

RETAIL'S ROCKY ROAD TO THE HOLIDAYS

The DynamicAction Retail Index: Fall 2016

An analysis of more than \$8.7 Billion in consumer transactions. Those transactions account for \$5.6 Billion in North America and \$3.1 Billion in Europe.

Here is the current state of retail

PROMOTIONS ↑

Globally retailers are continuing to pull their promotional lever more than ever in the lead up to the holidays, with **orders using promotions up 85% YoY**

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and **65% increase in North America** for the quarter

First-time buyers converting to repeat purchasers are **↓7% YoY** and **↓12%** for the quarter worldwide

New customer orders are **↓9% YoY** and **↓11%** for the quarter around the globe

CUSTOMER LOYALTY ↓

With the rise of global bargain hunters, who have become **accustomed to BOGO and free-with-purchase offers** throughout the year, **customer loyalty is waning**. Retailers are finding it **increasingly more difficult to attract, acquire and retain customers**.

But there may be some *twinkling* lights at the end of that dark tunnel

Retailers across the globe are slowly beginning to institute changes to increase operational efficiencies and protect profit margins, which could help them turn things around for the holidays. However, North America still has a long way to go...

Product Profit

Global Flat YoY and **6%** ↑ for the quarter **VS** **North America** **↓4%** YoY and **2%** ↓ for the quarter

While retailers the world over are holding a higher value of inventory, **↑4% YoY** and **↑13%** for the quarter vs. 2015, they are stocking more products customers are looking for



The items customers are viewing are in stock **5% more often**, compared to 2015

Globally retailers are also increasing the profitability of each customer visit and click, with product profit per view **↑17% YoY** and **↑3%** for the quarter compared to 2015

Product Profit Per View

Europe **up 28%** YoY ↑ **VS** **North America** **Flat for the Year – up just 2%**

FREE SHIPPING ↓

Retailers worldwide are relying less on free shipping to close the deal



Free shipping is flat for the year, but **↓12%** for the quarter (vs. 2015), and express shipping is **↓41%** for the year and **↓53%** for the quarter (vs. 2015)

The study benchmarks retail trends in key categories from January 1st - September 1st, 2016 in comparison to 2015. Any references to quarterly numbers refers to June 1st - August 29th, 2016 in comparison to 2015.



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