



## FTI Consulting Forecasts a 3.5 Percent Increase in Holiday Sales

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### FTI Consulting's 2014 Holiday Retail Forecast Expects Deep Discounting to Have Continued Impact on Retailers this Holiday Season

WASHINGTON, Nov. 6, 2014 /PRNewswire/ -- FTI Consulting, Inc., (NYSE: FCN), the global business advisory firm dedicated to helping organizations protect and enhance their enterprise value, today released its [2014 Holiday Retail Forecast: More Mediocre](#), projecting a 3.5 percent increase in nominal holiday sales this season. Coming off a soft spring and lackluster 2013 holiday season, FTI Consulting's Retail & Consumer Products practice expects holiday results that are improved from last year, but below historical levels.

FTI Consulting notes in this year's forecast that the 2013 holiday season was the slowest since the end of the recession, with nominal seasonal sales increasing only 1.8 percent, a considerable decline from its 20 year average of 4.6 percent. Similar to last year, the upcoming holiday season approaches with the backdrop of stronger economic growth, improving financial prospects for American households and an increasingly inclusive recovery. However, a large percentage of Americans continue to be reluctant in their spending and the aggressive promotional environment that weakened 2013 sales and profits still persists across much of the retail landscape.

"Our 2014 holiday sales forecast is tepid compared with previous years as retailers attempt to bounce back from what was by most accounts, a disappointing year," said [Bob Duffy](#), Global Leader of FTI Consulting's Corporate Finance/Restructuring segment and the firm's Retail & Consumer Products practice. "Retailers are stepping into this season with a stronger macroeconomic environment compared to a year ago, but the aggressive year-round discounting we have witnessed since 2013 is part of a new reality for the industry."

FTI Consulting also notes that nearly all product categories have experienced a slackening of sales growth since late 2013, with the specialty apparel sector most significantly impacted. This subsector has not only been influenced by the trend of aggressive discounting, but also by demographic shifts and enduring changes in consumer attitudes since the recession, particularly for millennials.

Another continuing trend to expect this season is the transition of the traditional three-day Black Friday weekend to a four-day weekend, as an increasing number of major retailers start promotions earlier and opt to open on Thanksgiving Day.

"While the trend of stores opening on Thanksgiving Day has been around for some time, it has now changed the way retail chains approach the traditional Black Friday weekend," added Duffy. "Retailers are under increased pressure to follow their competitors and open on Thanksgiving, as there is little opportunity to recapture sales lost on that day."

Furthermore, retailers are becoming more aware of the increasing importance of January's influence on holiday sales as compared to previous years. This is due to the spillover of spending from holiday gift card redemption and the growth of online shopping.

With retailers today confronting the harsh reality of diminished pricing power with customers, FTI Consulting's retail and consumer products experts recommend utilizing incremental opportunities for improvement to help boost profitability during the holiday season. Such actions include investing in labor resources in areas that are expected to achieve high returns, ensuring proper product allocations based on recent sales trends and expectations and leveraging e-commerce by promoting special offers early on.

The 2014 Holiday Retail Forecast considers General Merchandise, Apparel and Accessories, Furniture and Other Sales ("GAFO") retail sales and non-store sales for November 2014 through January 2015. The forecast was compiled by experts in FTI Consulting's Retail & Consumer Products practice who have deep expertise in corporate finance, strategic, operational improvement, liquidity management and turnaround and restructuring services. The forecast also covers a number of trends impacting the holiday season, including the strength of the online channel. The full forecast can be accessed [here](#).

#### About FTI Consulting

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organizations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. With more than 4,200 employees located in 26 countries, FTI Consulting professionals work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management, strategic communications and restructuring. The Company generated \$1.65 billion in revenues during fiscal year 2013. For more information, visit [www.fticonsulting.com](http://www.fticonsulting.com) and connect with us on [Twitter \(@FTIConsulting\)](#), [Facebook](#) and [LinkedIn](#).

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