



FTI Consulting Projects U.S. Holiday Retail Sales to Grow 3.3 Percent

November 15, 2016

WASHINGTON, Nov. 15, 2016 (GLOBE NEWSWIRE) -- FTI Consulting, Inc. (NYSE:FCN) today released its [2016 U.S. Holiday Retail Report: It's Groundhog Day for U.S. Retailers](#), which finds that sales growth remains low despite the best efforts of merchants to win over shoppers.

FTI Consulting's [Retail & Consumer Products](#) practice projects a 3.3 percent increase in retail sales this holiday season, roughly in line with 2015's 3.4 percent gain. A slight moderation of income growth and household wealth gains heading into the season is the primary reason for modest expectations, according to the report, which considers General Merchandise, Apparel and Accessories, Furniture and Other Sales ("GAFO") retail sales and non-store sales from November 2016 through January 2017.

"The season is shaping up to be another lackluster one for retailers," said [Christa Hart](#), a Senior Managing Director in the Retail & Consumer Products practice at FTI Consulting. "Bargains will abound, but American consumers continue to exercise restraint compared to more free-spending ways of the past."

Shoppers have come to expect traditional retailers to be price competitive with online retailers such as Amazon.com. As a result, many large retailers continue to engage in highly promotional activities that ultimately harm their underlying financial performance, as operating margins and return on investment have trended lower for the past three years across nearly all retail segments.

In the aggregate, in-store sales growth has gradually trended lower each year since 2012 and recently turned negative. In contrast, non-store sales, including both online and catalog purchases, have consistently grown by a low double-digit rate and have accelerated since 2015.

According to FTI Consulting's recently released [U.S. Online Retail Forecast: Omni-Channel Retailing Challenged by Its Success](#), online retail sales growth has accelerated slightly in the past year to just over 14 percent. The forecast projects U.S. online retail sales will approach \$440 billion in 2017 and \$562 billion by 2020, with online market share reaching 21 percent by the end of the decade.

"The 2016 holiday season is just one waypoint on the larger journey for retailers," Ms. Hart said. "Larger retailers must contend with the daunting challenge of defending market share and profitability in an environment where sales continue to move away from stores and profits are being squeezed. This is not a path that many retailers can continue on indefinitely."

About FTI Consulting

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organizations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. With more than 4,600 employees located in 29 countries, FTI Consulting professionals work closely with clients to anticipate, illuminate and overcome complex business challenges and make the most of opportunities. The Company generated \$1.78 billion in revenues during fiscal year 2015. For more information, visit www.fticonsulting.com and connect with us on [Twitter \(@FTIConsulting\)](#), [Facebook](#) and [LinkedIn](#).

FTI Consulting, Inc.
1101 K Street NW
Washington, DC 20005
+1.202.312.9100

Investor Contact:
Mollie Hawkes
+1.617.747.1791
mollie.hawkes@fticonsulting.com

Media Contact:
Matthew Bashalany
+1.617.897.1545
matthew.bashalany@fticonsulting.com



FTI Consulting, Inc.