

Press release

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Black Friday and Singles' Day: Bigger than Christmas and the January sales

Nuremberg, November 11, 2019 – Sales in Black Friday week already top Christmas revenues in Great Britain, France, Germany, Italy, Spain, Poland and Brazil. In China, Singles' Day is the most important promotion opportunity, generating tripled revenues compared to an average week. Moreover, GfK findings show that over the years, consumers were encouraged to 'trade up' to higher spec models rather than choose the cheapest models on offer.

This year Black Friday falls on the latest possible date, November 29, 2019. Not only is the date aligned with many people's pay day, it's also just three weeks before Christmas. As a result, GfK expects Black Friday 2019 to exceed all previous sales records. In China, Singles' Day (November 11, 2019) is the most important promotion opportunity, generating tripled revenues compared to an average week. The second most important promotion in China, called `618.JD`, delivered good results earlier this year, and GfK anticipates November's Singles' Day to enjoy a similarly solid performance.

“Both Black Friday and Singles' Day are established events in the global retail calendar. Our research underlines that wherever they are based, people love a bargain and are keen to hunt out a deal. It's important for shoppers that those deals are genuine” **says Norbert Herzog, GfK expert for retail insights and adds**, “Both events evolve from rush-to-grab bargains to buying the higher spec and better-quality branded items they aspire to at the best possible prices. Another commonality amongst consumers globally is the search for simplicity, so reducing the sheer volume of items on promotion is a real benefit for busy shoppers, helping them find the quality branded items they aspire to this November.”

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GfK's FutureBuy study results show that 42 percent of consumers in Europe agree with the statement that there are 'Too many choices in many of the categories I shop'. In APAC the number is even higher at 67 percent.

Savvy Shoppers research before they buy

Today's consumers are savvy, and they are spending more time than ever before researching purchases. According to GfK's FutureBuy study, almost half (45 percent) of consumers in Europe say they compare prices more now than a year ago, with figures rising to 58 percent in Latin America and Turkey and 56 percent in Indonesia. With Black Friday in particular, negative media coverage in some markets in the past has made shoppers wary of sales, discounts and promotions, encouraging them to spend even more time comparing prices before committing to a purchase.

Retailers are encouraging consumers to 'trade' up on Black Friday and Singles Day

Retailers have had to ensure they don't risk profit margins and cannibalize their most important sales period of the year, also known as the 'golden quarter'. In markets where Black Friday rivals, or has overtaken Christmas spend, such as the Great Britain, Germany, France, Italy, Spain, Poland, Russia and Brazil, many manufacturers and retailers are focusing on a premiumization strategy. Consumers are encouraged to 'trade up' to higher spec models rather than choose the cheapest models on offer.

In 2018, GfK's Point of Sales Tracking identified increases in average selling prices (ASP) across Europe, with sales value outstripping volume. In Germany, the Tech and Durables categories saw dramatic increases in value (up 65 percent versus the previous week), with smartphones and TVs seeing the highest growth in value. In Great Britain, Poland and Russia, markets saw a growth in value sales of Ultra High Definition and large screen TVs. In Brazil sales value increased more than 230 percent compared to an average week, with TVs, Hot Air Fryers and Notebooks as the strongest performers.

This drive for premium products resonates with a significant proportion (47 percent) of shoppers who say it's "important to indulge or pamper myself on a regular basis" and the almost half of consumers (49 percent) who agree that they "prefer to own fewer, but higher quality items" and the 45 percent of shoppers who "only buy from trusted brands" (GfK Consumer Life 2019).

These factors combined form a comprehensive picture for the coming promotion weeks. **Herzog adds:** "The key to success will be to counter consumer demand with the right premium products. If this happens within a manageable framework of honest offers, consumers will easily come to a purchase decision this year".

ENDS



Notes to Editors

GfK regularly collects data in more than 60 countries worldwide for technical consumer goods sales through its retail panels. The GfK Point of Sales Tracking panel gathers continuous sell-out data for more than 6000 product groups by covering key retailers and all relevant sales channels. GfK FutureBuy® is the industry's most comprehensive syndicated study of shopper's attitudes and behaviors across 18 product categories and 27 countries. The study provides insight from 27,000 shoppers (aged 15+) about how shopping is evolving across FMCG, Tech and Durables and Other categories.

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About GfK

GfK is focused, digital and a client-centric business. The company connects data and science and is in the unique position to leverage proprietary and third-party data to create indispensable predictive market and consumer insights as well as recommendations. Innovative analytics solutions provide answers for key business questions around consumers, markets, brands and media. As an analytics partner, GfK promises its clients all over the world "Growth from Knowledge". For more information, please visit www.gfk.com or follow GfK on Twitter: <https://twitter.com/GfK>.