

BLACK FRIDAY UK 2016: A REFOCUSING ON ELECTRONICS



- 1) Early-morning in-store demand was very muted in the UK on Black Friday. Some stores saw a significant uptick in traffic by late morning.
- 2) As we had predicted, there was something of a retrenchment to electronics in terms of demand and promotions.
- 3) There was little evidence of major interest in apparel promotions, and some apparel retailers pulled back on discounting this year.
- 4) The night before Black Friday—or “Black Friday Eve”—is emerging as a significant online event.

MUTED DEMAND, RETRENCHMENT TO ELECTRONICS AND “BLACK FRIDAY EVE”

Here are the top trends we observed on Black Friday 2016:

- We saw generally very muted demand in our early-morning London store visits, with a few exceptions. Footfall trends followed the pattern seen last year, when a very quiet early trading period gave way to an influx of late-morning shoppers, notably in department stores. Shoppers appear to be much less willing to shop early for apparel than for electronics—likely because the potential savings are greater in the latter.
- Relatively lackluster footfall in apparel stores and department stores, more limited participation by retailers such as Marks & Spencer (M&S) and more evident consumer interest at electronics retailers seemed to confirm that Black Friday refocused on electronics this year. We had predicted such a retrenchment to consumer electronics and more limited participation by apparel stores in our October report *Holiday Shopping Themes 2016: the US and the UK*.
- “Black Friday Eve” appears to be emerging as an online shopping event as consumers seek to pre-empt the day itself—in part because Black Friday is a regular working day in the UK. Retailers including Zara launched their deals online on the night before Black Friday, while Currys PC World noted very strong demand between 9pm and 10pm on that evening.

Electronics

Currys PC World

Leading electronics specialist **Currys PC World** opened some of its high-street stores at 6am on Black Friday, although it ran its Black Tag event across 10 days. Staff advised us that very-early-morning traffic had been relatively soft, and by 8am, shopper numbers were modest in the London stores we visited. In its more bustling flagship store on Oxford Street, traffic appeared to be boosted by journalists and management.



Currys PC World, Oxford Street, London
Source: Fung Global Retail & Technology

The Tottenham Court Road store was much quieter in the early morning. Staff advised us that they expected demand to pick up around lunchtime.



Currys PC World, Tottenham Court Road, London
Source: Fung Global Retail & Technology

In the late morning, Currys PC World reported that the two best sellers were the Google Chromecast and the JVC 32C660 32" Smart LED TV. In store, staff told us headlines deals included £100 off any Mac notebook or iMac.

Other metrics reported by Currys PC World included:

- It saw its highest-ever number of orders, up 40% compared to 2015.
- Its website saw more than half a million visitors before 6am.
- At 5am, it saw its highest-ever Black Friday mobile share of online traffic at 65%, up 13% against 2015's peak.
- Confirming the growth of Black Friday Eve, between 9pm and 10pm on the night before Black Friday, Currys PC World sold 23 large-screen TVs per minute and received 102 online orders a minute.



Currys PC World, Oxford Street, London
Source: Fung Global Retail & Technology

John Lewis

The electronics department at **John Lewis** department store was the clear winner from among the dozens of retailers we visited. At its Oxford Street store, between 8am and 9am on Black Friday, we gauge foot traffic was broadly akin to that of a busy Saturday.



John Lewis electronics department, Oxford Street, London
Source: Fung Global Retail & Technology

As we discuss in more detail below, the other departments at John Lewis's Oxford Street and Westfield Stratford stores were very quiet: its electronics department stood apart with strong traffic.

In the late morning, John Lewis stated the following:

- Early indicators suggested that Black Friday 2016 was on course to be one of John Lewis' busiest shopping periods.
- The busiest period (at the time they published) was between 8am and 8.30am, as people shopped on their way into work.
- The company was taking five orders every second on johnlewis.com.
- Sales through mobile phones saw a particular increase, with a 21% spike between 8am and 9am.

Apparel Retailers and Department Stores

Few consumers appear willing to have made early-morning trips to apparel specialists or department stores this year, although by mid-morning, store traffic had generally surged.

DEBENHAMS

Debenhams employed very focused promotions for Black Friday, with one flagship promotion per department: in womenswear, half-price on all designer knitwear; in menswear, half-price on all men's formal shirts; in beauty, VAT-free prices on all fragrance gift sets.

This dovetailed with our expectations of more limited participation by apparel-focused retailers this year. Nevertheless, there was also a great deal of "background" discounting at Debenhams, with non-Black-Friday promotions continuing, and ultimately merging with the Black Friday offers.



*Debenhams, Oxford Street, London
Source: Fung Global Retail &*



*Debenhams, Oxford Street, London
Source: Fung Global Retail & Technology*

HOUSE OF FRASER

SINCE 1849

We saw a similar pattern at **House of Fraser**, where its Black Friday deals mingled with its separate Brand Event discounts.

Moreover, it is notable that House of Fraser's deep, Black-Friday-specific discounts were focused on its private labels, such as Linea, Howick and Biba. There was little evidence of major brands participating, although many were discounted as part of the separate Brand Event promotion. We felt the extent and nature of the price cuts was such that some of the discounts may have lacked credibility among shoppers.

House of Fraser stretched its Black Friday Event over six days, from November 23 through November 28.



*House of Fraser, Oxford Street, London
Source: Fung Global Retail & Technology*



H&M offered its customers 20% off everything, although this was not enough to drive many shoppers to its stores first thing in the morning.



*H&M, Oxford Street, London
Source: Fung Global Retail & Technology*

John Lewis

At **John Lewis**, early-morning demand was very much focused on electronics. Departments such as apparel and furnishings were all but empty.



John Lewis men's apparel, Oxford Street, London

Source: Fung Global Retail & Technology

As noted, however, department-store traffic picked up considerably by late morning, repeating the slow-start pattern we saw in 2015. Shortly before midday, John Lewis said the following had been its biggest Black Friday sellers:

- The Sonos Play 1 was the biggest technology seller, with one sold every ten seconds.
- The Lego Simpsons house was the top seller by value.
- Marc Jacobs perfume saw strong sales by unit volumes.
- Sophie Conran crockery was the best seller in Home.

M&S

EST. 1884

M&S strictly limited its participation in Black Friday this year. The retailer stood apart from major rivals such as Debenhams by refusing to discount across almost all its apparel ranges. Under the "Fabulous Gifting Weekend" banner, M&S offered deep discounts on beauty gift packs and sleepwear—but it maintained full price on its core clothing ranges. Pulling back on discounting is one element of the strategy implemented by new M&S CEO Steve Rowe—and we think the refusal to offer blanket promotions on Black Friday was an admirably bold stance to stem the tide of discounting.

M&S's position confirmed our expectation that we would see more limited participation by apparel retailers this year than in previous years.

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M&S, Marble Arch, London

Source: Fung Global Retail & Technology

ZARA

In womenswear, **Zara** offered 20% off outerwear, jeans, t-shirts, dresses and shoes. In menswear, Zara offered 20% off outerwear, sweaters, cardigans, shirts and shoes. Sister chains in the Inditex group, such as Pull & Bear and Massimo Dutti, were also offering 20% off a wide range of products. These retailers launched their offers online on the night before Black Friday.



Zara, Oxford Street, London

Source: Fung Global Retail & Technology

**ONLINE**

Black Friday is a regular working day in the UK, and this has traditionally given the online channel an advantage over in-store retailing. Online is also where Black Friday began in the UK, when Amazon first unleashed the event on Brits, back in 2010.

amazon

This year, **Amazon** offered 12 days of special deals; it launched its Black Friday offers at one minute past midnight, and said it was adding new deals as often as every five minutes. Headline promotions included:

- Amazon Echo with £30 off, at £119.99, and Echo Dot for a best-ever price of £39.99.
- Savings on Amazon Devices—Kindle Paperwhite at £79.99, Fire tablets at £29.99 and Fire TV Stick at £24.99.
- Black Friday Video Game Console deals included the Sony PlayStation 4 500GB game bundle for under £200 and Xbox One S 500GB game bundle for under £230.
- Discounted products also included Microsoft Surface Pro 4 tablet, ghd V Gold Classic Styler, shoes from top brands including Carvela and Miss KG, Sennheiser HD Headset and WowWee CHiP Robot Toy Dog.

Amazon said its own devices, such as the Fire tablet and Fire TV Stick, were among the most popular deals. Other top sellers included Sony Bravia 4K HD TVs, Fitbit Activity Trackers, kitchen appliances from Dualit and KitchenAid, audio equipment from Bang & Olufsen and Bowers & Wilkins, Oral-B electric toothbrushes, premium menswear brands like Boss, Hilfiger Denim, Schott and Hackett, and Le Creuset cookware bundles.

Amazon's Black Friday Sale is now on until 23:59 GMT on Friday, 25 November. Some deals are Lightning Deals, for which you can see, in real time, the units available and time remaining - see terms and conditions [here](#). For all other deals, see [these](#) terms and conditions.

New Black Friday Deals

All Available

Product	Price	Original Price	Discount	Rating
Fire TV Stick	£24.99	£34.99	29% off	★★★★☆ 45034
Amazon Echo Dot	£39.99	£49.99	20% off	★★★★☆ 1179
Amazon Echo	£119.99	£149.99	20% off	★★★★☆ 1736
Sony PlayStation 4 500GB + Uncharted 4 + FIFA 17	£199.99	£249.99	20% off	★★★★☆ 1736
Up to £350 off selected TVs & Projectors from £169.99	Up to £350 off	Selected TVs & Projectors	From £169.99	
Up to £250 off Selected Laptops	Up to £250 off	Selected Laptops		
Great Savings on Selected Laptops, Desktops and Tablets	Great Savings	Selected Laptops, Desktops and Tablets		
Xbox One S (500GB) with FIFA 17 + Extra Controller	£229.99	£249.99	8% off	★★★★☆ 1736

Source: Amazon.co.uk

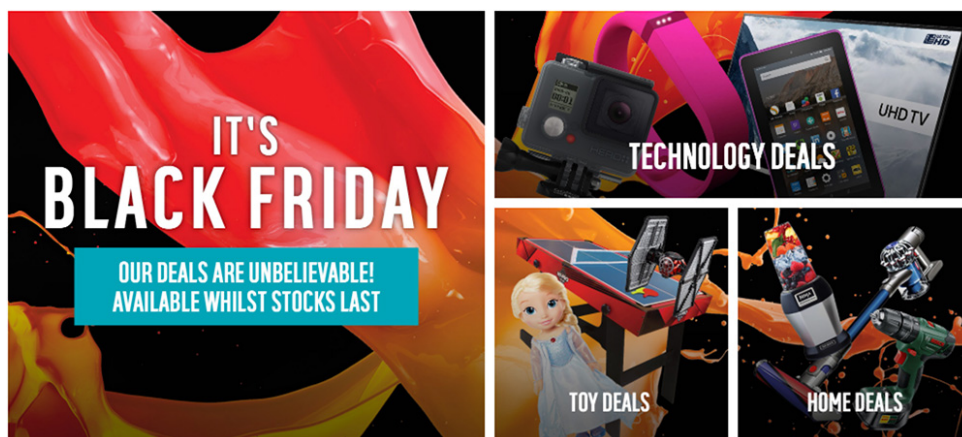
Argos

Like Amazon, **Argos** launched its Black Friday deals at just after midnight, although it also offered further promotions over an extended 13-day period, running from November 18 through November 30.

On the morning of Black Friday, Argos said that best-selling brands included iPad, PS4, Xbox, Dyson and Beats. By category, popular products were TVs, video-game consoles, tablets, toys and wearable technology.

Here are some key figures released by Argos on the morning of Black Friday:

- It saw half a million visits to its digital channels in the first hour, up 50% year over year. The hour between midnight and 1am was its biggest-ever trading hour, with 15 orders per second.
- Almost 80% of online shoppers were buying through mobile devices (including tablets).
- Website traffic peaked between 8am and 9am, with just under 700,000 web visits.
- It expected further peaks at lunchtime and between 5pm and 7pm.



Source: Argos.co.uk

Biggest Black Friday deals. Spoiler: They're seriously good

<p>PS4 Slim 500GB bundles with FIFA 17.</p> <p>£199.99</p>	<p>Fire 7 Inch Tablets.</p> <p>£29.99 was £49.99 SAVE £20.00</p>	<p>Xbox One S 500GB Console with FIFA 17 Bundle.</p> <p>£229.99 was £249.99 SAVE £20.00</p>
<p>Lenovo 15.6 Inch Intel C3 8GB 1TB Laptop plus Bag and Mouse</p> <p>£299.99 was £399.99 SAVE 25%</p>	<p>LG 43LH570V 43 Inch Full HD Smart LED TV.</p> <p>£295.00 was £429.00 SAVE £134.00</p>	<p>GoPro Hero+ LCD Screen Full HD Action Camera</p> <p>£149.99 was £249.99 SAVE £100.00</p>

Source: Argos.co.uk



Finally, young-fashion pure-play ASOS offered 20% off everything with a voucher code, including products on its third-party marketplace. This offer ran from Thursday morning and is expected to run through the weekend.



Source: ASOS



FLASH REPORT

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