

# Capitec unveils top trends in consumer purchases over Black Friday weekend

Drawing on the Black Friday weekend spending behaviours of its over 21 million clients, Capitec has identified key shopping trends that reflect the evolving habits of the nation. With 10,5 million clients banking on their app, and 21 million clients utilising their black Capitec Card for transactions, Capitec has extensive consumer purchasing data.



Francois Viviers, group executive of marketing and communications at Capitec. Image supplied

Francois Viviers, group executive of marketing and communications at Capitec, highlights the value of these insights, saying, "The diverse spending patterns we observe through our extensive client base provide us with substantial insights into South Africans' preferences. This data not only helps us understand consumer behaviour better but also guides us in tailoring our services to enhance the everyday lives of our clients."

## Trend 1: Continued shift from cash to digital payments

Despite substantial cash transaction volumes, with clients withdrawing R4,47bn from Capitec ATMs on Black Friday, and cash-based spending mainly driven by trade in the informal market, digital transactions are surpassing cash transactions by a significant margin.

Capitec card usage surged during this period, with over 87 million transactions recorded over the weekend. Moreover, there were nearly 300 million interactions on the Capitec app, marking a substantial increase from the 2022 Black Friday's 188 million app interactions.

These statistics indicate a steady transition towards digital and card-based payments, reflecting evolving consumer buying trends in the country.



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James Harvey 24 Nov 2023



## Trend 2: Consumers prioritise food and groceries over luxuries

Amid these broader trends, particular spending patterns have also emerged, offering a more nuanced view of consumer behaviour. One notable example is the amount spent at fast-food outlets with KFC remaining in the lead. Capitec's data reveals that South Africans also indulged in culinary treats, with over 390,000 transactions made at KFC outlets over the Black Friday weekend.

Additionally, there's a visible trend toward purchasing groceries and essentials over electronics and luxury items, indicating that many South Africans feel the financial squeeze and use Black Friday to stock up on necessities.

Capitec's data reveals that bagging well-priced essentials dominated the day. The bank's clients made more conscious choices to buy essential goods and value-for-money deals, as reflected in the significant spending at major retailers.

Retail giants such as Shoprite and Checkers, Pick n Pay, and Spar dominated consumer spending over Black Friday weekend, with clients collectively making over 4,1 million transactions, spending over R1,7bn, of which Shoprite and Checkers made up approximately half of the spend.

Viviers adds, "Despite rising living costs and interest rate hikes, Capitec clients maintained similar spending patterns to the previous year, with data suggesting that clients chose grocery deals at retailers to counter food inflation this year."

### **Trend 3: Online grows fast but in-store remains king**

Capitec says that while online shopping is rapidly growing in popularity among its clients, it still represents less than 10% of the total spending value on its platforms.

Despite this, the bank is witnessing a significant shift towards digital shopping, with the volume of transactions on its banking app increasing by over 40% compared to last Black Friday and increased activity on platforms like Checkers Sixty60 and Takealot accounting for over 10% of total Black Friday spending.



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"This trend underscores the evolving preferences of our clients as they get comfortable with e-commerce. To support and enhance this digital shift, Capitec is committed to continuously improving our Capitec Pay solution, ensuring a more secure and convenient online shopping experience for millions of clients every day," says Viviers.

Another notable highlight from the Black Friday weekend was the performance of Capitec Pay, Capitec Bank's innovative digital payment solution. The platform saw an extraordinary uptick in usage, with transactions totaling over R401m.

"This impressive figure demonstrates the growing popularity of Capitec Pay among our clients and underscores the increasing trend towards digital and contactless payment methods in South Africa. Capitec Pay's ease of use, security, and convenience have resonated with consumers, particularly during high-volume shopping periods like Black Friday," adds Viviers.

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