

Black Friday 2018 Footfall Forecast

SPRINGBOARD.



Retail intelligence experts Springboard today forecast that Black Friday and the weekend that follows will do very little to help the beleaguered high street. Footfall is anticipated to drop by -3.7% YOY compared to Black Friday 2017 and by -2.7% over the weekend as a whole. This follows a decline in footfall on Black Friday 2017 of -3.6%, and -1.1% over weekend, revealing the UK's appetite for this pre-Christmas spending spree may be wavering.

This decline in footfall may come as no surprise to many retailers, who are deliberately focusing on directing consumers online rather than in store during the Black Friday period. In stark contrast to failing footfall, online transactions are forecast to rise by +4% on Black Friday 2018, however, this is still lower than the rise of +5.5% on Black Friday last year (Source: Loqate). While online transactions may rise on Friday, Springboard forecasts that over the weekend they will decline by -5% compared with last year. This is primarily due to the fact that they rose significantly last year from 2016, by +24.2% on Saturday and by +25.8% on Sunday (Source: Loqate), and this rate of growth will be difficult to maintain in the current climate.

Black Friday 2018 - Forecast change in footfall from Black Friday 2017 (Friday only)



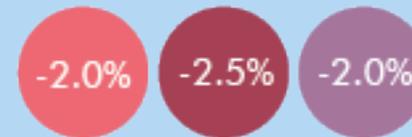
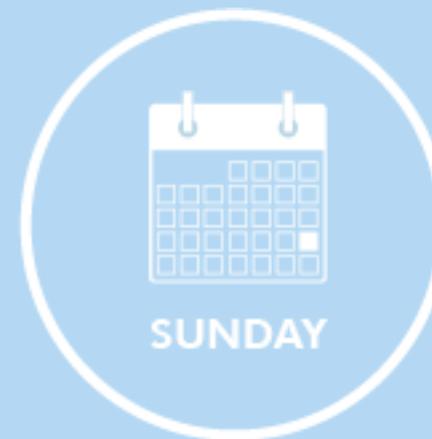
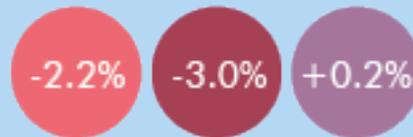
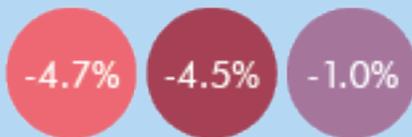
Footfall and spending activity over this year's Black Friday period is likely to be impacted by the economic pressures, such as high debt levels and significant living costs, that have limited retail spend and driven a decline in footfall and online spending throughout 2018. This pressure on spending and reduced disposable income will be further compounded by the fact that Black Friday is taking place a week earlier this year, meaning that many consumers will not be paid until the week after, possibly forcing them to delay spending or rely on credit, which is already at its highest level since 2007.

In addition, the anticipated decline in footfall and limited growth in online transactions is likely to be exacerbated by the heavy discounting that has been taking place almost continuously throughout the year, together with the widespread debate around whether Black Friday discounts are discounts at all. Indeed this has spawned the promotion of price comparison websites that enable consumers to identify whether the product has ever been sold for less than the Black Friday sale price.

It is forecast that High Streets and Shopping Centres will be the hardest hit, whilst footfall in retail parks is likely to decline by only -1% on Black Friday itself, and rising marginally by +0.2% on the Saturday as consumers have the time to browse bricks and mortar stores in advance of buying online.

Diane Wehrle, Marketing and Insights Director at Springboard, adds: "Whatever happens on Black Friday, our data over the past few years has established that it brings Christmas spending forward. This creates a magnet of spending activity at the beginning the peak trading period which then suppresses spending until the final week before Christmas, when consumers take advantage of last minute deals that are likely to be introduced by retailers to drive sales in what is a highly challenging trading climate."

● Shopping Centres ● High Streets ● Retail Parks



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