

Absa's Merchant Spend Analytics | October 2024

Briefly: Month-to-month (MTM) performance

Consumer Goods and Services

cib.absa.africa

Your story matters



At a glance | October 2024

- 1** MTM: October 2024: A positive turn for card spending and transaction volumes.
- 2** MTM: Core categories demonstrate a positive trajectory compared to the previous month.
- 3** MTM: Food category growth lagging behind inflation rate for food and non-alcoholic beverages.
- 4** MTM: Online spending grew by 10% compared to 5% in in-store spending.

Note: This report leverages Absa's MSA and offers valuable insights into consumer behaviour trends and emerging patterns. This is a monthly report with a two-month lag.

The analysis presented in this report is based on the data available at the time of writing and is subject to change. Card spending data are inherently subject to limitations. Sampling methods and reporting lags can introduce some level of error. The findings presented in this report are based on our interpretation of the data and different interpretations are possible. This report may contain forward-looking statements about consumer spending trends. These statements are based on assumptions and are subject to risks and uncertainties. We encourage this report's users to carefully consider these limitations and to consult other information sources before making any decisions based on the information presented here.

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MTM: October 2024

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Briefly | October 2024

October 2024: A positive turn for card spending

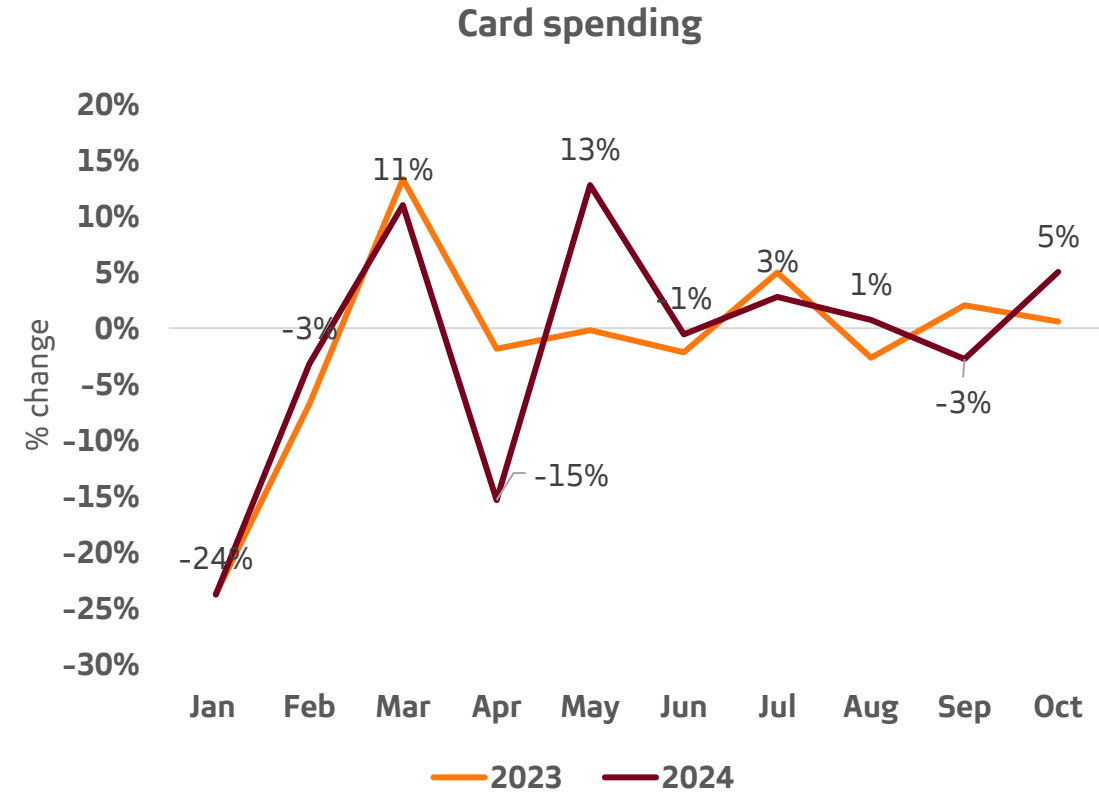
After a decline in September 2024, internal merchant data showed card spending and transaction volumes rebounding in October 2024, increasing by 5% and 4% respectively (graph 1 and 2). Furthermore, this growth surpassed the 1% growth observed in both metrics in October 2023. Notably, the MTM growth in card spending exceeded the current inflation rate of 2.8%. This positive trend aligns with recent economic developments, including reduced interest rates, lower inflation, and the implementation of the two-pot retirement reform. In addition to this, in the second quarter, real disposable income increased by 0.9%.

The top 10 **core categories***, representing 98.7% of market share as of October, demonstrated a more positive trajectory compared to previous months, significantly influencing overall card spending performance (table 1). The food category, a major driver of card spending, experienced a 4% growth. While this growth is positive, it slightly lagged behind the 4.7% inflation rate for food and non-alcoholic beverages. Increased vegetable and fruit prices were the primary culprits behind this higher inflation. Frost damage to potato production in parts of Limpopo and a shift in fruit production towards juice production because of higher prices in the juice market adversely affected the supply of fresh produce. However, these impacts are anticipated to be short-lived.

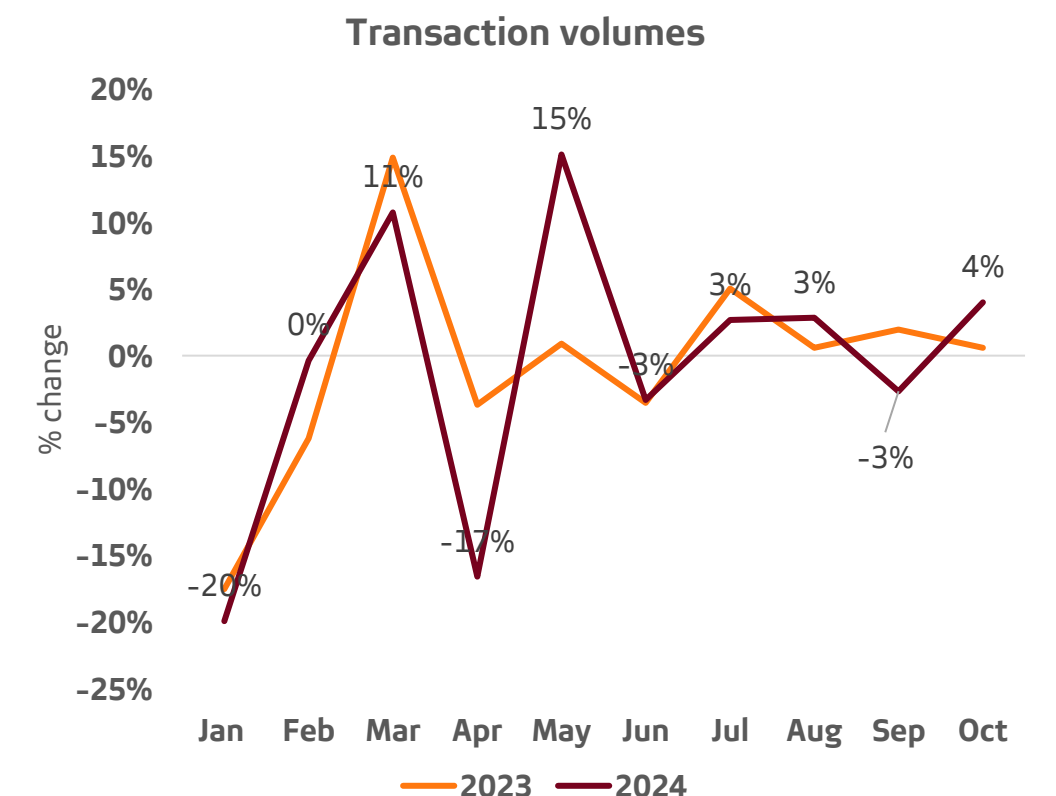
Online spending experienced robust growth in October, with a 10% month-to-month increase in spending. In-store spending also saw positive momentum, increasing by 5% during the same period. Debit and credit card transactions both grew by 6% in the month of October.

Looking ahead: A cautious optimism

As consumers gradually recover from economic challenges, their long-term spending habits remain uncertain. While October's positive performance offers a glimpse of potential future trends, the full impact of recent economic changes will unfold over time. The Black Friday event and the festive season will serve as critical indicators of consumer sentiment, spending capacity and the retail sector's recovery journey. This year's Black Friday is taking place after payday for many consumers, and we expect an uptick in spending and transaction volumes. The next edition of this report will unpack the performance of Black Friday and Cyber Monday.



Graph 1
Source: Absa's Merchant Spend Analytics



Graph 2
Source: Absa's Merchant Spend Analytics

Tracked card spending categories	Jan'24	Feb'24	Mar'24	Apr'24	May'24	Jun'24	Jul'24	Aug'24	Sept'24	Oct'24
Automotive*	-10%	0%	2%	-4%	9%	-6%	12%	-8%	-6%	13%
Books and newspapers	4%	-35%	-11%	-10%	9%	-16%	3%	-10%	2%	19%
Building and hardware*	-19%	-3%	2%	-9%	11%	-3%	6%	-1%	-1%	13%
Business and professional services*	-23%	0%	14%	-22%	13%	-3%	5%	6%	-3%	8%
Care services	26%	-13%	-4%	3%	7%	-7%	15%	-1%	-3%	7%
Clothing*	-46%	-12%	22%	-9%	13%	10%	-10%	6%	-1%	5%
Commercial and industrial services	-2%	-4%	-4%	11%	0%	-3%	21%	-11%	-10%	6%
Digital print media	-9%	-6%	177%	-36%	45%	-22%	-49%	22%	66%	100%
Domestic and cleaning services	13%	-9%	13%	-3%	2%	-1%	6%	6%	-1%	9%
Education	373%	-13%	-64%	-14%	-3%	-36%	71%	-20%	-12%	40%
Electronics and computers	-17%	-5%	9%	-21%	4%	5%	3%	-3%	-3%	1%
Food*	-21%	-3%	13%	-15%	14%	-1%	2%	2%	-4%	4%
Funeral services	8%	-8%	3%	1%	13%	6%	1%	-1%	-11%	14%
Gambling	3%	-16%	13%	-31%	58%	5%	17%	22%	24%	15%
Games and gaming	-54%	2%	14%	-9%	2%	7%	-8%	1%	2%	-2%
Garages*	-10%	1%	6%	-10%	10%	-7%	4%	-2%	-6%	2%
Government	21%	-6%	-4%	4%	9%	-6%	23%	2%	-1%	10%
Health and beauty*	-23%	0%	9%	-13%	22%	-6%	6%	4%	-4%	5%
Health practitioner	18%	9%	-9%	5%	5%	-14%	21%	-4%	-8%	20%
Home and garden*	-24%	-4%	3%	-12%	17%	-5%	7%	-4%	-1%	10%
Medical services	6%	14%	20%	-18%	-3%	-11%	11%	1%	-6%	15%
NGOs: Social and religious services	-51%	-13%	41%	-39%	22%	13%	-17%	9%	39%	-20%
Speciality*	-43%	2%	17%	-22%	19%	0%	-5%	-14%	-4%	3%
Sports, outdoors and travel	-8%	-14%	14%	-22%	10%	-2%	6%	8%	-4%	18%
Stationery and office furniture	41%	-55%	-5%	-15%	16%	-8%	12%	2%	3%	15%
Telecommunication*	-21%	-1%	10%	-15%	12%	-1%	0%	4%	-5%	8%
Tourism	-8%	-3%	2%	-19%	0%	0%	4%	9%	8%	-1%
Transportation	-7%	2%	-1%	-13%	11%	-4%	13%	-3%	-13%	-70%
Warehousing and storage	-19%	3%	-3%	-5%	20%	10%	29%	15%	-4%	22%
MTM performance	-24%	-3%	11%	-15%	13%	-1%	2%	1%	-3%	5%

Table 1
Source: Absa's Merchant Spend Analytics
*Core categories

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Heatmaps

Your story matters 

Heatmap

Year-on-year: Card spending changes per category

Tracked card spending categories	2020	2021	2022	2023
Automotive	2%	26%	15%	9%
Books and newspapers	10%	22%	20%	4%
Building and hardware	12%	21%	7%	3%
Business and professional services	98%	85%	65%	38%
Care services	6%	35%	29%	23%
Clothing	-1%	21%	1%	-13%
Commercial and industrial services	21%	34%	28%	15%
Digital print media	24%	94%	310%	40%
Domestic and cleaning services	58%	84%	44%	-4%
Education	-14%	6%	32%	17%
Electronic equipment and computers	20%	23%	9%	5%
Food	11%	10%	9%	9%
Funeral services	39%	37%	2%	40%
Gambling	-31%	47%	20%	-10%
Games and gaming	74%	470%	73%	15%
Garages	-15%	29%	21%	-3%
Government	-2%	20%	17%	5%
Health and beauty	14%	15%	18%	-5%
Health practitioners	-2%	24%	6%	6%
Home and garden	42%	25%	0%	1%
Medical services	5%	39%	19%	10%
NGOs: Social and religious services	-25%	35%	24%	9%
Speciality stores	-2%	14%	16%	6%
Sports, outdoors and travel	4%	42%	81%	29%
Stationery and office furniture	9%	33%	25%	23%
Telecommunications	6%	11%	22%	-5%
Tourism	-43%	46%	84%	20%
Transport	-22%	-2%	104%	11%
Warehousing and storage	75%	-8%	17%	-4%
Overall	11%	18%	14%	8%

Tracking year-on-year changes per category
 Source: Absa's Merchant Spend Analytics

Heatmap

MTM: Online and in-store spending changes per category

	Online spending									
	Jan'24	Feb'24	Mar'24	Apr'24	May'24	Jun'24	Jul'24	Aug'24	Sept'24	Oct'24
Automotive	5%	0%	10%	0%	8%	-9%	3%	2%	-16%	13%
Books and newspapers	-3%	-6%	-14%	3%	1%	-7%	14%	-10%	10%	18%
Building and hardware	-12%	9%	-11%	18%	9%	-8%	12%	-4%	32%	-2%
Business and professional services	3%	18%	18%	-26%	-2%	-8%	13%	1%	-5%	13%
Care services	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Clothing	-26%	0%	27%	-6%	12%	1%	-2%	-1%	0%	0%
Commercial and industrial services	-7%	-27%	40%	40%	-62%	5%	17%	-2%	30%	-25%
Digital print media	-7%	-10%	238%	-37%	46%	-23%	-56%	28%	77%	106%
Domestic and cleaning services	-85%	360%	31%	-28%	-61%	149%	31%	57%	-89%	304%
Education	567%	-29%	-58%	-42%	-5%	0%	44%	-19%	-9%	-10%
Electronics and computers	3%	-2%	7%	-10%	5%	0%	4%	5%	8%	-11%
Food	-11%	4%	14%	22%	-12%	-5%	51%	-11%	-19%	23%
Funeral services	-100%	n/a	120%	-63%	15126%	1192%	-100%	-92%	867%	138%
Gambling	n/a	n/a	n/a	280%	-100%	n/a	150%	-100%	-100%	n/a
Games and gaming	-2%	5%	3%	8%	0%	0%	-3%	1%	0%	-2%
Garages	-98%	5028%	-5%	88%	-98%	4751%	-43%	-100%	n/a	-100%
Government	8%	-7%	2%	5%	3%	-5%	18%	-6%	3%	5%
Health and beauty	-4%	20%	13%	-12%	4%	6%	36%	-35%	41%	-27%
Health practitioners	-30%	32%	5%	-9%	16%	7%	-14%	81%	22%	-25%
Home and garden	-10%	0%	-5%	-2%	15%	-12%	13%	-9%	1%	12%
Medical services	-62%	1361%	184%	-59%	-64%	-25%	-33%	-21%	-8%	41%
NGOs: Social and religious services	-20%	19%	-10%	5%	9%	3%	-16%	12%	60%	-30%
Speciality	-27%	15%	11%	-20%	11%	-6%	6%	-11%	1%	16%
Sports, outdoors and travel	14%	-18%	51%	-26%	-13%	10%	-5%	7%	13%	0%
Stationery and office furniture	288%	5%	26%	-40%	9%	14%	6%	-34%	18%	46%
Telecommunication	-9%	-44%	2%	-5%	5%	-5%	13%	-7%	-8%	5%
Tourism	-3%	6%	1%	-3%	1%	-11%	14%	9%	11%	1%
Transportation	-23%	5%	4%	-18%	7%	-3%	14%	-12%	10%	-57%
Warehousing and storage	-59%	-100%	n/a	n/a	180%	-87%	775%	-100%	n/a	123%
Overall performance	-7%	4%	10%	-9%	3%	-8%	17%	-6%	-3%	10%

Tracking MTM changes per category
Source: Absa's Merchant Spend Analytics

	In-store spending									
	Jan'24	Feb'24	Mar'24	Apr'24	May'24	Jun'24	Jul'24	Aug'24	Sept'24	Oct'24
Automotive	-10%	1%	2%	2%	3%	-6%	13%	-4%	-6%	13%
Books and newspapers	8%	-49%	-8%	-8%	0%	-24%	-8%	-11%	-9%	19%
Building and hardware	-18%	-2%	2%	3%	5%	-3%	6%	0%	-2%	13%
Business and professional services	-26%	-3%	13%	-12%	4%	-3%	3%	8%	-3%	7%
Care services	26%	-13%	-4%	8%	2%	-7%	15%	-1%	-3%	7%
Clothing	-46%	-12%	20%	0%	3%	10%	-10%	-3%	-1%	5%
Commercial and industrial services	-4%	-2%	0%	17%	-4%	-3%	21%	-12%	-11%	7%
Digital print media	-15%	6%	22%	-2%	-3%	-14%	-2%	5%	29%	70%
Domestic and cleaning services	14%	-10%	14%	3%	-3%	-1%	6%	5%	-1%	8%
Education	327%	-6%	-65%	2%	-8%	-43%	80%	-21%	-14%	56%
Electronics and computers	-19%	-5%	9%	-15%	-6%	6%	2%	-5%	-5%	4%
Food	-21%	-3%	13%	-7%	4%	-1%	1%	2%	-4%	4%
Funeral services	8%	-8%	3%	5%	8%	2%	5%	-1%	-11%	14%
Gambling	3%	-16%	13%	-22%	41%	5%	17%	22%	24%	15%
Games and gaming	-72%	-1%	27%	-16%	-6%	17%	-12%	1%	4%	-3%
Garages	-10%	1%	6%	-3%	2%	-7%	4%	-3%	-6%	2%
Government	22%	-6%	-5%	10%	9%	-6%	25%	2%	-2%	11%
Health and beauty	-23%	0%	9%	-3%	10%	-7%	6%	4%	-4%	5%
Health practitioners	18%	9%	-9%	11%	2%	-14%	21%	-5%	-8%	21%
Home and garden	-33%	-6%	11%	-6%	3%	2%	3%	1%	-3%	8%
Medical services	8%	3%	1%	1%	-1%	-11%	13%	1%	-6%	15%
NGOs: Social and religious services	-26%	-19%	59%	-39%	8%	17%	-15%	8%	32%	-16%
Speciality	-44%	2%	19%	-13%	7%	0%	-5%	5%	-4%	3%
Sports, outdoors and travel	-10%	-13%	9%	-10%	1%	-3%	7%	8%	-6%	20%
Stationery and office furniture	41%	-55%	-4%	-7%	6%	-8%	13%	2%	3%	15%
Telecommunication	-23%	3%	11%	-7%	2%	-1%	4%	0%	-5%	8%
Tourism	-9%	-5%	4%	-15%	-10%	4%	1%	9%	7%	-2%
Transportation	19%	-2%	-6%	6%	1%	-4%	13%	6%	-32%	-87%
Warehousing and storage	-18%	4%	-3%	-2%	21%	10%	29%	15%	-4%	22%
Overall performance	-25%	-4%	12%	-6%	4%	0%	1%	2%	-3%	5%

Tracking MTM changes per category
Source: Absa's Merchant Spend Analytics

Heatmap

MTM: Credit and debit card spending changes per category

	Debit card									
	Jan'24	Feb'24	Mar'24	Apr'24	May'24	Jun'24	Jul'24	Aug'24	Sept'24	Oct'24
Automotive	-12%	1%	3%	2%	4%	-6%	14%	-5%	-6%	13%
Building and hardware	-20%	-1%	2%	4%	5%	-2%	6%	-1%	-2%	13%
Business and professional services	-27%	1%	17%	-16%	5%	-3%	4%	7%	-4%	6%
Clothing	-47%	-11%	21%	-1%	5%	9%	-9%	-4%	-1%	6%
Food	-23%	-2%	13%	-7%	4%	0%	2%	2%	-5%	4%
Garages	-14%	-1%	9%	-3%	2%	-7%	4%	-2%	-6%	2%
Health and beauty	-24%	0%	9%	-4%	11%	-7%	6%	4%	-5%	5%
Home and garden	-27%	-3%	7%	-5%	7%	-3%	7%	-3%	-1%	9%
Speciality	-45%	3%	20%	-14%	8%	0%	-5%	3%	-4%	3%
Telecommunication	-23%	-1%	11%	-7%	3%	-1%	4%	0%	-5%	7%
Overall performance	-28%	-2%	14%	-7%	5%	0%	1%	1%	-4%	6%

	Credit card									
	Jan'24	Feb'24	Mar'24	Apr'24	May'24	Jun'24	Jul'24	Aug'24	Sept'24	Oct'24
Automotive	-4%	0%	2%	3%	1%	-6%	10%	-1%	-6%	11%
Building and hardware	-15%	-7%	2%	3%	5%	-3%	3%	4%	0%	12%
Business and professional services	-9%	0%	7%	-12%	-2%	-5%	5%	5%	0%	11%
Clothing	-30%	-12%	18%	4%	-4%	12%	-11%	3%	1%	0%
Food	-15%	-5%	11%	-5%	1%	-3%	5%	2%	-3%	5%
Garages	-2%	6%	2%	-4%	0%	-7%	6%	-3%	-7%	3%
Health and beauty	-20%	-2%	7%	0%	6%	-5%	6%	4%	-1%	4%
Home and garden	-15%	-6%	-5%	-1%	10%	-8%	8%	-5%	-1%	11%
Speciality	-38%	0%	16%	-13%	5%	-1%	-4%	8%	-5%	4%
Telecommunication	-5%	-5%	2%	-12%	-6%	-2%	12%	-4%	-7%	15%
Overall performance	-16%	-4%	8%	-5%	1%	-3%	4%	2%	-2%	6%

Tracking MTM changes per category
 Source: Absa's Merchant Spend Analytics

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