



DIG360 Consulting Ltd.

## DIG360 Black Friday 2016 Preview:

Since 2010, retail strategy firm DIG360 has been tracking Black Friday behaviour in Canada. This year, DIG360 has released the following projections:

- 1) Black Friday, now ubiquitous in Canada, is in effect blurring into a weeks long promotion that is continuing on into December Holiday sales. Moneris called 2015 Black Friday bigger than Boxing Day. DIG360 expects that sales in 2016 may diffuse away from the Black Friday day. In a few years, Black Friday may lose its focus and simply be one part of a 'November-December' series of promotions, according to DIG360 head, David Ian Gray, and from a consumer perspective, Cyber Monday is fast becoming meaningless since the extended Black Friday is now firmly online as much as offline.
- 2) Black Friday promotions had plateaued at about 50% of adults in 2013 and 2014. With data collected by partner NRG Research, DIG360 determined that last year's participation jumped to 68% of Canadians. DIG360 attributes this to a combination of the longer Black Friday selling period and increased shopping on the Internet for deals by the crowd-averse. They expect physical store shopping will level out, with any increases coming from the web, estimating that 72% of Canadian adults will be Black Friday promotional browsers and buyers.
- 3) Retailers continue to teach us to wait; more than 1/3 of purchasers will postpone Holiday shopping until this weekend, based on patterns in 2014 and 2015. DIG360 will also be watching for what we call "Black Friday Shadow", a week long lull in store traffic after the Black Friday weekend ends. This first appeared in 2015 and could be a major concern for retailers.
- 4) Many shoppers will continue to browse without buying, underwhelmed by the breadth and depth of the deals; retailers will continue to protect margins and sell close to regular price as far into the Season as possible.
- 5) Almost half of shoppers will be seeking deals for themselves rather than gifts; this group is also more likely to participate on Boxing Day, and for the same purpose.
- 6) The low Canadian dollar will mean a drop in cross-border Black Friday shopping (online and offline) but from a very low proportion of Canadians (only 5-7% of Canadians physically shop the US for Black Friday). When will Canadian retailers exploit the exchange rate to lure American web shoppers?

It will be interesting to see how Canadians shop Black Friday this year, and how Cyber Monday will play out, based on the above. The DIG360-Leger 2016 Black Friday Surbey will be conducted next week, and we'll report back with the results.