



## ConsumerSignals™ South Africa

SA Highlights | Wave 48: October 26 – November 01, 2023



**Global Wave 48**  
Oct 26 – Nov 01, 2023

Visit the interactive dashboard for more insights ([click on the hyperlink](#))

[Climbing the electric vehicle transformation mountain](#)

[Financial well-being and consumer resilience | Deloitte Insights](#)

## A recovery losing momentum

While global financial well-being sentiment is stronger than a year ago, it is flirting with a lower level last seen in February. As global economic forecasts call for slowed growth ahead, consumer resilience may begin to waiver. In South Africa, inflation concerns amongst consumers has slowed down compared to a year ago, this could be due to festive the season approaching.

PAGE 4

### Financial Wellbeing Index

01

South Africans are displaying slightly more positive sentiments about their financial future compared to last year.

[Jump to Financial Wellbeing Index](#)

PAGE 9

### Spending Intentions Index

02

In South Africa, spending intentions slowed down in October 2023 compared to the previous month.

[Jump to Spending Intentions Index](#)

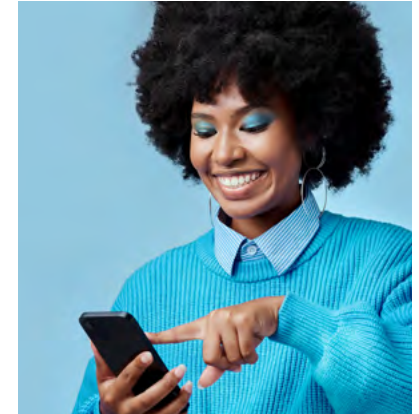
PAGE 13

### Retail & Consumer Products

03

Rising cost of living is forcing many to engage in cost saving behaviours.

[Jump to Retail & Consumer Products](#)



PAGE 16

### Travel & Hospitality

04

In South Africa affordability remains the most significant barrier to leisure travel, with 88% respondents saying they cannot afford to travel.

[Jump to Travel & Hospitality](#)

PAGE 19

### Vehicle Purchase Intent (VPI) Index

05

Vehicle price increases exacerbating affordability issue for consumers.

[Jump to Vehicle Purchase Intent Index](#)

#### How to navigate this report

HOME

When clicking this icon, you will navigate back to this contents page.

PREVIOUS NEXT

When clicking these icons, you will navigate back and forth through the document.



When clicking these icons, you will navigate back and forth through the sections.



When clicking this icon, you will navigate to the specific section.



## Survey Fielding

Waves 1–22 : April 2020 – Sept 2021

### New metrics added

- Wave 23 : September 23-29 2021
- Wave 24 : October 21-27 2021
- Wave 25 : November 25 – December 01 2021
- Wave 26 : December 23 – December 29 2021
- Wave 27 : January 27 – February 02 2022
- Wave 28 : February 24 – March 02 2022
- Wave 29 : March 24 – March 30 2022
- Wave 30 : April 21 – April 27 2022
- Wave 31 : May 26 – June 01 2022
- Wave 32 : June 23 – June 29 2022
- Wave 33 : July 21 – July 27 2022
- Wave 34 : August 25 – August 31 2022

### New metrics added

- Wave 35 : September 22 – September 28 2022
- Wave 36 : October 27 – November 02 2022
- Wave 37 : November 24 – November 30 2022
- Wave 38 : December 22 – December 28 2022
- Wave 39 : January 26 – February 01 2023
- Wave 40 : February 23 – March 01 2023
- Wave 41 : March 23 – March 29 2023
- Wave 42 : April 20 – April 26 2023
- Wave 43 : May 25 – May 31 2023
- Wave 44 : June 22 – June 28 2023
- Wave 45 : July 27 – August 02 2023
- Wave 46 : August 24 – August 30 2023
- Wave 47 : September 21 – September 27 2023
- Wave 48 : October 26 – November 01 2023

\*Survey fielding in Belgium, Denmark, Ireland, Poland, and Sweden discontinued from wave 44 (June 28, 2023)

## 20 Countries



### Countries in focus

- Australia (AU)
- Brazil (BR)
- Canada (CA)
- China (CN)
- France (FR)
- Germany (DE)
- India (IN)
- Italy (IT)
- Japan (JP)
- Mexico (MX)
- Netherlands (NL)
- Poland (PL)
- Portugal (PT)
- Saudi Arabia (SA)
- **South Africa (ZA)**
- South Korea (KR)
- Spain (ES)
- UAE (AE)
- United Kingdom (UK)
- United States (US)

## Methodology

- Online consumer panel
- N=1,000 consumers per country each wave, Adults age 18+
- Fielded in 20 countries
- Margin of error ±3%
- Response data for Australia, Canada, France, Germany, Italy, Japan, Netherlands, Spain, United Kingdom, and the United States are weighted at the country level according to publicly available age and income profiles
- Response data for Brazil, China, India, Mexico, Saudi, Arabia, South Africa, and UAE are not weighted by income. Data represents higher-income consumers compared to national income distributions. Soft quotas and weighting are used to hold sample income distributions consistent wave to wave



**01**

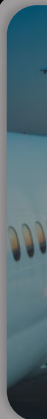
**Financial Wellbeing Index**



**Spending Intentions Index**



**Retail & Consumer Products**



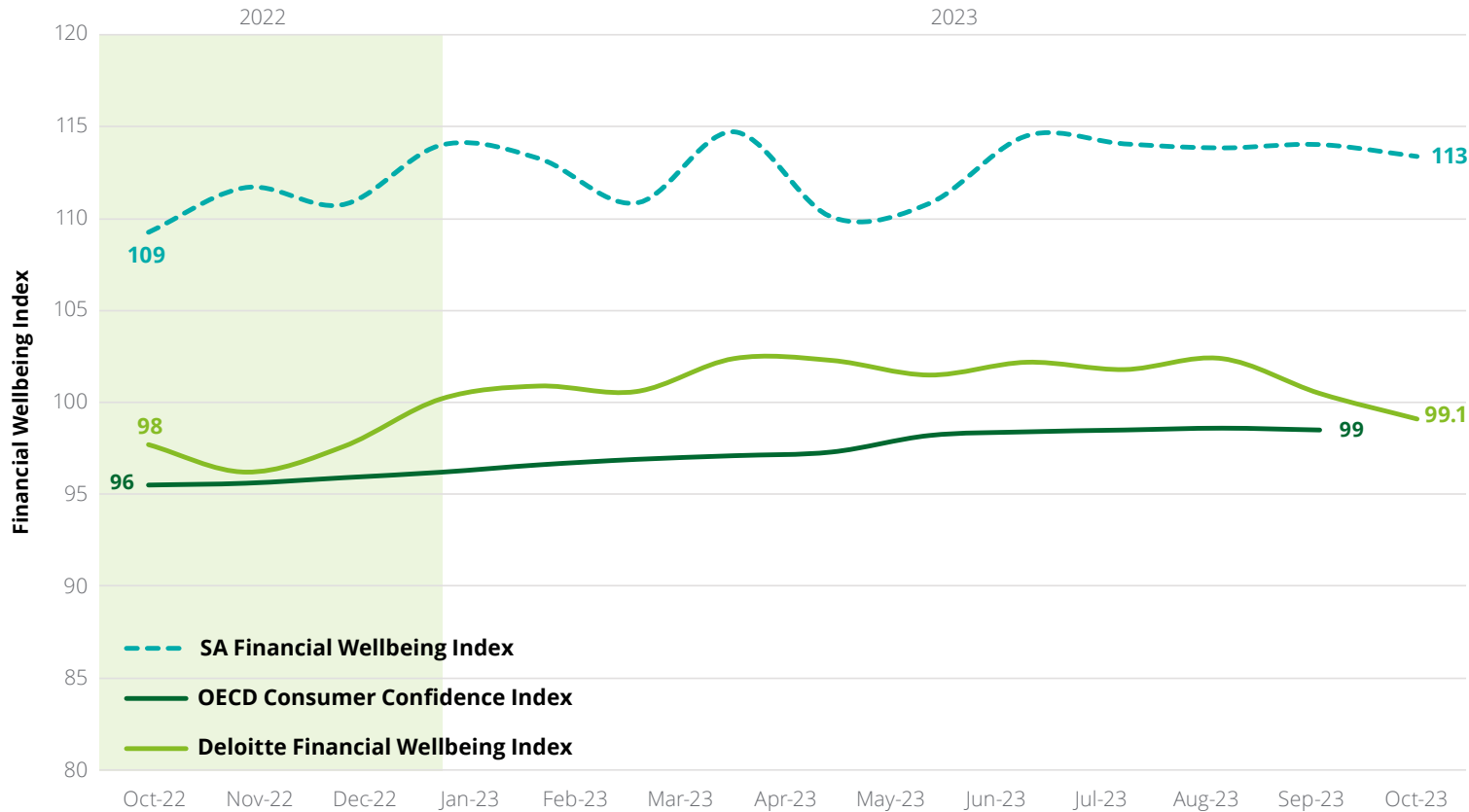
**Travel**

[Jump to a section](#)



# Financial Wellbeing Index (FWBI)

Eight of the top 10 global economies (April 2020=100)



Eight of the top 10 economies by 2022 GDP according to World Bank: Canada, China, France, Germany, Italy, Japan, United Kingdom, United States  
 OECD Consumer Confidence Index represents average of China, France, Germany, United Kingdom, Italy, Japan, United States

## October 2023

### SA FWBI-113

Compared to a year ago, South Africa’s Financial Wellbeing Index has improved which means consumers are displaying more positive sentiments about their financial future compared to last year. However, since June 2023, the index has somewhat tapered, declining since September.

Potential factors that have driven more positive year-on-year sentiment include the easing of inflation and a hold on interest rates. If inflation continues to rise as it has done in the last two months, we are likely to see a persisting downward trajectory.

Source: StatsSA

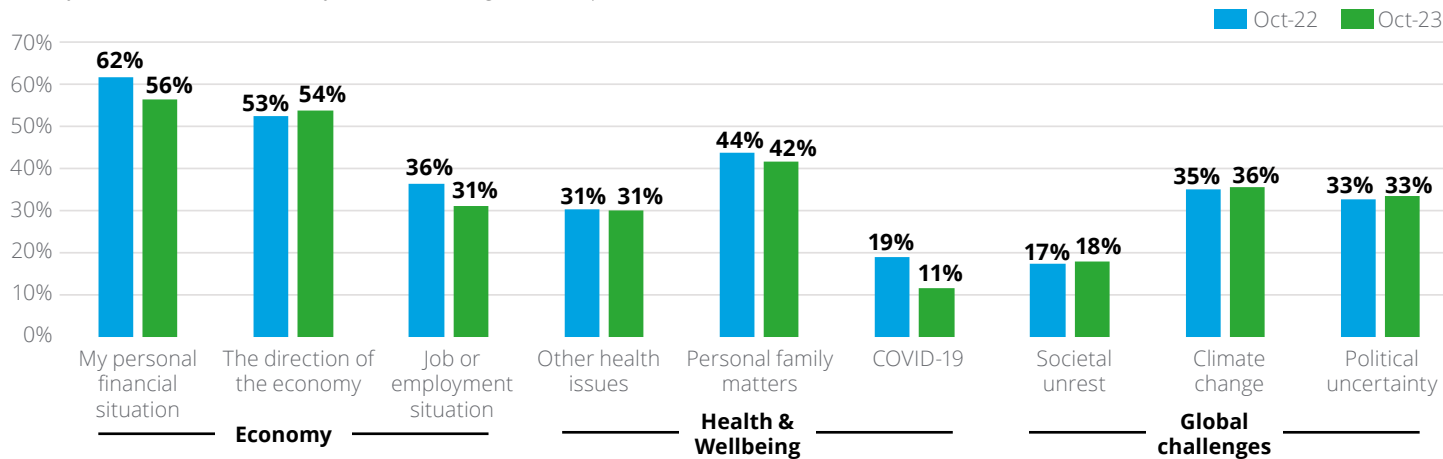


# Net anxiety & anxiety drivers

I'm more anxious than I was last week (% Agree - % Disagree)



Have you felt worried about any of the following over the past week?



While anxiety levels are lower than a year ago, net anxiety in South Africa increased by 6% points between September – October 2023.

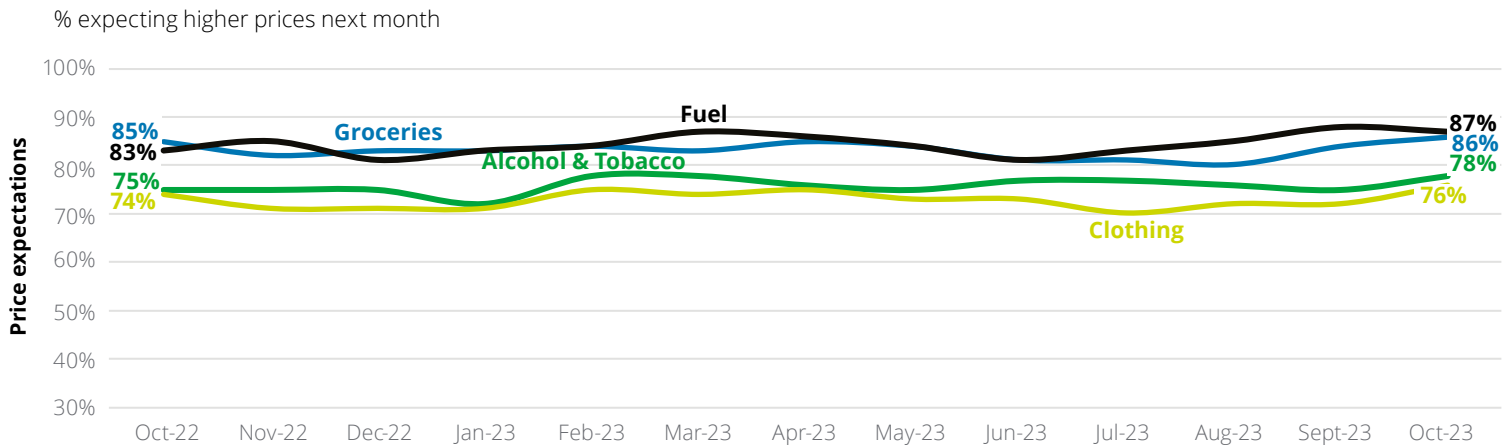
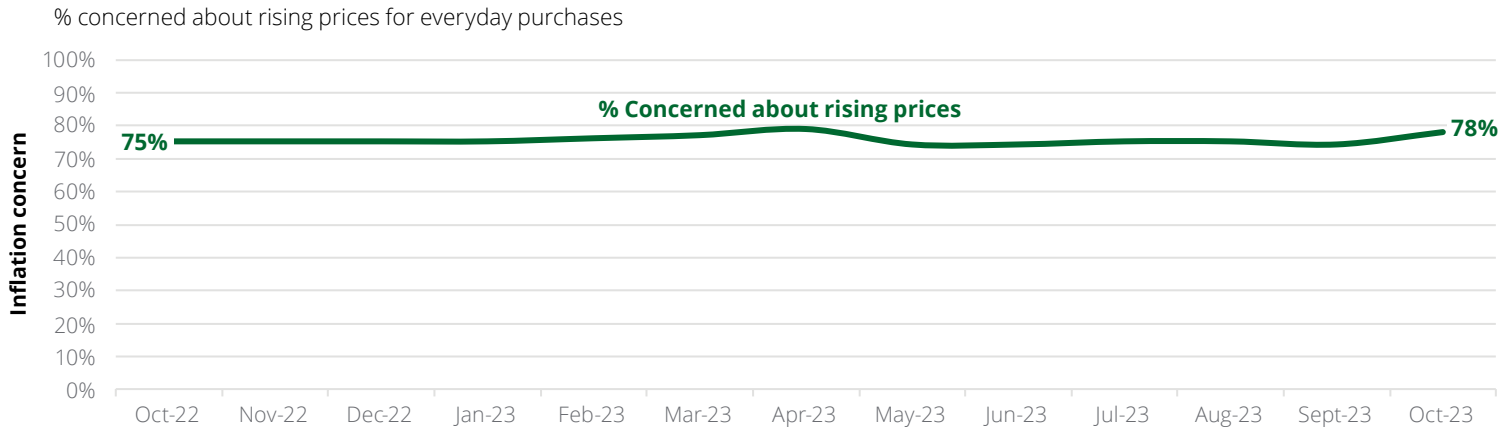
The direction of the economy continues to be a key driver in anxiety, in turn driving heightened concern about personal finances.

Interestingly, anxiety about climate change is on the rise – potentially reflecting heightened awareness of the issue.

Source: StatsSA



# Inflation concern & price expectations



Inflation concerns amongst consumers have remained stable over the last 12 months.

Consumers expect higher prices next month for groceries, clothing and alcohol.

The increase in inflation is largely driven by higher food prices, in particular the price of eggs, milk, vegetables and cheese.

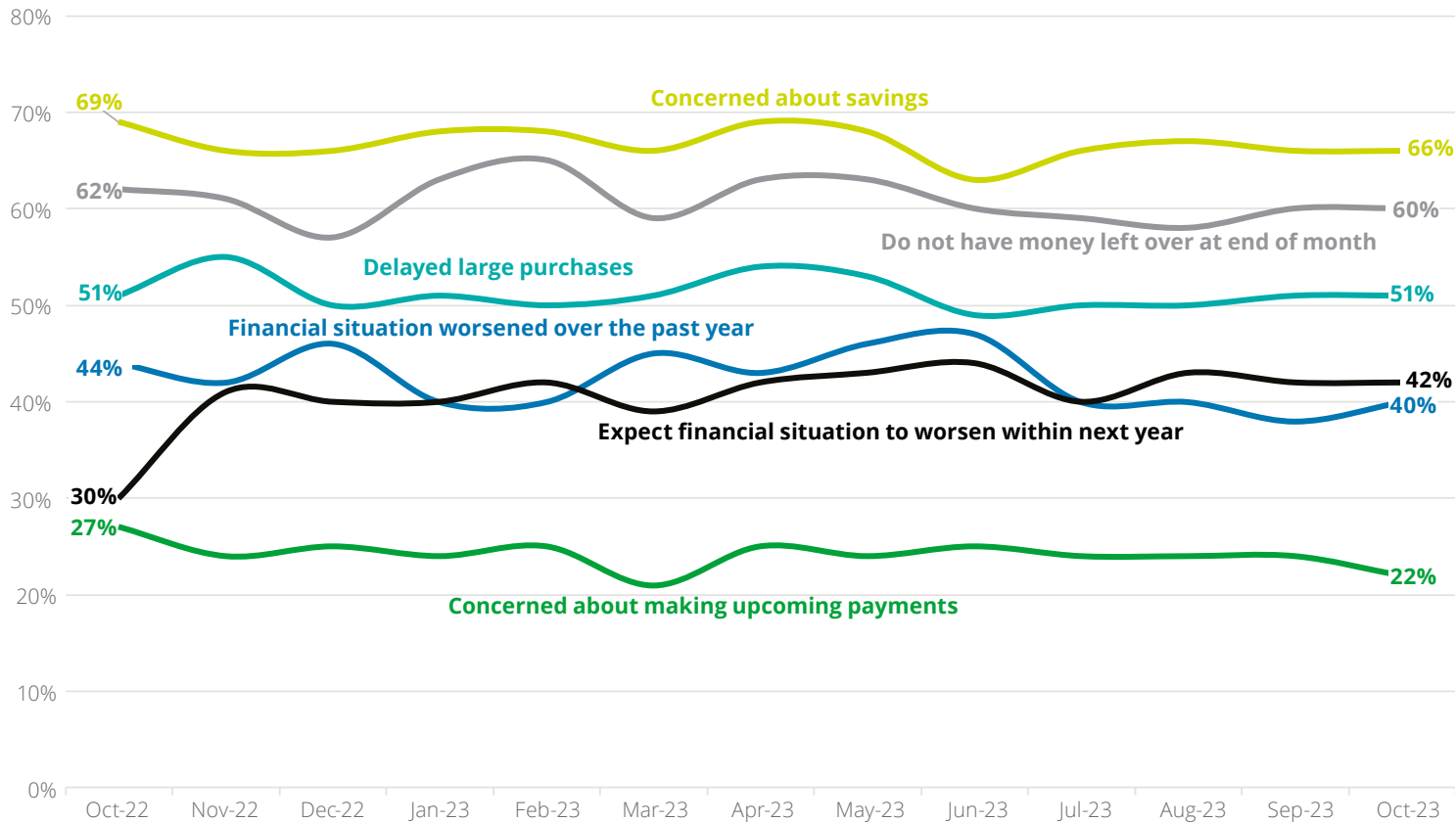
A key contributor to high vegetable prices is the impact of loadshedding on operating costs, including the irrigation of crops. The outbreak of avian flu in mid-2023 has caused a shortage of eggs and subsequently driven up the price of eggs.

Source: Farmer's weekly, StatsSA



# Financial wellbeing

% of respondents



Consumers remain concerned about their financial wellbeing including what the future is likely to bring.

Despite some indicators improving year on-year, high food price inflation and persistently high interest rates, mean consumers continue to be cautious about their financial future.





Financial Wellbeing



## Spending Intentions Index



Retail & Consumer Products



Travel & Hospitality



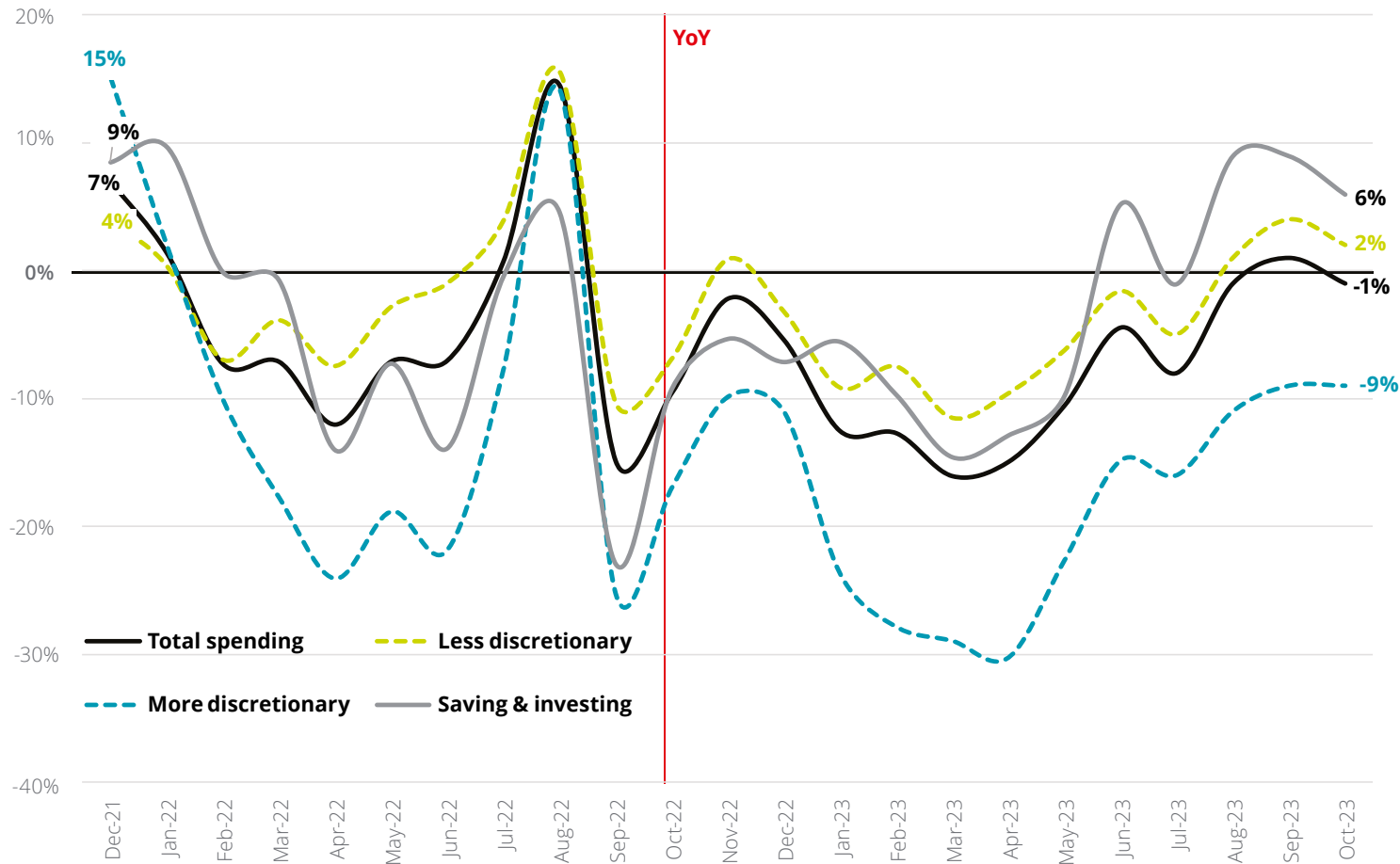
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[Jump to a section](#)



# Spending intentions index

Estimated spending amount, next 4 weeks (% change) (Sep/Oct/Nov 2021 = 0)



In South Africa, spending intentions slowed down in October 2023 compared to the previous month.

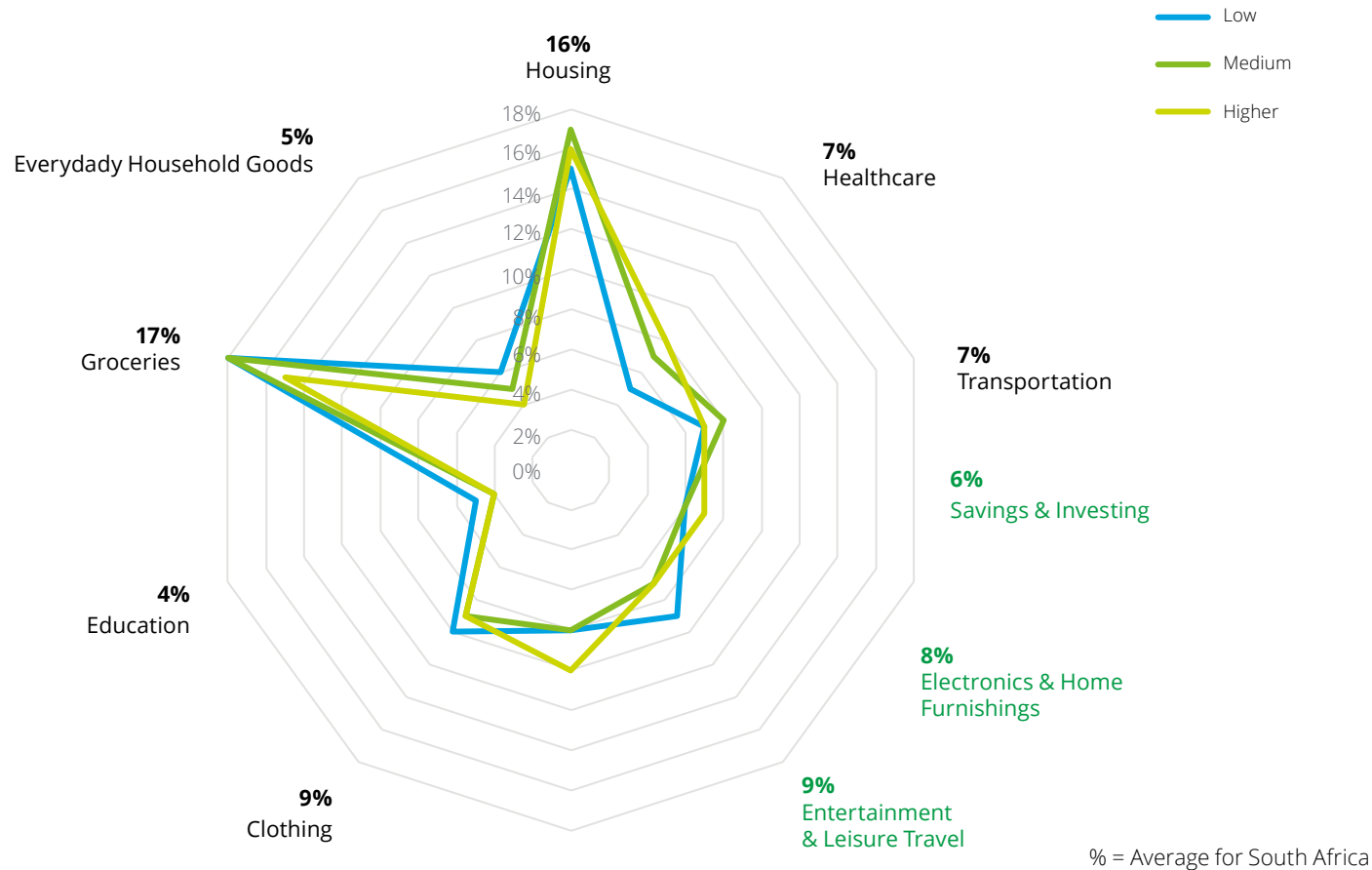
This could mean that consumers held back on spending in anticipation of Black Friday and the upcoming festive season. We saw a similar pattern last year with spending intentions dropping in September and picking up again towards the end of the year.

**Methodology Note:** Sept, Oct, and Nov 2021 values as a base (i.e., 0%). Subsequent months show % change from base.



# Spending intentions

Share of wallet – more discretionary vs less discretionary spending by **income group** in South Africa



Consumers estimate they'll spend more on Groceries and Housing over the next four weeks.

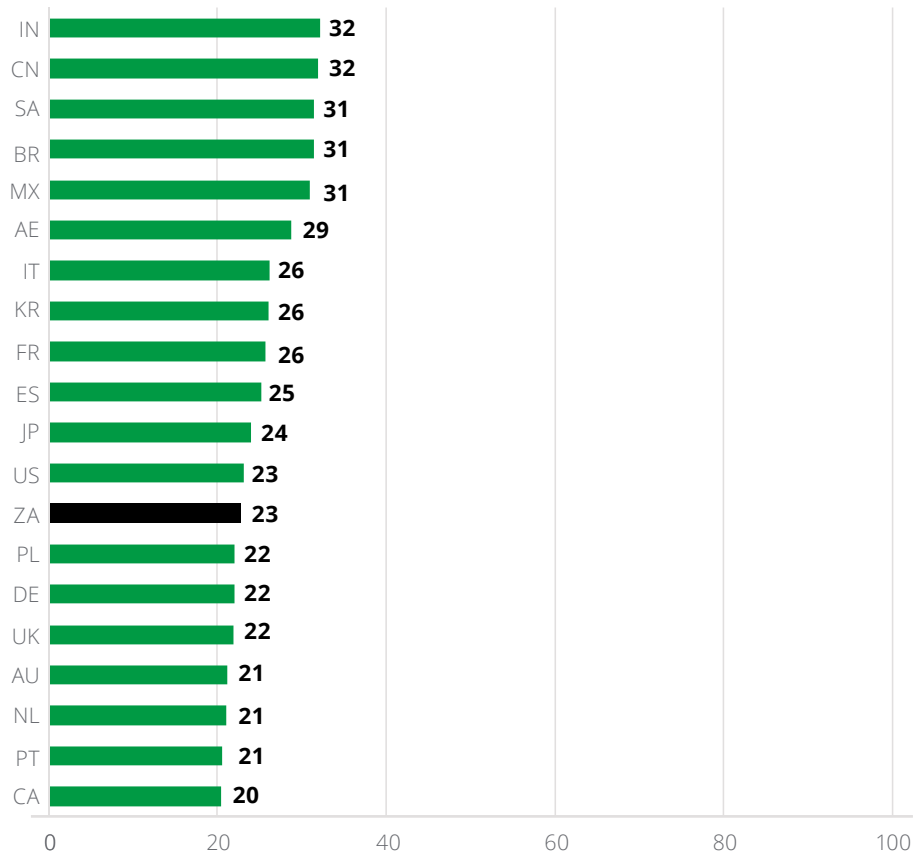
Due to the increasing cost of living in South Africa, Consumers in all income groups are expecting to spend more on Housing, Groceries and Entertainment & Leisure Travel and less on Everyday Household Goods and Education. This could also be linked to anticipated spend during the upcoming holiday season.

It is clear across all income groups that essential items take the bulk of the wallet. It is concerning to see that Education contributes the least to share of wallet.



# More discretionary share of wallet

Spending intentions, next 4 weeks



	Vs. prior wave	vs Sept 2021
IN	-1	-2
CN	=	-1
SA	-1	
BR	=	-1
MX	1	=
AE	-1	
IT	=	-3
KR	=	2
FR	4	-1
ES	2	=
JP	1	2
US	-2	-7
ZA	=	=
PL	1	-1
DE	-1	-5
UK	=	-4
AU	=	-5
NL	1	-1
PT	-1	
CA	-1	-1

Note: UAE and Saudi Arabia are added from wave 32 (June 29) survey; Portugal is added from wave 47 (September 27) survey

Share of wallet trends vary significantly at a country level.

5 of 20 study countries show meaningful drops in more discretionary share of wallet (3 points or greater) compared to two years ago.

Compared to other major emerging markets, South Africa is an outlier and its spending on more discretionary items resembles that of advanced economies. Like consumers in advanced economies, South Africans spend the largest share of their income on housing and groceries. In contrast, Chinese, Brazilian and Indian consumers tend to spend more on recreation, entertainment and leisure travel.

**Methodology Note:** Savings/Investing not included in more discretionary share of wallet.



**Financial Wellbeing**




**Spending Intentions Index**



**03**

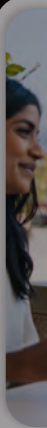
**Retail & Consumer Products**



**Travel & Hospitality**



**Vehicle Purchase Intent Index**



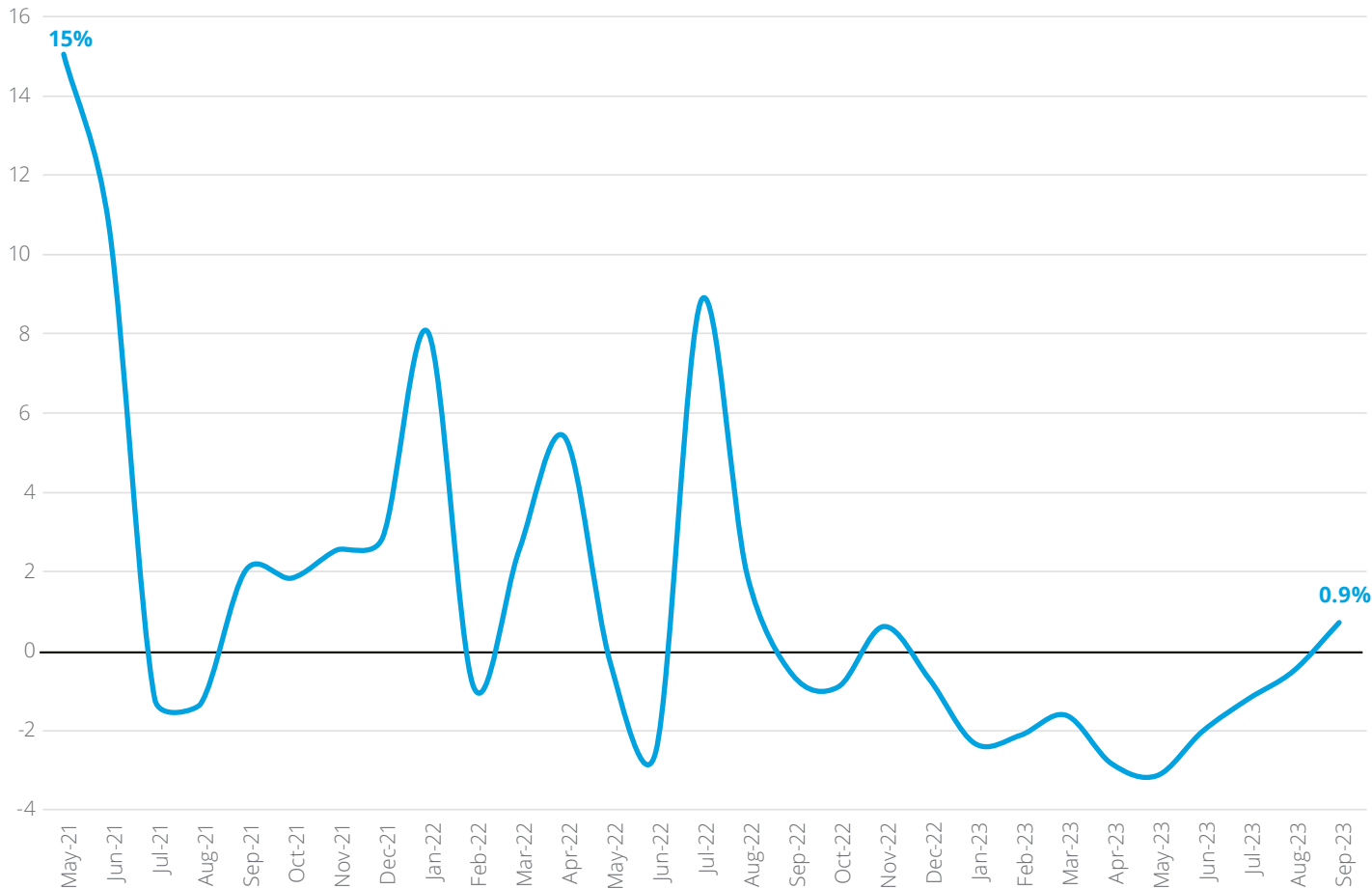
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[Jump to a section](#)



# SA retail sales

Retail sales rose in September after nine months of consecutive decline



Retail trade sales increased by 1.3% year-on-year. The increase was mainly due to a positive contribution from textiles, clothing, footwear and leather goods (2.0%); followed by food, beverages and tobacco (0.2%).

Looking at previous years, this trend could continue due to festive season spending.

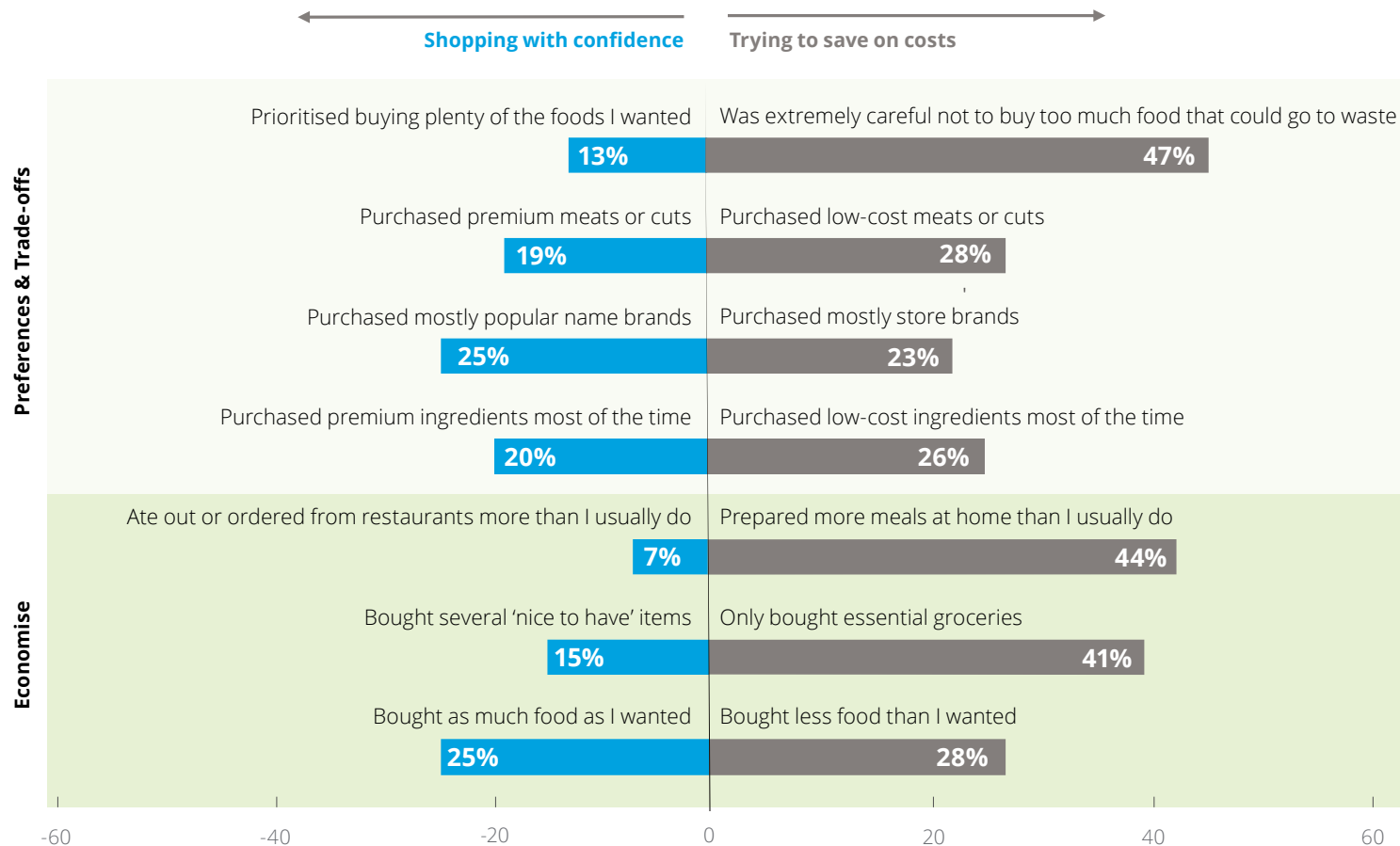
Unsurprisingly, each January sees a drop in retail sales.

Source: StatsSA



# Impact of rising prices

% who did each activity while shopping for **groceries** in the last 4 weeks

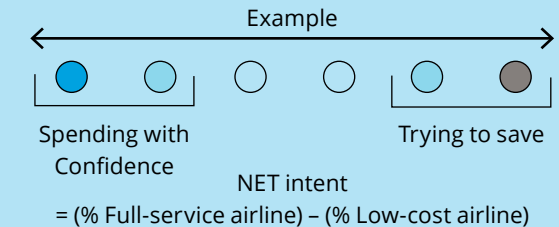


The rising cost of living is forcing many to engage in cost saving behaviours.

Most grocery shoppers in South Africa were extremely careful not to buy too much food that could go to waste and prepared more meals at home than they usually do.

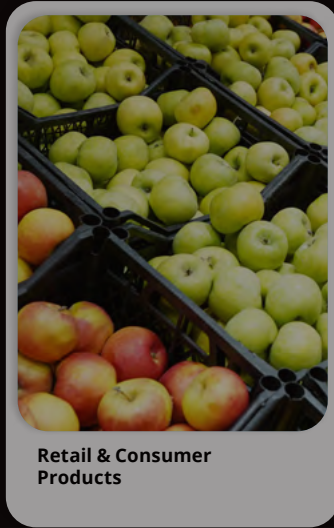
This behaviour is potentially amplified by loadshedding and the fear of perishable food going off due to power cuts which impacts the ability to refrigerate perishables.

**Methodology Note:** Paired, opposing statements (6-point scale).





Spending Intentions Index



Retail & Consumer Products



## Travel & Hospitality



Vehicle Purchase Intent Index



Let's talk

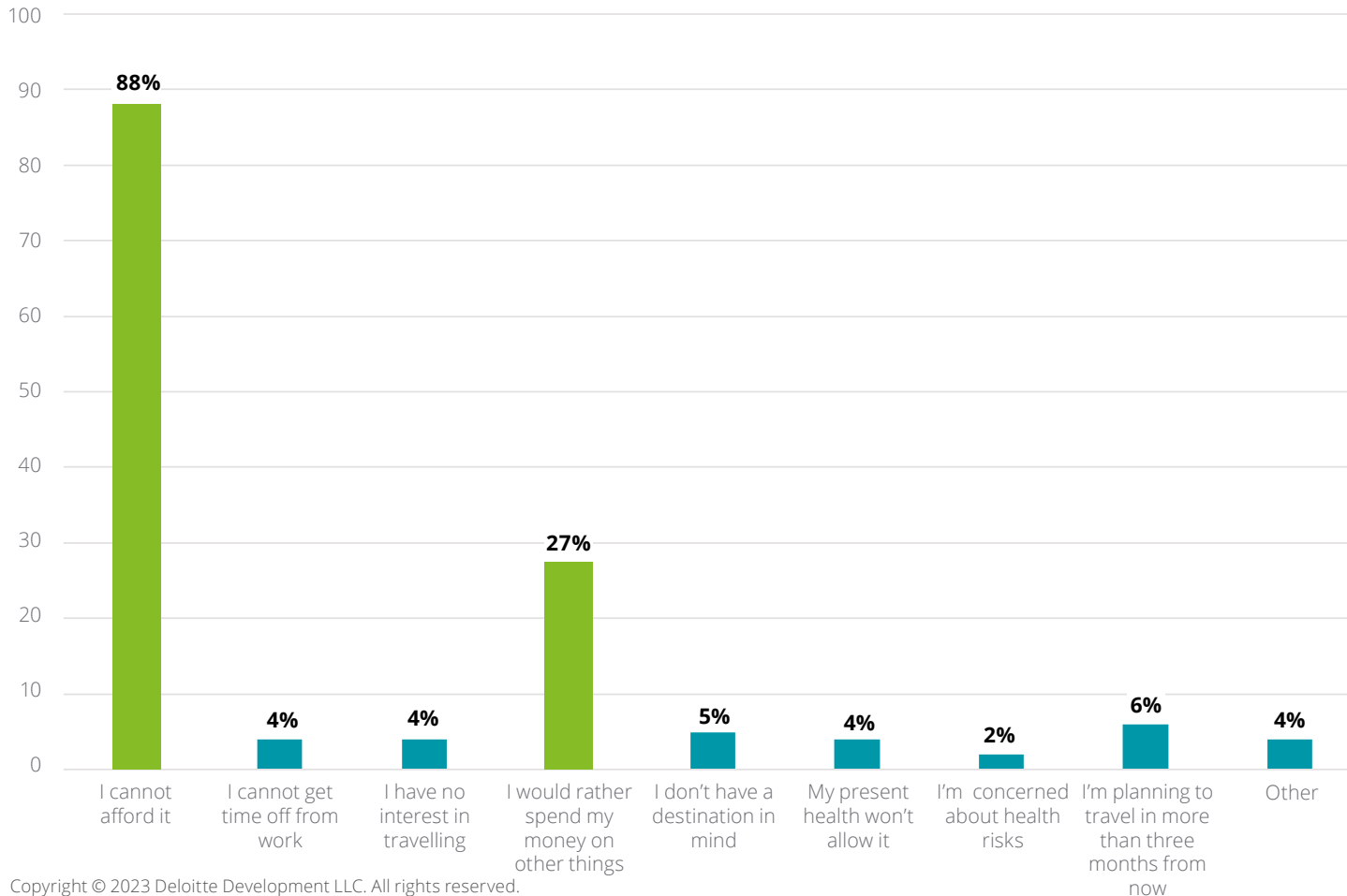
← Jump to a section →





# Reasons for not travelling

Among adults not planning to travel for leisure within the next 3 months



In South Africa affordability remains the most significant barrier to leisure travel, with 88% respondents saying they cannot afford to travel.

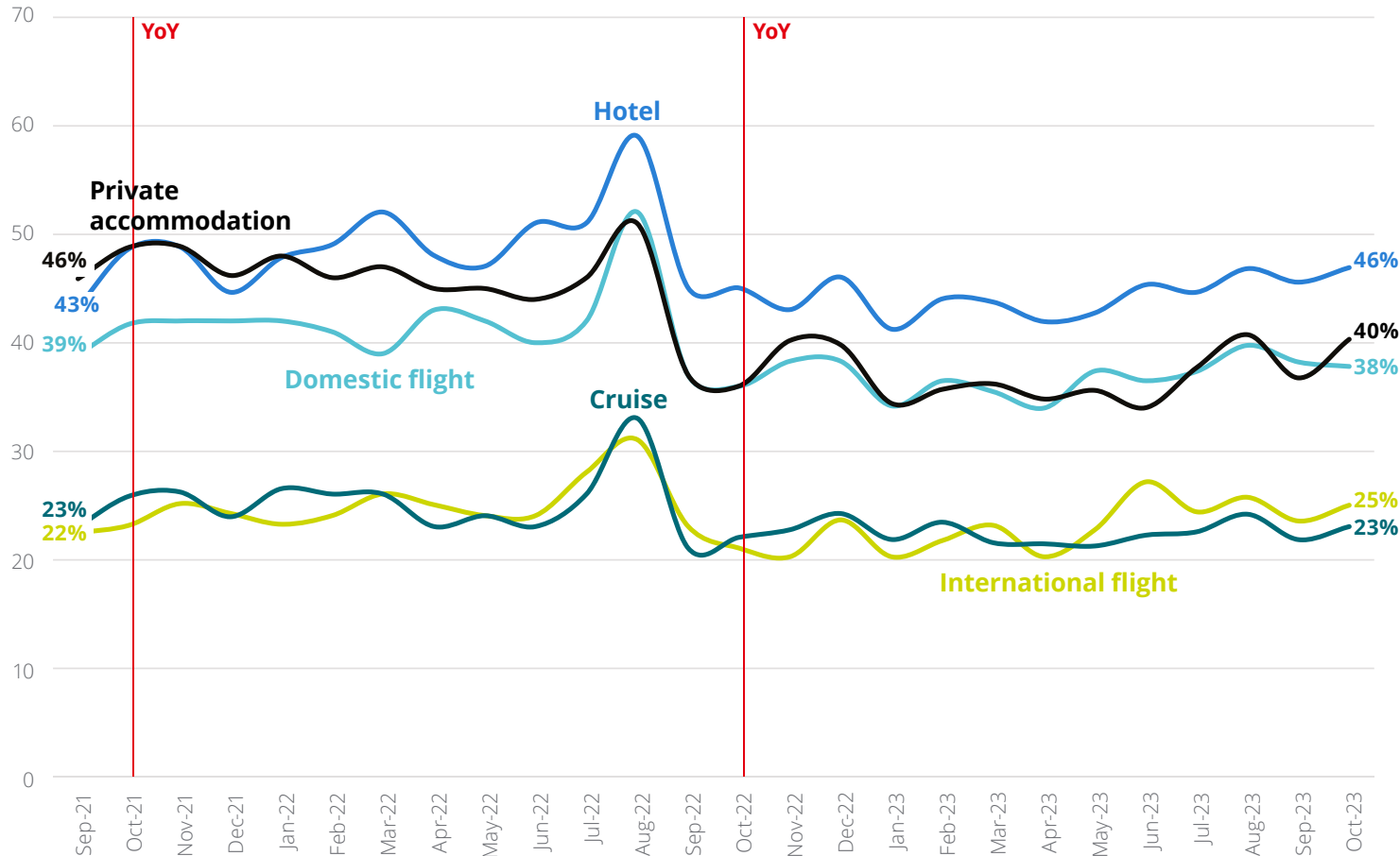
27% of respondents are choosing to spend their money on things other than travel.

Given that leisure travel remains a luxury in South Africa, it is likely that most consumers will choose to spend more time at home with family and friends during the December break.



# Leisure travel intentions

% that plan to book within the next 3 months



Compared to a year ago, travel booking intentions have not shown significant improvement.

In addition to this, our research also indicates that:

Those who can afford travel, prioritise holiday lodging proximity to the main attraction over quality of their holiday lodging – hotel or private accommodation.

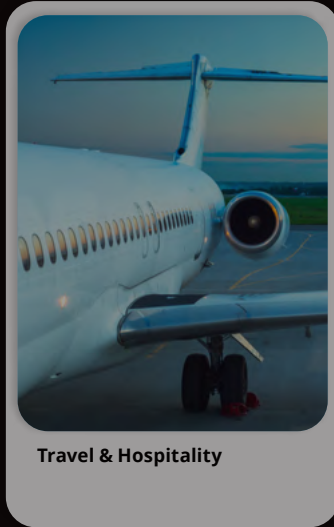
Holiday makers are willing to spend on the experiences offered by the destination they have selected.

Travellers are prepared to travel further from home for the experience they are seeking.

Source: Deloitte



Retail & Consumer Products



Travel & Hospitality



Vehicle Purchase Intent Index



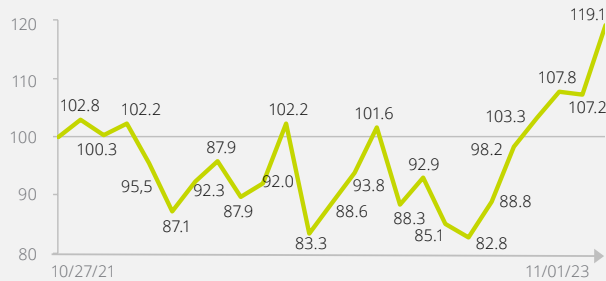
Let's talk

[Jump to a section](#)



# Vehicle Purchase Intent (VPI) Index

## Vehicle Purchase Intent Index | South Africa



Note: 10/27/21 = 100; a vehicle is defined as a car, SUV/MPV, or pickup truck; includes new and used vehicles.

### Key trend drivers

- Inflation and interest rates continue to pressure consumer finances
- Vehicle price increases exacerbating affordability issue for consumers
- Consumers are still waiting for more affordable EVs to hit the market
- Improved vehicle inventory levels in the wake of supply chain disruptions
- Rising fuel prices are striking a chord with EV intenders looking to lower fuel costs
- Consumers looking for change and are motivated by new technologies/features

### Why are people intending to acquire a vehicle?

% of respondents (top 3)

- |   |            |
|---|------------|
| 1 I am just ready to drive something different                    | <b>27%</b> |
| 2 New vehicles on market have features I want now                 | <b>27%</b> |
| 3 Current vehicle is not worth the cost of maintaining it anymore | <b>12%</b> |

### Why are people intending to stay out of the market?

My current vehicle is running well and meets my driving needs **37%**

Key economic indicators	Latest data
Unemployment rate	<b>32.6%</b>
Inflation	<b>5.45%</b>
Prime rate	<b>11.75%</b>
Household debt (% of gross income)	<b>61.9%</b>

Source: Stats SA, Trading Economics, SARB

### Powertrain intent

% of respondents



**53%**

Note: EVs include full battery electric and hybrid vehicles.



**37%**

### Percentage of consumers concerned about...

- |  |   |  |  |
|--|---|--|--|
| <b>22% ↓</b><br>Making upcoming payments | <b>66% →</b><br>Amount of money they have saved | <b>38% ↑</b><br>Credit card debt they are carrying | <b>51% →</b><br>Consumers delaying large purchases |
|--|---|--|--|

Note: arrows represent directional change from prior release.

### Key behaviors impacting mobility



**51km ↑**  
Average daily driving distance



**55% ↓**  
Expecting fuel price to be significantly higher next month



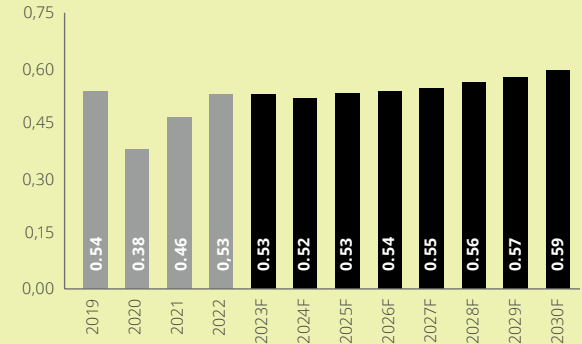
**2.9 →**  
Number of days/week people WFH



**21% →**  
Preference for full/partial online vehicle purchase

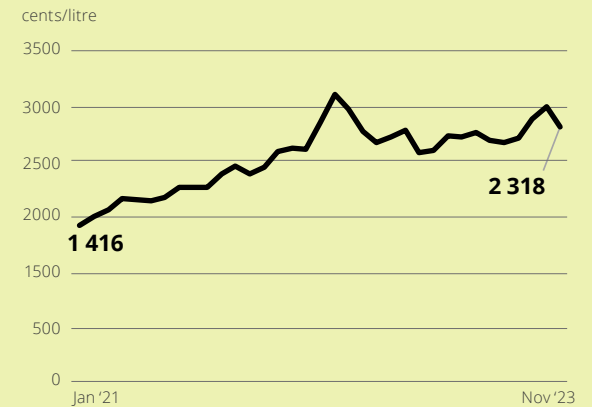
### Light vehicle sales forecast (2019-2030F)

New vehicles (millions of units)



Source: NAAMSA, BMI

### Monthly Retail petrol\* price (January 2021 - November 2023)



Note: \*95 unleaded petrol

The **Deloitte Vehicle Purchase Intent Index** is a proprietary measure of forward vehicle demand intent calculated based on the percentage of consumers that are planning to acquire a new or used vehicle in the next six months.

Source: Deloitte Global ConsumerSignals™ Tracking Platform (unless otherwise noted)



**Travel & Hospitality**



**Vehicle Purchase Intent Index**

**06**



**Let's talk**

[Jump to a section](#)



## Let's talk



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