

RETAIL

## Luxury retailers get in on Black Friday as consumers plan to spend more

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*Jimmy Cho o, holiday 2016*

By BRIELLE JAEKEL

While Singles' Day catches the eye of most luxury retailers rather than Black Friday deals, those that continue to skip the discount-focused day will miss out, as even affluent consumers still appreciate a good deal.

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A [new survey from Deloitte](#) has shown that consumers are planning on spending more this Thanksgiving compared to last year, with more than 76 percent of Americans planning to shop over the Black Friday weekend. Many luxury brands are finally taking the leap to incorporate a strategy for the major sales day such as Prada, Omega and Gucci, who are partnering with Walmart.com to feature heavily discounted luxury goods online over the weekend.

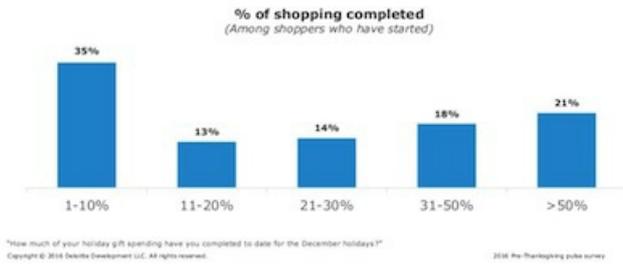
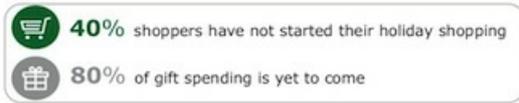
"The vast majority of shoppers indicate they will head both online and to the stores over the Thanksgiving holiday weekend, and nowadays, they really look at those experiences as one," said Rod Sides, vice chairman of [Deloitte LLP](#) and U.S. retail, wholesale and distribution leader. "While digital and physical tactics should work in concert, it's critical that retailers' digital influence fits specific purposes and shopping days this week.

"Before Thanksgiving, the experience should be informational and inspirational, to influence the consumer in the research phase," he said. "Black Friday requires nimble and feature-rich mobile formats while people browse reviews and compare information at the point of purchase.

"Cyber Monday is purely transactional, where features like prices, free shipping and online return policies move into focus," he said.

Discount mania

Black Friday, known for its jaw-dropping sales deals from retailers, is a holiday that has previously been side stepped by luxury brands and retailers. In the past, exclusives, deals and savings were not a strategy taken by many high-end retailers, but today's retail environment is making it almost impossible for even the most coveted brands to stay away.



Graph from Deloitte

However, consumers are willing to open up their wallets this year even more so than last year and online will be the main channel with more than 51 percent of consumers expecting to shop more online. About 46 percent of consumers will likely spend more in physical stores.

Bricks-and-mortar locations will still see the same amount of traffic as online platforms though, with 84 percent planning on visiting stores and the same number planning on shopping online. Most shoppers have been researching online and in stores leading up to the big weekend, with 74 percent claiming to investigate deal-hunting through both avenues.

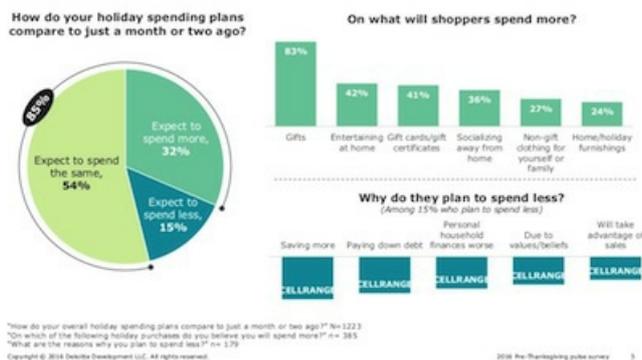


Chart from Deloitte

Many luxury retailers will be getting in on the action by looking to Walmart online to usher in shoppers. For instance, Gucci, Prada, Miu Miu and Cartier will be selling sunglasses, which will start as low as \$99.

Other products such as watches by Michael Kors and Omega will be featured, and will likely to continue to grow next year.

### Luxury deals

It is becoming more prevalent for these luxury brands to join in on the discount action, as affluent consumers also enjoy a good deal.

For instance, last year online fashion retailer Yoox Net-A-Porter Group had a record-breaking Thanksgiving holiday weekend with its highest sales days to date.

With an order placed every 1.4 seconds and one item sold each second during Cyber Monday, Yoox Net-A-Porter had sales growth of 50 percent to kick off the holiday season. Of purchases made, 41 percent of consumers did so using mobile devices, showing the importance of a well-rounded ecommerce platform ([see more](#)).

However, many luxury brands are more interested in Singles' Day, due to the bevy of Chinese consumers looking for a discount and hoping to woo them.

Held each year on Nov. 11, a date with four lonely numbers, Singles' Day has turned into the single largest online shopping day of the year, far surpassing Cyber Monday in recent years. Singles' Day was again expected to break its own records again this year, giving participating brands the opportunity to drive sales among this powerful group of luxury customers ([see more](#)).

With news of the election controlling content from the media, holiday marketing often is pushed back a bit. But it will most likely not impact this year's spending, just its start time.

"Holiday shopping often kicks in a little later during election years when the media is dominated by those ads rather than the early holiday promotional push," Mr. Sides said. "However, elections typically bear little impact on holiday spending, and this year should be no different.

"Consumer fundamentals are strong and retail sales have been healthy this fall."

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