

# Insight: UK Retail - Black Friday Sales

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Published - Nov 21

- Analyst reports indicate that the retail sector continues to be impacted by poor performance in the last 6 months due to several factors that include economic uncertainty around Brexit, high-street performance and the consumer shift to online shopping.

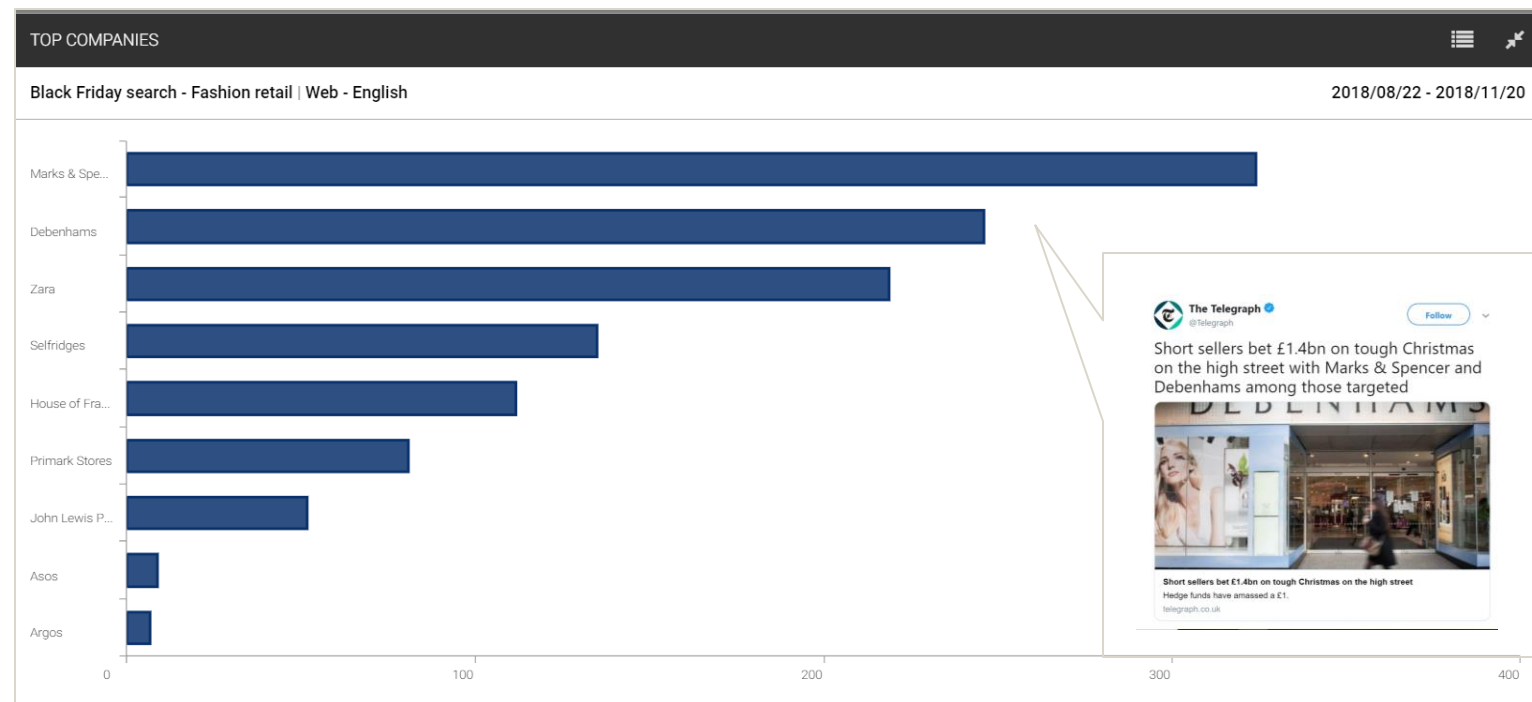
- Volume of conversation in the last 90 days:** centred on **Marks & Spencer** (over 22%) and Debenhams, as large retailers continue to report sluggish sales - with mild autumn weather hitting last quarter sales. **Debenhams** was highlighted due to reports about supplier difficulties ahead of Christmas, to add to its current woes, having recently reported its biggest financial loss in its 240-year history, with plans to close up to 50 stores in a corporate strategy to address performance issues.

- Zara's** retail product strategy is highlighted and praised in numerous reports, but notably with little announcement on Black Friday as the company moved to a strategy of timed discounts, closer to promotional date.

- Interestingly, **Selfridges** is mentioned for its non-discounting policy ahead of Black Friday, making a clear distinction to other retailer strategies, in an effort to maintain margins.

# The perfect storm

Tumultuous period for UK retail, expected sales outlook



Top 3 mentioned in conversation for Black Friday mentioned challenging market conditions- but some stores stood out with individual strategies to promote sales in the forthcoming 2week period.

**Measuring reputation impact from macro- to micro-level analysis:**

- Across six different business and reputation drivers, **Social Impact** registers most highly for M&S, with a number of underlying topics that affect the company’s reputation.
- For one of the most visible and long-standing high street retailers in the UK, M&S is very much under critical review - and a number of consumer driven/activist topics are in the fore relating to **boycott**, **human rights**, and **modern slavery**.
- With click-through enabled content, we can isolate the source story and the stories that are generating multiple headlines for M&S:

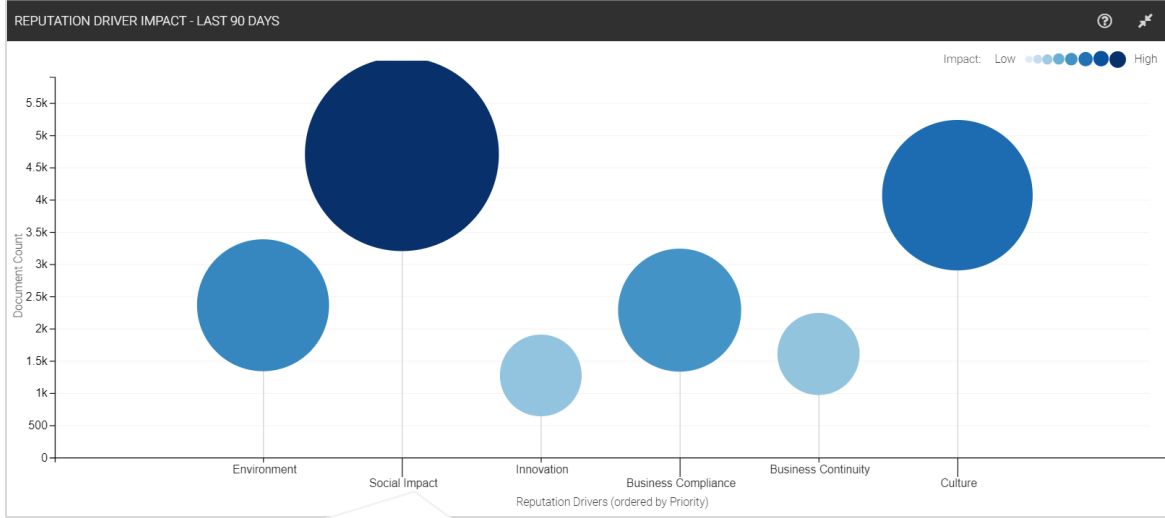
Famous UK Chain Marks & Spencer Under Customer Fire for Selling Hijabs

[Marks & Spencer tops list of major British firms tackling modern slavery](#)  
Tue, 23rd Oct 2018 13:04

**Adidas, M&S lead human rights benchmark, despite "concerning" overall picture**

# In the spotlight: Marks & Spencer

## Reputation monitoring and tracking performance



TOPICS	IMPACT
Boycott	1184
Corporate Giving	368
Children's Rights	319
Palm Oil	301
Human Rights	166
Modern Slavery	89
Petition	55
Freedom of Speech	52
Sponsorship	43
Sex Trafficking	31

Reputation impact is a quantitative measure capturing authority of the source, focus of the company within the article; and proximity of the risk topic within the article or post.



## M&S corporate profile

- Emerging issues and topics:
- For M&S, the majority of conversation driving company reputation - is focused on the challenging conditions being met by high street retailers, tackling common issues - business rates, shop closures, and shift to online consumer preferences.
- Data analysed across a 14 day period: 341 postings showcased “High street” and “first half” as keyword alerts. This highlighted the majority of conversations about lower first half earnings, which met with analyst predictions and the ongoing reputation risk for M&S, as it dealt with a subdued sales forecast for the remainder of the fiscal year.

# In the spotlight: Marks & Spencer

M&S continues to confront a key issues impacting performance



Majority of conversation sees a shift from its performance as bellwether of retail, to one really below market expectations, carrying the worst outcomes of high-street

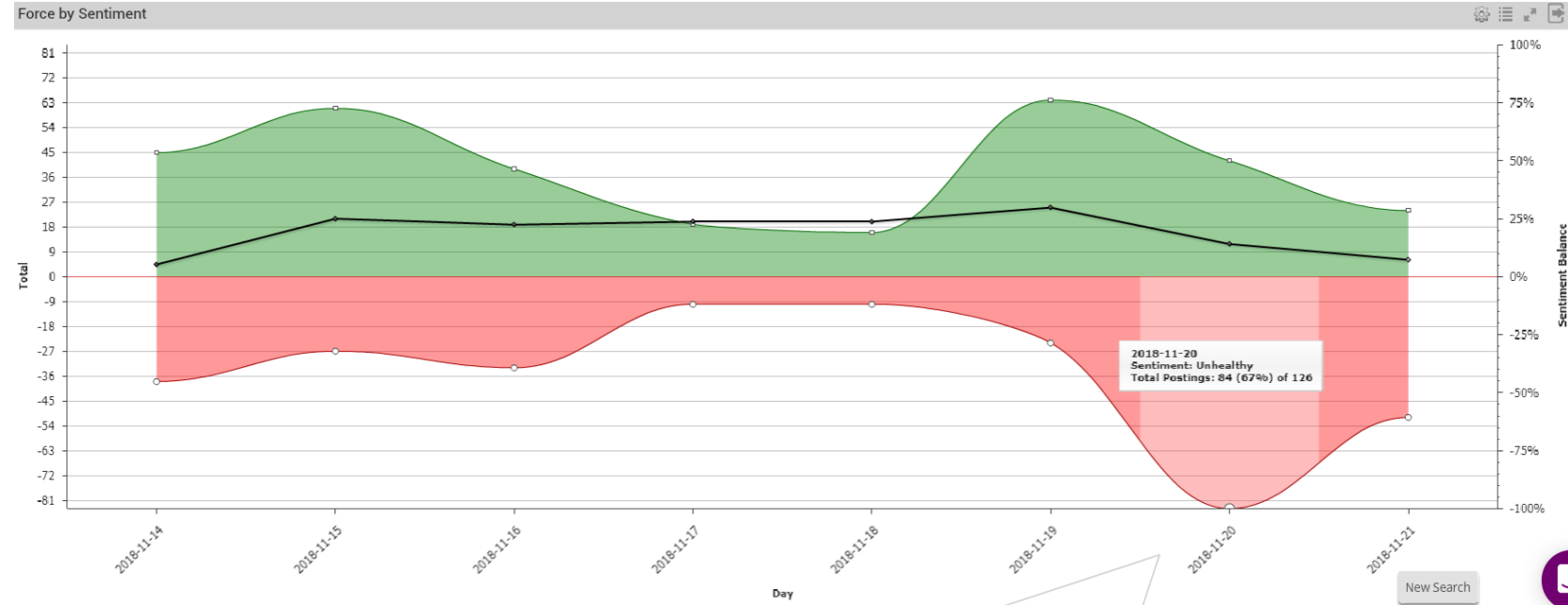


## Reputation risks underscored

- **Nov 20:** While much coveted for its brand reputation in “quality and integrity” of corporate values, M&S was subjected to great criticism in the last few days, with consumer sentiment falling to new lows due to objections relating to its “sexist” window display.
- By tracking conversations using **sentiment analysis**, the majority of postings (67%) on the day online, show the **negative** tone of conversation against M&S for oversight on their part.

# Consumer sentiment is king

## M&S faces consumer backlash to sexist window display



Marks & Spencer in sexism row over 'vomit-inducing' window display

20th November

M&S under fire for window display featuring knickers next to men's suits

**FILIA**  
@FILIA\_charity

To be clear: @marksandspencer believe that the 'MUST HAVES' are:

For MEN: 'outfits to impress'

For WOMEN: 'fancy little knickers'

Imagine for a moment if those window displays were reversed. Go on M&S .... we are watching.

PS Who signed this off? #sexist #marksandspencer

3,610 20:05 - 18 Nov 2018

2,637 people are talking about this



## Zara corporate profile

- Emerging issues and topics:
- For Inditex Group (parent company of Zara) the majority of conversation driving company reputation - is focused on the success of its leadership fashion brand, Zara.
- Data analysed across a 14 day period: There are 208 number of mentions across “Online platform” and “online sales” as keyword alerts. Majority of conversations concentrated on its own corporate strategy and robust online sales strategy, as the company recognized and acted upon indicators of shifting consumer preferences online.
- Although Zara still sells two thirds of product instore, its vast investment in digital transformation, and focus on marketing and communications online is so far rewarded, in terms of business performance for the fiscal year.

Inditex sees strong sales & operation performance in H1

# In the spotlight: Inditex (Zara)

Zara brand performance is on track



Zara as a leading brand of Inditex Group is continuing to track well on business performance goals



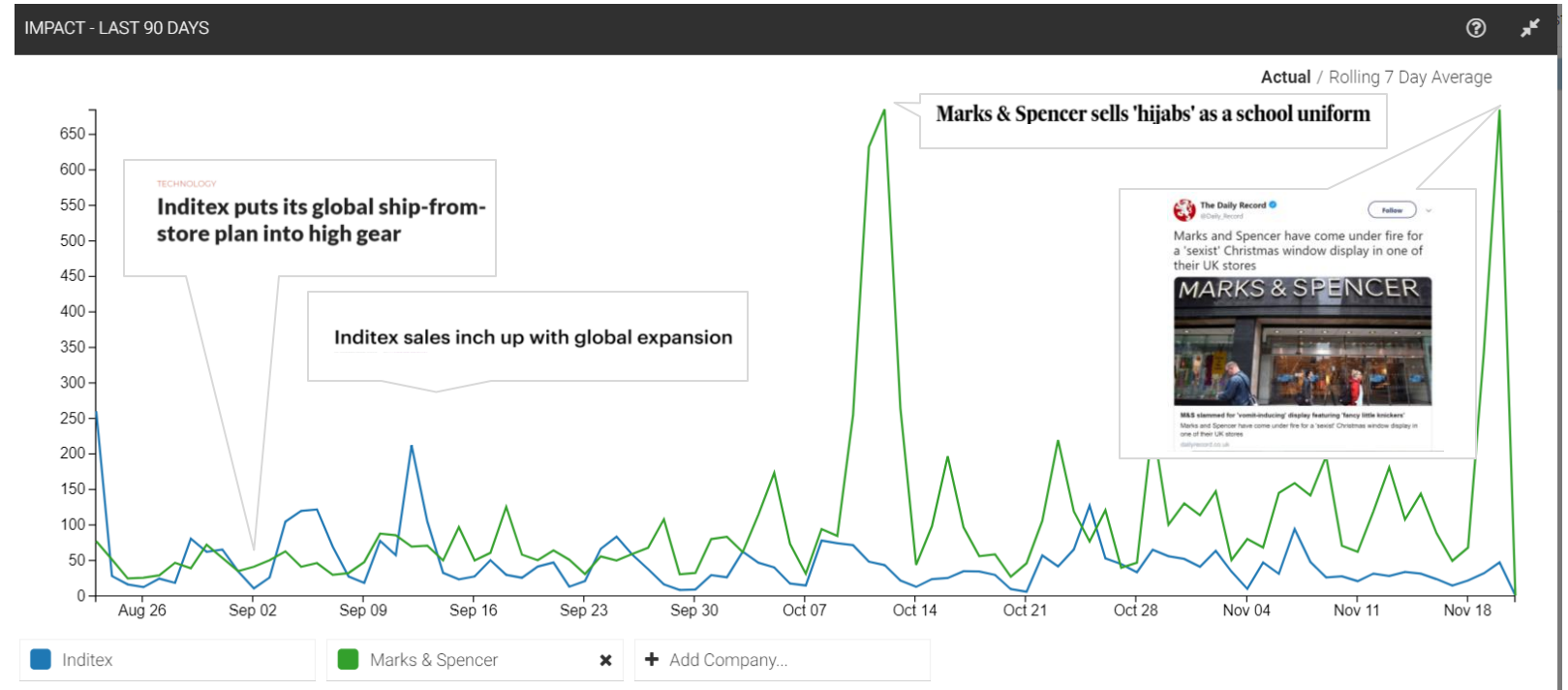
## Benchmarking success:

- Data analysed across a 90 day period:
- **Sept:** Inditex (Zara) is positioned well as a corporate retail brand, based on several indicators of performance that can be tracked across a timeline: to include a successful H1 earnings report underscoring a sustainable business model, and a strong technology and digital transformation taking place to extend its global reach of consumers.
- **Oct:** In contrast, Marks & Spencer drew more conversations and in effect harnessed greater reputation impact, for negative reasons - based on a few key event crises: store boycotts for its hijab product retail push and secondly, its most recent public controversy surrounding its “sexist” window display.
- Real-time tracking and analytics provide an up-to-date competitor analysis of high street incumbents vs challengers. Zara taking more of an innovation lead and therefore driving their reputation status - as a faster, more adaptable business model that moves with its consumers.

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# Competitor analysis - Zara v M&S

## Reputation tracking against peers, and new learnings



Reputation impact is a quantitative measure capturing authority of the source, focus of the company within the article; and proximity of the risk topic within the article or post.



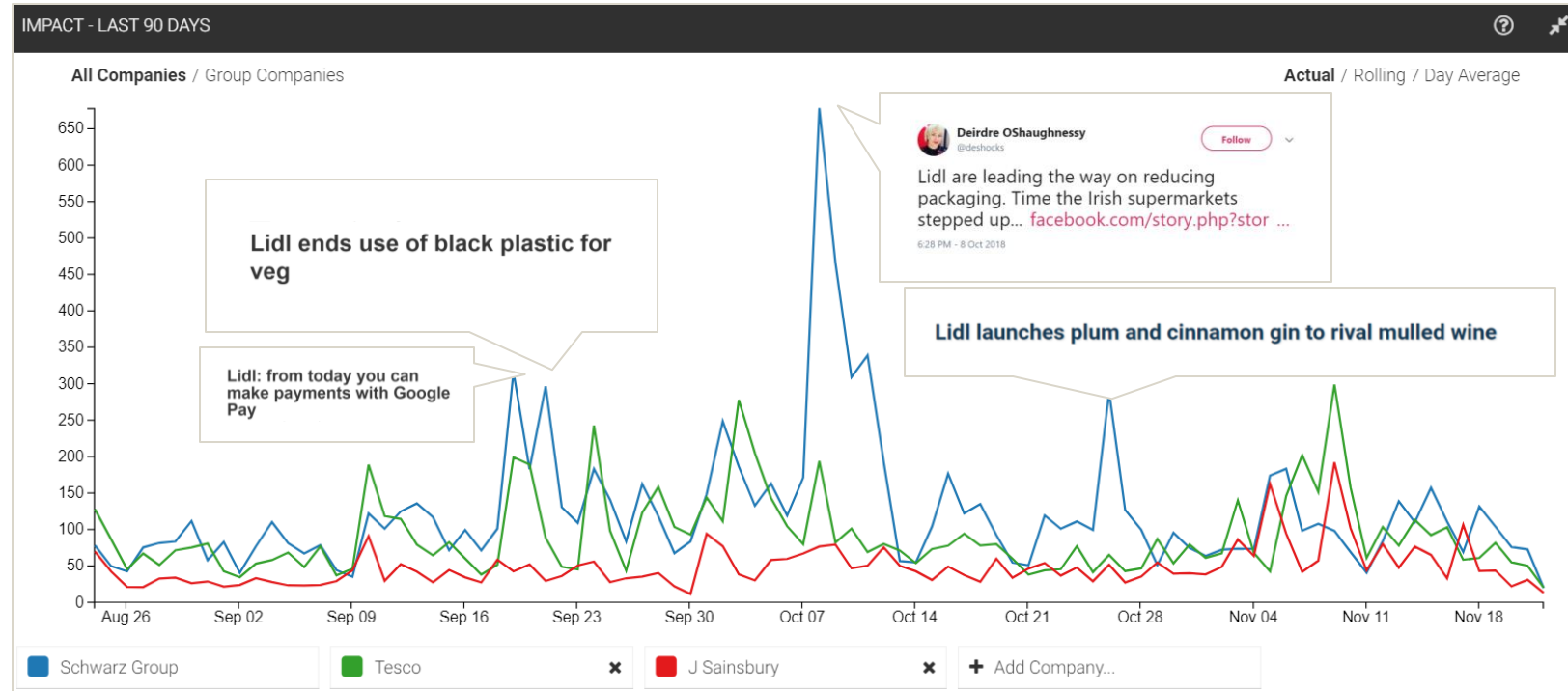


## Winners in grocery retail

- In the lead up to Xmas, discounters **Lidl** (of Schwartz Group) is leading the conversation against the bigger grocery retailers **Tesco** and **Sainsburys**, in what analysts predict will be a strong finish to sales for the German discounters in the quarter end sales.
- **Sept:** Lidl's reputation impact is positive and underscored over time - with reports of digital initiatives (Google Pay access).
- **Oct:** Lidl also took majority of conversation with launch of its plastic-free wrap policy ahead of Christmas and product innovation (budget gin) to captivate the consumer market, and meanwhile demonstrate its ability to rollout successful communications and promotional campaigns, to outpace big retail competitors.

# Ringling in a Lidl Christmas?

Lidl gains in the grocery segment, and the environment





# Methodology

## Reputation intelligence summary

- **The UK Retail - Black Friday Sales insight** tracks stakeholder intelligence (media, market and other online sources) to provide a strategic framework for measuring the company's reputation related to key strategic reputation drivers.
- Polecat places these reputation drivers by distinct categories - these are taxonomies that represent: *business compliance, environment, business continuity, culture, social impact, innovation*; based on intelligence available online and across social media.
- Reputation intelligence and advanced analytics is provided for global companies, to help them assess their reputation objectives and market position, to enable effective reporting and measurement of business performance.
- For senior decision makers, easy-to-digest and summarised intelligence to benchmark company against competitors and peers, provides line of sight and improves proactive company communications that are focused and deliver against corporate KPIs and strategies.

## About Us

Polecat Intelligence is a reputational intelligence company that combines sophisticated technologies and advanced analytics to accurately identify and quantify the reputational drivers impacting organisations across the world.

Established in 2007, Polecat has offices in London, Bristol, Washington DC, New York and California.

### Find out more

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