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Black Friday Balancing Act

With many Black Friday campaigns live in market, Business Hunter is encouraging shoppers to strike a balance between embracing modern retail trends like Black Friday and supporting local high street businesses during the lead-up to Christmas.

Business Hunter CEO, Bob Hawes, noted that Black Friday sales will be an important campaign across the retail landscape, with businesses eager to boost sales off the back of several years of tough trading conditions.

“We’re already seeing that Black Friday has expanded well beyond a single day, with promotions beginning earlier and stretching across several weeks this year. This is a crucial trading period for retail businesses, propping them up for the year ahead. Businesses who are able to participate have clearly recognised Black Friday as an important opportunity,” said Mr Hawes.

Mr Hawes added that while these sales present opportunities for consumers to save, they also highlight the challenges small businesses face in competing with larger retailers.

On the flip side, sales campaigns like this create significant pressure on small businesses that often lack the resources to offer the deep discounts or extended promotions that major retailers can afford.

“We know with cost of living impacts that budgets are tighter than ever, and smaller businesses are under immense pressure to participate. Many businesses who can’t participate in Black Friday feel compelled to justify and explain this position to their customers via social media.”

Mr Hawes said small businesses often operated with tighter profit margins and greater inventory constraints, making it harder to match heavy discounts seen in bigger retail chains or global e-commerce sites. Unlike online stores, their value proposition focused on unique and highly curated offerings, as well as subject matter advice.

“There are plenty of examples at this time of the year people ordering gear online such as bikes, surf boards, and skateboards, only to wind up with a product that is not fit for the end user. Many of these unhappy customers then wind up in a local store asking for help to modify the product or come up with a solution. Suddenly that hundred dollar discount isn’t stacking up.”

“And where an online product doesn’t seem to be significantly cheaper, we’d encourage you to talk to your local vendor. You might be surprised at their interest to price match.”

Mr Hawes pointed to Small Business Saturday - a new initiative that like Black Friday, also originated from the United States.

“Small Business Saturday dedicates a day to celebrate and support small, locally owned retailers so we can ensure these businesses also thrive during this time. These businesses add diversity and character to our communities and play a vital role in our local economies, so it’s crucial to keep them in mind during the Christmas shopping season.”

“Whether it’s a visit to your local main street, browsing online platforms set up by local stores, or attending a holiday market, your support makes a difference.”

“We encourage everyone to mix the best of both worlds and of course, always prioritise Australian retailers. Take advantage of Black Friday savings where they make sense, but also set aside time to celebrate and support small businesses that enrich the Hunter region.”

Black Friday Retail Statistics

Business NSW and DataCo Labs conducted a detailed analysis of the trends of Christmas retail trade in NSW, using Australian Bureau of Statistics and de-identified transaction data from ANZ.

Key findings:

1. The week in the lead-up to Black Friday last year was the busiest retail period of 2023, with transactions being 49% above average. Retail trade during that week has also surpassed the individual performance of the final two weeks of the year, as transactions in the week leading up to Christmas were 34% above average whilst the week post-Christmas had transactions 25% above average.
2. The pattern of online retail trade shows that the peak period of the year was the week leading up to Black Friday, with transactions 37% above average. Whilst in-store transactions also recorded a similar boost of 37% during that period, the busiest week for in-store activity was the week prior to Christmas, with transactions 54% above average.
3. In 2023, online retail trade was valued at \$4.9 billion in November (12.7% of total retail trade that month) and \$4.7 billion in December (10.6% of total retail trade that month).
4. The month of December remains the busiest month of the year for retail trade (online and instore). In 2023, NSW retail trade totalled \$12.2 billion in November and \$13.8 billion in December.

5. Five major international online retailers (Amazon, eBay, Kogan, Shein and Temu) made up 4.1% of total retail trade in NSW during the week leading up to Black Friday 2023. Their transactions in the week leading up to Black Friday 2023 were 58% above average. This boost was larger than the spike recorded by the group of 'all other retailers' (49% above average).
6. However, transactions with these five major international online retailers slumped in the week after Christmas, with transactions 19% below average weekly spend. In contrast, the group of 'all other retailers' enjoyed another boost in the final fortnight of the year, with transactions in the week before Christmas 36% above average and the week after Christmas 27% above average.

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