



# Black Friday Shopping

**MARKET OBSERVATIONS** | NOVEMBER 24, 2023



**Sites Visited:**

Ann Arbor, Boston, Chapel Hill, Cleveland,  
Columbus, Dallas, Ithaca, Los Angeles,  
Paramus, Richmond, Seattle

The Ankura Performance Improvement team visited malls and retail locations across the U.S. during Black Friday 2023, evaluating holiday shopping and consumer trends. This follows the release of Ankura's [2023 Holiday Consumer Spending Survey for Retailers](#). The objective? To see firsthand whether the 2023 holiday season would make a grand entrance or a subdued one. Truth be told, it landed somewhere in the middle.

## GENERAL OBSERVATIONS

Black Friday used to ignite a frenzy among consumers, marked by packed parking lots, suitcases used as shopping bags, and eager bargain hunters rising early for exclusive events and irresistible doorbusters. However, this year presented a more subdued scene than usual. Parking lots were not overflowing, but there was a noticeable surge in crowds compared to those on a normal day.

Promotional messaging was heavy, typically 30% off or more, with an emphasis on merchandise presented as “gifts for the holidays.” At traditional malls and standalone (strip mall) locations, a vast majority of retailers were promoting storewide discounts of 25%-50% off. It was clear that higher percent off sales were effective in driving customer traffic and converting browsers into shoppers.

Specialty mall retailers were adequately staffed, at times excessively staffed, with associates stationed at entrances and throughout the stores. The slower-than-expected in-store traffic may have taken some retailers by surprise considering the surplus labor observed across many locations.

Within stores, dressing rooms were easily accessible, potentially reflecting the slower pace of foot traffic. A cause for concern in some hard goods retailers was the presence of thinly stocked shelves. Lacking were compelling products to captivate customer attention and anything that would differentiate a brick-and-mortar from the surplus of goods available online.

This issue could reflect internal store factors rather than an inherent flaw in a specific retailer's general practices. Nevertheless, having empty shelves and aisles during peak holiday shopping should be avoided. Management should ensure stores are stocked with enticing merchandise to convey to customers that the store is fully operational, particularly in high-traffic areas.

## LOCATIONS/SEGMENTS

### Traditional Malls

Overall, foot traffic was high without reaching the frenzied levels observed in past years. Notably, food and beverage options had a positive influence – particularly the necessary caffeine pick-me-up – in some locations, contributing to increased foot traffic.

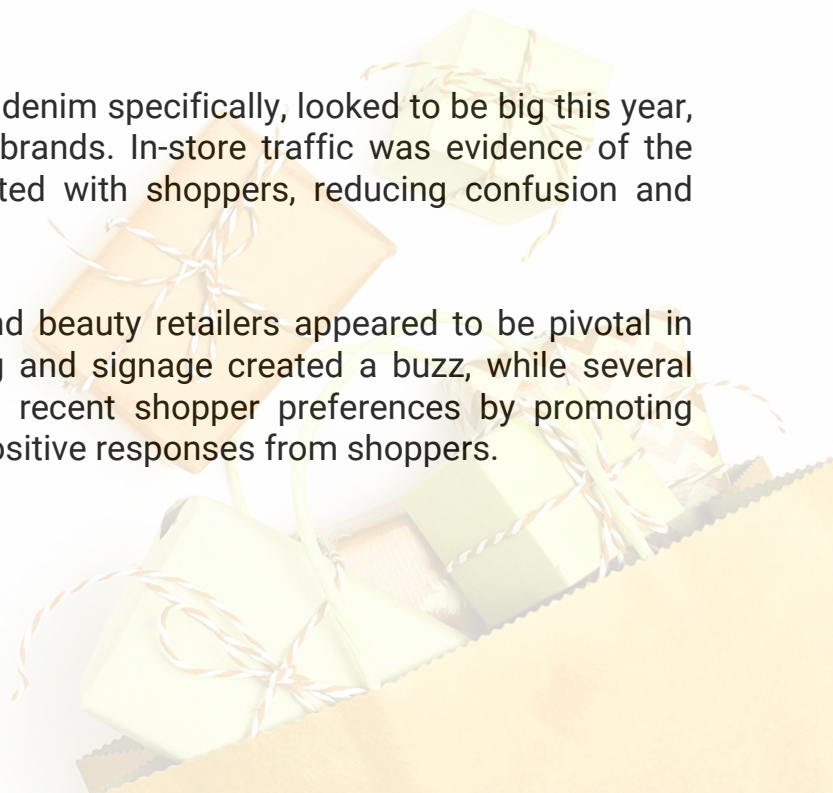
A sizable portion of visitors engaged in window shopping and socializing in groups. However, stores offering enticing deals often saw customers queuing up and occasionally waiting outside due to capacity constraints. Conversely, retailers with less promotional activity experienced notably sparse traffic.

In certain locations, key anchor (department) stores had later opening times than the rest of the mall, thus potentially missing out on opportunities to capitalize on foot traffic. The late openings – whether due to labor constraints or a deliberate strategy based on sales expectations – likely translated to sales opportunities squandered.

The most bustling stores were affordably priced fashion apparel brands, primarily catering to a younger demographic. Before noon, these retailers witnessed long queues at cash registers and fitting rooms, with some stores even having to restrict entry when overcrowded. These stores demonstrated readiness for crowds with well-stocked shelves, welcoming door greeters, and additional staff maintaining organized assortments.

Apparel in general, and puffer jackets and denim specifically, looked to be big this year, with discounts in the 40% range across brands. In-store traffic was evidence of the appeal. Flat storewide discounts resonated with shoppers, reducing confusion and increasing foot traffic in store.

It is worth highlighting that cosmetics and beauty retailers appeared to be pivotal in driving mall traffic. Strategic item pricing and signage created a buzz, while several apparel retailers successfully catered to recent shopper preferences by promoting comfortable wear and basics, garnering positive responses from shoppers.



Conversely, retailers experiencing the lowest traffic were premium-priced specialty apparel stores, particularly those focusing on formalwear and business attire. Many of these less visited stores lacked compelling promotional signage. Without visibly attractive offers and relevant merchandise to entice consumers, shoppers left empty-handed, and did not attempt to try on, presuming they entered these establishments.

### Mass Merchants, Strip Centers, Freestanding

Mass merchandisers stood out with notably higher foot traffic compared to traditional malls. Consumers, deeply concerned about inflation, gravitated towards these stores due to enticing item and price promotions, alongside consistently lower everyday prices. Off-price stores in general were busy, with consumers visiting for toys and other home and apparel items.

While shoppers were not camped out on sidewalks waiting to rush into stores once doors opened, televisions and other popular electronic items emerged as crowd favorites within mass merchant stores, boasting substantial discounts and delivering brisk sales activity. Promoted item discounts drove traffic as opposed to broader percentage off discounts.

Sporting goods and hardware/DIY stores experienced increased activity compared to typical day-to-day traffic levels. Hard goods retailers appeared marginally less promotional than other observed retailers, potentially reflecting the current downtrend in consumer discretionary hard goods purchases.

Outside of the promotions on big screen TVs observed at mass merchants and consumer electronics retailers, there were no big-ticket themes this year. This may be a sign that large discounts/significant savings events loom in the weeks ahead, especially if holiday sales do not progress as planned.

Ankura's latest Holiday Consumer Spending Survey highlighted the potential for soft sales for home decorations. This finding is supported by observations at arts and crafts stores. These stores experienced moderate traffic and, though they offered promotions with noteworthy discounts, did not see standout doorbusters.

## Outlet Malls

Outlet malls – compared to full price mall stores – were successful and the busiest locations observed. Parking lots were full, and consumers were willing to wait outside in lines to get into stores. Promotions at outlet malls and discount stores were prevalent, and customers were purchasing almost anything they could get their hands on, especially at luxury outlet brand stores.

## SUMMARY

This holiday season, whether in strip centers or traditional malls, the consumer preference for value-driven shopping is evident. Consumers are seeking the best value for their dollar, driving high activity in stores heavily focused on promotions.

However, the retail landscape is shifting, presenting a more challenging environment than seen in recent times. There has been a departure from the sensational special sales or early morning doorbusters that used to draw crowds at dawn or even the night before. The pendulum appears to have swung a little too far.

Interestingly, some stores opted for later opening times this year. This signals a noticeable shift in the traditional significance once attributed to brick-and-mortar Black Friday shopping.

As the holiday season progresses, we expect to see spending continue in the coming weeks. Consumers, still on the hunt for value, will likely do a significant amount of online shopping to fulfill their holiday needs.

Anticipating this new landscape, retailers should drive aggressive promotional discounting strategies in the upcoming weeks, and adapt to meet the changing demands and preferences of today's savvy shoppers.



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We have a proven track record of executing strategic plans to achieve sustainable performance improvement and targeted operating results aimed at maximizing EBITDA, cash flow, and shareholder value.

We work side-by-side with management and other stakeholders to guide companies through periods of uncertainty and subsequently accelerate growth and value creation.

Ankura's Performance Improvement professionals leverage deep expertise across the firm to bring the appropriate specialized resources to deliver solutions to complex problems to create optimal outcomes.

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