

# Absa's Merchant Spend Analytics | January 2025

Consumer Sector

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# At a glance | January 2025

- 1** Month-to-month (MTM): Post-festive season slump hits card spending.
- 2** MTM: Certain categories, like education, demonstrated robust growth aligning with specific consumer needs for the month.
- 3** Year-to-date (YTD): Card spending shows a positive trend, but transaction volumes slowed down.
- 4** YTD: Online shopping's growth has moderated, but growth remains in the double-digit territory.
- 5** A slight recovery in card spending is anticipated, however, several uncertainties remain.

**Important: As of December 2024, there has been a significant change in our reporting. We have expanded our data sources to include both consumer issuing data and merchant transaction data. Previously, the report was solely based on merchant transaction data. This change may result in slight variations in the observed trends compared to previous reports.**

*The analysis presented in this report is based on the data available at the time of writing and is subject to change. Consumer 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.*

# 1

## January 2025

Month-to-month (MTM) performance

Year-on-year (YoY) performance

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# MTM | January 2025

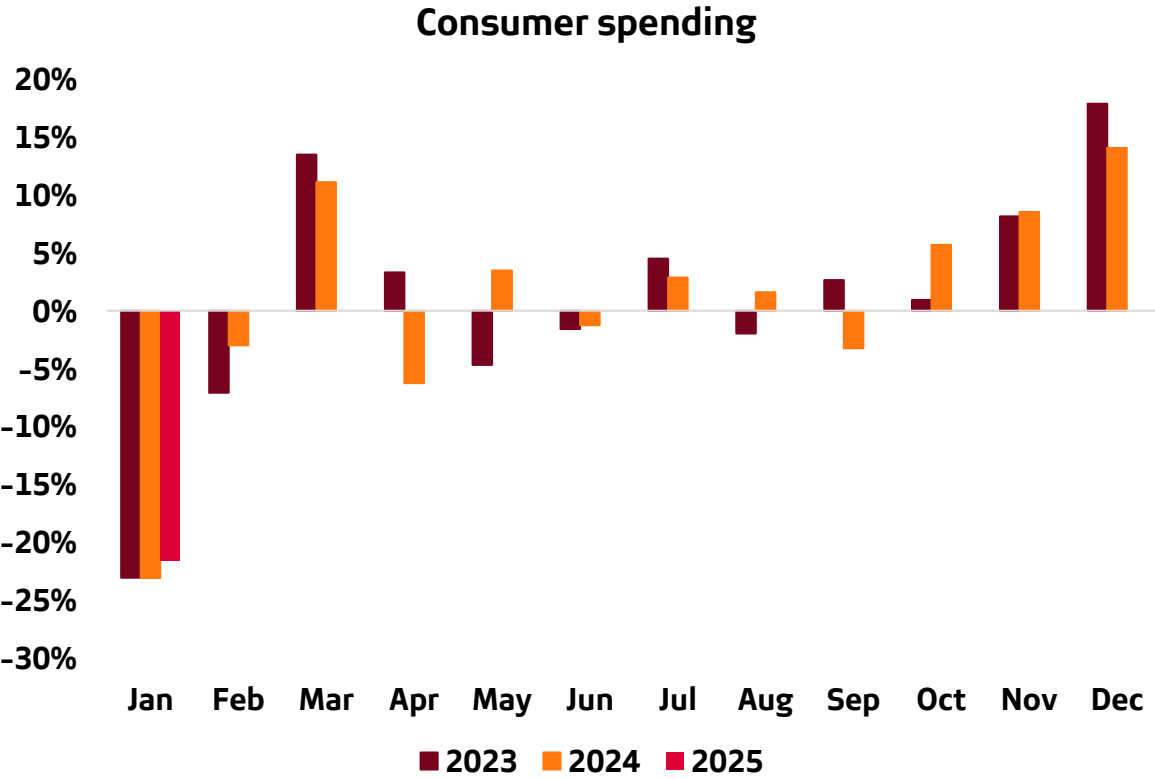
## Post-festive season slump hits card spending

January 2025's card spending and transactional volumes reflect the expected post-festive season spending lull, with a decline of 22% and 15% respectively (graph 1 and 2). According to Absa's card data, this contraction is heavily concentrated within the top five spending categories, which collectively account for over 77% of the total market share (table 2). These **core categories** are food (-20%), business and professional services (-19%), clothing (-42%), home and garden (-28%), and garages (-7%) (table 1). This January 2025 downturn is a recurring trend, typically observed as consumers recalibrate their spending habits following the often-extravagant holiday season.

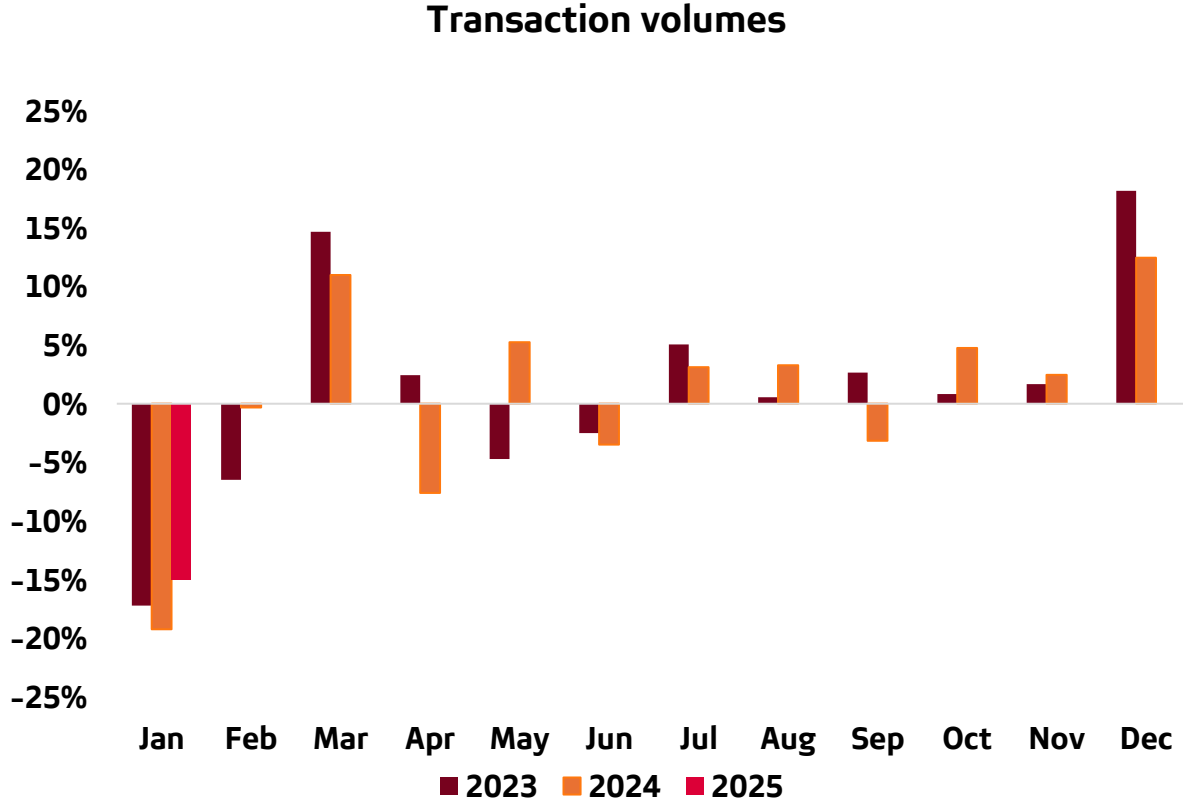
Conversely, certain categories aligned with specific January consumer needs, demonstrated robust performance. The back-to-school period significantly boosted spending in categories such as education (494%), transportation (189%), and stationery and office furniture (52%). While these growth rates appear substantial, it's crucial to note that these categories represent only 2% of total card spending, limiting their overall impact on card spending. Essentially, while the growth is notable, the absolute monetary value of these increases is less significant compared to the declines in the larger categories.

Debit card transactions decreased by 27%, while credit card spending experienced a 15% reduction on a MTM basis. Analysis suggests that the clothing and specialty category were the primary contributors to these declines across both payment platforms. Within the specialty category, alcoholic beverage sales appear to have been a significant factor. A modest 1% decrease in online shopping and a more pronounced 23% decline in in-store spending was experienced as consumers appear to have tightened their purse strings.

Interestingly, despite the overall downturn, the tourism sector retained its place among the top 10 spending categories albeit at 9% decline in card spending. This is a significant observation, as the tourism category typically enjoys this ranking only during the peak holiday seasons, predominantly in December, and its presence in January's top 10 is rare, suggesting perhaps a shift in consumer spending habits or perhaps an extended holiday travel period for some.



Graph 1  
Source: Absa's Merchant Spend Analytics



Graph 2  
Source: Absa's Merchant Spend Analytics

Tracked card spending categories	% Change	Market share (%)
Education	494%	1%
Transportation	189%	1%
Stationery and office furniture	52%	0%
Health practitioners	17%	1%
Government	15%	1%
Care services	15%	0%
Medical services	6%	1%
Domestic and cleaning services	2%	0%
Funeral services	0%	0%
Commercial and industrial services	-2%	0%
Books and newspapers	-4%	0%
<b>Automotive</b>	-5%	3%
<b>Garages</b>	-7%	4%
<b>Tourism</b>	-9%	1%
Gambling	-14%	1%
Electronics and computers	-15%	1%
Digital print media	-16%	0%
<b>Business and professional services</b>	-19%	12%
<b>Building and hardware</b>	-20%	4%
Telecommunication	-20%	1%
<b>Food</b>	-20%	45%
<b>Health and beauty</b>	-21%	2%
Sports, outdoors and travel	-23%	1%
<b>Home and garden</b>	-28%	6%
Warehousing and storage	-38%	0%
<b>Speciality</b>	-42%	3%
<b>Clothing</b>	-42%	10%
Games and gaming	-50%	0%
NGO, social and religious services	-52%	0%

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

# YTD | January 2025

## Card spending shows a positive trend YTD

YTD card spending figures for January 2025 compared to the same period in 2024 paint a more optimistic picture than the month-to-month data, suggesting a continued, albeit slightly moderated, upward trend in card spending (graph 3).. WCard spending has seen a modest increase of 7% YTD Jan '24, a slight uptick from the 6% growth recorded during the same period in 2024. Importantly, this growth continues to outpace the inflation rate, a positive sign for the economy and consumer purchasing power while the overall card spending trend remains healthy, the growth in the number of transactions has slowed to 8% YTD in January 2025, compared to the 15% growth in the same period last year.

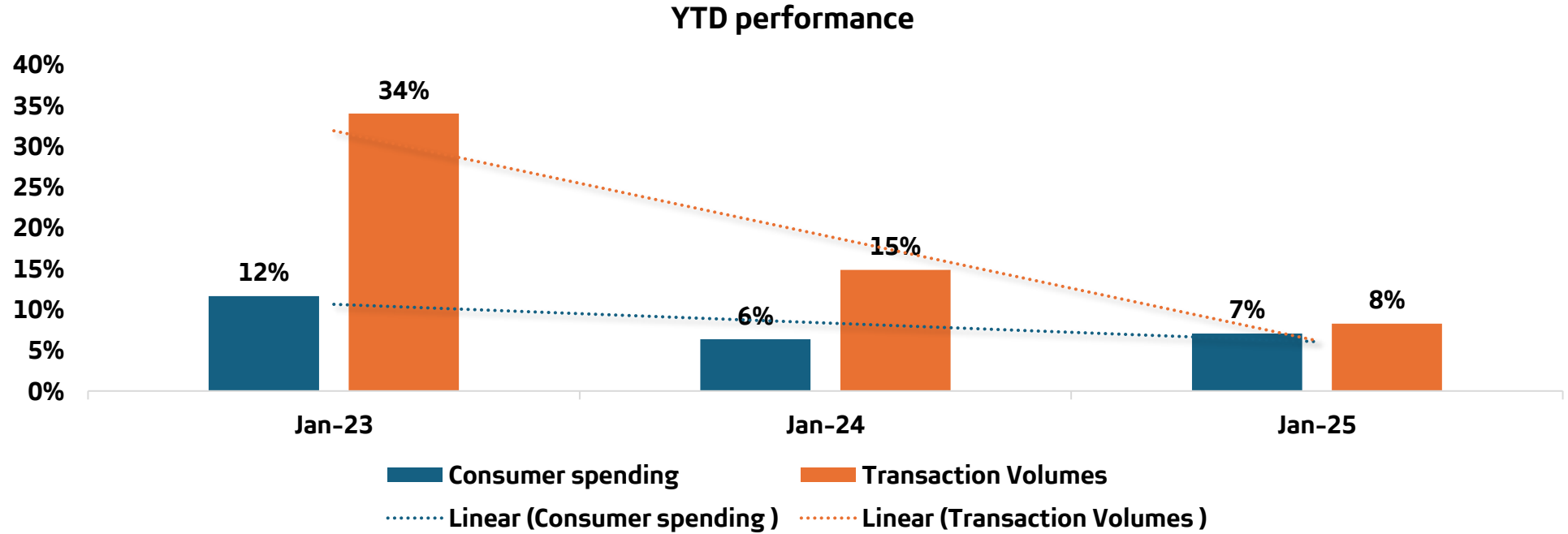
While online sales growth has moderated, it remains robust, increasing by 20% year-to-date in January 2025. This, though lower than the 31% seen in the same period last year, suggests a settling of the rapid expansion, rather than a decline. Online shopping continues to be a significant driver for the retail sector, with home and garden, food, and business and professional services owning 59% on online transactions per our internal data. In-store sales saw a slight improvement, rising to 6% growth compared to 5% in the previous year, with food, business and professional services and clothing being the primary drivers, owning 70% of all card transactions (refer to the heatmap section for data).

### Looking ahead

Our Macroeconomics Research Team's analysis\*\* indicates that real household disposable income saw growth in Q2 and Q3 of 2024, rebounding after four consecutive quarters of contraction. With inflation expected to remain contained, real wages should experience growth, further bolstering consumer spending power. Furthermore, lower interest rates will provide much-needed relief to consumers burdened by debt. The team forecasts 2% real household consumption growth in 2025, a significant improvement from the estimated 1.1% growth in 2024. While our Macroeconomics Research Team anticipates a rate cut by the South African Reserve Bank at the next committee sitting, they are proceeding cautiously given the complex and evolving local and global economic landscape.

Our Consumer Coverage team believes this projected growth may directly translate into increased card spending and transaction volumes. However, several uncertainties remain. The anticipated 2% increase in the value-added tax (VAT) rate is projected to have a discernible impact on consumer spending and purchasing power. Global trade tensions, potentially intensified by a second Trump presidency, pose a significant risk to economic stability and consumer confidence. Moreover, the disinflationary environment that has prevailed for some time appears to be waning.

While the forecast for 2025 is positive, it is contingent on a number of factors, and careful monitoring of the global and local economic situation is essential.



Graph 3  
Source: Absa's Merchant Spend Analytics

Tracked card spending categories	Jan-22	Jan-23	Jan-24	Jan-25
<b>Automotive</b>	21%	9%	8%	10%
Books and newspapers	41%	13%	12%	-22%
<b>Building and hardware</b>	8%	7%	-2%	5%
<b>Business and professional services</b>	68%	47%	24%	11%
Care services	42%	9%	18%	11%
<b>Clothing</b>	21%	-14%	2%	7%
Commercial and industrial services	27%	7%	10%	-1%
Digital print media	178%	150%	6%	59%
Domestic and cleaning services	38%	12%	6%	16%
Education	136%	19%	25%	45%
Electronics and computers	9%	4%	5%	5%
<b>Food</b>	17%	13%	3%	7%
Funeral services	-34%	29%	16%	13%
Gambling	17%	59%	31%	28%
Games and gaming	55%	13%	5%	14%
<b>Garages</b>	31%	19%	-6%	-7%
Government	11%	21%	17%	22%
<b>Health and beauty</b>	-4%	7%	9%	8%
Health practitioners	24%	3%	12%	9%
<b>Home and garden</b>	7%	-8%	19%	7%
Medical services	13%	11%	9%	14%
NGO, social and religious services	-5%	12%	5%	7%
<b>Speciality</b>	95%	15%	7%	7%
Sports, outdoors and travel	46%	223%	5%	9%
Stationery and office furniture	55%	14%	12%	4%
Telecommunication	4%	9%	5%	6%
<b>Tourism</b>	111%	35%	15%	2%
Transportation	34%	36%	9%	-39%
Warehousing and storage	-1%	5%	-2%	107%

Table 2  
Source: Absa's Merchant Spend Analytics  
\*Core categories

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Heatmaps: MTM

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# Heatmap | MTM 2024/5

Tracked card spending categories	Jan'24	Feb'24	Mar'24	Apr'24	May'24	Jun'24	Jul'24	Aug'24	Sept'24	Oct'24	Nov'24	Dec'24	Jan'25
Automotive	-7%	-1%	2%	2%	3%	-6%	14%	-4%	-6%	15%	0%	-1%	-5%
Books and newspapers	-7%	-26%	-13%	-8%	0%	-13%	8%	-7%	1%	14%	29%	5%	-4%
Building and hardware	-16%	-1%	2%	2%	4%	-2%	8%	0%	-2%	13%	5%	0%	-20%
Business and professional services	-22%	0%	14%	-14%	3%	-4%	4%	6%	-3%	7%	9%	12%	-19%
Care services	21%	-13%	-5%	11%	0%	-7%	13%	-1%	-4%	10%	-1%	-3%	15%
Commercial and industrial services	3%	0%	0%	13%	-3%	-3%	16%	-9%	-7%	9%	3%	-13%	-42%
Digital print media	-25%	9%	88%	-33%	20%	-11%	-35%	30%	40%	66%	-39%	8%	-2%
Domestic and cleaning services	7%	-8%	7%	7%	-1%	0%	10%	0%	-2%	7%	-2%	-3%	-16%
Education	348%	-15%	-59%	-4%	-11%	-35%	73%	-23%	-13%	43%	7%	-29%	2%
Electronics and computers	-17%	-4%	5%	-13%	-4%	4%	3%	-4%	-4%	3%	31%	10%	494%
Food	-21%	-3%	13%	-7%	4%	-1%	2%	2%	-4%	4%	7%	14%	-15%
Clothing	-44%	-10%	20%	-2%	3%	8%	-8%	-2%	0%	5%	22%	37%	-20%
Funeral services	8%	-6%	3%	5%	7%	4%	4%	-2%	-10%	12%	-8%	7%	0%
Gambling	-17%	-8%	17%	3%	5%	-3%	5%	6%	-7%	7%	6%	11%	-14%
Games and gaming	-58%	-2%	17%	-6%	-3%	8%	-5%	1%	2%	-3%	21%	76%	-50%
Garages	-10%	2%	7%	-2%	-2%	-6%	4%	-2%	-6%	2%	-2%	5%	-7%
Government	17%	-4%	-4%	6%	6%	-5%	24%	3%	2%	8%	-11%	-14%	15%
Health and beauty	-24%	-1%	9%	-2%	10%	-7%	7%	4%	-5%	5%	3%	11%	-21%
Health practitioners	16%	7%	-8%	10%	2%	-13%	22%	-4%	-7%	19%	-1%	-24%	17%
Home and garden	-23%	-4%	4%	-5%	7%	-4%	7%	-3%	-2%	11%	27%	5%	-28%
Medical services	5%	8%	12%	-8%	-3%	-10%	13%	0%	-6%	15%	1%	-10%	6%
NGO, social and religious services	-47%	-9%	42%	-22%	-2%	10%	-12%	7%	25%	-12%	17%	69%	-52%
Speciality	-43%	1%	20%	-13%	6%	0%	0%	7%	-3%	4%	15%	33%	-42%
Sports, outdoors and travel	-23%	-6%	15%	-15%	2%	1%	6%	6%	-9%	6%	27%	10%	-23%
Stationery and office furniture	54%	-59%	-18%	5%	4%	-19%	24%	-1%	-10%	20%	9%	58%	52%
Telecommunication	-23%	0%	10%	-7%	2%	0%	5%	1%	-4%	8%	-1%	17%	-20%
Tourism	-7%	-1%	6%	-9%	-5%	0%	1%	9%	6%	3%	-1%	5%	-9%
Transportation	-9%	2%	-7%	-6%	4%	-3%	13%	-5%	-16%	-66%	-28%	6%	189%
Warehousing and storage	-17%	3%	-3%	-1%	20%	7%	27%	13%	-5%	20%	11%	46%	-38%
<b>Overall performance</b>	<b>-23%</b>	<b>-3%</b>	<b>11%</b>	<b>-6%</b>	<b>3%</b>	<b>-1%</b>	<b>3%</b>	<b>2%</b>	<b>-3%</b>	<b>6%</b>	<b>9%</b>	<b>14%</b>	<b>-22%</b>

Table 3  
Source: Absa's Merchant Spend Analytics

# Heatmap | MTM 2023

Tracked card spending categories	Jan'23	Feb'23	Mar'23	Apr'23	May'23	Jun'23	July'23	Aug'23	Sept'23	Oct'23	Nov'23	Dec'23
Automotive	-11%	-5%	15%	-9%	9%	-2%	4%	1%	-4%	2%	6%	0%
Books and newspapers	-10%	-24%	-3%	-12%	6%	-6%	8%	0%	-5%	12%	33%	25%
Building and hardware	-15%	-9%	16%	-4%	3%	-3%	7%	1%	-2%	3%	10%	-3%
Business and professional services	-20%	-5%	18%	4%	-7%	-1%	8%	2%	3%	0%	9%	19%
Care services	15%	-14%	12%	-18%	32%	-9%	1%	4%	-5%	7%	5%	-10%
Commercial and industrial services	0%	-4%	11%	-8%	21%	-4%	3%	-1%	-2%	7%	3%	-14%
Digital print media	-27%	11%	8%	7%	-8%	-33%	11%	27%	-11%	-8%	46%	5%
Domestic and cleaning services	-4%	-9%	20%	-4%	3%	1%	1%	5%	0%	-4%	4%	-13%
Education	330%	-4%	-55%	-39%	30%	-24%	18%	-4%	-9%	8%	22%	-21%
Electronics and computers	-15%	-4%	9%	-5%	-6%	-5%	9%	-10%	3%	1%	39%	0%
Food	-20%	-7%	12%	6%	-8%	0%	5%	-3%	3%	1%	2%	21%
Clothing	-44%	-14%	21%	13%	-3%	-1%	-2%	-9%	7%	-4%	21%	47%
Funeral services	4%	-7%	16%	-10%	14%	6%	-5%	3%	-6%	1%	-1%	0%
Gambling	-15%	-5%	19%	0%	-2%	6%	5%	1%	1%	0%	7%	19%
Games and gaming	-58%	-3%	14%	12%	-15%	13%	3%	-10%	8%	-2%	18%	85%
Garages	-12%	-8%	7%	1%	1%	-8%	5%	1%	7%	3%	0%	-3%
Government	13%	-6%	7%	-16%	18%	2%	3%	9%	1%	5%	-6%	-12%
Health and beauty	-25%	-5%	18%	-1%	3%	-3%	6%	2%	0%	-1%	7%	14%
Health practitioners	11%	4%	8%	-20%	29%	-8%	0%	11%	-10%	11%	10%	-26%
Home and garden	-31%	0%	13%	-5%	2%	-5%	7%	-4%	-1%	7%	44%	-4%
Medical services	2%	-1%	31%	-23%	8%	-7%	0%	9%	-6%	9%	5%	-12%
NGO, social and religious services	-44%	-14%	21%	20%	-28%	6%	10%	-2%	11%	15%	-9%	66%
Speciality	-41%	-7%	18%	7%	-14%	5%	3%	0%	11%	-5%	11%	46%
Sports, outdoors and travel	-23%	-13%	18%	-1%	-6%	3%	5%	-1%	-5%	0%	28%	11%
Stationery and office furniture	45%	-60%	-6%	-11%	19%	-18%	15%	9%	-16%	13%	22%	54%
Telecommunication	-36%	-4%	12%	1%	-2%	-3%	3%	-2%	3%	-2%	3%	24%
Tourism	-7%	-3%	14%	-6%	-8%	-3%	7%	3%	3%	5%	5%	7%
Transportation	-10%	4%	14%	-10%	4%	-2%	3%	6%	4%	-2%	-2%	1%
Warehousing and storage	-17%	-12%	18%	-10%	-9%	13%	0%	4%	9%	-7%	9%	7%
<b>Overall performance</b>	<b>-23%</b>	<b>-7%</b>	<b>13%</b>	<b>3%</b>	<b>-5%</b>	<b>-1%</b>	<b>4%</b>	<b>-2%</b>	<b>3%</b>	<b>1%</b>	<b>8%</b>	<b>18%</b>

Table 4  
Source: Absa's Merchant Spend Analytics



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Heatmaps: YTD

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# Heatmap | YTD 2025

Tracked card spending categories	Online spending			
	YTD 2022	YTD 2023	YTD 2024	YTD 2025
Automotive	13%	39%	291%	100%
Books and newspapers	-9%	15%	20%	0%
Building and hardware	30%	18%	-10%	9%
Business and professional services	16%	25%	30%	12%
Care services	601%	-23%	-1%	0%
Clothing	100%	24%	22%	12%
Commercial and industrial services	-31%	-10%	92%	92%
Digital print media	265%	206%	9%	78%
Domestic and cleaning services	15%	126%	-5%	19%
Education	66%	19%	30%	89%
Electronics and computers	7%	61%	1%	10%
Food	106%	-8%	24%	45%
Funeral services	3395%	-63%	-85%	363%
Gambling	-53%	346%	72%	48%
Games and gaming	56%	30%	10%	22%
Garages	-80%	104%	-67%	19%
Government	-27%	29%	56%	17%
Health and beauty	0%	2%	14%	12%
Health practitioners	6%	-25%	49%	36%
Home and garden	12%	-14%	66%	9%
Medical services	6%	31%	44%	52%
NGO, social and religious services	-63%	4%	15%	14%
Speciality	15%	78%	-15%	25%
Sports, outdoors and travel	119%	78%	28%	34%
Stationery and office furniture	1%	-53%	65%	17%
Telecommunication	-23%	7%	11%	-10%
Tourism	120%	35%	20%	3%
Transportation	-13%	26%	6%	-1%
Warehousing and storage	36%	-31%	34%	-23%
Overall performance	28%	14%	31%	20%

Table 5  
Source: Absa's Merchant Spend Analytics

Tracked card spending categories	In-store spending			
	YTD 2022	YTD 2023	YTD 2024	YTD 2025
Automotive	21%	9%	6%	9%
Books and newspapers	73%	12%	10%	-30%
Building and hardware	8%	7%	-1%	5%
Business and professional services	85%	52%	23%	11%
Care services	41%	9%	18%	11%
Clothing	19%	-16%	1%	6%
Commercial and industrial services	28%	7%	9%	-3%
Digital print media	112%	79%	1%	15%
Domestic and cleaning services	39%	8%	7%	15%
Education	183%	19%	23%	27%
Electronics and computers	10%	-2%	5%	4%
Food	15%	13%	3%	6%
Funeral services	-34%	29%	16%	13%
Gambling	56%	12%	5%	5%
Games and gaming	55%	4%	2%	7%
Garages	31%	19%	-6%	-7%
Government	20%	20%	11%	23%
Health and beauty	-4%	7%	9%	8%
Health practitioners	25%	3%	12%	9%
Home and garden	5%	-6%	0%	5%
Medical services	13%	11%	8%	13%
NGO, social and religious services	57%	14%	3%	5%
Speciality	104%	11%	9%	5%
Sports, outdoors and travel	38%	247%	3%	6%
Stationery and office furniture	55%	14%	11%	4%
Telecommunication	9%	9%	4%	8%
Tourism	105%	36%	11%	2%
Transportation	2641%	52%	12%	-92%
Warehousing and storage	-1%	5%	-2%	108%
Overall performance	22%	11%	5%	6%

Table 6  
Source: Absa's Merchant Spend Analytics

# Heatmap | YTD 2025

Tracked top 10 card spending categories	Debit card			
	YTD 2022	YTD 2023	YTD 2024	YTD 2025
Automotive	20%	8%	8%	9%
Building and hardware	9%	5%	0%	5%
Business and professional services	75%	51%	21%	9%
Clothing	19%	-15%	0%	6%
Food	16%	14%	2%	6%
Garages	47%	17%	-4%	-6%
Health and beauty	-5%	7%	9%	7%
Home and garden	8%	-6%	16%	7%
Speciality	102%	11%	8%	6%
Tourism*	n/a	n/a	17%	4%
Telecommunication*	5%	n/a	n/a	n/a
<b>Overall performance</b>	<b>21%</b>	<b>9%</b>	<b>5%</b>	<b>6%</b>

Table 7  
Source: Absa's Merchant Spend Analytics

Tracked top 10 card spending categories	Credit card			
	YTD 2022	YTD 2023	YTD 2024	YTD 2025
Automotive	23%	10%	8%	13%
Building and hardware	5%	13%	-5%	7%
Business and professional services	53%	40%	30%	16%
Clothing	38%	-8%	11%	10%
Food	20%	8%	10%	12%
Garages	9%	24%	-10%	-10%
Health and beauty	0%	5%	9%	12%
Home and garden	5%	-14%	27%	6%
Speciality	76%	29%	4%	10%
Tourism	n/a	n/a	14%	2%
Telecommunication	-4%	n/a	n/a	n/a
<b>Overall performance</b>	<b>21%</b>	<b>14%</b>	<b>11%</b>	<b>9%</b>

Table 8  
Source: Absa's Merchant Spend Analytics

\*At certain intervals, the category did not form part of the tracked top 10 card spending categories

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The team

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## Consumer team

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Absa CIB

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