

Press release

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Peak trading season: 20 percent of annual sales achieved in only eight weeks

Nuremberg, February 13, 2020 – Black Friday is now bigger than Christmas as the peak sales event in many markets and GfK POS data charts its growing dominance. The combination of Black Friday, Christmas and post-Christmas account for one fifth of annual sales; an increase of six percent on the previous year. These are GfK's findings for the global Technical Consumer Goods market.

All three events are substantially different in their dynamics. Black Friday's sales show a heady 114 percent sales value uplift compared to the average week. One should not underestimate Christmas and post-Christmas though, with uplifts of 45 percent and twelve percent respectively. But the growth trend is much stronger post-Christmas, while the Christmas period is actually slightly declining. The relative importance of each event is similar across most key markets* with the exception of Poland, where Christmas is still the biggest event in terms of sales values, and China, where Singles day far outweighs any other seasonal promotion event.

GfK's POS data gives retailers a valuable indication of when to start their promotional campaigns. "Sales momentum starts earlier than ever," **says Norbert Herzog, GfK expert for retail insights.** "We see strong sales value growth now in the weeks leading up to Black Friday. In the week prior to the most recent Black Friday, sales grew by 17 percent, accompanied by increased levels of price promotions. The effect that Black Friday has on the whole peak season is to pull sales forward."

Driving growth across markets

Brazil saw phenomenal sales value uplift of 291 percent, generating €1.6 billion additional revenue during Black Friday week compared to the average. This growth was mirrored to a lesser extent in Germany, Italy, Poland, France and Great Britain. Spain shows the greatest week-on-week

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growth with Turkey enjoying the highest year on year growth as Black Friday is in a more infant stage in these countries.

Online vs. in-store varies over the season

Sales made online are not higher than the average week across all three events, but there is a clear peak on Black Friday, with more than 200 percent more online sales than the average week. GfK's FutureBuy study shows that 88 percent of respondents agree with the statement "Seasonal discounts trigger me to make more online purchases."

Consumers tend to go directly to the retailer's sites rather than browse via search engines. This offers a huge opportunity for retailers to garner a share of traffic and target their promotional campaigns.

Bestsellers, and the opportunity to trade up

On Black Friday, a large proportion of expenditure is on consumer electronics, with small domestic appliances and IT coming second and third. At Christmas the picture changes slightly as the gifting opportunities offered by small domestic appliances, such as beauty electronics, elevate this category to first place. Photo and telecoms also do well Christmas and post-Christmas.

Black Friday week saw considerable uplift in a range of products across individual markets, compared to the week before. Digital cameras were foremost in consumer sights in Spain and Italy; in Germany, loudspeakers. TVs were the bestselling product in Poland and Brazil, camcorders in the UK and in France, the highest growth rate was in home audio systems.

Consumers have moved beyond viewing price promotion events as a chance to snap up a bargain. They want value for money and "premiumization" is an emerging trend. 2019 saw an increase of 40 percent in average prices over Black Friday week compared to the average week. If retailers are clear in their messaging and can reassure consumers that the price promotions are genuine and offer true savings, the opportunities to extend upwards through product levels and increase sales value accordingly are considerable.

Ends

Notes to editor

*Key markets: Germany, France, Italy, Spain, United Kingdom, Poland, Turkey, Brazil.

GfK regularly collects data in more than 70 countries worldwide for tech and durable consumer goods sales through its retail panels. The GfK Point of Sales Tracking gathers continuous sell-out

data for more than 300 product groups by covering key retailers and all relevant sales channels. GfK FutureBuy® is the industry's most comprehensive syndicated study of shopper's attitudes and behaviors across 18 product categories and 27 countries. The study provides insight from 27,000 shoppers (aged 15+) about how shopping is evolving across FMCG, Tech and Durables and Other categories.

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About GfK – extracting the signals from the noise.

In a world of data overflow, disruption and misuse, picking up the right “signal from noise” is key to win. We at GfK have more than 85 years of experience in combining data and science to help you make the right business decisions. Together with our attention to detail and advanced AI, we provide you with world-class analytics that delivers not just descriptive data but actionable recommendations always-on at your fingertips. As a result, you can make key business decisions with confidence which help you drive sales, organizational and marketing effectiveness. That's why we promise to you “Growth from Knowledge”. For more information, please visit www.gfk.com or follow GfK on Twitter www.twitter.com/GfK.