

# Black Friday 2020: How one day became a month

*An analysis of retailer intentions and how the pandemic is predicted to change consumer shopping behaviour during the biggest sale event of the year.*



From snaking queues to midnight brawls over discounted TVs, Black Friday is a global phenomenon that has grown steadily in the UK since 2010. And 2020 is set to continue the trend - despite COVID-19's best efforts.

Although a significant number of shoppers claim to be cynical about Black Friday (41% of respondents in a 2019 YouGov study wished the event didn't exist) this hasn't stopped millions from joining in. In fact, last year saw a new peak for spending per purchase in the UK, according to Barclaycard.

Local coronavirus restrictions mean 2020's Black Friday is likely to be heavily skewed to online. New research from Finder, carried out in October 2020, found that only 5.8% of Brits intend to look at deals only in-store - down from 8.5% last year - while 66.5% will shop only online - a leap from 56.1% in 2019.

Some experts predict the event will be stretched out across the month of November. The key question on retailers' minds is whether shoppers plan to tighten their belts. Our poll shows that although fewer Brits are likely to take part (20.3 million vs 22.1 million last year), those who do intend to shop are planning to spend more, with a projected total of £6 billion, up from £5.6 billion in 2019. One behavioural expert spoke of the "ritualistic component" of Black Friday intensifying the "scarcity effect" already at work when consumers shop in the sales.

But as demand grows, so, too, do the potential challenges for online retailers. How are brands going to keep staff safe and healthy, ensure websites can withstand the surge in traffic, as well as maintain the level of discounts we have seen since lockdown began on 23 March?

In this study, we've published our new research, gathered expert views and analysed how the pandemic is likely to affect consumer shopping behaviour during a Black Friday that will be like no other.

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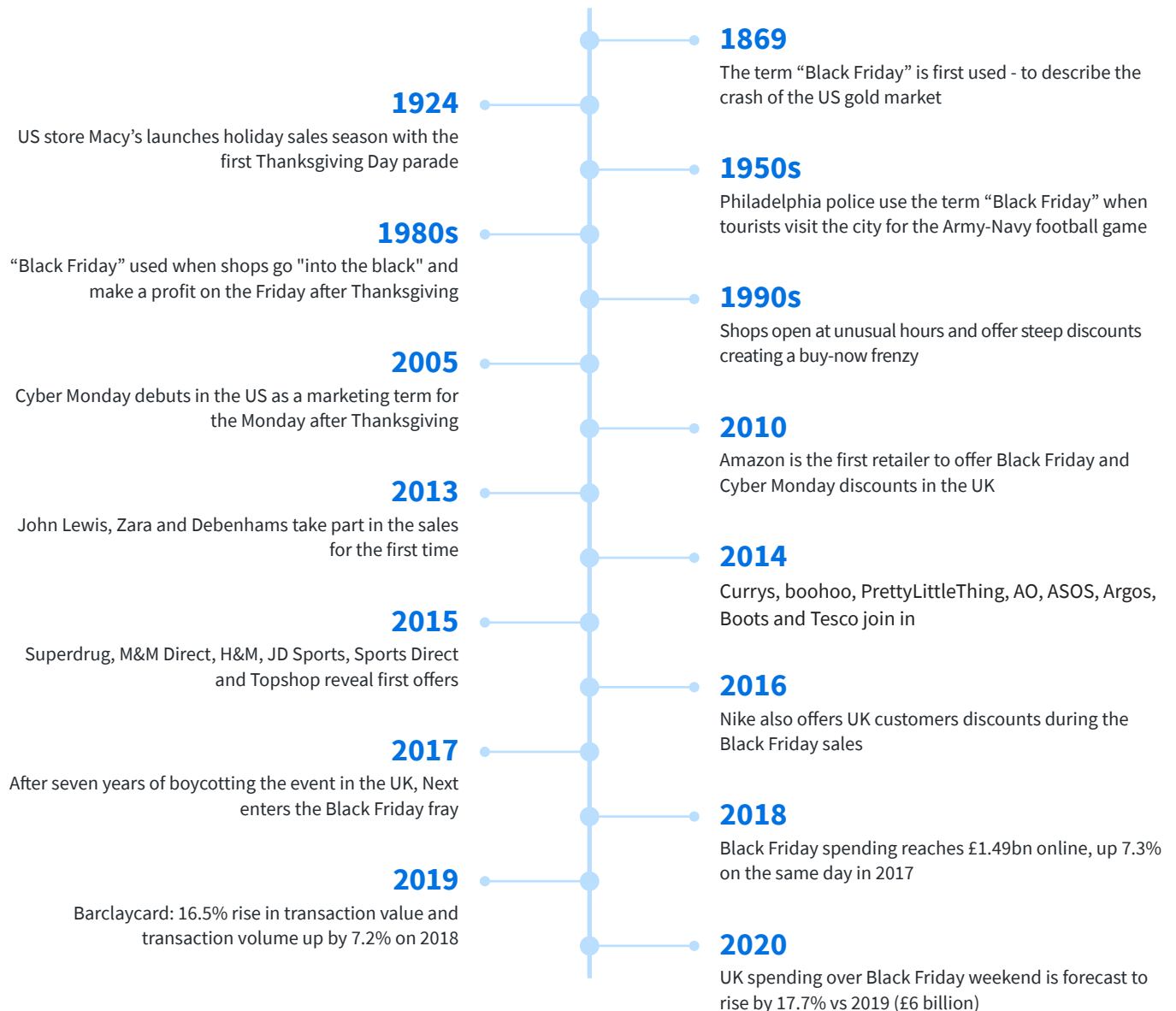
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About Finder

While Black Friday as a retail concept has been around since the 1980s, it's only 10 years old in the UK. What started as a day confined to electronics then broadened, as big-name brands from a range of sectors joined in, even after years of boycotting the event.

Fashion and electronics dominate shoppers' interest on Black Friday in the UK. Our timeline, below, shows when some of the UK's biggest brands (all are in the top 20 for website traffic) joined Black Friday.



**Black Friday** spending in the UK is set to increase by **18% in 2020**



Source: Finder survey, Oct 2020

Christmas shopping begins on Black Friday for many. Almost a fifth (19%) of Brits said that Black Friday encouraged them to make a start on their festive shopping in 2019, according to December data from YouGov.

Last year was a bumper year - Barclaycard announced a 7.2% uptick in the number of transactions, and a 16.5% increase in spending per purchase between 25 November and 2 December 2019. Argos also saw 20 products ordered online every second in the first hour of last year's event (between 9pm and 10pm on 28 November 2019), and Black Friday helped John Lewis ring up its best-ever week of sales - the department store reported a 9.5% rise over the 10-day period.

**Argos** sold **20 products online per second** in the **first hour** of its 2019 **Black Friday** sale.

**finder**  
.com  
Source: Argos

An event that started out heavily focused on electronics has lately become a huge sales-driver for the fashion industry - partly because it happens in the run-up to Christmas party season. Fast-fashion giant boohoo claimed a "record performance" in 2019, reporting a 6% increase in sales year-on-year, with new brands Karen Millen, Coast and Misspap integrated into the business. Another boohoo brand, PrettyLittleThing (PLT), confirms just how important Black Friday is for fashion retailers: "Summer sales perform well and we get great results when launching collaborations with influencers, but Black Friday dwarfs all of that. It's absolutely huge," says PLT marketing acquisition manager Lee Carter.

But amid uncertainty and COVID restrictions, what do these brands expect in 2020? PLT's Carter says: "Our biggest sellers over Black Friday are usually dresses and party wear for Christmas parties. But if people aren't able to go out, we don't know what's going to happen."

This year, the brand is keen to avoid "consumer discount fatigue", after a drawn-out Black Friday in 2019, lasting a whole month rather than just one week. "Last year we started our Black Friday offers in the first week of November and then ramped it up. We found customers went in hard on the discounts early, but then it levelled off," says Carter.

"Two weeks before the big day, we were offering up to 50% off, and by the time we got to Black Friday, we almost had nothing else to give. This year we're considering reducing it to one week of offers," he adds.

But this is easier said than done. The fast-fashion sector is heavily saturated and brands have to compete in real time to come out on top, making planning difficult. "If one retailer starts at 20%, we'll go to 25%, which forces us in a bit of a race to the bottom. We plan as much as we can, but if a competitor starts at 70%, we have to beat it," says Carter.

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**Lee Carter, marketing acquisition manager at PrettyLittleThing**

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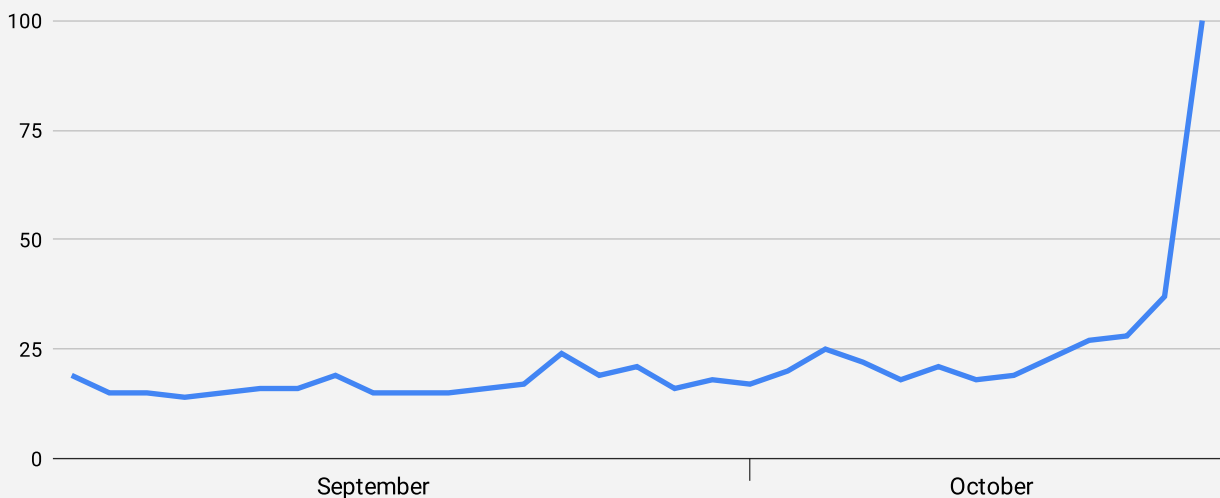
While Black Friday is widely seen as the biggest sale event of the year, Amazon Prime Day is starting to give it a run for its money. This year, the event was held closer to Black Friday than ever before, on 13 and 14 October.

Prime Day is usually confined to July, but Amazon was swamped with orders throughout lockdown and switched the date. The timing it chose was no accident, according to IMRG's Andy Mulcahy.

“Amazon doesn't do things for no reason. You can bet there will be some pretty serious logic behind holding Prime Day slap, bang in the middle of October.”

Whatever the rationale, early estimates suggest it was well founded: Prime Day 2020 brought in \$9.91 billion (£7.56 billion) in worldwide sales, making it the biggest Prime Day to date, according to market research company eMarketer. Google Trends data underlines the event's popularity this year, with a 456% increase in search interest for the term “Amazon Prime” from 13 September to Prime Day, on 13 October.

## Google Trends UK search interest for the term “Amazon Prime” 13 September - 13 October 2020



Source: Google Trends



Prime Day is likely to “knock some of the stuffing” out of Black Friday, “especially in the electricals sector,” says Zoë Mills at GlobalData.

In a bid to pre-empt Amazon, a host of rivals launched their own sales ahead of Prime Day, including electrical stores AO and Currys PC World. AO ran discounts on 4K TVs, laptops, smart-home tech, appliances and coffee machines in late September, while Currys PC World offered cut-price Beats headphones, tablets, A/V equipment and video games.

Mulcahy believes that Prime Day 2020, rather than rivalling Black Friday, has “brought the festive sales period forward” this year, in a move that may help the retail industry regulate demand.

“Retailers may struggle to cope if we leave all our Christmas shopping until the last minute. But if consumers do quite a lot of it in October and November, things should run more smoothly,” he says.

Black Friday was already becoming more of a digital-only event before the pandemic - Google Trends data reveals search interest for the term “Black Friday” was 50 times higher in November 2019 than the level in November 2010. But COVID restrictions will prompt far more consumers to shop online this year.

Finder surveyed 2,000 Brits in October 2020 and found that just 5.8% of those who plan to take part in Black Friday intend to shop only in-store - down from 8.5% in 2019. Our poll also showed that online retailers can expect a surge - the proportion of online-only shoppers is set to rise by over 10 percentage points to 66.5%, compared to 56.1% in 2019. Overall, 94% plan to shop online (including those who will also shop in-store).

On the high street, coronavirus restrictions are likely to impact fashion stores, in particular. PLT’s Luke Carter observes: “You have to wear a mask, sanitise your hands, follow a one-way system and you can’t try anything on, which takes away from the experience. No-one wants it to be the end for traditional retail, but it seems the world is trying its hardest to get rid of it at the moment.”

IMRG, the industry body for online retailers, expects the trend to continue. “The high street has been in gradual decline for some time, but it looks like the pandemic is speeding it up a lot. I’m afraid in-store retail is going to fall off a cliff when we get into 2021,” says Andy Mulcahy, strategy and insight director at IMRG.

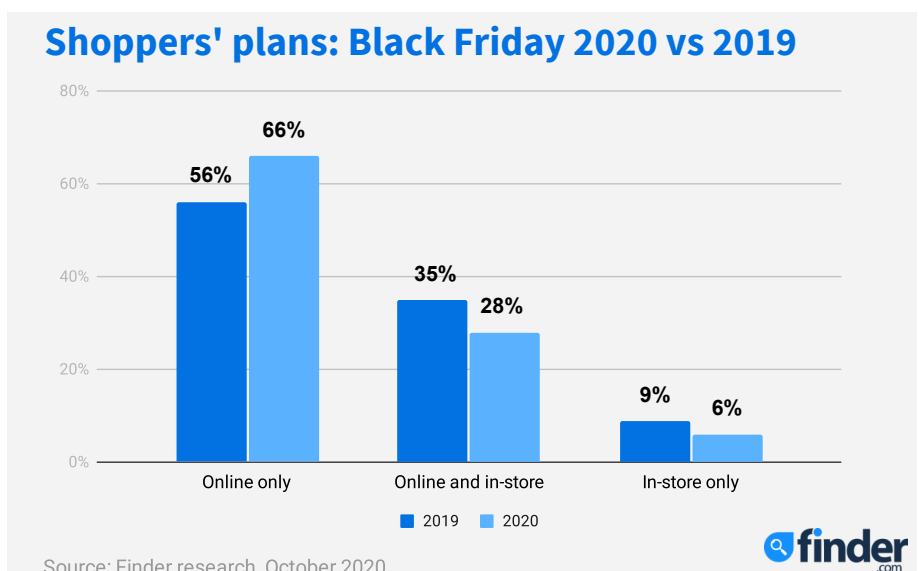
In the US, some major chains - including multi-national supermarket Walmart - will be closed on Thanksgiving this year. This marks a huge departure from a tradition of kicking off Black Friday in-store with doorbuster sales on Thanksgiving Day itself.

In the UK, Tier 3 restrictions in some cities may force many retailers to shut their doors over the Black Friday weekend. But for stores that stay open, certain sectors are set to fare better than others.

“There is still a place for in-store experiences within certain sectors, including tech and electricals,” says Zoë Mills, retail occasions expert at the consultancy GlobalData.

“Some products demand a physical presence, where demos for things like phones and the latest laptops need to be seen and trialed in person,” she adds.

Higher demand for online goods may leave at least some frustrated customers turning to the high street. “If products are out of stock online, shoppers might decide to travel to the store to pick up that one item. The likes of John Lewis, H&M and Topshop allow customers to see if a product is in stock in their local store,” adds Mills.



As unemployment in the UK hit 1.5 million this summer, and the government's furlough scheme is set to end on 31 October, you could forgive Britain's shoppers for taking a year off this Black Friday. But our latest research shows that overall spending is due to beat 2019's figure.

Finder has carried out the same pre-Black Friday survey for three years, and our new data reveals a rift: fewer consumers plan to take part, but those who will, plan to spend more. The total is set to hit £6 billion overall, up from £5.6 billion last year.

Our poll, carried out in October, found the number set to shop this year is 20.3 million (39%), which is a drop of 1.8 million on 2019's figure. While this could climb to 36.6 million - as 16.3 million were undecided - the likely decline reflects the UK's pandemic-induced recession.

"Since lockdown, some households haven't got much money in the bank at all, but those in reasonably secure jobs have been able to save because of cancelled holidays and zero commuter fees. There's a real division down the country," says IMRG's Andy Mulcahy.

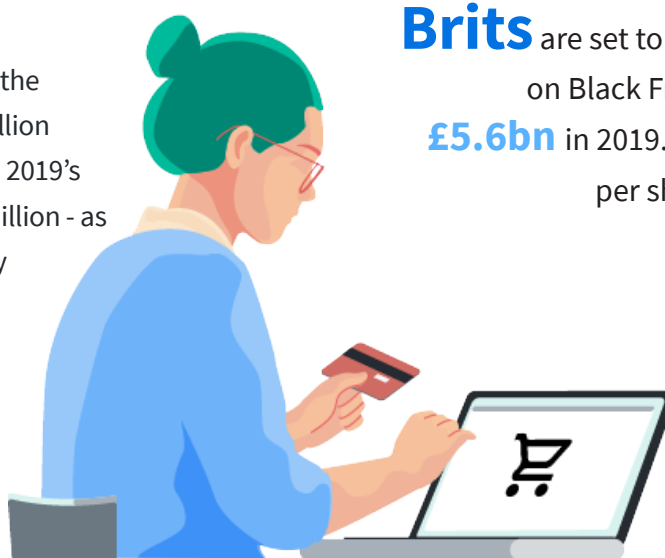
For those who do plan to take part, the average spend in our 2020 survey was £296 per person, which is £45 more than in 2019 (£251) and £60 more than in our 2018 poll (£236).

The factors that drive shoppers to buy on Black Friday are those at work in any sale - the scarcity effect and fear of missing out. But Kate Nightingale, consumer psychologist and co-founder at consultancy Style Psychology, adds: "There is also a certain sense of achievement at finding a bargain, for the more rebellious minds."

She believes that these emotions intensify for Black Friday: "The ritualistic component of annual sales events enhances anticipation, which further builds up the excitement level. The seasonal feelings surrounding Black Friday as a time to buy your Christmas gifts enhance the impulsivity in purchase behaviour."

## What will they buy?

Historically, tech and electronic products are Black Friday's best sellers: Amazon's Echo Dot 3rd Generation sold over 32,000 units, and the Alexa Fire TV Stick came in second (17,000 units) in 2019, according to data from the (now closed) consumer insight platform Hitwise. John Lewis revealed its most popular 2019 Black Friday searches were Apple AirPods, LEGO and the Apple iPad. With the waning appeal of Christmas party fashion, and the surge in TV streaming in 2020 Britain, tech is likely to be the dominant sector again this year.



**Brits** are set to spend **£6bn** on Black Friday vs estimated **£5.6bn** in 2019. That's **£296** per shopper vs **£251**.



Source: Finder survey, Oct 2020

With local lockdowns and social distancing measures in place around the globe, touch-free QR codes, previously seen as a relic of the early 2000s, have found a new lease of life.

The matrix-like patterns are everywhere, from the walls of pubs and restaurants to shopping centres throughout the UK, and consumers are scanning them to view menus, book appointments or log data for the government's Test and Trace programme.

Now, QR codes could play a key part in Black Friday. Nils Engelking is cofounder at Egoditor, a mobile marketing company that runs an online QR code generator and works with brands to implement them. He says: "The trend started before the pandemic, since both Android and iPhone started supporting QR codes natively. This made it easier for users to scan the codes through smartphone cameras, without downloading a dedicated app."

But the pandemic made QR codes "ubiquitous" says Engelking, prompting brands to rethink online marketing and social media campaigns. To use a QR code online, users need to scan a page on one device using the camera on another.

"Promoting organically on Instagram can be difficult for businesses because the app doesn't allow direct links on organic posts. They appear in plain text and have to be inserted in the brand's bio, or as a part of an Instagram story.

"QR codes solve this issue as users can access information directly. Over Black Friday and holiday sales events, these links can be used for special offers, to boost new products, or to sell items at a discount," he adds.

## QR codes for returns

Email marketing and customer product returns are avenues beginning to feature QR codes. ASOS, Staples and Missguided are just three brands that have rolled out QR code instant returns.

"We're in the process of enabling QR code returns at PLT. Weirdly, this is something we were looking at before the pandemic for environmental reasons, and then QR codes had this massive resurgence during lockdown," says PLT's Lee Carter.

We can expect the humble QR code to drive further innovations in retail, including greater use of augmented reality (AR). "QR codes have a bright future. We think we'll see a great variety of implementations...with every industry looking for creative ideas to leverage the benefits. Apple Clips [video creation software] are a great example of how brands can make use of AR applications, accessed through QR codes," says Engelking.





The main issues for retailers over this Black Friday period are likely to be pandemic-related: how can online stores ensure their sites cope with a traffic spike, keep warehouse staff safe and run a smooth delivery operation, while maintaining the significant discounts prevalent since lockdown began?

## Website outages

As Finder data shows, the number of Brits shopping purely online this Black Friday is set to increase by more than 10 percentage points (66.5%), compared to 2019's figure (56.1%). Retailers are likely to see the biggest surge in traffic ever recorded on Black Friday, which may overload some sites.

"Websites going down on Black Friday has been a reality for a few years," says Andy Mulcahy of IMRG.

Indeed, 2014 saw Argos, Boots, Currys PC World and Game buckle under the strain. While engineering work since then has involved reducing image resolution, stripping away videos and switching off external services to boost resilience, this year may warrant another level of enhancements.

"The online retail industry has responded well to changing consumer demand this year. But I wouldn't be surprised if there are some vendors that have a few struggles as demand surges," says Luke Deryckx, chief technology officer at Ookla, the company behind Downtdetector, an outage monitoring platform.

So how can brands bulletproof their sites to avoid issues such as slow response times, failure of specific actions and error pages caused by failures on the back end?

"Technical teams behind these services can add capacity to a site's application stack, or scale up their databases. Adding a geographically distributed caching layer is critical as well, ensuring that static assets and images are served from a network with relative proximity to the end user, saving central back-end capacity for processing orders," says Deryckx.

## Maintaining heavy discounts

All sectors have been affected by the pandemic, but retail is among the hardest hit. To stand out in a heavily saturated market, brands have been forced to offer huge discounts to shift surplus stock.

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At the end of September, Topshop offered up to 50% off everything, ASOS was forced to go higher with 60% off shoes and garments, and H&M responded with up to 70% off selected collections. The question is: can these mammoth discounts be maintained?

“Stores are already offering Black Friday-level discounts. I doubt retailers will go any steeper - realistically they just can’t maintain it,” says GlobalData’s Zoë Mills.

“Instead, we’re likely to see a longer Black Friday period with discounts throughout November, rather than just across two weeks at the end,” she adds.

But if competing on price isn’t an option, brands may look to other avenues. “It’s about what isn’t related to price. With electrical goods, brands can offer long warranties or 0% finance options,” says Mills.

Offering interest-free buy now, pay later (BNPL) services is an increasingly popular benefit that’s seen a surge during the pandemic. BNPL is even becoming an expectation: nearly 9.5 million Brits said they avoided stores that didn’t offer BNPL, in a study from February 2020 by market research agency Harris Interactive.

Another course of action brands can take is to appeal to eco-friendly shoppers. “A trend last year was to promote the environmental angle. Brands announced they would plant 10,000 trees if a certain amount of money was hit, or they offered discounts on sustainably-sourced products,” says IMRG’s Mulcahy.

## Keeping staff safe and fulfilling orders

Perhaps the most critical element of retailer plans this Black Friday is how to ensure staff stay safe and healthy. Brands need to be sure their fulfillment centres are able to both deal with the number of orders, and keep as many staff working as possible while abiding by social distancing measures.

“If just one person tests positive in a warehouse, the majority of workers will have to self-isolate, putting the operation in jeopardy. It’s of paramount importance for brands to take this very seriously because it will close your operation if you don’t,” says Mulcahy.

At the start of lockdown, Clipper Logistics in Ollerton, Nottinghamshire - a warehouse centre processing clothing returns for brands including River Island and Marks & Spencer - came under fire for allegedly failing to uphold social distancing measures, resulting in several workers walking out.

“Reputation can be ruined so easily if retailers get things wrong,” says Mills. “To counter this, instead of offering free next-day delivery options, we might see brands switch to two or three-day delivery slots, to give warehouses more of a chance” she adds.





## Zoë Mills, GlobalData

“I think we can expect to see retailers discounting heavily this year, especially the stock they’ve been unable to shift since lockdown, including summer clothing and footwear. All of this means there’s still a really good opportunity for consumers to get a good deal this Black Friday, if those are the products they’re looking for. But sadly for retailers, I don’t think we’re going to see the best margins.”



## Andy Mulcahy, IMRG

“Black Friday is always unpredictable and unlike any other sale throughout the year. With more people shopping online this year, it’s going to be extremely difficult for retailers to manage - social distancing practices in warehouses will see brands struggle to keep up with the sheer volume of sales and process the orders, resulting in delayed deliveries. A lot of us are looking at Black Friday 2020 with some degree of nervousness and after that, I don’t know what’s going to happen. 2021 is going to be extremely tough for retailers.”



## Lee Carter, PLT

“We could see some really crazy discounts this Black Friday. One of our worries at PLT is that whatever the likes of ASOS offer to keep their customers engaged, we are going to have to top that to get shoppers' interest back. Like almost every retailer, we’ve held big sales over the summer, so it’s a question of how hard do we have to go over the festive period to get customers through the door.”



## Kate Nightingale, Style Psychology

“There will be less social influence when consumers shop online on Black Friday this year, except when retailers use tricks like ‘5 people are currently looking at this’ on individual product pages. The relative ease and convenience of home delivery can also make people more impulsive. However, the ability to see the total of the basket when shopping online can help consumers shop more mindfully than if they were browsing in person.”

## Conclusion

The pandemic continues to change the way we shop and hasten a shift to digital. This Black Friday is set to claim the biggest online audience ever, during a time that would have provided bricks-and-mortar stores with a much-needed lift. However, delivery delays for online retailers are inevitable, due to the sheer volume of demand and social distancing measures in retail warehouses.

Black Friday is known as the biggest sale event of the year, but major discounts have become almost the norm since lockdown. All of this means retailers will need creativity, innovation and outstanding planning to meet consumers’ expectations this year.

## About Finder

Finder is a personal finance website which helps consumers compare products online so they can make better-informed decisions. Consumers can visit the website to compare utilities, mortgages, credit cards, insurance products, shopping voucher codes, and so much more before choosing the option that best suits their needs.

finder.com/uk launched in the UK in February 2017 and is privately owned and self-funded by two Australian entrepreneurs – Fred Schebesta and Frank Restuccia – who successfully grew finder.com.au to be Australia's most visited personal finance website (Source: Experian Hitwise).

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