



FTI Consulting Projects U.S. Holiday Retail Sales to Grow 5.8 Percent

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Store-Based Sales Growth Finally Improves in 2018 While the Online Channel Stays Strong

WASHINGTON, Nov. 01, 2018 (GLOBE NEWSWIRE) -- FTI Consulting, Inc. (NYSE: FCN) today released its [2018 U.S. Holiday Retail Forecast](#), which projects a 5.8 percent increase in discretionary holiday spending, despite the ongoing disruption still playing out across the retail sector.

Challenges to the U.S. retail sector remain, but the prospects for the 2018 holiday season are more encouraging than they have been in quite some time, according to the annual report from FTI Consulting's [Retail & Consumer Products](#) practice. While digital disruption and weak topline sales growth have been impediments to profitability and ROI in recent years, major retail executives are speaking about business conditions more optimistically than they have in several years, largely due to an uptick in consumer spending.

The Tax Cuts and Jobs Act of 2017 has put extra money back in the hands of most Americans, contributing to the continuing expected increase in consumer spending for the remainder of 2018 across the retail sector. Notably, much of the uptick in spending is occurring in-store, even as online sales continue to grow at a steady mid-teen rate, and foot traffic figures for stores and shopping centers remain static.

"While consumer confidence is high, today's retail environment is becoming an increasingly unforgiving place, where most shoppers are highly price-conscious and convenience-driven," said [Christa Hart](#), a Senior Managing Director in the Retail & Consumer Products practice at FTI Consulting. "The bulk of consumer spending is increasingly directed towards retailers that consistently meet those two priorities."

FTI Consulting's Holiday Retail Forecast projects that approximately 60 percent of total U.S. retail sales growth will be store-driven, while 40 percent will come from the online channel – an improvement over last year, when just 50 percent of total sales growth was store-driven. Breaking out our growth forecast by channel, we expect total in-store sales will increase by nearly 4 percent year-over-year, while online sales will increase by 15.5 percent year-over-year, which is consistent with our recently released [2018 U.S. Online Retail Forecast](#).

"These top-line gains, coming from in-store and online sales, will continue to accrue disproportionately to those who have already transformed their businesses to accommodate the myriad demands and high expectations put on omni-channel retailers by today's shoppers," said [Khaled Haram](#), a Senior Managing Director in the Retail & Consumer Products practice at FTI Consulting.

While retailers still need to work to meet the demands of customers, there has been a reprieve for retailers in 2018 that has breathed life back into market valuations for the sector and caused depressed expectations to be upwardly revised.

However, the improved retail backdrop will be too little, too late for some chronic retailer laggards. "We expect bankruptcy filings in the U.S. retail sector will remain above average in 2019 despite stronger sales growth across much of the sector," said [JD Wichser](#), a Senior Managing Director and Leader of the Retail & Consumer Products practice at FTI Consulting. "This improvement won't be sufficient to alter the trajectories of those on a path towards a restructuring event."

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 28 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 \$1.81 billion in revenues during fiscal year 2017. For more information, visit www.fticonsulting.com and connect with us on [Twitter \(@FTIConsulting\)](#), [Facebook](#) and [LinkedIn](#).

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