

Upsurge in consumer spend on digital services - FNB data

A year since South Africa went into lockdown, FNB data reveals an upsurge in customers who are spending on home delivery, video and music streaming apps for convenient access to services. This has led to booming usage of platforms like Mr D Food, Netflix, Showmax, iTunes, and Spotify.



"The pandemic has accelerated the use of digital platforms and home delivery services for a safer and convenient exchange of goods, services and payments," explains Raj Makanjee, CEO of FNB Retail and Private Banking.

According to FNB, some of the prominent trends from its spending data include the following:

Home delivery

While FNB data shows that the Uber app is still the most used delivery app, Mr D Food recorded the most increase in usage, with a 140% increase since the start of lockdown. When the bank compared the number of customers who spent on Mr D Food in the month of March 2021 versus March 2020, it saw a 98% increase. There was no major change in the average amount that each customer spent on take-out food before versus after the start of lockdown.

Video subscriptions

Spend on major streaming platforms Netflix, Showmax and Amazon Prime increased since lockdown. The average number of customers who paid for subscriptions with Netflix increased 64%, Showmax increased 78% while Amazon Prime increased 50%.

Music subscriptions

Overall, music-related subscriptions increased with Apple iTunes up 18% per month on average. Usage of Spotify increased the most by 83% and the move from Google Music to YouTube Music saw a 188% jump in monthly subscriptions to YouTube.

Chris Labuschagne, CEO of FNB Card, comments, "Individually, customers are not necessarily spending more on any of these categories, however, adoption is certainly growing across our base. There is clearly a significant shift in consumers' appetites and choices, based on where people choose to spend their money. As part of our journey to support customers in their money management journey, our trusted platform capabilities are scaling quickly as we expect digital adoption to continue."

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