

Absa Merchant Spend Analytics | June 2025

Consumer Sector

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Your story matters



At a glance | June 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 is 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

June 2025

MTM performance

Your story matters



MTM | June 2025 overview

Volatility in card spending persists

June 2025 continued to reflect volatility in consumer card spending, with notable declines across most categories. According to Absa’s internal data, total card spend dropped by 6% MTM, while transaction volumes fell by 8%. This aligns with historical trends, as internal data suggests that June typically experiences negative growth. Despite this decline MTM, year-on-year (YoY) performance showed a modest 2% increase, suggesting some resilience in consumer activity over the longer term. The average transaction value increased by 3%.

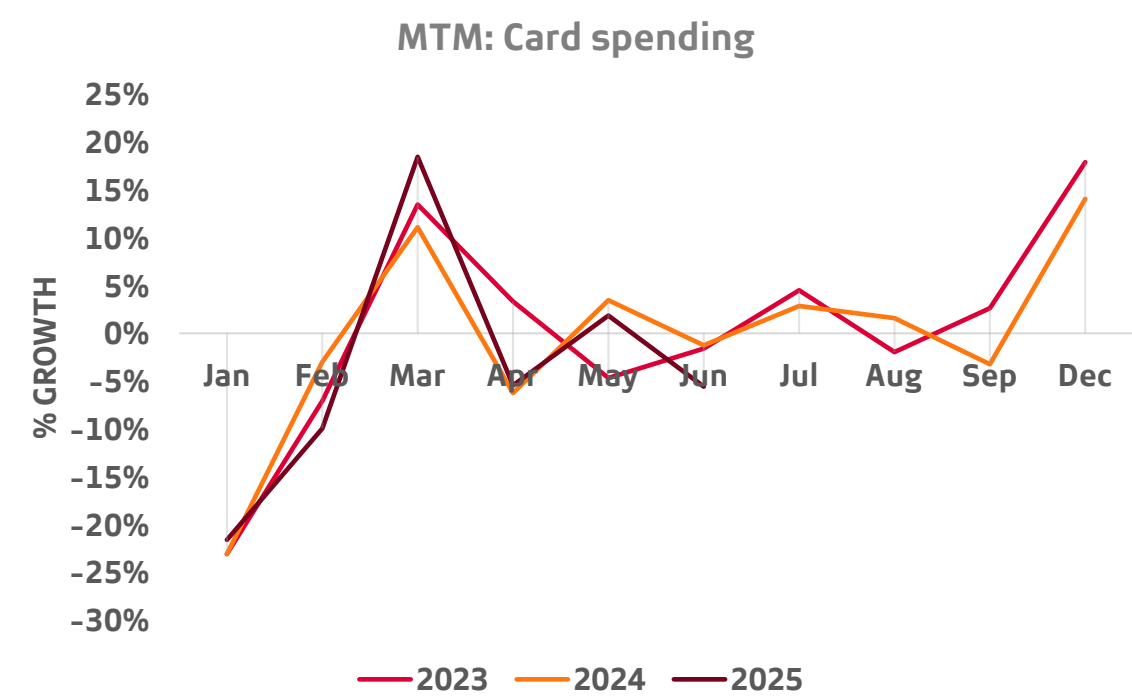
A closer look at category-level performance reveals a widespread downturn (table 2), as 28 out of 29 card spending categories recorded declines in June. The only exception was funeral services, which posted negligible positive growth. However, due to its relatively low base, this category had minimal influence on the overall card spend trajectory.

Top 10 core spending categories

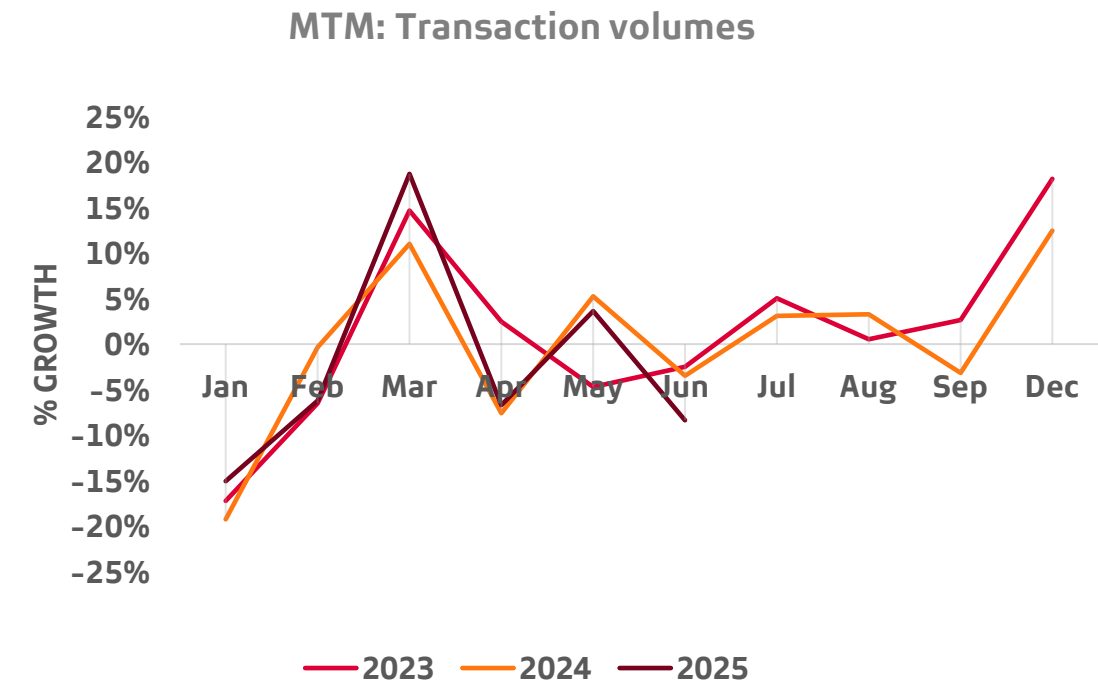
The top 10 **core spending categories*** (table 2), which collectively account for 91% of total card spend, remained unchanged from the previous month. The Government category continued to feature in the top 10, maintaining its position in the place of Tourism, which has yet to recover its previous standing. The Food category, despite a 2% decline in spending, gained 2% in market share MTM and 1% YoY. This growth in share appears to have been driven by increased activity in the Restaurants and fast food subcategory. Other categories’ market share remained largely stagnant compared to May, reinforcing the subdued card spending observed across the board.

Top 10 core spending categories	May-25	Jun-25
Food	45%	47%
Clothing	12%	11%
Business and Professional Services	11%	10%
Home and Garden	6%	6%
Garages	4%	4%
Building and Hardware	4%	4%
Speciality	4%	4%
Automotive	3%	3%
Health and Beauty	2%	2%
Government	1%	1%

Table 1
Source: Absa’s Merchant Spend Analytics



Graph 1
Source: Absa’s Merchant Spend Analytics



Graph 2
Source: Absa’s Merchant Spend Analytics

Tracked card spending categories	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
Automotive*	-5%	-18%	24%	-2%	3%	-6%
Books and Newspapers	-5%	-18%	24%	-2%	3%	-7%
Building and Hardware*	-20%	-16%	25%	-7%	3%	-3%
Business and Professional Services*	-19%	-8%	17%	-11%	5%	-19%
Care Services	15%	-28%	22%	-5%	2%	1%
Clothing*	-42%	-11%	24%	2%	6%	-8%
Commercial and Industrial Services	-2%	-13%	22%	-5%	9%	4%
Digital Print Media	-16%	-17%	-12%	-6%	72%	-14%
Domestic and Cleaning Services	2%	-30%	43%	0%	7%	-8%
Education	494%	-38%	-48%	-28%	16%	-19%
Electronics and Computers	-15%	-10%	17%	-15%	-6%	6%
Food*	-20%	-8%	17%	-5%	0%	-2%
Funeral Services	0%	-17%	18%	-4%	11%	0%
Gambling	-14%	-36%	58%	-1%	0%	-2%
Games and Gaming	-50%	-13%	20%	6%	-10%	5%
Garages*	-7%	-18%	32%	-8%	1%	-5%
Government*	15%	-18%	16%	-4%	5%	3%
Health and Beauty*	-21%	-18%	33%	-3%	5%	-6%
Health Practitioners	17%	-9%	11%	-8%	7%	-4%
Home and Garden*	-28%	-7%	20%	-11%	2%	-5%
Medical Services	6%	-8%	38%	-19%	0%	-3%
NGOs, Social and Religious Services	-52%	-18%	52%	3%	-19%	-6%
Speciality*	-42%	-14%	31%	-1%	-1%	-7%
Sports, Outdoors and Travel	-23%	-31%	43%	-9%	-5%	-5%
Stationery and Office Furniture	52%	-65%	11%	-11%	10%	-16%
Telecommunication	-20%	-6%	19%	-7%	3%	-4%
Tourism*	-9%	-22%	32%	-7%	-5%	-6%
Transportation	189%	54%	17%	-3%	12%	-4%
Warehousing and Storage	-38%	-22%	7%	-8%	6%	-8%
Overall performance	-22%	-11%	20%	-5%	2%	-6%

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

Heatmap | MTM 2023/2024

Card spending categories	Jan'23	Feb'23	Mar'23	Apr'23	May'23	Jun'23	Jul'23	Aug'23	Sep'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, Outdoor 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%
Transport	-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%
Overall performance	-23%	-7%	13%	3%	-5%	-1%	4%	-2%	3%	1%	8%	18%

Table 3
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	Sep'24	Oct'24	Nov'24	Dec'24
Automotive	-7%	-1%	2%	2%	3%	-6%	14%	-4%	-6%	15%	0%	-1%
Books and Newspapers	-7%	-26%	-13%	-8%	0%	-13%	8%	-7%	1%	14%	29%	5%
Building and Hardware	-16%	-1%	2%	2%	4%	-2%	8%	0%	-2%	13%	5%	0%
Business and 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 and 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 and 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%
Electronics and 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 and 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 and Beauty	-24%	-1%	9%	-2%	10%	-7%	7%	4%	-5%	5%	3%	11%
Health Practitioners	16%	7%	-8%	10%	2%	-13%	22%	-4%	-7%	19%	-1%	-24%
Home and 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 and 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, Outdoor and Travel	-23%	-6%	15%	-15%	2%	1%	6%	6%	-9%	6%	27%	10%
Stationery and 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%
Transport	-9%	2%	-7%	-6%	4%	-3%	13%	-5%	-16%	-66%	-28%	6%
Warehousing and 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 4
Source: Absa's Merchant Spend Analytics

2

June 2025

YTD performance

Your story matters



YTD | June 2025

A shift towards smaller transactions

Absa’s internal data indicates a general slowdown in card activity, hinting at cautious consumer behaviour or tighter budgets. Between H1 2022 and H1 2025, the average transaction value remained negative for four consecutive periods, showing only a modest improvement from -5% to -3%. Despite this, transaction volumes continue to outpace value growth, suggesting a shift toward lower-value purchases. This trend may reflect either a preference for smaller, more frequent buys or a conscious effort by consumers to economise amid rising living costs. For businesses, this evolving mindset signals an opportunity: success may lie in offering value-driven, small-ticket items. This behaviour was echoed by retailers during a panel discussion at the recent Absa Consumer Conference in Cape Town, where they also observed a rise in smaller purchases among their customers. For more insights from the event, see page 15 of this publication.

Market concentration and category performance

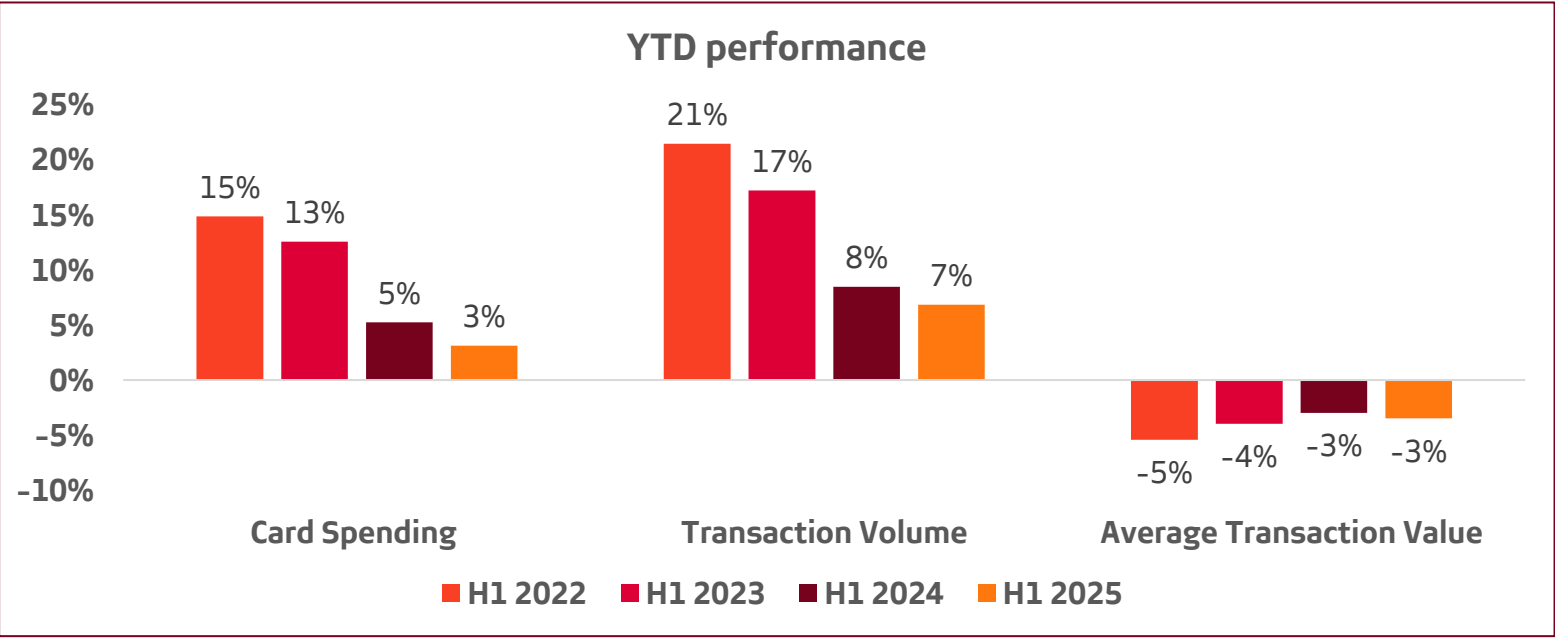
Card spending YTD remains highly concentrated, with the top 10 **core categories*** commanding a dominant 87% of total market share (see table on page 8). This concentration means that the overall performance of card spending, and transaction volumes is closely tied to the health of these leading categories. However, over recent years, these top categories have shown signs of fatigue. Their slowing growth has directly contributed to a broader deceleration in both card spending and transaction activity. While emerging categories such as Warehousing and Storage and Transportation have posted strong percentage gains, these increases stem from a low base and therefore do not significantly shift the overall market dynamics.

Business and Professional Services, which holds the second-largest share of the card spending market, was once a high-growth category, posting double-digit gains. YTD June’25, however, it has slowed to low single-digit growth (3%), which may reflect deeper structural challenges. This category includes a wide range of small and medium enterprises (SMEs). Recent data from the Small Business Growth Index** confirms the severity of the situation. Introduced in February 2025 through a partnership between Absa Business Banking and the South African Chamber of Commerce and Industry, the index was developed with research conducted by the University of South Africa’s Bureau of Market Research. According to the index, 53% of small businesses are either contracting, operating under financial strain, or at risk of closure. Alarmingly, only one in four reported any growth, while 55% indicated they may not survive beyond the next year without improved access to working capital and market opportunities.

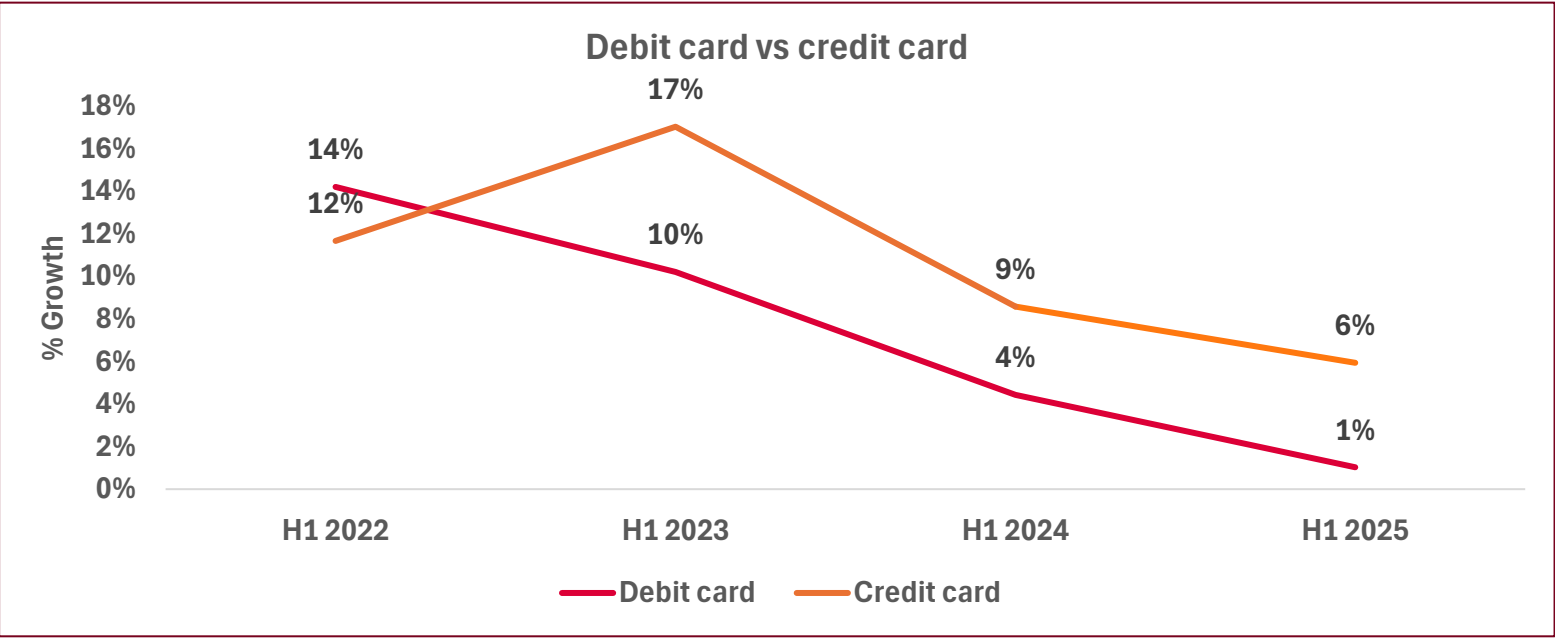
Credit reliance and digital spending trends

Credit card usage continues to outpace debit card usage – a trend that may be signaling that many consumers are looking to credit to manage rising living costs. Online spending remains strong, maintaining double-digit growth, while in-store spending has slowed to just 1%. This decline is largely driven by the food category, which already has a high base of 48% (YTD Jun’24: 49%) and saw minimal growth of 1% YTD (YTD Jun’24: 3%). In contrast, online food related purchases surged by 49% (YTD Jun’24: 28%), although the category’s market share slightly dropped to 17% (YTD Jun’24: 18%). (For more data detail, refer to pages 9 to 11.)

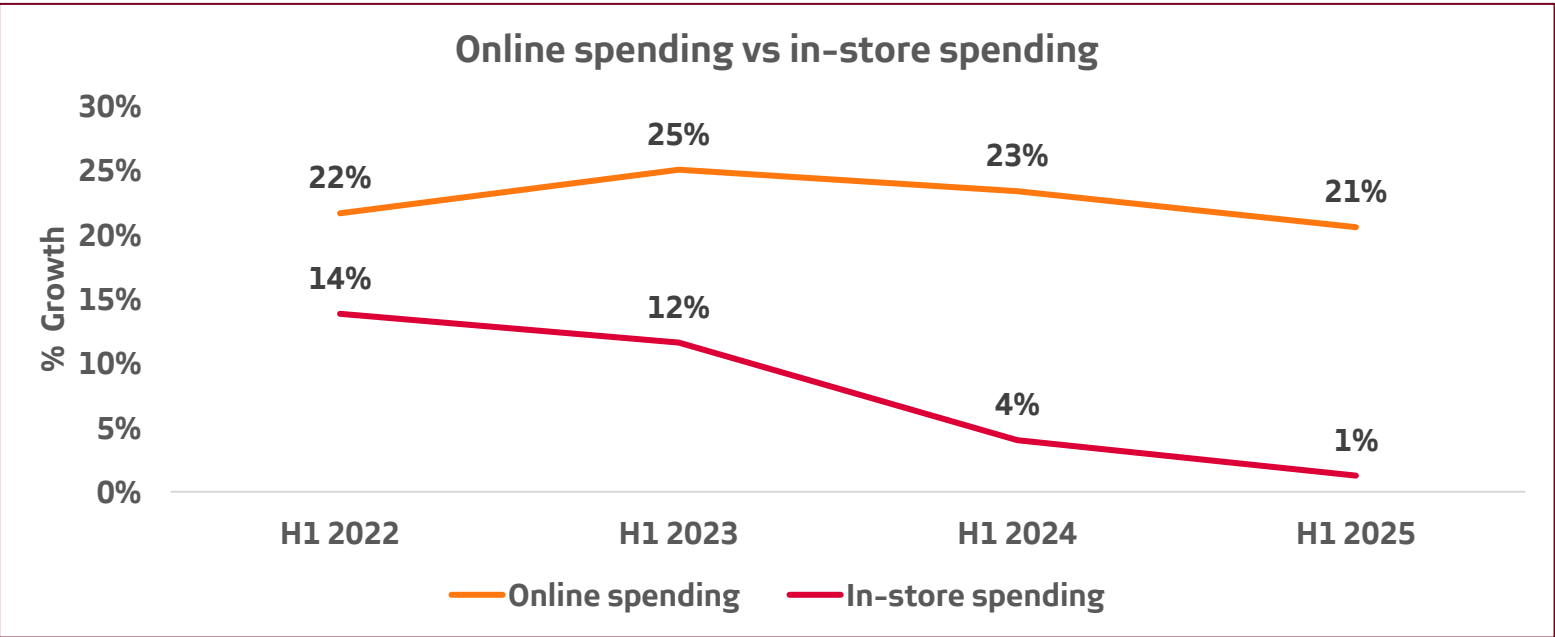
** Source: <https://www.moneyweb.co.za/news/south-africa/most-sa-small-firms-at-risk-of-collapse-survey-finds/>



Graph 3
Source: Absa’s Merchant Spend Analytics



Graph 4
Source: Absa’s Merchant Spend Analytics



Graph 5
Source: Absa’s Merchant Spend Analytics

Heatmap | YTD June 2025

	H1 2022	H1 2023	H1 2024	H1 2025
Automotive*	12%	11%	6%	5%
Books and Newspapers	10%	17%	1%	-19%
Building and Hardware	4%	7%	0%	0%
Business and Professional Services*	52%	48%	16%	3%
Care Services	20%	14%	13%	5%
Clothing*	13%	-10%	0%	2%
Commercial and Industrial Services	23%	6%	9%	-1%
Digital Print Media	234%	92%	37%	-4%
Domestic and Cleaning Services	29%	9%	2%	13%
Education	25%	22%	18%	24%
Electronics and Computers	9%	8%	-1%	3%
Food*	9%	15%	4%	3%
Funeral Services	-11%	41%	13%	6%
Gambling	13%	63%	29%	16%
Games and Gaming	51%	20%	2%	6%
Garages*	27%	8%	0%	-12%
Government	6%	19%	16%	19%
Health and Beauty*	20%	-4%	8%	4%
Health Practitioners	6%	9%	10%	2%
Home and Garden*	0%	3%	11%	6%
Medical Services	9%	12%	9%	9%
NGOs, Social and Religious Services	4%	16%	11%	8%
Speciality*	26%	12%	8%	7%
Sports, Outdoors and Travel	21%	257%	4%	1%
Stationery and Office Furniture	10%	14%	11%	7%
Telecommunication	10%	3%	2%	14%
Tourism*	73%	25%	11%	-2%
Transportation*	79%	15%	-12%	54%
Warehousing and Storage	12%	-10%	11%	64%

Table 5 (*Core categories)
Source: Absa's Merchant Spend Analytics

YTD June 2025 | Online pending

	% Growth			
	H1 2022	H1 2023	H1 2024	H1 2025
Automotive	42%	59%	213%	72%
Books and Newspapers	-11%	19%	8%	3%
Building and Hardware	25%	22%	-9%	1%
Business and Professional Services	8%	34%	27%	1%
Care Services	58%	-5%	-3%	31%
Clothing	86%	32%	23%	6%
Commercial and Industrial Services	20%	24%	18%	131%
Digital Print Media	428%	114%	44%	-3%
Domestic and Cleaning Services	116%	9%	-6%	7%
Education	11%	32%	26%	71%
Electronics and Computers	66%	13%	-3%	13%
Food	29%	3%	28%	49%
Funeral Services	169%	-85%	8769%	-98%
Gambling	-25%	243%	69%	27%
Games and Gaming	45%	38%	12%	13%
Garages	-73%	186%	-72%	7%
Government	-30%	30%	35%	34%
Health and Beauty	7%	11%	10%	7%
Health Practitioners	-1%	28%	22%	-20%
Home and Garden	-6%	28%	34%	13%
Medical Services	16%	18%	15%	39%
NGOs, Social and Religious Services	-44%	-4%	15%	35%
Speciality	55%	13%	-1%	21%
Sports, Outdoors and Travel	73%	97%	14%	-3%
Stationery and Office Furniture	-25%	-29%	20%	18%
Telecommunication	11%	10%	-15%	17%
Tourism	88%	18%	15%	-2%
Transportation	63%	16%	-15%	73%
Warehousing and Storage	28%	-16%	-8%	-14%

Table 6
Source: Absa's Merchant Spend Analytics

	% Contribution			
	H1 2022	H1 2023	H1 2024	H1 2025
Automotive	0%	0%	0%	0%
Books and Newspapers	1%	0%	0%	0%
Building and Hardware	1%	1%	1%	0%
Business and Professional Services	20%	18%	19%	20%
Care Services	0%	0%	0%	0%
Clothing	5%	8%	8%	8%
Commercial and Industrial Services	0%	0%	0%	0%
Digital Print Media	0%	1%	2%	2%
Domestic and Cleaning Services	0%	0%	0%	0%
Education	1%	1%	1%	1%
Electronics and Computers	1%	2%	2%	1%
Food	20%	21%	17%	18%
Funeral Services	0%	0%	0%	0%
Gambling	2%	1%	3%	4%
Games and Gaming	1%	1%	1%	1%
Garages	0%	0%	0%	0%
Government	3%	2%	2%	2%
Health and Beauty	0%	0%	0%	0%
Health Practitioners	0%	0%	0%	0%
Home and Garden	27%	21%	21%	23%
Medical Services	1%	1%	1%	0%
NGOs, Social and Religious Services	0%	0%	0%	0%
Speciality	2%	3%	3%	2%
Sports, Outdoors and Travel	0%	0%	1%	1%
Stationery and Office Furniture	0%	0%	0%	0%
Telecommunication	3%	3%	2%	2%
Tourism	5%	8%	8%	7%
Transportation	6%	9%	8%	6%
Warehousing and Storage	0%	0%	0%	0%

Table 7
Source: Absa's Merchant Spend Analytics

June YTD 2025 | In-store spending

	% Growth			
	H1 2022	H1 2023	H1 2024	H1 2025
Automotive	12%	11%	4%	3%
Books and Newspapers	24%	16%	-3%	-31%
Building and Hardware	4%	7%	0%	0%
Business and Professional Services	66%	51%	14%	3%
Care Services	20%	14%	13%	5%
Clothing	12%	-12%	-1%	2%
Commercial and Industrial Services	23%	5%	8%	-4%
Digital Print Media	86%	45%	16%	-6%
Domestic and Cleaning Services	25%	9%	3%	14%
Education	30%	19%	16%	5%
Electronics and Computers	3%	7%	0%	2%
Food	9%	15%	3%	1%
Funeral Services	-11%	41%	12%	7%
Gambling	29%	17%	0%	1%
Games and Gaming	55%	11%	-5%	1%
Garages	27%	8%	0%	-12%
Government	15%	17%	12%	16%
Health and Beauty	20%	-4%	8%	4%
Health Practitioners	6%	9%	10%	2%
Home and Garden	3%	-6%	0%	1%
Medical Services	8%	11%	8%	7%
NGOs, Social and Religious Services	29%	21%	10%	3%
Speciality	24%	12%	9%	6%
Sports, Outdoors and Travel	15%	285%	3%	1%
Stationery and Office Furniture	10%	14%	11%	6%
Telecommunication	10%	2%	5%	13%
Tourism	61%	31%	7%	-1%
Transportation	540%	9%	14%	-62%
Warehousing and Storage	12%	-10%	11%	64%

Table 8
Source: Absa's Merchant Spend Analytics

	% Contribution			
	H1 2022	H1 2023	H1 2024	H1 2025
Automotive	3%	3%	3%	3%
Books and Newspapers	0%	0%	0%	0%
Building and Hardware	5%	5%	4%	4%
Business and Professional Services	5%	8%	10%	11%
Care Services	0%	0%	0%	0%
Clothing	15%	14%	11%	11%
Commercial and Industrial Services	0%	0%	0%	0%
Digital Print Media	0%	0%	0%	0%
Domestic and Cleaning Services	0%	0%	0%	0%
Education	0%	0%	0%	0%
Electronics and Computers	1%	1%	1%	1%
Food	50%	47%	49%	48%
Funeral Services	0%	0%	0%	0%
Gambling	0%	0%	0%	0%
Games and Gaming	0%	0%	0%	0%
Garages	5%	6%	6%	6%
Government	1%	1%	1%	1%
Health and Beauty	2%	3%	2%	2%
Health Practitioners	1%	1%	1%	1%
Home and Garden	5%	5%	4%	4%
Medical Services	1%	1%	1%	1%
NGOs, Social and Religious Services	0%	0%	0%	0%
Speciality	3%	3%	3%	4%
Sports, Outdoors and Travel	0%	0%	1%	1%
Stationery and Office Furniture	0%	0%	0%	0%
Telecommunication	1%	1%	1%	1%
Tourism	0%	1%	1%	1%
Transportation	0%	0%	0%	0%
Warehousing and Storage	0%	0%	0%	0%

Table 9
Source: Absa's Merchant Spend Analytics

YTD June 2025 | Credit card versus debit card

	Debit card			
	H1 2022	H1 2023	H1 2024	H1 2025
Automotive	12%	11%	6%	4%
Building and Hardware	5%	6%	1%	-2%
Business and Professional Services	58%	50%	15%	0%
Clothing	12%	-12%	0%	1%
Food	10%	15%	3%	1%
Garages	34%	7%	2%	-11%
Health and Beauty	16%	0%	8%	3%
Home and Garden	3%	2%	11%	5%
Speciality	25%	10%	8%	7%
Tourism	n/a	n/a	12%	3%
Telecommunication	11%	n/a	n/a	n/a

Table 10
Source: Absa's Merchant Spend Analytics

	Credit card			
	H1 2022	H1 2023	H1 2024	H1 2025
Automotive	12%	11%	6%	7%
Building and Hardware	2%	11%	-3%	4%
Business and Professional Services	40%	42%	20%	9%
Clothing	23%	-3%	4%	7%
Food	6%	13%	9%	9%
Garages	15%	10%	-4%	-13%
Health and Beauty	32%	-15%	9%	8%
Home and Garden	-6%	5%	13%	8%
Speciality	27%	18%	7%	8%
Tourism	n/a	n/a	10%	-4%
Telecommunication	3%	n/a	n/a	n/a

Table 11
Source: Absa's Merchant Spend Analytics

3

Focus: Gambling category

Your story matters



Gambling category overview

Online gambling reshaping consumer behaviour

Understanding the gambling category

Before diving into the analysis, it’s crucial to understand what this category entails. According to Absa’s internal merchant data, the gambling category includes sports betting, lottery, casino gaming chips, off-track betting and wagers. These activities have seen a dramatic shift in consumer engagement, particularly in the wake of digital transformation and economic pressure.

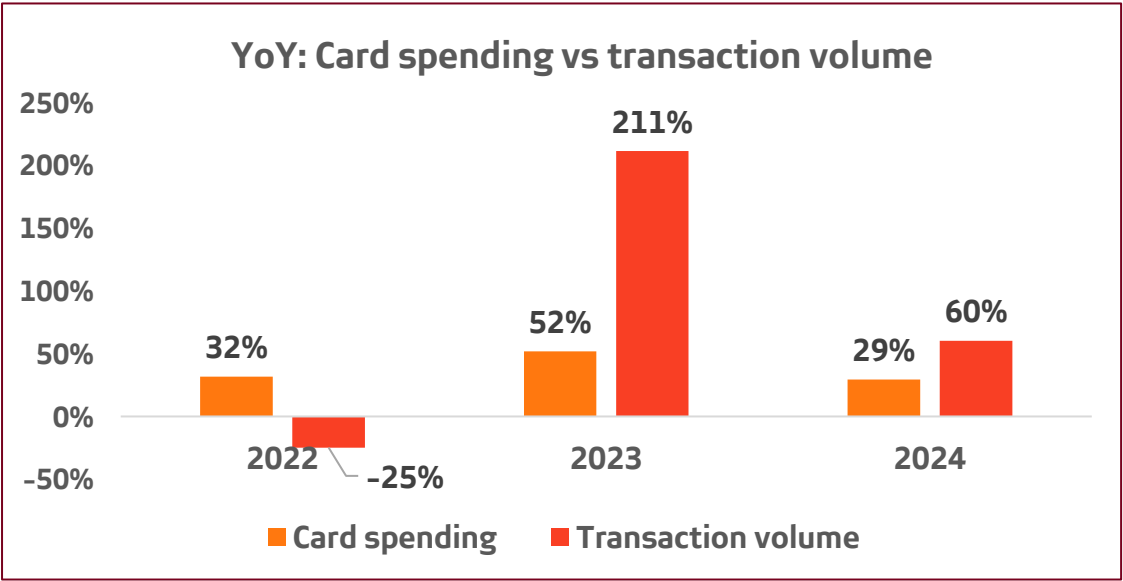
Trends in gambling spend and transactions

The merchant data reveals a notable increase in both card spending and transaction volumes in the gambling category. In 2022, card spending rose by 32%, even as transaction volumes declined by 25% (graph 1). However, 2023 marked a turning point: spending surged by 52%, and transaction volumes skyrocketed by 211%. As of June 2025 (graph 2), YTD card spending transactions rose by 17%, a deceleration from the 24% growth recorded during the same period in 2024. Similarly, transaction volumes grew by 16%, down from the 52% growth seen in the previous year.

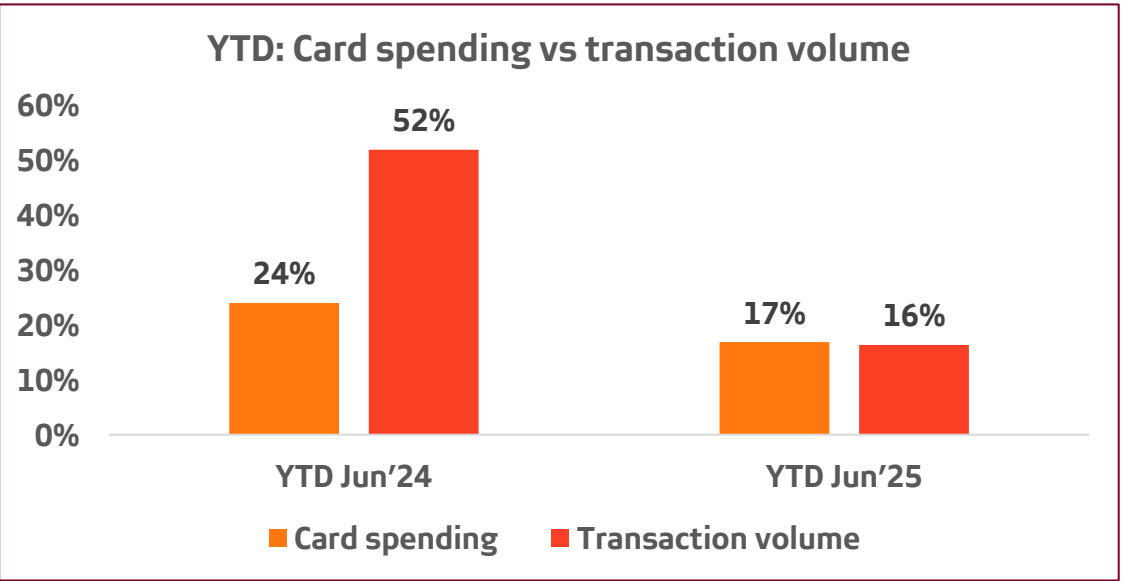
Traditionally, gambling required visiting land-based casinos or purchasing vouchers in-store, venues that are relatively accessible across South Africa. However, technological advancements have revolutionised the industry, making gambling available at the tap of a screen. Internal data shows a clear shift: in 2024, in-store gambling (land-based casinos) experienced a 1% YoY decline, while online gambling grew by 66%, albeit more slowly than the 168% growth seen in 2023. Online gambling’s market share has expanded markedly, rising from 26% of total gambling card spend in 2022 to 58% in 2024. As of June 2025 YTD, online transactions account for 61% of activity in the category, underscoring the sector’s rapid digital transformation.

The surge in gambling activity also reflects broader socio-economic pressures. The rapid growth of this category aligns with the period during which many South Africans were grappling with financial strain. With consumers facing high inflation, elevated interest rates and stagnant income growth, gambling may have been perceived by some as a way to supplement their income. Furthermore, South Africa continues to grapple with one of the highest unemployment rates globally, with Statistics South Africa reporting a 32.9% rate in Q1 2025. Youth unemployment is severe (reaching 46.1%) and, according to Deloitte, this high rate of joblessness among young people may help explain their significant involvement in online betting platforms.

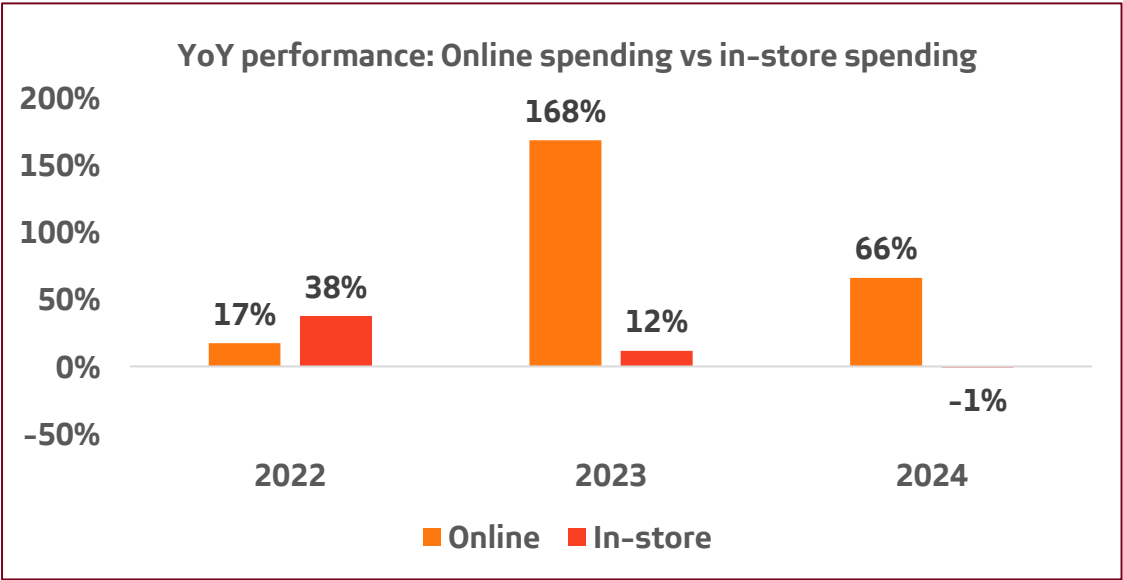
Sources:
[South Africa’s rising gambling phenomenon: Are sin taxes on gambling justifiable? | South Africa National Budget Speech 2025 PowerPoint Presentation](#) - Stats SA



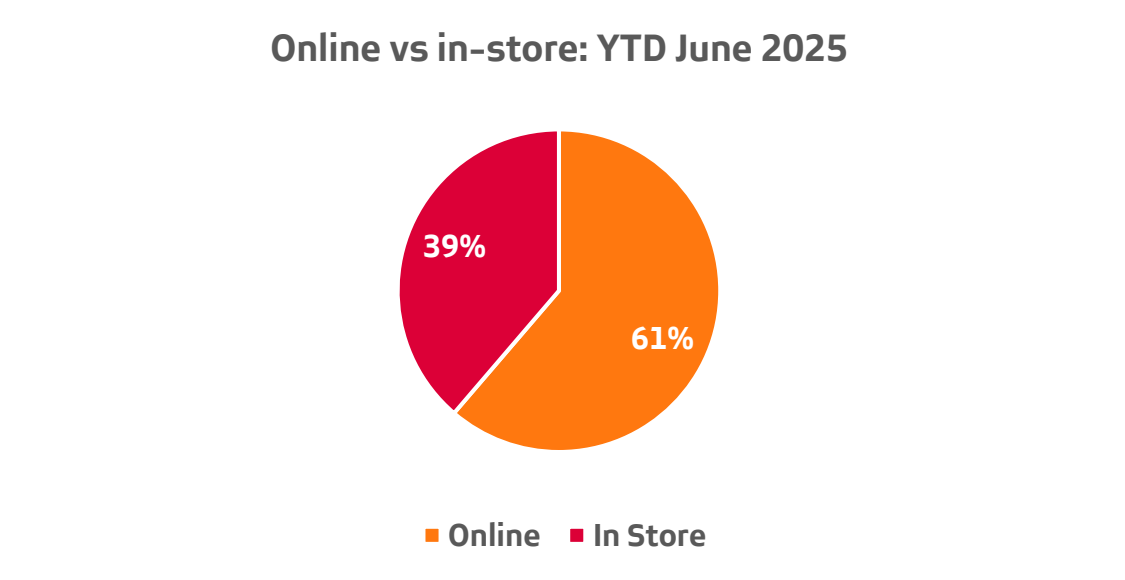
Graph 1
Source: Absa’s Merchant Spend Analytics



Graph 2
Source: Absa’s Merchant Spend Analytics



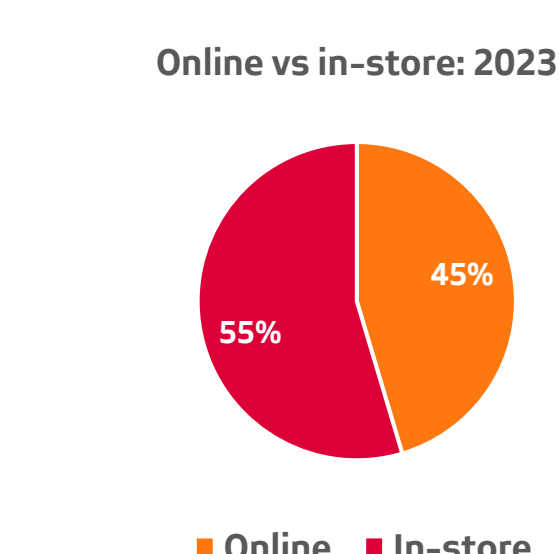
Graph 3
Source: Absa’s Merchant Spend Analytics



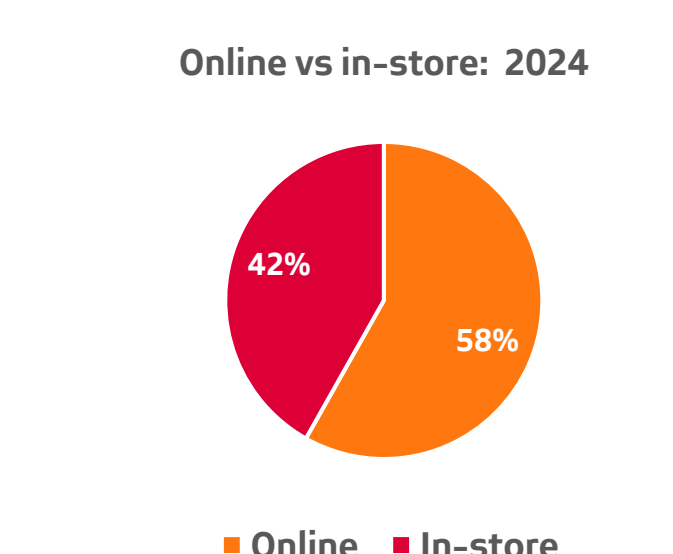
Graph 4
Source: Absa’s Merchant Spend Analytics



Graph 5
Source: Absa’s Merchant Spend Analytics



Graph 6
Source: Absa’s Merchant Spend Analytics



Graph 7
Source: Absa’s Merchant Spend Analytics

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Insights from the Absa Consumer Conference 2025

Your story matters



Insights from the Absa Consumer Conference 2025

A conference rich in insights and industry perspective

This year’s Absa Consumer Conference 2025 in Cape Town delivered a wealth of macroeconomic updates and industry insights, offering a comprehensive view of South Africa’s evolving consumer landscape. Spanning two days, the event brought together voices from across the consumer ecosystem – from retailers sharing shifting shopper behaviour, to healthcare providers disrupting access models, to fibre innovators working to deliver affordable internet in underserved areas. Even property strategists shared how they ensure malls are positioned in the right locations with the right tenant mix to meet changing consumer needs. The conference also featured leading senior economists from Absa and Professor Haroon Borat, who provided valuable context on the broader economic environment.

For the purposes of this publication, the spotlight falls on the panel led by South Africa’s top retailers, which echoed the value-driven consumer trends we explore regularly. The discussion highlighted how shoppers are increasingly opting for smaller pack sizes or opting for more affordable brands in response to economic pressures. They added that erosion of brand loyalty has deepened, and customer stickiness has become a major challenge, with loyalty programmes now functioning more as tools to encourage repeat visits than as indicators of long-term brand commitment. This shift also presents a unique opportunity for local private label brands, which are often able to undercut global competitors on price. As consumers gravitate towards affordability, local brands could gain market share, provided that they invest in visibility. Where global brands continue to dominate is in their ability to capture consumer attention through large-scale marketing campaigns. For local players, strategic investment in brand awareness and targeted marketing could be the key to unlocking growth. Retailers also pointed to several operational challenges they are facing including rising competition, high electricity and labour costs, inflation, insurance premiums, rental expenses and bank charges.

Another strong theme that emerged from the conference was the growing potential of township economies. Retailers identified these markets as frontiers for growth, but emphasised that success will require innovation, cultural understanding and tailored go-to-market strategies.

Credit usage and consumer stress: Insights from Experian

In addition to the retailer-led panel discussion, Jaco van Jaarsveldt from Experian shared valuable insights at the conference. He presented data indicating that consumer appetite for credit is at an all-time high driven largely by consumers attempting to manage the rising cost of living, but approval rates have yet to return to pre-pandemic levels. This mismatch has resulted in a smaller credit-active population. Using Experian’s Consumer Default Index (CDI), Jaco highlighted that low-affluent segments are showing the highest default rates. However, these figures reflect less financial distress than seen pre-pandemic, largely because many individuals in this segment are unable to qualify for credit, limiting their exposure. In contrast, high-affluent consumers are experiencing a sustained deterioration in CDI, with rising debt levels as they attempt to maintain their lifestyles amid ongoing economic pressures.

He also noted sluggish growth in credit uptake among clothing retailers, a sector historically driven by young adults entering the workforce and building credit history. However, this segment is now stagnating, largely due to high youth unemployment, which has significantly reduced the number of new entrants into the credit market. This shift presents a broader challenge for both retailers and financial institutions: the traditional pipeline of young, aspirational consumers is weakening, and strategies must evolve to reflect the changing dynamics of credit engagement

In closing, today’s consumer is more complex and unpredictable than ever – a true enigma in the retail landscape. Retailers are working hard to decode shifting behaviours, trying to anticipate what shoppers want and how to bring them back over and over into their physical and digital stores. The days of predictable patterns and brand loyalty are behind us. Yet, this unpredictability also presents immense opportunity. The competitive landscape is rich with potential for those willing to adapt. Whether it’s unlocking growth in township economies, empowering local brands, or reimagining credit engagement, the future belongs to businesses that listen closely, learn continuously, and lead with relevance and agility.



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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 spending behaviour at your store is, or how you compare to competitors?

Now you can, with Absa's spend analytics tool, PocketFlow.

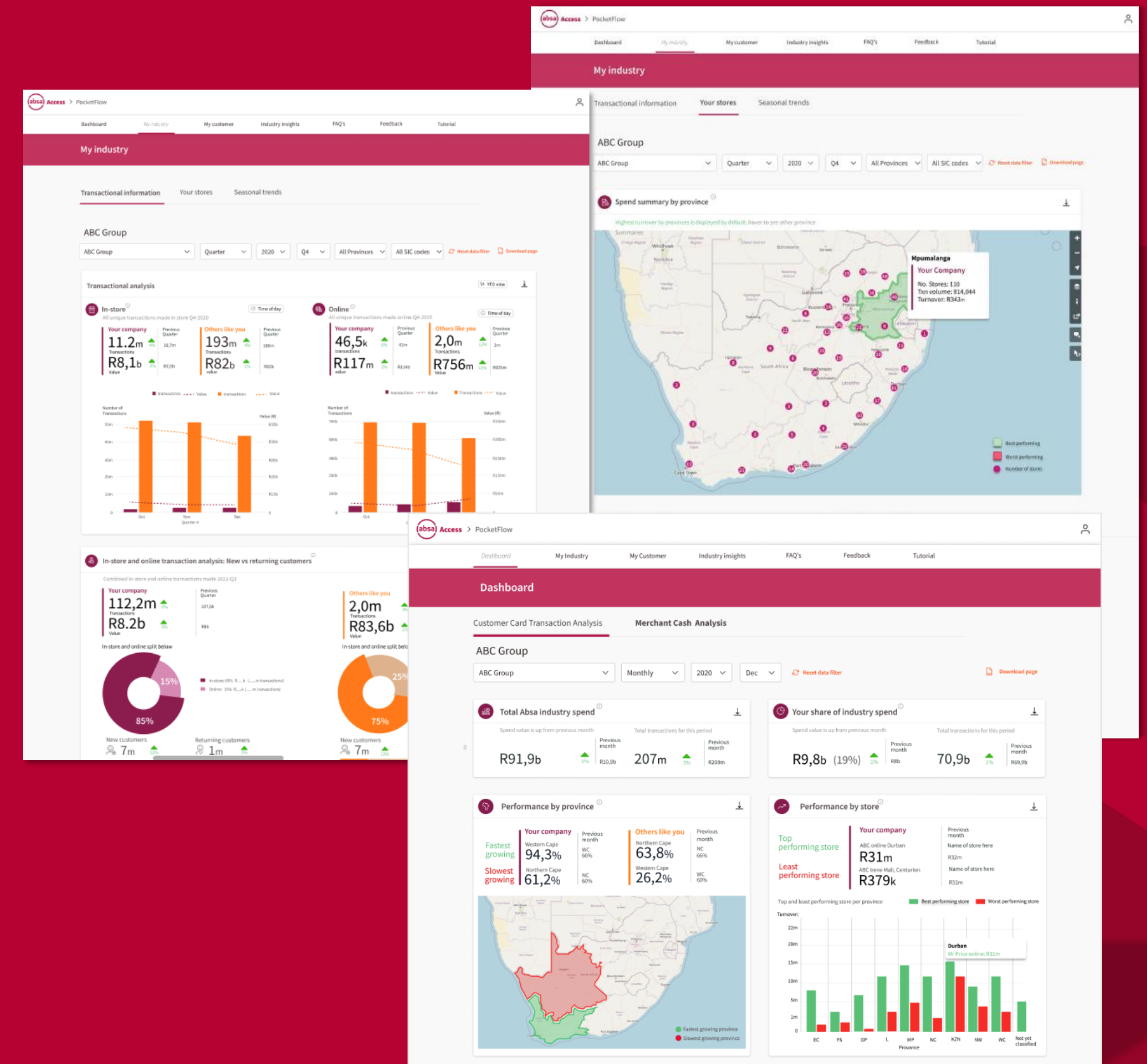
This tool is designed to help you understand your customers better and optimise your business strategies. Its interactive customer visualisations enable you to better understand your business's performance and give you further actionable insights.

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.

There are two offerings available, namely:

- **PocketFlow** (for large corporates): Speak to your Business Banker to find out more.
- **PocketFlow Lite** (for small and medium enterprises): Register on the Absa Merchant Access Online (AMAO) portal at <https://absamerchantaccessonline.absa.co.za>

Start your PocketFlow spend analytics journey today!



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