Nearly half of Brits unable to get their loved ones Valentine's gifts due to shops running out of stock

Blue Yonder, London, 2nd February 2016: Research by retail predictive analytics firm Blue Yonder has found that nearly 50 per cent of consumers in a relationship have struggled to get their valentine a gift due to lack of stock on the shelves. The nationwide research of 1,300 consumers in a relationship also found that 1 in 6 have been unable to get the gift they wanted on more than one occasion due to stock selling out.

Valentine's Day is one of the major spending days of the year and this information provides retailers with a stark warning to ensure they implement an effective replenishment strategy. Failing to do so will see retailers lose out on important sales during the <u>fourth largest retail</u> [1] event on the calendar.

The research uncovered the shopping habits around Valentine's Day, revealing that a fifth of men buy their Valentine's Day gift on the day or the day before Valentine's Day; this is twice the proportion of women, who tend to take more time selecting their gift. This means retailers need to be vigilant in replenishing stock up to and even on Valentine's Day itself.

Bianca Huttner, marketing manger at Blue Yonder, says, "This is the first major retail event of the year, after the January sales and given retail spend is predicted to decrease this year[2] retailers need to ensure they are maximising all opportunities to stay ahead. It is surprising to see replenishment during the valentine period is such an issue for retailers. There is technology available that can help retailers with their replenishment, by using data to predict demand and automate restocking."

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[1] International Business Times: http://www.ibtimes.co.uk/halloween-now-uks-third-biggest-retail-event-after-christmas-easter-1525477

[2] KPMG/Iposos Retail Think Tank research: http://www.bizreport.com/2016/01/retail-think-tank-warns-retailers-of-lower-consumer-spending.html

The research showed that the most popular gifts given for Valentines included:

Valentines gift of choice

The results also looked at spending habits, revealing that the younger generation are the most generous in their Valentine's Day giving. 16 to 24 year olds spend on average £46, a 90% increase from the average spend of £35. The over 55s are the least likely to spend, with an average spend of £20.82. Interestingly, the research also revealed that men spend significantly more than women - £42 versus £29 and those that have been in a relationship for 5-6 years also spend more than any other relationship length, splashing an average £57.06 on the romantic day.

Interestingly, unmarried couples spend more on valentines gifts, splashing out an average of £41.80 versus married couples average spend of £34.

Perhaps due to the last minute nature of Valentine Day shopping, the research also found that shoppers are prepared to pay more on gifts including cards, flowers, lingerie, chocolates and perfume to ensure they have it on time to give to their valentine on the 14th February. Brits are prepared to spend:

- £5.98 more on flowers
- £4.69 more on chocolate
- £4.43 more on a card
- £16.58 more on jewellery
- £12.73 more on perfume
- £18.29 on a romantic dinner
- £28.48 more on weekend's away

But despite this, customers are still price conscious and are not prepared to stretch the purse strings too far to get the perfect gift: expensive prices have also driven shoppers away according to the research. 47 per cent of shoppers said they couldn't buy their intended gift because of prices being too high.

"Optimising your pricing is crucial for any retailer. Price too high and you lose your customers to the competition; price too low and you miss out on better margins during a key event on the retail calendar. Retailers must ensure they have a pricing strategy in place that balances consumer expectation with optimising margins," adds Bianca.

This research was conducted by Censuswide, with 1,298 respondents aged 16+ in a relationship in the UK, between 12-15 January. The survey was conducted from a random sample of UK adults. Censuswide abide by and employ members of the Market Research Society, which is based on the ESOMAR principles.

About Blue Yonder

Blue Yonder. Best Decisions, Delivered Daily.
Blue Yonder is the leading provider of cloud-based predictive applications for retail. Every day, we deliver decisions to our customers that boost revenues, increase margins and enable rapid responses to changing market dynamics. Our replenishment and pricing solutions are driven by sophisticated machine learning algorithms, developed by one of the largest teams of PhD-level data scientists in retail. Founded in 2008 in Karlsruhe, Germany, by ex-CERN scientist Professor Michael Feindt, Blue Yonder now operates in both Europe and the United States. We are backed by leading private equity firm Warburg Pincus and the Otto Group and established the Data Science Academy, in 2014, to provide businesses with relevant data science know-how for retail. Blue Yonder has been awarded, among many others, the Gartner Cool Vendor Award 2015, the Experton Big Data Leader Award 2016 and the BT Retail Week Technology Award.

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