

# Black Friday trends: Major appliances and click-and-mortar to thrive

Issued by GfK – An NIQ Company

20 Nov 2020

***Technical consumer goods market softens in September as retailers and consumers prepare for year-end blowout; e-commerce to grow 169% post-pandemic.***

Click-and-mortar retailers and domestic appliances are expected to be the big winners over the crucial November retail promotional season as consumers open their wallets and retailers pull out all the stops for Black Friday. This year, Black Friday will be like no other, thanks to the social distancing and economic dampening effects of the pandemic.

The promotional period will add further momentum to the dramatic growth in e-commerce adoption in South Africa throughout 2020. GfK's point of sale data shows that 12.6% of technical goods (excluding telecoms products) sold in South Africa for the year to August were sold via e-commerce – up from 8.7% for 2018 and 9.2% in 2019.

For the first quarter of 2020 – before the national lockdown – 10.8% of technical goods (excluding telecoms products) were sold via e-commerce. For the period from May to August, this leapt to 13.4%. GfK is forecasting a 169% growth rate for the e-commerce channel post-Covid-19 (May–December 2020).

## **Omnichannel set to grow**

“With consumers discouraged from cramming into shopping malls over the Black Friday and Cyber Monday weekend, e-commerce is likely to boom over November,” says Nicolet Pienaar, head of market insights at GfK South Africa. “Retail chains that have established robust online shopping facilities and logistics engines are likely to be some of the biggest winners of the month.”

Says Pienaar: “Our research in Europe and South Africa shows that click-and-mortar retailers are well positioned in the pandemic – even more so than the pure play e-commerce stores. Loyal buyers are putting their trust in the online presence of their preferred offline retailers. They feel that the physical presence of these stores means they can follow up with a human if they encounter any problems.”

This represents a pivotal moment for brands in the evolution of their omnichannel strategies, she adds. “The majority of consumers who increased their use of digital and omnichannel services, such as home delivery, curbside pickup, click-and-collect or shopping via social media platforms, will retain these habits, especially if they had a good experience,” says Pienaar.



Nicolet Pienaar

## **‘Need’ buying versus ‘want’ buying**

The battle for the consumer's rand will be fierce this Black Friday. GfK's consumer pulse research indicates that 71% of online consumers have seen their household income decrease. Nearly a third (32%) are experiencing lower expenditure. The news isn't all bad – 16% agreed this is a favourable time to make a big purchase and 10% said they plan to make a big purchase for the home.

“Reduced activity – less dining out and scaled back holiday plans, for example – means that some consumers have money to allocate elsewhere,” says Pienaar. “Unlike previous years, where much of the Black Friday spending came from people spoiling themselves, we expect consumers to invest in their homes, continuing the trend seen under lockdown earlier this year.”

At this time of economic stress, GfK expects consumers to buy what they actually need, rather than buying to fulfil a want as they might have done before the pandemic. This is fuelling demand in categories such as small and major domestic appliances. As such, the stay-at-home nature of the current crisis presents great opportunities for brands in home-related categories.

Pienaar says: “How, why and what consumers shop this Black Friday is likely to be different in 2020 to previous years. But the massive scale of the event won’t change. The winning brands will be those that enforce and safeguard consumer safety and security, take advantage of their long standing brand equity, and deliver simple propositions that offer value for money.”

### September sales dip

GfK’s market intelligence (point of sale tracking) data from GfK South Africa’s weekly monitor shows a slowdown in the technical goods market, most likely due to a combination of consumers holding back for Black Friday and consumers having caught up on their lockdown-delayed purchases in August. For the month of August 2020, technical consumer goods revenues showed year-on-year growth of 15%.

For the month of September, year-on-year growth dropped to just 3%. Office equipment and stationery was the overperformer with 49% year-on-year growth in September (down from 83% in August), while IT growth fell to 4% compared to 47% in August. Small domestic appliance revenues dipped from 37% in August to 32% in September, while major domestic appliances dropped from 24% to 11%.

Click [here](#) for the infographic.

### GfK. Growth from knowledge.

For over 85 years, we have earned the trust of our clients around the world by solving critical business questions in their decision-making process around consumers, markets, brands and media. Our reliable data and insights, together with advanced AI capabilities, have revolutionised access to real-time actionable recommendations that drive marketing, sales and organisational effectiveness of our clients and partners. That’s how we promise and deliver ‘growth from knowledge’.

For more information, please visit [www.gfk.com](http://www.gfk.com) or follow GfK on Twitter [www.twitter.com/GfK](https://twitter.com/GfK).

- **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



An NIQ  
Company

GfK – 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>