

RETAIL

Online, mobile sales outpaced traditional retail this Black Friday: report

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Image courtesy of Saks Fifth Avenue

By **Danny Parisi** for *Mobile Commerce Daily*

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While Black Friday has been traditionally one of the biggest, if not the biggest, shopping days for retailers, this year saw online retailers overshadow bricks-and-mortar stores in terms of revenue growth.

The numbers come from RetailNext, which reported on the relative rates of growth. Traditional retailers are not without hope, as many of those online sales came from retailers that have both a physical and online presence.

"Brick-and-mortar sales and traffic numbers tell only part of the retail story, as many brands saw tremendous lift in their online channels that will positively impact overall performance, and Black Friday weekend was consistent with the expectations for a previously forecasted 3.2 percent rise in seasonal sales," said Shelley E. Kohan, vice president of retail consulting at RetailNext. "If anything, the weekend results underlie the importance of brands effectively converging digital and physical channels to deliver a single, seamless shopping experience to consumers, particularly during the high-volume holiday season, as well as engaging store traffic to ensure conversion somewhere along a brand's many shopper touchpoints."

Cyber sales

With Black Friday now safely behind us, and the many months of preparations and predictions that preceded it, it is finally time to step back and assess how the actual weekend went and what sorts of trends were on display.

RetailNext took a look at the numbers and compared them to previous years. What they found in doing so was that this year, online retailers outpaced physical retailers by a few points, signaling the overall shift in retail towards on-demand and online commerce over traditional retail.

black-friday-2016



Overall retail spending was still high, but compared to previous years, more of that came from online and mobile sales than from customers actually visiting a physical store.

"Average unit retail (AUR) over the weekend fell 10.5 percent compared to a year ago, and was indicative of the heavy price promotion strategies brands deployed to cut through the 'noise' of the holiday weekend," continued Kohan. "Those strategies led to some of the early holiday season winners including off-price discount retailers, outlets and warehouse clubs, but generally did no favors to department stores, specialty apparel and other segments."

Changing tides

These numbers are not surprising to those who have been paying attention to the overall trend in retail over the past few years.

More and more, mobile has begun to take its place as the dominant form of digital interaction for most consumers, forcing retailers and marketers to adapt to new ways to target and interact with those consumers.

The Thanksgiving weekend is the ultimate test of that trend, between Black Friday which is a big day for physical retailers and Cyber Monday which is the same for online ones, it is an excellent opportunity to gauge the relationship between the two and see how each are performing.

walmart-black-friday



This year, pre-Thanksgiving predictions showed that Cyber Monday would win out this year ([see story](#)).

Those predictions turned out to be accurate, showing that mobile and online shopping has become the new normal, and requiring retailers to change with the times if they want to adapt to this new status quo.

"Overall, it's important to recognize that results for physical retail were in line with expectations considering the hangover from Election 2016, the ease and convenience of online shopping and the retail industry's own promotional creep that has seen Black Friday quickly evolve from first a single-day event to a weekend, then to a week and now on to a month-long event."