Thanksgiving, Black Friday and Cyber Monday Parade Discounts in Fashion

2nd Dec, 2017

BY DATAWEAVE

Fashion has always been one of the great engines of retail, and two of its iconic sale events are Thanksgiving and Black Friday. While Black Friday was traditionally an in-store shopping event, a large number of shoppers have migrated online taking much of the sales action with them.

Despite shoppers typically liking to be able to touch and feel fashion and apparel products prior to purchasing them, the convenience of online shopping combined with time-poor shoppers returning to work after their Thanksgiving break has triggered changes to consumer behavior. Today, the retail narrative has shifted to focus on online, with this year's Thanksgiving weekend turnover up 6.8 percent from last year.

At DataWeave, using our proprietary data aggregation and analysis platform, we have been tracking the pricing and product information of the Top 500 ranked Fashion products across 15 product types on Amazon, Walmart, Target, Bloomingdales, JC Penney, Macy's, Neiman Marcus, and Nordstrom.

Our primary focus was to compare the three key days of the Thanksgiving weekend: Thanksgiving Day, Black Friday, and Cyber Monday. We performed an in-depth analysis of discounts offered across product types and brands, together with how dynamic retailers were in both their pricing strategy and products displayed.

(Read also: **Thanksgiving vs Black Friday vs Cyber Monday: The Electronics Price War Heats Up**)

In analyzing these monster sale events, we observed a range of products sneaking through to enjoy high absolute discounts, but offer no additional discounts during the sale, i.e. prices remained unchanged between before the sale and during each day of the sale, even though high discounts were advertised. The following infographic highlights some of the products where this phenomenon was observed.

Unchanged Discounts in Fashion Through Thanksgiving Weekend

DATAWEAVE

Unchanged Discounts

Amazon

63.9%
Kate Spade Avaline
Aviator Sunglasses

60.0%
Seiko Men's Analog Display
Japanese Quartz Watch

Macy's

74.2%
Levi's Athletic Fit
Rigid Twill Jeans

70.0%
Tommy Hilfiger Pleated
Pull-On Skirt

Nordstrom

40.0%
Nike Jordan
Formula Sneaker

40.0%
Dolce Vita Yana
Platform Sneaker

Walmart

75.0%
Puma Ignite V2
Synthetic Running Shoe

Bloomingdales

30.0%
Marc Jacobs Tied
Up Leather Tote

DATAWEAVE

WWW.DATAWEAVE.COM

Having identified the aggressive use of high but unchanged absolute discounts among the retailers during the sale, we focused our analysis on

the additional discounts offered on each of the days of the sale, compared to before the sale (we considered 11.21), in order to more accurately reflect the true value these sale events deliver to American shoppers.

The following infographic provides some interesting insights from our analysis along several perspectives, including additional discounts offered, top brands, quality of product assortment, number of price changes, and more. All indicated prices are in USD.

Thanksgiving vs Black Friday vs Cyber Monday in Fashion

DATAWEAVE

Additional Discounts on Thanksgiving

37.8% on **42.7%** of Shirts on Target

28.2% on **53.6%** of Skirts on Macy's

21.4% on **81.5%** of Men's Sunglasses on JC Penney

Additional Discounts on Black Friday

22.8% on **61.9%** of Handbags on JC Penney

22.2% on **17.6%** of Men's Watches on Nordstrom

13.5% on **30.1%** of Men's Jeans on Amazon

Additional Discounts on Cyber Monday

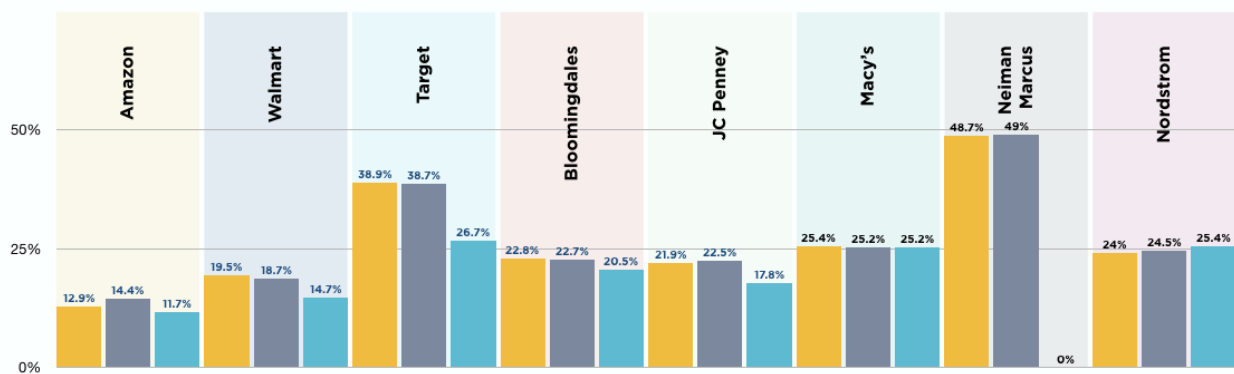**29.2%** on **56.7%** of Skirts on Macy's

30.1% on **8.6%** of Women's T-shirts on Target

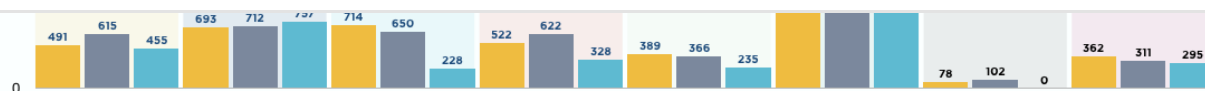**20.1%** on **22.5%** of Men's T-shirts on Walmart

Additional Discounts

Legend: ■ 11.23 ■ 11.24 ■ 11.27

Retailer	11.23	11.24	11.27
Amazon	12.9%	14.4%	11.7%
Walmart	19.5%	18.7%	14.7%
Target	38.9%	38.7%	26.7%
Bloomingdales	22.8%	22.7%	20.5%
JC Penney	21.9%	22.5%	17.8%
Macy's	25.4%	25.2%	25.2%
Neiman Marcus	48.7%	49%	0%
Nordstrom	24%	24.5%	25.4%

(y-axis: 0%, 25%, 50%)

Number of Additionally Discounted Products

Legend: ■ 11.23 ■ 11.24 ■ 11.27

Retailer	11.23	11.24	11.27
Amazon			
Walmart			
Target			
Bloomingdales			
JC Penney			
Macy's	2,650	2,659	2,531
Neiman Marcus			
Nordstrom			

(y-axis: 1,500, 3,000)

Bar chart values: 491, 615, 455, 693, 712, 737, 714, 650, 228, 522, 622, 328, 389, 366, 235, 78, 102, 0, 362, 311, 295

Top Brands on Thanksgiving

43.9% on **20%** of Levi's Men's Jeans on JC Penney

31.0% on **38.1%** of Wrangler T-shirts on Walmart

26.7% on **13.5%** of Nike Shoes on Macy's

Top Brands on Black Friday

20.3% on **97%** of Ray Ban Sunglasses on Bloomingdales

20.0% on **80%** of Rosetti Handbags on JC Penney

14.1% on **43%** of Tommy Hilfiger Jeans on Macy's

Top Brands on Cyber Monday

20.5% on **36%** of Liz Claiborne Handbags on JC Penney

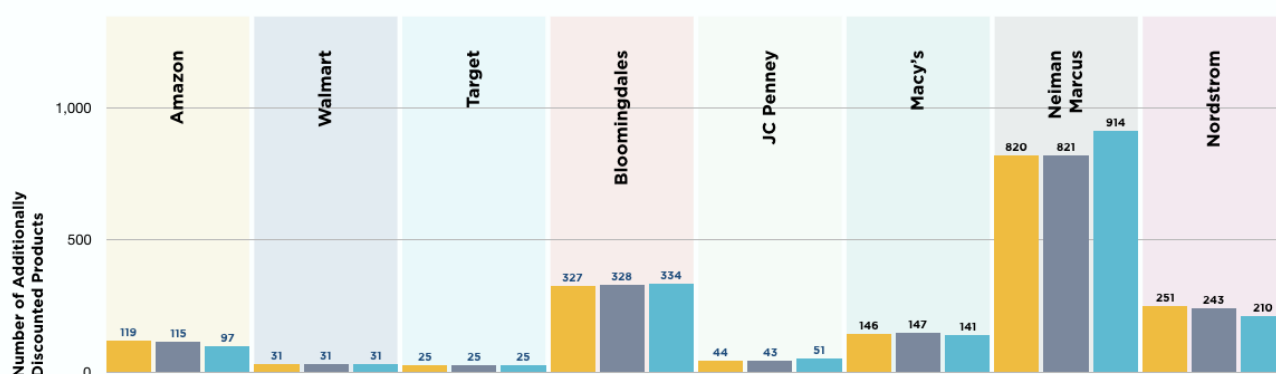**20.1%** on **100%** of Oakley Sunglasses on Nordstrom

20.0% on **83%** of Versace Sunglasses on Macy's

Average Selling Price

Legend: ■ 11.23 ■ 11.24 ■ 11.27

Number of Additionally Discounted Products

	11.23	11.24	11.27
Amazon	119	115	97
Walmart	31	31	31
Target	25	25	25
Bloomingdales	327	328	334
JC Penney	44	43	51
Macy's	146	147	141
Neiman Marcus	820	821	914
Nordstrom	251	243	210

New Products in the Top 100 Ranks

87% New Women's Tops on Thanksgiving on Bloomingdales

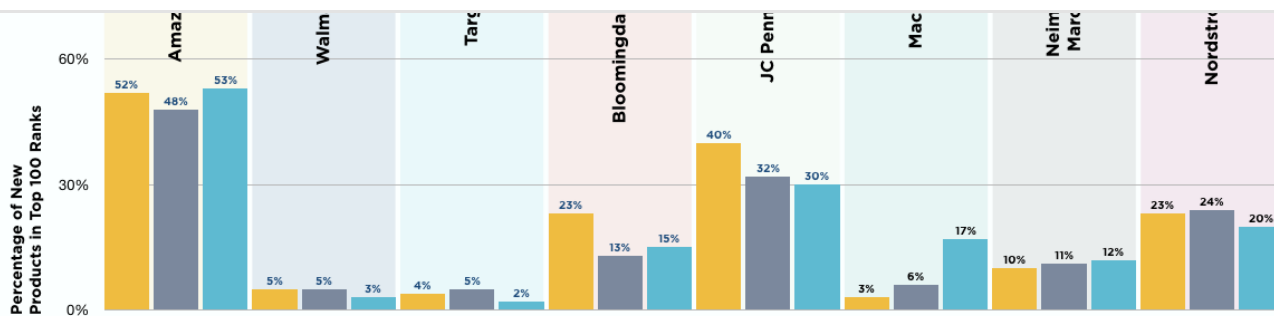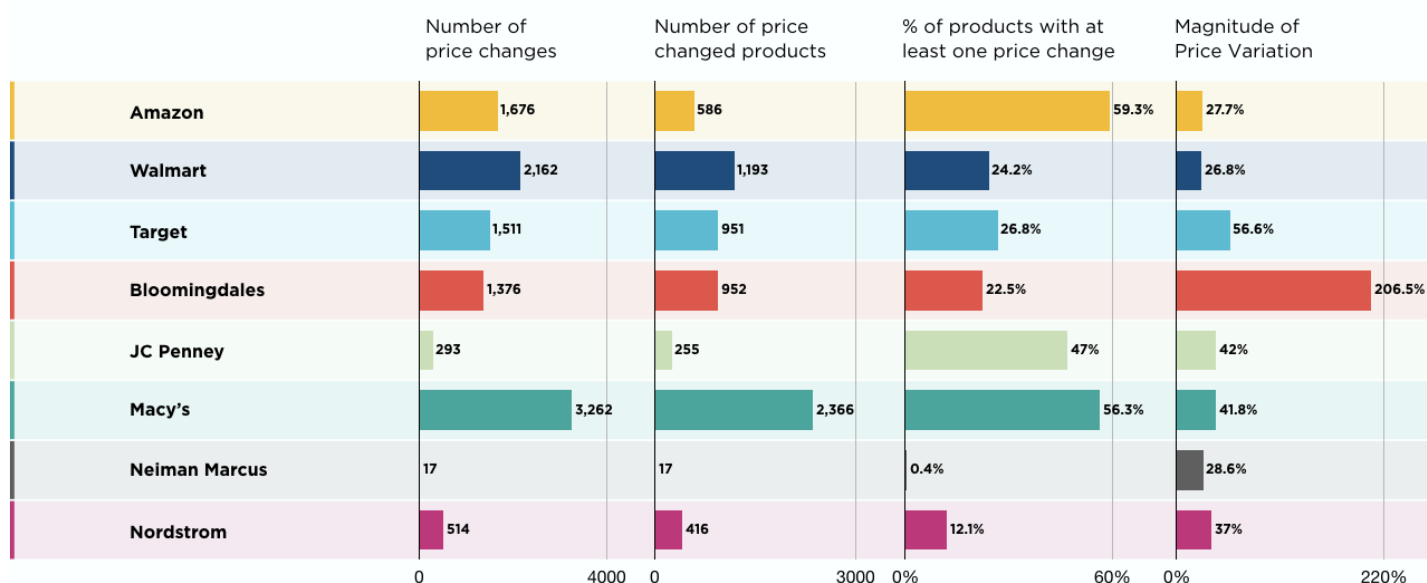**65%** New Skirts on Black Friday on Amazon

54% New Women's Sunglasses on JC Penney on Cyber Monday

Legend: ■ 11.23 ■ 11.24 ■ 11.27

Percentage of New Products in Top 100 Ranks

Retailer			
Amazon	52%	48%	53%
Walmart	5%	5%	3%
Target	4%	5%	2%
Bloomingdales	23%	13%	15%
JC Penney	40%	32%	30%
Macy's	3%	6%	17%
Neiman Marcus	10%	11%	12%
Nordstrom	23%	24%	20%
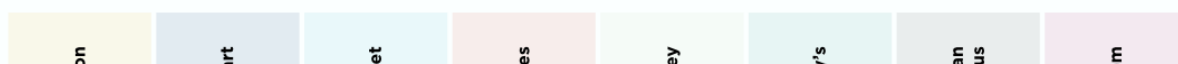
Price Changes
Between 11.21 & 11.27

	Number of price changes	Number of price changed products	% of products with at least one price change	Magnitude of Price Variation
Amazon	1,676	586	59.3%	27.7%
Walmart	2,162	1,193	24.2%	26.8%
Target	1,511	951	26.8%	56.6%
Bloomingdales	1,376	952	22.5%	206.5%
JC Penney	293	255	47%	42%
Macy's	3,262	2,366	56.3%	41.8%
Neiman Marcus	17	17	0.4%	28.6%
Nordstrom	514	416	12.1%	37%

Our analysis illustrated how aggressive Target was in its strategy for discounting fashion, compared to most other retailers, especially on Thanksgiving and Black Friday. Interestingly, while Macy's offered reasonably attractive discounts across all product types, it chose to offer them on a much larger product set than any other retailer.

Overall, the level of discounts, together with the number of products they were offered on, shows no dramatic change for each retailer over the three-day sale period.

With Neiman Marcus however, we observed a unique pattern. Sharp discounts were offered on Thanksgiving and Black Friday, which were subsequently rolled back completely on Cyber Monday. This represents a clear holiday pricing and discount strategy, albeit conducted on a comparatively compact and highly targeted set of products.

Other sales discounting phenomena we observed include major discounts on Sunglasses, Shoes, Skirts, and T-shirts across all retailers, clearly representing battleground categories, while some of the top brands offering attractive discounts include Ray Ban, Oakley, Levi's and Nike.

Another relatively constant factor across each of the sale days was the average selling price of respective retailers. This parameter indicates how premium each retailer's product mix is, providing another perspective on each retailer's customer segment targeting strategy.

As expected, Target, Walmart and JC Penney housed the more affordable set of products (average selling prices of $25, $31, and $45 respectively). At the other end of the premium spectrum, Neiman Marcus — home to luxury brands and products — adopted a more premium product assortment (average selling price between $820 and $914).

In fashion, presenting a fresh assortment consistently is key to customer retention, and Amazon leads the pack in this regard, with a product churn rate of 50% in the top 100 ranks each day. Contrast that with Walmart and Target, who follow a more traditional approach, with a largely static set of options to choose from in its top ranks.

Most of the retailers we analysed implemented several price changes to large percentages of their product sets. Macy's and Walmart were at the forefront of this dynamic pricing activity. While Bloomingdales too made over 1,300 price changes, the average magnitude of these changes proved to be very high, at 206 percent.

Fashion Fast-Forwards Its Online Sales

While the memories of frantic shoppers tussling over fashion and apparel items on Black Friday still linger, they are fast receding as online fashion sales turnover goes from strength to strength. Shoppers are firmly placing long, winding queues in their rearview mirror and embracing the digital shopping cart more with each passing year, as spotlighted this Thanksgiving sale weekend.

Sunglasses, Shoes, Skirts, and T-shirts emerged as key battleground categories for retailers over the weekend, while individual retailers displayed diverse approaches to capturing and retaining market share with their target demographic — quite assuredly while using modern retail technologies that help develop and execute on competitive strategies.

As retailers move into the Christmas sales phase it will be fascinating to discover how they are evolving their ability to dynamically change pricing, refresh product categories and focus their shopper promotions.

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

2nd Dec, 2017

AMAZON   E COMMERCE   PRICING   RETAIL

- DataWeave Marketing

2nd Dec, 2017

AMAZON   E COMMERCE   PRICING   RETAIL