

PayGate anticipates a 30% increase in sales in SA, this Black Friday

Black Friday is approaching - it's officially on 29 November 2019. And with many retailers extending their sale days, payment service provider PayGate is anticipating a 30% increase in sales in South Africa, this year.



©RawPixel via [123RF](#)

The shopping holiday originated in the US as the day after their Thanksgiving holiday when retail outlets would significantly reduce prices. This brick-and-mortar sale day was soon joined by Cyber Monday, when online stores capitalised on the primed deal-hunting psyche of consumers at the end of the weekend.

The two days have now blurred into one chaotic shopping sensation.

A sale bonanza

Just how effective the marketing of this weekend is can be seen in the record-breaking numbers out of the US. In 2018, the US [online sales](#) alone hit \$6.2bn.

Not to be outdone, South Africans have quickly caught onto the retail phenomenon. According to retail tracker [Black Friday Global](#), interest in Black Friday deals in South Africa has grown by 9,900% over the past five years.



Up the ante this Black Friday

Cindy Diamond 8 Oct 2019



PayGate's tracking of payments for Black Friday, meanwhile, shows the number of transactions doubling every year for the past three years, and payment clearing house, BankservAfrica, says it saw a 55% growth in transactions in 2018 compared to the previous year.

PayGate expects 2019 Black Friday transactions to grow by 30% this year.

“To be fair, South African e-commerce growth comes off a very low base. It has only been in the past three years or so that it has taken off. This is largely driven by user behaviour and the massive ad spend thrown at the shopping day by the larger retailers,” explains Brendon Williamson, CSO at PayGate.

“We expect many of the local retailers will extend the sale days to more than just the weekend and may even spread it out over the week ahead of the official November 29th date. This will encourage those who receive their salary cheques on the 25th to get involved while they are still cash-flush.”

Based on BanksServe Africa's publically released figures, as well as its analysis, in 2018 PayGate processed 64% of Black Friday transactions. The company believes this could increase to as much as 70% in 2019.

While PayGate expects the sale days to be extended, they say that the size of the baskets will probably remain similar to 2018, with consumers aware of the event and saving up to take advantage of the prices – most especially for tech and hardware and appliances.



SA brands missing out on R34bn in e-commerce revenue

imagineNATION Alliance 23 Sep 2019



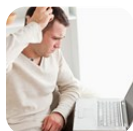
Preparing for the increased sales

Lessons have been learned over the years and the more established South African businesses are in the thick of preparations for the shopping extravaganza.

“We have seen a surge in new merchant applications. Everyone within the online payment ecosystem is much more aware of the unique needs of e-commerce businesses, and so are better positioned to help set-up merchants to enable faster payments,” says Williamson.

“From a transactional process point of view, we know we are prepared as our processing systems now auto-scale as the transaction volumes demand – which gives our merchants a real peace of mind should their sales hit unexpected peaks during the day.”

The last and lingering impression when shopping online is the act of receiving the product. For retailers, both large and small, the last mile in the customer journey can have a direct impact on retaining customers and boosting repeat business.



E-tailers, fix your glitches before the festive shopping frenzy

imagineNATION Alliance 17 Oct 2019



Grant Gietl, general manager at World Net Express, says South African businesses need to keep a few vital facts in mind when planning for the delivery logistics associated with Black Friday and other seasonal sales.

“Good logistics companies will track historical data and plan with their e-commerce clients. We have seen that our client deliveries can increase by anything from 30% to 100% during Black Friday promotions and we make sure we are ready to handle the extra volume by working closely with them in the planning phase.”

While World Net Logistics and Express has offices and warehouses in all the major centres in South Africa, Gietl says it has an extensive network of service providers that help it deliver in the more remote areas. He is also adamant that a seamless e-commerce service relies on excellent IT integration with clients.

“Ensuring solid IT integration with your e-commerce partner is extremely important. A higher level of automation allows retailers to easily scale up or down depending on their requirements and creates fewer distribution bottlenecks. Using IT also enables us to use text functionalities to reach end customers before attempting delivery. Not only is this important for efficiency, but also ensures they receive their goods at a time and place that is convenient to them,” Gietl adds.

Williamson leaves local retailers with some important advice: “It’s clear South African consumers are changing their buying behaviour to more closely reflect those seen internationally. Big shopping events, like Black Friday, will become increasingly important to local retailers. When coupled with a sluggish economy, big saving events will draw further attention still and local retailers should ensure they are ready to take advantage of these opportunities.”

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