

Retail advisors DIG360 and research firm Leger have produced our annual survey of Canadian Black Friday and seasonal shopping behaviour. In addition to an accurate recap of this event, we believe November is a strong indicator of overall Holiday Season retail success.



# CANADIAN BLACK FRIDAY & HOLIDAY SHOPPING REPORT 2019

## Highlights:

- + We maintain our earlier prediction of 2% growth in November and December retail revenues in 2019. Fewer deep mark-downs will offset a flat participation in Holiday shopping. We based this on Black Friday patterns, reported sales in 2019 to date, and an expectation that there will be less excess inventory toward the end of the year.
- + There was a delayed start to promotions, but Black Friday month finished strong. 37% of Canadians bought at least one Black Friday promotion in November this year, up from 34% a year ago. Over half of buyers (52%), or 19% of all Canadians, bought on Friday November 29th (17% in 2018).
- + Over half (52%) of the deal buyers, or 19% of all Canadians, bought on Friday November 29th (17% in 2018). Across the month, 58% bought deals at a Canadian website, the same as those shopping Canadian bricks and mortar and up 5% over 2018. Deal buyers spent online and offline on November 29th an average of \$299.
- + Tracking for the first time, we found a full 15% of all Canadians purchased a Black Friday deal from Amazon during the month, an indicator of the clout of this giant.
- + Notably, 1/4 of Canadians experienced delays in online Black Friday orders. While troublesome, this is much lower than 41% in 2018, which featured a major postal strike. Ontario had a higher reported incidence of problems.
- + We are predicting for the first time that Canadians will be as likely to buy on Boxing Day as on Black Friday (November 29th), 19% of us on each day. We expect the small increase in Black Friday purchasing to collide with fewer Canadians expecting to shop this Boxing Day. This negates our prior prediction.
- + We should remember just under half (45%) of the Canadian population does not engage in these bargain-hunter Black Friday promotions, and most of these also sit out Boxing Day. Despite the hype, consumers are rating Black Friday deals as lacklustre, 6.0 out of 10.0, down from 6.4 in 2018.

DIG360 nailed its shopping predictions this season. We predicted 38% would buy a Black Friday deal and the actual was 37%; we predicted 17% would buy on the day itself, and 18% purchased on Friday 29th. Overall, shopper participation in November Black Friday deals has been fairly consistent since 2013. We got some wrong, as well. Feel free to compare our predictions here: [dig360.ca/DIG360\\_8RetailHolidayPredictions.pdf](https://dig360.ca/DIG360_8RetailHolidayPredictions.pdf)

**A LOOK BACK:**

**After a delayed start, Black Friday month ended strong.**

**Despite industry concerns, Black Friday Deals Are Entrenched With Half of our Population Participating (Browsing or Buying) Through the Month of November.**

In 2019, 48% of Black Friday deal buyers made a purchase prior to Black Friday. This was up from 43% last year, but Black Friday was six days later this year which may account for the difference. About a quarter of buyers purchased through the weekend.

We noticed that many retailers had delayed the start of heavy promotions compared to past years. This may be to hold margin, but also they might have factored the unusually late date this year. Regardless, we can see in the chart that Canadians were first noticing promotions a bit later.

DIG360 and Leger found over half of Canadian adults (55%) participated by browsing or buying in 2019 Black Friday deals through November. This is a plateau. It is the same as in 2013 (55%), and basically the same as last year (54%).

However, there is a significant difference over that time. Black Friday deal buyers represented 25% of the adult population in 2013 and 37% today. The latest is up 3% from last year, which is supported anecdotally.

This continues to be a young person's sport, with almost half of those 18-34 buying at least one Black Friday deal this season. The incidence of buying amongst older demographics is rising.

**BOUGHT BLACK FRIDAY DEALS BY AGE**

	2018	2019
18-35	43%	47%
35-54	37%	37%
55+	25%	30%

It is important to remember that many Canadians (45% in fact) avoid the Black Friday hype, and to some extent Boxing Day as well. The marketing opportunity is to remember to also focus on underlying needs, not only discounts, as the core messaging in November.

Canadian retail executives are growing more and more concerned about the negative impact on margins caused by the widespread month of Black Friday deals. Of Canadians who participated in Black Friday, 39% reported delaying a major purchase to wait for the sale. This is a new high. In 2019 there seemed to be less deep discounting by the retail leaders.

**VARIOUS RETAILERS RECENTLY HELD BLACK FRIDAY SALES PROMOTIONS. HOW DID YOU PARTICIPATE, IF AT ALL, IN THESE PROMOTIONS?**

	2014	2015	2016	2017	2018	2019
TOTAL SAMPLE	1,005	1,003	1,578	1,635	1540	1518
<i>I bought items from Black Friday sales promotions.</i>	25%	44%	30%	31%	34%	37%
<i>I browsed Black Friday sales promotions but did not find anything I wanted to buy.</i>	27%	24%	18%	19%	20%	18%
<b>PARTICIPATED: BROWSED OR BOUGHT</b>	<b>52%</b>	<b>68%</b>	<b>48%</b>	<b>50%</b>	<b>54%</b>	<b>55%</b>
<i>I knew about it, but did not participate in any way.</i>	47%	31%	51%	49%	45%	43%
<i>I was not aware of Black Friday promotions, what was that?</i>	2%	1%	1%	1%	2%	2%
<b>DID NOT PARTICIPATE</b>	<b>49%</b>	<b>32%</b>	<b>52%</b>	<b>50%</b>	<b>47%</b>	<b>45%</b>

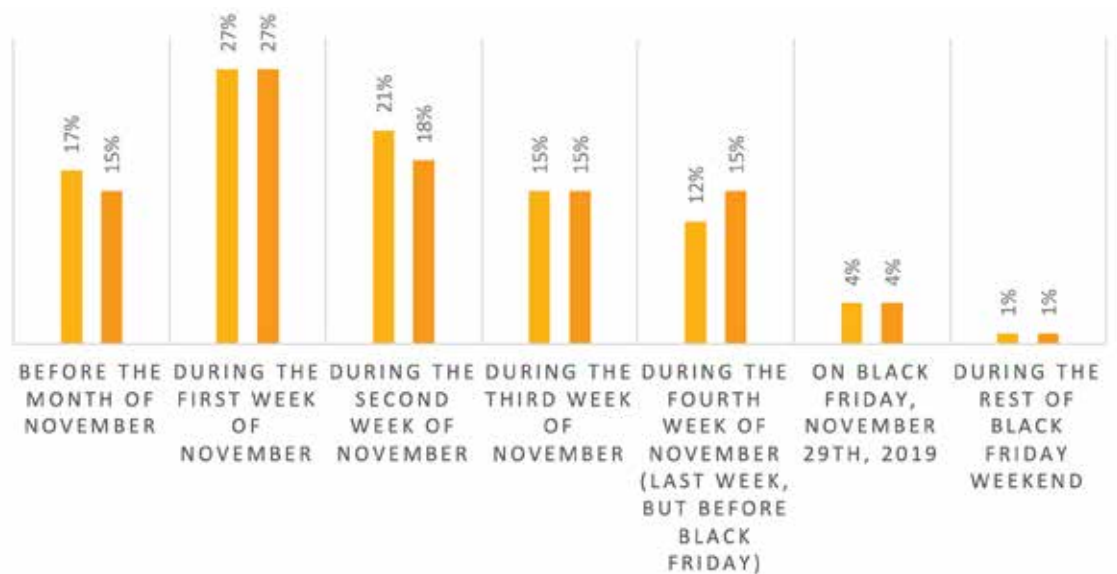
## Black Friday The Day Is Still Growing and Is One of the Top Selling Days of the Year

This year saw a new record as 19% of Canadians bought at least one deal online or in-store on Black Friday, November 29th. Last year it was 17%. This reinforces it as one of the most participated days of the year (along with the last two Saturdays prior to Christmas, and of course Boxing Day). Looking at this another way, we see that about half of deal buyers bought on the actual Day (52% in 2019 and 49% last year). Of all deal buyers, 88% were purchasing or searching online on November 29th. This compares with 45% of buyers visiting physical stores that day. Canadians spent an average of \$299 per buyer on Black Friday.



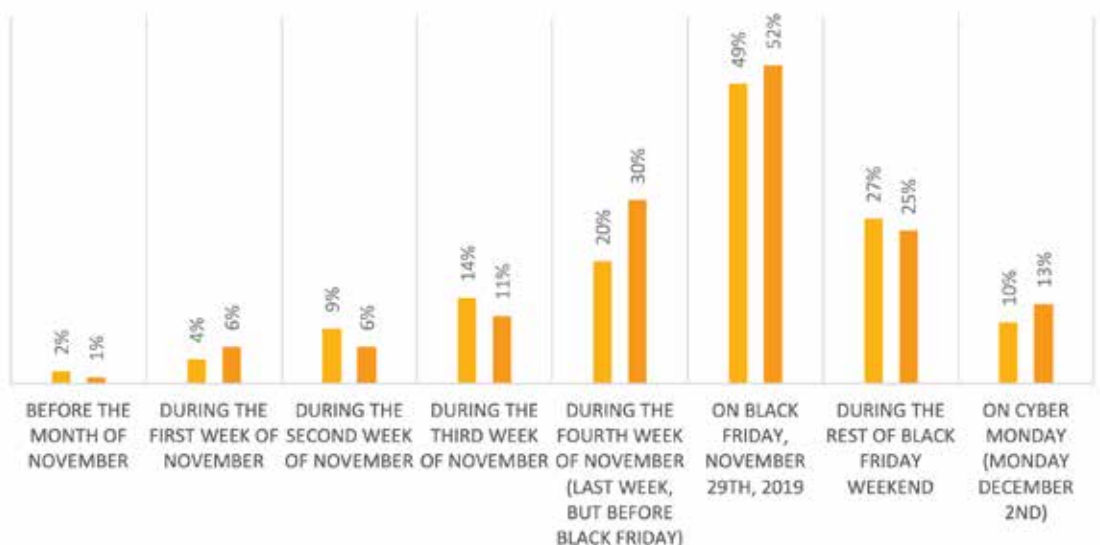
### First Noticed Black Friday Deals

2018  
2019

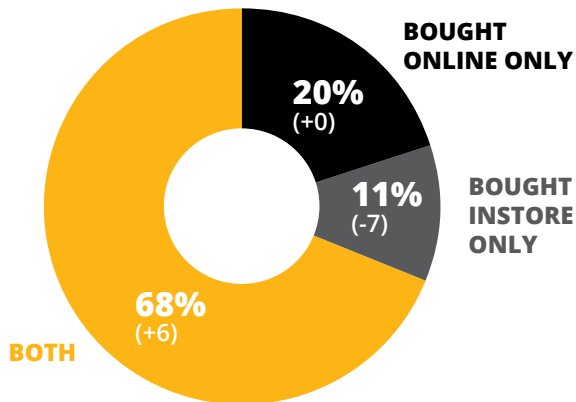


### Timing of Buying Black Friday Deals

2018  
2019



**WHERE DEALS WERE BOUGHT  
(AND CHANGE FROM 2018)**



**WHERE I BOUGHT BLACK FRIDAY DEAL ITEMS**

	2018	2019
At a Canadian store website	53%	58%
In Canada at a store	58%	58%
At a US store website	17%	18%
In US at a store (same day+overnight)	10%	8%

Base: those who bought Black Friday deals

**This is an Omni Buying Event**

We can see stores continue to play a key role, as 79% of Canadians bought some or all of their deals there. However, the shopping of both channels grew 6% - with a corresponding drop in store-only buyers. Malls still drive Black Friday traffic with 45% of participants visiting in 2019.

These heavy shopping moments are a critical 'stress test' for retail systems, for stores and especially the web. We see online volumes approaching the targets retailers are setting for year-round ecommerce growth. However, we also know there is friction for Canadians buying online at this time. Even with no Postal strike, a quarter (26%) of online buyers experienced delays or errors ordering Black Friday deals.

**Cyber Monday had a small bounceback.**

Cyber Monday has become 'spin' in recent years, with the abundance of online Black Friday deals. However, 13% of those who bought Black Friday deals reported buying on Cyber Monday, up from 10% in 2018. This coincides with reports we received from retail leaders, suggesting this is not sample error.

**A LOOK AHEAD:**

**Concerns about online order accuracy and shipping delays will drive traffic to stores in December.**

Canadians will be time pressed between the late Black Friday and Christmas Eve and are concerned about ordering online. Therefore, we expect to see shoppers move forward the date that they turn to stores. The Winners & Marshall's campaign of the past two years captures this perfectly.

**CONCERNS WHEN CONSIDERING PURCHASES ONLINE IN DECEMBER FOR GIFT GIVING**

	On-time concerns	Order accuracy concerns
Greatly concerned	17%	15%
Somewhat concerned	33%	30%
Not very concerned	31%	37%
Not concerned at all	19%	19%
	100%	100%

The percent of those buying Black Friday deals mostly or all for themselves was down for the first time in several years (43% compared with 48% in 2018). We also expect a smaller drop-off in shopper activity after Black Friday weekend, as shoppers switch from their own wants to buying gifts in a shorter Holiday lead time.

**We predict a slight decrease in Boxing Day and Boxing Week deal hunters in 2019.**

	2017	2018	2019
Likely to Shop (the upcoming Boxing Day)	37%	45%	40%
Purchased Boxing Day deals (recall the prior year)	26%	21%	19%*

\* - predicted for 2019

A smaller proportion of Canadians (40% vs. 45% in 2018) report they will shop Boxing Day this year. The number expecting to shop is always greater than those who actually buy. We are predicting 19%, for the first time in line with the proportion buying on Black Friday.

## TRENDS TO WATCH

### Amazon Effect is Real

Amazon drew 15% of all Canadians to buy a Black Friday deal. Compare with with 23% buying from any Canadian store website. More impressive is that 65% of all participants (browsers and buyers) at least took a look at deals on Amazon and 34% of buyers bought something from it.

### Quebec participation growing, while the Prairies are less engaged.

Leger's Christian Bourque has observed "a heavy weighting in the past in Quebec to English language retailer advertising and communications". Quebec is catching up to the rest of Canada in Black Friday bargain-hunting, with 32% buying this year, on par with the Prairie region. The latter has dropped from higher past levels, in line with its lack of shopping enthusiasm in the past year. Atlantic Canada leads the country with 46% of people buying deals, followed by Ontario and BC at 40%.

### Canadians continue to grow cynical of month-long Black Friday deals and postpone purchases in anticipation of deeper discounts.

This was a concern we raised in our 2019 Predictions last month. Overall, Canadians rated Black Friday deals 6.0 out of 10.0, ranging from 5.3 of those who opted not to buy to 6.9 amongst buyers. This continued a slide; deals were rated 6.4 last year.

In addition, 39% of browsers and buyers said they postponed at least some purchasing this year, a 6% increase over 2018. While this suggests retailers are holding onto

margins longer, it also reinforces a trust gap with cynical shoppers.

### While challenged to gain shopper attention, local independent stores saw a few more Black Friday deal browsers and buyers in 2019.

Just over a third (35%) of Canadians who browsed or bought did so at local independent stores. In 2018 the figure was 32%. The 2019 result ran counter to our own projection that indie stores would see further declines. Perhaps reflecting its concentrations of national retailers, Ontarians had the lowest incidence of engagement with independents, at 31%.

### Alibaba Singles' Day (Nov 11) still awaiting Canadian "bump".

We predicted 8% of Canadians to buy Singles Day deals on November 11th (up from 5% in 2018). The actual growth is slower, reaching 6% this year. Ontario led at 10%. Across Canada, one in five (20%) of those aged 25-44 browsed or bought.

However, awareness is at 36%. This will soon rise. As word of mouth spreads and as other

brands and stores in turn co-opt the day from Alibaba, we will see an upturn in buying.

Singles' Day originated in China, beginning in the 1990's to celebrate being single for young people in that country. Co-opted by Alibaba in 2009, the Singles' Day Global Shopping Festival on its site is now the biggest shopping day in the world.

### No hassle returns and guaranteed delivery dates are emerging as difference makers for online.

New to the report this year, we asked about the top influences on choosing an online retailer, assuming same price, same product. Same day delivery was named by 13% of Canadians. Compare that with 38% citing an exact delivery date. This frames the challenge for retailers – as well as an opportunity to differentiate from Amazon.

Note that buying Canadian is less important to Black Friday buyers (deal hunters) that the overall Canadian population of shoppers.

### DECIDING BETWEEN TWO ONLINE SELLERS OFFERING YOU THE SAME PRODUCT AT THE SAME PRICE, WHAT ARE THE TWO MOST IMPORTANT FACTORS THAT WOULD ULTIMATELY INFLUENCE YOUR DECISION.

SAMPLE ALL CANADIANS AND BLACK FRIDAY DEAL BUYERS :	ALL CANADIANS	I bought items from Black Friday sales promotions
	1518	564
Will guarantee an exact delivery date	38%	41%
Has the best no-hassle return policy	37%	40%
Company is headquartered in Canada	30%	26%
Has the best reputation for accuracy of orders	26%	25%
Offers same day delivery	13%	14%
Has better eco-friendly packaging	11%	11%
Frequently send emails with promotions and sales	5%	8%

## ABOUT THE STUDY

DIG360 has been tracking the Canadian Black Friday experience and its impact on Holiday retailing since 2010. For the 4th consecutive year, Leger has been a strong partner in this work.

The findings rely primarily on a web survey conducted from December 6 to December 9, 2019 with a representative sample of 1,518 Canadians who were English- or French-speaking, and 18 years of age or older. As a comparison, a probabilistic sample of 1,518 respondents yields a maximum margin of error of +/- 2.5%, 19 times out of 20.

Using data from Statistics Canada, the results were weighted according to gender, age, region, mother tongue, education and whether or not children are present in the household to ensure a sample representative of the entire population under review.

Please feel free to share insights and data from this report; however, please refer to "DIG360 – Leger" if citing this information.

### FOR MORE INFORMATION, PLEASE CONTACT:

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## ABOUT US

# DIG360°

**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.

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