

E-commerce should buoy SA's Black Friday 2020 sales

While not expected to show the same growth as previous years, retail mega-event Black Friday could still help local retailers struggling to make up lost lockdown revenue, especially for those with an online presence, according to South Africa's largest payment gateway, DPO South Africa's PayGate.



Newfound comfort in online shopping

"The bleak economy, dented disposable income and a very uncertain future will take its toll on transactional growth this year when compared to the record years that have gone before," says Peter Harvey, MD of the DPO South Africa, including PayGate, PayFast and SiD Secure EFT.

"It will, however, still serve as an immensely valuable opportunity for retailers to bolster their annual revenue numbers. For small retailers especially, it's not too late to establish a digital presence to take advantage of the expected shift in favour of e-commerce shopping this year."



Covid-19 a shot in the arm for e-commerce

Lauren Hartzenberg 25 May 2020



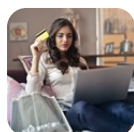
In 2019 PayGate numbers showed Black Friday trading volumes [spiking by 400%](#), compared to an average trading day. Overall there was a 35% year-on-year transactional volume growth for the Black Friday and Cyber Monday shopping week.

"This year we think the total Black Friday spend will be down across the board, but we see e-commerce sales matching 2019 numbers. The lack of disposable income will be countered by the newfound comfort in online shopping, with lockdown driving first-time digital shopping experiences," Harvey predicts.

Black Friday bargain hunting

On a positive note, Harvey says local shoppers can expect to find some great bargains this shopping holiday as retailers fight to capture what disposable income is available.

“Consumers should be aware that the average South African shopper has become Black Friday savvy and bargain hunters will be filling carts ahead of time to ensure they just have to checkout as soon as the sales begin,” says Harvey.



Heightened price sensitivity in SA fuels Black Friday demand

11 Dec 2019



Lessons learned from previous years will extend to the payment ecosystem which supports the sale days.

“The banks, PSPs and card associations are all ready for the surge in transactions and so technically we are confident of a well-managed experience this year. Teams on standby around the clock and careful monitoring will be a matter of course,” he says.

Looking at the basket breakdown, Harvey says it is reasonable to assume that the product mix will be different this year. Baskets may include fewer big-ticket items and DIY and home improvement products could receive a boost this year with shoppers having spent a good deal of time at home over the past few months.

“Apart from the home improvement sector, the travel and tourism sector is one to watch this year. We can expect a jump in experiential purchases as people look to feed their desire to get out of the house and into the world.

“While international travel remains fairly limited, both by cost and by the list of countries who will admit visitors, local tourism is sure to benefit from some spend come November. This is great news for our local travel businesses which should ensure they are ready with great deals for a cabin-fevered public,” Harvey advises.



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Sean Sullivan 29 Sep 2020



Get online if you want a piece of the pie

The past few years has seen a surge in traditional brick-and-mortar retailers taking their businesses online. However, for the many who have yet to make the leap, Harvey says there is still time to set up a simple, robust digital solution to take advantage of the seasonal shopping spree.

“Getting an e-commerce offering up and running is imminently possible between now and 27 November. Given South African’s growing preference for online offerings it would be foolhardy to miss out on all that potential business, especially this year as even more shoppers will choose to go digital rather than risk crowded stores and malls.”

“We know it’s going to be difficult to predict anything this year. Everything remains uncertain, but I do think we can expect to see the 2020 e-commerce numbers remaining steady. This opportunity is definitely something our local retailers will want to take advantage of and so some early planning will make all the difference,” Harvey advises.

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