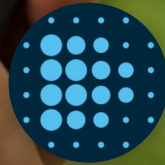


Consumer Packaged Goods Join The Black Friday Blitz

12th Dec, 2017



BY DATAWEAVE

While the Thanksgiving weekend sale, which includes Black Friday and Cyber Monday, is famous for attractive offers across all consumer categories, it remains better known for its discounts on Electronics and Fashion. Consumer goods, traditionally, have evaded much the hype.

This year, notwithstanding notoriously slim margins, consumer goods and grocery retailers and brands joined Electronics and Fashion in offering sharp discounts on select products in an attempt to carve out increased market share.

In the past, discounts on consumer goods have been to drive increased store traffic during the holiday season. Increasingly, however, Thanksgiving has emerged as a viable opportunity for grocers to recruit online shoppers as well and build out their franchise.

Online Grocers Make Their Move

Faced with the holiday rush, large numbers of shoppers are proving to be relaxed about trusting the retailer to bag up and deliver their holiday feasts and treats. Grocers themselves have taken the strategic decision to boost their online shopping presence this year.

They geared up to support their new holiday presence with aggressive price cuts designed to cut through the holiday sales clutter and make direct appeals to a newly-in-play online shopper pool. So transparent was this

commercial decision, that many retailers experienced sharp drops in their share prices as industry analysts anticipated the retailers' new discount-driven strategy.

Tracking The Numbers

At DataWeave, using our proprietary data aggregation and analysis platform, we have been tracking, through November, pricing and product information of the Top 1,000 ranked consumer goods products in over 10 product types featured on Amazon Prime, Walmart, Target, Costco, Kroger, Safeway, and Whole Foods, across up to six zip codes each, distributed across the country.

DataWeave's major focus was to compare the three main days of the Thanksgiving weekend; Thanksgiving Day, Black Friday, and Cyber Monday. We performed an in-depth analysis of discounts offered across product types and brands, together with how aggressively dynamic retailers were in both their pricing strategy and in the products they displayed.

In analyzing this major sale event, we observed an extensive range of products enjoying high absolute discounts, but with no additional discounts during the sale, i.e. prices remained unchanged between the period prior to the sale and during each day of the sale, even though high discounts were advertised. The following infographic highlights some of the products where this phenomenon was observed.

Unchanged Discounts in Consumer Goods Through Thanksgiving Weekend



10006

Amazon Prime**79.24%**

PlantFusion Protein Powder, 2lb Tub

10006

Target**66.40%**

Oral-B Genius 8000 Rechargeable Electric Toothbrush

98103

Whole Foods**47.80%**

Kuli Kuli Pure Moringa Vegetable Powder

2467

Walmart**73.96%**

Frozen Honeysuckle White Tom Turkey

2467

Kroger**72.40%**

Enfamil Nutramigen with Enflora Infant Formula

80238

Safeway**40.81%**

Gillette Venus Razor Cartridges

As a result, we focused our analysis only on the additional discounts offered on each day of the sale, compared to the period prior to the sale (we considered 11.21), in order to accurately illustrate the true value shoppers enjoyed during these sale days.

The following infographic reveals some interesting highlights from our analysis, including the level of additional discounts offered to shoppers, the top brands featured, and the number of dynamic price changes implemented during the sale. All prices analysed are in USD, and all discount percentages represent average values across all zip codes, analyzed for individual retailers.

Thanksgiving vs Black Friday vs Cyber Monday in Consumer Goods

DATAWEAVE

Additional Discounts on Thanksgiving

26%

on 40% of Frozen Foods on Kroger in 30301

30%

on 31% of Personal Care products on Costco in 80238

21%

on 62% of Canned Goods on Amazon Prime in 2467

25%

on 18% of Dairy & Eggs on Walmart in 80238

Additional Discounts on Black Friday

40%

on 43% of Deli products on Kroger in 10006

34%

on 17% of Babycare products on Costco in 94102

27%

on 77% of Personal Care products on Amazon Prime in 98103

24%

on 49% of Dairy & Eggs products on Walmart in 30301

Additional Discounts on Cyber Monday

22%

on 32% of Deli products on Whole Foods in 10006

15%

on 24% of Breakfast cereals on Safeway in 80238

25%

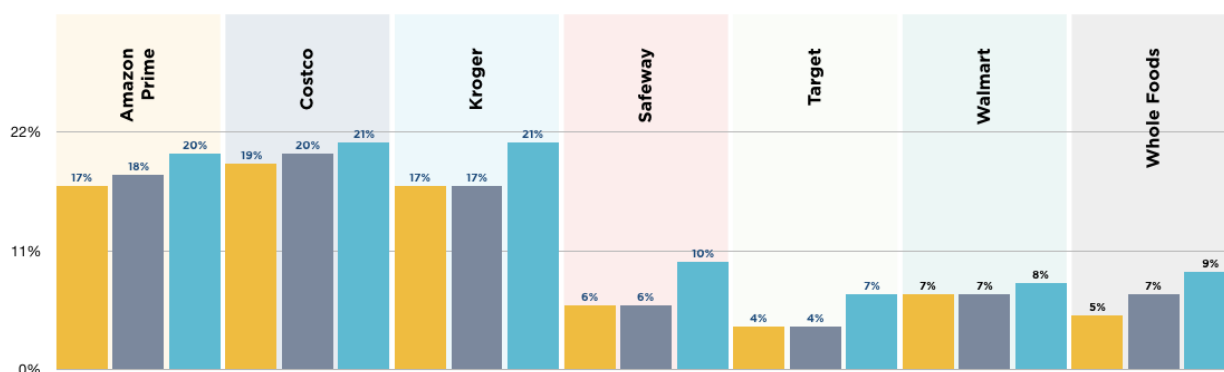
on 40% of Beverages on Kroger in 2467

46%

on 98% of Dairy & Eggs on Amazon Prime in 10006

Additional Discounts

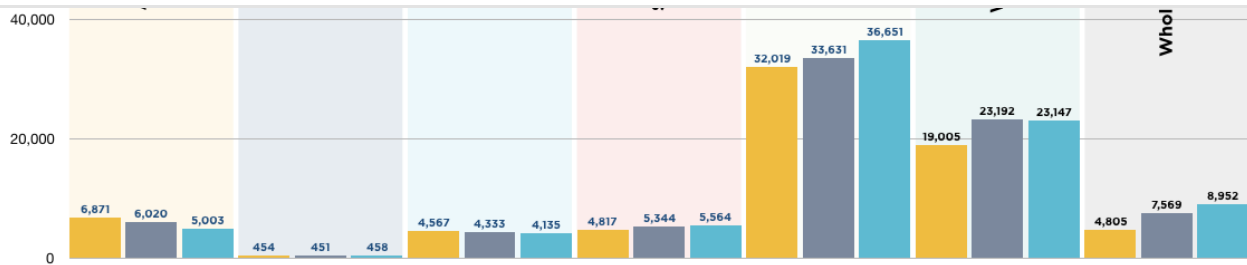
11.23 11.24 11.27



Number of Additionally Discounted Products

11.23 11.24 11.27





Top Brands on Thanksgiving

36%

Colgate
Personal Care
products on
Amazon Prime

40%

Dove Personal
Care products
on Costco

28%

Hillshire Farm
Meat products on
Target

41%

Land O` Lakes
Dairy & Eggs on
Walmart

71%

Trix Breakfast
cereal on
Kroger

37%

Hershey's
Chocolates on
Safeway

Top Brands on Black Friday

77%

Stove Top
stuffing on
Amazon Prime

31%

Kahlua
Beverages
on Target

91%

Kit Kat
Chocolates
on Walmart

67%

Kraft Cheese
Whiz on
Kroger

77%

Blue Diamond
Almonds on
Safeway

Top Brands on Cyber Monday

63%

Atkins Low Carb
Foods on Amazon
Prime

38%

Dove Personal
Care products
on Costco

64%

Schmidt's
Personal Care
products on
Target

50%

Orgain High-
Protein Foods
on Walmart

85%

Martinelli
Beverages on
Kroger

50%

Huggies
Babycare
products on
Safeway

New Products in the Top 100 Ranks

46%

New Canned Goods
on Thanksgiving on
Wholefoods (80238)

10%

New Personal Care
products on Thanksgiving
on Kroger (10006)

9%

New Frozen Foods on
Black Friday on
Amazon Prime (80238)

16%

New Beverages on
Black Friday on
Kroger (30301)

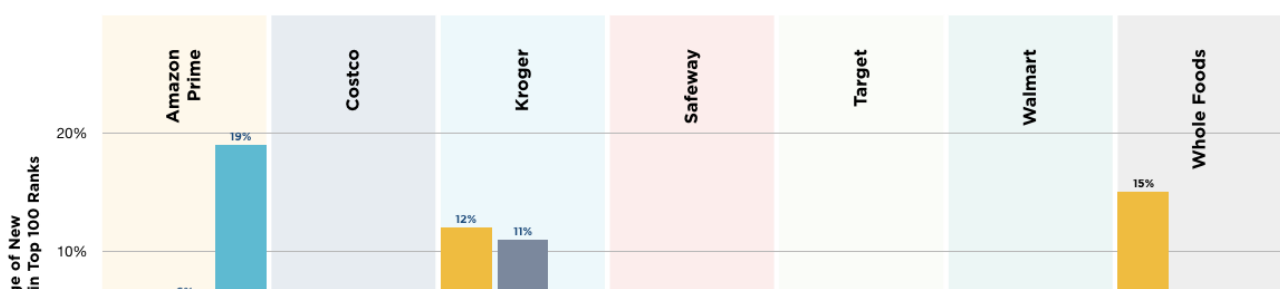
4%

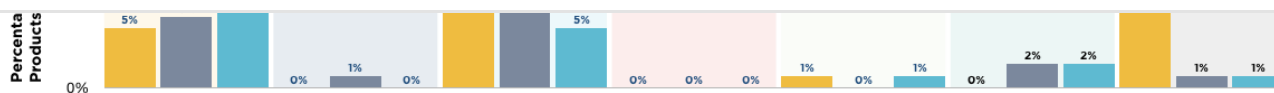
New Meat & Seafood
products on Cyber Monday
on Whole Foods (2467)

21%

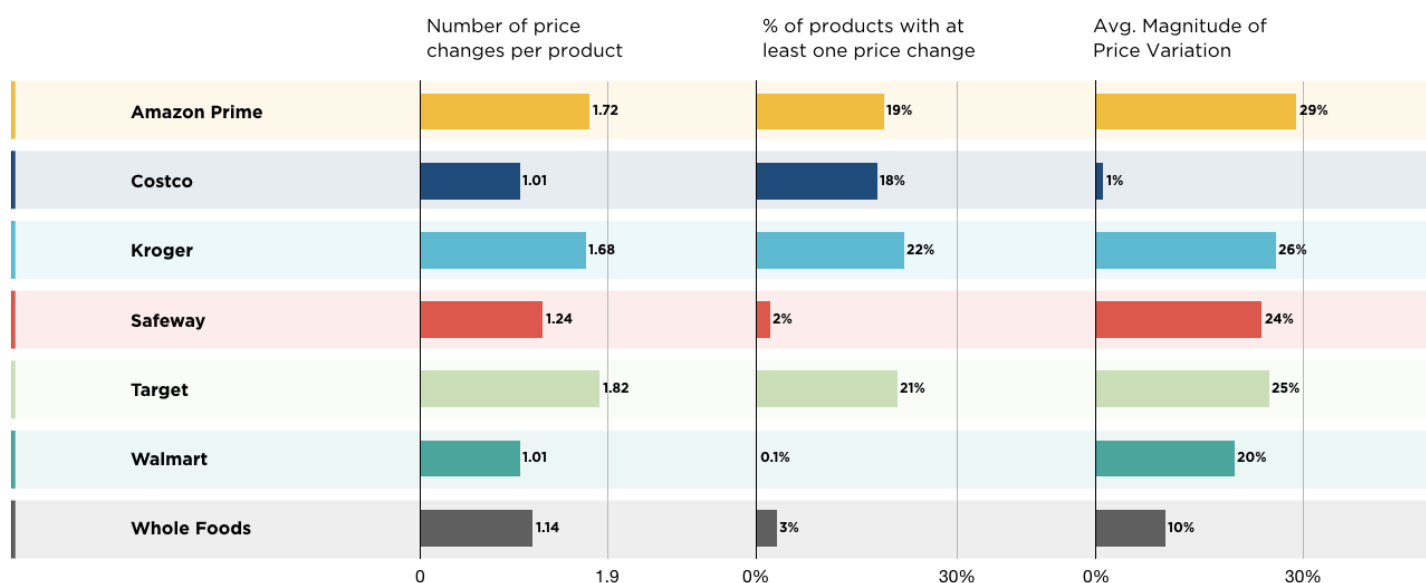
New Dairy & Eggs products
on Cyber Monday on
Amazon Prime (10006)

11.23 11.24 11.27





Price Changes Between 11.21 & 11.27



In contrast to Amazon Prime, Costco, and Kroger who opted to run with deep discounts on a limited range of products, retailers such as Target and Walmart chose to offer only marginally higher additional discounts but across a large number of products. Others like Safeway adopted a safer approach, combining low discounts on a modest range of products.

Overall, our analysis discovered little variation in discounts offered across each of the three sale days, with the only enduring trend being a marginally higher discount percentage implemented on Cyber Monday across all retailers.

Categories significantly discounted across retailers included Personal Care, Deli, Dairy & Eggs, and Babycare products. Stove Top, Martinelli, Colgate, Dove and Hillshire Farm emerged as the leading brands to adopt a more aggressive discount approach.

While most of the products offered across each of the three peak holiday sale days were comparatively constant (few new products featured amongst the Top 500 ranks), there were a number of conspicuous exceptions. Amazon Prime (19 percent on Cyber Monday), Whole Foods (15 percent on Thanksgiving), and Kroger (12 percent and 11 percent on the first two days of

sale respectively), elected to refresh a significant portion of their Top 500 ranked product assortment.

Across the entire Thanksgiving week, we saw Target, Amazon Prime, and Kroger all highly active in changing prices to stay competitive. Our analysis of these retailers showed more than 1.6 price changes for each price-changed product. While these were implemented on roughly 20 percent of their assortment, itself a significant proportion, the average price variation for each of these retailers was also on the higher side of expectations. In contrast, the other retailers adopted a far more conservative approach to dynamic pricing.

Consumer Goods Walk The Discount Talk

In a year when Amazon acquired Whole Foods to forever merge the dynamics of offline and online grocery retail, aggressive discounting by several retailers in specific product categories, combined with high visibility brands, has carved out a new profile for CPG retail.

Grocers are eyeing a future where online shopping becomes a prime feature of their retail franchise. Amazon for its part demonstrated its prowess in discounting strategy, and its ability to implement a dynamic pricing strategy in tandem with a refreshed Top 500 product assortment.

Other retailers are not far behind, as the use of market and competitive intelligence technologies pick up steam across the board. In today's digital economy, data can be the biggest competitive advantage for a retailer, and retail technology providers like DataWeave have upped their game to deliver highly unique and sophisticated data and insights to meet this demand.

[Visit our website](#), if you're interested in DataWeave and how we provide zip-code level Competitive Intelligence as a Service to retailers and consumer brands.

- *DataWeave Marketing*

12th Dec, 2017

AMAZON

E COMMERCE

PRICING

RETAIL