

Prentice Capital Anticipates Retail Growth Even As Shopper Numbers Shrink

Michael Zimmerman's fund Prentice Capital predicts that retail sales will grow faster than expected during the second half of this year.

NEW YORK, USA, August 12, 2014 /EINPresswire.com/ -- [Prentice Capital](#), the [Michael Zimmerman fund](#) specializing in retail investments, predicts that retail sales will grow faster than expected during the second half of 2014. This view is supported by the latest National Retail Federation retail sales forecast which calculates that retail sales are expected to grow at least 3.9% during the second half(1).

Zimmerman's positive view is despite the fact that US store visits fell by nearly 7% in June and nearly 5% in July, and overall have fallen by 5% or more from a year earlier in every month for the past two years according to ShopperTrak(2). It's not all bad news however - consumers are still buying, they are just increasingly doing it online.

Consumer behaviour is changing. Instead of wandering through stores making impulse purchases, shoppers use their mobile phones and computers to research prices and cherry-pick promotions, sticking to shopping lists rather than splurging on unneeded items.

Despite the downbeat traffic numbers, Zimmerman notes that overall retail sales have inched up every month since January as job growth and consumer confidence ticks higher. Online sales now make up more than 6% of total retail sales, according to the U.S. Census Bureau. Internet sales have grown more than 15% every quarter for the past two years and are having a big impact on how companies are looking at their brick-and-mortar stores (2).

Prentice Capital's Zimmerman, who has long held the view that retailers need strong branding and well planned online shopping strategies, thinks this new data will put even more pressure on retailers to build strong m-commerce sites, as fewer shoppers venture into stores and sales growth is increasingly driven by sofa shoppers wielding tablet computers & smartphones.

Scott Galloway, an NYU Stern professor of marketing and creator of L2, stated "Given the evidence, we seem to be entering the start of a persistent mobile age... Brands ignore this shift at their own peril(3)."

1. "NRF Revises Annual Economic Forecast, Expects Stronger Second Half Of Year" NRF, 7.23.2014
2. "Shoppers Are Fleeing Physical Stores" WSJ, 8.5.2014
3. "High-End Brands Are Missing the Boat on Mobile, Study Finds" - Mashable, 1.7.2012

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