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Episode #110

Black Friday & A Short History of Discounting

27th Nov, 2020

[00:00:00] Hello, hello hello, and welcome to English Learning for Curious Minds, by Leonardo English.

[00:00:11] The show where you can listen to fascinating stories, and learn weird and wonderful things about the world at the same time as improving your English.

[00:00:21] I'm Alastair Budge and today we are going to be talking about Black Friday, discounting, and how companies trick you into buying things you don't really need.

[00:00:34] This episode is going to be released on the 27th of November, and it might be the biggest shopping day in US and European history. If it's not, the only reason will be due to the pandemic.

[00:00:48] So today we are going to talk about where this comes from, how it has developed over the years, and some of the tricks that companies use to get you to do what they want, not what's best for you.



[00:01:01] Before we get right into that though, let me quickly remind you that you can follow along to this episode with the subtitles, the transcript and its key vocabulary, so you don't miss a word and build up your vocabulary as you go, over on the website, which leonardoenglish.com.

[00:01:18] The website is also home to all of our bonus episodes, plus guides on how to improve your English in a more interesting way. So if you haven't yet checked that out, I'd definitely recommend you do so, the place to go to is leonardoenglish.com.

[00:01:36] OK then, Black Friday.

[00:01:39] Just in case you hadn't heard of Black Friday, it's the day after Thanksgiving in America, which always falls on the fourth Thursday of November.

[00:01:50] It's the day when shops offer all sorts of discounts and sales, in order to [encourage](#)¹ people like me and you to buy stuff that we may or may not need.

[00:02:02] It certainly works.

[00:02:04] In 2013 Americans spent \$1.93 billion, and that number has been going up and up every year, reaching \$7.3 billion in 2019.

[00:02:19] It's not a uniquely American concept either.

¹ persuade someone to do



[00:02:23] It's now big business in the UK, as well as throughout Europe and [further afield](#)².

[00:02:30] No doubt you have been [bombarded](#)³ with offers this week, 50% off this, 80% off that, buy one get one free, and all sorts of [tempting](#)⁴ deals and discounts to get you to buy everything from dog food to English courses.

[00:02:48] Now Black Friday has [morphed](#)⁵, it has changed into an extended period of seemingly [endless](#)⁶ discounts and deals.

[00:02:57] These discounts and deals are now extended for weeks before and after Black Friday, and this time of year has turned into a 24/7 battle between companies for your attention, and your money.

[00:03:14] So, where did this all come from?

[00:03:18] Discounting, the offering of [incentives](#)⁷ to get people to buy something is nothing new, and indeed can be [traced back](#)⁸ to the late 19th century.

² further away

³ attacked continuously

⁴ seeming to be good and making you want to do it

⁵ changed

⁶ never ending

⁷ something that encourages (persuades) you to do something

⁸ found the history/origin of



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[00:03:29] We'll talk about that in a minute.

[00:03:32] Although it's not exactly clear when shops first started offering discounts on the day after Thanksgiving, there seems to have been an unwritten rule that shops wouldn't aggressively [advertise](#)⁹ or offer promotions until the day after Thanksgiving.

[00:03:51] Shoppers knew this, so they would wait until the day after Thanksgiving to do their shopping, knowing that they would be able to buy things at lower prices.

[00:04:02] This is thought to have started around the beginning of the 20th century, but back then people had less [disposable income](#)¹⁰, there were fewer [gadgets](#)¹¹, fewer objects to tempt you.

[00:04:16] As [disposable](#) income continued to grow, consumerism increased, and people had more money in their pockets and more things to spend it on, they continued to spend more and more on this Friday after Thanksgiving.

[00:04:32] In order to compete, shops would open early, 7 o'clock in the morning, then 6, 5, and some even opening at midnight.

⁹ promote in public

¹⁰ money to spend on non-essential things

¹¹ small devices



[00:04:43] Shoppers would descend on city centres to [queue up](#)¹² and get these deals from all around, causing huge problems with traffic and parking.

[00:04:54] And it's indeed from this that Black Friday gets its name.

[00:05:00] Now there's a popular [misconception](#)¹³ that the name comes from shops going into the black.

[00:05:07] In business if you are 'in the black', it means that you are making a profit, and if you are 'in the red', it means you are making a loss.

[00:05:17] The theory goes that it was only on the Friday after Thanksgiving, when retailers would start offering promotions and shoppers would start their Christmas shopping that shops would go 'into the black' again.

[00:05:33] For some industries, things like children's toys, they do make the vast majority of their money during the holiday season, and so for some businesses no doubt this is true.

[00:05:45] But the name Black Friday actually isn't related to this at all.

[00:05:51] It started to be used in the mid-1960s in Philadelphia.

[00:05:56] There is an annual American football game on the Saturday after Thanksgiving, which brings thousands of people into the city, and this combined with

¹² form lines

¹³ something that is believed but isn't correct



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all the shoppers hunting for Black Friday discounts would cause huge problems with traffic, both cars driving into the city and the huge amounts of people around, hunting for [bargains](#)¹⁴.

[00:06:21] So the city's police force started referring to it as Black Friday, and the name just stuck.

[00:06:30] With the arrival of the internet, another shopping holiday was created, Cyber Monday, in 2005, which is the Monday after Black Friday and this is yet another opportunity for you to be [parted](#)¹⁵ with your hard earned money.

[00:06:47] The entire 4 day period is now a [feast](#)¹⁶ of consumerism, and no doubt you are already being [bombarded](#) with [temptations](#)¹⁷ from all sorts of companies.

[00:07:00] So, that's where Black Friday comes from, but now I want to talk a little bit about the history of discounts, and the psychology of making you buy stuff.

[00:07:13] Discounting, or someone getting a lower price for something than normal, was never really invented, of course, or at least it wasn't invented at a single point in time.

¹⁴ something available for a lower price than normal

¹⁵ separated

¹⁶ large meal

¹⁷ something that tempts you



[00:07:25] Any kind of [transaction](#)¹⁸ always involves an element of negotiation, and someone is more likely to agree to it if they feel that they are getting good value.

[00:07:37] That's just human nature - we like feeling that we're getting a good deal.

[00:07:43] The first person to really [popularise](#)¹⁹ the idea of the mass-discount was actually a man called Asa Candler, the co-founder of a company that you will have heard of, and you might well be a customer of.

[00:07:57] Coca-Cola.

[00:07:59] When it was just getting started, as an unknown brand, Coca-Cola needed people to try its product.

[00:08:08] Candler knew that lots of people liked it after they tried it, so it was surely just a question of getting enough people to try a Coke and then a certain percentage of them would become regular customers.

¹⁸ a time when you buy or sell something

¹⁹ made popular



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[00:08:24] The avenue that the company had been **pursuing**²⁰ was to work on its marketing, telling people how delicious Coke was and how they should try it. But to taste it they had to be **sufficiently**²¹ **persuaded**²² to buy it first.

[00:08:41] Candler had a different idea about how to get people to taste their first Coke.

[00:08:48] Why not give out coupons for a free glass of Coke, to allow people to try it, then they would like it so much that they'd buy it the next time.

[00:09:00] This was an idea that had been tried by an accountant at Coca-Cola, but on a small scale.

[00:09:08] Candler decided to do it **en masse**²³, and ended up giving away 8.5 million coupons for glasses of Coke, sending it to people through the post.

[00:09:21] People thought he was mad, but it was one of the things that really **catapulted**²⁴ Coca-Cola into the category of '**household name**²⁵', and it's now one of the most valuable brands in the world.

²⁰ following, doing

²¹ enough

²² made to do or think something

²³ in large amounts

²⁴ suddenly move quickly and far

²⁵ something that most people know about



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[00:09:36] Since the success of Coca-Cola, discounting is a strategy that is employed by almost all companies, especially around the Black Friday period.

[00:09:47] And there are companies that are built purely on discounts.

[00:09:52] Groupon, which was once a 16 billion dollar company, exists just to give people discounts.

[00:10:00] And couponing is big business all over the world.

[00:10:05] People love feeling that they have got a great deal, even if they really haven't.

[00:10:12] And this is a psychological weakness that retailers [exploit²⁶](#), that companies [exploit](#).

[00:10:19] With lots of products, especially digital products where the cost of distribution is effectively zero, companies offer [seemingly²⁷](#) huge discounts all the time.

[00:10:32] If you've ever bought a digital English course you're probably aware of this.

[00:10:38] They might have a 'sticker price', a supposed 'normal' price of \$300, but only today it's available to you for the [bargain²⁸](#) price of \$30.

²⁶ use to their advantage

²⁷ appearing to have a particular quality, but often doesn't have it

²⁸ something available for a lower price than normal



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[00:10:50] But who decides whether it's actually worth \$300 or not?

[00:10:56] The company puts that price on there, knowing that most people will never pay \$300, but it doesn't matter.

[00:11:04] You are more likely to buy it if it says 90% off, if it says \$30 instead of \$300, rather than just saying the price is \$30.

[00:11:16] I'm on the mailing list for a few English courses and I see this all the time.

[00:11:22] There's one that you might know that every few days sends an exclusive offer for €9.99 or €14.99 a year, promising that the normal price is €89 or something like that.

[00:11:37] Of course, long-term this [erodes](#)²⁹ trust that consumers have in the company, and the brand.

[00:11:45] The supposed 'full price' just becomes [irrelevant](#)³⁰, as we know that there's always a discount coming up.

[00:11:53] I'm sure you can think of examples of things that you buy that you would never pay 'full price' for, you just wait for the discount.

[00:12:02] I can certainly think of lots in my life.

²⁹ slowly removed

³⁰ not related, not important



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[00:12:06] I want to just leave you with a few examples of how companies use discounts and offers to try and get you to make a purchase.

[00:12:16] You no doubt know about things like using 9.99 instead of 10, and offering 2 for 1 deals, but here are a few tricks that you might not have realised.

[00:12:29] Firstly, [savvy](#)³¹ companies, smart companies, will use what's called the rule of 100.

[00:12:37] This means that if the product's normal price is less than 100, they will use a percentage discount, but if it's greater than 100 they will use the number amount.

[00:12:51] For example, if a product's normal value is €50 and the discounted price is €40 they will say it's 20% off, not €10 off, because 20% seems bigger than €10, even though in this case it's the same.

[00:13:12] And if the product's normal value is €150 and the discounted price is €100 they'll say it's €50 off, not 33% off.

[00:13:25] See what I mean?

[00:13:27] So that's one thing to look out for.

[00:13:31] The second one that I think is quite interesting is that it's been shown that prices with fewer [syllables](#)³², prices that are quicker to say, tend to lead to higher sales.

³¹ clever

³² a single unit of speech



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[00:13:44] Let me show you an example of this.

[00:13:47] Let's take two prices, 27.82 and 28.16.

[00:13:53] 27.82 has 7 [syllables](#), while 28.16 has 5.

[00:14:02] 28.16 is obviously the higher price, but researchers showed that people [perceived](#)³³ it to be lower, because it has fewer syllables.

[00:14:15] Even if you aren't actually saying the price, your brain [subconsciously](#)³⁴ [encodes](#)³⁵ the audio version, and because it's longer you are [subconsciously](#) more likely to think it's more expensive, even if it's not.

[00:14:32] Our third one is something that a lot of retailers do, and this is called [phased](#)³⁶ discounting.

[00:14:40] Instead of offering one big discount for an entire week they will slowly lower and lower the discount so that it's back at its original price at the end.

[00:14:53] The idea here is to encourage people to buy it at the lower price because they think the price will go up, and for people coming later on in the discount period, they are probably less price conscious, so they'll be happy to pay a slightly higher price.

³³ thought to be

³⁴ in a way that you do not know about

³⁵ puts into a system

³⁶ in different stages



[00:15:12] So, there are three things that you can watch out for if you are [evaluating](#)³⁷ any Black Friday offers.

[00:15:20] The one thing you can do if you want to do the [equivalent](#)³⁸ of Odysseus tying himself to the [mast](#)³⁹ and putting [beeswax](#)⁴⁰ in his ears to not be tempted by the [sirens](#)⁴¹ song is to take part in the anti-Black Friday, called Buy Nothing Day.

[00:15:40] You probably don't need me to explain what happens on Buy Nothing Day, the clue is in the name.

[00:15:47] It's an international protest against consumerism, a protest against the fact that we are buying more and more stuff that we probably don't need, [engaging](#)⁴² in a non-stop dance of [overconsumption](#)⁴³.

[00:16:03] How you take part is easy, and it's also free.

[00:16:07] You just don't buy anything.

³⁷ considering

³⁸ having the same amount, the same

³⁹ a tall pole on a ship

⁴⁰ the wax produced by bees

⁴¹ the Sirens were a group of women in Ancient Greek stories who sang songs to trap sailors

⁴² taking part in

⁴³ consuming more than is necessary



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[00:16:10] Some people protest in different, more active ways, for example going into stores and [symbolically](#)⁴⁴ cutting up credit cards or pretending to walk around stores like [zombies](#)⁴⁵.

[00:16:24] But the easiest way to take part, if you so wish, is just to buy nothing.

[00:16:29] The one question you might still have on your mind is what Leonardo English is doing, if anything, for Black Friday.

[00:16:38] If you were hoping here for some huge discount or offer, I'm afraid you'll be disappointed.

[00:16:44] I thought long and hard about this, but we are [sitting out](#)⁴⁶, we're not participating in Black Friday.

[00:16:52] And I want to end this episode with telling you why that is.

[00:16:57] In case you weren't aware, Leonardo English, the little company that makes this podcast is a 100% independent, [self-sufficient](#)⁴⁷ company.

⁴⁴ representing something else

⁴⁵ dead creatures that have been brought back to life and move around without thinking

⁴⁶ not taking part in

⁴⁷ able to provide everything you need



[00:17:07] We don't do [adverts](#)⁴⁸ or sell data, we have a membership where you can access all of our episodes and get all of the transcripts, the subtitles for the podcast, and you can [hover over](#)⁴⁹ any unknown word and get its definition, as well as lots of other cool things like meetups and a growing community.

[00:17:26] I want to build it into the most interesting way for curious people like you to improve their English.

[00:17:33] It's already, I think at least, and this has also been the feedback from our members, very good value, and it has been getting better all year without me raising the price.

[00:17:45] I could, of course, increase the supposed 'normal' price and then offer a 'discount', bringing it back to the original price and perhaps getting more people to [take the plunge](#)⁵⁰ and become members.

[00:17:59] But I don't think this is right, it's bad business, and it's not a sustainable long term thing to do.

[00:18:06] And for all the members who had joined they'd feel a bit silly to have just joined at the normal price if there was some huge, [arbitrary](#)⁵¹ discount.

⁴⁸ commercials

⁴⁹ keep your mouse over for a short period

⁵⁰ to do something for the first time

⁵¹ not based on reason



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[00:18:18] And what happens to lots of language learning companies that do this is they end up with a load of people who have been pushed into buying something that they don't really need, so they never end up using it.

[00:18:32] And these are both bad, in my view.

[00:18:35] So, no Black Friday discounts or promo codes here.

[00:18:39] I guess you can take this two ways.

[00:18:41] You can either think 'what a **load of rubbish**⁵²! I think I'm now tempted by the 90% off offers I've been **bombarded** with for the past week, at least it feels like I'm getting a discount'.

[00:18:53] Or you can think 'thanks for the explanation, that all sounds **fair enough**⁵³'.

[00:18:58] Or you can **sit out**⁵⁴ Black Friday altogether, **flying the flag**⁵⁵ of Buy Nothing Friday.

[00:19:05] The choice is, of course, yours to make.

[00:19:09] Just make sure you don't fall for any of the discounting tricks you've learned about in this episode.

⁵² stupid and wrong

⁵³ understandable and ok

⁵⁴ not participate in

⁵⁵ representing



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[00:19:17] OK then, that is it for today's episode on Black Friday and Discounting.

[00:19:23] I hope it's been an interesting one, and that you've learnt something new.

[00:19:27] As always, I would love to know what you thought of this episode. If you're a member of Leonardo English you can head right in to our community forum, which is at community.leonardoenglish.com and get chatting away to other curious minds.

[00:19:42] And as a final reminder, if you are looking to improve your English in a more interesting way, to join a community of curious minds from all over the world, and to unlock the transcripts, the subtitles, and key vocabulary, then the place to go is leonardoenglish.com

[00:20:01] You've been listening to English Learning for Curious Minds, by Leonardo English

[00:20:06] I'm Alastair Budge, you stay safe, and I'll catch you in the next episode.

[END OF EPISODE]



Key vocabulary

| Word | Definition |
|-------------------|---|
| Encourage | persuade someone to do |
| Further afield | further away |
| Bombarded | attacked continuously |
| Tempting | seeming to be good and making you want to do it |
| Morphed | changed |
| Endless | never ending |
| Incentives | something that encourages (persuades) you to do something |
| Traced back | found the history/origin of |
| Advertise | promote in public |
| Disposable income | money to spend on non-essential things |
| Gadgets | small devices |
| Queue up | form lines |



| | |
|-----------------------|---|
| Misconception | something that is believed but isn't correct |
| Bargains | something available for a lower price than normal |
| Parted | separated |
| Feast | large meal |
| Temptations | something that tempts you |
| Transaction | a time when you buy or sell something |
| Popularise | made popular |
| Pursuing | following, doing |
| Sufficiently | enough |
| Persuaded | made to do or think something |
| En masse | in large amounts |
| Catapulted | suddenly move quickly and far |
| Household name | something that most people know about |
| Exploit | use to their advantage |
| Seemingly | appearing to have a particular quality, but often doesn't have it |



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| | |
|-----------------------|--|
| Bargain | something available for a lower price than normal |
| Erodes | slowly removed |
| Irrelevant | not related, not important |
| Savvy | clever |
| Syllables | a single unit of speech |
| Perceived | thought to be |
| Subconsciously | in a way that you do not know about |
| Encodes | puts into a system |
| Phased | in different stages |
| Evaluating | considering |
| Equivalent | having the same amount, the same |
| Mast | a tall pole on a ship |
| Beeswax | the wax produced by bees |
| Sirens' | the Sirens were a group of women in Ancient Greek stories who sang songs to trap sailors |
| Engaging | taking part in |



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| | |
|------------------------|---|
| Overconsumption | consuming more than is necessary |
| Symbolically | representing something else |
| Zombies | dead creatures that have been brought back to life and move around without thinking |
| Sitting out | not taking part in |
| Self-sufficient | able to provide everything you need |
| Adverts | commercials |
| Hover over | keep your mouse over for a short period |
| Take the plunge | to do something for the first time |
| Arbitrary | not based on reason |
| Load of rubbish | stupid and wrong |
| Fair enough | understandable and ok |
| Sit out | not participate in |
| Flying the flag | representing |



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We'd love to get your feedback on this podcast.

What did you like? What could we do better?

What did you struggle to understand?

Let us know in the forum community.leonardoenglish.com

