed, real world behavioral data to inform your strategy this back to school season.

To that end, we've uncovered the places that college students go more so during back to school season versus the rest of the year:

<b>Big Box Stores +16%</b>	+18%	WALMART
	+14%	TARGET
<b>Clothing Stores +17%</b>	+28%	HOT TOPIC
	+19%	FOREVER 21
<b>Department Stores +9%</b>	+22%	DILLARDS
	+17%	NORDSTROM
<b>Electronic Stores +8%</b>	+10%	BEST BUY
	+9%	FRY'S ELECTRONICS
<b>Furniture Stores +16%</b>	+45%	IKEA
	+27%	BED BATH & BEYOND
<b>Office Supply Stores +25%</b>	+30%	OFFICE DEPOT
	+25%	STAPLES
<b>Outlet Stores +13%</b>	+18%	SKECHERS FACTORY OUTLET
	+14%	GAP FACTORY STORE
<b>Shoe Stores +14%</b>	+29%	REEBOK
	+28%	VANS

**Methodology:** For this analysis, college students were defined as consumers aged 18-24 who visited a college or university at least three times between October 2018 and December 2018. Indexes in this analysis indicate the lift in visits by college students to a given chain or category as compared to those same individuals during the rest of the year.

# Steal Share From the Competition



Location technology can be used to woo customers away from the competition, based on historical visit behaviors or in real time when they're near competitors' locations. You'll want to present consumers with messaging that captures how your brand can better address their needs, and precisely where to find you. Knowing when people are on the path to purchase, and re-routing them before they visit a competitor, can be a huge advantage during back to school season.

One data-driven approach to beat the competition is to identify where else your existing customers shop, outside of just your category. A chain like Office Depot, for example, should **steal wallet share** not only from other office supply stores, but also from places like big box stores, where they might buy similar products. Location data shows that only 8% of Office Depot's back to school shoppers also visited category competitor Staples, while 57% of Office Depot's back to school shoppers also visited Target. The overlap with Walmart is even higher, at 58%. Similarly, Staples shows only 5% overlap with Office Depot, but 54% overlap with Target and 49% overlap with Walmart.

Another strategic opportunity is to acquire new customers from competitors where there is currently **less** audience overlap. For instance, while Walmart and Target are two of the biggest players in terms of penetration, fewer consumers shop at both stores during back to school season than you may think. For example, we learned that only 16% of back to school shoppers who visited Best Buy also went to Bed Bath & Beyond, indicating an opportunity for Bed Bath & Beyond **to win net new customers** from the other 84% of Best Buy electronics shoppers, using creative highlighting electronics offerings. Try targeting back to school shoppers that are visiting competitive retailers physically adjacent to your locations, as this untapped customer base may be more likely to sway.

*To learn how your audience overlaps with different competitors with a Competitive Landscape Insights Subscription, email us at [hi@foursquare.com](mailto:hi@foursquare.com) today.*



# Keep Track of Customer Churn

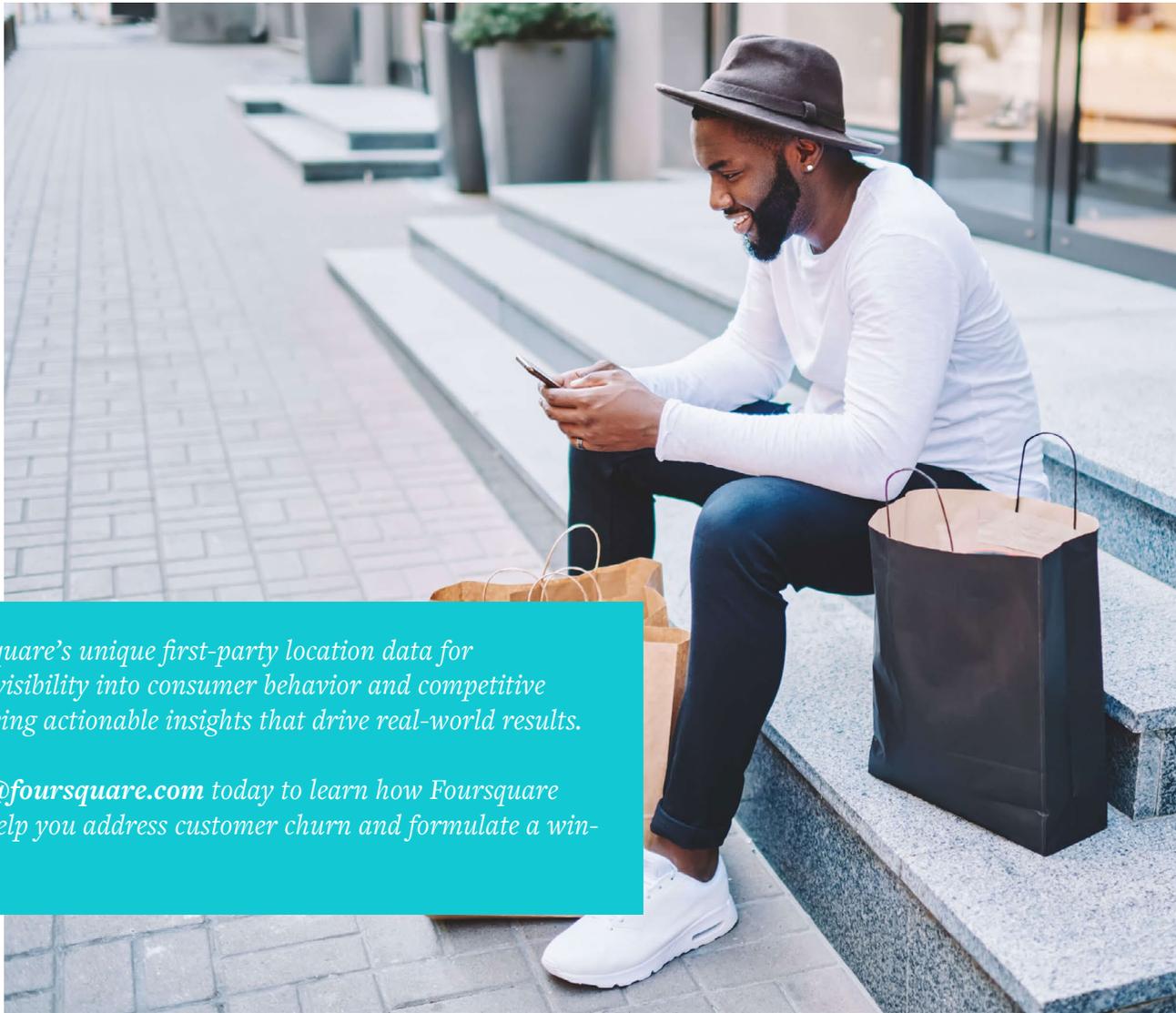


Retail tentpoles like back to school season tend to bring in a large quantity of one-off visitors rather than repeat customers, so it's more important than ever to understand your customer loyalty and churn. Location technology enables leading brands to understand not only which customers visit stores during back to school season, but also who becomes loyal versus who defects. These insights can then inform win-back efforts designed to appeal to those who've chosen to shop elsewhere.

Take Office Depot, who tapped into Foursquare's location insights to understand why sales were lagging in a given region. An analysis of lapsed customers revealed that customer attrition was primarily occurring with value-conscious Gen Xers and young parents. We then cross-referenced those findings with the potential impact of the retail landscape surrounding Office Depot locations. In fact, four new Target locations had recently opened in the region, and the data showed that lapsed Office Depot customers were 42% more likely to shop at Target after defecting. The closing of malls near Office Depot locations also led to a decline in general passers-by, perhaps meaning a decline in impulse shoppers. After identifying the how's and why's of customer churn, brands like Office Depot can tailor marketing strategies to win back defectors, driving real world business results.

*“With Foursquare in place, we’re able to really understand how our high-valued customers are shopping, where they’re going before and after they make their purchases, what their behavioral interests are, and how we can speak to them...We were seeing [a] decline in sales and struggling to understand why ...[With Foursquare,] we began to understand patterns that we weren’t able to see through our own data”*

*-Digital Marketing Manager, Office Depot*



*Tap into Foursquare’s unique first-party location data for unprecedented visibility into consumer behavior and competitive dynamics, deriving actionable insights that drive real-world results.*

*Email us at [hi@foursquare.com](mailto:hi@foursquare.com) today to learn how Foursquare Analytics can help you address customer churn and formulate a win-back strategy.*

# Use Offline Data to Drive Online Results

Location technology is about more than boosting foot traffic to stores. It can also be used to strengthen your digital initiatives and boost online conversions. Even digital-only retail brands can use location technology to improve their bottom-line impact during back to school season.

One great example is how the online retail company RetailMeNot combined an analysis of online signals with Foursquare's offline data to generate e-commerce conversions. RetailMeNot wanted to generate brand awareness via back to school messaging, with the goal of driving higher levels of online conversions amongst both new and returning users. Foursquare created seven custom audience segments based on shopping and lifestyle patterns that RetailMeNot could target with specific prospecting and re-targeting messaging. Foursquare then helped test and optimize various messaging that would be effective in both changing consumer behavior and reducing customer cost-per-acquisition (CPA). RetailMeNot worked with Foursquare to optimize based on media mix, day of the week, customer demographics, and user engagement. The e-commerce brand was then able to allocate more of their marketing budget towards the most effective channels and tactics, resulting in an increased overall marketing ROI for the firm. The segmenting program exceeded the CPA goals initially set by RetailMeNot by 14%, and the customer location data provided by Foursquare enabled more precise audience targeting along the path-to-purchase.

RetailMeNot is just one example of how location technology can be used to drive higher levels of digital engagement and maximize revenue during the back to school period.

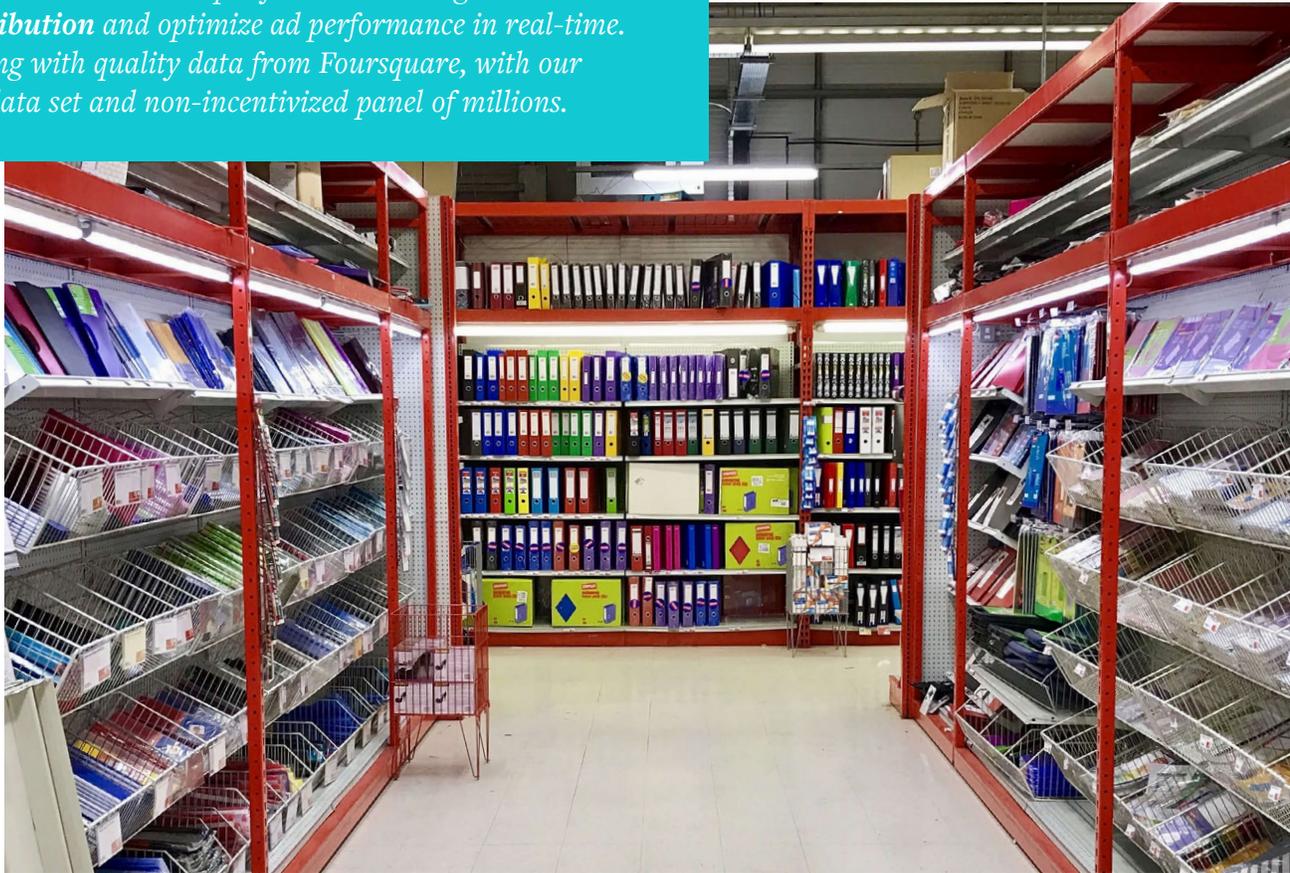
*To learn more about using offline data to drive online results like RetailMeNot using **Pinpoint**, email [hi@foursquare.com](mailto:hi@foursquare.com) today.*

# Measure Advertising Impact

Now that you've conceptualized, created, and delivered your messaging, how do you measure success? In order to truly assess whether advertising has moved the needle, brands need tangible metrics to track how different media tactics are affecting foot traffic to stores.

Foursquare works with leading retailers to assess the impact of advertising on store visits. With Attribution, retailers can monitor the performance of various back to school campaigns on a weekly basis and glean location-based insights.

*Monitor and measure how cross-platform advertising drives in-store visits with **Attribution** and optimize ad performance in real-time. You'll be working with quality data from Foursquare, with our blindspot-free data set and non-incentivized panel of millions.*



# Win this Back to School Season

If you want to come out on top this back to school season, ask yourself if your current back to school strategy does most (if not all) of the following:

## **1. Take advantage of seasonal lift**

Make the most of this critical retail period.

Customers are out and about — and ready to spend — during the summer months

## **2. Capitalize on Key Shopping Days**

Initiate seasonal messaging when customers are in the back to school mindset, maximizing advertising impact on the busiest shopping days.

## **3. Highlight Proximity and Convenience**

Identify customers near, in, and around various store locations to re-route them to your stores for specific products.

## **4. Deliver Moment-Based Messaging**

Send messaging to your target audiences along their real-world path-to-purchase, intercepting and influencing their customer journey.

## **5. Influence the Consumer Journey**

Design, deliver, and optimize messaging and creative during the moments most likely to influence consideration and drive foot traffic.

## **6. Understand Where Students Go In The Real World**

Sort back to school shoppers by various life stages, and adjust your tactics based on each demographics' traffic patterns, visit frequency, and brand affinity.

## **7. Steal Share From the Competition**

Don't be afraid to target consumers in and around competitor locations. There are likely more potential net new customers than you think who simply need to be reached at the right time with the right messaging.

## **8. Keep Tack of Customer Churn**

Be sure to monitor which types of customers you're winning and losing. Understand the lifestyles and preferences of the customers you've lost based on where they go in the real world, and develop win-back messaging for each segment.

## **9. Use Offline Data to Drive Online Results**

Audience segments created with location-based insights don't just help with better media targeting that drives store visits. You can also target those segments to drive online conversions.

## **10. Measure Advertising Impact**

Quantify how your cross-platform advertising is driving real-world visits to physical locations, and from what types of parents, students, or shoppers. You'll then be able to optimize ad campaign performance in real-time and increase the ROI of your advertising spend.

*Want to learn more about how Foursquare's location technology can help your business during back to school season? Contact us at [hi@foursquare.com](mailto:hi@foursquare.com) today.*