

DIG360 – Leger Canadian Black Friday 2017 Report

December 11, 2017

BLACK FRIDAY CONTINUES TO BE ONE OF THE TOP TWO SHOPPING EVENTS OF THE YEAR; SHOPPER PARTICIPATION CONSTANT SINCE 2015

Canadian retail advisors DIG360 Consulting and partner Leger have once again produced the produced definitive insight on Canadian reactions to retail Black Friday promotions: [The DIG360 – Leger Canadian Black Friday 2017 Report](#).

DIG360 and Leger found 50% of 1,635 Canadian adults surveyed participated in Black Friday “Month” sales promotions, either by browsing or making purchases, online and offline. This was the same as in 2016. Almost one-third of us (31%) bought at least one Black Friday bargain this year – also in line with 2016. Women and 25-44 year olds were the most active consumer groups.

More Canadians in 2017 were seeing and buying Black Friday promotions as early as the first week in January. The share of those who saw the first deals in retail before and during the first week of November increased by 4% and reached 34%. We are now referring to Black Friday as “Black Friday Month”.

	2013	2014	2015	2016	2017
Total sample	1,005	1,005	1,003	1,578	1,635
I bought items from Black Friday sales promotions.	27%	25%	44%	30%	31%
I browsed Black Friday sales promotions but did not find anything I wanted to buy	28%	27%	24%	18%	19%
I knew about it, but did not participate in any way	42%	47%	31%	51%	49%
I was not aware of Black Friday promotions, what was that?	3%	2%	1%	1%	1%
	100%	101%	100%	100%	100%

ARE BLACK FRIDAY PROMOTIONS CANIBALIZING FALL SHOPPING?

This year, a full third (32%) of Canadians decided to postpone fall purchases in anticipation of Black Friday promotions. This is one of the more significant shifts since 2016, when the proportion was 23%.

BY A SLIM MARGIN, BOXING DAY STILL ENGAGES MORE CANADIANS THAN BLACK FRIDAY.

In terms of the importance of the specific shopping day, 17% of Canadians bought on Black Friday. This compares with 22% of those surveyed reporting they bought items last Boxing Day, December 26th, 2016.

Those engaged with Black Friday are generally "Bargain Hounds" who also are active on Boxing Day and Boxing Week. Note that 58% of those who bought Black Friday promotions are also likely to buy on Boxing Day, indicating engagement with deep discounting by this segment.

Those who sit out, tend to sit out both.

In 2015, 26% of adult Canadians told us they shopped Boxing Day. Last year 41% expected to shop Dec 26th Boxing Day 2016, but only 22% reported actually doing so. This year, 37% expect to shop Dec 26th and we predict 20% will in fact do so. There is a slight disconnection from Boxing Day occurring, but it is still features the most participation by shoppers of any day in the year. In addition, 37% of Canadians (and 53% of Black Friday buyers) expect to shop Boxing Week.

LIKE BLACK FRIDAY, BOXING DAY IS FOR ‘SELF-GIFTING’

Forty-five percent of Canadians reported shopping for themselves. In fact, 74% of those 18-24 years were using Black Friday to pick up deals for their own needs. This means that there are still many trips or clicks left in December for true gift giving and Holiday festivities.

ALIBABA SINGLES DAY PROMOTION IS ON THE RADAR OF EARLY ADOPTER CANADIAN CONSUMERS

Three percent of Canadians shopped on Chinese mega mart Alibaba.com during its global Singles Day promotions on November 11, 2017 with higher preference from men (5%) than women (1%). We will be tracking this in the future.

PHYSICAL STORES REMAIN IMPORTANT FOR BLACK FRIDAY BARGAIN HUNTERS

Bought from:	% of Black Friday Buyers
Canadian Website	55%
Canadian Store	58%
US Website	17%
US Store (Same Day Trip)	4%
US Store (Overnight Trip)	6%
3rd Party Deal Site	5%

While we do not track the dollars spent, the proportion of Black Friday buyers purchasing online and instore in Canada were fairly even. Many Bargain Hounds (54%) were shopping more than one channel.

Also, cross-border shopping has remained fairly constant of the past several years, despite the exchange rate; presumably for many, this is considered a fun, bargain-hunting excursion they look forward to. Notably, 17% of Black Friday buyers reported purchasing from a US website.

Browsed:	% Browsed, Not Bought
Canadian Website	70%
Canadian Store	44%
US Website	39%
US Store Same Day	14%
US Store Overnight	13%
3rd Party Deal Site	21%

We noted since 2015 that browsing (as opposed to buying) has declined in stores compared to the web. We believe this is because people are not going there to simply browse and window shop so much – the internet has taken on that role.

Shopping for deals online via third parties like RedFlagDeals.com or BlackFriday.com caught some shoppers’ attention and gained high scores for browsing. However, the share of actual purchases turned out to be comparatively low; only 5% of Canadians ended up buying items from these websites.

Measuring for the first time this year, 33% of buyers bought at least one Black Friday deal in a Major Mall or Shopping Centre. That is about 1 in 10 adult Canadians.

ALREADY UNDERWHELMING BLACK FRIDAY DEALS SEEM LESS ATTRACTIVE IN 2017

Since 2016, customers' overall evaluation of Black Friday promotions and discounts declined slightly from 6.2 to 5.9 out of 10. Even for those Canadians who bought items during the sales this year, the deals seemed less attractive; on average, they rated Black Friday as 6.8 as opposed to 7.1 in 2016. It seems Canadians are learning that retailers are not blowing out their stock this early in the season and this could lead to a pull-back in participation in future years. We learn well, and retailers have taught us to wait for the discount we want.

FACTORS A RETAILER SHOULD CONSIDER

- Are you looking at a day, a weekend, a week or a month of promotions? This study breaks down participation by week in November, Black Friday itself, and Black Friday weekend.
- To what degree are your sales coming from you would bring in at other times?
- We track the proportion of Canadians taking part. However, you will also want to know: are the number of transactions up? The dollars spent? Both? With a constant level of participation, revenue growth could come from smaller discounts, more items bought, or larger tickets.
- Are all stores and channels up in transactions?
- Is web traffic up, but online sales less so? This could be an indicator of use of all channels in shopping behaviour.

ABOUT THE STUDY

DIG360 has tracked Canadian Black Friday shopper behaviour since 2010. Leger on behalf of DIG360 Consulting conducted the [DIG360 – Leger Canadian Black Friday 2017 Tracker](#) through an Internet survey among the general public in all regions across Canada. A total of 1,635 respondents aged 18 years and older were interviewed between November 29, 2017 and December 1, 2017.

The final results were weighted using the 2016 census data by age, sex, mother tongue, region, education level, and the presence of children in the household to ensure a representative sample of the Canadian population.

ABOUT US:

DIG360 Consulting Ltd. helps retail executives focus or recharge sustainable growth. They help develop customer strategies that resonate with the right target audiences, competing on better experiences and relationships. David Ian Gray leads DIG360 and is a recognized expert on shopper trends impacting the sector and resulting retail strategies www.dig360.ca

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