

Marketing Munchies Podcast Transcript

Episode #40

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Announcer: Welcome to the Marketing Munchies Podcast series hosted by Dr. Bridget Behe. Each week Bridget and her guests will share information, insights, research-based findings, and her 30 years of experience to help your horticultural business connect better with current and future customers. Now, let's join our host, Dr. Bridget Behe.

Dr. Bridget Behe: Hi, and welcome back to the Marketing Munchies Podcast. I'm your host, Dr. Bridget Behe. This week I am excited to have as a guest returning, is my dear friend and colleague, Dr. Patricia Huddleston. She is a professor of Retailing in the Department of Advertising and Public Relations. Welcome back, Pat!

Dr. Patricia Huddleston: Thanks, Bridget, I am glad to be here!

Dr. Bridget Behe: Well, I am excited to talk about Black Friday, because I know that is an important event for a lot of retailers. What does Black Friday mean to the retail industry?

Dr. Patricia Huddleston: Well, Black Friday is the kickoff to the holiday season. To put things in perspective, the holiday season this year is predicted to do about \$695 billion and is about projected to be about a five percent increase over the previous year. The National Retail Federation is really optimistic. Black Friday is the opportunity for retailers to draw consumers into their stores and get them excited about the holiday season, offer a really good price promotions. This is particularly true for electronics and apparel.

Dr. Bridget Behe: What percentage of the annual sales can happen or does happen or is attributed to Black Friday? It is a pretty big percentage, isn't it?

Dr. Patricia Huddleston: It is difficult to attribute a specific percentage to Black Friday, but let me give you a perspective on what holiday sales mean to retailers. For many retailers, they are going to do between 15 and 25 percent of their total sales during the holiday season. Black Friday would encompass, probably about, 10 percent of that. It is a really significant holiday in terms of getting customers into the stores and then following through to Cyber Monday—getting consumers online to do their holiday shopping. IN addition to that 5 percent increase, another thing to think about, is that online shopping is supposed to increase between 14 and 16 percent this year. Also, shopping via a mobile device is also going to increase somewhere in the neighborhood of 25-30 percent.

Dr. Bridget Behe: How do stores prepare for Black Friday? I guess, another part of this is how deep are those discounts? I think we see them earlier and earlier.

Dr. Patricia Huddleston: Well, yes, we do begin to see discounts really—they drop right after Thanksgiving. Some retailers actually have already posted some of the deals that they are going to be offering. There is a really interesting website called bestblackfriday.com, that retailers sort

of dribble out that information to get consumers interested. They prepare for the holidays in a number of ways. Of course, one of the most important is hiring holiday help. For example, *Target* this year is planning on hiring an additional 100,000 employees over the holiday season. *Macy's* is hiring between 60-70,000. In order to accommodate the additional shoppers, they need help—not just on the selling for but also in terms of getting the merchandise to the customers. That might mean for the “buy online; pick up in store” option to get that merchandise out to the customer. Of course, stores all also create a really festive atmosphere by decorating their stores—putting up holiday displays.

One thing that is really interesting this year is that retailers are really beginning to get into the notion of experiential retailing. For example, *Macy's* is partnering with *Facebook*, and in seven of the *Macy's* stores across the United States, they are opening up pop-up shops that will feature only brands that are sold online. This will be the first time that some of these brands will have a presence in a physical space. This is to help appeal to the millennial customer who really likes these brands, and wants an opportunity to actually test out and feel the merchandise.

Other retailers like *Target* stores are offering in-store events. The Saturday before Thanksgiving, they are featuring at selected *Target* stores, a scavenger hunt where you can bring your child in, and the child can search for clues. It is called an “I Spy Scavenger Hunt.” Then, for the winning children, they get discounts and points, and it is just a really fun opportunity for both parents and children to get into the *Target* stores and interact with the merchandise.

Dr. Bridget Behe: It sounds like the retailers (or some retailers) are making a concerted effort to “up their game” by giving consumers additional experiences and really give them more of a reason to come shop with them.

Dr. Patricia Huddleston: That is exactly true. The great thing about experiential retailing—so, creating events or creating something unique—is that it gives consumers a reason to shop a particular destination. Because, they know—either that they can't get that merchandise elsewhere, or they can't have that experience elsewhere. Also, experiential retailing is multisensory. It's tactile. It's oral. Sometimes, it appeals to the sense of smell—depending on what that is. The more senses that you can engage consumers in, the more likely they are to linger in your store but also to buy things.

Dr. Bridget Behe: Well thanks, Pat! That has been really insightful information on what is going to happen or what is likely to happen this Black Friday. I really appreciate you coming on the show and look forward to having you back again!

Dr. Patricia Huddleston: I really appreciate it, and I look forward to our next conversation!

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Announcer: Thank you for joining us on this week's Marketing Munchies Podcast. For more information or to download the transcript of this podcast, please visit, connect-2-consumer.org. That's C-O-N-N-E-C-T, dash, the number two, dash, C-O-N-S-U-M-E-R, dot, C-O-M.

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