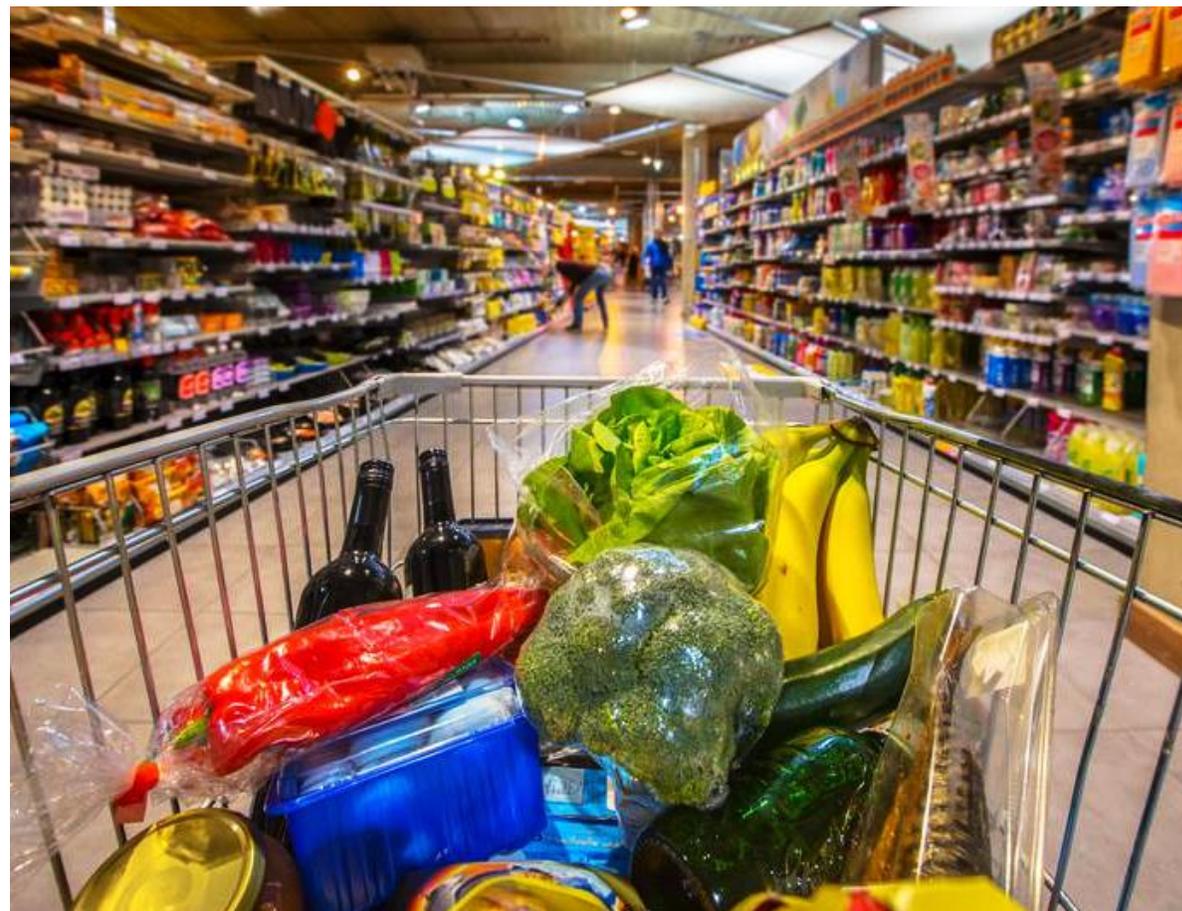


MONTHLY FOOD BASKET PRICE: APRIL 2019

- Food and non-alcoholic beverage inflation increased from 2.9% to 3.1% during March 2019 YOY.
- Headline inflation increasing to 4.5% from 4.1%; a result of the sharp increase in fuel prices during March 2019, together with “sin” tax and housing costs increases.
- Food inflation included a 13% increase in fizzy drinks, resulting in the 3.1% increase.
- Vegetable and fruit price inflation were the highest food inflation contributors with 9.4% and 7.6%, respectively, with meat price inflation 1.1% lower YOY.
- During March 2019, the nominal cost of the NAMC’s 28-item urban food basket amounted to R883.16 compared to the R870.19 reported during February 2019, resulting in a monthly percentage increase of 1.5%.
 - When compared to March 2018, an annual (y-o-y) percentage increase of 3% is reported.



SOUTH AFRICANS ARE SPENDING LESS ON THEIR WEEKLY SHOPPING TRIP...



“South African shoppers are spending less, but are still stretching their wallets”

South Africans spend around R11,650 on groceries annually – a 10% decline compared to July 2018.

This spend is spread out across 60 shopping trips a year, with the average basket value being R194 – R15 less than in July 2018.

South Africans are spending more on: Toilet paper, Soya-based substitutes, Canned pilchards, Soap, Personal care, Baby, Ready-to-eat cereals

In comparison, they are spending less on: Maize meal, Fresh/Frozen chicken, Chilled processed meats, Flour, Cooking oil

South Africans are increasingly shopping on promotion, with 40% of respondents stating that they read newspaper broadsheets for specials, while 65% said that they actively compare prices across brands.

THE E-COMMERCE LANDSCAPE IS GROWING...

49% of South African internet users visited an online retail store | 47% of South African internet users searched online for a product or service to buy | 29% bought something online via any device in the past month



South Africa may be a little bit behind when it comes to online shopping, but it is certainly growing at a rapid pace.

There are currently 18.43 million ecommerce users in South Africa, with an additional 6.36 million users expected to be shopping online by 2021 and spending a predicted average of 189.47 USD online

Ave amount spent by South Africans was 146 USD on ecommerce purchases in 2017. When people shop online, they often end up spending slightly more than what they perhaps would have in a physical environment.

People are feeling confident to purchase more expensive, larger items online. For example, Takealot has included large appliances to what they sell and international flights and holidays are often purchased online.

Preferred payment methods of online shoppers in South Africa as of August 2017: credit card (45%), debit card (21%), bank transfer (20%), PayPal (7%) and other (8%)

As much as 18% (out of 29%) of South African internet users bought something online via mobile phone in the past month, so having a mobile-friendly online store is important. Since many South Africans are using their mobile phones to shop online

The three most popular online shopping categories for South African consumers who shop online were clothing/apparel (53%), entertainment/education (digital/downloadable) (51%) and event tickets (51%).

Something else South Africans like to purchase online is fast food (Fin24, 2017), hence the popularity of Mr D Food and UberEats.

28% of respondents shop online in the evening after work hours (from 6 to 9pm) and 25% shop from 9am to 12pm. But the report highlights that people really shop at all hours, which is the one key advantage of online shopping.

Spending online increases over Christmas and when there are seasonal sales. The growing popularity of Black Friday, and its related Cyber Monday, is also becoming a period of high spending online for South Africans.