

# Black Friday 2023: Retailers and manufacturers will need to be agile to navigate a volatile landscape

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With South African consumers holding back on big purchases throughout 2023 in anticipation of sales and promotions, the Black Friday period offers technical goods retailers and manufacturers a golden opportunity to capture revenue growth following a difficult year. However, ongoing economic volatility and low consumer confidence means that brands will need to be agile and ready to pivot to address unpredictable consumer demand.



Nikki Quinn, retail lead for South Africa at GfK

That's according to Nikki Quinn, retail lead for South Africa at [GfK](#) – an NIQ company. She says that data from the Black Friday period in 2022 highlights that this part of the year remains one of the most important periods for technical goods manufacturers in South Africa. According to GfK's market intelligence and sales tracking, the technical consumer goods market saw sales for the Black Friday period (weeks 45 to 47) climb 17% in 2022, compared to the same period in 2021.

Telecom product, including smartphone, were the hottest sellers over those three weeks, up 31% over the previous year. Consumer electronics items such as panel televisions and cameras also fared well, recording 9% year-over-year growth for the same period. Bucking the trend of earlier years, small domestic appliances recorded negative growth (-20%), while sales of major domestic appliances were down 2% for the period.

## Online sales continue to grow

GfK's data for South Africa shows that online channels accounted for around 15% of sales over the Black Friday period in 2022 — still significantly lower than Western Europe, where online accounted for 52%. The numbers for South Africa represent significant growth over the past five years, with online channels accounting for only 8.7% of technical goods sales (excluding telecoms) in 2018.

Quinn says that over the past five years, we have seen Black Friday grow from a day or a week of promotions to encompass nearly a full month of specials over November. "Indeed, with many retailers already starting to advertise Black Friday specials in October, Black Friday is at the heart of the golden quarter, the all-important fourth quarter that also includes the festive season and the start of back-to-school campaigns," says Quinn.

Black Friday 2023 arrives at a time of low consumer confidence and spending. [GfK Consumer Life Global Research\\*](#) shows that 53% of South Africa consumers feel uncertain about the future of the country and 26% are generally pessimistic. These attitudes have dramatically reshaped consumer spending behaviour, with nearly all consumers adopting money-saving tactics throughout the last few years .

Nearly three quarters (72%) of South African consumers have spent less on necessities due to rising prices, compared to 57% of global consumers, while 54% have switched from premium to less expensive brands and 42% have bought something second-hand rather than new. One statistic that bodes well for Black Friday is that 57% of South African consumers postponed a purchase until the product was on sale or there was a special offer.

## Consumers holding back means there could be pent-up demand

Says Quinn: “With many consumers holding back on spending in anticipation of special offers, Black Friday creates the opportunity to capitalise on delayed spending and pent-up demand. However, technical goods retailers and manufacturers will face fierce competition in a cluttered landscape. They will need to take an agile approach to testing and adjusting offers to maximise their sales over Black Friday 2023.”

Zak Haeri, MD for GfK and NIQ in South Africa, says: “Across the world, attractive promotions are becoming essential to satisfying both loyal customers and those who are shopping around for the best deals, and South Africa is no exception. Consumers are cynical about bogus discounts and promotions, so retailers and manufacturers will need to demonstrate genuine value to attract customers.



Zak Haeri, MD for GfK and NIQ in South Africa

“Given that consumers are familiar with the cadence of promotional events over Black Friday, brands have the opportunity to create targeted promotional strategies. Personalised promotional strategies leveraging digital loyalty schemes will resonate with households that are struggling to make ends meet. As in every challenging period, brands that invest in innovation can expect to weather the storm better than others.”

*\*GfK Consumer Life Global 2017 and 2022 & GfK Consumer Life Global 2022 Market Brief: South Africa. The global study covered 18 countries.*

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