

RETAIL

## Luxury ecommerce sees strong revenue growth during Black Friday, Cyber Monday

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Luxury shoppers tuned to ecommerce this Black Friday and Cyber Monday. Image credit: Neiman Marcus

By SARAH RAMIREZ

Luxury brands saw revenue growth of more than 50 percent during a record-breaking online shopping weekend, according to new data from software platform Qubit.

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Along with luxury, the general retail and beauty verticals also saw increases in the number of sessions, visitors and revenues during the Black Friday and Cyber Monday weekend compared to 2019 numbers. Affordable luxury, however, saw decreases in the same metrics but saw the strongest growth in average order value (AOV).

"We predict luxury to continue to fare significantly well the rest of the year and beyond," said Tracey Ryan O'Connor, vice president of North America and head of global sales at [Qubit](#), New York. "Affordable luxury is more challenging to predict but we could see, at least for the remainder of the holiday season, results consistent with Black Friday.

"If this is the case, visitor rates will be down meaning that brands need to make the most of each and every visit by communicating the point of differentiation to first time visitors, bringing the most relevant product and content to the forefront at key moments on site and re-engaging returning visitors via other channels to bring them back in," she said.

Qubit's data is based on nearly 40 million shopping sessions and 700,000 transactions, comparing Black Friday/Cyber Monday weekend 2019 with 2020.

### Black Friday sales

Luxury revenues over the holiday shopping weekend jumped by 55.64 percent from 2019. General retail and beauty followed with strong revenue growth of 48.84 percent and 23.61 percent, respectively.

While luxury AOV was down 6.01 percent from the previous year, large gains in other metrics ensured the strong revenue growth.

Sessions and visitors were up 24.45 percent and 45.97 percent, respectively, on luxury retails sites. The vertical also saw a decline in revenue-per-converter (RPC) of 5.80 percent.



*LVMH's Fenty was one of the luxury brands to offer Cyber Monday discounts. Image credit: Fenty*

Luxury online shoppers were more likely to convert and complete purchases this year, with revenue-per-visitor (RPV) up 7.83 percent. Qubit calculates RPV by multiplying the RPC by conversion rate.

Fashion and affordable luxury both saw drops in sessions, visitors and revenues, the latter facing much steeper losses.

Affordable luxury, which Qubit defines as having a price tag between \$500 and \$1,000 an item, saw revenues plunge 66.32 percent from 2019. Sessions and visitors fell 70.16 and 67.89 percent, respectively.

RPV for affordable luxury also fell 11.37 percent. A bright spot for the category, however, was a jump of 46.81 percent in AOV outpacing all other categories.

Affordable luxury has seen its ecommerce sales fluctuate during the course of the pandemic.

From April 2020 to September 2020, online visits were up 82.39 percent and revenues were up 122.66 percent. In September, visits for affordable luxury were only down 3.54 percent while revenue actually grew 11.68 percent year-over-year ([see story](#)).

"The September data suggested that affordable luxury could be on the rebound, but Black Friday performance suggested otherwise," Ms. Ryan O'Connor said. "While not specific to this vertical, we have heard continued supply chain struggles among our affordable luxury customers - meaning they've had to push out launch dates for products or have faced limited replenishment supply.

"The impact of this can mean that a customer comes to the site looking for a newly launched product or finds that the product they intended to buy is out of stock," she said. "They can't buy what they're looking for so they bounce,' thus driving down conversion rates."

#### Holiday shopping

With many consumers remaining weary of crowded stores in light of the pandemic, as well as a quicker turnaround between Thanksgiving and Christmas than usual, brands and retailers have been trying to extend the holiday shopping season. Many mass market retailers began introducing seasonal discounts in mid-October, coinciding with Amazon's Prime Day ([see story](#)).

Ecommerce is expected to play a larger role than usual this year.

Adobe Analytics originally predicted that online holiday sales in the U.S. will total \$189 billion, a 33 percent year-over-year increase which is equivalent to two years' growth. Black Friday and Cyber Monday were projected to generate \$10 billion and \$12.7 billion in online sales, respectively ([see story](#)).

That forecast, however, has been adjusted after Black Friday and Cyber Monday failed to meet expectations despite revenue growth in the luxury sector.

Ecommerce sales on Black Friday on Nov. 27, hit a record \$9 billion while in-store shopping plummeted amid the coronavirus pandemic, per preliminary data but less than had been predicted.

According to Adobe Analytics, online sales during Black Friday on Nov. 27 jumped 21.6 percent from last year. This analysis is based on website transactions from 80 of the top 100 U.S. online retailers ([see story](#))

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