

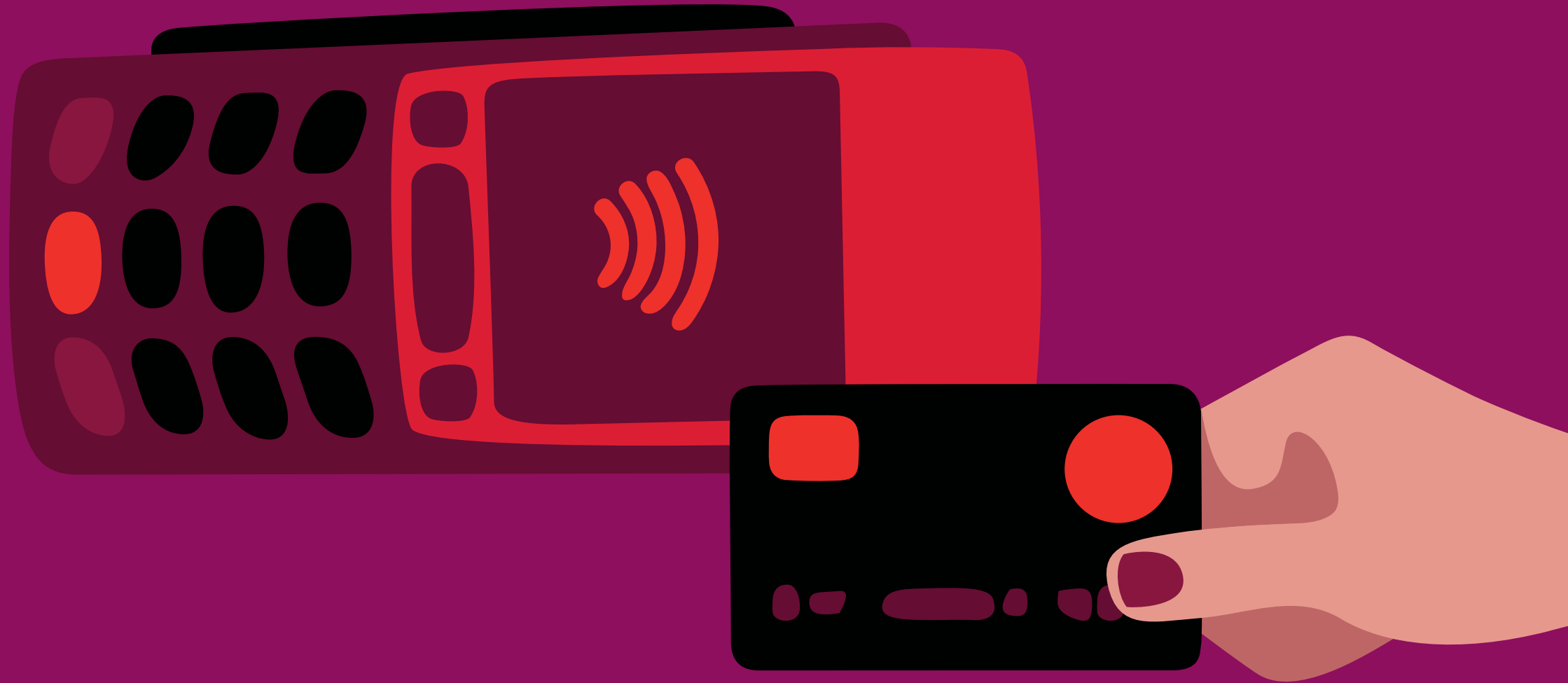
Card Data Analysis, Black Friday and Cyber Monday 2020



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Index

Nothing “normal” in 2020	3
Executive Summary	4
Black Friday: Card Issuing & Acquiring stats	6
Overview Black November 2020	7
Black November select category analysis	8
Black Friday weekend: Issuing data	9
Black Friday: Issuing data	11-13
Black Friday weekend: Acquiring data	15
Black Friday: Acquiring data	16-18
Key notes	20
Disclaimer	21



Nothing “normal” in 2020

Black Friday disappoints according to headlines. But what exactly was expected by the market of Black Friday in this year that resembled nothing normal? Looking at the data, it is clear that it was definitely not like other Black Fridays:

Early morning queues and large big ticket items were not seen. Retailers definitely didn't advertise or discount as in previous years. But how could they? The market was a discount market coming out of LD, with abnormal stock levels, lifestyle changes and supplier interruptions, deep discounts on one day / weekend was probably not realistic.

In the 3rd quarter of 2020 there were significant movements in the South African labour market. According to the *Quarterly Labour Force Survey (QLFS)*, a large number of persons moved from the “other not economically active” category to “employed” and “unemployed” status between quarter two and quarter three of 2020. The movement was proportionately more towards the unemployed than for the employed, which resulted in a **significant increase of 7,5 percentage points in the unemployment rate to 30,8%. This is the highest unemployment rate recorded since the start of the QLFS in 2008.**

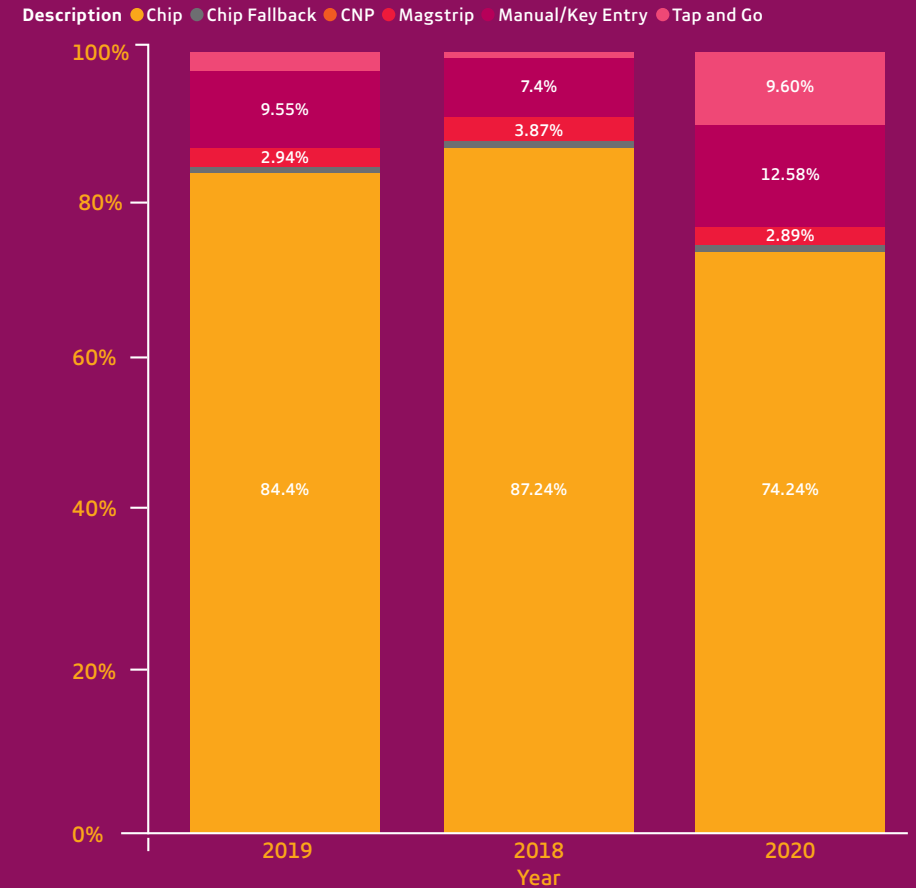
The impact of **COVID-19 Level 1 restrictions** still being very relevant, with a spike of infections in hotspots across the country, presented a further physical challenge that retailers had to deal with – how to prevent crowds and the risk presented of increased outbreak levels as a result of sales.

South Africa's **real Black Friday occurred in March of 2020**, just prior to the start of Level 5 LD, when the highest trading day was reported for the year.

Executive Summary

- The total Card Issuing spend for the Black Friday weekend was 22.4% down on last year. Payment Acceptance showed a 31% decrease.
- There were 86 transactions approved every second down by +- 23 transactions, valued at R47k/second also down with +- R21k/second
- The most valuable second for the day was 11:01:44.
- Average transaction values (ATV) were very similar however slightly lower than previous years. Most notably on Card Acquiring we did not see that typical early risers making use of online retailers to get their big ticket shopping done
- Despite some challenges with Online channels it's clear to see that customers are embracing new payment channels like Tap and Go and online more than doubling from 8% in 2019 to 22% in 2020
- New payment types like Samsung Pay / Garmin Pay / Apple Pay / Fitbit Pay and others can also be seen to be used to pay for goods such as groceries, fuel to something to eat on the go.

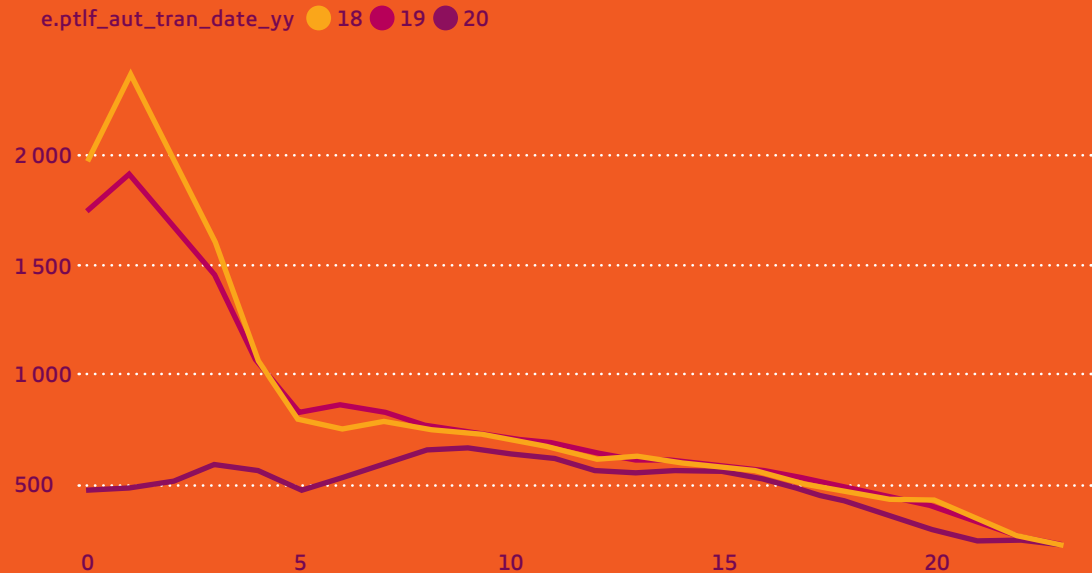
Transaction amount by year and description



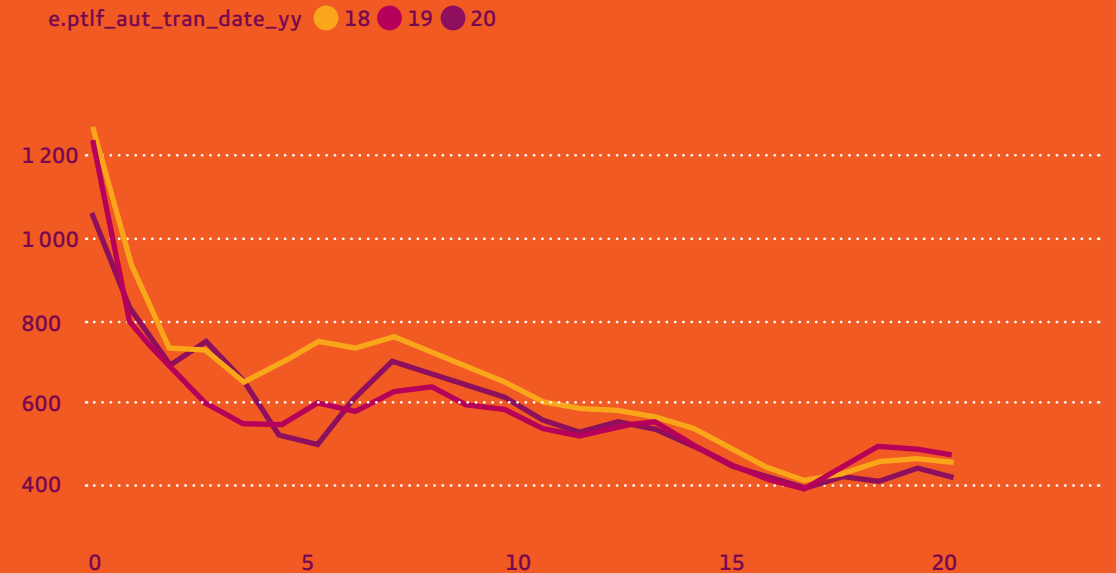


Black Friday: Card Issuing & Acquiring stats

Acquiring ATV during the day



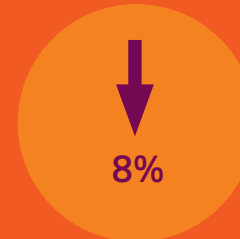
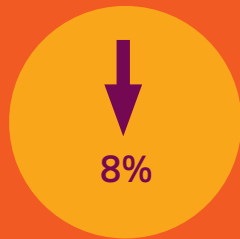
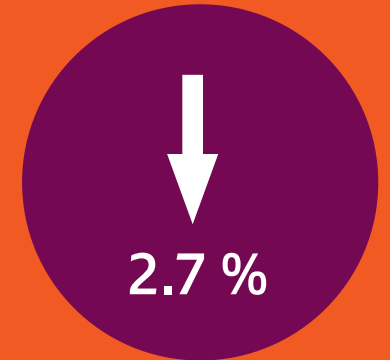
Card Issuing ATV during the day



Average transaction values were very similar however slightly lower than previous years. Most notably on Card Acquiring we did not see that typical early risers making use of online retailers to get their big ticket shopping done.

Overview Black November 2020

Considering that many retailers choose to run a longer sale program throughout the month of November, it is also noticeable that the whole month of November 2020 is comparatively down 2.7% compared to November 2019. This is striking against the previous month of October where traded value was up 17%. Most categories reduced in value processed, except the Building and Home Improvement categories. Even the biggest traders in Food and Groceries category show reduced trading through the month of November.

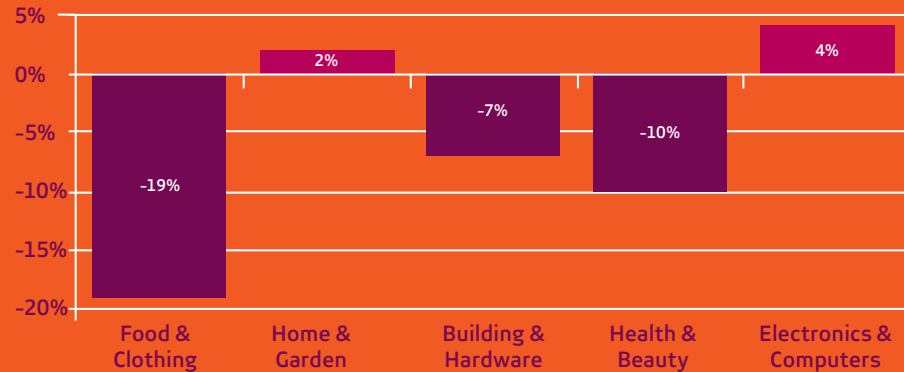


Black November select category analysis

Number of cards used

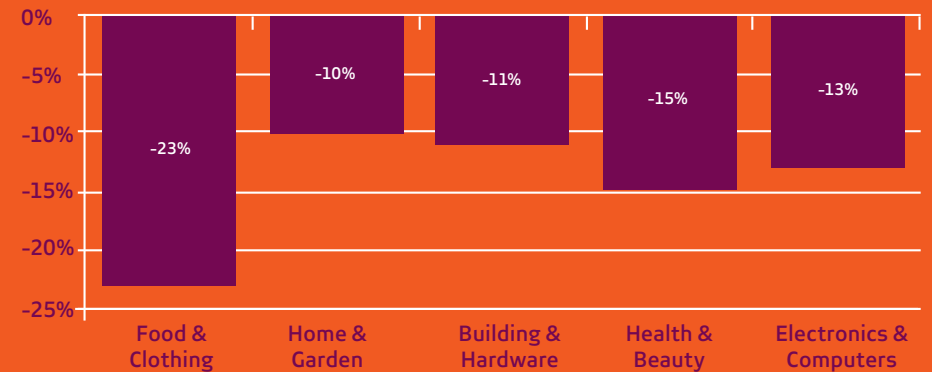
Category: Total Spend % Chnge

Primary period: 2020-11-01 - 2020-12-04
Secondary period: 2019-11-01 - 2019-12-04
Category: Building & Hardware, Electronic & Computers,
Food & Clothing, Health & Beauty,
Home & Garden



Category: Transactions Number % Change

Primary period: 2020-11-01 - 2020-12-04
Secondary period: 2019-11-01 - 2019-12-04
Category: Building & Hardware, Electronic & Computers,
Food & Clothing, Health & Beauty,
Home & Garden



Black Friday weekend: Issuing data

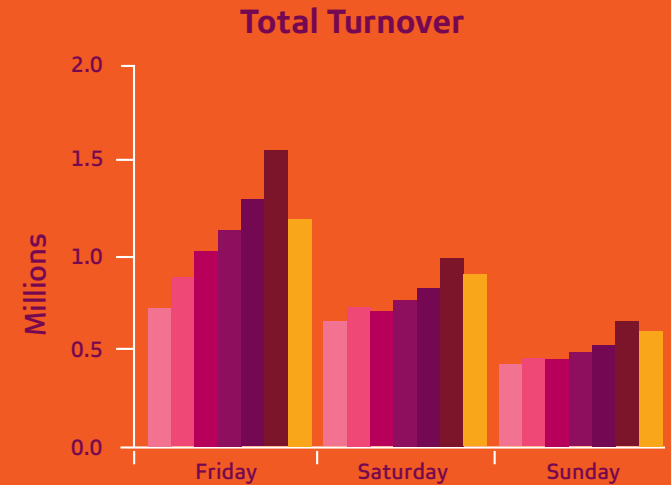
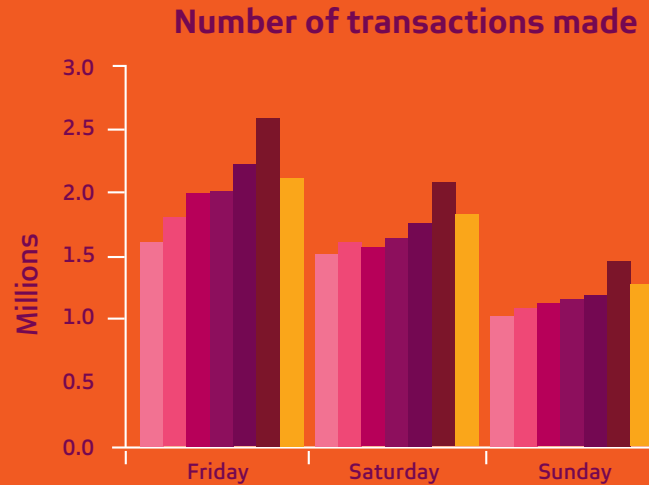
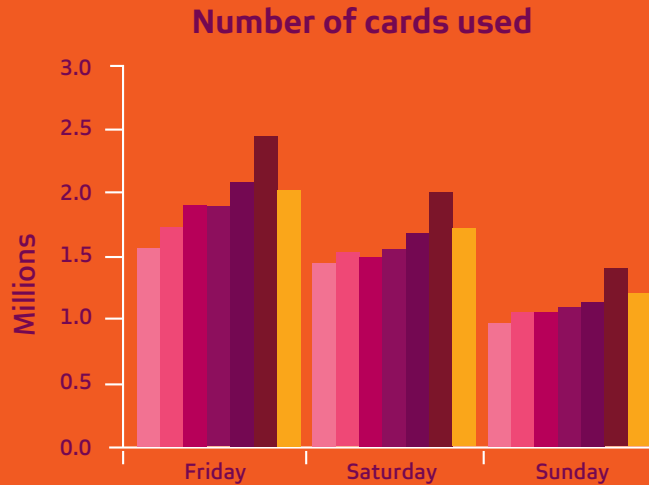
- Credit
- Debit

Total Turnover: R2.7 Billion

Number of transactions: 5.2 Million



- 2014
- 2015
- 2016
- 2017
- 2018
- 2019
- 2020

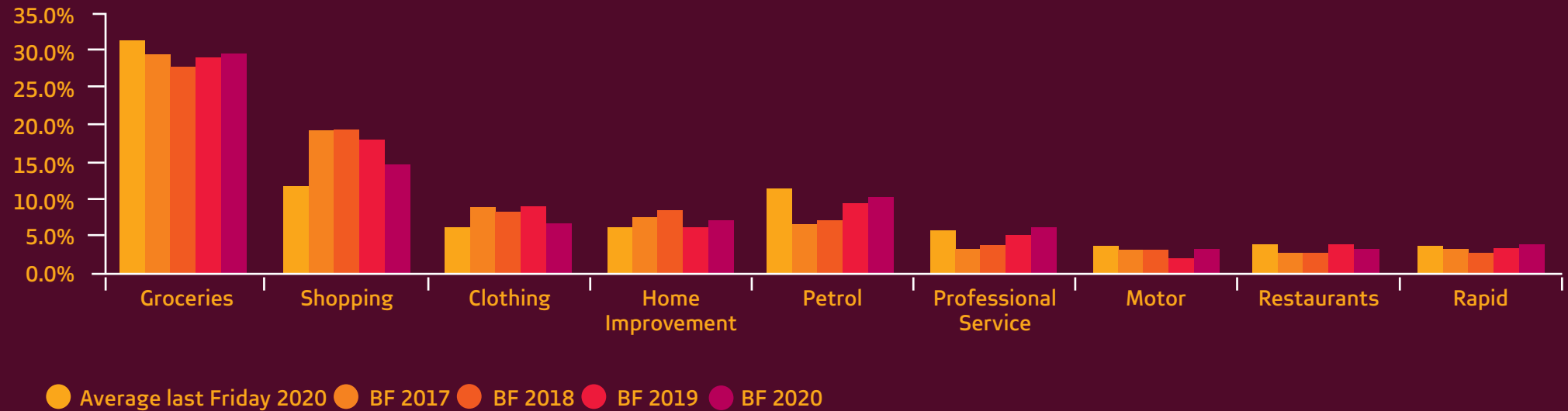


Black Friday spend in **2020** decreased by 22.4%, with just over **2 million** Absa Card customers **swiping or clicking** on the day. There was a shift from credit to debit card in 2020.



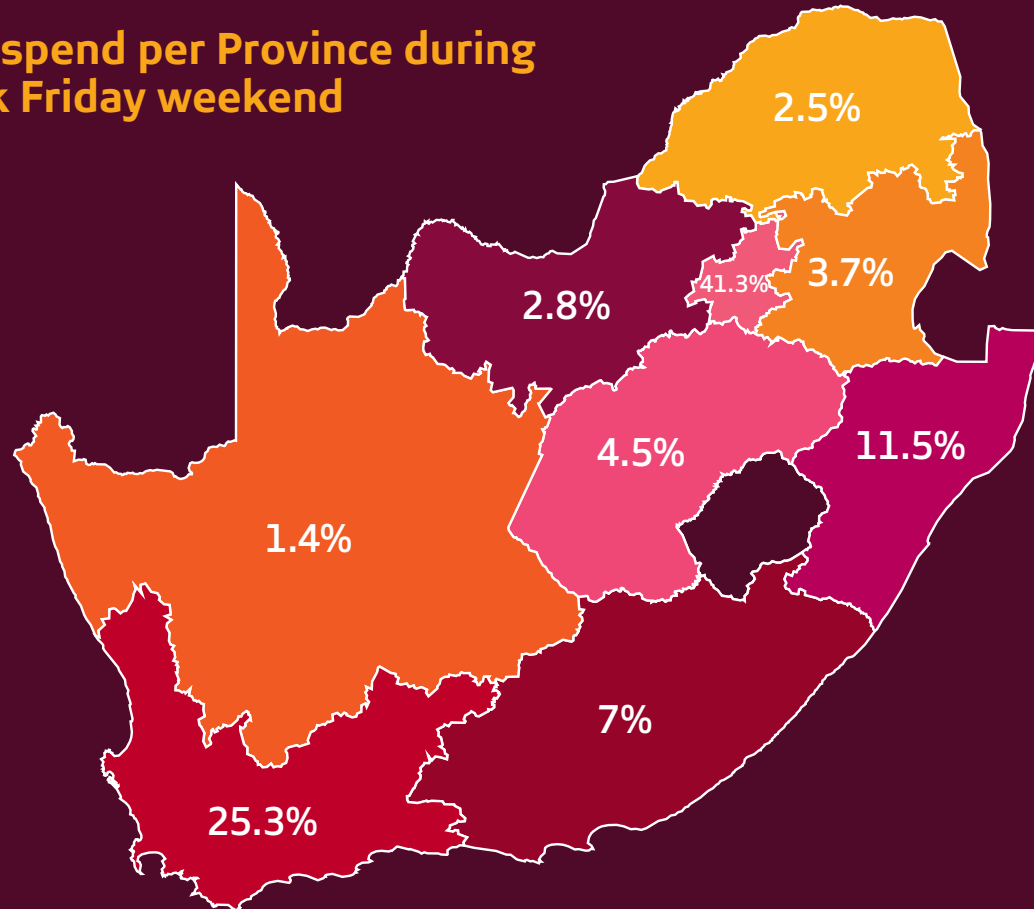
Black Friday: Issuing data

Category contribution to overall spend - Top 9



Black Friday: Issuing data

% of spend per Province during Black Friday weekend

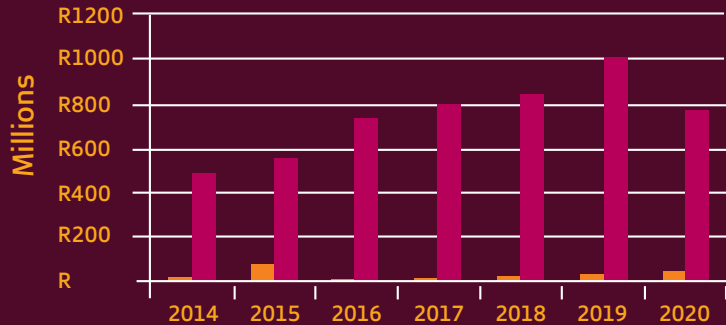


The top spending day in 2020 was not Black Friday as in previous years, but rather the day before Lockdown started with over R1.2bn spent on the day. The three days before Lockdown saw significant spend, with all three being in the top four spend days of the year.

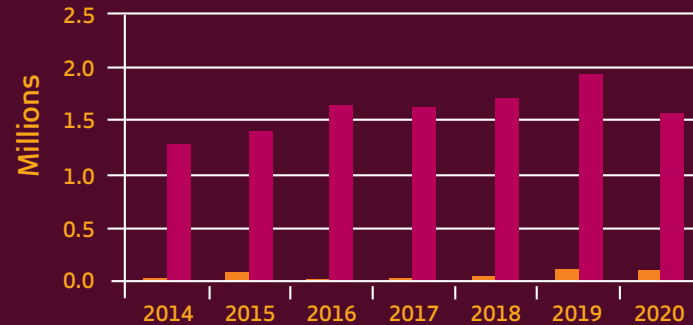
Black Friday: Issuing data

● CPN Cards
● CP Cards

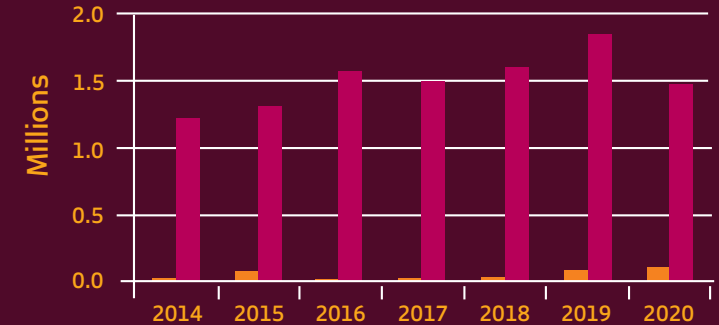
Turnover Split Debit Card



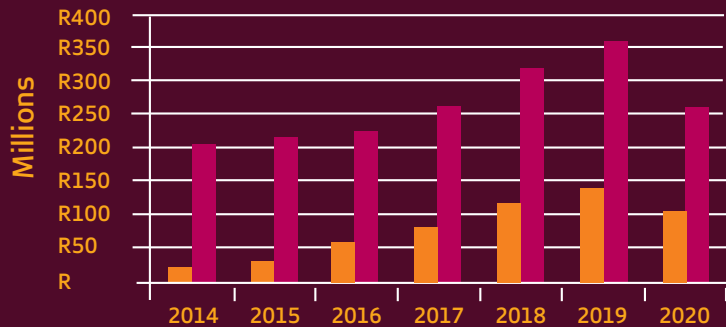
Txns Split Debit Card



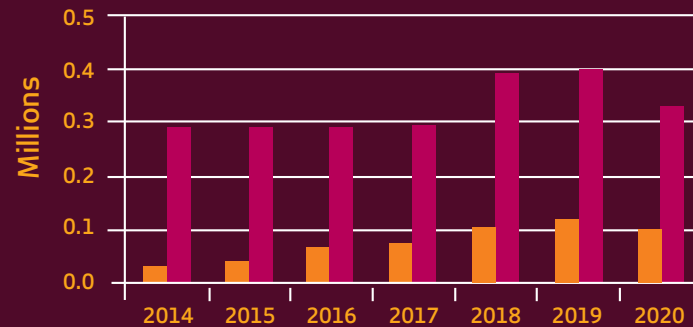
Cards Split Debit Card



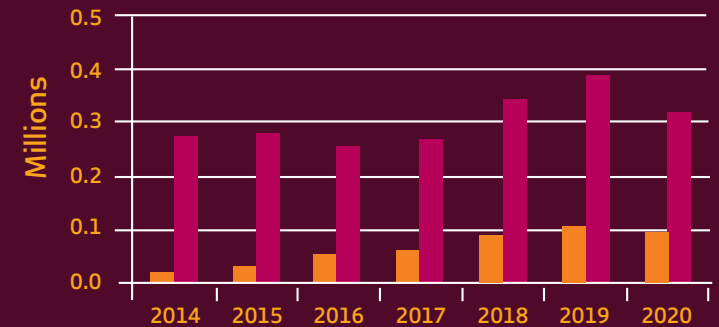
Turnover Split Credit Card



Txns Split Credit Card



Cards Split Credit Card



Whilst both debit and credit showed decreasing turnover, transactions and cards used, online spend for debit card had grown (29%). Credit card decreased in both card present and card not present.



Black Friday weekend: Acquiring data

- Credit
- Debit

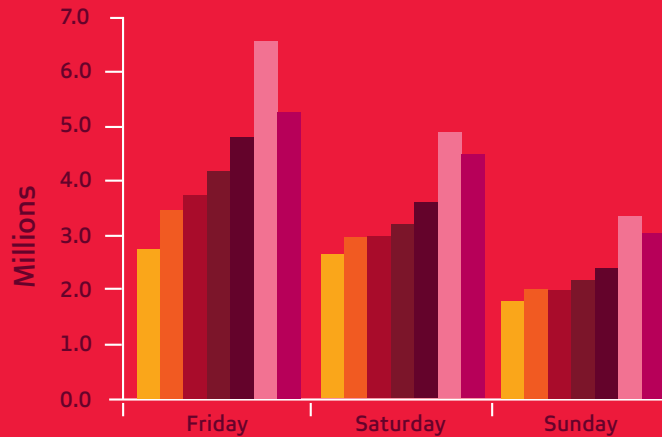
Total Turnover: R6.9 Billion

Number of transactions: 13.7 Million

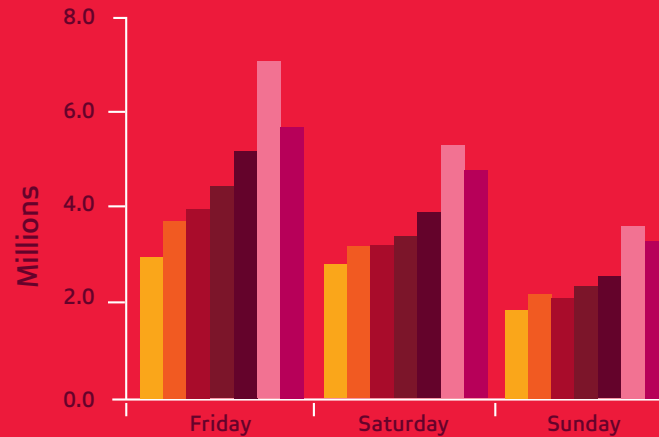


- 2014
- 2015
- 2016
- 2017
- 2018
- 2019
- 2020

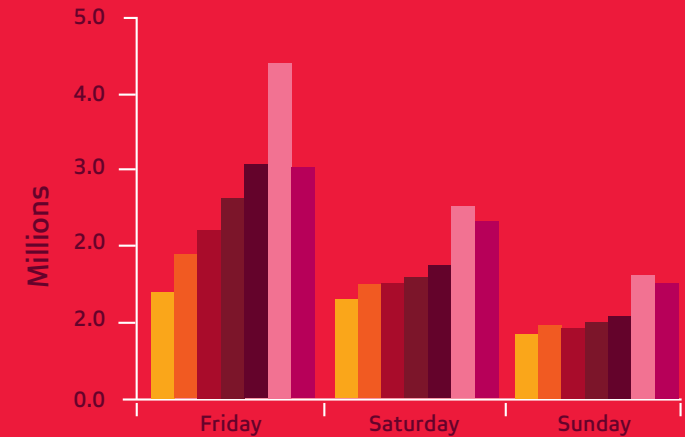
Number of cards used



Number of transactions made

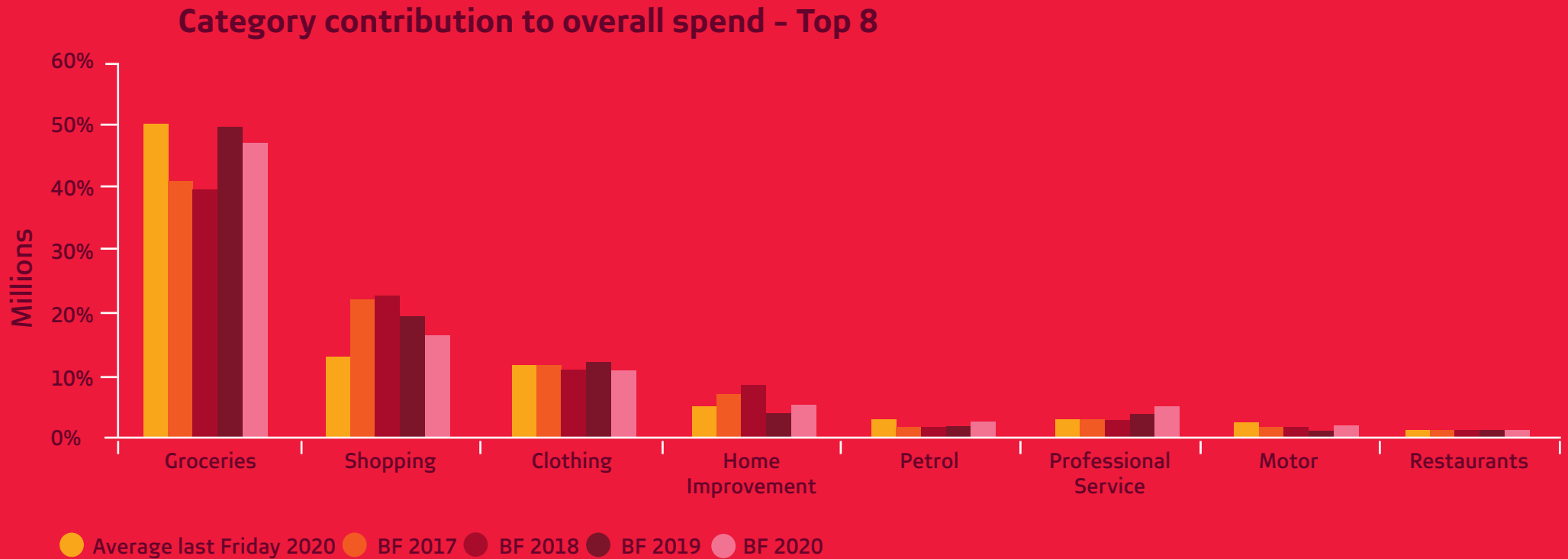


Total Turnover



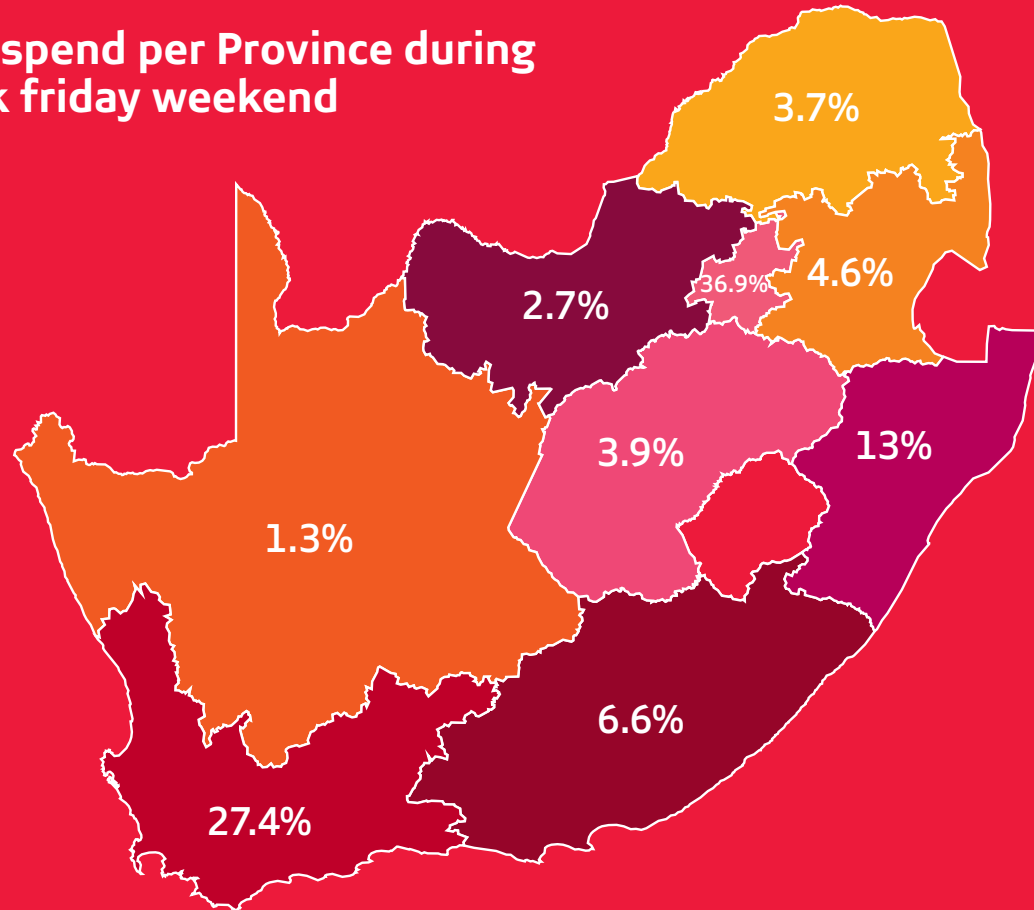
Black Friday spend in 2020 decreased by 31.2%.

Black Friday: Acquiring data



Black Friday: Aquring data

% of spend per Province during Black Friday weekend



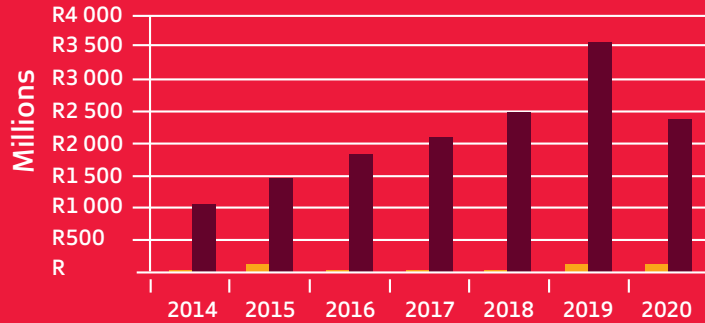
The portion of spend has increased proportionally in Gauteng and Western Cape compared to other provinces. Unlike Issuing, Black Friday was still the biggest spend day in Payment Acceptance, although the days before lockdown had significant spend. Gauteng had about 40% of BF spend in 2019, and now has more than 41.3%. WC had 25.1 and now have 25.3%.

*Courtesy of Joggie Pretorius & Gerbus Swart

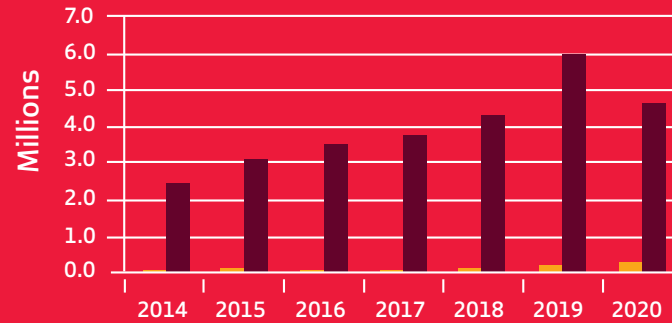
Black Friday: Acquiring data

● CPN Cards
● CP Cards

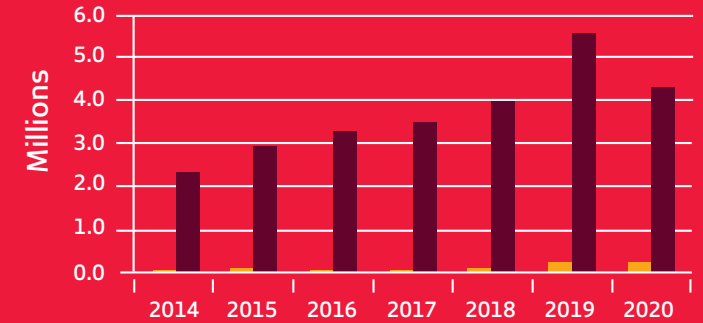
Turnover Split Debit Card



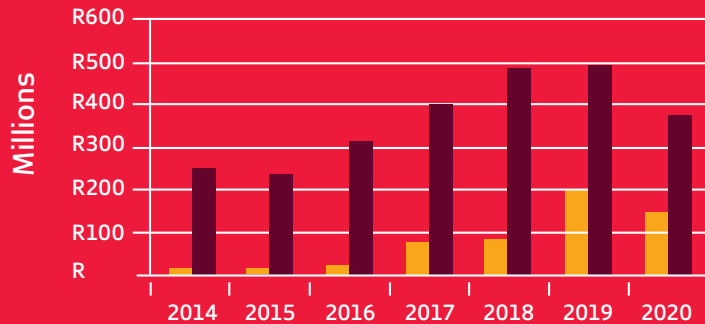
Txns Split Debit Card



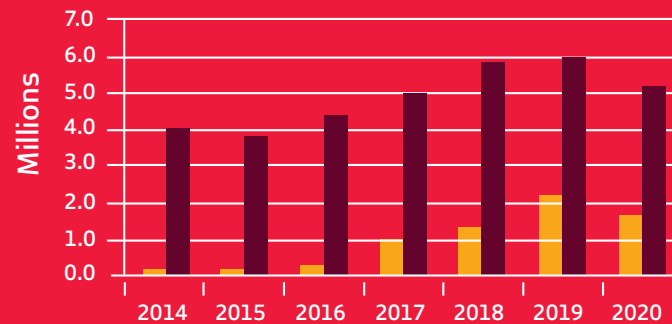
Cards Split Debit Card



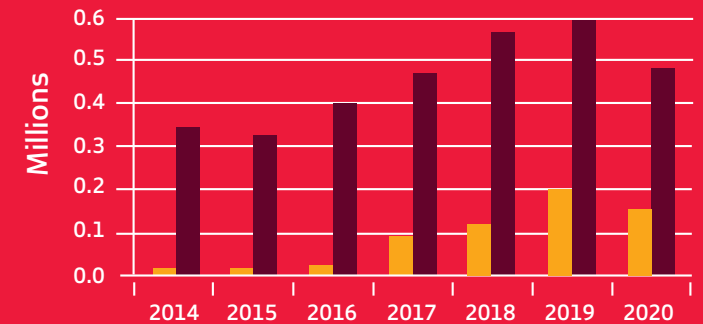
Turnover Split Credit Card



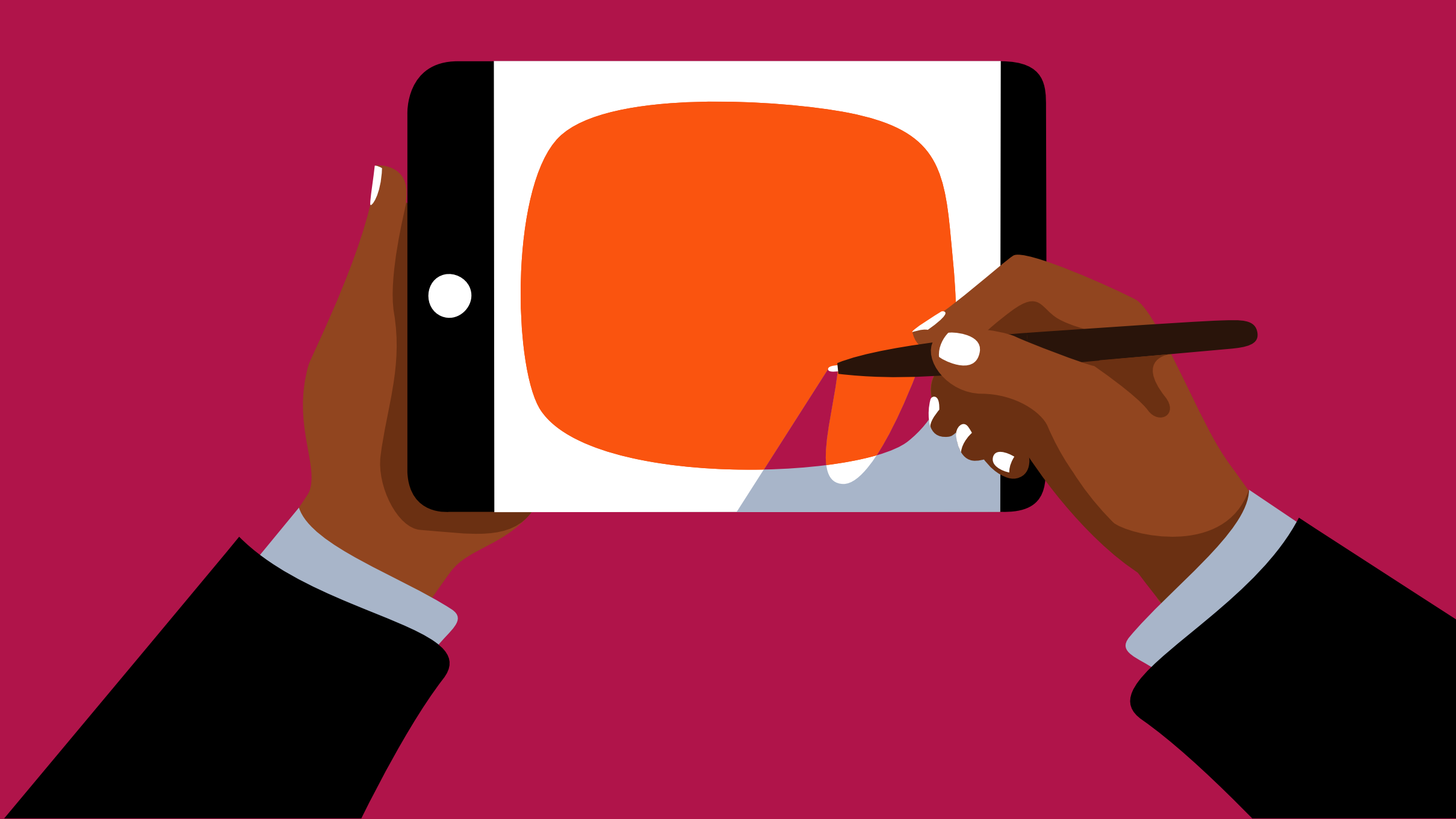
Txns Split Credit Card



Cards Split Credit Card



Payment Acceptance saw decrease in both debit and credit card spend.



Key notes

BF – Black Friday

2020: 27th Nov

2019: 29th Nov

2018: 23rd Nov

2017: 24th Nov

2016: 25th Nov

2015: 27th Nov

2014: 28th Nov

BFW – Black Friday Weekend

2020: 27th Nov to 29th Nov

2019: 29th Nov to 1st Dec

2018: 23rd Nov to 25th Nov

2017: 24th Nov to 26th Nov

2016: 25th Nov to 27th Nov

2015: 27th Nov to 29th Nov

2014: 28th Nov to 30th Nov

**Average Last Friday – Average of the last Friday from Aug 2020– October 2020.
All measures are based on Tandem Authorisation Data, unless specified otherwise.**

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