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### Holiday “Commanding Heights”

A realization is sinking in: “potential growth” around the world is not going to be as robust as central bank and political leaders had hoped for in order to reinvigorate the global economy. The implications this holiday season are profound for retailers, just as they are for consumers. Digital impact, shopping channel flexibility/convenience, and brand impact all together must be wrapped up in that perfect packaging that creates the winning value proposition. November and December are just two months, yet the changing competitive landscape enables some companies to thrive and others to languish. Demographics and economics, as well as consumer preferences, are shaping the future retail landscape.



According to the National Retail Federation (NRF), holiday sales are expected to increase approximately 3.7% to \$630 billion this holiday season (see chart above), representing approximately 19% of full year sales. Online sales are expected to increase between 6 and 8 percent and reach about \$105 billion in sales. Top factors in the decision to shop at a particular retailer from an NRF October Monthly Survey included price discounts, quality of merchandise, selection of merchandise, and free shipping. If we consider the power that shoppers have in today’s environment combined with the financial constraints, the picture developing is one in which retailers cannot miss on quality, service, and value. Successful companies are gaining dominant market share, which can, over time, generate increased shareholder value by both continued growth in dividends and cash flow as the number of participants declines.