

NEWSBRIEF: SMALL BUSINESSES TURN BACKS ON “BLACK FRIDAY”

Black Friday is not for everyone.

A total of 87% of Australian small businesses (employing twenty people, or less) did not participate in *Black Friday, 2022*.

Some 92% of small business owners stated they felt their decision was correct, and appropriate and were not financially disadvantaged. Six percent did not respond to the question.

The reasons given for non-participation were insightful:

REASONS FOR NON-PARTICIPATION

1. Too expensive to promote/advertise.
2. Discounting (50%) is unprofitable.
3. Do not have 'big ticket' merchandise.
4. Lack of stock.
5. Does not attract new customers
6. Margins squeezed, turnover constant.
7. Event incompatible with business model (online, discount, delivery).
8. Inadequate online capabilities.
9. Excessive cost of delivery.
10. Limited resources (staff).

Ninety three percent of respondents did not participate in *Cyber Monday*, which was conducted on Monday, 28 November.

These are the research findings highlights of a national online study conducted among a panel of small business owners by Marketing Focus on Tuesday and Wednesday, 29, 30 November. A total 810 respondents participated.

Market research leader, Barry Urquhart said:

“Most participants identified *Black Friday* to be primarily an online event. Their sales in those channels ranged from 0% to 29%, averaging marginally less than 8% of total revenue.

There was no significant difference in responses between five mainland capital cities.

Upfront costs and lack of appropriate supportive infrastructure were major qualifiers in the appeal of, and capabilities needed for 'Black Friday' in particular.

The overall findings correspond closely to those among members of the British Independent Retailers Association. In that instance, participation in *Black Friday* was less this year than last.

Notably, in USA, "Black Friday" online sales declined marginally, in 2022, offset by increased foot traffic in bricks 'n' mortar stores.

Clearly, the owners of Australian small businesses recognise their limitations. An absence of more expensive 'big ticket' merchandise, a reluctance to promote 50% + discounts and the on-cost of deliveries weighed heavily in many of the decisions.

Significantly, non-participation in "Black Friday" was almost universally considered to be a correct and appropriate choice.

References were made about the compromising and commoditising of the "Black Friday" concept, with some retailers promoting "Black November," "Black Week," "Black Wednesday," and extended event periods.

"Black Friday" remains the highest volume event in the annual retail calendar. However, it is obviously not for every Australian retail business."

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