

Press release

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Online sales account for a record breaking 48% of total Black Friday sales

London, December 2nd, 2016. This year we've seen a further evolution of Black Friday. The event, which in reality is still only a few years old on these shores, has become the key trading period in the UK retail calendar.

Retailers and manufacturers alike have learnt from previous years, and used this knowledge to implement what has been a much more orderly event this year. There were very few examples of websites crashing, and stores saw a controlled shopping day.

One of the potential reasons for this degree of civilisation was the extension of the event, with many marketing campaigns and deals commencing in the weeks leading up to the 25th November. Our data confirms this in stark terms when we look at the number of price changes that actually took place on Black Friday itself. From our Online Pricing Intelligence, we counted 71,000 price changes on Black Friday 2015 when compared to the day before. This year, we only saw 16,000 when looking at Black Friday versus the Thursday, showing how retailers were already geared up and using sales promotions before the big day itself. The other point to note within online pricing is a sharp fall against same day price changes; down 48% this year.

Considering the early start, how did the market perform in the week prior to Black Friday week itself? It's an interesting part of the story; we have already reported a 7% decline in value and 10.8% decline in volume when compared against the same week last year. This shows that whilst retailers are starting promotions earlier, this isn't yet generating the market gains perhaps hoped for. It appears many consumers still wait until nearer Black Friday to get what they assume will be the best deals.

Into the week of Black Friday, the total market grew 6% overall in value and this was fueled by online sales growing 21% in value, with a staggering 48% of the total sales now going through the web. As reference points, Black Friday week 2014 achieved 33% online participation, growing to 41% in 2015. Without the online growth, the market would have been in negative territory, with traditional stores overall recording a value decline of -6.1%.

The highest growth areas came from technology products; one of the best performers this year was smart audio products, which include wireless

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multiroom speakers. This area grew 182% YoY (year on year) in value. Another area of strong growth was large screen TVs, at 60 inches and above, which recorded 135% uplift. The days of Black Friday mainly being a low end, low price event have truly gone!

Moving away from technology, we saw handstick vacuum cleaners doing well at 40% value growth YoY, and dental care with 33% value growth YoY.

The homewares market performed quite differently to the electrical markets, with a 2.1% decline in value versus the Black Friday week last year. However, there were pockets of growth, with furniture up almost 4% YoY in value and candles up just under 13% YoY in value. The week itself was significantly busier than the week preceding Black Friday, with 22.7% value growth week on week, and almost 40% of this week on week growth came through internet sales.

Michael McLaughlin, Head of Retail at GfK, said “Black Friday week has again recorded growth, although less in percentage terms than in previous years. Online has taken a further slice of the pie, and based on this could realistically be well over half the market next year. As always, questions now turn to how retail will perform over the Christmas period, and with the added complexity of Brexit and declining consumer confidence as we reported earlier this week, it will certainly be an interesting time ahead.”

-Ends-

Source: GfK Point of Sales Tracking, weekly leader panel data. All data in Value GBP £. Black Friday YoY comparisons are week 47 2016 (20/11/2016 - 26/11/2016) vs. week 48 2015 (22/11/15 - 28/11/15). WoW comparisons are week 47 2016 (20/11/2016 - 26/11/2016) vs. week 46 2016 (13/11/16 – 19/11/16). *GfK Online Pricing Intelligence (OPI), data based on daily Black Friday sales 25/11/16 vs. 27/11/15. GfK Weekly Categories include SDA, Consumer Electronics, Photo, IT, Office, Telecoms, Garden Power.

EDITOR’S NOTE: Please source all information to GfK.

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