



Black Friday Results

December 2023

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Black Friday 2023: A tale of a strained consumer

Black Friday 2023 faced a combination of economic and behavioural headwinds that tempered the usual shopping frenzy. Elevated interest rates and inflation, coupled with a cautious consumer sentiment, presented significant challenges for retailers. Additionally, the timing of Black Friday 2023 coinciding with pre-pay day for many South Africans, further hindered spending potential on the day. This misalignment meant that a considerable portion of consumers were yet to receive their income, restricting their ability to fully engage in the Black Friday Frenzy.

Black Friday 2023's performance built a compelling case that the financial health of the consumer is ailing, and the consumer is living pay cheque to pay cheque. This observation is supported by a noted decline in amount spent and number of transactions on Friday, followed by a demonstrated growth after pay day on Saturday, Sunday and on Cyber Monday.

Black Friday 2023: At a glance

Sales down year-on-year

- Black Friday sales down YoY due to pay day impact and earlier November shopping
- Both Consumer Issuing and Payment Acceptance experienced lower sales on Black Friday with Consumer Issuing volume down 1.8% YoY and Payment Acceptance down 5.1%.



Saturday pay-day

- Due to pay day falling on Saturday, the rest of the weekend demonstrated growth, with 5%, 4% and 8% increases reported respectively for Saturday, Sunday and Cyber Monday for Consumer Issuing.
- It was a strong Cyber Monday this year with close to double-digit growth for Consumer Issuing and the achievement of double-digit growth in the Payment Acceptance business.



Online shopping growth

- For the Consumer Issuing area, sustained growth in Online Shopping throughout the shopping weekend was noted with the largest increases reported on Cyber Monday at 23% spend growth. For the Payment Acceptance estate, 37% growth in value was reported on Cyber Monday for online shopping.
- 20% Improvement in Online Shopping sales was noted in the 23 days of November preceding Black Friday with an 8% increase in instore spending for those days in November '23 YoY.



Dominance in Gauteng

- Whilst Gauteng dominated spending with 39% - 44% of all South Africa spend, Kwazulu-Natal(at 3rd top spot provincially), consistently claimed the highest Average Ticket Values(ATV), between the high R400s and mid-R500s throughout the weekend, and on Cyber Monday.

Deep discounts from online stores

- From the media reports and internal data reported, a lot of the growth in online shopping has been driven by highly appealing offers by online merchants with faster delivery timetables.

Search trends

- Consumers appear to be searching for retailers and service providers less in the lead up to and the month of Black Friday 2023 than they did for the same period in 2022.

Footfall

- Footfall declined in the week of Black Friday and Cyber Monday,

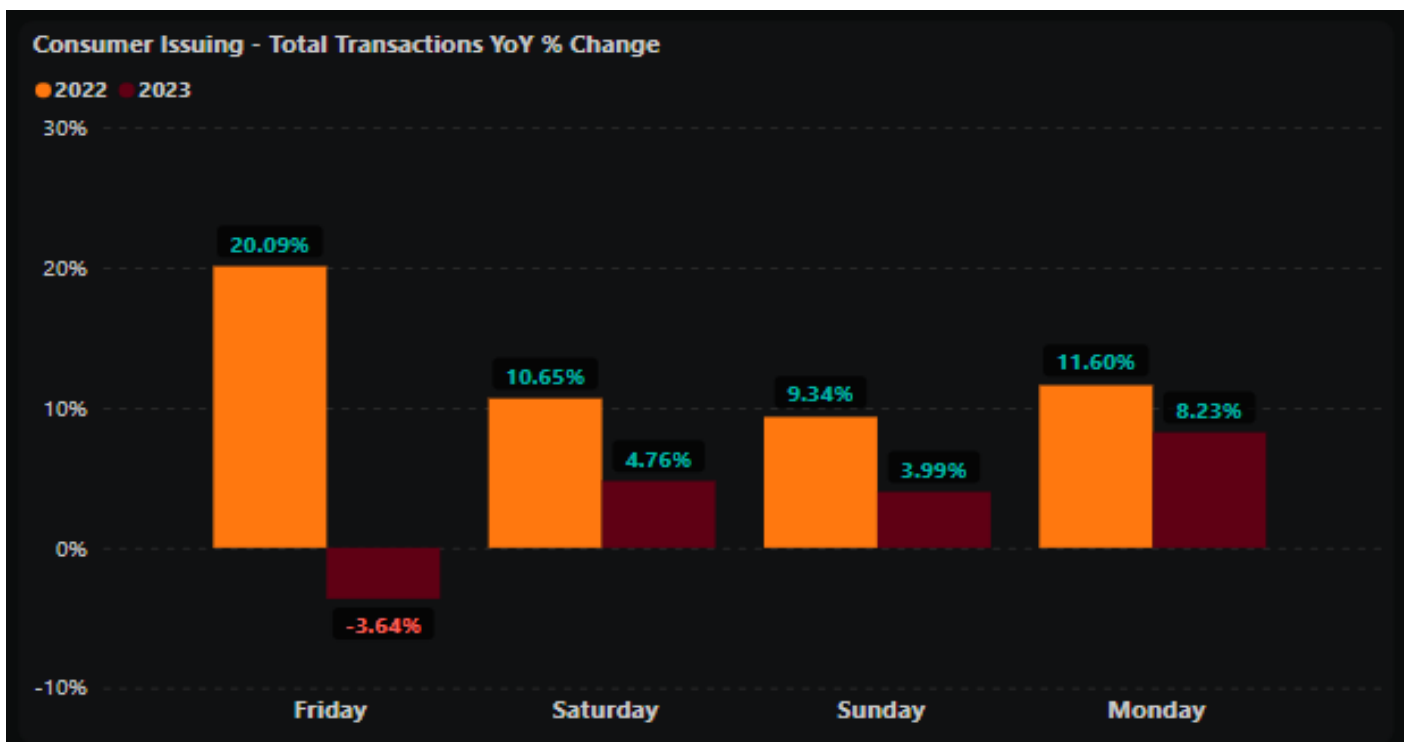
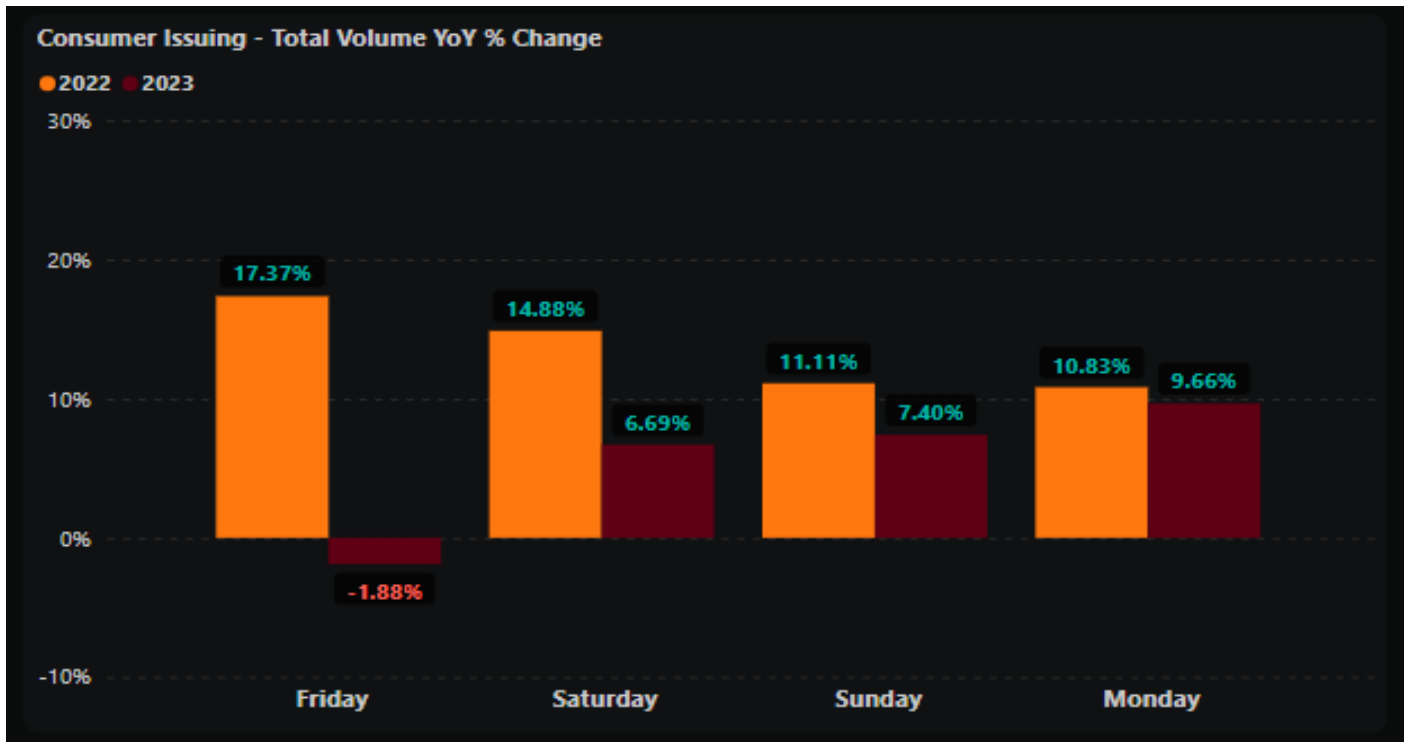
Utilising data from Consumer Issuing, Payment Acceptance, search trends, and footfall, the following sections will embark on a comprehensive journey to unveil the trends that defined Black Friday 2023. By unpacking these data points, an understanding will be gained on the financial health of the consumer and the key factors that influenced purchasing decisions during the biggest retail event.



**Consumer Issuing
2023**

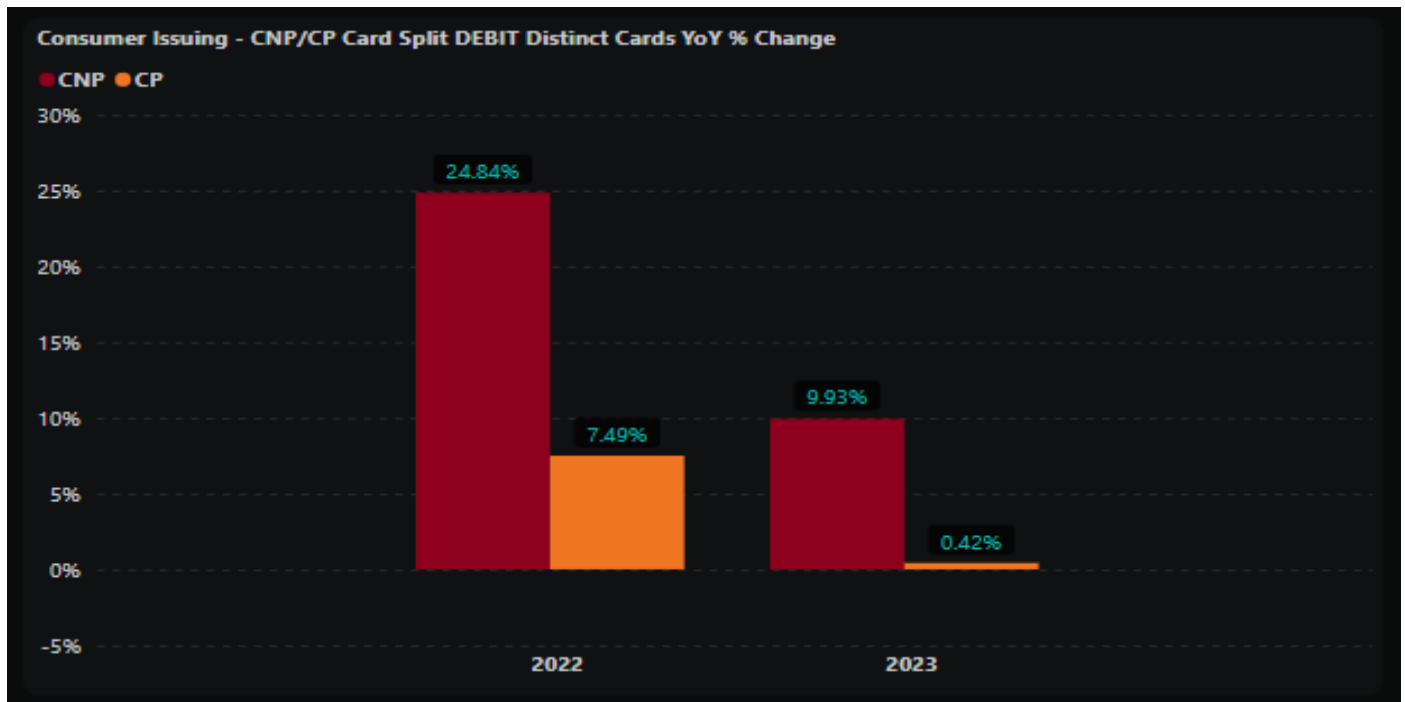
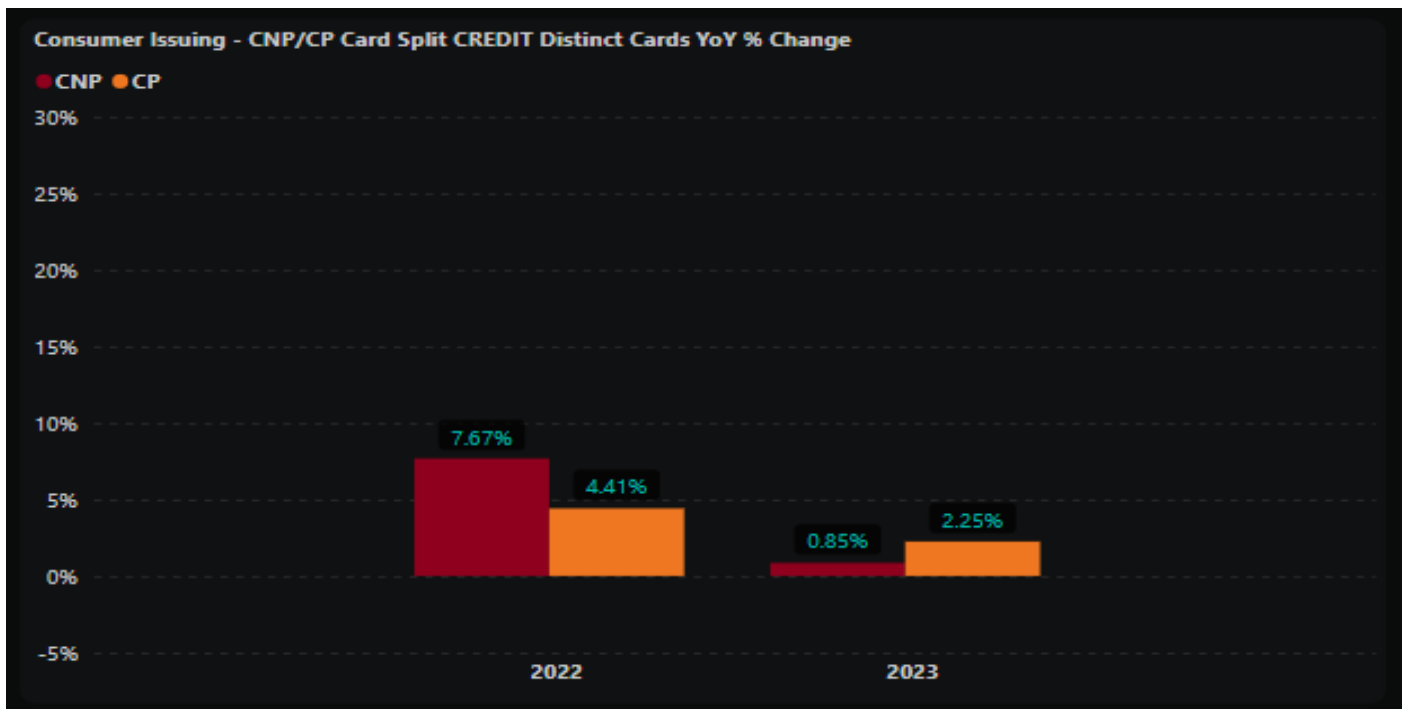
Trends: Consumer Issuing

- The volume and value of transactions for Black Friday weekend including Friday and CyberMonday did not outperform 2022.
- On-the-day spend for Black Friday 2023; the value of transactions was down by 3.6% with 1.9% less volume compared to Black Friday 2022.
- As a result of a major pay day falling the day after Black Friday, we see a positive shift in spend volume throughout the weekend.
- CyberMonday outperformed all the other days although it did not outperform CyberMonday 2022.



Trends: Consumer Issuing

- Consumer Issuing Credit Cards used for Card Present (CP) transactions increased by 2.3% and those used for Card Not Present (CNP) increased by 0.9% compared to 2022.
- Consumer Issuing Debit Cards used for Card Present transactions increased by 0.4% and those used for Card Not Present increased by 9.9%.



Trends: Consumer Issuing

Average Ticket Value

- Average ticket value (ATV) where card was present, tumbled throughout the weekend, failing to match last year's performance.
- ATV where card was not present saw a healthy increase in this period compared to 2022.

Black Friday

- Debit Card ATVs: CP down 7.4% and CNP up 20.1%
- Credit Card ATVs: CP down 5.6% and CNP up 9%



Black Friday Weekend incl Friday

- Debit Card ATVs: CP down 4.7% and CNP up 7.7%
- Credit Card ATVs: CP down 3.7% and CNP up 9.1%



Cyber Monday

- Debit Card ATVs: CP down 3.3% and CNP up 13%
- Credit Card ATVs: CP down 0.7% and CNP up 6.4%

Gauteng Dominance

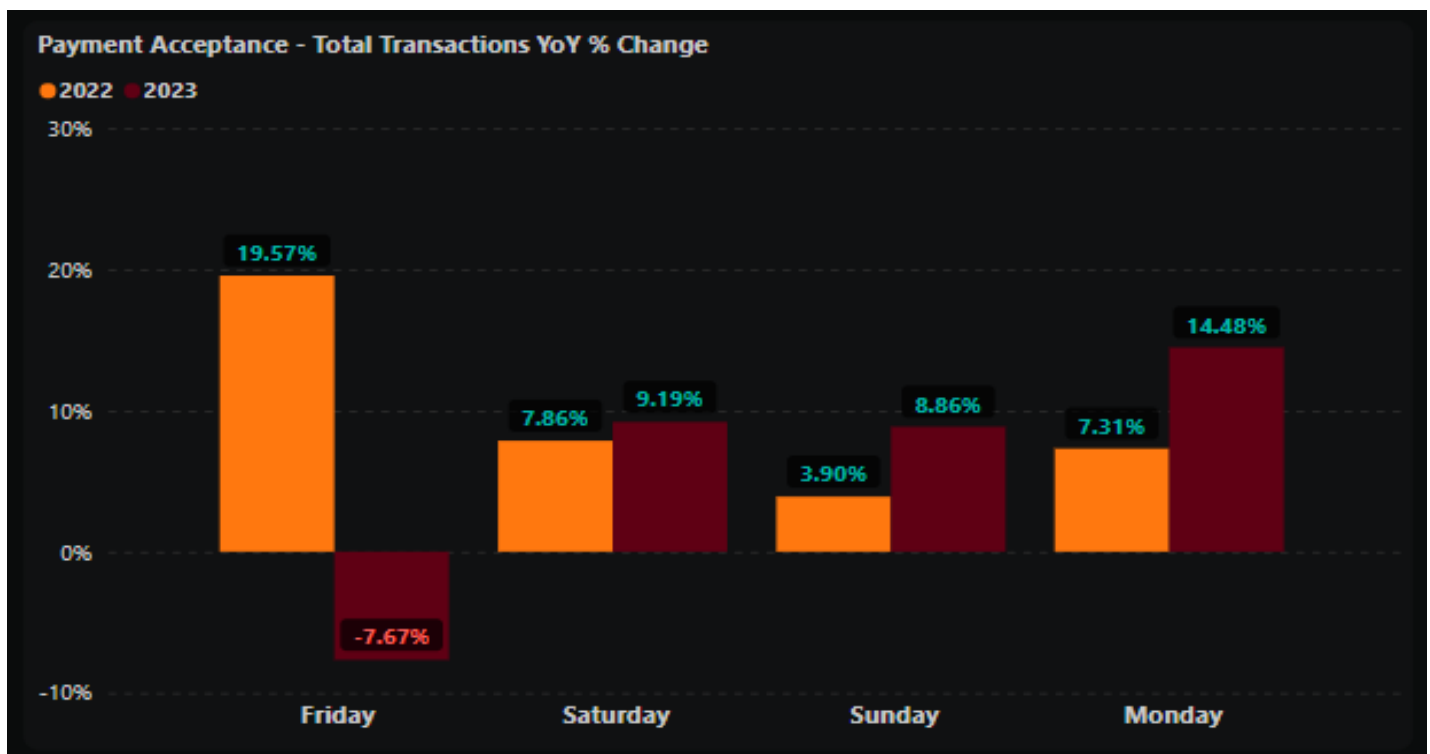
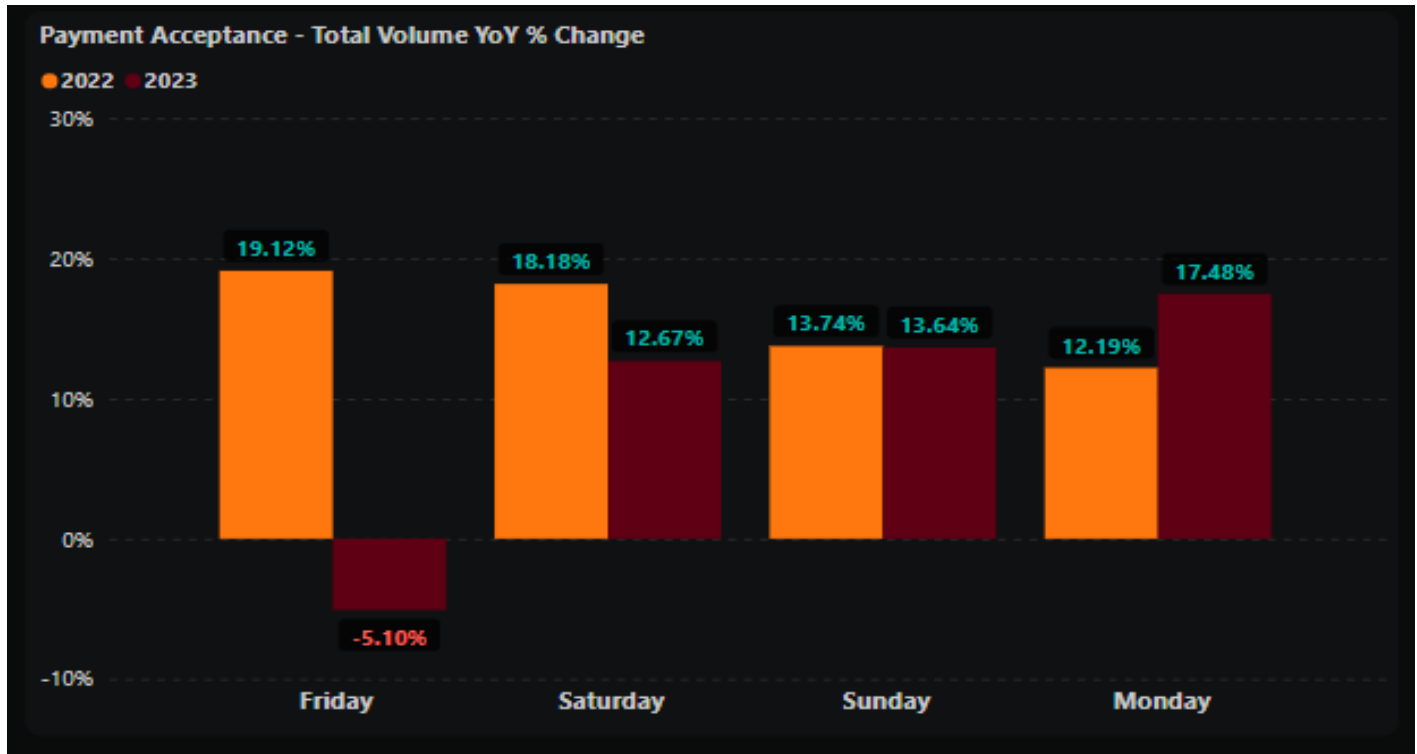
- Spend dominated over the weekend in Gauteng and Western Cape, followed by Kwazulu-Natal.
- Gauteng constantly growing in strength over the weekend with its contribution highest on Sunday with 44.2%.
- Western Cape's contribution at its highest on Monday.
- Kwazulu-Natal's contribution highest on Sunday. This province also consistently claimed the highest ATVs, between the high R400s and mid-R500s throughout the weekend, and on Cyber Monday.



**Payment Acceptance
2023**

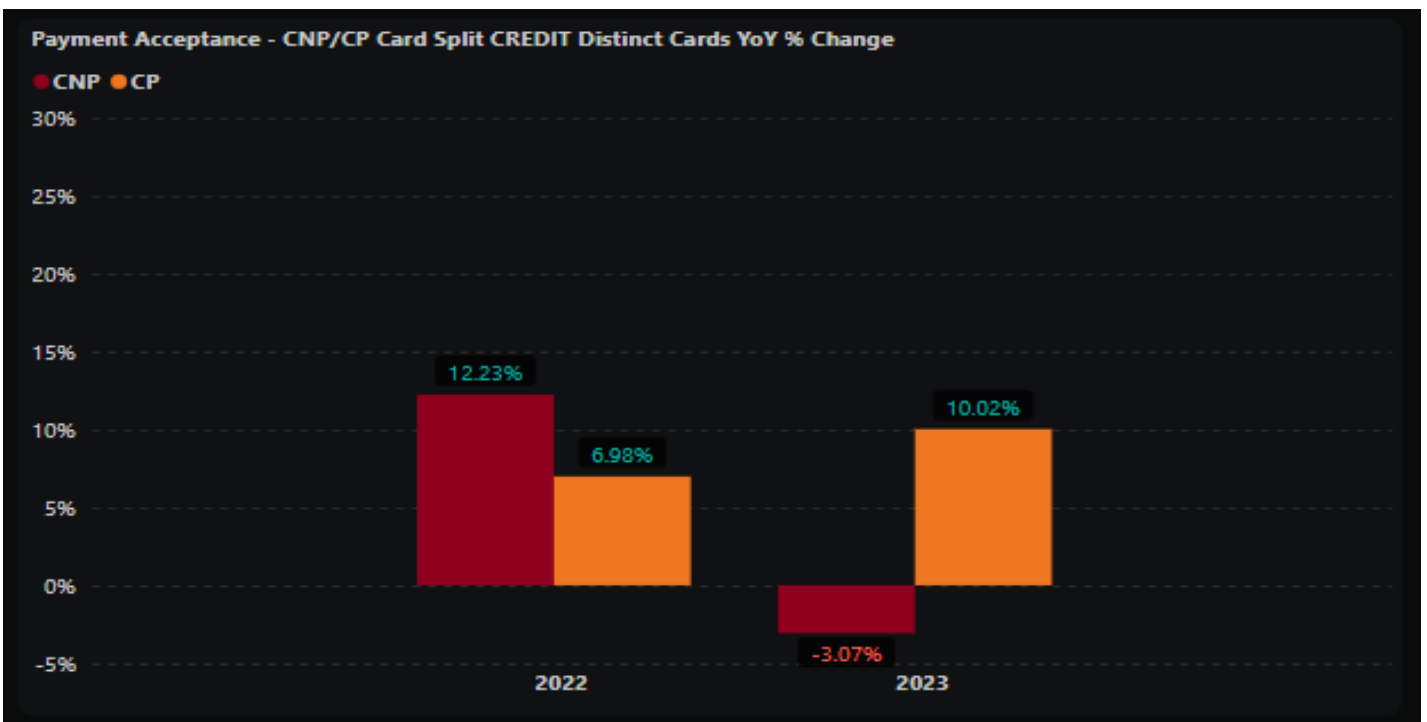
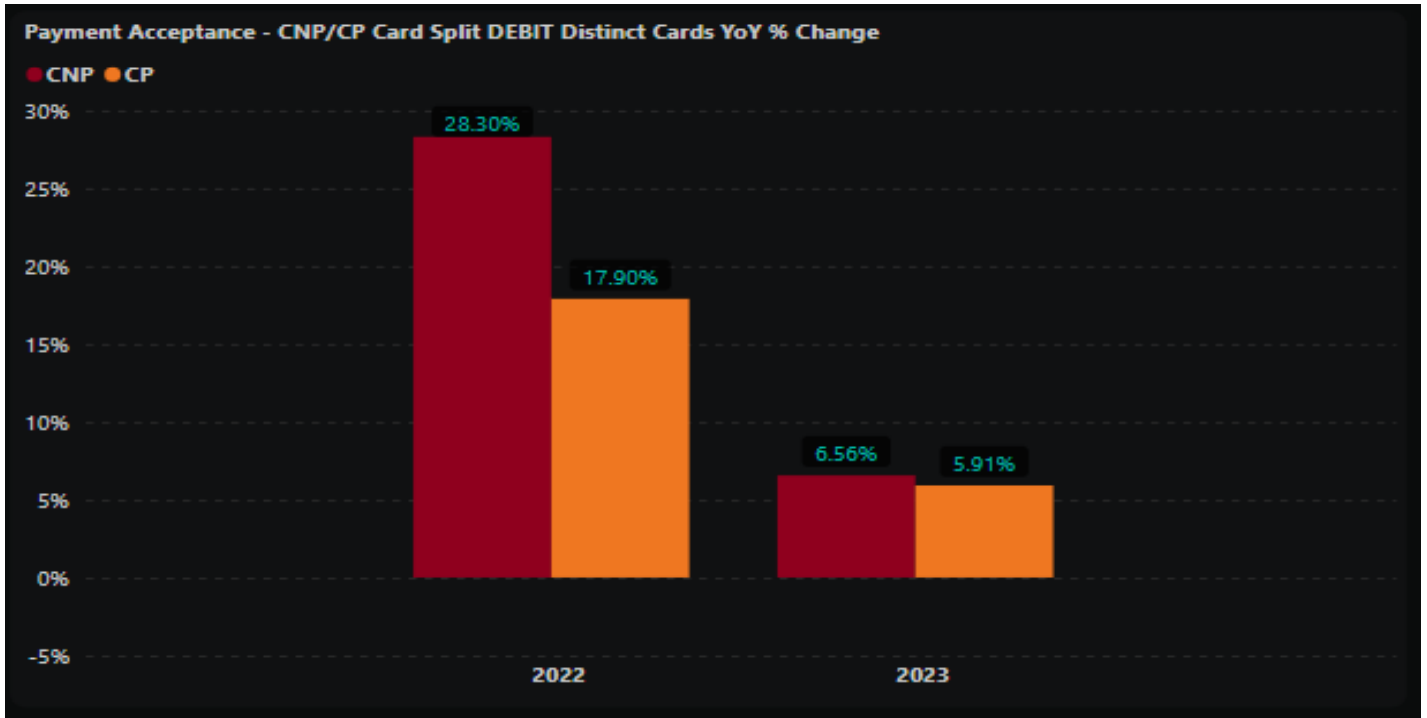
Trends: Payment Acceptance

- On-the-day performance across the Absa Payment Acceptance network, total volume and total value of transactions were down by 5% and 8%, respectively.
- We see a steady increase in total volume and total value of transactions throughout the weekend. This was because many customers were reliant on their November salary to fund the shopping they were making over the weekend.
- Cyber Monday was a booming success, with double digit growth with both total volume and total spend increasing considerably.



Trends: Payment Acceptance

- Payment Acceptance Debit Cards used for Card Present (CP) transactions increased by 5.9% and cards used for Card Not Present (CNP) transactions increased by 6.6%.
- Payment Acceptance Credit Cards used for Card Present transactions increased by 10% and those used for Card Not Present decreased by 3%.



Trends: Payment

Average Ticket Value

- Average ticket value (ATV) where card was present, experienced a downward trajectory compared to 2022 performance.
- ATV where card was not present saw an impressive double digit increase this year.

Black Friday

- Debit Card ATVs: CP ATV down 7.5% and CNP **up 23%**
- Credit Card ATVs: CP ATV down 6.9% and CNP **up 20%**



Black Friday Weekend incl Friday

- Debit Card ATVs: CP down 8% and CNP at a 25% increase
- Credit Card ATVs: CP down 4.1% and CNP at a 25.2% increase



Cyber Monday

- Debit Card ATVs: CP down 6.8% and CNP up 27%
- Credit Card ATVs: CP down 0.8% and CNP up 25%

Gauteng Dominance

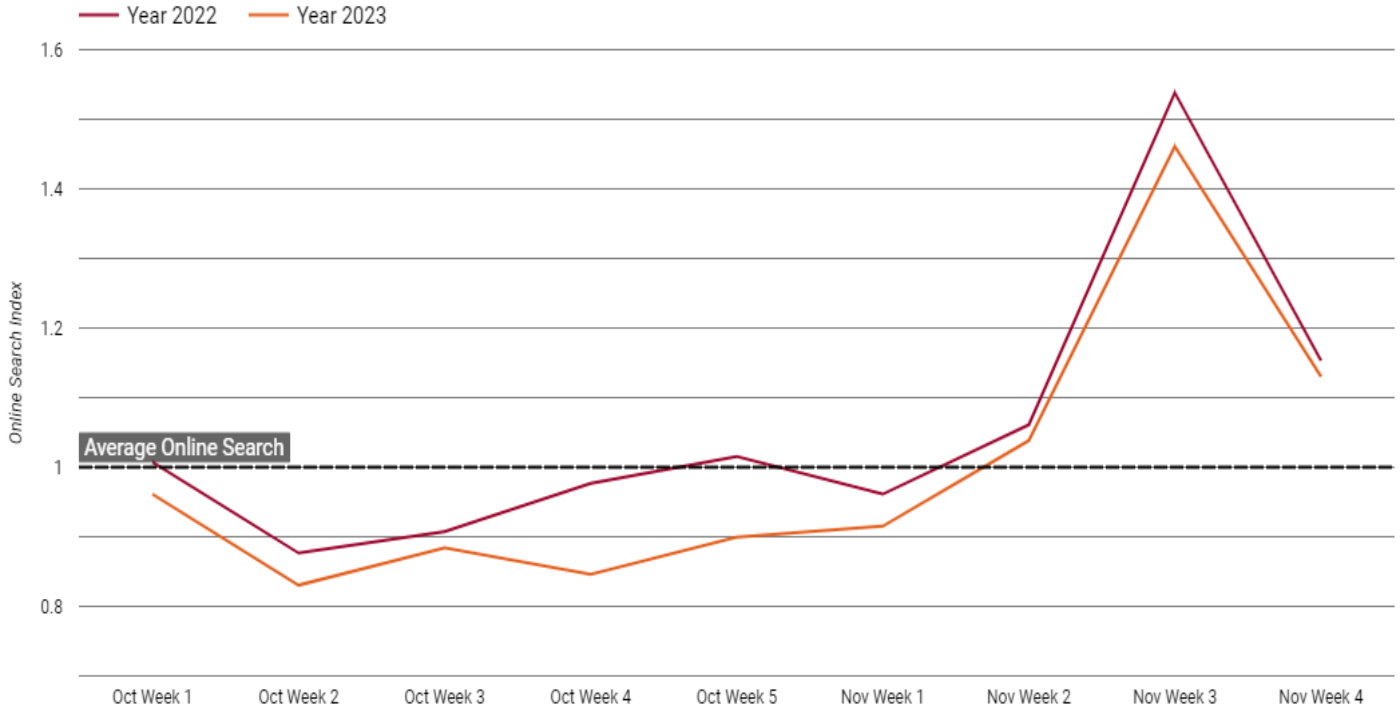
- Spend dominated over the weekend in Gauteng and Western Cape, followed by Kwazulu-Natal.
- Gauteng constantly growing in strength over the weekend with its contribution highest on Sunday with 41.8%
- Western Cape's contribution at its highest on Monday
- Kwazulu-Natal's contribution highest on Sunday
- Highest ATV per day per province:
 - North-West on Black Friday up 0.36%
 - Gauteng on Saturday down 0.30%
 - Gauteng on Sunday down 0.15%
 - On Cyber Monday down 0.5%



**Search Trends
2023**

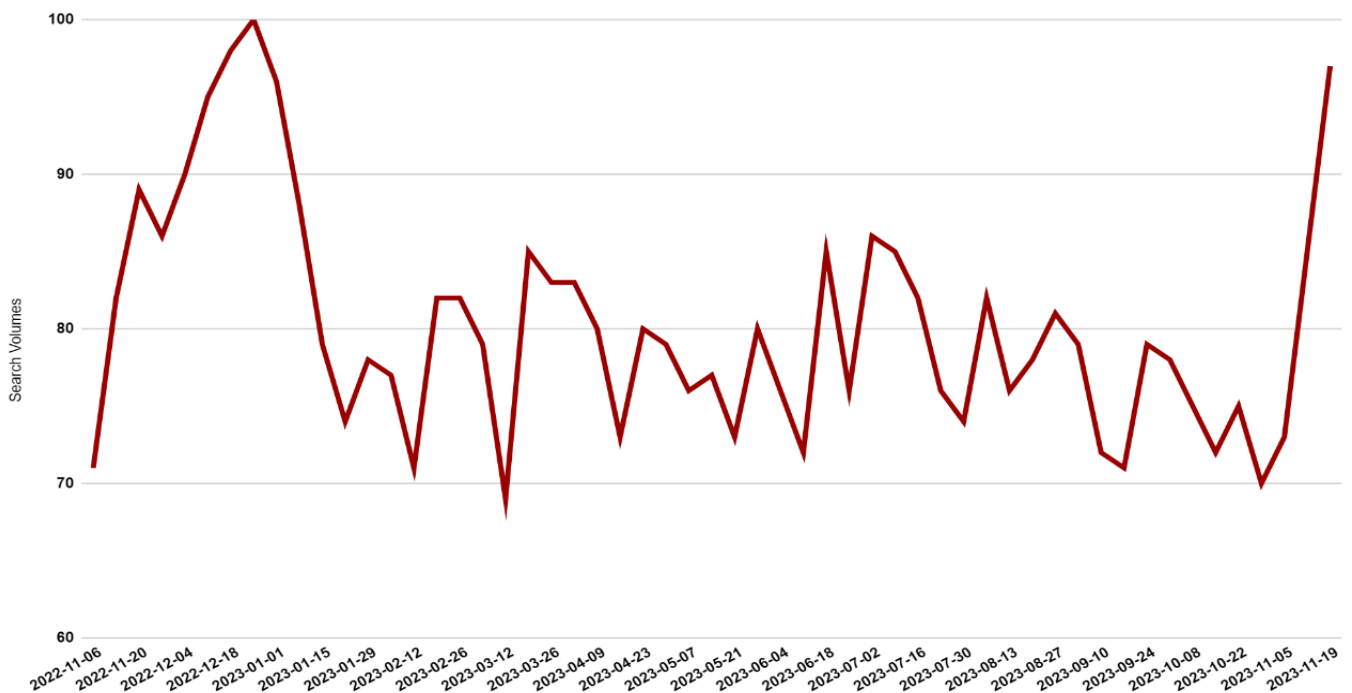
Search Trends

Consumers appear to be searching for retailers and service providers less in the lead up to and month of Black Friday 2023 than they did for the same period in 2022. This may be due to a diminished purchasing power of consumers after two years of heightened inflation. While a spike in search volumes is observed in the week of Black Friday 2023, this is 10% lower than the search volumes experienced in 2022.



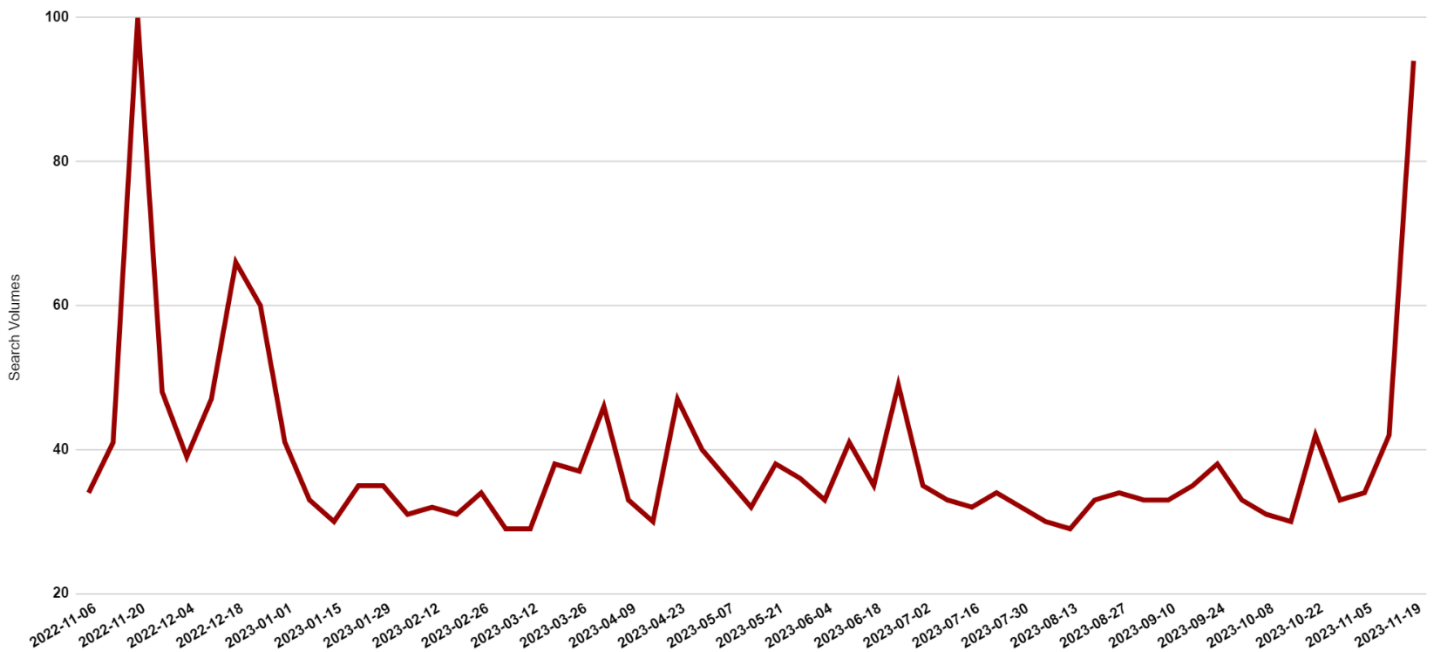
1. Hardware Retailers

- Search interest in the hardware brands in the period of Black Friday 2023 appears to be higher than the previous year. This may be due to improved advertising by the brands or better Black Friday deals offered to consumers.



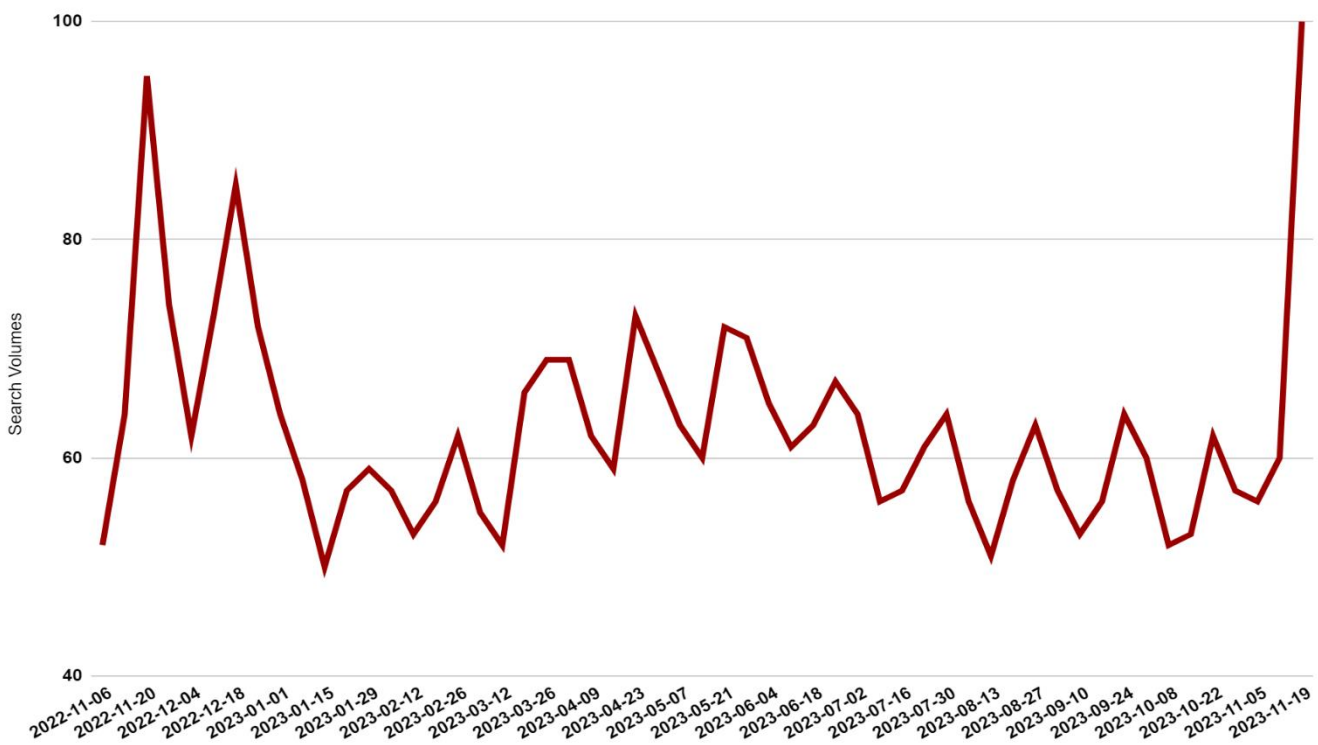
2. Grocery Retailers

- Interest in grocery retailers experienced variability throughout the year, with the biggest peaks seen around Black Friday 2023.
- Interest in grocery retailers was up around Black Friday 2023, although at a marginally lower level than what was seen for Black Friday 2022.



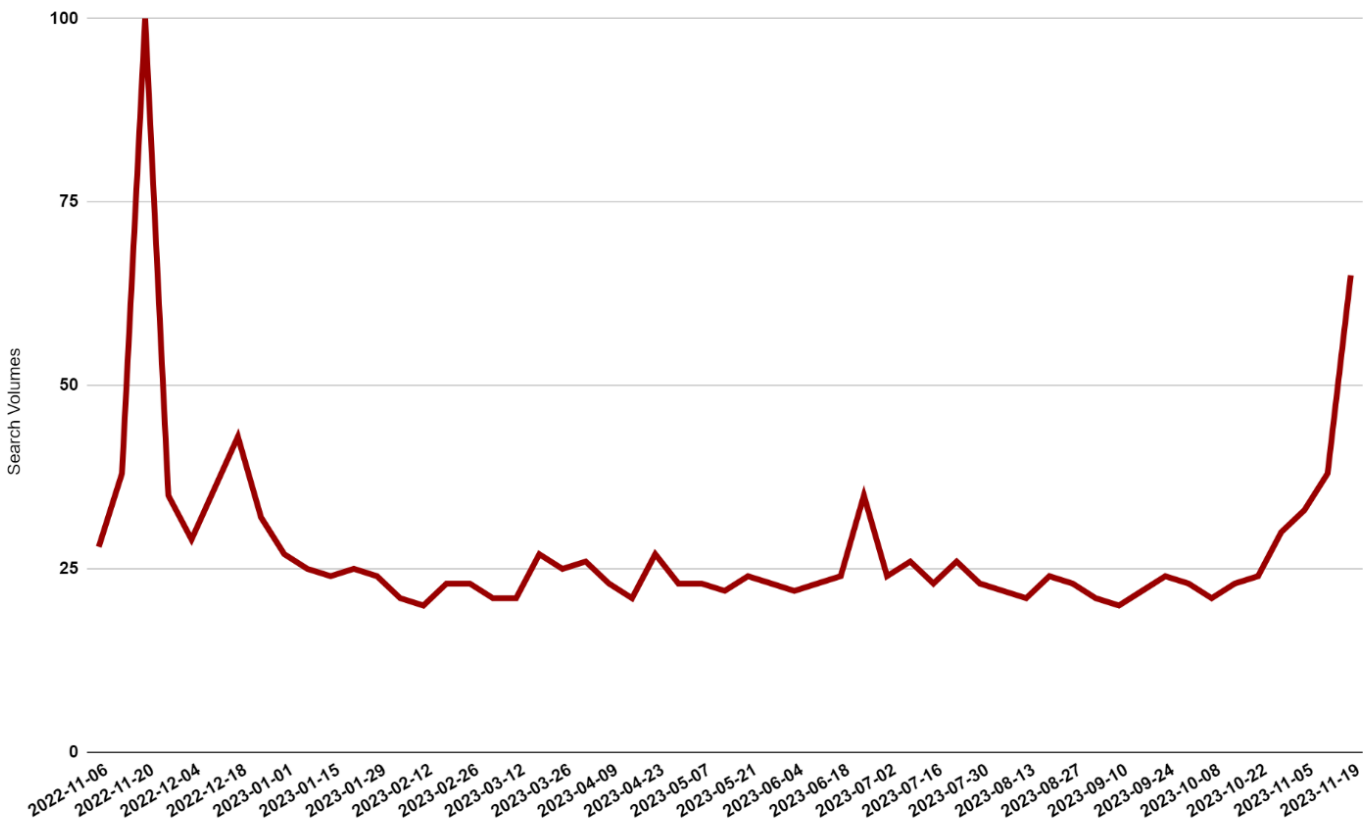
3. Baby (Personal Care & Apparel)

- Interest in these retailers picked up sharply for Black Friday 2023 and was at a higher level than what was seen in 2022.



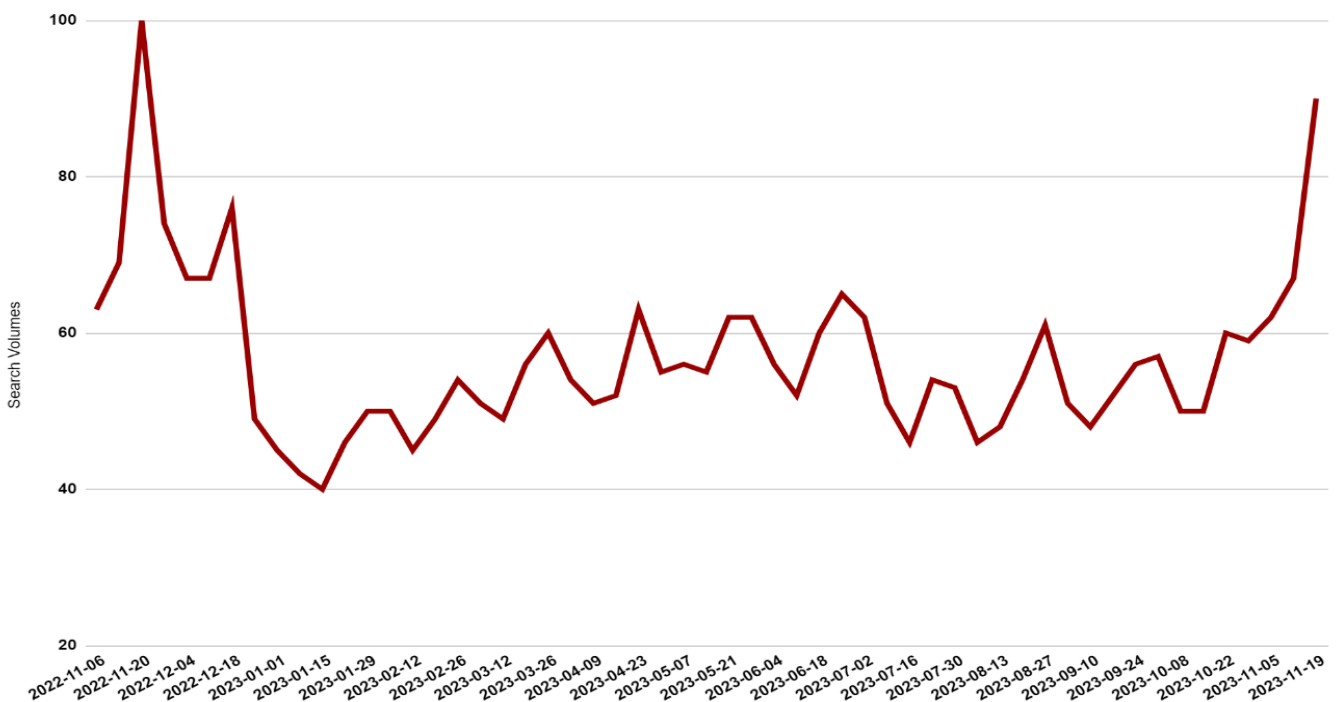
4. Appliance Retailers

- Black Friday 2023 interest is much lower than it was in the previous year. Appliances are big ticket items, and consumers this year prioritized necessities.



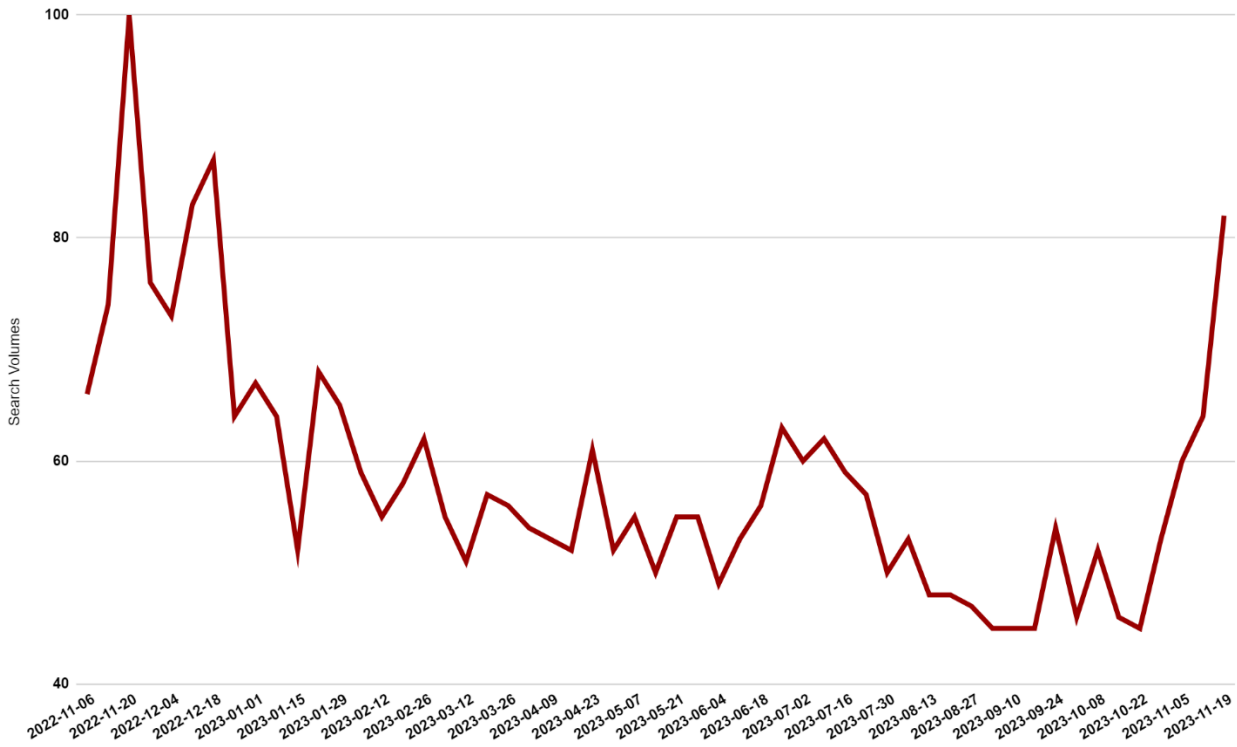
5. Apparel & Online Retailers

- Apparel and Online-Only retailers experienced varied levels of interest from consumers throughout the year, with small peak seen around pay day periods.
- Interest in these retailers was higher around Black Friday 2022 than what was experienced over the sale day in 2023.



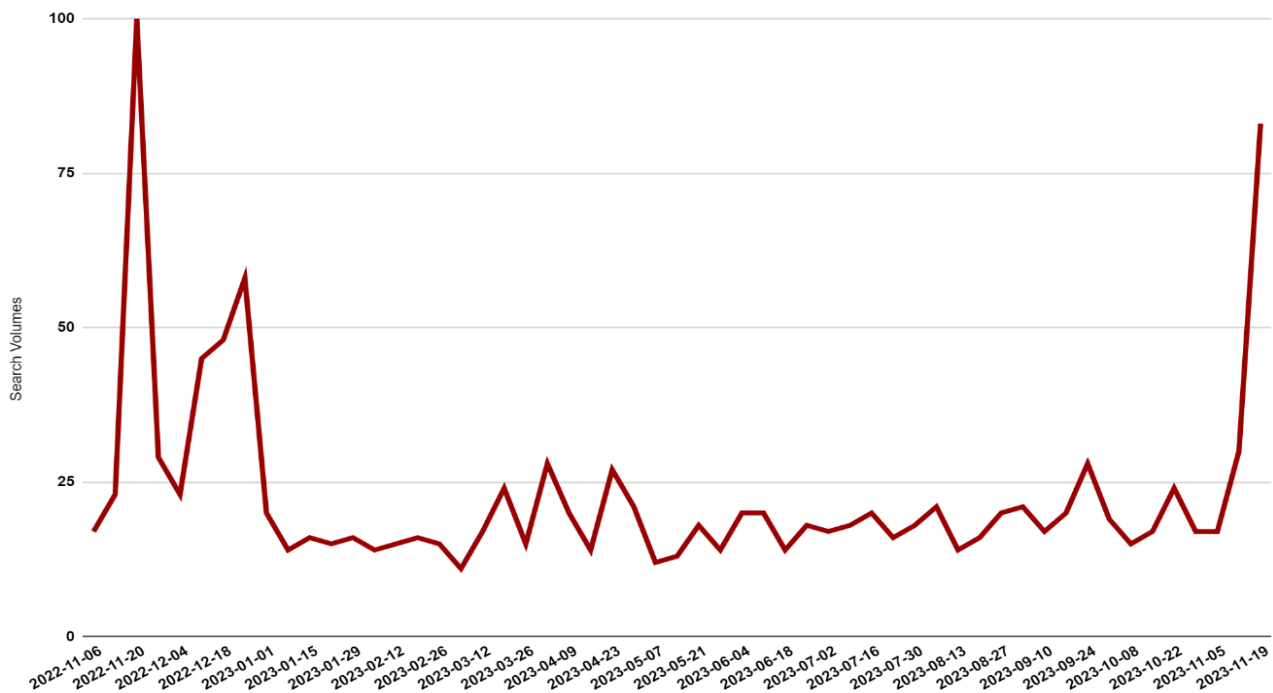
6. Furniture Retailers

- Furniture retailers have experienced diminishing levels of interest throughout the year as consumers have found it harder to make ends meet and allocated their income to necessities.
- Black Friday 2022 saw a large increase in consumer interest, but this was not to the same for Black Friday 2023.



7. Liquor Retailers

- Search interest on Black Friday 2022 is the highest compared to Black Friday 2023.

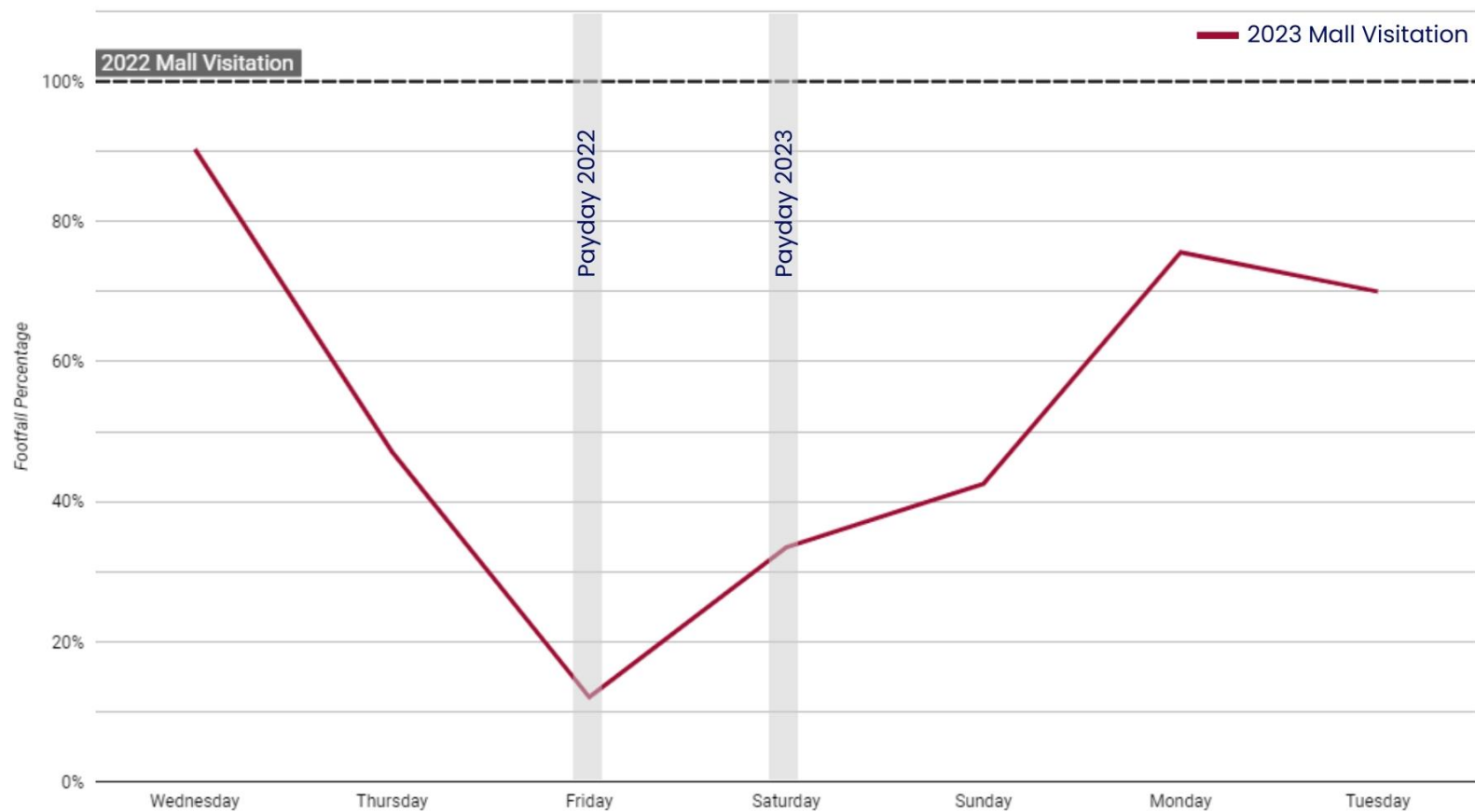


**Footfall
2023**



Black Friday Footfall

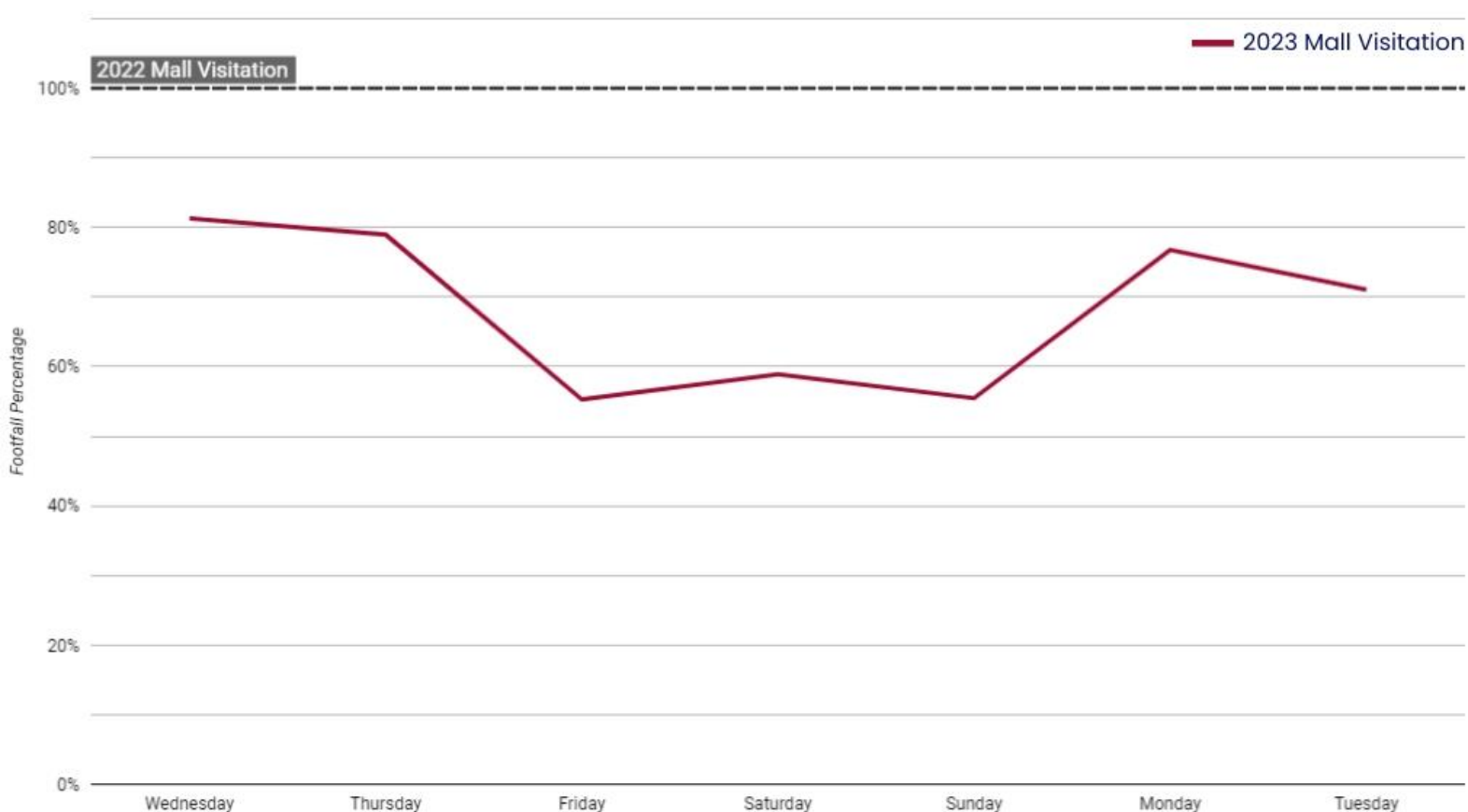
- For comparative purposes, the dotted line on the graph denotes 2022 and serves as the benchmark.
- Footfall on Black Friday 2023 exhibited a downward trend compared to the previous year. With pay day being on Saturday this year, there was over 80% less footfall than what it was in 2022. Some recovery is seen through the weekend with slightly higher proportions of footfall observed, although this is on a lower base of 2022.
- This also indicates that in-store Black Friday sales may not have been as successful at enticing customers to visit their stores physically.



National mall footfall across South Africa over the Black Friday weekend.

The week before Black Friday

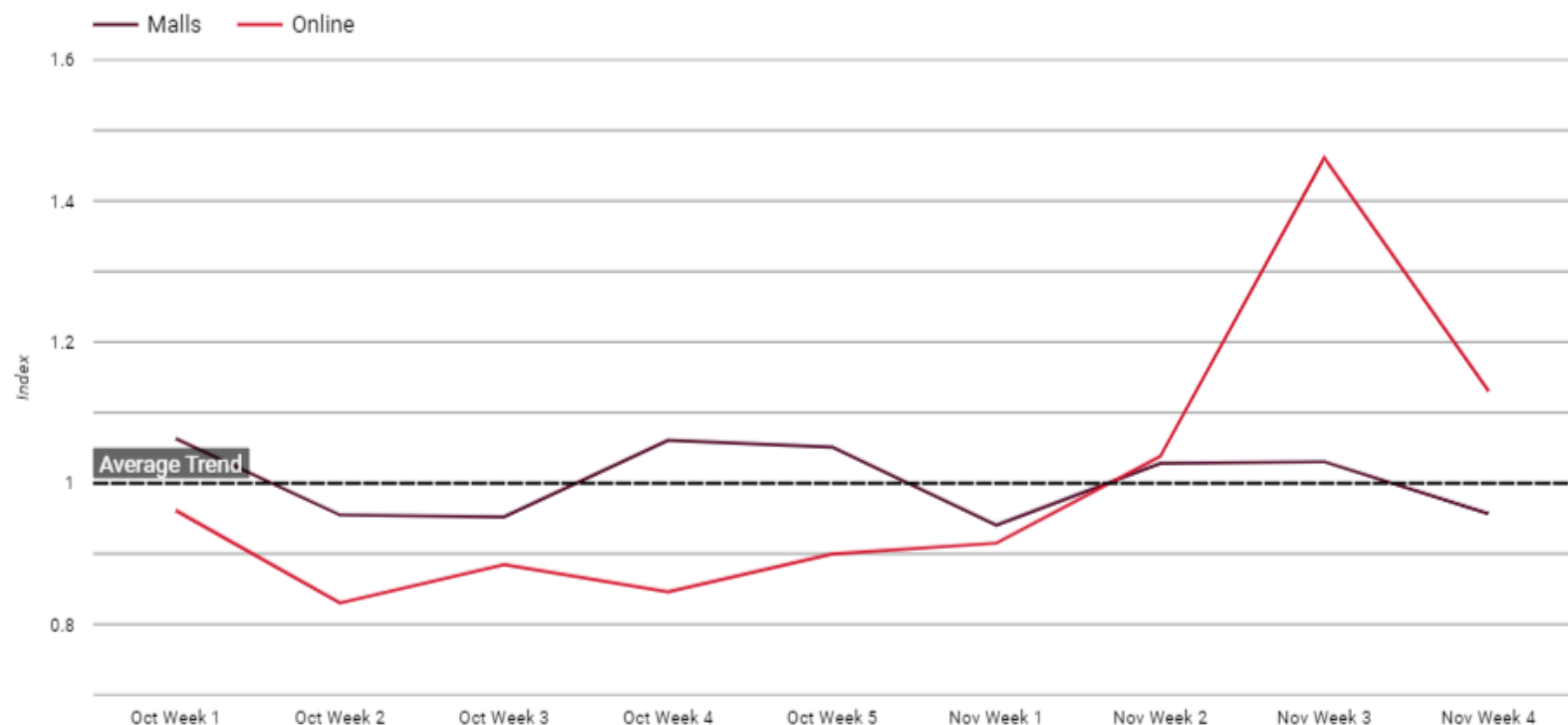
- For comparative purposes, the dotted line on the graph denotes 2022 and serves as the benchmark.
- In comparison to 2022, the week prior to Black Friday experienced footfall that was between 20% and 45% lower. This indicates that on average, 30% less consumers were seen in malls in 2023 than what was seen through 2022.
- The weekend saw the largest discrepancy in visitation, with each day down by $\pm 40\%$. This is however off the back of a larger base, so any changes will be inflated.



National mall footfall across South Africa over the week prior Black Friday weekend.

Online Searches vs Mall Footfall

- Black Friday has not caused an increase in footfall. Footfall at the end of November is marginally lower than what was seen in October and September, although October footfall may be slightly inflated due to the Rugby World Cup, with malls around the country hosting screenings of the games.
- The peak in online searches indicates that consumers may have been looking for sales but were unable to fully participate as cost of living is currently so high, or that they completed transactions online more than in-store.



Online search trends and mall footfall for October and November 2023.

Affluent Market Mall Footfall

- Mall footfall for the affluent market shows minor peaks around pay day periods throughout the year. A differing trend is observed for November, with footfall slightly inflated in the week prior to Black Friday. This may have been consumers participating in the Black November deals rather than waiting for Black Friday.
- Footfall declined in the weeks of Black Friday and Cyber Monday, supporting the decline on in-store spend.



Footfall from the affluent market in malls for 2023

Mass Market Mall Footfall

- Mass market footfall in malls is at a more stable level than the affluent market. A steady, albeit slow, increase in footfall has been observed for 2023 with marginally more feet seen in malls throughout winter and into spring and summer months.
- Footfall for this market segment was lower over the Black Friday period than it was in the months prior. Although October showed a considerable peak, this is once again caused by screening of the Rugby World Cup being hosted in mall spaces.



Footfall from the mass market in malls for 2023

In conclusion

Retail's biggest event offered valuable insights into the evolving consumer landscape. While online shopping is on a rise, shopping behaviour, search trends and footfall have changed, and it is crucial for retailers to understand these trends to navigate this changing landscape. The key take outs from this year's event paint a challenging consumer environment.

