

DIG360 – Leger Canadian Black Friday 2016 Study

December 6, 2016

DIG360 – Leger Find Almost One-Third (30%) of Canadian Adults Bought at Least One Black Friday Bargain in 2016.

DIG360 Consulting has partnered with Leger this year to produce the latest, definitive insight on Canadian reactions to retail Black Friday promotions: The DIG360 – Leger Canadian Black Friday 2016 Study. Conducted immediately after Black Friday weekend since 2010, this annual report has filled critical gaps in our understanding of this major shopping event, has debunked myths arising from anecdote and speculation, and is a useful predictor of the Season ahead.

From a meager beginning in 2009, Black Friday is now ubiquitous in Canada. DIG360 – Leger found almost one-third (30%) of 1,578 Canadian adults surveyed bought at least one Black Friday bargain in 2016. The remaining 18% were browsers who did not find anything to purchase (compared to 24% in 2015). Browsers tire-kicking deals skewed to online scanning, a fairly easy and low involvement activity. Notably, 25-44 year olds have caught up to 18-24 year olds in Black Friday participation, including online.

Retailers have been sharing mixed results; for those who feel Black Friday weekend was up over 2015, there are a few variables to consider:

- Are you looking at a day, a weekend, a week or a month of promotions? This study tracks shopper reaction to any perceived Black Friday promotion at any time and shopping was spread over a longer period in 2015.
- Is the number of transactions up? The dollars spent? Both? If so, we would then conclude a smaller group than last year is transacting more and/or spending on higher priced items.
- Are all stores and channels up in transactions? We see differences by region (BC traditionally trends lower in participation and Alberta has rebounded this year).
- Is web traffic up, but online sales less so? We are capturing both sales and browsing/research in our data.



Since 2015, Black Friday is starting early and blending into December

While retailers speak of the “Day” or the “Weekend”, they have actually been offering Black Friday deals much earlier starting in 2015. Over half (54%) of us reported first seeing Black Friday deals on or before the second week in November. And of those who bought deals, 43% began buying before the Black Friday Weekend. This finding supported the DIG360 prediction

that Black Friday would continue to diffuse into an ongoing cycle of deals from late October through to Boxing Week.



“A rise from 25% to 44% of Canadians purchasing deals in 2015 coincided with the first time there was an extended season; we see 30% in 2016 as a settling in overall participation in Canadian Black Friday”, says DIG360 Principal David Ian Gray, “and make no mistake, with 17% of us waiting until November 25 to begin to buy the deals combining with those ongoing shoppers, this is a significant weekend for Canadian retail and a major indicator of prospects for individual retailers this Holiday Season.”

Avid Bargain Hounds drive shopping, while others disconnect as deals underwhelm

Yet 2016 saw the highest level of Canadians (51%) ignoring Black Friday entirely since 2012, due to a reduction of ‘window shoppers’ who are only browsing. Gray’s theory is “many of these are not the avid bargain hounds, and they believe through past experience they will get better deals later on in December. We expect that a significant number are simply averse to the promotion-driven hype and not browsing; this shopper is likely to sit out Boxing Day as well.

The data complements anecdotal reports that shoppers are not seeing the deals expected given the pre-Black Friday ‘hype’ of past years and whispers that some vendors are refusing to offer promotional discounts for both Black Friday and Boxing Day. Canadians who bought rated Black Friday deals 7.1 out of 10 (17% rated it less than 6.0) while those who browsed without buying rated only 5.8 (38% rated less than 6.0). This is the first time we have developed this metric and will track it in future.

Online Black Friday gaining momentum, especially for browsing

Gray notes that online Black Friday activity has caught up to in-store, “of those buying promotions, 40% bought or browsed in-store only, 39% online only and the rest did both”.


Where did you shop (buy or browse) for the Black Friday sales promotions this year?

	Participation Black Friday				
	Bought & Browsed	Bought	Browsed	Aware but did not participate	Not aware
Weighted Totals :	759	468	291	805	14
Online only	46%	39%	56%	0%	0%
In-store only	33%	40%	22%	0%	0%
Both online and in-store	17%	19%	15%	0%	0%

Of browsers only, who did not end up buying a Black Friday item, 71% were perusing websites.

This data supports the known Canadian trend is to research product first, then head into stores if they are ready to buy. That said, only 4% of us bought deals via 3rd – party Black Friday deal websites in 2016. A further 10% of non-buyers browsed those sites. This was the first year we tracked this behaviour.

“Stepping back from 2016, one of the more interesting long-term trends in our data is the shift in Canadians browsing or buying from stores to online Canadian websites for Black Friday sales”, notes Gray. In 2013, 38% of Canadians shopped (browsed or bought) at a Canadian website for Black Friday deals and this proportion has grown steadily to 56% this year. This has come of course at the expense of physical stores, which has seen a shift in activity from 73% in 2013 to 48% in 2016 of Canadians who are browsing or buying Black Friday deals. Gray believes this could be a sound proxy for overall trends in online shopping in Canada, at least for Holiday promotions where many shoppers are averse to the crowds.



DIG360 Canadian Black Friday Tracker
Excerpts 2013 - 2016

*This annual study is of the reported actual Black Friday reactions of adult Canadians, sample weighted to the population **

	2013	2014	2015	2016**
Total sample	1,005	1,005	1,003	1,578
I bought items from Black Friday sales promotions.	27%	25%	44%	30%
I browsed Black Friday sales promotions but did not find anything I wanted to buy	28%	27%	24%	18%
I knew about it, but did not participate in any way	42%	47%	31%	51%
I was not aware of Black Friday promotions, what was that?	3%	2%	1%	1%
	100%	101%	100%	100%
	2013	2014	2015	2016**
Total Respondents who <u>bought</u> or <u>browsed</u> Black Friday sales	273	516	681	739
I shopped (bought or browsed) for Black Friday sales items in Canada at a store	73%	61%	58%	48%
I shopped online for Black Friday sales items from a Canadian website	38%	42%	51%	56%
I shopped online for Black Friday sales items from an American website	13%	14%	21%	19%
I traveled across the border to the U.S. and back the same day.	2%	5%	4%	2%
I traveled across the border to the U.S., stayed overnight	3%	3%	3%	2%

** Note: we partner each year with a research firm to survey Canadians 18+ immediately after Cyber Monday reported actual shopping behaviours around Black Friday sales promotions*

**** Our partner for 2016 is Leger**

Canadians shopping Black Friday from US is flat online and down cross-border

While the percentage of Canadians browsing or buying deals doing so from US websites peaked in 2015 at 21%, it is still fairly constant at 19% this year, despite the poor exchange rate. And cross-border store shopping, while always a small minority of shoppers, has expectedly declined from its peak in 2014.

Cyber Monday becoming less relevant to Canadian shoppers

Blended into Black Friday is Cyber Monday at the end of the weekend. It was created in the US in 2005 to draw attention to emerging internet retailers, with an alternative shopping day to physical store Black Friday.

Cyber Monday is becoming less relevant to Canadians given the breadth of Black Friday deals offered online. Thirteen percent of Canadians bought Cyber Monday promotions while 21% browsed those deals without buying. Two-thirds of Black Friday buyers were finished by Cyber Monday; they either sat out or browsed without buying. Leger's Sandie Sparkman added "Canadians are still less aware of Cyber Monday (at 94%) than Black Friday at 99%; notably in French Canada with 10% unaware".

Black Friday Buyers rated Cyber Monday deals lower at 6.6 out of 10.0 (28% rated them less than 6.0). And a full 76% of Canadians do not recognize a difference between Cyber Monday and Black Friday deals.

Black Friday disrupts traditional timing of Seasonal shopping, does not increase buying

Much of Black Friday is a shift in when shoppers are buying, as opposed to an overall "lift" in sales across the Holidays. The DIG360 – Leger study found 28% of Canadians who bought deals had postponed purchases this fall until they could see what Black Friday offered

This is the time for self-gifting. Forty-one percent of Canadians browsing or buying Black Friday weekend were mostly shopping for themselves, which is more likely to impact Boxing Day than gift buying for others in December. Only 37% of 2016 Black Friday buyers, largely a bargain-hunting crowd, reported buying items on Boxing Day last year (10% could not recall), suggesting a shift in spending.



Finally, in 2015 retailers noticed an unusual drop in store traffic in the full week following Black Friday weekend. Gray tells us "we called this "Black Friday Shadow" and were concerned that it may be an ongoing pattern resulting from some momentary bargain-hunting fatigue; however, our research suggests this will not occur in 2016". Almost 2/3 of Black Friday buyers and half of Canadians overall expected to be Holiday shopping the following week, according to the DIG360-Leger Canadian Black Friday 2016 Study.

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 2016 Study through an Internet survey among the general public in all regions across Canada. A total of 1,578 respondents aged 18 years and older were interviewed between November 28, 2016 and December 1, 2016.

The final results were weighted using the 2011 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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