

The Psychology of Black Friday

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Overview

The Black Friday phenomenon originated in the US and has been growing rapidly in the UK. Last year saw numerous incidents hit the national news as stores descended into chaos with crowds fighting and clambering for bargains. Police were called to several stores, and videos of people wrestling over flatscreen tvs made national news.

This year has already seen the Black Friday phenomenon gaining press with high profile brands such as Asda publicly opting out, whilst others are already committing to offer shoppers greater savings. It is suggested that this year Black Friday may result in a record £2 billion spent in a single day.

In this document we will discuss the psychology of Black Friday. Where does this behaviour come from? What do the stores do that make it worse? Why are shops doing this and what could they do if they wanted to reduce the impact of Black Friday?

We will show that Black Friday behaviour is not just a facet of modern living. Instead it comes from deep, old, psychological drives that are simply switched on by modern life.



The Psychology of the shoppers

In this section we'll take a look at how Psychology explains what is going on from the point of view of the shoppers. This involves examining how people act as part of a crowd, and a little about the basics of the psychology of shopping.

The madness of crowds

The first aspect of the psychology of crowds is that when we are in a group with other people we become a little anonymous, a little more willing to do things we wouldn't do otherwise, a little more willing to go along with what the rest of the crowd is doing. Psychologists call this 'deindividuation'. The more similar I am to the rest of the crowd and the better I know them, the greater the effect. So this is going to be seen more in a crowd of football fans all wearing matching colours: their identity is closer. It is why people can be more aggressive to rivals if they're amongst a gang of their friends, but act much more reserved when with a crowd of strangers from different cliques. This is really basic animal behaviour, but it affects humans too. So we see crowds of people behaving in ways that the individuals themselves wouldn't think of if they were on their own.

The next factor that affects crowds is that if we're not sure what to do in a situation, then we take some cues about what to do from what we see others doing. Psychologists call this 'social learning'. We see this in children: they will play in a more aggressive way with a new toy if they see someone else playing with it aggressively first. The same is true of adults too.

Black Friday crowds are new to us, we're not sure what is 'normal' behaviour in that situation. Thankfully the tv is full of films showing running, pushing and competing, so we judge this as normal behaviour for Black Friday. Even if we think some of it is rather extreme, and tell ourselves "I wouldn't go that far", "but maybe a little bit of competing is OK?" This becomes the standard that we judge ourselves from. Rather than thinking 'what would I normally do when I'm shopping?' we adopt 'Black Friday behaviour', which is different. So it becomes acceptable in our mind to act more competitively, more aggressively.

The Shopping Rush

In addition to the psychology of crowds, we know that there are key psychological principles that drive us to buy, and to buy right now: what we call the 'shopping rush'. The psychological reasons we'll look at here aren't something new. They are not facets of modern living. Instead they are deep, old, psychological drives that are activated by modern life.

There are four big factors that increase the shopping rush:

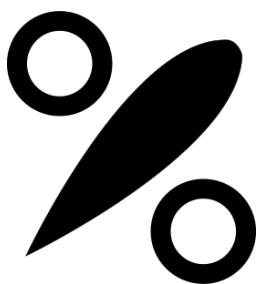
1. Is the percentage saving big?
2. Is it urgent?
3. Is it popular?
4. Is it exclusive?

1. Is the percentage saving big?

We pay a lot more attention to the percentage size of a saving than we do to how much we're actually saving. Here are a couple of examples:

1. You go shopping for a bottle of wine. It costs £15. The helpful person tells you that their shop ten minutes down the road has that same bottle on sale for only £10.
Do you go down the road to buy it?
2. You go shopping for a jacket. It costs £175. The helpful person tells you that their shop ten minutes down the road has that same jacket on sale for only £170.
Do you go down the road to buy it?

Logically £5 is either the trip, or it's not. And some rational people will say yes to both. However most people aren't rational. [Research](#) shows that more than two thirds of people take the walk to save £5 from £15. Fewer than a third of people take the walk to save £5 from £170.



It is the size of the saving, not the amount of the saving that is really important here. Shoppers are excited by seeing a massive reduction in price, without necessarily considering whether the new price represents value for money. For example a TV that is reduced from £800 to £400 must be a bargain. Mustn't it? Rationally we should ask ourselves whether there are other, better TVs available for £400. But that would take time and due to the next factors we often don't have much of that...

2. Is it urgent?

If something is only around for a short while then we should probably go for it now. Just in case it runs out. This is a fundamental human drive. For example think about ancient man searching for food. Maybe they don't really feel like a blueberry right now, but if there are only two left on the bush, maybe they should take one now?

When it comes to shopping, stores will often create artificial limitations, by having sales that only run for a very short space of time. This gives urgency to our actions: if I don't act now then I miss out. Forever. Never to be repeated. Until January.



This means that instead of contemplating the loss of my precious savings that this purchase represents, instead I have to very quickly consider how bad I would feel if I missed out through acting too slowly. This is important because we are naturally loss averse: we normally don't want to lose our money even if we might gain something we want. Retailers always have to work hard to overcome this loss aversion, so making us think that we're missing out if we don't take advantage of something urgent turns around that loss aversion: now we're worried we'll lose out if we don't buy now!

3. Is it popular?

This is a classic trait that we can also see playing out with ancient people: if all the other cavemen are crowding round the blueberry bush then we should join them, or they might run out by the time we fancy a blueberry...



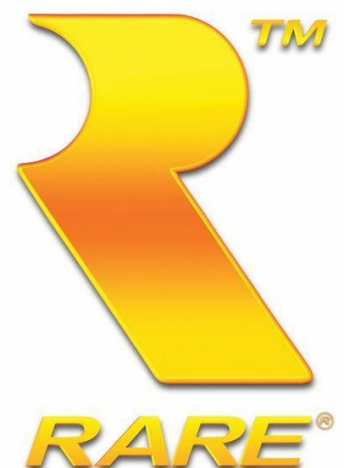
Why do we think this way? Well it is often hard to judge the relative quality of goods, so we use mental shortcuts. If lots of people like it, then it must be good! Imagine there are two stalls selling sandwiches. You have never been to either one. One has a couple of people waiting outside and the other has no-one. Unless you're in a real hurry you may well be tempted to join everyone else. That's sensible: lacking any other information you do know that other people have considered it a good choice, and perhaps they know something you don't.

So when we see lots of people queuing up to get into a shop at midnight, we think to ourselves 'well they must have some good bargains in there' even if we don't choose to join the queue.

4. Is it exclusive?

Whilst we do want something that is urgent and popular, we don't necessarily want something that anyone could have. When we don't know about the real value of something, knowing that it is exclusive certainly raises its value. If it's not available to just anyone then it must be better? Right?

Limited editions, special runs and customisation are all common ways that shops build a sense of exclusivity. We know that we are getting something that isn't available to everybody, and that in itself makes it more attractive to us.



Black Friday is a classic example of artificial exclusivity. Whilst somewhere there is a warehouse full of TVs, a shop will choose to sell only twenty of those at 50% off for one day only. First come, first served. This all means that shoppers feel they are missing out if they don't take advantage now. And missing out is something that people don't like.

Whilst the law is clear that these shops must have had the same items available at the higher price for a set period ahead of the sale, it is much less clear whether the original price represented anything like good value for money!

Amazon case study

How does all this play out in reality? Well masters of online sales, Amazon, manage to squeeze all these principles into their Black Friday sales process. Take a look at this screenshot:

The screenshot shows the Amazon 'Today's Deals' page. At the top, there is a 'Deal of the Day' for Integral Micro SD Cards with Adapter, offering up to 50% off (£5.99 - £17.99). Below this is a 'Lightning Deals' section with various products. Annotations are placed on the page: '1' points to the 'Deal of the Day' title; '2' points to the '33% Claimed' status bar for the first deal; '3' points to the '56% Claimed' status bar for the fourth deal; and '4' points to the 'Add to Basket' button for the fourth deal.

Deal of the Day
Up to 50% off Integral Micro SD Cards with Adapter
★★★★ (41) | Share | Prime
Capture every moment with Integral Micro SD cards
£5.99 - £17.99
See deal | Ends in 13h 22m 51s

Editor's Pick
Three for £10 on Hundreds of Paperbacks
GONE GIRL
See deal | Ends 27 February

Lightning Deals
All Available | Upcoming | Missed Deals | Category: All

| Product | Price | Discount | Claimed | Ends |
|--|---------|-----------|-------------|---------------------|
| Lego DC Universe Super Heroes Batman Minifigure Link Childr... | £12.79 | (36% off) | 33% Claimed | Ends in 01h 22m 51s |
| Le Creuset Traditional Kettle Coastal Blue | £45.00 | (42% off) | 5% Claimed | Ends in 01h 22m 51s |
| Withings WS-30 Wireless Scale Black | £53.97 | (40% off) | 27% Claimed | Ends in 02h 22m 51s |
| TensCare Perfect Tens | £23.99 | (40% off) | 56% Claimed | Ends in 03h 22m 51s |
| Manique Clean and Easy Water Protection Clea... | £12.18 | (30% off) | 65% Claimed | Ends in 03h 22m 51s |
| AEG Ergorapido 2-in-1 Cordless Vacuum Cleaner, 18 V | £129.99 | (43% off) | 21% Claimed | Ends in 02h 52m 51s |
| AmazonBasics Pre-Charged Rechargeable Batteri... | £5.59 | (20% off) | 70% Claimed | Ends in 04h 22m 51s |
| AmazonBasics Executive Touchscreen Stylus | £3.99 | (11% off) | 50% Claimed | Ends in 04h 22m 51s |
| AmazonBasics Case for Point-and-Shoot Camera Large | £5.19 | (13% off) | 20% Claimed | Ends in 04h 22m 51s |
| AmazonBasics Portable Bluetooth Speaker - Red | £32.39 | (10% off) | 15% Claimed | Ends in 04h 22m 51s |

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1. Percentage saving. They make it clear how much you're saving from the original price
2. Urgent. Each offer is only available for a few hours. Act now or lose it!
3. Popular. The black status bar shows how many people have already chosen this deal. It must be a great deal!
4. Exclusive. There are only a certain number of each deal available. Once they've been taken they're gone, regardless of the time!

The Psychology of the shops

Loss Aversion

The challenge for retailers is that whilst vast amount of business will be done on Black Friday, not all of it will make a vast amount of profit. But there is one thing worse than not making lots of profit, and that is making a loss. So companies are faced with a dilemma: if they choose not to take part in Black Friday sales, then they may miss out on customers who go to their rivals. Then they may of course miss out on making a profit, or even make a loss.

This situation became heightened during the height of the recession as each month seemed to see the loss of another high street name. Pop into Woolworths anyone? It was next door to HMV.

Once the Black Friday effect has been built up then it is hard to go back, or stores risk their rivals attracting all the customers into their shops, to buy their discounted goods. This is the gamble for brands looking to opt out of Black Friday, such as Asda. They will be hoping that others follow suit and defuse the whole situation. Or that they are able to gain a free ride to increased purchases without having to discount, which we'll discuss in the next section. If this gamble pays off then they will be hailed as brave market leaders. If not, then their shareholders will have some awkward questions.

Feeding the bargain hunters

Speak to anyone in retail for the last couple of years and they will say that the customers are out there, but they are waiting for steep discounts before they shop. We used to know that we had to wait until Boxing Day for the big savings, but during the recession, significant savings started to arrive earlier. Customers have learnt that if they are savvy then they can save a fortune on their Christmas shopping, because someone will blink first and start a sale before Boxing day.

This means that when the level of selling is low, the temptation for the shop is always there to begin discounting. And once one does...

No such thing as bad publicity?

A number of retailers got a lot of publicity last year for the chaotic scenes inside stores. People were fighting over flatscreens and battling for bargains. Some stores such as Asda have already made a commitment not to take part in Black Friday, promising instead that they will offer ongoing savings. So for some the publicity, their image, is clearly a consideration. However others may feel that any publicity regarding how great their savings are will benefit them in the long term.

Whilst in the next chapter we can look at what they could do psychologically to reduce the impact, we suspect that this is not what they will look to do. Instead they may make use of a large security presence to promote the impression that their deals are so amazing that they have to have big

people in yellow high-visibility jackets to keep people in check. After all the queues will make for great free publicity.

Fixing the problem: How psychology could be used to reduce the impact.

So this is the situation we find ourselves in. A combination of commercial pressures and basic human psychology have created behaviour that we're no longer happy with. What can retailers do?

Psychological Strategies

If we assume that retailers want to reduce the negative behaviour (the psychological term for pushing over old ladies to get big tvs.), there are a number of psychological principles that can be applied. Really it's the reverse of what got us here in the first place.

1. Priming

In unusual or new situations, we watch what others do and copy them. So don't show videos of bad behaviour on Black Friday. Instead show videos to the people who are queueing that show people shopping for bargains in a helpful and orderly way. This will establish 'normal' behaviour for the situation and lead to calmer shopping.

2. No longer anonymous

When we are anonymous in a crowd, we are more willing to go with the crowd. So give people a sense of individual identification by creating the following system. Firstly, shoppers have to register to join the queue on Black Friday, and secondly they get given a different coloured t-shirt to wear with their name on it. To be able to get the bargains they need to be wearing the t-shirt. This way everyone is identifiable as an individual and the result is that people act like individuals rather than a mob. Or, in short, they are far less likely to do something they wouldn't want their mother to see.

3. Good examples

We know that people are more likely to stop and help someone if they see that someone else has stopped to help. We are more likely to stop at a broken down car if earlier in our journey we saw a broken down car where someone else had stopped.

Stores could harness this effect (which Psychologists call 'bystander intervention') by planting people in the crowd who will be helpful and altruistic, modelling the behaviours we want others to show. If shoppers see people being helpful then they are more likely to be inspired to be helpful themselves.

Business strategies

Here are some of the other business strategies taken to manage Black Friday. Some of these are currently being used, and some could be used in conjunction with the psychological strategies mentioned above to reduce the impact of Black Friday on customer behaviour. This makes running online Black Friday deals very attractive indeed.

Go digital

Whilst having a great rush of consumers can slow down and crash online shopping sites, this is generally less of a problem than the police being called to a physical store to separate Christmas shoppers.

What it does mean is that companies looking to run large online promotions must ensure they have sufficient server capacity in advance. Online shopping is predicted to exceed a billion pounds on Black Friday alone. This is an opportunity for stores to benefit from the spending spree without endangering the brand and experience for customers who are not so keen on brawling for bargains.

Cyber Monday (the Monday after Black Friday), is traditionally even larger for online sales. So expect spending between £800 million and a £billion again a few days after Black Friday.

Free ride

Some brands don't put on Black Friday offers, but aim to benefit from more shoppers anyway. In 2014 Primark [reported](#) increased sales from higher footfall, but didn't actually put on any offers themselves. Some stores will find that the higher footfall and general shopping buzz on Black Friday allows them to benefit from the efforts of others. Asda, who have opted out of Black Friday for 2015 may hope that the general rush on Black Friday benefits them too. Although they have fewer highstreet stores, so passing trade is likely to be less. If this does prove successful though, and shops who do not participate gain a good enough bump for sales of their (fully priced) goods, then this could be the sign of the end for big highstreet sales on Black Friday. We will see a range of other shops all dropping out, until nothing is left to take a free ride from.

Opting out

Some stores may choose to opt out of the whole thing. For example high-end and luxury brands may feel that the last thing their carefully crafted customer experience needs is hundreds of people rampaging through the store. So instead they will keep it low-key in bricks and mortar stores. This of course still allows them to offer discounts online. A more general opting out has also been suggested. In January some MPs were even [calling](#) for stores to boycott Black Friday, due to the demand on resources.

Andy Street, boss of John Lewis, [asked](#) other retailers to reduce their Black Friday offerings, limiting it to just electrical goods. This is interesting indeed, given that figures have John Lewis 2014 sales up 56.8% week on week and 21.8% year on year. The firm [sold](#) £179.1 million in a single week...

Hold on for Boxing Day

Highstreet brand, Next, didn't get involved in Black Friday 2014, and instead held off their sales until Boxing day (the more traditional day for big sales and long queues). Then they managed to get long queues outside shops. Boxing Day sales have been around for years, and are associated with high spending. The advantage for shops is that by this point they have made their money on full price purchases before Christmas. Boxing Day (and January) sales are a chance to shift out unsold stock. As in other strategies, there is an element of risk since consumers may decide to empty their wallets elsewhere before Christmas.

Anti-Black Friday

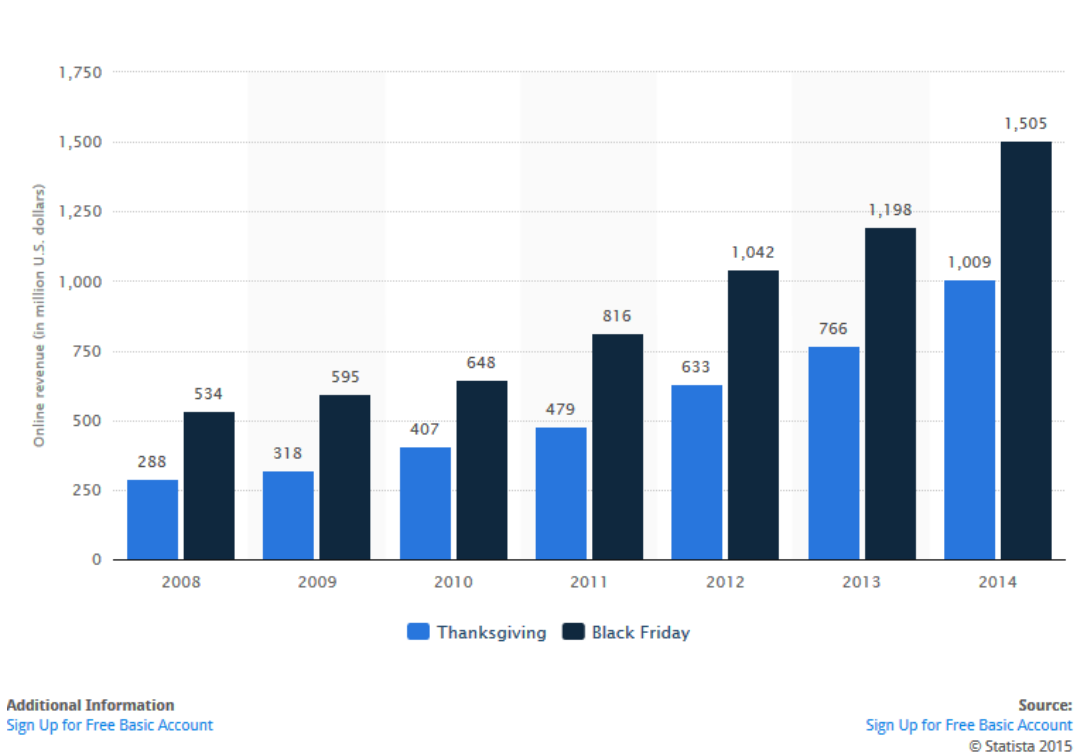
As with any large movement, there is a growing anti-Black Friday movement. This comes from both individuals choosing to actively avoid sales, to stores deliberately putting on events that are anti-Black Friday. One of the clearest examples of this is the '[Civilised Saturday](#)' event being run by independent bookshops, where discounts and frenzy are swapped for tea, hand massages or prosecco from a butler. As Black Friday becomes more established, we can expect to see more of these backlash events.

Data on Black Friday

Whilst there are several origin stories for the name (including it being so named by the police for how bad it was to supervise), the original definition actually seems to come from the date when the annual accounts of the major retailers went from red to black: meaning that they knew they were in profit and could discount with greater confidence.

US

Over the last ten years, Black Friday in the US has grown massively. Online revenues can be seen below:



- Online, Black Friday is bigger than Thanksgiving for shopping. And it has been for some time.
- It has grown every year for the last seven years.
- 2014 was 25% higher than 2013.

Offline, brick and mortar stores actually saw a decline in sales last year over Black Friday 2014. ShopperTrack, a research group, reported a drop of 0.5 per cent to \$12.29bn on Thursday and Friday.

So we know that the trend in the US is for Black Friday to grow, but for that growth to come from online sales, at the expense of physical shopping.

Rather than the end of Black Friday, we suspect that this represents the general shift to online shopping. [However](#) there is also a trend for stores in very competitive situations to begin their sales earlier in November.

UK

Face to face sales last year have been estimated at around £1.1 billion for 2014, with estimates predicting this will rise again this year. We also spent about £810m online for Black Friday 2014. With estimates this year that that could break £1billion online. Coupled with the face to face spending that would push total spending above £2 billion. In one day.

This causes problems such as websites becoming very slow, or going down. However these problems are much smaller than the in-store challenges of shepherding hundreds of bargain hunters towards the flatscreens.

Whilst Black Friday is massive for online sales, so is CyberMonday. This is the name given to the Monday immediately after Black Friday. In 2014 Cyber Monday saw big increases in the UK, with [spending](#) of around £720m.

About the authors

Gareth English is a Business Psychologist. He is a founding partner at Customer Psychology Ltd, where he helps organisations to get more from their relationships with their customers. He has worked with a range of national and international companies across the UK and Europe, including financial services, retail and the public sector.

He is a guest lecturer at London Metropolitan University, where he supports the MSc in Consumer Psychology.

Notable links:

- Book: [The Power of Personality](#)
- [Discussing](#) Black Friday 2014 on BBC Breakfast
- [Discussing](#) the psychology of the plastic bag surcharge on BBC2
- [Interview](#) with Louise Cooper of The Times regarding the 2015 Christmas sales period.

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