BLACK *friday*
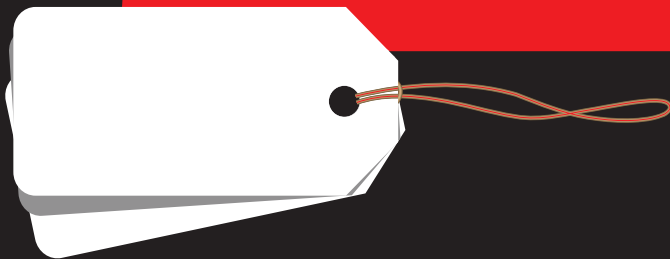
Retail's Swan Song: Insights for the Biggest Shopping Day of the Year

General Landscape

Black Friday has consistently been the biggest single shopping day of the year, with stores relying on it for significant portions of their annual sales.

However, 2017 marks a shift in the Black Friday shopping environment, as e-commerce takes an increased significance and redefines how – and when — shoppers take advantage of holiday deals and discounts.

Key Stats

SPEND PER PERSON OVER THE BLACK FRIDAY WEEKEND

$289.19
IN 2016

⬇

$299.60
IN 2015

(Total average spending per person including online and offline purchases)

ONLINE MOBILE SALES

$3.34B
REVENUE IN 2016

$12.8B
WAS SPENT ONLINE ON THANKSGIVING WEEKEND (INCLUDING CYBER MONDAY) IN 2016

UP 15.2%

$3.45B
WAS SPENT ONLINE ON CYBER MONDAY, A 12.1% YOY SPIKE

UP 12.1%

$1.2B
WAS SPENT VIA MOBILE

*On Black Friday only

MOST POPULAR DAY TO SHOP

BLACK FRIDAY

SATURDAY

THANKSGIVING

SUNDAY

(online and in-store)

TREND #1

Emerging popularity of e-commerce & online shopping

Millennials stayed in and shopped via mobile

As a result, mobile sales exploded on Black Friday 2016, making history as the first time more than $1B was generated in a single day. By optimizing their mobile platforms, weekend-winning brands saw average sales gains of 30% and average order size growths of 25%.

30%
AVERAGE SALES GAINS THROUGH MOBILE

25%
AVERAGE ORDER SIZE GROWTH THROUGH MOBILE

$1 BILLION DOLLARS
WAS GENERATED IN A SINGLE DAY FOR THE FIRST TIME AS A RESULT OF MOBILE SALES EXPLOSION

Online

National Retail Federation estimated*

108.5*
MILLION AMERICANS SHOPPED ONLINE

Sales and traffic at brick-and-mortar stores declined

A survey released by the National Retail Federation estimated that 108.5 million Americans shopped online over the long weekend, well above the 99.1 million who hit stores (44% vs 40%). Sales numbers bore out this trend — net sales at brick-and-mortar stores fell 5% from the previous year, while the number of transactions fell 7.9% according to RetailNext.

In-Store

According to RetailNext

99.1*
MILLION AMERICAN SHOPPERS HIT STORES

5%
DECLINE IN NET SALES

7.9%
DECLINE IN TRANSACTIONS

Dollar stores and deep discount deals lured older, brick-and-mortar shoppers

In order to compete with the comfort of online, department stores had to up their deals and discounts on items that could actually draw physical shoppers – Target and Walmart focused on televisions, headphones and electronics, which remained crowd pleasers, but kitchen essentials also drew a new breed of older, more cautious shoppers.
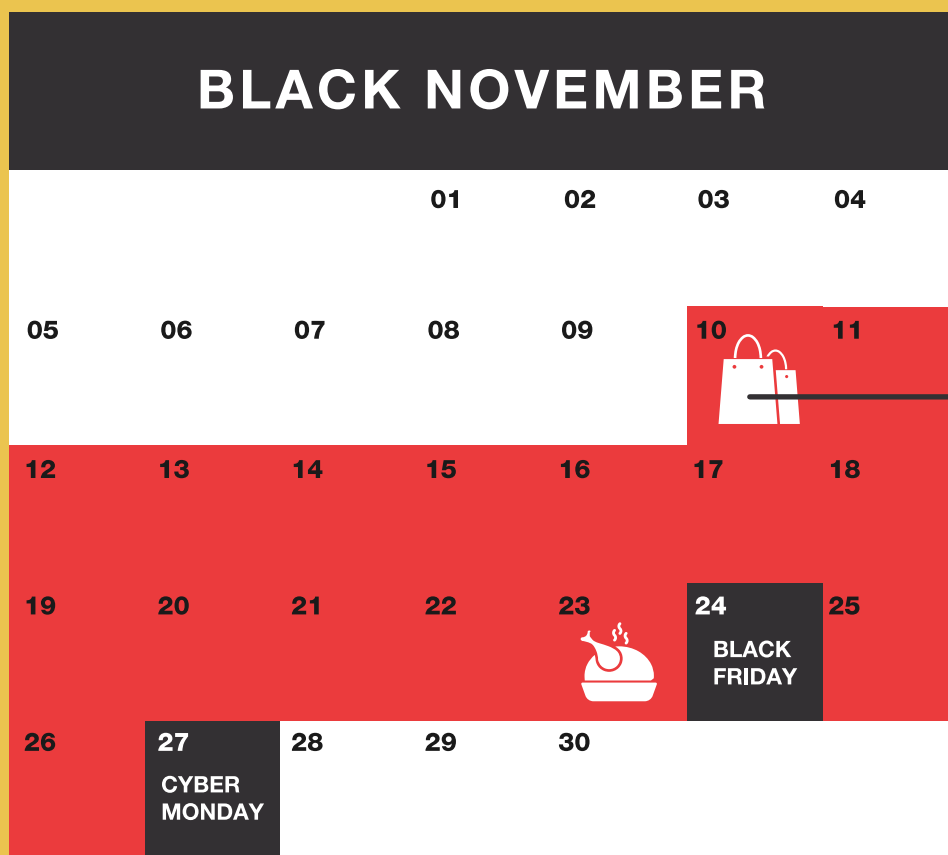
Electronic goods draw in physical shoppers

Kitchen goods draw in older, more cautious shoppers

TREND #2

Consumers shopping earlier

'Black Friday' has become 'Black November'

With online deals and store discounts being offered earlier, and continuing beyond the holiday weekend, the rush of a Black Friday blowout sale has waned considerably. It's not just a one-day event anymore, after all, and consumers now expect deals to come their way much earlier — data by the National Retail Federation reveals that 60% of people had begun their shopping by November 10th in 2016.

BLACK NOVEMBER

		01	02	03	04
05	06	07	08	09	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24 BLACK FRIDAY	25
26	27 CYBER MONDAY	28	29	30	

60%
OF PEOPLE HAD BEGUN THEIR SHOPPING BY NOVEMBER 10TH IN 2016

*According to National Retail Federation

Online retailers are marketing much earlier

Retailers aren't wasting any time, beginning their marketing pushes for holiday-hungry shoppers much earlier in the game. Amazon led the charge in 2016, approaching Amazon Prime shoppers well before Black Friday with special offers — unveiling them on an hourly, even minute-by-minute basis to keep attention on the site and its activities. The strategy clearly worked, as the online behemoth accounted for 30.9% of all sales from Black Friday to Cyber Monday.

amazon

30.9%

OF ALL SALES FROM BLACK FRIDAY TO CYBER MONDAY BELONGED TO AMAZON.COM

TREND #3

Shifting role of social and mobile tech

Social media is a key outlet for deal-delivery

Social media is proving to be one of the most important channels for informing customers of special offers, and keeping them engaged with brands around holiday shopping days. Not only is it a key outlet, but social media is increasingly effective as an amplification tool, with users sharing their best Black Friday deals via Instagram, Facebook and Twitter, encouraging and extending the reach of any one single offer.
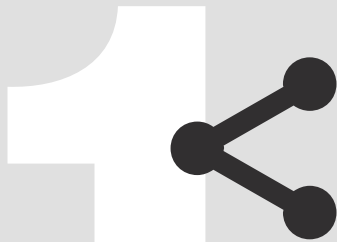
Best Practices

1

WORK YOUR SOCIAL MEDIA
Businesses today, small and large, can't afford to ignore social media – in fact, during special holiday sales, social media is one of the best ways to offer loyal customers exclusive deals and discounts, free trials, coupons, and limited edition products. Offer creative and fun ways to win access to these discounts and deals, with time-bound contests and sweepstakes to build enthusiasm.

2

CONSIDER VALUE-ADD REWARDS
In a sea of deep discounts, cutting through the clutter will take more than simply shaving a few more dollars off the price tag of your product. Value-add rewards, such as digital content and brand merchandise are a great way of standing out while simultaneously narrowing the targeting abilities of your promotion to secure greater personalization.

3

GET MARKETING EARLIER IN THE SEASON
Don't wait until the day-of to start promoting; use Amazon's rulebook by offering deals and discounts earlier and often – all the way up to the big day.

4

WORK WITH PARTNERS & COALITION PROGRAMS
Team up with another brand for a seasonally themed promotion that leverages the strengths of both brands and becomes more tempting for shoppers.
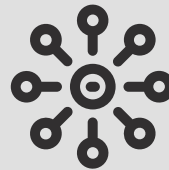
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LOOK TO RE-ENGAGE BLACK FRIDAY SHOPPERS WITH CONTINUITY PROGRAMS These programs are valuable for data gathering, and can keep consumers engaged throughout the duration of the season culminating with a big prize / offer at the later holiday Christmas period.

REWARD YOUR LOYAL SHOPPERS With everyone looking for the best deal and the best price during Black Friday, brand loyalty often takes a hard pass from the consumer. Brands with loyalty programs should look to take advantage of their customer knowledge to entice members back into the fold with special rewards under the aegis of these established loyalty channels.

6

PROVIDE A SEAMLESS ONLINE RETAIL EXPERIENCE The importance of omnichannel retail can't be overstated – even though most users browse store websites via mobile devices, many complete their transactions through their laptops and desktops, and expect the same experience throughout. Make sure websites are optimized for high traffic flows—Macy's learned the hard way in 2016 that users don't forgive and forget these lapses easily.

7

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