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RetailEconomics

Retail Economics:
Black Friday Survey 2019

















Executive Summary

The growth of Black Friday has undoubtedly altered the traditional build-up of Christmas shopping in recent years. However, it is expected to be magnified this year due to three main reasons:



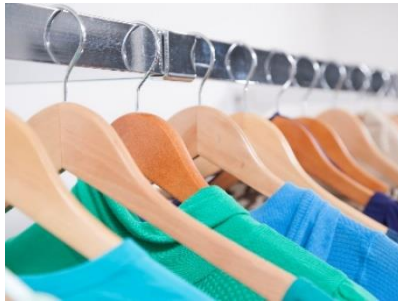
1) Pay day precedes Black Friday
Black Friday falls later this year leaving many consumers with healthier bank balances in time for the event. Indeed, 19% of consumers suggest that being paid before Black Friday will encourage them to spend during the event.

2) Savvier consumers and healthier finances
Household finances are much stronger than this time last year. Real earnings have risen for 14 consecutive months, strengthening households' financial positions. While consumer confidence may remain fragile due to political and economic uncertainty, targeted promotions and discounts may successfully unlock latent demand for non-essentials.



Indeed, 28% of consumers said they will shop for Christmas presents during the Black Friday discount period as they fulfil more considered seasonal purchases.

3) Buy now, pay later
The use and adoption of Buy Now, Pay Later interest free options have become much more common place over the last 12 months. The rapid adoption of these payment options will enable shoppers to bring forward purchases, spread the cost and take advantage of pre-Christmas discounts.



Key statistics

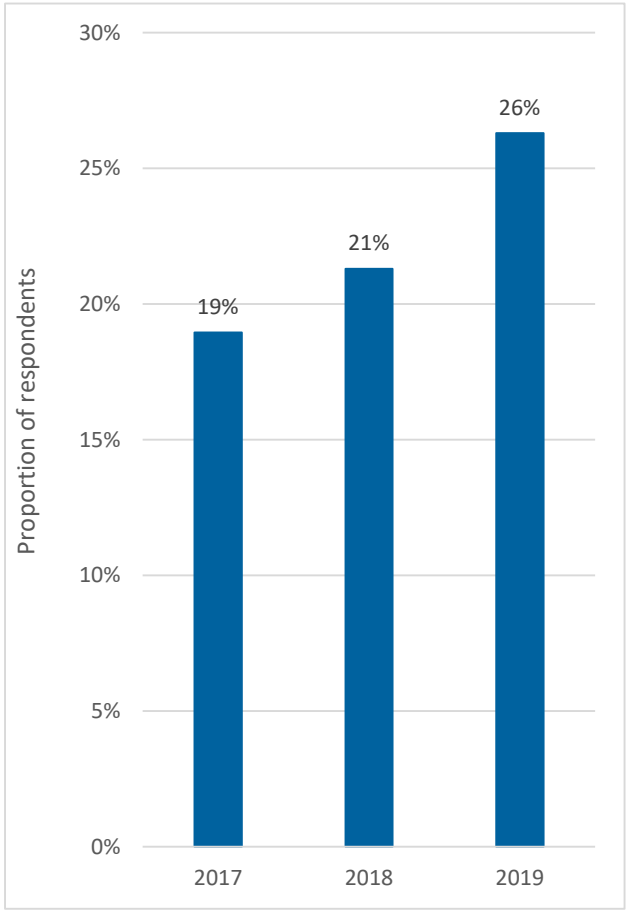
- Over a quarter (26%) of consumers are planning to buy during Black Friday, rising from 21% in 2018.
- Almost one in five (19%) consumers said they would be encouraged to spend more during Black Friday because it falls after payday.
- More than a quarter (28%) said they were planning to do some of their Christmas shopping during Black Friday.

Of those that are planning to buy during the event

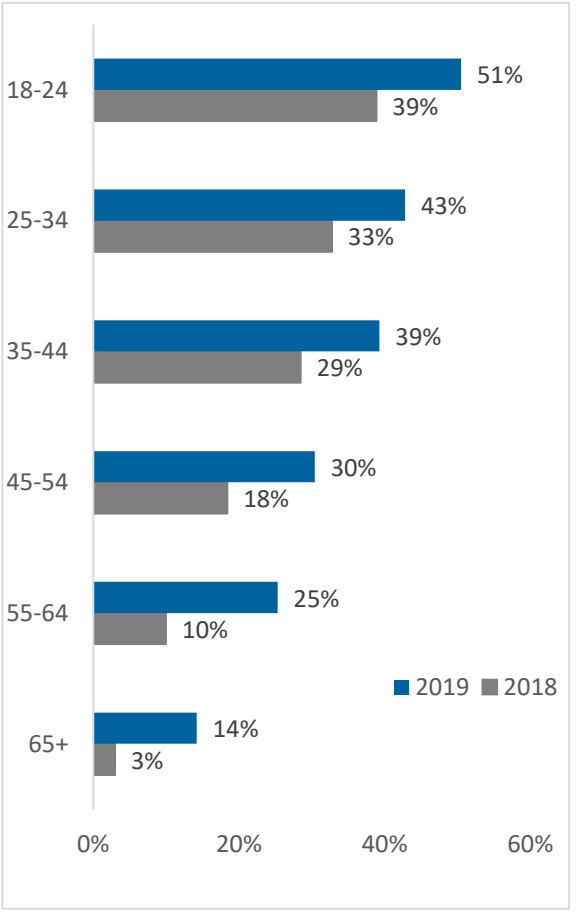
- 78% of consumers surveyed said they had intentionally delayed spending in anticipation of Black Friday.
- However, half (54%) expect to spend less than last year and only 8% expect deals to be better than the previous year.
- Electricals (59%), Clothing and Footwear (36%) and Toys and Games (35%) are expected to be the most sought-after products.

Do you intend to buy any retail goods that have Black Friday discounts this year?

Proportion of respondents who answered yes:



Of those who answered "yes" by age:



26%

Over a quarter of consumers said that they would buy goods during Black Friday.

Gen Z

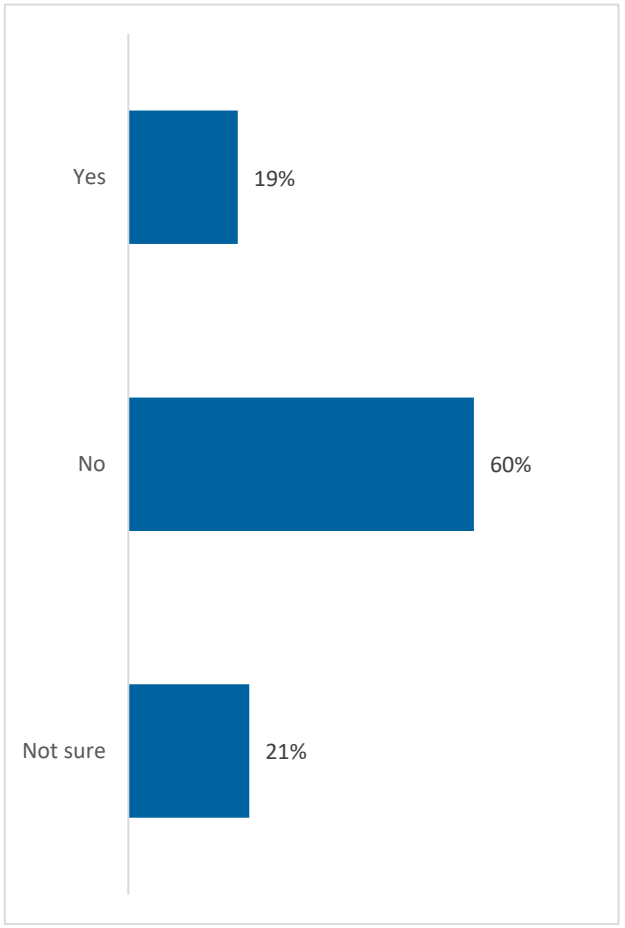
This age group were the most likely to engage with Black Friday this year.

"Over a quarter of consumers intend to purchase something during Black Friday, up on the previous two years"

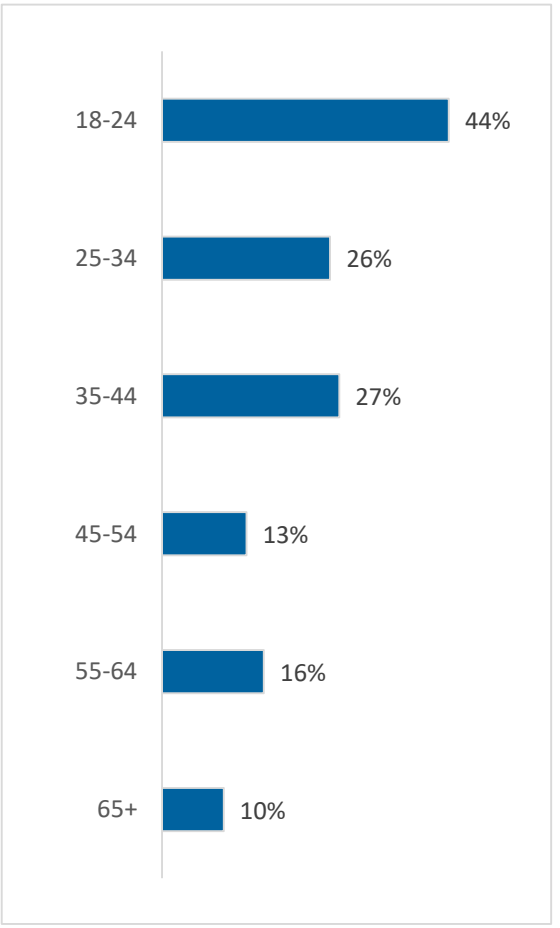
* Figures may not sum to 100 due to rounding
Source: Retail Economics
Sample size: 2,000
**Gen Z defined as those aged between 18-24 years of age

Black Friday (29 November) is likely to fall after payday for many consumers. Would this encourage you to shop more than in previous years?

Proportion of respondents:



Of those who answered "yes" by age:



19%

Almost one in five consumers suggested that Black Friday falling after payday will encourage them to buy

Gen Z

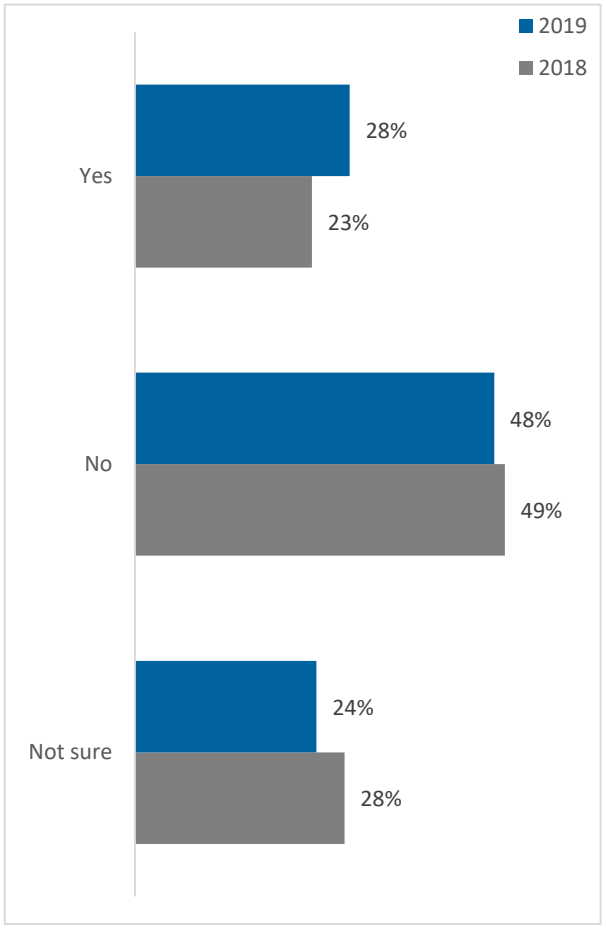
This age group were the most likely to be influenced by the timing of payday in relation to Black Friday

"The later timing of Black Friday, falling after payday for many, will influence almost one in five consumers to spend more"

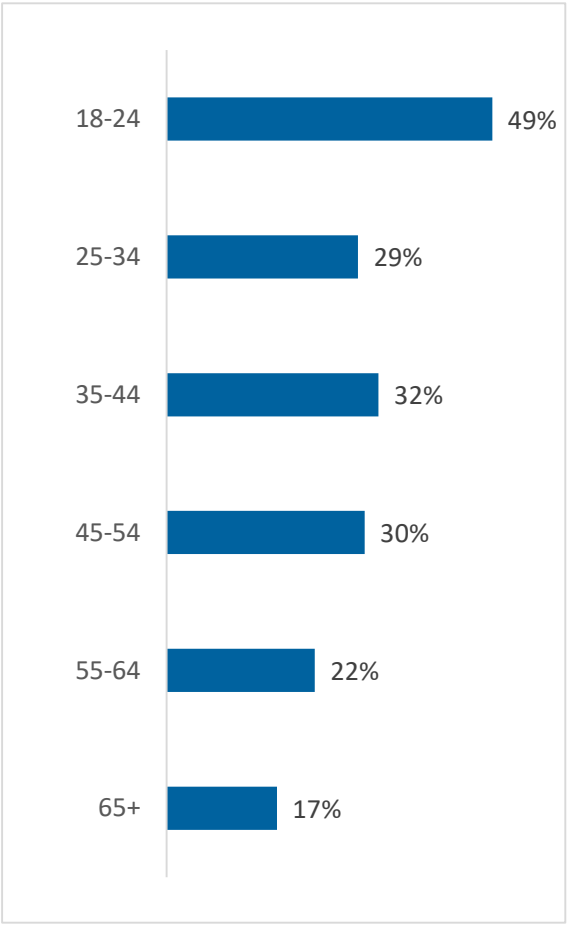
* Figures may not sum to 100 due to rounding
Source: Retail Economics
Sample size: 2,000
**Gen Z defined as those aged between 18-24 years of age

Are you planning to do any of your Christmas shopping during Black Friday?

Proportion of respondents:



Of those who answered "yes" by age:



28%

Of consumers are planning to purchase Christmas gifts during Black Friday, up on the previous year

Gen Z

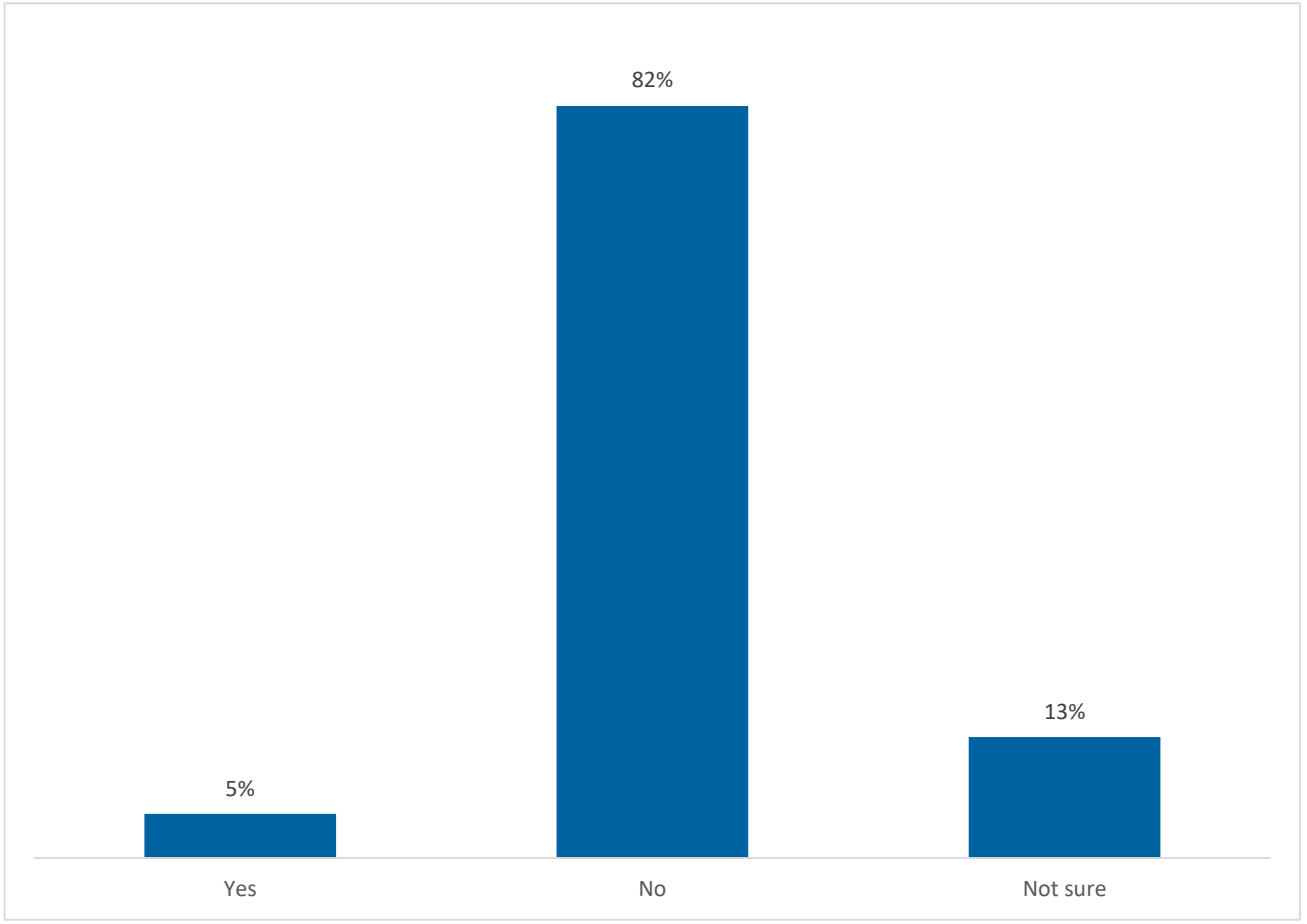
Just under half of Gen Z consumers are planning to purchase Christmas gifts during Black Friday

"Consumers are pulling forward traditional Christmas spending into November to take advantage of discounts"

* Figures may not sum to 100 due to rounding
Source: Retail Economics
Sample size: 2,000
** Gen Z defined as those aged between 18-24 years of age

Would the option of paying in interest free payments encourage you to buy during Black Friday?

Proportion of respondents:



5%

Of consumers would be encouraged to purchase during Black Friday if they had access to interest free payments

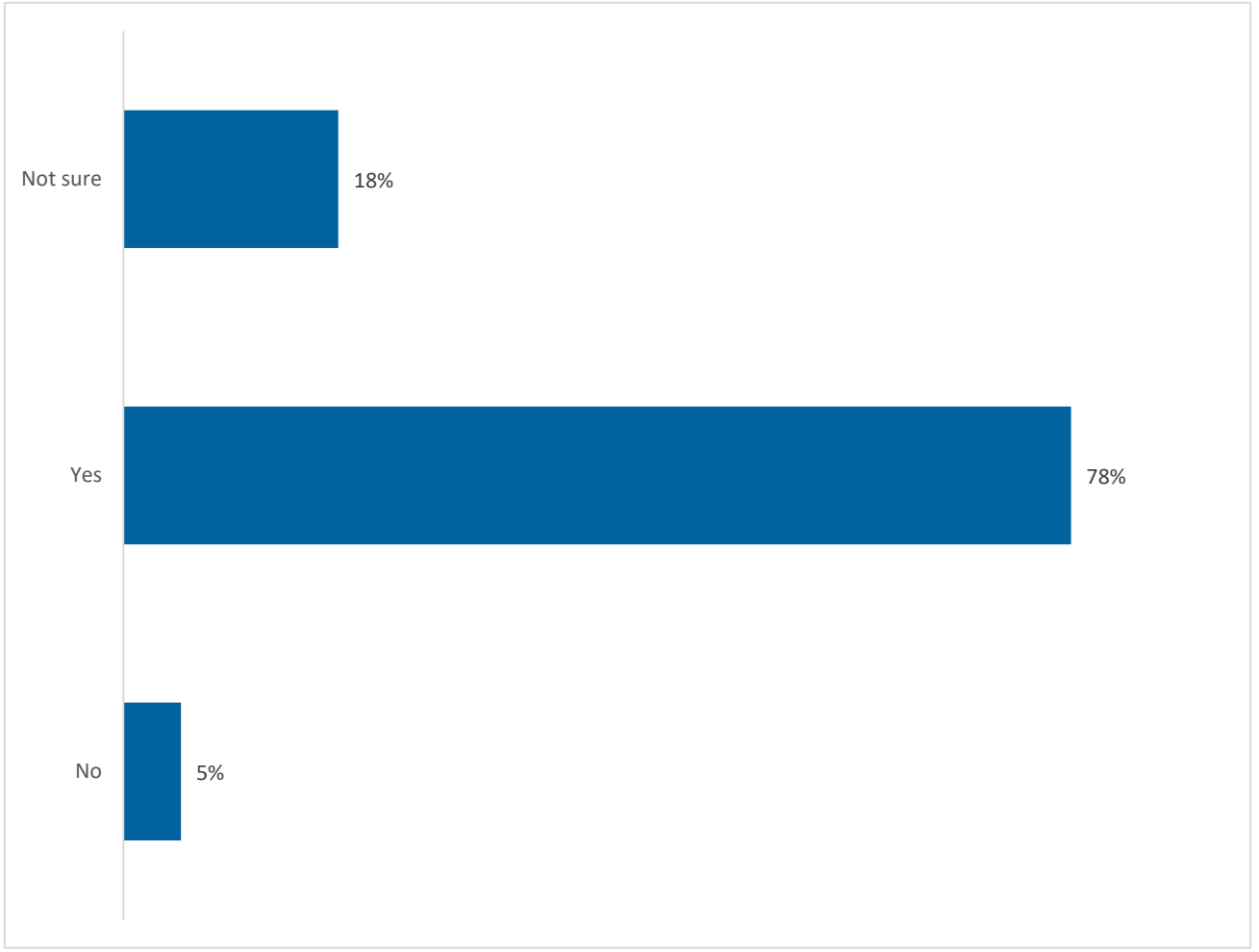
"The emergence of buy now, pay later options has provided consumers with additional payment choices which can encourage spending"

* Figures may not sum to 100 due to rounding
Source: Retail Economics
Sample size: 2,000

Of those that said they would partake in Black Friday shopping

Have you intentionally delayed any planned spending because you are waiting for Black Friday discounts?

Proportion of respondents:



78%

Three quarters of those planning to buy during Black Friday have delayed some planned spending in anticipation

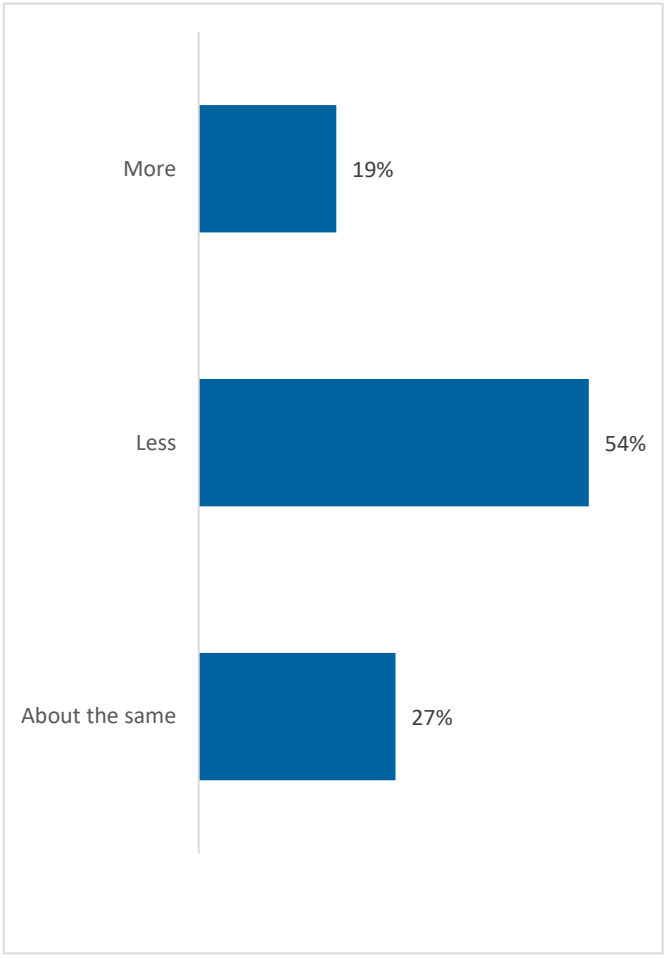
"While a quarter of consumers plan to buy during Black Friday, over three quarters of those have delayed spending in anticipation"

* Figures may not sum to 100 due to rounding
Source: Retail Economics
Sample size: 2,000
**Millennials defined as those aged between 25-34 years of age

Of those that said they would partake in Black Friday shopping

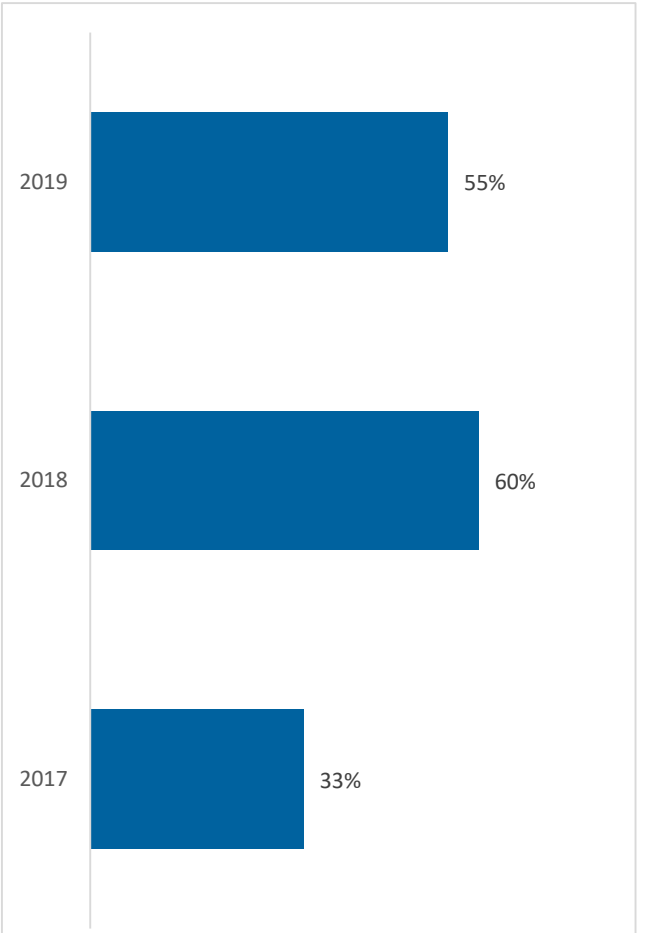
Do you expect to spend more during Black Friday than last year?

Proportion of respondents:



Do you expect more of your Black Friday shopping to be done online this year?

Those that answered "yes"



55%

Of those consumers who said they would purchase during Black Friday, the majority said that more of their shopping would be online

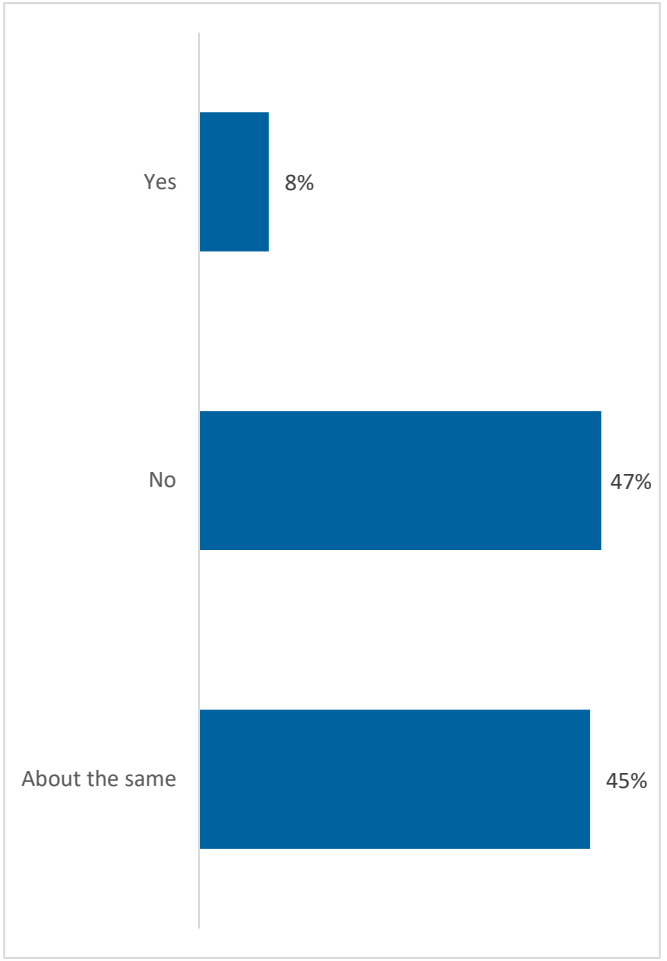
"Of those who said they expected to buy during Black Friday, the majority suggested that they would spend less than last year"

* Figures may not sum to 100 due to rounding
Source: Retail Economics
Sample size: 2,000

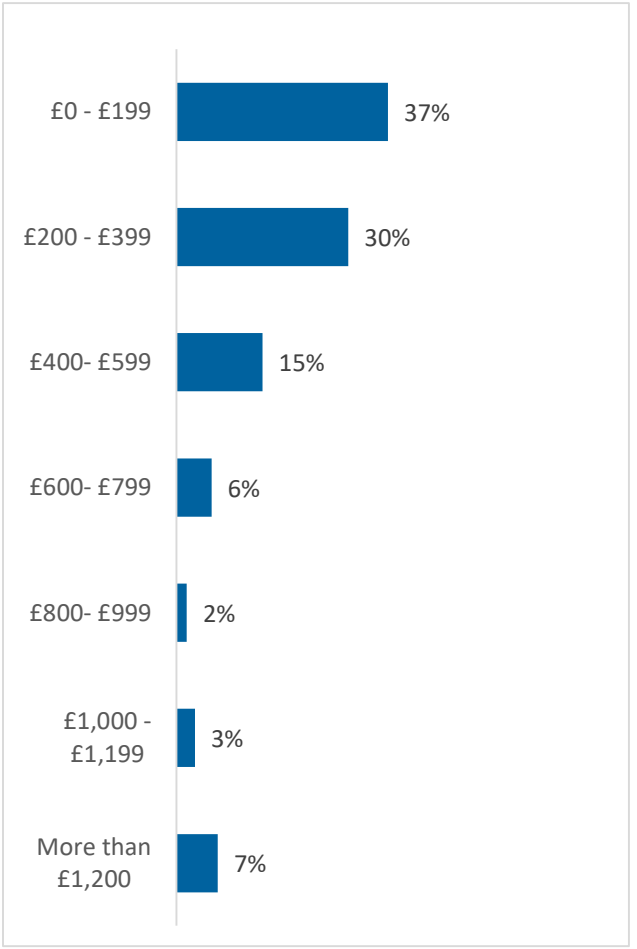
Of those that said they would partake in Black Friday shopping

Do you think Black Friday discounts will be better than last year?

Proportion of respondents:



How much do you think you will spend during Black Friday this year?



47%

Almost half of consumers who are intending to buy during Black Friday think that discounts will not be as good as last year

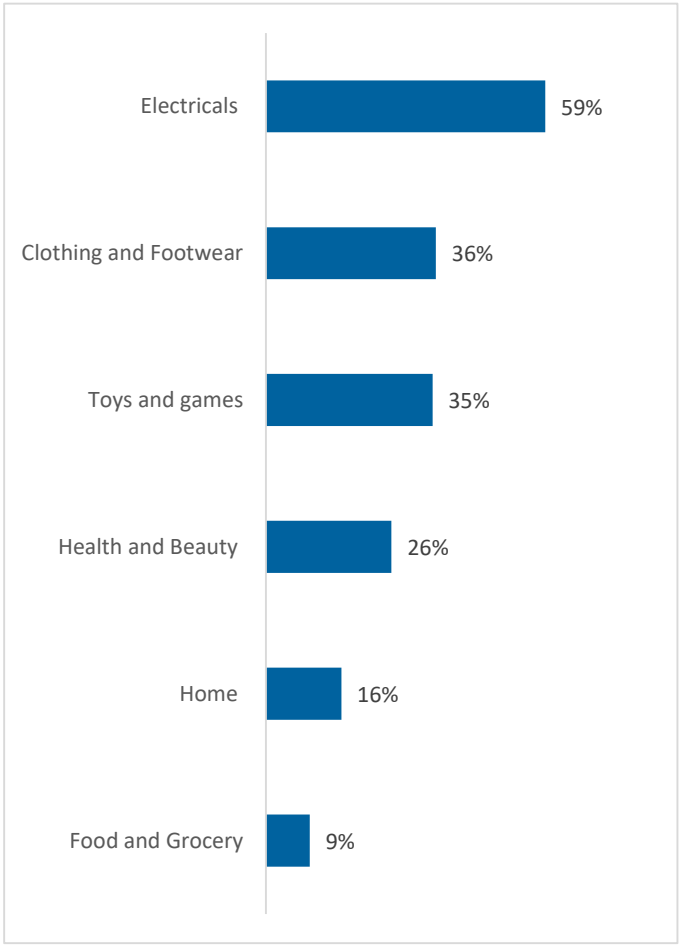
"Consumer purchasing during Black Friday are expected to spend an average of £285"

* Figures may not sum to 100 due to rounding
Source: Retail Economics
Sample size: 2,000

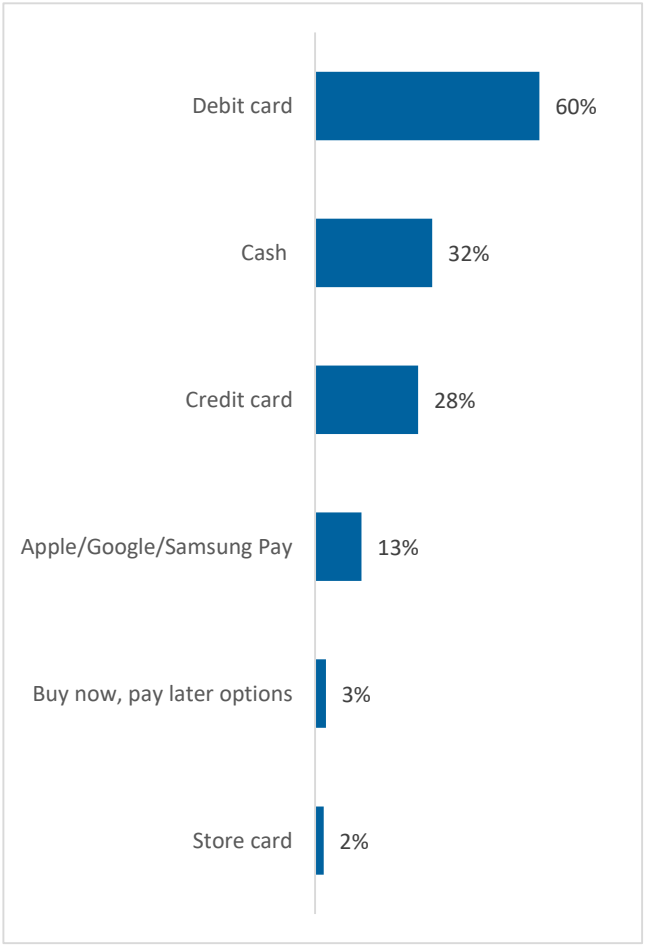
Of those that said they would partake in Black Friday shopping

What types of products are you likely to purchase during Black Friday?

Proportion of respondents:



What payment methods do you intend to use when buying goods during Black Friday?



59%

Most consumers intending to buy during Black Friday expect to purchase something within the electricals category.

"Spending during Black Friday appears to be more concentrated on electricals, apparel and toys"

* Figures may not sum to 100 due to rounding
Source: Retail Economics
Sample size: 2,000

About Retail Economics

Retail Economics is an independent economics research consultancy focusing exclusively on the UK retail and consumer industry. Our subscription service empowers you with a deeper understanding of the key economic drivers supporting the UK retail industry, providing a competitive edge needed to make critical business and investment decisions.

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Research Methodology

A consumer survey was distributed on 12 November 2019 and includes answers from a sample of over 2,000 nationally representative households.

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