

RESEARCH

CMOs foresee 4pc increase in Cyber Monday sales: report

November 16, 2012



By TRICIA CARR

Retailers are projecting a 3.1 percent increase in sales on Black Friday and a 4.3 percent increase in Cyber Monday sales, according to a new survey by auditor BDO USA.



The BDO Retail Compass Survey of CMOs takes into account the opinions of 100 chief marketing officers at leading retailers located in the United States. The survey also found that offering promotions through email as well as free shipping offers are the top triggers of online sales for retailers.

“When you look at the projected 3.1 percent increase in sales for Black Friday, that is a large increase over last year,” said Ted Vaughan, partner at the retail and consumer products practice at **BDO USA, LLP**, Chicago. “As far as the role of luxury retailers in that, it is a continuing trend.

“For the most part, this year we have seen the return of the luxury shopper as a segment in comparison to other segments in retail,” he said.

“Over the last year or two, retailers have tried to be sure that stock numbers are more conservative so as to not have excess, but with this trend they need to have the merchandise for the increase in demand.”

The **BDO Retail Compass Survey of CMOs** was conducted via telephone during September and October by independent market research consulting firm Market Measurement, Inc. CMOs who participated in the study represent U.S. retailers.

Ready for the big day

The survey found that improved consumer confidence and unemployment numbers are resulting in an increase in projected sales on Black Friday, Nov. 23 and Cyber Monday, Nov. 26.

In general, retailers are optimistic toward these two shopping days.

CMOs predict a 3.1 percent increase in sales on Black Friday after last year's prediction of a 1.6 percent increase.

In addition, sales on last year's Cyber Monday reached \$1.25 billion. This marked the biggest online spending day in history, per BDO.

CMOs project a 4.3 percent increase in Cyber Monday sales, which is the largest projected increase in the survey's history.

Retailers are generally positive about the holiday shopping season, but they will be offering more discounts and promotions to push holiday sales.

Sixty-six percent of CMOs surveyed said that they expect an increase in discounts and promotions this year.

Holiday marketing

The BDO Retail Compass Survey of CMOs also polled respondents on how they plan to market for the holiday season.

Thirty-four percent of CMOs surveyed said that free shipping is the primary marketing tactic used to trigger online purchases.

In fact, 70 percent of CMOs at the top 100 largest retailers in terms of revenue said that they expect free shipping promotions to be the top driver of online holiday sales.

Thirty-one percent of survey respondents said that email marketing triggers online transactions.

Retailers are also working to trigger in-store purchases during the holiday season.

Sixty-six percent of CMOs polled said that they will use store-exclusive deals to drive consumers to bricks-and-mortar locations.

Forty-one percent of respondents said that getting shoppers in stores is a major priority. These retailers will offer in-store deals to increase foot traffic.

Retailers will also lure consumers in-store through extended hours, door-busters and loyalty rewards which are some of the same marketing tactics that they used last year.

"I think that as far as the in-store experience, even though it is very busy, the cleanliness,

environment and services need to be there,” Mr. Vaughan said. “Employees need to go above and beyond and maintain the experience that [affluent shoppers] are accustomed to and that is how they succeed and do not dilute the brand.

Forty-four percent of retailers said that they will devote equal efforts to online and in-store campaigns.

This is likely because consumers are seeking a seamless experience across all brand platforms such as digital, mobile and in-store.

“There is a growing trend of people being more comfortable with online shopping and, as a subset, luxury shoppers are becoming more comfortable, too,” Mr. Vaughan said.

“Because luxury retailers have information in their customer database, besides free shipping, tailor a free product to go with an online purchase.

“With all of that data behind the scenes, you can give someone something more specific that is tailored to them,” he said.

Final Take

Tricia Carr, editorial assistant on Luxury Daily, New York