

Marketing expert exposes the darker side of Black Friday

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Opting out of the US imported concept of Black Friday could be the most sensible business decision for retailers as they head into the pre-Christmas trading period, according to leading academic Dr Heiner Evanschitzky, Professor of Marketing at Aston Business School.

The surge in Black Friday participation by retailers over the past two years, led in part by online giants and US multinationals, has built up an expectation and frenzied mentality amongst shoppers. At a time when many people are on a tight budget, the opportunity to buy large purchases, heavily discounted, before Christmas is like a dream come true.

For retailers, however, the concept has become more of a hindrance than a help. Whilst the initial surge of activity encourages a sales peak on the day, there is no genuine increase in demand and the severe discounting means that consumers buy products they would have in previous years purchased at higher prices, at a significant discount weeks before Christmas itself.

Commenting on the phenomenon, Professor Evanschitzky says:

"The introduction of Black Friday was a bad idea for retailers in the UK. It has not created additional demand, but has only moved demand for Christmas gifts ahead by about a month, with no evidence of an overall increase in volume of sales."

Whilst we all like a bargain, retailers still need to make a profit in order to invest in their business. Many look to Q4 of the financial year to maximise their annual profits, so heavy discounting so early on can be detrimental.

Professor Evanschitzky continues:

"Customers naturally like to buy products cheaper, but in the long run if retailers are to survive, they will have to increase their prices at other times of the year to compensate. Failure to make a necessary profit will put additional pressures on retailers who need to continually invest in their businesses and ultimately could lead to businesses reducing their offer to the high street, or closing altogether. In turn, this will result in less competition and choice for consumers."

"The more sensible approach for [retailers](#) would be to resist the temptation to jump on the band wagon and to implement a discounting strategy that works for them and their business in order to maximise sales and profits at this crucial trading time. As the opting out of Asda has shown, even a big retailer who was in part responsible for the introduction of Black Friday to the UK, can admit it isn't the right approach."

The concept of Black Friday has created additional investment pressures for businesses around logistics, product demand and security. There is also an added reputational risk when associated with more negative consumer behaviour, as documented last year.

Provided by Aston University

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