

From: gap intelligence
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To: chatty@google.com
Subject: Black Friday 2023 Previews: Best Buy, Target, & Walmart Smartphones



MARKET INTELLIGENCE REPORT



Smartphone

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Nov 20, 2023



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PRODUCT UPDATES

- gapSnapshot: Samsung & Motorola Assert Control Over Prepaid Segment This November
- Black Friday 2023 Preview: Best Buy Smartphones
- Black Friday 2023 Preview: Target Smartphones
- Black Friday 2023 Preview: Walmart Smartphones



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INDUSTRY REPORTS

- Target Releases Q3 2023 Financial Results; Total Revenue Decreased 4.2% to \$25.4 Billion
- Walmart Releases Q3 FY24 Results, Revenue up 5.2% to \$160.8 Billion
- Amazon Enhances "Buy with Prime" Features
- Amazon Deploying New Heavy-Lifting Robot in Warehouses
- Thanksgiving Holiday Shopping Spend Expected to Reach \$130 Billion
- The NRF Releases Artificial Intelligence Guidance for the Retail Sector

- Survey: 74% of Consumers Expect Retailer Mobile Apps

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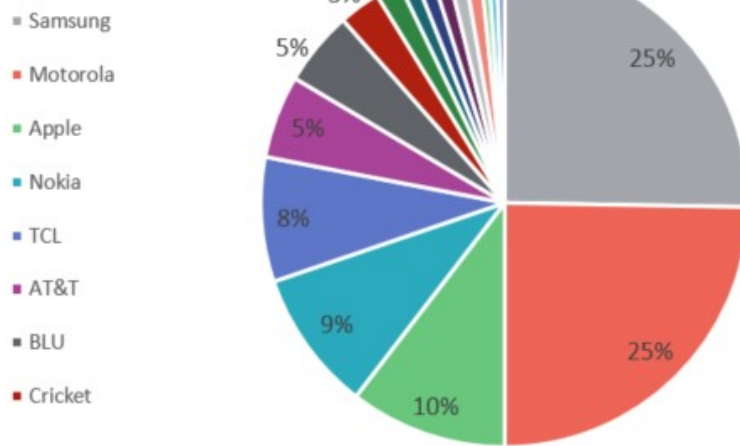
This week's Snapshot highlights the top entities within the prepaid smartphone segment during November. The chart compares each brand's overall involvement based on brick-and-mortar SKU count, and ranks the most found prepaid smartphone models.

gap impact summary

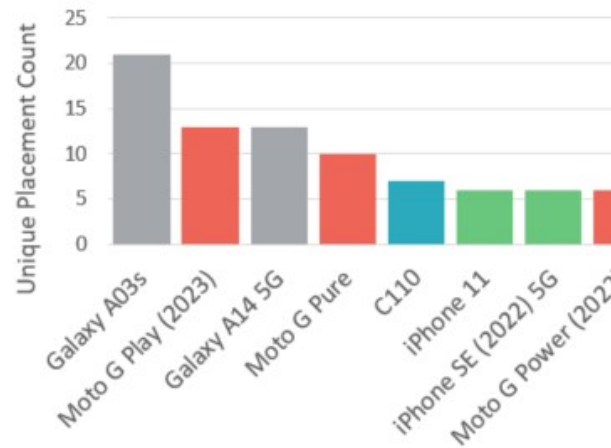
- Samsung narrowly maintains lead of prepaid segment w/ only 1 additional SKU over Motorola (46 SKUs), earning both brands equal 25% shares of the retail shelf
- Although Apple's presence in segment is less than Samsung & Motorola's, it features 2 spots w/in top 10 ranking compared to 3 positions each for the leaders
- Samsung & Motorola have support from 11+ carriers/MVNOs, yielding wide placement across retail landscape
 - 21 unique buying options for Galaxy A03s
 - 13 unique buying options for Moto G Play (2023)
 - 13 unique buying options for Galaxy A14 5G
 - 10 unique buying options for Moto G Pure
- Walmart continues as channel's most diverse prepaid venue, assortment accounts for 58% of today's prepaid landscape (106 of 182 total SKUs in retail), up 3-points since [Q1 of this year](#)

Smartphones: Top Prepaid Segment Players

Retail Shelf Share by
Prepaid Brand: Nov-23



Retail's Most Common
Prepaid Models: Nov-23



*gap intelligence panel includes: AT&T, Best Buy, Costco, Sam's Club, Target, T-Mobile, Verizon, & Walmart

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Source: "Merchant Pricing Trends" tab within the November 19, 2023 Pricing & Promotions Report in [Data](#)
Recent Reports

[Top](#)


Black Friday 2023 Preview: Best Buy Smartphones

After a month of vigorous advertising activity, Best Buy released its official online Black Friday ad featuring smartphones this week through Black Friday. The ad is active from November 17 to 25, 2023 and features smartphone offers from participating brands including Apple, Google, Lively, Motorola, and Samsung. This is a lower level of diversification compared to [the merchant's 2022 event](#) (nine brands), plus this year's Black Friday ad has a more curated selection of products compared to the 40 unique promotions that Best Buy advertised for the event last year. Smartphones are featured toward the right side of the categories arrayed on Best Buy's headlining "Black Friday is here" page, while the merchant draws attention to added savings for its My Best Buy Plus and Total members, smartphones are specifically included in these loyalty-driven promotions.

BEST BUY **Black Friday is here.** Also, My Best Buy Plus™ and My Best Buy Total™ members get more Black Friday Deals.


Shop deals by category

- TVs & Projectors
- Laptops & Computers
- Apple
- Video Games, VR & Collectibles
- Major Appliances
- Headphones
- Cell Phones & Accessories
- Sound Bars, Bluetooth Speakers & Home Audio
- Small Kitchen Appliances




Save up to \$300 on select unlocked Samsung Galaxy phones.
Minimum savings is \$35.

[Shop Now](#)




Save up to \$950 on unlocked Google Pixel 8 Series with qualifying trade-in.
Minimum savings is \$150. Terms and conditions apply.

[Shop Now](#)




Save up to \$300 on select Motorola phones.
Minimum savings is \$50.

[Shop Now](#)



Save up to \$800 on Samsung Galaxy Z Fold5 with qualified activation.
Terms and conditions apply.

[Shop Now](#)



Save 50% on select smartwatches.

[Shop Now](#)

Within Best Buy's Black Friday 2023 ad, Google is the leading Android segment promoter with up to \$950 off on its unlocked Pixel 8 series smartphones, more than doubling its \$400 threshold from 2022's event. Samsung's top offers peak this year at \$800-off of its foldable Galaxy Z series, a large drop from its \$1,200 maximum value in 2022. Meanwhile, Apple's leading value of up to \$350 off on its unlocked iPhone 15 Pro and iPhone 15 Pro Max trade-in matches its highest offer from last year.



iPhone 13 unlocked
Save \$50 instantly with qualified activation. Also, save up to an additional \$250 with qualifying trade-in.
Terms and conditions apply.



iPhone 14 unlocked
Save up to \$350 with qualifying trade-in. Also, save \$75 with qualified activation.
Terms and conditions apply.



iPhone 15 and iPhone 15 Plus
Save up to \$830 with trade-in. Everyone saves 5% instantly with qualified activation. Additional offer available when you switch from T-Mobile.
Terms and conditions apply.



iPhone 15 Pro and iPhone 15 Pro Max
Save up to \$1,000 with trade-in. Everyone saves 5% instantly with qualified activation. Additional offer available when you switch from T-Mobile.
Terms and conditions apply.

[Shop Now](#)

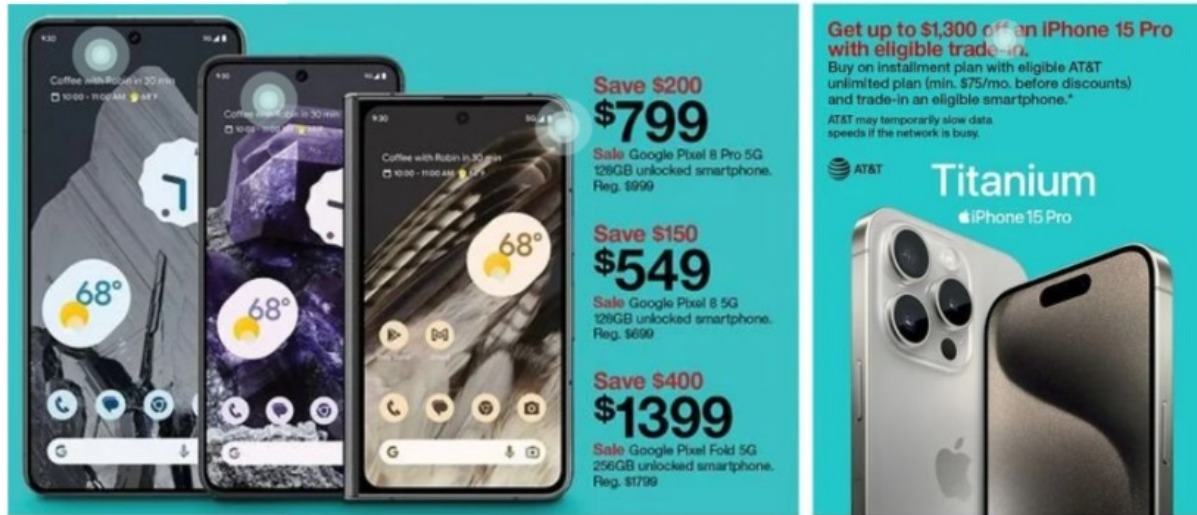
Apple advertises an array of four iPhones on a separate branded page within Best Buy's Black Friday ad. The ad offers savings from \$50 up to \$75 and trade-in values from \$250 to \$350 on unlocked iPhone 13 and 14 generation models, while reserving more lucrative promotions for its iPhone 15 family on postpaid carriers (AT&T & Verizon) which span from \$830 up to \$1,000. Ads for the iPhone 15, iPhone 15 Pro, and iPhone 15 Pro Max are designed for carrier switchers, specifically those coming from T-Mobile, which is a noteworthy element noting the carrier's recent absence from Best Buy's assortment. The tactic will serve to strengthen AT&T's and Verizon's stances at the chain and in the mobile channel against T-Mobile, capitalizing on its absence from the national retailer.

[Top](#)

Black Friday 2023 Preview: Target Smartphones

Target released its official Black Friday 2023 ad this week. The ad is active from November 19 to 25, extending from Black Friday to the following day. Smartphone deals from Apple, Google, and Samsung are featured for the first time. Similar to [last year](#), are spread over separate pages of the Black Friday ad. Each brand focuses on distinct segments within Target's assortment, with Apple promoted by AT&T (postpaid), Google pitching mostly unlocked models, and Samsung advertising options on Total by Verizon (prepaid).

black friday deals



The advertisement features three Google Pixel smartphones on the left and an iPhone 15 Pro on the right. The Pixel 8 Pro is shown in three colors: blue, purple, and black. The Pixel 8 is shown in blue. The Pixel Fold is shown in black. The iPhone 15 Pro is shown in silver. The background is a solid teal color.

Device	Save	Sale Price	Original Price
Google Pixel 8 Pro 5G	\$200	\$799	\$999
Google Pixel 8 5G	\$150	\$549	\$699
Google Pixel Fold 5G	\$400	\$1399	\$1799

Get up to \$1,300 off an iPhone 15 Pro with eligible trade-in.
Buy on installment plan with eligible AT&T unlimited plan (min. \$75/mo. before discounts) and trade-in an eligible smartphone.*
AT&T may temporarily slow data speeds if the network is busy.

The leading deal of Target's Black Friday 2023 ad is Apple's offer for up to \$1,300-off its iPhone 15 Pro for AT&T (36mo installment plan), which is \$1,000 higher than its threshold last year (\$300-off). Apple's deal requires activation on AT&T, which will severely limit the success of the offer considering that most Target stores have no postpaid activations. Google advertises the next highest values with savings from \$150 on the Pixel 8 to \$400 on the Pixel fold, giving the brand mid-level and premium options for shoppers.

SAMSUNG Galaxy A03s
Free with in-store activation & 2 month \$50 plan*
\$59.99
Total by Verizon Samsung Galaxy A03s 4G 32GB prepaid smartphone.

SAMSUNG Galaxy A14 5G
Save \$50
\$49.99
Sale Total by Verizon Samsung A14 5G 64GB prepaid smartphone. Reg. 99.99

Pixel 6a
Save \$100
\$99.99
Sale Total by Verizon Google Pixel 6a 5G 128GB prepaid smartphone. Reg. 199.99

total by verizon

*Offers available starting 11/19-11/25. One promotion per Total by Verizon account. Samsung Galaxy A03s: While supplies last. Requires a new line of activation in-store and the purchase of 2 months of service on a Total by Verizon Unlimited plan. Taxes and fees apply. All plans: See totalbyverizon.com for latest terms and privacy policy. In times of traffic, your data may be temporarily slower than other traffic. Video streams at up to 480p. Additional terms may apply. 5G access requires a 5G-capable device in a 5G coverage area. 1860 Plan: Disney+ included requires active service on \$60 Plan; you must remain on the eligible plan to retain Disney+ offer. Must be 18+. Total by Verizon reserves the right to cancel or modify this offer at anytime. Standard data usage applies when accessing Disney+. See additional terms at https://www.totalbyverizon.com/disney+. © 2023 Disney and its related entities. Total by Verizon is a trademark of Verizon Trademark Services LLC. © 2023 VERIZON. All items on this page are quantities limited; no rain checks.

In the prepaid segment, Google is joined by Samsung within a set of advertisements from Total by Verizon. The savings offer drops Google's Pixel 6a to \$99 in the ad, while Samsung advertises its Galaxy A14 for \$49.99 with a \$50 savings and its Galaxy A03s for free after in-store activation and bundled purchase of two \$50 monthly plans for one year. Samsung's Galaxy A03s was also the lowest-priced smartphone advertised for Black Friday at Target, with a Tracfone SKU for \$34.99.

[Top](#)

Black Friday 2023 Preview: Walmart Smartphones

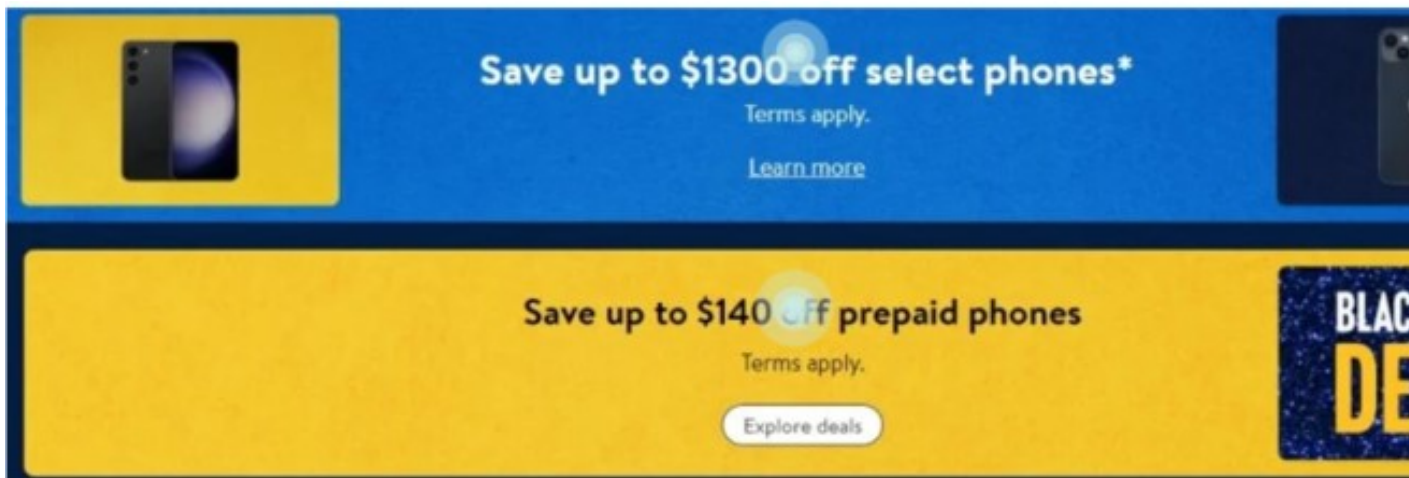
Walmart begins its Black Friday Deals shopping event this week, which starts online on November 22 at 3pm and becomes active in-store at 6am (local) on Friday November 24, 2023. This year's event follows a simpler format compared to Walmart's [past two Black Fridays](#), which were organized into three distinct deal periods. The merchant promotes its Walmart+ program by offering early access starting at 12pm Eastern on November 23 to members of the program to shop first. A modest set of three smartphones are included in Walmart's Black Friday

ad, all on postpaid carriers, while the merchant also features general banners that cover “select” and “prepaid” within the ad.

The image shows a Walmart Black Friday advertisement. At the top, a banner with a dark blue background and gold text reads "BLACK FRIDAY DEALS". Below this, it says "Live online 11/22 at 3pm ET. / In stores 11/24 at 6am local." and "Limited quantities. While supplies last. No rain checks. Select items may not be available in-store." To the right, a white box with a yellow Walmart+ logo and a shopping bag icon says "Walmart+ Early Access is coming! Members shop first 11/22 at 12pm ET.*" with a "Join Walmart+" button and "Online only. While supplies last. See terms." Below the banner, a dark blue bar says "Get a sneak peek at hot Black Friday deals!". Underneath are three white product cards. Each card features a smartphone image, a heart icon, and pricing information. The first card is for the Samsung Galaxy S23 Plus Phantom Black, priced from \$20.81/month (original price \$799.99) for 36 months, 0% APR on AT&T. The second card is for the AT&T Apple iPhone 14 Plus 128GB Midnight, priced from \$21.64/month (original price \$799.99) for 36 months, 0% APR. The third card is for the Verizon Apple iPhone 15 128GB Black, priced from \$21.64/month (original price \$799.99) for 36 months, 0% APR. Each card also includes a "Shipping, arrives in 2 days" note and an "Options" button.

Product	Carrier	Price (From)	Term	APR	Shipping
Samsung Galaxy S23 Plus Phantom...	AT&T	\$20.81/month	36 months	0%	Shipping, arrives in 2 days
AT&T Apple iPhone 14 Plus 128GB Midnight	AT&T	\$21.64/month	36 months	0%	Shipping, arrives in 2 days
Verizon Apple iPhone 15 128GB Black	Verizon	\$21.64/month	36 months	0%	Shipping, arrives in 2 days

Apple advertises two iPhone generations for equal prices of \$21.64 per month within Walmart’s Black Friday ad, the iPhone 14 on AT&T and the iPhone 15 on Verizon (36mo). Although the ad appears to offer savings, this price is the same as the price that AT&T and Verizon have offered on the two iPhone models for many weeks. Samsung’s Galaxy S23 Plus Phantom Black, the third smartphone in the ad, advertised for \$20.81 per month on AT&T (36mo), which like Apple’s models, is the same price it has been for several seasons.



Smartphones are also represented in Walmart's Black Friday 2023 ad through two general banners that provide up to \$1,300 of select items and up to \$140 savings on prepaid models. Both of these are increases over last year's thresholds \$750 and \$100.

[Top](#)

INDUSTRY REPORTS

Target Releases Q3 2023 Financial Results; Total Revenue Decreased 4.2% to \$25.4 billion

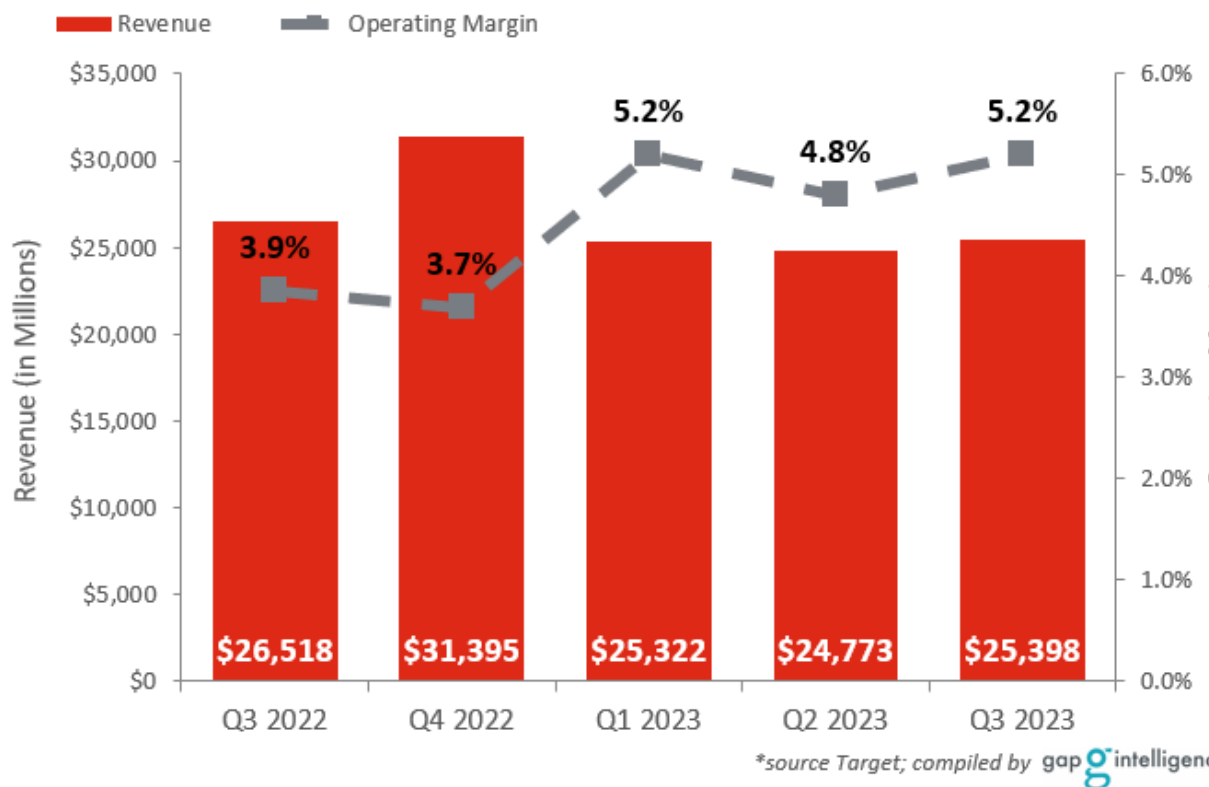
Target Corporation [released](#) its Q3 2023 financial results for the period ended October 28, 2023. Total revenue decreased 4.2% YoY to \$25.4 billion, while operating income increased 29% YoY to \$1.3 billion and operating margin increased 1.3ppt YoY to 5.2%.

Key Q3 2023 Results

- Total revenue decreased 4.2% YoY to \$25.4 billion
- Operating income increased 29% YoY to \$1.3 billion
- Operating income margin of 5.2%, up from 3.9% in Q3 2022
- Net income increased 36% YoY to \$971 million
- Total comparable sales decreased 4.9%

- o Comparable store sales decreased 4.6%
- o Comparable digital sales decreased 6%

Target Revenue and Operating Margin



Financial Results

Target highlighted some of its efforts to improve efficiency and has seen some early results already saving the "hundreds of millions of dollars" in costs this year, with significant long-term opportunities expected looking ahead. Additionally, Target stated its inventory position was 14% leaner at the end of Q3 compared to 2022. The company also seen success in its Target Circle membership with >1 million new loyalty members enrolled during July's Target Circle Week events, with members making nearly five more trips and ~\$300 additional dollars spent compared to non-Circle shoppers. Target saw success with its seasonal assortments, outperforming the overall business in Back-To-School, Back-To-College, and Halloween. The Drive Up service saw a 12% increase with nearly 100,000 orders weekly since scaling the service nationwide.

Target is on track with its nearly \$5 billion investment this year, which includes 21 new stores in 2023, with 100 already having already received full remodels or other enhancements in 2023.

Target also highlighted that it has >10,000 new items across owned and national brands consisting of thousands of toys, >2,500 toys under \$25, and hundred of beauty, apparel and accessories items starting at \$5. The company has "hundreds of thousands" of early Black Friday deals with around 100,000 seasonal hires to help assist the additional foot

See Also:

[Target Releases Q3 Financial Results, Revenue Up 3.3%](#)

[Target Releases Q2 2023 Financial Results; Total Revenue Decreases 4.9% to \\$24.8 Billion](#)

[Top](#)

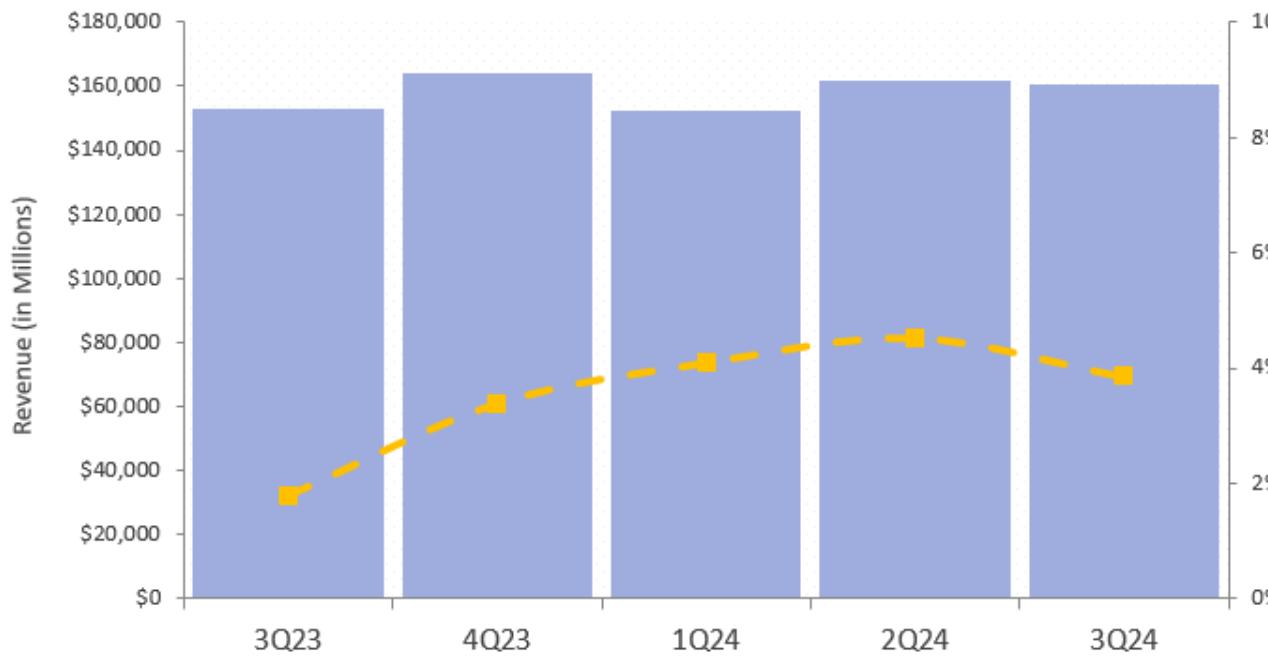
Walmart Releases Q3 FY24 Results, Revenue up 5.2% to \$160.8 Billion

Walmart recently [released](#) its fiscal Q3 2024 financial results for the period ended October 27, 2023. Total revenue for the quarter was \$160.8 billion, a year-over-year (YoY) increase of 5.2%, up from \$152.8 billion. The company also reported a 130.1% increase in operating income, which rose by 130.1%, to \$6.2 billion.

Key Q3 FY2024 Results:

- Q3 2024 total revenue up 5.2% to \$160.8 billion
- Q3 2024 operating income up 130.1% to \$6.2 billion
- Q3 2024 Walmart US net sales up 4.4% to \$109.4 billion
- Q3 2024 Walmart International net sales up 10.8% to \$28 billion
- Q3 2024 Sam's Club net sales up 2.8% to \$22 billion

Walmart Revenue & Operating Profit Margin



Source Walmart; compiled by gapgintellig

Walmart US

Walmart US saw an increase in net sales by 4.4% and an decrease in operating income by 2.2% in Q3, bringing the segment to \$109.4 billion and \$5 billion, respectively.

Walmart International

Walmart International saw an increase in net sales during Q3, showing a rise of 10.8% to \$28 billion. The segment saw a large YoY increase in operating income, showing a 10.7% jump to \$1 billion.

Sam's Club

Sam's Club net sales also saw a YoY increase, showing 2.8% increase in the segment to \$22 billion. Sam's Club saw a 5.5% increase in operating income bringing its Q3 numbers to \$600 million.

Outlook

Looking ahead, Walmart expects to see an increase in consolidated net sales by approximately 5-5.5% as we increase in consolidated operating income by about 7-7.5%.

See also: [Walmart Releases Q2 2024 Results, Revenue up 5.7% to \\$162 Billion](#)

[Top](#)

Amazon Enhances "Buy with Prime" Features

Amazon recently upgraded its "Buy with Prime" service, offering new shopping benefits to Prime members. Since launched in April 2022, the service enables US Prime members to shop online in Amazon's third-party marketplace. At first, the capability was exclusive to independent retailers utilizing the hosted logistics service Fulfillment by Amazon (FBA). Since then, the online retailer has expanded the availability of Buy with Prime to include Amazon retail partners in the United States, linked it with BigCommerce and Shopify, improved cart functionality for consumers, and given Prime members round-the-clock post-order customer service assistance.

With the most recent enhancements, Amazon now allows users to track their Buy with Prime orders through their Amazon account on the company's website or mobile app, receive live chat support for their orders 24/7, and qualify qualifying Buy with Prime orders to a wider range of drop-off locations without the need for a shipping box. Details of the new benefits include:

- Amazon Prime members can now track orders on brands' Buy with Prime sites using their Amazon account, allowing them to view non-Prime orders on both the site and the mobile app
- Amazon offers Prime members round-the-clock, human-assisted customer service through a live chat on their order detail page, facilitated by trained Amazon representatives
- Prime members can use Amazon's regular returns process for eligible items purchased using Buy with Prime directly on brands' sites, including UPS Store locations, Whole Foods Market, Amazon Fresh, and Amazon Fresh stores, without boxing or labeling
- Amazon has introduced authentic reviews, including the Amazon star rating, for participating brands on Buy with Prime on off-Amazon product pages

[Top](#)

Amazon Deploying New Heavy-Lifting Robot in Warehouses

Amazon is deploying a new robot called Titan, capable of moving bulking objects up to 2,500 pounds in its [according to the company](#). It will focused on moving bulky items like major household appliances, as well as consumer packaged goods. Amazon's SAT 1 fulfillment center in San Antonio, Texas will be the first camp Titan, which can move twice as much as Amazon's existing [Hercules robots](#).

[Top](#)

Thanksgiving Holiday Shopping Spend Expected to Reach \$130 Billion

Similar to years past, Thanksgiving weekend will kickstart holiday shopping, with most consumers planning in stores and online during the holiday weekend. According to the ICSC'S [2023 Thanksgiving Weekend In](#) survey, 90% of consumers plan to begin their holiday shopping on Thanksgiving Day, 80% plan to begin on and 81% plan to shop on Cyber Monday. Throughout the holiday weekend, consumers are predicted to spend \$130 billion, up 4% over last year's projections.

Not all consumers are utilizing the holiday weekend for gift purchasing. Around 70% of consumers plan to use promotions to stock up on every essential, and 71% plan to check the costs of items they want to buy in advance.

To get the greatest deals, almost half of the respondents stated they anticipate using social media and apps more than past years. Nonetheless, 90% of customers intend to visit a store to make a purchase or pick up an online order. 80% of consumers want to spend money online. Eight out of ten consumers who buy in physical locations say they will visit a retail marketplace during Thanksgiving.

Additional insights include:

- 64% of respondents stated price, value, and convenience are key factors when choosing where to shop
- 60% of consumers plan to shop in-store to avoid shipping delays
- 56% plan to shop online and pick up in-store (+48% YoY)
- 65% plan to use debit cards, followed by credit card (49%), and cash (45%)

- 13% of consumers plan to use Buy Now, Pay Later

[Top](#)

The NRF Releases Artificial Intelligence Guidance for the Retail Sector

The National Retail Federation recently [announced](#) its “Principles for the Use of Artificial Intelligence in the Retail Sector” to establish guidelines for appropriate and effective artificial intelligence in retail. The principles were determined by the NRF Center for Digital Risk & Innovation and are aligned with broader statements made by government agencies and companies. NRF’s AI guidance falls under four fundamental pillars:

Governance and Risk Management - Retailers should implement internal AI tool & capability governance to ensure AI delivers value

- Company-wide governance practices should be put into place
- Governance teams are responsible for risk management, oversight, & security throughout the entire AI lifecycle
- Maintain internal AI tool awareness across deployment, current & future use cases, & supporting data
- Show proactiveness in assessing & reporting risk emerging from AI

Customer Engagement and Trust - Retailers should maintain transparency about AI uses that have a significant impact on customers, take preventative measures against discrimination, & align consumer-facing AI & internal security

- Prioritize customer trust through AI tools & capabilities to ensure tools do not inadvertently harm consumers
- Foster transparency when using customers’ personal data when use of AI can have significant effects on consumers
- Carry out internal oversight, develop precautions, & engage with AI developers when using AI technology to avoid outcomes that lead to discrimination
- Develop additional controls to facilitate monitoring for security, fraud prevention, & asset protection

Workforce Applications and Use - Retailers should continuously oversee & review AI applications that have a significant impact

- Utilize AI applications for hiring & employee promotions with clear guideline
- Engage in oversight & review of AI capabilities, monitoring employee performance to ensure regulatory compliance
- Provide employee guidelines for available generative AI tools accessible to the company

Business Partner Accountability - Establish business partner guidelines & expectations for AI providers

- Integrate AI governance into third-party risk management & contracts to outline vendor expectations
- Encourage AI governance transparency from technology service providers

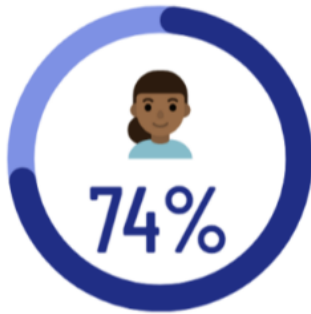
The NRF will periodically update its principles based on ongoing AI changes. As the use of AI continues to grow across industries and technologies, standards will continue to evolve and be set in place. Companies such as [Amazon](#), Meta, Microsoft, and Walmart have already committed to collaborating with government policymakers to promote responsible and secure use of AI.

[Top](#)

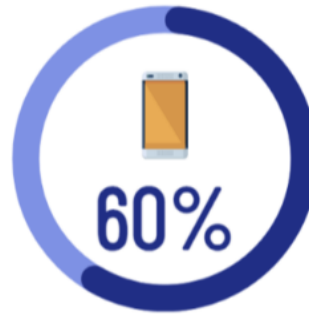
Survey: 74% of Consumers Expect Retailer Mobile Apps

Shoppers are increasingly expecting retailers to offer mobile apps, according to a recent survey from [Bryj](#). 74% of shoppers expect merchant retail apps over all, with a stronger preference among younger shoppers (82% for Gen Z and 81% for Millennials). Hand in hand with this is the consumer expectation that mobile apps offer customized experiences. 74% of consumers are more likely to purchase an item when this is the case, with younger shoppers being even more likely (91% for Gen Z and Millennials). Other insights include:

- Consumers also prefer mobile checkout when shopping in traditional brick-and-mortar stores
 - 55% of shoppers are more likely to make in-store purchases when workers can check out on mobile devices
 - 45% are more likely to make an in-store purchase when workers can check out purchase on handheld devices



of consumers expect retailers
to offer mobile apps



are more likely to shop with a
retailer that offers a mobile app



rank discounts and
most valuable mobile app

[Top](#)

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