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The Holidays: The Gift that Keeps on Giving for Retail and Transportation Companies

RETAIL, TAX, TRANSPORTATION & LOGISTICS

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When the holiday season rolls around so does the money that is spent buying gifts for friends, families, and even co-workers. Since 2009, holiday season sales have seen a steady increase of 3.4% per year. This year, the National Retail Foundation estimates that retail sales during the holiday season will grow to \$655 billion, which is a 3.6% increase from 2015. They also estimate that online sales are expected to grow between 7 - 10%, which will result in total sales of \$117 billion. These sales numbers are attractive for retailers, but they are also good news for the transportation industry.

With the increase in retail stores and online shipments, the transportation industry has an opportunity to help meet the holiday season demand. According to the Globe Newswire, 2016 is going to be a record year for the holiday season. They estimate that UPS is expected to have a record-breaking 700 million packages delivered. That is a 14% increase from the previous year and is due mainly to the dramatic growth in online shopping and returns made during the season. To accommodate this UPS was expected to employ an additional 95,000 seasonal positions. Other carriers are increasing capacity in a similar fashion.

The transportation industry has a strong opportunity to add to their bottom line in the holiday season. It is the best time of year for carriers to help increase their own business and take advantage of consumers' willingness to spend. In fact, the industry started to take advantage of these sales in November when 41% of consumers started their holiday shopping. Sales peaked with shipments in the first two weeks of December.

In summary, holiday sales are a strong driver in the retail and transportation sectors of the US economy. To be successful, both industries must ramp up their capacity and execute successfully to meet the customer's demand. Their performance during this important time of the year can make or break their profitability for the entire year.

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