Black Friday Failure Explained: 2014 Holiday FINdex Results

by Steve Riordan

Many analysts predicted strong sales this Black Friday. On the surface it made sense: gas prices were down and the economy had been on an upward trend. The 2014 Holiday FINdex helps explain why Americans didn’t use their fuel savings on gifts. Here’s what we think retailers should know.

The Fashion Innovation Index – called the “FINdex” – is based on a survey conducted in the spring, summer, back to school and holiday seasons. The FINdex results help retailers better track and understand consumer sentiment toward the innovativeness of merchandise from season to season, and more quickly identify and adopt emerging fashion trends.

The FINdex has been declining since the Spring 2014 survey, showing a distinct downward trend. It declined again for Holiday 2014, coinciding with disappointing Black Friday results. Respondents indicated an increase in their interest and willingness to shop for Holiday 2014, but were less excited about the current merchandise offerings. They also found the current merchandise offerings less innovative.

Respondents also report that “innovative and fresh merchandise all the time” is the number one factor in shaping their perceptions of brands. Therefore, the gap in expected merchandise innovation vs. actual innovation may explain both the decline in the FINdex and the corresponding challenging start to the holiday selling season.

So it’s not necessarily about how much consumers have to spend – it’s about how innovative and exciting your products are.

As the index is tracked over time, the data provides the retailers with a better understanding of the link between consumer sentiment and retail sales.

Data is collected from a survey developed through a partnership between Kalypso, IU's Kelley School of Business and CollegeFashionista.

Download detailed results for the 2014 Holiday FINdex

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What's your view? Add your question or comment
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