

PayU data reveals shifting online shopping patterns this Black Friday

Everything from the late-night shopping frenzy, to payment methods and basket size has changed when it comes to Black Friday, states online payment service provider PayU.



Source: Supplied

Black Friday stands head and shoulders above the norm, delivering 258% of the overall trading value of a normal November shopping day online. But despite a significant increase of 30% in transaction volumes compared to last year, the total spend for the day was up by only 6%, according to the company's data.

"The good news is that the online shopping landscape has changed for the better - more South Africans are buying more products - but Covid has dented the basket size, down by 22%, and the way shoppers approach the biggest online shopping day of the year doesn't look quite the same as it used to. The Black Friday experience is changing annually," explains Karen Nadasen, CEO of PayU South Africa, and chairperson of the Ecommerce Forum of South Africa (EFSA).

New peaks and surges in the day

Just a few years ago, South Africans were staying up until the clock struck midnight to snatch the early bargains. Nadasen adds, "Last year we saw a 33% drop in volume compared to 2019, in that first hour of trading between 12pm and 1am, and this year we saw an additional 6% drop. This seems to stem from last year's disappointing Black Friday experience where many shoppers felt the good deals simply didn't materialise, and, of course, the fact that people have less money.

"Last year also saw many retailers extend their discounts and promotions to last the entire month of 'Black November', with Takealot leading the way through their popular 'Blue Dot Sale'. This has reduced the novelty of Black Friday slightly."

Initially, PayU saw a little flurry of business at the midnight hour, with shopping starting to really pick up after 4am. "We usually see a sustained increase and a surge at 9am, the magic hour, after which most money has been spent and the volumes start to slowly decline. This year, however, shopping continued to increase throughout the day, starting to slow down only after 8pm."



Black Friday spend in SA - the numbers so far

29 Nov 2021



Trends in payment methods

In terms of payments methods, cards still dominate, but alternative credit offerings such as RCS, Mobicred and Payflex saw an increase.

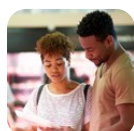
More consumers were opting for frictionless card checkout options; utilising alternative credit options and choosing to spend their loyalty points, easing the cash crunch. The Discovery Miles' 'D-Day' promotion saw the loyalty scheme's spend grow by 210%.

Category fluctuations

- Fashion and electronics saw a 19% increase
- Beauty and health were down by 31 and 34% respectively.
- Significant growth was observed in the delivery service sector. The last 12 months have seen a mass acceleration in how South Africans order on-demand groceries and takeaway foods particularly, said PayU.

"The three key figures we often look at are the total value of transactions, the total number of transactions, and the average basket size. These often paint an interesting picture each year. This year's figures tell us that more South Africans are shopping online confidently due to Covid-19 and lockdowns accelerating our shift to online - but despite the increased number of shoppers the actual overall rand value for the day has nudged only a little.

"We have a better e-commerce industry now, but sadly there's less money to go around. Let's hope this growing base of online consumers sees a prosperous 2022," Nadasen said.



Budget trumps brand: How Black Friday has evolved in SA

Lauren Hartzenberg 26 Nov 2021



PayU's Black Friday numbers at a glance:

- The first hour of transactions (00h00 to 01h00) was down 6.2%
- The busiest hour of trade was between 16h00 and 17h00
- The most money spent in an hour was R17m between 19h00 and 20h00. Last year this figure was R30m.
- Volume leading up to Black Friday (Monday 22nd to Thursday 25th) up 36.64%. Black November.
- Growth of online transactions year-on-year up 30%

- Total online spend year-on-year (value) up 6%
- Average basket size down 22%
- BF '20 avg. basket size = R1,002.31
- BF '21 avg. basket size = R784.99

For more, visit: <https://www.bizcommunity.com>