Black Friday (including Cyber Monday) is now a firmly established sales events among Ireland’s savvy pre-Christmas shoppers. Over the last 8 years it has grown significantly to become a key shopping period in its own right, with promotions now being extended to run over fortnight. In doing this it has created two fundamental shifts in consumers Christmas shopping behaviour:

- More people are spending earlier on Christmas presents.
- More sales are shifting to online channels, cutting the pre-Christmas footfall in many stores.

Black Friday promotions are now key to the fortunes of many retailers in Ireland, as this event takes an increasing share of pre-Christmas and overall annual sales. What is so critical about this year’s promotions is that they are taking place when currency markets are in turbulence, and the danger for Irish retailers is that a higher percentage of this will go to online retailers abroad (currently estimated to be 60%).

In line with the latest Consumer Sentiment Index, Irish consumers appear to be a little more cautious ahead of Christmas this year. More people are stating to have set a budget for their Christmas spending in 2018. However, on average Irish people have said that they will spend €808, which is over €100 higher than UK consumers and significantly higher than other EU markets. The majority of this will be on gifts.
Contents

01 Executive Summary
02 Black Friday Shopping Behaviours
03 Pre-Christmas Gift Purchasing
Executive Summary
Executive Summary

01
Irish people are planning to spend more this Christmas.

The average spend on gifts is claimed to be €456, up 4% on 2017.

Overall Irish people are planning to spend €808 on Christmas, up 9% on 2017.

02
Black Friday has established itself as a key shopping period in its own right, with a significant increase behind the number of Irish people planning to make a purchase during this sales period, up 18% on last year.

03
Over a third of Irish people will have a set budget for Christmas spending in 2018, and this represents a large increase on last year (+33%).

As a result more Irish people are holding off until Black Friday to begin their Christmas spending.
Black Friday has grown to be a key sales period in its own right, and now easily extends to being a fortnight of promotions.

Ian Mc Grath
Managing Director, MediaCom Ireland
02

Black Friday
Shopping
Behaviour
Half of all consumers are planning to make a Black Friday purchase in 2018.

Planning to make a purchase on Black Friday 2018

Question: Do you plan to buy anything from stores or online retailers during their Black Friday promotions this year?

- 2017: 33%
- 2018: 51%
Black Friday purchasing is heavily driven by younger consumers.

Question: Do you plan to buy anything from stores or online retailers during their Black Friday promotions this year?

Planning to make a purchase on Black Friday 2018

- Male
- Female
- 16-34 years
- 35-54 years
- 55 years

2017 vs 2018
Black Friday promotions entice people to shop, whether they planned to or not.

Question: Do you plan to buy anything from stores or online retailers during their Black Friday promotions this year?

Question: Did you buy anything from stores or online retailers last year during their Black Friday promotions?

Black Friday purchasing 2017

- Planned to make a purchase: 33%
- Made a purchase: 40%

Black Friday Shopping Behaviour – Sample Size 1,265
A third of consumers know they get caught up in the hype

Bought things hadn’t intended on buying

Question: Agree or Disagree "I got caught up in the hype of the Black Friday sales last year and bought things I really didn’t mean too."
Black Friday continues to grow in importance, but its growth is slowing

Importance of Black Friday promotions

Importance of Black Friday promotions by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>Dublin</th>
<th>Rest of Leinster</th>
<th>Munster</th>
<th>Connaught / Ulster</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>8%</td>
</tr>
<tr>
<td>Quite</td>
<td>12%</td>
<td>23%</td>
<td>23%</td>
<td>26%</td>
</tr>
<tr>
<td>Neither</td>
<td>28%</td>
<td>21%</td>
<td>24%</td>
<td>16%</td>
</tr>
<tr>
<td>Not that</td>
<td>31%</td>
<td>27%</td>
<td>24%</td>
<td>26%</td>
</tr>
<tr>
<td>Not at all</td>
<td>24%</td>
<td>24%</td>
<td>24%</td>
<td>24%</td>
</tr>
</tbody>
</table>

Question: How important is Black Friday to you as a shopper?
Consumers are generally positive towards Black Friday

Black Friday is an important date in my shopping calendar
- Agree: 22%
- Neutral: 26%
- Disagree: 52%

Black Friday promotions make it easier for me to afford gift purchases before Christmas
- Agree: 39%
- Neutral: 40%
- Disagree: 21%

I was delighted with what I bought as part of Black Friday last year
- Agree: 70%
- Neutral: 25%
- Disagree: 5%

I would have probably bought the particular good anyway, without a Black Friday discount
- Agree: 46%
- Neutral: 37%
- Disagree: 17%

I think Black Friday is just a gimmick to boost sales for things that people don’t need
- Agree: 66%
- Neutral: 22%
- Disagree: 12%

I was disappointed with what I bought as part of Black Friday last year
- Agree: 16%
- Neutral: 24%
- Disagree: 60%

Question: Here are a range of statements that shoppers have made in relation to Black Friday promotions. Please indicate whether you agree or disagree with each statement;
Electricals / Tech has started to dominate Black Friday

This year Electrical / Computers retailers such as Harvey Norman, Curry’s PC World, DID and Power City are top of peoples’ minds when on the search for Black Friday / Cyber Monday offers.

This has pushed online retailers such as Amazon and Littlewoods into second place.
Migration to browsing and shopping in bed

Times of day people are searching for retailers during Black Friday

Source: Google Trends 2018

Pre-Christmas Gift Purchasing
Black Friday has become a widespread marketing tool.

Number of Advertisers referencing Black Friday in their ads

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Advertisers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>132</td>
</tr>
<tr>
<td>2016</td>
<td>198</td>
</tr>
<tr>
<td>2017</td>
<td>239</td>
</tr>
</tbody>
</table>

Source: Nielsen 2018
People believe Black Friday deals are beginning to wane.

Younger people are more positive about the value they get out of Black Friday promotions.

Question: Do you feel the deals being promoted for Black Friday / Cyber Monday are as good as previous years?

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Male</th>
<th>Female</th>
<th>16-34 years</th>
<th>35-54 years</th>
<th>55+ years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondents</td>
<td>56%</td>
<td>57%</td>
<td>55%</td>
<td>56%</td>
<td>60%</td>
<td>61%</td>
</tr>
<tr>
<td>Younger people</td>
<td>56%</td>
<td>57%</td>
<td>55%</td>
<td>56%</td>
<td>60%</td>
<td>61%</td>
</tr>
<tr>
<td>Younger people</td>
<td>44%</td>
<td>43%</td>
<td>45%</td>
<td>44%</td>
<td>40%</td>
<td>39%</td>
</tr>
<tr>
<td>Total</td>
<td>44%</td>
<td>43%</td>
<td>45%</td>
<td>44%</td>
<td>40%</td>
<td>39%</td>
</tr>
</tbody>
</table>
Consumer fatigue and wariness has begun to set in

Continued Discounting across the year is Eroding the Perceived Value of Black Friday promotions

“Just 13% of all products tracked were at their lowest price during Black Friday promotions in 2017. 90% of deals at the same price were available on at least one day in the 6 months post Black Friday, and almost 50% of products were found to be available at a cheaper price over the same time period.

Source: Which? UK (surveyed prices of approx. 100 popular tech, home and personal products)
Pre-Christmas Gift Purchasing – Sample Size 1,265
There is a cautious feel to how people will spend this Christmas

10% more people will set out a budget for Christmas in 2018.

The majority of people still do not set out a budget for their spend at Christmas.

Setting a budget for Christmas

Question: Do you have a set budget for Christmas spending this year?

- Set a budget for Christmas
- Have not set a budget for Christmas

2017: 63% set a budget, 37% did not
2018: 37% set a budget, 63% did not

Pre-Christmas Gift Purchasing – Sample Size 1,265
Slight skews to younger people and women in how prudent they will be with this year’s Christmas spend

<table>
<thead>
<tr>
<th>Question: Do you have a set budget for Christmas spending this year?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>Set budget for Christmas</td>
</tr>
<tr>
<td>No set budget for Christmas</td>
</tr>
</tbody>
</table>
People plan to spend more this Christmas

Although more people are planning to stick to a set budget for Christmas 2018, on average Irish consumers are planning to spend more this year.

The average amount a person will spend on Christmas in 2018 is €808, and this represents a 9% increase on spend in 2017.

Primarily this will be driven by younger consumers, who generally feel more upbeat about their spend this year.

Question: Do you plan to spend more or less than last year?
Irish consumers continue to leave it late to start buying their Christmas gifts, but this year more plan to spend during the Black Friday promotions.

### Timeline for Christmas shopping

<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>Female</th>
<th>Male</th>
<th>Female</th>
<th>Male</th>
<th>Female</th>
<th>Male</th>
<th>Female</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Throughout the year</strong></td>
<td>13%</td>
<td>20%</td>
<td>16-34</td>
<td>14%</td>
<td>16-34</td>
<td>14%</td>
<td>55+</td>
<td>17%</td>
<td>55+</td>
<td>17%</td>
</tr>
<tr>
<td><strong>3 months before</strong></td>
<td>14%</td>
<td>20%</td>
<td>16-34</td>
<td>14%</td>
<td>16-34</td>
<td>14%</td>
<td>55+</td>
<td>17%</td>
<td>55+</td>
<td>17%</td>
</tr>
<tr>
<td><strong>2-3 months before</strong></td>
<td>25%</td>
<td>24%</td>
<td>16-34</td>
<td>27%</td>
<td>16-34</td>
<td>27%</td>
<td>55+</td>
<td>17%</td>
<td>55+</td>
<td>17%</td>
</tr>
<tr>
<td><strong>During Black Friday / Cyber Monday</strong></td>
<td>4%</td>
<td>5%</td>
<td>16-34</td>
<td>6%</td>
<td>16-34</td>
<td>6%</td>
<td>55+</td>
<td>6%</td>
<td>55+</td>
<td>6%</td>
</tr>
<tr>
<td><strong>During December</strong></td>
<td>35%</td>
<td>32%</td>
<td>16-34</td>
<td>35%</td>
<td>16-34</td>
<td>35%</td>
<td>55+</td>
<td>44%</td>
<td>55+</td>
<td>44%</td>
</tr>
<tr>
<td><strong>The week before Christmas</strong></td>
<td>8%</td>
<td>4%</td>
<td>16-34</td>
<td>12%</td>
<td>16-34</td>
<td>5%</td>
<td>55+</td>
<td>8%</td>
<td>55+</td>
<td>8%</td>
</tr>
</tbody>
</table>

Question: When do you generally start to buy gifts for Christmas?

Pre-Christmas Gift Purchasing – Sample Size 1,265
Planned spend is up 9% in 2018, with the majority of this on gifts.

Breakdown of average planned spend

<table>
<thead>
<tr>
<th>2018</th>
<th>Christmas gifts</th>
<th>Food &amp; Drink</th>
<th>Home Furnishing &amp; Decoration</th>
</tr>
</thead>
<tbody>
<tr>
<td>€210</td>
<td></td>
<td>€456</td>
<td>€142</td>
</tr>
<tr>
<td>€738</td>
<td></td>
<td>€114</td>
<td></td>
</tr>
</tbody>
</table>

2017

<table>
<thead>
<tr>
<th>2017</th>
<th>Christmas gifts</th>
<th>Food &amp; Drink</th>
<th>Home Furnishing &amp; Decoration</th>
</tr>
</thead>
<tbody>
<tr>
<td>€186</td>
<td></td>
<td>€438</td>
<td>€114</td>
</tr>
<tr>
<td>€388</td>
<td></td>
<td>€142</td>
<td></td>
</tr>
</tbody>
</table>

Question: How much do you approximately plan to spend on...?
People shop omni-channel

Breakdown of Average Planned Spend

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online only</td>
<td>43%</td>
<td>42%</td>
</tr>
<tr>
<td>In-Store only</td>
<td>16%</td>
<td>12%</td>
</tr>
<tr>
<td>Both</td>
<td>41%</td>
<td>46%</td>
</tr>
</tbody>
</table>

Source: McKinsey 2018
More than 10% have taken out a loan to help manage the cost of Christmas

**Question:** Have you / will you take out a loan to cover the cost of Christmas?

<table>
<thead>
<tr>
<th>Total</th>
<th>Male</th>
<th>Female</th>
<th>16-34 yrs</th>
<th>35-54 yrs</th>
<th>55+ yrs</th>
</tr>
</thead>
<tbody>
<tr>
<td>87%</td>
<td>86%</td>
<td>88%</td>
<td>84%</td>
<td>87%</td>
<td>93%</td>
</tr>
<tr>
<td>13%</td>
<td>14%</td>
<td>12%</td>
<td>16%</td>
<td>13%</td>
<td>7%</td>
</tr>
</tbody>
</table>

**Yes**  |  **No**
Question: Have you ever done any of the following in relation to Christmas?

- Sold an unwanted Christmas present online: 19%
- Re-gifted an unwanted Christmas present: 47%
- Given cash as a Christmas present: 66%
- Given a voucher as a Christmas present: 79%
- Sent a text/social media message in place of a Christmas card: 84%
- Posted a Christmas card: 83%
Currency fluctuations and the scale of difference in price is likely to compel Irish consumers to shop in sterling (either physically or online), and this is the watch out for Irish retailers this Christmas.

In 2009, the last time that euro sat closer to parity with sterling, £0.90 and above, TNS Worldpanel found that Sainsbury and Asda had a combined 2.5% share of the Republic’s grocery market.

Source: TNS Worldpanel
MERRY CHRISTMAS

MEDIACOM