

Budget trumps brand: How Black Friday has evolved in SA

By  Lauren Hartzenberg

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Black Friday has become a significant stimulant for shopping behaviour in South Africa. While sales from the 2021 event are unlikely to exceed levels seen prior to the Covid-19 pandemic, predictions point to a marked improvement from last year, with local retailers expected to rake in [approximately R11.3bn](#) in additional sales over the period of November.



Source: Getty

This is according to recently released research conducted by the Bureau of Market Research and commissioned by Capital Connect, the funding division of The Connect Group. “2.1 million jobs were lost in 2020, but 700,000 new jobs have been created since then, which will benefit retailers,” said Carel van Aardt, professor and research director of the Bureau of Market Research, during a webinar hosted by Capital Connect.

Since the US-originated shopping event was introduced to SA in 2014, the Black Friday period has expanded from three days (from Black Friday until Cyber Monday) to roughly 27 days, resulting in Black November campaigns.



Retailers to get R11.3bn Black Friday boost, with general dealers claiming biggest share

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Focus on value

The Covid-19 pandemic scuppled the upward growth trajectory of Black Friday between 2014 and 2019 in South Africa, and has notably influenced what shoppers are planning to put in their baskets during the sale event.

Van Aardt explained that there's a growing percentage of Black Friday shoppers who are less focused on purchasing brands and durable goods, and more focused on value and necessities. This is in contrast to pre-pandemic shopper behaviour, when the percentage of spending on necessities either declined or stagnated prior to 2020.

This trend is particularly the case for volume and middle-market consumers, who are trying to save money by purchasing necessities in bulk, against an economic backdrop of job losses and low income growth.

More affluent consumers, meanwhile, are prioritising the purchase of luxury goods at discounted prices, and getting Christmas shopping done early.

“ The Black Friday celebrations have officially kicked off! We have launched our second annual [#BFCMdashboard](#) that shows live BFCM data such as the largest single basket value, the highest amount spent by an online shopper and so much more. Go check it out! <https://t.co/eynf2ly3TH> pic.twitter.com/gLMOLMJlsg — PayFast (@PayFast) [November 26, 2021](#) ”

The Bureau of Market Research study also revealed that prior to the pandemic, textiles, clothing and footwear showed strong growth during Black Friday pre-pandemic, but this growth was negative in 2020 and saw more shoppers “buying down” on these types of goods, presumably influenced by the remote working lifestyle.

In the same breath, Van Aardt said that other categories experienced volatile sales patterns during Black Friday 2020. For example, before 2020 goods such as furniture, home appliances and equipment, was characterised by a stable retail pattern – low demand during the year followed by a spike in December when consumers spruced up their homes – but during the pandemic consumers spent more regularly on these categories as they took to improve their living environments where they were spending more time.



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Bargain hunting

Retailer Game reported positive uptake on its month-long Black November promotion, with shoppers investing in TVs, appliances, electronics and outdoor and exercise equipment.

Andrew Stein, vice president of Game, noted that the retailer's consumer research done throughout the last 18 months has shown the growing importance of bargain hunting amongst local shoppers, and a trend toward buying essential goods, echoing findings of the Bureau of Market Research study.

Game said its own data showed that saving is incredibly important to the country's consumers. Fifty-two percent of Game's survey respondents said their main reason for shopping Black November deals is a stretched budget. While 28% said they look to see what is on sale at any retailer during the period, the majority (42%) are planning their Black Friday purchases

carefully – focusing on their needs, and nine out of 10 SA consumers are comparing Black Friday prices and deals.

“Furthermore, customers have been asking us if they can lay-by their Black November items. In response, Game is now letting customers purchase their items on lay-by with 0% deposit and wait 30 days to make the first payment – until 24 December,” said Stein.



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Lauren Hartzenberg 25 Nov 2021



Avoiding a race to the bottom

With previous [Nielsen research](#) revealing that South Africa is home to a nation of discount-obsessed shoppers who are trained to buy on promotion, retailers and brands must caution against discounting to the point of harming their operational sustainability.

The Bureau of Market Research listed a few dangers for retailers associated with Black Friday campaigns:

- Product value dilution: The discounted price becomes the new normal.
- Brand value dilution: This could be done by selling top brand goods at the same price or lower than that of weaker brands as a strategy to enter lower market segments.
- Different parts of the omnichannel in competition with each other: This could be done as a strategy to nudge consumers to a specific channel but it's at the cost of other channels.
- Customer alienation due to systems not being in place to deliver on time: This happens when sales outstrip capacity by a wide margin.

“Research on the top 10 retailers with respect to consumer interest and consumer interest growth has shown that there are certain things that they do that can be emulated by other retailers to optimise sales, and especially during the Black Friday period. This includes having a strong social media presence, having a store presence as well as having an online ordering and delivery channel,” said the Bureau of Market Research.

Interestingly, online ordering and pick-up, as well as loyalty cards, did not come out tops as predictors of Black Friday success.

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