

CONSUMER JOURNALING EXECUTIVE SUMMARY

BLACK FRIDAY AND CYBER MONDAY: HOLIDAY 2013

PROJECT BACKGROUND

GutCheck is conducting internal exploratory research to better understand how consumers navigate and strategize Black Friday and Cyber Monday sales.

OBJECTIVES

- ✓ Understand previous experience with Black Friday / Cyber Monday, including stores and strategies
- ✓ Understand key perceived benefits of online vs. in-store and vice-versa
- ✓ Explore best methods for sale communication / gift inspiration
- ✓ Gauge overall experiences / wins and losses for Black Friday / Cyber Monday

SCOPE

This research leveraged GutCheck's Instant Research Community offering, with one group of n=25 respondents completing the journaling study. Over the course of 8 days, respondents were asked 1-5 journal "prompts" to help elicit timely, in-depth feedback in the days leading up to both sales.

To qualify for this study, respondents were females who had to celebrate Christmas and plan to participate in both Black Friday in-store and Cyber Monday online sales. For more information on participants, refer to Appendix A.

KEY FINDINGS

Objectives are shown in bold black text below, with a summary of key findings presented for each.

1. Understand previous experience with Black Friday / Cyber Monday including stores and strategies

Black Friday is viewed as a tradition for many shoppers, with respondents expecting to return to the same retail stores as years past, looking to find deals on Christmas gifts as well as gifts for themselves. Additionally, this tradition often involves family and friends and is often seen as a group activity or bonding experience. Despite the tradition, many find the Black Friday to be stressful and find ways to avoid crowds while still seeking deals on popular items such as electronics and clothing from an array of retail chains. Cyber Monday is held with less emotional esteem, with respondents focusing on finding deals from large online retailers rather than considering the atmosphere or the overall experience that they associate with Black Friday.

2. Understand key perceived benefits of online vs. in-store and vice-versa

Despite the high regard for Black Friday, most respondents prefer online shopping, viewing it as more convenient, better for in the moment comparison shopping, and helpful for avoiding crowds. Still, many respondents enjoy both in-store and online shopping, appreciating the atmosphere of the in-store experience and the ability to see the product first-hand before purchasing.

3. Explore best methods for sale communication / gift inspiration

Leading up to Black Friday respondents use a variety of sources to inspire gift ideas and learn of sales, including print ads, television commercials, emails from retailers, and local newscasts. For Cyber Monday respondents rely more heavily on emails from online retailers with which they have an account to alert them of sales and gift ideas. Respondents are more likely to comparison-shop for deals on Cyber Monday, using multiple sites simultaneously to find the best deal on a given item.

4. Gauge overall experiences / wins and losses for Black Friday / Cyber Monday

Most respondents reported having positive experiences with both Black Friday and Cyber Monday, with a majority of respondents preferring their Black Friday experience, stating that despite Cyber Monday's convenience, they were able to find better deals in-store. Additionally, respondents expressed a preference for the exciting in-store environment shared with their shopping party. Those who preferred Cyber Monday enjoyed the less hectic experience of shopping online and found that more items were in stock.

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DETAILED FINDINGS AND IMPLICATIONS

This section expands on Key Findings and includes verbatim responses from respondents. Findings are broken out by objective. All verbatims are (sic).

1. Objective: Understand previous experience with Black Friday / Cyber Monday, including stores and strategies

On previous Black Fridays respondents have shopped at a variety of stores, with the most cited including Macy's and Kohl's, Wal-Mart and Target, Best Buy, and then various malls and outlet malls. This decision is often planned through tradition, with many planning to visit the same stores that they have on past Black Fridays. Most respondents will shop at more than one store, targeting what they see as the bigger sales first. Many view Black Friday as a fun family experience, though some are simply excited to take advantage of sales. In spite of many positive discussions, some respondents find Black Friday to be a "nightmare" and a hectic experience, but find the deals to be worth the inconvenience.

"I have gone to toys r us, Walmart, Target and Best Buy. I want to go to Best Buy Friday because I am looking for a new laptop. I am going this year with kids because they are old enough and it is a fun experience that they want to be included in." 36, NY

"Black Friday shopping in general to me is finding the best deals out there! I love shopping at Victoria Secret, Belk, and Walmart. I love these certain stores because, I seem to find the best deals for my family members and friends. I have always shopped at these stores in the past and I cannot wait until my shopping experience this year! I'm very excited." 37, AL

"I shop at a variety of stores and have been Black Friday shopping since my teenage years with my mom. I like to hit a large mall in the area, stopping first for the doorbuster deals at places like Macy's, JCPenney, and some of the other mall stores. After finishing at the mall, I usually make a trip to Kohl's and Staples. Best Buy, Walmart, and Target are also potential stops -- I have to plan my strategy yet." 44, PA, 44, PA

"Black Friday shopping can be a nightmare! But, sometimes it's the only way to get an awesome deal on stuff you really want but can't afford otherwise." 31, FL

Most respondents typically leave early in the morning or late into the night, despite the long lines and crowds, believing the sales and merchandise selection to be better earlier. Others prefer to shop the larger, more popular stores later in the day in order to avoid the "mob sessions." Many will plan ahead, checking store sites, scoping out store layouts, arriving early, and switching out family members in line.

"This will be the first year I'm actually planning ahead with coupons, shopping lists, etc. I'm definitely researching ahead of time to make sure that the items I want aren't being sold for less somewhere else, or online even. I've also downloaded a few black friday apps just to experiment." 25, NY

"I will not go to the mob sessions that occur at the larger stores early in the day that is why I chose smaller stores like TSC, Book-A-Million, used book stores for the earlier part of the day. Then I will go to the larger stores. To me, the mob scene belies the spirit of the season. By doing this way, I avoid the mobs and have a great time and get some great bargains." 59, TN

"Some years, it has been very frustrating that after waiting in line for hours, only to hear that the store has only 10 available, like a TV. While the store-hopping is a bit of a hassle with the parking, one year we hired a

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car and driver, but that was back in the late 90's. I know the crowds will be hectic and long lines, but if we can atleast get our tablets, will be worth it all!" 45, AZ

"I have been trying to find deals in certain stores so I know where to go so I don't waste my time. I have gone to walmart and best buy to figure out where the things are I want so on Friday I know right where to go." 36, NY

"My husband, youngest daughter and I all go and take turns waiting in line. It's gets cold here." 54, PA

For Cyber Monday, there is less of a focus on the family experience and more on finding sale items with free and/or reduced shipping costs. Respondents use Cyber Monday similarly to Black Friday in that they shop for Christmas gifts and for items for themselves through major online retailers and chain websites, with the most popular being Amazon. Respondents have also shopped on department store websites, electronic retailer websites, large retail store websites, and smaller, independent retail websites.

"Usually walmart, target, the big stores. I have shopped at Walmart in the past on Cyber Monday." 39, CT

"In the past I have shopped at Tillys.com (skate boarding site) for shirts for my husband. They have had great deals in the past. Kohl's is another store I would look into for cyber Monday. I think a lot of smaller stores participate in cyber Monday, many independent stores with websites. You can find deals many places you look online. I am going to look into shutterfly.com for specials tomorrow. I am looking for great deals and free shipping, together you can save lots of money on items for everyone." 31, PA

"I associate online stores like Amazon, Overstock, Walmart, and Target. Kohl's will have many things on a special, too. I shopped these sites last year and will do so this year, because I have purchased from these sellers in the past, have had a good experience, offer low cost to no cost shipping, great return and exchange policies, special deals and sales for this one-day-only. I already have items on my Amazon 'wish-list', so this will be more convenient to process." 45, AZ

2. Objective: Understand key perceived benefits of online vs. in-store and vice-versa

27 RESPONSES		
ANSWER	COUNT	PERCENT
I prefer to shop online	18	67
I prefer to shop in-stores	9	33

The majority of respondents prefer online shopping to in-store citing convenience, variety, the avoidance of crowds, ease of comparison, and the availability of customer reviews. Those who prefer in-store shopping cite being able to see the actual product before purchasing, and less stressful returns. Several respondents expressed that they enjoy both online and in-store shopping, stating that in-store is a better option for items such as clothing, while online is better for unique items, electronics, toys, and appliances. Several respondents also mentioned that online shopping is fine for clothes if familiar with the brand and its sizing.

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"I feel like I find more unique items and notice things I otherwise would overlook in stores. Depending on the sales though, sometimes I check online first then go instores to get a better visual and "touch."" 26, PA

"I chose "shop in-stores" as my preference, but it's a close call. I overall prefer to actually see and touch a product before purchase. Especially when it comes to clothes, I want to feel the fabric and try it on. Even if it's a gift, it is just peace of mind to hold the product and see it in person. However! I have done more and more shopping online over the past three to four years, because there is just so much more available that way. I do live within close proximity to a good number of mainstream stores, but sometimes you are looking for something different, and online has those options for you. Shopping in stores is a fun experience and you get to see something and take it with you, but online works well for things that you don't need to see in person, like a book, and I tend to use websites that have free shipping." 28, VA

"I wish we had a choice that reflected a combination, rather than one or the other. I chose "online" only because it's more convenient. However, there are some items I just will not buy online unless I've already checked them out in-store -- shoes and clothing, in particular (will only buy online if the store does not have the right size/color -- I need to be certain that I'm satisfied with the quality of the fabrics and workmanship). Things like electronics or other products where you can easily compare online and check specifications and read product reviews, I definitely prefer purchasing online. Of course, online purchasing also depends on shipping costs & timing, as well as return policy. Sometimes, it makes sense to venture out and shop in-store." 44, PA

"Electronics and toys tend to be the things I purchase online most often. I can read reviews about the product quality and performance, which makes it very simple to narrow down the options and compare pricing to find the best deals. I don't generally need to "see" those items in-store before committing to the purchase. Also, items a recipient has specifically requested -- they've already done the research and I only need to find the best deal." 44, PA

3. Objective: Explore best methods for sale communication / gift inspiration

For both Black Friday and Cyber Monday, respondents rely heavily on advertisement to learn about sales and potential gift items. Black Friday shoppers rely on a wider variety of sources, with emails from retailers and print flyers being most heavily cited. Respondents also mentioned findings online ads and local newscasts for details on Black Friday sales. One respondent mentioned downloading apps to help organize Black Friday sales.

"I go through the ads after preparing everything for Thanksgiving dinner. Everyone who's going picks a place, then we decide which stores will be least crowded first, and go from there." 26, PA

"I still have not finalized my plans for Friday. I have set aside quite a few of the print flyers that I just received today (some are wet and need to dry - here on the east coast, we've had a stormy day). Been so busy cooking for tomorrow, I have not yet had a chance to go through those and a few things I want to check online. A few stores have been sending me emails with Black Friday deals, doorbusters, and coupons -- I really love the emails because they hit my phone and I can "star" the ones I want to find easily in my inbox on Friday while in-store (much more convenient than clipping paper coupons)." 44, PA

"For me, there are a few department stores that can't be missed. These include the usual suspects like Macy's, Nordstrom, and Bloomingdales. I have registered to sites like zappos.com and ideeli.com which send me email alerts bringing me the Thanksgiving deals right to my inbox. Whether the deals are attractive or not, I make it a point to visit these sites and stores before making a purchase decision." 44, CA

"There have been lots of tv ads and the local evening news has alerted me to many of sales. Last night I went to search on the web for Black Friday sales and then went to specific stores to see what items were being offered. Then I made a list off where I wanted to go and what items I would try to get." 38, MI

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"This will be the first year I'm actually planning ahead with coupons, shopping lists, etc. I'm definitely researching ahead of time to make sure that the items I want aren't being sold for less somewhere else, or online even. I've also downloaded a few black friday apps just to experiment." – 25, NY

Cyber Monday shoppers focus more on emails from online retailers, many of which they have registered accounts. However, respondents do not necessarily use the emails to shop specifically at the sender's store — many said emails provide initial gift options and ideas that they will then take to various online retailers to find the best deals on price and shipping. Ads shared on retailers' Facebook walls, as well as Amazon Prime and other websites with member discounts, are popular options for Cyber Monday shoppers.

"Old Navy, American Eagle, Kohls, JM.com, Think Geek. They all have good discounts, especially American Eagle. 50% off and free shipping on any order! Same with Kohls, free shipping!" 26, PA

"Most of my Cyber Monday shopping tends to be with Amazon.com -- primarily because my purchases end up being free. I earn Amazon credit (as well as PayPal) year-round on a variety of sites, and count on that to cover majority of my holiday shopping. Amazon has just about everything, great prices, fantastic customer service, free shipping (vast majority of items qualify), easy returns -- it's really a pleasure to shop on Amazon.com! I do plan to check deals at other stores (Staples, Walmart, Target, Kohls, etc.) and maybe a few Etsy sellers...but Amazon is always my go-to online shopping resource -- Cyber Monday and all year round!" 44, PA

"Amazon - because it has great deals on just about everything and I have a Prime membership. Kohls, because I have extra percentages off." 36, CA

"I tend to shop online by emails I receive from stores I might be interested. And a few people posted deals on facebook." 38, OH

"Free shipping is the best and I won't shop there unless I can get it shipped to my house for free otherwise I go to another site. I haven't seen any ads in particular for online discounts just regular sites that I shop on like JCP, Walmart, Target with my red card and Amazon." 36, NE

4. Objective: Gauge overall experiences / wins and losses for Black Friday / Cyber Monday

Most respondents had an overall positive experience with Black Friday, with many respondents commenting on the festive attitudes of shoppers, the deals, and the overall experience as factors that trump the negative aspect of battling the crowds, parking, and traffic. Those who had a negative experience blamed it on rude people and missing sales they had hoped to attend.

"I felt very positive today. People seemed to be in a better mood than last year. I did see two women get into a little argument over a cell phone at WalMart but, other than that, I had a blast and it was fun! I am going to continue shopping through the weekend but, I'm going to do some online shopping Monday and I'm very excited about that also." 37, AL

"Had a lot of fun shopping with my daughters and their boyfriends. Even if we hadn't found great deals, watching them play with nerf swords in the middle of Walmart at 3am was worth the loss of sleep!" 38, OH

"Positive - Because hubby and I spent the time together, a little road-trip adventure and finally got the Kindle Tablets! We have been wanting these for about six months. We saved over 100 dollar on each, so we could each have one of our own. Not much of a crowd for these, as most people there to buy the latest tech and ours was previous versions. Car gas round trip was only 20 dollars, and we met my mom for a breakfast at Cracker Barrel." 45, AZ

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"Crazy, rude , mean people. Nobody wanted to tell you what lines were for. It was a madhouse. In one case, there was a bloody guy in an aisle way and people were stepping over him. Really people.... A bloody guy will not get in the way of a deal?" 38, MI

"I didn't get to catch the really good sales, so I'm bummed about that" 52, CA

Additionally, aside from deals, several respondents enjoyed sharing their Black Friday experience with family and friends, with some viewing Black Friday shopping as "an annual thing" beyond the sales and deals.

"We took our little niece for her first Black Friday shopping experience -- so it was definitely positive! We had a great time -- lots of excitement and laughs. They're only little for short time, so we couldn't turn her down when she asked us on Thursday (since my sister hates shopping and won't take her). We had a great time and I can see this becoming an annual thing for us!" 44, PA

"Positive - Because hubby and I spent the time together, a little road-trip adventure and finally got the Kindle Tablets! We have been wanting these for about six months. We saved over 100 dollar on each, so we could each have one of our own. Not much of a crowd for these, as most people there to buy the latest tech and ours was previous versions. Car gas round trip was only 20 dollars, and we met my mom for a breakfast at Cracker Barrel." 45, AZ

"It was fun to get out in the crowds with family as a tradition but I will pay for it today- tired- it just seemed too early to start some of them." 36, NE

When asked how they shopped on Black Friday, most respondents answered that they purchased what they went into the store for as well as additional items they hadn't planned on purchasing. Beyond intended purchases, shoppers purchased a variety of items from all departments and were open to any kind of perceived deal in-store, not simply one gifting category.

"I went for specific things in the big box stores, but clothing places I bought whatever caught my fancy. Wish I had bought more!" 26, PA

"i got the tv deal i wanted at walmart but also bought a couple more things that were not on my list. bought a few small gift items, cologne, music cds and a few kids clothing items. i figured while i was there i mite as well look around for other things." 44, TX

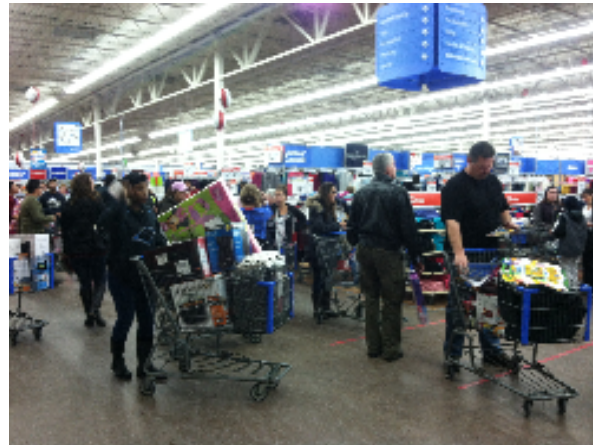
When asked to upload a photo of their Black Friday shopping experience, photos ranged from pictures of purchased items to photos of long lines, large crowds, and favorite purchases.

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“Up at 4:00 am. We had little crowds but I managed to score the big items I really wanted like a new christmas tree.” 36, CA

“This is our first stop at Walmart when we first got there. There were already people with cart fulls and they weren't letting people down certain aisles even if I was looking at something they said I had to go all the way around top the other side of the store to get through. But after Walmart it was clear sailing!!” 36, NY



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"Our niece was so excited and bundled up to go this morning (it's really cold here!) -- and my FREE Costco Cookbook (I LOVE cooking & baking and was excited that they were offering another free cookbook this year!)"
44, PA

Similar to Black Friday, most respondents had a positive experience with Cyber Monday, with Amazon being the most popular site for Cyber Monday deals. Other popular sites included large retail stores like Wal-Mart and Target, specialty retailers such as Ulta, and clothing retailers like Old Navy and The Gap. When searching for deals, respondents relied most heavily on emails from retailers with which they hold customer accounts. Another incentive to buy at certain online retailers was the possession of gift cards and promotions from the retailers, with a many mentioning that free or reduced cost shipping were a must. There were a wide array of items purchased including handbags, appliances, and electronics.

"I mostly stuck with Amazon.com -- for gifts for my nieces and nephews. The best deal I got was at susannichole.com where they have their handbags on sale and I had a \$25 credit that I won on their Facebook page a while back (they have contests every Thursday night)...so I got a great new purse for a fabulous price!" 44, PA

"I went on Amazon.com. I have a few items on my list that I need to get and I get them here at a good price and with no shipping cost. Plus I have gift cards that I am using for amazon. The best deals for me were the saucony sneakers." 30, CT

"Great buys & bargains on most of all online retailers I visited, plus most offer free shipping" 25, GA

"Shopping from the comfort of my home is the main advantage with online purchases. The deals are as good or even better than physical stores." 44, CA

"I love free shipping, it really makes a difference. Not the best sales though in comparison to [Black Friday]." 26, PA

Respondents overwhelmingly considered Cyber Monday a positive experience with many mentioning free shipping on purchases, as well as the convenience and ease of shopping from home, while a few stated that the deals were not as good as on Black Friday.

"Great buys & bargains on most of all online retailers I visited, plus most offer free shipping" 25, GA

"Shopping from the comfort of my home is the main advantage with online purchases. The deals are as good or even better than physical stores." 44, CA

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"I love free shipping, it really makes a difference. Not the best sales though in comparison to [Black Friday]."
 26, PA

27 RESPONSES

ANSWER	COUNT	PERCENT
My Black Friday was better than my Cyber Monday because ...	17	63
My Cyber Monday was better than my Black Friday because ...	10	37

Despite the fact that respondents prefer online shopping to in-store shopping, when asked to compare the two shopping days, most respondents preferred Black Friday because they felt the deals were better and preferred the active pursuit of bargains and the exciting environment, including holiday lights, human interaction, and sharing the experience with loved ones. Those who preferred Cyber Monday appreciated the convenience of shopping from home, avoiding the "rude" and hectic environment of Black Friday, and that items did not go out of stock.

"I enjoyed the Black Friday sale better because there is just a feeling of excitement being in the store and finding items at bargain prices. It is also nice to be around people who are also in a good mood shopping for loved ones. The experience was positive for me." 30, CT

"I did have fun walking around and seeing the holiday lights and different people. I also had more money to spend at that time so my options were a lot more to choose from." 36, NY

"I liked shopping from the convince of my home & avoid all the rude people and impatient people that black Friday has." 25, GA

"I found better deals and it seemed like the things were in stock on cyber monday than the stores. The stores ran out of the things I wanted and that was disappointing. I have had fun shopping online today." 44, GA

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Implications

1. Whether Cyber Monday or Black Friday, shoppers view both days as times to take advantage of deals that would not be offered at other times of the year. Black Friday, however, is viewed as a more personal experience and often a traditions for many families to spend time together. Retailers and MarComm specialists may focus on this new aspect of the holiday experience in addition to the deals – providing an emotional as well as financial incentive to participate in Black Friday shopping.
2. Online has become the preferred venue for most shoppers, who find that online shopping provides more product information and feedback than can be found in stores. Additionally, online shopping provides a greater selection of more unique merchandise. Consumers are eager to understand Cyber Monday deals and plan ahead – online retailers should consider marketing communication geared toward efficiency, personalized shopping, comfort, full stock. Cyber Monday retailers will also need to stress not only free shipping but convenient returns, as many believe in-store shopping to have advantage in quicker, more convenient returns.
3. Though online is the preferred venue, respondents felt their Black Friday was a better experience for the shared shopping with family and the real-time, personalized excitement of bargain shopping. In order to continue to keep shoppers engaged, retailers should focus on shopper-friendly atmosphere and stressing the “bonding” experience of the event to enhance the emotional connection to the event and downplay the stress and chaos that turns people online.
4. Knowing that consumers plan ahead, retailers could incorporate this scheduling and planning theme into MarComm strategy. Additionally, sponsoring apps for in-person Black Friday shopping, connecting the convenience of online with the personal experience of in-store, could help alleviate stress and keep the brand active throughout the planning experience. Cyber Monday retailers need to provide enough incentive to keep their shoppers on their site, as online shoppers are more likely to keep open multiple tabs to comparison shop in-the-moment.
5. Respondents were overwhelmingly likely to have purchased additional items beyond what they had planned, both in stores and online. This made many wish to expand budgets for next year. Optimizing in-store displays and suggested items online will aid in the shopping experience and deal-seeking mentality while boosting revenue.

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APPENDIX A

NOTE: A TOTAL OF 25 RESPONDENTS COMPLETED ALL QUESTIONS IN THIS STUDY

- ✓ All self-reported to intend to participated in in-store Black Friday sales and online Cyber Monday sales.
- ✓ All respondents are female, age 25-60, with an HHI of \$35,000+

Parameter:	This study:
Household Income	\$30,000-\$49,999: 3 \$50,000-\$69,999: 4 \$70,000-\$99,999: 15 \$100,000-\$249,999: 3
Ethnicity	Asian: 3 Caucasian: 21 Hispanic: 1

Scope of Analysis

As with all qualitative research, the findings reported here should be considered directional and not serve as a means of statistical significance.

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