

## Leading Price Comparison platform in Canada

Shopbot operates a multi-network of price comparison websites. Created in 2004, Shopbot has cemented its position as the market leader in both Quebec and English Canada.

### Shopbot's Solution

Platform that connects online shoppers to retailers promoting price transparency.

### Shopbot's Figures

#### +Online Traffic in Canada

- 3 Million Visitors per Month
- 3X Boost in Traffic on Black Friday, Cyber Monday and Boxing Day.

#### +Hundreds of Brands and Retailers

More than 400 online shops.

Top 5 Shopbot shops:

- Staples
- Amazon Canada
- NCIX
- Newegg
- Home Depot

#### + Products Online

Over 6 Million products on Shopbot from Electronics and Computers to Fashion and Home Décor.

# 2015 Black Friday Major Retail Trends in Canada

November 2015

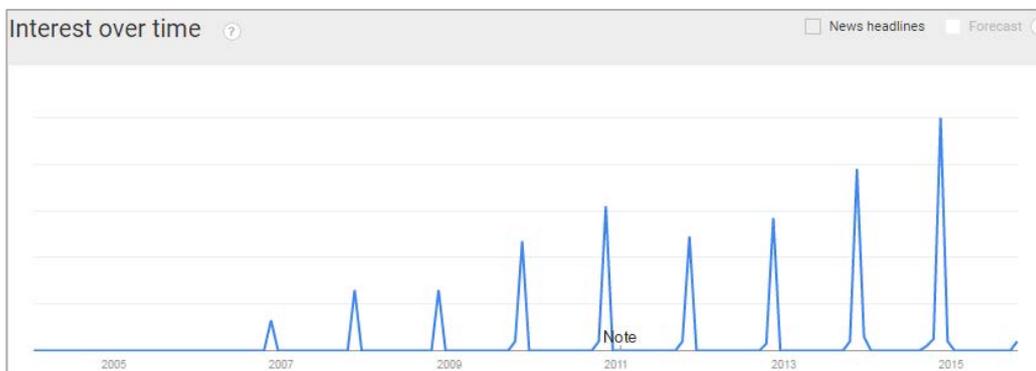
## Highlights

- ✓ Canadians are restraining on overspending this Black Friday. Yet, enthusiasm is skyrocketing **4 weeks earlier than in 2014**;
- ✓ Black Friday shoppers are spending more time researching beforehand to make well-informed purchases. Retailers need to think twice about **"deal fraud"**;
- ✓ Popularity of price comparison websites and deal forums used as deal detectors are **gaining momentum in 2015**;
- ✓ Shopbot remains one of the few shopping platforms that fights for **price transparency during the most dangerous shopping day**;
- ✓ Shift in Canadians' shopping behaviour between Black Friday and Boxing Day;
- ✓ **Each Province is unique on Black Friday**. While Ontarians' show a major Black Friday interest in smartphone deals, British Columbians are obsessed with camera deals;
- ✓ **Vendredi Noir's popularity is boosting in Quebec**;
- ✓ Canadian retailers need to catch up with their shoppers mobile habits;
- ✓ Online shopping is expanding each year but so is the age bracket that shops on Black Friday. **More and more of online shoppers are of 55+ years old**;
- ✓ A 24-hour Black Friday is a thing of the past. Tendency of shops to start Black Friday earlier and longer;

## Outlook of Black Friday 2015 in Canada

### Introduction

There's a long history of Canadians going down South to do their Black Friday shopping. In fact, it dates all the way back to the 1960s rooted in the heart of Philadelphia. For more than 50 years, Americans have perfected the art of creating what is now the international shopping frenzy all thanks to two simple ingredients: price-slashing and a tiny window period. Canadians would flock to border cities like Buffalo, Seattle, Detroit and the list would continue<sup>1</sup>. Yet, since 2012 Canadian retailers have slowly turned the spotlight above the border making the Canadian Black Friday "a thing"<sup>2</sup>.



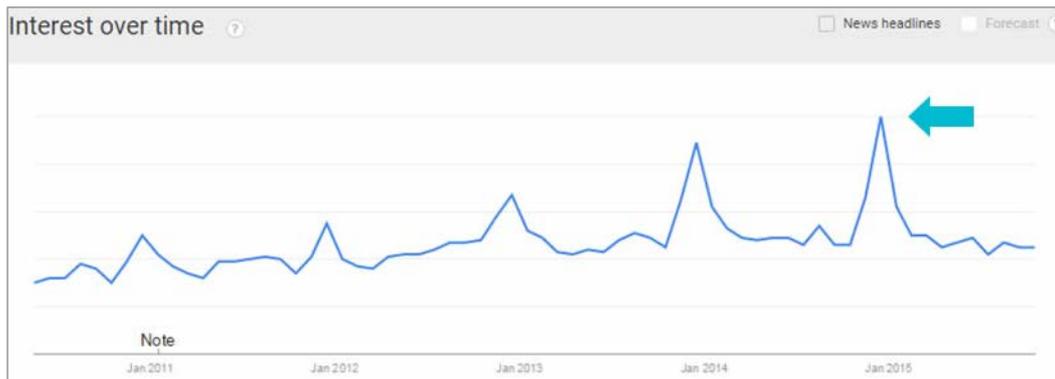
Popularity of "Black Friday" in Canada. Source: Google Trends

The rise in popularity of Black Friday in Canada has been soaring over the years. Google Trends shows how each year the interest in 'Black Friday' topples the last year almost flawlessly over the past 10 years. The trend in total retail sales accompanies the same trend. Canadian total retail sales in 2014 rose by 0.4% in November in comparison to 2013 according to Statistics Canada data, despite forecasters' predictions. On the other hand, our Southern neighbours have suffered from a 12% plummet in retail sales according to the American National Retail Federation.

2015's outlook for Black Friday in Canada seems to follow the same trend of 2014. Shoppers are not backing away from their shopping impulses. This is reflected with Shopbot's traffic showing the same growing trend. Each Black Friday yearly spike in traffic surpasses the preceding year where millions of Canadians come to Shopbot to compare prices.

<sup>1</sup> *Black Friday History.* (2014). Retrieved from Money CNN: <http://money.cnn.com/2014/11/28/news/black-friday-history/>

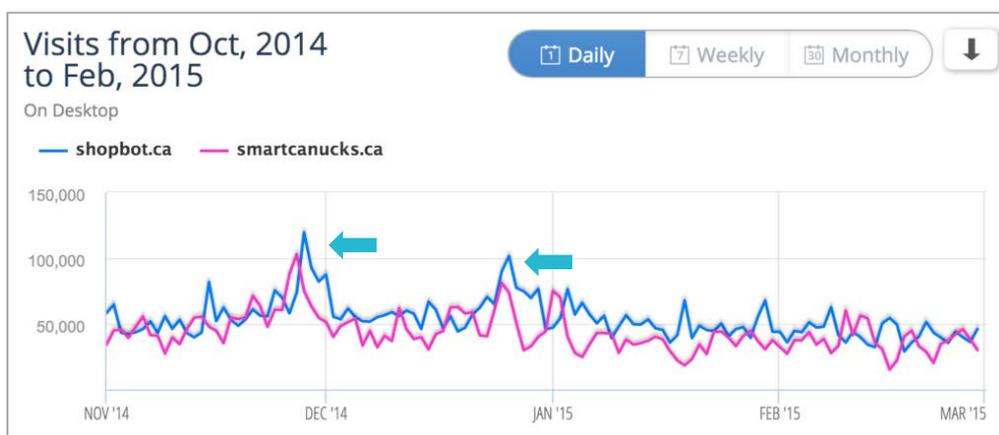
<sup>2</sup> *Canadians Still Seek Boxing Day Sales Despite Black Friday Deals.* (2014). Retrieved from CTV News: <http://www.ctvnews.ca/business/canadians-still-seek-boxing-day-sales-despite-black-friday-deals-1.2159645>



Popularity of “Shopbot” in Canada with yearly peaks on Black Friday. Source: Google Trends

During shopping peaks, the retail market receives a boost in online traffic. However, online traffic doesn’t only flux to stores themselves but also towards the tools that guides shoppers to make well-informed purchases. As Canada’s leader in price comparison, Shopbot experiences exponential increase when it comes to traffic on Black Friday. And Shopbot is not alone. According to SimilarWeb stats, websites such as smartcanucks.ca, redflagdeals.com or bargainmoose.ca are just a few that also experience a significant boost in traffic because of shoppers demand for transparency on one of the most dangerous periods for price fraud.

#### Biggest Shopping Peaks of 2014



Shopping Peaks of Black Friday and Boxing day in 2014. Source: SimilarWeb

This report has the objective of informing Canadian shoppers and news outlets the major consumer trends of 2015 for Black Friday in Canada. Shopbot commissioned this report in order to allow shoppers to better understand the Black Friday phenomenon in Canada and how to make well-informed purchasing decisions.

## The search for Price Transparency on Black Friday

Vancity's Report of 2014, "White Lies on Black Friday", shows how 'deal fraud' is becoming a common practice used particularly on Black Friday. The report shows how some retailers are raising the regular price of certain popular items just beforehand the shopping frenzy has begun. This is done just so they can discount them to their regular price during Black Friday. This gives shoppers the illusion there's a discount.

One aspect that ties Shopbot shoppers together is their common frustration of being misguided in the past by other websites believing a 'good deal' was indeed a true good deal.

---

*"This is not only a Black Friday problem, this is a **daily online retail problem**", says Monika Hajzokova, Shopbot's Sales Director in Canada*

---

Shopbot is one of the few actors in the ecommerce sector to take measures to not only fight for price transparency on the web but most importantly to screen fake price drops. Here are a few measures Shopbot takes to ensure this transparency:

- No product ranking manipulation – 6 million products are categorized and **ranked based on price from lowest to high no matter the reseller**;
- **Implementation of a price algorithm** that verifies unusual price activity according to item's price history;
- Aggregating million products from hundreds of brands and retailers for an exhaustive view, **allowing shoppers a true market view**;
- **Regular daily update in prices** and product information.

Shopbot's top 3 Black Friday tips after 10 years in the business:

1. Return Policies

Before purchasing an item, check first the shop's Black Friday return policy, and be sure to keep all receipts. We see all too well how shoppers give into the shopping frenzy and tend to overspend during this season. There's nothing like the shopping guilt the day after. This year more than ever Shopbot shops are now offering extended return policies in order to improve shoppers' experience.

2. Watch out for Fake Retailer Websites

The appearance of fake retailer websites are increasing at an alarming rate. If you are hesitant in buying a product from an unknown reseller, be sure to verify

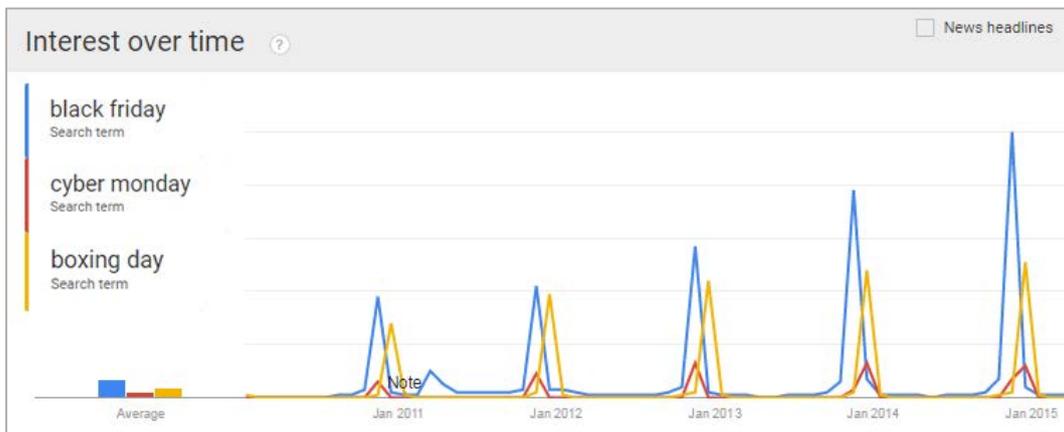
first if it's not a scam. **Shopbot verifies each of its 400+ brands and retailers** if they comply with Canada's Consumer Protection Act so, that shoppers can shop carefree. Be sure to check other websites such as: RedFlagDeals, SmartCanucks and BargainMoose; as chances are if there is a scam out there, someone has already talked about in their forums.

### 3. Electronic Scams

Watch out for online electronic scams. As this is always the most popular item on every wishlist on Black Friday, whether it's a smartphone or tablet, some will try to take advantage of this surge in demand. Be sure to verify that the product carries tech specs, be skeptical of discounts more than 30% off from an unknown reseller and avoid resellers that insist on payment by electronic fund transfer or a wire service.

## Emergence of new shopping behaviour for Boxing Day

Over the past 5 years, Shopbot reports a drift between consumers' choice to shop on Black Friday, Cyber Monday and Boxing Day. Shopbot's biggest peaks in traffic are consistently Black Friday, Cyber Monday and Boxing Day. However in the past few years, a trend of Black Friday stealing the spotlight from Boxing Day and Cyber Monday has emerged.



Popularity of "Black Friday", "Cyber Monday" and "Boxing Day" in Canada. Source: Google Trends

Black Friday has become the unofficial kick off to Christmas shopping. According to IPG Media, over 75 per cent of Canadian shoppers prefer Black Friday to the non-American event, Boxing Day. More and more Canadians are becoming less motivated to overspend after Christmas<sup>3</sup>. However, Boxing Day is far from going

<sup>3</sup> *Canadians Still Seek Boxing Day Sales Despite Black Friday Deals.* (2014). Retrieved from CTV News: <http://www.ctvnews.ca/business/canadians-still-seek-boxing-day-sales-despite-black-friday-deals-1.2159645>

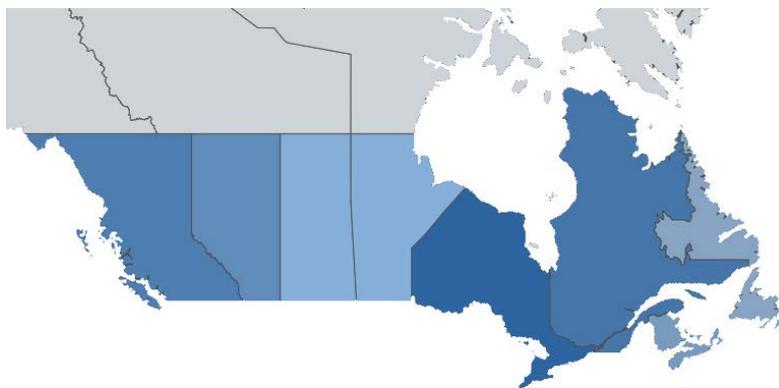
into extinction in Canada. As Monika Hajzokova, Shopbot's Sales Director in Canada says,

---

*“Black Friday nowadays is all about shopping for others. It's about buying gifts for family and friends for the holiday season which is just around the corner. But Boxing Day that's when shoppers can finally treat themselves”*

---

Canada is truly diverse, even on Black Friday



Black Friday Shopping Popularity per Province. Source: Shopbot Data

There is a certain lack of information in the media when it comes to Canadian consumer trends during Black Friday as opposed to American trends. For more than 10 years, Shopbot has been analysing Canadian shopping behaviour from location to age to gender and interest. Shopbot's data from the past Black Friday events reveals certain differences when it comes to shopping behaviour per province.

According to Shopbot, the top 5 provinces that shop the most during Black Friday are:

Top 5 Provinces	Percentage of Interest of online Black Friday shopping	Top Category
Ontario	46%	Smartphones
Quebec	26%	Tablets
British Columbia	15%	Digital Cameras
Alberta	11%	LCD TVs
Manitoba	7%	Smartphones

Overall, the ‘electronic frenzy’ is seen nationwide whether it’s smartphones, smart TVs, latest action cameras or the most beloved android or apple tablets; Canada loves its gadgets. However, it becomes more interesting when it comes to Quebec where,

---

*Quebec’s Black Friday or also known as ‘Vendredi Noir’ has shown the most significant jump in popularity with a **22% increase in Quebec traffic on Shopbot from 2012 to 2014***

---

Shopbot predicts this trend is to continue in 2015 in the whole retail sector. Plus, it comes to no surprise that Quebec’s most popular product search is also in electronic category with ‘Tablets’ being number 1, but surprisingly a new category is becoming quite popular this Vendredi Noir and that is ‘Espresso Machines’. Lastly, **Ontario beats all provinces hands down 3 years in a row** with the highest percentage of online users shopping for Black Friday deals.

## There’s no Age to Shop Online

Online shopping is expanding each year but so is the age bracket that is shopping online<sup>4</sup>.

---

*Traffic on Shopbot reveals how **online shoppers of 55+ years old are also entering into the Black Friday frenzy***

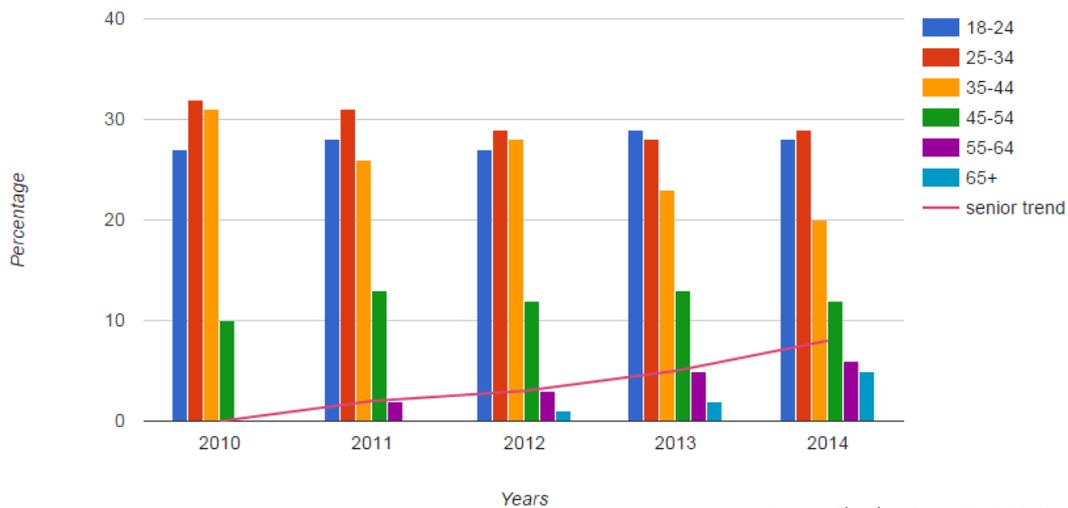
---

This new generation of shoppers is slowly changing the profile of the average Black Friday shopper from an impulsive shopper to a more calculated and well-informed shopper. With an **interestingly diversification in the age groups of online shoppers** on Shopbot throughout the years, retailers will soon need to adapt their marketing efforts to include this **new age bracket**. This is one of top 3 revealing growing trends of 2015 that will change the ecommerce market in the next few years.

---

<sup>4</sup> *Older Adults and Technology Use. (2014). Retrieved from Pew Research Center: <http://www.pewinternet.org/2014/04/03/older-adults-and-technology-use/>*

Shopbot's Age Demographic Trend from 2010-2014



## Smartphones are Ruling the Ecommerce Landscape

According to the latest Cisco Mobile forecasts, the increasing adoption of smarter devices and the move from 3G to 4G networks, are two big factors as to why smartphones are starting to rule the e-commerce landscape. Cisco predicts the boost in the global number of smartphone users to jump from 4.3 billion in 2014 to 5.2 billion by 2019<sup>5</sup>. This growing trend is reflected with Shopbot's mobile web traffic which tripled in the past 2 years with,

---

*A jump of 42% of new Canadian mobile users in comparison to 2013*

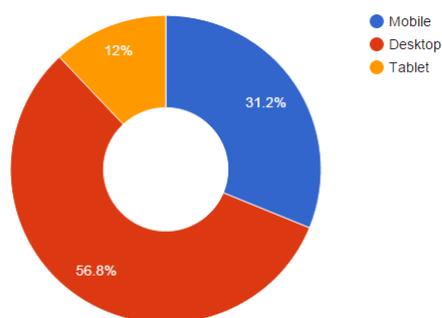
---

And more interestingly according to retail forecast from The Centre for Retail Research, **total Canadian mobile sales in 2015 are expected to rise by 16.2%**. Overall, online users in Canada are diversifying more than ever their way in shopping online with the use of smartphones and tablets as part of their Omni-channel experience<sup>6</sup>.

<sup>5</sup> VNI Mobile Forecast. (2015). Retrieved from Cisco: <http://www.cisco.com/c/en/us/solutions/service-provider/visual-networking-index-vni/index.html#~vniforecast>

<sup>6</sup> Omni Channel 2015 Taking Time, Money, Commitment and Technology. (2015). Retrieved from Retail Systems Research: <http://www.rsresearch.com/2015/09/23/omni-channel-2015-taking-time-money-commitment-and-technology/>

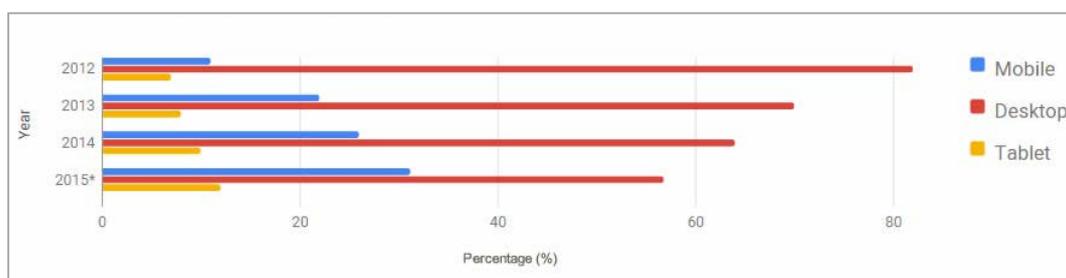
## Shopbot's Traffic Device Sources



Source: Shopbot Data of 2015

Shopbot mobile users on Black Friday account for more than **31.2% of the total web traffic on this day**. This is one of the highest peaks of mobile traffic of the year, along with Boxing Day. The evolution between the use of desktops and smartphones has taken different directions. Where, over the last 4 years, **mobile traffic has increased by 160% while, desktop traffic has decreased by 30%**.

## Mobile and Desktop Evolution at Shopbot



Source: Shopbot Data 2012-2015

However, in comparison to retailers in the States, Canadian merchants are lagging behind in terms of being mobile friendly. As online consumers become true mobile shoppers, the pressure for retailers to adapt to new shopping behaviour becomes more essential<sup>7</sup>. A polling conducted in January 2015 by Retail Systems Research found that only 26% of retailers worldwide carry a mobile responsive design, turning mobile shoppers away with frustration. However, when looking at the top 10 major American retailer chains, 9 out of 10 carries a mobile friendly website for their shoppers. Yet, the story is different for Canadian retailers.

---

*Looking at Shopbot's Data, an average of 1 out of 3 websites is not mobile friendly*

---

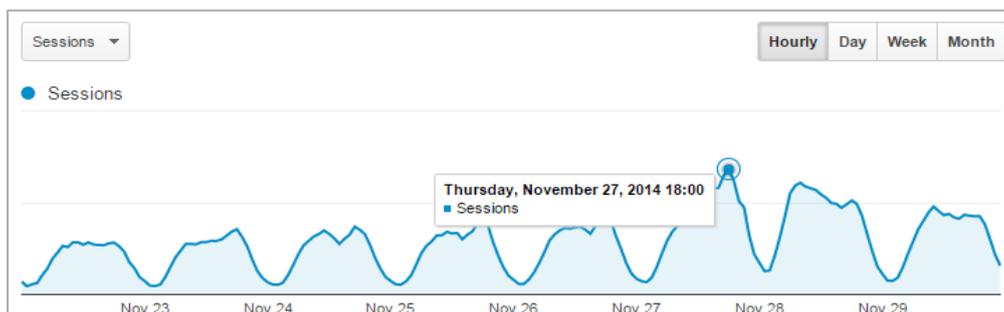
<sup>7</sup> *Why Retailers Must Optimize Mobile Sites.* (2015). Retrieved from Emarketer: <http://www.emarketer.com/Article/Why-Retailers-Must-Optimize-Mobile-Sites/1012749>

This as expected has the consequence of Canadian merchants quickly losing their traffic to their Southern neighbours. Nonetheless, the year of 2015 has definitely pushed for change for many Canadian merchants. Shopbot has observed that the push for mobile change has become more prominent in the last few months with the latest Google mobile algorithm update on April 22, 2015 known as “Mobilegeddon” where, Google announced websites not carrying mobile-friendly sites will soon start to lose in Google ranking as a consequence<sup>8</sup>.

## How Early is ‘Early’ to Open Doors on Black Friday?

Shopbot has observed first-hand the tendency of shops opening their doors online and offline earlier each year. Unlike our Southern neighbours, many Shopbot shops report that since Black Friday does not fall on the Canadian Thanksgiving Day, they are more willing to shorten the countdown and start Black Friday earlier. The overall trend for the past 2 years has been to **not follow the classic midnight opening time** but to open earlier. Looking at Shopbot’s Data in 2014, shoppers started to get excited for Black Friday around 6PM. That’s a 6 hour early start.

Hourly Online Traffic at Shopbot



Source: Google Analytics - Shopbot Data between Nov.23 – Nov.29 2014

Overall, a record of more than 70% of major retailers in 2014 opened their doors 6 hours earlier<sup>9</sup>. Shopbot sees 2015 to be no different. Shopbot will be following the same trend of its 400 brands and retailers and will be bursting onto the Black Friday scene earlier and bigger than ever with their **#gobananas campaign**. With the aim of promoting Canadian price transparency all while, proving to Black Friday shoppers how Canadian deals can in fact measure up to our Southern neighbour’s deals.

For more information go to <http://blackfriday.shopbot.ca>

<sup>8</sup> Google Algorithm Change. (2015). Retrieved from MOZ: <https://moz.com/google-algorithm-change>

<sup>9</sup> Black Friday Store Hours. (2014). Retrieved from Deal News: <http://dealnews.com/features/black-friday-store-hours/>