

Absa Merchant Spend Analytics | August 2025

Consumer sector

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Your story matters



At a glance | August 2025



Month to month (MTM): August ended with a decline of 4.2% in card spending



Year to date (YTD) August 2025 : The overall trend for the year so far has been one of volatility, with alternating periods of contraction and expansion



YTD August 2025: Are cards losing their grip on the payment landscape?



Online spending continues to outpace in-store spending growth, while maintaining double-digit growth



In Focus: South Africa's retail market saturation

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 herein.

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August 2025
MTM performance

Your story matters 

MTM | August 2025 overview

Spend cycle: July's lift and August's dip

July: Broad-based upswing

After a notable dip in June, July saw a strong rebound in both card spending and transaction volumes, with overall performance rising by 13%. This pattern appears to be repeating itself, likely driven by seasonal factors or targeted campaigns. July is traditionally a period when many retailers launch end-of-season sales, which can stimulate consumer activity and boost transaction counts. The core categories posted double-digit gains in July, with the exception of clothing, which remained subdued. The health of these core categories, such as food, health and beauty, and automotive, has a significant impact on overall card spending. Their strong performance in July was a key driver behind the month's upswing.

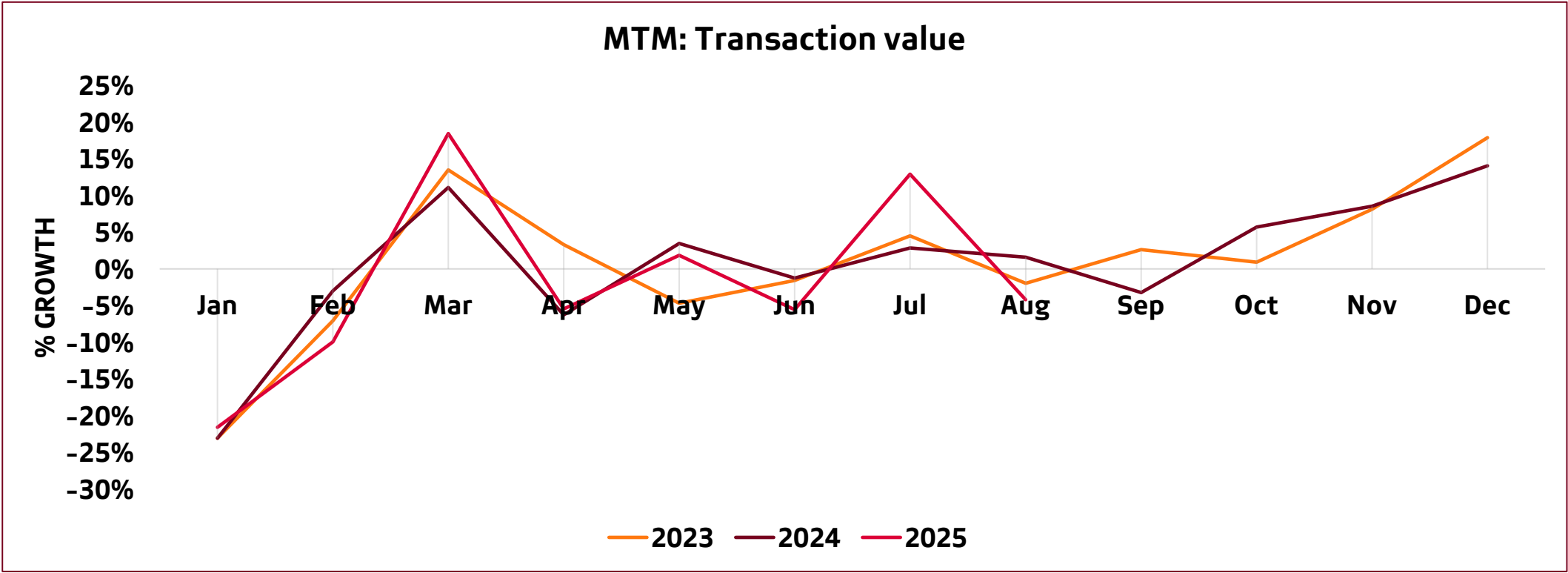
August: A cautious close

August, however, ended with a decline of 4.2% in card spending, signalling a cautious close to the period. Gains in a few sectors were outweighed by declines in others, resulting in a mild contraction. The overall trend for the year so far has been one of volatility, with alternating periods of contraction and expansion.

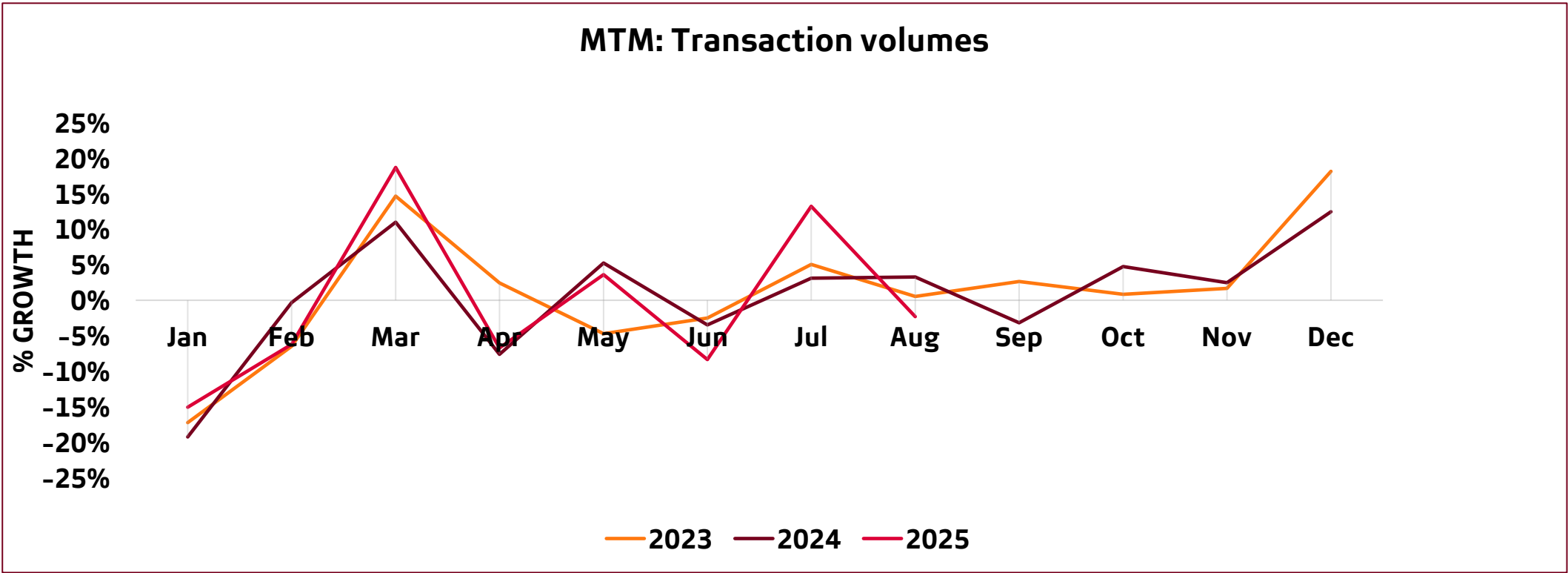
Average transaction value: A contrasting trend

Despite the uptick in July's transaction volumes, the average transaction value (ATV) dropped from 3% to -0.3%. This decline is likely a result of widespread sales and price cuts, as retailers sought to clear inventory during end-of-season promotions. The ATV dropped even further in August, reaching -1.9%, reinforcing the impact of discounting and cautious consumer spending.

The period from June to August 2025 demonstrates the dynamic nature of consumer card spending. Retailers benefited from a strong July, driven by seasonal sales and targeted campaigns, but faced a more challenging environment in August. The health of core categories remains critical to overall performance, and fluctuations in average transaction value highlight the importance of balancing volume growth with value per transaction.



Graph 1
Source: Absa's Merchant Spend Analytics



Graph 2
Source: Absa's Merchant Spend Analytics

Heatmap | MTM 2025

Tracked card spending categories	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25
Automotive*	-5%	-18%	24%	-2%	3%	-6%	18%	-7%
Books and newspapers	-5%	-18%	24%	-2%	3%	-7%	25%	-13%
Building and hardware*	-20%	-16%	25%	-7%	3%	-3%	17%	-5%
Business and professional services*	-19%	-8%	17%	-11%	5%	-19%	10%	3%
Care services	15%	-28%	22%	-5%	2%	1%	7%	0%
Clothing*	-42%	-11%	24%	2%	6%	-8%	5%	-6%
Commercial and industrial services	-2%	-13%	22%	-5%	9%	4%	16%	-12%
Digital print media	-16%	-17%	-12%	-6%	72%	-14%	33%	-7%
Domestic and cleaning services	2%	-30%	43%	0%	7%	-8%	22%	-8%
Education	494%	-38%	-48%	-28%	16%	-19%	24%	-10%
Electronics and computers	-15%	-10%	17%	-15%	-6%	6%	7%	-5%
Food*	-20%	-8%	17%	-5%	0%	-2%	10%	-3%
Funeral services	0%	-17%	18%	-4%	11%	0%	11%	-8%
Gambling	-14%	-36%	58%	-1%	0%	-2%	50%	-20%
Games and gaming	-50%	-13%	20%	6%	-10%	5%	21%	-13%
Garages*	-7%	-18%	32%	-8%	1%	-5%	31%	-16%
Government*	15%	-18%	16%	-4%	5%	3%	13%	-1%
Health and beauty*	-21%	-18%	33%	-3%	5%	-6%	19%	1%
Health practitioners	17%	-9%	11%	-8%	7%	-4%	13%	-2%
Home and garden*	-28%	-7%	20%	-11%	2%	-5%	16%	-9%
Medical services	6%	-8%	38%	-19%	0%	-3%	11%	-5%
NGO, social and religious services	-52%	-18%	52%	3%	-19%	-6%	25%	-7%
Speciality*	-42%	-14%	31%	-1%	-1%	-7%	17%	-2%
Sport, outdoor and travel	-23%	-31%	43%	-9%	-5%	-5%	40%	-16%
Stationery and office furniture	52%	-65%	11%	-11%	10%	-16%	19%	6%
Telecommunication	-20%	-6%	19%	-7%	3%	-4%	9%	-2%
Tourism*	-9%	-22%	32%	-7%	-5%	-6%	32%	-13%
Transport	189%	54%	17%	-3%	12%	-4%	10%	-3%
Warehousing and storage	-38%	-22%	7%	-8%	6%	-8%	13%	5%
Overall performance	-22%	-11%	20%	-5%	2%	-6%	13%	-4%

Table 3
Source: Absa’s Merchant Spend Analytics

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 1
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%
Sport, 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 2
Source: Absa's Merchant Spend Analytics

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August 2025
YTD performance

Your story matters



YTD | August 2025

Are cards losing their grip on the payment landscape?

Absa’s internal data indicates a consistent and a notable slowdown in growth rates for both value and volume of card transactions over the past four years. While factors such as the rising cost of living, sluggish wage growth and consumers still recovering from prolonged periods of high inflation and interest rates play significant roles, there is also a marked shift in payment preferences. Advances in technology and growing security concerns are fundamentally changing how consumers choose to pay. According to the 2025 South Africa Consumer Payments Report by [Stitch](#), although credit and debit cards remain widely used, alternative payment methods such as Pay by Bank, Capitec Bank, buy-now-pay-later (BNPL) and mobile wallets are rapidly gaining traction. The adoption of these alternatives is largely driven by their enhanced security and convenience that allow consumers to make payments without entering sensitive bank details. Their seamless, fast and efficient nature appeals to modern consumers, while the popularity of BNPL options may also be linked to cashflow challenges during the month.

Ultimately, the YoY decline in card spending is a complex issue, shaped by economic pressures, shifting consumer preferences and technological innovation. Merchants must remain agile and leverage data-driven insights to successfully navigate this evolving payments landscape.

Key insights

Sustained or rebounding growth

- Education spending remained relatively stable, with a slight increase in 2025.
- Transport rebounded strongly in 2025, possibly due to increased mobility, return to office and increased use of e-hailing services.
- Warehousing and storage also saw a significant positive swing in 2025.

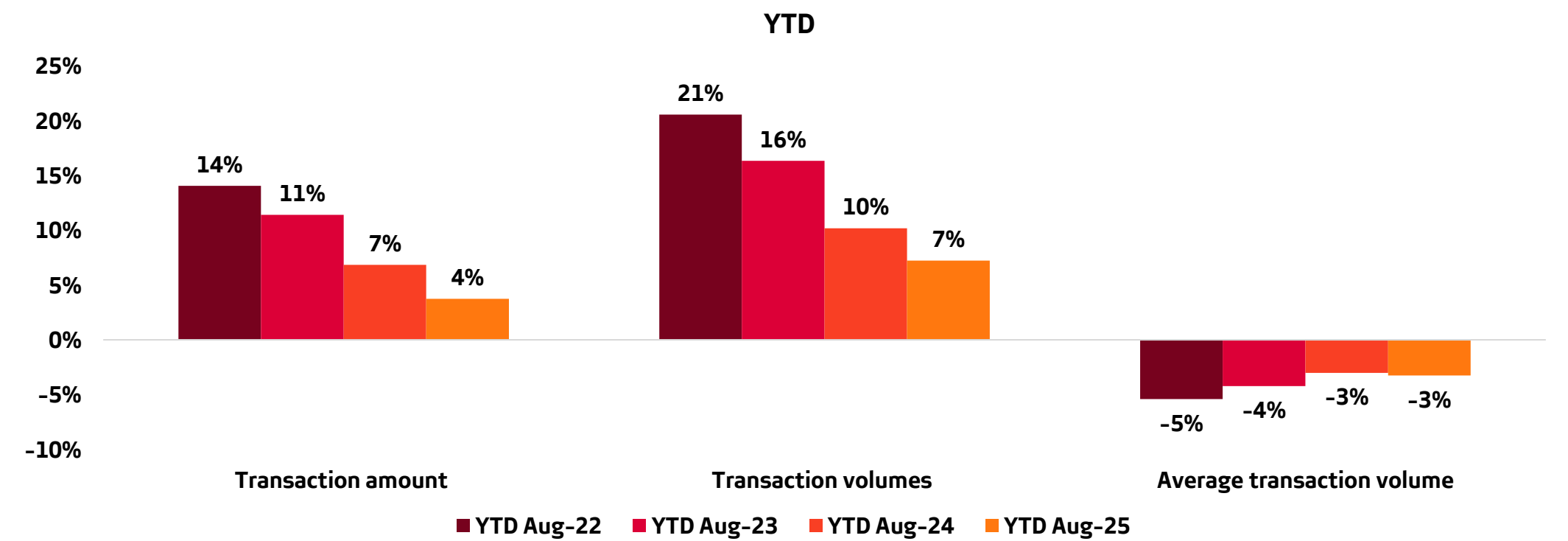
While these categories are showing growth, it’s important to note that they’re growing from a very low base.

Volatility in leisure

- Gambling showed high volatility, with spikes in certain years, possibly reflecting social and economic stressors.
- Tourism and sports, outdoor and travel saw strong growth after the pandemic, but then dropped sharply, likely due to post-pandemic normalisation.

Mixed trends in essentials

- Food, medical services and care services remained relatively stable, reflecting their essential nature.
- Health and beauty, and home and garden showed some recovery in 2025, possibly as consumers prioritised self-care and home improvement.



Graph 3
Source: Absa’s Merchant Spend Analytics

Tracked spending categories	YTD Aug-22	YTD Aug-23	YTD Aug-24	YTD Aug-25
Automotive*	12%	11%	11%	5%
Books and newspapers	8%	15%	15%	-14%
Building and hardware*	4%	6%	6%	1%
Business and professional services*	53%	44%	44%	1%
Care services	18%	15%	15%	5%
Clothing*	11%	-9%	-9%	2%
Commercial and industrial services	22%	5%	5%	0%
Digital print media	315%	53%	53%	14%
Domestic and cleaning services	31%	8%	8%	15%
Education	27%	21%	21%	24%
Electronics and computers	7%	6%	6%	4%
Food*	8%	13%	13%	4%
Funeral services	-16%	39%	39%	7%
Gambling	22%	64%	64%	22%
Games and gaming	50%	17%	17%	10%
Garages*	31%	3%	3%	-8%
Government	8%	14%	14%	17%
Health and beauty	18%	-3%	-3%	7%
Health practitioners	7%	9%	9%	2%
Home and garden	-1%	2%	2%	6%
Medical services	9%	11%	11%	10%
NGO, social and religious services	10%	16%	16%	15%
Speciality	28%	11%	11%	9%
Sport, outdoor and travel	85%	140%	140%	3%
Stationery and office furniture	11%	13%	13%	6%
Telecommunication	15%	0%	0%	11%
Tourism	81%	20%	20%	2%
Transport	80%	16%	16%	65%
Warehousing and storage	10%	-12%	-12%	45%

Table 4
Source: Absa’s Merchant Spend Analytics

YTD | August 2025

Clicks vs bricks: The evolving balance of online and in-store spending

Online spending maintained strong double-digit growth (graph 4), with its share of total card spending rising from 7% in YTD August 2022 to 11% in YTD August 2025 (graph 5). Despite this impressive growth, the increase in market share has been relatively moderate, suggesting that physical stores remain the primary and preferred shopping destination for most consumers, even as online channels continue to expand. Growth in in-store spending has slowed considerably, reaching just 2% by YTD August 2025.

This evolving landscape presents both challenges and opportunities for retailers. Those with a strong physical presence must adapt to slower in-store growth by enhancing the in-store experience and integrating digital touchpoints. Meanwhile, retailers who invest in robust online platforms and omnichannel strategies are better positioned to capture the growing segment of online shoppers. Ultimately, agility and innovation will be key for retailers to remain competitive as consumer preferences continue to shift toward digital channels.

Online spending growth*

Strong growth categories

- Digital print media saw growth in 2022 (up by nearly 500%), but this tapered off in subsequent years, which may be reflecting a maturing digital market.
- Education and food categories experienced consistent online spending growth, with education’s YoY growth accelerating sharply in 2025.
- Transport rebounded in 2025 after a dip, likely reflecting the increased growth of e-hailing services.

Volatile or declining sectors

- Funeral services and garages showed high volatility, with sharp swings in growth rates.
- Books and newspapers, and building and hardware experienced inconsistent growth, with some years of contraction, indicating shifting consumer preferences or a reflection of what the construction industry is currently undergoing.

Market share dynamics*

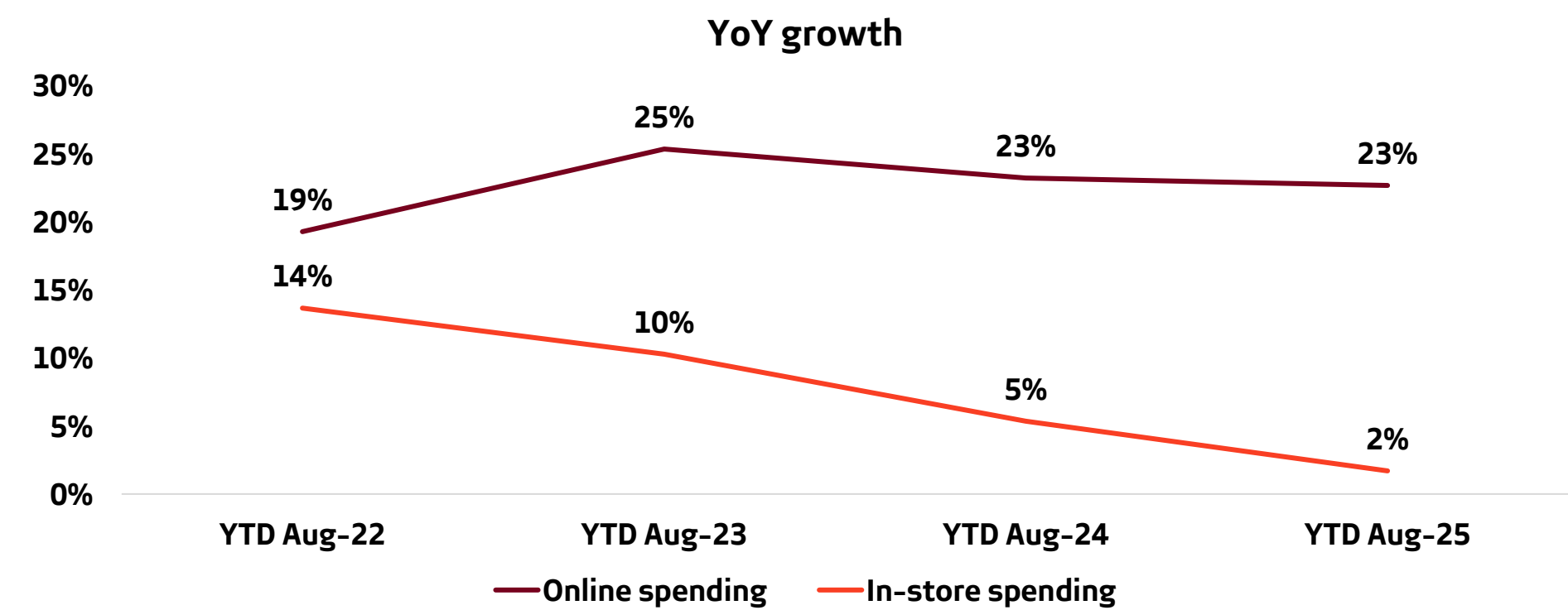
Dominant categories

- Food consistently held a large share of online spending, growing from 19.8% in 2022 to 22.5% in 2025, underscoring the importance of online grocery and food delivery services.
- Business and professional services maintained a strong market share, though the category declined slightly in 2025, suggesting increased competition, market saturation or businesses closing.
- Tourism and transport remained significant, though their shares fluctuated with broader travel trends.

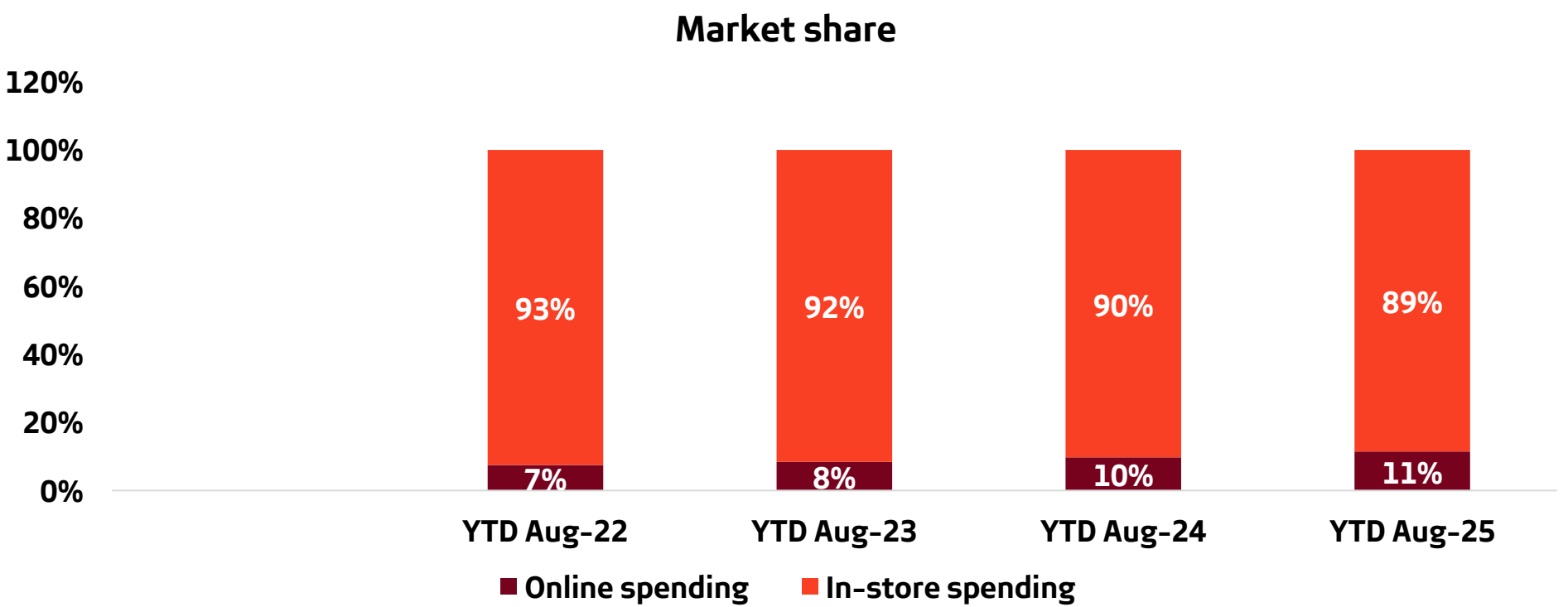
Growing online categories

- Gambling, and games and gaming saw steady increases in market share, reflecting the rise of online entertainment.
- Education and medical services made minor increases YoY, highlighting the growing role of digital platforms in essential services.

*Detailed data can be found on pages 10 and 11.



Graph 4
Source: Absa’s Merchant Spend Analytics



Graph 5
Source: Absa’s Merchant Spend Analytics

YTD August 2025 | Online spending

Tracked card spending categories	Online spending (YoY growth)			
	YTD Aug-22	YTD Aug-23	YTD Aug-24	YTD Aug-25
Automotive	62%	59%	202%	78%
Books and newspapers	-16%	16%	8%	4%
Building and hardware	20%	23%	-6%	0%
Business and professional services	9%	34%	23%	4%
Care services	43%	-2%	0%	38%
Clothing	69%	34%	24%	10%
Commercial and industrial services	38%	32%	2%	153%
Digital print media	594%	60%	40%	18%
Domestic and cleaning services	126%	4%	-4%	-11%
Education	13%	31%	26%	74%
Electronics and computers	59%	11%	-2%	15%
Food	18%	11%	32%	47%
Funeral services	158%	-84%	7310%	-97%
Gambling	-27%	252%	67%	33%
Games and gaming	45%	35%	12%	14%
Garages	-64%	126%	-62%	-1%
Government	-30%	31%	34%	34%
Health and beauty	3%	12%	6%	12%
Health practitioners	-5%	29%	29%	-22%
Home and garden	-6%	24%	35%	12%
Medical services	12%	19%	14%	42%
NGO, social and religious services	-38%	2%	9%	34%
Speciality	47%	16%	-3%	22%
Sport, outdoor and travel	80%	83%	14%	-9%
Stationery and office furniture	-23%	-29%	25%	30%
Telecommunication	16%	12%	-16%	9%
Tourism	95%	13%	15%	1%
Transport	64%	18%	-15%	85%
Warehousing and storage	26%	-14%	-30%	18%

Table 4
Source: Absa's Merchant Spend Analytics

Tracked card spending categories	Online spending (market share)			
	YTD Aug-22	YTD Aug-23	YTD Aug-24	YTD Aug-25
Automotive	0.16%	0.20%	0.50%	0.72%
Books and newspapers	0.47%	0.43%	0.38%	0.32%
Building and hardware	0.68%	0.66%	0.51%	0.41%
Business and professional services	18.28%	19.48%	19.40%	16.38%
Care services	0.00%	0.00%	0.00%	0.00%
Clothing	7.75%	8.30%	8.34%	7.50%
Commercial and industrial services	0.04%	0.04%	0.04%	0.08%
Digital print media	1.44%	1.84%	2.09%	2.01%
Domestic and cleaning services	0.04%	0.03%	0.03%	0.02%
Education	1.09%	1.14%	1.17%	1.66%
Electronics and computers	1.95%	1.72%	1.37%	1.29%
Food	19.83%	17.56%	18.81%	22.52%
Funeral services	0.00%	0.00%	0.00%	0.00%
Gambling	1.17%	3.29%	4.48%	4.87%
Games and gaming	0.70%	0.75%	0.68%	0.64%
Garages	0.03%	0.05%	0.02%	0.01%
Government	1.79%	1.88%	2.04%	2.23%
Health and beauty	0.34%	0.30%	0.26%	0.24%
Health practitioners	0.05%	0.05%	0.05%	0.03%
Home and garden	21.00%	20.73%	22.66%	20.67%
Medical services	0.44%	0.42%	0.39%	0.45%
NGO, social and religious services	0.11%	0.09%	0.08%	0.09%
Speciality	3.02%	2.80%	2.21%	2.19%
Sport, outdoor and travel	0.43%	0.62%	0.58%	0.43%
Stationery and office furniture	0.01%	0.01%	0.01%	0.01%
Telecommunication	2.60%	2.31%	1.58%	1.41%
Tourism	8.26%	7.46%	6.95%	5.73%
Transport	8.32%	7.81%	5.37%	8.10%
Warehousing and storage	0.00%	0.00%	0.00%	0.00%

Table 5
Source: Absa's Merchant Spend Analytics

YTD August 2025 | In-store spending

Tracked card spending categories	In-store spending (YoY growth)			
	YTD Aug-22	YTD Aug-23	YTD Aug-24	YTD Aug-25
Automotive	12%	11%	6%	4%
Books and newspapers	26%	14%	-7%	-25%
Building and hardware	4%	6%	1%	1%
Business and professional services	66%	46%	14%	0%
Care services	18%	15%	13%	5%
Clothing	9%	-11%	0%	1%
Commercial and industrial services	22%	4%	10%	-2%
Digital print media	106%	37%	11%	-1%
Domestic and cleaning services	27%	8%	4%	17%
Education	33%	18%	17%	4%
Electronics and computers	1%	5%	1%	2%
Food	8%	13%	5%	2%
Funeral services	-16%	39%	15%	7%
Gambling	47%	16%	-1%	6%
Games and gaming	53%	8%	-5%	7%
Garages	31%	3%	0%	-8%
Government	17%	12%	17%	14%
Health and beauty	18%	-4%	8%	6%
Health practitioners	7%	9%	11%	3%
Home and garden	1%	-6%	2%	2%
Medical services	9%	10%	9%	7%
NGO, social and religious services	33%	20%	8%	11%
Speciality	27%	11%	11%	8%
Sport, outdoor and travel	86%	147%	3%	4%
Stationery and office furniture	12%	13%	11%	6%
Telecommunication	14%	-2%	10%	11%
Tourism	69%	27%	7%	2%
Transport	545%	8%	15%	-60%
Warehousing and storage	10%	-12%	26%	45%

Table 6
Source: Absa's Merchant Spend Analytics

Tracked card spending categories	In-store spending (market share)			
	YTD Aug-22	YTD Aug-23	YTD Aug-24	YTD Aug-25
Automotive	2.71%	2.73%	2.73%	2.79%
Books and newspapers	0.07%	0.08%	0.07%	0.05%
Building and hardware	4.63%	4.44%	4.27%	4.23%
Business and professional services	7.76%	10.29%	11.18%	11.00%
Care services	0.02%	0.02%	0.02%	0.02%
Clothing	13.91%	11.26%	10.74%	10.69%
Commercial and industrial services	0.22%	0.21%	0.21%	0.21%
Digital print media	0.05%	0.06%	0.06%	0.06%
Domestic and cleaning services	0.04%	0.04%	0.04%	0.05%
Education	0.27%	0.28%	0.32%	0.32%
Electronics and computers	0.94%	0.90%	0.86%	0.86%
Food	47.33%	48.69%	48.46%	48.58%
Funeral services	0.06%	0.07%	0.08%	0.08%
Gambling	0.38%	0.40%	0.37%	0.39%
Games and gaming	0.11%	0.11%	0.10%	0.10%
Garages	6.18%	5.79%	5.47%	4.96%
Government	1.00%	1.01%	1.12%	1.25%
Health and beauty	2.57%	2.25%	2.32%	2.42%
Health practitioners	0.66%	0.65%	0.69%	0.70%
Home and garden	4.56%	3.87%	3.75%	3.76%
Medical services	0.60%	0.60%	0.62%	0.66%
NGO, social and religious services	0.04%	0.04%	0.04%	0.05%
Speciality	3.36%	3.37%	3.54%	3.76%
Sport, outdoor and travel	0.28%	0.63%	0.62%	0.63%
Stationery and office furniture	0.22%	0.23%	0.24%	0.25%
Telecommunication	1.19%	1.06%	1.10%	1.20%
Tourism	0.70%	0.80%	0.81%	0.82%
Transport	0.09%	0.09%	0.10%	0.04%
Warehousing and storage	0.06%	0.04%	0.05%	0.08%

Table 7
Source: Absa's Merchant Spend Analytics

YTD | August 2025

Debit card remains the most preferred

As outlined at the start of this report, overall card spending is decelerating – a trend that logically extends to both credit and debit card usage (see graph 6). Much like cash, card payments are facing headwinds from the expanding array of alternative payment methods. Among these, BNPL platforms have emerged as a formidable competitor to traditional credit cards. BNPL offers a more accessible and less costly alternative to institutional credit, and its adoption is accelerating in South Africa. According to the Stitch report, BNPL uptake is particularly strong among middle- to high-income earners seeking to make large purchases.

While credit cards continue to show higher usage rates than debit cards (graph 6), internal data reveals that debit cards remain the preferred payment method (graph 7). This preference is likely driven by lower transaction costs and broader accessibility, as not all consumers qualify for credit facilities. Nevertheless, debit card dominance has slightly eroded over time, declining from 77% to 75% of total card spending market share.

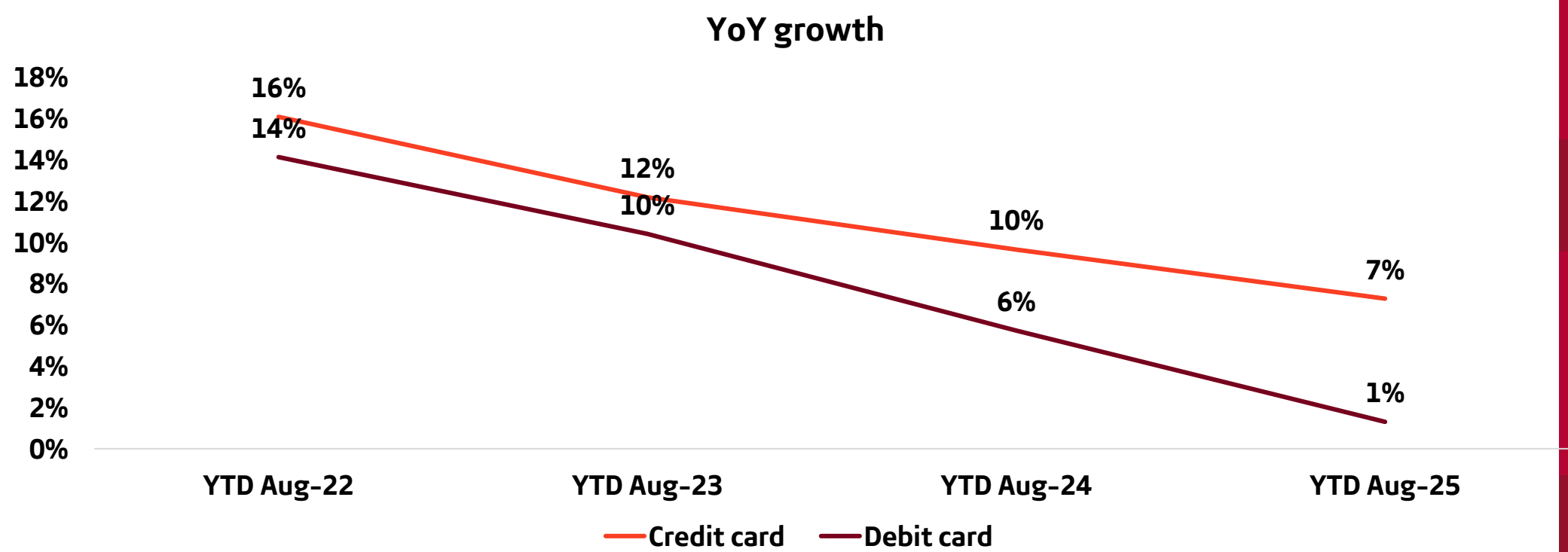
Category-level insights*

Across the top 10 core card spending categories, market share has remained relatively stable over the years. The Food category continues to anchor everyday spend, commanding 45% of credit card market share and 52% of debit card market share, both reflecting a gain in card spending share of 1% y/y. In terms of growth momentum, Health & Beauty stood out in the credit card segment, recording the highest growth rate of 12% y/y, in YTD August 2025. On the debit card side, the Speciality category led growth with an 8% y/y increase. It is important to note that both categories are expanding from a relatively low base, which amplifies their percentage growth figures.

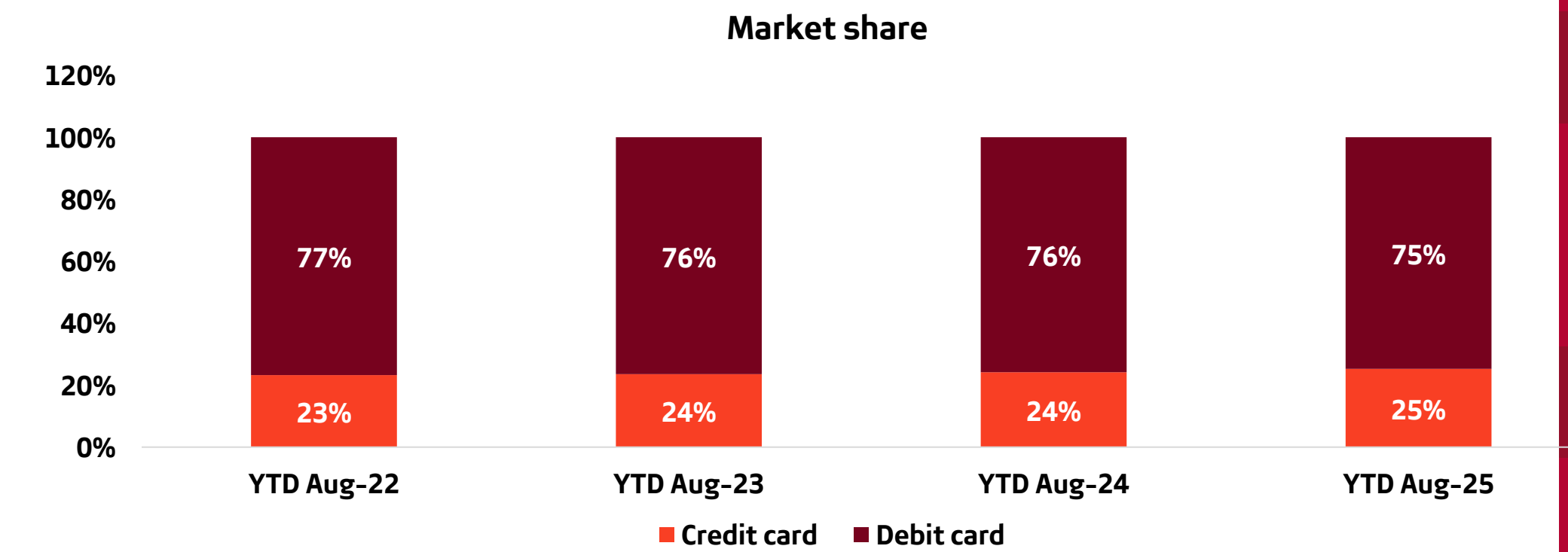
In closing

The data is suggesting a shift in payment methods. The slowdown in card spending is influenced not only by financial pressure on consumers but also by the growing use of alternative payment methods. The rise of BNPL platforms introduces a new dynamic, particularly among consumers seeking flexible, cheaper and low-barrier financing options. Retailers with online platforms should offer a variety of payment options to ensure that consumers can complete their purchases smoothly and successfully. Providing flexible payment methods helps reduce cart abandonment and supports conversion at checkout. As the payment landscape continues to evolve, monitoring category-level shifts and alternative payment adoption will be critical to understanding future consumer trends.

*Detailed data can be found on page 13.



Graph 6
Source: Absa’s Merchant Spend Analytics



Graph 7
Source: Absa’s Merchant Spend Analytics

YTD August 2025 | Credit card versus debit card

Tracked card spending category	Debit card (YoY growth)			
	YTD Aug-22	YTD Aug-23	YTD Aug-24	YTD Aug-25
Automotive	12%	11%	7%	4%
Building and hardware	4%	5%	2%	-1%
Business and professional services	58%	46%	15%	-2%
Clothing	9%	-10%	1%	1%
Food	9%	13%	4%	2%
Garages	37%	3%	2%	-7%
Health and beauty	14%	0%	8%	5%
Home and garden	1%	1%	13%	5%
Speciality	28%	10%	10%	8%
Tourism	N/A	27%	12%	7%

Table 8
Source: Absa's Merchant Spend Analytics

Tracked card spending category	Debit card (market share)			
	YTD Aug-22	YTD Aug-23	YTD Aug-24	YTD Aug-25
Automotive	3%	3%	3%	3%
Building and hardware	5%	4%	4%	4%
Business and professional services	9%	11%	12%	12%
Clothing	16%	13%	13%	13%
Food	50%	52%	51%	52%
Garages	5%	5%	5%	4%
Health and beauty	2%	2%	2%	2%
Home and garden	6%	5%	6%	6%
Speciality	4%	4%	4%	4%
Tourism	N/A	1%	1%	1%

Table 9
Source: Absa's Merchant Spend Analytics

Tracked card spending category	Credit card (YoY growth)			
	YTD Aug-22	YTD Aug-23	YTD Aug-24	YTD Aug-25
Automotive	14%	10%	7%	9%
Building and hardware	2%	9%	-2%	5%
Business and professional services	42%	39%	18%	8%
Clothing	20%	0%	6%	9%
Food	5%	13%	11%	10%
Garages	23%	4%	-4%	-9%
Health and beauty	29%	-14%	9%	12%
Home and garden	-7%	4%	14%	8%
Speciality	30%	15%	10%	10%
Tourism	N/A	16%	10%	-1%

Table 10
Source: Absa's Merchant Spend Analytics

Tracked card spending category	Credit card (market share)			
	YTD Aug-22	YTD Aug-23	YTD Aug-24	YTD Aug-25
Automotive	3%	3%	3%	3%
Building and hardware	5%	5%	4%	4%
Business and professional services	11%	14%	15%	15%
Clothing	9%	8%	8%	8%
Food	44%	44%	44%	45%
Garages	10%	9%	8%	7%
Health and beauty	3%	2%	2%	2%
Home and garden	8%	7%	8%	8%
Speciality	4%	4%	4%	4%
Tourism	4%	4%	4%	4%

Table 11
Source: Absa's Merchant Spend Analytics

3

Focus on South Africa's retail market saturation

Your story matters



South Africa's retail market saturation

The retail industry in South Africa continues to play an important role in the economy by significantly contributing to GDP, employment and consumer activity. While the market is grappling with saturation pressures, the landscape is far from uniform. Certain segments are under strain, yet others are showing notable resilience and even growth, especially in the online and informal sectors.

How does retail space per capita compare globally?

Retail space per capita, measured in square metres of gross leasable area (GLA) per person, is a critical indicator of market saturation and infrastructure scale. This measure helps to normalise differences in population size and provides a clear picture of market saturation or undersupply. In South Africa, this metric provides context for how the country's retail environment stacks up against global norms. Quantitative data highlights the positioning of South Africa's retail sector. South Africa has about 23.4 million square metres of GLA across nearly 1 960 shopping centres, placing it sixth worldwide in total retail centre supply. However, on a per-person basis, this space is lower than in developed markets, reflecting both rapid retail growth and limited population density support. According to research by Property Wheel, South Africa's retail space per capita has stabilised around 0.43m² per person since 2014 (graph 8). In contrast, highly developed retail markets such as the United States (US), reach approximately 2.2m² per capita, while Australia averages around 0.9m² per capita. Within the Gulf region, Dubai records about 1.3m² per capita, ranking it third globally after the US and Singapore.

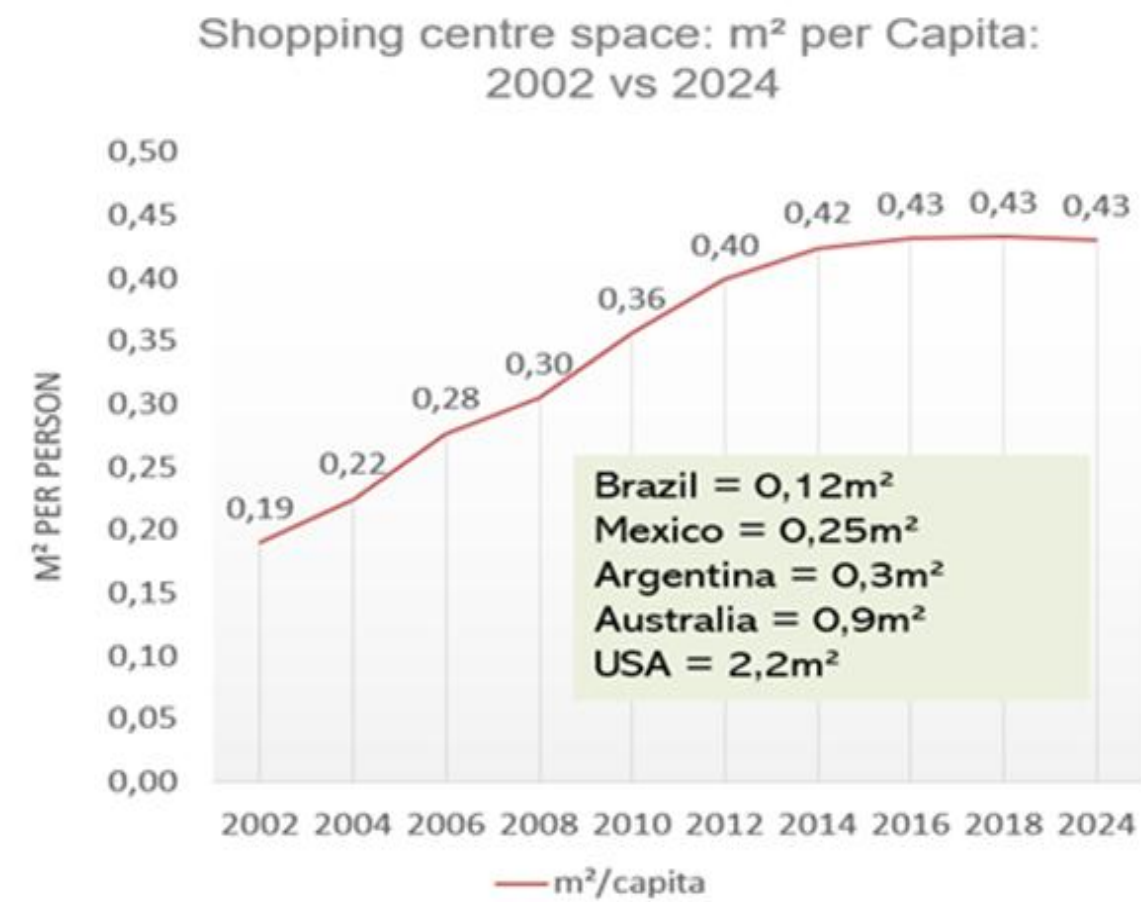
Within urban areas, variation is detectable. Pretoria East, for example, offers a more formal and higher retail space per capita, though the retail space per capita is driven by intense mall development concentrated in a relatively small population base. Meanwhile, on a national scale, South Africa's figure of 0.43 m² per person compares favourably to other developing nations, such as Brazil (0.16 m²), Mexico (0.28 m²), and Argentina (0.3 m²). However, these figures remain well below developed market levels.. Globally, further context comes from the US, which averages roughly 2.3m² per person in retail space including shopping centres and street retail compared to Europe's average of around 0.4m² per capita. Thailand, Germany and China each hovers between 0.12m² and 0.26m² per capita.

These numbers paint a clear picture that South Africa has less retail floor space per capita than major global markets like the US and Australia, but holds its own relative to peer developing economies.

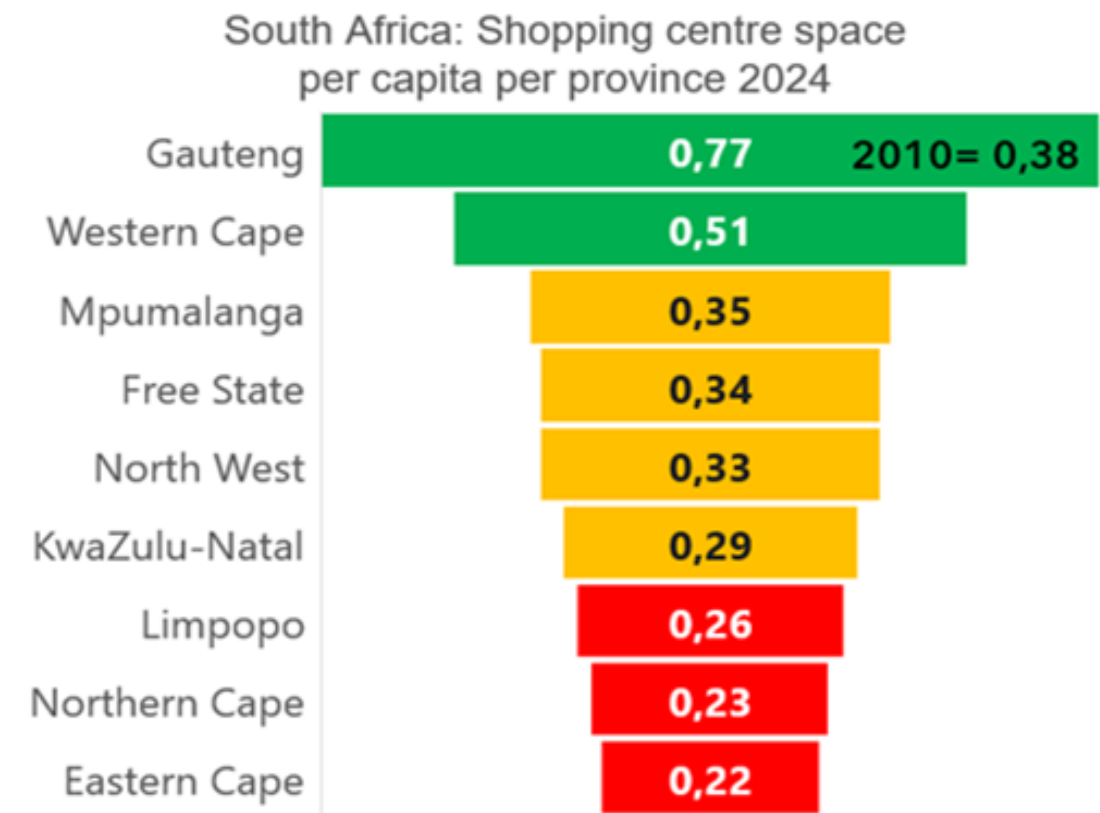
How does retail trading densities stack up against global standards?

In South Africa, trading densities vary by region, retail format and economic conditions. Trading density, the measure of retail sales revenue per square metre, is a key performance indicator in the retail sector. It provides direct insights into how efficiently space is used to generate revenue and helps investors and retailers to benchmark store performance.

South Africa's retail landscape, while mature in some respects, continues to face significant structural and economic headwinds. According to the Clur Shopping Centre Index, the average trading density across all South African shopping centres was reported at R41 162/m² in the first quarter of 2025, with YoY growth of 3.4%. During the key festive trading period in December 2024, the national trading density rose to R65 030/m², reflecting a modest recovery in consumer activity.



Graph 8
Source: Property Wheel



Graph 9
Source: Property Wheel

South Africa's retail market saturation

Regional disparities are evident. The Western Cape recorded the highest average trading density at R47 665/m², followed by Gauteng and KwaZulu-Natal. These figures highlight the stronger economic resilience of the Western Cape's retail sector, often supported by tourism and a more stable infrastructure environment.

In terms of retail format, super-regional malls (those exceeding 100 000m² in gross lettable area) performed notably well, with an average trading density of R50 440/m². Community and smaller neighbourhood centres saw lower, yet respectable densities of R46 564/m², driven by convenience-based spending and localised foot traffic.

When compared to global benchmarks, South Africa's average trading densities (excluding luxury) tend to lag behind. In developed retail markets such as the US and Western Europe, typical mall trading densities range between \$5 000 and \$15 000/m², depending on the location, brand mix and consumer demographics. Some top-performing regional malls in the US and Asia can even exceed \$20 000/m², particularly in high-traffic urban zones.

By contrast, South Africa's broader retail market with average densities between R40 000 and R65 000/m² (roughly \$2 000 and \$3 500/m²), demonstrates underperformance relative to global standards. This gap can be attributed to several challenges including sluggish economic growth, constrained consumer spending and the oversupply of retail space, among others.

What does this mean for retail saturation?

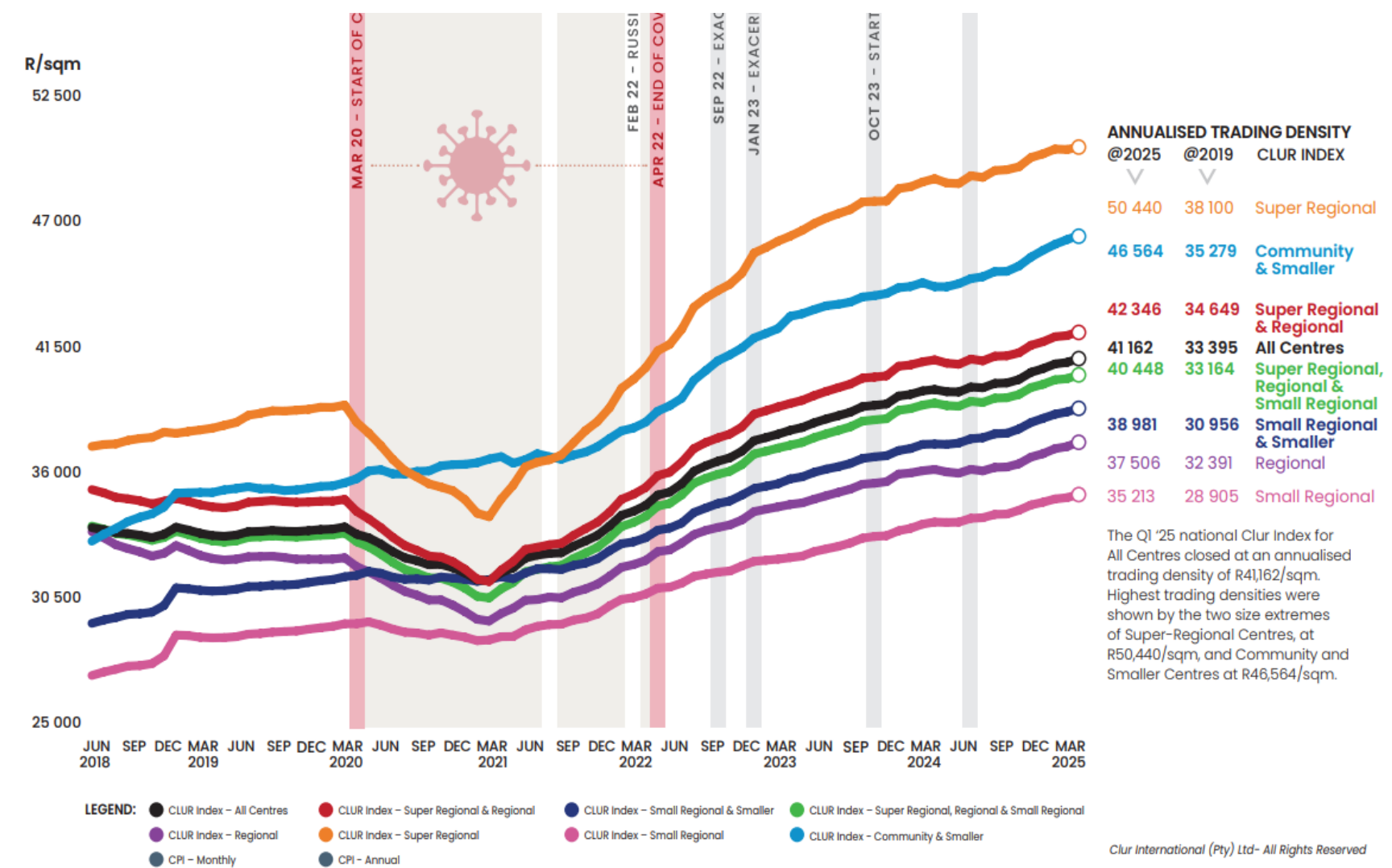
Theoretically, South Africa is not overbuilt compared to global standards in per-capita terms. However, the existence of large retail clusters in provinces like Gauteng, plus high vacancy rates in over-supplied regions, suggest localised oversaturation. While national per-capita floor space remains modest, dense pockets of retail in urban centres may generate a perception of oversupply while broader regions still have capacity.

South Africa's retail trading density landscape presents a mixed performance. While the national averages indicate underutilised space and weaker revenue conversion relative to international benchmarks, pockets of resilience, especially in luxury retail and well-positioned super-regional malls, are evident. These segments demonstrate that when supported by location, brand strength and consumer demand, South African retail can achieve world-class trading metrics.

Conclusion

South Africa's average retail space per person of approximately 0.43m² is lower than international benchmarks, indicating underdevelopment relative to high-income markets. This exceeds the retail infrastructure seen in many peer developing economies. Although urban nodes may appear saturated, on a national level, there is room for retail space expansion aligned with population and economic growth. Additionally, the retail sector's ability to grow trading densities will be driven by improving macroeconomic conditions, better infrastructure reliability and smarter space management. Furthermore, retailers and landlords should aim to optimise footprints, embrace omnichannel strategies and focus on customer experience to boost performance per square metre.

The improvements in market conditions, infrastructure reliability and investment in retail development will be key to approaching global per-capita retail standards.



Graph 10
Source: clurinternational.com

4

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Your story matters



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Spend analytics: PocketFlow

Your story matters



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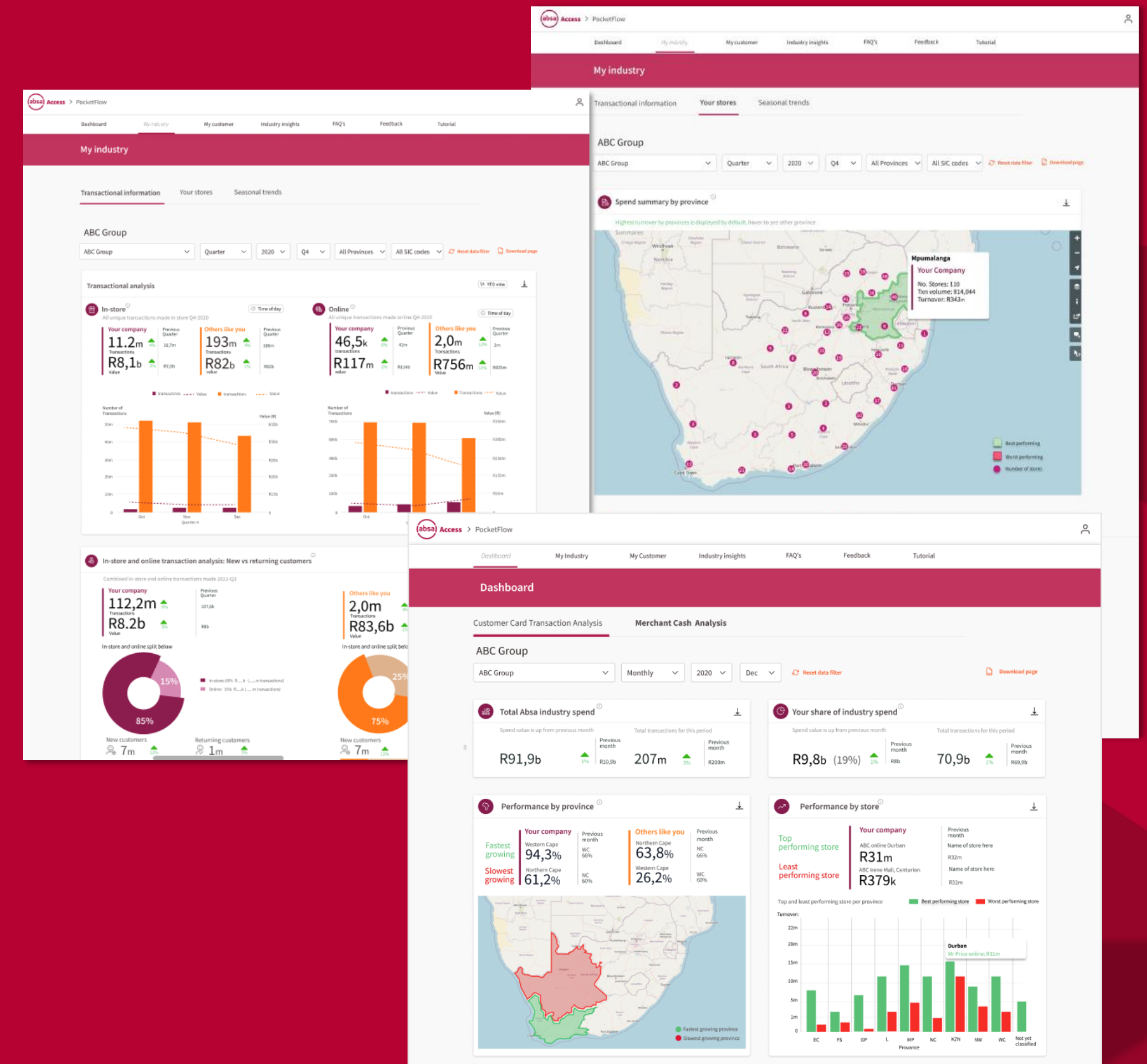
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