

Black Friday: from American tradition to European custom

How spending attitudes have changed during the second wave of COVID-19

Axerve • Whitepaper



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Origins of Black Friday and historical highlights

Black Friday, in North American tradition, is **the Friday after Thanksgiving** or Thanksgiving Day, the Christian anniversary celebrated in the United States and Canada in which, on the fourth Thursday of November, people express their gratitude to God for the harvest and, more generally speaking, for everything received during the year.

A sizeable portion of the Christmas spending of American families has, for many years now, been concentrated on the weekend which extends from Thanksgiving to **Cyber Monday, the Monday immediately after**, as we'll take a more in-depth look at in the dedicated chapter.

According to some sources¹, Black Friday is an expression coined in Philadelphia in the first half of the previous century in which traffic on the Friday after Thanksgiving was so congested due to a promotional parade organised by the department store Gimbel Brothers that it was considered indeed a black Friday. Again during those years, in 1924 to be exact, the distribution chain of Macy's organised the first Macy's Thanksgiving Day Parade, an event still organised today and now an integral part of New York's Christmas traditions.

The connotation strictly related to Christmas buying and promotions was then reinforced in the 1980s and 1990s², a period associated with another origin of the meaning of this expression. Consider, in fact, that during those decades, Black Friday had started to signal such a marked increase in spending by Americans to be identified as the day on which accounts that were in the "red" (or better still, in debt, of merchants) moved "into the black", i.e. a credit balance.

The expression Cyber Monday³ instead dates back to the start of the 2000s, a term coined by Ellen Davis and Scott Silverman of Shop.org - division of the National Retail Federation - in a research paper published in the autumn of 2005. This study showed that 77% of on-line retailers had recorded a significant increase in the Monday after the holiday weekend. The presumed cause was traced back to the shortage of time Americans have at the weekend, traditionally spent with the family and less dedicated to shopping. From then, also thanks to merchants' promotional initiatives, purchases on Cyber Monday have grown constantly year on year.

1 - Black Friday | Wikipedia
2 - The First Macy's Thanksgiving Day Parade | HISTORY
3 - What's the Real History of Black Friday? | HISTORY

Black Friday throughout the world: how consumer purchase habits have changed

Black Friday and Cyber Monday today go hand in hand with the start of Christmas shopping in North America, but also in a large part of the rest of the world.

Autumn purchases in North America

Since the birth of "black" Friday for shopping, other initiatives have been added, especially in the United States, which has extended the promotional periods to October and November, to also include the first few days of December.

In addition to Cyber Monday, which we have already spoken about, **Small Business Saturday** is worth a mention, an initiative conceived in 2010 by American Express³. On the **Saturday after Black Friday** the company will unveil a campaign to encourage proximity purchases, i.e. in corner shops, by contributing discounts and concessions for merchants. In 2020, the project, renamed Shop Small in the meantime, includes micro Ecommerce initiatives to tackle the restrictions imposed due to the pandemic and continues to involve hundreds of small merchants.

Also, a recent survey by Google⁴ confirms the **propensity to extend the shopping period**. The study showed that the search for "wrapping paper" at the end of October 2020 increased by 80% YoY and almost half of those surveyed started their Christmas shopping during the same period. **59%** of the persons involved then confirmed that **they already expected offers and discounts from**

stores during that period and **50% said they only bought during promotions**. More than **75%** of those surveyed then organised **early purchases to avoid mass gatherings** and avoid missing out on the desired products because they were sold out.

The new sale models and the promotions offered in this period are contributing, year after year, to the increase in Americans' Christmas spending. According to a research by Adobe Analytics⁵, estimated on-line sales will exceed 189 billion dollars in 2020.

Data analysed by Adobe:

- 1 trillion visits
- 100 million items
- Transactions of 80 of the 100 top merchants on-line in the USA
- More than 1,000 consumers surveyed (October 2020)

On Black Friday alone we are talking about more than 10 billion (+39% YoY) and actually more than 12 billion on Cyber Monday (+35% YoY).

Mobile purchases increase, accounting for 42% of the total, marking an **increase of 28 billion** compared to 2019.

Considering the forced closures of stores in many States and the Government incentives for encouraging purchasing, **internet spending** in the holiday period **could hit 200 billion dollars** in the USA.

4 - What shoppers are searching for going into Black Friday and Cyber Monday | Google

5 - Adobe Analytics Holiday Forecast 2020 | Adobe

Again according to Adobe, **31% of consumers** who took part in the survey **rarely purchased before April 2020**, **9% never bought before April 2020** and with spending exceeding 50% for new customers over the course of Thanksgiving, Black Friday and Cyber Monday, the last weekend in November is confirmed as strategic for the results for the whole year.

The National Retail Federation has forecast in-store and on-line spending of between **755 and 767 billion dollars in the November-December period in the United States⁶**, marking a YoY increase of 3.6% - 5.2% and surpassing the average growth of 3.5% over the last five years.

The race to find the best deals in the States over the last few decades has also unfortunately led to incidents³; in fact, **over the last fifteen years, there have been various instances of violence**, due to the especially attractive offers from some shopping centres. For example, in 2006, **more than 15,000 customers literally overwhelmed the security** of a Utah shopping centre to grab the best gifts and, also during the same year, there were actual scuffles in California and Virginia between customers who had queued for hours, waiting for stores to open. **Black Friday in 2013 in Long Island actually ended in tragedy**, following the death

of an employee at a shopping centre, literally trampled on by the crowd in the grips of the sales mania.

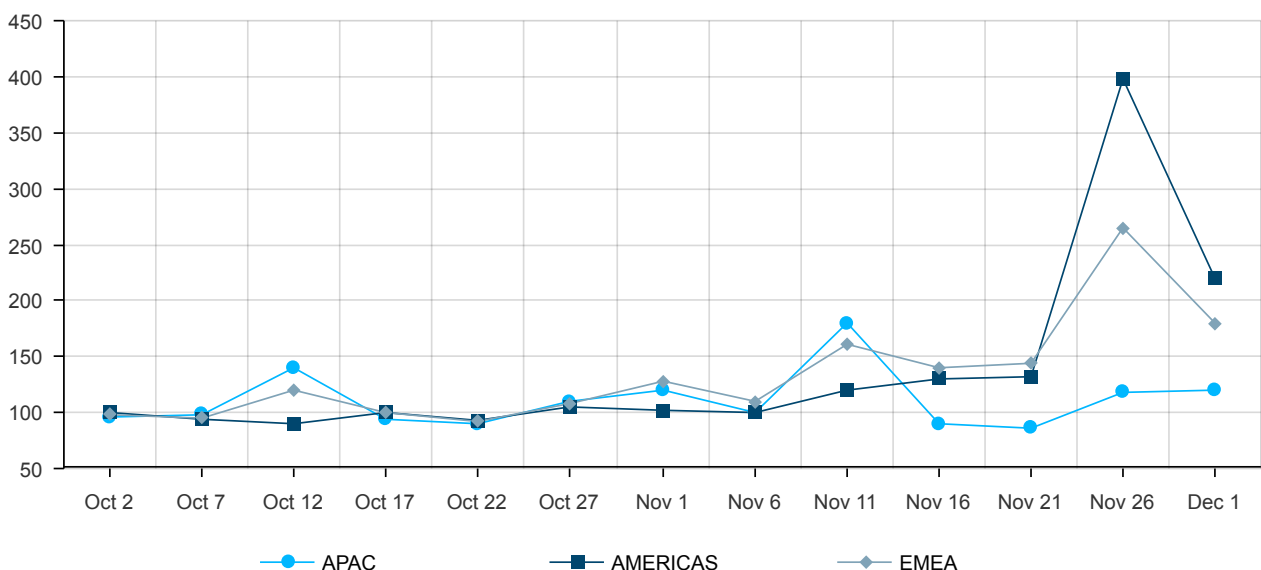
Black Friday and not just in the rest of the world

Also in the rest of the world, Black Friday has assumed a crucial role for both physical and on-line commercial merchants. A recent study by Criteo⁷, a French company specialised in digital advertising, examined roughly 3 billion transactions relating to Q4 of 2019 and 2020 of more than 5,500 resellers.

The research highlighted growth in the figures at global level:

- **Black Friday sales rose by 139%** compared to October (from 1 to 28)
- In 2020, **the biggest growth** was recorded in **the days immediately before and after the last Friday in November**
- The **first 3 weeks in November** recorded **growth of 17% YoY**
- In the countries in which the spread of COVID-19 started to rise again in the autumn period and, consequently, **where new lockdowns were imposed, on-line spending was higher**

Black Friday 2020, Worldwide



⁶ - Retailers plan for a Black Friday like no other | Los Angeles Times

⁷ - Global Black Friday 2020 Sales Recap | Criteo

Spending during this period is becoming a part of the spending habits in many countries but shopping autumn is no longer limited solely to these occasions. **On 11 November**, for example, **Singles Day** is celebrated, the holiday increasingly more intertwined also with shopping in China, is gathering pace in many other nations like Spain, United Arab Emirates, the United States and also Italy.

In order to grasp the scope of this event in China, we refer to **Alibaba**, the Ecommerce marketplace now renowned at global level. On Singles Day 2020, the Chinese giant **surpassed 74 billion dollars of purchases**, compared to 38 billion in 2019, with **250,000 brands** (31,000 of which foreign) and **800 million consumers** involved⁸. It should be noted that, for the first time, the marketplace extended the celebrations from 1 until 11 November, but the scope was nonetheless significant, especially if compared with a similar event by **Amazon, Prime Day**, an event running for 2 days, held on the 13 and 14 October in 2020, with an overall **total of 10.4 billion dollars**.

In addition to Singles Day, we have various international promotional events like **Boxing Day**, which involves some Commonwealth countries, such as the United Kingdom, Canada, Australia and New Zealand, just to mention the biggest ones, and **which is celebrated on 26 December**⁹. It takes its name from the day on which, historically, merchants and, in general, the more well-to-do families gave gifts to their staff or to members of the less well privileged classes.

Despite this shopping day having recorded a slowdown in 2019 compared to the previous year (**visits to Ecommerce sites down 6%**) at least in the United Kingdom¹⁰, it remains strategic nonetheless, if we consider that consumers typically wait for the winter sales when the Christmas spending period is over.

Then we have occasions and promotions typical of more localised areas or individual countries. By way of an example, we can cite the **Colombian Tax Free Day (21 November)** which, again according to the research by Criteo, recorded growth in sales in this year exceeding Black Friday itself.

8 - Alibaba smashed last year's Singles Day record with over \$74 billion in sales amid worries over the pandemic | BUSINESS INSIDER

9 - Black Friday Around the World: Which Countries Have Major Shopping Holidays? | JungleScout

10 - Stats From Boxing Day 2019: UK's Largest Online Retail Day Is Losing Ground | SimilarWeb

Italy and Black Friday: new buying habits

Over the last few years, also in Italy, buying for Christmas kicks off in the last weekend in November. According to a **recent publication by the eCommerce B2c Observatory of the Milan Polytechnic¹¹**, in Italy, retailers, both on-line and traditional, prepare bonafide promotional campaigns not just during Black Friday and Cyber Monday but also, for example, for Singles Day on 11 November which we have already discussed.

In fact, the tendency of Italian retailers to extend discount periods also throughout the whole of November was observed. This phenomenon was especially prevalent in the consumer electronics and IT product category, where all main merchants pushed some special promotions as early as 1 November.

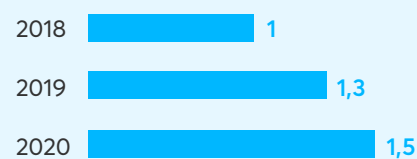
The Observatory then identified **different sales models** for this specific period, which vary depending on:

1. **Type of discount:** Applies discounts on the whole catalogue or targeted at one or more product selections. Or even time-limited discounts, couponing, free deliveries or concessions with the offer of free products (think of the 3x2 promotions, for example).
2. **Customer type:** Thanks to access to increasingly more accurate data, companies can cluster customers into more well-defined groups. Also for this reason, some retail chains offer special discounts, for example, to those who have signed up to their loyalty programme or those subscribed to the newsletter.

3. **Type of channel:** The discounts may concern a specific sale channel (e.g. the mobile app) or more generally may be on-line exclusives.
4. **Special initiatives:** Competitions, loyalty programmes and solidarity campaigns are just a few of the examples of the activities rolled out within the context of Black Friday to promote their offer, boosting sales, and perhaps combining sales objectives with other solidarity goals with a social impact.

The eCommerce B2c Observatory of the Milan Polytechnic estimated a **15% increase in purchases** by Italians during Black Friday weekend in 2020, marking a slight decrease compared to the previous year (1.3 billion in 2019), due in the first instance to the decline in the services component (tourism and transport and ticketing for events). It should also be noted that in the same way that COVID-19 played a role in the Ecommerce sector, as we have already spoken about in our article dedicated to [how the spending attitudes of Italians have changed during the lockdown](#), the virus has dented consumer confidence, as confirmed by the National Statistics Institute.¹²

Online purchases by Italians in the days between Black Friday and Cyber Monday (in bln €)



5% the incidence of days between Black Friday and Cyber Monday on the total Ecommerce 2020 transaction

Source: Osservatorio eCommerce B2c Politecnico di Milano

¹¹ - eCommerce for Christmas 2020: much more than Black Friday | eCommerce B2c Observatory of the Milan Polytechnic

¹² - Consumer and business confidence | ISTAT

Trovaprezzi.it, leading on-line price comparison site in Italy, sketched out a decidedly positive assessment of the on-line searches related to Black Friday 2020¹³. The site registered a total of **more than 5,550,000 searches (+4.7% compared to the forecasts)**, whose **peak of 1,730,000** was recorded indeed during **Black Friday**. In second place with **1,300,000 searches** (recording a decrease of -1.9% compared to the expectations) was **Cyber Monday**.

With respect to previous years, the limits on movements have contributed to a more consistent distribution of access, nonetheless with some clear spikes between 18:00 and 19:00, during the entire final weekend of November. The **most active regions** were **Lombardy** (with more than 1,500,000 searches) and **Lazio** (over 850,000 searches) which together account for **44%** of total searches. **Campania** (with 7.3%), **Emilia-Romagna** (almost 7%) and **Veneto** (roughly 6.8%) make up the classification of the five regions with the highest number of searches.

Neapolitan men between the ages of 35 and 44 who prefer to search on their mobile devices; this would be the hypothetical identikit of the most active user on the price comparison site. Traditionally, the preferred product category is consumer electronics: smartphones, notebooks and consoles are top of the rankings of the products most sought after.

Italians weren't buying just hi-tech but, according to the research by the eCommerce B2c Observatory of the Milan Polytechnic, **also clothing, furniture and home living items, food, beauty products and toys**, contributed, to varying degrees, to total consumer on-line spending.

So, has the on-line component been the driver of Christmas spending? According to **a study by the Compass Observatory**¹⁴ in 2020, also purchases in large centres and proximity purchases will have a strategic role. In fact, although it is true that **84% of Italians will buy predominantly on-line** and

The impact of the sectors in purchases between black friday and cyber monday



In the case of product Ecommerce, the incidence on the total product transaction passes to about 6%

Source: Osservatorio eCommerce B2c Politecnico di Milano

at least in one case out of two, with an **average budget of € 284** (-7% compared to 2019), 42% of consumers state their desire to purchase in a point-of-sale, actually 49% if we look at the over 55's.

Black Friday is, in any case, becoming a **custom** in our country too, or at least today this is now the case **for 35% of consumers**, while 17% also start before the buying. Half of those making purchases in this period pay for Christmas gifts in advance and 31% spend their entire budget in the last weekend of November. 59% of the people involved in the study buy during this period to take advantage of promotions, while 38% to replace a product.

¹³ - Trovaprezzi.it, boom in Black Friday purchases in anticipation of Christmas | trovaprezzi.it

¹⁴ - Compass Observatory - Black Friday 2020 Special | Compass

The Axerve scenario data: purchases during the second wave

Axerve today manages the payments of **more than 100,000 customers in Italy and all over the world** with over **250 on-line and in-store payment instruments**. Starting from this data basis, we have analysed the global transactions of our merchants to get a snapshot of their performance during the October-November 2020 period, with a focus on the Black Friday/Cyber Monday weekend and comparing it with 2019.

In-store purchases: 2019/2020 comparison

An analysis of the data shows contradictions which partly confirm consumers' propensity to purchase and, on the other, show natural decreases owing to the difficult period experienced by many sectors from the start of 2020.

In fact, in 2020, the transactions of the points-of-sale examined in the January-November period showed an increase of 16% in POS transactions

compared to the previous year and the October-November two-month period accounted for 18% of the total annual transactions, in both years compared.

The Black Friday weekend contributed 7% of the electronic payments in the reference two-month period in 2020, and 9% in 2019, according to Axerve data. Limits on movements and the closures of shopping centres on the weekends and holidays certainly contributed to the decrease, but not necessarily to overall spending, considering the constant growth of the on-line component.

Analysis of in-store purchases by product category

As anticipated, an analysis of spending by product category shows contrasting data depending on the type of product or service examined. In fact, some sectors recorded a significant increase in the last weekend of November, such as food and

Category	Black Friday 2020 vs 2019	Transactions Oct-Nov 2020 vs 2019	Transactions Jan-Nov 2020 vs 2019
Clothing	- 48%	- 19%	0%
Agencies & Tour Operators	- 76%	- 81%	- 64%
Food	- 11%	+ 32%	+ 62%
Entertainment	- 67%	- 40%	- 29%
Electronics	- 16%	+ 36%	+ 49%
Hotel Accommodation	- 77%	- 61%	- 48%
Catering	- 74%	- 41%	- 21%

electronics, and others that, as predicted, instead suffered more, seeing a notable reduction in turnover compared to 2019.

As highlighted in the table, all sectors considered in the analysis showed a reduction in transactions in the last weekend of November, in some cases, however, the on-line component helped reduce losses, albeit not actually compensating them, as we'll see in the next chapter. Those worst hit were hotel accommodation (-77%), catering (-74%) and entertainment-related activities, like cinema, sporting activities and theme parks (-67%). Food and electronics also recorded decreases of 11% and 16% respectively.

By contrast, the data for the October-November two-month period were not all in negative territory. The food (+32%) and electronics (+36%) sectors recorded positive values, while the values in the remaining sectors decreased. Albeit clothing closed with a decrease of 19% in transaction value compared to 2019, and therefore lower than Black Friday weekend, the other sectors, nonetheless posted negative values, with the tourism sector even worse than the last weekend in November.

The data relating to the January-November period confirms that of the months of October and November, with food and hi-tech still recording positive values (+62% and +49%), while the others posted losses, albeit lower than the periods examined previously.

Ecommerce sales during Black Friday: +12% compared to 2019

During the weekend that runs from Black Friday to Cyber Monday, on-line commerce registered, on average, more positive figures than physical retail, up +12% over 2019. The comparison with purchases made in the months of October and November also shows an increase, to the tune of 20%, a sign that a sizeable portion of purchases in the period were made during the two-month period.

Ecommerce scenario by product category

As expected, there are some sectors whose results far exceeded the average, while others confirmed the "in the red" data of points-of-sale. For example, the food sector recorded an increase in sales, paid for on-line using electronic tools, even by more than 150% when compared to 2019 during Black Friday weekend. From the start of the year (January-November 2020 period), the increase actually was as much as 217%, a figure to which the most acute phase of the pandemic contributed in particular.

37% of families that spent on-line had never done so in the previous 12 months, as analysed in depth in our article on [how the purchases of Italians changed during the lockdown](#). Not only this, research by GfK (German Research Institute) last April showed that excess demand was the reason why 19% of families who attempted to carry out their spending on-line were unable to do so, a sign that the market had the potential to further increase sales.

Sectors like electronics, with growth of 34% in the weekend under review and a similar figure (+36%) in the two months highlighted also in the table, were also contributors to the generally positive Ecommerce data. The deviation with the start of the year was similar, an increase of +39%, which confirms the growth of the sector.

An analysis of transactions shows, in particular, the positive figures of sporting equipment, which rose respectively by 36% in terms of the comparison between the Black Fridays of 2019 and 2020, and even 86% in the October-November period, with a +79% increase from the start of the year. Spending by Italians in this sector therefore confirms that the passion for sports has not abated, probably also thanks to the fact that they have always been excluded from the restrictions on mobility, provided they are played according to the guidelines imposed and in respect of social distancing.



By contrast, the negative trends in other activities related to leisure time were confirmed. Travel agencies and tour operators and the sectors related to entertainment (e.g. theme parks, aquariums, thermal baths, etc.) lead the standings shown in the table, in which the worst figures were recorded during Black Friday weekend (-73% and -79%). Hotels also reported results in the red for all the periods examined, marking a decrease of 36% in the last weekend of November, -19% from the start of the year, probably lifted by the summer period and a slump of -67% in the October-November period.

By contrast, catering, which had also taken advantage of digital sale channels in both 2019 and 2020, recorded growth. Increases of 24% in the weekend devoted to shopping, 35% in the reference two-month period and 7% from January, are also proof that working on a delivery and take-away basis enabled the sector to boost its volume of business, presumably to the detriment of businesses that did not offer these forms of sales.

Category	Black Friday 2020 vs 2019	Transactions Oct-Nov 2020 vs 2019	Transactions Jan-Nov 2020 vs 2019
Clothing	+ 12%	+ 9%	+ 28%
Agencies & Tour Operators	- 73%	- 78%	- 56%
Food	+ 151%	+ 150%	+ 217%
Sporting equipment	+ 36%	+ 86%	+ 79%
Entertainment	- 79%	- 63%	- 29%
Electronics	+ 34%	+ 36%	+ 39%
Hotel Accommodation	- 36%	- 67%	- 19%
Catering	+ 24%	+ 35%	+ 7%

Anticipating and identifying new consumer requirements

We have already pinpointed, in our post on the [future of retail](#), the need to understand the needs of a consumer that is changing ever more rapidly. New sale channels, new forms of payment and an extension of the offering are just a few of the factors that, combined with the beginning of the global pandemic, are accelerating the metamorphosis of an increasingly more digitally-oriented consumer.

The in-store experience remains, in any case, a fundamental element of the purchase experience; in fact, not only the purchase channels are going digital but also other touch points, not least that of collection systems. Government initiatives are also helping to encourage the use of electronic forms of payment, like Government cashback, the tax credit on traceable electronic payments or the receipt lottery.

So purchase processes are changing which, although until recently followed clearly defined tracks, on-line or in store, are now coming together, creating a potentially infinite number of journeys that must be strategically managed. The rise in increasingly more multi-channel customers requires platforms able to meet ever changing needs over time and also with sudden accelerations, as the ongoing epidemiological crisis is teaching us.

Therefore, the payment system changes and is constantly enriched with payment solutions suited to an increasingly greater number of buyer personas: forms of payment on delivery, digital wallets, division into instalments and payments in tranches are just some of the tools adopted in Italy and all over the world on an increasingly more frequent basis.

In order to deal with this ever more complex scenario, Axerve is able to offer flexible platforms, capable of managing payments of a single store, thanks to its easy-to-use and reliable POS terminals or those more structured retail chains, with the integration of smart POS terminals with Android operating system. [Axerve Ecommerce Solutions](#), the gateway for on-line payments, instead meets the needs of on-line stores and, thanks to its configurations, is able to interface with any management system or CMS platform.

The ideal tool for sale on delivery or to increase collection solutions in store, dedicated to pure digital customers, is Axerve Pay by Link which offers the opportunity to send a distance payment request via e-mail or by showing a QRcode to the customer when he/she purchases in store.

It is difficult to predict what 2021 has in store for us, but the assumptions suggest the consolidation of some new consumer trends and the hybridisation of old ones and new habits, which will create new customer clusters once the virus event has passed. We have the tools to quickly respond to these changes and this is the time to integrate them and ensure we don't find ourselves unprepared.

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