

Card Spending Rebounds Ahead of Black Friday and Festive Spending

Johannesburg, 20 November 2025 – The final quarter of the year is widely seen as a performance anchor for South African retailers, with elevated consumer spending expected to offset weaker months, boost profitability, and influence year-ahead strategies on inventory and pricing.

Seasonal demand, targeted promotions, and the psychology of year-end spending typically converge to create a decisive revenue window, which retailers will need to manage carefully to sustain margins and capture consumer attention.

According to the Absa Merchant Spend Analytics report for October, internal data showed notable month-to-month volatility in both transaction volumes and card spending throughout the year. That pattern is now expected to stabilise, at least temporarily, as the Black Friday and festive trading cycle begins to take hold. Promotional activity has already begun drawing shoppers back into the market, with results from October signalling an early shift in momentum.

Card spending rebounded from a 6% decline in September to a 4% increase in October. Transaction volumes improved from an 8% drop to 2% growth over the same period. The month also recorded the highest average transaction size for the year, with average ticket value (ATV) rising by 1.9%.

“What also makes this period unique in South Africa is the impact of stokvel payouts,” said Isana Cordier, Managing Executive: Consumer Sector, Absa CIB. “These collective savings schemes have traditionally helped households stock up on groceries, but we’re now seeing them used for everything from school supplies to travel and even property investments. It adds another layer of spending momentum that retailers can tap into during what is already a high-activity quarter.”

As retailers prepare for the shopping silly season, understanding how consumers have responded in previous years offers useful perspective.

While economic indicators such as interest rates and inflation have eased, signs of consumer distress persist. Absa’s Macroeconomics Research team recently reported a slight decline in consumer sentiment in Q3, based on the latest Bureau for Economic Research (BER) data. Despite this ongoing financial strain, the increase in card spending during this period suggests that consumers still want to participate in year-end promotions, while firmly prioritising affordability and essential purchases. This trend is evident as transaction volumes exceed total spending, indicating that consumers are purchasing more frequently but allocating less per transaction. Such behaviour demonstrates greater price sensitivity, an emphasis on essential goods, and a propensity to defer significant expenditures to Black Friday period.

"We've seen that the timing of Black Friday relative to payday plays a significant role in how consumers engage," said Cordier. "In years like 2022 and 2024 when it's fallen after most salaries have been paid, both card spending and transaction volumes have shown stronger growth. But when the event comes before payday, as it did in 2023, the lift is far more modest. It's a clear reflection of the financial pressure many households are under and how closely spending patterns are tied to income cycles."

In 2024, the leading online spend categories were home and garden (35%), business and professional services (25%), clothing (16%), and food (13%). While these categories consistently dominate overall card spend online, none recorded year-on-year growth. In contrast, in-store transactions were concentrated in food (50%), clothing (16%), and business and professional services (11%). Both food and clothing posted double-digit growth for in-store purchases, signalling that despite the rise of e-commerce, physical retail is still a strong driver of consumer spend.

Looking ahead to Black Friday 2025, consumers are expected to maintain a hybrid shopping approach, with online channels likely to expand at a faster pace, supported by digital convenience and loyalty-driven incentives.

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