



BENCHMARK REPORT
FOR PHYSICAL RETAIL

Composite Index

Year-Over-Year Report

July 2014

Released August 8, 2014








BETA

Summary Performance

July 2014 YOY








Average Year-Over-Year Growth/Decline

July continued to show a strong improvement in sales per shopper for 2014 with an increase of 3.5% versus last year. The increased level of shopper spend is a positive sign for retailers. Although brick-and-mortar retailers experienced an average year-over-year decline of 7.8% across traffic, this translated to a less substantial drop in sales of 4.5%. Average transaction value delivered a strong improvement of 6.7% and conversion continued to remain flat at -0.05% points.

	 Sales	 Traffic	 Trans.	 Conv. (% points)	 %Return (% points)	 ATV	 SPS
July	-4.5%	-7.8%	-9.5%	-0.05%	-1.1%	6.7%	3.5%
June	-5.8%	-10.8%	-12.0%	-0.1%	-0.8%	7.6%	5.5%
May	-5.7%	-8.0%	-11.6%	-0.2%	-0.6%	7.1%	2.6%
April	-2.1%	-2.1%	-4.5%	0.1%	-0.7%	2.8%	0.5%
March	-10.0%	-5.4%	-10.2%	-1.0%	-0.5%	0.8%	-4.2%

High & Low Days of July 2014

The highest levels of traffic, transactions, sales, and ATV for the month occurred on August 2nd. Temperatures across the US were the coolest since 2009, limiting demand for warm weather categories. The lowest traffic, transactions, sales per shopper, and ATV occurred on July 21st. Weather patterns during this week were relatively dry and warm across the country.

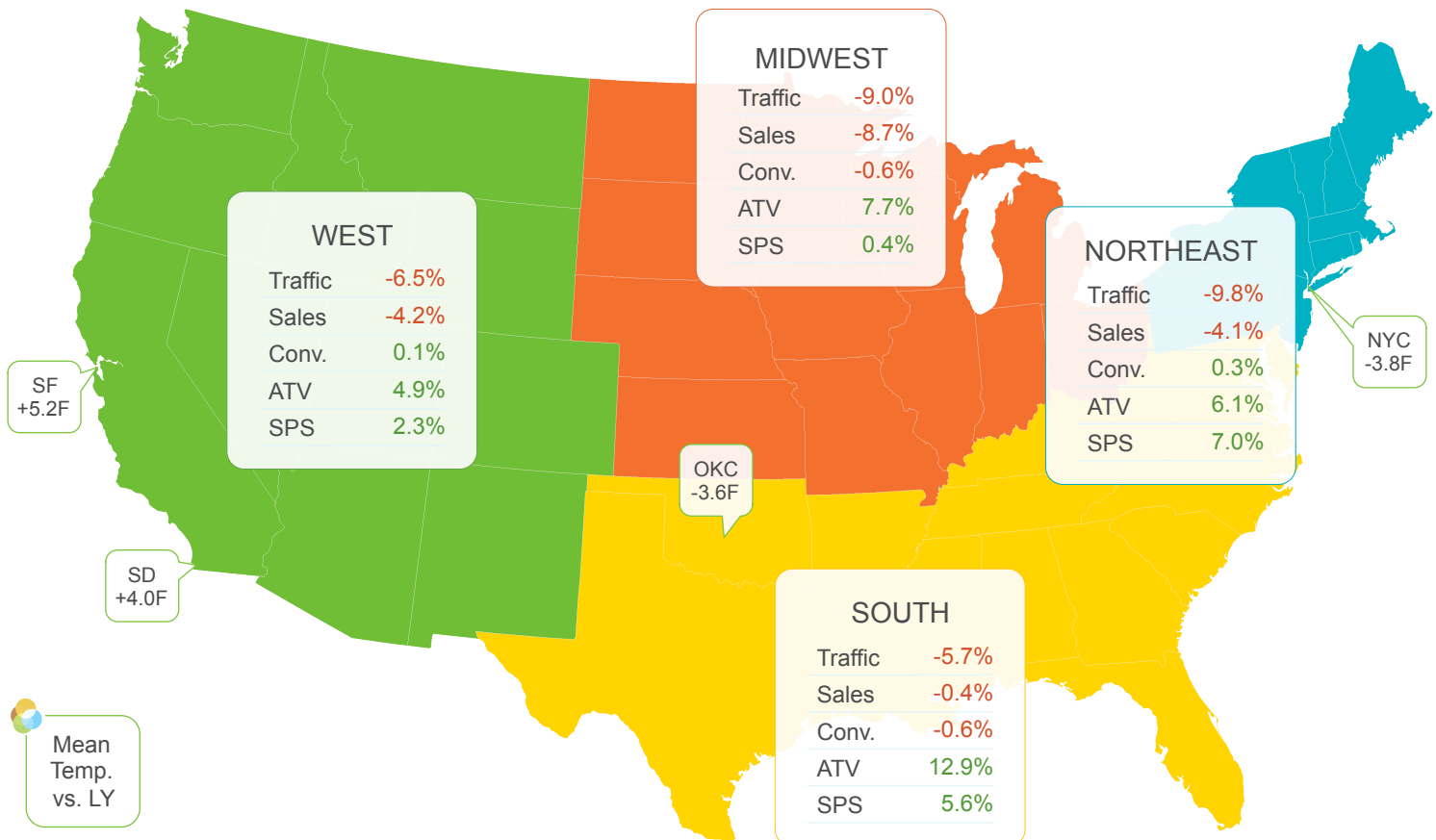
	 Sales	 Traffic	 Trans.	 Conv.	 %Return	 ATV	 SPS
High	Sat 2	Sat 2	Sat 2	Fri 25	Mon 7	Sat 2	Thu 31
Low	Mon 21	Wed 9	Mon 21	Sat 2	Sat 2	Mon 21	Mon 21

S	M	T	W	T	F	S
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31	1	2

Regional Performance

July 2014 YOY

- Despite warmer temperatures and severe drought conditions in the West, ATV and SPS continued to remain relatively high
- Lack of severe weather and tropical storms prevented adverse business impacts for retailers across the regions



Key Regional Takeaways

Consistent upticks in SPS across the regions allowed physical retailers to limit their sales declines despite reductions in traffic and flat conversion:

- The Northeast stood out among the regions this period with a sales decline of only 4.1% despite the largest traffic decline of 9.8%. A 7.0% uptick in SPS triggered the high performance level. Furthermore, the relatively cooler and less severe temperatures in the region allowed for increased seasonal demand.
- Despite a traffic decline of 5.7%, the South was able to maintain relatively flat sales at -0.4%. This was largely brought upon by a strong increase in ATV of 12.9%.
- The West Coast faced record-breaking temperatures, allowing for higher demand for summer seasonal goods. The region experienced growth in SPS of 2.3% allowing the region to cap the sales decline at 4.2%.
- The Midwest saw the largest sales decline of 8.7%, driven by a traffic decline of 9.0% but offset by an increase in SPS of 0.4%.

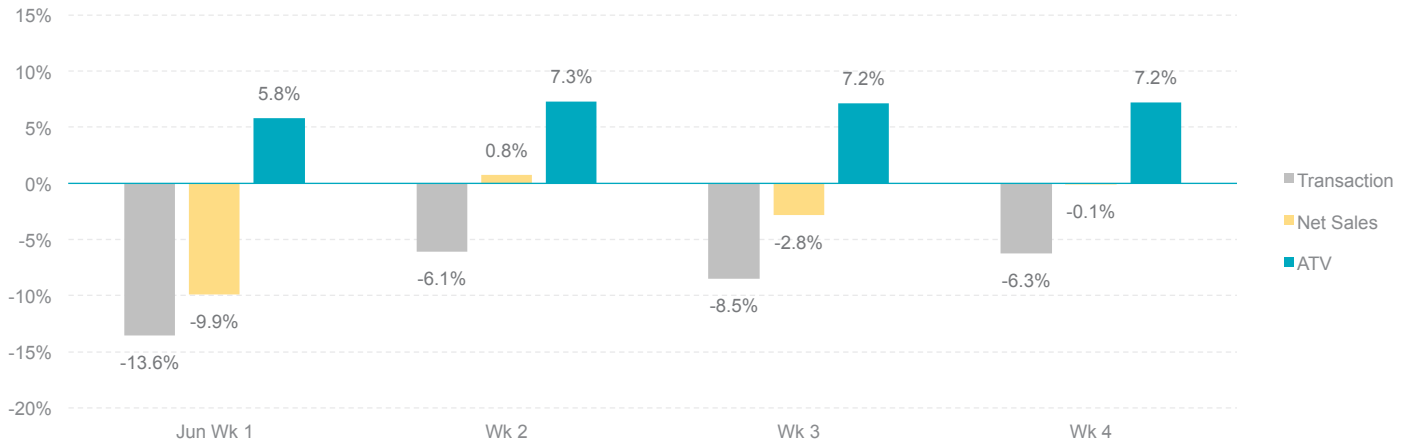
*Regional analysis include only retail chains with presence across all regions

**Conversion shown in percentage points

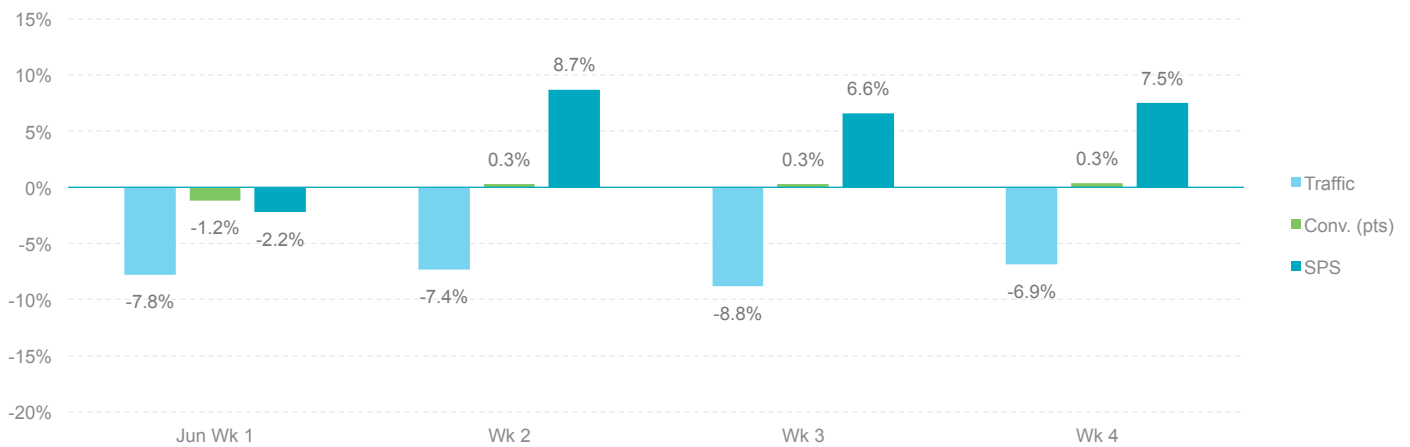
Weekly Performance

July 2014 YOY

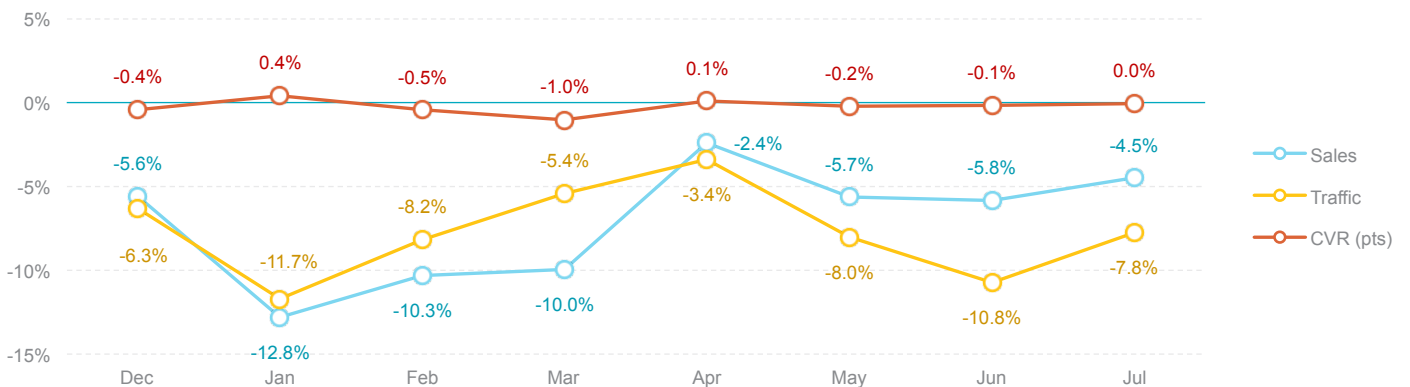
Sales & Transactions



Traffic-dependent Ratios



Average Y-O-Y Sales, Traffic, & Conversion



*4-5-4 weeks starting Sunday to Saturday

Glossary

Sales:	Customer sales net of returns
Traffic:	Total number of shoppers
Transactions (TRN):	Sales transactions and returns transactions
Conversion (CVR):	Sales transactions as a percentage of traffic
%Returns:	Returns transactions as a percentage of total transactions
Average Transaction Value (ATV):	Sales divided by transactions
Sales Per shopper (SPS):	Sales divided by traffic

Methodology

13+ million shopping trips were analyzed in data sets across specialty and larger format retail stores within the continental U.S.

Regional analyses include only retail chains with presence across all regions. Note: Regions were reclassified in April 2014.

Periods defined according to Fiscal 4-5-4 Retail Calendar:

- July 2013: Jul 7th 2013 – Aug 3rd 2013
- July 2014: Jul 6th 2014 – Aug 2nd 2014

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About RetailNext

RetailNext is the leader in Applied Big Data for brick-and-mortar retail, delivering real-time analytics that enables retailers, shopping centers, and manufacturers to collect, analyze, and visualize in-store data. The company's patented solution uses best-in-class video analytics, Wi-Fi detection, Bluetooth, data from point-of-sale systems, and other sources to automatically inform retailers about how people engage with their stores. The highly scalable RetailNext platform easily integrates with promotional calendars, staffing systems, and even weather services to analyze how internal and external factors impact customer shopping patterns, providing retailers with the ability to identify opportunities for growth, execute changes, and measure success.

RetailNext measures the behavior of more than 800 million shoppers per year by collecting data from more than 65,000 sensors in retail stores and analyzing trillions of data points. Headquartered in San Jose, CA, RetailNext is a growing global brand operating in 33 countries.

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