Special Research Note
Black Friday Retail Trade Analysis

01. Overview

'Black Friday' is an annual retail sales event originated in the US. It is the Friday after Thanksgiving, which also means it is the fourth Friday in November. Retailers typically run promotions and shoppers take advantage of discounted prices as they prepare for Christmas.

Australian retailers and shoppers have increasingly embraced 'Black Friday'. Official retail trade statistics have shown stronger-than-usual turnover in the month of November in recent years, seemingly at the expense of traditional retail activity in December.

Business NSW, in partnership with DataCo Labs, is conducting a detailed analysis of the trends of retail trade in NSW. The analysis is based on a mix of official data from the Australian Bureau of Statistics and de-identified transaction data from ANZ accessed via the DataCo Platform.

Results of the analysis will be presented in a three-part series:

1. Part 1 examines the significance of 'Black Friday' to the retail sector;
2. Part 2 reviews the performance of 'Black Friday' in 2024;
3. Part 3 provides a comprehensive analysis of recent retail trade patterns in NSW.

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Key Findings

- December remains the busiest month for retailers. However, on a weekly basis, the week leading up to Black Friday is the peak period for retail transactions in NSW.

- Every region in NSW experiences a spike in retail transactions in the week leading up to Black Friday. For many regions, this also represents the strongest weekly retail trade performance of the year.

- At the start of the pandemic, online retailing had a notable increase in its share of total retail turnover. Although the share retreated from its peak as the economy re-opened, there has still been a mild upward trend over the last two years.

- Online and in-store retail transactions receive a similar boost in the week leading up to Black Friday. Whilst this is the busiest week of the year for online retail trade, in-store retail trade is highest in the week leading up to Christmas.

- Major international online retailers (Amazon, eBay, Kogan, Shein and Temu) enjoy a larger boost from Black Friday compared to the group of 'all other retailers'. However, they also experience a slump after Christmas when other retailers receive another boost in transactions.

Implications

- **Digital transformation.** The growing share of online retailing in recent years indicates changing shopper preferences and a digital revolution for the retail sector. Black Friday is the time of the year when having an online platform proves to be particularly advantageous for retailers. It is increasingly important that retailers plan and invest in the digital transformation of their business to remain competitive.

- **Productivity and innovation.** During an economic downturn, consumers are especially price-sensitive. The Business Conditions Survey by Business NSW has found that consumers can develop a stronger appetite for lower-cost substitutes amid cost-of-living pressures. This may benefit some international online retailers that are known for their price-competitiveness. This also serves as a reminder to local retailers to continuously lift their productivity levels to keep unit cost down, and to continue to innovate to develop a competitive edge in terms of quality.

- **Shopping local.** To ensure the NSW community benefits from the Black Friday shopping event, both consumers and local businesses should be encouraged to buy from local retailers. For regional areas in particular, money spent in local businesses supports local employment and local investment. This has flow-on positive effects over the longer term, which include a stronger local business sector that provides meaningful career pathways for young people.

02. The Big Picture

This section presents the macro view of retail trade based on data from the Australian Bureau of Statistics. Retail trade turnover data are released on a monthly basis. Relevant to this analysis are the breakdown by state, department store turnover and online retailing.

NSW Retail Trade Turnover

Despite the increasing hype about Black Friday in Australia in recent years, December remains the busiest month of the year for retail trade. In 2023, NSW retail trade totalled $12.2 billion in November and $13.8 billion in December.

Figure 1: NSW retail trade turnover
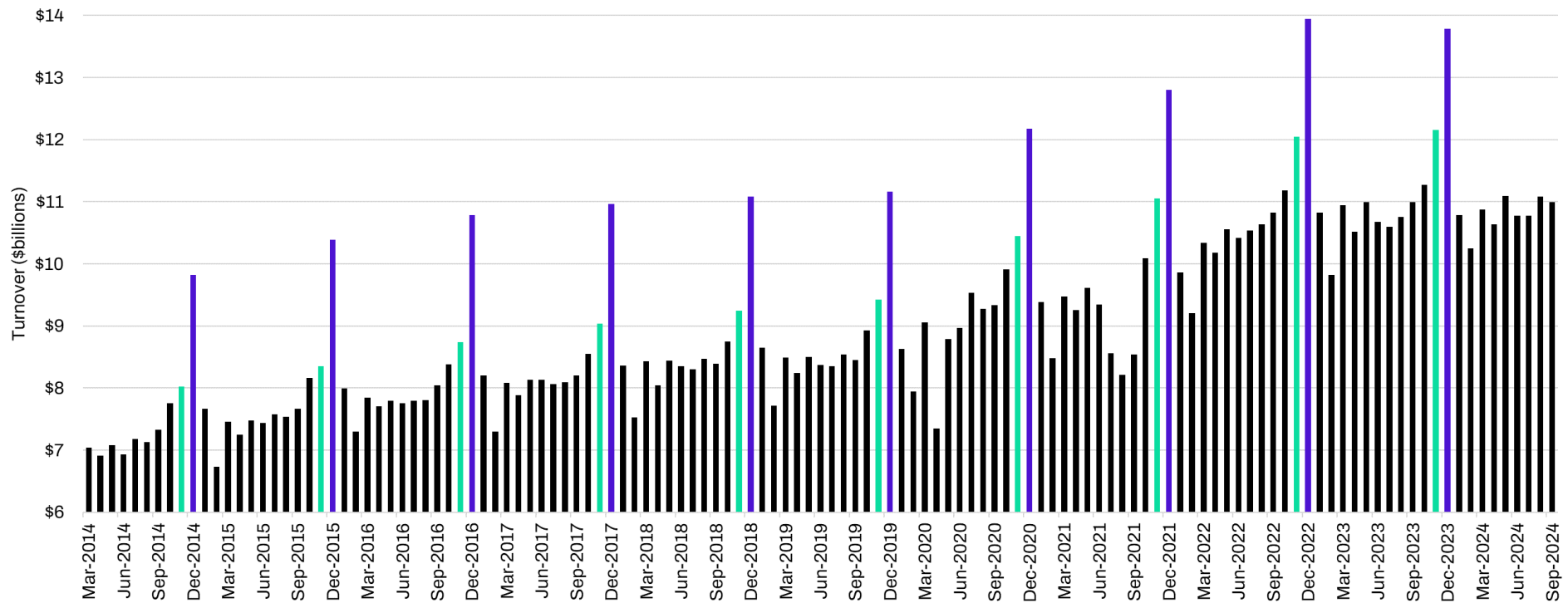
Source: ABS

Monthly Distribution of Retail Activity

December accounts for 10.3% of total NSW retail trade in FY23-24, the largest monthly share. Other states and territories across Australia follow a similar distribution.

**Figure 2: Retail trade turnover in FY23-24**

Month in FY23-24	NSW		ACT		VIC		QLD		NT		TAS		SA		WA	
	Retail turnover ($b)	Share of annual retail turnover (%)	Retail turnover ($b)	Share of annual retail turnover (%)	Retail turnover ($b)	Share of annual retail turnover (%)	Retail turnover ($b)	Share of annual retail turnover (%)	Retail turnover ($b)	Share of annual retail turnover (%)	Retail turnover ($b)	Share of annual retail turnover (%)	Retail turnover ($b)	Share of annual retail turnover (%)	Retail turnover ($b)	Share of annual retail turnover (%)
Jul-2023	$10.6	7.9%	$0.6	8.0%	$8.7	7.9%	$7.2	8.1%	$0.4	9.0%	$0.7	7.8%	$2.2	8.0%	$3.9	8.0%
Aug-2023	$10.8	8.0%	$0.7	8.0%	$8.8	8.0%	$7.2	8.1%	$0.3	8.8%	$0.7	7.8%	$2.2	8.0%	$3.9	8.1%
Sep-2023	$11.0	8.2%	$0.7	8.2%	$8.9	8.1%	$7.2	8.2%	$0.3	8.5%	$0.7	7.9%	$2.3	8.1%	$3.9	8.1%
Oct-2023	$11.3	8.4%	$0.7	8.3%	$9.2	8.3%	$7.4	8.4%	$0.3	8.3%	$0.7	8.3%	$2.3	8.4%	$4.1	8.5%
Nov-2023	$12.2	9.1%	$0.7	9.0%	$10.0	9.0%	$7.8	8.9%	$0.3	8.6%	$0.8	8.9%	$2.5	9.0%	$4.4	9.0%
Dec-2023	$13.8	10.3%	$0.8	10.1%	$11.5	10.4%	$9.0	10.3%	$0.4	9.1%	$0.9	10.4%	$2.8	10.2%	$4.9	10.1%
Jan-2024	$10.8	8.1%	$0.6	7.9%	$8.9	8.1%	$7.2	8.2%	$0.3	7.3%	$0.7	8.5%	$2.3	8.1%	$3.9	8.0%
Feb-2024	$10.2	7.7%	$0.6	7.7%	$8.5	7.7%	$6.6	7.5%	$0.3	7.2%	$0.7	7.9%	$2.1	7.7%	$3.7	7.6%
Mar-2024	$10.9	8.1%	$0.7	8.3%	$9.1	8.2%	$7.2	8.1%	$0.3	8.0%	$0.7	8.4%	$2.3	8.3%	$4.0	8.2%
Apr-2024	$10.6	7.9%	$0.6	7.9%	$8.8	8.0%	$6.9	7.8%	$0.3	7.9%	$0.7	8.0%	$2.2	8.0%	$3.8	7.9%
May-2024	$11.1	8.3%	$0.7	8.2%	$9.1	8.3%	$7.2	8.2%	$0.3	8.5%	$0.7	8.2%	$2.3	8.3%	$4.0	8.3%
Jun-2024	$10.8	8.0%	$0.7	8.2%	$8.9	8.1%	$7.2	8.1%	$0.3	8.8%	$0.7	7.9%	$2.2	8.0%	$4.0	8.2%

Source: ABS

NSW Department Store Turnover

NSW department store turnover has been falling as a share of total retail trade in recent years. For department stores, December remains the busiest time of the year with turnover almost twice as high as the monthly turnover for the other months of the year. In 2023, department store turnover totalled $734 million in November and $1 billion in December.

**Figure 3: NSW department store turnover**
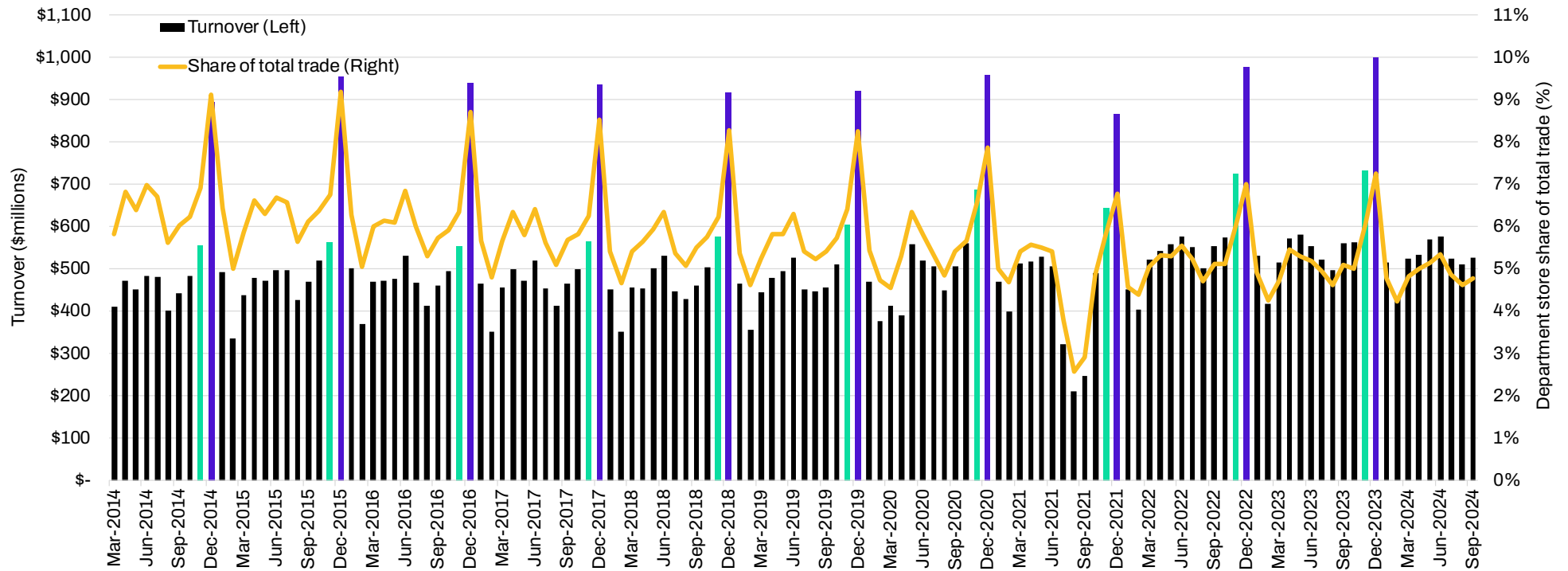
Source: ABS

Online Retailing

Online retail turnover as a share of total retail trade peaked in 2021 during the pandemic, most likely attributed to the lockdowns restricting people from in-person shopping. Although the share has scaled back since 2022, it remains notably higher than prior to the pandemic.

On a monthly turnover basis, in 2020, November overtook December for the first time as the busiest month of the year for online retail trade, reflecting the impact of Black Friday.

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).

Figure 4: Online retail turnover
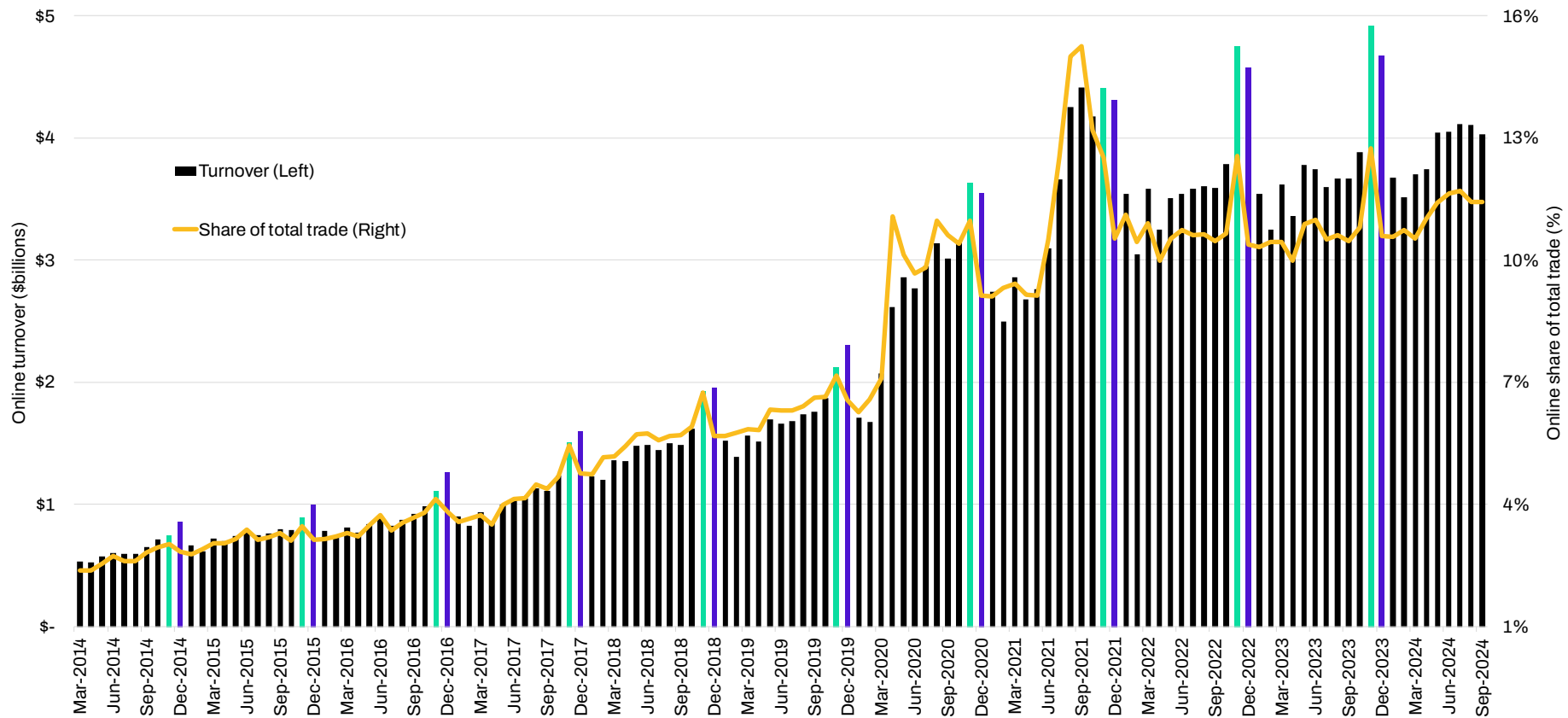
Average Retail Spending

Consumers have always spent the most in the December quarter compared to the other three quarters of the year. As Black Friday shopping took off in 2020, retail spending per capita in the December quarter of 2020 jumped 9.7% from the year prior. The upward trend continued in 2021 and 2022 as Australian consumers became accustomed to Black Friday shopping.

During the December quarter of 2023, retail spending per capita was $4,405, slightly below the average of $4,462 recorded in 2022 (note: these are actual figures not adjusted for inflation). The retreat reflects the slowdown in broader economic momentum, following 13 interest rate hikes by Reserve Bank of Australia, which has squeezed household budgets – especially those with a mortgage.

Figure 5: Retail spending per capita
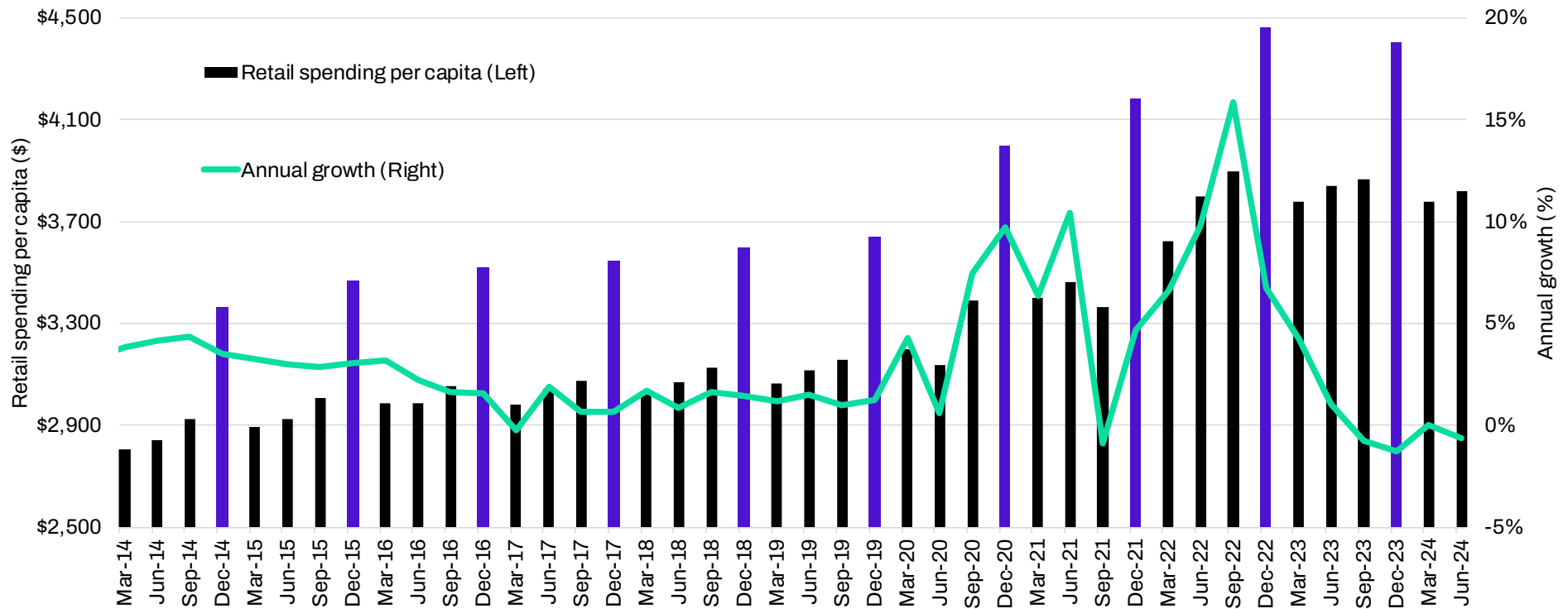
Source: ABS

03. The In-Depth Look

This section examines the de-identified transaction data from ANZ accessed via the DataCo Platform.

Weekly transaction amounts are 'normalised' against the average weekly spend across a year. For example, a reading of 100% for a week indicates that the total transaction amount during that week is on par with the average weekly spend across the year. Any reading over 100% indicates above-average spend during that week.

The analysis presented in this section shows consumer purchase behaviour over the course of a year, from August 2023 to July 2024.

The definition of a week in this section follows the ISO week date system, which has Monday as the start of the week.

Consumer Weekly Spend

The week in the lead-up to Black Friday 2023 was the busiest retail period of the year, 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.

Figure 6: Weekly retail transactions
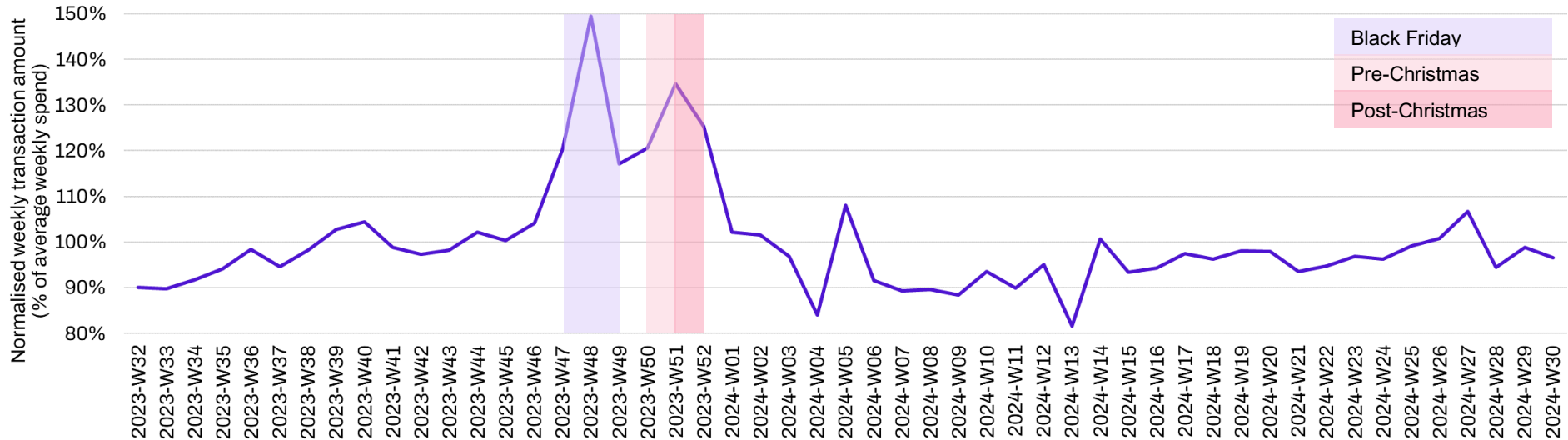
Source: DataCo Labs

Consumer Weekly Spend by Region

All regions across NSW experienced a similar spike in retail transactions in the week leading up to Black Friday 2023.

Figure 7: Black Friday vs pre-Christmas retail transactions

Region	% Above average weekly retail transactions	
	Week leading up to Black Friday 2023	**Week leading up to Christmas 2023 (with the exception of Albury)**
Sydney	61%	29%
Western Sydney	53%	36%
Illawarra-Shoalhaven	49%	36%
Mid North Coast	48%	36%
Central Coast	45%	33%
Hunter New England	42%	33%
Southern NSW	41%	33%
Northern NSW	40%	39%
Western NSW	39%	43%
Murrumbidgee	39%	43%
Far West NSW	35%	31%
Albury	31%	59% (Week after Black Friday)

Source: DataCo Labs

Figure 8a: Weekly transactions – Sydney
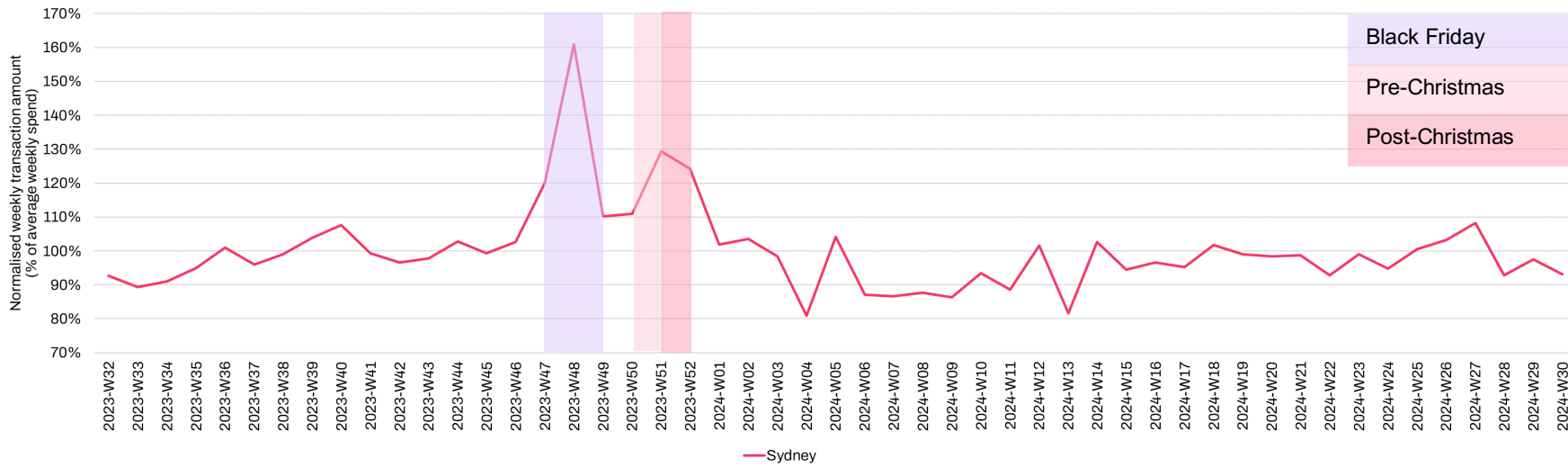
Figure 8b: Weekly transactions – Western Sydney
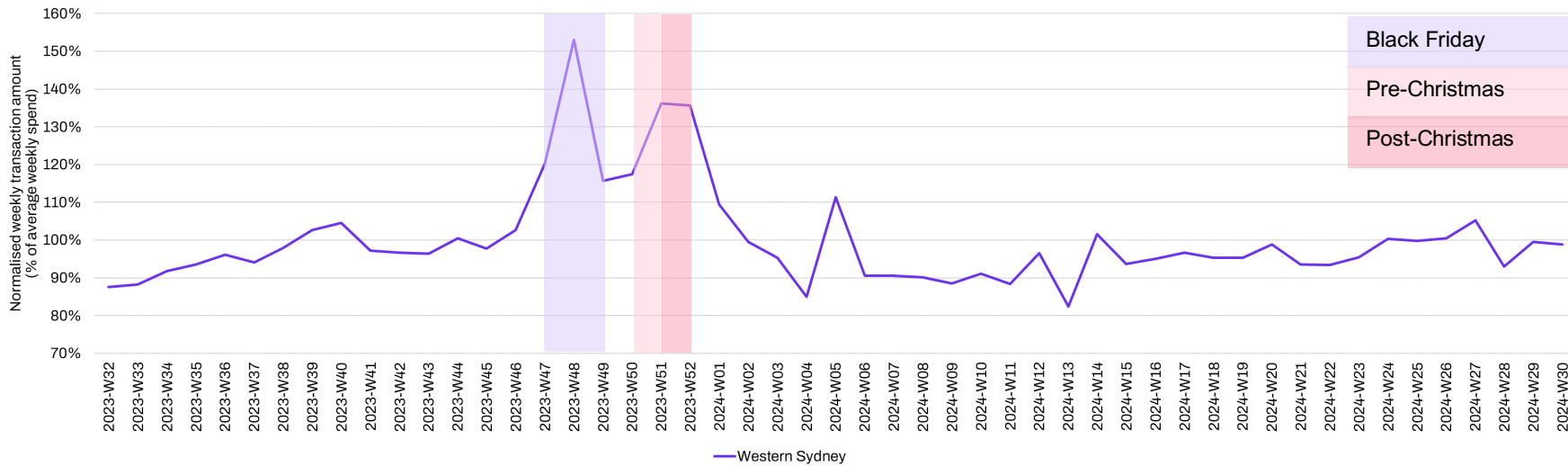
Figure 8c: Weekly transactions – Central Coast
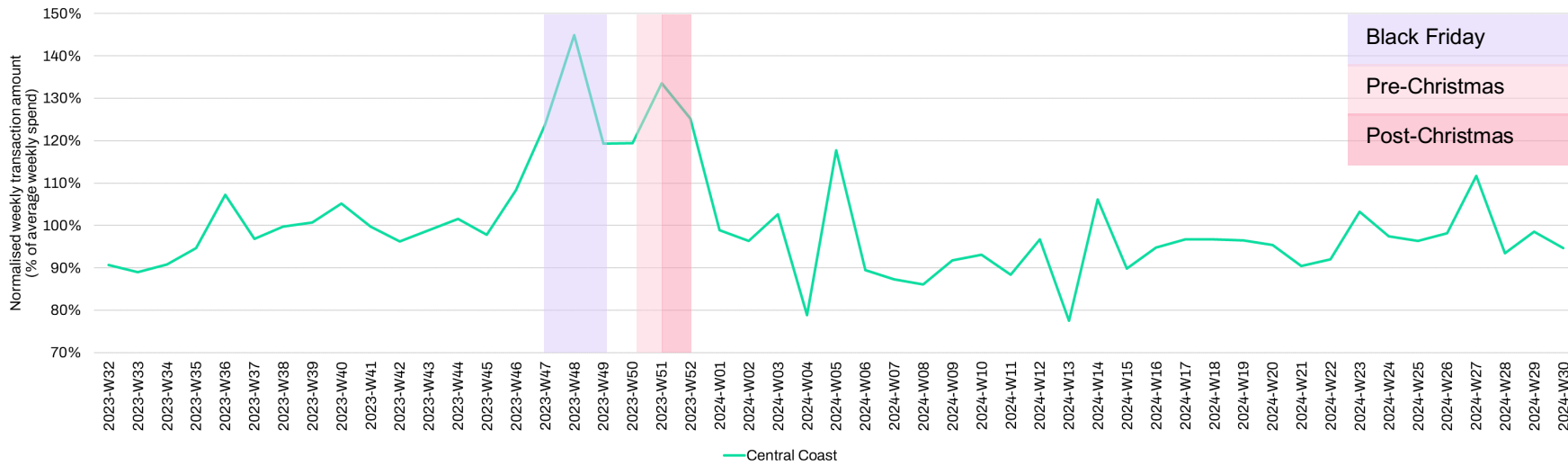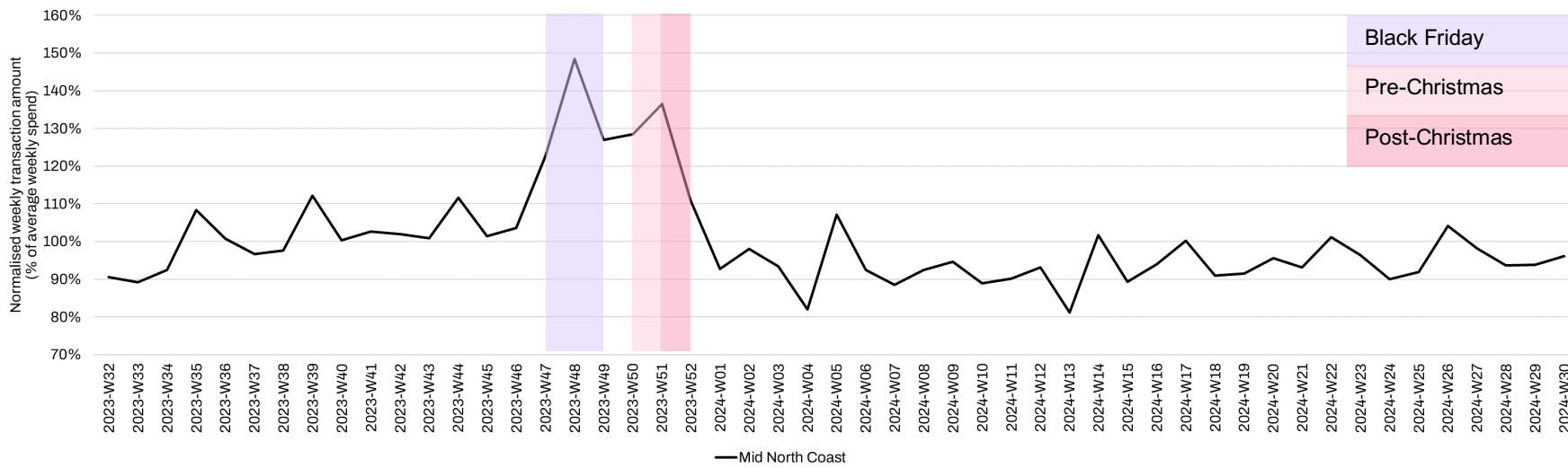

Source: DataCo Labs

Figure 8d: Weekly transactions – Hunter New England
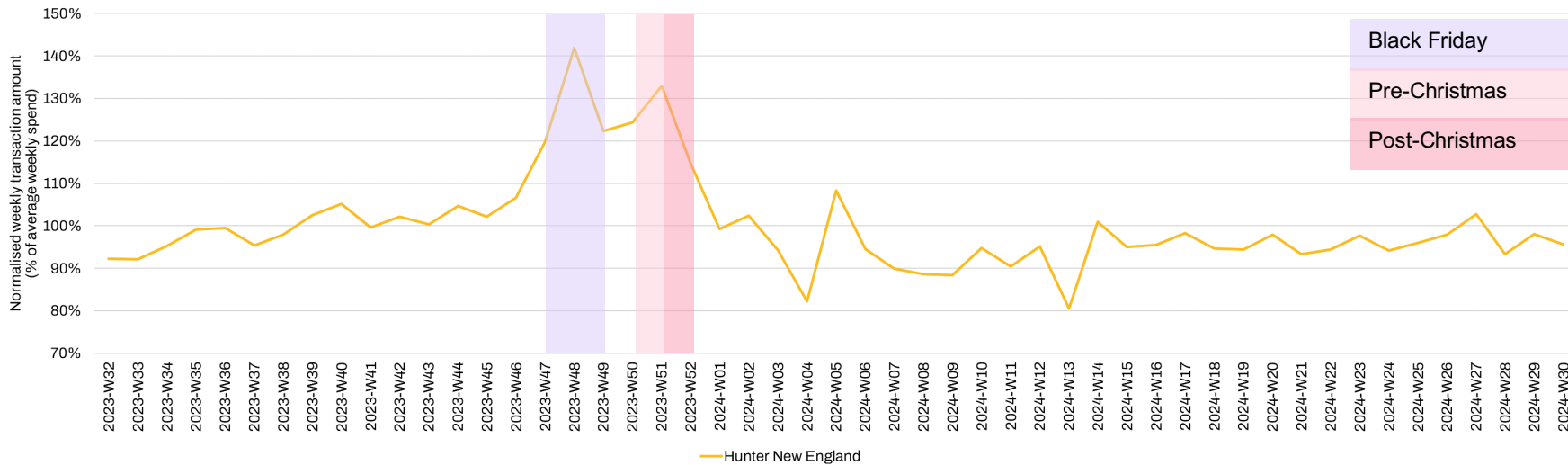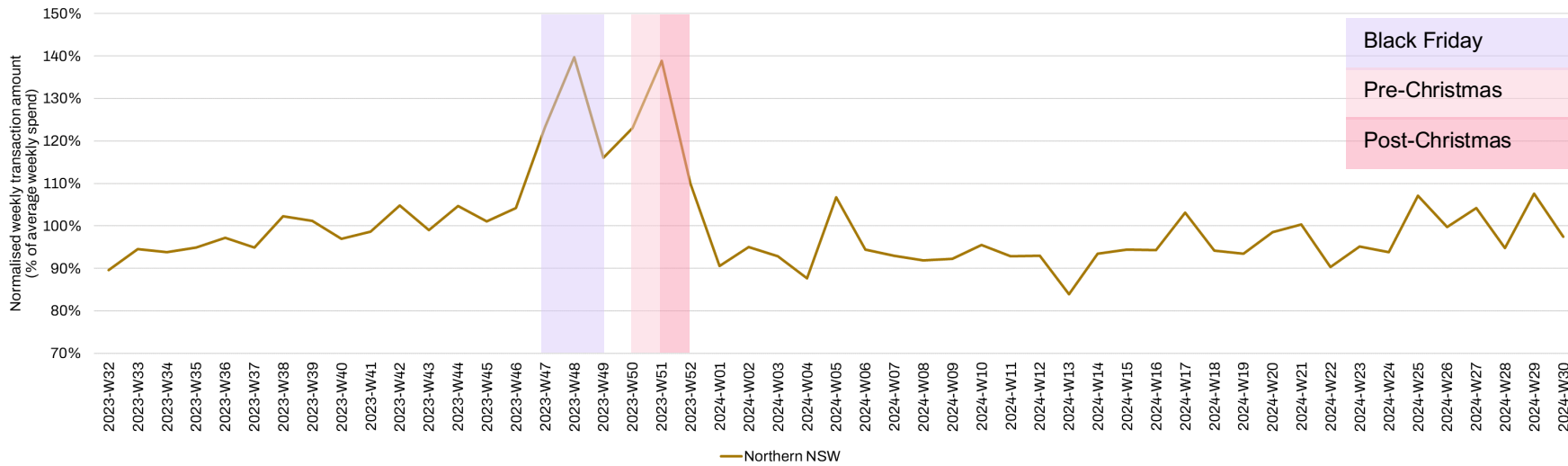

Source: DataCo Labs

Figure 8e: Weekly transactions – Mid North Coast
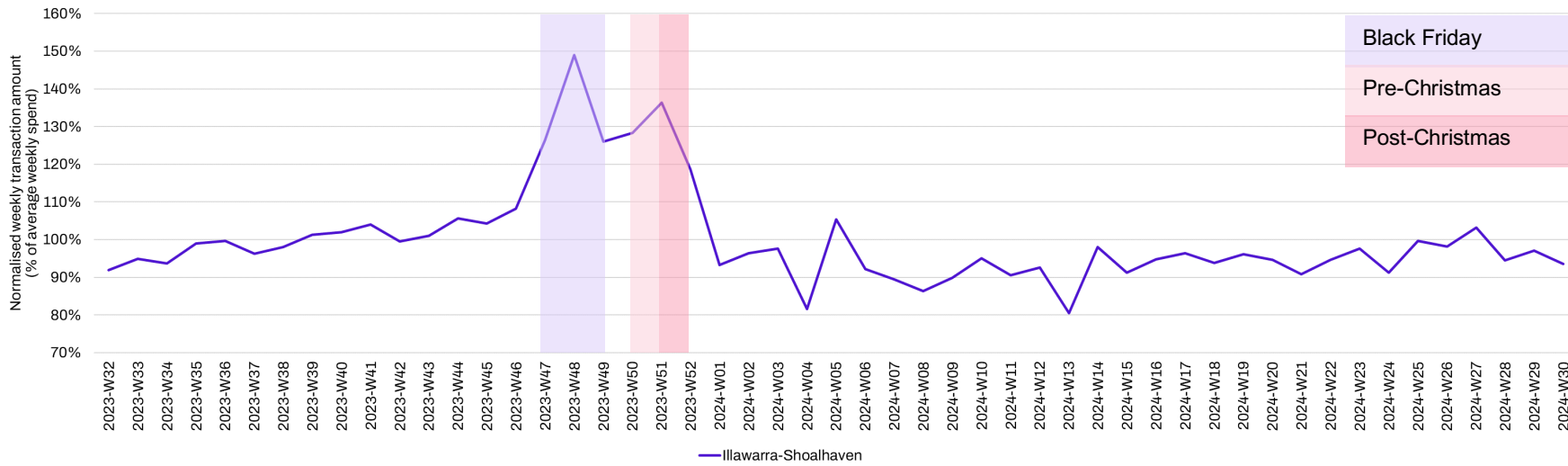

Source: DataCo Labs

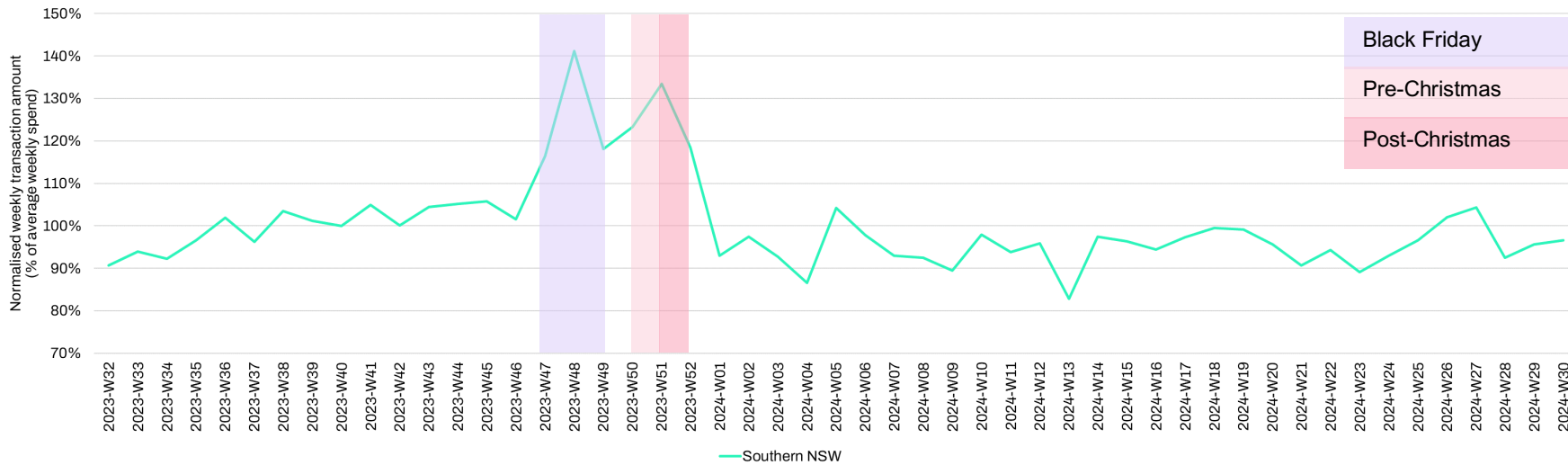## Figure 8f: Weekly transactions – Northern NSW

Source: DataCo Labs

Figure 8g: Weekly transactions – Illawarra-Shoalhaven
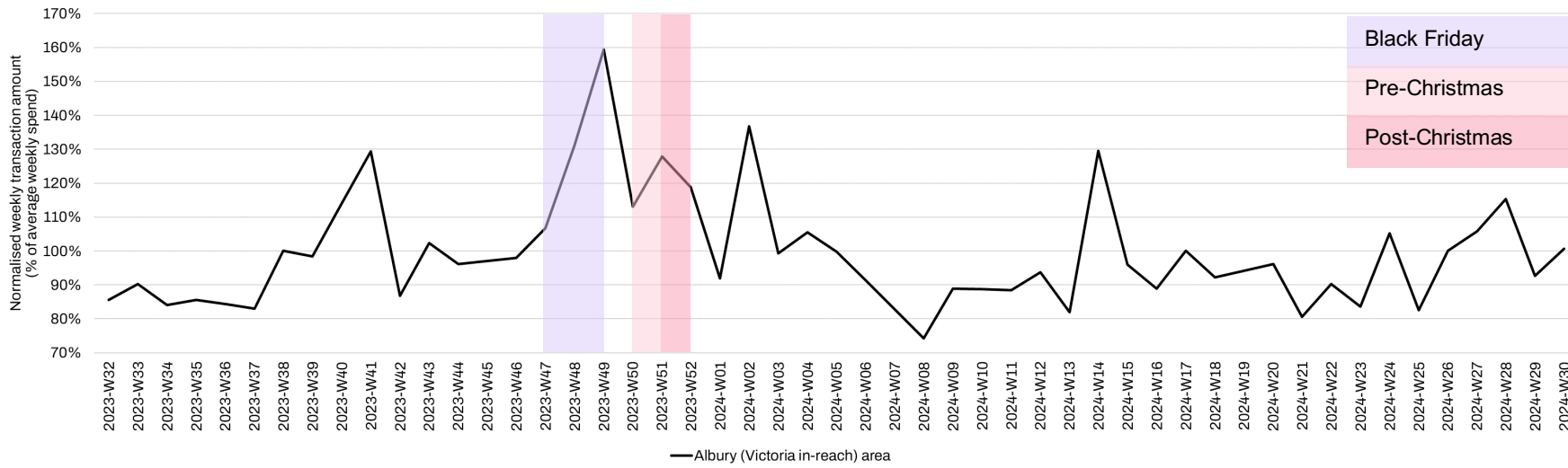

Source: DataCo Labs

Figure 8h: Weekly transactions – Southern NSW
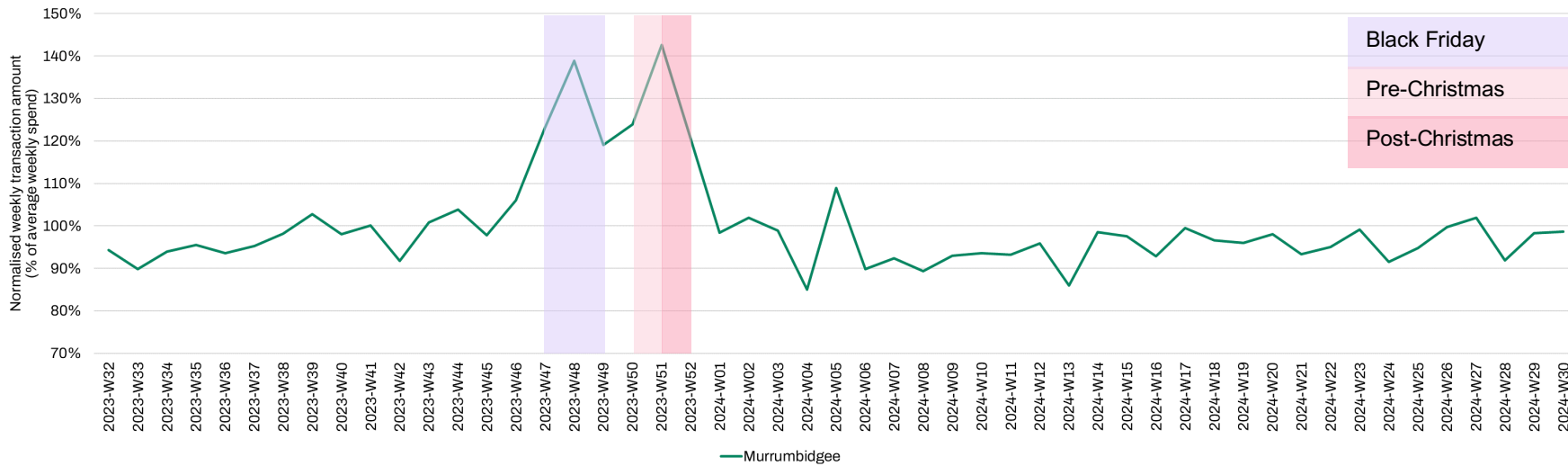

Source: DataCo Labs

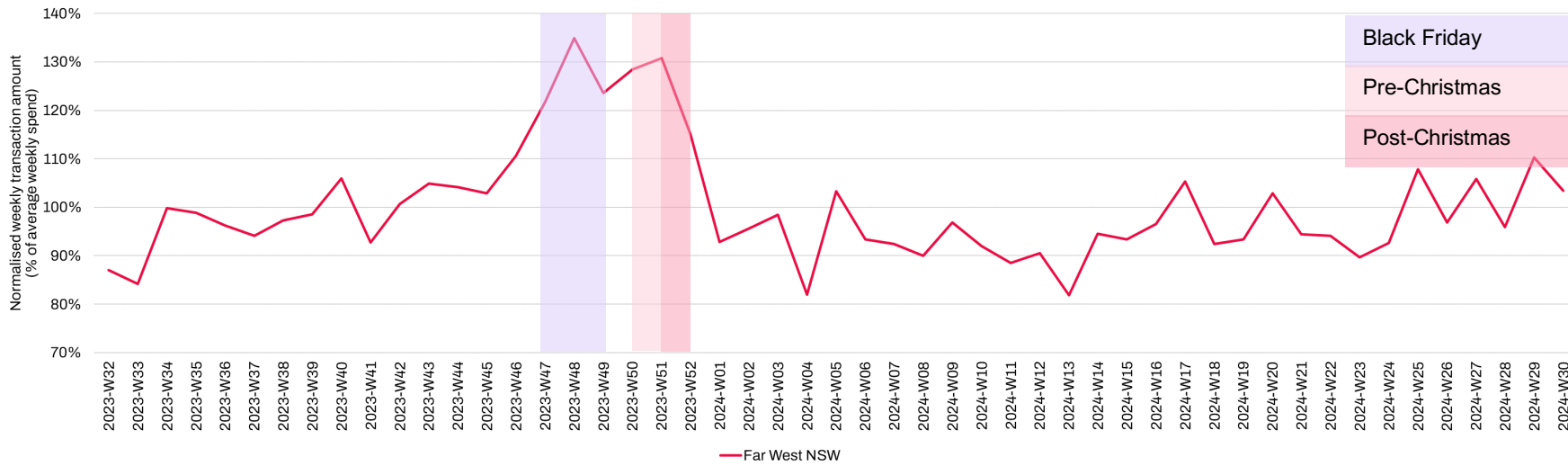## Figure 8i: Weekly transactions – Albury

Source: DataCo Labs

Figure 8j: Weekly transactions – Murrumbidgee
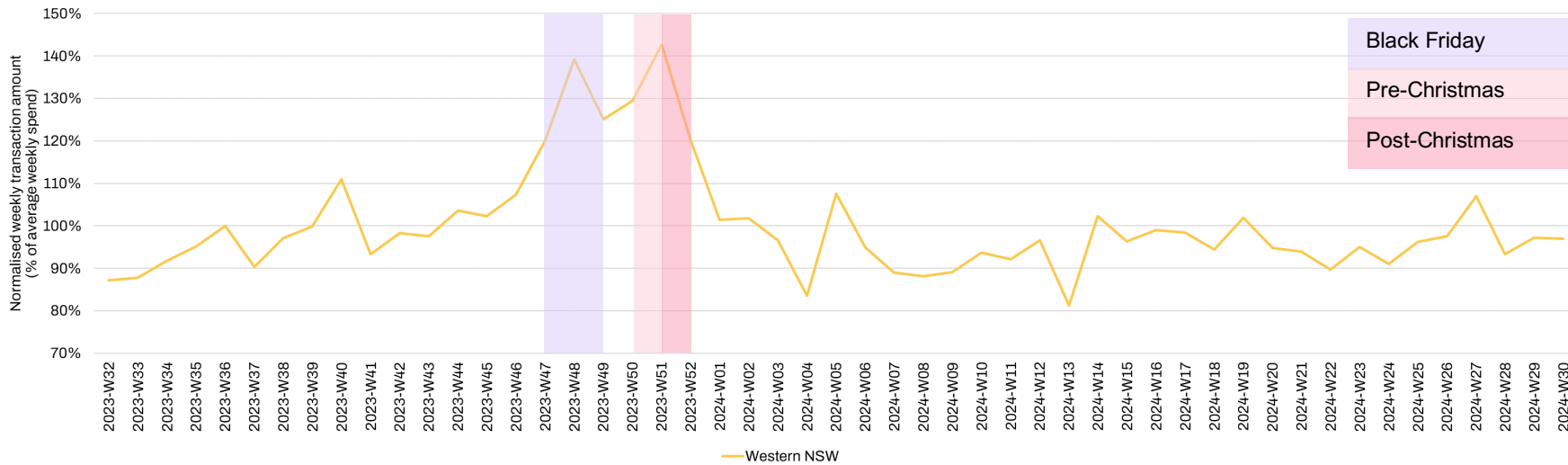

Source: DataCo Labs

Figure 8k: Weekly transactions – Far West

Source: DataCo Labs

## Figure 8l: Weekly transactions – Western NSW

Source: DataCo Labs

Online vs In-Store Retail Trade

The pattern of online retail trade shows that the peak period of the year was the week leading up to Black Friday 2023, 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.

Figure 9: Comparison of online and in-store transactions
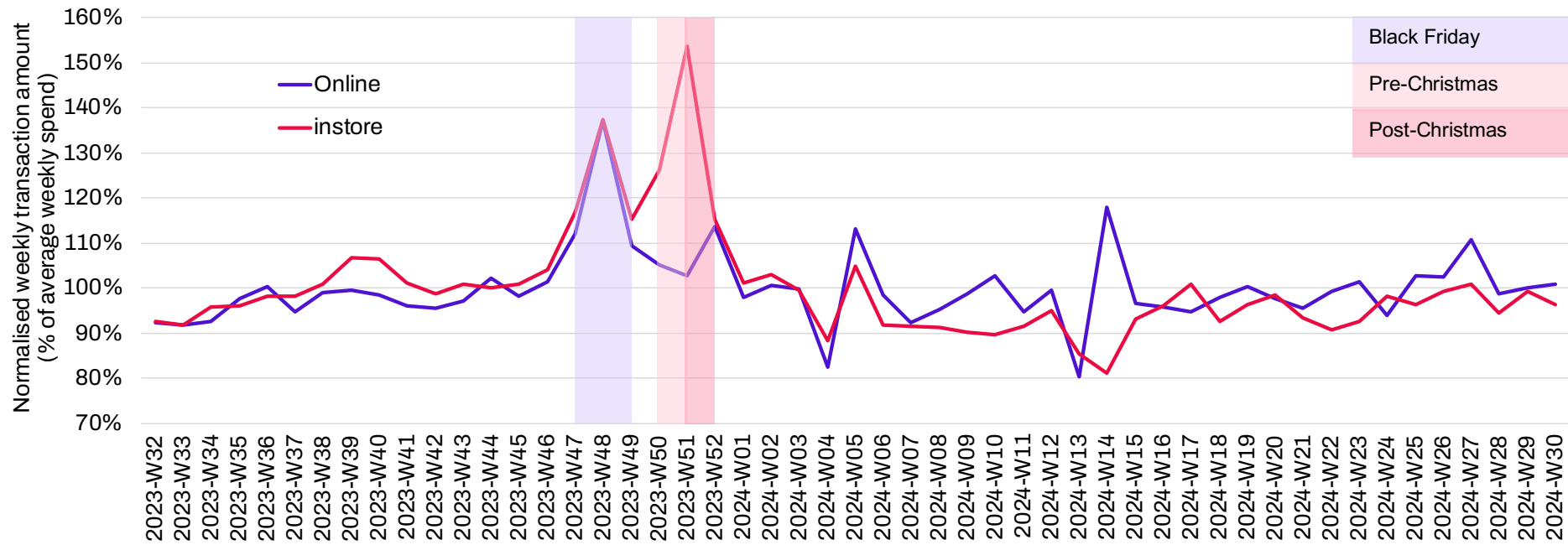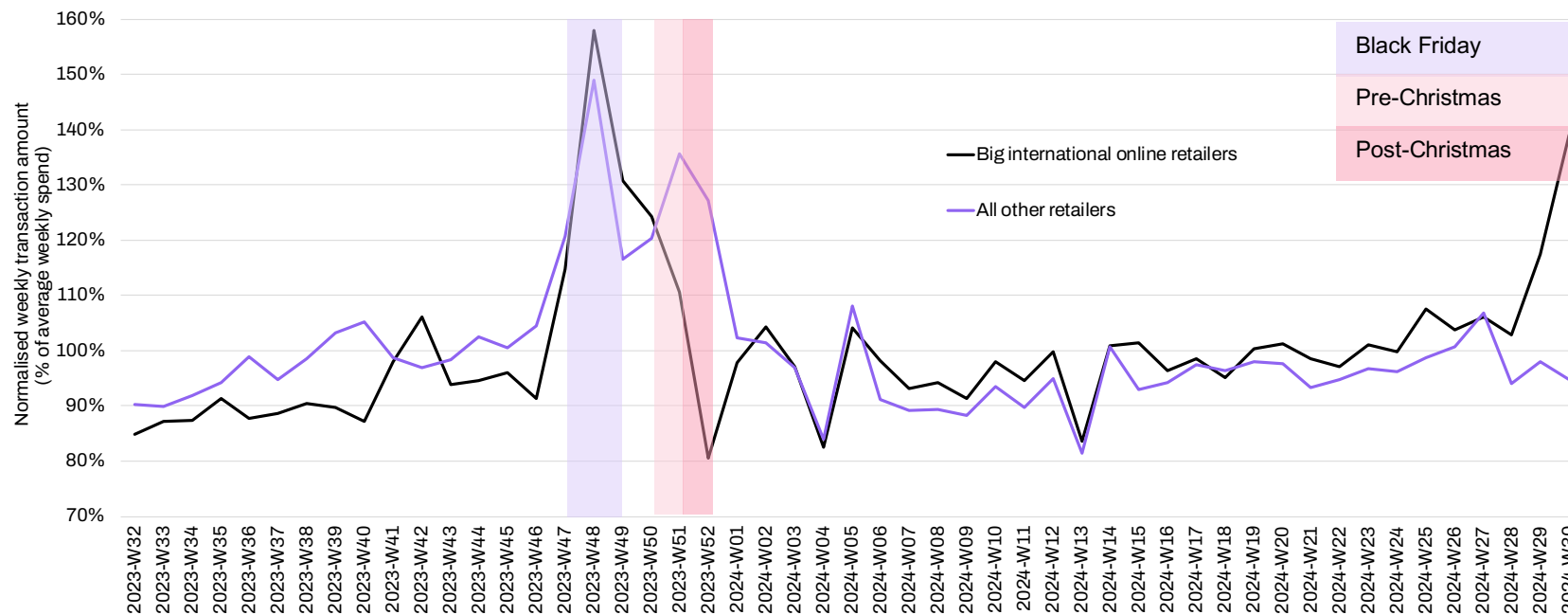

Source: DataCo Labs

International Online Retailers

Australian consumers often purchase from international online retailers. 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.

Analysis of purchases made with these five major international online retailers shows that 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).

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.

Figure 10: Transactions with major international online retailers

Note: Big international online retailers defined as: eBay, Temu, Amazon, Shein and Kogan.

Source: DataCo Labs

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