

# SpendTrend25

*Summary with Key Insights*

# Methodology

**Objective:**

To analyze trends in South African consumer spending, digital payments, and financial behavior.

**Sample Size:**

700,000 Discovery Bank clients (transactional data)  
5,000 survey respondents

**Survey Volume & Period:**

Surveys conducted online between Q3 2023 and Q1 2024.

**Participants:**

Respondents across income levels (mass to high-net-worth), aged 18+, from major SA cities including Joburg, Cape Town, Durban, Bloemfontein, and East London.

**Conducted By:**

Discovery Bank in collaboration with Visa and third-party research partners.

**Focus Areas:**

Payment preferences, shopping habits, digital wallet adoption, loyalty behavior, AI tools, and financial wellness.



# Key Takeouts Summary

South African consumers are under economic pressure, primarily due to high interest rates and the rising cost of living. As a result, they are shifting towards value-based spending

Real-time payments are becoming the norm, especially for users who prioritize speed and affordability. Consumers increasingly expect fast, secure, and seamless digital transactions.

While groceries dominate spending among the mass, mass affluent, and everyday affluent segments, high-net-worth individuals spend a larger portion on retail and travel.

Spending on eating out and takeout has grown faster than grocery spend. Consumers are choosing convenient food options that align with their busy lifestyles.

While overall spend is rising, the number of trips per person is down, indicating that travel is becoming more selective, higher-value, and often planned around rewards or deals.

South Africans are spending more than ever on digital entertainment, and it's not just binge-watching anymore.

Retail is evolving fast as South African consumers demand flexibility, speed, and control in how they shop. The boundaries between online and offline are blurring, giving rise to phygital experiences.

South African consumers are embracing subscriptions beyond streaming, entering a new era of digital convenience.

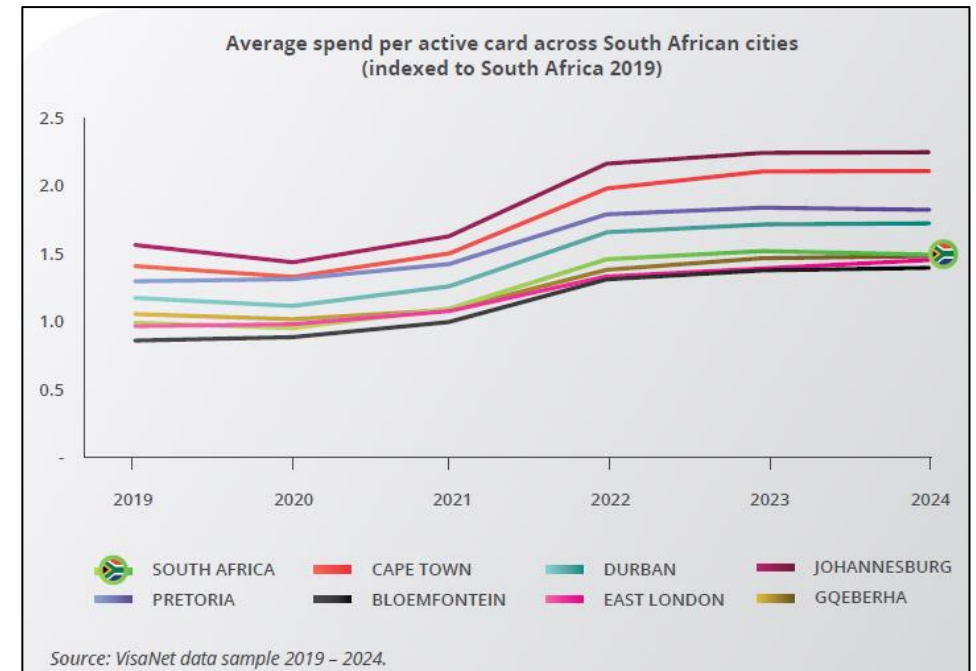
# MACRO TRENDS SHAPING CONSUMER SPEND

South African consumers are under economic pressure, primarily due to persistent high interest rates and the rising cost of living. As a result, they are shifting towards **value-based spending**, using rewards programs and loyalty schemes to stretch their money further.

There is a major behavioural shift in how people bank and pay. Digital adoption is now mainstream. Consumers are blending convenience, cost-efficiency, and control through digital tools.

Savings behaviour is also changing. With the implementation of the two-pot retirement system, many are dipping into long-term savings to meet short-term needs, highlighting liquidity concerns across segments.

**Financial wellness** is emerging as a key differentiator. The data shows that those with good money management habits (not just higher income) are far more likely to avoid depleting their long-term financial assets.

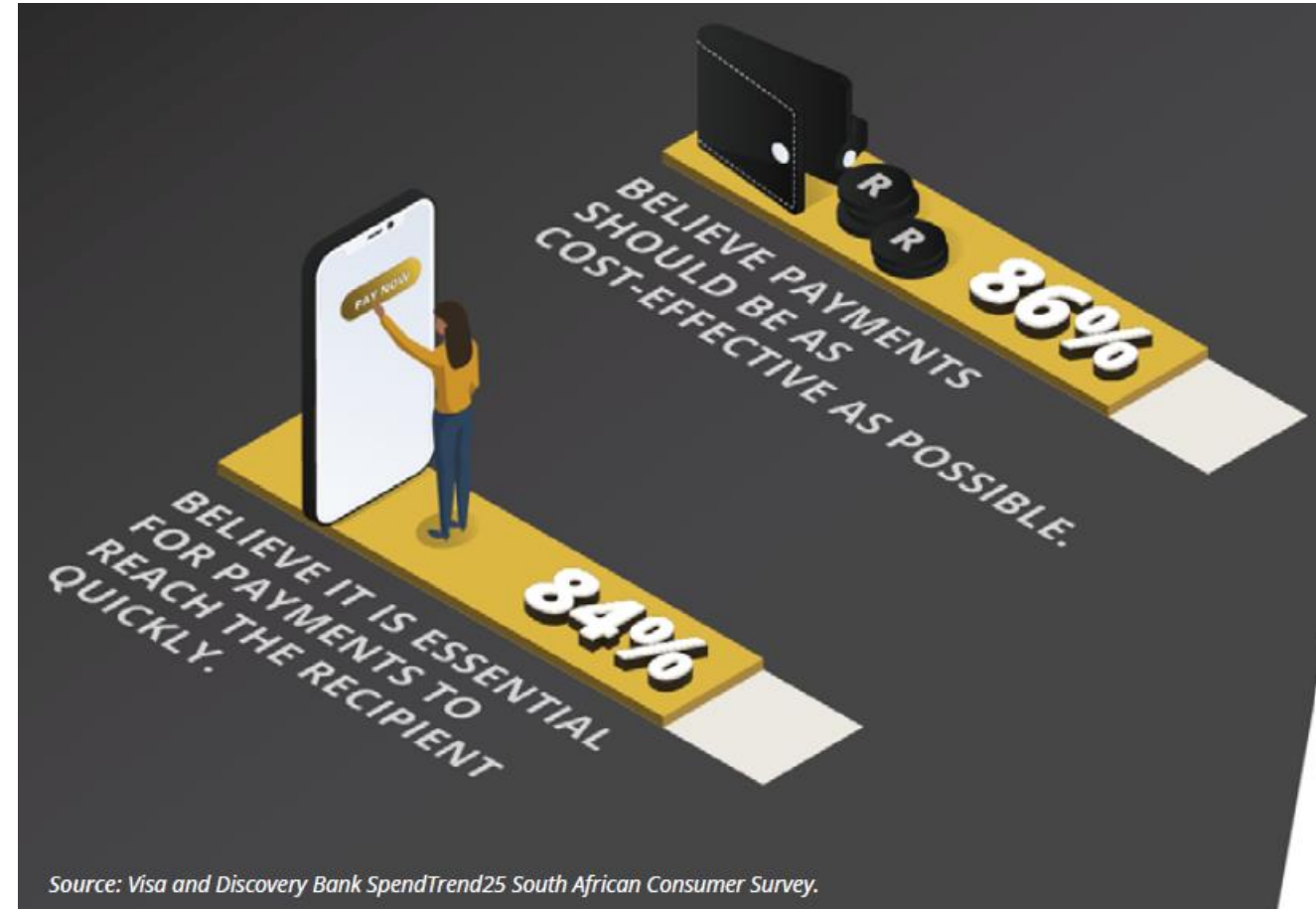


# DIGITAL IS THE NEW DEFAULT

67% of South Africans now rarely or never use cash, and over **80% prefer digital or card payments**. Virtual cards and digital wallets are gaining traction, with the latter seeing a 9% growth in usage year-on-year.

Real-time payments are becoming the norm, especially for users who prioritize speed and affordability. Consumers increasingly expect fast, secure, and seamless digital transactions.

Notably, **84% of respondents feel safer using digital wallets** with two-factor authentication, making security a primary driver of digital adoption.



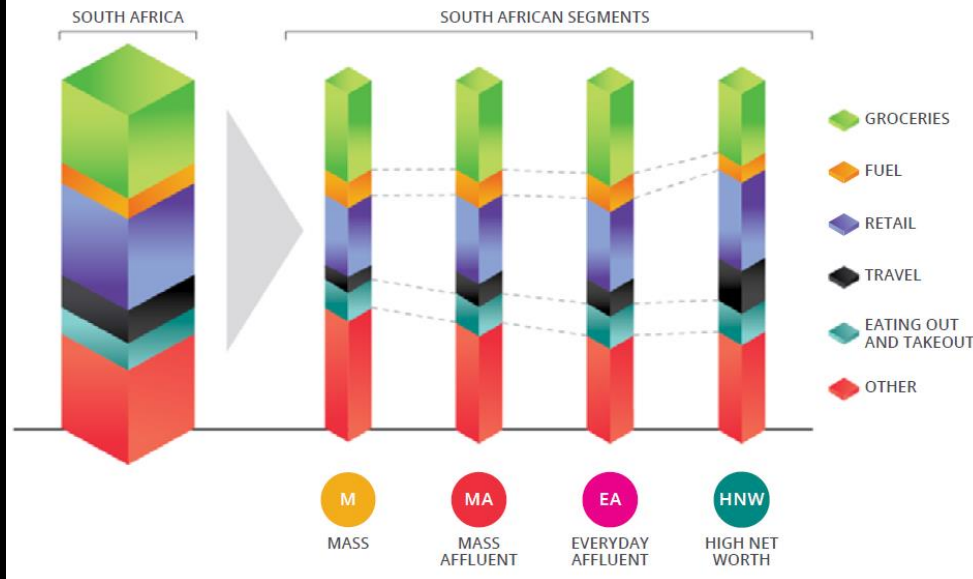


# WHAT PEOPLE SPEND ON



Healthier from home?

South Africa share of total spend per category (2024)



While groceries dominate spending among the mass, mass affluent, and everyday affluent segments, high-net-worth individuals spend a larger portion on retail and travel.

This data highlights a divide in spending priorities between segments focused on necessities and those spending more on discretionary lifestyle goods.

# FOOD HABITS = LIFESTYLE CHOICES

Spending on eating out and takeout has grown faster than grocery spend, with a **12% increase compared to 8%**. Consumers are choosing convenient food options that align with their busy lifestyles.

Online **grocery spend grew 15%**, and notably, these baskets tend to be healthier. Online grocery baskets are made up of 30% healthy food items compared to 27% in-store, likely due to reduced impulse purchases.

Weekend dining is particularly popular in Johannesburg, where social dining culture drives higher restaurant spend. Younger generations (especially Millennials and Gen Z) are also actively seeking premium, health-conscious food options.



# TRAVEL IS BACK BUT MORE STRATEGIC

Travel has rebounded post-pandemic, but South Africans are now approaching it with greater intention and financial caution. While overall spend is rising, the number of trips per person is down—indicating that travel is becoming more selective, higher-value, and often planned around rewards or deals.

Discovery Bank clients are leading the return, spending 24% more on travel and booking 21% more frequently than the average consumer. Domestic travel is steady, with Cape Town remaining the top destination, while international travel is shifting online. Consumers are buying flights and products from global platforms like Shein, Amazon, and Temu, rather than spending abroad in person.

As travel costs increase, people are seeking value. Vitality Travel alone helped clients save over R700 million in 2024. This strategic mindset is also visible in booking behavior, consumers are adjusting travel dates and destinations to take advantage of lower fares and bundled savings.

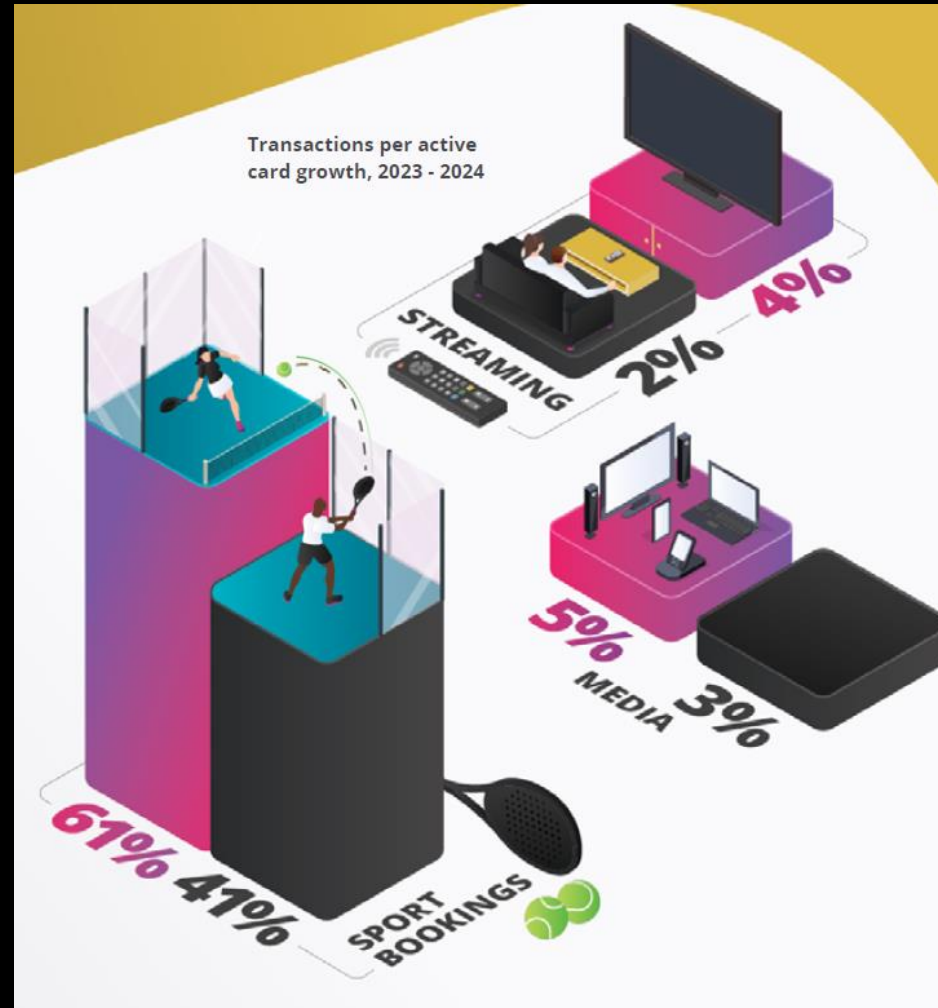




# STREAMING, SPORTS & EVENTS SURGE

South Africans are spending more than ever on digital entertainment, and it's not just binge-watching anymore. Online entertainment spend grew by an impressive 110% year-on-year, fueled by increased engagement with streaming, sports bookings, and live events.

Discovery Bank clients are at the forefront of this trend. Thanks to exclusive early access to concert and event tickets, they are spending more frequently and at higher values than the general market. In fact, average event booking spend among these clients has surged by 20%, showing a clear willingness to pay for access and experience.



One of the standout contributors to this surge is the padel phenomenon. With over 93,000 padel games booked in 2024 (many of them with a 20% upfront discount) this hybrid of fitness and fun is driving new kinds of digital engagement. Discovery Bank clients booked padel courts at twice the national average, showing how lifestyle and leisure are converging through smart rewards.

# RETAIL & PHYGITAL BEHAVIOURS

Retail is evolving fast as South African consumers demand flexibility, speed, and control in how they shop. The boundaries between online and offline are blurring, giving rise to phygital experiences—where convenience meets in-person engagement.

Over 60% of consumers now check product availability online before heading in-store, and 40% regularly use click-and-collect. These behaviours show that shoppers expect to move seamlessly between channels, and brands must keep up

Digital wallets, contactless payments, and even crypto are becoming part of the everyday checkout experience. In cities like Bloemfontein and East London, online transaction growth hit 10–11% CAGR, highlighting a rapid embrace of digital-first shopping beyond just major metros.



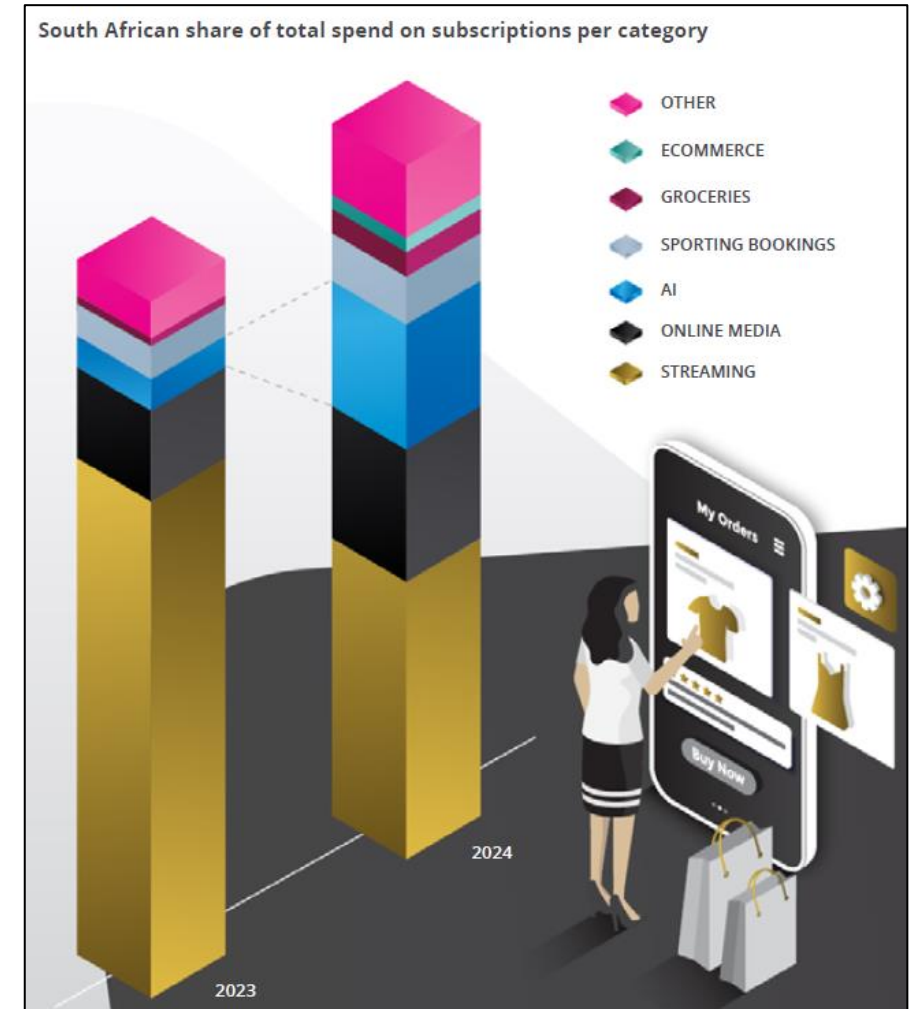
# RISE OF SUBSCRIPTION ECOSYSTEMS

South African consumers are embracing subscriptions beyond streaming, entering a new era of digital convenience. In 2024, spending on subscriptions expanded across AI tools, sports bookings, groceries, and eCommerce, reflecting a demand for automated, value-rich experiences.

AI subscriptions saw the most dramatic growth, up 3x year-on-year, as consumers adopted tools that help them budget, compare prices, and make smarter purchases.

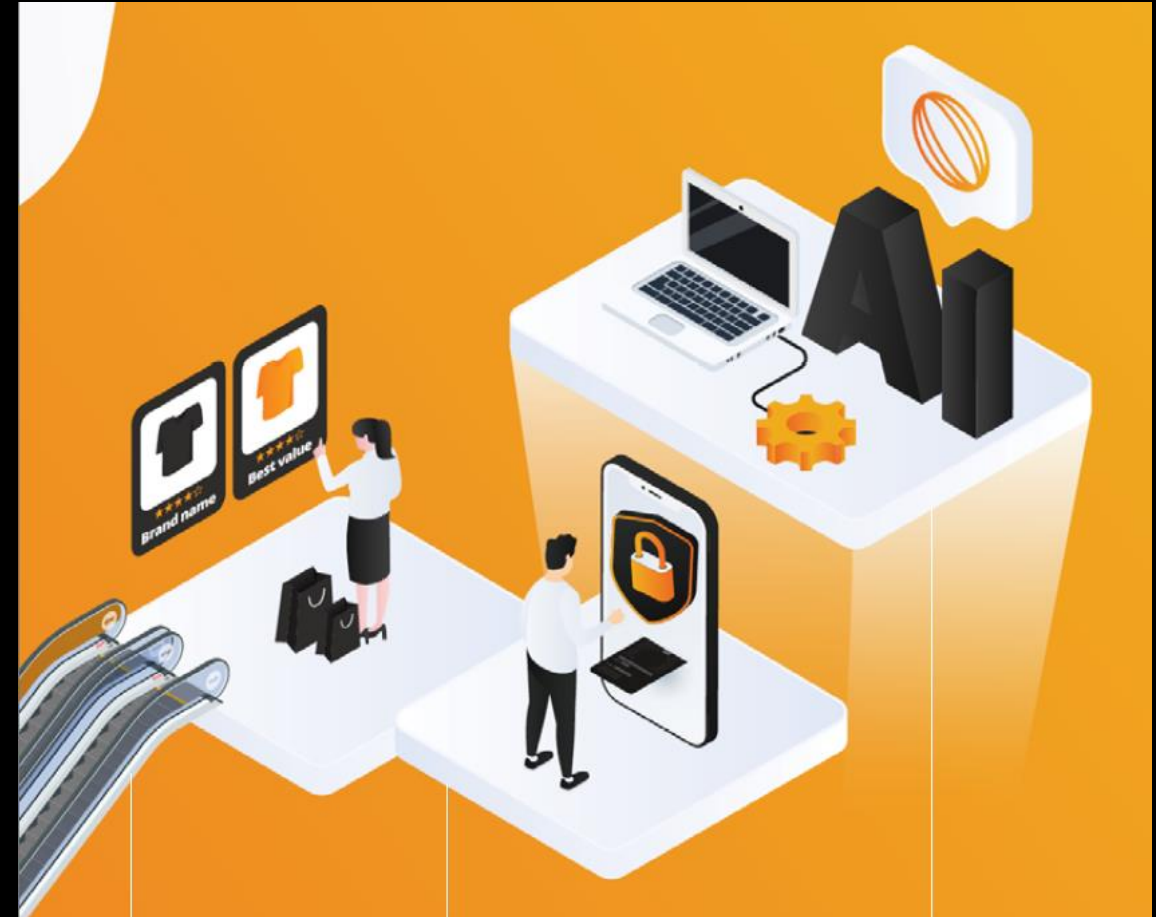
Discovery Bank clients are particularly engaged:

- 2.2× more likely to subscribe to eCommerce platforms
- 1.7× more likely to hold sport booking subscriptions
- More frequent users of groceries-on-demand services like Checkers Sixty60 and TakealotMORE



# 2025 OUTLOOK

- Higher VAT and electricity tariffs will apply additional pressure on consumer wallets, pushing even more people toward discounts, value deals, and subscriptions that offer tangible savings.
- Brand loyalty is expected to decline as consumers become more performance-driven. They want the best product at the best price, regardless of the brand name.
- Digital payments will continue to grow, backed by increased confidence in security. AI will play a bigger role in product comparisons, recommendations, and pricing insights as well as shaping smarter, faster purchasing decisions.





Thank You!

