



Under Strain, South Africans Spend Less but Borrow and Gamble More

The latest Absa Merchant Spend Analytics Report for the first half of 2025 highlights continued volatility in consumer card spending in June, a shift towards lower-value purchases, and the continued rise of online gambling – among other trends. According to Absa's internal data, total card spend dipped by 6% month-to-month (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%," says Isana Cordier, Managing Executive: Consumer Sector at Absa CIB.

Widespread Category Downturns

Absa's card data analysis indicates that the widespread downturn across 28 of the 29 card spending categories recorded declines in June, apart from funeral services, which posted negligible growth.

Shift towards smaller transactions

While the report indicates a general slowdown in card activity, hinting at cautious consumer behaviour or tighter budgets, this trend presents an opportunity. 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%. The report suggests a shift toward lower-value purchases that may reflect either a preference for smaller, more frequent buys or a conscious effort by locals 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," says Cordier.

Credit Reliance Amid Rising Costs

According to the report, 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. While online spending remains strong, maintaining double-digit growth, 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% (Year-to-Date 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%).

Online Gambling Reshaping Consumer Behaviour

Sports betting, lottery, casino gaming chips, off-track betting, and wagers have seen a dramatic shift in consumer engagement, particularly in the wake of digital transformation and economic pressure. Traditionally, gambling required visiting casinos physically or purchasing vouchers in-store. However, technological advancements have revolutionised the industry, making gambling available at the tap of a screen. 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%. However, 2023 marked a turning point: spending surged by 52%, and transaction volumes skyrocketed by 211%. As of June 2025, 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. The 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. According to the report, the surge in gambling activity also reflects broader socio-economic pressures. The rapid growth of this category coincides with the period during which many South Africans were grappling with financial strain.

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