

## ONLINE PURCHASES – SOMEWHAT DISCRETIONARY

That explains a lot.

Linked: Falling sales, discretionary, online.

As consumers have emerged from three years of COVID lockdown three noticeable trends have evolved. They are related, and provide invaluable insights on buying patterns, preferences and criteria.

In the first instance, since November last year (2022) special events have attracted reduced traffic, sales, revenues and profits. The phenomena are evident in long-established and new promoted occasions.

“Black Friday”, which has established itself as the highest volume 24-hour trading period in the retail calendar, recorded an absolute contraction in dollar-value turnover last November.

Inflated discounts did not stimulate sufficient sales to compensate the lack of consumer demand. Indeed, in numerous product and service categories, both topline revenue and unit sales declined.

“Cyber Monday”, which is predominantly online transactions, also experienced a retreat in turnover.

Notwithstanding forecasts of 6.4% (and more) surges by retail association executives, Christmas 2022 recorded a national decline in revenue of 3.8%. No public apologies, or declarations of “we got it wrong again” were forthcoming from the industry representatives.

Boxing Day sales too were insipid. St Valentines Day sales narrowed in perspective and volumes in both revenue and unit transactions.

Easter, particularly with chocolate eggs and substantial price rises of up to 60% registered a trendline in the red. Consumers simply delayed purchases until several days before Easter Friday, when prices were discounted to reduce unsold stock. Mother’s Day fared no better.

End-of-Financial Year appeared to be a victim of circumstances. Profits made, taxes payable and inventories held were marginalised. Therefore, traditional themes held little credence or appeal. Accordingly, turnover, year-on-year, took widespread turndowns when most offers were considered to be discretionary, and of limited appeal to opportunistic customers and clients.

The second parallel instance-discretionary purchases-fell in a significant majority of categories during each event period, and overall.

An important, striking feature of the sales trends during this extended period was that year-on-year, online sales declined (along with traffic and activities) during each of the eight nominated special event trading periods. Indeed, this subgrouping was a major contributing factor to the other two segments.

A revelation. Significant percentages of online sales are by nature discretionary. A contraction in one impacts negatively on the other.

Noticeable was the reduced leakage from initial contacts with, and visits to brick 'n' mortar premises to online transactions. Insightful.

Clearly, online channels have their limitations and are subjected to the influences and consequences of fluctuated demand and variable levels of confidence.

A key contemplation point. To what extent are online purchases fundamentally and primarily discretionary?

Current marketing strategies and campaigns need review and refinement, particularly on the nature, relevance and performance of the concept, event marketing.

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