RetailNext forecasts 2020 holiday season performance flat to slightly positive for U.S. retail sector

Strong digital growth and in-store intent to buy offset lower foot traffic expectations, resulting in flat to +1.5% sales vs 2019.

SAN JOSE, CA, UNITED STATES, October 22, 2020 /EINPresswire.com/ -- Today, RetailNext Inc., the worldwide expert and market leader in IoT smart store retail analytics for optimizing shopper experiences, announced it's 2020 Holiday Forecast, predicting flat to slightly positive results for the upcoming November through December holiday period, driven largely by off-price, mass merchant and home goods retailers along with a shift from experiential gifting (concerts, travel, etc.) to more traditional categories such as jewelry, beauty, and home-based activity purchases (cooking, fitness, hobbies, etc.).

Based on broad macroeconomic data and current retail trends, RetailNext's forecast for U.S. retail stores during Holiday 2020 (November – December) includes Zero to 1.5 percent increases in overall sales YoY for the U.S. retail sector (excluding automobiles and petroleum), with considerable opportunity for both over and underperformance given the uncertainty of the COVID-19 pandemic and its impact, combined with the uncertain political climate and pending US Presidential election results. Specifically, RetailNext estimates:

*Digital sales will continue to grow, increasing 25 to 35% percent as measured YoY, continuing the trend we have seen since the start of the pandemic
Brick-and-mortar store performance will suffer it's largest holiday season decrease with YOY decreases of -27 to -31% year over year, with shopper intent being a bright spot, leading to brick and mortar store sales down less than traffic, projected at -12% to -18%.

*Top seasonal performers will include a continuation of the trends we have seen during the pandemic including higher category performance in jewelry, beauty, off-price, home improvement and home furnishings segments.

*One of the few constants this holiday vs. years past is our prediction that Black Friday, November 27 will provide physical stores their highest shopper traffic day. In terms of purchases, however, we believe shoppers are going to get an early start (with many holiday promotions already in flight to counter Amazon's Prime day) and predict the biggest in-store sales day to also be Black Friday.

"While we still think that Black Friday will be the highest traffic day, we don't think it will be as outsized as in years past. There are some new factors this year which could possibly upset this historical trend: The first is the impact of occupancy limits on stores, which could force artificial ceilings on what maximum traffic could be for any one location. This will likely further erode the traditional Black Friday and weekend traffic spikes we traditionally see year after year. The second is inventory as we see the impact of retailers cutting their deliveries months ago when purchasing had come to a halt. The third, of course, is the ongoing economic uncertainty related to the pandemic and the election year," said Lauren Bitar, Head of Retail Consulting and Customer Experience Insights at RetailNext.

Another most-watched day is the last Saturday before Christmas- this year December 19th- as a high traffic and even higher sales day, but the date is not without risk. Its proximity to Christmas Day, inventory availability, store-level execution and online shipping windows dictate its ultimate success. "Last year, Super Saturday was less super than projected, due in part to Christmas being later in the week and shoppers being able to procrastinate a few more days and still make overnight shipping windows. This year Christmas is 6 days after Super Saturday, which should still be well within shipping companies' windows. However, retailers struggling with reduced workforces might still require orders to be placed well before the actual shipping deadlines to ensure they have time to pick, pack and ship, causing shoppers to have to finish their shopping in-store earlier than anticipated."

This Year, Holiday Buying Starts Earlier than Ever and the Store is Everywhere

For shoppers who waited until mid-October to pick up Halloween decorations, it didn't go unnoticed that there was barely any inventory in-store. Given the uncertainty around the economic recovery, resurging COVID-19 outbreaks, and the political climate, retailers have planned lean inventory and promotions have started earlier than ever. Bitar continued, "In an effort to keep up with Amazon Prime Days, retailers started Black Friday well over a month early, fighting for their piece of the holiday pie. Investments made in digital experience, curbside pickup, BOPIS and in-store fulfillment will definitely offset some of the macro factors impacting in-store traffic and sales, but the big winner this year is likely to be the consumer if they shop early."

"We expect investments in other consumer-facing applications such as real-time store occupancy visibility, virtual appointments, and in-store private shopping appointments to all have an important place in this year's holiday shopping experience. Retailers will really have to toe the line between driving traffic into their physical locations and giving shoppers and associates confidence that their health and safety are the top concern."

RetailNext's predictions for top traffic and sales days are as follows:

Traffic

Friday 11/27 (Black Friday)
Wednesday 12/23
Saturday 12/12
Sunday 12/20
Saturday 12/19 (Super Saturday)
Monday 12/21
Tuesday 12/22
Friday 12/18
Saturday 12/5
Saturday 12/26

Sales
Friday 11/27 (Black Friday)
Wednesday 12/23
Saturday 12/19 (Super Saturday)
Thursday 12/24 (Christmas Eve)
Saturday 12/12
Monday 12/21
Sunday 12/20
Tuesday 12/22
Friday 12/18
Thursday 12/17

About RetailNext
The first retail vertical IoT platform to bring e-commerce style shopper analytics to brick-and-mortar stores, brands and malls, RetailNext is a pioneer in focusing entirely on optimizing the shopper experience. Through its centralized SaaS platform, RetailNext automatically collects and analyzes shopper behavior data, providing retailers with insight to improve the shopper experience real time.

More than 450 retailers in over 85 countries have adopted RetailNext's analytics software and retail expertise to better understand the shopper journey in order to increase same-store sales, reduce theft and eliminate unnecessary costs. RetailNext is headquartered in San Jose, Calif. Learn more at www.retailnext.net.

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