

# RETAIL 2020

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The 2019 holiday season was “a healthy one,” says Jack Kleinhenz, Chief Economist at the National Retail Federation (NRF). In fact, 2019 holiday retail sales increased 4.1% percent over holiday 2018, reaching \$730.2 billion. (Those numbers exclude automobile dealers, gasoline stations and restaurants.) That includes online and other non-store sales which rose 14.6%, hitting \$167.8 billion. This growth was in line with the NRF forecast of a 3.8% and 4.2% for the 2019 holidays.

“These numbers validate continued optimism for increased investment and opportunity in the retail industry,” says NRF president and CEO Matthew Shay. “This is a consumer-driven economy... and the consumer has put the economy in a solid position for continued growth.”

Kleinhenz agrees, “Despite a late Thanksgiving and worries about tariffs, the consumer didn’t go away.” Shay adds, “This is a strong

finish to the holiday season, and we think it’s a positive indicator of what’s ahead.” And while the NRF hasn’t yet released its revenue projections for 2020, Kleinhenz expects it to be a year of “steady growth.”

But be prepared for some possible uncertainty. The NRF says while “consumer spending is doing ok, business investment spending has really slowed with two back-to-back quarters of negative growth. The trade war has weighed down on business investment, which in turn has slowed...the economy.”

One of the trends that emerged during NRF 2020 Vision, the association’s annual conference, focused on technology and the supply chain. “Customer demand for a more sustainable and transparent supply chain has already impacted online shopping trends, and we’ll see this more in 2020,” says Joe Scioscia, VP of Sales at VAI. “Consumers,” he continues, “...expect honesty

from retailers about what they’re buying. To provide customers with greater transparency, retailers themselves need to have the same transparency into their supply chain and implement more sustainable practices. This trend will push more companies in 2020 to turn to technology to improve inventory tracking—leading to a ‘greener’ business plan that will attract a stronger online presence.”

Arpit Jain, VP of Delivery at Nerdery agrees, saying, “Retail supply chains are getting a makeover. In 2020, hassle-free returns, same-day delivery and other frictionless experiences will become table stakes for customer retention and attraction. However, retailers are struggling to keep up with order fulfillment and it’s taking a toll on their profits. To keep up with these demands and turn a profit, retailers will need to reinvent some of the ways their supply chain works. We now see artificial intelligence and machine learning technologies taking over

warehouses, as they can predict supply and demand and inventory needs, as well as simplify the

return and shipping process.”

We should get final 2019 retail

revenues and 2020 projections soon.