

South African e-commerce hit its stride this Black Friday

A stable technical performance along with a more than 30% increase in first-time online shoppers and strong growth in both transaction volume and value, all point to a maturing e-commerce market, says South African payment services provider, DPO South Africa.



Source: Supplied

“This was without doubt the most incident-free Black Friday the market has had from a technical perspective. We had a smooth three days of trade over the weekend, with no incidents worth mentioning at the banks, at BankServ or at the payment gateways. In fact we can report excellent performance across the board.

“Despite Covid, the uncertainty around global supply chain issues, not to mention the fact that the news of the Omicron variant had just hit the news, South African shoppers were not going to be deterred from snapping up deals this year. It’s clear South Africa has hit its stride when it comes to Black Friday,” comments Peter Harvey, MD of DPO South Africa.



Black Friday spend in SA - the numbers so far

29 Nov 2021



Growth in transactions volumes and value

Data from PayGate shows a 43.4% year-on-year increase in the volume of transactions for Black Friday (26 November). The total value of transactions for the day’s trade grew by 46.8% when compared to 2020.

Data from Cyber Monday (29 November) 2021 showed a 23.8% increase in transactional volume and a 25.6% increase in transactional value, traded on the day. In comparison, transactional value grew 32.4% in 2020, while growth in transactional volume was down from 2020 which had shown a significant 54.6% year-on-year growth.

“This year’s figures are particularly pleasing given that they come off an already strong 2020 performance. Consistent year-on-year growth like this should give many traditional local businesses the confidence to invest in digital offerings to expand their reach,” Harvey says.

A maturing e-commerce market

Another significant 2021 milestone was the 32% growth in first-time card transactions which suggest new or first-time online shoppers.

“Adding new shoppers to the e-commerce market is excellent news for our merchants. It also shows a growing trust in online shopping which underscores a maturing market,” Harvey comments.

Intra-day trading data shows locals shopping later in the day with peak volume (by hour) occurring between 10h00 and 11h00 compared to early morning peaks seen in previous years.

“The days of people waiting up until midnight to rush online to snap up available stock seem to be over with shoppers taking a more considered approach this year. As South African shoppers become more accustomed to the retail event they are getting more strategic. So too are our merchants, with most offering some clear loss leaders to entice shoppers onto their site and then capitalising on consumers filling their baskets with only marginally discounted products,” Harvey explains.



PayU data reveals shifting online shopping patterns this Black Friday

29 Nov 2021



Looking at individual shopping habits, Harvey says there were once again some standout performances.

“We saw purchases made on one card reach 106 transactions on Black Friday this year, compared with 84 in 2020, and 80 in 2019. The highest value single transaction this year came in at R115,468,38 which was slightly lower than the biggest single purchase of 2020 of R122 944.08,” he shares.

Growing Black Friday participation

Finally, Harvey says he is also pleased with the increased interest in the retail event from the rest of Africa. The DPO Group, which currently supports customers in 21 African countries, is seeing more merchants participating in Black Friday sales.

“As more consumers gain confidence in digital commerce we can expect to see the retail holiday take off in a big way in more African countries. This is great news for all our merchants who can capitalise on a maturing African community of online shoppers.”

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