



What to Expect from Black Friday Amid the Cost-of-Living Crisis

NOVEMBER 2022



Six key insights on the 2022 Black Friday shopping season to be aware of



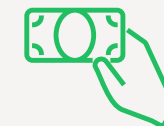
Consumer sentiment

Sentiment is muted as the war in Ukraine continues and consumers are anxious about its economic impact



Attitude toward Black Friday

Black Friday remains an integral part of the shopping calendar; two-thirds of consumers plan to shop this year



Expected spending

As many consumers are already using savings on everyday essentials and need to eye their budget, average spending is expected to decrease by 9% to 18% across countries, except the US



Category preferences

Year-end holiday gift shopping is happening early this year, as 95% intend to use Black Friday for gift shopping; fashion, electronics, toys are most hunted, while travel is expected to see the biggest gains



Channel dynamics

Online-only shopping is losing ground to omnichannel as the in-store experience remains relevant; only marketplaces see a boost while the Covid-era wave of brand websites is receding



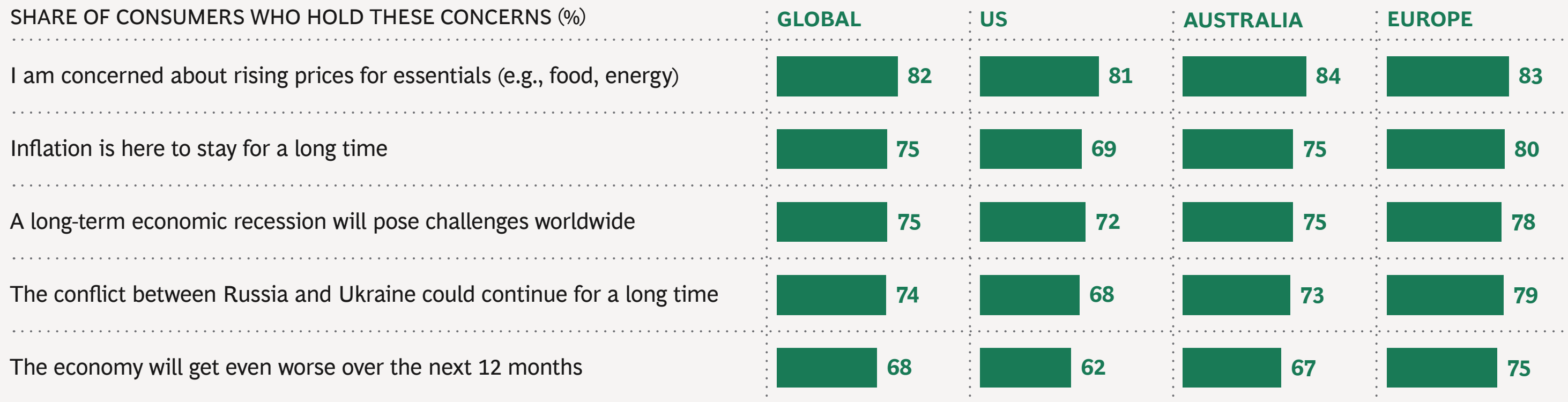
Sustainability

Consumers want to go greener this Black Friday; secondhand platforms, purpose-driven, and local shopping are gaining momentum

Consumer sentiment has been shaken amid economic turmoil, geopolitical instability, and rising prices; inflation is the biggest concern globally

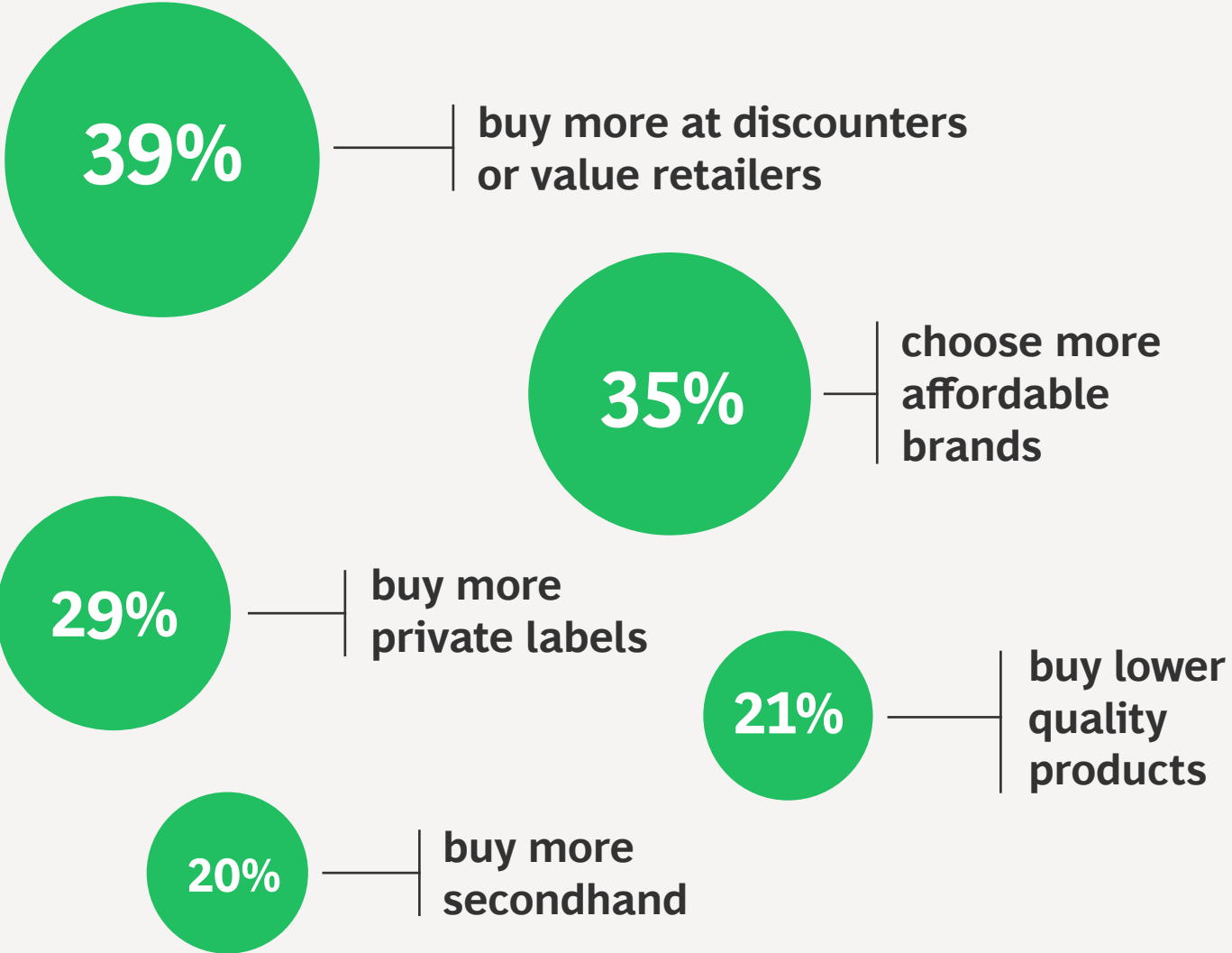
Key concerns cited by consumers

SHARE OF CONSUMERS WHO HOLD THESE CONCERNS (%)

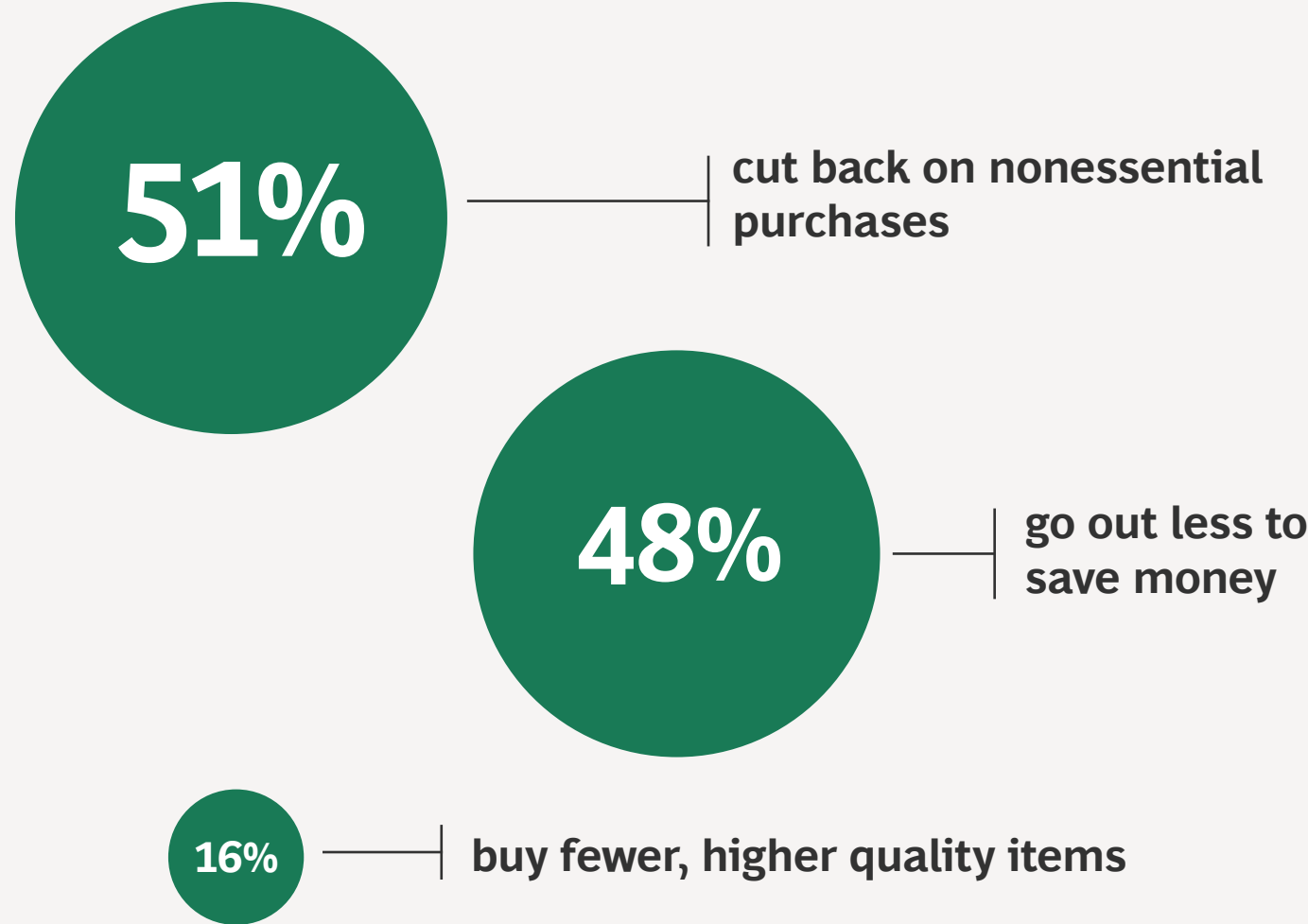


Consumers are changing their buying habits to respond to the cost-of-living crisis

Trading down

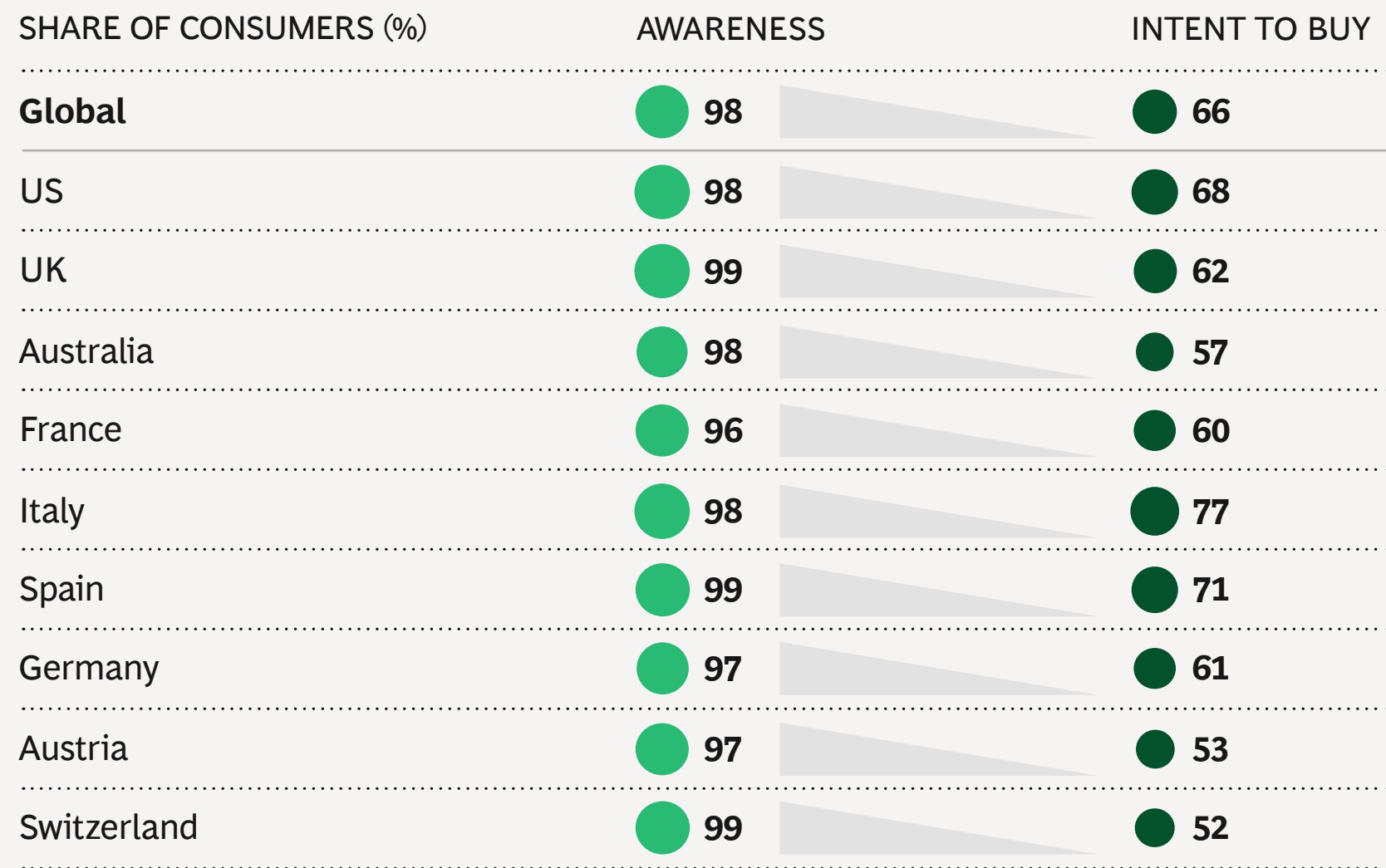


Buying less



Source: BCG Black Friday Consumer Sentiment Survey, October 2022 (N = 9,207).

Yet, Black Friday remains an integral part of the global shopping calendar, with 66% of consumers intending to buy



Black Friday is mainstream, with 98% of consumers being aware of the event and 66% intending to bargain hunt this year

Yet, awareness-to-purchase conversion varies largely among markets, indicating room for targeted conversion-driving campaigns, e.g.,

- Personalized loyalty member recommendations
- Retargeting last season's shoppers
- Countdown ads until the events begin

There is potential to further educate consumers about the shopping events, especially pre-Millennial generations

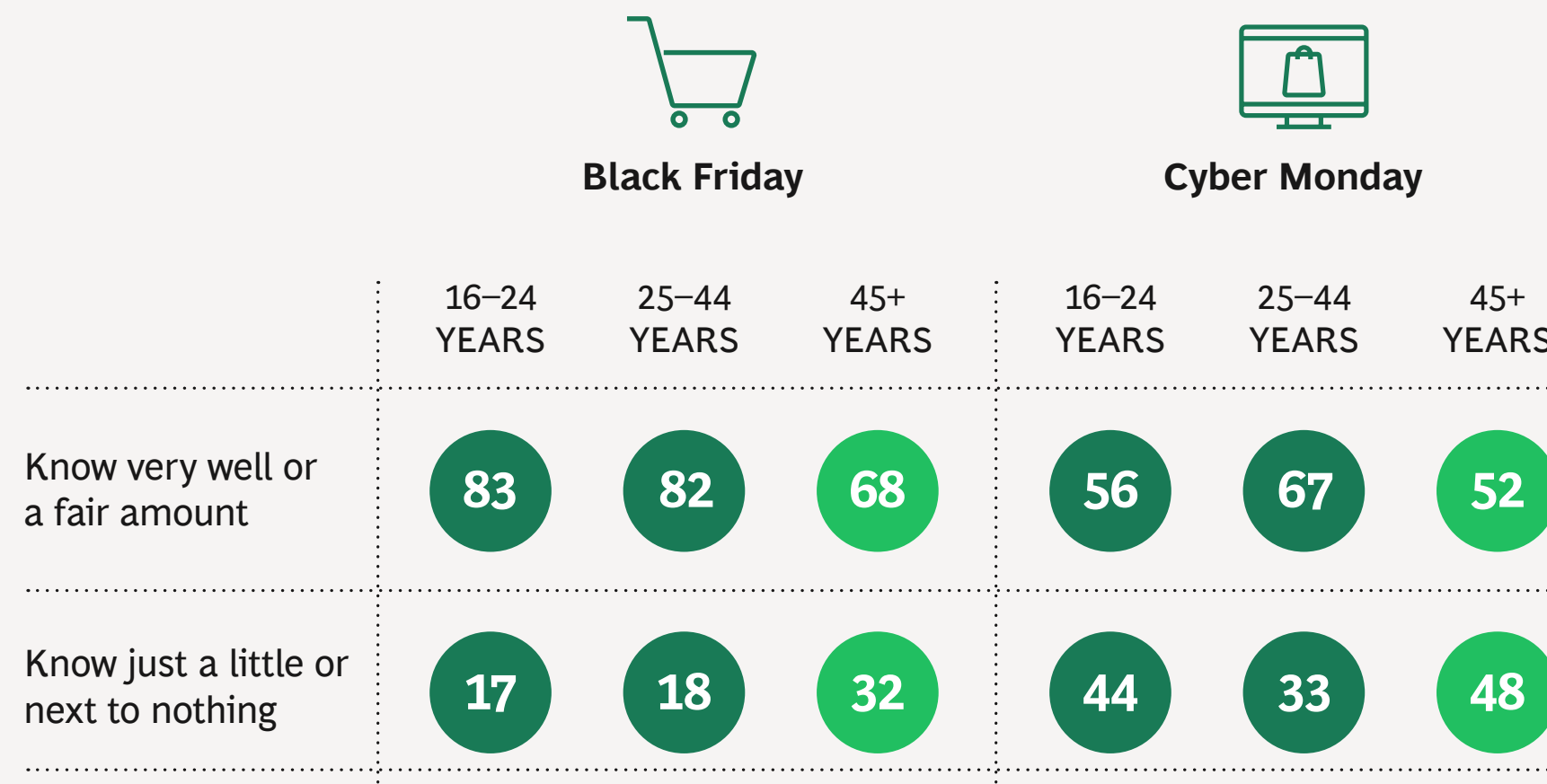
Pre-Millennial generations (45+ years) are less aware of Black Friday and Cyber Monday

Brands and retailers can target these generations by

- Promoting in-store Black Friday offers and in-store pick-up and return capabilities for online orders
- Launching direct mailings and newsletters to loyalty-program members
- Driving people back to their preferred stores with digital advertisements (online and in apps)

Knowledge of shopping events by age group

SHARE OF CONSUMERS (%)



Brands and retailers can improve stockouts, site performance, and delivery times to drive satisfaction

32%

Given that just one-third of consumers were fully satisfied with last year's events, **there is a potential to improve the Black Friday shopping experience** and foster repeat buying.

Satisfaction with 2021 online shopping experience

SHARE OF CONSUMERS WHO SHOPPED IN 2021 (%)

	GLOBAL	USA	AUSTRALIA	EUROPE	
Delighters	Accurate item depictions	78	76	77	80
	Good order tracking	72	74	71	70
	Attractive promotions	71	72	75	70
	Bargain prices	68	67	75	70
Detractors	Stockouts	47	50	54	44
	Long website-load time	36	38	49	34
	Long delivery time	34	37	42	30
	Pressure to spend too much	32	32	39	32

Consumers plan to spend \$355 on average; globally, they are tightening their belts, except in the US

Average planned spending for 2022 Black Friday shopping events

	AVERAGE WEIGHTED BY POPULATION (USD)	SPENDING VS. 2021
Global	335	-5%
US	445	+6%
UK	315	-18%
Switzerland	300	NA
Germany	295	-15%
France	260	-15%
Italy	255	-9%
Austria	250	NA
Australia	235	-18%
Spain	225	-13%

28%

of consumers' income have been negatively affected in recent months

24%

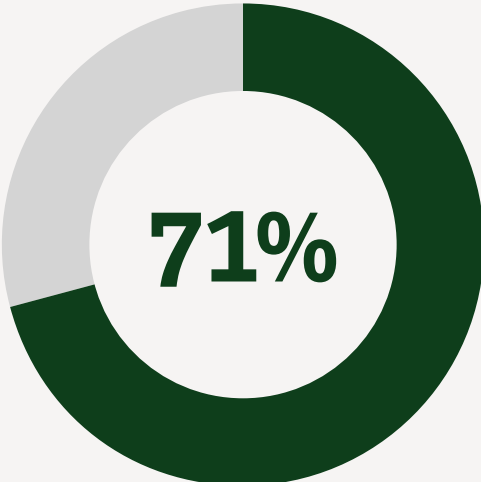
of consumers are expecting to spend less this year than last year

22%

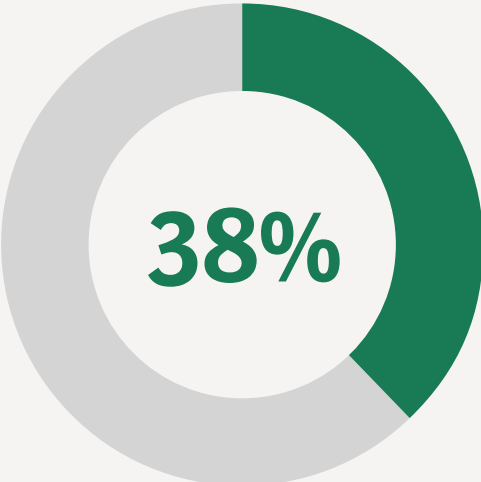
of consumers will probably or definitely not shop Black Friday deals this year (around 10% are undecided)

Sources: BCG Black Friday Consumer Sentiment Survey, October 2021 (N = 7,598); BCG Black Friday Consumer Sentiment Survey, October 2022 (N = 9,207).

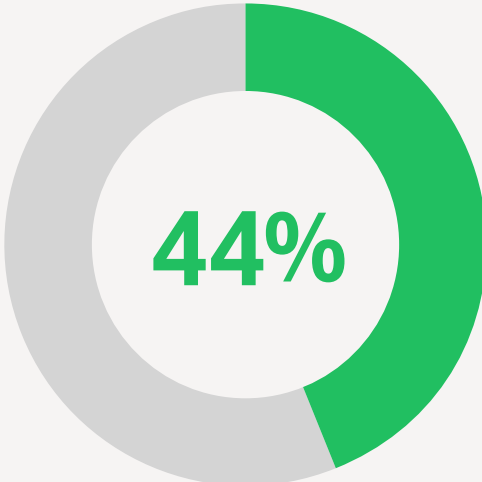
Consumers aren't necessarily waiting for Black Friday to shop for deals, and bargain hunting has become a continuous activity



of consumers think that last year's Black Friday sales and promotions were very attractive



of consumers have shopped more based on deals and promotions during the past three months to counteract inflation

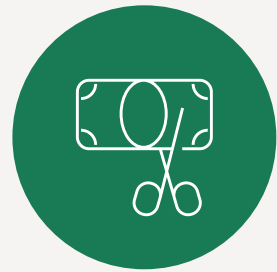


of consumers have checked prices more frequently in the past three months to find the best offers

As supply, energy, and transport costs climb, retailers must strike a balance between meeting the demand for bargains while protecting their margins

Source: BCG Black Friday Consumer Sentiment Survey, October 2022 (N = 9,207).

Because of tight budgets, consumers are much more likely to bag bargains for their year-end holiday gift list during Black Friday this year



As consumers highly rely on bargains...

47% of consumers are already spending their savings on day-to-day expenses, and...

20% expect their disposable income to deteriorate in the next six months



...year-end holiday gift spending is set to rise

95% of consumers plan to purchase holiday gifts during Black Friday, with...

36% intending to do more gift shopping this year than last year, resulting in a...

18pp increase in net spending for gift shopping during Black Friday, compared to 2021

Source: BCG Black Friday Consumer Sentiment Survey, October 2022 (N = 9,207).

Note: pp = percentage point.

Holiday categories are poised to lead Black Friday sales this year, but less popular product categories, such as travel, are still gaining ground from 2021

Most popular categories

SHARE OF CONSUMERS INTENDING TO BUY (%)

Adult clothing	54
Consumer and mobile electronics	49
Toys and games	31
Child clothing, shoes, and accessories	27
Beauty and perfumes	25

Net increase in spending vs. 2021

INTENDED 2022 VS. ACTUAL 2021 (PP)

<10
<10
<10
10–15
<10

Least popular categories

SHARE OF CONSUMERS INTENDING TO BUY (%)

Travel	10
Jewelry and watches	16
Entertainment	16
Furniture and home décor	17
Home improvement	18

>15
10–15
10–15
10–15
<10



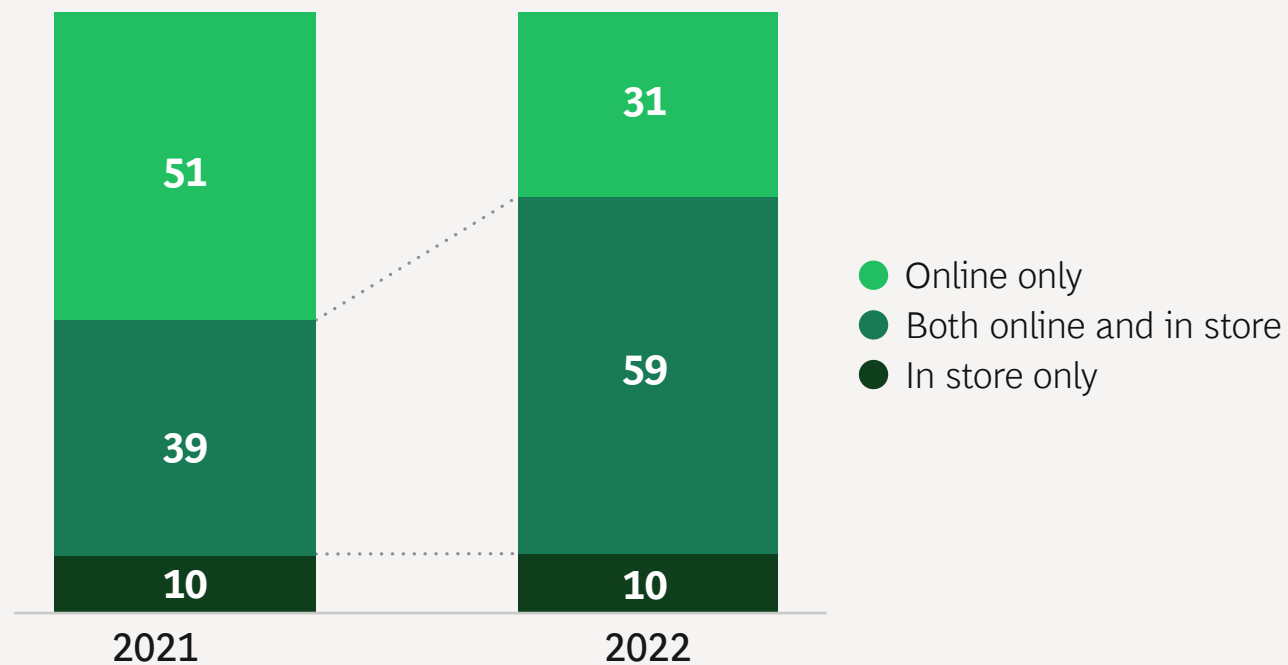
Across markets, consumers are mainly looking for consumer electronics and adult clothing bargains during Black Friday

Source: BCG Black Friday Consumer Sentiment Survey, October 2022 (N = 7,598; weighted).
 Note: pp = percentage point.

Traditional stores are experiencing a renaissance, with online-only sales expected to lose ground in favor of a hybrid experience

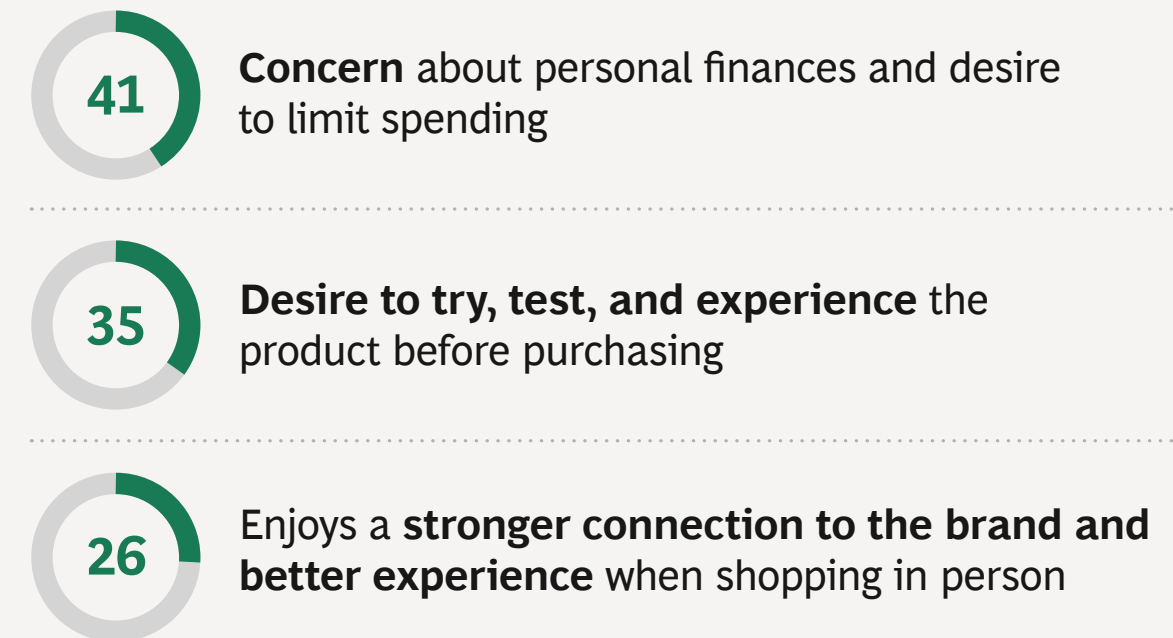
Channel preference

SHARE OF CONSUMERS WHO HAVE SHOPPED FOR BLACK FRIDAY OR CYBER MONDAY IN 2021 AND PLAN TO DO SO IN 2022 (%)



Reasons for not shopping online

SHARE OF CONSUMERS WHO ARE PLANNING ON DOING LESS OR NO ONLINE SHOPPING FOR THIS YEAR'S EVENTS (%)



Online marketplaces are expected to achieve strong gains while brand website sales will stay flat globally

Planned spending by type of online shop

ANTICIPATED 2022 VS. ACTUAL 2021 (%)

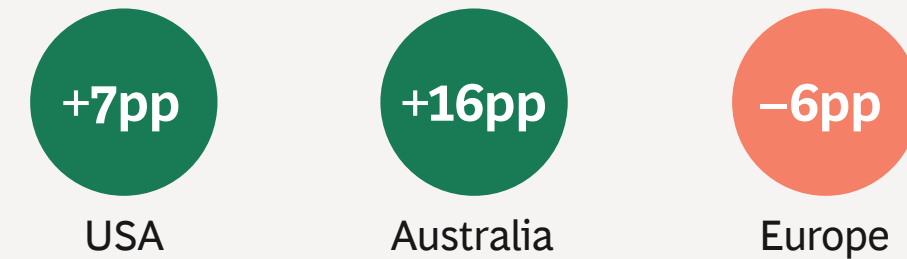


Consumers not planning to shop at this site type (%)

● A lot less ● A little less ● A little more ● A lot more

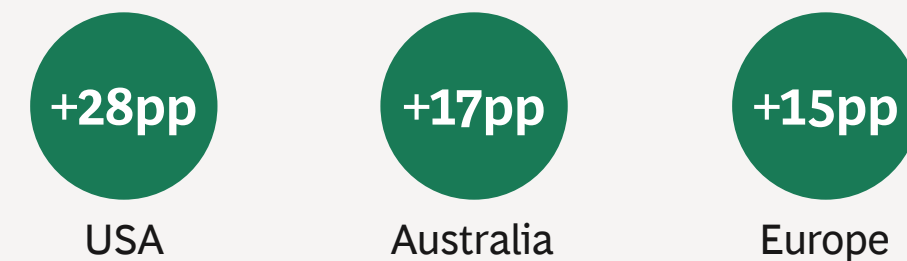
While the performance of brand websites varies across regions...

ANTICIPATED USER ENGAGEMENT



...online marketplaces are gaining share across the board

ANTICIPATED USER ENGAGEMENT



Source: BCG Black Friday Consumer Sentiment Survey, October 2022 (N = 9,207; numbers rounded and weighted).

Note: pp = percentage point.

Social impact and sustainability are increasingly important to Black Friday shoppers, especially Millennials and Gen-Z consumers



Local

51%

intend to buy more from local brands or locally sourced products



Sustainable

46%

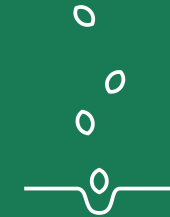
pay more attention to sustainable packaging options



Secondhand

37%

are shifting more to online secondhand platforms



Socially responsible

40%

intend to buy more from responsible companies (e.g., retailers supporting sustainable manufacturing principles)

Given the prevailing consumer trends, brands and retailers need to act to succeed on Black Friday 2022



Consumer sentiment

Balance meeting the demand for bargains and protecting margins (e.g., introduce end-to-end margin monitoring)

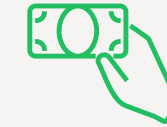
Offer discounts outside of Black Friday to accommodate deal hunting and address consumer needs



Attitude toward Black Friday

Continue to educate consumers about Black Friday and Cyber Monday, in particular pre-Millennial generations

Improve the shopping experience online and in stores (e.g., mitigating stockouts)



Expected spending

Review and adjust price architecture with a focus on entry price points (e.g., by offering private-label options)

Expand payment options (e.g., buy now, pay later) to encourage spending



Category preferences

Prepare for a tough holiday shopping season this year (e.g., demanding markdown management)

Deploy rigorous trend forecasting and align product mix to growing categories, where possible



Channel dynamics

Embrace omnichannel, offering consumers a hybrid shopping experience online and in stores

Apply effective third-party platform management by optimizing SEO and keywords to increase visibility



Sustainability

Connect your brand's purpose with sustainability and invest in green initiatives (e.g., sustainable packaging)

Align product categories and features to meet growing customer requirements (e.g., secondhand buying options)