

South Africans predicted to spend R226bn this festive season

South Africans are expected to spend more than R226bn over the festive season, decreasing by 11% this year when compared to 2021. SA consumers are budgeting an average of R5,968 each for extra expenses over this period, down by 6% from last year.



Source: [Pexels](#)

This is according to the fifth annual Summer Spending survey from short-term lender Wonga. As part of the survey, more than 8,500 South Africans shared their travel plans for the holidays, the activities they will enjoy, gifting ideas and how much they intend on spending. They also gave an indication of how they were feeling about the new year.

“Our survey revealed that almost a third of people think they’ll spend less this festive season,” explains James Williams, head of marketing at Wonga. “The decrease in predicted spend overall is significant and the figures this year reflect the impact of the rise in inflation, cost of living and higher interest rates.”

The research also showed that only 37% of South Africans reported that they are better off than they were this time last year, down from 41% in 2021. Along with this, another 38% said they were worse off than last year, with the remainder reporting that they were in the same position financially.

Data from the survey also indicated that 30% of South Africans rely on an additional source of income, with over 46% reporting that they have a side hustle.

Food and drink make up chunk of expenses

Similar to last year, the research revealed that food and beverages will account for over 35% of people’s festive season spend. It is however notable that the average cost of R2,235 per person over this period is up from R1,984 per person in 2021. This is most likely a direct impact of the dramatic increase in food prices in the country.

This is followed by transport, which makes up approximately 17% of festive budgets, with South Africans spending an average of R1,171 each to travel to their holiday destinations.

To cope with the extra expenditure over the December period, the majority of people surveyed (39%) plan to use their savings, rather than draw from their end-of year-bonuses or rely on stokvels. Some plan on taking out a short-term loan, and others will use their credit cards to get them through the festive season.



What's topping shopper wish lists this festive season? Discounts!

28 Nov 2022



Many cannot afford to travel this year

As many as 78% of South Africans plan to stay at home this summer, with 47% citing affordability as one of the major factors impacting their travel plans. According to the research, 23% of people say this is due to having to work over the holidays.

“The sharp increase in the cost of fuel has no doubt affected festive season travel plans this year,” says Williams. “More people are telling us that they will stay at home to enjoy their holiday break due to affordability reasons.”

Of those leaving home for the holidays, 27% will be travelling to or within Gauteng, which has emerged for the first time as the most popular holiday destination. According to the research, this may be because people are choosing to travel inside their provinces.

“Interestingly, this year we see a shift in the destinations that people have chosen to travel to, with the Western Cape coming in second at 18%,” shares Williams. “KwaZulu-Natal, which has come out tops for four years running, is down to third place with just 16% of those surveyed planned to travel there. This may be largely due to some of its beaches being closed this year.”

The majority (50%) will be travelling by car, which is down by 10 percentage points from 2021. A large number of people will use a taxi and very few will travel by plane.

“There has also understandably been a decrease in people travelling abroad,” reports Williams. “Just 2% of people plan to travel outside of South Africa this year, compared to 5% in 2019, which may be attributed to the steep rise in airfares.”

Online shopping continues to grow

The majority of South Africans (77%) will be doing most of their festive shopping in store this year, up from 70% in 2021 and 68% in 2020. Brick and mortar sales are certainly on the increase again, with more people wanting to venture out to their local malls to enjoy the festive cheer.

“Despite this, online shopping has proven to be on the increase, with some combining it with a visit to the mall. The e-

commerce trend has grown from just 11% in 2018 to almost 26% this year,” notes Williams. “This also exceeds the number of people (21%) shopping from home in 2020 during the pandemic.”

Fewer people plan on buying gifts this festive season, and of those who will be gifting, 72% intend to spoil their family. Interestingly, a large percentage plan on buying themselves a gift. At the top of people’s gift lists are money and gift vouchers, which is much the same as last year.

The remainder of respondents intend to make their own gifts, or to purchase gifts from local craft markets.



Banks see growth in Black Friday transactions and a shift to digital payments

30 Nov 2022



Optimism for coming year

South Africans’ favourite way to celebrate the festive season is by getting together with family and friends (77%). The most popular way for more than half of the respondents is to spend their summer holiday time sitting around a braai.

For those spending their holidays at the coast this season, time at the beach is high on their list. Many have indicated that they will eat out at restaurants, or attend religious services, observing religious traditions.

“This year has been a somewhat tumultuous one for many families, and as result they are less inclined to spend their money,” says Williams. “It is however encouraging that more than half of South Africans say they are optimistic or excited for the year that lies ahead.”

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