

Research Report
Presented by:

Apex



Black Friday Reality Check

Get ready to kiss your year goodbye if you think it's just another big sales promotion.

What's Inside:

- Unveil the true magnitude of Black Friday's impact on total holiday retail sales.
- Explore the transformative influence of non-promotional elements on Black Friday outcomes.
- Discover the importance of prioritizing brand and CX to significantly elevate purchase intention and spending.



TLDR

- The sales year increasingly hangs on Black Friday performance. The holiday season alone accounts for upwards of [26% of retail sales](#), depending on the category. And within the holiday season, Black Friday [has become the primary retail moment](#). The current sputtering economy has [consumers seeking to stretch their finite dollars](#), making the importance of this Black Friday even more pronounced.
- The study methodology [examined 16 distinct indicators influencing customer behavior](#) on Black Friday. Our findings highlight that success on Black Friday hinges on a brand and customer experience (CX) focus, rather than being solely promotional. Brands that effectively emphasize two consistent, non-promotional elements—Innovation and Authenticity—tend to outperform in both purchase intention and spending levels during Black Friday.
- Black Friday is a chance for customers to reward your oversized commitment to them with an oversized commitment to your brand. Key promotional moments like Black Friday ideally serve as an invitation to expand the reach and accessibility of your brand and reward you for the customer-driven innovations you have spent the rest of the year developing.


Introduction:

A Black Friday Reality Check - It Is NOT the Brand-Cheapening Event You Think It Is

“Promotions cheapen our brand, and Black Friday is the poster child for committing crimes against the brand!”

If you have these thoughts, STOP IT! Your customers simply do NOT agree, and it's time to see these key moments from their perspective. The reality looks a lot more like this:

“Key promotions like Black Friday give me and my peers an opportunity to get more from and show our commitment to the brands we love because they have consistently demonstrated their commitment to us.”



As with all our studies, we're not here to just observe and report on the game; we intend to change how it's played. With this one, we'll bring a fresh perspective to the increasing chaos of Black Friday, uncovering insights that go beyond the obvious and challenge the status quo.

Dispelling Myths: Bucking the Economic Trend

Amid economic challenges, we set out to understand the motivations that explain how consumers plan to approach Black Friday spending. Contrary to the gloomy forecasts, our research reveals a surprising trend—**42% of respondents plan to spend more this Black Friday, while another 36% expect to maintain their 2022 spending levels.** This consumer resilience signals a shift in expectations that demands a closer look to be properly understood.

Innovation: The X-Factor for Black Friday Success

Digging deeper, we find that amidst the Black Friday chaos, one factor stands out above all others in driving Black Friday shoppers' intention: Innovation. Customers are not just looking for deals; they're seeking brands that dare to be different and have a history of doing so. Innovation is the currency of choice at Black Friday. Join us as we explore what it truly means to be innovative in the eyes of the consumer and how brands can harness this power.

Amazon's Unconventional Triumph

As with previous years, consumers are shining a spotlight on Amazon this Black Friday, though not for the reasons you might expect. While the retail giant is often associated with convenience and broad product selection, our findings reveal a nuanced story. We will unveil the unexpected reasons behind Amazon's anticipated triumph and what this means for the rest of us.

Leading the Way with Great Customer Experiences

This report may come off differently from others you have read on this or other similar industry topics. That's the intention and the natural outcome of a study designed not to be a research paper but a guide to your customers' hearts, minds, and wallets. Our approach uses a blend of behavioral science and technology to reveal the power of brand and customer experience to drive true value for businesses, and we strive to demonstrate this to organizational leaders every day.

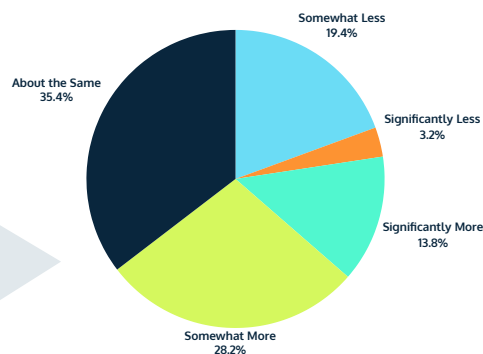
This is not just a report; it's a call to action. Dive into the findings, download the supporting materials, and share the insights within your organization. The Black Friday reality check starts here, and it's just the beginning of how you should see all your promotions.

Dispelling Economic Myths about Black Friday 2023

With a sputtering economy as the backdrop, many analysts are unsure what to make of Black Friday this year. To be sure, things are crunchy out there right now. Americans have piled \$100B more debt onto their credit cards this year vs last, [surpassing the \\$1 Trillion mark in such debt for the first time](#). In this context, to call Black Friday 2023 previews a mixed bag would be accurate, with [some saying](#) the economic pinch will put downward pressure on sales and other reports more recently suggesting that those same economic conditions [will actually BOOST Black Friday](#). In this final run-up to the big day, our data supports the "Boost" scenario, with **42% of confirmed Black Friday shoppers planning to spend more this year than last year and 36% keeping things about the same. Less than a quarter have a spend-reduction in mind.**

We Asked...

How does your projected Black Friday spend this year compare to previous Black Fridays?



With overall holiday spending [expected to decline this year](#), what we're seeing in strong Black Friday expectations is a continued shift to November sales (that's exploded to include such "Retail Holidays" as [Singles Day, Black Friday, Small Business Saturday, Cyber Monday, and Giving Tuesday](#)), at the expense of the more traditionally hot December/Christmas sales period.

With holiday sales representing up to 26% of annual sales (depending on retail category), what happens in these next couple of weeks will define the year, and Black Friday is the canary in the coal mine.

So if you're in the electronics, fashion, or housewares/appliance business, hold on to your boots. [Some estimates put per-customer spend totals at about \\$397](#) for 2023 (a slight rise over '22). Our data suggests that is a little low, projecting spend on Black Friday closer to \$447. Either way, buying intentions are strong (in line with past Black Fridays, where we saw at least 1 out of every 2 Americans shopping), and spending is planned to increase. **With the year on the line, can any company really afford not to get all they can out of this critical moment?**

So who's set to win? And why? This is where things get REALLY interesting.

Why Does Amazon Keep Winning?!

Look, at this point, it's a waste of breath to tell you that Amazon will crush it this November. You knew it, and so did we, even before we started this thing. But why?

Observers will tell you they win because you can buy just about anything for cheap. But the fact is, in 2023, there are lots of places and ways to buy lots of stuff for cheap. So why does everyone still keep coming back to Amazon?

Here it is: they fulfill a single customer desire that goes WAY beyond price/product. In fact, this customer desire is the **single most influential** factor in driving all Black Friday purchases: **INNOVATION**.

According to our research

Innovation Is...



38% More Important
than ease of
doing business

80% More Important

than offering a
consistent
experience

54% More Important
than the
distinctiveness of
the product

In the name of delivering great customer experiences, Amazon is continually pushing the boundaries in retail in ways that are meaningful for the customer (and spectacular for business).

Amazon's Innovation rating is 63% higher than everyone else tested!

What People are Saying

Jeff Bezos once said "**We're not competitor obsessed, we're customer obsessed. We start with what the customer needs, and we work backwards. The most important single thing is to focus obsessively on the customer. Our goal is to be earth's most customer-centric company.**"

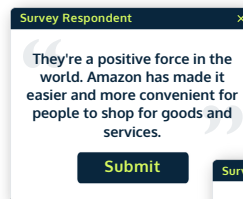
You might say, "Who cares if people think my brand is innovative? If I have the right stuff at the right price, they'll come, right?"

What People are Saying (Cont'd)

Sure. To some extent, they will. But you're not getting the best out of those customers, from either their hearts or wallets. And in a retail moment that will make or break your year, can you really afford not to get as much of the consumer pie as possible?

We Asked...

Which specific store/retailer brand are you most excited to shop with this Black Friday?



Take into account that "Innovative" was among the few crucial customer desires we examined that when effectively delivered, led to a significant increase in intended Black Friday spending—specifically, a **12% boost per customer**. The same cannot be asserted for ease, consistency, or price. **Envision a comparable sales increase of 12% this Black Friday—now, that would be truly remarkable!**

Customers Will Spend More on Innovative Brands

Black Friday goes way beyond consumers buying a bunch of cheap stuff. **They're getting meaningful access to the most desired products from the brands they love.**

With their obsessive focus on the customer experience, Amazon cracked the code by innovating in personalization, product selection, shipping, price, and simplicity. They check a pile of the right boxes that lead to consistent wins during these significant promotional moments.

Don't work for Amazon? There are still many ways to innovate on behalf of your customers that they love and will respond to!

Walmart+

Has Done It With Self-Serve Options

"The self-checkout is a fast innovative option, and their app does a great job at showing you where things are located in the store and checking prices of items."

Customers Will Spend More on Innovative Brands (Cont'd)



Did It by Nailing Its Audience & Enabling Tech

"I feel like their innovations support working or busy moms. The order drive-up is awesome, and now you can add Starbucks. Their return policy is easy, especially for their branded kid's clothes!! Their app makes it easy to pay and save money."



Has Done It with Excellent Customer Service

"They are the only ones consistently innovating and adding different departments and services to their stores (Geek Squad, Home Appliances, Personal Care electronics). Best Buy as a brand makes me feel comfortable and happy."

And beyond their ridiculously innovative product, Apple's done it by unleashing the power of community: **"Apple makes me feel like there is a group of people I can connect with."**

At the end of the day, the innovations that win are the ones that carry tangible benefits for customers. Not tech for tech's sake, but enriching tech that enables customers to achieve their desired experience.

Building Innovation

Interestingly, ratings of Innovation follow closely with customer ratings of another key customer desire: Authenticity. In fact, Authenticity is also critical not just during Black Friday and key promotional moments but also year-round. When we analyzed the key driver of discretionary spending behaviour throughout the year beyond key promotional moments, it was Authenticity aka **when a brand always represents their core beliefs in their actions.**

And there's some serious monetary benefit to this one, too. Along with Innovation, brands seen as Authentic are also much more likely to see a bump in Black Friday spending versus their competitors, to the tune of 22%!

Building Innovation (Con'd)

Sounds great, but unfortunately, Authenticity is a tougher nut to crack than Innovation and requires consistent year-round commitment across marketing, sales, and operational departments.

According to our research

Authenticity Is...



19% More Important
than the
distinctiveness of
the product

66% More
Important

than accessible and
helpful customer
service

39% More
Important
than offering a
consistent
experience

While Innovation includes brand elements like reputation, it is also driven by highly tactical customer-centric retail actions, including:

Shipping Speed



Personalization



Return Policies

Authenticity, by contrast, is a very brand-driven concept earned through time by consistency delivered across a broad spectrum of customers. The key drivers of Authenticity include

Brand Reputation



Corporate Values



Brand Inclusivity



Great Service

It may come as little surprise to know that brands seen as Authentic are almost always also rated as Innovative. They have the right beliefs and do the right things to translate those beliefs into innovative value for customers.

Competitive Intel: Authenticity and Innovation are sorely (like... ridiculously) underserved across the entire retail category. The diagnosis comes from 3 critical possibilities:

- Brands just aren't investing in the areas that drive these concepts
- They are investing but not effectively executing
- They're investing and executing but aren't compelling at telling their story

Whatever the case, there is A TON of white space for customer-led, brand-driven companies to swoop in and start planting the seeds of these concepts today so they can reap the rewards at Black Friday (and all promotional moments).

If you have a brand that only really shows up at key promotional moments like Black Friday, you're missing the opportunity and fighting for customer table scraps with everyone else. Worst of all, you're putting your year and the health of your organization at risk. Instead, **see these moments as a chance for customers to reward your oversized commitment to them with an oversized commitment to you.**

The brands people love are the brands people reward during these significant promotional events. For new customers, they represent low-barrier access to intriguing brands/products, and services. It's an invitation for newcomers to fall in love with your offer. For existing customers, it's a chance for active reciprocation with the brands they love. Give more, get more →, get more, give more. Contrary to being brand erosive, these can be deeply connective moments for brands and customers. Don't waste it!

The work to win at Black Friday and all promotional moments starts now. It begins with your commitment to your customer and the innovative ways you bring it to life. **Check out our worksheets and enhancements to reveal your path to ensuring everyone wins at these critical year-making moments.**

Research Overview

This study leveraged insights collected from both primary and secondary sources. Primary customer data from our existing internal datasets were used, and we did a further specific analysis with a sample of 250 Americans to understand their Black Friday shopping intentions. **This supplemental data was collected on November 14, 2023.**

Apex Customer-Driven Black Friday Post-Mortem Worksheet

Worksheet Objective: Evaluate and enhance post-Black Friday analysis methods by comparing Apex's Customer-Driven approach with traditional methods.

Traditional Post-Mortem Reporting

KPIs Sales Performance	Target	Actual	KPIs Marketing Effectiveness	Target	Actual
Total Sales Revenue			Average Click-Through Rate		
Transaction Count			Average Conversion Rate		
Average Order Value			Return on Ad Spend		
Margin			Customer Acquisition Cost		

Apex Enhancement Reporting | Questions

Questions	Response
How are we unique in innovation?	
Are we authentically living our brand?	
How can we build year-round activation?	
How can we integrate technology to enhance the customer experience?	

Apex Enhancement Reporting | Questions | Business

Questions	Response
What do our customers expect beyond deals?	
How do our customers perceive our brand's authenticity?	
What makes our customers loyal post-Black Friday?	
How can we innovate for a better experience?	

By blending sales data with Apex's key customer value drivers, you'll get a strategic roadmap to elevate your next Black Friday (and all promotions). Need a hand? We'd love to chat.

Apex Overview

In a field strained with expectations that have outgrown the tools and resources available, Apex stands as a beacon of light for professionals in the customer experience (CX) category. We have proven the power of CX to drive measurable value for businesses, and we strive to help demonstrate it to organizational leaders every day. Marrying technology, AI, and behavioral science, we challenge legacy customer insight practices and empower CX professionals with the intelligence they need to break free from the constraints of the past, allowing them to be the change-makers that both organizations and the customers they serve need them to be.