

Consumers shop online less when it is sunny, finds research

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Consumers are less likely to shop online if the weather is good, according to Ulrich Thonemann, Director of the University of Cologne's Executive School.

Thonemann, with Sebastien Steinker and Kai Hoberg from Kühne Logistics University, worked with a Europe's largest fashion retailer, Zalando, to analyse how weather affects online demand over a period of two and a half years.

They found that sales were generally lower on days with better weather and that this was particularly pronounced at the weekend.

Ulrich says: "Our research suggests that incorporating weather data – even just a seven-day overview – into online sales forecasts can give companies a competitive edge."

"Knowing that your consumers are more likely to be shopping online on Tuesday evening, when it is forecast to rain, means targeted marketing strategies and dynamic pricing in line with high demand are more likely to be effective. And for the fast-paced fashion retail industry, accurate sales forecasts are extremely important in helping companies to better align their promotional activities with their inventory positions and actual sales."

The research also demonstrated that when weather data was used in sales forecasting models, forecasting errors fell by up to 50%, saving several hundred thousand euros.

Ulrich says: "High forecasting accuracy is important in e-commerce operations since it enables high responsiveness and short delivery times at lower costs. Some retailers, such as Tesco, have already started to analyse weather in order to improve their operations planning and inventory management. For example, Tesco's calculation that with every 18-degree Fahrenheit rise in temperature, barbecue sales increase by 300% allows the retailer to be prepared for high demand, informing both marketing and pricing strategy."

"What is clear is that businesses taking note of their customers' buying habits often enjoy a competitive advantage – and knowing what their behaviour in different types of weather will be only adds to this understanding."

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