

[INFOGRAPHIC] Thanksgiving vs Black Friday vs Cyber Monday: The Electronics Price War Heats Up

29th Nov, 2017



BY DATAWEAVE

Alibaba may have raked in some \$25 billion on Singles' Day in the largest one-day sales turnover ever. In the Western world, however, Black Friday remains an economic force.

This Black Friday, American shoppers spent a record \$5 billion online in just 24 hours, representing a 16.9 percent increase in dollars spent online compared with last year.

The sale period, though, comprises of Thanksgiving Day and Cyber Monday as well — each generating over a billion and half dollars in online sales this year.

Cyber Monday has especially been a popular day for buying online, as people head back to work after the long weekend, making a physical visit to the stores to pick up deals less manageable during the day.

However, the idea of the Thanksgiving weekend as a single shopping event was laid to rest this year.

It's Now Black November

Online sales from November 1st through the 22nd totalled almost \$30.4 billion this year, driven by deals available throughout the month on eCommerce platforms. In fact, every single day in November so far saw over \$1 billion in online sales, creating a new paradigm for both shoppers and retailers, in stark

contrast to the brick-and-mortar retail driven Black Friday sale events of the past.

Several online retailers began offering attractive discounts from the beginning of November, specifically on “Black Friday Deals” pages of their websites.

At DataWeave, using our proprietary data aggregation and analysis platform, we have been tracking, through November, pricing and product information of the Top 500 ranked Electronics products across 10 products types on Amazon, Walmart, Target, Best Buy, and New Egg.

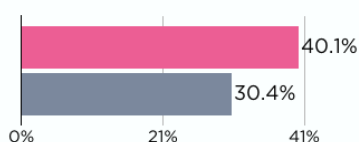
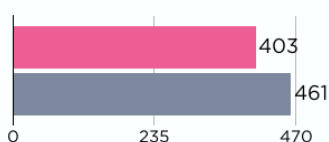
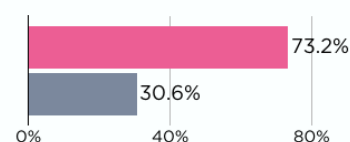
(Read also: [Black Friday Sales Season: How US Retailers Are Gearing Up](#))

We also took a few snapshots of the products and discounts offered on the “Black Friday Deals” pages of Amazon and Walmart. We saw both websites offering deep absolute discounts in Electronics (40.1 percent on Amazon, 30.4 percent on Walmart) on over 400 products each day.

Black Friday Deals Before Thanksgiving

DATAWEAVE

■ Amazon ■ Walmart

Discounts**Number of Products in Each Snapshot****Average Percentage of New Products**

DATAWEAVE

WWW.DATAWEAVE.COM

Moreover, these discounts weren't restricted to static product sets. 73.2 percent (Amazon) and 30.6 percent (Walmart) churn of products was observed on these pages each day, providing shoppers with a steady stream of attractive discounts on new products every day.

Our major focus, though, was to compare the three main sale days of the Thanksgiving weekend. We performed an in-depth analysis of discounts offered across product types and brands, as well as how dynamic retailers

were in both the pricing and products displayed — all of these, across Thanksgiving (11.23), Black Friday (11.24) and Cyber Monday (11.27).

We looked specifically only at additional discounts offered on each of the days of the sale, compared to before the sale (represented by products and its prices on 11.21).

Thanksgiving vs Black Friday vs Cyber Monday in Electronics

DATAWEAVE

Additional Discounts on Thanksgiving


50.3%

on 28.1% of Pen drives on Best Buy


27.0%

on 26.3% of Smart watches on Amazon


11.1%

on 22.3% of DSLR Cameras on Walmart

Additional Discounts on Black Friday


29.8%

on 54.2% of Smart watches on Target


11.9%

on 12.4% of Refrigerators on Walmart


9.33%

on 11.3% of DSLR Cameras on New Egg

Additional Discounts on Cyber Monday


19.1%

on 4.6% of Tablets on Target


16.8%

on 14.9% of TVs on Best Buy

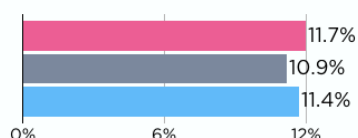

12.1%

on 37.8% of Mobile Phones on Amazon

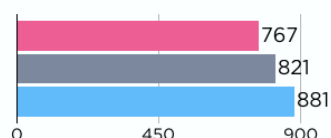
■ 11.23 ■ 11.24 ■ 11.27

Additional Discounts

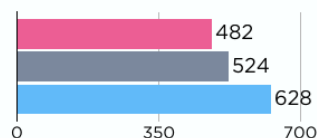
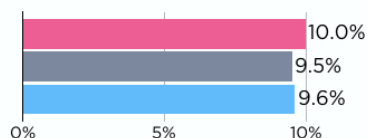
Amazon



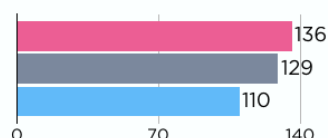
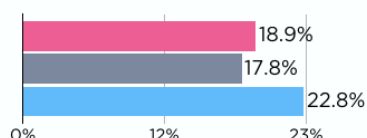
Number of Additionally Discounted Products



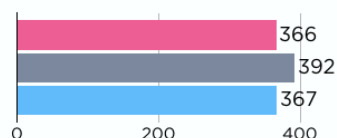
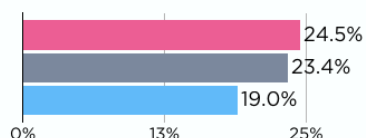
Walmart



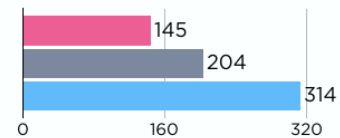
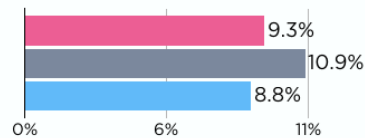
Target



Best Buy



New Egg



Top Brands on Thanksgiving



65.5%

on **52%** of Apple Mobile Phones on Amazon



50%

on **100%** of Fossil Smartwatches on Target



32.8%

on **31%** of Canon DSLR Cameras on Walmart

Top Brands on Black Friday



55.1%

on **75%** of Sandisk Pendrives on Best Buy



13.3%

on **35%** of HP Laptops on Best Buy



9.1%

on **43%** of Nikon DSLR Cameras on Amazon

Top Brands on Cyber Monday



8.3%

on **25.7%** of Canon DSLR Cameras on Amazon



11.2%

on **43.8%** of Apple Laptops on Best Buy



20.2%

on **28.4%** of Sandisk Pendrives on New Egg

Average Selling Price



34.4%

Variation in Average Selling Price of Laptops on Target across sale days



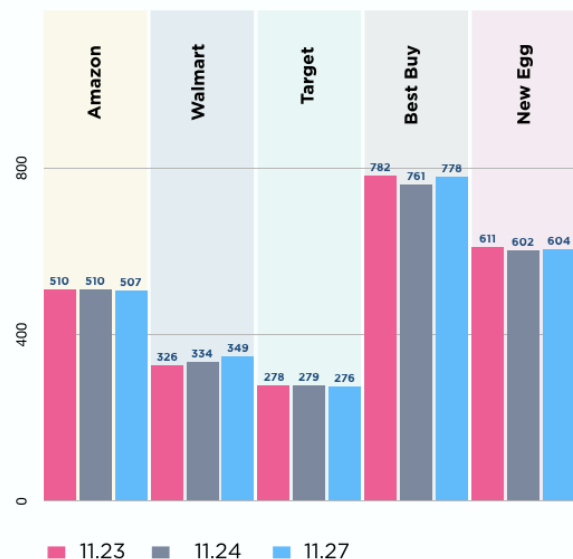
26.1%

Variation in Average Selling Price of Digital Cameras on Walmart across sale days



19.1%

Variation in Average Selling Price of Digital Cameras on New Egg across sale days

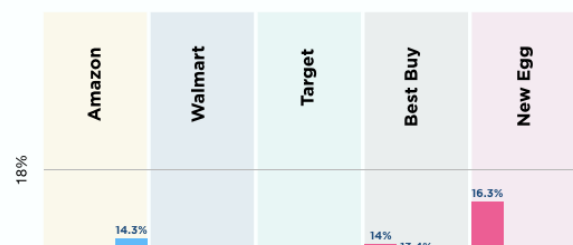


New Products in the Top 100 Ranks



31%

New TVs on Thanksgiving on New Egg





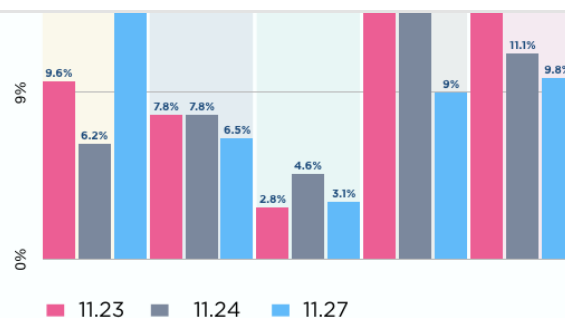
18%

New Mobiles on
Black Friday on
Best Buy

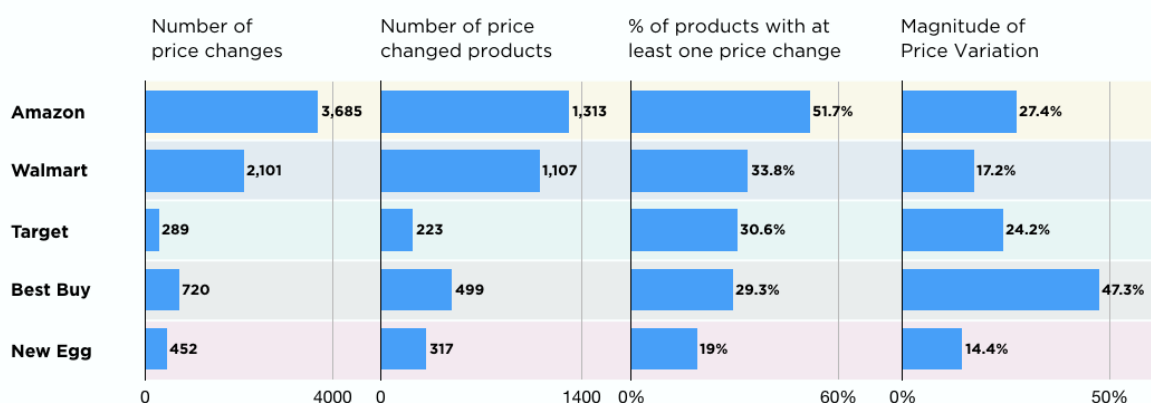


30%

New Refrigerators
on Amazon on
Cyber Monday



Price Changes Between 11.21 & 11.27



Overall, we discovered that the level of discounts, together with the number of products they were offered on, does not change dramatically across all 3 days. Some exceptions include –

- Higher number of additionally discounted products on Amazon and Walmart on Cyber Monday
- Lower additional discounts offered by Best Buy on Cyber Monday
- Lower number of products additionally discounted on New Egg on Thanksgiving and Black Friday.

Discounting strategies across most retailers converged on significant discounts on Pendrives, Smartwatches, DSLR Cameras, and Mobile Phones, while some of the top brands that offered attractive discounts include Apple, Fossil, Canon, Nikon, Sandisk, and HP – across a range of product types.

While the average selling price (indicative of how premium the product mix is) for each retailer did not change significantly across each of the featured sale days, there was some variation at a product type level, with Laptops and

Digital Cameras displaying some variation in average assortment value across Target, Walmart, and New Egg.

Perhaps the most interesting insight provided by the analysis is just how different each retailer is in its approach to changing its prices. Over the entire week (11.21 to 11.27), Amazon made over 3,600 price changes on over 50 percent of its consistently-top-ranked products. Compare that to Target's 289 price changes on 30 percent of its products.

While the average magnitude of price change on Amazon is 27 percent, Best Buy has been far more aggressive with the magnitude of its price adjustments (47 percent), even if it has implemented fewer price changes. Amazon clearly leads the industry here, with its continual focus on employing advanced retail technologies that enable automated, optimized price changes designed to ensure its products are competitively priced.

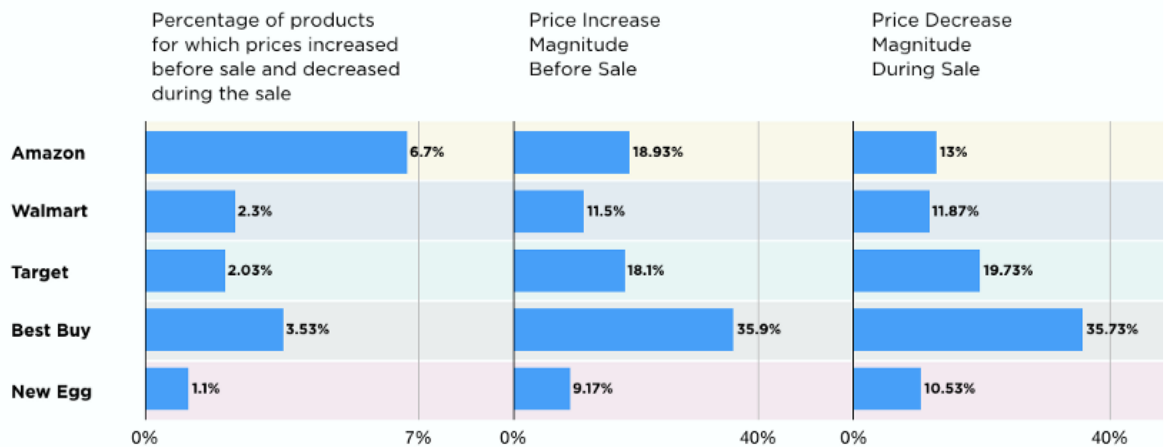
How Strategic Is Retail Pricing?

Another aspect DataWeave explored was whether e-retailers sometimes increase their prices in the lead-up to a sale, only to reduce them during the sale, enabling them to advertise larger discounts. We did observe that all e-retailers effectively increased their prices on a discrete and small set of products prior to their sale. For the purposes of our analysis, price increases before the sale was calculated as an increase in price between 11.14 and 11.21.

Price Change Activity Before and During the Sale

DATAWEAVE

Price Change Activity



Amazon

Fossil Q Gazer Hybrid Smartwatch

▲ 45.7%

▼ 30.0%

Motorola DROID Turbo 2 Cell Phone

▲ 64.6%

▼ 64.3%

Best Buy

Alienware - 15.6" Laptop

▲ 29.6%

▼ 27.6%

Samsung Galaxy Tab S2 - 32GB

▲ 28.6%

▼ 28.6%

Walmart

HP 10-p010wm Detachable Laptop

▲ 34.3%

▼ 26.9%

Sony W600D 32" HD LED LCD TV

▲ 9.7%

▼ 9.7%

Target

Whirlpool 4.5 Cu. Ft. Mini Refrigerator Beverage Center

▲ 20.0%

▼ 20.0%

Highlights of our analysis include the discovery that Best Buy increased its prices in Electronics significantly on a small selection (3.5 percent) of its product range prior to the sale, only to reduce those prices immediately during the Thanksgiving weekend sale.

While Amazon proved not to be as aggressive in the magnitude of this activity as Best Buy, this phenomenon was observed across a larger portion of Amazon's assortment (6.7 percent)

Online is Now More Important Than Ever

While the legend and aura of past Black Friday sale events, complete with long overnight queues and highly publicized stampedes, is ebbing away, in lock-step with the dwindling numbers of store footfall this year (down 2 percent), the Thanksgiving sale season is set for a new transformation, following the growing number of shoppers preferring to shop online.

A survey by the National Retail Federation found that 59 percent of shoppers plan to shop online this year, marking the first time that online has emerged as the most popular choice for America's shoppers.

With an extended sales season to offer discounts, and moving into Christmas, it has become increasingly important for retailers to monitor and react dynamically to their competitors' pricing, product and promotional activities. Without the ability to track, react, and tweak in real time, retailers risk having their competitive position eroded, dramatically impacting both sales and retail margins.

Leading eCommerce retailers such as Amazon, and evolving retailers like Walmart have embedded these systems into their overarching strategy and operations, while others are condemned to play catch up.

As this fascinating cycle of the sale season ends, and retailers crunch their numbers to assess their comparative performance, sights are now set on Christmas to extend this sale extravaganza.

Visit our website, if you're interested in DataWeave's technology and how we provide Competitive Intelligence as a Service to retailers and consumer brands.

- DataWeave Marketing

29th Nov, 2017

AMAZON

E COMMERCE

PRICING

RETAIL