

WHITE PAPER

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TV Returns and Football's Big Game: Where Is the Connection?

How do external events, like large sporting matches, affect consumer behavior? Is there an uptick in the number of people who purchase with the intent to return after a short period of use (often called "renting")? To find out, Appriss Retail anonymized, aggregated, and analyzed our database of more than 45 billion retail transactions collected from more than 4,000 store locations to find out if consumers still "rent" televisions with screens at or above 46 inches before football's Big Game and return them after as they did in the first half of the decade.

Key Findings Nationwide

- Year after year, the day before the Big Game has the highest sales in the 4 weeks leading up to and one week after the Big Game.
- The day before the Big Game also has the highest return activity in the 4 weeks surrounding the event.
- While "rental risk" overall for TVs has decreased in recent years due to price pattern changes, the TV category continues to exhibit an elevated return risk during the period surrounding the Big Game.
- High return rates in the 30 days following the Big Game have appeared at the regional level.

Yearlong Pricing and Sales

Nearly 60% of television sales (in dollars) in 2018 were flat panel televisions that were 46 inches or larger. While 46 inch and larger televisions account for the largest proportion of overall sales dollars, mid-range (32-45 inch) flat panel TVs have a slight proportional edge in terms of total items sold.

Since 2015, every major TV category experienced a mean price fall. Additionally, projection TVs outside of the home theatre category fell out of favor 2017-2019. Home Theatre is the only category that experienced an increase in average price 2011 to 2015. That trend has now reversed to align with the remaining categories.

Prices on the higher value (46+ inch) televisions drop at the beginning of the holiday season in October and continue until the end of football season. Prices begin to rise again in mid-February to early March. Since football season ends just shortly after the post-holiday return season, increases in pricing around this time may create an additional incentive for non-receipted returns (dependent on retailer's policies).

Could the falling price of mid-size and large screen televisions reduce TV return fraud and abuse after football's Big Game?

When viewed on a national level, the answer appears to be yes.

State-by-state, however, it becomes more complicated.

Figure 1 shows sales dollars of all categories of TVs, 30 days prior to the Big Game and 30 days past the Big Game, 2016 to 2019. All years exhibit a similar trend:

- The day before the Big Game, a Saturday, has the highest sales of the sixty days surrounding the event.
- The Saturdays before the event show increasing sales.
- Although sales are strong, the Saturday after the event has not been as popular for TV sales as it was in years past. In 2016 television sales were 141.6% higher on that day. In 2019, that upswing was only 80.8%.

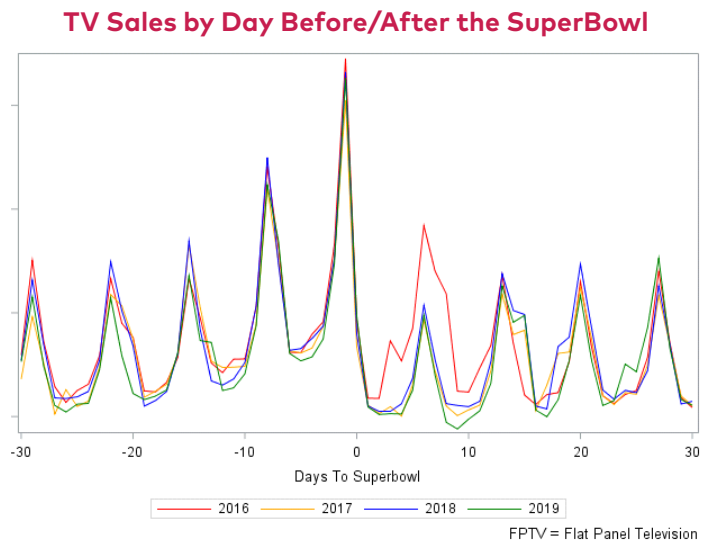


Figure 1. TV Sales in the 30-day Period Around the Big Game

Seasonal Returns Around Gameday

The fluctuations in the sales pattern are mirrored in the return pattern with slightly more volatility (Figure 2). Even the Saturday before the Big Game, the highest sales day, also has the highest return activity in the four weeks surrounding the event.

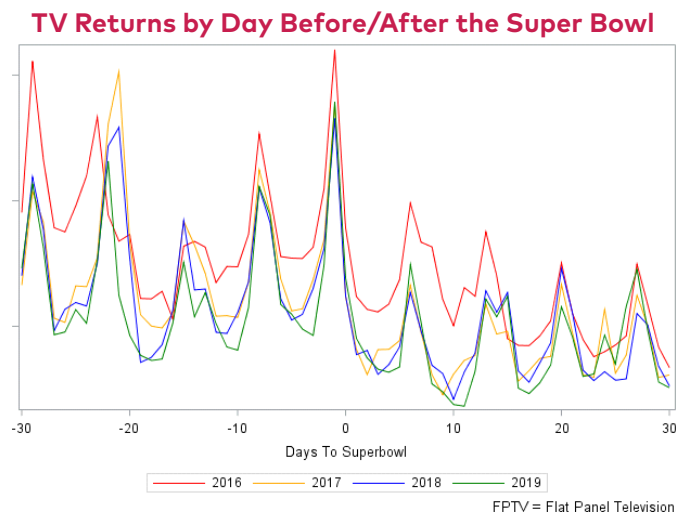


Figure 2. Returns of Televisions for the 60 Days Surrounding the Big Game

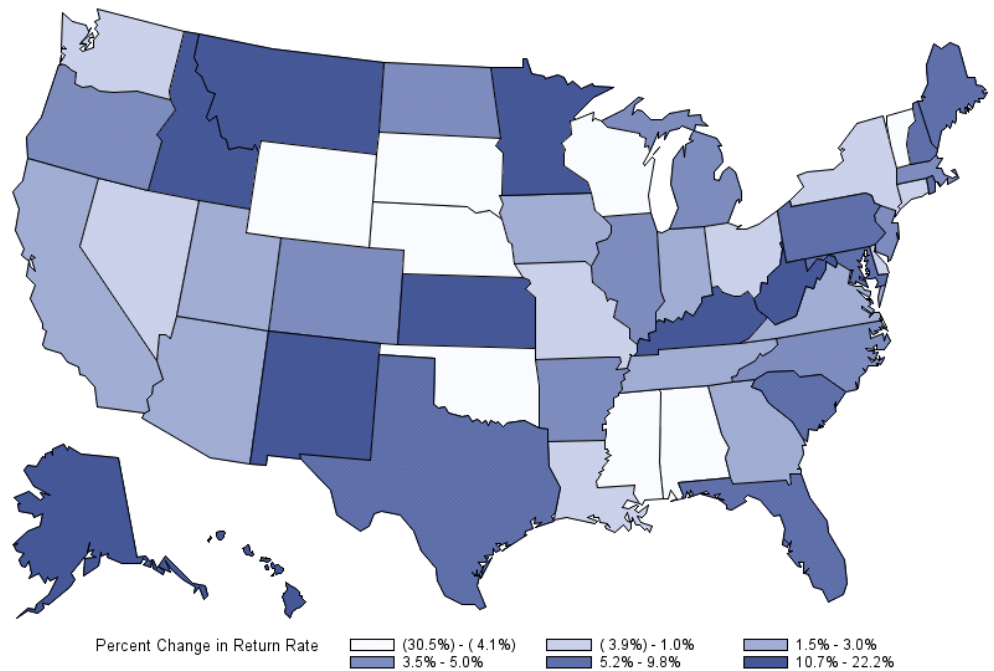
From 2017 to 2019 return abuse patterns shifted. Although returns increased after the Big Game, analysis using Appriss® Verify return authorization did not show a disproportionate increase in “renting” behavior at a nationwide level. Instead, that behavior has appeared regionally in pockets throughout the country.

A State-Level Problem

Appriss Retail examined trends on a state-by-state basis using aggregated and anonymized data. States with a higher rate of return in the days following the Big Game are shaded in increasingly darker shades of blue (Figure 3). Those states in darkest blue have a TV return rate that is 10.7% to 22.2% higher after the Big Game than their overall return rate. Montana, Hawaii, Idaho, Minnesota, and Kentucky had the highest rates of increase differences. All five of these states had return rates more than 15% higher in the 30 days following the Big Game than they had for their full year return rate at the end of the year in 2018 (holiday returns included).

Although Minnesota hosted the Big Game in 2018, Appriss Retail could not find a consistent correlation between hosting and renting.

2018 Difference in Return Rate After Super Bowl vs. Full Year



Summary

During the weeks leading up to the Big Game, television rental patterns have emerged at regional levels. The riskiest period is the week following the event when both returns and suspicious actions increase. The overall decline in TV rental risk in the last half of the decade may be due to the falling prices for large, high quality televisions during that time. Appriss Retail continues to assess the entire football season as a period of increased risk for the category because of the deep discounts retailers offer for televisions during the winter holidays and again at the end of the football playoffs.

As this study reveals, return patterns change over time for all products. Are you basing your expectations on out-of-date thinking? You may benefit from taking a fresh look at your returns data to find new, unexpected patterns. 

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