

South Africans are sentimental spenders - Mastercard Love Index

South Africans continue to say "I love you" by investing in experiences over material goods, as new data shows sentimental spending has increased by 50% since 2015, with the number of transactions up by 63% during the same period. Also going up significantly is the number of e-commerce transactions, increasing by 990% between 2015 and 2017.



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The annual 'Mastercard Love Index', created by analysing credit, debit and prepaid transactions across the past three Valentine periods (11-14 February 2015-2017), found that dining out for 'date night' remains one of the most popular activities for South Africans. Share of spend on restaurants has remained stable over the past three years, taking a 34% share of spend and a significant 82% share of transactions in 2017.

Whisking your partner away for an unforgettable travel experience is also still a popular Valentine's Day choice. Hotels take the highest share of spend (37%) with a 9% share of transactions in 2017. The number of transportation transactions increased by 144% in 2017, accounting for 21% of total spend during the Valentine's Day period.

Rise of the experience economy

"The data supports the rise of the 'experience economy' as happiness clearly comes from creating lasting memories – worthy of posting on social media – instead of purchasing 'things'," says Mark Elliott, division president, Mastercard Southern Africa.

Money spent on traditional gifts such as flowers decreased by 25% in 2017 versus 2015 and the number of transactions decreased by 21%. Spending on jewellery decreased by 15% compared to 2015 but the number transactions remained flat.



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Rachel Thompson 10 Jan 2018



The study, which looked at shopper behaviour in more than 200 territories around the globe, identified further purchasing trends:

- The data suggests that we are getting ahead of the curve when buying gifts. It's no longer left until the last minute, as the majority (32%) of Valentine's purchases in South Africa are made on 11 February. However, just over a quarter (26%) of all transactions (between 11 and 14 February) were made on Valentine's Day itself.
- The rise of online shopping in South Africa continues with an enormous 990% increase in the number of e-commerce transactions from Valentine's Day 2015 to Valentine's Day 2017. Nonetheless, 97% of transactions around Valentine's Day are still made in person with only 3% of gifts purchased online.

"Spoiling your loved one on Valentine's Day shows no signs of slowing down. Our data suggests that while people still purchase traditional gifts, the move towards putting on a great experience trumps all. The Mastercard Love Index – now in its third year – highlights global and regional trends to offer retailers priceless insight into consumer buying habits over the romantic period," says Elliott.

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