

# BFCM shopper intent and retailer execution

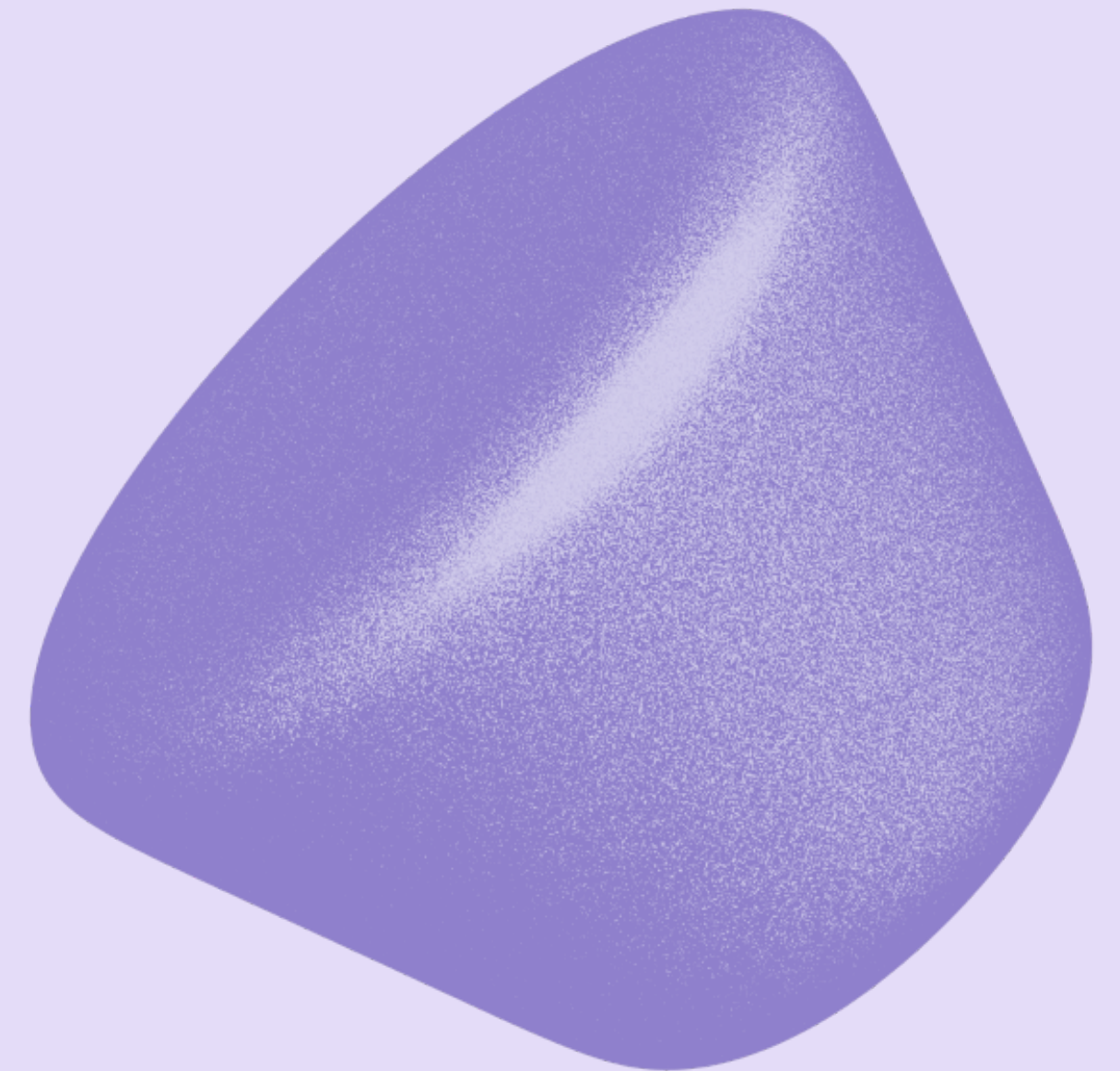
Insights into the strategy and  
performance of BFCM in the UK

## Introduction

Acuity Pricing has teamed up with Tracksuit to monitor consumer sentiment around BFCM and used price and range tracking data to see if retailers successfully executed strategies to appeal to shoppers' buyer intentions.

In this report, we review some of the strategies employed by retailers, and highlight key takeaways for those who wish to see more success at future discount events, as well as a warning for those who turned their back on the occasion this year.

 acuitypricing x Tracksuit



## Overview of the 2023 BFCM landscape

Black Friday and Cyber Monday have become increasingly diversified events in terms of their category offering.

Consumer data from Tracksuit revealed significant purchasing intention for discount events such as BFCM, particularly when buying luxury items.

With Boxing Day and January sales ahead, retailers and brands with the ability to do so must offer discounts on luxury brands across a variety of categories to appeal to a wider demographic.

Alternative finance options such as 'Buy Now Pay Later' were central to appealing to a wider selection of consumers struggling with the cost of living.

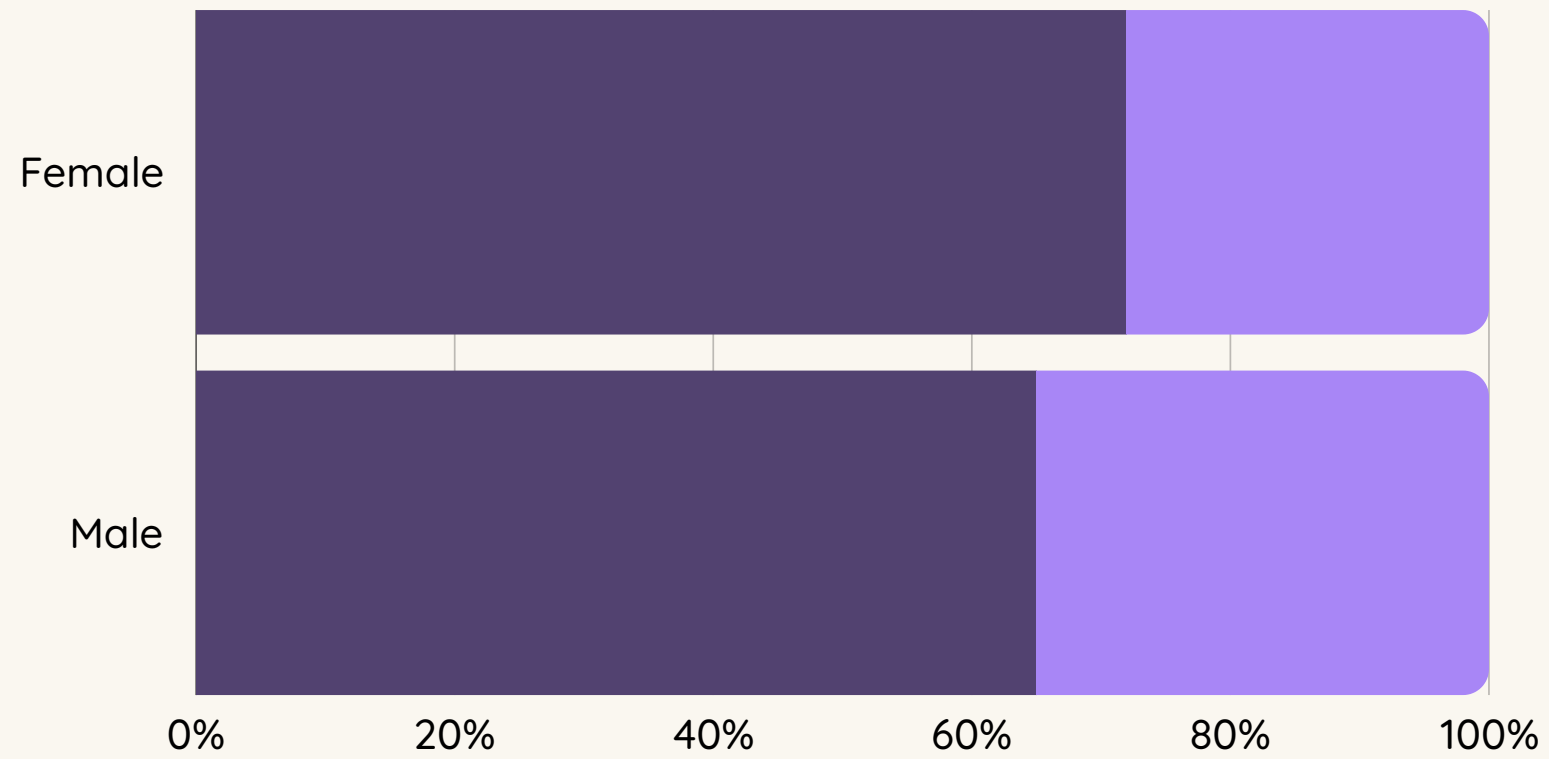
## Consumer sentiment around Black Friday

- The majority of consumers were expecting to make a BFCM purchase, and retailers not partaking in the event risked losing vital footfall.
- Retailers should focus on providing discounts on luxury goods, which drive a higher consumer buying intent.
- The depth of cut on discounts on established brands can be reduced in the UK, where brand loyalty in most age groups is high. 40% of respondents stated they would make a purchase based on the brand, rather than the discount.
- Understanding of shopping intent based on demographic is key to ensuring personalisation and effective discounting campaigns.

## How consumer intent changed by gender

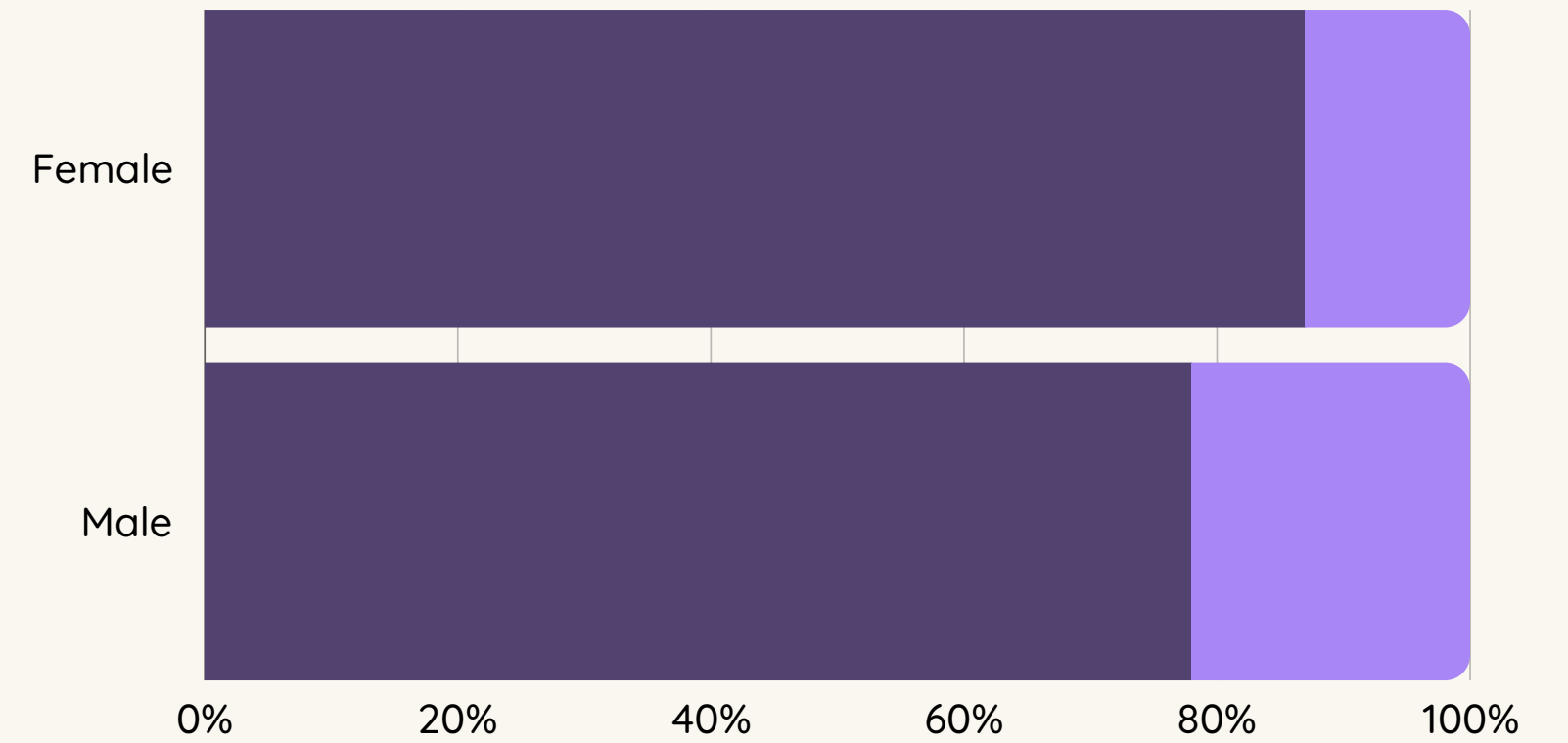
I generally will wait for a sale or discount before making a purchase

■ Yes ■ No



I will wait for a sale or discount to buy something indulgent or expensive

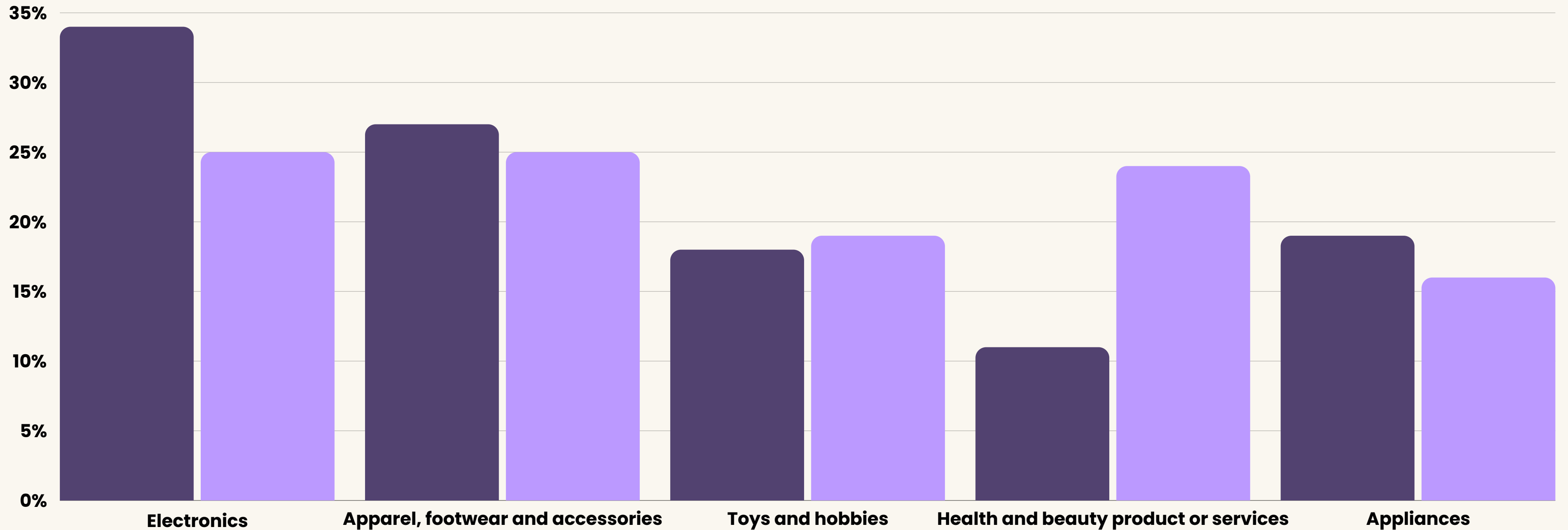
■ Yes ■ No



## What consumers planned on purchasing in BFCM 2023, by gender

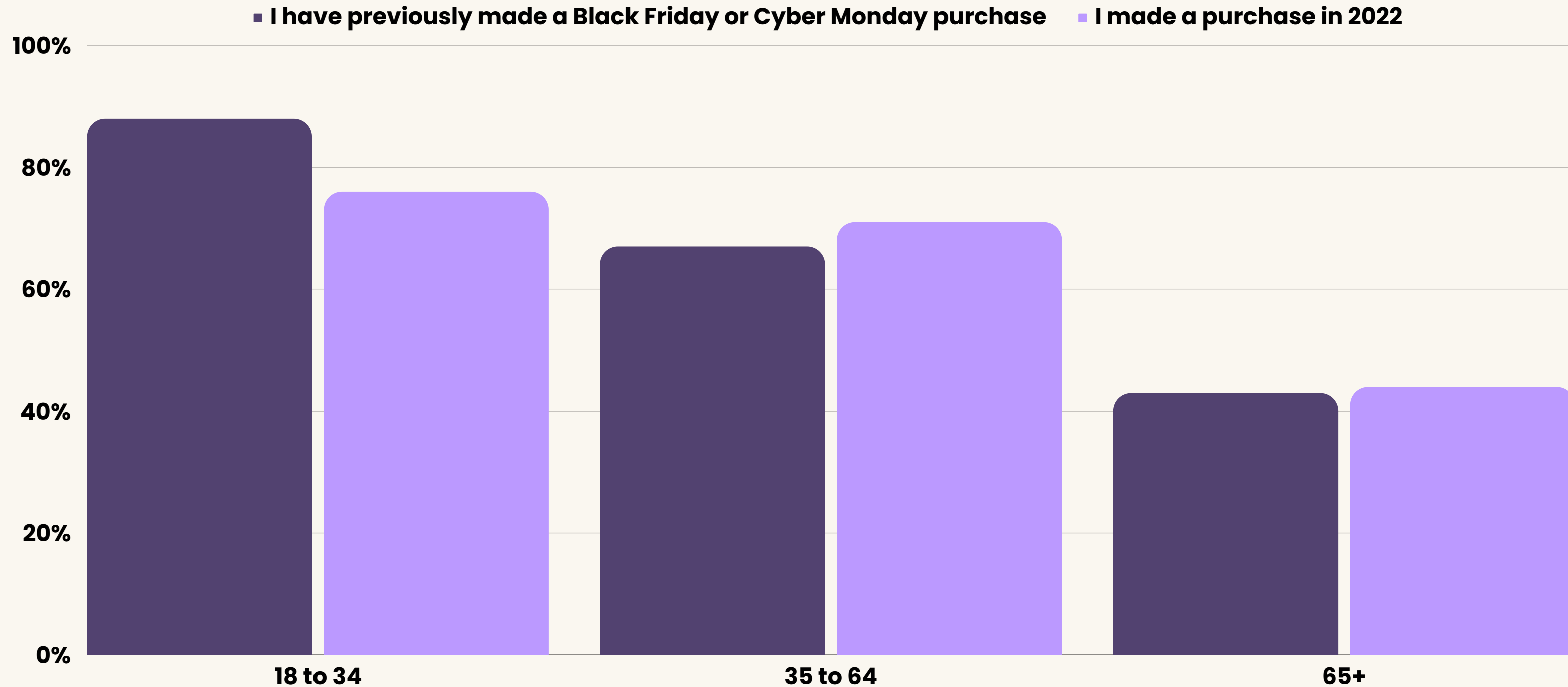
Offering a varied BFCM sale will be vital to secure interest across all genders. Despite female respondents' preference for discount events, only **66%** participated in BFCM in 2022, compared to **72%** of men. This is likely due to the events association with electronic products which received a higher purchasing intention amongst men.

Female respondents also indicated a more varied purchasing preference with health and beauty, apparel, and electronics all receiving similar interest.



## How consumer intent changed by age group

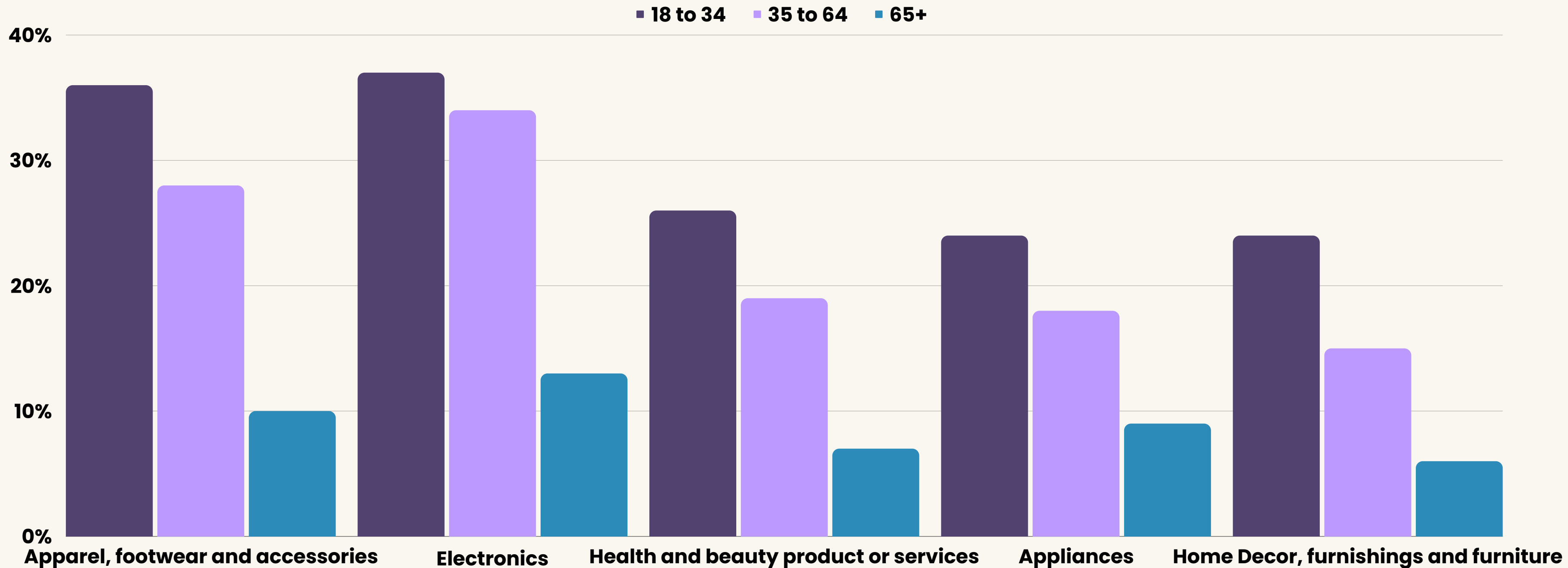
Tracksuit's data showed that BFCM was overwhelmingly popular with Gen Z and Millennials, but there was significant disinterest amongst respondents 65+ who have more disposable income. Retailers who were selective in their targeting may have achieved more success.



## How consumer intent changed by age group

Brand loyalty was lowest amongst 18-35 year olds, with just **31%** of respondents stating they would choose a brand over a discount.

The appeal of discounts is clear amongst this age group, with **37%** and **36%** of respondents stating they intended to use BFCM to purchase items in electronics and apparel. As such retailers who have pushed items in these categories will have likely seen the most traffic.





## What consumers planned on purchasing in BFCM 2023, by income

Category	Low	Mid	High
Apparel, footwear and accessories	26%	27%	26%
Electronics	23%	32%	42%
Health and beauty product or services	16%	18%	21%
Appliances (including white goods and small appliances)	13%	19%	20%
Home decor, furnishings, and furniture	15%	15%	14%
Home improvement	9%	10%	12%
Sports equipment	7%	10%	27%
Toys and hobbies	19%	18%	20%
Travel leisure (Recreation, air travel, hotel stays)	4%	11%	15%
Entertainment (Concerts, experiences, etc)	6%	12%	8%
Other	4%	1%	3%
None of these	38%	32%	23%

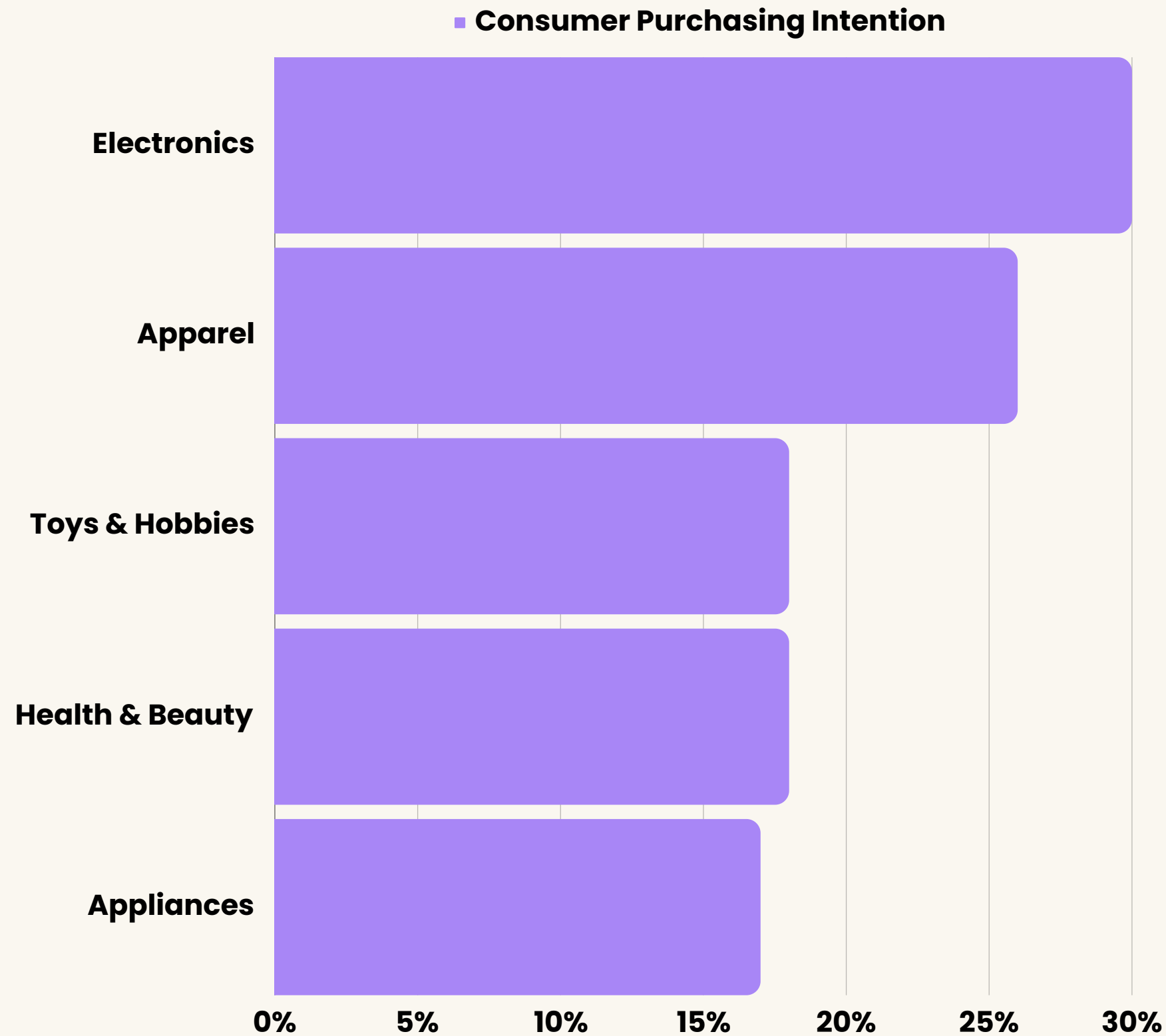
**46% of high-income shoppers** stated they would choose a brand over a discount, suggesting retailers should make sure they include well established brands within their BFCM campaign, but that the discounts don't need to be significant to win consumer spend.

## What we saw in terms of categories and brands on offer and price points

- Electronics were still the leading discounted category, but the rise in the other categories suggests that BFCM has become a more generalist shopping event in order to capture Christmas spend.
- Retailers included premium brands in order to lure shoppers in, but discounting on these was modest, protecting margins.
- Opportunities to cover consumers' appetite for fashion discounts were missed as several high profile retailers chose not to participate in the event.
- Amazon was the leader in price matching through its price matching algorithms, which provides an opportunity for retailers to leverage price automation in future shopping events.

## Consumer purchase intention by category

Tracksuit's data showed considerable interest amongst consumers for a BFCM event that covers multiple categories, and data from Acuity Pricing indicates that retailers are predominantly reflecting this interest.



**31%** of listed electronics items were discounted for BFCM, highlighting significant investment into the event.

**40%** of electronic items included in the BFCM sale were from luxury brands, including Apple, Samsung and Sony.

Health and Beauty saw the highest quality discounts during BFCM, averaging **18%** compared to their October price.

## Discounting on electronics

Acuity Pricing data shows how discounts have been implemented by retailers. To assess the quality of the discounts on offer, Acuity compared current prices to those on the 24 October.

Retailer	Items with Discounts	Percentage of Discounted Stock	Average Discount	Top Brand	Top Brand by Average Discount
Amazon UK	899	14.2%	6%	Epson	Dell
AO.com	128	7.1%	11.4%	Samsung	Samsung
Argos	905	23.5%	22.1%	Apple	Speck
Currys	2,658	35.1%	17.2%	Samsung	Amazon
John Lewis	1,764	47.1%	15.2%	Apple	Amazon
Very	1,799	64.5%	13.8%	Apple	Amazon

Data indicated that these retailers have invested significantly in luxury items, with **40%** of all items falling under this criteria. The strength of brand image of these items has allowed retailers to reduce the average discount, allowing for higher margins for brands and retailers alike.

Retailer	% Luxury Items	Average Discount on Luxury Items
AO.com	68.8%	9.8%
John Lewis	45.1%	8.9%
Very	35.7%	8.2%
Currys	29.5%	12.0%
Argos	24.0%	12.0%
Amazon UK	13.6%	8.8%

## Discounting on apparel, footwear and accessories

In comparison to electronic discounts, the most popular discount format was percentage savings such as 'Save 20%', arguably offering greater clarity to consumers on how much they're saving.

Retailer	Volume	Average Discount
The North Face	185	12.1%
Adidas	157	20.6%
New Balance	147	6.6%
Converse	87	16.4%
Vans	64	23.5%
Columbia	57	7.7%
Under Armour	32	11.0%
Reebok	31	16.4%
Nike	31	22.6%
Hunter	16	19.0%

## Discounting on health and beauty

Health and beauty saw some of the most significant discounts during BFCM. Over 47 categories were discounted, with facial makeup topping the list at 15,106 items, amounting to **24%** of all promoted listings.

Retailer	Discounted Items	Percentage of Discounted Stock	Average Discount	Top Brand	Top Brand by Average Discount
Boots	24,404	81.9%	17.61%	Dior	FCUK
John Lewis	7,484	36.5%	19.98%	MAC	Pai
lookfantastic.com	23,150	76.6%	17.82%	MAC	Nivea
Superdrug	8,479	41.9%	14.79%	L'Oreal Paris	Juvia's Place

Category	Discounted Items	Average Discount	Average Item Price
Facial Makeup	15,106	-18.5%	£22.42
Lip Makeup	7,318	-18.5%	£16.10
Hair Care	7,109	-16.2%	£17.00
Eye Makeup	6,716	-19.5%	£14.21
Facial Moisturiser	4,916	-19.3%	£43.48

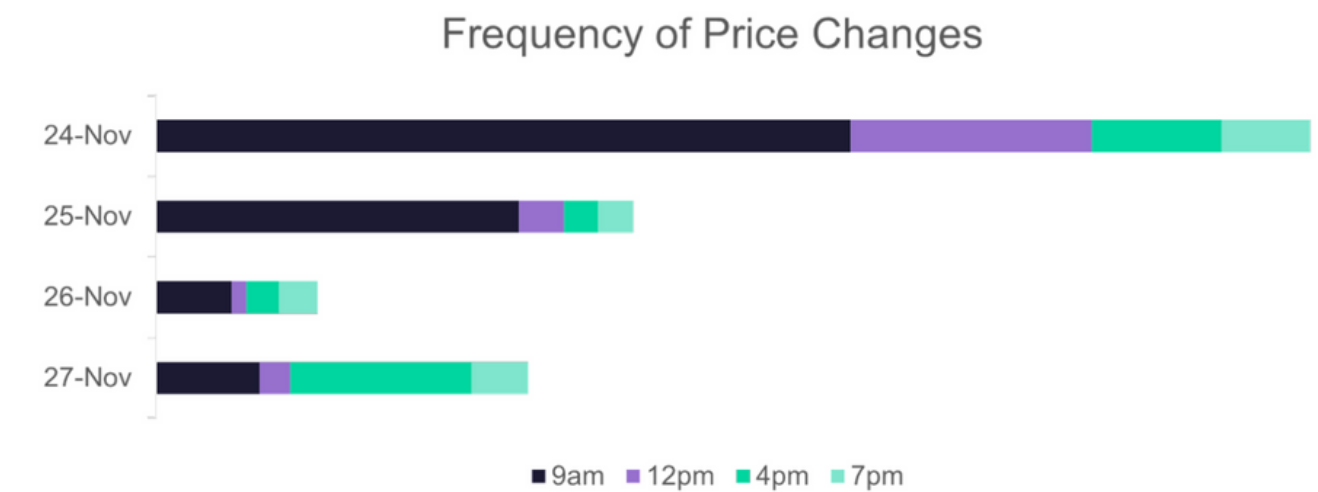
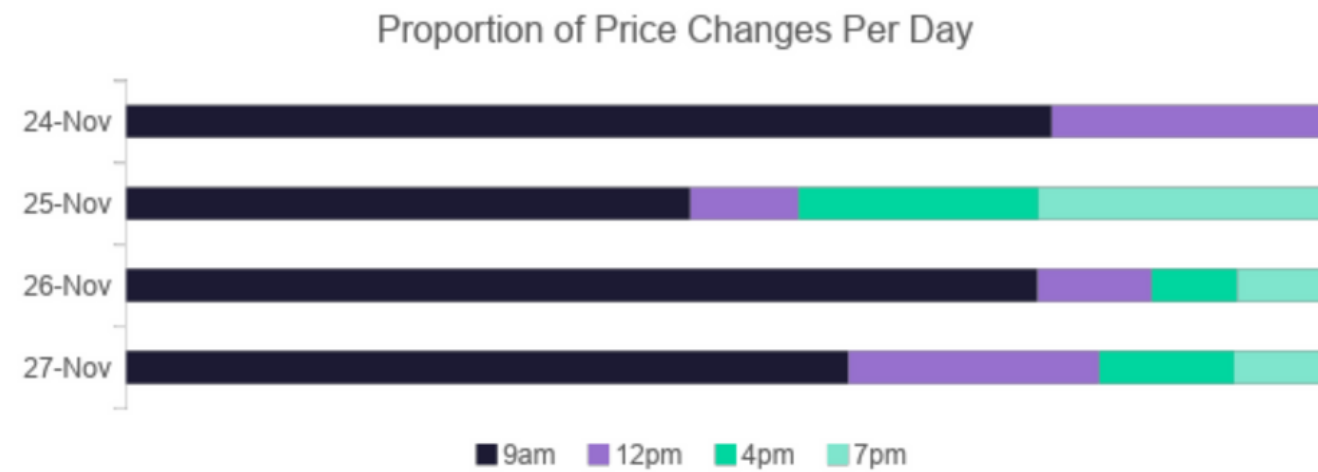
## Discounting on health and beauty – Brand

Brand	Discounted Items	Average Discount	Average Item Price
Revolution	1,353	-25.8%	£5.81
Nyx Professional Makeup	973	-20.3%	£7.78
Bobbi Brown	1,290	-19.0%	£28.53
MAC	3,181	-18.9%	£20.73
Clinique	1,574	-18.5%	£26.34
Estee Lauder	1,434	-17.7%	£40.38
Lancome	1,072	-17.2%	£35.79
Yves Saint Laurent	909	-14.9%	£38.41
L'Oreal Paris	1,588	-12.6%	£9.67
Own Label	1,880	-8.4%	£9.79

**63%** of listed items within health and beauty contained a discount of some level, demonstrating retailer commitment within this category.

**132%** increase in website visits for Sephora during BFCM highlighting the importance of alternative shopping channels.

## What we saw around intra day price changes



**91%** of respondents to Tracksuit's survey stated they made a purchase online in 2022, demonstrating the opportunity available for retailers with dynamic pricing technology.

**57%** of tracked price changes across the BFCM weekend occurred in the morning.

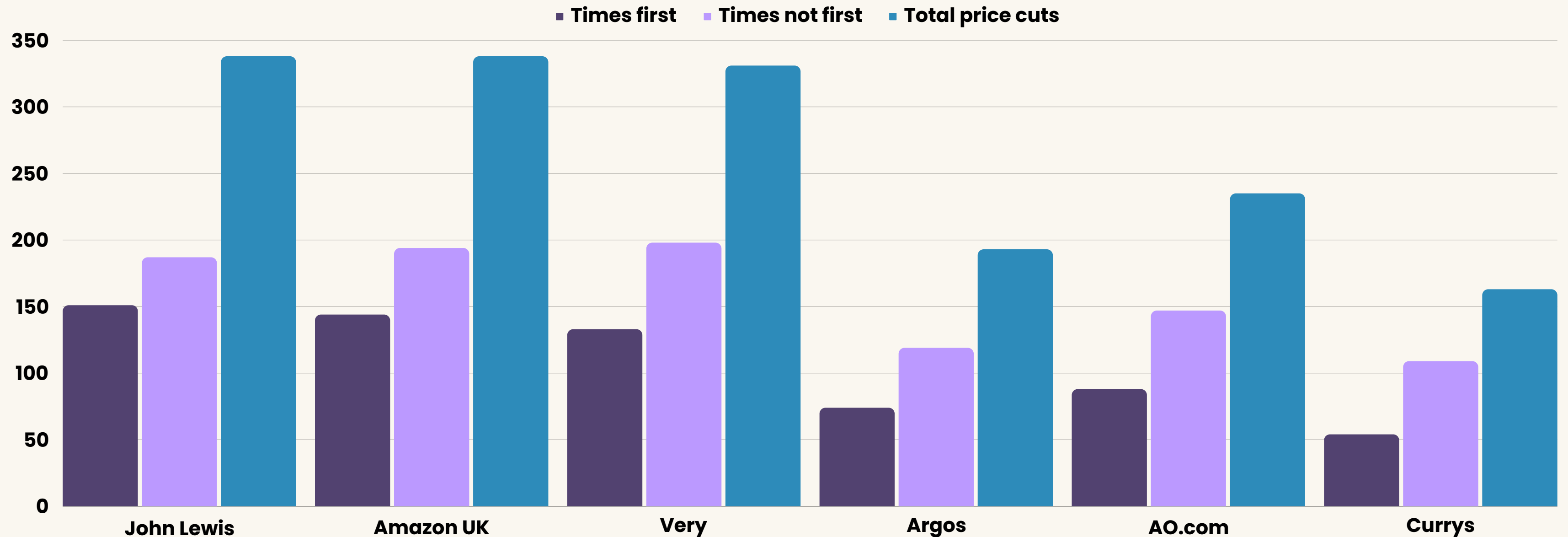
**60%** of price changes across the weekend and Cyber Monday were implemented by Amazon UK, as it implemented its price matching algorithms to remain competitive.



## Did the market react to matching offers or stick to their own strategy?

John Lewis, Amazon UK and Very were the leading retailers to instigate price drops this year, accounting for **63%** of all price cuts.

AO and Currys were the price matchers of the group, however they still instigated **37%** and **34%** of their price cuts, indicating driving price changes was still a key part of their strategy.



John Lewis perhaps demonstrated the most complete BFCM strategy. It introduced a month-long Black Friday sale prior to the event, and was the highest retailer in terms of total price drops throughout the event.

## Who were the winners and losers of BFCM and why were the winners successful?

Retailers such as Amazon UK and John Lewis demonstrated the greatest commitment to BFCM, seeing reductions across multiple categories including electronics, health and beauty, toys, and clothing.

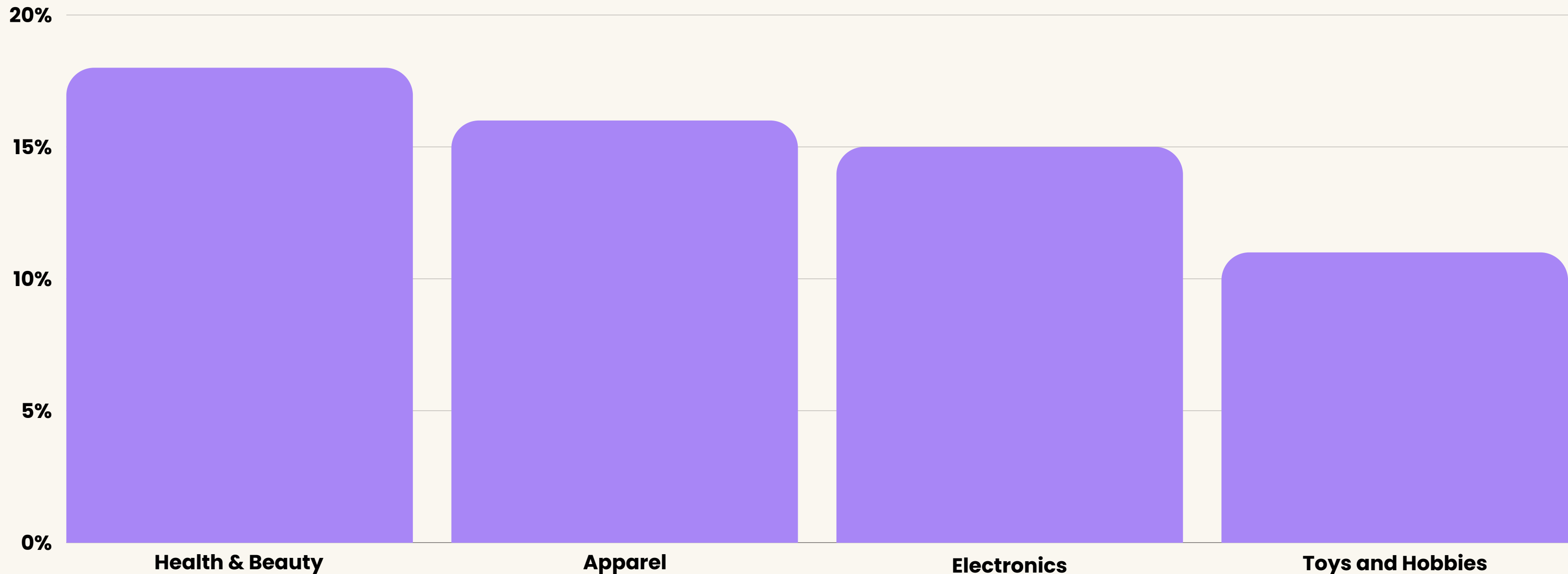
Data suggests these retailers have successfully catered to the wider selection of category interests as indicated by Tracksuits consumer data.

The appeal of luxury brands is further evidenced by the absence of own label products.

Whilst retailers have invested heavily in developing these to rival established brands, there was minimal investment in offering sizable discounts on these items. Even when we did see a significant own-label offering in health and beauty, these items averaged just a 9% discount.

## Were the savings margin defying or followed a more standard discounting strategy?

This BFCM saw retailers and brands offer sizeable discounts on products from a wide range of categories however the **average discount on offer was 15%** when compared to prices in October. Whilst significant, this is marginally below the 20% threshold we'd consider part of a margin defying day for discount lovers.



\*Percentage discount measured by comparing BFCM prices to those on October 24th

## What should retailers learn in preparation for Christmas?

Black Friday and Cyber Monday have been a key retail event this year, showing discount events still have a significant hold over consumers.

These results will give those who've invested in BFCM confidence in the success of such events in driving sales at a time when disposable incomes are being squeezed.

As the holidays approach, retailers should consider carefully how they reach target audiences. Consumer sentiment is overwhelmingly clear, as they continue to be drawn to discount events. However retailers looking to offer market leading sales should ensure luxury brands are on offer if they're to widen their appeal.

While electronics is still the most popular category, consumer sentiment indicates a demand for multiple categories. Retailers who feel locked out by the traditional nature of BFCM should take confidence in this.

## The rise of alternative shopping channels

As retailers and brands debrief following BFCM, what is clear is that there's a new player in town. TikTok Shop has taken the event by storm, with Gen Z shoppers taking advantage of frictionless shopping. Shopify President Harley Finkelstein reported a "record-breaking Black Friday" for its customers, following \$4.1 billion in sales just on Black Friday.

The UK was central to this finding, with Shopify reporting it was one of the top selling countries alongside the US and Canada. London was also one of the top selling cities.

For retailers and brands wishing to tap into this market for future sales, the most popular categories for consumers were clothing, personal care and jewellery.