

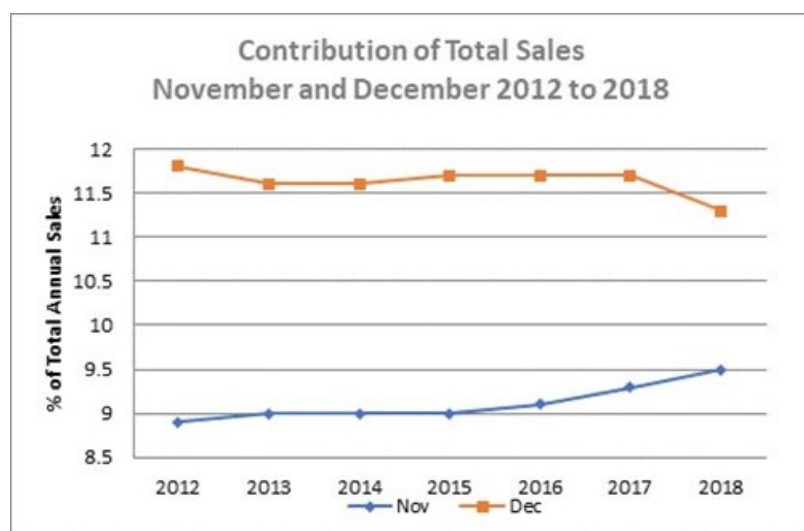
# The impact of Black Friday on December 2019 retail sales

By [Dirk Prinsloo](#)

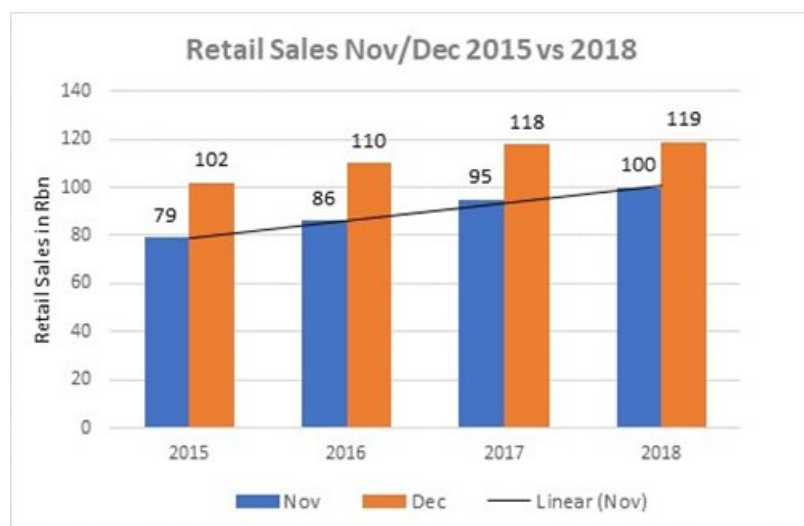
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During the last four years there were a lot of speculations regarding the real impact of Black Friday shopping on especially December trade. For a number of years, the trend indicated a steady December trade with increased trade in November.

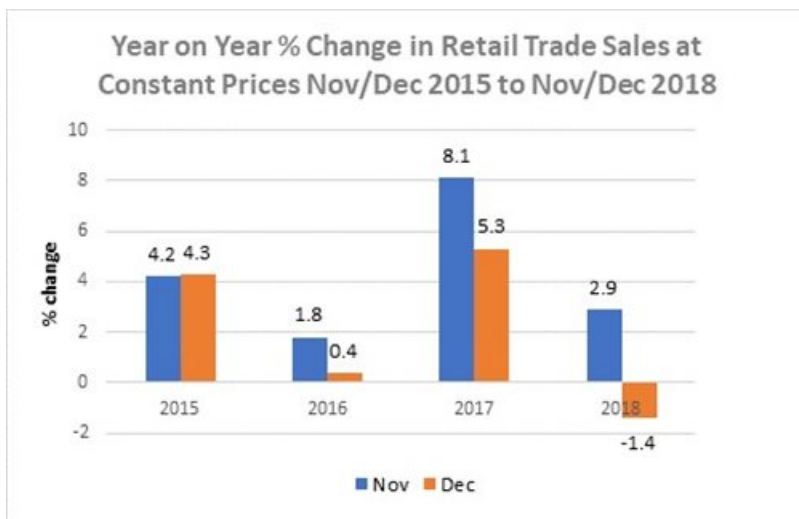
The 2018 November/December figures for the first time clearly indicated that the November sales (as a percentage of total annual sales) increased to 9.5% from 9% in 2015. The percentage of annual sales conducted in December decreased from 11.7% in 2017 to 11.3% in 2018.



According to the 2015 actual November sales figures, there was an increase from R79 billion to R100 billion in current prices. This represents a total increase of 8.2% per annum. December figures increased from R102 billion in 2015 to R119 billion in 2018, an increase in current prices of 5.3%.



The impact based on constant prices showed a strong increase for both November and December 2017, a good increase in November 2018, and a decrease in constant sales prices for December 2018.



All three of these graphs clearly indicate that the real impact of Black Friday sales has become very clear during 2018. Online shopping will also play an increasing role with more options and a very wide variety of bargain options.

## How shopping centres are preparing

Many of the large super-regional centres will be visited by between 120,000 and 130,000 people on Black Friday. The key focus in planning for this high volume of visitors is security, with direct input and assistance from the SAPD and security companies. Crowd control is of utmost importance, especially to prevent vandalism and damage to property.

Many centres will appoint additional cleaning staff to cope with the high volumes of shoppers. Free parking or a flat R10 per day for parking will also be on offer.

Most centres will only focus on Black Friday activities. Some tenants will offer specials for the whole weekend, and a few stores for the whole week prior to Black Friday. Some centres will offer extra mall maps, water, Red Bull and a Black Friday survival kit. The forward planning is a very close working relationship with centre management and tenants.



Nearly R4k avg. spend predicted during Black Friday, Cyber Monday in SA

21 Nov 2019



Two very different strategies are being followed in terms the marketing of Black Friday. Some large super-regional centres put no extra effort into any marketing campaigns as such because customers pay little attention to marketing campaigns in the mall, hence the focus on security and operational issues.

A second approach is to create awareness, inform the shoppers, and encourage participation through Facebook, Twitter and Instagram campaigns. This includes the winning of prizes, gift cards and survival kits. This type of campaign is very cost effective and mainly focuses on bargain hunters.

## Spending expectations

In almost all cases, the expectation is that this Black Friday will be better than the one in 2018 because it happens late in November, after payday. Customers are now well aware of Black Friday and some have been saving throughout the year, while others will do research online to spot the best bargain. Some centres expect an increase of 3% to 5% on the 2018 figures.

Most shopping centres are very cautious regarding their predictions for December retail sales. Christmas specials now have moved to Black Friday. There is also a clear difference in Black Friday bargain hunting and real Christmas shopping where the emphasis is less on large electronic equipment and more on gifts and clothing.



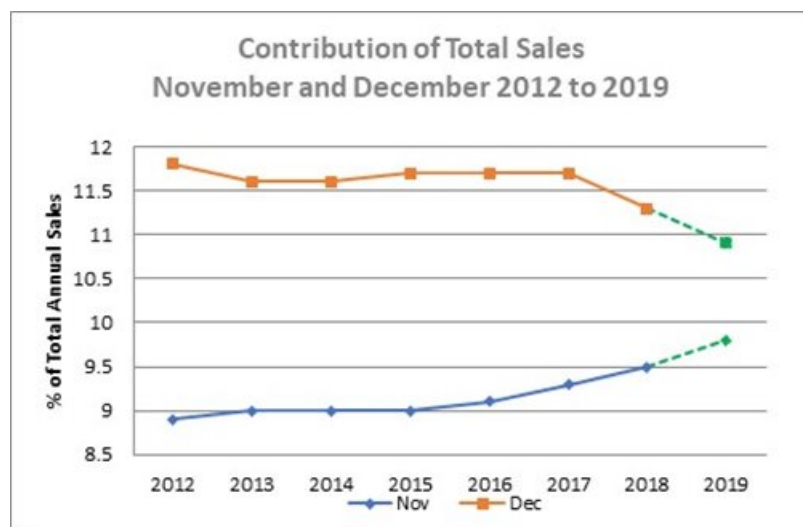
### Black Friday is where margins go to die

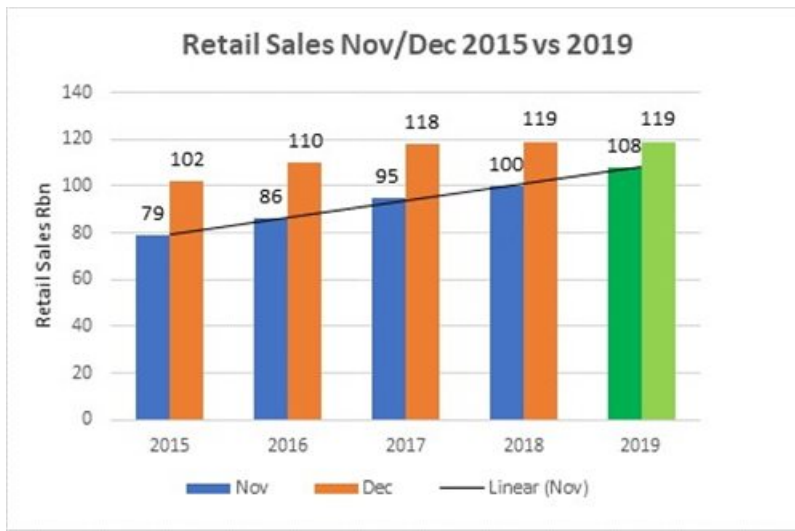
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Based on all the above-mentioned comments and trends, the projections for sales figures for November 2019 indicate a good increase from R100 billion in 2018 to R108 billion in 2019, and a constant R119 billion figure for December 2018 and December 2019.

The following two graphs further confirm an increase in November sales and a decrease in December sales in terms of the monthly contribution to total annual sales. This is also the main reason why many shopping centre owners are grouping their November and December sales together to get a real understanding of both Black Friday and Christmas shopping.





Shopping behaviour will change more to satisfying real needs where shopping is planned within a specific budget. This will be based on self-discipline. On the other hand, there is also negative behaviour where shoppers get into debt that will take time to pay off.

The excitement regarding Black Friday in South Africa is still in the early stages. In a country, where the consumers will always be under pressure, there will always be bargain hunting amongst rich and poor.

*Article courtesy of SACSC.*

## ABOUT THE AUTHOR

Dirk Prinsloo is the MD of specialist research firm Urban Studies.

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