

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

South African retailers are expected to ring up around R11.3bn in additional sales over the period of November as consumers splash out on Black Friday deals, with general dealers expected to capture a 55% (R6.2bn) share of the value.



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That's according to new research conducted by the Bureau of Market Research on behalf of Capital Connect, the fintech business funding division of The Connect Group.

Additional November retail sales due to Black Friday are forecast to be significantly below the R15.4bn generated in 2019, but also representing a strong recovery from the R10.3bn over November 2020. The research shows that Black Friday sales and promotions will generate a further R8.2bn in wholesale impact, translating into a total retail and wholesale impact of R19.5bn.

Retailers in textiles, clothing, footwear and leather are expected to ring up nearly R2.8bn in additional sales, while retailers in hardware, paint and glass are forecast to generate around R973m in extra value. Household furniture, appliance and equipment retailers are also forecast to generate close to R904m in additional sales.



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"Since South African retailers embraced the Black Friday concept in 2014, we have seen sharp rises in retail sales each November, pandemic disruption aside. It's a golden opportunity for retailers to boost their sales and profits," says Steven Heilbron, CEO of the Connect Group and spokesperson for Capital Connect.

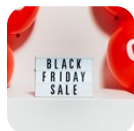
"Forward-thinking retailers have stocked up and enhanced their in-store shopping experiences in anticipation of the Black Friday weekend," he adds.

Black Friday getting longer

Aligned with the trends seen in 2019 and 2020, we can expect to see Black Friday promotions continue to stretch out longer than in previous years, with sales expected to run from 2 November to 5 December this year. The Bureau forecasts that in-store, hybrid (multi-channel) and omnichannel retail will win around 84% of sales, while online-only retailers will capture about 16% of Black Friday-related sales over November.

“This Black Friday and festive season retail trading period will see a global resurgence in in-store shopping as stores aim to attract lockdown-fatigued consumers with experiential shopping offerings that entertain and educate. The stores that offer the most compelling shopping experiences will be big winners as consumers get out and about while their vaccine immunity is strong and Covid rates are low,” adds Heilbron.

“Another unfolding trend is a shift towards ‘always-on,’ omnichannel experiences. Retailers will be looking at how they can drive foot traffic into their stores via social media and e-commerce. Even online-only stores are starting to bring pop-up shops or full branches to shopping malls to adapt to changing consumer behaviour.”



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A return to physical shopping

Carel van Aardt, professor and research director of the Bureau of Market Research, says spending will be driven by the middle and affluent markets buying luxury goods at discounted prices volume and middle markets buying necessities in bulk, and consumers in the volume, middle and affluent markets purchasing discounted goods as part of their Christmas shopping.

“Excellent in-store experiences with respect to customer service, value for money, variety, in-store availability of goods, shopper-tainment, strong brand and friendly staff are critical for good sales,” he adds. “As lockdown levels soften, consumers are moving back to in-store buying. Even during the harder lockdowns, the biggest e-commerce winners were omnichannel store-based brands.”



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Heilbron adds: “Black Friday is a great opportunity to boost sales, but proactive retailers see every day as a chance to grow their business and move it to the next level. In the 'next normal', leading retailers are constantly looking for ways to

improve in-store shopping experiences, save with bulk buys at discounted rates, diversify their offering or increase sales/turnover.

“There are many ways for retailers to grow their business and the capital is available. It’s in the retailers’ hands to grow, innovate and thrive by taking advantage of the opportunities in the market.”

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