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Marketers look at the back-to-school season as an indicator of what the holiday season may bring. For example, if parents spend big on their kids during the back-to-school season; one can expect to see them do the same during the holidays too.

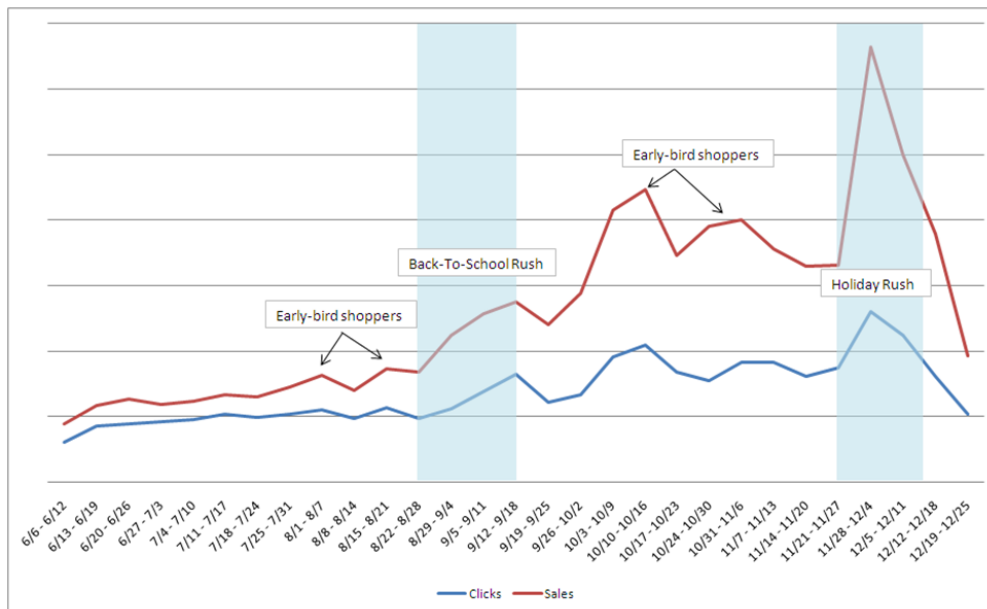
Here is what we found during the 2011 back-to school season, what it could mean for the 2011 holiday season, and what to look for in your own back-to-school season results to gain insight into how the holiday season may unfold for you.

Search and Spend Timing

When searches and spending occur during the back to school season, it typically correlates directly with search and spend timing within the holiday season. To prove their relationship, we have taken a look at the Paid Search performance for a large shoe retailer that drives increased conversions during both the July-September timeframe, as well as the November-December timeframe.

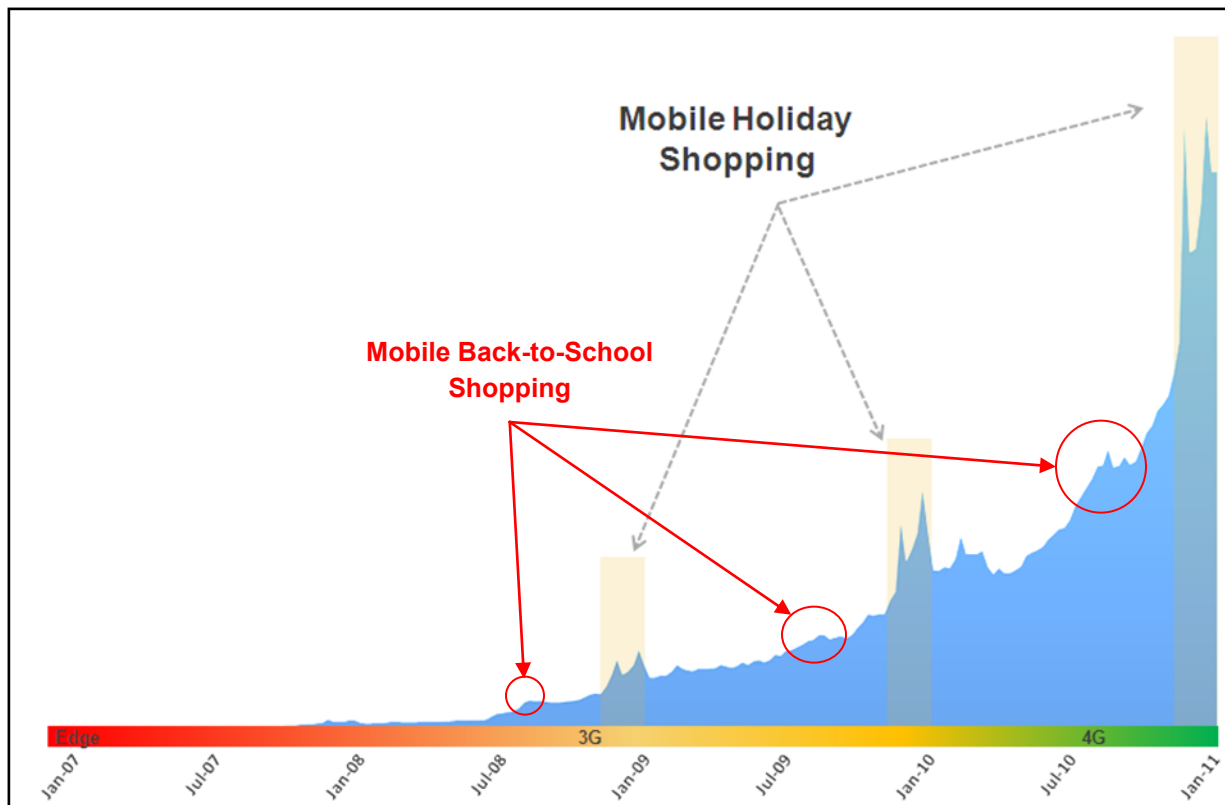
Back to School: This particular retailer saw the biggest spike from the back-to-school rush during the last week of August and the first two weeks of September in 2010. Paid search traffic to the site increased 33% compared to the 6 weeks prior. Sales saw an even larger increase, jumping 41% over the 6 weeks prior due to increased conversion rates during the back-to-school rush. However, there were a few small bumps in traffic and sales leading up to the rush, likely driven by early-bird shoppers looking for deals or trying to get their shopping done early.

Holiday: The retailer saw a short drop-off in traffic and sales after the strong back-to-school push, not seeing the huge holiday rush until the week of Cyber Monday and the week following. However, very similar to the back-to-school season, the retailer saw two almost identical bumps in traffic and sales. In addition, we see that this retailer drove early-bird traffic and sales before the big holiday push.



Preferred Channels for Purchasing

Another factor to consider is which channels the consumer will prefer to purchase from. As we've heard for the last few years, mobile shopping has continued to see double-digit increases each year. Recent Google internal data has shown that mobile holiday shopping has grown substantially from 2009 to 2010, and is expected to see over 300% growth in 2011. However, before we see the huge peaks due to holiday shoppers, we see smaller peaks during the August-September timeframe, which of course indicates back-to-school shoppers. The relative year-over-year (YOY) growth of back-to-school mobile shopping is proportionate to the increases we expect to see in the 2011 holiday season. Much of the increases can be attributed to the saturation of Smart Phones in the marketplace, as well as enhanced technology that allows faster Internet browsing and shopping.



Economic Conditions Mean More Focus on Coupons

Consumers have been looking for new ways to save in the face of the economic challenges in the past three years. According to Google Insights, searches for “coupon” related terms have increased, dropping slightly in 2010, but are expected to be back up again in 2011.



*Source: Google Insights

We see the same thing happening with “back to school coupons” vs. “holiday coupons.” Each time we see a YOY increase in coupon searches for “back to school,” we see a similar and proportionate YOY increase in “holiday coupon” searches. Because there was a spike in “back-to-school coupon” queries this year (the largest we have seen to date), Google is forecasting a similar spike in “holiday coupon” queries, also predicting the largest spike we’ve seen to date.

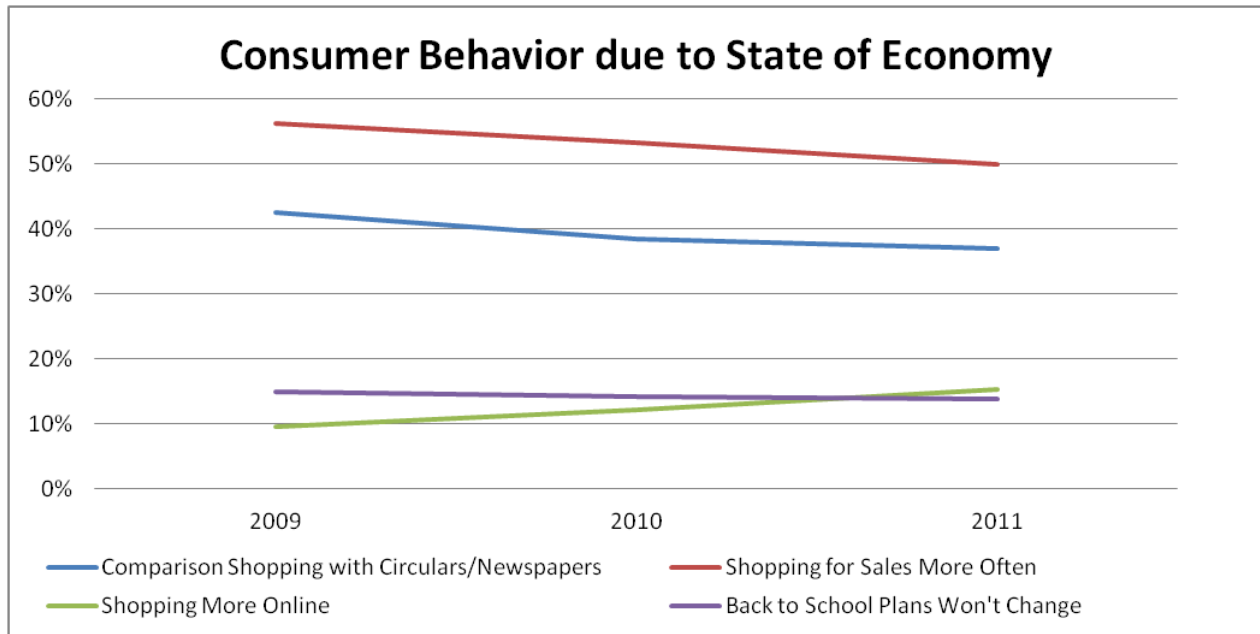


*Source: Google Insights

The National Retail Federation conducts a Back-to-School Intentions and Spending survey every year. This year, several key statistics stand out. First, consumers in 2011 were less likely to start shopping early, and more likely to wait until the last minute to make back-to-school purchases. This may be an indication of holiday 2011 buying – consumers may be more patient this year, waiting for potential last-minute deals that many retailers offer as it gets closer to the end of December.

Year	Back-to-School Shopping 3 -4 weeks before school	Back-to-School Shopping 1 -2 weeks before school
2010	47.6%	24.8%
2011	42.4%	31.2%
% Difference	-11%	26%

*Source: National Retail Federation (NRF) Back-to-School Intentions and Spending survey



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In summary, the back-to-school season is often a relatively accurate predictor of consumer spending and behavior trends, as well as Search Marketing performance, for the holiday season. Based on what we've seen here, we can expect to see online sales and searches for coupons to continue to increase as the economy continues to be a challenge, even as fewer consumers are deterred by economic concerns. In addition, we may also see more consumers waiting until the last minute to purchase – perhaps with the hope of snagging a good deal. Lastly, more consumers will use their mobile phones for holiday shopping than ever before.