

Blackout Black Friday: Retailers to rack up R17.3bn, but lose R5.4bn to load shedding

South African retailers are expected to generate around R17.3bn in additional sales over the Black Friday promotional period, representing around 6.7% growth over the Black Friday period in 2021. The number is forecast to be R5.4bn lower than it would have been if South Africa was not experiencing so many days of load shedding, which has been at high levels throughout 2022.



Source: [Pexels](#)

That's according to new research conducted by the Bureau of Market Research (BMR) on behalf of fintech funder Capital Connect. The research also finds that the motor trade is forecast to generate additional sales value of R5.9bn over the busy promotional period, which is R2.9bn lower than would be expected in a year with less load shedding.

Shopping for survival

Says Professor Carel van Aardt, research director at the BMR: "With a stagnating economy, rampant unemployment and rising inflation, the Black Friday period this year is about shopping for survival. With bleak economic prospects, we can expect to see consumers stock up on necessities rather than splashing out on luxuries for themselves or buying early Christmas presents for their loved ones.

"The hot sellers this year – apart from groceries in bulk – are likely to include gadgets and equipment to help consumers navigate the load shedding crisis. In an environment of poor consumer confidence and weak discretionary income, we can also expect to see consumers trade down from expensive brands and products to white label brands and more affordable substitutes."



Brands must prepare for a different kind of Black Friday

11 Oct 2022



Excessive load shedding this year has compounded South Africa's long-standing problems of weak growth and rising unemployment. Load shedding has dampened GDP growth and production, as well as putting more people out of jobs. It

also disrupts business operations and supply chains, and keeps people away from the shops.

These factors are all likely to lead to a relatively weak Black Friday, with growth that battles to keep pace with inflation. A silver lining is the amount of demand load shedding is creating for alternative power solutions. Year-over-year, consumer interest in inverters has increased by 56%, generators by 29%, uninterruptible power supplies by 29% and solar systems by 34%.

Expected category performance

According to the BMR research, the retail sub-sectors that will gain the most additional revenue over the Black Friday period will be general dealers (R7.7bn); clothing, textile, footwear and leather retailers (R5.5bn); and furniture, appliance and equipment retailers (R1.6bn). These amounts could have been substantially higher without load shedding, with general dealers alone losing out on R577m.

In motor trade, the bigger winners include accessories (R1.2bn), fuel (R2.3bn), used vehicles (R1.5bn) and new vehicles (R516bn). New and used car sales are forecast to R1.2bn less than they could have been in the absence of load shedding, while fuel retailers will be missing out on more than R870 million in potential revenues.



Game does away with month-long Black Friday promo

24 Oct 2022



Month-long promo event

Following the trend set in recent years, Black Friday promotions are likely to stretch out across most of November into the early days of December. Consumers already start hunting for potential deals as early as 10 October. During this period, brick-and-mortar and hybrid retail channels will be responsible for about 81% of sales and online only channels for about 19%.

Steven Heilbron, CEO of Capital Connect, says that even in a challenging year, innovative and agile retailers are finding ways to grow and boost sales. They have prepared for Black Friday by improving in-store shopping experiences, saving with bulk buys at discount rates, diversifying their offering or creating revenue streams such as e-commerce to thrive.