

# Black Friday is a blockbuster event for the South African technical goods retail sector



By Kali Mbahloli, issued by GfK – An NIQ Company

15 Oct 2019

With less than two months to go before Black Friday (29 November), South African retailers are scrambling to get their stock, websites and deals ready for the big day. Most will be hoping for a repeat of the success they have enjoyed over the past three years, with November growing into the second-biggest retail month for the technical and durable goods sector on the back of Black Friday shopping.



Kali Mbahloli

November accounted for nearly 10.9% of annual sales value for the technical goods and durables category in 2018, just behind December (11% of annual value). For some categories – such as panel televisions – November has even surpassed December as the largest retail month. Let's take a closer look at some of the sales trends, before making some predictions for Black Friday 2019.

**Consumer electronics:** In November 2018, the consumer electronics sector generated a record R1.25 in sales value. Panel television is the star performer in this sector, with a 47% year-on-year growth in unit sales in November 2017, followed by a 66% increase in sales to 93,000 units in November 2018. Panel TVs accounted for around 72% of the consumer electronics market's sales value in November 2018.

**Smartphones:** Smartphone unit sales grew by around 3.9% to just over 350,000 units over the week of Black Friday 2018, compared to the same week in 2017. December remains a bigger month for smartphones than November. Sales value for the telecoms category was up 9.1% year-on-year in November 2017 and 24.5% in November 2018 – a trend driven by the weakening rand rather than growth in the market.

**Consumer IT:** Thanks to a faltering media tablet market, the consumer computing category is on a downwards trajectory, and Black Friday has not provided much respite in recent years. Unit sales fell around 25% year-on-year in November 2017 and 39% in November 2018; sales value was down 19.1% in November 2017 and nearly 50% in November 2018. Only monitors and storage are bucking the trend.

**Large appliances:** November has become a key month for major domestic appliances, with washing machine and cooling manufacturers spotting the gap earlier than dishwasher brands.

Category	Year	Year-on-year increase in sales value	Year-on-year increase in unit sales
Cooling	2017	5.4%	13.7%
	2018	18.9%	18.6%
Washing machines	2017	33.1%	41.5%
	2018	6.5%	3.7%
Dishwashers	2017	3.8%	6.6%
	2018	30%	36.6%

As we can see, Black Friday has become an important revenue-driver for brands selling big-ticket items in a market where consumers are looking for value before they commit to a purchase. Despite a tight economy, we predict robust performance for the technical and durables goods sector over November 2019, though growth might not be as impressive

as it was in 2016, 2017 and 2018 because the baseline is so much higher.

Some of the trends that we can expect to shape Black Friday month 2019 and some ideas about how your brand can capitalise on them include the following:

### **November is the 'me' month; December is the 'we' month**

December is still the month most consumers shop for gifts for family and friends, while November is the month to spoil themselves. South Africans have spent a tough year holding back on discretionary spending. Many consumers are now looking to indulge themselves.

Our GfK Consumer Life study shows South Africans are developing a need to pamper themselves. Our data reveals many consumers see November as the month to treat themselves to something they usually cannot afford. Some consumers have been saving and planning for Black Friday for months.

**Tip:** Is your brand developing relevant, hype-worthy promotions that not only speak to 'good deals' but also to the 'me-spend'?

### **Heightened expectations**

Consumers will always look for bargains — especially in a tough economic climate—but they often feel the Black Friday deals are not worth it. Next-level value adds or freebies are now taken for granted.

**Tip:** Use Black Friday as an opportunity to pursue innovative strategies that build customer loyalty. You could consider using mechanisms such as vouchers or cashbacks to keep customers coming back after Black Friday, starting a new relationship with a customer rather than simply closing a quick sale.

### **Purchasing on impulse**

South Africans stand out for their impulsivity, with 24% having bought more than they planned to buy on their last purchase occasion – second out of the 27 countries measured in our GfK FutureBuy study. This trend is particularly pronounced when time-limited deals are on offer.

**Tip:** Focus on standing out in-the-moment - ensure that you understand what triggers a purchase for the impulse buyer. There is also an upsell opportunity in niches such as panel TVs — if the deal is right, the consumer might purchase a more expensive model than they usually would. Retailers should look at ways to make it attractive to get the consumer to spend more to get their hands on the best or latest they can afford.

### **No longer a day, but an event**

Black Friday is a massive day in the annual South African retail calendar, but it's more than that. Many retailers start promoting Black Friday deals a week before the big day and then continue through to Cyber Monday (the Monday following Black Friday). Some retailers started teasing Black Friday in early October this year.

**Tip:** Maximise the opportunity. There is a fine line between holding promos and deals on so many days that they fatigue the customer and missing the opportunities of having a day or two before or after Black Friday to capture consumer spending. This can also help regulate traffic in the store and online.

### **Disrupted sales cycles**

Many consumers seem to make unbudgeted purchases over Black Friday, with an increase in technical goods bought on credit during the period. But equally, some consumers are deferring big purchases to Black Friday to get a good deal. This is changing traditional sales cycles.

**Tip:** Structure promotions to minimise the negative impacts of this trend on your sales cycles pre- and post-Black Friday.

## Black Friday is after pay day in 2019

The Black Friday opportunity is compressed into a short timeframe in a cluttered market — there is little time to ‘test and adjust’. This is especially true this year, with Black Friday taking place after pay day and beginning to bleed into December’s festive spending.

**Tip:** Retailers need to identify which retail promotions will be most effective. How are products priced versus competitors? Are they advertising on the right channel? Manufacturers need to look at whether they are partnering with the right retailers and investing the right amount in trade marketing.

## Closing words

Consumers think and behave very differently during Black Friday than they do in other months. For brands to differentiate themselves amid the chaos and hype, the key is understanding consumers and using these insights to create deals and promotions that offer unique and compelling answers to their needs.

## ABOUT KALI MOAHLOLI

Kali Moahloli is Head of Sales and Retail at GfK South Africa.  
[View my profile and articles...](#)

- **South African retailers have arrived at an e-commerce crossroads** 24 Apr 2024
- **A convergence of retail and e-commerce ideas at a must-attend event** 25 Mar 2024
- **South Africans prioritise value for money in festive season spending** 19 Dec 2023
- **Black Friday 2023: Retailers and manufacturers will need to be agile to navigate a volatile landscape** 19 Oct 2023
- **Omnichannel strategies: One size does not fit all in South African retail** 19 Sep 2023



**GfK – An NIQ Company**

An NIQ  
Company

Reliably delivering #GrowthfromKnowledge to our clients. Empower bold actions for sustainable growth.

[Profile](#) | [News](#) | [Contact](#) | [Twitter](#) | [RSS Feed](#)

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