2014 Festive Retail Report

What happened Christmas 2014

Experian™
Marketing Services

CONTENTS

1. INTRODUCTION

Christmas is a crucial time for retailers. Vast budgets are allocated and a lot of effort goes into planning festive marketing activity. There is a lot at stake.

However, competition is high and consumer behaviour is in a state of constant evolution. Staying ahead of the game is not only important but incredibly difficult.

With the dust settling on yet another festive period this report takes a look at what happened over Christmas 2014 and why.

The intention is to help brands understand the behaviour of their customers in order to better service them in future. Not only next Christmas but also in the coming year.

2. A SUCCESSFUL CHRISTMAS FOR RETAIL

This year we witnessed some remarkable changes in customer behaviour and the emergence of some quite prominent trends.
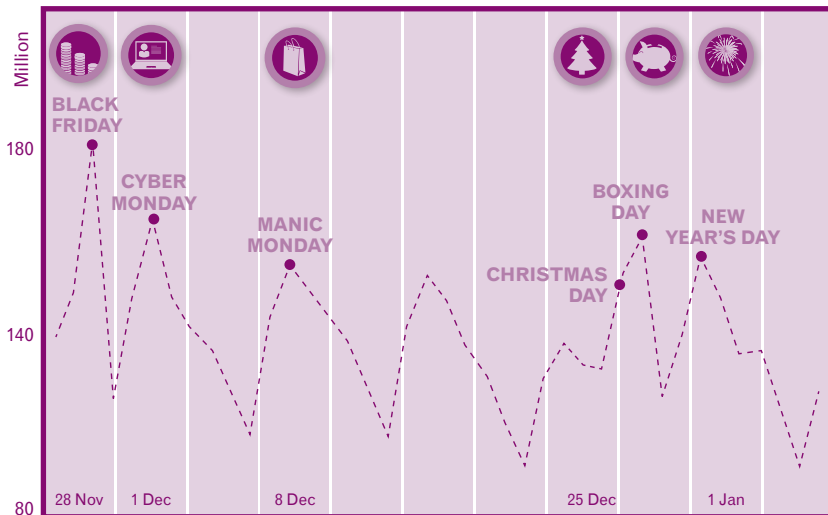
2.1 ONLINE

Online activity witnessed a remarkable change in the festive period as, for the first time in seven years, Boxing Day was toppled as the busiest day for online retail activity. However, this wasn't because Boxing Day wasn't a success (it still experienced a 21 per cent increase in traffic) but rather because the day which toppled it, Black Friday, was such a remarkable success.

This year witnessed the rise to prominence in the UK of the traditionally American pre-Christmas sales dates. Black Friday was the busiest with more than 180 million visits registered to retail websites.

The below graph shows how Black Friday, and to a lesser extent Cyber Monday and Manic Monday, overshadowed Christmas Day, Boxing Day and New Year's Day for online shopping.

### Traffic to retail websites over the 2014 festive period

Data pulled from Experian's Hitwise online intelligence tool, 2014

2.2 OFFLINE

Offline traffic featured a more traditional structure and was largely unaffected by the pre-Christmas sales dates. At least, nowhere near to the same extent as online activity. Footfall consistently peaked on Saturdays, slowly increasing in the run up to Christmas, until Monday December 22 where it reached its highest level. After Christmas footfall volume dropped with a slight peak on Saturday December 27.

Footfall traffic over the festive period
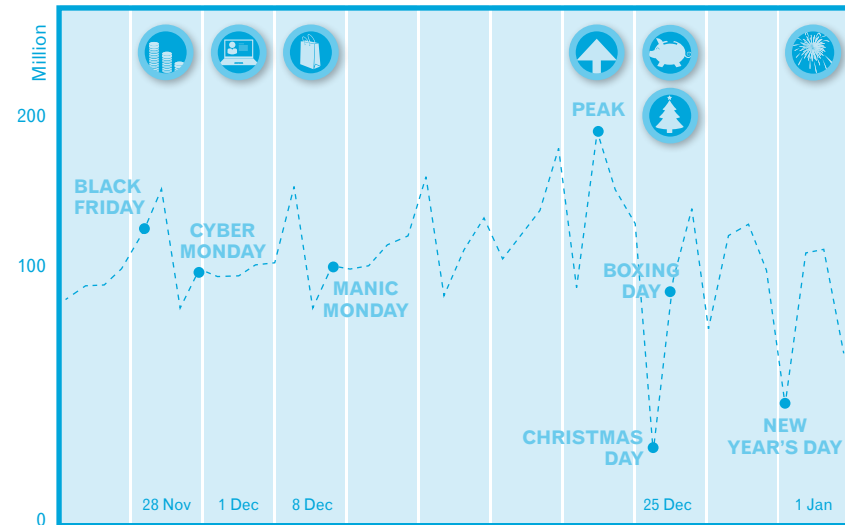
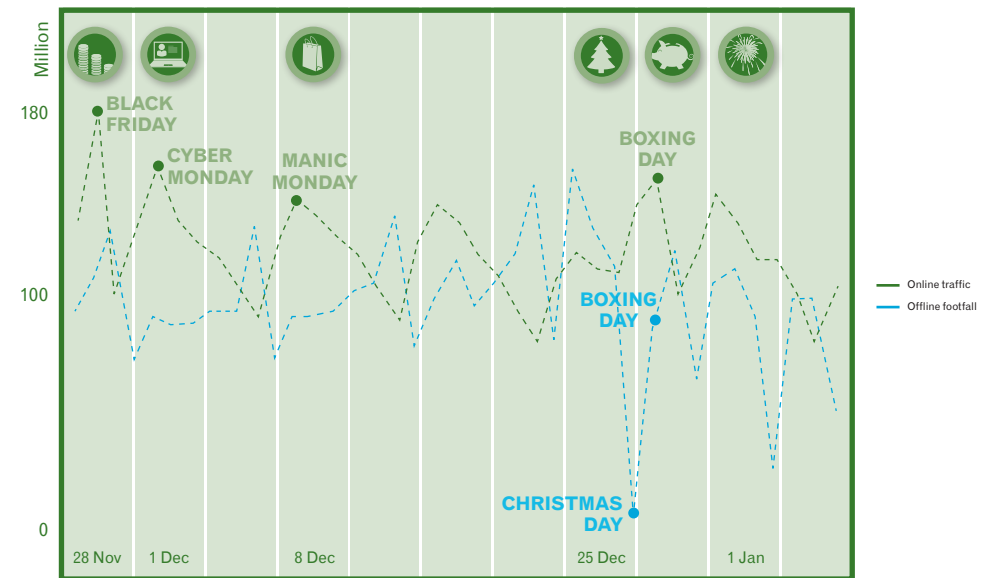Data from Experian FootFall Retail Index

2.3 ONLINE AND OFFLINE

When online and offline activity is compared some interesting discrepancies and overarching trends emerge (see trends section for more). Offline was seemingly barely affected by Black Friday, Cyber Monday and Manic Monday, while online activity peaked dramatically on those dates.

Offline volumes followed the traditional pattern of peaking at the weekend while online consistently hit the highest volumes on Mondays – partly due to Cyber Monday and Manic Monday's influence.

Offline increased in the days immediately before Christmas and experienced its highest volume on December 22 – presumably as people rushed out to do last minute shopping. In the corresponding time period, when you may have expected online activity to tail off in the final few days before Christmas, it actually remained relatively consistent. This is probably due to the increased use of click and collect and next day delivery services (see section 5 – Search Activity for more). Relatively high levels of online activity on Christmas Eve and Christmas Day can be attributed to shoppers looking for post-Christmas sales information.

Online and offline traffic to retail websites and stores for the 2014 festive period

Data from Experian FootFall Retail Index

3. KEY DATES

Before we go into greater detail regarding some of the emerging trends here's a breakdown of what happened on the key dates including online traffic volumes and estimated online spend.

BLACK FRIDAY

- **November 28**
- **181 million visits to retail sites**
- **Estimated total spend of £810 million***
- **59% year-on-year increase in traffic volume to retail websites**
- **Busiest online retail day of 2014**
- **1.5% of all UK searches in week ending November 29 were related to Black Friday[1]**

CYBER MONDAY

- **December 1**
- **161 million visits to retail sites**
- **Estimated total spend of £720 million***
- **40% year-on-year increase in traffic volume to retail websites**

MANIC MONDAY

- **December 8**
- **149 million visits to retail sites**
- **Estimated total spend of £666 million***
- **24% year-on-year increase in traffic volume to retail websites**

CHRISTMAS DAY

- **December 25**
- **147 million visits to retail sites**
- **Estimated total spend of £658.5 million***
- **29% year-on-year increase in traffic volume to retail websites**

BOXING DAY

- **December 26**
- **Not the busiest online retail day for first time in seven years**
- **156 million visits to retail sites**
- **Estimated total spend of £698.9 million***
- **21% year-on-year increase in traffic volume to retail websites**

NEW YEAR'S DAY

- **January 1, 2015**
- **127 million visits to retail sites**
- **Estimated total spend of £477.5 million[2]**
- **30% year-on-year increase in traffic volume to retail websites**

*The estimated spend statistics are taken from the IMRG Capgemini e-Retail Sales Index in partnership with Experian Marketing Services
[1]Data taken from Experian's Hitwise online intelligence tool
[2]The estimated spend statistics are taken from the IMRG Capgemini e-Retail Sales Index in partnership with Experian Marketing Services

4. TRENDS

Having looked at the numbers and volumes of activity it is time to highlight some of the evident trends and attempt to understand them and what they could mean for brands in 2015.

4.1 NEW FESTIVE DATES ARE HUGE

It's clear from the results that the UK consumer has fully embraced the American pre-Christmas sales dates of Black Friday, Cyber Monday and Manic Monday.

Their success shows how much the American pre-Christmas sales dates have taken root in this country. Success can be attributed to the huge marketing effort brands have put into pushing the Black Friday agenda and the sophisticated techniques that have been employed, such as personalisation and cross-channel programmes.

The level of success these dates experienced means they are probably now a mainstay of the UK retail calendar and retailers will put even greater emphasis on their marketing in future years to get an even larger slice of the pie.

The below graph highlights the remarkable peaks in traffic to retail sites on Black Friday, Cyber Monday and Manic Monday this year compared to 2013.

Online traffic to retail websites on Black Friday, Cyber Monday and Manic Monday
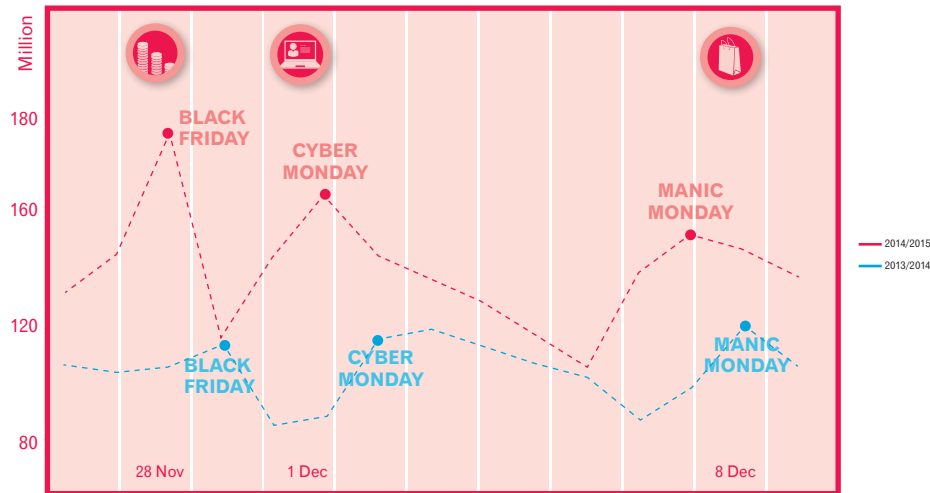
## 4.2 BLACK FRIDAY NOW BIGGEST SHOPPING DAY OF THE YEAR

2014 was the year that Black Friday toppled Boxing Day as the busiest online retail day of the year. For the past seven years Boxing Day has been the busiest day of the year but in 2014 Black Friday came from nowhere and surpassed it with 180 million visits compared to 156 million.

In the week ending November 29 (Black Friday was November 28) 1.5 per cent of all searches were related to Black Friday, which is a huge number and just goes to show the level of awareness Black Friday gained this year. This awareness was driven by smart online marketing, including social media, PR and personalised email marketing. That offline failed to experience anywhere near the same levels of interest (despite a number of headline grabbing incidents at supermarkets) just goes to show that much of the activity was driven using online activity.

Although Black Friday had more visits than Boxing Day it does not mean Boxing Day wasn't a success. In fact, Boxing Day experienced a dramatic 21 per cent increase in traffic of its own. However, Black Friday's explosion onto the scene was just too great.

Whether this is a pattern that will continue or whether Boxing Day will retake the crown next year is unknown, but what is certain is that while Black Friday is well and truly cemented as a key date in the retail calendar Boxing Day isn't going anywhere.

Online traffic to retail websites in the lead up to Christmas and Boxing day
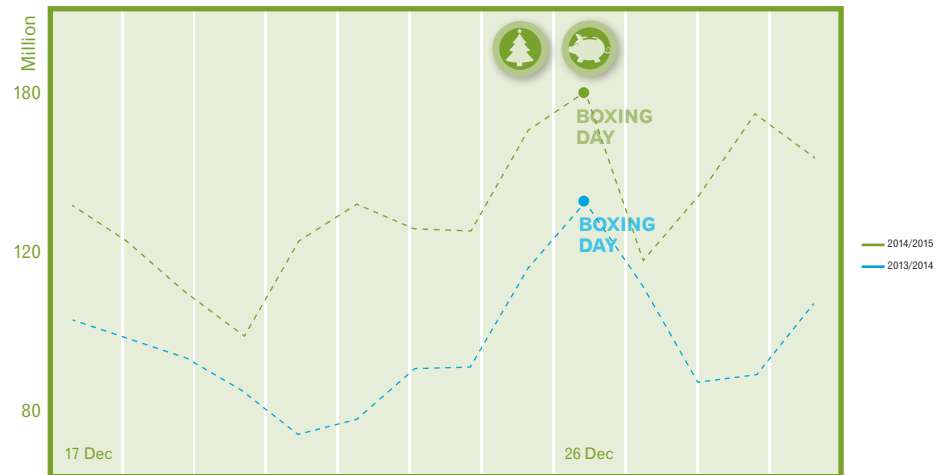
4.3 SHOPPING EARLIER, LONGER AND LATER

Partly due to the increased interest and expectation around the pre-Christmas sales dates the Christmas shopping season started earlier and lasted longer. As already noted, Black Friday kicked off the festive shopping season with a bang on November 28 and was quickly followed by Cyber Monday (December 1) and Manic Monday (December 8). From that point onwards volumes maintained until a few days before Christmas.

Online activity started to drop from December 15 but volumes were still high and, despite dropping to its lowest point on December 20, experienced a distinct peak on Monday December 22 (see below graph), three days before Christmas. This is probably indicative of last minute shoppers continuing to shop online due to confidence in retailers to deliver on time and services such as click and collect and next day delivery (see section 5 – Search Activity for more).

However, traffic volumes for Christmas Eve are probably blurred by people starting to search for post-Christmas sales information as deliveries on Christmas Day is not something many brands offer.

As the below graph shows, pre-Christmas online activity tailed off from December 15 to December 20 during which time the number of visitors to the high street increased. Online activity then picked up on Christmas Day and Boxing Day while physical footfall data plummeted. This is probably due to people browsing on their devices on Christmas Day and Boxing Day, looking to spend money and vouchers received as gifts.

Online traffic to retail websites in the lead up to Christmas and Boxing day
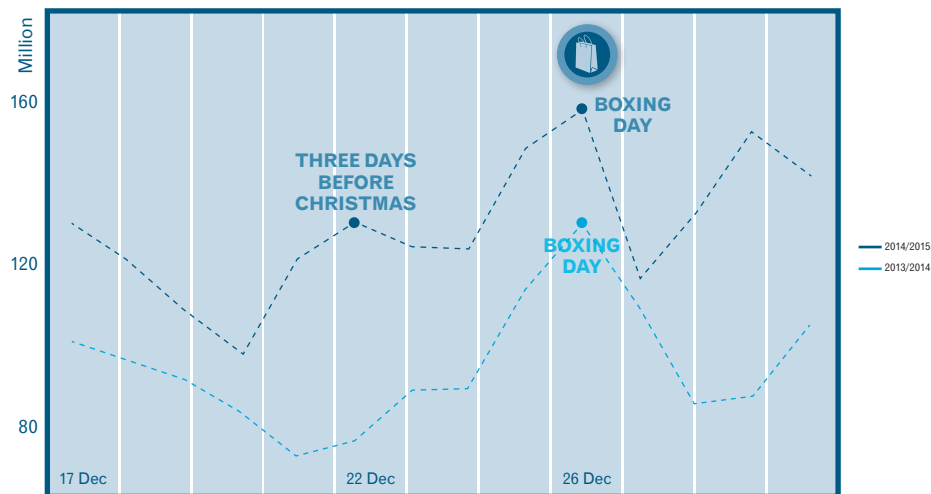
Online vs offline in the run up to Christmas Day 2014
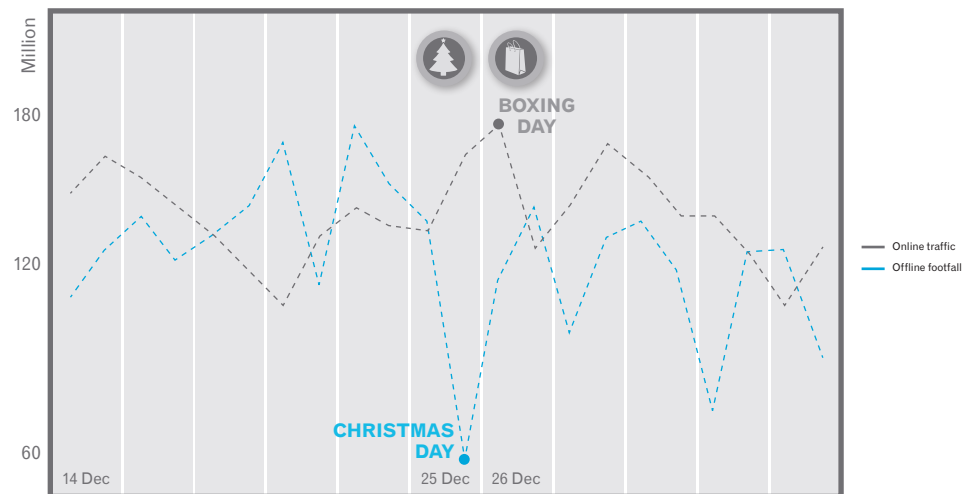
4.4 OFFLINE VS ONLINE

A popular topic that has raged over the past few years is that online is surpassing offline and that the importance of offline is fading. While this is definitely a headline grabbing statement it isn't necessarily the case. What is happening is that the influence of online is increasing and being incorporated into the whole retail experience. The way people shop is constantly evolving and the amalgamation of online and offline is simply the next step in that process.

Although the pre-Christmas sales dates seemed to be mostly an online phenomenon (strange considering Black Friday was originally an American offline tradition) this is probably due to the volume of digital marketing effort – such as email marketing and social media campaigns – which was employed.

The below graph shows that while offline is slightly down on last year it is no case for alarm. Volumes are only slightly lower than before and with the increased earnings garnered through online channels it's easy to see that the future is bright for retail.

2015 will see retailers continue to experiment with combining offline and online experiences and investigating how to overcome the issue of people going in store to view items before purchasing online (showrooming). However, until then it is clear that despite such challenges lying ahead there is a place for offline.

Offline traffic to retail stores 2014 compared to 2013

5. SEARCH ACTIVITY

As noted so far, the overwhelming trend that's emerging is the undoubted success of online as a whole over the festive period and in particular the pre-Christmas sales dates, such as Black Friday.

Taking a deeper look into some of the online activity it's possible to get more of an understanding as to what happened, why and how to capitalise on such knowledge moving into 2015.

5.1 SEARCH TERMS

There are a number of search terms which instantly spring to mind when considering Christmas marketing activity. What follows are two examples of the sort of analysis which should be done to inform future marketing strategies.

5.1a A CLICK AND COLLECT

Click and collect is a service that is ideally suited to the festive period and as discussed in section 4.3 was probably a factor in the mini peak in online activity on December 22. This shows that customers had an increased trust in retailers to deliver the service as promised.

Looking at some of the search data (below graph) you can see that there was a clear spike in searches for the term 'Click and Collect' (and variations of) on December 22 – corresponding with the mini peak in online traffic. This shows that a large number of people were searching for click and collect options in the days immediately before Christmas in order to be able to guarantee they would have purchases before Christmas.

A sensible strategy for future years would be to ensure click and collect targeted search content is live, optimised and well established on site and that timings, dates and information on the service is clearly marked – especially on the days immediately running up to Christmas.

This level of search term intelligence can be repeated for a huge variety of search terms to inform marketing strategies.

**Searched for Click and Collect and keywords similar to Click and Collect**
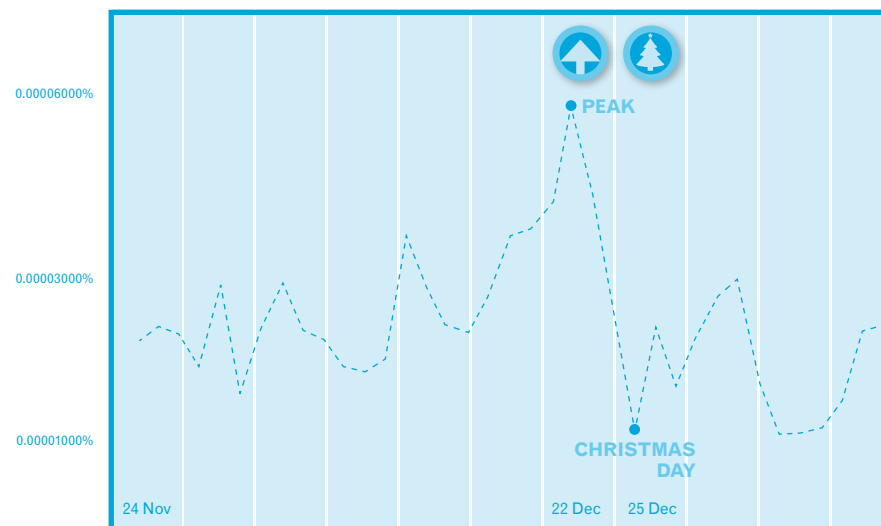
5.1b 'SALES'

It's clear that sales are an important driver of traffic and interest in the retail world. A glance at search data for the keyword 'sales' (and associated variations) indicates that search activity around sales peaked on Black Friday and Boxing Day. As the below graph shows, significant peaks in search volume for the keywords indicates a huge uplift in interest around these dates and goes some way to explaining the large volumes on Boxing Day and Black Friday. The graph shows percentages of overall search on these dates.

**Searched for Sales and keywords similar to Sales**
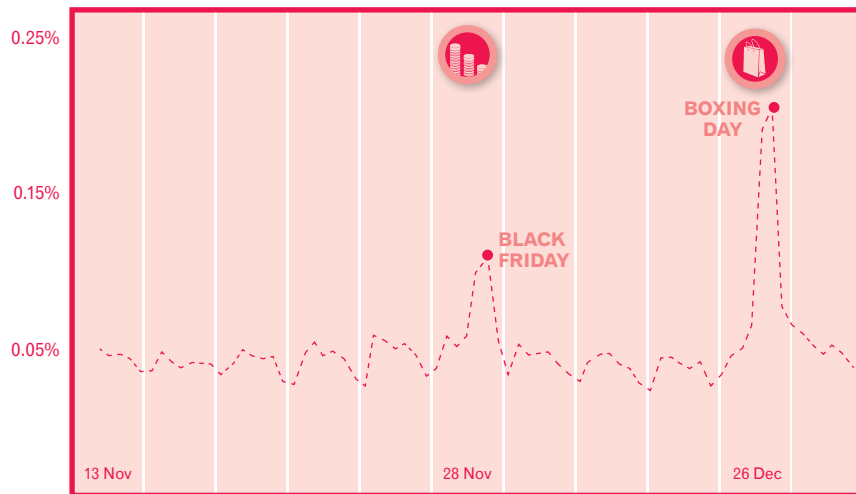
It is worth noting that the above graph implies that there was a higher volume of searches for 'sales' on Boxing Day than Black Friday. However, the metric measured is percentage of searches, so depending on other activity on the specific day percentages can vary and are not necessarily indicative of overall volume. The above graph does however clearly show the peaks.

With the right level of online intelligence brands should be able to see when there are spikes in search activity for particular phrases like 'sales' or 'click and collect' (just two examples) and plan their content and marketing activity around such powerful insights.

5.2 TRAFFIC FROM SOCIAL MEDIA

An interesting aspect to look at is the role social media played in retail over the festive period. The below graph shows the percentage of total traffic received to retail websites that came from social media over the month of December.

Percentage of overall traffic to retail sites from social media
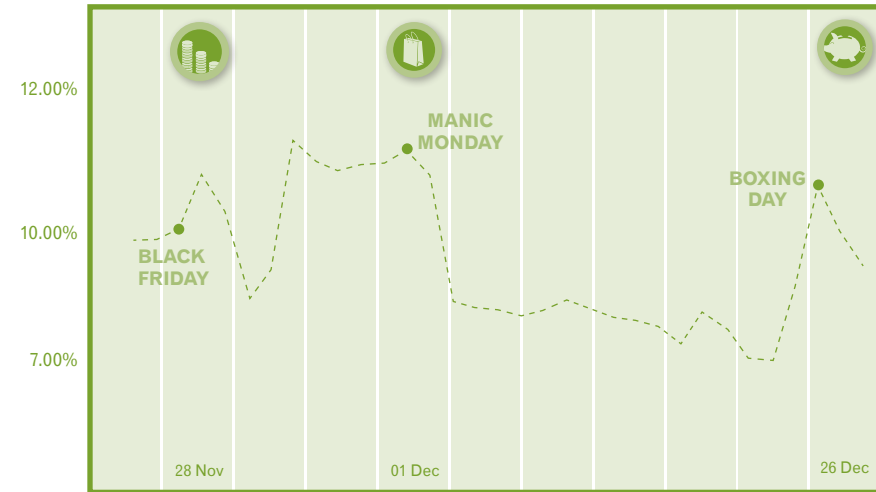
As you can see there is a level of fluidity but it is clear a significant proportion of traffic to retail sites came from social media networks.

Nearly 10 per cent of visits to retail websites on Black Friday came from social media websites. Black Friday witnessed 180 million visits to retail websites. Using the above details it is possible to calculate that roughly 18 million visits to retail websites came directly from social media.

Clearly there was a lot of activity in social spaces regarding not only Black Friday but Cyber Monday, Manic Monday and Boxing Day. Whether this was organic activity, paid advertising or viral marketing is unclear, however, people are clearly happy to go from social media accounts directly to retail websites.

The sheer volume of traffic that came to retail websites from social media is indicative of the smarter, integrated advertising which really pushed the Black Friday agenda and raised awareness – consequently contributing to the unprecedented level of success.

Percentages are not necessarily indicative of overall volume

6. SUMMARY

Christmas 2014 was a record-breaking year for retail. It marked the emergence of the pre-sales dates into the awareness of the British shopper.

Success can be attributed to the huge marketing effort brands have put into pushing the Black Friday agenda and the sophisticated techniques that have been employed such as personalisation and cross-channel marketing, with brands placing increased emphasis on promotional discounts and engaging with customers via multiple channels. You can be sure that due to the level of success these dates are now a mainstay of the UK retail calendar and retailers will put even greater emphasis on their marketing in future years.

6.1 WHAT ABOUT CHRISTMAS 2015?

Much of the smart marketing employed this festive season revolved around tailoring communications to suit the individual in order to provide them with a better and more relevant experience. This is a theme which will continue into 2015 and beyond. The level and sophistication of the insights available and understanding required are only going to increase and brands that stay standing still will quickly get left behind. Deeper and faster insights will be required in order to more efficiently and effectively market to the relevant people.

2015 will see more convergence of offline and online as brands continue to experiment with attribution and the issue of showrooming. Until this issue is resolved the gap between offline and online will remain however the importance and future of offline retail is never in question, it's simply the application that needs to be reassessed.

The coming year may see a backlash against discounts as many brands see it as a sub-optimal way of attracting new customers – customers that may only be there to get a cheap deal - rather than developing loyal customers who return often. This may affect the performance of Black Friday 2015 (in the US for instance volumes have dropped over the past few years). With the dust settling after Christmas 2015 many retailers will be jotting up performance and deciding whether it was worth it – by next Christmas they will have decided either way.

Key takeaways

- Invest in sophisticated online intelligence to understand trends, patterns and search behaviour

- Understand your customers in order to market to them more effectively

- Tailor your communications to suit each customer

- Use your understanding of the landscape and your customers to drive content and marketing efforts

- Expect continued convergence of online and the high street

- Be prepared for Christmas 2015 – start planning now

Experian Marketing Services is a leading global provider of consumer insights, targeting, data quality and cross-channel marketing. We help organisations intelligently interact with today's empowered and hyper-connected consumers. By helping marketers identify their best customers, find more of them, and then coordinate seamless and intelligent interactions across the most appropriate channels, Experian Marketing Services' clients can deepen customer loyalty, strengthen brand advocacy and maximise profits.

Experian FootFall is the leading global retail intelligence service, enabling international retailers and shopping centres to understand their customers inside and out, and generate greater profits from that insight. Experian FootFall's Global Retail Traffic Index tracks shopper numbers across the world, providing a barometer of shopper confidence. Indexes are published on a weekly and monthly basis, with regional breakdowns available in many areas.

For further information please contact us:

0845 234 0391
marketing.services@uk.experian.com
www.experian.co.uk/marketingservices
www.footfall.com

7 Old Town
Clapham
London
SW4 0JT

1 The Heights
Brooklands
Weybridge
Surrey
KT13 0NY

Embankment House
Electric Avenue
Nottingham
NG80 1RH

160 Dundee Street
Edinburgh
EH11 1DQ

0845 234 0391
www.experian.co.uk/marketingservices

Experian™
Marketing Services

Intelligent interactions.
Every time.