



## **A DECADE OF BLACK FRIDAY: SOUTH AFRICANS REMAIN ENTHUSIASTIC ABOUT THE AMERICAN SHOPPING TRADITION**

Ten years on, Black Friday's popularity in South Africa has grown but it's evolving. After a dip in mall traffic during the pandemic, 2023 saw a strong comeback. Data from Standard Bank and Liberty Two Degrees (L2D) shows record foot traffic and a surge in online purchases.

Originally a post-Thanksgiving shopping event in the US, Black Friday kicked off the holiday shopping season with major discounts. Takealot introduced it to South Africa in 2012, but it gained traction in 2014 when brick-and-mortar retailers joined in. The early years featured enticing deals, with retailers like Game Stores launching midnight shopping.

"Black Friday really took off in 2018, and by 2020, it shifted to 'Black November' as retailers spread discounts throughout the month to manage crowds during Covid-19. At the same time, shopping experiences became the main focus, with spending trends moving away from hectic mall rushes and bulk buying on a single day, towards safer, more interactive experiences," says Jonathan Sinden, COO of L2D.

As pandemic memories fade, shoppers returned to malls in record numbers in 2023. L2D malls saw a 39% increase in foot traffic over Black Friday weekend compared to 2022, and a 32% rise over pre-pandemic 2019 levels. While many retailers now run specials all weekend, Friday remains the top shopping day. "L2D continues to leverage on this, offering free parking at Sandton City and Nelson Mandela Square from midnight to midnight on Black Friday. We also create environments that help tenants trade efficiently and ensure a great experience for shoppers," says Sinden.

### **New records set in 2023**

As L2D saw record foot traffic in 2023, Standard Bank's transactional data also reveals that 2023 saw the highest spending on Black Friday weekend, with both physical and online purchases soaring. Online shopping increased by 17% and has grown by over 30% since 2021.

While Black Friday was once dominated by electronics and appliances, Standard Bank data shows a shift toward grocery retailers, clothing, and department stores leading sales. In fact, grocery shopping accounted for 27% of all spending during the weekend in 2023, up from 26% in 2022.

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The Standard Bank Group is the largest African bank by assets, operating in 20 African countries, 4 global financial centres and 2 offshore hubs. Headquartered in Johannesburg, South Africa, we are listed on the Johannesburg Stock Exchange, with share code SBK, and the Namibian Stock Exchange, share code SNB.

Standard Bank has a 161-year history in South Africa and started building a franchise outside southern Africa in the early 1990s. Our strategic position, which enables us to connect Africa to other select emerging markets as well as pools of capital in developed markets, and our balanced portfolio of businesses, provide significant opportunities for growth.

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The group's largest shareholder is the Industrial and Commercial Bank of China (ICBC), the world's largest bank, with a 19.4% shareholding. In addition, Standard Bank Group and ICBC share a strategic partnership that facilitates trade and deal flow between Africa, China and select emerging markets.

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# MEDIA RELEASE



“The average transaction in electronics and department stores is still higher than in grocery stores. However, more people are shopping for groceries on Black Friday than for electronics other discretionary items,” explains Tumelo Ramugondo, Head of Credit at Standard Bank.

He notes another trend: rising consumer spending on experiences. Shoppers are increasingly spending on holiday packages and entertainment. . Standard Bank customers’ purchases over R3,500 have primarily been in travel and tour operators, airlines, and car rentals. Home furnishing, wholesale clubs, and cruise lines follow closely, with average transactions exceeding R2,500.

“In categories like groceries, clothing, and department stores, we see high transaction volumes. In contrast, holiday and entertainment categories have lower volumes but higher spending, suggesting that consumers who can afford such save throughout the year for Black Friday deals on their dream vacations,” adds Ramugondo. Some shoppers booked holiday packages in excess of R60,000 with some transactions exceeding R80,000 through tour operators.

Despite Black Friday's growing popularity, December remains the biggest month for South African retailers, with foot traffic in many L2D malls still higher in December than November.

“Customer spending reflects the same trend. In 2023, December saw a strong rebound, reaching its highest level in five years and surpassing pre-pandemic 2019 levels,” says Sinden.

He attributes this to consumers prioritising family experiences over material goods, driven by financial pressures like high interest rates, inflation, and unemployment. The popularity of festive activities in December also boosts spending.

These insights show Black Friday’s growing significance in South Africa, with record numbers in 2023 marking it as a major retail event. However, it's evolving, with more people using Black Friday deals to save on groceries, reflecting broader economic factors and shifting consumer priorities.

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