

Black Friday rapidly gathering steam in SA

By Lauren Hartzenberg

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South African retailers are hoping to capitalise on the growing local interest in the annual Black Friday sale, taking place on 24 November this year. The global shopping phenomenon, initially started in the US, is shadowed only by Singles Day in China, which started out as a celebration for China's lonely hearts but has since evolved into an annual 24-hour megashopping spree.



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In an attempt to figure out just how big Black Friday will be in South Africa this year, price comparison website PriceCheck took to the streets of Cape Town to better understand the expectations of consumers. Some predicted discounts of 25% while others are expecting 50% off, but most are hoping that the local retailers will join the ranks of the original US sale and mark merchandise down by a whopping 70 to 80%.

Exponential growth

Takealot.com, the online retailer that brought Black Friday to South Africa in 2012, says the event has taken the country by storm, growing exponentially year-on-year. The company's own year-on-year figures have risen from R1-million in 2012 to R56-million last year – and it expects 2017 sales to be between R80-million and R120-million.

"As it will again this year, our 2016 sale kicked off at midnight on the Thursday night prior and we sold 50 PlayStation 4 consoles by 12.15am. It gets competitive so is worth getting organised," says Julie-Anne Walsh, Takealot's chief marketing officer.

Online fashion retailer, RunwaySale, also saw a substantial jump in Black Friday interest between 2015 and 2016. "Our first Black Friday promotion in 2015 received a great deal of attention when we sold designer items for as little as R1 or R2 in what we called a 'Secret Sale', but we still probably saw less than R2-million in sales," states RunwaySale CEO, Karl Hammerschmidt.

"Last year we saw Black Friday truly embraced, not only by online retailers but also big offline stores. Everyone got involved and Black Friday went mainstream. This year our partners wanted to start planning in Jan to take full advantage from an online point of view."



Retailers to watch this Black Friday, Cyber Monday

Lauren Hartzenberg 20 Nov 2017



Boost in online retail

CEO of FNB Consumer, Dr Christoph Nieuwoudt, says that South Africa's e-commerce is likely to get a boost around Black Friday and Cyber Monday as some consumers will be looking to avoid the long queues associated with such shopping sprees.

"Any savvy shopper can cash-in on the specials without spending time in queues and traffic, trying to move from one destination to another. While e-commerce is still in its infancy in South Africa compared to global standards, both the consumer and retail sectors are warming up to the use of technology to deliver and acquire goods and service," Nieuwoudt states.

While online retail can provide respite from the in-store crowds and chaos, Hammerschmidt notes that e-commerce has its own set of obstacles, as was seen last year when many sites crashed and users were left frustrated they couldn't shop.

"We've increased our server infrastructure 4-fold in the weeks building up to Black Friday. We've been coordinating for months with a team spread across four continents to test throwing as much as they can at the site and then fixing what breaks. It's been a mammoth project. Still... we're not taking anything for granted – everyone is on standby."

Going forward we expect this event to just keep growing. Online is only around 1% of total retail sales in South Africa and Black Friday is still very young. Overall the future looks bright if you've got the capability to reach out and grab it."

ABOUT LAUREN HARTZENBERG

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