

Absa Merchant Spend Analytics | March 2025

Consumer Sector

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At a glance | March 2025

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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

March 2025

Month-to-month (MTM) performance

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MTM | March 2025

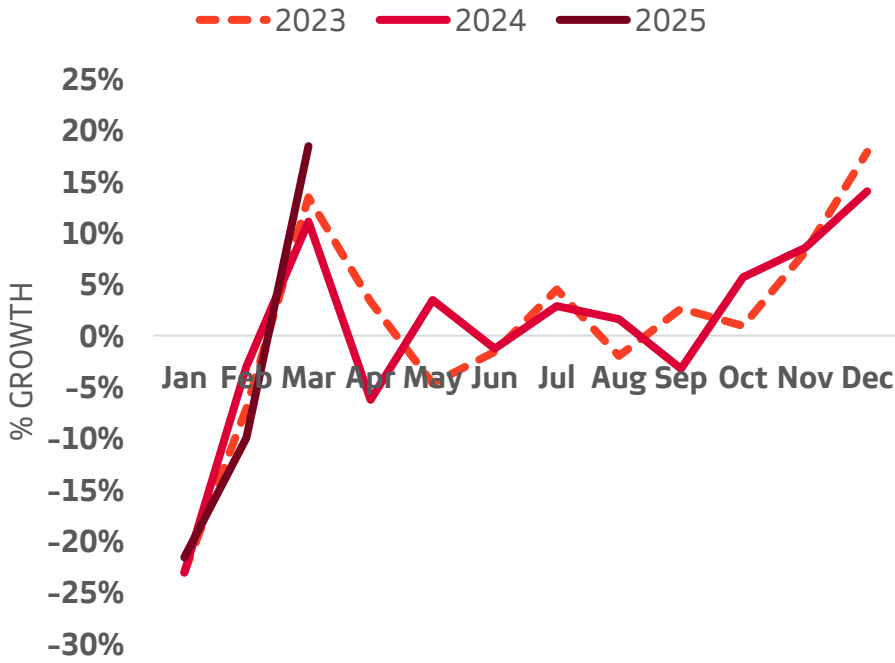
A rebound after a slow start to the year

Absa’s latest internal merchant data on card spending and transaction volumes provides valuable insights into evolving consumer behaviour. After a period of negative growth in unadjusted figures during January and February, March witnessed a significant shift, marked by an 18% MTM increase in card spending and a 19% rise in transaction volumes (graph 1 & 2). This rebound strongly suggests a return to more typical spending habits following the post-holiday period and the constrained spending opportunities inherent in February. While consumers are engaging in a higher volume of card transactions, the average transaction value (ATV) has only marginally recovered, moving from -4% in February to -0.2% in March. This pattern suggests a potential shift towards more frequent, lower-value purchases, indicative of heightened price sensitivity among consumers navigating an economic landscape still influenced by rising utility costs and the stickiness of certain prices that have not decreased in line with CPI. On a seasonally adjusted basis, a stable 3% MTM card spending increase was observed, suggesting an underlying trend of positive card spending growth.

The overall growth observed in March was not isolated to a few categories; rather, it was broadly based, with nearly all spending categories contributing positively (table 1). The strength of this growth was particularly driven by the **top 10 core categories***, all of which experienced significant double-digit growth rates. Historical analysis of our card spending data reveals a recurring pattern of March as a recovery month. For instance, March 2024, which included the Good Friday holiday, showed an 11% growth rate. The fact that March 2025 achieved a more substantial 18% growth despite the absence of Good Friday and in an environment of lower inflation may suggest a strengthening of consumers perhaps. This performance in March can likely be attributed to a coming together of macroeconomic factors, including the current lower interest rate environment, reported improvements in household income levels and lower inflationary pressures compared to the same period last year, all of which could be contributing to this performance.

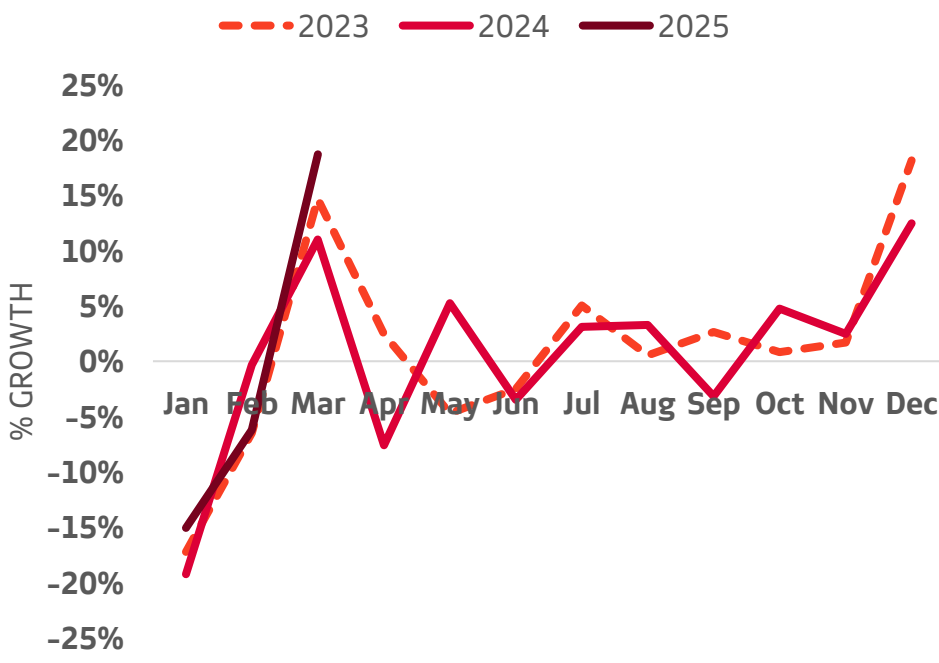
For March, gambling led the way at a 58% increase, fuelled by major sporting events and growth in activity by online gambling players. Of particular concern in South Africa is the implication that more consumers are resorting to gambling to augment their income, potentially linked to a challenging socioeconomic environment in the country. The Sports, Outdoors & Travel sector also experienced a notable 43% rise in card activity, driven by major sports events and a long weekend, which typically encourages increased spending on leisure activities.

Card spending: MTM



Graph 1
Source: Absa’s Merchant Spend Analytics

Transaction volumes: MTM



Graph 2
Source: Absa’s Merchant Spend Analytics

Tracked card spending categories	Jan 25	Feb 25	Mar 25
Automotive*	-5%	-18%	24%
Books & newspaper	-4%	-30%	-4%
Building & hardware*	-20%	-16%	25%
Business & professional services*	-19%	-8%	17%
Care services	15%	-28%	22%
Clothing*	-42%	-11%	24%
Commercial & industrial services	-2%	-13%	22%
Digital print media	-16%	-17%	-12%
Domestic & cleaning services	2%	-30%	43%
Education	494%	-38%	-48%
Electronic & computers	-15%	-10%	17%
Food*	-20%	-8%	17%
Funeral services	0%	-17%	18%
Gambling	-14%	-36%	58%
Games & gaming	-50%	-13%	20%
Garages*	-7%	-18%	32%
Government	15%	-18%	16%
Health & beauty*	-21%	-18%	33%
Health practitioner	17%	-9%	11%
Home & garden*	-28%	-7%	20%
Medical services	6%	-8%	38%
NGO_ social & religious services	-52%	-18%	52%
Speciality*	-42%	-14%	31%
Sports, outdoors & travel	-23%	-31%	43%
Stationery & office furniture	52%	-65%	11%
Telecommunication	-20%	-6%	19%
Tourism*	-9%	-22%	32%
Transportation	189%	54%	17%
Warehousing & storage	-38%	-22%	7%

Table 1
Source: Absa’s Merchant Spend Analytics

Heat Map | MTM 2023/2024

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 & newspaper	-10%	-24%	-3%	-12%	6%	-6%	8%	0%	-5%	12%	33%	25%
Building & hardware	-15%	-9%	16%	-4%	3%	-3%	7%	1%	-2%	3%	10%	-3%
Business & 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 & 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 & 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%
Electronic & 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 & 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 & beauty	-25%	-5%	18%	-1%	3%	-3%	6%	2%	0%	-1%	7%	14%
Health practitioner	11%	4%	8%	-20%	29%	-8%	0%	11%	-10%	11%	10%	-26%
Home & 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 & 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 & travel	-23%	-13%	18%	-1%	-6%	3%	5%	-1%	-5%	0%	28%	11%
Stationery & 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 & storage	-17%	-12%	18%	-10%	-9%	13%	0%	4%	9%	-7%	9%	7%
Overall performance	-23%	-7%	13%	3%	-5%	-1%	4%	-2%	3%	1%	8%	18%

Table 2
Source: Absa's Merchant Spend Analytics

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
Automotive	-7%	-1%	2%	2%	3%	-6%	14%	-4%	-6%	15%	0%	-1%
Books & newspaper	-7%	-26%	-13%	-8%	0%	-13%	8%	-7%	1%	14%	29%	5%
Building & hardware	-16%	-1%	2%	2%	4%	-2%	8%	0%	-2%	13%	5%	0%
Business & professional services	-22%	0%	14%	-14%	3%	-4%	4%	6%	-3%	7%	9%	12%
Care services	21%	-13%	-5%	11%	0%	-7%	13%	-1%	-4%	10%	-1%	-3%
Commercial & industrial services	3%	0%	0%	13%	-3%	-3%	16%	-9%	-7%	9%	3%	-13%
Digital print media	-25%	9%	88%	-33%	20%	-11%	-35%	30%	40%	66%	-39%	8%
Domestic & cleaning services	7%	-8%	7%	7%	-1%	0%	10%	0%	-2%	7%	-2%	-3%
Education	348%	-15%	-59%	-4%	-11%	-35%	73%	-23%	-13%	43%	7%	-29%
Electronic & computers	-17%	-4%	5%	-13%	-4%	4%	3%	-4%	-4%	3%	31%	10%
Food	-21%	-3%	13%	-7%	4%	-1%	2%	2%	-4%	4%	7%	14%
Clothing	-44%	-10%	20%	-2%	3%	8%	-8%	-2%	0%	5%	22%	37%
Funeral services	8%	-6%	3%	5%	7%	4%	4%	-2%	-10%	12%	-8%	7%
Gambling	-17%	-8%	17%	3%	5%	-3%	5%	6%	-7%	7%	6%	11%
Games & gaming	-58%	-2%	17%	-6%	-3%	8%	-5%	1%	2%	-3%	21%	76%
Garages	-10%	2%	7%	-2%	-2%	-6%	4%	-2%	-6%	2%	-2%	5%
Government	17%	-4%	-4%	6%	6%	-5%	24%	3%	2%	8%	-11%	-14%
Health & beauty	-24%	-1%	9%	-2%	10%	-7%	7%	4%	-5%	5%	3%	11%
Health practitioner	16%	7%	-8%	10%	2%	-13%	22%	-4%	-7%	19%	-1%	-24%
Home & garden	-23%	-4%	4%	-5%	7%	-4%	7%	-3%	-2%	11%	27%	5%
Medical services	5%	8%	12%	-8%	-3%	-10%	13%	0%	-6%	15%	1%	-10%
NGO_ social & religious services	-47%	-9%	42%	-22%	-2%	10%	-12%	7%	25%	-12%	17%	69%
Speciality	-43%	1%	20%	-13%	6%	0%	0%	7%	-3%	4%	15%	33%
Sports, outdoors & travel	-23%	-6%	15%	-15%	2%	1%	6%	6%	-9%	6%	27%	10%
Stationery & office furniture	54%	-59%	-18%	5%	4%	-19%	24%	-1%	-10%	20%	9%	58%
Telecommunication	-23%	0%	10%	-7%	2%	0%	5%	1%	-4%	8%	-1%	17%
Tourism	-7%	-1%	6%	-9%	-5%	0%	1%	9%	6%	3%	-1%	5%
Transportation	-9%	2%	-7%	-6%	4%	-3%	13%	-5%	-16%	-66%	-28%	6%
Warehousing & storage	-17%	3%	-3%	-1%	20%	7%	27%	13%	-5%	20%	11%	46%
Overall performance	-23%	-3%	11%	-6%	3%	-1%	3%	2%	-3%	6%	9%	14%

Table 3
Source: Absa's Merchant Spend Analytics

2

Quarter 1 2025

Year-to-date (YTD) performance

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YTD | Q1 2025

Card spending growth slows as average transaction volumes declines

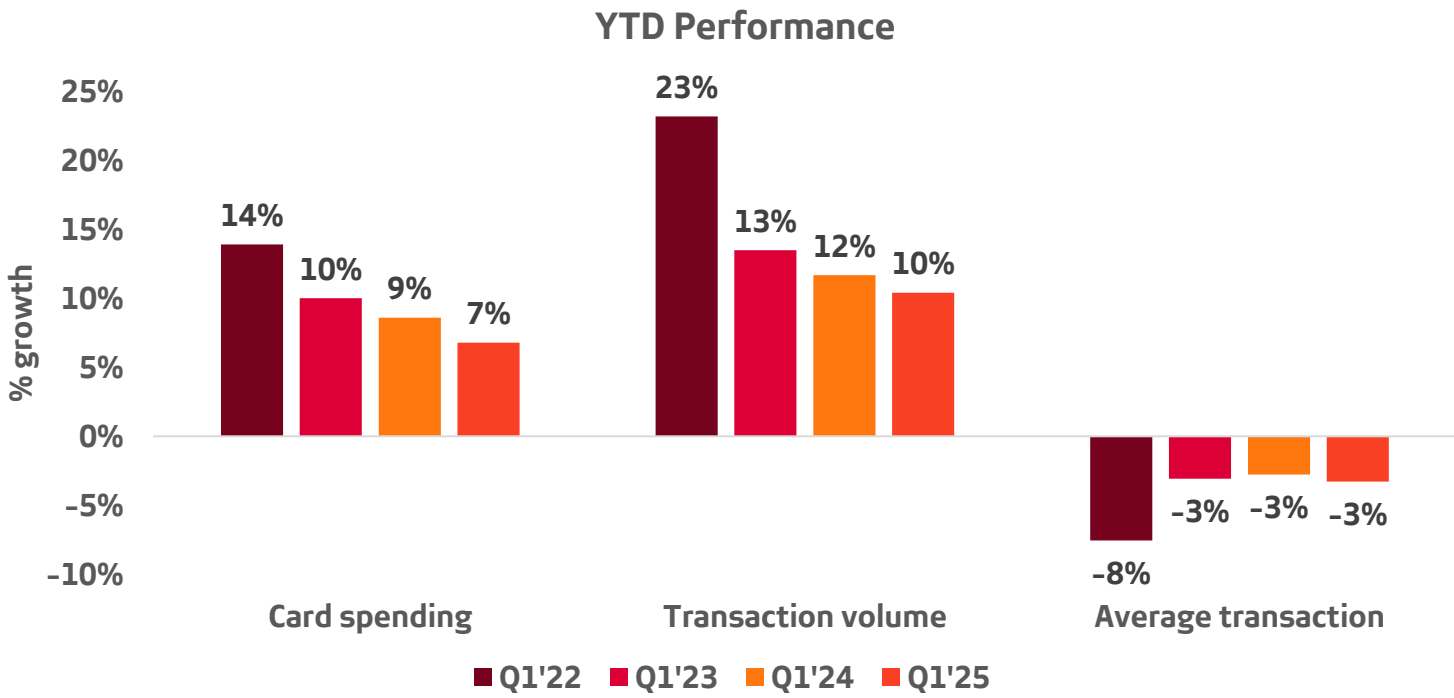
Internal data shows a deceleration in card spending growth during the first quarter of 2025 (Q1'25), despite improved economic indicators. While card spending and transaction volumes saw increases of 7% and 10% respectively in Q1'25, this represents a slowdown compared to the 9% and 12% growth experienced during the same period in 2024 (graph 3). Interestingly, the average transaction value has been on a consistent downward trend, declining by 3% year on year. This suggests that while consumers are still making purchases, they are spending less per transaction. NielsenIQ's (NIQ) Mid-year Consumer Outlook: Guide to 2025 reported that 40% of consumers are increasing their shopping frequency at discount or lower-priced stores. Zak Haeri, Managing Director at NIQ, urged retailers to "think of ways to sustainably push higher volumes without overpromoting and undervaluing, or oversubsidising their offerings."

Q1'25 Trends:

During Q1 2025, the most substantial growth** was observed in categories outside the core top 10 categories. Warehousing & Storage emerged as the leading category in terms of growth during the quarter (table 4). This increase may be attributed to a rise in consumers' logistical and storage demands, potentially driven by ongoing immigrations and "semigrations". The Education category ranked second in performance, in line with seasonal trends typically observed at the beginning of the academic year. This period often sees a surge in education-related expenditures, reflecting the resumption of school and university activities. Gambling maintained its presence among the top five performing categories. This continued strength is largely supported by the growing popularity of online gambling platforms in South Africa, as more consumers engage with digital entertainment and betting services. Digital Print Media experienced no growth, seemingly suggesting the rapid growth experienced previously has since normalised while Books & Newspapers continue to be adversely impacted by digital transformation and declining physical consumption (table 5).

For Q1'25, the top 10 core categories (table 6) have shown minimal market share losses or gains. The categories that gained market share, like Home & Garden and Health & Beauty, suggest that despite financial pressures, consumers are still prioritising these areas, potentially as a means of managing their wellbeing during difficult times.

These findings underscore the continued price sensitivity of South African consumers, even as the broader economic environment shows signs of improvement. Businesses will need to remain attuned to these evolving consumer behaviours and adapt their strategies accordingly to maintain growth and market share in this dynamic environment.



Graph 3
Source: Absa's Merchant Spend Analytics

Top 5 performing categories	
Q1'25	
Warehousing & storage	92%
Education	30%
Transportation	28%
Government	25%
Gambling	23%

Table 4
Source: Absa's Merchant Spend Analytics

Top 5 underperforming categories	
Q1'25	
Commercial & industrial services	2%
Digital print media	0%
Tourism	0%
Garages	-8%
Books & newspaper	-20%

Table 5
Source: Absa's Merchant Spend Analytics

Market share		
Core card spending categories	Q1'24	Q1'25
Food	45.27%	45.14%
Business & Professional Services	12.32%	12.34%
Clothing	9.95%	9.96%
Home & Garden	5.59%	5.85%
Garages	5.10%	4.39%
Building & Hardware	3.80%	3.73%
Speciality	3.49%	3.48%
Automotive	2.49%	2.50%
Health & Beauty	2.02%	2.03%
Tourism	1.52%	1.42%

Table 6
Source: Absa's Merchant Spend Analytics

** Source: See heat map section, page 8, for detailed data.

Q1 2025 | Card spending

Tracked card spending categories	Q1'22	Q1'23	Q1'24	Q1'25
Automotive	14%	7%	7%	8%
Books & newspaper	18%	13%	7%	-20%
Building & hardware	5%	4%	-1%	5%
Business & professional services	54%	43%	26%	7%
Care services	22%	10%	13%	11%
Clothing	13%	-13%	5%	7%
Commercial & industrial services	21%	3%	8%	2%
Digital print media	264%	87%	32%	0%
Domestic & cleaning services	29%	8%	2%	15%
Education	37%	22%	15%	30%
Electronic & computers	8%	5%	3%	7%
Food	9%	10%	7%	7%
Funeral services	-18%	35%	13%	11%
Gambling	7%	66%	28%	23%
Games & gaming	53%	14%	8%	7%
Garages	20%	11%	0%	-8%
Government	5%	19%	12%	25%
Health & beauty	3%	8%	9%	7%
Health practitioner	10%	5%	8%	8%
Home & garden	1%	-1%	13%	12%
Medical services	14%	12%	8%	14%
NGO_ social & religious services	-6%	10%	15%	8%
Speciality	26%	11%	12%	7%
Sports, outdoors & travel	29%	228%	10%	4%
Stationery & office furniture	12%	13%	10%	13%
Telecommunication	2%	3%	6%	16%
Tourism	84%	28%	13%	0%
Transportation	64%	17%	-2%	28%
Warehousing & storage	10%	-8%	3%	92%

Table 7
Source: Absa's Merchant Spend Analytics

Q1 2025 | Online vs In-store spending

Over the years, card spending has exhibited two clear dynamics: steady growth in online spending alongside a gradual but consistent shift in the distribution of spend toward online channels.

Online spending has maintained a robust growth trajectory, consistently outperforming in-store spending in terms of percentage growth (graph 4). While online spending has consistently recorded double-digit growth, its trajectory has been uneven, characterised by fluctuations across periods. Conversely, in-store spending has exhibited a steady year-on-year decline, suggesting a gradual shift in consumer payment preferences.

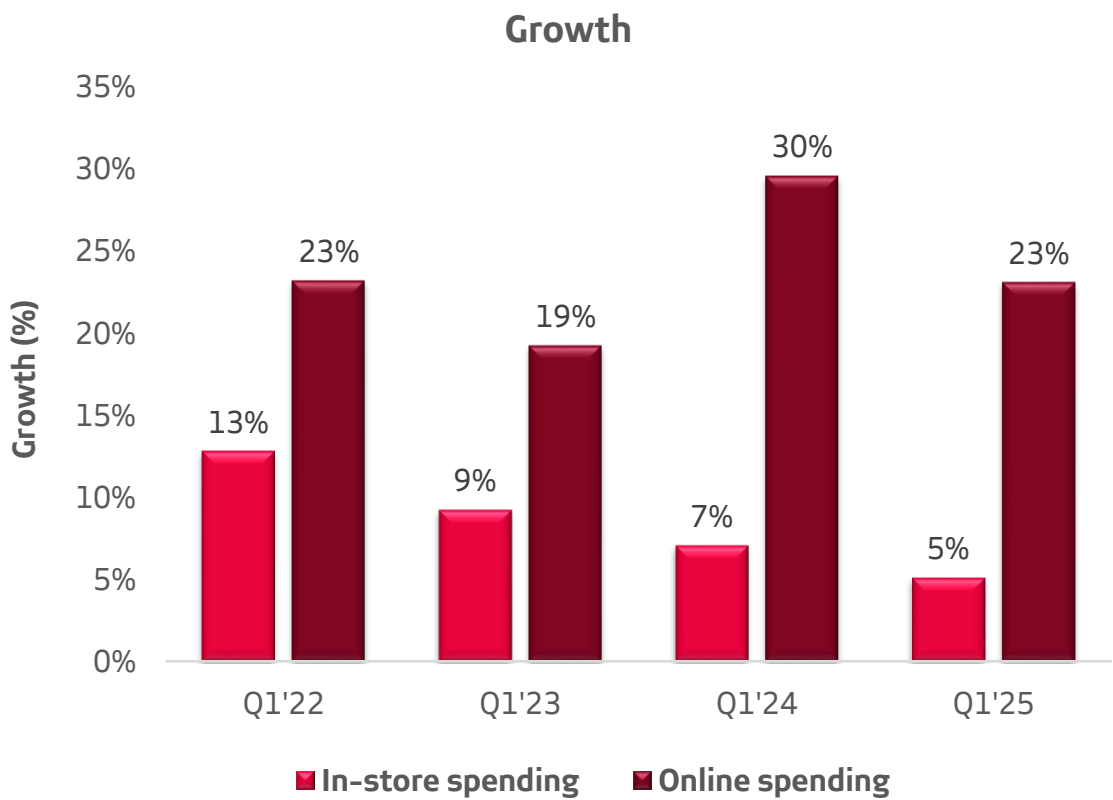
On the distribution side (graph 5), in-store spending still commands the lion’s share of total card spending. However, there’s a subtle but consistent shift happening. Online spending grew from 7% of total card spend in Q1’22 to 10% in Q1’25. While this change might seem modest, it reflects a meaningful trend in a landscape that has traditionally favoured in-person transactions.

In short, online spending is on an upward trajectory, albeit slowly, and is becoming an increasingly important part of the card payment ecosystem. As infrastructure, trust and convenience in the online space improve, we could expect this momentum to accelerate in terms of distribution – particularly in younger or more digitally savvy segments of the population.

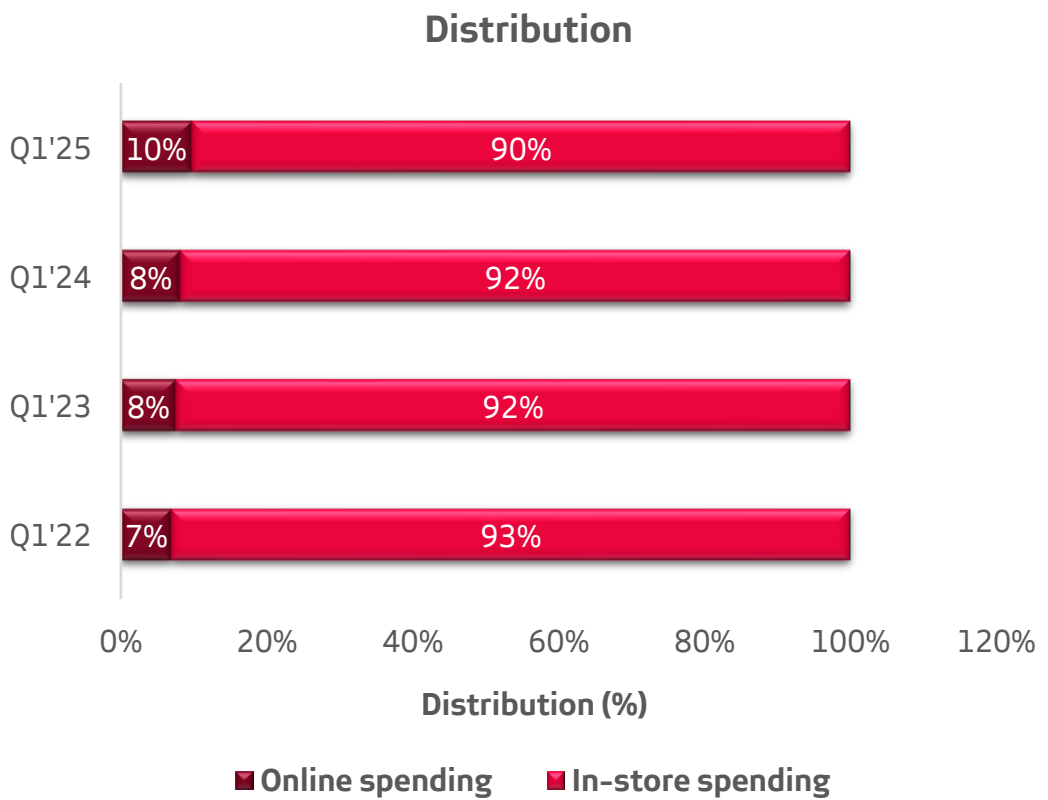
High-growth vs High-contribution Categories** in Q1’25

The strongest year-on-year growth in online spending was observed in Commercial & Industrial Services, which surged by 155%, indicating a significant shift towards digital payment solutions in traditionally offline sectors. The presence of categories like Funeral Services and Education highlights the expanding scope of online transaction ecosystems, possibly driven by improved digital infrastructure, evolving consumer preferences and broader digitisation efforts within service industries. It is important to note that these categories are growing from a relatively low base and their contribution towards the overall online spend remains limited.

In contrast, when evaluating the categories that contribute the most to total online spending volumes, a different picture emerges. Home & Garden (23%) and Food (20%) lead in terms of total spend, indicating that while not the fastest-growing, these categories remain central to online consumer activity. This distribution underscores the role of everyday and high-frequency spending categories in driving the bulk of online transactions. It also suggests that while growth may be concentrated in niche or emerging segments, volume remains anchored in traditional retail and services.



Graph 4
Source: Absa's Merchant Spend Analytics



Graph 5
Source: Absa's Merchant Spend Analytics

Online spending : Top 5 high-growth categories	
Tracked card spending categories	Q1'25
Commercial & Industrial Services	155%
Automotive	98%
Funeral Services	91%
Education	73%
Food	56%

Table 8
Source: Absa's Merchant Spend Analytics

Online spending : Top 5 high-contribution categories	
Tracked card spending categories	Q1'25
Home & Garden	23%
Food	20%
Business & Professional Services	17%
Transportation	7%
Clothing	7%

Table 9
Source: Absa's Merchant Spend Analytics

In-store spending: Top 5 high growth categories	
Tracked card spending categories	Q1'25
Warehousing & Storage	92%
Government	23%
Telecommunication	17%
Domestic & Cleaning Services	15%
Stationery & Office Furniture	13%

Table 10
Source: Absa's Merchant Spend Analytics

In-store spending: Top 5 high-contribution categories	
Tracked card spending categories	Q1'25
Food	48%
Business & Professional Services	12%
Clothing	10%
Garages	5%
Building & Hardware	4%

Table 11
Source: Absa's Merchant Spend Analytics

** Source: See heat map section, page 10 & 11, for detailed data.

Q1 2025 | Online spending

% Growth				
Tracked card spending categories	Q1'22	Q1'23	Q1'24	Q1'25
Automotive	7%	41%	251%	98%
Books & newspaper	-7%	17%	15%	3%
Building & hardware	27%	18%	-9%	9%
Business & professional services	6%	29%	45%	-2%
Care services	169%	-7%	-9%	25%
Clothing	95%	24%	28%	10%
Commercial & industrial services	-17%	2%	61%	155%
Digital print media	497%	102%	39%	0%
Domestic & cleaning services	101%	29%	-6%	14%
Education	13%	32%	22%	73%
Electronic & computers	46%	32%	-3%	18%
Food	52%	-9%	29%	56%
Funeral services	5266%	-84%	-38%	91%
Gambling	-42%	289%	66%	40%
Games & gaming	49%	30%	15%	17%
Garages	-84%	146%	-70%	10%
Government	-29%	28%	41%	35%
Health & beauty	14%	2%	13%	6%
Health practitioner	4%	-5%	55%	-18%
Home & garden	-4%	16%	41%	23%
Medical services	148%	34%	28%	45%
NGO_ social & religious services	-51%	6%	2%	28%
Speciality	42%	23%	2%	20%
Sports, outdoors & travel	113%	75%	23%	25%
Stationery & office furniture	-25%	-32%	21%	23%
Telecommunication	-11%	5%	-7%	11%
Tourism	89%	25%	13%	1%
Transportation	47%	16%	-4%	45%
Warehousing & storage	18%	-24%	19%	-20%

Table 12
Source: Absa's Merchant Spend Analytics

% Contribution				
Tracked card spending categories	Q1'22	Q1'23	Q1'24	Q1'25
Automotive	0.14%	0.17%	0.46%	0.74%
Books & newspaper	0.49%	0.48%	0.42%	0.35%
Building & hardware	0.66%	0.65%	0.46%	0.40%
Business & professional services	17.68%	19.09%	21.43%	17.09%
Care services	0.00%	0.00%	0.00%	0.00%
Clothing	7.23%	7.52%	7.46%	6.66%
Commercial & industrial services	0.03%	0.03%	0.03%	0.07%
Digital print media	1.18%	1.99%	2.13%	1.72%
Domestic & cleaning services	0.03%	0.04%	0.03%	0.02%
Education	1.90%	2.10%	1.98%	2.78%
Electronic & computers	1.76%	1.96%	1.46%	1.40%
Food	21.01%	16.07%	16.00%	20.34%
Funeral services	0.00%	0.00%	0.00%	0.00%
Gambling	0.96%	3.12%	3.99%	4.55%
Games & gaming	0.68%	0.74%	0.66%	0.63%
Garages	0.03%	0.07%	0.02%	0.01%
Government	1.70%	1.82%	1.98%	2.17%
Health & beauty	0.33%	0.28%	0.25%	0.21%
Health practitioner	0.05%	0.04%	0.05%	0.03%
Home & garden	21.28%	20.77%	22.61%	22.59%
Medical services	0.56%	0.63%	0.62%	0.73%
NGO_ social & religious services	0.18%	0.16%	0.12%	0.13%
Speciality	3.10%	3.20%	2.52%	2.46%
Sports, outdoors & travel	0.44%	0.65%	0.62%	0.62%
Stationery & office furniture	0.02%	0.01%	0.01%	0.01%
Telecommunication	2.56%	2.26%	1.61%	1.45%
Tourism	7.78%	8.17%	7.13%	5.83%
Transportation	8.22%	8.00%	5.93%	6.97%
Warehousing & storage	0.00%	0.00%	0.00%	0.00%

Table 13
Source: Absa's Merchant Spend Analytics

Q1 2025 | In-store spending

Tracked card spending categories	% Growth			
	Q1'22	Q1'23	Q1'24	Q1'25
Automotive	14%	7%	5%	6%
Books & newspaper	34%	11%	4%	-32%
Building & hardware	5%	4%	-1%	5%
Business & professional services	69%	46%	23%	9%
Care services	22%	10%	13%	11%
Clothing	11%	-15%	3%	7%
Commercial & industrial services	22%	3%	7%	0%
Digital print media	95%	53%	14%	-1%
Domestic & cleaning services	26%	7%	3%	15%
Education	48%	19%	12%	12%
Electronic & computers	4%	1%	5%	5%
Food	8%	11%	6%	5%
Funeral services	-18%	36%	13%	11%
Gambling	30%	18%	1%	2%
Games & gaming	55%	5%	3%	0%
Garages	20%	11%	0%	-8%
Government	12%	18%	7%	23%
Health & beauty	3%	8%	9%	7%
Health practitioner	10%	5%	8%	8%
Home & garden	2%	-7%	0%	5%
Medical services	10%	10%	7%	11%
NGO_ social & religious services	36%	11%	20%	2%
Speciality	25%	10%	13%	6%
Sports, outdoors & travel	21%	256%	8%	2%
Stationery & office furniture	13%	13%	10%	13%
Telecommunication	5%	2%	8%	17%
Tourism	79%	30%	14%	-1%
Transportation	606%	22%	10%	-68%
Warehousing & storage	10%	-8%	3%	92%

Table 14
Source: Absa's Merchant Spend Analytics

Tracked card spending categories	% Contribution			
	Q1'22	Q1'23	Q1'24	Q1'25
Automotive	2.80%	2.75%	2.71%	2.73%
Books & newspaper	0.09%	0.09%	0.09%	0.06%
Building & hardware	4.71%	4.49%	4.16%	4.15%
Business & professional services	7.43%	9.90%	11.34%	11.74%
Care services	0.02%	0.02%	0.02%	0.02%
Clothing	13.63%	10.59%	10.22%	10.37%
Commercial & industrial services	0.22%	0.20%	0.20%	0.19%
Digital print media	0.04%	0.06%	0.06%	0.06%
Domestic & cleaning services	0.04%	0.04%	0.04%	0.04%
Education	0.45%	0.49%	0.51%	0.54%
Electronic & computers	1.04%	0.96%	0.94%	0.94%
Food	47.93%	48.77%	48.42%	48.27%
Funeral services	0.06%	0.07%	0.07%	0.08%
Gambling	0.36%	0.39%	0.37%	0.36%
Games & gaming	0.11%	0.10%	0.10%	0.10%
Garages	5.94%	6.05%	5.65%	4.94%
Government	0.96%	1.04%	1.04%	1.22%
Health & beauty	2.20%	2.17%	2.22%	2.26%
Health practitioner	0.70%	0.67%	0.68%	0.70%
Home & garden	4.73%	4.01%	3.75%	3.73%
Medical services	0.62%	0.63%	0.62%	0.66%
NGO_ social & religious services	0.04%	0.04%	0.05%	0.05%
Speciality	3.38%	3.39%	3.59%	3.61%
Sports, outdoors & travel	0.20%	0.65%	0.65%	0.63%
Stationery & office furniture	0.30%	0.32%	0.32%	0.35%
Telecommunication	1.14%	1.07%	1.08%	1.21%
Tourism	0.72%	0.86%	0.91%	0.86%
Transportation	0.10%	0.11%	0.11%	0.03%
Warehousing & storage	0.05%	0.04%	0.04%	0.08%

Table 15
Source: Absa's Merchant Spend Analytics

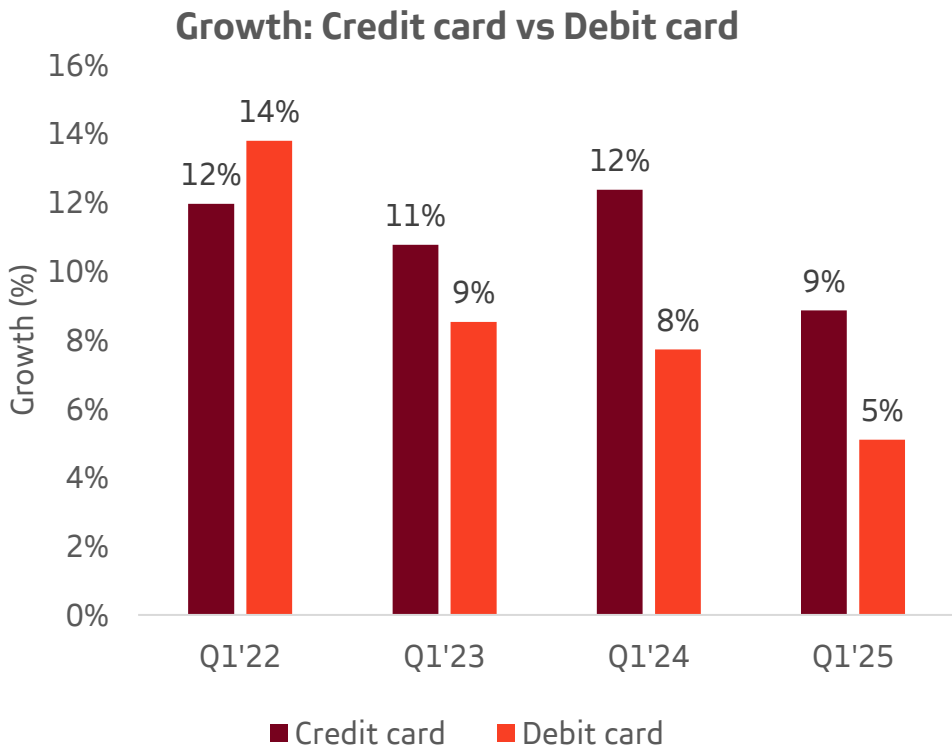
Q1 2025 | Credit card vs Debit card

The way consumers pay for everyday goods and services is undergoing a subtle transformation. Absa’s internal data on card spending habits shows a consistent upward trend in the adoption and use of credit cards (graph 6 & 7). Despite their continued prevalence as the most frequently used payment method, debit cards are experiencing a gradual but persistent loss of market share in the payment landscape (graph 7). This trend is particularly noteworthy considering the widely held perception of debit cards as a more cost-effective means of transacting. Consumers, it appears, are increasingly willing to overlook this economic advantage, potentially signalling a growing reliance on alternative payment methods like credit cards, perhaps as a means to bridge financial gaps when income falls short.

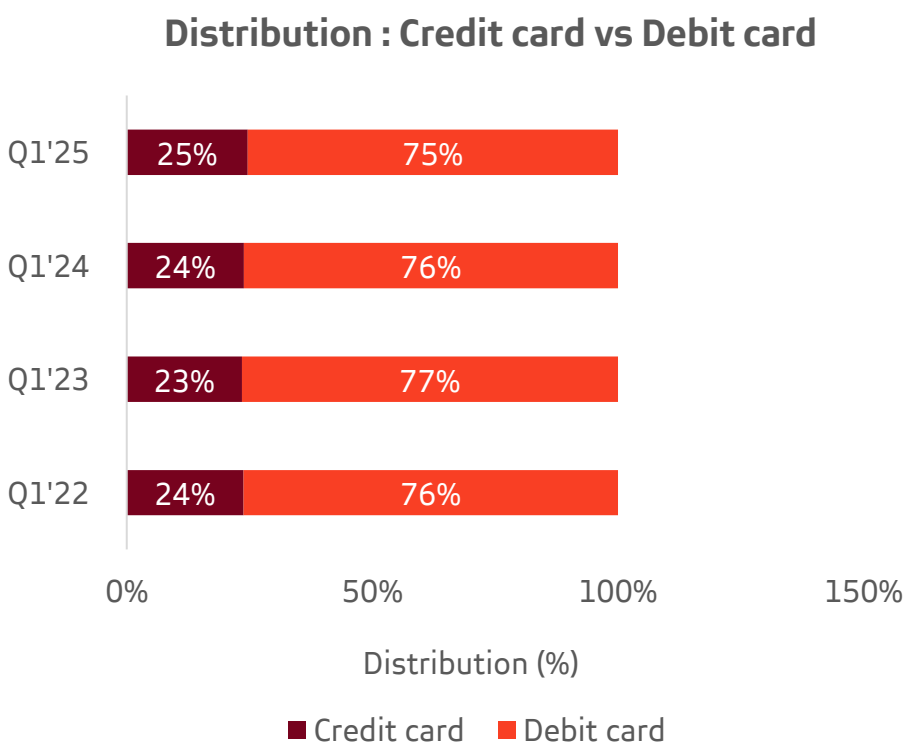
Increasingly, consumers are choosing to reach for their credit cards over their debit counterparts. This preference isn't limited to discretionary spending; data indicates a rising use of credit cards even for essential categories like groceries (table 16). This suggests that credit cards are evolving beyond their traditional role as mere supplementary payment tool for emergencies and are increasingly becoming the primary choice for many consumers. Several factors likely contribute to this evolving landscape. The allure of reward programmes, offering points, cash back or travel miles, provides a tangible benefit for credit card users.

Transaction volumes** across both debit and credit platforms reveal a consistent pattern in spending habits. The food, business and professional services, and clothing sectors consistently register the highest number of purchase transactions**, regardless of the payment method used. This highlights the fundamental importance of these categories in everyday consumer expenditure. Whether funded by readily available funds via debit or through the credit mechanism, these sectors represent core areas of economic activity. The subtle shift away from debit dominance, therefore, underscores a potentially evolving relationship between consumers and their chosen payment tools, driven by factors beyond mere transactional cost.

** Source: See heat map section, page 13, for detailed data.



Graph 6
Source: Absa's Merchant Spend Analytics



Graph 7
Source: Absa's Merchant Spend Analytics

Top 10 core card spending categories	% Growth : credit card			
	Q1'22	Q1'23	Q1'24	Q1'25
Automotive	14%	8%	7%	10%
Building & hardware	2%	9%	-5%	8%
Business & professional services	42%	38%	29%	13%
Clothing	23%	-9%	12%	9%
Food	7%	8%	13%	11%
Garages	0%	15%	-5%	-10%
Health & beauty	4%	5%	10%	10%
Home & garden	-4%	-2%	17%	13%
Speciality	24%	18%	11%	9%
Tourism	85%	27%	11%	-2%

Table 16
Source: Absa's Merchant Spend Analytics

Top 10 core card spending categories	% Growth : debit card			
	Q1'22	Q1'23	Q1'24	Q1'25
Automotive	14%	7%	7%	7%
Building & hardware	6%	3%	0%	4%
Business & professional services	60%	45%	25%	5%
Clothing	11%	-14%	3%	7%
Food	9%	11%	5%	5%
Garages	36%	9%	3%	-7%
Health & beauty	3%	9%	9%	6%
Home & garden	3%	0%	11%	11%
Speciality	27%	8%	13%	6%
Tourism	82%	29%	17%	3%

Table 17
Source: Absa's Merchant Spend Analytics

Q1 2025 | Credit & debit cards

Distribution: credit card				
Top 10 core card spending categories	Q1'22	Q1'23	Q1'24	Q1'25
Automotive	3.47%	3.40%	3.23%	3.25%
Building & hardware	5.14%	5.10%	4.33%	4.28%
Business & professional services	12.08%	15.15%	17.37%	17.89%
Clothing	9.46%	7.87%	7.85%	7.80%
Food	48.30%	47.51%	47.57%	48.43%
Garages	10.01%	10.50%	8.90%	7.30%
Health & beauty	2.46%	2.36%	2.30%	2.31%
Home & garden	9.10%	8.10%	8.45%	8.74%
Speciality	3.94%	4.24%	4.17%	4.17%
Tourism	3.91%	4.50%	4.45%	3.97%
	100.00%	100.00%	100.00%	100.00%

Table 18
Source: Absa's Merchant Spend Analytics

Growth: credit card				
Top 10 core card spending categories	Q1'22	Q1'23	Q1'24	Q1'25
Automotive	14%	8%	7%	10%
Building & hardware	2%	9%	-5%	8%
Business & professional services	42%	38%	29%	13%
Clothing	23%	-9%	12%	9%
Food	7%	8%	13%	11%
Garages	0%	15%	-5%	-10%
Health & beauty	4%	5%	10%	10%
Home & garden	-4%	-2%	17%	13%
Speciality	24%	18%	11%	9%
Tourism	85%	27%	11%	-2%

Table 20
Source: Absa's Merchant Spend Analytics

Distribution: Debit card				
Top 10 core card spending categories	Q1'22	Q1'23	Q1'24	Q1'25
Automotive	2.70%	2.66%	2.64%	2.67%
Building & hardware	4.77%	4.52%	4.20%	4.16%
Business & professional services	8.16%	10.91%	12.63%	12.59%
Clothing	15.90%	12.56%	12.06%	12.23%
Food	51.19%	52.40%	51.29%	51.35%
Garages	4.92%	4.95%	4.72%	4.18%
Health & beauty	2.21%	2.21%	2.24%	2.27%
Home & garden	5.87%	5.38%	5.56%	5.88%
Speciality	3.63%	3.62%	3.80%	3.83%
Tourism	0.66%	0.79%	0.86%	0.84%
	100.00%	100.00%	100.00%	100.00%

Table 19
Source: Absa's Merchant Spend Analytics

Growth: debit card				
Top 10 core card spending categories	Q1'22	Q1'23	Q1'24	Q1'25
Automotive	14%	7%	7%	7%
Building & hardware	6%	3%	0%	4%
Business & professional services	60%	45%	25%	5%
Clothing	11%	-14%	3%	7%
Food	9%	11%	5%	5%
Garages	36%	9%	3%	-7%
Health & beauty	3%	9%	9%	6%
Home & garden	3%	0%	11%	11%
Speciality	27%	8%	13%	6%
Tourism	82%	29%	17%	3%

Table 21
Source: Absa's Merchant Spend Analytics

3

The team

Your story matters



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Spend analytics: PocketFlow

Your story matters



A big-data web-based tool that takes you beyond the limitations of traditional banking.

Do you know who your customers are? What their spend behaviour at your store is? Or how you compare to competitors?

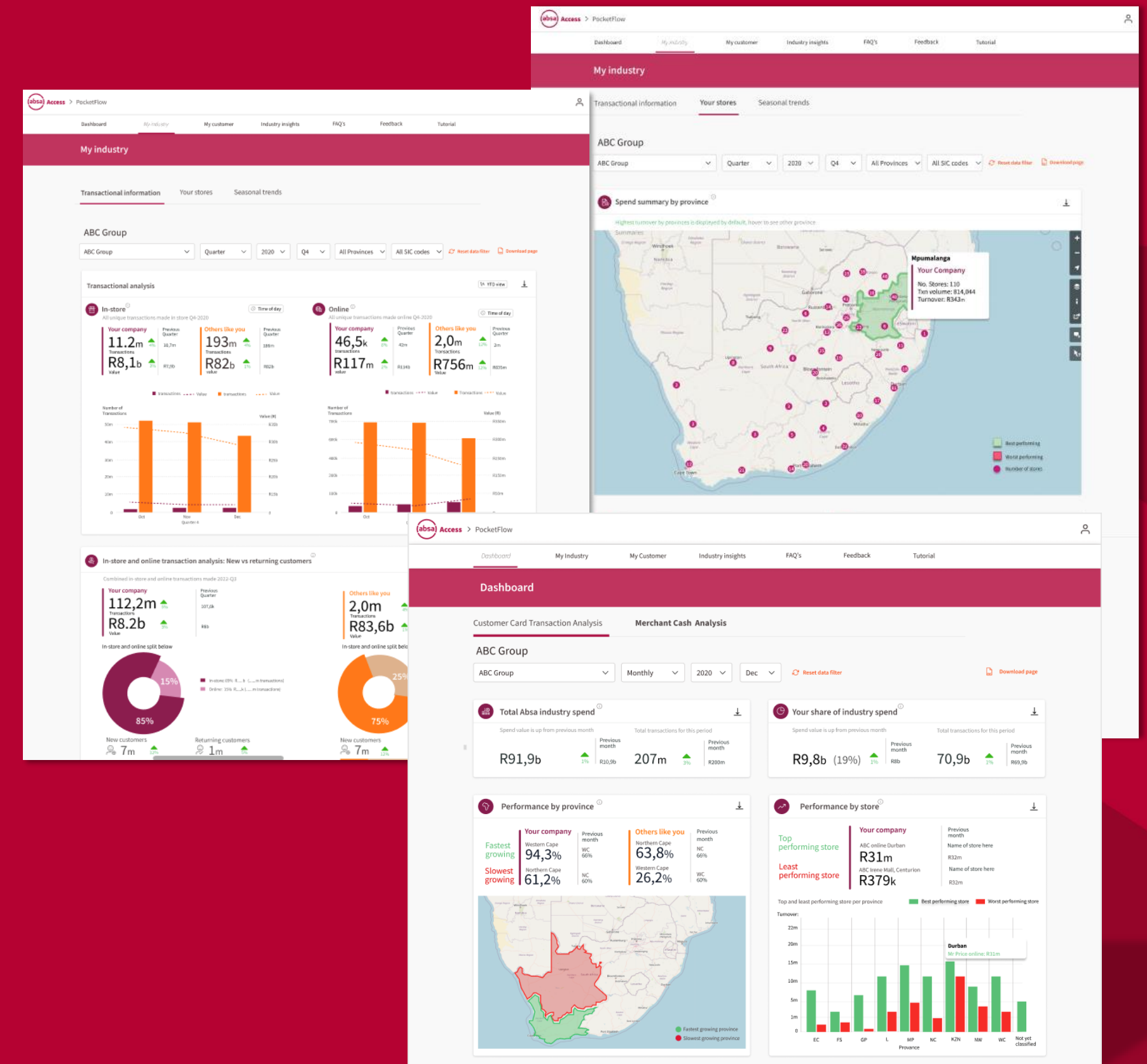
Now you can, with Absa's spend analytics tool, PocketFlow. This tool is designed to help you understand your customers better and optimise your business strategies.

The tool's interactive customer visualisations allow you to better understand your business's performance, further strengthening actionable insights. PocketFlow is a self-service tool that doesn't involve any complicated installation processes, nor does it require specialist IT skills to implement or use.

Start your PocketFlow spend analytics journey today!

Two available offerings:

- PocketFlow (for large corporates): Speak to your business banker today
- PocketFlow Lite (for small and medium enterprises): Register on the Absa Merchant Access Online (AMAO) portal at <https://absamerchantaccessonline.absa.co.za>



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