GEARING UP FOR

Black Friday
SUCCESS IN 2024

Epsilon®



SECTION 1

INTRODUCTION

As Black Friday fast approaches, we're already seeing brands promoting to set expectations and prime consumers well in advance of **29th November**.

This year follows what was a muted 2023 event for retailers. And it was no surprise in an environment defined by a triple whammy of high inflation, rising costs, and a cost-of-living crisis, which combined to erode consumer confidence and spending.

Barclaycard saw Black Friday transactions fall by **0.63%**, the high street experienced a **1.6%** decline in footfall overall, and IMRG reported November online revenues being **1.6%** lower year on year.

While market fragility was expected, **H2 2024** shows some positive economic signs, which could be good news for retailers. Perhaps Amazon Prime Days in July, which showed a record high spend of **£1.3bn** across the two days, may signal a positive outlook for Black Friday. And with electronics, clothing, personal products, and home/furniture being the top performing categories, this could be welcome news after they experienced a decline during Black Friday last year.



"Retail media isn't new. Brands have been engaging with it for a long time, especially around key events like Black Friday. But in 2023, Black Friday felt somewhat muted, not as big as anticipated. Still, the focus remains on how retail media can offer a competitive advantage."

— **Ian Black, Head of Retail Media–Commerce, Publicis Groupe, UK**



amazon PRIME DAY SPEND

But as has been the case in recent years, these are tempered by threats to this, which may reverse returning confidence.

Whatever the prevailing sentiment, Black Friday – and the overall peak season – remain critical for online retailers, delivering revenues over **50% higher** than in October. Our past research has backed this up, with **58%** of retailers indicating they grow sales over this period and **64%** recognising its role in driving customer acquisition.

RETAILER SALES GROWTH DURING PEAK SEASON



Interestingly, this year, we're seeing a bounce back from physical store retailers as reflected in their share prices. While the likes of **Marks and Spencer** and **Frasers Group** are seemingly coming back in favour with the stock market, it's the recent online-first darlings that were key beneficiaries of past Black Fridays that are facing declining share values.

So, as we move towards what is arguably the first truly post-Covid omnichannel retail media Black Friday, what are the positives, and what negative undercurrents could derail a successful Black Friday?

Black Friday has become more focused on gifting than ever before. It's no longer just about household appliances or things customers buy for themselves. Our golden quarter campaign is centered around the brands people love to gift to their relatives and friends, especially since 65% of our customers do their Christmas shopping during this period. As a retailer with both physical stores and a digital presence, we're focused on making shopping as easy as possible and ensuring the best experience for our customers.

— **Jessica Clerke, Business Lead Retail Media, John Lewis Partnership**

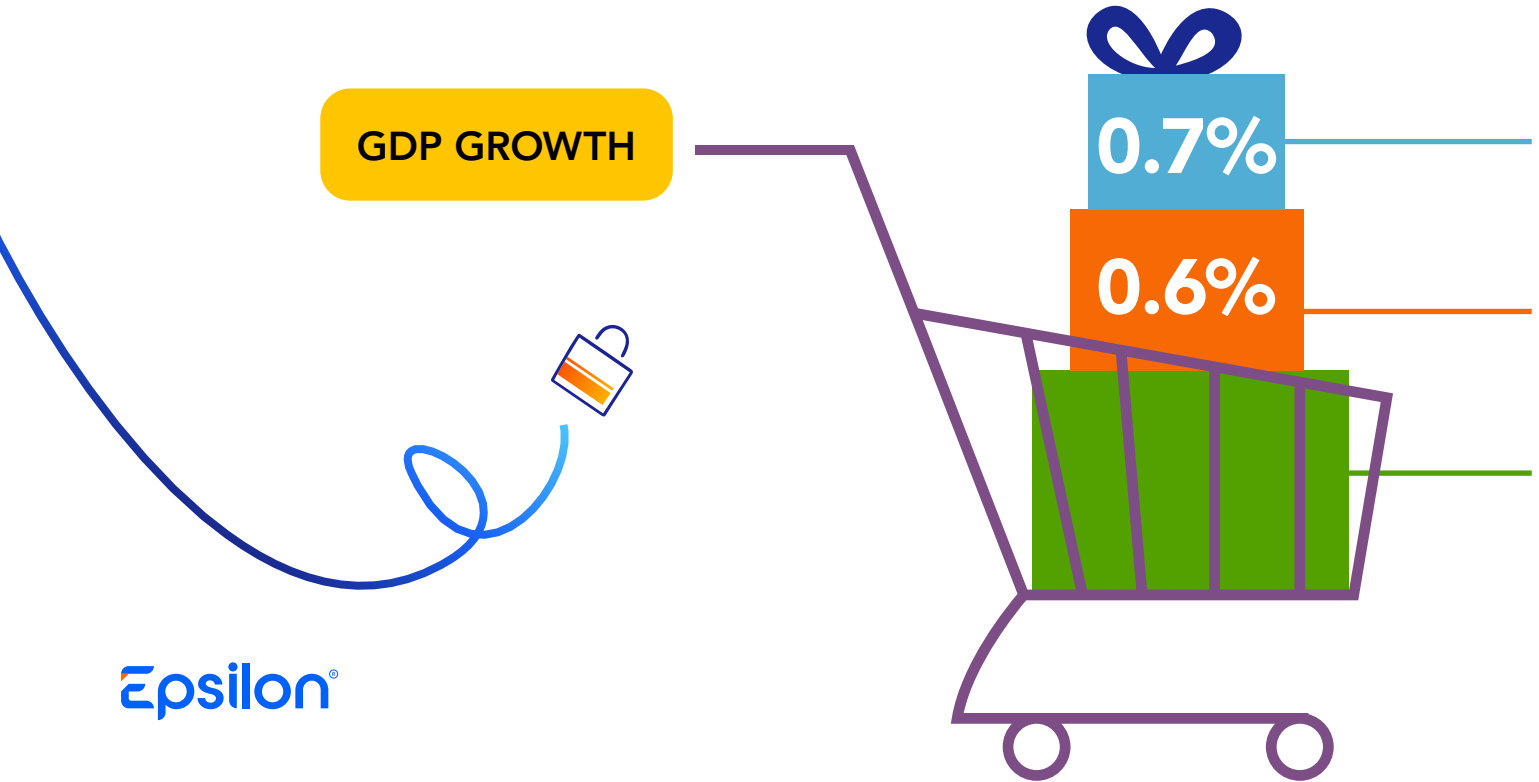
SECTION 2

REASONS FOR BLACK FRIDAY OPTIMISM

After several tough years, current trends show an improving business environment. As a cautious optimism emerges, this could bode well for Black Friday, particularly because:

We're out of recession.

Despite predictions of the 2023 recession continuing into 2024, it proved to be milder and shorter. In Q1, the economy grew by 0.7% – faster than the Eurozone and the US for the first time in three years. The latest announcement estimates Q2 GDP growth to be 0.6%, adding to this momentum and instilling a more positive outlook.



Q1 2024 Growth

Q2 2024 Growth

Comparison

UK growth faster than the Eurozone and the US for the first time in three years.

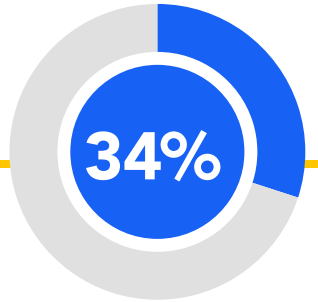
Inflation appears back under control.

With headline inflation hovering around the Bank of England's 2% target, this brings some much-welcome positive outlook for retailers. While July showed a slight pick-up, this is reportedly less than anticipated, and with cost pressure subsiding, this is boosting the potential for more interest rate cuts this year.

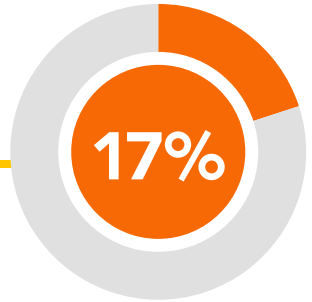
Interest rates are coming down.

Inflation stability has led to monetary easing, with the Bank of England cutting interest rates in August for the first time since 2022. Developments around inflation and interest rates are all encouraging signs for an economic turnaround, and we're seeing consumer confidence return. In its Q2 tracker, Deloitte reported that confidence is at its highest level for over three years with a 34% year-on-year improvement in perceptions of the state of the economy. On top of this, Deloitte saw sentiments around disposable income rise by nearly 17%, and it's this confidence that influences spending behaviours and has implications for stimulating growth.

THE DELOITTE CONSUMER TRACKER 2024



Year-on-Year Improvement



Rise in Disposable Income Sentiment

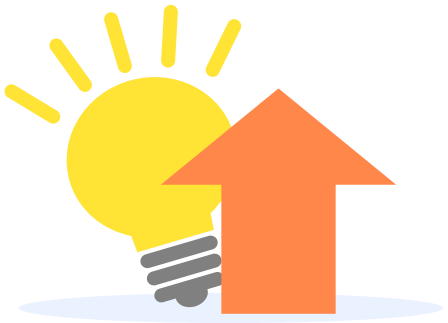
SECTION 3

LOOMING CHALLENGES FOR BLACK FRIDAY

However, nothing is straightforward, and as we have learnt over these turbulent times, underlying challenges always exist.

Energy price hikes remain a threat.

Falling energy prices have contributed to falling inflation, but as winter approaches, they may be on the way up. It's predicted that current household bills could **rise by 9%** come October and the lead-up to Black Friday, as well as in Jan21uary. With recent high household energy costs still in consumers' minds, any increase will reinforce to consumers that they have less money for discretionary purchases.



Predicted Rise:
9% increase in household energy bills starting October and continuing into January.

Tax rises are on the horizon.

As the government reviews the public finances, it appears to be preparing us for a tough autumn budget. Alongside government cost-cutting to reduce its own spending, the chancellor has indicated she could raise taxes to raise cash. Whatever form they take, the notion of tax rises will dent consumer confidence, which may feed into a pullback in planned consumer spend.



Potential Impact:
Expected increase in taxes due to government cost-cutting and revenue needs, potentially impacting consumer confidence and spending.

Instability in the Middle East.

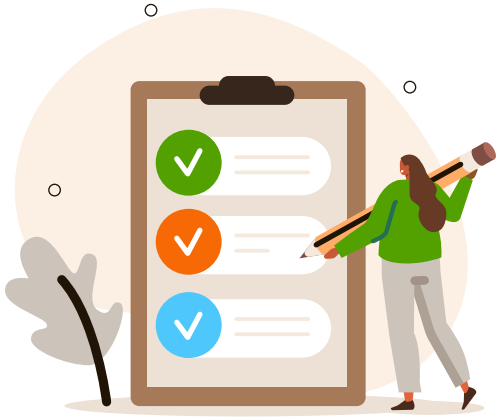
Ongoing uncertainty in the Middle East has implications for oil prices and shipment routes. This could feed into longer delivery timescales, increased transport costs, and higher shipping fees, all of which have consequences for supply chains, product availability, and, ultimately, the price of goods as we move towards the end of the year.



Impact:
Potential effects on oil prices, shipment routes, delivery timescales, transport costs, and shipping fees.

Retailer Concerns.

In a snapshot survey we carried out to get the pulse from clients, the directional feedback was that economic uncertainty and consumer spending were their biggest concerns for Black Friday 2024. But with these external factors all outside the control of retailers, what areas can they influence that could support a better Black Friday for them?



Survey Feedback:
Potential effects on oil prices, shipment routes, delivery timescales, transport costs, and shipping fees.

SECTION 4

LEARNING FROM THE PAST – LESSONS RETAILERS CAN ADOPT FOR A SUCCESSFUL BLACK FRIDAY

While no Black Friday is the same, several broad trends have emerged from recent ones that offer you pointers or consideration areas when finalising your strategy. These are:

a GO EARLY

Our Black Friday report from three years ago highlighted that promotions were getting earlier, embracing all of November and extending into October. Since then, there has been no let-up in this trend, and it has become the norm. While there may be fears around consumer Black Friday promotion fatigue and media wastage from starting too early, there are genuine reasons why this makes sense:

01 It avoids getting left behind.

Previously, going earlier offered an opportunity to rise above the promotional noise associated close to Black Friday itself. But as more retailers embrace a longer campaign period, deciding against extending your promotions earlier opens the danger of becoming an afterthought in consumers' minds as others take the limelight. Last year saw a tsunami of retailers electing to go early, adopting and bringing forward their promotions, with over half starting their campaigns earlier than in 2022.



02 **It helps customer discovery.**

Black Friday is an important time for customer acquisition. Going early gives consumers more time to find new brands, products and offers of interest when they begin exploring opportunities around what to buy during this period. It also gives you more time to convert them. In regular times, it takes six or more actions before someone buys a brand or product new to them. But leave it too late during this intensive time, and you mightn't have the scope to get in front of buyers to influence their decisions.

03 **There's a preference for buying in one go.**

Promoting early gives you a greater chance of reaching buyers when they want to buy, not when you hope they might. People are preferring not to spread their purchasing. Instead, they want to seek out early deals and buy them in one go to save money rather than extend their purchasing and potentially incur multiple charges, such as delivery costs.

04 **More time means more money.**

If there's one reason to start promoting earlier, it is this one. We've previously found that consumers who began receiving messages in July had a conversion rate two times higher over Black Friday than those only getting them in November. IMRG research last year showed that for most retailers (81%), running longer campaigns earned them more money. Commercially, investing early and wisely in your promotions across all your channels gives you a greater chance of securing more business.



b

SHOPPERS ARE MULTICHANNEL – YOU MUST BE TOO

A multichannel approach is vital to engage people in the environments they live in. In particular:

01 Don't underestimate offline.

Yes, Black Friday is increasingly an online phenomenon, but it's far from online only. Today's buyers want to shop everywhere, which means online and offline, and we're seeing a channel rebalance as people re-embrace physical stores. While over 90% of shopping journeys start online, 55% of buyers will look for product availability in stores near them. Retail continues to play a significant role in driving sales, with in-store purchases making up 44% of Black Friday deals in 2023. This means your retail environment must reinforce and support your other channels' brand and sales messages to ensure a cross-channel experience. With most shoppers (59%) also using mobiles when in-store to compare deals, it's essential your offers in this environment reflect what you're promoting online. And make sure you can link your in-store sales to your customer data and campaigns to understand buyer interaction preferences and their entire customer journey.

> 70% of our customer journeys start online. Some of them buy online or some of them move in-store to explore products more and get a tangible feel. Some may then buy in-store or some may migrate back to online to continue researching and then buy online. Regardless of where the journey ends, brands should always adopt a digital-first mindset and ensure that they are sufficiently covering the key points on the online customer journey which are critical to customer purchase decision-making in order to drive high engagement and impact.
>
> **— Jemma Haley, Retail Media Business & Proposition Strategy, John Lewis Partnership**

02 mCommerce is becoming critical.

For online Black Friday purchases, read mobile, not desktop. Increasingly, mobile has become the preferred purchase channel, responsible for the majority of sales last year and this is reflected in our client snapshot survey. This means no retailer can afford not to invest in this area as this is the channel that drives conversions. Focus on mobile-friendly designs so customers can quickly find what they want. Optimising your site is vital as 61% of customers are more likely to buy from a smartphone-optimised site. Furthermore, offer one-click ordering to reduce the likelihood of shopping cart abandonment.

03 Recognise that paths to purchase are more complex.

Faced with ever more information and choices, purchase decisions are becoming more considered. In these complex journeys, channel switching is the norm. One-third of buyers will conduct more research this year, with consumers combining online and offline as well as onsite and offsite across different devices to discover, learn, and buy over the Black Friday period. And this diligent approach to finding the best deals applies to your existing buyers and prospects, so you can't be complacent. Being present where they are and offering a seamless experience across all channels to connect, build confidence and guide your audience's buying decisions is vital for a successful Black Friday and beyond.



04 Take advantage of emerging channels.

Don’t limit yourself to the established channels when evolving your multi-channel strategy because the playing field is widening. Investigate what opportunities emerging ones can offer, especially retail media and Connected TV (CTV). At a time of heightened activity, investing in retail media provides a way to stand out. A broader range of retailers are developing more sophisticated media capabilities, allowing you to spread your investment away from the traditional go-to players. And as retailers build their first-party transactional data, there are more opportunities to use it to connect proactively with your audiences ahead of Black Friday rather than wait for your audience to visit your website.

While Google may still be the first port of call for consumer pre-purchase, search is also shifting to retail, with 54% of consumers opting to conduct this on retailers' own websites. So, look at how you can reach your audience when they’re in an actively purchasing mindset to increase awareness and build favourability.

One difference between Black Friday 2024 and previous ones is that Amazon now has an ad-supported option; estimates are that 80% of Prime viewers are subscribed to this. Alongside this is its Sponsored TV, which is “designed for brands of any size” and powered by rich first-party shopping and streaming signals. With the volume of messages people receive over Black Friday and Christmas being a challenge for retailers to get in front of individuals, this new avenue has the potential to open CTV by making it easier to carry it out. Its data-driven targeting, tracking, and measurement capabilities make it perfect for brand awareness and driving performance by reaching your defined Black Friday audiences. As sophistication grows in these areas, tech companies and retailers are making it easier for brands to buy full funnel omnichannel media.



Amazon's Sponsored TV offering, powered by first-party data, offers strong targeting capabilities, but connected TV (CTV) opportunities are now available across a much broader landscape in the UK. Traditional broadcasters such as ITV, Channel 4, and Sky have expanded their ad-supported video-on-demand (AVOD) offerings, allowing retailers to reach audiences beyond the Amazon bubble. Moreover, newer players in the subscription video-on-demand (SVOD) market, such as Netflix and Disney+, are also entering the ad space, giving brands greater flexibility. For UK retailers, CTV presents a way to access incremental reach across various platforms, making it easier to engage customers in a cost-effective and diversified manner without solely relying on Amazon for results.

As sophistication grows in these areas, tech companies and retailers are making it easier for brands to buy full-funnel omnichannel media.



c SHOW LOYALTY TO YOUR LOYAL CUSTOMERS

01 Reward existing customers for their support and make them feel loved. After all, this makes commercial sense. They've bought into your brand and trust you, so they're easier to sell to, they're your cheapest audience to recruit, and often they will have a higher average order value. Most retailers will see 33% or more of their regular customers buying on Black Friday. Use your data to find who will and won't participate in Black Friday, then target your activity, accordingly, offering exclusive access to deals, early-bird sales, or even better discounts. And what's vital is that you can recognise your returning customers, even when they don't login to your website. Anchoring your data to a persistent ID is critical to giving loyal customers the experience they expect that reflects their relationship with you.
All this can spread buying over a longer timeframe and balance your sales spikes. It can also help you spend more wisely by avoiding unnecessarily over-communicating with your current customers and the annoyance this can engender.

d BOXING DAY SALES ARE LESS IMPORTANT

01 Once a key sales day, the rise of Black Friday and the trading period surrounding it has heralded the decline of traditional Boxing Day sales. With a year-on-year decline and reduced footfall, some major retailers opted to remain closed on the day last year. This could well be a sign that Boxing Day is shifting to primarily an online event (are there any Epsilon stats to back this up/disprove this? To get the most value from your activities, it may be wiser to prioritise Black Friday and pre-Christmas, rather than post-Christmas when buyer fatigue kicks in.

SECTION 5

6 WAYS EPSILON CAN SUPPORT YOUR BLACK FRIDAY SUCCESS

As you look to maximise your Black Friday activity, if you need advice or a helping hand, we can support you in a wealth of areas to get Black Friday ready.

01

Adopting an integrated marketing approach.

We can help you develop your data strategy by removing internal silos and centralising all your data in a Customer Data Platform. Then, you can activate it across all your marketing initiatives and channels to drive better marketing and results.

02

Knowing your consumers better.

Use every opportunity to collect vital first-party data on your customers and apply it to every interaction with them. But don't leave it there. Supplement this with additional information to fill your knowledge gaps and gain new, deeper insights into them to deliver more informed marketing. We can also let you understand those new customers recruited over Black Friday so you can find those most likely to become future loyal buyers and then focus on getting them to buy again. In directional client feedback, using data for better targeting and segmentation was the number one approach for enhancing their Black Friday strategy.

03

Recognising people as individuals.

Connect all your data to the same person with our stable, singular, and persistent identifier. Then, you can recognise and engage your customers and prospects as individuals rather than devices as they move between channels, both onsite and across the open web. We can also help you extend the value of your marketing to deliver relevant messaging that discriminates between customers and prospects.

04

Ensuring a personal approach.

Work with us, and we can ensure all your consumer interactions are relevant, timely, and specific. After all, 65% of consumers are looking for brands that understand their needs. Using the right data — including consumer traits, behaviours, and interests — alongside the right technology allows you to automate your messaging and deliver personalised content wherever your audience is in their buying journey, from browsing to ordering. Importantly, providing this personalised experience has been shown to increase revenue by 5-15% and improve marketing spend efficiency by 10-30%.

05

Offer a great experience.

Ensure your data feeds into a customer's offsite and onsite experience. Offsite personalisation must be matched with onsite, rather than offering a one-size-fits-all approach when people visit your site so you can influence every stage of their customer journey. Doing one without the other is wasteful. And it's easier and quicker than you think, with onsite personalisation just a one tag install through Yieldify. It also has future implications, as giving buyers a positive Black Friday experience encourages them to shop with you again.

06

Test and learn from the new channels.

Smart, agile marketing means always taking the opportunity to 'test, test, test' to maximise your effectiveness and gain insights that can inform future activities. For example, when it comes to CTV, shoppers during this period want to see targeted ads offering them helpful information that are deal-led and make it easy for them to buy. 72% say they're happy to scan a QR code in a CTV ad to make a purchase so this highlights a potential opportunity to test. We can show you how to integrate CTV and retail media in your Black Friday campaigns to enhance your current activities, unlock the true value of these channels and offer new ways to drive performance by engaging buyers and generating sales.

We mentioned how the majority of our customer journeys start online. As we head into our peak quarter, it's important to ensure that you have sufficient brand coverage across our ecommerce channel and key online journey placements such as Search and Browse. Our partnership with Epsilon makes that super easy, with the ability to switch on a campaign very quickly within a couple of days.

— **Jemma Haley, Retail Media Business & Proposition Strategy, John Lewis Partnership**

So don't think you must go it alone, as the marketing complexities around Black Friday and beyond mean you'll need help. From advising and providing the technology that's right for you, to collecting and managing data in a privacy-compliant manner, gaining consumer insights, developing acquisition, retention or loyalty programmes, personalisation and more, we're here to help you. So, if you're looking for a partner to support you now and in the future, get in touch and let's talk.



Epsilon

SECTION 6

ABOUT EPSILON

Epsilon is a global advertising and marketing technology company positioned at the center of Publicis Groupe. Epsilon accelerates clients' ability to harness the power of their first-party data to activate campaigns across channels and devices, with an unparalleled ability to prove outcomes. The company's industry-leading technology connects advertisers with consumers to drive performance while respecting and protecting consumer privacy. Epsilon's people-based identity graph allows brands, agencies and publishers to reach real people, not cookies or devices, across the open web. For more information, visit epsilon.com.



Resources

Reuters | NoA Ignite | IMRG Research: Imrg| The UK eCommerce Association | Office for National Statistics | The Deloitte Consumer Tracker | BBC | Financial Times | Google Consumer Insights Retail Guide 2024 | Expert Market | McKinsey: The future of personalisation-and how to get ready for it | CTI Digital